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FIRST SESSION

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# Congressional Record

PROCEEDINGS AND DEBATES OF THE 97th CONGRESS, FIRST SESSION

## SENATE—*Tuesday, September 15, 1981*

*(Legislative day of Wednesday, September 9, 1981)*

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Honorable RICHARD G. LUGAR, a Senator from the State of Indiana.

### PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us pray.

Our Father in heaven, Thou hast given us another day in which to serve Thee. We thank Thee for the rest of the night, for brief but precious time with our families. We thank Thee for strong bodies and alert minds, for eyes to see and ears to hear and hearts to love. We thank Thee for comfortable homes, for more than enough to eat, for good friends and faithful associates. We thank Thee for the pleasure of laboring in this place of extraordinary privilege and position.

Grant us wisdom and strength for this day that we may dispose of our responsibilities in ways that honor Thee. Help us in all our relationships to be constructive and edifying. Keep us from attitudes which demean others and are socially destructive. Help us find joy in our work despite pressure and opposition.

May Thy glory fill this place, Thy love be shed abroad in our hearts, and Thy will be done for the Nation. In Jesus' name. Amen.

### APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER (Mr. CRANSTON). The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
*Washington, D.C., September 15, 1981.*

*To the Senate:*

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable RICHARD G. LUGAR, a Senator from the State of Indiana, to perform the duties of the Chair.

STROM THURMOND,
*President pro tempore.*

Mr. LUGAR thereupon assumed the chair as Acting President pro tempore.

### RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDING OFFICER (Mr. PROXMIRE). Under the previous order, the acting majority leader, the Senator from Indiana (Mr. LUGAR), is recognized.

### THE JOURNAL

Mr. LUGAR. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. I thank the Chair.

### THE FARM LEGISLATION DEBATE

Mr. LUGAR. Mr. President, this is a day on which we continue our debate on farm legislation. It is a debate which has ramifications which go well beyond that particular legislation, important as it is. Clearly, the farmers of America are people who work hard, who have produced well, who really stand as the epitome of efficiency in our market economic system.

They are in difficulty, as are many Americans from high interest rates, from inflated expenses that they are paying, even at a time when the remarkable production for which they and those who have preceded them in American agriculture are responsible, is bringing down prices, cash markets, and futures markets in anticipation of those large crops.

Mr. President, it is truly ironic, as we debate the farm bill in this country, that a comparable debate in the Soviet Union would center on the failures of the Soviet agriculture—in part, because of adverse geographical circumstances, but in large part because of poor organization of that system—lack of production efficiencies, lack of human rights of Soviet farmers, who are collectivized, herded about, hardly given their due in a totalitarian society. The result is that vast shortages have occurred which will be of grievous importance to individual human beings, who will suffer, and of great importance to the Soviet State, which now stands in jeopardy once again of failure to produce the most essential product, food to feed people.

It is probable that the Soviet Union will import feedgrains to eat. It is probable given the scenario of events in recent months, that the United States will stand well back of the end of the line as a residual market for those imports. It is probable that the very problem of logistics of Soviet ports, that have crowded out the grain ships, may prevent the importation of as much grain as might be imported from American markets that are efficient.

In any event, it is ironic that one of the great strengths of the United States of America is its ability to grow agricultural produce and to do it so well and that a part of our dilemma this morning comes from the fact that we do it so well and we must try to encourage American agriculture to continue to be productive.

There are differing viewpoints, Mr. President, as to how we should proceed. At least one point of view, which this Senator holds, is that American agriculture is as eager as any other sector of American life to see lower interest rates, to see control over Federal governmental expenditures, to see a movement toward a balanced budget, to see an aggressive export policy, to see a reasonable policy in which the Secretary of Agriculture might have the maximum flexibility to meet the coming problems of the next 4 or 5 years through a system of loans, farmer-held reserves, incentives for exporting agricultural research, and assistance to farm families in trying to retain the family farm.

There are differences of opinion as to how that might come about, but clearly, at a time when our Nation is attempting to get its fiscal picture in order to make sure that our Government moves toward a balance so that interest rates come down, we must strike a balance in our agricultural policy.

That will not mean business as usual and it will not mean taking extravagant chances by setting in motion fixed target price systems that guarantee, in years of poor weather, which we shall surely have in a case of 5 years ahead, very large exposures.

If there is one thing Mr. President, that we are certain of, it is that uncontrollable expenditures must be brought under control rather than brought into the fore again in a way that might be the outcome of our debate.

I conclude, Mr. President, by saying that I am certain that not only American agriculture looks at this debate with a great deal of interest, but, clearly, since it is the first debate we have had since the recess, the American public as a

whole looks with a very close scrutiny at how we shall deal with this very, very difficult problem. I am hopeful that the faith of the American public in our ability to deal fairly and yet, at the same time, to move toward economic strengths in this country will be justified by the outcome.

Certainly, all Senators participating in the debate are of good will and moving toward that result.

Mr. President, at this point, I yield a portion of my time to the distinguished Senator from Kansas (Mr. DOLE).

Mr. DOLE. Mr. President, I thank the Senator from Indiana. I shall take just 2 or 3 minutes.

## GRAIN SALES TO THE SOVIET UNION

Mr. DOLE. Mr. President, before we get on the debate on the farm bill, because I think the Senator has indicated that there are some differences of opinion—not major differences, but some that will be worked out—I wanted to relay some assurances from President Reagan this morning that the administration intends to offer a large additional amount of grain for sale to the Soviet Union when consultations are held on September 30 on the 1-year extension of the United States-Soviet grains agreement.

I received a letter from the President last evening which indicates that this is administration policy. It is not Secretary Block's policy. It is not anyone else's policy. It is the administration's policy. It is the President's policy.

I believe there has been some confusion so far as trade is concerned, perhaps even on the part of the Soviets, on this theory: Is this the policy? Is this what the Secretary of Agriculture thinks may be the policy?

I believe that the best way to clear the air is to read the President's letter.

Mr. President, on September 4, 1981, Secretary Block announced that United States and Union of Soviet Socialist Republics grain trade negotiators will meet in Moscow on September 30 and October 1. The discussions will concern the supply availabilities and trade needs during the 1982 fiscal year.

The September USDA crop report showed that supplies in the 1981–82 marketing year for corn, wheat, and soybeans would be more than ample to meet U.S. domestic and export needs. I have received the following assurances by the President regarding United States offers to the Soviets on additional sales beyond the 6 to 8 million tons of grain and for other commodities. The letter is self-explanatory, and reads as follows:

THE WHITE HOUSE,
*Washington, September 14, 1981.*

Hon. ROBERT J. DOLE,
*U.S. Senate,*
*Washington, D.C.*

DEAR BOB: Your letter of September 10 has been received, and your interest in maintaining a free and unrestricted policy for agricultural trade is appreciated.

I assure you that the Administration fully intends to pursue the best interests of the United States and our farm sector by maximizing agricultural exports to all foreign buyers. Sales of grain and other agricultural products will in no way be singled out for restriction in any trade embargo that may be imposed by this Administration.

In view of our current abundant supplies of corn and wheat, and prospects for record harvests this year, the Administration intends to offer a large additional amount of grain for sale to the Soviet Union when consultations are held September 30, on the one-year extension of the U.S./U.S.S.R. Grains Agreement. These quantities will be in addition to the specified minimum and maximum levels.

I trust that this letter serves to clarify our policy regarding agricultural trade and to express the Administration's wholehearted support for this vital part of the Nation's economy.

Sincerely,

RON.

This proposed sale of U.S. grain will provide thousands of new jobs and improved prices for farmers, and lighten the dark cloud placed over the American farmer on January 4, 1980, when President Carter announced the embargo on the shipment of 17 million tons of grain, plus significant quantities of other commodities sold to the Soviet Union.

In order to understand the importance of the administration's stated position on agricultural trade, it is necessary to retrace the events over the last 18 months following the imposition of export controls by President Carter. The immediate reaction of producers to President Carter's embargo was one of apprehension. American farmers remembered only too well the high costs of previous export embargoes in 1973 and 1975. Both times farmers were forced to carry the burden of the price declines precipitated by the embargoes.

Further, foreign customers for U.S. agricultural commodities began to question the reliability of the United States as a supplier for their food imports. The long term impact of previous embargoes on American producers has been catastrophic and continues to this day. Farmers remember all too well the increased competition that was created when customers turned to Canada, Australia, the European Economic Community, Brazil, Argentina, and others to supply their needs when they realized that the United States was not a reliable source of supply.

I have opposed such limited embargoes for many years, and immediately announced my opposition to the embargo on the evening of January 4, 1980.

I said that the embargo of grain sales to the Soviet Union would be an ineffective tool for the United States in dealing with Russian foreign policy, and would be a disastrous move for American farmers.

The 1980 embargo was one of the worst economic decisions in the history of our country. I thought then, and still do, that the decision was irresponsible.

Despite the embargo, through alternative sources, the Soviets were able to import record quantities, as indicated by the following USDA information, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

| | *Million metric tons* |
|---|---|
| 1978–79 | 15.6 |
| 1979–80 | 31.0 |
| 1980–81 | 34.5 |

Mr. DOLE. Mr. President, in addition, the U.S.S.R. imported 1.5 million tons of soybeans and 1.5 million tons of soybean meal in 1980–81 from Europe, produced from U.S. soybeans, and from Brazil. This deprived U.S. labor from jobs and U.S. processors of running time. The U.S. farmers lost an opportunity to sell and received lower prices for the balance.

I ask unanimous consent to have printed in the RECORD, a table showing how the Soviet found other sources for needed grains.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

U.S.S.R. IMPORTS OF WHEAT AND COARSE GRAINS BY SOURCE, 1978/79–1980/81

[In millions of metric tons, July/June years]

| Country | 1978/79 | 1979/80 | Preliminary 1980/81 | 1980/81 versus 1978/79 |
|---|---|---|---|---|
| United States | 11.2 | 15.2 | 8.0 | −3.2 |
| Canada | 2.1 | 3.4 | 6.8 | +4.7 |
| Australia | .1 | 4.0 | 2.9 | +2.8 |
| Argentina | 1.4 | 5.1 | 11.2 | +9.8 |
| EC | .2 | .9 | 1.2 | +1.0 |
| Others | .1 | 1.8 | 4.0 | +3.9 |
| Total [1] | 15.1 | 30.4 | 34.0 | +18.9 |

[1] Totals may not add due to rounding. Excludes rice and pulses.

Mr. DOLE. However, Mr. President, the U.S.S.R. signed long-range grain agreements for minimum annual amounts, as follows:

[In million tons]

| | |
|---|---|
| Argentina | 4.5 |
| Australia | 3.9 |
| Canada | 5 |

The net effect has been to stimulate production by competitors and lost markets for U.S. farmers. This was foreign aid for our competitors.

On July 3, 1980, flanked by two great friends of the American farmer, Senator JEPSEN and Representative HAGEDORN, I stood on the ramp in front of the administration building of USDA, and read a most significant statement by the then candidate and now President Ronald Reagan, who said:

However well-intentioned it may have been at the time, it was ill-conceived, improperly implemented—and was simply ignored by many other grain producing countries.

Later in the statement, the President said:

Jimmy Carter's grain embargo should be ended . . . Now.

If the President persists in imposing this unilateral, ineffective and financially painful burden on the farmer, I will, when elected, fully assess our national security, foreign policy and agricultural trade needs to determine how best to terminate yet another of the inequitable and ineffective policies of the Carter Administration.

President Reagan is a man of his word, and has ended the embargo. A 1-year extension of the current grain agreement

with the U.S.S.R. was developed, and already is being implemented by sales of millions of tons of corn and wheat to the Soviets. This agreement provides assurance that between 6 and 8 million tons of grain will be exported to the U.S.S.R. in the 1982 fiscal year.

Moreover, article VI of the current agreement reads as follows:

Whenever the Government of the USSR wishes the foreign trade organizations of the USSR to be able to purchase more wheat or corn grown in the USA than the amounts specified in Article I, it shall immediately notify the Government of the USA.

Whenever the Government of the USA wishes private commercial sources to be able to sell more wheat or corn grown in the USA than the amounts specified in Article I, it shall immediately notify the Government of the USSR.

In both instances, the Parties will consult as soon as possible in order to reach agreement on possible quantities of grain to be supplied to the USSR prior to purchase/sale or conclusion of contracts for the purchase/sale of grain in amounts above those specified in Article I.

President Reagan and Secretary Block are two of the greatest fighters for American agriculture to serve in such high offices. They believe that our ability to trade in agricultural products, including processed products, is one of our great strengths. This letter from the President reaffirms his commitment to the expansion of exports based on the principle of uninterrupted trade and freedom from Government restrictions. Only in that atmosphere can the American farmers be given the opportunity to compete and will the market be truly free.

Never again shall American farmers be held hostage to a failed policy.

Mr. President, there should be no doubt, based on the President's letter, as to what his policy is, what the administration's policy is. I hope that this will send the right signal to the markets across this country.

We have seen the Soviets buy grain in increasing quantities from countries which, in effect, have cashed in on the embargo. Let us just take Argentina. In the 1978–79 marketing year, Argentina sold about 1.4 million tons. This jumped to 5.1 million tons in 1979–80, 11.2 million tons in 1980–81; and they will have almost that much in the next year.

So we have lost some markets to other countries, and I am certain that this amounts to foreign aid to our competitors.

But now, with the President's statement not only on this particular meeting but also on embargo policy, I hope it will offer assurance to people such as the Presiding Officer, the Senator from Minnesota (Mr. BOSCHWITZ), who has deep concern about embargoes and has expressed his concern in the Agriculture Committee.

The President now has said, as recently as yesterday, when the letter was delivered about 5 p.m., that we are not going to single out agriculture. He said that we are going to offer large quantities of grain to the Soviet Union, which indicates to me that it is going to be in excess of 10 million tons. So this should be good news for the American farmer today.

I believe it will have some impact on the debate as we go through the farm bill, and I wanted to make this announcement before that debate started, because it is important.

I thank the distinguished Senator from Indiana for yielding.

Mr. LUGAR. Mr. President, I thank the distinguished Senator from Kansas for extraordinary good news. It makes a big difference in the outlook for American farmers.

Mr. President, I yield back the remainder of my time.

## RECOGNITION OF THE ASSISTANT MINORITY LEADER

The PRESIDING OFFICER (Mr. BOSCHWITZ). The Senator from California is recognized.

Mr. CRANSTON. Mr. President, I yield 4 minutes to the Senator from Wisconsin, and I reserve the remainder of my time.

Mr. PROXMIRE. I thank the Senator from California.

## THE EMBARGO ON BUTTER

Mr. PROXMIRE. Mr. President, I plead with the Senator from Kansas to use his influence with the administration to see if he can persuade them also to lift the embargo on butter. They lifted the embargo on wheat, so the Russians have bread and nothing to put on the bread.

I suggest that if the administration is going to be consistent—this is a farm product—the embargo on butter should be lifted.

Mr. DOLE. I agree with the Senator from Wisconsin. We cannot have bread without butter.

Mr. PROXMIRE. I appreciate that.

I point out to the Senator from Indiana that his statement was very reasonable and statesmanlike. I am sure farmers would agree with it.

The dairy farmer is in a position now in which, if we do not provide for some reasonable increase in price supports, he is going to have to suffer the entire burden of inflation by losing it from his net income.

The administration has the discretion to reduce dairy price supports and keep them from increasing. University of Wisconsin figures show that until we get rid of the surplus, it could cost dairy farmers 70 percent of their net income. No other group in America is being asked to make that kind of sacrifice.

So, while the Senator from Louisiana is correct in arguing that the farmer has a great stake in a balanced budget and in the stabilization of prices, it is murder for the dairy farmer not to have some sort of reasonable compromise here which would let him survive.

## A TRIBUTE TO DR. LEMKIN

Mr. PROXMIRE. Mr. President, August 28 marked the anniversary of the death of Dr. Raphael Lemkin. In 1959, he died a tired and disappointed man.

The originator of the international movement to fight the mass killings of people for religious and racial reasons, Lemkin was a relentless and valiant crusader against the crime for which he gave a name—genocide.

Lemkin lost all of his 50-member Polish Jewish family, except for a brother, in the gas chambers of Auschwitz. Lemkin himself was on a Nazi list which targeted him for liquidation. Yet Dr. Lemkin's lifelong crusade to fight genocide began with his search for answers as a young child.

Upon reading Quo Vadis in 1912, the 14-year-old Lemkin was horrified to read about Roman mobs throwing early Christians to be devoured by lions. Lemkin read of other massacres in history: The destruction in Carthage, the murders of 50,000 Protestants in France, and 30,000 Catholics in Japan.

Lemkin knew of more modern examples of genocide: The Jews killed in pogroms, the Armenians massacred by Turks in 1916 and 1921. At the 1933 League of Nations conference on criminal law held in Madrid, Lemkin unsuccessfully attempted to ban what he called the "crime of barbarity—the destruction of national, religious, or racial groups."

Literally a one-man lobby, Lemkin persuaded delegates of Cuba, Panama, and India to present a resolution in the U.N. General Assembly calling for a treaty against genocide. The General Assembly did pass a resolution in 1946 declaring that genocide is an international crime and directing a treaty to be drafted under Lemkin's supervision.

Two years later, the General Assembly unanimously adopted the Genocide Treaty. Dr. Lemkin's efforts did not stop with the General Assembly's adoption of the treaty, however. In poor health, and in debt, he traveled around the world to use his persistence and knowledge of nine languages to secure ratifications of the treaty.

I give tribute to Raphael Lemkin, a man who deplored the mass slaughtering of human beings, not just in this century but from the time of the early Christian martyrs. He was a man who dedicated his life to the crusade against genocide, forgoing personal health, a family, and material possessions.

Lemkin was not unrealistic in his hopes for the treaty:

Not that I will live to see the treaty enforced strictly, . . . Nor will the children of my generation. But their children will. Of that I am convinced.

Perhaps Dr. Lemkin had too much confidence in us. How can a treaty be enforced if it is not even ratified?

Mr. President, I plead once again with the U.S. Senate to act on the Genocide Treaty and ratify this treaty, which is long overdue.

## RECOGNITION OF SENATOR BENTSEN

The PRESIDING OFFICER. The Senator from Texas.

Mr. BENTSEN. Mr. President, I understand that the Senator from Missouri is scheduled next, but I do not see him in the Chamber. If the Chair wishes me to proceed on my time at this point, I am prepared to do so.

## SENATE RESOLUTION 211—HIGH INTEREST RATES

Mr. BENTSEN. Mr. President, I noticed my friend from Wisconsin, Senator PROXMIRE, in the Chamber a moment ago. He was talking the other day about how it is so easy to criticize the Federal Reserve Board for high interest rates, but so difficult to offer a constructive solution or alternative course of action that did not add to inflation.

I think there is one solution which can be offered. I am submitting a resolution today outlining that solution which I hope my colleagues in the Senate will endorse and cosponsor. It is a resolution which says, "let us stop making unproductive bank loans, let us stop having one big company buy another big company when it does not add to productivity or production." For example, in the recent case of DuPont buying Conoco, to quote Business Week, "not a single new job will be created, not a single new barrel of oil will be discovered." Yet, that merger sopped up a great deal of credit. In an afternoon, DuPont put together a reported $4 billion in bank credit for a $8.8 billion purchase. Then when we add Seagrams and Mobil—the unsuccessful suitors for Conoco—to it, we are talking about $10 billion in bank credits that were put together for just that one merger.

So, Mr. President, I am submitting a Senate resolution designed to reduce the demand for credit for such unproductive purposes as giant business mergers, and thereby to reduce interest rates. The resolution calls for action by the Board of Governors of the Federal Reserve System to mitigate the severe nationwide impact of today's high interest rates.

Specifically, my resolution urges the Board to undertake an aggressive campaign of encouraging banks to cease making credit available for speculative and unproductive applications and to provide inexpensive loans to those persons and businesses that are most in need of credit today. Excessive bank lending for unproductive purposes has pushed up credit demand and helped to produce the staggering interest rates we face today. Eliminating that demand will free up bank credit for farmers, small businesses, homebuilders and homeowners and ease interest rate pressure, as well.

Mr. President, the devastating effects of today's interest rates have been described by a number of my distinguished colleagues. I will not dwell on them at length. However, let me note a few current statistics which reveal the destruction which high rates are having on the lives of American citizens.

Homebuilding and real estate sales have plummeted due to the inability of Americans to afford mortgage loans which now carry average interest rates exceeding 16 percent. New home construction has dropped to barely one-half the level needed to meet the minimum demands of our growing population. Only 1 family in 20 seeking to buy a first home can meet the monthly payments on average priced new homes due to soaring mortgage costs. These soaring costs and declining housing demand have devastated the homebuilding and realtor industries. Bankruptcy, liquidation, mergers and consolidation are the order of the day in these industries experiencing a genuine depression. The thrift institutions serving them are in very weak financial condition, as well. And, a wave of mergers is building that could reach the staggering rate of one a day shortly.

In the automobile industry, high interest rates have been a major factor causing the slump of sales of new and used cars. Depressed sales volumes, in turn, have led to the layoff of thousands of autoworkers and the shutdown of manufacturing facilities. Poor sales caused by oppressive interest rates have also forced more than 2,270 automobile dealers out of business in just the last 2 years.

Farmers have been hard hit by our high interest rates, as well. Pushed by sky-high interest costs, farm production costs have continued to escalate most recently at an annual rate of nearly 17 percent, according to the U.S. Department of Agriculture. At the same time, high interest rates are preventing farmers from qualifying for loans to carry these additional costs. The resulting squeeze, as my colleague Senator BOREN has earlier pointed out, due to high interest rates will play a major role in forcing 25,000 full-time farmers out of business this year.

Finally, let me note the destructive impact of today's interest rates on small businesses generally across the United States. Small business is the heart of this Nation. It is the largest employer, and the most innovative and fastest growing sector in our economy. Yet, high interest rates are drying up the great reservoir of talent and resources that comprise our small business sector. Their sales are down in real terms. Yet, their costs of carrying inventories and other routine financing obligations has soared. This classic cost squeeze may soon see many of our small businesses going the way of farmers, closing their doors, selling out while they can—which directly cuts employment and reduces Federal tax receipts, resulting in a larger Federal budget deficit and even higher interest rates. They are caught in a profit squeeze, and the result is to put our Nation in a vicious circle where our high interest rates are unable to fall.

The need to finance our staggering deficit is only one of many factors pushing up interest rates. Some of these factors, such as the amount of borrowing by the Federal Government, will take years to control. Over just the last few years, we have seen Government borrowing rise from 10 percent of all credit borrowings in the United States to almost 35 percent this year. That is way too high and the solution is to cut back the deficit as quickly as we can and balance the budget.

Other factors creating credit demand and pressure on interest rates, can and should be dealt with immediately, as well. One of these factors is the huge amount of recent bank lending or the establishment of lines of credit for unproductive purposes such as commodities speculation and mergers by giant business concerns.

Loans for giant mergers, for example, are reaching breathtaking levels. Since the middle of 1979, over 30 major business mergers—worth at least $500 million each—have been proposed or completed. Together, these mergers have diverted over $50 billion with a sizable portion of the money coming as cash in loans from Wall Street, and that is just the tip of the iceberg.

Many more mergers are being proposed, as well, creating additional demand for scarce credit as banks provide lines of credit to finance business mergers or to fend off takeover attempts.

New York investment houses now are going over natural resource company balance sheets to decide who next to pick off, trying to see who is the next merger candidate. We see, as well, apparently more leniency toward such mergers by the Antitrust Division of the Justice Department—which has further excited the interest of New York investment houses.

This enormous loan demand has had the effect of pushing up interest rates across the board as all borrowers compete for a relatively stagnant supply of loanable funds.

Mr. President, you and my colleagues are aware of my keen support for permitting the market mechanism to allocate resources. Yet, I am less than enthusiastic with the surge of speculative lending now underway, characterized by the sharp rise in giant business merger activity. As I said moments ago, such loans have not been employed in many cases for productive purposes. They have not generally been used to finance needed capital investments in modern manufacturing processes or new products that will increase productivity, output, or economic efficiency.

We recently cut taxes and Federal spending to free up capital and create the incentive for new productive investments to be made. Yet, we are instead seeing massive loans not made for that purpose, but for mergers instead where there is a real question whether productivity is increased.

I believe the Government must address the problem of bank lending for unproductive purposes as a key part of its effort to bring down interest rates. I also believe the Government has a responsibility to insure that small businesses, homebuyers, farmers, and others have access to the least expensive credit possible during these times of extraordinary interest rates.

The resolution I am introducing today represents an effort to deal with both of these concerns. It calls on the Board of Governors of the Federal Reserve System to discourage banks from lending funds for unproductive purposes and urges the Board to promote an expansion of credit for particularly needy and important sectors of the economy such as housing, autos, farming, and small business.

We should have the Federal Reserve Board call in the New York banks. They should call in the lead banks who are syndicating mergers, and say to them: "Gentlemen, we are not arguing with you about whether it is appropriate for this company to be buying that company, whether or not that merger should be made or that one should not be made; what we are saying is that now is not the appropriate time to be financing giant mergers. We are seeing many small businesses go bankrupt because they do not have an ability to pass on the kinds of interest rates we face today." We are heavily debating a farm bill because the American farmer has seen his real net income, which over the last 10 years averaged about $13 billion in 1967 dollars, cut back by soaring interest costs to $9 billion or less. We are seeing commodity dealers not able to finance the purchase of commodities because of sky high interest rates. When we see those kinds of things taking place, the big New York banks should be told, it is not the time for large acquisitions and the kinds of mergers we have recently seen to occur because they compete with the homebuilder, the homebuyer, and the consumer, with the farmer and the small businessman, with all of these people who are hanging on the ropes because of high interest rates.

There is ample precedent for such action by the Federal Reserve System. At least three times in the past 15 years, the Federal Reserve System has "jawboned" banks in an effort to influence their lending policies. In 1974, for example, the Board of Governors of the Federal Reserve System sent a letter to its member banks. The letter said:

Bank restraint in lending policies, . . . best serves the public interest when limited credit resources are used in ways that encourage expansion of productive capacity, sustain key sectors of national and local economies, provide liquidity for sound businesses in temporary difficulty, and take account of the legitimate needs of individuals and of small as well as large businesses.

The Board then issued recommended guidelines for the banks to follow in making loans.

In 1980, the Board again reacted to nationwide inflation by issuing lending guidelines to its member banks. These guidelines largely mirrored its 1974 advisory concerning bank lending policies. Among other things, the Board specifically recommended that banks:

First, discourage financing of corporate takeovers or mergers and the retirement of corporate stock, except in those limited instances in which there is a clear justification in terms of production or economic efficiency commensurate with the size of the loan.

Second, avoid financing for purely speculative holdings of commodities or precious metals or extraordinary inventory accumulation.

Third, maintain availability of funds to small business, farmers, homebuyers, and others without access to other forms of financing and, whenever possible, adjust lending rates and other terms to take account of the "special needs" of these groups.

The Resolution I am introducing today calls on the Federal Reserve System to undertake a similar jawboning exercise now. I believe that such admonitions, if taken to heart by banks, will prove critical in the Nation's war against high interest rates and will aid in guaranteeing that those being hardest hit by high interest rates can look forward to lower rates and more abundant credit in the weeks and months ahead.

I urge my colleagues to join me in support of this resolution designed to send a crystal clear message to the Federal Reserve System and banks that something can and should be done to reduce interest rates. It is time for them to take positive action to reduce the explosion in credit for speculative, unproductive purposes—which will permit interest costs on other types of credit to fall.

I ask unanimous consent to have my prepared resolution printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. RES. 211

Whereas, the United States confronts an interest rate crises of major magnitude with interest rates at record high levels and little prospect for their reduction soon;

Whereas, these excessive interest rates are well above the rate of inflation and the levels which are necessary to protect lenders from erosion of principal through inflation;

Whereas, these excessive interest rates are creating a major depression in the housing and auto industries, forcing many families into a position where they cannot afford to buy homes, large consumer durables or safe and reliable transportation, and forcing thrift institutions, home builders, building material suppliers, realtors and auto dealers into bankruptcy;

Whereas, these excessive interest rates have driven up the cost of doing business for all small businesses and farmers and have raised their costs even while sales revenues are dropping and threatening them with bankruptcy;

Whereas, these excessive interest rates are threatening to create a recession which would increase unemployment and welfare lines, reduce tax receipts and increase the Federal deficit which may increase interest rates further;

Whereas, one major factor responsible for the excessive level of interest rates is credit demand created by the use of scarce bank loans for unproductive purposes, such as precious metal speculation or mergers by giant business concerns which do not increase productivity, output or economic efficiency; and

Whereas, the Board of Governors of the Federal Reserve System in the past has discouraged the use of bank funds in unproductive ways when such funds were scarce or expensive:

Now, therefore, be it *resolved*, That the Board of Governors of the Federal Reserve System undertake an aggressive campaign designed to encourage banks to:

(1) cease providing loans or lines of credit for unproductive and speculative purposes, while increasing the supply of credit available for productive uses; and,

(2) ensure that consumers, thrift institutions, the housing industry, auto dealers, small business, farmers and home buyers have access to the cheapest possible credit in order to avoid a national recession.

Mr. BENTSEN. Mr. President, I yield back the remainder of my time.

## REAGANOMICS

Mr. EAGLETON. Mr. President, the news from Wall Street these days has come as a shock to the administration, but scarcely a surprise to anyone else who has tried to reconcile the contradictory elements of the Reagan economic program.

The amazing thing is that we did not hear sooner from these sages of Wall Street. With only a few notable exceptions such as Henry Kaufman, Wall Street stood silent as the President strode through the Congress to the cheers of his partisan followers without an economic stitch on his back. It was nonsense from the beginning and I think most of us up here knew it. But, in what Aristotle called "a willful suspension of disbelief," we went along with this unlikely fairytale. It is the sort of crowd psychology that moviemakers count on. The audience knows the plot is implausible, they know the real world never works that way, but sometimes they just love to be fooled.

Mr. President, it may be premature to pronounce the administration's economic program an irretrievable failure, but the voices now being heard from Wall Street certainly indicate it is in deep, deep trouble.

The President has dismissed these critics as alarmists, pointing out that his program does not even take effect until October 1. And, he is right—the worst is yet to come. Wait until the working families of this country wake up to what the budget and tax cuts mean for them. What President Reagan is hearing from Wall Street today will sound like a love song compared to what he will hear from Main Street when the impact of this program is fully felt.

Mr. President, as one who consistently campaigned against Reagan-Kemp-Roth in 1980 and one who has consistently opposed this same fairytale dogma in 1981, I realize that my objections to Reaganomics can be written off as partisan griping. Be that as it may, however, you cannot write off the criticism of Reaganomics as voiced by some of the most conservative economic minds in the country.

Mr. President, I ask unanimous consent that a series of quotations from various economic authorities be printed in the RECORD.

There being no objection, the comments were ordered to be printed in the RECORD, as follows:

COMMENTS FROM ECONOMIC AUTHORITIES

HERB STEIN

Herb Stein, Chairman of the Council of Economic Advisors under President Nixon, warns: "The presently available evidence on such matters does not support the view that we can get a big boost to productivity in the next few years from the Reagan Program." (AEI Economist, 4/81)

ARTHUR BURNS

Arthur Burns, former Chairman of the Federal Reserve Board, cautions: "Skepticism concerning the underpinnings of the Reagan program is not confined to traditional liberals. It is also felt to some degree by economists, businessmen, and others who are entirely sympathetic to the President's philosophy." (AEI Monograph "The Reagan Economic Program", 4/81)

HENRY KAUFMAN

In his National Press Club speech (4/22/81), Henry Kaufman, perhaps the most celebrated, indeed venerated, economist on Wall Street (Salomon Brothers), was particularly hard-hitting in his commentary on the Reagan-Kemp-Roth plan. He states as follows: "The powerful stimulative combination of large tax cuts and sizable increases in defense spending is likely to more than offset the restraining influence of a slowing in Federal expenditures, even with some presumed revenue feedback from the tax cut.

"The stimulants are bound to have a greater demand multiplier impact than the negative impact coming from a slower growth in non-defense outlays.

"The new fiscal policy, however, is exceedingly expansionary, does not pursue a course that fights inflation vigorously along the way, and will place nearly all the anti-inflation effort squarely on monetary policy.

"I am not convinced that there is real historical evidence to suggest that across-the-board tax cuts will quickly encourage Americans to work harder or to save more. Can it really be assumed during the next year or two that this fiscal strategy will reduce wage settlement increases to single digits, or will remove the rigidities in our wage and price structure? Calling attention to the beneficial impacts of earlier tax cuts is misleading. There is no precedent for taxes being lowered against a backdrop of rising defense expenditures and high inflation.

"Massive tax cuts, large leaps in defense spending, and a slowdown in other Government outlays will not, in my opinion, be enough. These measures will place an extraordinary strain on monetary policy, leading to further distortions in financial markets, much higher interest rates, and additional fragility of our financial system."

Just a few days ago, Mr. Kaufman predicted that the prime rate, then at 20.5 percent, could hit 24 or 25 percent by late fall. Long-term bond rates, which are already at record levels, could rise another few percentage points before they peak. He said the following: "I think we have not yet seen the high in interest rates. And we have not seen the full impact on the financial markets of the tax cuts the Administration is proposing, or of the actual results of what the Federal Reserve is doing to stabilize monetary policy when fiscal policy is so extraordinarily expansionary.

"There is hope by everyone, including the Treasury, that interest rates will come down. But you cannot talk interest rates down, no matter what President Reagan thinks. The central bank is being overburdened by the Administration. It is encouraging tighter monetary policy while fiscal policy is in the process of becoming even more expansive."

According to the Wall Street Journal (8/28/81), "The Reagan program, he says, is 'imbalanced' because it 'on the one hand stimulates fiscally and on the other restrains monetarily.' As a result, Mr. Kaufman considers the program highly inflationary and sure to push up interest rates. He also predicts that the municipal-bond market will be hurt the most by these policies, which, he says, require the continuing sale of so many new Treasury securities that the market for federal debt is turning 'into a thundering herd that is trampling other markets in its path.'"

JUDE WANNISKI

Jude Wanniski was one of President Reagan's principal economic advisors between 1977 and 1980. Some refer to him as Reagan's "Gold Bug."

"At the outset of the Reagan Administration the die was cast when it was arranged that the supply-siders would dominate the fiscal side of Treasury and monetarists would get the monetary side. These forces are basically incompatible: the economy cannot advance as the forces pull it in different directions. By letting people keep more of their earnings after taxes, the fiscal changes are encouraging them to increase their production. But the Fed and the Treasury monetarists see this as an inflationary impulse and try to choke off economic activity with higher interest rates." (The New York Times, 8/27/81)

"Outlandish interest rates are making it so costly to finance the government's debt that there is talk of slashing defense spending and Social Security to make room for more debt service. High interest rates, in turn, are widely attributed to the size of the deficit.

"That is, the deficit expands because of the high interest rates, yet high interest rates are supposedly caused by the deficit.

"A dismal vicious circle, indeed, if there were any truth to it. After all, this country has had deficits before, some much bigger than any we have in prospect. But never in U.S. history have we seen long-term interest rates like this. In the entire century, until 1968, high quality 30-year bonds rarely paid more than 5 percent." (The Kansas City Times, 9/11/81)

ALAN GREENSPAN

"Alan Greenspan, the New York economist who played a central role in the Administration's February forecast, has become less bullish. 'Our forecast is that this economy is dead flat into the spring,' Mr. Greenspan said by telephone.

"He said that with high interest rates 'hanging in there longer than we had projected,' the 'capital goods markets are not moving enough to create a significant strength in the first quarter' of 1982.

"Mr. Greenspan said he thought that movement in the gross national product for the third quarter of 1981 would be 'very close to zero.' The economic figures for July, he said, were below the second-quarter level.

"Asked if he, like the Administration, expected the fourth quarter to be positive, Mr. Greenspan replied: 'If it is, not by much.'" (The New York Times, 9/3/81)

JOHN D. PAULUS

"In a similar vein, John D. Paulus, the chief financial economist at Goldman, Sachs & Co., notes that 'the tax cuts are so much bigger than the spending cuts'—a situation that, he contends, 'implies large budget deficits.' He also cites major 'contingent liabilities,' such as possible needs to bail out the ailing savings and loan industry and also the Social Security system.

"'The financial markets are very concerned about the Reagan program and the prospects for very large budget deficits extending out for several years,' Mr. Paulus says. Investment managers are 'increasingly concerned that the Reagan program isn't a serious effort to fight inflation—and may turn out to be inflationary itself.'" (The Wall Street Journal, 8/28/81)

DONALD E. MAUDE

"Economists particularly question the Reaganites' budget projections. For example, Donald E. Maude, the chief financial economist at Merrill Lynch & Co., says he is 'very disappointed' by the continued suggestion by administration officials this week that the federal deficit in fiscal 1982, which begins October 1, will be about the $42.5 billion originally forecast. 'Almost every private analyst knows the deficit is going to be at least $60 billion—and you'd think the administration is aware of this,' Mr. Maude says.

"'Either they aren't being honest to the market, or they don't have a handle on the budget—and either of those (possibilities) is highly disconcerting,' he concludes." (The Wall Street Journal, 8/28/81)

ALVAN MARKLE

"'You're seeing a classic case of "crowding out" in the fixed-income market,' Alvan Markle, who heads municipal research for Butcher & Singer Inc., said. 'The Treasury always gets its money, while corporations and municipalities scramble for what's left.'

"In his view, the worst is not over. 'I think all interest rates are going to rise further this autumn,' he predicted." (The New York Times, 8/25/81)

WILLIAM M. LEFEVRE

"'Wall Street likes to see results and the Reagan Administration has got a major problem with credibility,' William M. LeFevre, a vice president at Purcell, Graham & Company, said yesterday. 'The question is no longer whether the Administration can balance the budget—it's now doubtful that a balanced budget could be achieved by 1984—but whether the whole supply-side concept will ultimately work.'" (The New York Times, 8/26/81)

JAMES J. O'LEARY

"As James J. O'Leary, economic consultant to the United States Trust Company, observes, the collapse of the long-term bond and mortgage markets looks like a permanent revolution, dangerous to United States growth, as the big traditional investors in long-term obligations are cutting back in the interest of their own survival. Mr. O'Leary warns: 'Unless investors can be convinced that the odds are that the rate of inflation can and will be brought down significantly in the period ahead, the erosion in availability of fixed-rate, long-term funds will continue and long-term interest rates will move to even higher levels.'" (The New York Times, 9/2/81)

ALAN LERNER

"'The Fed can decide to monetize this huge debt,' says Bankers Trust Company money-market economist Alan Lerner, 'but if it does, it can kiss the long-run economic outlook good-bye.' Lerner, like Kaufman, believes that 'we will see historical highs in interest rates before the year is over.'" (New York Magazine, 8/3/81)

EDWARD YARDENI

"'Whereas the consensus has been that the economy is remarkably resilient in the face of these high interest rates, we are finding that the economy has turned much weaker as a result of the Fed's aggressively tight monetary policy,' says Edward Yardeni, the chief economist at E. F. Hutton. 'A decision has been made in Washington to deliberately engineer a period of protracted economic slack,' he notes. 'But the Fed, we've learned, if it errs, is going to err on the side of being too tight rather than too easy.'" (New York Magazine, 8/3/81)

DENNIS FARNEY

Dennis Farney, a columnist for the Wall Street Journal, says in his 8/31/81 column: "Indexing—combined with an unforeseen Minnesota recession—has been a political and budgetary disaster. There may be lessons here for President Reagan, who's just starting down the indexing path. . . . You can't help wondering: Is there a parallel here to President Reagan? Here in St. Paul, as in Washington, optimistic economic projections undergirded the indexing plan. The conventional wisdom was that Minnesota's diversified economy was all but recession-proof. The conventional wisdom was wrong."

JAMES R. CAPRA

Vietnam kicked off the current inflation, and the Reagan military buildup in the midst of huge tax cuts could give inflation another cruel twist. An analysis by James R. Capra in the current Quarterly Review of the Federal Reserve Bank of New York finds that the Reagan military buildup, con-

centrated in procurement, "will apparently far exceed the Vietnam procurement increase."

WASSILY LEONTIEF

Wassily Leontief of New York University, who won the Nobel Memorial Prize in Economic Science for his analysis of interindustry flows, has warned that enormous new military outlays will concentrate scarce capital in the military area and "will starve the rest of the economy on the investment it desperately requires to remain competitive in the tightening worldwide market."

ANTHONY LUDOVICI

Anthony Ludovici, vice president of Tucker, Anthony & R. L. Day Inc., said that prevailing high interest rates and a rapidly slowing economy that seemed to be bordering on another recession "is putting considerable downward pressure on the stock market."

LEONARD BROOKS

Leonard Brooks, Jr., investment strategist of Cowen & Company, said that the market would continue to decline until the rate of return on investment funds "narrows between money market funds and equity yields."

JAMES R. SCHLESINGER

James R. Schlesinger, economist, and Cabinet officer under three Presidents including Acting Budget Director and, later, Secretary of Defense in the Nixon Administration recently characterized the Reagan tax bill as "likely to go down in history as the single most irresponsible fiscal action of modern times." In his Washington Post column, Schlesinger went on to say, "The fiscal consequences may be briefly, if sadly stated. Unless tax reductions are reversed—which seem unlikely—on the basis of present legislation and projected defense spending, the nation faces growing budget deficits of $65 billion in 1982, $90 billion in 1983 and $120 billion in 1984. Non-defense reductions will be increasingly hard to achieve. Thus, only the total jettisoning of the Administration's goal of a balanced budget will permit even a modified defense buildup to survive."

THOMAS JOHNSON

Thomas Johnson, Executive Vice President of Chemical Bank, said: "The Reagan administration forecast a balanced budget based on unrealistic projections of growth and interest rates, and the bond market knows it." (The New York Times, 9/11/81)

ARNOLD X. MOSKOWITZ

" 'The new supply-side view is that deficits don't matter,' says Arnold X. Moskowitz, first vice president at Dean Witter Reynolds. 'We think that they do—deficits are simply not the hallmark of good economic management.' " (Newsweek, 9/21/81)

SAM I. NAKAGAMA

"Sam I. Nakagama, chief economist for Kidder, Peabody, argues that—far from doubting the Administration's veracity—the markets are taking Reagan at his word. 'They believe that there will be rising defense spending, that it will be difficult to make further cuts in non-defense spending and that we now have tax cuts that go on forever,' he says. 'That will all add up to deficits.' " (Newsweek, 9/21/81)

JACK W. LAVERY

"Lavery is executive vice president of Merrill Lynch Economics. 'There are some things that don't ring true in all of this. There is concern in the financial markets that Reagan's numbers don't add up,' he said." (The Philadelphia Inquirer, 9/11/81)

ROBERT H. CHANDROSS

"One big problem, said Robert H. Chandross, financial economist for Kidder, Peabody & Co., is the federal budget, which is being viewed in an increasingly gloomy way. Speaking to a meeting of the Baltimore Economic Society, he said the budget now looks as though it may stay in a large deficit position for a long period of time.

"He based that pessimism on several factors.

"One is doubt that the U.S. economy will provide robust growth or sharply reduced inflation in the near future. His forecast calls for 'modest' real economic growth (after inflation is subtracted) of 2-to-2½ percent a year between now and the end of 1982. Inflation will not decline much, remaining at an annual rate of 8½-to-9 percent, he said.

"Another problem, according to Mr. Chandross, is that interest rates are unlikely to drop much. He said any decline in short-term rates is likely to be small and of brief duration, and the drop will be reversed by early next year with rates by then 1 or 1½ percentage points higher than they are now.

"Beyond that, the final version of the administration tax bill Wall Street earlier had cheered now looks like 'they're giving away the store,' Mr. Chandross asserted. Government revenues will be reduced substantially and spending cuts will be limited by the political problems of cutting expenditures for the defense or Social Security programs, he said.

"He said that as a result of all those factors, which are part of the transition toward a different kind of economy than in the past, the Reagan administration already may be considering some tax increases. It now accepts, according to Mr. Chandross, that there will be large deficits and inflation during the economy's transition years." (The Baltimore Sun, 9/11/81)

DONALD MILLER

"Says Donald Miller, vice chairman of the Continental Illinois Corp.: 'Supply-side economics has been oversold, and people have come to expect too much.' " (Time, 9/21/81)

MARTIN FELDSTEIN

"Adds Conservative Economist Martin Feldstein, president of the National Bureau of Economic Research: 'I think the Administration hurt itself by a series of unbelievable statements, starting with those optimistic forecasts about growth of the economy.' " (Time, 9/21/81)

ROBERT LUCAS

"Said Robert Lucas, professor of economics at the University of Chicago: 'This Administration has committed itself to a whole series of tax cuts, and it's going to be hard as hell for them to reverse course. They have locked themselves into some very tough arithmetic, especially since they have been overoptimistic about the benefits of the tax cuts.' " (Time, 9/21/81)

FRANCIS H. SCHOTT

"Says Francis H. Schott, chief economist for the Equitable Life Assurance Society: 'Guys like Economist Art Laffer and Congressman Jack Kemp are O.K. to have around as long as you just take note of what they say and look for the kernel of truth in it. But you don't necessarily do what they prescribe. That's just a prescription for disaster.' " (Time, 9/21/81)

AUDREY FREEDMAN

" 'It might be easier politically to rescind part of the tax cuts,' said Audrey Freedman, labor economist at the Conference Board, a business-sponsored economic research organization, 'than go through the additional cutbacks in defense and social program spending that will be required if the President is to reach his deficit target; something is going to have to give.' " (The New York Times, 9/15/81)

LEONARD SANTOW

" 'What we are really talking about,' said Leonard Santow, senior vice president and economist for the J. Henry Schroeder Bank and Trust Company, 'is a complete reassessment of the entire Reagan program and the premises upon which it was based.'

"In his view, the Administration is 'finally coming to realize what the financial markets realized a long time ago: that the tax cuts have tied their hands on the receipt side.' He said, 'Unless they cut more spending or introduce some new form of taxation, the Government deficit in fiscal 1982 will be an inflationary $15 billion to $20 billion more than the $42.5 billion they have projected.' " (The New York Times, 9/15/81)

Mr. EAGLETON. Finally, Mr. President, what the Reagan administration is faced with is an internal economic war amongst its own key people.

On the one hand, you have the JACK KEMP "monetarist school"—including Sprinkel, Ture, and Roberts at Treasury—who believe, to use Mr. KEMP's own phrase, that "Republicans no longer worship at the shrine of a balanced budget."

On the other hand, you have some "traditionalists" like Secretary Regan and OMB Director Stockman who do believe that huge deficits mean a hell of a lot.

The Reagan administration, first of all, must resolve its own economic civil war. After it has done that, it then must face up to the incredible revenue drain caused by the bloated $750 billion tax cut, recently enacted into law. If defense spending is still an "untouchable"—the President's slight nudge of a $13 billion defense cut over 3 years so indicates—then the President must contemplate increasing Federal revenues or making such draconian domestic budget cuts as are almost too frightening to contemplate.

As Henry Kaufman has said in a recent Newsweek interview:

We are in a difficult position, from which we have limited chances to extricate ourselves unless we take draconian measures.

## ORDER OF PROCEDURE

Mr. CRANSTON. Mr. President, I yield back the time that was allocated for Senator HOLLINGS. He will not speak this morning.

## ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 5 minutes with statements therein limited to 1 minute each.

## THE DEVASTATING EFFECT OF HIGH INTEREST RATES

Mr. BOREN. Mr. President, each day when I rise to speak about the devastating effect that high interest rates are having on the economy, I do so with the hope that I can bring good news to my colleagues in the Senate. News that interest rates are coming down or that the administration is proposing some action that will lead to that desired result.

Unfortunately, each day I have only been able to recite a litany of worsening

economic conditions and continued stubborn inaction by the administration. Such is the case today.

The announcement was made today that the home mortgage rate last month increased another full percentage point to 17½ percent. That is a record high for Government-backed home mortgages. It means that young farm couples in Oklahoma and others across the country are 1 percent further away from ever hoping to own their own home. This is a tragic commentary on the economy of the greatest Nation in the world.

One might expect the administration to take note of this latest worsening of the interest rate vice. However, that does not seem likely in view of the most recent statements by the Secretary of the Treasury, Donald Regan.

Mr. Regan this morning reiterated that he sees no signs that the Federal Reserve Board will lessen its monetary policy. Indeed, with the apparent approval of the Secretary of the Treasury, there is little hope that the Fed will ease the tight money policies it has pursued, even in the face of this latest evidence that we are moving rapidly in the wrong direction.

Frankly, Mr. President, it is entirely proper to begin to wonder whose side the Secretary of the Treasury is on. There are a considerable number of people who look at Secretary Regan and see a person who aggressively supported money market strategies in the past and many are expressing concern over whether he understands or has compassion for the average American citizen's economic difficulties in these times.

When these sorts of questions are asked of me by people in Oklahoma, or in other parts of the country, I must confess I am at a loss for a proper response. I would hope that such questions could be answered with reassuring words, but if the old adage that "actions speak louder than words" is true, then such speculations about the Secretary of the Treasury become hard to refute.

In any event, if the home mortgage rate continues to climb then the proper and indeed the only place to find a short term solution to the high interest rate dilemma lies with the administration. That solution will not be found in the not-so-tacit approval of the actions of the Federal Reserve Board by the administration's chief economic spokesman—the esteemed Secretary of the Treasury.

## THE PRODUCTION AND DEPLOYMENT OF NUCLEAR WEAPONS

Mr. LEAHY. Mr. President, in Vermont and throughout the United States, there is a growing awareness of the danger posed to all of us by the unrelenting production and deployment of nuclear weapons. I share this concern, and ask unanimous consent that the following article which I wrote for the Burlington (Vt.) Free Press on August 6, 1981, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### WE CAN PULL BACK FROM BRINK OF NUCLEAR WAR

(By PATRICK J. LEAHY)

In his recent television series on the cosmos, Professor Carl Sagan offered a startling idea: in our universe, thousands of planets have developed great civilizations, mastered the atom, and then destroyed themselves. Only a few have escaped this cycle of progress and self-immolation.

Sagan's speculation is designed to shock whether it is valid or not. In one respect, however, it is also right on the mark. Our own planet has reached the nuclear threshold. The superpowers have developed a capacity to destroy each other and much of the rest of the world, and that awesome capacity continues to grow. Without major change, today's generation faces the probability of a nuclear war which could leave the earth virtually uninhabitable.

This frightening prospect overwhelms all other issues. Inflation, unemployment, deprivations, violence in our society, the population explosion and the depletion of our natural resources—these are all secondary in importance to the threat of nuclear war.

We prefer not to talk about the prospect of the self-destruction of our civilization, not only because we recoil at the thought of a holocaust, but because questions of nuclear proliferation and verification are so difficult to understand.

The prospect of nuclear war is so frightening that we prefer to think it could never happen. We hope the next generation will discover new ways to render nuclear weapons inert before they reach their target.

All of this is wishful thinking. Already the danger of nuclear war is a "clear and present" one and not simply a contribution to fiction horror stories.

I cannot cover all facets of the nuclear weapons debate here in a few paragraphs, but I would like to begin a discussion of the issue by concerned people in Vermont.

My own interest also reflects a growing concern that by ignoring the nuclear nightmare we have, in effect, heightened the danger that we will delay beyond the point of averting calamity. In this article, I hope to outline the principal parts of the debate as I see them, and to invite Vermonters' discussion.

Some basic premises are in order. The first is that nuclear proliferation and arms control cannot be considered in a vacuum. We have compelling and legitimate foreign and defense needs and we must address a wide and growing range of problems at home and abroad at the same time as we take a good hard look at the danger of nuclear war.

Second, we must realize that there are no simple or final solutions, whether they be unilateral disarmament at one extreme or a frenzied arms race on the other. Simple solutions serve only to hide the complexity of the problem, and they distract us from the painful and thorough examination of options needed.

Third, reasonable options have both merits and drawbacks, and our choices must take this into account.

Fourth, we must recognize that reining in the nuclear arms race is a moral imperative as well as a political goal.

What are our options? Two options are clearly unacceptable: unilateral disarmament and undisciplined expansion of our nuclear arsenal.

I lack any faith that the Soviet Union would follow the example of unilateral disarmament. At the other extreme, a policy of nuclear arms expansion and no negotiations, at least until the United States has established a clear superiority in nuclear weapons, won't work.

Not only is such a goal unattainable with today's technology, but this policy would delay the resumption of substantive negotiations for at least several years. This raises the possibility of a nuclear confrontation in the interim. It also means that yet another generation of sophisticated and extraordinarily expensive weaponry on both sides would be in place to complicate negotiations.

I would hope this country would not naively trust the Soviet Union without verifiable safeguards. At the same time, we must assume that the Soviets, like us, know it's in their best interest to have a cap placed on the arms race, and that the Soviet leadership is prepared to share with us the heavy responsibilities of making a settlement work.

We have already seen, nonetheless, how difficult it is to negotiate with the Kremlin, and we must face problems posed by a search for a satisfactory verification system.

We want an early and even dramatic pullback from the abyss of nuclear war, but we also need to resolve difficult technical problems. We must keep in mind the interests of our allies, and recognize the chilling fact that other nations are taking out membership in the nuclear club.

At the risk of oversimplification, I see four bilateral, general proposals deserving serious consideration: (1) a moratorium on the production and installation of new weapons systems; (2) an across-the-board reduction of all nuclear (and perhaps conventional) weapons systems; (3) a reduction of nuclear weapons (and possibly non-nuclear weapons) and forces in a particular geographic region, especially Western and Eastern Europe; (4) ratification of a Strategic Arms Limitation Treaty and an early start on another round of negotiations.

In each case we must be absolutely certain that there are adequate means to insure that the reduction in armaments is equitable, that the Soviet Union complies with the agreement and that the relationship with the Soviet Union is not based simply on trust.

Each option, of course, raises serious problems. Would a moratorium on production and deployment of nuclear weapons grant the Soviet Union a substantial advantage in the European theater? Would the Soviet Union be able to accommodate its concern about China in proceeding with an across-the-board reduction? How useful would a European theater reduction be in the context of an escalation of the arms race elsewhere?

Finally, how much enthusiasm exists within the Reagan Administration for a resumption of SALT talks? It is quite clear that prospects for ratification of SALT II are remote, and that some administration advisers are urging an extended delay before beginning new talks. It would be a shame to lose the momentum towards a settlement established in early negotiations.

The list of problems is very long indeed. But time is short. If we allow ourselves to be overwhelmed by the political and technical problems posed by any effort to reverse the nuclear arms race, we will further reduce the prospects of avoiding a catastrophe of proportions never before faced by mankind.

Pessimists say that the march to destruction has already proceeded to a point where it cannot be reversed, that the Earth will be counted among those civilizations of Professor Sagan's hypothesis which failed to curb the destructive use of nuclear power.

Optimists believe that there is still a chance to pull back from the brink. If we have the will we can prove the optimists right.

## THE NEW ECONOMIC RHETORIC

Mr. HOLLINGS. Mr. President, this spring, the Reagan administration told the country how to get itself out of its se-

rious economic difficulties. The President asked Congress to enact massive spending cuts and to pass a large tax cut. He promised that this combination would restore the country's economic vitality and bring us to the promised land of a balanced budget by fiscal year 1984. Congress complied by doing just what the President asked. We gave him the largest budget cuts in history. We gave him the Reagan-Kemp-Roth tax cut. The President left town in a blaze of glory at the end of July, and Congress basked in the reflection.

Supposedly, the corner had been turned and the economic atmosphere had been completely changed. All would be well, we were assured by the apostles of the new wisdom. The unity of theory and practice had finally been achieved in the theology of supply-side economics—the faith of George Gilder made tangible by the good works of David Stockman.

Not all of us, of course, were taken in by the new economic rhetoric. And now, our fears are proving to be true. Just 1 short month after passing all of the administration's economic program, those promises of a corner turned and an economy invigorated ring hollow. The stock market has dropped out. The prime interest rate remains above 20 percent. Ninety-day Treasury bills draw over 15 percent interest. And we end the fiscal year with the discouraging news that instead of budget deficits shrinking, the prognosis is for far more red ink than the administration had ever planned on. Instead of the $42.5 billion deficit predicted by the administration as late as just a few weeks ago, we are now looking squarely in the face of a 1982 deficit of as much as $65 billion. It gets worse, not better, in the outyears—as much as $70 billion in 1983 and $80 billion and more in 1984. No wonder Wall Street is not convinced. No wonder the market has dropped 100 points since August. The bottom line of the national budget is not improving. All the trauma of cutting programs we have been through in recent months, all the lobbying and cajoling have yielded no improvement in the bottom-line figures.

By irresponsibly diminishing Government revenues, and by promising guns and butter both via increased defense expenditures and decreased taxes, the Reagan administration is inevitably headed toward 4 more years of busted budgets and high inflation. Dress it up in the fancy new title of supply-side economics, present it as a revelation from on high, paint it how you want—it is the same old tired economic practice that has been tried and found wanting for a decade and more.

"The old business as usual treatment can't save us." President Reagan told the Nation on February 5. And then he prescribed, you guessed it—business as usual. For a Congress that had cut income taxes in 1964, again in 1969, again in 1971, twice in 1975, again in 1976, again in 1977, and again in 1978, there was no novelty in the Regan proposal for yet another reduction in tax revenues.

Fundamental flaws inhered in the Reagan administration approach to budgeting and taxes.

Flaw No. 1 was the idea that by spending cuts alone we could achieve a balanced budget. I applaud the President for his diligence in helping the Congress cut $35 billion in 1982 through the reconciliation bill. Last year, you may remember that the Democratic controlled Congress enacted reconciliation cuts reducing $8 billion from the deficit. The main point, however, is that we have been fooling ourselves. We have been cutting programs right along, and congratulating ourselves on the cuts. But we are almost to the point of trying to get blood out of the turnip. There is not much there.

There is still the need for additional budget cutting, but we will not reach a balanced budget with spending cuts alone. In order to eliminate the kind of deficits we are looking at now, and still preserve funding for defense and interest payments in the social "safety net" that the President has promised to maintain, we would have to cut approximately 60 percent of the rest of the budget in 1984. No Congress is going to make cuts on that order and no President is going to propose them.

Flaw No. 2 was the decision that entitlement and tax expenditure programs were sacrosanct. Nobody underestimates the difficulty of tackling entitlements. Certainly I do not underestimate them. But the lesson of all the budget exercises we have been through thus far in 1981 is clear: There is no painless way to balance the budget. It cannot be done by sleight-of-hand, public relations wizardry, or fine tuning. It requires a frontal assault against the excesses which have pushed your Government and mine to its present budgetary condition. But the President chose not to lead, and not unexpectedly, Congressmen and Senators were not champing at the bit to take this one on without Presidential support.

Flaw No. 3 is the proposal to impound spending. Rather we should be impounding the tax cut. The impoundment proposal assumes, Mr. President, that the Congress is going to appropriate more than is needed. There is nothing in the record of this Congress to support such an assumption. Consequently, there is no reason to give the President blanket power to impound spending. Uncontrolled Presidential impoundment would destroy the discipline of the budget process.

I was here when Congress reasserted its constitutional prerogatives in fiscal matters against the illegal and unprecedented actions of the Nixon administration. I did not participate in that exercise only to relinquish the same power in September 1981. There is talk of the administration's courage and bravery because it is willing to take this responsibility. There is talk about a proviso that both Houses have a veto over any impoundment, so that we would have a shared responsibility. That is the typical Washington solution—a shared approach with no fixed responsibility. It is bad. It breaks our fiscal discipline and destroys the credibility of the budget process we have worked so diligently to vindicate. How much better to have a fair fight, an up or down vote, on the appropriation bills, and let the President, if he thinks there is too much money appropriated in any bill, veto it. I believe the mood in these Halls is such as to sustain such action.

The summer confidence of August has turned to the doubting despair of September. It is apparent that the administration underestimated the magnitude of the economic problems it confronted. It is clear that it is not just a matter of time until the new policy takes hold and turns America around. It is obvious that tinkering and patchwork and fine tuning cannot salvage the misbegotten economics of the new theorists. It is not so simple as designating a sweepstakes winner in the Stockman-Weinberger debate.

White House and Capitol Hill are a cacophony of conflicting voices. The majority leader tells the Senate that Wall Street is addicted to the heroin of high interest rates. The chairman of the Budget Committee advocates the McGovern program of cutting $30 billion from defense. Every day brings its new confusion and I am reminded of the old saying aboard ship, "When in danger, when in doubt, run in circles, scream and shout." What is wanting is not proposals, but a comprehensive proposal. What is wanting is not the desire for a solution, but the realization that there is no painless, piecemeal solution. The only viable approach is a comprehensive package addressing the stark budget choices we confront. In such a comprehensive solution, we will find real reconciliation. The second concurrent budget resolution which this committee begins to address today offers us the opportunity for that kind of reconciliation.

Early on, President Reagan said: "If you do not like my plan then submit an alternative." That is the kind of politics I understand. I submitted an alternative solely on the supply side, limited to $20 billion, rewarding savings and stimulating investment. That plan failed in spite of the fact that a majority of my Democratic colleagues here favored it. In the same spirit of trying to be constructive and of responding to the compelling urgency of the situation, I am today proposing a comprehensive package which I hope will eventuate as part and parcel of the second concurrent budget resolution. I would hope that the experience of the past few weeks would lend credence to the effort.

Everyone around this table has been home during the recess and knows the stark impact of high interest rates on his or her constituents. Everyone around this table now understands that Wall Street and the financial community in general cannot be persuaded by pious musings and "sophomore psychology." We should all be able to see as of September 15, 1981, the effects of the President's program: Huge deficits, stretching out as far as the eye can see, to the tune of $60, $70, $80, perhaps $100 billion and it is not just Wall Street that is affected by those defi-

cits, because when the Government goes out to borrow the funds, private investors and consumers all across this land are unceremoniously bumped out of the capital market.

Let us tell it like it is—the administration assured us that if only Congress would put the program in place, the economy would respond with a rush of new activity. The assurance was wrong. The economy has responded with incredulity. We cannot wait 6 months more for results. Interest rates are at their highest level in history, the housing and automobile industries are at rock bottom levels of activity. Congress is faced with the urgency in this second budget resolution not of fine tuning a game plan whose wisdom is already vindicated—it is faced instead with the need to remedy the defects of the program so recently approved. I believe that the package I am proposing today provides this remedy.

I have two tables which summarize my proposal and I ask that they be inserted at this point in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

REVENUE AND SPENDING CHANGES

| | Budget impact (in billions) | | |
|---|---|---|---|
| | 1982 | 1983 | 1984 |
| REVENUE CHANGES | | | |
| Smaller personal tax cut (5/5/5 percent) | | +$25.0 | +$40.0 |
| Repeal indexing provision in tax bill | | | |
| Repeal oil industry tax breaks | +$1.3 | +1.7 | +2.2 |
| Repeal deduction for intangible drilling costs | +3.0 | +3.5 | +4.1 |
| Windfall profit on natural gas | +15.0 | +12.0 | +9.0 |
| Repeal consumer debt interest | +6.0 | +7.1 | +8.0 |
| Total, revenue changes | +25.3 | +49.3 | +63.3 |
| SPENDING CHANGES | | | |
| President's defense budget | −2.0 | −5.0 | −6.0 |
| Reduced interest costs from lower interest rates | −6.0 | −9.0 | −12.0 |
| Total, spending changes | −8.0 | −14.0 | −18.0 |
| Total, reduction in the deficit | −33.3 | −63.3 | −81.3 |
| Federal budget surplus or deficit (-): | | | |
| Using CBO economic assumptions | −32.0 | +8.0 | +31.0 |
| Using Hollings economic assumptions | −42.0 | −17.0 | |

ECONOMIC ASSUMPTIONS

[Calendar years]

| | 1981 | 1982 | 1983 | 1984 |
|---|---|---|---|---|
| Real GNP (percent change): | | | | |
| Hollings | 2.0 | 1.6 | 3.2 | 3.0 |
| CBO | 2.3 | 3.1 | 4.1 | 4.0 |
| Administration | 2.6 | 3.4 | 5.0 | 4.5 |
| Consumer prices (percent change): | | | | |
| Hollings | 9.9 | 7.9 | 7.6 | 7.4 |
| CBO | 10.1 | 7.2 | 7.0 | 6.2 |
| Administration | 9.9 | 7.0 | 5.7 | 5.2 |
| Unemployment rate (persons): | | | | |
| Hollings | 7.4 | 7.7 | 7.4 | 7.1 |
| CBO | 7.4 | 7.3 | 6.9 | 6.5 |
| Administration | 7.5 | 7.3 | 6.6 | 6.2 |
| Treasury bill rate (percent): | | | | |
| Hollings | 15.0 | 14.2 | 12.7 | 11.7 |
| CBO | 14.5 | 12.4 | 11.4 | 10.1 |
| Administration | 13.6 | 10.5 | 7.5 | 6.8 |

Mr. HOLLINGS. Now, Mr. President, let me elaborate a little on these various points.

My first proposal would be for a smaller personal income tax cut. We simply cannot afford a large across-the-board personal income tax reduction. I like tax cuts. All politicians like tax cuts. But when we are increasing defense spending by $100 billion by 1984, how can we afford to cut taxes by $150 billion? Something has to give; the numbers in the President's plan just do not add up to a balanced budget. And a balanced budget is what the people of this country want and what our economic condition compels. In poll after poll last year and this, the people put a balanced budget at the top of their list of priorities, followed by increased defense spending. To be sure, tax cuts are desired, but not before we balance the budget. The American people know, just as Wall Street investors know, that you cannot live forever on borrowed money. A government cannot operate on borrowed money without destroying the private economy.

The situation is that we now have a tax law which does not please the very people the Republican Party wanted so badly to please—the business and investment community. It is not enough to say, "Wait, give it 1 more month or 2 more months or 6 more months." The country cannot wait. The atmosphere that was supposed to be created by the new tax law is myth. All the while, high interest rates are crippling our domestic economy and causing unprecedented havoc overseas.

What can be done about it? It is not too late, Mr. President. But we must act now. We must undo the damage of that tax bill—the one James Schlesinger called the "single most irresponsible fiscal action of modern times"—by reducing the size of the second and third years of the across-the-board cut by half.

The administration's tax cut has devastated the revenue posture of the Government. The tax cuts cost us $93 billion in 1983, $150 billion in 1984, $199 billion in 1985, and $266 billion in 1986. The only outcomes guaranteed by that kind of revenue loss are budgeting in the red, high interest rates, and continued inflation. I worked on the last balanced budget we had in this country—the $3.2 billion surplus which Lyndon Johnson bequeathed his successor in 1969. Now, under the program I am proposing today, we will have, after 15 years of deficits, a balanced budget for fiscal year 1984. The American people will suport this proposal because they understand that the alternative is high interest rates. They will support it because they understand that in the present environment, Kemp-Roth tax cuts provide no genuine relief. Once the budget is in balance and Government's fiscal house is in order, we can proceed with the kind of thoroughgoing and genuine tax relief which all of us want to have.

Second, I propose the immediate repeal of the ill-considered and hastily enacted provision for indexing the income tax. Indexing, scheduled to take effect beginning in 1985, was the most irresponsible provision of all in a bill made distinctive by its irresponsibility. If we start indexing tax rates, we will soon be unable to pay for even the barest-boned Federal Government, national defense, and social security. I think even George Gilder would agree we need those programs.

Third, I also recommend repeal of the oil provisions that were included in the tax bill. Quite candidly, I think that the Congress put politics above reason when it included the royalty income, stripper well and new oil provisions in the tax act of 1981. How can the Congress justify such tax expenditures in light of the budget reductions that were just approved in the Reconciliation Act of 1981? Big Oil is making obscene profits. How can we propose reductions in social security and child feeding programs and at the same time give independent oil companies and royalty owners these unwarranted tax breaks? How can a Member of Congress say that he or she is for a balanced budget in fiscal year 1984 and then turn around to spend $11.6 billion which can only exacerbate the deficit? The inclusion of these provisions in the tax bill was neither sound economic policy nor sound energy policy. I therefore recommend that these provisions be brought to the floor for reconsideration in the form of an amendment repealing the appropriate tax provisions.

Fourth, I propose repeal of that provision of the internal revenue code of 1954 to eliminate the expensing of exploration and development costs of oil, gas, and mineral extraction. Since this tax expenditure was enacted, it has been justified as the stimulus to mineral exploration. However, since 1954 there have been significant changes in the energy situation of the United States. I need not recall all of these changes, but they eventuate, as we all know, in decontrol. Yet, despite all of these changes and despite "decontrol," the "intangible drilling cost" provision remains on the books. Presently, approximately 99 percent of the revenue loss associated with intangible drilling costs involves oil and gas exploration, and this loss is now equivalent to $3 billion per fiscal year.

Fifth, I have long been and continue to be an ardent opponent of the decontrol of natural gas. The gas companies, and the oil companies which are entering the gas business very heavily, are making billions on natural gas in the present environment. However, it is apparent also that the administration will soon submit, and the Congress will approve, legislation decontrolling natural gas. I have therefore come to the conclusion that we should proceed with immediate decontrol and with a windfall profit tax to mitigate the impact of decontrol. I would initially propose that this tax be for a period of 5 years or until such time as $40 billion in revenue has been raised.

I continue to be concerned with the impact natural gas decontrol will have on consumer purchasing power, especially low income residential consumers, and on the economy as a whole. Nevertheless, I can read the political omens and insofar as decontrol is concerned, the future

is almost now. The only way to achieve decontrol while attempting to minimize its impact on the economy and on the consumer is to implement a natural gas windfall profit tax. Not only would this mitigate some of the unforeseen consequences of natural gas decontrol, but it would also provide needed revenues, thereby substantially reducing the Federal deficit.

My sixth proposal is repeal of the consumer debt interest deduction. At a time when we are trying to balance the Federal budget and promote investment and savings, it no longer makes sense to encourage consumers to make all of their purchases on credit by allowing the interest on this debt to be deducted from taxable income. An economy concerned with increasing savings and productivity should not be in the business of allowing a tax write off for interest paid out while at the same time it taxes interest income. So, this change would be sound public and economic policy. Additionally, it will return $21 billion to the Treasury over the next 3 years.

Seventh, my proposal would go along with the President's recent announcement to reduce the size of the increases in the Defense budget. We can afford a few savings in this area, while still increasing overall Defense expenditures by 7 percent a year.

Finally, the above proposals translate into lower interest costs because of a decline in interest rates. The tax changes I have proposed today represent a responsible fiscal policy—the kind of fiscal policy which will open the way toward an eased monetary policy. No longer will the burden fall exclusively on the monetary side. Instead fiscal and monetary policy will be working together to achieve the kind of economic stability which has been so sadly wanting in America these past 15 years.

The bottom line of the Hollings plan, using the economic assumptions of the Congressional Budget Office, is a budget in balance for fiscal year 1983. There are those, myself included, who believe the CBO assumptions are optimistic, even though they are not nearly so rosy as the administration's. But even under the less optimistic assumptions that I have prepared, we would still achieve a balanced budget for fiscal year 1984. This plan may strike some as being politically unpalatable, but it strikes me as economically and politically imperative. We are at a true crossroads in public policy. The decisions we will be making this month and next will determine the future—America's future. Let us seize the moment boldly and enact the kind of comprehensive program which alone can get America moving again.

It requires no revelation from on high, no bright new economic insight, to fathom whither we must go. It requires only an appreciation of the good sense of the American people. They know what needs to be done in 1981 and they will sacrifice to achieve success. Sacrifice is the offspring of leadership, and the present leadership in both the executive and legislative branches will fail America unless it faces up to the difficult choices confronting Government today. We in the Congress will shortly begin writing the next chapter of the story. I hope it is a chapter of vindication for a Government that has too often in the recent past failed to discharge its solemn responsibilities.

## CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The period for morning business is concluded.

## AGRICULTURE AND FOOD ACT OF 1981

The PRESIDING OFFICER. Under the previous order, the hour of 11:15 a.m. having arrived, the Senate will now resume consideration of the pending business, S. 884, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 884) to revise and extend programs to provide price support and production incentives for farmers to assure an abundance of food and fiber, and for other purposes.

The Senate resumed consideration of the bill.

PREVENTED PLANTINGS

Mr. COCHRAN. Mr. President, a question has come up with regard to the interpretation of the language for the acreage reduction program which makes the authority of the Secretary unclear.

Specifically, when the Secretary announces an acreage reduction program off last year's acreage, he can take into consideration any prevented plantings a farmer may have encountered.

The Secretary also has the option of requiring farmers to reduce acreage from the average planted in the 2 previous years.

However, there is some question whether or not the Secretary can adjust for any prevented plantings when using the 2-year average.

Mr. President, I would like to ask the managers of the bill if it is their understanding that, when the 2-year average is used, the Secretary may take into consideration prevented plantings in each of those years.

Mr. HELMS. Mr. President, the Senator is correct. It was the intention that the Secretary would have the same authority to adjust for prevented plantings when he uses the 2-year average acreage as he would when only using the previous year's acreage as the base.

Mr. HELMS. Mr. President, I yield to the distinguished Senator from Iowa (Mr. JEPSEN).

UP AMENDMENT NO. 356

(Purpose: To revise the dairy price support provisions)

Mr. JEPSEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Iowa (Mr. JEPSEN) proposes unprinted amendment numbered 356.

Mr. JEPSEN. Mr. President I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 134, beginning with line 13, strike out all through line 12 on page 135 and insert in lieu thereof the following:

"SEC. 103. Section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) is amended by—

"(a) deleting everything after the first sentence in subsection (c) and inserting in lieu thereof the following:

'Notwithstanding the foregoing, for the period beginning October 1, 1981, and ending September 30, 1985, the minimum level of price support for milk shall be 70 per centum of the parity price therefor: *Provided*, That whenever the Secretary estimates that the net cost of Government price support purchases of milk or the products of milk will exceed $750,000,000 if the support price for milk is established at the level required by the foregoing provisions of this subsection, such level of support may be adjusted to the extent the Secretary deems appropriate but not to a level less than the support level for the prior marketing year: *Provided further*, That the support price shall in no case be less than $13.10 per hundredweight of milk containing 3.67 per centum butterfat: *Provided further*, That the level of support for milk for the remainder of the 1981–82 marketing year may be adjusted in accordance with the foregoing although a level of support for such year has been established prior to the effective date hereof. Such price support shall be provided through the purchase of milk and the products of milk.'; and "(b) repealing subsection (d)."

Mr. JEPSEN. Mr. President, I am proposing an amendment today which would revise the dairy price support program. My amendment would give the Secretary of Agriculture discretion to set the price support level between 70 and 90 percent of parity for the next 4 milk marketing years. At no time could the support price during this period be below $13.10 per hundredweight which is the current level. The Secretary would be authorized not to increase the level of support during any year in which net outlays for the program were projected to exceed $750 million.

This amendment is designed to give the Secretary of Agriculture the needed flexibility to bring the cost of the dairy price support program under control and at the same time assure producers that their current level of support will not be reduced.

The dairy program has served this Nation well. Both consumers and producers have benefited over the long run. However, we have unfortunately reached a point in recent years where the costs of the program have become excessive. Production of milk has been expanding too rapidly—at a rate of about 3 percent per year. The increasing of prices of dairy products brought about by the support level increases of the 1977 Farm Act

have slowed consumption. Unfortunately, consumption of milk and dairy products dropped about 1 million pounds in 1980 and has held at that level until the present time. This has meant that the Commodity Credit Corporation has been forced to purchase vast quantities of nonfat dry milk, butter, and cheese.

For the current 1981 fiscal year CCC will remove 12.6 billion pounds milk equivalent from the market at a cost of $1.986 billion. After taking into account sales receipts the net expenditure to the Commodity Credit Corporation for fiscal year 1981 is estimated to be $1,886 million. This is $875 million more than was spent in fiscal year 1980 and $1.3 billion more than was spent on the average during fiscal year 1976 through fiscal year 1980.

It was hoped that the legislation Congress passed last spring to forego the April 1 price support increase would slow the increase in production. However, the slowing in the increase in milk production that was expected has simply not materialized. Output per cow and cow numbers are still increasing at rates only slightly below those for the same period last year.

My amendment will help dairy producers work out of the problem of excess supplies. The cost of my amendment is about $1 billion less than the current provision in S. 884 over the life of the bill and is more in keeping with the twin objectives of providing adequate support and reducing budget outlays.

During hearings on the farm bill, and even during committee markup, comments were made that action should be delayed on milk supports. A few held the belief that the dairy farmer would adjust to the current oversupply situation. Unfortunately, developments during the past few months have not been on the dairymen's side.

I shall make personal note at this point that I speak here in the Senate today as an individual who has immediate family on our family farm that have within the last year reentered the dairy business with a rather substantial investment.

I have visited with them about this, and with all my heart I can say that fresh milk, the dairy support program as it has been conducted in the past, has been healthy generally for this Nation.

We unfortunately have a situation with the combination of an economic recovery program and a redirecting of this country by way of economy and a huge surplus of milk and milk products that have resulted in the amendment that I am proposing this morning to be brought into focus, an amendment that I believe to be fair, an amendment that I believe to be workable, doable, and an amendment that will be commensurate with the entire climate of this administration, of this country, and one that will be fair in the long run to all people in milk production.

Milk production continues well ahead of last year. On August 1 production was 3.8 percent ahead of last year. Sales, on the other hand, showed very little change.

I point out by way of facts for the record that these are not meant to be offered in any critical sense but in a very factual sense by way of backup for some of the reasons for proposing this amendment at this time.

Cow numbers are at their highest point since 1977, and the demand for replacements continues strong. Dairymen were paying an average of $1,200 for milk cows on July 15—the highest for that date in history. This is double the amount paid just 3 years ago. These prices are firm despite record numbers of replacements available. The 4.6 million dairy heifers reported by USDA on July 1 represent one potential replacement for each 2.3 cows in milking herds. Thus, the industry not only has the largest number of heifers being saved but also has the highest ratio of heifers to milking cows in recent history—accompanied by record prices.

Meanwhile Government purchases and stocks of dairy products are setting new records. The milk equivalent of dairy products purchased through August 28 exceeded 12 billion pounds. Butter stocks on hand August 15 amounted to 440 million pounds versus 278 million last year. Cheese 542 million versus 198 million, and nonfat dry milk 755 million versus 597 million a year ago. Butter is 50 percent and cheese purchases are about 150 percent ahead of last year at this time and nonfat is up about 30 percent.

There is no indication production is moderating.

Mr. President, in closing I would just say this: That as a Senator with a constituency that is overwhelmingly agricultural, as a Senator who has direct agricultural and farming family interests, as a Senator from a great agricultural State, the State of Iowa, it gives me no great pleasure to offer an amendment which is somewhat more rigid in support than the proposal in the original S. 884.

I point these things out to you as a caution that this amendment has been agreed to and been accepted by the Department of Agriculture and this administration as fitting within the total scope of their entire budgeting program and the economic recovery program the President has espoused, and has had the overwhelming support of the people throughout this country as well as the obvious support from both Houses of this Congress by noting the votes on the tax reduction bill and on the reconciliation bill which, for the first time in history changed many hundreds of laws and entitlement programs that had been providing blank checks so that for the first time the Government can start doing what it ought to have been doing a long time ago, and that is handling the taxpayers' money as if it was their own and developing a climate and an atmosphere here that you do not spend more money than you take in over a period of time because you cannot do that and remain a viable institution or operation, I am proposing this amendment today and hope we can pass this amendment and get on with this farm bill.

We have until the end of this month—we really do not have until that time—but at the end of this month I suggest that if we do not have a farm bill in place for the next 4 years, we will resort to and revert by law back to the 1949 farm legislation, which could be very, very expensive—in fact, it would be financially prohibitive in these times.

Let me conclude by saying that this is a bill which, in addition to setting various prices and supports and loans of various programs which are going to be debated, establishes a thrust and creates a climate which is a signal to the agricultural community in this country that the Department of Agriculture will serve and work as a partner in providing for what ultimately has to be the case in all agricultural activities, and that is a profitable economy.

Profit is the bottom line in farming as in everything else. We have had over the years cheap food policies, we have had over the years the Government interfering and tinkering with the closest thing to a free economy that we have, the farm law of supply and demand in marketing products.

Farmers have done a fantastic job at being the most efficient food producers in the world. They are the only part of our economy we have today which is highly productive and, as the breadbasket of the world, America's farmers produce enough food today. Each farmer now individually produces enough food to feed 60 other people. There is not anyone anywhere on the entire globe who comes close.

We want to encourage, we want to support with everything within my office, my constituency, and with every fiber of my body I will see that that is done. That I pledge.

I thank the Chair.

May I inquire of the distinguished chairman of the Committee on Agriculture what is his desire at this time as far as procedure on this amendment is concerned?

Mr. HELMS. I will say to my friend from Iowa, Mr. President, that there is consultation as to the next step in this process. It may be that the distinguished Senator from Minnesota will wish to address the Senator's amendment. The Senator's question might be more properly directed to Senator [illegible]

In the meantime, Mr. President, I suggest the absence [illegible]

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I ask unanimous consent that the pending amendment be laid aside temporarily and that it be the pending business fol-

lowing an amendment to be called up by the Senator from Nebraska (Mr. ZORINSKY).

The PRESIDING OFFICER. Is there objection?

Mr. JEPSEN. Mr. President, reserving the right to object, may I inquire of the distinguished Senator from Nebraska and the distinguished Senator from North Carolina how much time they anticipate this may take? I advise the Senator from North Carolina that I am a cosponsor of the amendment that Senator ZORINSKY is advocating. Do the Senators anticipate any difficulty with this?

Mr. HELMS. As to time, Mr. President, I would say 5 to 10 minutes at the outside.

Mr. ZORINSKY. Not to exceed 5 minutes, Mr. President.

Mr. JEPSEN. I have no objection, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ZORINSKY. I thank the distinguished Senator.

UP AMENDMENT NO. 357

(Purpose: To reaffirm United States policy in fostering family farms and require that the annual report of the Secretary of Agriculture include an assessment of how tax, credit, and other laws affect the growth of non-family farm operations)

Mr. ZORINSKY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Nebraska (Mr. ZORINSKY), for himself, Mr. JEPSEN, Mr. HUDDLESTON, Mr. BOSCHWITZ, Mr. EXON, Mr. COCHRAN, Mr. HEFLIN, and Mr. HELMS proposes an unprinted amendment numbered 357.

Mr. ZORINSKY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 235, between lines 17 and 18, insert a new section 1112 as follows:

"REAFFIRMATION OF UNITED STATES POLICY ON FAMILY FARMS

"SEC. 1112. Section 102 of the Food and Agriculture Act of 1977 is amended to read as follows:

"'FAMILY FARMS

"'SEC. 102. (a) Congress hereby specifically reaffirms the historical policy of the United States to foster and encourage the family farm system of agriculture in this country. Congress firmly believes that the maintenance of the family farm system of agriculture is essential to the social well-being of the Nation and the competitive production of adequate supplies of food and fiber. Congress further believes that any significant expansion of nonfamily owned large-scale corporate farming enterprises will be detrimental to the national welfare. It is neither the policy nor the intent of Congress that agricultural and agriculture-related programs be administered exclusively for family farm operations, but it is the policy and the express intent of Congress that no such program be administered in a manner that will place the family farm operation at an unfair economic disadvantage.

"'(b) In order that Congress may be better informed regarding the status of the family farm system of agriculture in the United States, the Secretary of Agriculture shall submit to Congress, not later than July 1 of each year, a written report containing current information on trends in family farm operations and comprehensive national and State-by-State data on nonfamily farm operations in the United States. The Secretary shall also include in each such report (1) information on how existing agricultural and agriculture-related programs are being administered to enhance and strengthen the family farm system of agriculture in the United States, (2) an assessment of how tax, credit, and other Federal laws may encourage the growth of nonfamily farm operations and investment in agriculture by nonfamily farm interests, both foreign and domestic, and (3) such other information as the Secretary deems appropriate or determines would aid Congress in protecting, preserving, and strengthening the family farm system of agriculture in the United States.'".

Mr. ZORINSKY. Mr. President, in a time of decreasing farm prices and high interest rates, it is imperative to remember the importance of the backbone of American agriculture. Any farm bill must reaffirm the historical policy of the United States to foster and encourage the family farm system of agriculture in this country. I firmly believe that the maintenance of the family farm system of agriculture is essential to the social well-being of the Nation and the competitive production of adequate supplies of food and fiber.

Mr. President, the family farm has provided throughout our history as a nation the fundamental backbone of our great country. It has provided the structure for wh'ch our Nation became strong economically. And it especially provided—and continues to provide—our Nation with a resolute population with values that will continue to keep our Nation strong.

However, Mr. President, the past decade has seen a dramatic decline in the number of family farms in this country.

Any significant expansion of nonfamily-owned large-scale corporate farming enterprises will be detrimental to the national welfare, and it should be neither the policy nor the intent of Congress that agricultural and agriculture-related programs be administered exclusively for nonfamily farm operations. Such programs must not be administered in a manner that will place the family farm operation at an unfair economic disadvantage.

Most importantly, this amendment would mandate an assessment of how tax, credit, and other Federal laws may encourage the growth of nonfamily farm operations and investment in agriculture by nonfamily farm interests, both foreign and domestic.

Mr. President, in order that Congress may be better informed regarding the status of the family farm system of agriculture in the United States, the Secretary of Agriculture shall submit to Congress, not later than July 1 of each year, a written report containing current information on trends in family farm operations and comprehensive national and State-by-State data on nonfamily farm operations in the United States. The Secretary shall also include in each such report:

First, information on how existing agricultural and agriculture-related programs are being administered to enhance and strengthen the family farm system of agriculture in the United States; second, an assessment of how tax, credit, and other Federal laws may encourage the growth of nonfamily farm operations and investment in agriculture by nonfamily farm interests, both foreign and domestic; and third, such other information as the Secretary deems appropriate or determines would aid Congress in protecting, preserving, and strengthening the family farm system of agriculture in the United States.

Mr. President, we need to have an annual assessment of how the laws that we pass in this body affect the very backbone of America's agriculture. We need to evaluate the effect these laws have on the family farm and its way of life that has sustained this Nation for over 200 years. We cannot afford to let the family farm become a relic of our past—instead, we need to insure that it has a long and healthy life as the sustainer of our crucial agricultural economy.

Mr. President, I understand that this amendment has been cleared with the Senator from North Carolina and that side of the aisle in addition to my own side of the aisle. I ask for its acceptance.

Mr. HELMS. Mr. President, if the Senator will yield.

Mr. ZORINSKY. Yes, I yield.

Mr. HELMS. Mr. President, I certainly am willing to readily accept the amendment on this side.

I ask the Senator to include me as a cosponsor.

Mr. ZORINSKY. It is an honor to include the Senator from North Carolina as a cosponsor. I ask unanimous consent that that be done.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I hope the Senators will read the text of this amendment as well as agree to it.

Mr. HUDDLESTON. Mr. President, on this side of the aisle we have examined the amendment. We are very pleased to support it and I am pleased to be a cosponsor. I thank the Senator from Nebraska for offering it to this piece of legislation. I recommend its adoption.

Mr. JEPSEN. Mr. President, I am a cosponsor. I ask unanimous consent that the distinguished Senator from Mississippi (Mr. COCHRAN) be added as a cosponsor.

Mr. ZORINSKY. The Senator has been added as a cosponsor.

Mr. JEPSEN. Mr. President, I congratulate the Senator from Nebraska for bringing this very important principle into focus. It is truly the family farm and small businesses that have been the

keystone to the economic stability and vitality of this great country of ours throughout hundreds of years. To emphasize and focus in on this again to remind us not only of our heritage but, frankly, "where it is all at" in our economy is refreshing in these times. I support the amendment 100 percent.

The PRESIDING OFFICER (Mr. KASTEN). The question is on agreeing to the amendment of the Senator from Nebraska.

The amendment (UP No. 357) was agreed to.

Mr. HELMS. I move to reconsider the vote, Mr. President.

Mr. ZORINSKY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 356

Mr. HELMS. Mr. President, what is now the pending business?

The PRESIDING OFFICER. The pending question is on agreeing to the amendment of the Senator from Iowa.

Mr. HELMS. I thank the Chair.

Mr. President, I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I am very much opposed to the pending amendment. It would be an absolute disaster for the Nation's dairy farms. As is well known, Wisconsin is an important dairy farming State. Our dairy farmers would suffer an enormous drop in their net income if this amendment should be adopted. Let me take just a minute to review the background of this situation.

As we recall, temporary legislation—that is, the 1977 4-year farm bill—raised minimum dairy price supports to 80 percent of parity until October 1981. We had midyear adjustments—that is, adjustments every 6 months—to reflect changing costs of production. Under this temporary legislation, the support price for manufacturing milk, which was 80 percent of parity on October 1, 1980, was to have been raised on April 1, 1981, to reflect production cost increases since October 1, 1980.

That increase was scrapped by legislation which the administration pushed, signed into law by President Reagan in his hospital bed on March 31, 1981, the day after he was shot. So the $13.10 support price will be in effect for an entire year, during which time farm production costs will likely increase by at least 9 percent, based on projecting the increase in the Department of Agriculture's "prices paid index by farmers" from September 15, 1980, to May 15, 1981, over a 12-month period. Dairy farmers will, therefore, need to "absorb" at least a $1.02 per hundredweight cost increase over average U.S. costs in 1980, with no increase in price supports, and, therefore, little increase in farm milk prices.

That is the situation we have right now. In other words, the dairy farmer already is going to take a terrific reduction in his net income, a $1 a hundredweight cut. This amendment offered by the distinguished Senator from Iowa would go farther than that.

This amendment, as I understand it, would result in a 70-percent parity dairy price support effective October 1, 1981, with no midterm adjustment. The $13.10 per hundredweight support price would carry over for another year until October 1, 1982, because 70 percent of parity on October 1, 1981, in all likelihood, will be no more than $13.10, and very possibly could be less. Very possibly, it could be less. So farmers then would need to absorb 2 years of increased costs of about 18 percent, or $2.04 per hundredweight, with no increase in price supports, and consequently only minor or no increases in farm milk prices.

What they are doing is putting the dairy farmer in a position in which he has to take all the burden of inflation out of his net income. With the dairy farmer, as with any other businessman, his gross certainly is not his net. His costs of operation are far greater than the net he realizes. So when he has to take an enormous increase—and a 9- or 10-percent increase is great—in his cost of production, and that comes out of his net income, it virtually eliminates the net income of many dairy farmers.

So dropping the support level to 70 percent of parity would be a serious economic blow to the farmers and would result in farm milk support prices $1.90 per hundredweight below what they would be at 100 percent of parity.

Farm milk prices will likely closely parallel support prices in the near future because of heavy milk production and large CCC purchases. A $1.79 per cwt. reduction in farm milk prices would slash the annual income for an average Wisconsin dairy farmer $9,021—based on 1980 average milk production per Wisconsin farmer of 504,000 pounds.

A couple of weeks ago, I spent a full day working on a farm in Manitowoc County, Wis. That farmer milked 90 cows. He had a herd of 100. He started 4 o'clock in the morning. I had to get up at 20 minutes past 2 at the motel where I was staying. He worked 3½ hours milking cows in the morning. Then the farmer went to work on his crop and worked on his equipment, filling his silo, and doing all the other things he had to do.

Then, at 4 o'clock in the afternoon, he had to start over and work 3½ hours milking his herd.

He does this every day, 7 days a week, 52 weeks a year, throughout the time he is a farmer. If he fails to milk his cows just once or twice or three times, they dry up. So he has to do this work every day.

It is enormously tough, demanding work. Anybody who does not think this is skilled work should visit a dairy farm and work there. It takes tremendous knowledge of equipment, of the health of animals, of the soil, and many other complex elements.

The dairy farmer, according to the University of Wisconsin figures, in 1980, with 80-percent price supports, had an hourly income of $2.89—15 percent less than the minimum wage, for skilled work, where he makes an investment and takes a risk. Of course, one reason is that the farmer and his wife and children work endless hours on the farm.

The University of Wisconsin found that the average dairy farmer in June 1980 and his wife and children worked 135 to 150 hours a week. This is hard, skilled work, and all the members of the family have to do it. It is not only muscular work—it requires effort in lifting, and so forth, but it is work that requires great skill.

Incidentally, I was working with a highly skilled farmer in Manitowoc County a couple of weeks ago; and in spite of the fact that he knew his equipment very well, one of his pieces of equipment went out because it was overused in filling the silo. That piece of equipment was down and had to be worked on. It took a tremendous amount of knowledge of farm equipment on his part to put it into shape quickly, and he did so.

So this slash in this dairy farmer's income would cut him down to less than $2 an hour, probably about $1.50 an hour, if he made anything.

The tragedy here is that there will be literally hundreds of thousands of farmers who will be making nothing, and many of those farms, unfortunately, are going to be driven out of business.

For U.S dairy farmers, the reduction would be $2.3 billion annually in farm cash receipts, based on 1980 production, if the pending amendment goes into effect.

If we move it to 75 percent of parity, the losses would be very severe but would be about half of what they would be with the Jepsen amendment.

I realize, Mr. President, as I believe all Senators do, that we have a fiscal crisis in this country. We have to cut spending. But we should recognize that the dairy farmers, not only in Wisconsin but all over the country as well, have a very low income. They operate with great efficiency and have operated under a program which has been in existence since 1949.

This program, as I will point out, has not been costly to the taxpayer, has not been costly to the consumer, and has been of only moderate benefit to the farmer, but it is far better than gutting the program, as this amendment would do.

Prices paid by farmers for production items have been increased faster than farm milk prices. For example, May 1981 production costs were 10.3 percent higher than a year earlier, compared to a increase of only 7.1 percent in farm milk prices.

In other words, what I am saying is that the production costs the farmer has to pay are going up much faster than the prices he receives for the milk he produces. That has been true throughout this year.

In the second place, consumer prices for dairy products have increased less than the cost of living. March 1980–March 1981 consumer prices for dairy

products were up 10.1 percent compared to an increase of 10.6 percent in the cost of living.

Furthermore, milk prices have been declining rather than increasing relative to wage levels. The minutes of work required to purchase various dairy products dropped 44 percent for milk, 49 percent for butter, and 59 percent for ice cream in the past three decades.

I say "three decades" because that is the period in which this program has been in effect. This program began in 1949, and during that period, the number of dairy farmers has been cut by about two-thirds, so that we are losing our dairy farmers. We are still maintaining our farm production. We can have that tremendous cut and maintain the production because dairy farmers are enormously efficient. I do not believe anyone can cite an aspect of American life in which there has been a cut of two-thirds in the work force and production has been maintained.

The real difference between this country and the Soviet Union is not in the factories or in the offices. It is on the farms. The Soviet Union has more than 30 percent of their people on their farms producing agricultural products. We have about 3 percent of our people on our farms, and we produce 20 percent more food than they do.

The difference is our family farms, and our family farms cannot continue operating as family farms unless they have something like a reasonable income.

This program we have had in effect since 1949, which has never gone below 75 percent of parity—this would put it below 75 percent of parity for the first time in 30 years—has been a great success for consumers and a great success for taxpayers. I say that because in 26 of the 30 years, the price support has been below the market price.

In some of those years, the cost has been relatively high, because it is an acquisition cost, in which the Federal Government is acquiring an asset. They are acquiring cheese and dried milk which they later dispose of. Over the years, the cost of this program has been very limited. The pay-back or sell-back of the inventory which the Commodity Credit Corporation acquires has been very substantial and will be in this case.

We are still in an inflationary period, and inflation is likely to continue; and the cheese and dried milk that have been acquired will be sold at a later time, almost certainly, for more than they cost. Indeed, we have had bigger surpluses than this under this program, without this kind of savage cut in the income of dairy farmers.

I point out, further, that the cost of 1.5 billion pounds of net imports was indirectly charged to the price support program in the 1980 marketing year, since they resulted in increased price support purchases of approximately that magnitude.

That is, we buy cheese from abroad, and of course that is an indirect burden on our dairy program; because if we did not buy that cheese and bought the cheese in this country, the result would be that we would have a lower surplus, and the situation requiring a reduction in dairy price supports would not exist.

In 1980 casein imports displaced 333 million pounds of domestic nonfat dry milk costing the Commodity Credit Corporation about $300 million. Again, that $300 million would not have been spent and would not have been attributed to the dairy program if we had not imported this casein, some of which comes from countries of the Free World but much of which comes from the Soviet Union.

It is utterly ridiculous for us to import a product which we have in surplus in this country and which competes and makes it necessary for us, of course, to charge more to the dairy farm program.

As a matter of fact, the $300 million constituted 53 percent of the 1980 Commodity Credit Corporation purchases, more than half for the purchases attributed to the fact that we have this very big import of casein.

Mr. President, I have great respect for my good friend from Iowa. I do hope that the Senate will recognize that this kind of an amendment is an unwise amendment. It is a cruel amendment as far as the dairy farmer is concerned. It is an unnecessary amendment as far as the taxpayers are concerned. Not only will this result in a devastating loss of billions of dollars, as I pointed out, for dairy farmers throughout the country, but it will result in a loss to people in small towns throughout the country who depend on dairy farmers. It will be a loss for farm implement producers who produce implements they sell to farmers.

I think that when we look at the secondary effect, the University of Wisconsin figures that whatever loss the dairy farmers suffer, and the estimates are $2.3 billion annually in farm cash receipts, we multiply by 5 to calculate the effect on the economy. I think that is excessive. I think we should multiply it by about 3. So I am being more conservative than the economists of the University of Wisconsin have been in figuring the effect on the economy as a whole, but this would constitute, on my more conservative calculations, a loss of almost $7 billion for the economy as a whole.

If we calculate the loss in tax revenues because of the jobs lost, the loss in tax revenues because of the lower profits of the firms that are involved in selling to farmers and selling to those people who in turn sell to farmers, there is no question that the deficit will be deepened by this amendment, not lessened by the amendment.

So I think from a standpoint of fiscal responsibility we should take a very careful look at the secondary economic analysis here and if we do that we will find that the case is a very weak one for putting this really savage cut into effect against the dairy farmers.

Mr. President, I yield the floor.

Mr. JEPSEN. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield.

Mr. JEPSEN. Mr. President, first of all, for the record, I am pleased that the Senator from Wisconsin has 1 day's experience on a dairy farm. I have 17 years. What he experienced that 1 day I assure him is correct. They are long, tedious hours and they are 7 days a week. It is a family affair, it is a steady paycheck, and it is a lot of hard work. It is all of those things. I understand that totally and completely. In fact, my family is still doing it.

Having said that and knowing that the Senator from Wisconsin has a desire to be fiscally responsible and his activities and the things that he has stood for here always indicated that, first of all in his statement he indicates this is going to cost some $7 billion. There were other figures that I tried to catch and was not able to as he moved through them, essentially saying there would be a big loss. How will this amendment in reality at this point in time reduce 1 cent in the next 12 months, we will start there, with the dairy industry in this country?

Mr. PROXMIRE. Of course, as the Senator well knows, the effect on the dairy farmer is that instead of getting an increase in the price that he receives for his milk he will get the same price over the next year; meanwhile his costs will increase. Therefore, as the Senator knows as a businessman himself, his net will be cut and cut very sharply. His net, I calculate, will be cut by $9,000 per farmer on the average in our State, and we calculate that for the country as a whole—these are figures the University of Wisconsin supplied me with—the loss would be $2.3 billion in farm cash receipts based on 1980 production. That is $2.3 billion.

The reason I project that $7 billion loss for the economy as a whole is because what the farmer does not have in net income he cannot spend. The farmer cannot buy the implements that he needs to buy. He cannot buy the many other things that he needs in order to maintain his farm. So he buys less. That means that the people, who sell these things in the small towns, to the farmer and rely on the farmer as the principal customer, will not be able to make the sales, and they will suffer an economic loss. It is the rolling effect which persuades me that the effect of this could be as much as $7 billion, although, as I say, the University of Wisconsin figures are that it will be well over $10 billion.

Mr. JEPSEN. The basic figure which I have in this amendment which is a floor, a bottom, is a money figure of $13.10 which is the floor that is put under the dairy price support by this amendment, and then at the Secretary's discretion somewhere between 70 and 90 percent of parity can be used as a support percentage figure, but in no event less than $13.10.

Does the Senator perchance know what $13.10 per hundredweight today

represents by way of percent of parity as of this moment?

Mr. PROXMIRE. As of this moment I am not positive. I think it is around 71 or 72 percent, something of that kind.

Mr. JEPSEN. I am not saying this to try to embarrass or in any way verbally manipulate anything that the Senator has said.

I will point out at this point in time unfortunately, with the depressed prices, $13.10 is a pretty good percentage of parity, higher than the Senator is talking about on either the present aid floor or the proposal of the amendments that are going to be offered here to this amendment very shortly.

However, I do not want those prices to remain depressed, and neither does the Senator from Wisconsin. Our $2.30 corn which we had yesterday instead of the $3 corn which we had a couple months ago is a sad testimony as to what is happening in agricultural economy.

I also will point out that the management of this program leaves something to be desired, in my opinion, throughout the years. We just got through selling some 400 million pounds of 3-year-old butter. When I was asked about my opinion on selling that butter, who we should sell it to, I think my statement was we should sell 3-year-old butter to whoever will buy it and do it very quickly before they changed their mind.

To have that type of surplus and that old surplus buildup, as I say, leaves something to be desired, in my opinion, as far as the management of that program.

The fact that we have in the school lunch program, as I understand it, cokes and other types of carbonated beverages with a lot of sugar in them in equal promotion with milk is frankly not acceptable. One knocks the teeth out while the other one builds them. I do not understand the direction in that.

I have a lot of interest in improving the general administration of the dairy programs by the U.S. Department of Agriculture.

But I point out again, as I did earlier, and the Senator was not in the Chamber, that in 1981 the Commodity Credit Corporation, under the way the things are presently going, will remove 12.6 billion pounds of milk equivalent from the market at a cost of $1.986 billion. The net expenditure to the Commodity Credit Corporation for fiscal year 1981 is estimated to be $1.886 billion.

That is something that we do have to take into account, and we can do so without penalizing or having dairy farmers thrown into the red, and that is all I am doing, which is trying to put some commonsense into this.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. If the Chair will bear with me for just one moment.

Mr. President, the distinguished Senator from Minnesota is awaiting the arrival of a typed version of the amendment which he proposes to offer. In anticipation of that, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, it has come to my attention that certain matters are in preparation for presentation to the Senate later today and those documents are not available and cannot be available until a little later this afternoon. There are also certain meetings that are in progress now, briefings on important matters that should have the attendance of most Senators.

In view of those requirements, Mr. President, it seems to me the better part of discretion is to ask the Senate to stand in recess for a brief time. I observe the acting minority leader's presence on the floor. I would ask him if he has any objection if we recess over until 2 o'clock.

Mr. CRANSTON. Of course not.

Mr. BAKER. I thank the acting minority leader.

RECESS UNTIL 2 P.M.

Mr. President, in view of that and the consultations I have now had with the chairman of the committee, the ranking minority member, and the sponsor of the next amendment, I ask unanimous consent that the Senate stand in recess until the hour of 2 p.m.

There being no objection, the Senate, at 12:46 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Acting President pro tempore (Mr. LUGAR).

Mr. BAKER. Mr. President, may I inquire of the Chair, what is the pending question before the Senate?

The ACTING PRESIDENT pro tempore. The pending business is unprinted amendment No. 356 to the farm bill.

Mr. BAKER. I thank the Chair.

Mr. President, I understand that the distinguished Senator from Minnesota (Mr. BOSCHWITZ) will be on the floor shortly and that he is prepared now to proceed. In the meantime, in order to provide an opportunity for him to reach the Chamber, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UP AMENDMENT NO. 358

(Purpose: To restore the text of the dairy price support provisions contained in the bill as reported and to make clear that the support price for milk for the year beginning October 1, 1981, will be not less than $13.10 per hundredweight)

Mr. BOSCHWITZ. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. This amendment is in order because the amendment is an amendment to the pending amendment. The Senator from Minnesota may proceed.

The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Minnesota (Mr. BOSCHWITZ) proposes an unprinted amendment numbered 358 in the nature of a substitute to unprinted amendment numbered 356.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

Strike out all of the amendment and insert in lieu thereof the following:
Viz:

On page 134, beginning with line 13, strike out all down through line 12 on page 135 and insert in lieu thereof the following:

SEC. 103. (a) Section 201 (c) of the Agricultural Act of 1949 (7 U.S.C. 1446(c)) is amended by striking out the second sentence and inserting in lieu thereof the following: "Notwithstanding the foregoing, effective for each of the fiscal years during the period beginning October 1, 1981, and ending September 30, 1985, whenever the Secretary estimates that the net cost of Government price support purchases of milk or the products of milk will exceed $500,000,000 or that net Government price support purchases of milk or the products of milk will exceed 3.52 billion pounds (milk equivalent) during any fiscal year, the price of milk beginning on October 1 of such fiscal year shall be supported at such level, as determined by the Secretary, not less than 70 per centum of the parity price therefor, except that beginning on October 1, 1981, the price of milk shall be supported at not less than $13.10 per hundredweight for milk containing 3.67 per centum milk fat.".

(b) Section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) is amended by adding thereto a new subsection (d) as follows:

"(d) Notwithstanding the provisions of subsection (c) of this section, effective for the period beginning on October 1, 1981, and ending September 30, 1985, the Secretary shall adjust the support price of milk to not less than 70 per centum of the parity price therefor on April 1 of each fiscal year, if on that date the support price of milk is below 70 per centum of the parity price therefor.".

Mr. BOSCHWITZ. Mr. President, this amendment, which is a second degree amendment to the Jepsen amendment changes and restores some of the language of the underlying bill, S. 884. The Jepsen amendment would allow the Secretary, in the event that he predicted that there would be removals by the CCC in excess of $750 million in a given year, the authority not to make any annual adjustment whatsoever and to leave it at

70 percent of parity—not $13.10, but 70 percent of parity. So, at the October 1 date, it would allow the Secretary to reduce the present parity level because, as the Senator points out, it may be that with the decline of food prices, parity has slipped not to 72 but, perhaps, to 73 or 74 percent.

This amendment would restore, as I say, the language of section 8 of S. 844. The language of that bill is that parity shall be at a 75- to 90-percent range and that, in the event the Secretary predicts there will be removals by the CCC in excess of $500 million—it has not normally been the case in the last 10 years—then, the Secretary could make an adjustment to 70 percent of parity. But, in that event, the parity would have to be adjusted to a semi-annual basis.

The distinguished Senator from Wisconsin pointed out that in all the history of the parity program for milk, in all of its history since 1949, parity has never been below 75 percent. As a matter of fact, in the last 15 years, other than for a 4-month period, parity has not been at 75 percent.

Of course, with the shifting winds of parity, the adjustments are made for the purpose of bringing supply and demand within the dairy industry into some kind of balance. If you look back over the years, if you look at where the balance was, indeed, you will find that milk production and milk consumption have been in pretty fair balance.

Now there is certainly a surplus, a surplus of very large portions, a surplus that must be dealt with. In order to deal with that, we suggest that we go to a level that has never been achieved before—70 percent. We suggest that we go to a level that has never been necessary for the purpose of bringing a balance between supply and demand.

We also suggest that ultimate discretion, if it be given, will give great advantage to the larger dairy operators in this country.

My State is made up basically of a series of small dairy operators. My State does not have operators who have 600, 800, 2,000, or more cows, such as the dairy operations in Florida, Texas, the Southwest, California. Those are people who, either through the advantages of the milk marketing order or perhaps the economies of scale or a better position with their banks, are able to survive in even the most adverse economic times.

However, as my friend and colleague from Wisconsin pointed out, there are today two-thirds fewer dairy farmers than there were not many years ago; and if we are to preserve the continuity of the family farm, we have to give some type of support.

Why support the farmer at all, one may ask? If you look at the millions and millions of people engaged in the business of farming, you also see millions and millions of people who have very little impact on the market they serve. They cannot raise their prices. They cannot somehow make their overhead. The history of production shows that their only defense has been to become more efficient, and more efficient they have become, because certainly their costs have risen faster than their gross income. As a result, their redemption has been to become efficient, and efficient they are. We are faced with surpluses, not only in dairy but also in most of the other major commodities, that dictate that next year probably will have a rather intensive set-aside program, in which land is specifically set aside and will not be planted, so that we will not have too large a crop.

Mr. President, I am joined in this amendment by the distinguished ranking minority member of the Agriculture Committee, Senator HUDDLESTON, by Senator KASTEN, and by Senator PRESSLER.

So it is with the idea in mind that we have never reached a parity level so low, that we have never acceded to the idea that parity should be below 75 percent, that we have never acceded to the idea that the dairy farm, the family farm, could succeed and survive under these circumstances, that we say just that—that there are surpluses. There are surpluses, not particularly larger than at other times.

I note that back in the early 1960's there were removals one year of 11.2 billion pounds, which is not terribly much different from this year, when removals will be 13.5 billion pounds, probably.

Therefore, while parity was at 83 percent in 1961–62 when those surpluses developed, it went down to 75 percent and remained there for 4 years, the only real time it was at 75 percent, and the surpluses were able to be handled.

In a speech this morning, the Senator from Wisconsin said many of the things I have in mind: The difference in rising costs when compared to the ability to make up those costs and prices received for products, the devastating fact that we are losing the family farm. He spoke about the fact that if there is a difference between us and other countries of the world, be it Russia, which he spoke about, or others, it is the family farm; because we are by far the most successful agricultural producer in the world.

If one looks back at 1980, when we had an enormous trade imbalance, then looks at the agricultural situation, then looks at the trade surplus developed there, one has to wonder what would happen if we did not have the efficiency of the family farm.

Last year, we exported between $40.5 billion and $41 billion worth of farm products. We had a trade surplus in farm products alone of $23 billion.

What would have been the condition of our economy, what would have been the condition of our dollar, in the event we did not have that surplus? It was accomplished through the efficiency of the family farm.

So it is necessary that we do what we can to support the family farm. It is necessary because the family farm, other than becoming more efficient, can do little to impact the marketplace. There are millions of producers without any real defense at the marketplace; millions of producers whose only defense has been to become more efficient, with the result that as they gained efficiency, the downward pressures on the market price have become more intense.

The dairy program this year will cost, net, approximately $1.7 billion. That is too much in these times. It most certainly is too much; and it is a figure, when budgets have to be trimmed and when budgets have to be considered, that cannot be tolerated.

It is a figure that also should be reasonably adjusted.

When my friend from Iowa speaks about adjusting parity only if the program is going to cost $750 million or more in a given year, I have to remind him and remind my other colleagues that the cost of the program now is not reduced by the amount that is given by way of donation to the Veterans' Administration, the Department of Defense, and the school lunch program, and those are not insubstantial figures. We have this very creative accounting that goes on, that this is considered apparently a gift from the dairy farmers of the United States which they are supposed to make to the veterans' organizations and somehow become the taxpayer twice. The dairy farmer not only is a taxpayer but then when he seeks to have some relief at the hands of the Government they say the program that we have in support of you is too high, even though that program has donated various dairy products to other agencies of Government.

Perhaps we should charge those other agencies of Government. Perhaps the distinguished Senator from Iowa would consider amending his amendment so that those charges would not be charges against the dairy program and would not be charges that are considered in coming up to the $750-million maximum that he suggests.

Without question, the dairy program has been efficient. Without question it has resulted in a very steady source of dairy supplies for our Nation and dairy supplies and milk at costs that are lower than inflation itself.

Mr. President, there is much more to say about the dairy program and dairy farmer; the fact that his numbers are depleting at such a rapid pace, the fact that he accounts for approximately a third of the farmers in Minnesota. Many dairy farmers, of course, are also raising other kinds of crops. But through him we find the bounty and the strength of rural America and as we look in rural America we see a depressed scene today.

I read into the record yesterday the beginning of an article that pointed out that the agricultural sector of our country is in a depression. The profits in the agricultural parts are, I believe the word was cataclysmally low. They were not at a point where they would be considered just depressing but even beyond that

point. And the impact on rural America is very intense.

One of the most disappointing aspects, I must say, of not only our present administration but the administrations that have gone before it is, in my opinion, the lack of appreciation for the agricultural sector of our country.

Approximately, Mr. President, 10 percent of the people of my State live on the farm. That is a rather large percentage indeed. But they are not the normal consumer. They are not the normal family. They are families and small businesses that indeed bring a large number of dollars that circulate into our society. It adds to just an enormous amount of economic might that we have in this Nation.

Mr. President, when our farms are prosperous those all around them prosper. In my case, in the Northwest, and I know that in the case of the distinguished Senator from Iowa, where the agricultural sectors prosper the entire State prospers. When the agricultural sector prospers the entire Midwest prospers.

It is a great shortfall, a great shortcoming in my judgment that this administration joins other administrations in not seeing the underlying economic soundness required in agriculture, that when that underlying soundness exists indeed not only our States but our entire Nation prospers.

As I pointed out the imbalance of trade that we would have experienced in 1980 without agriculture would have been devastating. In 1981 the imbalance of trade that would have been experienced without agriculture would be even larger, and yet this administration does not appreciate, nor did the administration before it, what it means to have a viable, strong agriculture economy and what it means in bringing about the economic success of our entire Nation.

Mr. PRESSLER. Mr. President, will the Senator yield?

Mr. BOSCHWITZ. I yield to the Senator from South Dakota.

Mr. PRESSLER. Mr. President, I ask unanimous consent to be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRESSLER. Mr. President. I commend the Senator from Minnesota.

Mr. President, I am joining in sponsoring an amendment to restore the original dairy program to S. 884, the 1981 farm bill. This provision would establish a dairy program of 75 to 90 percent of parity unless U.S. Government expenditures on the dairy program exceed $500 million or 3.5 billion pounds of dairy products. Should this occur, the parity level will be permitted to be reduced to 70 percent of parity. This level of price supports is necessary if dairy farmers are to survive.

During these times of high interest rates and inflation, it is hard enough for dairy farmers to stay in business without having to try to survive more reductions in their income. The dairy farmer has a very large investment and many years of work in his dairy farm and it would be very hard to restore milk products if it were reduced. It is important that we keep a dairy program that will assure the American consumer an adequate supply of milk and to do this, we must assure dairy farmers a fair price.

Farmers know as well as anyone that budget cuts must be made, but these cuts must be fair. The dairy farmers have already taken a cut with the passage of S. 509 in March when the semiannual dairy price support adjustments were suspended. The provisions I am cosponsoring today would reduce the parity level to the range of 75 to 90 percent, without this amendment, the dairy parity level may well drop to 70 percent. I do not know of any other sector of the economy that has been asked to accept larger budget cuts than the dairy farmer. I do not feel we can ask them now to take yet another cut.

For these reasons, I am cosponsoring this amendment to keep the dairy price support program at 75 percent, which is needed by the American dairy farmer. I urge my colleagues to join me in support of this amendment and the dairy farmer.

Mr. BOSCHWITZ. Thank you, Mr. President.

I thank the Senator from South Dakota.

Mr. JEPSEN. Mr. President, will the Senator from Minnesota yield for a question?

Mr. BOSCHWITZ. I yield for a question.

Mr. JEPSEN. And for an answer?

Mr. BOSCHWITZ. For an answer or whatever.

Mr. JEPSEN. I have been listening very intently to the distinguished Senator from Minnesota and again we represent much the same constituency. At the actual bottom line, we are both supportive and agree on practically everything in the agricultural community and in most other areas as much as any two colleagues could possibly.

So very respectfully I ask the distinguished Senator from Minnesota to comment on my observations about his amendment.

First of all, is it correct that his amendment provides 75 to 90 percent of parity with semiannual adjustments unless the Commodity Credit Corporation is projected to spend over $500 million or buy more than 3.52 billion pounds of milk equivalent?

Mr. BOSCHWITZ. That is correct.

The other part of the amendment is that the $13.10 base be kept at this first adjustment time, which would be the 1st of October.

Mr. JEPSEN. All right. In my amendment we have not only for the 1st of October, but forever, a bottom floor support of $13.10; is that correct?

Mr. BOSCHWITZ. Is the Senator asking me about his own amendment?

Mr. JEPSEN. I wish to make sure. It is my way of finding out the Senator's understanding.

Mr. BOSCHWITZ. That is my understanding.

Mr. JEPSEN. Then based on the Senator's amendment as it is constructed——

Mr. BOSCHWITZ. Mr. President, will the Senator yield?

Mr. JEPSEN. I yield.

Mr. BOSCHWITZ. My amendment also guarantees $13.10 will be the floor.

Mr. JEPSEN. As mine does.

Mr. BOSCHWITZ. Yes.

Mr. JEPSEN. The Senator's does forever or just for 1 year?

Mr. BOSCHWITZ. We specify $13.10 base, but we would also specify that in the event that 70 percent of parity was more than that in October 1982 or in April 1982 there would be an upward adjustment beyond that point.

Mr. JEPSEN. On the basis of the Senator's amendment, as things now stand and his figures were even, I was interested to hear, greater than the ones that I have presented in that for 1981 fiscal year the Commodity Credit Corporation is on the road to removing 12.6 billion pounds—I believe the Senator said 13.2 or 0.3 billion pounds of milk equivalent. So, therefore, going back to the Senator's amendment which says that the amendment stays in place on the 75–90 percent of parity unless the projections by the CCC is to buy more than 3.52 billion pounds of milk equivalent, since it is going about four times that basis right now, then under the Senator's amendment we would go back to 70 percent of parity; is that correct?

Mr. BOSCHWITZ. That is correct.

Mr. JEPSEN. Which is in fact by overwhelming figures where we are right now and in the conceivable future.

Mr. BOSCHWITZ. That is correct. I agree with the Senator.

Mr. JEPSEN. Then, in addition, the Senator from Minnesota has the additional dimension of a $500 million projected expenditure or net expense; whereas my amendment has $750 million. Can the Senator from Minnesota tell me why that $259 million less is better than my $750 million?

Mr. BOSCHWITZ. My amendment, of course, has a semiannual adjustment. My amendment establishes a floor at $13.10 as does the amendment of the Senator from Iowa. Indeed, incorporating back the language of S. 884 we do use the figure of $500 million, but at best the Senator's amendment is worse than mine. At worst our amendment will say 70 percent with a semiannual adjustment. At the best the amendment of the Senator from Iowa says 70 percent in the event that the removals will be $750 million or less.

Mr. JEPSEN. Seventy percent, but in no event less than $13.10 per hundredweight.

Mr. BOSCHWITZ. That is correct.

Mr. JEPSEN. Then really what we are coming down to is a comparison of apples and apples and oranges and oranges. Here is the sense of the Senator's amend-

ment and it provides for a semiannual adjustment and my amendment does not. Is that correct?

Mr. BOSCHWITZ. Pardon me. I missed the Senator's remarks.

Mr. JEPSEN. Essentially the amendment of the Senator from Minnesota provides for semiannual adjustment with a few odds and ends.

Mr. BOSCHWITZ. That is correct.

Mr. JEPSEN. That is the big difference.

Mr. BOSCHWITZ. That is a big difference, that is right.

Mr. JEPSEN. OK.

Mr. BOSCHWITZ. Not only that, but in the event removals are less than $500 million, which is very often the case, which was the case in 1977, 1978, 1979, 1976, 1975, 1974, all years in the 1970's actually with the exception of one the program cost less than $500 million. In the event it cost less than or projected to cost less than $500 million, then the adjustment would be the 75 percent.

Mr. JEPSEN. Here is where we differ somewhat on the basis of projections, in that fiscal year 1982 there is a projected CCC expenditure for these outyears projected to be $105 million, 1982; $501 million, 1983; $712 million, 1984.

Mr. BOSCHWITZ. If the distinguished Senator will yield, as my colleague well knows those are the latest figures that we got from the Department on Friday and then the following Wednesday. Then we got figures from CBO on Friday again, the succeeding Friday when we got the figures from the Department of Agriculture, and then on Monday we got more figures from the Department of Agriculture.

I do not challenge the Senator's figures. but I must tell him that he can see what he wants in them.

Mr. JEPSEN. I thank the Senator.

Mr. President, I suggest that the primary difference in his amendment and my amendment, the amendment as the distinguished Senator from Minnesota would modify the amendment is primarily a semiannual adjustment. The semiannual adjustment and a semiannual anything in this administration in this time of economic change, I might say change for the better in this country, is something that this administration has tried to at all turns of the road both eliminate and avoid. It is a change in direction but that is indeed what this country is going through now. It is a change in direction and what the people of this country voted for last fall and for 2 years before that to a degree, and I predict even more so in a year from now.

We have had and been at the brink of economic disaster. Part of the reason is that we have had automatic increases for just about everything that exists in our society whether there is any rational reason for it or not, and it has fueled the fires of inflation to a point that we are at a point now with the high interest rates and inflation that we have some serious economic problems and had we not started to change this direction we would have had even more serious economic problems.

So, the fact that we have a primary difference of the semiannual adjustment I say this to the Senator: The administration is opposed to anything by way of semiannual adjustments. The Department of Agriculture has so advised me that they would not accept semiannual adjustments. I have in turn told them that if there is one single place in our economy or in any of the Government programs where a semiannual adjustment fits it is in this particular program, that we are dealing with a very unique perishable product in milk, and fresh milk is very desirable, and to keep the price level stable a semiannual adjustment has done this for this particular industry, and it is a unique sort of product that we are dealing with.

I have further advised the Secretary of Agriculture and the Assistant Secretary of Agriculture, Mr. Lyng, who is out here in the room with some other assistants, that I will be the first to propose this 1 to 2 years from now, and that is essentially when this semiannual adjustment would come into play. Most importantly, we are all right for the next 12 months or so, as I understand it.

I will be one of the first ones to take the lead if there are some serious problems that occur from this happening by way of upsetting or triggering something we do not expect, and reinstating, if need be, the semiannual adjustment. I have been assured by the Department of Agriculture that if indeed that type of situation does exist they will not only seriously consider but they will join with me in trying to remedy the program.

Mr. DOLE. Will the Senator from Minnesota yield to the Senator from Kansas?

Mr. BOSCHWITZ. I yield to the Senator to ask a question of the Senator from Iowa.

Mr. DOLE. I apologize for not being here for the debate. I was making a speech in Bethesda on nutrition, and missed this outstanding debate.

I know the Senator from Minnesota has done an outstanding job, but he does not have the right product at the moment.

As I understand it, the amendment would move us back into the same cost place, and it does not narrow the gap so far as the cost of the dairy program is concerned.

We all have dairy producers. We are not all blessed with the great dairy production they have in the State of Minnesota, but, as I understand it, and unless there has been a change in the last couple of hours, the problem you have is money. It is not that we all do not like dairy producers and dairy products. We all like cheese, milk, and ice cream. The State of the Senator from Minnesota and other States produce a lot of dairy products. The question is we do not have any money.

I would like to ask the Senator from Iowa whether this is what it is all about, unless I missed something during my absence, and as I understand it the Boschwitz amendment restores the costs of S. 884 and that is something that, as I understand it, unless there has been a change of heart by the administration, that we just cannot live with. I do not know whether anybody has the exact figure, but it is close to $1 billion. We might as well take the whole bill down.

Mr. JEPSEN. In the current fiscal year the Commodity Credit Corporation will remove 12.6 billion pounds of milk equivalent from the market at a cost of $1.986 billion. That is even less than the distinguished Senator suggested it might be.

After taking into account sales receipts, the net expenditure to the Commodity Credit Corporation for fiscal year 1981 is estimated to be $1.886 billion by the administration. This is $875 million more than was spent in fiscal year 1980, and it is $1.3 billion more than was spent on the average during fiscal year 1976 through fiscal year 1980.

We are on a record-accelerating path of purchasing stocks of dairy products. The milk equivalent of dairy products purchased through August 28 exceeded 12 billion pounds; butter stocks on hand August 15 amounted to 440 million pounds versus 278 million last year; cheese was 542 million versus 198 million, that is more than double last year; and nonfat dry milk was 755 million versus 597 million a year ago. That is a 50-percent gain.

Butter is at 50 percent, and cheese purchases are about 150 percent ahead of last year; and at this time nonfat is up about 30 percent. We are heading for record surpluses and record deficits.

Mr. DOLE. I correctly understand that. With as much respect that I have for the distinguished Senator from Minnesota, it would seem to me that we are either going to have a farm bill or not have a farm bill. They are not easy to pass in any event. There are still other amendments, other amendments floating around. The Senator from Montana has a few goodies. We cannot exist with those kinds of amendments, all kinds of little time bombs floating around. But if this one goes off, we might as well quit, just pull it down, and go back to the drawing boards because it seems to me this is the one that the administration, I think, for the reasons just stated by the Senator from Iowa, feels very strongly about.

I would just say farm bills are not easy to pass. They are misunderstood by the people who talk about farm bills. There is a feeling that farmers are all running to the mailbox to get the next Federal check and then run to the bank.

It is not an accurate portrayal, but it is a perception that many people have about the farm program. They feel that what we are doing is spending the taxpayers' money by the Congress to pay farmers. That is not the case, as the Senator from Minnesota has stated many times. We do need to provide protection

for the American farmer. We cannot farm the Treasury, there is no money in the Treasury, and that is why they had a meeting this morning at the White House, I understand, talking about spending cuts. That is why we are asking the Finance Committee to consider some other matters, whether it is medicaid, medicare, or social security or whatever. If we are going to add $1 billion here or there, we are going to have to find that much more money to balance the budget by 1984 and hold the deficit to somewhere around $45 billion for fiscal year 1982.

Having gone through that process, and having responsibility of chairing a committee that has to do a great deal of cutting around here, I am convinced that we cannot let farmers avoid the realities either. Most farmers are willing to face up to the realities. My State is about as rural as any State in America, and I am not suggesting that all farmers are going to be happy with what happens on the Senate floor or happy with the administration or happy with the House bill, but I am suggesting that the biggest problems in American agriculture are interest rates, inflation, and the size of the national debt, Federal spending, and Federal regulations.

We can go on and do business as usual, and that is what we would be doing in effect because since we passed 884, we have been told, I think in the right way, that the administration cannot support that bill. So I am going to support the Senator from Iowa.

Mr. JEPSEN. Mr. President, will the Senator yield?

Mr. DOLE. The Senator from Minnesota has the floor.

Mr. JEPSEN. Will the Senator from Minnesota yield for a question?

Mr. BOSCHWITZ. If I may respond for just a moment to my distinguished colleague and the chairman of the Committee on Finance, we are not asking to do business as usual. We are quite willing to go to 70 percent of parity, a level that has never been reached before in the 30-odd-year history of the program. We are not asking for the moon. We are asking for a level that is lower than has ever been reached before.

It really is unclear to me what the cost of those programs is. I see so many different figures. One of the sets of figures I saw showed there was only a $100 million difference between our program and the administration-recommended program on the costs over several years.

The Senator knows that we are negotiable. This position is not locked in concrete. Perhaps the Senator from Iowa would like to assure us there will be an annual adjustment at 70 percent of parity, just an annual, not a semiannual adjustment, and we would accept that. But that would be quite a concession, quite a concession from last May when we negotiated S. 884, quite a concession from any level that has ever been achieved in the farm community.

But to just say that we will not have any adjustment at all, that inflation is going to be able to eat us up, that the small farmers of our States are going to be defenseless against the ravages of inflation is something that we cannot agree to and, as a result, we must ask for this amendment.

Mr. JEPSEN. Mr. President, will the Senator yield?

Mr. BOSCHWITZ. Would the Senator like to adjust his amendment so as to assure an annual adjustment that we would be happy to accept on our side?

Mr. JEPSEN. I am thinking about what the Senator is saying. Will the Senator yield for a question?

Mr. BOSCHWITZ. Yes, I yield.

Mr. JEPSEN. Does the distinguished Senator, who is recognized as one of the outstanding business people in the United States, and I have great admiration and respect for that success, does the Senator have any idea what kind of inflationary impact his amendment would have?

Mr. BOSCHWITZ. What kind of an inflationary impact? Inflationary from the standpoint of adding to the deficit, adding to the spending levels of the Government? It is hard, as I indicated earlier, to know exactly what that is. The figures have been just all over the lot.

Mr. JEPSEN. I can appreciate that, but knowing what the Senator knows, on the basis of comparing his amendment with mine, would it be correct to say that the Senator's amendment would be much more inflationary or more inflationary than mine?

Mr. BOSCHWITZ. Oh, Senator, as you know we could argue about that for awhile. If we keep the farm sector of our economy and rural America as a rule somewhat more healthy, I do not think that that has an inflationary impact; no, I do not.

Mr. JEPSEN. Well, in fact, when you talk about health—you did not answer the question. Do you believe the chances are that your amendment is much more inflationary than mine; is some more inflationary than mine?

Mr. BOSCHWITZ. I do not believe, Senator, that my amendment is inflationary. Inflationary would mean that it would increase the public debt; inflationary would mean that as a result the Government would have to go to the money market and dry up a still larger percentage of the funds; inflationary means that we would have a negative effect on the deficit, and I am not sure what would cause that more. Would it be caused more by the possibility that my program would spend a little more than yours or would the cause of inflation be more enhanced by the lack of tax revenues from the rural side of America, thereby increasing the deficit in that manner?

I asked the Senator a little while ago if he would like to change his amendment to assure the annual adjustment at 70 percent of parity. That would be in the spirit of conciliation. I would be very happy to accept that and withdraw my amendment in that case.

Mr. JEPSEN. Well, as I read and understand my amendment, we are providing the latitude for the Secretary of Agriculture to provide for somewhere between 70 and 90 percent. We guarantee a floor, a bottom of $13.10 per hundredweight by way of an actual dollar and cents figure. I say to the Senator that I think, in the interest of entering into a partnership with the new climate we have in the Department of Agriculture by way of being a friend of the farmer, that this amendment speaks for itself and we essentially have that.

My amendment will help dairy producers to work out their problems of excessive supplies. In the long run, all good, sound, prudent business people will understand what they must do.

I have talked to dairy farmers who said they realize there has been some overproduction; that there is right now. And whether you say: What comes first, the chicken or the egg? We are overproducing or we are consuming less, whatever it is—I am willing to step out and step up front and appear on TV, or wherever it may be, drinking a glass of milk. I drink one every morning and I drink one every evening. I would be glad to double my consumption and urge everybody else to do that, too. That will help the dairy industry. So I am on record as saying and urging that now. That is a positive way to get at things.

That is also the way we have to start solving our problems in America today, by all joining in and building a "can do" attitude. Let us go and do something about it. But we cannot do something about it by artificially containing and jacking up something that, frankly, has produced a very, very serious problem exists in the dairy industry and the dairy support industry now. It will jeopardize possibly, the long-range future if, indeed, we are going to continue on to a point where it is such a burden that we will come through with either legislation or action that will strip it considerably, rather than, as my amendment, frankly, does, which is to help the dairy industry.

The cost of my amendment is about $1 billion less than the current provision of S. 884 over the 4-year life of the bill. It is more in keeping with the twin objectives of providing adequate support for the farm dairy industry and reducing the budget outlays. That is what we are talking about. The dairy farmers are willing to do their share. We are asking them to give in just a little here and join all other Americans in trying to get this economy under control.

Mr. BOSCHWITZ. The Senator will recall, I think, that my amendment does, indeed, ask the farmer to do his share. We are going to go to 70 percent of parity. In the event that inflation continues at the rate projected, that will mean, in midyear, 65 percent of parity toward the end of the year should we accept the once-annual adjustment. So, indeed, these are levels that have never been reached before. This is not an extraordinary surplus.

I thank the Senator for correcting my figure. I thought it was 13.5 billion pounds on a fluid basis of milk. I note that the Senator says it is 12.6, and that this is not a great deal more than it was in 1962 when it was 11.2. We only have to go to 75 percent of parity in order to adjust that difference.

In any case, I hope the Senator will consider my suggestion that he make the 70 percent mandatory and that it occur once a year. I will be happy to accept that amendment in that case.

Mr. DOLE. Will the Senator yield for a question?

Mr. BOSCHWITZ. Yes.

Mr. DOLE. Does the Senator have a fallback position in the event he should lose?

Mr. BOSCHWITZ. Who knows? I think we all have fallback positions, I say to the Senator.

Mr. DOLE. It would be helpful to us if we knew what it was.

Mr. BOSCHWITZ. The Senator has been one of the best fallerbackers around here.

Mr. DOLE. Well, I have had more practice.

Mr. BOSCHWITZ. The Senator has had quite a bit of practice.

Mr. DOLE. Right. Never in the majority; we used to do more of it on the minority side. But now we have an addition: When we fall back, we fall further.

Mr. BOSCHWITZ. I understand that my distinguished friend and cosponsor from the State of Kentucky (Mr. HUDDLESTON) wishes to speak on the bill, and I yield to him.

Mr. HUDDLESTON. I thank the distinguished Senator from Minnesota.

I have been enjoying this discussion very much. I think that, since we came back about a week ago, I have been in at least a dozen meetings in which we have tried to reach some common ground between these two positions that we are faced with right now. The distinguished Senator from Iowa has presented the latest offer that came to us from the administration. The Senator from Minnesota has attempted to amend that, essentially, by substituting virtually the same language that is in S. 884. That is what the majority of the Agriculture Committee agreed to last May. And I think it is well worthwhile remembering that that, in itself, represented a considerable scaling down from what the dairy price support program was. But now we are faced with those two positions, one or the other.

I think all of us were hoping there would be some common ground, someplace in between, that would satisfy the requirements of providing at least some minimal support for our dairy producers and at the same time not be too onerous on the budget of the Federal Government. Obviously, up to this minute, we have not arrived at that particular place.

So I think, given that circumstance, I would have to recommend that we support the Senator from Minnesota; that we recognize that when we passed S. 509 earlier this year, back in March, we saved the Treasury then some $160 million out of the dairy program. S. 884, as originally presented and as now in the bill, will save hundreds of millions of dollars more than would have been saved without those provisions. They are not bountiful by any means, but they are adequate, and I think they are responsible.

But the points of contention between the administration and those Senators supporting the S. 884 dairy program are really small in comparison with the value of the products of the dairy industry. Farm cash receipts from dairy will be approximately $20 billion in the 1981–82 marketing year. And the difference in cost between the provisions of S. 884—or what the Senator from Minnesota is suggesting—and the amendment by the Senator from Iowa amounts to about $40 million in 1982, according to the Congressional Budget Office estimates.

And here again we have had some disagreements, some misunderstandings, about actual cost figures. That has been one of the most interesting things about this past week of considerations and negotiations—this moving target of figures that we are shooting at all the time. There is one thing, I think, we can say about these figures, regardless of what happens here today or what is in this final bill: If the Senator from Minnesota has miscalculated, if the amendment he is proposing is enacted and the figures are not correct and the costs soar far beyond what we are anticipating now, then we will be back here before the end of this 4-year bill to do something about that situation. I think the dairy industry recognizes that we have to move toward a better balance of supply and demand. And if that does not occur under whatever we do here, that problem will be addressed, in my judgment, very quickly. We will be back here making the necessary amendments.

And the same is true with the amendment of the Senator from Iowa. If he has miscalculated, if the provisions that he has recommended cause great difficulty, great dislocation in the dairy industry, if dairymen are driven out of business, if the milk supply falls, then we will be back making those adjustments, too.

So I do not beileve for a moment that we are locking ourselves into concrete as far as what the total cost of this program might be. And we are dealing with some very nebulous figures. We just cannot put our finger—and neither can the administration or the Congressional Budget Office—on the exact amounts that any of these proposals are going to cost.

Now one thing, it seems to me, that the circumstances would provide if the Senator from Minnesota prevails, and that is, first of all, we maintain a mechanism that generally has been successful. It got too costly; we know that and the industry recognizes that, and the adjustments were made. But the mechanism has done pretty well. And I am not sure we ought to throw that out right now to meet the particular situation that we are faced with concerning the budget, particularly when there are tools available to do something about it.

I think the amendment of the Senator from Minnesota might well provide a little incentive for the administration to get out and do something with this surplus, to enter into some aggressive sales and export plans that will help lower those stocks and reduce the cost to the taxpayers and bring the program better into balance.

So, for that reason, and for the fact that we are dealing with these two positions, I think our better course at this point is to stay with the proposal of the Senator from Minnesota and then be prepared to deal with whatever might happen if we get into a situation that requires some additional adjustment down the road.

I yield back my time.

Mr. BOSCHWITZ. I thank the Senator from Kentucky. I agree with him that we, indeed, can come back and that we are not locking it into concrete. However, two-thirds of the dairy farms of our country have already gone the way of so many things and they cannot be brought back and before we condemn more of these farmers to an auction I want to maintain the program as I am suggesting.

I yield to my colleague from Vermont.

Mr. LEAHY. Mr. President, I thank my colleague from Minnesota.

Mr. President, I support the amendment by Senator BOSCHWITZ. I do so, obviously, with concern for the farmers of my own State but, also looking at this as a national farm bill. Basically, I think the farm bill we reported out of committee went far enough. In fact, I thought it made too much of a cut in the dairy program, even as it came out of committee. But I also realized—both as a Senator from a dairy producing State, Vermont, and as a Senator holding an office where we have to reflect the interests of the whole country—that, of course, there are going to have to be cuts made, in a time of fiscal austerity, in all farm programs.

When you look at what the cuts were made, Mr. President, our farm bill set the parity at between 70 and 90 percent, but it allowed for a 70-percent level to respond to increased purchases of dairy products.

I understand that the distinguished Senator from Iowa (Mr. JEPSEN) is presenting an administration proposal. The administration proposal really is a last-minute attempt to change all the work done by the committee on the dairy section. In fact, there have been, as Senator HUDDLESTON mentioned earlier, a number of last-minute or last-ditch attempts by the administration to change just about all the work that we did in the committee on the farm bill.

I think, Mr. President, it should be noted that the committee, in a bipartisan effort, had day after day of meetings and markups on all the various farm

programs—not just dairy, not just wheat, not just corn, not just peanuts, not just soybeans, all the programs—in trying to reach a conclusion that would save money for American taxpayers at the same time it maintained some kind of stability in our farm programs. That is a stability that has been sadly lacking, a stability that was just beginning to show up in our farm programs, a stability that is absolutely necessary if we are to maintain not only individual family farms but, also, that ability not only to feed ourselves but to be able to export food abroad.

Mr. President, at a time when we see what a devastating effect our inability to produce the energy we need in this country has had our own national security, can you imagine how devastating it would be on America if we were no longer able to feed ourselves but actually had to depend on other countries and had to import food from them—countries whose interests may be inimical to that of the United States?

This amendment, Mr. President, that the administration has proposed would freeze the dairy price, for example, at $13.10 and keep it frozen no matter what the parity level may be. That means, quite frankly, that dairy farmers could be faced with a parity level of around 55 percent inside of 4 years. I know what that would do in Vermont. It would destroy most of the family farms in Vermont and that prime agricultural land would be lost forever to some other use. It would mean the same thing in Minnesota, Wisconsin, and a lot of other States.

Our dairy program is operating right now at 80 percent of parity and the committee-reported bill does allow for 70 percent of parity. That is a major change in the program. I think we ought to give that change a chance to work. We recognize the problems in the dairy program. I have told farmers in my State, as I am sure all of us have in our own States, that they are going to have to expect changes, they are going to have to expect cuts. I support realistic, reasonable cuts, whether they are popular or unpopular. But let us go with the cuts we talked about in the farm bill and give them a chance to work. We negotiated this, arrived at it as a bipartisan solution. Let us give it a chance to see if it can work.

The administration amendment really is a raw deal for our Nation's dairy farmers. Again, I do not mean to be parochial, but you look at the farmers in Vermont—we have basically small farms and very conservative people. It is, after all, the most Republican State in the Nation. Our farmers are cautious. They hold down their production, they keep careful account of their budgets. These farmers see some pretty bad economic times ahead. I simply cannot add to their problems by supporting a last-minute administration attempt to balance the budget on the backs of our dairy farmers.

As I said before, I see this bill as a more bipartisan measure. It is the result of hours of work, days of work, morning, noon, and night of work from both Republicans and Democrats. I support the amendment of the Senator from Minnesota to bring us back to what is basically the position that we worked out in the committee, an attempt to support the administration on their budget cuts, but also to have a realistic program.

Mr. President, I understand the distinguished Senator from Oklahoma would like to speak on the bill. I should like to yield to the distinguished Senator if he seeks recognition.

Mr. BOSCHWITZ. Mr. President, I believe I still have the floor and I yield to the Senator from Oklahoma (Mr. BOREN).

Mr. DOLE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. EAST). The Senator will state it.

Mr. DOLE. Did the Senator from Minnesota have the floor?

The PRESIDING OFFICER. The Senator from Minnesota is the last Senator to have been recognized by the Chair.

Mr. LEAHY. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LEAHY. Not that it makes any difference to me, because I yielded back, anyway, but I assumed the floor had been yielded to me at the time I spoke.

Mr. DOLE. The Senator from Kansas does not care, Mr. President, but he did not see the Senator from Minnesota here and I wonder how he did that.

Mr. JEPSEN. Will the Senator from Vermont yield to me?

Mr. LEAHY. I had yielded the floor and I understood at the time I was speaking that the floor had been yielded to me, Mr. President.

The PRESIDING OFFICER. The floor cannot be yielded by one Senator to another. The floor can only be obtained by recognition from the Chair.

Mr. JEPSEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. JEPSEN. Mr. President, I say to the Senator from Oklahoma (Mr. BOREN) that I shall be very brief.

Will the Senator from Vermont yield for a question?

Mr. LEAHY. Yes, Mr. President.

Mr. JEPSEN. The Senator emphasizes that my amendment would mean there would be no adjustment in support prices for 2 years. Is that correct?

Mr. LEAHY. No; I think the Senator may have been listening to one of the other Senators. I did not say that.

Mr. JEPSEN. Did the Senator say that there would be an adjustment in the price support levels from my amendment?

Mr. LEAHY. The Senator said that, according to this Senator's calculations, in 4 years, dairy farmers could be facing a parity level of approximately 55 percent. It is the same position that the Senator took in the informal discussions that we had earlier among the members of the Senate Committee on Agriculture.

Mr. JEPSEN. On what basis does the Senator make that statement? Actually, if the Senator assumes that the cost of the program will exceed $750 million—that is the only way and only then can the price go down to $13.10 a hundredweight. To this point in time, it is considerably above 70 percent of parity. I am trying to find out on what basis the Senator was making his statement that we would have 55 percent of parity in 4 years.

I do not know where these statements come from, but they are coming like popcorn here in the last couple of hours. I expect some explanation as to their basis.

Mr. President, the dairy industry, under my amendment, can assure itself of an increase by bringing its costs to the Treasury down below $750 million. On the bottom line, that is very simple, $750 million—in no event less than $13.10 per hundredweight. That is a far cry from what the Senator from Vermont was essentially alluding to about this amendment.

Mr. LEAHY. Mr. President, would the Senator from Iowa care to tell us what level of parity he would see in 4 years under his amendment?

Mr. JEPSEN. I do not have a crystal ball any more than the Senator from Vermont does. We are trying to provide a way to bring about an economic recovery in this country from the near disaster, on the brink of which we now stand. To do so, I have offered this amendment in keeping with the objective of doing just that and providing adequate support. My amendment provides the latitude for the Secretary of Agriculture to provide between 70- and 80-percent parity support, with a $13.10 per-hundredweight floor, no matter what. No less than that. It is certainly in keeping with the objective of providing adequate support and reducing budget outlays.

Those are the upfront, on-top-of-the-table, candid, honest, simple, straightforward facts of this amendment.

We have just gone through a time when the Senator from Vermont was helpful in most cases on cutting costs, trying to bring reality to some of the Government expenditures, and that is what we are looking at here.

Mr. LEAHY. Mr. President, I am well aware of the administration's proposals here. I am also aware of the various economic prognostications made by the administration.

When they first sought support for the budget they were predicting Federal Treasury bills around 7 percent this time of year, or slightly beyond this time. That, I believe, was predicted by an administration member known as "Rosie Scenario." It did not quite work. That is now changed to 10 percent, which is still not about to work.

I say to my distinguished colleague from Iowa the same things I have said before, and the Senator from Minnesota said them even stronger today: We would have to have a pretty flat level of inflation or a very significant cut in inflation, not only in inflation but also in interest rates, to make this thing work out anywhere near what the administration predicted.

I am not willing to gamble that "Rosie" is right in this regard. In representing the farmers of Vermont, I realize that the administration, which has

been wrong in many areas and which is suffering a bit of an economic credibility gap at this point, as it faces the largest deficits in the Nation's history, is going to be wrong in this one.

In any event, I am not too sure what the parliamentary situation is, but I believe we are intruding on the time of the Senator from Oklahoma, and I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BOREN. Mr. President, I support the motion of the Senator from Minnesota to restore the provisions of the bill as originally reported by the committee as they apply to price supports for dairy products.

I share the concerns that have been voiced by the Senator from Minnesota and the Senator from Vermont, that under the proposal of the Senator from Iowa there is no guarantee that there would be sufficient adjustments, if any, over the next 3 years to keep the parity value of the price of dairy products from falling far below the 70-percent level.

I basically support the provisions of S. 884 as reported by the Agriculture Committee, not only in this instance but also across the board.

Mr. President, one of the most important pieces of legislation which we will consider this year is the 1981 farm bill—the bill now pending before us today. I hope that every Senator will be mindful of the fact that during the next few days we will be adopting policies which will have a significant impact on the largest industry and biggest employer in this country, American agriculture. Any of our efforts to revive this Nation's economy will depend upon the future economic health of the agriculture economy. It is imperative that this Congress and this administration enact a sound and strong farm program.

While the bill reported by the committee is not perfect by any means, it does provide a framework which will allow our farmers to remain in business. As we heard yesterday from the distinguished chairman of the Agriculture Committee, Senator HELMS, the committee spent many hours fashioning a bipartisan farm bill package.

Serious and painstaking consideration was given to the concerns expressed by everyone interested in farm legislation. Compromises were made in order to minimize the cost of this bill, and at the same time provide some semblance of security for American agriculture. S. 884, as reported by the committee, is a balanced and carefully crafted compromise worked out in more than 25 4-hour markup sessions of the committee.

After reporting the bill, several of us on the committee joined Senator HELMS and Senator HUDDLESTON in pledging our support to the bill being considered today. At that time, we urged Members of the Senate to resist the temptation to offer any amendments which would undermine this legislation. It was pointed out then that the adoption of such amendments would endanger the whole concept of omnibus farm legislation and the structure of the Nation's farm commodity programs.

As late as August 24, a letter from the leadership of the committee was sent to 150 agribusiness and farm groups soliciting their support for S. 884. I, for one, do not take commitments lightly and I do not intend to be a part of any effort to turn our backs on the American farmer.

I have been somewhat surprised by changes that have been suggested in the committee bill. It is hard for me to understand why the bill, which was a fairly good one before we recessed, now needs to be overhauled.

Unfortunately, the administration's idea of modifying the bill is to make it weaker. It is ironic that the argument being used is that because the farmer is in even worse shape than was thought, we should cut the farm program more. As farm financial conditions deteriorate, some respond to the crisis by saying that we should do less to help the farmer.

The excuse seems to be that farm prices are low and are less favorable than was previously forecast and, therefore, we should help our farmers by taking away what little protection was provided by the original bill.

All of us have had experience with phantom budget numbers which thrive in this town. I have seen many cost estimates on this bill, and they all are different. For example, last week, within the space of 3 days, I received three different cost estimates for this bill. Which numbers should we believe? Your guess is as good as mine.

But, let me give some real numbers. Net farm income in 1980 fell to about $20 billion, down sharply from 1978 and 1979, but when this $20 billion is adjusted for inflation, farmers received less in income than they have at any time since 1934.

Wheat prices have declined sharply since November 1980, and they are now 16 percent lower than they were 9 months ago. USDA has estimated 1981 production costs at $5.32 per bushel, or 45 percent more than farmers are currently receiving for their wheat.

We not only have a problem with dairy; we have a problem across the board in terms of agricultural commodities. Cattlemen are going broke, suffering from 20 percent interest rates. In summation, it is basically the same old song, second verse, of farm costs continuing to go up and farm commodity prices continuing to go down.

The growing crisis in agriculture can be demonstrated by one statistic, and I hope my colleagues will think long and hard about what this statistic means. Thirty years ago, total farm debt and annual net farm income were about equal. We had at that time an unadjusted figure of approximately $13 billion annual net farm income and $12 billion total farm debt in this country—equality between annual farm income and total farm debt. That was 30 years ago.

Today, total farm debt exceeds annual net farm income by 10 times—roughly $20 billion of annual net farm income versus $200 billion of farm debt. In 30 years, we have gone from equality of annual farm income with total farm debt—equality of those two figures—to a tenfold relationship of debt being 10 times the size of annual farm income.

With commodity prices below the cost of production and interest rates at 20 percent, we are fast approaching the time at which the burden can no longer be managed. This could lead to a collapse of appreciated land values, which alone have allowed the farmer a bare return on a lifetime of labor.

If we allow this breaking point to be reached, the family farm structure of agriculture, with ownership by individuals instead of corporations, will be a thing of the past.

Now is not the time for any of us to back away from American agriculture. Instead, I suggest we bow our backs and stand side-by-side with the American farmer who provides the basic foundation of our economic and social well-being.

There are those who want to write a farm bill with absolutely no budgetary impact. It can be done. However, as the Senator from Kentucky pointed out recently in a discussion, there is only one drawback to such a bill: It will be of absolutely no help to the farmers. In the past few days, I have felt that there were those who were pushing the administration to write such a bill. To call it a "farm bill" would be to engage in false labeling. Such proposals would more honestly be titled, "The Farm Liquidation Act of 1981."

But I submit to you that American agriculture and our farmers deserve a better deal than they have been getting. I intend to do my best to fight off the expected attempts to weaken or completely ignore the work that was done by those of us on the Senate Agriculture Committee.

I urge all Members of the Senate to join me in supporting this bipartisan farm bill of 1981 and supporting efforts to return the provisions to the original form and in this case to support the efforts of the Senator from Minnesota to return the provisions of S. 884 as they apply to the dairy program.

Mr. DOLE Mr. President, the Senator from Minnesota is not in the Chamber, and I promised that I would protect his interests, so I plan to move to table the amendment of the distinguished Senator from Minnesota, and I want him to be here for the announcement.

So I will just say a few words while we are waiting for Senator BOSCHWITZ.

I certainly do not disagree with the Senator from Oklahoma, but again it is not enough to say that we have gone through this before because it is always difficult in farm legislation, particularly difficult for the first time that we have had some budget constraints to consider.

I spent some time in my State during the recess talking with a number of farmers. Some of them agree with what we are doing and some disagree. Some were more concerned honestly about inflation and interest rates than about what we might do for them, and I underscore "do for them," with farm legislation.

I think most farmers are probably saying, "The one thing we do not need is more credit, more inflation, higher

interest rates, more regulation, more Government," and they are suggesting this to us directly or indirectly. Some, of course, want higher loan rates and some want higher target prices, and some do not.

It seems to me our obligation is to provide some protection for the farmer.

We believe we have done this, at least I believe, in the target price concept. Some of my colleagues do not. We will have a vote on that later. But if the loan rates were higher, I would say maybe we do not need target prices. Unfortunately, in the wheat-producing States, Oklahoma, Kansas, and others, we are going to have some exposure to target prices this year because we are sort of reaping the rewards of the grain embargo of January 4, 1980, and that is just now coming home to roost as far as the wheat producer is concerned. It could cost up to a half billion dollars in payments.

My farmers for the most part do not want Federal payments. They want to make a profit in the marketplace whether they be a dairy farmer, a wheat farmer, a corn farmer, a soybean farmer, or whatever.

The distinguished Senator from Minnesota has now returned to the Chamber, and I indicated before he left that I would not make any motion in his absence. Unless there is someone who wishes to debate it further, if it is satisfactory to the Senator from Minnesota, I shall move to table his amendment unless he wishes to debate it further.

Mr. BOSCHWITZ. I do not know that debating it further really would achieve anything, so I will not debate at least this amendment further. Perhaps we will have an opportunity after the motion to table to discuss at some length the amendment of the Senator from Iowa.

Mr. DOLE. I thank the distinguished Senator from Minnesota.

I say, finally, this morning the Finance Committee had the dubious distinction of voting out an increase in the debt ceiling of $1.089 trillion. If Senators do not think we are in trouble in this country, I wish to see how everyone is going to vote on the debt ceiling when it is trotted out about next week when we keep adding more spending and creating more debt. It will be interesting to follow and interesting for me to follow also, for that matter, to see what happens.

I just tell Senators that we just exceeded the trillion-dollar mark. We made history today in the Finance Committee by a very close vote. In fact, it was so close we had to get the thing voted out before the absentees voted. That is how close it was.

I just suggest that there is one thing to vote for more spending, but it is another thing to vote today for the things we voted to spend.

On that basis I feel certain the Senator from Minnesota has made a great argument. The dairy producers in this country deserve all the support they can have, but what they really wish I think is less interest rates and less inflation, and we are not going to have that if we add $1 billion to the cost of this program which is what his amendment would do.

Going back to S. 884, we did write a good bill and a lot of people spent a lot of time, Democrats and Republicans, on S. 884. We could have passed it fairly easy, I asume, in the Chamber, except for one thing: It costs too much money, and so we have gone back in a bipartisan effort and I think for the most part succeeded in reducing the impact of that original provision by $1 billion or more.

This is not an attack or directed at the Senator from Minnesota or the American dairy farmer, but I do move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Minnesota.

On this question, the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Iowa (Mr. GRASSLEY) and the Senator from Vermont (Mr. STAFFORD) are necessarily absent.

I further announce that, if present and voting, the Senator from Vermont (Mr. STAFFORD) would vote "nay."

Mr. CRANSTON. I announce that the Senator from West Virginia (Mr. ROBERT C. BYRD), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from New Jersey (Mr. WILLIAMS), are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia (Mr. ROBERT C. BYRD), would vote "nay."

The PRESIDING OFFICER. Is there any Senator in the Chamber who has not voted?

The result was announced—yeas 53, nays 41, as follows:

[Rollcall Vote No. 254 Leg.]

YEAS—53

| | | |
|---|---|---|
| Armstrong | Gorton | Murkowski |
| Baker | Hatch | Nickles |
| Biden | Hatfield | Packwood |
| Byrd, Harry F., Jr. | Hawkins | Pell |
| Cannon | Hayakawa | Percy |
| Chafee | Heflin | Quayle |
| Cochran | Helms | Roth |
| Cranston | Hollings | Rudman |
| DeConcini | Humphrey | Schmitt |
| Denton | Jepsen | Simpson |
| Dixon | Kassebaum | Stevens |
| Dole | Laxalt | Symms |
| Domenici | Long | Thurmond |
| East | Lugar | Tower |
| Garn | Mathias | Tsongas |
| Glenn | Mattingly | Wallop |
| Goldwater | McClure | Warner |
| | Mitchell | Weicker |

NAYS—41

| | | |
|---|---|---|
| Abdnor | Durenberger | Metzenbaum |
| Andrews | Eagleton | Moynihan |
| Baucus | Exon | Nunn |
| Bentsen | Ford | Pressler |
| Boren | Hart | Proxmire |
| Boschwitz | Heinz | Pryor |
| Bradley | Huddleston | Randolph |
| Bumpers | Inouye | Riegle |
| Burdick | Jackson | Sarbanes |
| Chiles | Johnston | Sasser |
| Cohen | Kasten | Specter |
| D'Amato | Leahy | Stennis |
| Danforth | Levin | Zorinsky |
| Dodd | Melcher | |

NOT VOTING—6

| | | |
|---|---|---|
| Byrd, Robert C. | Kennedy | Stafford |
| Grassley | Matsunaga | Williams |

So the motion to lay on the table UP amendment No. 358 was agreed to.

Mr. JEPSEN. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senator from North Carolina is correct. May we please have order in the Senate? We shall not proceed until we have order in the Senate. We do not currently have order.

Mr. HELMS. Mr. President, I think Senators did not hear the distinguished occupant of the Chair.

The PRESIDING OFFICER. The Senate will not proceed until we have order. Will those Senators who are not conducting business please leave the well?

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, the distinguished chairman of the Ethics Committee (Mr. WALLOP) has a statement he wishes to present to the Senate which I think will be of interest and concern to every Member of the Senate. I yield to the distinguished Senator from Wyoming.

Mr. WALLOP. Mr. President, I thank the distinguished Senator from North Carolina.

The PRESIDING OFFICER. The Senator from Wyoming has the floor and he is entitled to be heard.

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## SCHEDULE OF PRESENTATION OF TAPE RECORDING EVIDENCE CONCERNING SENATOR WILLIAMS

Mr. WALLOP. Mr. President, I would ask, if I may, to have the close attention of Senators for just a moment.

In conjunction with the remarks of the Senate leadership yesterday concerning the resolution to expel Senator WILLIAMS, the Senate Ethics Committee has prepared a schedule of presentations of the tape recording evidence received by the committee during the adjudicatory hearings held in July.

In order to assist all Members of the Senate in reaching a careful and informed decision on this matter, the Ethics Committee will replay the audio and video tapes in two different formats. First, on Monday, Wednesday, and Friday of next week (September 21, 23, and 25) there will be two identical presentations each day of tape recordings made while Senator WILLIAMS was present. Second, on Tuesday, September 29, and again on Thursday, October 1, we will make available a presentation of all of the tape recording evidence utilized in the committee hearings that was not played during the previous week's presentations. The times and locations for the presentations, and the list of tapes to be played, are set forth in a "Dear Colleague" letter sent to each Member today.

which I am also inserting hereafter in the RECORD.

I urge—and I cannot urge it strongly enough—each Member of the Senate to take advantage of the time available before Senate Resolution 204 comes to the floor in early November to become familiar with the extensive record in this case, and to attend any one of the taping presentations. Senator HEFLIN and I want to be of help to you in every possible way and either of us will be pleased to respond if you need further assistance in this very important matter.

I think, since I have the Senate gathered here, I will take the time additionally just to read the "Dear Colleague" letter so there is no doubt in Senators minds of what we are trying to do.

DEAR COLLEAGUE: The Senate Leadership announced on Monday of this week that the Senate will proceed to consideration of S. Res. 204 in early November. This will give each Member an ample opportunity to study the extensive record, to view and listen to the "Abscam" tape recordings presented at Committee hearings, and to reach a careful and informed decision. The Majority and Minority Leaders have each urged all Members to devote time and attention to this very important matter, in order to be prepared to address the issue at the appropriate time.

For your assistance in evaluating the evidence, the Ethics Committee will re-play the audio and video tapes which were received in evidence during the hearings held on July 14, 15 and 28, 1981. On Monday, Wednesday and Friday of next week (September 21, 23 and 25), there will be two identical presentations each day of those tape recordings made while Senator Williams was present. The first presentation each day will be from 9:15 a.m. to 12:45 p.m., and the second from 2:15 p.m. to 5:45 p.m. You may choose to attend at whatever time is most convenient for you. These tape recordings are listed on the enclosure to this letter in the order they will be shown.

On Tuesday, September 29, and again on Thursday, October 1, there will be available, on request, a presentation of all of the tape recording evidence utilized in the Committee hearings that was not played during the previous week's presentations. These sessions will be held each of the two days from 9:30 a.m. to 12:30 p.m., and from 2:30 p.m. to 5:30 p.m.

The presentations will all be in Room 457, Russell Senate Office Building. It is the wish of the leadership that only Senators be admitted. If questions arise during the presentation which require more than a brief factual response by Committee staff present, arrangements may be made for the Committee staff or Special Counsel to meet with you at a later time.

We want to encourage you to attend one of these sessions, and to take advantage of the time available to become familiar with the transcripts and other documentary material. The Committee Report, No. 97-187, was sent to your office last week, as well as the Committee hearings, exhibits, trial and due process hearing transcripts. We especially want to call your attention to Volume 6 of the trial transcripts, in which may be found the verbatim transcripts of the tape recordings which will be played for you.

If you have any questions on any of the materials the Committee has provided, the Committee staff and Special Counsel will be available to you, at your request. Please let us know if we can be of any further assistance to you in this matter.

TAPE RECORDINGS (AUDIO AND VIDEO) TO BE PRESENTED FOR ALL MEMBERS OF THE SENATE ON SEPT. 21, 23, AND 25, 1981

| Committee exhibit No. | Audio/video | Date | Location | Participants | Time (minutes) |
|---|---|---|---|---|---|
| 13 and 13-1 | Audio | June 27, 1979 | Key Bridge Marriott, Arlington, Va | Angelo Errichetti, Mel Weinberg, Alexander Feinberg, George Katz, (Senator Williams on phone). | 10 |
| 14 | Audio | June 28, 1979 | Key Bridge Marriott, Arlington, Va | Senator Williams, Angelo Errichetti, Mel Weinberg | 7 |
| 15 | Video | June 28, 1979 | Key Bridge Marriott, Arlington, Va | Senator Williams, Angelo Errichetti, Tony DeVito, Sheik | 33 |
| 21 | Audio | Aug. 5, 1979 | Northwest Airlines Terminal, J. F. K. Airport, New York. | Senator Williams, Mel Weinberg, Tony DeVito, Angelo Errichetti | 12 |
| 23 | Video | Sept. 11, 1979 | Hilton Hotel, J. F. K. Airport, New York | Senator Williams, Alexander Feinberg, Sandy Williams, George Katz, Angelo Errichetti, Mel Weinberg, Tony DeVito. | 63 |
| 24 | Video | Oct. 7, 1979 | Plaza Hotel, New York | Senator Williams, Alexander Feinberg, Mel Weinberg, Tony DeVito | 48 |
| 25 | Video | Jan. 15, 1980 | Plaza Hotel, New York | Senator Williams, Sheik | 31 |

Source: Senate Select Committee on Ethics, Sept. 15, 1981.

Mr. President, again, I cannot urge strongly enough for Senators to become personally informed on the issues which are to be presented during the Senate's debate on that resolution. It is too critical a matter to rely upon staff. Staff can help you. They have all the material in the office. But each Senator should be wise enough to view this as critical enough for the reputation of the Senate, the reputation of Senator WILLIAMS, and all of us for the rest of this century to take a personal and profound interest in this matter.

Mr. President, I thank the distinguished chairman for permitting me to have this time. I yield the floor.

Mr. HELMS. I thank the Senator.

## AGRICULTURE AND FOOD ACT OF 1981

The Senate continued with the consideration of the bill.

Mr. D'AMATO. Mr. President, section 102 of S. 884 concerns the legal status of producer handlers. A number of my constituents are concerned that the current exemption for producer handlers from milk marketing orders not be adversely affected by the provisions of the dairy title. It seems clear to me that section 102 maintains this exemption. Is this correct?

Mr. HELMS. Yes. The committee wishes to make clear that it approves of keeping the producer-handler method of marketing open to dairy farmers. With their share of the market now reduced very substantially from previous times, the need for consideration of regulation is even less necessary now and it is more essential than ever that these small businessmen be exempted from the complex pricing requirements of milk marketing orders.

Mr. President, on the condition that I do not lose my right to the floor, I yield to the Senator from Iowa.

UP AMENDMENT NO. 356

Mr. JEPSEN. Mr. President, I wish to modify my amendment. It is a technical change. I wish to modify it to read as follows: On line 4, after the parenthesis, add the words "as amended by section 150 of the Omnibus Budget Reconciliation Act of 1981, is amended by".

The PRESIDING OFFICER. The Senator has the right to modify his amendment. The amendment is so modified.

The amendment, as modified, is as follows:

On page 134, beginning with line 13, strike out all through line 12 on page 135 and insert in lieu thereof the following:

"Sec. 103. Section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) as amended by section 150 of the Omnibus Budget Reconciliation Act of 1981, is amended by—

"(a) deleting everything after the first sentence in subsection (c) and inserting in lieu thereof the following:

'Notwithstanding the foregoing, for the period beginning October 1, 1981, and ending September 30, 1985, the minimum level of price support for milk shall be 70 per centum of the parity price therefor: *Provided*, That whenever the Secretary estimates that the net cost of Government price support purchases of milk or the products of milk will exceed $750,000,000 if the support price for milk is established at the level required by the foregoing provisions of this subsection, such level of support may be adjusted to the extent the Secretary deems appropriate but not to a level less than the support level for the prior marketing year: *Provided further*, That the support price shall in no case be less than $13.10 per hundredweight of milk containing 3.67 per centum butterfat: *Provided further*, That the level of support for milk for the remainder of the 1981-82 marketing year may be adjusted in accordance with the foregoing although a level of support for such year has been established prior to the effective date hereof. Such price support shall be provided through the purchase of milk and the products of milk.'; and

"(b) repealing subsection (d)."

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, the Senator from North Carolina hopes that an accommodation may be in the process of being worked out on the pending amendment. For that reason, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 359

(Purpose: To restore the text of the dairy price support provisions contained in the bill as reported and to provide authority for the Secretary of Agriculture to waive, in whole or in part, the annual adjustment of the support price of milk if estimated net support purchases exceed $750,000,000 in any fiscal year and to make clear that the support price for milk for the year beginning October 1, 1981, will be not less than $13.10 per hundredweight)

Mr. BOSCHWITZ. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Minnesota (Mr. BOSCHWITZ) proposes an unprinted amendment numbered 359 in the nature of a substitute for unprinted amendment numbered 356.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out all after "Viz:" and insert in lieu thereof the following:

On page 134, beginning with line 13, strike out all down through line 12 on page 135 and insert in lieu thereof the following:

SEC. 103. (a) Section 201(c) of the Agricultural Act of 1949 (7 U.S.C. 1446(c)) is amended by striking out the second sentence and inserting in lieu thereof the following: "Notwithstanding the foregoing, effective for each of the fiscal years during the period beginning October 1, 1981, and ending September 30, 1985, whenever the Secretary estimates that the net cost of Government price support purchases of milk or the products of milk will exceed $500,000,000 or that net Government price support purchases of milk or the products of milk will exceed 3.52 billion pounds (milk equivalent) during any fiscal year, the price of milk beginning on October 1 of such fiscal year shall be supported at such level, as determined by the Secretary, not less than 70 per centum of the parity price therefor except that beginning on October 1, 1981, the price of milk shall be supported at not less than $13.10 per hundredweight for milk containing 3.67 per centum milk fat.".

(b) Section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) is amended by adding thereto a new subsection (d) as follows:

"(d) Notwithstanding the provisions of subsection (c) of this section, effective for the period beginning on October 1, 1981, and ending September 30, 1985, the Secretary shall adjust the support price of milk to not less than 70 per centum of the parity price therefor on April 1 of each fiscal year, if on that date the support price of milk is below 70 per centum of the parity price therefor. Notwithstanding the foregoing sentence, if on March 1 of any fiscal year the Secretary estimates that the net cost of Federal price support purchases of milk and milk products during such fiscal year will exceed $750,000,000 if the support price for milk is established at the level required by the foregoing provisions of this subsection, the Secretary may waive, to the extent he deems necessary, the adjustment of the price support price for milk otherwise required to be made on April 1 of such year.".

Mr. BOSCHWITZ. Mr. President, we have just voted on a second-degree amendment to the amendment of the Senator from Iowa, the second-degree amendment having been presented by me, and it incorporated the language of S. 884, with the addition of a $13.10 minimum. The language of S. 884 called for a semiannual adjustment of parity.

Parity, as Senators know, is a system of relating the farmer's costs to what he receives for his goods. This administration has taken a very firm stand, and I have voted with them in most instances, against semiannual adjustments, whether it be in the field of pensions or any other area. I must say that I have a certain sympathy for that position and, as indicated, have voted that position on a number of occasions.

Therefore, this amendment changes S. 884. In the event that what my friend and colleague from Iowa says is true, that there will be large removals by the CCC in excess of $750 million, we will forego, under this amendment, the semiannual adjustment, and there will be an annual adjustment of 70 percent; and in the event that removals are projected—not happen, but are projected—by the Department of Agriculture to be in excess of $750 million for that year, then the semiannual adjustment will be vitiated.

That really is the difference between the amendment we offered earlier and the amendment we now offer—that the semiannual adjustment will be vitiated in the event that projections of dairy removals exceed $750 million.

All the arguments have been made in our last round of debate with respect to the preceding amendment, and I do not want to repeat them all and spend the time of the Senate. So, without losing my right to continue the debate and answer the questions of some of my colleagues, at this point I yield the floor. I will call for a rollcall vote on this matter.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. JEPSEN. Mr. President, will the distinguished Senator from Minnesota advise the Senate what the estimated cost of this amendment is above and beyond the proposed basic amendment?

Mr. BOSCHWITZ. Once again, as the Senator from Iowa knows, we have seen a series of figures. Apparently, the amendment I offered prior to this one was going to be $1.2 billion more over the course of 4 years, and this amendment is approximately half that.

Mr. JEPSEN. That sounds logical and reasonable, and it is probably as accurate as any figures we might get if we researched it for a couple of hours. So we will forgo that.

This would be approximately $600 million, or approximately one-half of what the other was, since it would be semiannually instead of annually.

Mr. President, here we go again. We are talking again about helping dairy producers work out the problem of excess supplies, and no matter what happens today or tomorrow or next year or 10 years or 20 years from now, if they continue on the basis they have been, everything is going to be the same. Instead of having 70 percent of parity, or $13.10, we will have excesses of milk and milk supplies that will bring it down considerably below that, and somebody is going to be hurt.

The fact of life is that we have to get this under control, and we have to keep in mind on a positive basis the twin objectives providing both adequate support, which my basic amendment does, and also at the same time reducing budget outlays in the total picture of what this administration, this Congress, and this Senate, and my distinguished colleague from Minnesota included, has been trying to do and bring about.

The facts of life are that if the dairy industry can assure itself of working out their excess production, as I indicated before, I would be up front helping them to increase consumption, thereby assuring that they would not exceed the $750 million which basically the Department of Agriculture and this Government is saying that they will subsidize. They will support to the amount of $750 million with a base of $13.10 per hundredweight even if it exceeds that. I just hasten to point out the dairy industry can assure itself of an increase by bringing its costs to the Treasury down below $750 million.

Whether it be the dairy industry, or I can assure the Senate any other department, whether it be HHS or HUD, or some of the spending programs we have anywhere else, my attitude and posture is going to be the same thing. It is a little more difficult, as I say, being probably one of the few Senators here who has a direct interest in the dairy business, but I say this, and I hope that we will come to an early vote on this and get voting on my amendment.

Mr. DIXON. Mr. President, will the Senator from Minnesota yield for a question regarding this amendment?

Mr. BOSCHWITZ. I yield.

Mr. DIXON. I advise the Senator that I voted for the motion to table on the prior amendment proposed by the distinguished Senator from Minnesota which I understood to be the amendment which incorporated the terminology in S. 884. That is correct, is it not?

Mr. BOSCHWITZ. That is correct.

Mr. DIXON. The amendment the Senator from Minnesota is now proposing, as I understand the case, is the amendment that was discussed extensively in the meetings of the Agriculture Committee last week concerning the attempt of the committee to reach some type of an honorable compromise between the position that the committee took in its deliberations which spans several months as reflected in S. 884 and the present position of the administration. Is that correct?

Mr. BOSCHWITZ. The Senator from Illinois characterizes this amendment quite correctly when he says it is an honorable compromise.

Mr. DIXON. As I look at the cost estimates on the farm bill, which were made available to us by the Congressional Budget Office during our committee deliberations, it is a fair statement, is it not, that in each of the years 1983 through the outyear 1986, there would be a substantial savings in this amendment compared to the prior amendment proposed by the Senator from Minnesota? Is that true?

Mr. BOSCHWITZ. That is indeed correct, and I will, after the Senator is through, correct some of the figures that

I discussed with the Senator from Iowa a minute ago.

Mr. DIXON. CBO's figures show that over $600 million would be saved over the period of those 4 years, the life of this bill, compared to the prior amendment which was rejected on a motion to table 53 to 41, by this second amendment now being proposed by the distinguished Senator from Minnesota; is that correct?

Mr. BOSCHWITZ. The Department of Agriculture has given us numbers that indicate that skipping the midyear adjustment would bring about a savings of $170 million so that the savings would be $680 million between this amendment and the preceding amendment. If I may continue for a moment, these last figures that we received from the administration were on September 9 and frankly the difference between my amendment now and the amendment of the Senator from Iowa is $26.8 million a year, not the $500 million or $600 million over the course of the 4-year farm bill, which would be $125 million or $150 million a year. I caution my friend from Illinois once again that we get a whole bunch of figures, but at least the last figures we have show that there is a rather nominal difference between this amendment and the administration's position.

Mr. DIXON. I thank the Senator from Minnesota and ask him further: Is it not true that with respect to every single commodity contained in this bill the committee in its earnest effort has made a compromise generally reflected in the amendment agreed to and proposed by the distinguished chairman of our committee, that is, on all the other commodities there has been a compromise, something that I would refer to as an honorable compromise reflecting a resolution of the differences of opinion as reflected in S. 884, the committee bill, and the administration's position? Is that not true?

Mr. BOSCHWITZ. That is indeed correct.

Mr. DIXON. The Senator is now proposing, as I understand it, in his second amendment, having had his first amendment tabled on a vote of 53 to 41, what he believes and what many of us in that committee believed was an honorable compromise between S. 884 and the position of the administration; is that not the case?

Mr. BOSCHWITZ. I certainly agree with the Senator.

Mr. DIXON. I just wish to tell the Senator from Minnesota that I did not support him on the prior amendment, but I think this is a good amendment in the spirit of compromise for the committee has reached a compromise on every other commodity. I thank the Senator for the information he has given me on this amendment.

Mr. JEPSEN. Mr. President, will the Senator from Illinois now yield?

Mr. DIXON. I yield.

Mr. JEPSEN. Did I understand the Senator to say that there was a big savings in this amendment over the last amendment?

Mr. DIXON. Relative to the last amendment, that is my understanding.

Mr. JEPSEN. How much of a savings was there?

Mr. DIXON. Over the total life of the bill CBO's figure is over a half billion dollars, although I think the Senator from Minnesota told me he thought it was $680 million.

Mr. JEPSEN. In any event, I point out that having been in sales management most of my life, I understand the play on words and the positive way of presenting something. Here we have an amendment that cost $1.2 billion which was just lost and now we are coming up with an amendment that only costs $600 million; therefore, we save $600 million. It is kind of like some of the spend-yourself-rich philosophy that has been taking place in the last 25 years in Washington. It is kind of like a drunk trying to drink himself sober; $600 million savings does not exist. It is $600 million additional expense above and beyond what has been reasonably added to this program by way of a support that is proposed in the basic amendment that I have.

The cost again of the basic amendment plus this one now is, as the Senator has indicated, $600 million more than would otherwise be so.

We cannot have it both ways. If we are going to keep our twin objective of providing adequate support on a permanent and a lasting basis for the dairy industry and reducing budget outlays, trying to get a handle on this runaway inflation and high interest rates and all the things we are trying to do here, we cannot do both. We cannot have it both ways.

Mr. DOLE. Mr. President, I appreciate the fact that we are going to save half of what we did not have in the first place. We are out of money. We are trying to find ways to squeeze a little more out of the food stamps and medicare, and those programs that affect low income America.

I do not suggest that the dairy farmers should not have a good program. They have a good program.

We have been on a 20-year spending binge in Congress and are starting to sober up around here.

We spent our generation's money, we spent the next generation's money, and we are now going on. What is $600 million? It is only $600 million. It is $600 million that we are going to have to find in some other place.

This Senator is willing, if there is any indication of somehow someone got better treated than the dairy farmer, which I doubt in any farm bill, we will go back and take a look at the wheat program. Maybe we can save more money in the wheat program, maybe we can save more money in the corn and feedgrain program, and maybe we can save more money in the rice program.

What this Senator wants is to get a farm bill passed. I thought we had sort of a loose coalition. It is very loose because some of those members of the coalition went the other way. We are having it both ways and as long as it is that loose it is all right.

We are talking about $600 million. That may not be much money in normal times, but these are not normal times. I still have to believe that the farmers in the State of Kansas and every State in this country want us to break the back of high interest rates and break the back of inflation.

They are willing to make a contribution. I know a lot of people out here who are talking to us in the lobby. They do not get paid for asking for lower prices. The lobbyists get paid for looking for higher prices, higher support, more tax money, and I appreciate that, and I have supported them a lot, probably should not have, but I did.

But now we find ourselves in the position of whether or not we are going to have a farm bill at all, which depends, I think, on the vote on this motion to table, and I am going to move to table the amendment in a minute.

So the choice is ours. Some people do not want a farm bill at all. One way, I guess, to assure that is to let this motion fail.

I want to commend the distinguished Senator from Minnesota. He has been diligent, he has been stubborn, in the right way, he has fought every inch of the way, and I think I admire that—I know I admire that—in anyone.

But I think, on the other hand, I do not believe this $600 million we are talking about is going to save the dairy industry of America over a 4-year period. What would save the wheat, dairy, feedgrain, and other industries is to get the interest rates down.

We are going to store up—we have butter we cannot sell, butter I guess we would not sell, and we have a lot of things piled up in the storage bins that cost a lot of money just to keep, and the farmers are not cutting back their herds. The milk producers are not cutting back their herds. Why? Because they are making a good profit. I just hope we will defeat this amendment, we will table this amendment, and then move on to what I think the distinguished chairman and Senator HUDDLESTON have worked out, sort of a bipartisan coalition on some of the other commodities.

This is one Senator, if the wheat thing is too high in the eyes of some people, and the rice thing is too high, who will go back and take some out of those programs?

What we need is a farm program, and we need it very quickly, and we can argue about whether it is $1 billion or $600 million or zero. This administration and the Secretary of Agriculture believe in agriculture. The Secretary is a farmer. He wants to make a profit.

He is not going to advocate a program that is not going to make a profit for the American dairy farmer, and he is not advocating that now. But there are certain restraints, and we know what those restraints are. That does not mean we cannot try to break those restraints. It does not mean we all have not participated in that in the past, and maybe some of us, all of us, will in the future. But I hope all those who are members—we do not have any membership cards in the coalition—but I think we have an obligation because we are going to have up next, I might say, maybe cotton is

going to be up, and then maybe sugar is going to be up, and then peanuts are going to be up, and somebody is going to think about tobacco, and that will be up.

I want to remind all of those people that if we do not solve the dairy problem there will not be any need to talk about peanuts or tobacco or sugar or anything else. If this amendment is not tabled, that is the end of the farm bill so far as this Senator knows, and I have not discussed it with the chairman.

So I think it is that serious. It is not criticism of anybody who offers this amendment. We have to eat a few now and then. We ate a few in the tax bill. Some we could swallow, some we got to conference with. But I do not want to shut anyone off before I move to table the amendment.

Mr. BOSCHWITZ. Mr. President, if I may just comment very briefly, do not spend the $600 million before it is out the door. The administration's estimates that we had were just in excess of $100 million over the 4 years.

I again repeat we have never been down as low in parity as we are going to go under this suggestion, and that indeed we should give that an opportunity to work and see if it will work.

As my colleague from Kentucky, Senator HUDDLESTON, pointed out, we are not casting this bill in concrete, and if it does not work and if, indeed, the population of cows goes up and we continue to have these large surplus this fall, I will find myself, together with you, Senator, and Senator JEPSON and others, seeking to adjust as we adjusted this past March the skipping of the semiannual adjustment, so we can indeed adjust it even after it is passed.

But I believe in the American farm system. I believe in what I am doing. I believe that probably it will not cost the $600 million referred to earlier. The farmer you spoke about, the low-income American will suffer. Most farmers are certainly in that group, and I hope my colleagues will support this amendment.

Mr. DOLE. Mr. President, I would just say that some of the other commodities would like to get up to 70 percent. I do not know of any other commodity—maybe peanuts and one other—but that is not the question here. Maybe parity is no longer a good measure, maybe it never was, but wheat is about less than 50 percent, corn is less than 50 percent. If we could get up to where dairy was, we would have a problem in this country.

I might also say to the Senator from Minnesota that we meet every year, and I have known it to happen before, and if, in fact, we think we have caused an adverse impact on dairy production, we can change the law. Congress is meeting, and I know we have done that in off years before where we raised parity for dairy because of an adverse impact. In fact, I joined Senator Humphrey not very many years ago in doing that.

So this is not an antidairy producer. It is an effort to get a farm bill passed and, therefore, I move to table the amendment.

Mr. BOSCHWITZ. Mr. President, if I may respond prior to the Senator's making that motion, I agree, as we have discussed before, Senator, that indeed your wheat farmers, due to their efficiency and due to their productivity——

Mr. DOLE. And due to the embargo.

Mr. BOSCHWITZ. Due to the embargo, about which we both feel the same way, that the price is not 70 percent of parity. But certainly their efficiency and productivity have risen and compensated to a large degree for it not being that percentage of parity.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. I move to table the amendment of the distinguished Senator from Minnesota.

The PRESIDING OFFICER. A motion has been made to table the amendment.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the motion to lay on the table the amendment of the Senator from Minnesota. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Iowa (Mr. GRASSLEY), the Senator from Oregon (Mr. HATFIELD), and the Senator from Vermont (Mr. STAFFORD) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from West Virginia (Mr. ROBERT C. BYRD), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from New York (Mr. MOYNIHAN), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia (Mr. ROBERT C. BYRD) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 51, nays 42, as follows:

[Rollcall Vote No. 255 Leg.]

YEAS—51

| | | |
|---|---|---|
| Armstrong | Hawkins | Pell |
| Baker | Hayakawa | Percy |
| Biden | Heflin | Pryor |
| Bumpers | Helms | Quayle |
| Byrd, Harry F., Jr. | Hollings | Roth |
| Cannon | Humphrey | Rudman |
| Chafee | Jepsen | Schmitt |
| Cochran | Kassebaum | Simpson |
| Denton | Laxalt | Stevens |
| Dole | Long | Symms |
| Domenici | Lugar | Thurmond |
| East | Mathias | Tower |
| Garn | Mattingly | Tsongas |
| Glenn | McClure | Wallop |
| Goldwater | Murkowski | Warner |
| Gorton | Nickles | Weicker |
| Hatch | Nunn | |
| | Packwood | |

NAYS—42

| | | |
|---|---|---|
| Abdnor | Burdick | Dixon |
| Andrews | Chiles | Dodd |
| Baucus | Cohen | Durenberger |
| Bentsen | Cranston | Eagleton |
| Boren | D'Amato | Exon |
| Boschwitz | Danforth | Ford |
| Bradley | DeConcini | Hart |
| Heinz | Leahy | Randolph |
| Huddleston | Levin | Riegle |
| Inouye | Melcher | Sarbanes |
| Jackson | Metzenbaum | Sasser |
| Johnston | Mitchell | Specter |
| Kasten | Pressler | Stennis |
| Kennedy | Proxmire | Zorinsky |

NOT VOTING—7

| | | |
|---|---|---|
| Byrd, Robert C. | Matsunaga | Williams |
| Grassley | Moynihan | |
| Hatfield | Stafford | |

So the motion to lay the amendment (UP No. 359) on the table was agreed to.

Mr. JEPSEN. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the amendment, as modified, of the Senator from Iowa.

The amendment (UP No. 356), as modified, was agreed to.

Mr. JEPSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HELMS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Is there further amendment to be proposed?

UP AMENDMENT NO. 360

(Subsequently numbered amendment No. 544.)

(Purpose: To eliminate acreage allotments, marketing quotas, poundage quotas, marketing penalties, and other provisions applicable to the production of peanuts and authorize a new price support program for such commodity effective beginning with 1982 crop)

Mr. LUGAR. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Indiana (Mr. LUGAR) for himself, Mr. PELL, Mr. TSONGAS, Mr. COHEN, Mr. DANFORTH, Mr. DURENBERGER, Mr. HAYAKAWA, Mr. JEPSEN, Mr. PERCY, Mr. STAFFORD, Mr. HATFIELD, Mr. RIEGLE, Mr. LEVIN, Mr. HUMPHREY, Mr. BOSCHWITZ, Mr. GARN, Mr. GORTON, Mr. HATCH, Mr. HEINZ, Mr. QUAYLE, Mr. SPECTER, Mr. GRASSLEY, Mr. ROTH, and Mr. DODD proposes an unprinted amendment numbered 360.

Mr. BAKER. Mr. President, I ask unanimous consent, with the agreement of the distinguished sponsor of the amendment, that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 197, beginning with line 13, strike out all down through line 2 on page 212 and insert in lieu thereof the following:

"REPEAL OF EXISTING PROGRAM

"SEC. 701. (a) Effective beginning with the 1982 crop of peanuts, part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357–1359), relating to peanuts, is repealed.

"(b) Effective beginning with the 1982 crop of peanuts, the Agricultural Act of 1949 is amended—

"(1) by striking out 'and peanuts' in section 101(b); and

"(2) by striking out 'peanuts,' in section 408(c).

"PRICE SUPPORT FOR PEANUTS

"SEC. 702. Effective beginning with the 1982 crop of peanuts, section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) is amended—

"(1) by inserting 'peanuts,' after 'honey,' in the language preceding subsection (b); and

"(2) by adding at the end thereof a new subsection (g) as follows:

"(g) The prices of the 1982 and subsequent crops of peanuts shall be supported at such level as the Secretary considers appropriate, taking into consideration the eight factors specified in section 401(b) of this Act, the cost of production, any change in the index of prices paid by farmers for production items, interest, taxes, and wage rates during the period beginning January 1 and ending December 31 of the calendar year immediately preceding the crop year for which the level of support is being determined, the demand for peanut oil and meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets."

ORDER OF BUSINESS

Mr. BAKER. Mr. President, if I may have the attention of the Senate for just a moment, I have consulted with the distinguished author of this amendment and with the managers of the bill. It is the intention of the leadership to go out about 6 or a little after tonight and to bring the Senate in fairly early tomorrow.

I am advised that Senator LUGAR will take more than a half-hour for him to make his presentation tonight, so there will be no further rollcall votes this evening.

Mr. LUGAR. Mr. President, I propose, on behalf of myself and 28 cosponsors, an amendment to title VII, the peanut price support section of S. 884. This amendment would delete the acreage allotment and poundage quota provisions contained in S. 884, and substitute a straightforward loan support program parallel to those for corn, wheat, soybeans, rice, and other crops.

The peanut program began many years ago when farmers in peanut producing areas were in difficult straits. Production was vastly greater than domestic demand, and effective overseas demand at that time was almost nonexistent.

Starting in the 1930's and continuing into the mid-1960's, many commodities had rigid production restrictions and some had marketing controls. We had acreage allotments for wheat, corn and many other crops until 1973, and the permanent agricultural price stabilization law still authorizes such restrictions for our "basic" crops. In fact, these regulations are now seen as outdated and we do not use them any longer. Today, peanuts are the last food crop for which these production controls are maintained.

The predicament we face is that 59,100 owners of land have allotments on which peanuts can legally be grown. Most of these persons do not farm at all; they rent their allotment to the farmers who actually produce the peanuts.

In 1979, these rents averaged $115 per acre, a pure monopoly cost added to the price of peanuts. In some areas, these rents are as high as $400 per acre. Roughly 20 percent of the cost of producing peanuts in the United States is strictly a monopoly rent paid to 59,100 fortunate individuals and corporations.

Further restrictions on production are imposed under current law by assigning each acre a poundage quota to limit overall supplies.

Only part of the peanuts grown on an allotment acre fall within this quota and are eligible for one level of price support; the balance are eligible for another, lower level of support. This two-tiered loan support system sets much higher loan rates for peanuts consumed domestically than it does for peanuts marketed for export or crushed for oil and meal.

Consumers are the real victims of this arrangement. According to USDA statistics, the peanut provisions contained in S. 884 would increase consumer costs by at least $175 million over the life of the bill.

In order to oversee all these restrictions and regulations, the Government has underwritten the development of area grower associations who market peanuts as agents for both the Commodity Credit Corporation and the growers. They are the clearinghouses for all peanut price support transactions. They insure that the artificial distinction between peanuts provided within quotas and "additional" peanuts is preserved so that only high-priced quota peanuts go to domestic markets.

In addition to the associations, there is a vast Federal/State inspection team involved with the quality of peanuts. The estimated annual cost to the Federal Government of administering this program is over $9 million involving nearly 500 employees, most of them non-Federal.

To assure consumers of an adequate supply of fresh, wholesome peanuts, a price support program is absolutely necessary. Without price supports, temporary seasonal gluts in production would cause very erratic prices for farmers and consumers.

However, the complex web of regulations and restrictions contained in current law and S. 884 is not justifiable. The perils of growing peanuts are very real, but they are not so drastically different from the risks attached to other crops that they warrant such extraordinary protection.

A simple loan support program similar to those in effect for other crops, would offer adequate protection to peanut producers, assure consumers of stable prices and a high quality product, and lower the administrative and financial burden to the Federal Government.

Mr. President, the current program is really so badly in error that we simply need to discard it and move to a system comparable to those in effect for most other crops. Consider one example.

In the early 1930's, when soybeans were a minor crop, American farmers harvested about the same number of acres of peanuts as soybeans. However, peanuts generated about twice as much income. By the late 1930's, the value from producing soybeans caught up with peanuts. But in 1941, marketing quotas and acreage allotments were established for peanuts.

Soybean producers, however, opted to be free from rigid controls and to compete with other commodities. The rest of the story is well known. World demand for soybeans exploded. We now plant annually about 70 million acres of soybeans compared with only 1.6 million acres of peanuts.

In 1979–80, U.S. soybean exports totaled nearly 24 million metric tons, while U.S. peanut exports amounted to less than one-half million tons. That same year, soybeans were the number one cash crop earner, returning $13.2 billion to U.S. farmers and accounting for a tenth of total U.S. farm cash receipts. This compares with $0.8 billion for the sale of peanuts in 1979.

Defenders of the current program assert that would-be reformers are trifling with a "fine tuned mechanism," and that any change would only bring chaos and hardship to peanut producers. Similar warnings were sounded in 1975 when an allotment system was ended for rice. When the House of Representatives debated ending the allotment system for rice, Representative Poage, former chairman of the House Agriculture Committee, stated:

> I am opposed to this bill, believing, as I did last year, that it means the destruction not only of a successful rice program but also the demise of several other agricultural programs and the forcing back into poverty of a number of our agricultural producers.

Contrary to the distinguished Congressman's predictions, eliminating the acreage allotments for rice did not destroy our domestic rice industry. Rice is now being grown in places where it had been illegal—in other words, on the land where it can be produced most efficiently and cheaply.

Prior to the 1975 reforms, the United States produced an average of 100.9 million hundredweights of rice for the 5 preceding years. During that same time period, total consumption averaged 95 million hundredweights per year. This meant an average yearly surplus of 5.9 million hundredweights.

For the 5 years following the reforms in the rice program, production increased to an average of 125 million hundredweights. However, for that same time period, consumption also increased to 125 million hundredweights, bringing supply and demand into perfect balance.

Rice producers are now responding to supply and demand signals instead of the phony price signals caused by Government restrictions and are prospering by doing so.

This current peanut program is a "fine tuned mechanism" only for the 59,100 allotment owners. To producers forced to rent allotment rights, and to consumers paying needlessly high prices for peanuts, this program looks more and more senseless.

My opponents argue that, because peanuts are perishable and cannot be stored for long periods of time, any change in the current peanut program would cause the entire marketing system for peanuts to collapse, leaving peanuts in the fields

to spoil. It is preposterous to assert that the market economy would allow a valuable resource such as peanuts simply to go to waste.

The perishability issue arises only because of today's static situation in which Government policy has obviated the possibility of futures markets or other market-ordering apparatus.

Shortly after I announced that I would offer my peanut amendment during the floor debate of the farm bill, I received a letter from the New Orleans Futures Exchange expressing an interest in setting up a futures market for peanuts if our reforms were adopted. As outlined in the letter, one of the criteria for establishing a futures market is no rigid governmental price controls.

Unless my amendment is adopted there will continue to be no futures market for peanuts, denying peanut farmers of the opportunity in a market economy to hedge, to employ delayed pricing, and to forward contracts.

President Reagan is making a strong effort to place our economic emphasis on supply-side economics and free market principles.

Unfortunately, none of these policies are reflected in the peanut provisions contained in S. 884. Until Congress can see its way toward eliminating restrictive programs whose advantages are confined to a select few, long-term economic recovery remains unlikely.

We have talked about attacking inflation on the supply side. Supply-side economics means creating those conditions in which people are most likely to allocate scarce resources successfully. In that sense, the amendment that my colleagues and I have offered is a supply-side economic bill.

It offers incentives for people to use their best judgment, with the freedom to grow or not to grow peanuts as they see fit. We aim to encourage peanut production on those farms on which peanuts can be produced most efficiently. Only this sort of system is consistent with the philosophy of the new administration, and with the agricultural heritage through which we have prospered.

(Mr. COHEN assumed the chair.)

Mr. LUGAR. During the course of the debate on the farm bill substitute language has been offered to S. 884, which I would want to acknowledge, by the distinguished chairman of the committee and at least nine other members of the committee.

The provisions of S. 884 have been modified in four significant ways: First of all, the majority of the committee have reduced the national poundage quota from 1.3 to 1.24 thousand tons.

Second, they have reduced the quota of loan rate to $596 per ton—and that is in contrast to the $631 listed initially in S. 884, a reduction of $35 per ton.

Third, they provide that there shall be no criminal penalties for violation of peanut marketing quotas; and, fourth, they have provided that no person may exercise allotment rights without sufficient tillable land to support the allotment. Any allotment/quota surrendered for lack of tillable land shall revert to a pool to be distributed to new growers.

I would say, Mr. President, that I acknowledged the contributions made by the authors of the new language and clearly they are a step forward. Without knowing precisely the cost figures, I accept the fact that most of the peanut program, as represented originally by S. 884, has been substantially limited. Some would argue, as may the authors of the new language, that the net cost estimates will come out at zero.

It seems to me important to acknowledge at the outset of this debate, Mr. President, that the total cost of the peanut program is not the major issue here. It is an important issue and, to the extent that participants in the debate have narrowed that focus so that it does not become an issue, so much the better for the American taxpayers and for the strength of the farm bill.

Very clearly, the changes made are an acknowledgement that many farmers in this country resent the fact that they cannot plant peanuts on their land. That remains a fundamental issue that has not been dissipated by changes made in the bill thus far. It is a key issue in my amendment. I suspect that it will be unique in my amendment, as opposed to secondary amendments or substitutes that may be offered.

I am saying, Mr. President, in essence, that the right to grow peanuts in this country ought not to be allotted to anyone by inheritance, by passing on from year to year, nor to involve monopoly rents.

Mr. President, representation has been made in the course of the committee markup of this legislation, and certainly many Members have heard arguments orally or written in the press, that the peanut system represents a way of life; that it is an ingrained part of the fabric of at least 10 States in which there are substantial numbers of peanut growers; and that one problem with my amendment, among others, is that it uproots that entire system in one fell swoop, that it takes what has been thoroughly ingrained over the course of over 40 years and not only uproots it but places peanuts in precisely the same situation as soybeans and corn and other commodities that we have been discussing.

Mr. President, the numbers involved in the peanut situation are relatively small. In the same way that I acknowledge that the cost of the total program is almost minuscule in comparison to the dairy debate we have just had or the target price support situation that we shall have, and those are very big figures, peanut figures are very small.

By the same token, it seems to me that those who are proposing the current system or minor modifications of it are hard pressed to point out how 59,100 plots scattered over 10 States so visibly affects the fabric or are of such fundamental political and economic importance. The numbers simply do not add up to that.

As a matter of fact, in the States that are involved, the numbers, at most, do not come out to more than 20,000-plus in the largest case and, as I recall, 15,000 in the second largest. These are important figures.

But to say that the entire fabric, the ethic, the sociological and political structure rests on those numbers is to stretch credibility.

The peanut project has always been very small. I would submit this is one reason it has escaped attention. It has been extremely complex, and the amount of money involved has often seemed hardly worth the attention, perhaps, of the committee or of Senators and, thus, a system which, on the face of it seems to me to be vastly unfair, as one compares different crops and how they are treated in this country, has escaped minor attention. As a matter of fact, many persons have simply thrown up their hands in trying to figure out what the whole peanut situation was about.

In my initial paragraph, I tried to describe it succinctly. But I want to do so in one other way.

The facts of peanuts are that some time ago an allotment system was set up, which means that the number of acres in the country planted with peanuts was limited. So there is the first limitation—$x$ number of acres in this country that can be planted; the same acres, as a matter of fact, owned by 59,100 people. A limitation of acres.

Now, in years past, that was sufficient. But in due course farmers became more efficient in producing peanuts. As a result, the number of peanuts that could be grown on $x$ numbers of acres grew by a multiple of almost three. As a result, to maintain a limited supply, a second restriction came into being—poundage quotas.

In short, Mr. President, the limitation first persists that you must plant peanuts on a specific one of 59,100 plots, but, having done that, only a certain number of pounds can be marketed at the first tier loan rate.

If you are an efficient peanut farmer and you, in fact, produce, as most efficient peanut farmers do, more pounds of peanuts than will be supported by the first tier loan rate, you would qualify for a second tier. Those peanuts could go into the export trade or they could be crushed for oil and they would be supported by a different and much lower loan rate.

Nowhere in this system, Mr. President, is there the possibility for a farmer in Indiana, for example, to plant peanuts, because there are no plots available. In the event that a farmer in Indiana should finally qualify for a plot due to new legislation or some change of the system, that farmer would then have to be very careful how many pounds he produced of peanuts, and a rigid system of segregating the sheep from the goats literally pertains, with a good number of people spending a lot of time making certain the two were not confused.

Under this type of an agricultural setup, as I have illustrated in my statement, peanuts have hardly flourished as a crop in this country. As a matter of fact, they have lost ground consistently. They are a battle crop. They represent all that occurs when something literally withers on the vine due to special interests and overprotection and minute attention to the detail that the laws be rigidly followed without deviation.

It is interesting, Mr. President, that

one of the substitute proposals made into this legislation yesterday addressed the thought that there would be no criminal penalties for violation of peanut marketing quotas.

It may come as a surprise to many Senators that we should be addressing the thought of obviating criminal penalties, that there could be anything that serious about planting peanuts in this country.

But, Mr. President, the people involved in peanuts have taken this issue very seriously, extraordinarily seriously.

The issue has been taken so seriously that what really, in fact, almost could be a point of humor is taken almost as a matter of honor. I simply must say, Mr. President, that I think we have an interesting debate here, but this is not a monumental national question.

It is an extraordinary event for someone offering an amendment to try to minimize the scope of the amendment, but I think it is simply important to put in perspective that bit by bit it will whittle down the cost of the program, and I congratulate those who have done that. They have certainly moved in the right direction. What they have also done is to minimize the crop. We have never had a vibrant peanut industry and we shall never have one under these conditions.

Those who are champions of peanuts, those involved in the dynamic aspects of the peanut industry, of course support legislation that will make it possible for them to plant.

What I am proposing, Mr. President, is simply that peanuts be planted in the most efficient places in this country; that the interests of consumers and the industry will flourish if, in fact, efficient producers are allowed to make this crop grow; that an efficient marketing futures industry be allowed to flourish; that the principles established when the rice situation changed abruptly in 1975 would pertain dramatically to peanuts in 1981.

It is an extraordinary point of view, perhaps, for some to encompass, Mr. President, but the points that I am making are pro peanut industry, pro peanut grower. The only persons who are in difficulty with this particular amendment are those among the 59,100 who do not grow peanuts, who have land which was basically inefficient for peanut growing to begin with, those who have been obtaining monopoly rents.

Now, Mr. President, the case has been made with regard to the latter that in this 59,100 group in our society scattered over 10 States there are many poor people. The suggestion has been made that granted the system is not efficient, granted it does not pertain to the market economy, granted it really has been disastrous for the growth, relatively, of peanuts in relation to soybeans, rice, or anything else going on in our economy, the whole thing ought to be perpetuated because there are many persons over the course of 40-some years of this system who now have grown old owning plots of land, who are old and poor, and who have small plots besides.

Mr. President, it is not long ago that we debated the so-called minimum payment in social security on this floor. The case was also made that that $122 payment might in some cases be denied to individuals in our society who were old and poor. The President of the United States and the leadership of both Houses have pledged to try to identify those persons and to try to make the system whole to help them. It is not a far-fetched parallel, Mr. President, in terms of arguing this situation.

A careful analysis of 59,100 would show that there are, among those plots, some held by persons who are old and poor. It would show that certain amounts of income, albeit rather small ones, have been counted upon by these elderly and poverty-stricken individuals.

The case might well be that the peanut program that is being maintained in its current status is an appropriate way to handle social security or income transfer for those individuals; that, in fact, it is not an agricultural program at all; that it ought not to be judged on the basis of having anything to do with agriculture in this country; that, as a matter of fact, it is a welfare program, a benign one in which good people are participating and receiving income from monopoly rents in this form; that to break all that up and to create an agricultural program out of this would do violence to the memories of those persons who have held on so long and so well.

Mr. President, that simply will not work. I appreciate the compassion in the statements made in behalf of persons who have in fact been receiving these payments. I have no doubt that we ought to take a look at their situations, and, as a compassionate Congress, try to deal with that in a transfer payment income maintenance program outside the agriculture bill.

But, Mr. President, the time has come to take a look at the last commodity that we can use for food, and a very good one, a product that is enjoyed and used by many Americans and would, in fact, be enjoyed by many more, if, in fact, we had a dynamic market, if we had marketing at all, as a matter of fact. Those who really champion the cause of peanuts will be for my amendment. They will be for it because it brings peanuts into the 1980's, into a dynamic supply-side situation in which peanuts are really marketed and in which we move on.

Mr. President, I appreciate one more set of arguments that has been offered with regard to this bill. I mention this situation simply because each one of us in our various constituencies have groups of people we have tried to serve well. I think anyone who sits around the table in the Agriculture Committee appreciates precisely the predicament of Senators who want to make certain that the arguments are well made for constituent groups in their States, whether they be agricultural, whether they be industrial, or whoever, as a matter of fact, that they may be arguing for.

I appreciate the fervor, the sincerity, with which the distinguished chairman of our committee and the distinguished Senator from Alabama (Mr. HEFLIN) and others, have argued this point during markup and subsequently, in very vigorous defense of a case that I think is very tough to make except on emotional grounds, compassionate grounds, welfare grounds, on historical grounds—it happened a long time ago and it is very hard to change at one time—on the ground that we have not really considered the details sufficiently in the course of time; that most Senators are unaware of the complexity of the program; that if, in fact, we knew how finely tuned all this was we would not disrupt it.

But, Mr. President, ultimately, peanuts and the peanut-growing constituency have to stand a test of rationality and fairness the same as any other group of people.

There is no objective reason why peanuts should be treated differently than soybeans, corn, wheat, the dairy farmers we have discussed throughout most of this day, or any other group in our society. There is no reason at all, Mr. President, why the peanut program must remain a special program beyond scrutiny, and prior to this year, any real attempt to understanding the program.

I think, Mr. President, that the majority of the Senate now understands the program and they are sympathetic, with those who are going to vote on the process of this program being changed.

Mr. President, I think the argument can be made in due course that, as opposed to such an abrupt change, a total change, we ought to have incremental change, we ought to feather this in year by year over a long period of time.

I appreciate that sort of an argument. It is one that I shall argue against.

The scope and size of this program can best be met by meeting it head on presently. This is the time when we focus on it, and the Senate shall not focus on this problem very often.

Mr. President, my case is one for the end of allotments, for the end of the poundage arrangements, the tiers 1 and 2. It is for a system like that which is enjoyed by those who produce other commodities comparable to peanuts. It involves loans and purchases of the Secretary of Agriculture, in his discretion.

It is a type of discretion that will make certain that the cost of the program is minimal because the Secretary will not offer loan rates that, in fact, cause outlays. I mention that because it came up during the course of our markup, an argument that, somehow or other, my proposal, with present market economics, would be extraordinarily costly. That is impossible, by definition. The Secretary is not going to set loan rates that cost the Treasury money, by definition. He will make certain that the net cost of this is zero. But he will have the discretion to do so, taking a look at marketing objective facts, year by year, and supplies that are available.

The Secretary will be in favor of seeing this crop of peanuts in our country grow, become a vital domestic and foreign market, in the same way that so many of our other great crops have literally taken

off after this type of complex situation was removed from them.

Mr. President, I ask for consideration of these arguments. I obviously await further debate from my colleagues. I am hopeful that they will find favor and, in due course, pass my amendment by a majority vote.

(Mrs. KASSEBAUM assumed the chair.)

Mr. HELMS. Madam President, I do not think the able Senator from Indiana has any doubt about my respect and affection for him. We have discussed the peanut program on a number of occasions. I have learned that, at least on this subject, I am absolutely without any persuasive power on him whatsoever, insofar as this issue is concerned. I respect him nonetheless. I am not going to make or even attempt to make, at this hour, a rebuttal of the arguments so ably presented by the distinguished Senator from Indiana. I will say that what he is proposing involves a number of aspects, none of which I consider to be particularly wise.

For example, he is proposing an annual outlay of up to $325,450,000 for the peanut program, the outlay being from the Commodity Credit Corporation. And that is per year, Madam President. That is not over the life of this bill; that is per year.

Contrast that, if you will, Madam President, to the fact which the Senator from Indiana acknowledges, that we—meaning the Agriculture Committee or the majority of the committee—propose that not 1 thin dime of cost be attributed to this program.

Mr. LUGAR. Will the distinguished Senator yield for a question on that?

Mr. HELMS. If the distinguished Senator will let me finish my point, I shall be delighted to yield to him.

The loss, Madam President, under the proposal by the distinguished Senator from Indiana, will be $196,075,000 a year. That is loss, the nonrecoverables, as the budget people say. The $325,450,000 figure I mentioned earlier would be the CCC's outlay. That is the dollar side of this argument. I think we clearly win it and I think the Senator from Indiana indicated that we would win that because our proposal contemplates zero loss.

Before I proceed, let me yield to my friend.

Mr. LUGAR. Madam President, I appreciate the distinguished Senator's yielding.

During the course of my remarks, does the Senator recall that I indicated that my proposal would have zero cost, simply by definition of the Secretary having offered a loan rate which would make the cost zero? Therefore, the total argument is a washout with regard to cost. Both systems, that proposed by the distinguished Senator from North Carolina and the one of my loan rates proposed by the Secretary would come, I gather, to zero.

Does the Senator recall that? Where, in my remarks, would there be any suggestion of a $320 million outlay in any particular year?

Mr. HELMS. I do not think the Secretary would agree with the Senator on those figures, but we shall get to that tomorrow in some detail when we discuss this fully. The simple truth is that we have to use a loan rate established at a reasonable percentage of parity. The Senator himself suggested 68 percent in his press conference the other day on this issue.

I do not say that in any hostility. I am not trying to paint the Senator into a corner, but he cannot have it both ways.

Mr. LUGAR. Will the Senator yield once again for a short question?

Mr. HELMS. With the understanding that I did not interfere with the Senator's discourse, I am glad to yield again.

Mr. LUGAR. Madam President, did the Senator, in the course of reading my press conference transcript, see any evidence of the figure of 68 percent? If so, I simply plead that that figure was not used. As I recall, the only time it might have been used was in a hypothetical argument that occurred during markup. My argument today did not say 68 percent, nor did I the other day. I simply inquire of the Senator whether he has any retrospect on that question?

Mr. HELMS. I stand corrected. The staff said it was earlier this year that the Senator did use 68 percent. The Senator is entirely correct about that.

Madam President, Senator LUGAR and I have discussed the peanut program. I tried my best to make the argument that the Senate floor—during a debate on a farm bill, which is fraught with complications aside from the peanut program—is not the place even to consider jerking the rug out from under countless thousands of people who, in good faith, have invested in the peanut program through the years.

I say readily to the Senator from Indiana that I do not know what my position would be if this peanut program or any other farm program, for that matter, were to be proposed for creation at this time. What I have said to the Senator, and I ask him to correct me if I am wrong, is that what we ought to do is reduce the cost of the peanut program to zero, and then have the Senator introduce a bill, as opposed to an amendment on the farm bill, to take a look at the peanut program and perhaps others. Then let us have the fairness to call in witnesses to ascertain for certain the damage that will be done to people who have invested in a Government program through the years and to make sure that we do not heap inequity upon them.

I have pledged to the Senator that if he will do that, as chairman of the Committee on Agriculture, I will immediately call hearings on such a piece of legislation. I do not know how to be fairer than that. I reiterate to the Senator that I will do precisely that.

But to come here at this time, in effect, to destroy the program, with how many Senators on the floor? One, two, three, four, five, six—seven, counting the able Senator from Kansas, who is presiding. No Senator is likely to be in his office listening to this debate on the loudspeaker at this hour.

This is not an emotional question; it is not a welfare question; it is a question of equity. It is a question of fairness. It is a question as to whether we really want to jerk the rug out from under people who, in good faith, have invested in a program enacted years ago by Congress, and to do so at an additional cost, in terms of potential loss, of $196,075,000 per year.

I say to my friend from Indiana that if the shoe were on the other foot and the Senator were a peanut State representative and this were proposed to affect adversely his constituents, I would be standing here and saying, "Senator LUGAR, you have an ally to insist on fairness to the people of Indiana."

Madam President, that is about all I am going to say this evening. I have comments which I will make tomorrow in explanation of the program.

I do hope the Senate will approach this matter in a spirit of fairness, considering the countless thousands of people who will be affected adversely; and, considering the offer I have made repeatedly, not only to the Senator from Indiana but also to others interested in this type of legislation, that we will have hearings and we will have hearings promptly. And, there will be no effort by the Senator from North Carolina, as chairman of the Committee on Agriculture, Nutrition, and Forestry to bottle up any bill.

I simply say that this is neither the time nor the place to take such drastic action as contemplated under the Senator's amendment.

I yield to the Senator from Georgia.

UP AMENDMENT NO. 361

(Subsequently numbered amendment No. 545.)

(Purpose: To provide a new program for peanuts for the 1982 through 1985 crops)

Mr. MATTINGLY. Madam President, I have an amendment at the desk, and I offer it as a substitute for the amendment by Senator LUGAR, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Georgia (Mr. MATTINGLY) proposes an unprinted amendment numbered 361 in the nature of a substitute for unprinted amendment numbered 360.

Mr. MATTINGLY. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the language proposed to be inserted, insert the following:

TITLE VII—PEANUTS

SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS

SEC. 701. Effective only for the 1982 through 1985 crops of peanuts, sections 358, 358a, 359, and 371 and part 1 of subtitle C of title III of the Agricultural Adjustment Act of 1938 are amended as follows:

(1) Subsections (a) through (j) of section 358 shall not be applicable to the 1982 through 1985 crops of peanuts.

(2) Subsections (a) through (h) of section 358a shall not be applicable to the 1982 through 1985 crops of peanuts.

(3) Subsections (a), (b), (d), and (e) of section 359 shall not be applicable to the 1982 through 1985 crops of peanuts.

(5) Part I of subtitle C of title III shall not be applicable to the 1982 through 1985 crops of peanuts.

NATIONAL POUNDAGE QUOTA AND FARM POUNDAGE QUOTA

SEC. 702. Effective for the 1982 through 1985 crops of peanuts, section 358 of the Agricultural Adjustment Act of 1938 is amended by adding at the end thereof new subsections (k) through (q) as follows:

"(k) Not later than December 1 of each year, the Secretary shall announce a minimum national poundage quota for peanuts for the next marketing year. The minimum national poundage quota for each of the 1982 through 1985 crops of peanuts shall not be less than 1,100,000 tons reduced in each such crop year, as provided in subsection (m) of this section, by the amount of any forfeited poundage quotas.

"(l) The minimum national poundage quota established under subsection (k) of this section shall be apportioned among the States on the following basis: The poundage quota allocated to each State shall be equal to the percentage of the national poundage quota allocated to farms in the State for 1981, and such State poundage quota shall be allocated among the counties within such State in accordance with regulations established by the Secretary and in accordance with the provisions of subsection (o) of this section, taking into consideration each county's historical production of peanuts.

"(m) A farm base production poundage shall be established for each farm which had an acreage allotment for the 1981 crop year. The farm base production poundage for any such farm shall be the same as the farm base production poundage for such farm for the 1981 marketing year. Such farm base production poundage shall be the same for such farm for the 1982 through 1985 marketing years, except that if the farm base production poundage, or any part thereof, is permanently transferred in accordance with section 358a of this Act, the receiving farm shall be considered as possessing the farm base production poundage (or portion thereof) of the transferring farm for all subsequent marketing years. If any part of the farm base production poundage is allocated to a farm on which there is inadequate cropland available on the date of the enactment of the Agriculture and Food Act of 1981 to produce the amount of the farm base production poundage on such farm, the portion of such farm base production poundage that cannot be produced on such farm shall be forfeited, and, to the extent such farm base production poundage is comprised of quota poundage, such quota shall be subtracted from the national poundage quota for all subsequent years, except that in any case in which the farm base production poundage (or any portion thereof) was leased for production in 1980 or 1981, the farm base production poundage (or portion thereof) shall be allocated to the farm to which it was most recently leased.

"(n) For each farm for which a farm base production poundage was established for the the 1981 crop of peanuts, and when necessary for purposes of this Act, a farm yield of peanuts shall be determined for each farm. Such yield shall be equal to the average of the actual yield per acre on the farm for each of the three crop years in which yields were highest on the farm out of the five crop years 1973 through 1977. In the event that peanuts were not produced on the farm in at least 3 years during such five year period or there was a substantial change in the operation of the farm during such period (including, but not limited to, a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that amount determined to be fair and reasonable on the basis of yields established for similar farms which are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

"(o)(1) A farm poundage quota shall be established by the Secretary for each marketing year for each farm for which a farm base production poundage was established for the 1981 crop of peanuts, and such farm poundage quota shall be equal to the farm base production poundage multiplied by the factor determined by dividing the State poundage quota established in subsection (1) of this section by the sum total of all farm base production poundages in effect in such State for the 1981 marketing year.

"(2) The poundage quota so determined shall be increased by the number of pounds by which marketings of quota peanuts from the farm during previous marketing years (excluding any marketing year before the marketing year for the 1980 crop) were less than the farm poundage quota.

"(3) For any crop of peanuts, a quantity of peanuts equal to the quantity of peanuts undermarketed during such previous years may be produced and marketed in subsequent years, and such quantity of peanuts (undermarketing carry forward) shall be considered quota peanuts, except that in order to qualify for such undermarketing carry forward in any year, a producer must have planted an acreage on the farm to peanuts in the previous year which, when multiplied by the farm yield of peanuts as determined in accordance with subsection (n) of this section would have yielded 75 per centum of the quota poundage for the farm for peanuts for such previous year.

"(4) Notwithstanding the foregoing provisions of this subsection, if the total of all increases under paragraph (2) of this subsection in individual farm poundage quotas exceeds 5 per centum of the national poundage quota for the marketing year, the Secretary shall adjust such increases so that the total of all such increases does not exceed 5 per centum of the national poundage quota.

"(p) Not later than December 15 of each calendar year the Secretary shall conduct a referendum of farmers engaged in the production of quota peanuts in the calendar year in which the referendum is held to determine whether such farmers are in favor of or opposed to poundage quotas with respect to the crops of peanuts produced in the four calendar years immediately following the year in which the referendum is held, except that, if as many as two-thirds of the farmers voting in any referendum vote in favor of poundage quotas, no referendum shall be held with respect to quotas for the second, third and fourth years of the period. The Secretary shall proclaim the results of the referendum within 30 days after the date on which it is held, and, if more than one-third of the farmers voting in the referendum vote against quotas, the Secretary also shall proclaim that poundage quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held.

"(q) For the purposes of this part and title I of the Agricultural Act of 1949—

"(1) 'quota peanuts' means, for any marketing year, any peanuts produced on a farm having a farm base production poundage, as determined in subsection (m) of this section, which are eligible for domestic edible use as determined by the Secretary, which are marketed or considered marketed from a farm, and which do not exceed the farm poundage quota of such farm for such year;

"(2) 'additional peanuts' means, for any marketing year (A) any peanuts which are marketed from a farm for which a farm base production poundage has been established and which are in excess of the marketings of quota peanuts from such farm for such year, and (B) all peanuts marketed from a farm for which no farm base production poundage has been established in accordance with subsection (o) of this section;

"(3) 'crushing' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary; and

"(4) 'domestic edible use' means use for milling to produce domestic food peanuts and use on a farm for purposes other than for seed.".

SALE, LEASE, OR TRANSFER OF FARM BASE PRODUCTION POUNDAGE

SEC. 703. Effective for the 1982 through 1985 crops of peanuts, section 358a of the Agricultural Adjustment Act of 1938 is amended by adding at the end thereof new subsections (i) and (j) as follows:

"(i) The owner or operator of any farm for which a farm base production poundage has been established under this Act may, subject to such terms, conditions, or limitations as the Secretary may prescribe, sell or lease any part of the right to all or any part of such farm base production poundage to any other owner or operator of a farm within the same State for transfer to such farm. The owner of a farm shall be permitted to transfer all or any part of such farm's farm base production poundage to any other farm owned or controlled by him.

"(j) Transfers (including transfer by sale or lease) of farm base production poundage under this section shall be subject to the following conditions (1) no transfer of farm base production poundage from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders; (2) no transfer of farm base production poundage shall be permitted if the county committee determines that the receiving farm does not have adequate cropland to produce the farm poundage quota; (3) no transfer of farm base production poundage shall be effective until a record thereof is filed with the country committee of the county to which such transfer is made and such committee determines that the transfer complies with the provisions of this section; and (4) such other terms and conditions which the Secretary may by regulations prescribe.".

MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS

SEC. 704. Effective only for the 1982 through 1985 crops of peanuts, section 359 of the Agricultural Adjustment Act of 1938 is amended by adding at the end thereof the following new subsections:

"(f)(1) The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which such peanuts are produced shall be subject to penalty at a rate equal to 140 per centum of the support price for quota peanuts for the marketing year (August 1 through July 31) in which such marketing occurs. The marketing of any additional peanuts from a farm shall be subject to the same penalty unless such peanuts, in accordance with regulations established by the Secretary, are either (A) placed under loan at the additional loan rate in effect for such peanuts under section 108 of the Agricultural Act of 1949 and not redeemed by the producers, (B) marketed through an area marketing association designated pursuant to section 108(c) of the Agricultural Act of 1949, or (C) marketed under contracts between handlers and pro-

ducers, pursuant to the provisions of subsection (j) of this section. Such penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer, or if the peanuts are marketed by the producer through an agent, the penalty shall be paid by such agent, and such person or agent may deduct an amount equivalent to the penalty from the price paid to the producer. If the person required to collect the penalty fails to collect such penalty, such person and all persons entitled to share in the peanuts marketed from the farm or the proceeds thereof shall be jointly and severally liable for the amount of the penalty. Peanuts produced in a calendar year in which farm poundage quotas are in effect for the marketing year beginning therein shall be subject to such quotas even though the peanuts are marketed prior to the date on which such marketing year begins. If any producer falsely identifies or fails to certify planted acres or fails to account for the disposition of any peanuts produced on such planted acres, an amount of peanuts equal to the farm's average yield, as determined under section 358 (n) of this Act, times the planted acres, shall be deemed to have been marketed in violation of permissible uses of quota and additional peanuts and the penalty in respect thereof shall be paid and remitted by the producer.

"(2) The Secretary shall authorize, under such regulations as he shall prescribe, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or reduce marketing penalties provided for under this subsection in cases in which such committees determine that the violations which were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned. Errors in weight which do not exceed one-tenth of 1 per centum in the case of any one marketing document shall not be considered marketing violations except in cases of fraud or conspiracy.

"(3) The person liable for payment or collection of any penalty provided for in this section shall be liable also for interest thereon at a rate per annum equal to the rate of interest which was charged the Commodity Credit Corporation by the Treasury of the United States on the date such penalty became due.

"(4) The provisions of this section shall not apply to peanuts produced on any farm on which the acreage harvested for nuts is one acre or less if the producers who share in the peanuts produced on such farm do not share in the peanuts produced on any other farm.

"(5) Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which such penalty is incurred, and on any subsequent crop of peanuts subject to marketing quotas in which the person liable for payment of the penalty has an interest shall be in effect in favor of the United States.

"(6) Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under this section shall be determined in accordance with such procedures as the Secretary by regulations may prescribe. The facts constituting the basis for determining the liability for or amount of any penalty assessed under this section, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other office or agency of the Government or any court of law. Nothing in this section shall be construed as prohibiting any court of competent jurisdiction from reviewing any determination made by the Secretary with respect to whether such determination was made in conformity with the applicable law and regulations. All penalties imposed under this section shall for all purposes be considered civil penalties.

"(g) Additional peanuts shall not be retained for use on a farm except for use as seed and shall not be marketed for domestic edible use.

"(h) Upon a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by such handler from such crop for such marketing, such handler shall be subject to a penalty equal to 120 per centum of the loan level for quota peanuts on the quantity of peanuts which the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

"(i) The Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 108(c) of the Agricultural Act of 1949. Quota and additional peanuts of like type and segregation or quality may, under regulations prescribed by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

"(j) Handlers may, under regulations prescribed by the Secretary, contract with producers for the purchase of additional peanuts for crushing, export, or both. All such contracts shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval prior to April 15 of the year in which the crop is produced, except that if any handler contracts with a producer for additional peanuts produced on a farm for which a farm base production poundage has been established at a price equal to or more than 105 per centum of the loan level for quota peanuts not in excess of the farm base production poundage, such peanuts may be utilized as quota peanuts if (1) such contract is approved before April 15 of the year in which the crop is produced, and (2) all of the producer's quota peanuts have been contracted for before or at the same time that the producer's additional peanuts are contracted for.

"(k) Subject to the provisions of section 407 of the Agricultural Act of 1949, any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use in accordance with regulations established by the Secretary. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices not less than those required to cover all costs incurred with respect to such peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus (1) 100 per centum of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season upon delivery by and with the written consent of the producer, (2) not less than 105 per centum of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer by not later than December 31 of the marketing year, or (3) not less than 107 per centum of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year. For the period from the date additional peanuts are delivered for loan to April 30 of the calendar year following the year in which such additional peanuts were harvested, the area marketing association designated pursuant to section 108(c) of the Agricultural Act of 1949 shall have sole authority to accept or reject lot list bids when the sales price as determined under this section equals or exceeds the minimum price at which the Commodity Credit Corporation may sell its stocks of additional peanuts, except that the area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by this sentence in order to facilitate the orderly marketing of additional peanuts.".

PRICE SUPPORT PROGRAM

SEC. 705. Effective only for the 1982 through 1985 crop of peanuts, title I of the Agricultural Act of 1949 is amended by adding after section 107 a new section 108 as follows:

"PRICE SUPPORT FOR 1982 THROUGH 1985 CROPS OF PEANUTS

"SEC. 108. Notwithstanding any other provision of law—

"(1) The Secretary shall make price support available to producers through loans, purchases, or other operations on quota peanuts and on additional peanuts which are produced on a farm for which a farm base production poundage has been determined in accordance with section 358(m) of the Agricultural Adjustment Act of 1938, and which are not in excess of the farm base production poundage, at such levels as the Secretary finds appropriate, taking into consideration the eight factors specified in section 401(b) of this Act and any change in the index of prices paid by farmers for production items, interest, taxes, and wage rates during the period beginning January 1 and ending December 31 of the calendar year immediately preceding the marketing year for which the level of support is being determined, except that (A) the base level price support for the 1982 through 1985 crops shall be not less than $480 per ton; (B) quota peanuts shall be supported at a level not less than 124 per centum of such base level of price support; and (C) additional peanuts referred to above in this paragraph shall be supported at such percentage of the base level price support as the Secretary estimates will result in no loss to the Commodity Credit Corporation for the marketing year concerned. The levels of price support so announced may not be reduced by any deductions for inspection, handling, or storage, but the Secretary may make adjustments for location of peanuts and other adjustments authorized by section 403 of this Act.

"(2) The Secretary may make price support available to producers through loans, purchases, or other operations on additional peanuts which are in excess of a farm's base production poundage, or which are produced on a farm with no farm base production poundage. In determining the support level for such additional peanuts, the Secretary shall take into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, but in no case may the level of price support for such additional peanuts be set at a level which the Secretary estimates would result in the Commodity Credit Corporation incurring a loss on the price support program for such additional peanuts for the marketing year concerned. The Secretary shall announce the level of price support, if any, for such additional peanuts of each crop not later than February 15 preceding the marketing year for which the level of price support, so announced, is to be in effect.

"(3)(A) In carrying out paragraphs (1) and (2) of this section, the Secretary shall make warehouse storage loans available in each of the three producing areas (described in 7 CFR 1446.10 (1980)) to a designated area marketing association of peanut producers which is selected and approved by the Secretary and which is operated primarily for the purpose of conducting such loan activities. The Secretary may not make warehouse storage loans available to any cooperative which is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section

and in section 359 of the Agricultural Adjustment Act of 1938. Such area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this section and section 359 of the Agricultural Adjustment Act of 1938. Loans made under this subparagraph shall include, in addition to the price support value of the peanuts, such costs as the area marketing association reasonably may incur in carrying out its responsibilities, operations, and activities under this section and section 359 of the Agricultural Adjustment Act of 1938.

"(B) The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by type for quota peanuts handled under loans for additional peanuts placed under loans and for additional peanuts produced without a contract between handler and producer described in section 359(j) of the Agricultural Adjustment Act of 1938. Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed in proportion to the value of the peanuts placed in the pool by each grower. Notwithstanding any other provision of this section, and distribution of net gains on additional peanuts of any type to any producer shall be reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts of a different type placed under loan by such grower.

"(4) Notwithstanding the foregoing provisions of this section or any other provision of law, no price support shall be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358(p) of the Agricultural Adjustment Act of 1938.".

REPORTS AND RECORDS

SEC. 106. Section 805 of the Food and Agriculture Act of 1977 (91 Stat. 947) is amended by striking out "1981" and inserting in lieu thereof "1985".

SUSPENSION OF CERTAIN PRICE SUPPORT PROVISIONS

SEC. 707. Section 101 of the Agricultural Act of 1949 shall not be applicable to the 1982 through 1985 crops of peanuts.

Mr. EXON. Madam President, I have been listening with great interest to the debate on the amendment offered by the Senator from Indiana and the explanation of the position of the chairman of the Agriculture Committee. I am trying to inform myself on this matter, because I believe it is critically important.

At this juncture, I am not sure whether I am in a position to support the amendment offered by the Senator from Indiana. I say, in all candor, that a week ago I certainly would have been against the amendment being offered by the Senator from Indiana, because I was one of those who felt somewhat informed on agricultural issues. I was fully aware of the fact that the agriculture bill reported by the Agriculture Committee was "a weak bill," from any traditional measure.

I said yesterday, on the floor, that everyone is concerned about the cost of agricultural programs, and I cited facts and figures that clearly showed that the costs of agricultural programs as a percentage of the Federal budget are going dramatically down rather than up. I objected to the fact that the American farmer, in all lines of production, by and large, was being unfairly taken advantage of by the farm bill reported by the Senate Agriculture Committee.

However, I assured the Chair that I was prepared, reluctantly, to accept the bill that came from the Agriculture Committee because I felt that perhaps that was the best we could do under the circumstances; and I felt that the farmers of this Nation were indeed ready to make the fair and equitable sacrifices, to use the words of the chairman of the Agriculture Committee, with regard to an agriculture bill.

However, when we talk about fairness and when we talk about equity for peanut growers or tobacco growers or anybody else, we have to discuss that in the context of what is fair not only for peanut growers and tobacco growers but also for the producers of other crops that are generally considered in the agriculture area.

That is why I stood on the floor yesterday and stand on the floor again today in opposition to the "compromise" that was rather hastily put together by a bare majority of the Agriculture Committee on Wednesday, Thursday, and Friday last.

When we talk about fairness and equity, we should also realize and recognize that when we talk about such programs as tobacco and peanuts, we are talking about a crop we do not grow in Nebraska. We do not grow those crops in most States of the United States for several reasons, but mainly we do not grow them because it is a carefully protected program, a carefully targeted program, which goes way back into history.

While the farmers of any State in the Union can raise all the corn and wheat they want, in any place in the United States, that is not so with regard to certain crops such as peanuts and tobacco.

I thank my colleague from Indiana for bringing this up on the floor of the Senate, because I believe it is about time we discussed these things. I say to my friend from Indiana that 10 days ago or a week ago or perhaps even the day before yesterday, I would have voted against his amendment, because there was more or less an understanding by those of us primarily concerned about agriculture, who knew that whatever bill came out of the U.S. Senate or the House of Representatives this year was not going to be a good bill by any past measurement at all, and we were ready to take our sacrifices. We were supposedly going to hold together, and it has been known for a long time that the amendment was going to be offered by the Senator from Indiana. So I say to my friend from Indiana that he may well be picking up some support that he did not think he had.

Obviously, all kinds of deals were being made which are being reflected in the final works of the agriculture bill that finally has come before us, with a surprise amendment adopted by the committee after the bill was reported.

I thought it was rather interesting, talking about fairness and equity, to read a story that came on the wire services sometime this afternoon, by the Associated Press. The caption is "Farm Bill, By Bob Fick." It states:

> The Senate, responding to Reagan administration objections about costs, is trying to pare even more from the "cost-conscious" farm price support program drafted by its Agriculture Committee.

Then it goes on and on.

The last paragraph is rather revealing, and it reads as follows:

> Block (referring to the Secretary of Agriculture) has abandoned his fight for other major changes in farm price support programs in the new farm bill to concentrate efforts on reducing target levels and slashing the cost of the dairy price supports.

Madam President, I think that says something for what is going on. We all know and let us lay it out on the line that the shape of the present farm bill that is before this body was shaped after the deals that the President made with certain people from the Sunbelt States to insure the passage of the famed budget and tax cut bills.

I will have more to say about this in the days to come before we finally vote on this bill, I hope.

But I say in all candor and I think it should be laid right out on the line that all kinds of deals were made by representatives in Congress and with the help of the President, in fact his engineering, to get their votes for the budget and the tax cut bill. He made deals with them that are now showing up in the final product of the bill that is before the Senate today which is called the ag bill.

The President did not have to make deals with the Northern State Senators. He did not have to make deals with the Congressmen from the North because most of them are Republicans anyway and they were locked in. Not so with the boll weevil Democrats from the South.

I think that this bill is a bad bill. I hope that we will come to our senses sometimes and recognize that a farm bill should be written separate and apart from the President's wishes on either the budget bill or the tax cut bill.

I hope that we will know that when we are dealing with something as important as agriculture we should not have to rely on present understandings and pressures from 1600 Pennsylvania Avenue on what the makeup of this farm bill should be.

So I am to be watching the deliberations and the negotiations that go forward on this bill.

I will simply say to my friend from Indiana that while I am not in basic sympathy with what he is trying to do, I recognize that there is some validity to the points that have been made by the distinguished chairman of the Agriculture Committee with regard to fairness and equity to those who have invested in the peanut program around the United States.

But when we talk about fairness and when we talk about equity, we should realize and recognize that there are other food producers who likewise have made investments in their plant, who I think basically are being abandoned by this proposed farm bill that is the product of the Reagan administration.

Madam President, I yield the floor.

Mr. BAKER. Madam President, if the managers of the bill will permit me before we proceed any further, it is now

6:25, and I hope we might conclude the business of the Senate at a fairly early hour this evening.

I inquire of the managers if they are willing to lay aside this measure until tomorrow at 10 a.m.?

Mr. HUDDLESTON. I am willing.

Mr. HELMS. Yes.

Mr. BAKER. I find a general and even an enthusiastic affirmative response.

Mr. PERCY. Madam President, will the Senator yield? I wish to make a statement supporting the Lugar amendment.

Mr. HELMS. Will the Senator mind standing on the other side of the Chamber when he says that?

Mr. BAKER. Madam President, I am most gratified with the variety of Senators' remarks and yield to the Senator from Illinois.

Mr. PERCY. Madam President, I rise in support of the amendment offered by Senator LUGAR to terminate the very unsound, unreasonable, and unfair provisions of the current peanut agricultural program and to authorize a program for peanuts comparable to that in effect now for other agricultural commodities.

It is hard to imagine a more compelling set of facts in support of abandonment of major features of the current program. Essentially those facts are as follows:

First, in the United States, any person in any State may plant and market any edible agricultural item he wishes, except peanuts. He needs special governmental authority to grow peanuts, and he cannot get it without either buying land which historically has had a peanut acreage allotment and thereby paying his respects to this feudalistic land system, or by asking someone who has an allotment to please accept his money to rent that allotment so that he may legally grow peanuts on his own land. These rental payments, both to those who own the allotments and from those who do not, run into the thousands of dollars in many individual instances.

Second, 70 percent of the peanuts, according to the Department of Agriculture, are produced on these rented allotments; and, therefore, while most agricultural programs do help those doing the actual farming, such is not the case with the 70 percent of the peanuts produced on rented allotments. A higher support price usually just means that the actual farmer who is renting an allotment must pay more to rent this Government-anointed franchise.

Third, not only may anyone not grow peanuts without special governmental authority, he also is prevented from importing peanuts except for a microscopic peanut import quota which has been effect almost continuously for over 30 years. This virtual peanut import embargo is in effect for the purpose of preventing imports from interfering with this ridiculous acreage allotment and production control program. Thus, most folks are prevented from growing and marketing peanuts, and practically everyone is prevented from importing them.

Fourth, this program works contrary to the interest of the actual peanut farmers, against the interest of manufacturers in my State and in other States who use these peanuts, contrary to the interest of the employees of these manufacturers, and lastly, and in my opinion of equal importance, contrary to the interest of the millions of American consumers of peanut butter, salted peanuts, and peanut candy.

Fifth, the situation this past year has been unusually bad. We have been told that the major shortage and the high peanut prices occurred because of the drought and indeed the drought was responsible. However, if Federal law did not require that 94 percent of the peanuts be produced in only a few counties in just six States, then the danger from adverse weather would be spread throughout a much broader geographical area and considerably lessened. In my State, thousands of workers were temporarily unemployed during the past year because of inadequate peanut supplies.

In closing, Madam President, while there are so many elements of this peanut program that surprise and astonish me, none exceeds my amazement more than the fact that it has the support of some who are otherwise recognized as strong believers in free enterprise, opposed to unnecessary Government controls, regulations, and planned economy. The peanut program is the antithesis of all these elements.

I am pleased to join with Senator LUGAR and be among the 26 Senators joining in support of this worthwhile amendment.

Madam President, I ask unanimous consent that an article I authored for distribution to newspapers in Illinois, "Cracking the Peanut Cartel" be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CRACKING THE PEANUT CARTEL

(By Senator CHARLES H. PERCY)

In the spring of 1915, Southern farmers faced what seemed like certain disaster. The boll weevil, invading from south of the border, was devastating the region's principle cash crop, king cotton.

To avert economic ruin, a black agriculturist named George Washington Carver urged a simple solution—plant peanuts.

Soon farmers were harvesting tons of peanuts, and Carver, intent upon assuring a market for the new crop, quickly developed more than 300 products from the humble peanut.

Thus, out of one man's genius, combined with the faith and enterprise of countless others, a booming industry was born.

Today, however, Carver's advice to "plant peanuts," once a clarion call of free enterprise, has become an invitation to federal prosecution.

Peanut farming in the United States is now the privileged monopoly of just 59,100 individuals and corporations. These individuals and corporations have the exclusive right—by federal law—to grow peanuts for sale in the U.S. And 70 percent of those holding the special government allotments do not farm themselves, but rent out the right to others.

Independent farmers who attempt to grow and sell peanuts without government permission are subject to stiff fines or imprisonment.

But even the possession of a government license is not an unmixed blessing in the peanut business. Those who rent out their allotments must pay between $115 and $200 per acre, depending on the state, before the crop is planted. This initial licensing fee amounts to some 20 percent of the total production cost.

And who bears that extra cost? Ultimately, the consumer. In fact consumers pay for Uncle Sam's peanut trust in two ways. They absorb the licensing cost, and are then forced to pay higher prices for the artificially small supply of peanuts.

The peanut "allotment lords" have driven up the cost of a number of consumer goods, especially peanut butter and candy—the confection industry being the largest user of peanuts.

Senator Richard Lugar (R-IN) has introduced an amendment to S. 884, the farm bill, which will take us off the peanut monopoly merry-go-round. The amendment, now with twenty-seven Senate co-sponsors including myself, would repeal the antiquated allotment system and substitute a simple loan support program, comparable to those now in force for other food crops.

It would end the forty-year government-controlled peanut cartel. And it would open America and the developing world—a world where protein-rich peanuts are desperately needed—to a reemerging and expanded peanut industry.

In 1921, in its trade magazine, The Peanut World, the fledgling peanut industry said of George Washington Carver: "His contribution to the common fund of human knowledge in the field which he has devoted his life is simply immeasurable. He has been virtually a miracle worker, and we believe The Peanut World would be remiss in its duty did it not pay him this tribute, small in comparison to what he has done for us all."

Sixty years later, it's time for an even more fitting tribute to Carver and the spirit of enterprise he represents. It's time to make the peanut world the boundless land of the industrious many rather than the private domain of the privileged few.

Mr. PERCY. I thank the distinguished majority leader.

Mr. BAKER. Madam President, I thank the Senator from Illinois.

Madam President, I ask unanimous consent that the pending measure be temporarily laid aside until 10 a.m. on tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ROUTINE MORNING BUSINESS

Mr. BAKER. Madam President, I ask unanimous consent that there be a brief period for the transaction of routine morning business to extend not longer than 20 minutes in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The following routine morning business was transacted during the day and is printed at this point in the RECORD.)

## SALE OF AWACS TO SAUDI ARABIA

Mr. THURMOND. Madam President, a significant statement of support for the sale of the defense enhancement package to Saudi Arabia was released yesterday by the Reserve Officers Association of the United States.

The 12,000-member association announced its support for the sale in a press

release issued from the national headquarters here in Washington.

Madam President, I ask unanimous consent that this press release be printed in the RECORD.

There being no objection, the news release was ordered to be printed in the RECORD, as follows:

ROA BACKS ADMINISTRATION ON AWACS SALE

WASHINGTON, D.C., Sept. 14.—Major General Ewan L. Hultman, President of the Reserve Officers Association of the United States (ROA), announced today that the 128,000 member organization backs President Reagan's plan to sell the Defense Enhancement Package to Saudi Arabia. The most important item in this strategic package is the E-3A Airborne Warning and Control System (AWACS).

He said the decision to go on record in support of the Administration on this issue was made by the ROA Executive Committee after full discussion and deliberation. He explained that officials of ROA, which was chartered by Congress to advise on matters of national security, consider the sale in the national interest of the United States.

ROA is a long-time advocate of a strong national defense and has worked with present and previous administrations and Congress toward that objective.

## BUSINESS WITH CHINA

Mr. HAYAKAWA. Madam President, with the normalization of relations with the People's Republic of China (PRC), there has been a great deal of discussion about the "bright" prospects for trade between our two countries. As we all know the lure of a potential market of a billion customers has always loomed large for American businessmen. On the other hand, we have recently heard reports about the abrupt cancellation by the Chinese of large contracts with foreign contractors, particularly the Japanese. Apparently, the PRC became financially overextended in pursuit of its ambitious modernization program, or perhaps foreign businesses erred in making major commitments too soon—or both.

I have just had occasion to read a most enlightening article on this subject by the noted China scholar, A. Doak Barnett. It is entitled "Business With China," and appeared in the July issue of the Asia Mail. Barnett points out that there is indeed tremendous potential in the China market, but that to be successful, American businessmen will have to "show more than ordinary flexibility and adaptability." He outlines the various modifications which he feels are necessary in American concepts of management, marketing, financing, training, timing and legal practices. He also makes a strong plea for U.S. corporations to:

Develop American personnel with real knowledge and expertise, not only about effective ways of negotiating with the Chinese and the technical problems of carrying out specific projects, but also about China's broad modernization plans and the social and cultural factors that will affect their success.

Mr. Barnett contends that interactions between American businesses and the individuals and institutions with which they deal in China will have a major impact on overall United States-China relations. I agree with this assessment, and am keenly aware of the importance of trade with China to California and the Nation as a whole. Madam President. I ask unanimous consent that this most insightful article be placed in the RECORD.

There being no objection. the article was ordered to be printed in the RECORD, as follows:

BUSINESS WITH CHINA

(By A. Doak Barnett)

Despite the long history of U.S.-China contacts before the Communist takeover, as latecomers in post-1949 China American businessman have less experience in dealing with the Chinese than others. Japanese and European businessmen started trading with the People's Republic in the 1950s, but there were no similar American contacts before 1972, and they have become extensive only since 1977. The Americans, therefore, are "playing catch up," a fact which creates special problems and dilemmas. To try to compete with Japanese and Europeans, some feel, understandably, that they must think big and act fast. However, excessive haste and overly ambitious undertakings could lead to serious problems and increase the risk of failure. American businessmen, as well as others, need to take a long view. To build lasting relationships with the Chinese, patience is required to create a basis for mutual confidence gradually. While this is true of most international economic relationships, it is particularly so in dealing with the Chinese.

In major development projects, foreign businessmen will have to show more than ordinary flexibility and adaptability. They will need to consider how advanced technology and foreign management methods can be modified to work in a "socialist" Chinese setting. The natural tendency of many businessmen is simply to transplant what they know, intact, into a new setting. In the first burst of activity in China's modernization program, some Chinese technocrats appeared similarly simplistic and unrealistic, hoping that advanced technology and foreign methods of operation could rapidly be grafted onto the Chinese economy. What will be required, however, are complicated mixtures of modern and traditional methods, of high and low technology, of labor-intensive and capital-intensive approaches, and of "socialist" and "capitalist" modes of operation. Foreign businessmen, like China's own planners, administrators, and technical experts, will have to experiment to find viable mixtures.

American businessmen involved in cooperative arrangements, joint ventures, and direct investment in China will need to be particularly knowledgeable about and sensitive to Chinese economic, social, and political realities in order to succeed, especially if they participate in the management of enterprises. They will have to understand the nature of Chinese bureaucratic institutions; the relationships between Party authorities, government officials, and enterprise personnel; and the interactions of management and labor. Despite the strong commitment of China's present leaders to improve management methods and raise labor productivity, efforts to change old practices will encounter serious obstacles—from bureaucrats resistant to any changes, from Party cadres who fear a loss of influence, and from elements in the workforce whose interests will be adversely affected. Foreign businessmen will be compelled along with Chinese favoring change, to cope with such obstacles. They will also have to learn the special importance of personal relationships in China.

The new investment law and other economic regulations now emerging from the top levels of the Peking regime are essential to help create the minimal legal framework for economic cooperation between foreigners and Chinese as well as for more regularized operational procedures throughout the Chinese economy, but they will not suddenly transform old patterns of behavior based on tacit codes and values and on personal relationships rather than on legal norms. Foreign businessmen will have to acquire knowledge of these patterns and of existing webs of personal relationships to function successfully.

Another area in which Americans as well as other foreign businessmen will be called upon to show unusual flexibility is in devising ways to finance projects. While the Chinese intend to import sizable amounts of foreign technology, it has become increasingly clear since the "readjustment" of 1979 that they intend, to the extent possible, to solve their payments problems by arranging compensation, barter, and comparable arrangements under which the foreign costs of projects can be repaid in the goods they produce. To compete effectively in the Chinese markets, American businesses will have to be prepared to consider varied types of repayment schemes.

They will also have to give adequate attention to developing effective training programs. China's present leaders are not interested in relationships that create a permanent dependency on foreign personnel or nations. While determined to upgrade their economy with foreign knowhow, their aim is to acquire an independent capacity to deal with their problems. Business organizations planning significant involvement in China must therefore think in terms of finite rather than open-ended periods of involvement and build into their proposals programs designed to train Chinese personnel on the job, in the United States or in Chinese institutions. They also will need to consider means to help the Chinese improve their research capabilities. Relationships between foreign businesses and the Chinese need not be brief, but foreign businesses must be prepared to adapt their roles as the Chinese absorb new skills and improve their capabilities.

Foreign businessmen will need to recognize the desirability of careful phasing in the way they get involved as well as the way they eventually reduce their involvement. Starting with large-scale, long-term, irrevocable commitments is unwise in most cases, from the point of view of the foreign businessmen as well as the Chinese. After reaching general understandings on long-term objectives, generally the most prudent approach will be to plan projects in stages, set limited and attainable goals for each stage, and agree that at the completion of each stage both sides will evaluate the results, problems, and prospects before setting further goals.

Matters of style also will affect the extent to which American businessmen operate effectively in China. To succeed, Americans will have to be activists in some respects, pressing for actions essential for the success of projects undertaken; but at the same time they will have to avoid arrogance and be sensitive to Chinese cultural predispositions and personal relationships. In general, they will probably have greater chances of long-term success if they maintain a relatively "low posture."

The prospects for lasting American business relations the Chinese will also depend in part on whether or not U.S. corporations develop American personnel with real knowledge and expertise not only about effective ways of negotiating with the Chinese and the technical problems of implementing specific projects, but also about China's broad modernization plans and the social and cultural factors that will affect their success. Long ago most large Japanese cor-

porations seriously interested in major operations in China recognized the need to have on their payrolls persons with broad expertise on China, including knowledge of the Chinese language. Few American corporations have yet done this. Some, wisely, have drawn upon the knowledge of qualified Americans of Chinese origin; these Chinese-Americans can play a special role in further U.S. business relations with China. However, American businesses seriously interested in long-term involvement in China will need to develop a broader basis for interpreting, analyzing, and dealing with China. They will need to ensure that some persons in the mainstream of their company operations acquire in-depth knowledge of China. They will also have to learn how to draw more effectively on the knowledge about China that exists in U.S. government agencies and academic institutions (which, on their part, will have to make a greater effort than in the past to communicate their knowledge effectively to businessmen and also learn from them).

Whether or not U.S. businessmen learn to deal successfully with the Chinese will affect more than the balance sheets of the corporations involved; the prospects for forging lasting economic links between the United States and China will be greatly influenced by the interactions between American businesses and the individuals and institutions with which they deal in China, and success or failure in broadening economic ties will have a major impact on overall U.S.-China relations.

Peking's new foreign economic policies, which have opened the door to greater trade and broader Chinese participation in the international economy, have significant political as well as economic international implications that U.S. policy should fully consider. U.S.-China economic ties are still in an early stage of development, but under favorable circumstances they could become increasingly important in the period ahead. The United States should now pursue policies that maximize the prospects for growing and lasting economic links with China, the benefits of which could be substantial.

The most apparent, though not necessarily the most important, benefits will be those resulting from any increase in U.S. sales abroad, which not only assist American agriculture and industry, but also help the U.S. balance of payments. The potential of trade with China should not, of course, be exaggerated. However, with serious effort on both sides, the present volume of close to $4.5 billion a year would be doubled, tripled, and conceivably quadrupled in the years ahead. Even though this would still amount to no more than 1 to 2 percent of total U.S. foreign trade, it would not be unimportant. Apart from trade with Western Europe, Canada, and Japan, most American trade is widely distributed, and few countries account for very large percentages. For example, even though U.S. exports to China, amounting to somewhat over $1 billion in 1979, appear very small compared with sales to the advanced industrial nations (in 1978 U.S. exports to the EEC, Canada, and Japan were $32.1 billion, $28.4 billion, and $12.9 billion, respectively), they look more significant, even today, if compared with exports to other developing nations. In 1978 U.S. sales to all non-Communist developing nations in the Far East totaled $11.0 billion and those to all the rest of Asia and Africa except for the Middle East amounted to only $4.8 billion.

In several commodities, moreover, China trade is likely to be considerably more important than the overall figures suggest. This is true, for example, of trade in grain, of which the United States is the world's largest exporter; in oil, of which it is the world's largest importer; and in high technology items, which are of special importance in U.S. trade. Already China is the largest buyer of grain among the developing countries, and it clearly is in the American interest to provide a large share of its needs. If by the late 1980s China can become a middle-rank oil exporter, which American assistance in offshore oil development could help to make possible, this too could be important from the U.S. point of view. And if China continues to be one of the largest markets for high technology in the developing world, the United States will clearly benefit from increased sales of such technology to the Chinese.

The potential political benefits of increased U.S.-China trade and economic cooperation could be as great as or greater than the economic ones. Expanding economic relations should help strengthen political ties with China in the period ahead. Even though closer economic links cannot guarantee friendly political relations, on balance they will enhance the prospects for good overall relations. To the extent that U.S. cooperation, both private and governmental, helps Peking achieve its developmental goals, this should contribute to political stability in China, increase the chance that Peking will continue to pursue pragmatic, growth-oriented policies at home, and reinforce the trend toward more moderate, cooperative Chinese foreign policies.

In addition, it could encourage Peking to cooperate more than in the past with the United States and others in dealing with global economic problems. From the U.S. perspective, this would be of special importance in relation to food and energy problems, but it might also help to induce Peking to adopt more cooperative approaches to other international problems. This would certainly be in the U.S. national interest. In the long run, increased Chinese involvement in responsible roles in the increasingly interdependent global community could prove to be the most important result of current trends in Chinese policies, and Washington should view its economic cooperation with China as a means to work toward this end.

For all of these reasons it is highly desirable that the United States pursue a very active policy aimed at increasing trade and expanding other forms of economic cooperation with China. In light of the difficulties the Chinese face and the competition Americans will encounter in the Chinese market, this will not happen automatically. To realize the potential for strong economic ties between the two countries that now exists, the U.S. Government and American businessmen, scientists, technicians, scholars, and others will have to give adequate attention to certain prerequisites for success.

First, it will be essential to complete the process of establishing a sound legal and institutional basis for long-term economic relations. Notable progress has been made in this respect, but more needs to be done. Second, both U.S. Government agencies and private American banks should give more attention to financing than they have so far to make the United States more competitive. Without adequate U.S. credit the Chinese may feel compelled to rely primarily on others.

Third, the United States will need to increase imports from China. In the near future this will mean permitting more labor-intensive, low-cost, Chinese manufactured goods to enter the United States. This will not be easy, but it is necessary if there is to be a significant growth in two-way trade. As an alternative to protectionism, Washington should be prepared to give more effective aid through means other than tariffs and quotas to domestic industries adversely affected by low-cost, labor-intensive imports. In time, U.S. imports of natural resources from China should grow, and every effort should be made to encourage this.

Fourth, the United States should make a major effort to sell technology, plants, equipment, and know-how to the Chinese. To help promote such exports, U.S. policy on the sale of high technology to China must be flexible in permitting the sale of dual-use items desired primarily for civilian development, even though for strategic reasons it should restrict items primarily of military value. Defining broad technology transfer policy and making specific decisions on licensing particular items will pose difficult problems. The aim, however, must be to encourage increased exports of technology to China while restricting sales that imply closer U.S.-China military ties than actually exist—or than either Washington or Peking currently desires—and avoiding unnecessary provocation of Moscow.

Finally, the American business community, with U.S. government support, must take seriously the potential of the China market and develop the knowledge and expertise necessary to deal effectively with the Chinese and compete successfully in the China market. Failing this, Americans will probably lose out in the long run to the Japanese and West Europeans. This might not be disastrous in terms of American national interests, but if it occurs the United States would forgo important benefits. It certainly would not contribute in any positive way to broad U.S. political and economic objectives.

Even assuming that the above prerequisites for success are fulfilled, developing broader U.S.-China economic ties will involve unavoidable risks. Success will depend on many political and economic variables. Any of a number of events or trends could have adverse effects on the process, and, at worst, some could derail it.

One variable will be the success of the Chinese in maintaining reasonable political stability at home, implementing their modernization policies, and creating conditions that attract greater foreign involvement. Peking as well as Washington will have to take further steps to improve the legal and institutional framework for cooperative relations, including passage of new laws and regulations relating to foreign investment, taxes, labor practices, and other matters of concern to foreign business.

The process of developing U.S.-China economic ties also will inevitably be affected by the general political climate in the region. Outbreaks of conflict in the Taiwan Strait or other disputed offshore areas, in Korea or Vietnam, or in Sino-Soviet border areas could shake the confidence of foreign governments and businessmen, reducing their willingness to support China's economic development and commit resources to cooperative ventures.

While dangers of this sort are real, they are probably no greater—and may well be less—than dangers in other critical areas such as the Middle East, where governments and businessmen of the major industrial powers already are deeply involved, economically as well as politically and strategically. The potenital benefits of economic ties with China make the risks tolerable so long as these ties can be developed in the context of friendly bilateral relations and a regional climate that discourages major conflict.

The strengthening of U.S.-China economic ties should help to cement political ties and also contribute gradually to the development of "a secure and strong China," which, as U.S. leaders recently have stressed, would support broad U.S. aims both in East Asia and globally. If such ties help to draw China gradually into more extensive and constructive involvement in the international community, they will serve a historic purpose, bringing to a new stage the long search, begun in the nineteenth century, for a basis for

long-term, friendly, and mutually beneficial relations between China and the West.

## ADDRESS BY HUD SECRETARY PIERCE TO SOUTH CAROLINA MUNICIPAL ASSOCIATION

Mr. THURMOND. Madam President, on August 29, 1981, I had the pleasure and privilege of introducing the Secretary of Housing and Urban Development, Mr. Samuel R. Pierce, Jr., to the 41st annual meeting of the Municipal Association of South Carolina at Hilton Head, S.C.

The remarks made by Secretary Pierce on that occasion concerned President Reagan's policy of new federalism, which he described as enhancing authority at the State and local levels. Under the programs of this administration, this enhanced authority at the State and local levels will be characterized by a constructive partnership approach to the delivery of services and problem solving among the Federal, State, and local governments.

Madam President, this address by Secretary Pierce was an excellent one and was well received. The tone and substance of his remarks indicate the enthusiasm within the Department of Housing and Urban Development for the goal of sharing new initiatives and innovations with governments at the State and local level. I ask unanimous consent that the speech by Secretary Pierce be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY SAMUEL R. PIERCE, JR.

Thank you for that kind introduction, Senator Thurmond. And thank you, too, for adding your invitation to the one I received from the Municipal Association of South Carolina. The State is indeed fortunate to be represented by you as its distinguished senior Senator. In and out of Washington, I count on you as a valued friend.

It is a great personal pleasure to be here in Hilton Head the Palmetto State's beautiful, world-renowned resort area. The many kindnesses you have shown me here, I assure you, will draw me back again.

I also want to assure you that I attach considerable significance, to this meeting. The work of your Association, through its efforts to strengthen State and local relations, is of fundamental importance to President Reagan's New Federalism. The advising, information-sharing, planning, State legislative, and other lobbying functions, which characterize your Association, figure prominently in making government more responsive to the needs and rights of citizens. In so doing, it makes the system more efficient and less costly.

I want to share with you my perspective of the policy and purpose of the Reagan Administration in correcting our country's weak economy. We have been brought into this sad state of economic disrepair by undisciplined Federal spending, misguided fiscal practices, and stifling tax policies. What we in this Administration are pursuing is no less than a fundamental change in the way the government of America carries out its responsibilities.

We are committed to a budget which reduces our activities to absolute priorities and requirements, a budget that will, at the same time, assist where possible those least able to meet their basic necessities of life. We are committed to a system of government that will be founded on economic stability, and that will recognize economic stability as a key ingredient to national security. We are committed to a system in which the appropriate level of government is called upon to do not just what it can do, but what it properly should do.

We do not believe that government should try to be all things to all people. This country has been led down that path before, and the result was not a happy one. To continue the reckless spending practices of the past would be irresponsible. The government spent more money in 1979 and 1980 than ever before, and look what it got us. Just last week, the Census reported that American families saw their "real" income fall more than 5 percent in 1980. That sharp drop in "real" median family income was the biggest decline in that category since the government started compiling such statistics in 1947.

With all that spending, the number of Americans below the federal "poverty level" grew from 11.7 percent in 1979 to 13 percent of the population last year. There can be no doubt that we must improve the health of our economy, and that we must change its downward direction. President Reagan has begun to effect that change. In just a little more than half a year, his Administration has taken the steps necessary to face head-on the host of economic problems that have been eroding the productivity and the confidence of our country.

There are the beginnings of some encouraging signs. With bipartisan support, the Congress has passed the President's entire Economic Recovery Program. I believe we have reached a critical stage, perhaps a turning point, in our country's history. We are today embarked on a carefully constructed course to return America to fiscal integrity.

The four points of President Reagan's plan which sets that course are, first, to reduce the rate of growth of Federal spending. This is not a cut in current spending levels, but a cut in the proposed increases. The spending increases of recent years made this budgetary restraint absolutely imperative.

The second point is a tax cut across-the-board for everyone who pays taxes. Just last month the Congress and President Reagan gave the American people an important victory, with a 25 percent tax cut over 33 months.

The third point is the prudent elimination of excessive regulation. Regulations add an estimated $100 billion to the price of things we buy. Unnecessary regulations must be eliminated. Others must be streamlined.

The fourth point is development of a sound monetary policy which is consistent with the economic recovery program and which is geared to stabilize the money supply and revitalize the economy.

I and all of my colleagues in the Cabinet have great confidence in this program. We expect to see it effectively implemented and applied to combat our Nation's economic ills. If we continue to receive bipartisan support and the willing help of the American people, we'll carry out the President's program. As this happens, I'm convinced that we'll begin to see a substantial drop in both inflation and interest rates. I'm not talking about an immediate turn-around. It's taken us since the New Deal to get into this sorry economic condition, so we'll need at least some time to get out. In the meantime, while we're following budgetary and fiscal practices that will help us to escape from prohibitive inflation and interest rates, we're working intensely to do more with less money.

At HUD this means working to get more housing and development assistance at the least cost to the taxpayer. My first months at the Department were devoted almost exclusively to a total budgetary and management efficiency review of how my agency administers the public's money. I'm not willing to recommend continuing or discontinuing programs until I have a pretty fair grasp of what they deliver, who benefits from them, how effective they are, and at what cost. So, initially, I devoted myself to an exhaustive analysis of the Department's functioning. As we all know, the sacrament of baptism varies by religion. Let me assure you, my baptism at HUD was total immersion.

As a result of this intensive review, I made some decisions and recommended to the Congress the direction in which I propose to lead HUD. We will be moving toward more efficient, less costly, and less cumbersome delivery of housing and development assistance to the persons and places most seriously in need of such assistance. We will be moving in this direction with a more rational distribution of responsibility and decision-making. To me, this means increased control at the levels of government closer to the people. That is what the President's "New Federalism" is all about . . . enhanced local and State authority, reinforced with a constructive partnership approach to the delivery of services and problem-solving among the Federal, State and local governments.

I know we need to build better communication between State and local officials and my Department. I've met with and I've been listening to officials such as you all over the country. I'm going to continue listening and gathering all the information and insights from you I can. To further that effort, I reorganized the Department to include a Deputy Under Secretary for Intergovernmental Relations. Dr. June Koch heads that office, and I urge you to work with Dr. Koch and her staff to make certain that we at HUD are addressing your needs and concerns.

In my review of the Department's operation, meetings with local officials were most useful in helping me to determine the relative merits of some programs. For example, I heard virtually unanimous support for Urban Development Action Grants. It was generally well known that private sector funds were leveraged at an average 6-to-1 ratio compared to UDAG funds expended. I wasn't surprised by the level of support for the program, but I was favorably impressed by the substantive data: jobs saved, jobs created and construction jobs involved, for instance. This prompted me to take a more careful look at the UDAG program.

Consultation with local leaders, developers and others convinced me that the program was worth continuing, at least for the short term. With the knowledge gained from that consultation and with solid support from the advocates of UDAG, I was successful in urging its retention. I was pleased to help save UDAG for 1982, and I decided to make a study of the program to have a real base of knowledge in determining how effective these grants have been. That report should be ready shortly and will help plan the future of action grants for 1983 and beyond.

I know you're familiar with this program. Many of you have made extensive use of it to strengthen the economy of your communities. The city of York used a $525,000 UDAG award to leverage well over $12 million in private investment. It also brought in excess of 50 new permanent jobs when the grant award helped Edgewater Steel to locate a plant in York, which should reach 85 jobs when the plant becomes fully operational.

With a $980,000 award. Lake City attracted nearly $4 million in private investment by Yarn Industries. That has meant over 80 new permanent jobs to Lake City, which will grow to an estimated 150 jobs created when this industry is fully operational.

And, in Greeneville, a $5.5 million UDAG award will leverage an estimated $24 million in private funds. The Greeneville Commons project will see construction of a parking garage, office building and hotel/convention

center which, under current estimates, will translate into 450 new permanent jobs.

In Charleston a recent $1.3 million grant will help the city to build a parking facility which will enable rehabilitation of the historic Lodge Ally site. This rehab will include condominiums, a small hotel, and rental space for a restaurant and shops. This UDAG award will leverage over $6.7 million in private investment.

Action Grants demonstrate the important role which the private sector must play for the New Federalism to be most effective. To gain greater business and industrial involvement in urban revitalization, we're also exploring Enterprise Zones. HUD has the lead role in an interdepartmental task force that is reviewing the concept, which is of great interest to the Reagan Administration. I expect we'll arrive at some key decisions on Enterprise Zones in the very near future. I believe there should be some incentives from the State and local level, to complement Federal tax and regulatory relief, if we are to encourage business to start new operations in distressed areas. Some States already have moved ahead to offer tax relief incentives for investment in Enterprise Zones.

In addition to exploring opportunities offered by the Enterprise Zone concept, we have another initiative underway that I want to mention. At my request, President Reagan created a Commission to help solve our country's housing problems. The President's Housing Commission is reviewing all existing Federal housing policies and programs and will suggest various options to the President and me. These options will give us guidance on how to deliver decent federally-subsidized housing at less cost. They also will strengthen the ability of the private sector to increase home ownership opportunities and to provide adequate shelter for all Americans.

As I lead HUD in a new direction, some of my priorities address more responsible conduct of our management functions. For instance, in the past, debt collection by HUD has been less than vigorous. Those days are over. If a borrower becomes delinquent on a loan, we'll sue for non-payment, if necessary. When people incur a debt to HUD, I expect them to repay it. The money we've been entrusted with comes from you and your neighbors. As taxpayers, you have a right to expect a responsible accounting for that money, and I intend to see that you get it

We're also cutting back on regulatory burdens. Our objectives are to lessen Federal control of private housing and development activities, as well as the related activities of State and local governments. We're placing strict standards on the development of new regulations, and a "sunset" review of all existing ones.

The actions we've taken on Community Development Block Grants demonstrate our commitment to deregulation. We've eliminated the burdensome targeting requirement. We've eliminated the unnecessary and duplicative displacement strategies, and we've withdrawn the detailed and altogether unnecessary program application requirements. In place of these requirements, communities need submit only a simple statement outlining their community development objectives and the projected use of the funds. We're finding that we can streamline our operation and simplify the way you do business with HUD. I urge a similar course on State and local governments. Let me tell you why.

HUD was involved in a recent demonstration program which showed that significant housing cost reductions could be achieved by streamlining and up-dating local regulations. Carried out with no Federal funds, the demonstration tested whether single family housing costs could be reduced by using local government regulations as the only variable. The demonstration was concerned only with the effect of zoning ordinances, subdivision regulations and building codes of housing. Local governments permitted minor deviations from their existing regulations without enacting new ordinances. They permitted innovations proposed by the builders, and they expedited processing and review so that construction could start as rapidly as possible. The housing cost reductions realized in this test ranged from $13,000 to $32,500. That's tremendously encouraging. Think of all the families who could find affordable housing with that kind of reduction in housing costs. It just reinforces my conviction that we can reduce the cost of doing business and delivering services at the local level as well as at the Federal level.

The positive results of this demonstration to reduce housing costs brings home an elemental point. The answers to our Nation's problems—whether those problems are economic, housing, urban, rural, whatever—the answers to them are as readily found at the local and State levels, and through the private sector, as they are by the Federal Government. That's one of the driving forces behind President Reagan's New Federalism. We're calling for a sharing or initiative and innovation, as well as a sharing of administration and governance.

We need your support. With your encouragement and insights, we can get our country back on the right economic track.

I'm excited by the opportunity to help make our government and country work better and to regain its leadership role. I am confident that this Administration is embarked on the proper course to achieve those goals.

Thank you.

## THE LEFTWARD DRIFT OF GREECE

Mr. THURMOND. Madam President, I rise today because of great concern about recent political developments on the southern flank of NATO.

Greece is drifting dangerously toward the left, Madam President, and exhibits increasingly ominous tendencies toward political instability. If current trends continue, we cannot exclude the possibility that next month Greek elections may very well produce a Socialist or even Marxist dominated government.

The leading challenger to the government of incumbent Prime Minister George Rallis is the Panhellenic Socialist Movement (PASCK), led by Andreas Papandreou, the Communist Party, and an assorted group of centrists and liberals. Mr. Papandreou has publicly stated that if he wins, he will ask for the removal of American bases from Greece and the most rapid and direct exit of Greece from NATO, actions that would certainly compound the difficulties of NATO in that part of the world.

America would not presume to dictate to the Greeks which government they should elect. In my opinion, however, the drift of our crucial NATO ally into the Socialist camp, largely ignored by the Carter administration, is neither in our interest nor theirs. I hope the Greek people will see more clearly where their best interests lie. They lie in the West, with a strong NATO alliance, and in close ties with the United States.

Madam President, I ask unanimous consent that two items elaborating these concerns be printed in the RECORD following my remarks. The first is an article entitled "Greek Storm Brewing" by Roy C. Macridis, which appeared in the New York Times of August 19, 1981. The second is an article entitled "Will Greece Go Leftward Next?" by David S. Broder, from the Washington Post of July 26, 1981. I urge my colleagues in both Houses to give these items their most thoughtful consideration.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 19, 1981]

GREEK STORM BREWING

CAMBRIDGE, MASS.—Ever since the fall of the military junta in Greece in August 1974 the country has had an unparalleled, almost uncharacteristic, political calm. Elections in 1974 and 1977 brought the same center-right majority to office. The strongman of Greek politics, Constantine Caramanlis, moved to the presidency after serving as Prime Minister for six years and was replaced by one of his lieutenants, George Rallis. This Jan. 1, Greece formally became a member of the European Economic Community and, despite the lack of an agreement on American bases, joined the integrated NATO command.

Of all the Mediterranean countries that moved from the straitjacket of military dictatorship and authoritarianism into the uncertain hallways of political democracy, Greece's record is the best. No military coups, no acts of violence, no terrorism and, despite inflation, no unemployment and until recently a rising standard of living.

But elections are to be held no later than Nov. 15, and the calm is bound to be shattered if there is a victory for the opposition parties—the Panhellenic Socialist Movement, led by Andreas Papandreou, the Communist Party and an assorted group of centrists and liberals. It is even possible that the Panhellenic Socialist Movement will win a majority and that Mr. Papandreou will be Prime Minister.

In 1967 he argued for Greece's withdrawal from the North Atlantic Treaty Organization—something that may have accounted for the military takeover then. Much has happened since then to harden his positions and raise the virulence, if not the level, of his language. As a Marxist, he continues to view the world as a struggle between the forces of socialism, which he represents in Greece, and American imperialism. He sees NATO as "the lance" of American imperialism and does not want Greece sacrificed to its imperatives. Mr. Papandreou has, in addition to the United States and the Atlantic alliance, two other enemies—the Common Market and, of course, Turkey.

Marxism for him is linked, as it has been in many developing countries, to a strong nationalist fervor, to the invocation of simple and Christian virtues, strong anti-Western slogans, a broad populist appeal and a rejection of the Establishment. It has strong egalitarian and radical overtones: to overhaul the economy, establish community control and popular participation, change education, the civil service and the local administration.

If Mr. Papandreou wins, he will ask for the removal of the American bases and insist on the most rapid and direct exit from NATO while stressing the Turkish danger against which he says NATO is useless. He has promised to hold a referendum on Greece's membership in the Common Market, urging, here too, a quick exit.

Mr. Papandreou's chances of winning and doing exactly what he says must be taken seriously because he has several things working for him. The Turks continue to occupy 40-percent of Cyprus and there are no signs that they intend to relinquish any of

it, which keeps fanning the flames of nationalism.

Since 1974, mortified by its inability to do anything about Cyprus and feeling betrayed by the United States for allowing the invasion, the Greek Army has become wary of NATO and far more receptive to Mr. Papandreou's nationalist appeal. The anti-Turkish sentiment is easily translated into anti-Americanism and even anti-Europeanism, especially in view of West Germany's efforts to salvage the Turkish economy.

Many domestic issues are also working for Mr. Papandreou. Entry into the Common Market, touted as a panacea by the Government, has not yielded the benefits many expected. After steady economic gains, the Greeks are beginning to feel the pinch, as everybody else is. Unfulfilled expectations cause resentment and swell the protest that Mr. Papandreou knows how to exploit. A huge bureaucracy produces endless paper work and widespread irritation and hostility.

Few newspapers have reported on this cloudy political horizon that may bring instability, internal conflict and, more important, serious international frictions that will compound NATO's difficulties in that part of the world.

American efforts to settle Greek-Turkish disputes have been conspicuously complacent and inept, and Greeks have been allowed to view the much-needed American support for Turkey as a threat to their country. No convincing answer has been given to Mr. Papandreou's strident assertions that NATO offers no protection to Greece against Turkish ambitions, real or imaginary, in the Aegean.

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[From the Washington Post, July 26, 1981]

WILL GREECE GO LEFTWARD NEXT?

ATHENS.—Andreas Papandeou, the stormy petrel of Greek politics, is back at the center of the action again, stirring memories and emotions that many here and in Washington would like to have left undisturbed. The onetime Berkeley economics professor, who has acquired a remarkable number of friends and enemies at the top levels of American politics, is the leading challenger to Prime Minister George Rallis in the election to be held here this fall. A frequent critic of the North Atlantic Treaty Organization and American foreign policy, Papandreou is a dramatic figure whose election could mean a sharp change of direction in this land that grips both the imagination and the strategic interest of the United States.

For all these reasons, talking with and about "Andreas," as he is universally called in Athens' tight-knit political community, was the main diversion from archeology and beaches during a recent visit to this country.

Greece is the troubled partner in the NATO alliance, the only one more preoccupied with the perceived threat from an "ally," Turkey, than with the danger from Russia and its satellites.

Over the past two decades, its relations with the United States have ranged from tenuous to traumatic. Papandreou, now 62, has been a symbol of that tension. His candidacy revives memories of the 1967 colonels' coup that aborted the election that might have returned his father, George, to power. It revives the unproven allegations that the Central Intelligence Agency had a hand in that coup. By indirection, it heightens the whole question of American influence in Greece.

That question would be here, even if Papandreou were not. In the shorthand of politics, Rallis, 63, will probably be dubbed the "pro-American" candidate in the autumn election, but a visit with him in his sunny office in the Parliament building suggests that designation may not be one he covets—or deserves.

The son of a former prime minister himself, Rallies won a hard-fought one-vote victory for the leadership of the New Democracy Party when longtime Prime Minister Constantine Karamanlis moved up to the position of president in May 1980. An organizer and workhorse, Rallis has labored in Karamanlis' shadow, but he has traveled throughout the country trying to build his personal following to withstand Papandreou's challenge. He has worked hard at the job, but with inflation soaring to a 30 percent rate early this year and controversy still surrounding the government's decision to bring Greece into the Common Market, he has not had an easy time.

With polls in the Athens area showing Papandreou's party ahead, Rallis last month broke off the lengthy negotiations for renewal of the agreement with the U.S. for the Sixth Fleet base in Crete's Souda Bay and other U.S. installations on the mainland. Papandreou said the talks broke down because "even this right-wing government was unable to accept the unbearable conditions set by the U.S. side." But Rallis insisted that time had simply run out on concluding the discussions in time to submit a new agreement to parliament before the elections.

The prime minister is sometimes vexed by his dealings with the Americans. After offering a springtime visitor a glass of cold, tart juice from the orange tree outside his window, he says, in the least rancorous tone possible, "You have followed so stupid a policy toward Greece since 1967 that there is an anti-American sentiment here. It has lessened in the last four or five years, but you created the impression you were backing the dictatorship [from 1967 to 1974] even though you were not. And that is not forgotten."

It is certainly not forgotten by Papandreou, who forged his political identity as a victim and foe of the colonels—and who carries in his political memory the suspicions of American policy in that period, when the United States gave military aid to the junta and conferred prestige on the unsavory regime of George Papadopoulos by the visits of Vice President Agnew and other high Nixon administration officials.

When I lunched with Papandreou and his Illinois-born, University of Minnesota-educated wife, Margaret, at a country restaurant north of Athens, it was that history of which he spoke.

He came to the United States in 1939, after being arrested for "leftist" activities by the right-wing government, studied at Harvard, Minnesota and Stanford and then taught economics at Minnesota and the University of California at Berkeley. During that time, Papandreou became active in Democratic Party affairs and developed a close friendship with such men as Hubert H. Humphrey, Walter Heller and John Kenneth Galbraith. It was not until 1959 that Papandreou returned to his homeland, accepting an invitation from Karamanlis to create the first institute of advanced economic studies in this country.

He plunged into politics here, joining his father's efforts to bring the opposition Center Union Party into power. Despite Andreas Papandreou's close ties to leading Kennedy administration figures, his political efforts brought him into conflict with the American embassy here, which was clearly in the Karamanlis corner.

As the late Laurence Stern of The Washington Post recounted in his book, "The Wrong Horse," that conflict deepened when George Papandreou won first a plurality victory and then a majority in Parliament in the elections of 1963 and 1964. "Andreas Papandreou became an overpowering obsession of American foreign policy managers in Athens and Washington," Stern wrote. "The popular conception of Papandreou in the upper levels of the State Department was as a Svengali manipulating his aging and feeble father during the final years of the old man's otherwise distinguished political career."

King Constantine dismissed the Papandreou government in 1965, but in 1967, when the new elections were scheduled, the betting was that the Papandreous would be returned to power. Stern quoted a memo from "a senior intelligence official" in the U.S. embassy who said, "We were concerned that if Papandreou won, Andreas would be in the driver's seat for all practical purposes. He would withdraw Greece from NATO, evacuate the United States bases . . ."

Stern reported that a recommendation from the embassy that $100,000 be given to anti-Papandreau candidates in swing districts was turned down in Washington. But on April 21, 1967, the colonels' coup aborted the elections scheduled for the following month. Neither Stern's book nor other sources found evidence of CIA or embassy complicity in that coup; on the contrary, the circumstantial evidence strongly suggests that, despite some warnings from intelligence officials, the timing and source of the coup caught the American officials by surprise.

But the coup also led to Andreas Papandreou's imprisonment. After six months in jail, he was released—thanks in part to pressure from the Johnson administration and such old friends as Heller. He came to the United States, then settled in Canada to organize international opposition to the colonels' regime.

When Papandreou came back to Greece after the collapse of the junta in 1974, he formed PASEK, a new political party of the Left, with a base among the young people, civil servants and white-collar workers. His critics say that for years Papandreou tailored his rhetoric, particularly on foreign policy, to the most activist and leftist of his supporters. But as the election approached and his chances of winning grew, the critics say that Papandreou has trimmed his sails, seeking to gain support from small businessmen and farmers opposed to radical change.

It was evident that Papandreou was choosing his words carefully in his discussion with the Washington Post. But equally it was clear that his views were shaped by the embittering experiences of his past.

"We are the only European country that has had a negative experience with NATO and the U.S.," he said. "The only one. NATO for us is the U.S. embassy, and it played a decisive role in our politics in the '50s." He recounted the history of his own relations with the embassy, culminating with the statement that "the 1967 coup was based on a NATO plan called Prometheus and was carried out by men who were the go-between from the CIA to the Greek government."

"In the present situation," he said, "we see the United States has chosen the spoiled child, Turkey, and has given Greece second place. Today, the basic question for a Greek is the reality of the Turkish threat. The military and the people and I are convinced that we are in for a generation of conflict with the Turks. The Turks are committed to the view that the Aegean is not a Greek sea but must be shared by Greece with Turkey.

"We see the United States and NATO sharing the Turkish view, because Turkey is so strategically important. This puts a heavy burden of defense costs on us, and our party has steadfastly backed all the budget proposals for the enhancement of Greek military might."

Prime Minister Rallis was almost as critical in our interview. "Sometimes," he said in a voice of great patience, "I cannot understand your policy. Six years ago, we asked the Ford administration to guarantee a 10–7 balance in the arms aid to Turkey and Greece. There was an oral understanding that for six years was observed. Then, in 1980, the Carter ad-

ministration came up $20 million short—$400 million for Turkey and $260 million, not $280 million, for Greece.

"Now, $20 million makes no great difference in the Greek budget, let alone the U.S. budget, but it created an atmosphere of fear. Congress is restoring the extra $20 million, but now the Turks are complaining. It is an unnecessary discussion; it is useless; it is dangerous. I'm not a fanatic and I don't play on the public emotions. But there is a fear all Greeks have of the Turkish ambitions toward the Aegean islands that are the cradle of Greek civilization. And you are inadvertently heightening that fear."

Papandreous said his tacit alliance with the military also shaped his political strategy. While expressing confidence PASEK would finish first in the coming elections, he flatly excluded a coalition with the Communists if he failed to win a majority in Parliament. "While PASEK is acceptable to the army," he said, "the collaboration of PASEK with the Communists would undoubtedly lead to intervention."

"Besides," he said, "I could not accept collaboration with the Communists because every day, they would be pressing for immediate fulfillment of the plan of PASEK, which cannot be done for 10 or 15 years."

His long-term design calls for socializing key sectors of the Greek economy and achieving redistribution of income. In foreign policy, he said, one also must distinguish between "those of our policies that must be seen as goals and visions, on one hand, and the objectives we would seek in the next four to eight years, on the other hand."

"Our long-term vision is a Europe, East and West, outside the blocs. I have said we must end, at some time, the Yalta and Potsdam agreements, and that means no Warsaw Pact, no NATO. The climate of PASEK is the climate of nonalignment.

"In respect to the bases," he said, "we recognize they cannot be removed now from Greece, in view of the overall global and European confrontation. But we would expect an annual review of the status of the bases—a negotiation every year. We want no nuclear weapons in Greece. What are here are of very limited range, but the Soviets have told us they will attack us directly with nuclear weapons if they remain, and we see no reason to take that risk.

"And while the bases remain," he said, "we would insist on being able to obtain the military equipment we need to defend the Aegean islands from invasion from the East."

"NATO," Papandreou said, "does not guarantee our Aegean frontiers any more than it protected us against the Turkish invasion of Cyprus. My policy toward NATO would turn on very practical questions. I doubt that our NATO obligations leave us with enough strength to meet the Turkish threat. So I would ask the generals what is needed to meet that Turkish threat, and I would meet their requirements before I turned to our NATO-assigned-and-earmarked commitments."

Those statements were more moderate in tone—and, in some ways, in substance—than others Papandreou had made here at home. Indeed, in an interview with the opposition newspaper, To Vima, a few days after our lunch, Papandreou was quoted as saying, "PASEK is radically opposed to Greece's participation in Cold War blocs and is therefore radically opposed to the presence of foreign bases on our soil . . . that means, in essence . . . the preparation of a timetable for their removal. . . ."

When I saw Rallis, he had made a point about Papandreou which seemed pertinent. "I don't know if Andreas means what he says, or not, when he talks about abandoning NATO and developing closer relations with the nonaligned bloc. But even if he does not believe himself, he would have to follow it—because many in his party do believe it. And they would hold him to it."

## ASEAN 14TH ANNIVERSARY

Mr. HAYAKAWA. Madam President, on August 8, the Association of Southeast Asian Nations (ASEAN) commemorated its 14th anniversary. August 8 has now been designated ASEAN Day. On this occasion, the Minister for Foreign Affairs of Singapore, Mr. S. Dhanabalan, prepared a special message which appeared in the Mirror, a Singapore current affairs journal, on August 1.

The message briefly traces the history of ASEAN, its objectives, its impressive economic growth, its internal and external relations, and its current problems—including Vietnamese occupation of Kampuchea.

The Subcommittee on Asian and Pacific Affairs of the Senate Foreign Relations Committee recently concluded hearings on U.S. relations with Southeast Asia, with special attention to ASEAN. Witnesses repeatedly stressed the political and economic acomplishments of ASEAN and the growth potential of the region. From my recent visit to each of the ASEAN nations, I can enthusiastially support this appraisal. There is no question in my mind that these nations are destined to play an increasingly important role in the diplomatic and economic relations of the United States.

As I believe it is important for Congress and the American people to learn more about ASEAN, I ask unanimous consent that Foreign Minister Dhanabalan's statement be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MESSAGE FROM MR. S. DHANABALAN, MINISTER FOR FOREIGN AFFAIRS AND CULTURE

On August 8, the Association of Southeast Asian Nations (ASEAN) commemorates its 14th anniversary. When ASEAN was formed in 1967, the ASEAN countries could not have visualized the extent of ASEAN's success in creating a regional environment conducive to the strengthening of bilateral ties and the enhancement of confidence in the ASEAN region.

Initially, ASEAN aimed at achieving more harmonious relations among its member states while seeking expanded economic cooperation within the region. Over the years, ASEAN has become a cohesive regional grouping, the most successful of its kind in the Third World. The unity and solidarity achieved by ASEAN has arisen largely because we share the common aim of pursuing the economic betterment of our people and emphasize good neighbourliness and cooperation between members.

The objectives which prompted the ASEAN states to establish ASEAN are as valid today as they were in 1967:—

The wish to live in peace with each other and with our neighbours, even if they are communists;

The desire for regional peace and stability so that each state can concentrate on economic development and the creation of a more just and equitable society.

ASEAN is now one of the world's fastest growing regions. Between 1972–78, the ASEAN states achieved an average growth rate of 7.3 per cent per annum, despite the world recession following the quadrupling of oil prices after the crisis of 1973. Recent studies have predicted that ASEAN will grow at more than 8 per cent per annum between 1981–85, the fastest area of growth in the western Pacific region. The close relations resulting from their participation in ASEAN are an important factor in creating this positive outlook.

ASEAN has demonstrated that five noncommunist states can co-operate to further their own interests. It is not an unquestioning ally of any side in this multi-polar world. However, because ASEAN's commitment to the maintenance of open societies and market economies, ASEAN has enjoyed closer relations with the West. The more difficult problem, one that we will have to deal with over the next decade, is to avoid being entangled in the conflicts between China and the Soviet Union, or between Vietnam and China.

The immediate focus of ASEAN's concern is the Vietnamese invasion and occupation of Kampuchea. This deliberate move by Vietnam directly threatens the security of Thailand and the other ASEAN states. It has resulted in Indochina emerging as the cockpit of the Sino/Soviet conflict. ASEAN therefore seeks the withdrawal of Vietnamese forces from Kampuchea, so that the Kampuchean people can freely elect their own government without external interference.

ASEAN's basic objective is to achieve a peaceful and stable regional environment in Southeast Asia which is essential to economic growth. A Vietnam committed to living in peace with its neighbors can share in the rapid growth which is expected of the ASEAN region.

In the 1980s, the focus of ASEAN will be on expanding ASEAN's dialogues with its friends outside the region. The results of such dialogues have been a significant area of economic co-operation for ASEAN. We have demonstrated the effectiveness of ASEAN solidarity during the negotiations on ICAP, in ASEAN's co-ordinated approaches to the US seeking the removal of the ban on GSP preferences for Indonesia, and in consultations with the European Community on textiles and other labour-intensive manufactured products.

One desirable area for increased co-operation is intra-ASEAN trade. This trade is small compared with ASEAN's trade with countries outside the ASEAN region. Moreover, intra-ASEAN trade is limited mainly to foodstuffs and commodities. There are opportunities to increase not only the volume of intra-regional trade, but also to diversify the type of goods being traded.

To facilitate such intra-regional trade, it is essential to utilize the ASEAN Preferential Trading Arrangements more effectively to ensure that tariff barriers among the ASEAN countries are reduced. So far, we have made only modest progress in this direction. But the path has been set and the pace quickened.

It is this combination of political and economic will that has made ASEAN a success. We are convinced that through mutual understanding and constant consultations based on the principle of consensus, the spirit and practice of ASEAN unity will be further strengthened.

## MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

## EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

## QUARTERLY REPORT ON EAST-WEST TRADE—MESSAGE FROM THE PRESIDENT—PM 77

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Finance:

*To the Congress of the United States:*

In accordance with Section 411(c) of the Trade Act of 1974, as amended (19 U.S.C. 2441), I herewith transmit the quarterly report on East-West Trade covering the first quarter of 1981.

The report discusses United States trade relations with the Soviet Union, the People's Republic of China and the Eastern European countries.

RONALD REAGAN.

THE WHITE HOUSE, *September 15, 1981.*

## MESSAGE FROM THE HOUSE

At 3:14 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to H.R. 4034, making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1982, and for other purposes; that the House recedes from its disagreement to the amendments of the Senate numbered 22, 28, and 35 to the bill, and concurs therein; and that the House recedes from its disagreement to the amendments of the Senate numbered 4, 5, 13, and 23 to the bill, and concurs therein with amendments in which it requests the concurrence of the Senate.

## ORDER FOR STAR PRINT

Mr. BAKER. Mr. President, I ask unanimous consent that Senate Resolution 204 be star printed to reflect the constitutional requirement for a two-thirds vote of the Senate for adoption of the resolution, and I send the correction to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOLE, from the Committee on Finance, without amendment:

H.J. Res. 265. A joint resolution to provide for a temporary increase in the public debt limit.

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Res. 195. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1533.

S. Res. 196. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1549.

By Mr. THURMOND, from the Committee on the Judiciary, with an amendment, and an amendment to the title:

S.J. Res. 4. A joint resolution to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week."

By Mr. THURMOND, from the Committee on the Judiciary, without amendment, and with a preamble:

S.J. Res. 101. A joint resolution designating "National High School Activities Week."

S.J. Res. 103. A joint resolution to authorize and request the President of the United States to issue a proclamation designating the 7 calendar days beginning October 4, 1981, as "National Port Week."

S.J. Res. 105. A joint resolution to designate October 1981 as "National PTA Membership Month."

S. Res. 155. A resolution saluting the 50th anniversary of Radio City Music Hall.

## EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary:

Sandra Day O'Connor, of Arizona, to be an Associate Justice of the Supreme Court of the United States.

Robert F. Chapman, of South Carolina, to be a U.S. circuit judge for the fourth circuit.

Joseph E. Stevens, Jr., of Missouri, to be U.S. district judge for the eastern and western districts of Missouri.

John R. Gibson, of Missouri, to be U.S. district judge for the western district of Missouri.

D. Brook Bartlett, of Missouri, to be U.S. district judge for the western district of Missouri.

Frank W. Donaldson, of Alabama, to be U.S. attorney for the northern district of Alabama.

J. Frederick Motz, of Maryland, to be U.S. attorney for the district of Maryland.

W. Stephen Thayer III, of New Hampshire, to be U.S. attorney for the district of New Hampshire.

By Mr. DOLE, from the Committee on Finance:

Alfred E. Eckes, Jr., of Virginia, to be a member of the U.S. International Trade Commission.

By Mr. PERCY, from the Committee on Foreign Relations:

Jose Manuel Casanova, of Florida, to be Executive Director of the Inter-American Development Bank.

Dominick L. DiCarlo, of New York, to be Assistant Secretary of State for International Narcotics Matters.

Langhorne A. Motley, of Alaska, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brazil.

CONTRIBUTIONS

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Langhorne A. Motley.

Post Brazil. Nominated February 10, 1977.

*Contributions, amount, date, and Donee*

1. Self: $50, February 10, 1977, Republican Party, Alaska; $100, September 19, 1977, Phil Ruppe for Congress; $100, October 11, 1977, Don Young for Congress; $50, June 5, 1978, Ted Stevens for Senate; $100, September 7, 1978, Walter Vogel—Congress; $250, April 1, 1979, Don Young for Congress; $100, April 8, 1979, Jim Santini for Congress; $250, July 8, 1979, Jerry Huckaby—Congress; $250, July 8, 1979, John Breaux for Congress; $100, July 8, 1979, Bill Bradley for Senate; $100, August 9, 1979, A. J. Murphy for Congress; $200, May 28, 1980, Jerry Huckaby—Congress; $1,000, June 20, 1980, Frank Murkowski—Senate; $1,000, September 16, 1980, Frank Murkowski—Senate; $250, May 6, 1981, Don Young for Congress.

2. Spouse: $1,000, July 7, 1980, Frank Murkowski—Senate; $1,000, October 20, 1980, Frank Murkowski—Senate.

3. Children and spouses, Valerie and Allison: None.

4. Parents, Ralph (deceased) and Faith Motley: None.

5. Grandparents, deceased: None.

6. Brothers and spouses: None.

7. Sisters and spouses, Diana Hammond (divorced): None.

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William Courtney Sherman, of Virginia, a Foreign Service officer of class 1, to be Deputy Representative of the United States of America in the Security Council of the United Nations, with the rank of Ambassador.

CONTRIBUTIONS

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: William Courtney Sherman.

Post: Deputy Representative to the United Nations.

*Contributions, amount, date, and donee*

1. Self: None.

2. Spouse: None.

3. Children and spouses Mr. and Mrs. Peter N. Simon, John Justin Sherman, Roger Woodsen Sherman: None.

4. Parents, deceased: None.

5. Grandparents, deceased: None.

6. Brothers and spouses: None.

7. Sisters and spouses, Mr. and Mrs. Frank W. Moorhead: None.

Ben J. Wattenberg, of the District of Columbia, to be a Member of the Board for International Broadcasting.

(The above nominations from the Committee on Foreign Relations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. WEICKER:

S. 1620. A bill to amend section 8(a)(1) of the Small Business Act; to the Committee on Small Business.

By Mr. CANNON (for himself and Mr. LAXALT):

S. 1621. A bill to authorize the replacement of existing pump casings in Southern Nevada Water Project Pumping Plants 1A and 2A, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. SCHMITT:

S. 1622. A bill to extend the reporting date for the commission studying the role of gold in monetary systems; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. JOHNSTON:

S. 1623. A bill to name the lock authorized as a replacement for Vermilion Lock, Louisiana, as "Leland Bowman Lock"; to the Committee on Environment and Public Works.

By Mr. LUGAR:

S. 1624. A bill to designate the Veterans' Administration medical center in Indianapolis, Indiana, as the "Richard L. Roudebush Veterans' Medical Center"; to the Committee on Veterans Affairs.

By Mr. MOYNIHAN:

S. 1625. A bill to authorize the President of the United States to present on behalf of Congress a specially struck gold medal to the widow of Roy Wilkins; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. NICKLES (for himself, Mr. WALLOP, and Mr. MURKOWSKI):

S. 1626. A bill to amend the Department of Energy Organization Act to clarify the jurisdiction of the Federal Energy Regulatory Commission, to reform and improve the regulation of oil pipelines, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MOYNIHAN:

S.J. Res. 108. Joint resolution to provide that commemorative medals to be struck by the Netherlands-American Amity Trust in honor of the bicentennial anniversary of Netherlands-American diplomatic relations shall be national commemorative medals; to the Committee on Banking, Housing, and Urban Affairs.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WEICKER:

S. 1620. A bill to amend section 8(a)(1) of the Small Business Act; to the Committee on Small Business.

SECTION 8(a) PILOT PROCUREMENT PROGRAM

● Mr. WEICKER. Mr. President, I am sending to the desk a bill to extend for an adidtional period of time the Small Business Administration's section 8(a) pilot procurement program. The legislative authority for this program will expire at the end of this fiscal year unless Congress extends it.

The legislation that I offer today does two things. First, it extends the program until March 31, 1983; and second, it requires the President to designate another agency not in the Department of Defense, as the pilot agency.

Under the regular section 8(a) procurement program, the Federal agencies and departments voluntarily offer to SBA procurement requirements for which SBA is authorized to subcontract the work to small businesses owned by socially and economically disadvantaged persons. Under the pilot procurement program, extended by this legislation, SBA has the authority to identify and to select from the procurement needs of the agency designated by the President, suitable procurements for inclusion in the 8(a) program.

The concept of the pilot authority evolved out of a recognition that most of the Federal contracts awarded under the 8(a) program have traditionally been for work in general construction or general services, such as food services or janitorial services. In a 1978 report to the Senate Small Business Committee, the General Accounting Office noted that SBA's ability to develop firms in the 8(a) program was limited by the types of contracts offered by Federal agencies. Hence, Congress in 1978 authorized the pilot program to give SBA the authority to select contracts in nontraditional, high technology areas to develop minority firms in areas with a high potential for economic growth. The concept of the pilot program is still valid; the need for the authority is as pressing today as it was in 1978.

Although the pilot program became effective on October 24, 1978, with the signing of Public Law 95–507, the President did not designate the Army as the pilot agency until January 10, 1979. Furthermore, it was not until May 24, 1979, 7 months after the authority took effect, that the interagency agreement was agreed to between SBA and Army. The first contract was not awarded under the program until September 27, 1979, nearly 1 year after enactment of the pilot authority. Because the authority had not been fully tested, Congress, with the enactment of Public Law 96–481, extended the program until September 30, 1981.

While it must be recognized that SBA's exercise of this authority has left much to be desired, we should not let SBA's past shortcomings be the basis for allowing this program with great potential benefits to minority businesses to die. With a new administration to set a new direction, this program can have a new beginning.

This past January, the GAO issued a report reviewing the implementation of the pilot program. Their recommendation to the Congress, despite the problems in the program, was that the pilot program be placed in another agency other than the Department of Army in order to fully test Congress legislative objective. Accordingly, the bill that I offer would require the President to designate a nondefense agency to participate in the program.

As I mentioned, one of Congress concerns last October was with SBA's slow implementation of the program. I certainly hope that a delayed implementation will not occur this time should Congress extend the program. It should also be noted that since this legislation requires the designation of a new pilot agency, it will undoubtedly take time for the President to select the appropriate agency, and for the two agencies, SBA and the pilot designee, to work out an agreement and establish the necessary procedures.

Accordingly, I have proposed an extention of the program until March 31, 1983. This will give the new leadership a full year to develop a track record so that Congress can make a final determination as to whether the pilot authority is a workable vehicle to help achieve the goal of minority business development.●

By Mr. CANNON (for himself and Mr. LAXALT):

S. 1621. A bill to authorize the replacement of existing pump casings in southern Nevada water project pumping plants 1A and 2A, and for other purposes; to the Committee on Energy and Natural Resources.

SOUTHERN NEVADA WATER PUMPING PLANTS

Mr. CANNON. Mr. President, I introduce for myself and my distinguished colleague, (Mr. LAXALT), a bill to provide for the replacement of defective pumps of the southern Nevada water project, first stage. Replacement would cost $1.5 million and those costs would be nonreimbursable.

Within months after the installation of the present pumps but after expiration of the warranty period, serious defects were detected in all of the pumps. The operation of the pumps and motors has been continually unsatisfactory, since then. Maintenance costs have been extraordinary and the expected lifespan will be significantly shortened, without corrective measures. Remedial measures, to date, approach $1.5 million and far exceed the original bid of $920,000 for the pumps and their installation. Hitachi American, Ltd. furnished the original pumps, motors, and appurtenant equipment. The company has expended over $1 million in an effort to repair and maintain the pumps and has agreed to their replacement at cost.

Several alternatives were considered to resolve this difficulty. An acceptable solution and the least costly alternative is to replace the present casings with stainless steel casings. This is expected to halt the deterioration experienced in the past.

Mr. President, I believe this alternative, which has been approved by the Bureau of Reclamation and the other parties of interest, will resolve this matter and I urge early attention to this bill in the Senate. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1621

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Interior is authorized to procure, and provide for the installation of, 12 new stainless steel casings and minor appurtenant parts to replace 12 existing cast steel pump casings in Pumping Plants 1A and 2A of the Southern Nevada Water Project, First Stage.

SEC. 2. The Secretary is hereby authorized to negotiate with the original manufacturer for the procurement of the new stainless steel replacement casings.

SEC. 3. Costs incurred in the procurement of the 12 pump casings and minor appurtenant parts shall be borne by the United States and shall be nonreimbursable and nonreturnable. The State of Nevada shall install the 12 stainless steel casings and minor appurtenant parts at its cost in a manner satisfactory to the Secretary.

SEC. 4. There is hereby authorized to be appropriated for procurement of 12 stainless steel pump casings and minor appurtenant parts for Southern Nevada Water Project Pumping Plants 1A and 2A the sum of $1.5 million (July 1980 price levels), plus or minus such amounts, if any, as may be justified by reason of changes in procurement costs as indicated by engineering cost indexes applicable to the type of procurement involved. *Provided,* That except as otherwise may be required by existing contracts, the United States shall incur no further liability with respect to the 12 pumps in

Pumping Plants 1A and 2A of Southern Nevada Water Projects, First Stage and no further expenditures or actions by the United States with respect to those pumps are either expressly or impliedly authorized by this Act.

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By Mr. SCHMITT:

S. 1622. A bill to extend the reporting date for the Commission studying the role of gold in monetary systems; to the Committee on Banking, Housing, and Urban Affairs.

GOLD COMMISSION EXTENSION

● Mr. SCHMITT. Mr. President, on June 16, 1980, the Senate agreed to an amendment to S. 2271, the Brenton Woods Agreements Act, which established a Gold Commission to—

Conduct a study to assess and make recommendations with regard to the policy of the United States Government concerning the role of gold in domestic and international monetary systems.

The Commission was directed to transmit its report to the Congress no later than 1 year after the date of enactment, October 7, 1981.

Due to the change in the administration, members of the Commission were not appointed until late spring, and the first meeting did not occur until July 16, 1981. The second meeting is scheduled for September 18, only 3 weeks before the deadline for the Commission's report to Congress.

It seems clear that an issue as complex as the role of gold in the domestic and international economy cannot be carefully studied in only two meetings, under the pressure of a fast approaching deadline. The report resulting from such a procedure cannot do justice to the subject and cannot provide clear guidance to the Congress on a controversial issue. For this reason I am introducing legislation to extend the life of the Commission until December 20, 1982. This will provide time for a full examination and public discussion of the role of gold in our economy.

If we fail to extend the time limit, the report that results from the Commission will fail to provide the definitive statement I think the Congress would like to see.

I realize that there are members who feel strongly that the United States should return to a gold standard at the earliest possible date. Others think that such a step would lead to economic chaos. I for one have not made up my mind on this matter, and as a member of the Commission, I feel certain that much study remains to be done before clear conclusions can be reached. But whether one favors or opposes a return to a gold standard, I think we can all agree that it would be preferable to have the issue resolved with this Commission, than to have the matter perpetuated with an incomplete and inconclusive report.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1622

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 10(b) of Public Law 96-389 (31 U.S.C. 822a note) is amended by striking out "one year after the date of enactment of this Act" and inserting in lieu thereof "December 20, 1982".●

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By Mr. JOHNSTON:

S. 1623. A bill to name the lock authorized as a replacement for Vermilion Lock, La., as "Leland Bowman Lock"; to the Committee on Environment and Public Works.

LELAND BOWMAN LOCK

● Mr. JOHNSTON. Mr. President, I have sent to the desk a bill to rename the Vermilion Lock, La., the Leland Bowman Lock in honor of the late Capt. Leland Bowman, one of Louisiana's leaders in water resource development and in a great measure responsible for this important lock on the Gulf Intracoastal Waterway in Vermilion Parish, La.

Only a few days before Captain Bowman's death on May 21, 1981, the final hurdle of acquisition of all the rights-of-way was completed thus clearing the way for initiation of construction of a new, modern lock to replace the antiquated Vermilion Lock on the Gulf Intracoastal Waterway. He doggedly pursued the authorization of a 110-foot-wide lock, which will not only reduce navigation costs but improve immensely the control of salt water intrusion into the Mermentau Basin and facilitate discharge of floodwaters.

Captain Bowman gave unselfishly of his time and energy in the service of his Nation, his State, and his community. He served in many capacities including president of the Louisiana Intracoastal Seaway Association; chairman of the Gulf Intracoastal Canal Association; vice chairman of the Louisiana Coastal Commission; and vice president of the American Waterway Operators, Inc. He was instrumental in securing authorization and funding for important water projects including the Gulf Intracoastal Waterway, the Mermentau Basin project, the Teche-Vermilion Division project.

It is indeed appropriate and fitting that we honor Capt. Leland Bowman in this manner and I trust my Senate colleagues will agree with me and quickly approve this bill.●

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By Mr. LUGAR (for himself and Mr. QUAYLE):

S. 1624. A bill to designate the Veterans' Administration medical center in Indianapolis, Ind., as the "Richard L. Roudebush Veterans' Medical Center"; to the Committee on Veterans' Affairs.

RICHARD L. ROUDEBUSH VETERANS' MEDICAL CENTER

● Mr. LUGAR. Mr. President, today, on behalf of myself and my colleague from Indiana, Senator DAN QUAYLE, I introduce legislation acknowledging the achievements of our distinguished former congressional colleague and fellow Hoosier, Richard L. Roudebush.

In recognition of his outstanding contribution to the welfare of all Americans, and particularly for his work on behalf of our Nation's veterans community, this legislation designates a medical facility in Indianapolis, Ind., as the "Richard L. Roudebush Veterans' Medical Center."

Mr. President, it is indeed fitting that a VA medical center bear "Roudy's" name for he has given many years of dedicated service to this Nation's 35 million war veterans.

Dick started his long association with the military at the age of 23, after having completed a degree in business administration from Butler University in June of 1941. He enlisted in the Army shortly after graduation, responding to America's increased involvement in World War II. Trained as a demolitions expert, he served with elite British forces during five North African campaigns. He later participated in the allied invasion of Italy where he applied his skills to clear explosives from captured enemy airfields.

Though Dick's service in the field was cut short by combat wounds, his fine accomplishments did not go unnoticed. During the 2½ years which preceded his medical discharge, Dick earned five battle stars.

The year 1944 marked the end of Dick's service on the battlefield and the start of a lifelong career in public service. He spent 8 years as a member of the Indiana Veterans Commission, serving as its chairman for most of this time.

Mr. Roudebush was named commander of his local VFW post in 1948, the first World War II veteran to be accorded that honor. He was named to many important VA positions during the next several years, culminating in a nomination to the position of national VFW commander in chief in 1957. At the end of his 1-year term, he returned to his native Noblesville, Ind., to tend to his farm and family business until 1960, when friends and associates persuaded him to run for Congress. His victory that year marked the first of 10 years of service on Capitol Hill.

While in Congress, Dick advanced an already strong reputation for work on behalf of the veterans' community. Additionally, as the ranking member of the House Committee on Science and Astronautics, he was praised for his efforts in helping to launch America's then fledgling space program.

After being denied a U.S. Senate seat in Indiana's closest election ever, Dick retired from active politics. He maintained his keen interest and active participation in veterans affairs however, and in 1971, returned to Washington as Director of the Veterans' Administration's Congressional Relations Office. He later served as the agency's Deputy Administrator and, in October 1974, was named by President Ford to the office of VA Administrator.

Under his able leadership, the Veterans' Administration's financial position improved, and its focus expanded. The agency made particularly strong gains in the areas of educational loans and disability compensation. As VA commander he helped improve the Adminis-

tration's health coverage capabilities by overseeing the expansion of numerous medical centers throughout the country.

Mr. President, I offer this bill knowing that the dedication of this medical facility cannot recognize Dick Roudebush to the full extent of his contribution. I think it is fitting, however, for this body to at least acknowledge the achievements of an outstanding individual by according him this honor. I urge my colleagues to join me in this effort through their support of S. 1624.●

By Mr. MOYNIHAN:

S. 1625. A bill to authorize the President of the United States to present on behalf of Congress a specially struck gold medal to the widow of Roy Wilkins; to the Committee on Banking, Housing, and Urban Affairs.

ROY WILKINS

● Mr. MOYNIHAN. Mr. President, with the death of Roy Wilkins on September 8, this Nation suffered an incomparable loss. Though born in St. Louis in 1901 and living for a time in Minnesota, Roy Wilkins spent the bulk of his life as a New Yorker, where in his over 45 years with the NAACP he worked for the civil rights of all Americans.

The landmark Supreme Court decision Brown against Board of Education, the March on Washington in 1963, and perhaps most importantly, passage of the Civil Rights Act of 1964, were due in no small measure to his efforts. He affected this Nation profoundly. And for the good. For it was Roy Wilkins, perhaps more than any American, who taught us that a country's greatness is directly related to the freedom and opportunities it affords its people. I am proud to have been his friend and colleague for the past 25 years. We shall all miss him.

Mr. President, I am today introducing legislation authorizing the President to present, on behalf of the Congress, a gold medal of appropriate design to Aminda Badeau Wilkins, the widow of Roy Wilkins. I feel this to be an altogether appropriate way to express the appreciation of all Americans for the contributions of Roy Wilkins to the cause of civil rights and equality.●

By Mr. NICKLES (for himself, Mr. WALLOP, and Mr. MURKOWSKI):

S. 1626. A bill to amend the Department of Energy Organization Act to clarify the jurisdiction of the Federal Energy Regulatory Commission, to reform and improve the regulation of oil pipelines, and for other purposes; to the Committee on Commerce, Science, and Transportation.

PETROLEUM PIPELINE REGULATORY REFORM

● Mr. NICKLES. Mr. President, on July 29, 1981, I announced my intention to introduce petroleum pipeline regulatory reform legislation to remove the requirement for unnecessary Government regulation of petroleum and petroleum products pipeline transportation rates.

Over the past few weeks, I have had the opportunity to work with several of my colleagues to arrive at a consensus on legislative language to effect reform of an industry which already is regulated by competition.

Today I am introducing this legislation. The bill allows the competitive market system to set petroleum pipeline rates, while maintaining the safeguards to protect the industry and consumers against unlawful discrimination. I ask unanimous consent that a section-by-section analysis be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS—S. 1626

Section 1. Title of the Act. This Act may be cited as the Department of Energy Organization Act Amendments of 1981.

Section 2. Statement of purpose: to foster a competitive oil pipeline industry, induce investment in new oil pipelines, and eliminate unnecessary regulations.

Section 3(a). Repeals Section 306 of the Department of Energy Organization Act of 1977 which transferred from ICC to the Secretary of Energy those functions which relate to the transportation of oil by pipeline.

Section 3(b). Repeals Section 402(b) of the Department of Energy Organization Act of 1977 which transferred to FERC the functions and authority of ICC to establish rates and charges for the transportation of oil by pipeline.

Section 3(c). Amends Section 402 of the Department of Energy Organization Act of 1977 by adding a new Subsection to transfer to FERC all functions related to the transportation of oil by pipeline (formerly transferred to the Secretary of Energy and FERC under Sections 306 and 402(b) of the Department of Energy Organization Act of 1977 as originally enacted), subject to the provisions of Section 4 of this bill.

Section 4(a). Repeals those laws which vest jurisdiction and authority to suspend or determine or prescribe rates, fares or charges for the transportation of oil by pipeline, except as provided by Section 4(b).

Section 4(b). Provides that the repeal in Subsection 4(a) does not apply to the FERC's authority with respect to rates, fares or charges for the transportation of oil by the trans-Alaska pipeline system.●

## ADDITIONAL COSPONSORS

S. 611

At the request of Mr. THURMOND, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 611, a bill to amend section 5 of the Uniformed Survivors Benefits Amendments of 1980 to provide the same annuity benefits to the surviving spouses of certain former members of the uniformed services who died before September 21, 1972, but after their discharge or release from active duty, as are provided under such section to the surviving spouses of certain former members who died before such date while serving on active duty.

S. 941

At the request of Mr. THURMOND, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 941, a bill to authorize the construction and maintenance of the Gen. Draza Mihailovich Monument in Washington, District of Columbia, in recognition of the role he played in saving the lives of approximately 500 U.S. airmen in Yugoslavia during World War II.

S. 1230

At the request of Mr. CRANSTON, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 1230, a bill to provide for the minting of commemorative coins to support the 1984 Los Angeles Olympic games.

S. 1249

At the request of Mr. PERCY, the Senator from Maine (Mr. MITCHELL) was added as a cosponsor of S. 1249, a bill to increase the efficiency of Government-wide efforts to collect debts owed the United States, to require the Office of Management and Budget to establish regulations for reporting on debts owed the United States, and to provide additional procedures for the collection of debts owed the United States.

S. 1272

At the request of Mr. CANNON, the Senator from Florida (Mr. CHILES) was added as a cosponsor of S. 1272, a bill to modify certain airport and airway user taxes to provide appropriate funding for the Airport and Airway Trust Fund, and for other purposes.

S. 1450

At the request of Mr. CANNON, the Senator from Hawaii (Mr. INOUYE), and the Senator from South Dakota (Mr. PRESSLER) were added as cosponsors of S. 1450, a bill to provide for the continued deregulation of the Nation's airlines, and for other purposes.

S. 1528

At the request of Mr. PROXMIRE, the Senator from Nevada (Mr. CANNON) was added as a cosponsor of S. 1528, a bill to amend the Social Security Act to provide for improved management of the social security trust funds and increase the return on investments to those funds.

S. 1593

At the request of Mr. PACKWOOD, his name was added as a cosponsor of S. 1593, a bill to revise regulation of international liner shipping operating in the U.S. foreign commerce.

S. 1607

At the request of Mr. D'AMATO, the Senator from Michigan (Mr. LEVIN), the Senator from Montana (Mr. MELCHER), and the Senator from Oklahoma (Mr. NICKLES) were added as cosponsors of S. 1607, a bill to amend the Internal Revenue Code of 1954 to provide a minimum interest and dividend exclusion of $200 for each individual.

SENATE JOINT RESOLUTION 4

At the request of Mr. THURMOND, his name was added as a cosponsor of Senate Joint Resolution 4, a joint resolution to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week."

SENATE JOINT RESOLUTION 103

At the request of Mr. THURMOND, the Senator from Maryland (Mr. MATHIAS), the Senator from Virginia (Mr. WARNER), the Senator from Kansas (Mr. DOLE), the Senator from Oregon (Mr. PACKWOOD), the Senator from North Carolina (Mr. HELMS), the Senator from Alaska

(Mr. MURKOWSKI), and the Senator from Alaska (Mr. STEVENS) were added as cosponsors of Senate Joint Resolution 103, a joint resolution to authorize and request the President of the United States to issue a proclamation designating the 7 calendar days beginning October 4, 1981, as "National Port Week."

SENATE RESOLUTION 175

At the request of Mr. BOREN, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of Senate Resolution 175, a resolution to congratulate the State of Oklahoma on the celebration of its Diamond Jubilee.

## SENATE CONCURRENT RESOLUTION 33—SUBMISSION OF A CONCURRENT RESOLUTION TO DISAPPROVE CERTAIN FTC REGULATIONS RELATING TO THE SALE OF USED MOTOR VEHICLES

Mr. PRESSLER submitted the following concurrent resolution, which was referred to the Committee on Commerce, Science, and Transportation:

S. CON. RES. 33

*Resolved by the Senate (the House of Representatives concurring)*, That the Congress disapproves the final rule promulgated by The Federal Trade Commission dealing with the matter of the trade regulation rule relating to the sale of used motor vehicles, which final rule was submitted to the Congress on September 10, 1981.

● Mr. PRESSLER. Mr. President, on September 25, 1980, I joined 51 of my colleagues in a letter to the Chairman of the Federal Trade Commission expressing opposition to the used car regulation. I regret that I must again stand to oppose the adoption of this inspection rule and rise today to submit a resolution disapproving the Federal Trade Commission trade regulation relating to the sale of used motor vehicles.

As current high interest rates continue to plague our small businesses throughout the country, it is totally inappropriate to place additional burdens on this beleaguered segment of the economy. In South Dakota, 26 of the 260 franchised automobile dealers have been forced out of business in the last year and a half. Americans saw hope of regulatory relief with last year's election only to find themselves faced with this proposed regulation which, for the last 8 years, has been discussed and found impractical and inoperable.

As a member of the Senate Commerce, Science, and Transportation Committee, I am certainly familiar with the history of this regulation. Although the pending regulation has been modified by the FTC, I find several major questions which still need to be addressed.

Although the Commission does include in its rule a warranty disclosure provision which does comply with the clearly expressed congressional intent, it also requires dealers to disclose known defective components through a sticker on the window of the vehicle. Neither the Magnuson-Moss Act nor the legislative history authorizes the Commission to promulgate any known defect disclosure rule for dealer sales of used motor vehicles.

The rule also states that a dealer has knowledge of a defect if they have "obtained facts or information about the condition of a vehicle which would lead a reasonable person in similar circumstances to believe that the car contained one or more defects as defined in section 455.6 of the rule." An inspection is indirectly required in order to discover the specific defect. "Defect" is a totally unworkable term.

Mr. President, I have been contacted by used car dealers who are primarily small businessmen. They view this regulation as another of bureaucratic strangling of their businesses. I believe it is imperative that we carefully conduct a cost-benefit analysis on this regulation. Such regulation only increases the cost to the consumer and discourages the sale of used cars.

I urge my colleagues to join me in opposing the adoption of the Federal Trade Commission's used car rule.●

## SENATE RESOLUTION 211—SUBMISSION OF A RESOLUTION CALLING ON THE FEDERAL RESERVE TO ENCOURAGE BANKS TO MAKE LOANS FOR PRODUCTIVE USES

Mr. BENTSEN submitted the following resolution, which was referred to the Committee on Banking, Housing, and Urban Affairs:

S. RES. 211

Whereas, the United States confronts an interest rate crises of major magnitude with interest rates at record high levels and little prospect for their reduction in the near term;

Whereas, these excessive interest rates are well above the rate of inflation and the levels which are necessary to protect lenders from erosion of principal through inflation;

Whereas, these excessive interest rates are creating a major depression in the housing and auto industries, forcing many families into a position where they cannot afford to buy homes, large consumer durables or safe and reliable transportation, and forcing thrift institutions, home builders, building material suppliers, realtors and auto dealers into bankruptcy;

Whereas, these excessive interest rates have driven up the cost of doing business for all small businesses and farmers and have raised their costs even while sales revenues are dropping and threatening them with bankruptcy;

Whereas, these excessive interest rates are threatening to create a recession which would increase unemployment and welfare lines, reduce tax receipts and increase the Federal deficit which may increase interest rates further;

Whereas, one major factor responsible for the excessive level of interest rates is credit demand created by the use of scarce bank loans for unproductive purposes, such as precious metal speculation or mergers by giant business concerns which do not increase productivity, output or economic efficiency; and,

Whereas, the Board of Governors of the Federal Reserve System in the past has discouraged the use of bank funds in unproductive ways when such funds were scarce or expensive: Now, therefore, be it

*Resolved*, That the Board of Governors of the Federal Reserve System undertake an aggressive campaign designed to encourage banks to:

(1) cease providing loans or lines of credit for unproductive and speculative purposes, while increasing the supply of credit available for productive uses; and,

(2) ensure that thrift institutions, the housing industry, auto dealers, small business, farmers and home buyers have access to the cheapest possible credit in order to avoid a recession.

(The remarks of Mr. BENTSEN when he submitted the resolution appear earlier in today's RECORD.)

## AMENDMENTS SUBMITTED FOR PRINTING

### GOLD MEDALLION ACT AMENDMENTS—S. 1230

AMENDMENT NO. 540

(Ordered to be printed and referred to the Committee on Banking, Housing, and Urban Affairs.)

Mr. SCHMITT submitted an amendment intended to be proposed by him to the bill (S. 1230) to provide for the minting of commemorative coins to support the 1984 Los Angeles Olympic games.

● Mr. SCHMITT. Mr. President, in 1978 the Congress passed the Gold Medallion Act. This act was intended to provide for Treasury sales to the public of gold medallions commemorating noted American artists.

Unfortunately, the program has not worked. The marketing plan devised by the Treasury Department seems to have been intentionally devised to discourage sales. It is flawed in several ways. First, the medallions can only be purchased through a post office where, of course, medallions are not displayed. The prospective customer is not able to look at and examine the product being purchased.

Second, the purchaser must mail a cashiers check or money order to pay for the medallions. Checks are not permitted thus adding to the inconvenience.

Third, the order is mailed to the Treasury Department and delivery of the actual medallion by mail occurs 6 weeks or more later. I fail to see why it should be necessary for an individual to wait 6 weeks to buy a gold medallion from the U.S. Government when the gold coins of South Africa, Canada, or Mexico can be obtained in 10 minutes from any number of dealers around the country.

Fourth, the Treasury prohibits sales of more than 125 medallions to any one individual, thus insuring that others will not develop an efficient and convenient market in medallions where the Treasury has failed.

The combined effect of this system of marketing is to discourage sales. As a result the gold medallion program has never really gotten off of the ground.

The legislation I am submitting would change this in a very simple and effective manner by providing for the Treasury to make bulk sales of the medallions to the general public and to dealers.

I am informed that the marketing plan in this bill has been considered by the Treasury Department. The Department indicated that they were willing to consider implementing such a plan without legislation. However, in light of past per-

formance I am convinced that without congressional action on this matter there will simply be more foot dragging in the future.

If we are to have a gold medallion program, and the Congress voted overwhelmingly that we are, let us have one that works by allowing the public to participate in a convenient manner.

Mr. President, I ask unanimous consent that the text of the amendment be printed in full at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

At the end of the bill add the following:

GOLD MEDALLION ACT AMENDMENTS

SEC. 11. (a) Section 406 of the American Arts Gold Medallion Act is amended by adding at the end thereof the following:

"(d) Not later than 60 days after the date of enactment of this subsection, the Secretary of the Treasury shall provide for bulk sales of gold medallions struck under the authority of this title to be made to the general public and to dealers through the Treasury Department and, if appropriate, the facilities of the Federal Reserve System and the commercial banking system.".●

## TELECOMMUNICATIONS COMPETITION AND DEREGULATION ACT OF 1981—S. 898

AMENDMENT NO. 541

(Ordered to be printed and to lie on the table.)

Mr. GOLDWATER submitted an amendment intended to be proposed by him to the bill (S. 898) to amend the Communications Act of 1934 to provide for improved domestic telecommunications, and for other purposes.

CABLE TV PROVISIONS OF S. 898

● Mr. GOLDWATER. Mr. President, within the next week or so, the Senate will discuss, and I hope pass, S. 898, which amends the Communications Act of 1934. For reasons which are difficult to understand, this bill includes three provisions relating to cable television that were added late during the committee deliberations on the bill. A fourth cable TV amendment, relating to cross-ownership, was included much earlier and I am not addressing it at this time.

One amendment would remove some limited, but not all, of the jurisdiction of the mayors of our American communities to regulate basic cable subscriber rates if "alternative electronic media services are reasonably available." This is found in section 202(h) of the 1934 Act, as proposed to be amended by S. 898.

Another amendment instructs the Federal Communications Commission to establish "reasonable ceilings" for fees to be paid to States or cities by cable companies receiving franchises from those governments. This provision is section 202(i) of the 1934 act, as amended by S. 898.

The third amendment provides that utilities "shall afford reasonable access for pole attachments to any person providing cable services." This is contained in section 224 of the bill.

Now, I had assured the mayors earlier this year that there would be no such substantial cable changes relating to the interests of local governments until new and adequate hearings were held. Such hearings have not been held during this session of Congress.

Therefore, I announce my intent to submit amendments at the appropriate time striking these particular cable provisions of the bill. This is not to say that I would or would not support any or all of these amendments later on, but many persons feel the local officials and utilities should have their "day in court" timely with Senate action on the subject, whether or not any related hearings were held a year or two ago.

Mr. President, my amendment would allow the Senate to decide whether it wishes to hold separate, new hearings on these items. I ask unanimous consent that the text of my proposed amendment be printed in the RECORD.

There being no objection, the amendment ordered to be printed in the RECORD, as follows:

Beginning on line 20, page 106, strike out through line 23, page 107.

On page 107, line 24, strike "(j)" and substitute "(h)".

On page 140, strike lines 2 through 12.●

## AGRICULTURE AND FOOD ACT OF 1981—S. 884

AMENDMENTS NOS. 542 AND 543

(Ordered to be printed and to lie on the table.)

Mr. ARMSTRONG submitted two amendments intended to be proposed by him to the bill (S. 884) to revise and extend programs to provide price support and production incentives for farmers to assure an abundance of food and fiber, and for other purpose.

AMENDMENT NO. 544

(Ordered to be printed.)

Mr. LUGAR (for himself, Mr. PELL, Mr. TSONGAS, Mr. COHEN, Mr. DANFORTH, Mr. DURENBERGER, Mr. HAYAKAWA, Mr. JEPSEN, Mr. PERCY, Mr. STAFFORD, Mr. HATFIELD, Mr. RIEGLE, Mr. LEVIN, Mr. HUMPHREY, Mr. BOSCHWITZ, Mr. GARN, Mr. GORTON, Mr. HATCH, Mr. HEINZ, Mr. QUAYLE, Mr. SPECTER, Mr. GRASSLEY, Mr. ROTH, and Mr. DODD) proposed an amendment to S. 884, supra.

AMENDMENT NO. 545

(Ordered to be printed.)

Mr. MATTINGLY proposed an amendment to S. 884, supra.

## NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I would like to announce for the information of the Senate and the public that the Small Business Committee will hold a hearing on S. 1620 legislation to extend the Small Business Administration's section 8(a) pilot procurement program to March 31, 1983.

The hearing will be held on September 21, 1981, at 9:30 a.m., in room 424, Russell Senate Office Building. Senator WEICKER will chair.

For additional information please contact Bob Wilson of the committee staff at 224–5175.

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I would like to announce for the information of the Senate and the public that the Small Business Committee will hold a full committtee meeting to mark up S. 881, "The Small Business Innovation Research Act of 1981" and S. 1620, legislation to extend the Small Business Administration's section 8(a) pilot procurement program to March 31, 1983.

The meeting will convene at 9:30 a.m. on Tuesday, September 22, 1981, in room 424, Russell Senate Office Building.

For additional information please contact Anne Sullivan or Bob Wilson of the committee staff at 224–5175.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. ROTH. Mr. President, the Committee on Governmental Affairs will hold a hearing on the nomination of Charles A. Bowsher of Washington, D.C., to be Comptroller General of the United States for a term of 15 years. The hearing will be on Thusrday, September 17, 1981, at 1:30 p.m. in room 3302 of the Dirksen Senate Office Building. For further information, please contact Margaret Hecht at 224–4751.

## AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. LUGAR. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be permitted to meet during the session of the Senate at 9:30 on Tuesday, September 15, 1981, to discuss S. 1080, the regulatory reform bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. LUGAR. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be permitted to meet during the session of the Senate on Wednesday, September 16, at 2 p.m., to discuss the regulatory reform bill, S. 1080.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I note that both requests have been cleared on this side of the aisle.

SUBCOMMITTEE ON THE CONSTITUTION

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on the Constitution of the Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, September 17, at 2 p.m., to discuss bail reform legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FEDERAL EXPENDITURES, RESEARCH AND RULES

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Federal Expenditures, Research, and Rules of the Committee of Governmental Affairs be permitted to meet during the session of the Senate on Friday, September 18, at 9:30 in the morning, to consider S. 719, the Consultant Reform and Disclosure Act of 1981.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. BAKER. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, September 16, at 9 a.m. to receive a briefing on current intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ADDITIONAL STATEMENTS

## PRELIMINARY NOTIFICATION OF PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive prior notification of proposed arms sales under that act in excess of $25 million, or in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that 11 such notifications were received during the recess. As my colleagues know, four of these advance notifications are for AWACS and F–15 enhancement equipment for Saudi Arabia. Since they were transmitted in unclassified form, I ask that the entire context of those four notifications be placed in the RECORD.

Interested Senators may inquire as to the details of the classified preliminary notifications at the office of the Committee on Foreign Relations, room 4229 Dirksen Building.

The notifications follow:

DEFENSE SECURITY
ASSISTANCE AGENCY,
*Washington, D.C., September 1, 1981.*

Dr. HANS BINNENDIJK,
*Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.*

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to an American Republic for major defense equipment tentatively estimated to cost in excess of $7 million.

Sincerely,
ERICH F. VON MARBOD,
*Director.*

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DEFENSE SECURITY
ASSISTANCE AGENCY,
*Washington, D.C., September 1, 1981.*

Dr. HANS BINNENDIJK,
*Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.*

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to an East Asian country tentatively estimated to cost in excess of $25 million.

Sincerely,
ERICH F. VON MARBOD,
*Director.*

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DEFENSE SECURITY
ASSISTANCE AGENCY,
*Washington, D.C., September 1, 1981.*

Dr. HANS BINNENDIJK,
*Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.*

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a European country tentatively estimated to cost in excess of $25 million.

Sincerely,
ERICH F. VON MARBOD,
*Director.*

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DEFENSE SECURITY
ASSISTANCE AGENCY,
*Washington, D.C., September 1, 1981.*

Dr. HANS BINNENDIJK,
*Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.*

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle Eastern country tentatively estimated to cost in excess of $25 million.

Sincerely,
ERICH F. VON MARBOD,
*Director.*

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DEFENSE SECURITY
ASSISTANCE AGENCY,
*Washington, D.C., September 1, 1981.*

Dr. HANS BINNENDIJK,
*Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.*

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a NATO country tentatively estimated to cost in excess of $25 million.

Sincerely,
ERICH F. VON MARBOD,
*Director.*

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DEFENSE SECURITY
ASSISTANCE AGENCY,
*Washington, D.C., September 1, 1981.*

Dr. HANS BINNENDIJK,
*Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.*

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a NATO country for major defense equipment tentatively estimated to cost in excess of $7 million.

Sincerely,
ERICH F. VON MARBOD,
*Director.*

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DEFENSE SECURITY
ASSISTANCE AGENCY,
*Washington, D.C., August 24, 1981.*

Dr. HANS BINNENDIJK,
*Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.*

DEAR DR. BINNENDIJK: By letter dated February 18, 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information on Foreign Military Sales, as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification of the Administration's intention to sell to Saudi Arabia Airborne Warning and Control System (AWACS) aircraft, aerial refueling aircraft, AIM–9L missiles, and conformal fuel tanks for Saudi F–15 aircraft.

When these proposed sales were first announced earlier this year, a number of legislators offered suggestions concerning them. As subsequent briefings and testimony will indicate, the Administration has carefully considered these suggestions in developing the sales proposals.

Further, because of the importance attached to these sales by the Administration and the Congress, we have modified our advance notification procedures in this case in two respects. First, we are providing this advance notification now, even though the 20-day notification period will not begin to run until September 9, to allow the Congress and its staff additional time to assess these important sales. Second, we are transmitting the notification in unclassified form, to permit the fullest possible consideration of the details of the sales.

Please advise me if there is additional in-

formation that we might provide to aid in your review of these sales.

Sincerely,

ERICH F. VON MABBOD,
*Director.*

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[Transmittal No. 81-CU]

ADVANCE NOTIFICATION OF POSSIBLE SECTION 36(b) STATEMENTS FOREIGN MILITARY SALES

a. Prospective purchaser: Saudi Arabia.

b. Description and quantity or quantities of articles or services under consideration for purchase: Five E-3A aircraft; associated spares and support equipment for three years; three years of contractor provided logistics, maintenance, and training support in Saudi Arabia; USAF and/or contractor provided CONUS training and technical support; a facility site survey; and provision for the design, construction, and supply of required AWACS related ground based Command, Control, and Communications ($C^3$) facilities and equipment, including an appropriate number of ground radars.

c. Estimated value(s) of this case: $5.8 billion.

d. Description of total program of which this case is a part: Same as b above.

e. Estimated value of total program of which this case is a part: $5.8 billion.

f. Prior related cases, if any: None.

g. Military department: Air Force (SJA).

h. Estimated date letter of offer/acceptance (LOA) ready for formal notification to Congress: September 1981.

i. Date advance notification delivered to Congress: August 24, 1981.

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POLICY JUSTIFICATION

Saudi Arabia—E-3A aircraft:

The Government of Saudi Arabia has requested the purchase of five E-3A aircraft; associated spares and support equipment for three years; three years of contractor provided logistics, maintenance, and training support in Saudi Arabia; USAF and/or contractor provided CONUS training and technical support; a facility site survey; and provision for the design, construction, and supply of required AWACS related ground based Command, Control, and Communications ($C^3$) facilities and equipment, including an appropriate number of ground radars, at an estimated aggregate cost of $5.8 billion. (An additional sale may be requested for design and construction services to provide ground facilities to support the aircraft. This request, if received, will be notified separately.)

This sale will contribute significantly to U.S. foreign policy and national security objectives by helping to increase the security of a friendly country of vital interest to the United States. By enhancing Saudi Arabia's ability to intercept hostile aircraft, the sale will reduce the probability of major power confrontation in the region. In addition to enhancing the overall Western security posture in the Persian Gulf region, the sale will increase regional stability by improving Saudi Arabia's air defense capabilities. In these ways, it will help ensure continued Western access to vital Persian Gulf oil.

This sale will not have an adverse impact on the regional military balance. The E-2C, an airborne surveillance platform similar to the E-3A, is currently in the inventory of Israel. Ground radar systems are presently in the inventory of most of Saudi Arabia's neighbors.

Saudi Arabia currently lacks the early warning required for an effective air defense network. The E-3A aircraft and related ground based $C^3$ equipment, combined with a small number of ground radars, are the most effective means of providing the early warning required for effective air defense. Five E-3A aircraft will allow the Royal Saudi Air Force (RSAF) to maintain one 24-hour per day orbit during short periods of heightened tension or hostilities.

Configuration of the RSAF AWACs will be identical to the standard USAF E-3A aircraft except that the Joint Tactical Information Distribution System (JTIDS), Electronic Counter Counter Measures (ECCM) enhancement and sensitive intelligence information, have quick UHF communication modifications, and three additional display consoles included in the latest USAF version will not be included nor will commercial substitutes be provided for these systems. However, commercially available substitutes will be provided for the U.S. Government Mode IV Identification Friend or Foe (IFF) and U.S. Government encryption systems.

The Boeing Aerospace Company of Seattle, Washington, is the prime contractor for this proposed sale.

Initially, approximately 480 U.S. contractor personnel will be required in Saudi Arabia in support of this proposed sale to provide logistics support and maintenance training. Approximately 30 U.S. Government personnel will also be required to provide contract oversight and operator training. Although it is expected that the number of contractor personnel will decrease as the RSAF becomes trained to perform maintenance, some U.S. contractor maintenance will be required in-country for the life of the system.

This proposed sale has no impact on U.S. defense readiness as the E-3A will come from new production.

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[Transmittal No. 81-CQ]

ADVANCE NOTIFICATION OF POSSIBLE SECTION 36(b) STATEMENTS—FOREIGN MILITARY SALES

a. Prospective purchaser: Saudi Arabia.

b. Description and quantity or quantities of articles or services under consideration for purchase: One hundred and one ship sets (202 tanks) of conformal fuel tanks (CFTs) for the Royal Saudi Arabia Air Force (RSAF) F-15 aircraft. The CFTs are streamlined fuel tanks, two per aircraft, which affix to the sides of the F-15 fuselage. The sale would include spare parts, support equipment, training equipment, publications, and other related support for the CFTs.

c. Estimated value(s) of this case: $110 million.

d. Description of total program of which this case is a part: CFTs provide an additional equipment capability to the RSAF F-15 (Peace Sun) program. Included in the Peace Sun program are the purchase of 62 F-15 aircraft, spares, support equipment, flight simulators, basic munitions (AIM-9P-3 and AIM-7F air-to-air missiles), technical data, U.S. technical and pilot training, and construction of technical facilities. Also included are 42 months of in-country contractor maintenance, training, and logistics support. An additional sale of AIM-9L Sidewinder air-to-air missiles is also being proposed under the Peace Sun program.

e. Estimated value of total program of which this case is a part: $5 billion.

f. Prior related cases, if any: (1) FMS Case SFA (Peace Sun I): 60 F-15 aircraft, spares, support equipment, training devices, and air-to-air munitions. Case value $1.6 billion, accepted by Saudi Arabian Government (SAG) 13 July 1978.

(a) SFA Amendment 1: Additional logistics support. Case value $426 million, accepted by SAG 14 September 1979.

(b) SFA Amendment 2: Additional logistics support. Case value $534 million, accepted by SAG 24 February 1981.

(c) SFA Amendment 3: Additional engines. Cash value $70 million; incorporated into Amendment 2.

(2) YBM (Peace Sun II): In-country construction for F-15 facilities. Case value $879 million, accepted by SAG 10 February 1980.

(3) YBA (Peace Sun III): Contractor technical support services and training for in-country support of the RSAF F-15s. Case value $964 million, accepted by SAG 7 June 1980.

(4) TDA (Peace Sun IV): Conus F-15 training for RSAF pilots and maintenance personnel. Case value $15.4 million, accepted by SAG 15 February 1980.

(5) SGK (Peace Sun V): Two replacement F-15C aircraft to be stored in CONUS as replacements for any of the original 60 RSAF F-15s that may be lost. Case value $48.5 million, accepted by SAG 25 November 1980.

g. Military department: Air Force (SFA, Amendment No. 4).

h. Estimated date letter of offer/acceptance (LOA) ready for formal notification to Congress: September 1981.

i. Date advance notification delivered to Congress: August 24, 1981.

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POLICY JUSTIFICATION

Saudi Arabia—Conformal fuel tanks for F-15 aircraft:

The Government of Saudi Arabia has requested the amendment of FMS case SFA, under which 60 F-15 aircraft are being provided to the Royal Saudi Air Force (RSAF). This amendment will include 101 ship sets (202 tanks) of conformal fuel tanks (CFTs) and related spare parts, support equipment, training equipment, publications, and other support at an estimated cost of $110 million.

This sale will contribute significantly to U.S. foreign policy and national security objectives by helping to increase the security of a friendly country of vital interest to the United States. By enhancing Saudi Arabia's ability to intercept hostile aircraft, the sale will reduce the probability of major power confrontation in the region. In addition to enhancing the overall Western security posture in the Persian Gulf region, the sale will increase regional stability by improving Saudi Arabia's air defense capabilities. In these ways, it will help ensure continued Western access to vital Persian Gulf oil.

Recent military developments (the Iraq-Iran War and the Soviet invasion of Afghanistan) have created a new situation in the region which requires the enhancement of the RSAF F-15 capabilities, particularly in providing the aircraft with more endurance to improve the Saudi air defense capability. The Kingdom is a relatively large geographical area, and CFTs would enable the Saudis to fly sorties from bases other than those directly under attack. The CFTs will increase the time aloft of each F-15 flight, and given the relatively small number of aircraft, this is an important factor in defending the Kingdom.

The introduction of CFTs in Saudi Arabia will not affect the regional military balance. Israel has equipped its F-15s with CFTs.

The prime contractor will be the McDonnell Douglas Corporation of St. Louis, Missouri, which is the aircraft manufacturer for F-15s.

No additional U.S. Government or contractor personnel will be required in Saudi Arabia to implement this sale. Sufficient fuel specialists will be in-country under existing contracts to provide support for the CFTs.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale. The production rate for the USAF is low enough to allow phase-in of another customer to procure CFTs concurrently.

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[Transmittal No. 81-CT]

ADVANCE NOTIFICATION OF POSSIBLE SECTION 36(b) STATEMENTS FOREIGN MILITARY SALES

a. Prospective purchaser: Saudi Arabia.

b. Description and quantity or quantities of articles or services under consideration for purchase: A quantity of 1,177 AIM-9L SIDEWINDER air-to-air missiles with related spare parts and special test and support equipment.

c. Estimated value(s) of this case: $200 million.

d. Description of total program of which this case is a part: This sale will become a part of the overall PEACE SUN program which was for the sale to Saudi Arabia of 62 F–15 aircraft with spares, support equipment, flight simulators, air-to-air missiles (AIM–9P–3 and AIM–7F), technical data, training in the CONUS of Saudi maintenance technicians and aircrews, and the construction of technical support facilities. Also included in the overall program are 42 months of contractor maintenance, training, and logistics support in Saudi Arabia.

e. Estimated value of total program of which this case is a part: $5 billion.

f. Prior related cases, if any: (1) FMS Case SFA (Peace Sun I): 60 F–15 aircraft, spares, support equipment, training devices, and air-to-air missiles. Case value $1.6 billion, accepted by Saudi Arabian Government (SAG) 13 July 1978.

(a) SFA, Amendment 1: Additional logistics support to the Royal Saudi Air Force (RSAF) F–15 program. Amendment value: $426 million; accepted by SAG 14 September 1979.

(b) SFA, Amendment 2: Additional logistics support to the RSAF F–15 program, including funding for the retrofit of RSAF AIM–7F missiles to include Product Optimization Program (POP) improvements. Amendment value: $534 million; accepted by SAG 24 February 1981.

(c) SFA, Amendment 3: Spare engines for RSAF F–15s. Amendment value: $70 million; cancelled as it was incorporated into Amendment 2.

(2) YBM (Peace Sun II): Construction of F–15 support facilities in Saudi Arabia. Case value: $879 million; accepted by SAG 10 February 1980.

(3) YBA (Peace Sun III): Contractor technical support services and training for in-country support of the RSAF F–15s. Case value: $964 million; accepted by SAG 7 June 1980.

(4) TDA (Peace Sun IV): Training of RSAF F–15 aircrews and maintenance personnel in the CONUS. Case value: $15.4 million; accepted by SAG 15 February 1980.

(5) SGK (Peace Sun V): Two additional F–15C aircraft to be stored in CONUS as replacements for any of the original 60 RSAF F–15s that may be lost. Case value: $48.5 million; accepted by SAG 25 November 1980.

g. Military department: Air Force (SFA, Amendment No. 5).

h. Estimated date letter of offer/acceptance (LOA) ready for formal notification to Congress: September 1981.

i. Date advance notification delivered to Congress: August 24, 1981.

POLICY JUSTIFICATION

Saudi Arabia—AIM–9L Sidewinder Missiles:

The Government of Saudi Arabia has requested the purchase of 1,177 AIM–9L Sidewinder air-to-air missiles for use on Royal Saudi Air Force (RSAF) F–15 aircraft together with related spare parts and special test and support equipment at an estimated cost of $200 million.

This sale will contribute significantly to U.S. foreign policy and national security objectives by helping to increase the security of a friendly country of vital interest to the United States. By enhancing Saudi Arabia's ability to intercept hostile aircraft, the sale will reduce the probability of major power confrontation in the region. In addition to enhancing the overall Western security posture in the Persian Gulf region, the sale will increase regional stability by improving Saudi Arabia's air defense capabilities. In these ways, it will help ensure continued Western access to vital Persian Gulf oil.

Recent military developments in the Middle East (the Iran-Iraq war and the Soviet invasion of Afghanistan) have increased the potential for hostile action against Saudi Arabia. This changed situation requires enhancement of RSAF F–15 capabilities, including its capabilities for short range air-to-air defense. The acquisition of AIM–9L by Saudi Arabia will not upset the regional balance. Israel has also purchased the AIM–9L missile.

Saudi Arabia needs the AIM–9L missile because of a legitimate requirement for RSAF F–15s to be able to intercept high speed hostile aircraft which could threaten the oil fields with minimum warning. The missile has the capability of a head-on attack against hostile aircraft, which obviates the need for Saudi interceptors to lose vital time in maneuvering into a rear attack position as required by the AIM–9P missiles currently in the RSAF inventory. Therefore, the AIM–9L significantly enhances the capability of the RSAF to intercept and destroy attacking aircraft before they can damage vital resources. RSAF personnel will be able to absorb this missile into the inventory both from the operational and maintenance perspectives, as they have already demonstrated capabilities to operate and maintain earlier AIM–9 series missiles.

The AIM–9L proposed for sale will come from U.S. inventory on a one-for-one exchange basis as the new version AIM–9M missiles are delivered from new production. The prime contractor for the AIM–9M missile is Raytheon Company of Lowell, Massachusetts.

It is estimated that approximately nine additional munitions support U.S. contractor personnel will be required for a period of about three years, due to the increased size of the overall RSAF air-to-air missile inventory.

As noted, the AIM–9L missiles will be provided from U.S. inventory, and an equal number of AIM–9M missiles will be produced using funds from this FMS case to replace them. Under these circumstances, no adverse impact is anticipated on U.S. readiness.

[Transmittal No. 81–CV]

ADVANCE NOTIFICATION OF POSSIBLE SECTION 36(b) STATEMENTS FOREIGN MILITARY SALES

a. Prospective purchaser: Saudi Arabia.

b. Description and quantity or quantities of articles or services under consideration for purchase: Eight Boeing 707 aerial refueling aircraft, including an initial purchase of six aircraft and an option to purchase two additional aircraft; three years supply of spares and support equipment; three years of contractor maintenance, training, and logistics support in Saudi Arabia; and CONUS training provided by USAF and/or the contractor.

c. Estimated value(s) of this case: $2.4 billion.

d. Description of total program of which this case is a part: Same as b above.

e. Estimated value of total program of which this case is a part: Same as c above.

f. Prior related cases, if any: None.

g. Military department: Air Force (SKA).

h. Estimated date letter of offer/acceptance (LOA) ready for formal notification to Congress: September 1981.

i. Date advance notification delivered to Congress: August 24, 1981.

POLICY JUSTIFICATION

Saudi Arabia—Aerial refueling aircraft:

The Government of Saudi Arabia has requested the purchase of up to eight Boeing 707 aerial refueling aircraft, including an initial purchase of six aircraft and an option to purchase two additional aircraft; three years supply of spares and support equipment; three years of contractor maintenance, training and logistics support in Saudi Arabia; and CONUS training provided by USAF and/or the contractor at an estimated cost of $2.4 billion.

This sale will contribute significantly to U.S. foreign policy and national security objectives by helping to increase the security of a friendly country of vital interest to the United States. By enhancing Saudi Arabia's ability to intercept hostile aircraft, the sale will reduce the probability of major power confrontation in the region. In addition to enhancing the overall Western security posture in the Persian Gulf region, the sale will increase regional stability by improving Saudi Arabia's air defense capabilities. In these ways, it will help ensure continued Western access to vital Persian Gulf oil.

The purchase of the aerial refueling aircraft will enhance the Saudi air defense capability by increasing the range and time aloft of the Saudi F–15 aircraft. In view of the size of the country, the few bases at which the F–15 aircraft will be located, and the increased regional threat, the capability to prolong the endurance of interceptor aircraft is essential to the defense of the Kingdom. These same aerial tankers can be used to refuel the E–3A aircraft also requested by Saudi Arabia and the F–5 aircraft already in their inventory, likewise extending their time aloft.

The sale of this equipment and support will not affect the basic military balance in the region. Saudi Arabia already has KC–130 aircraft for refueling its F–5s. Both Israel and Iran have aerial refueling capabilities.

Approximately 320 contractor personnel will be required to provide initial in-country support. The contract will be for support for three years. Follow-on contractor support beyond the initial contract period is expected to be needed for an extended period but the number of U.S. contractors should decrease as the Royal Saudi Air Force becomes trained to perform maintenance.

The prime contractor will be the Boeing Aerospace Company of Seattle, Washington.

There will be no adverse impact on U.S. defense readiness as a result of this sale. Procurement will be from new production.

## PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulated that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is available to the full Senate, I ask to have printed in the RECORD at this point the notifications which have been received. The classified annexes referred to in several of the covering letters are available to Senators in the office of the Foreign Relations Committee, room 4229, Dirksen Building.

The notifications follow:

DEFENSE SECURITY ASSISTANCE AGENCY,
*Washington, D.C., August 21, 1981.*

Hon. CHARLES H. PERCY,
*Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding

herewith Transmittal No. 81-82 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter of Offer to Norway for defense articles and services estimated to cost $550 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

ERICH F. VON MARBOD,
*Director.*

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[Transmittal No. 81-82]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Norway.

(ii) Total Estimated Value:

| | Millions |
|---|---|
| Major defense equipment* | $450 |
| Other | 100 |
| Total | 550 |

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Thirty-two ROLAND II fire units, 782 ROLAND guided missiles, 5 M88A1 ROLAND II recovery vehicles, and 32 XM975 carriers.

(iv) Military Department: Army (VDT).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Included in report for quarter ending 30 June 1981.

(viii) Date Report Delivered to Congress: August 21, 1981.

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POLICY JUSTIFICATION

NORWAY—ROLAND II FIRE UNITS

The Government of Norway has requested the purchase of 32 ROLAND II fire units, 782 ROLAND guided missiles, 5 M88A1 ROLAND II recovery vehicles, and 32 XM975 carriers at an estimated cost of $550 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of Norway; furthering NATO rationalization, standardization, and interoperability; and enhancing the defenses of the Western Alliance.

The Government of Norway has a requirement for this weapon system in order to provide for point defense of high value targets and to enhance its capability to defend its air space. Norway will have no difficulty in absorbing this weapon system.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractors will be the Hughes Aircraft Company of Canoga Park, California, and Boeing Aerospace Company of Seattle, Washington.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Norway.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

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DEFENSE SECURITY
ASSISTANCE AGENCY,
*Washington, D.C., August 24, 1981.*

Hon. CHARLES H. PERCY,
*Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-86, concerning the Department of the Air Force's proposed Letter of Offer to Australia for defense articles and services estimated to cost $34 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERICH F. VON MARBOD,
*Director.*

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[Transmittal No. 81-86]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Australia.

(ii) Total Estimated Value:

| | Millions |
|---|---|
| Major defense equipment* | $0 |
| Other | 34 |
| Total | 34 |

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Cooperative logistics supply support for spare parts in support of major items of equipment of U.S. origin already delivered to and being operated by the Royal Australian Air Force.

(iv) Military Department: Air Force (KBG).

(v) Sales Commission, Fee, Etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: None.

(vii) Section 28 Report: Included in report for quarter ending June 30, 1981.

(viii) Date Report Delivered to Congress: August 24, 1981.

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POLICY JUSTIFICATION

AUSTRALIA—COOPERATIVE LOGISTICS SUPPLY SUPPORT

The Government of Australia has requested the purchase of cooperative logistics supply support for spare parts in support of major items of equipment of U.S. origin already delivered to and being operated by the Royal Australian Air Force at an estimated cost of $34 million.

As an ally under the ANZUS treaty, Australia plays a major role in assuring the stability of Sotuheast Asia and the South Pacific and is strategically located with respect to the Indian Ocean as well as the South Pacific. Therefore, the United States has cooperated in improving Australia's military capability through foreign military sales, logistics agreements, and combined exercises.

Spares and repair parts which will be furnished under this case will support F-111C, C-130, and C-7 aircraft and other systems of U.S. origin under the cognizance of the U.S. Air Force. Such support will assure the continued mission readiness of Australian forces.

The sale of this equipment and support will not affect the basic military balance in the region.

Procurement of these items and services will be from the many contractors providing similar items and services to the U.S. forces.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Australia.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

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DEFENSE SECURITY
ASSISTANCE AGENCY,
*Washington, D.C., August 24, 1981.*

Hon. CHARLES H. PERCY,
*Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-88, concerning the Department of the Air Force's proposed Letter of Offer to the Federal Republic of Germany for defense articles and services estimated to cost $32 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERICH F. VON MARBOD,
*Director.*

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[Transmittal No. 81-88]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Germany.

(ii) Total Estimated Value:

| | Millions |
|---|---|
| Major defense equipment* | $0 |
| Other | 32 |
| Total | 32 |

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Cooperative logistics supply support arrangement, requisition case (FMSO II), for follow-on spares and supplies in support of aircraft and other systems and subsystems of U.S. origin.

(iv) Military Department: Air Force (KBU and KBV).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: None.

(vii) Section 28 Report: Included in report for quarter ending June 30, 1981.

(viii) Date Report Delivered to Congress: August 24, 1981.

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POLICY JUSTIFICATION

FEDERAL REPUBLIC OF GERMANY—COOPERATIVE LOGISTICS SUPPLY SUPPORT ARRANGEMENTS

The Government of the Federal Republic of Germany (FRG) has requested the purchase of a cooperative logistics supply support arrangement, requisition case (FMSO II), for follow-on spares and supplies to support aircraft and other systems and subsystems of U.S. origin at an estimated value of $32 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of the FRG; furthering NATO rationalization, standardization, and interoperability; and enhancing the defenses of the Western Alliance.

This cooperative logistics support arrangement is necessary to ensure an uninterrupted flow of spare parts to support 250 F-4 aircraft and other systems and subsystems of U.S. origin. The German Air Force will have no difficulty in absorbing the articles.

The sale of this equipment and support will not affect the basic military balance in the region.

Procurement of these items and services will be from the many contractors providing similar items and services to the U.S. forces.

This proposed sale will not require the assignment of any additional U.S. Government or contractor personnel to the FRG to carry out this sale.

There will be no adverse impact of U.S. defense readiness as a result of this sale.

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DEFENSE SECURITY
ASSISTANCE AGENCY,
*Washington, D.C., August 24, 1981.*

Hon. CHARLES H. PERCY,
*Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the

Arms Export Control Act, we are forwarding herewith Transmittal No. 81-94, concerning the Department of the Navy's proposed Letter of Offer to France for defense articles and services estimated to cost $12 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERICH F. VON MARBOD,
*Director.*

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[Transmittal No. 81-94]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: France.

(ii) Total Estimated Value:

| | Millions |
|---|---|
| Major Defense Equipment*---------- | $11 |
| Other ---------- | 1 |
| Total ---------- | 12 |

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Ninety-three MK-46 Mod 2 torpedoes, two years of spare parts support, and helicopter launch accessories.

(iv) Military Department: Navy (LCB and BKZ).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: None.

(vii) Section 28 Report: Included in report for quarter ending 30 June 1981.

(viii) Date Report Delivered to Congress: August 24, 1981.

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POLICY JUSTIFICATION

FRANCE—MK-46 MOD 2 TORPEDOES

The Government of France has requested the purchase of 93 MK-46 Mod 2 torpedoes, two years of spare parts support, and helicopter launch accessories at an estimated cost of $12 million.

This sale will contribute to the foreign policy and security objectives of the United States by improving the defensive capabilities of an ally. Although French forces are not now committed to NATO command, France nevertheless bases its defense on cooperation and interoperability with NATO. The French Navy operates frequently with the U.S. Navy and has much equipment of U.S. origin.

The MK-46 Mod 2 torpedoes presently in the French inventory are aging. This purchase would allow them to increase the number of torpedoes they have on hand and give them greater flexibility in the time schedule to refurbish their older ones. Additionally, the Government of France is anticipating the purchase of modification kits to upgrade their torpedoes to the Mod 5 configuration. This purchase would allow them to upgrade newer torpedoes should they desire.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be Honeywell Incorporated of Minneapolis, Minnesota.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to France.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

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DEFENSE SECURITY
ASSISTANCE AGENCY,
*Washington, D.C., Sept. 1, 1981.*

HON. CHARLES H. PERCY,
*Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-95 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Navy's proposed Letter of Offer to the NATO Seasparrow Consortium (N-3) for Belgium, Denmark, Germany, Norway and the Netherlands for defense articles and services estimated to cost $240 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

ERICH F. VON MARBOD,
*Director.*

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[Transmittal No. 81-95]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: NATO Seasparrow Consortium (N-3) for Belgium, Denmark, Germany, Norway, and the Netherlands.

(ii) Total Estimated Value:

| | Millions |
|---|---|
| Major defense equipment*---------- | $210 |
| Other ---------- | 30 |
| Total ---------- | 240 |

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: One thousand RIM-7M SEASPARROW missiles and associated support.

(iv) Military Department: Navy (AAH).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Included in report for quarter ending June 30, 1981.

(viii) Date Report Delivered to Congress: Sept. 1, 1981.

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POLICY JUSTIFICATION

NATO SEASPARROW CONSORTUM—RIM-7M MISSILES

The NATO Seasparrow Consortium for Belgium, Denmark, Germany, Norway, and the Netherlands has requested the purchase of 1,000 RIM-7M SEASPARROW Missiles and associated support at an estimated cost of $240 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of NATO; furthering NATO rationalization, standardization, and interoperability; and enhancing the defenses of the Western Alliance.

These missiles are being purchased to improve existing short range, sea-based surface-to-air missile capabilities. NATO members of the Seasparrow Consortium already have similar missiles in their inventories, and the training and maintenance facilities to support these missiles.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Raytheon Company of Lowell, Massachusetts.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to the NATO countries.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

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DEFENSE SECURITY
ASSISTANCE AGENCY,
*Washington, D.C., September 10, 1981.*

HON. CHARLES H. PERCY,
*Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-68 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter of Offer to Jordan for defense articles and services estimated to cost $105 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

ERICH F. VON MARBOD,
*Director.*

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[Transmittal No. 81-68]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Jordan.

(ii) Total Estimated Value:

| | Millions |
|---|---|
| Major defense equipment*---------- | $63 |
| Other ---------- | 42 |
| Total ---------- | 105 |

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Fifty thousand hand grenades, 58,000 rounds of 155mm and 8-inch howitzer ammunition, 20,000 rounds of 105mm main gun tank ammunition, and 7,500,000 rounds of 20mm, 7.62mm, and .50 caliber ammunition.

(iv) Military Department: Army (VDC).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: September 10, 1981.

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POLICY JUSTIFICATION

JORDAN—AMMUNITION

The Government of Jordan (GOJ) has requested the purchase of 50,000 hand grenades, 58,000 rounds of 155mm and 8-inch howitzer ammunition, 20,000 rounds of 105mm main gun tank ammunition, and 7,500,000 rounds of 20mm, 7.62mm, and .50 caliber ammunition at an estimated cost of $105 million.

The sale will further U.S. foreign policy objectives by assisting a friendly country to deter hostilities and defend itself in a region where it is vital to U.S. interests to reduce the probability of open conflict and to promote peace and stability. The sale will assist the GOJ in meeting its legitimate defense requirements and reaffirm to the Jordanian military and political leadership that the United States is responsive to the priority modernization objectives of the Jordanian Armed Forces. This modernization effort is consistent with U.S. views on Jordanian security needs, the regional military balance, and long-range peace and stability in the region.

This ammunition is compatible with U.S. weapons already provided to Jordan and, as such, does not introduce a new weapons capability into the region. This request for ammunition will enable Jordan to replace ammunition expended during training, as well as fill basic load and war reserve stockages.

This sale will not affect the basic military balance in the region.

The several types of ammunition will be procured from various contractors and government owned-contractor operated plants throughout the United States.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Jordan.

There will be no adverse impact on U.S. defense readiness as a result of the sale of the hand grenades, 20mm, 7.62mm, or .50 caliber ammunition. As concerns the 8-inch, 155mm, and 105mm ammunition, the Department of the Army has no current procurement approval and thus there is no impact. Should the Department of the Army receive procurement authority for the 8-inch, 155mm, and 105mm ammunition it could result in delays of two months to one year in deliveries that would otherwise become available at that time.

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DEFENSE SECURITY ASSISTANCE AGENCY,
*Washington, D.C., September 10, 1981.*

Hon. CHARLES H. PERCY,
*Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-80, concerning the Department of the Army's proposed Letter of Offer to Turkey for defense articles and services estimated to cost $131 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

You will also find attached a certification as required by Section 620C(d) of the Foreign Assistance Act of 1961, as amended, that this action is consistent with Section 620C (b) of that statute.

Sincerely,

ERICH F. VON MARBOD,
*Director.*

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[Transmittal No. 81-80]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Turkey.

(ii) Total Estimated Value:

| | Millions |
|---|---|
| Major defense equipment* | $0 |
| Other | 131 |
| Total | 131 |

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Three hundred forty-eight M48A5 tank conversion kits.

(iv) Military Department: Army (UNC and UND).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: None.

(vii) Section 28 Report: Included in report for quarter ending 30 June 1981.

(viii) Date Report Delivered to Congress: September 10, 1981.

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POLICY JUSTIFICATION

TURKEY—M48A5 CONVERSION KITS

The Government of Turkey has requested the purchase of 348 conversion kits to convert M48A1 tanks to the M48A5 configuration at an estimated cost of $131 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of Turkey in fulfillment of its NATO obligations; furthering NATO rationalization, standardization, and interoperability; and enhancing the defense of the Western Alliance.

The Government of Turkey needs these conversion kits to continue to upgrade its Korean War vintage M48 series tanks. Turkey will have no difficulty in absorbing and maintaining the converted tanks as the tanks, parts, tools, and test equipment are already in the inventory and trained personnel are available. This sale will enable the Turkish Army to increase its military capability. The tank conversion kits will be provided in accordance with and subject to the limitation on use and transfer provided for under the Arms Export Control Act, as embodied in the terms of sale. This sale will not adversely affect either the military balance in the region or U.S. efforts to encourage a negotiated settlement of the Cyprus question.

The prime contractor will be the Chrysler Defense Corporation of Warren, Michigan.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Turkey.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

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UNDER SECRETARY OF STATE FOR SECURITY ASSISTANCE, SCIENCE AND TECHNOLOGY,
*Washington, July 19, 1981.*

Pursuant to section 620C(d) of the Foreign Assistance Act of 1961, as amended (the Act), and the authority vested in me by Department of State Delegation of Authority No. 145, I hereby certify that the provision of tank conversion kits to the Government of Turkey is consistent with the principles contained in section 620C(b) of the Act.

This certification will be made part of the certification of the Congress under section 36(b) of the Arms Export Control Act regarding the proposed sale of the above-named articles and is based on the justification accompanying said certification, and of which such justification constitutes a full explanation.

JAMES L. BUCKLEY.

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DEFENSE SECURITY ASSISTANCE AGENCY,
*Washington, D.C., September 10, 1981.*

Hon. CHARLES H. PERCY,
*Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-81 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter of Offer to Egypt for defense articles and services estimated to cost $20 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

ERICH F. VON MARBOD,
*Director.*

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[Transmittal No. 81-81]

NOTICE OF PROPOSED ISSUANCE OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Egypt.

(ii) Total Estimated Value:

| | Millions |
|---|---|
| Major defense equipment* | $19 |
| Other | 1 |
| Total | 20 |

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered:

(iv) Military Department: Army (UDJ).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Included in report for quarter ending June 30, 1981.

(viii) Date Report Delivered to Congress: September 10, 1981.

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POLICY JUSTIFICATION

EGYPT—IMPROVED TOW MISSILES

The Government of Egypt has requested the purchase of 2010 I-TOW surface attack guided missiles and support equipment at an estimated cost of $20 million.

This proposed sale will contribute to the foreign policy objectives of the United States by enabling Egypt to provide for its own security and self-defense, thereby contributing to the peace process in the region.

The Government of Egypt will use the I-TOW to replace aging equipment rapidly becoming unserviceable due to the nonavailability of spare parts. Previously, the bulk of the Egyptian armament was provided by the Soviet Union, but Egypt has turned to the West for defense articles and services.

Because these I-TOW missiles will replace obsolescent or unserviceable equipment already in the Egyptian inventory, the sale will not affect the military balance in the region.

The prime contractor will be the Hughes Aircraft Company of Canoga Park, California.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Egypt.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

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DEFENSE SECURITY ASSISTANCE AGENCY,
*Washington, D.C., September 10, 1981.*

Hon. CHARLES H. PERCY,
*Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-84 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter of Offer to the United Arab Emirates for defense articles and services estimated to cost $28 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

ERICH F. VON MARBOD,
*Director.*

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[Transmittal No. 81-84]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: United Arab Emirates.

(ii) Total Estimated Value:

| | Millions |
|---|---|
| Major defense equipment* | $17 |
| Other | 11 |
| Total | 28 |

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Fifty-four jeep-mounted TOW launchers, 1085 Improved-TOW (HEAT) missiles, 101 practice missiles, supporting equipment, associated spares, repair parts, field engineering services, and training.

(iv) Military Department: Army (UBG, OBB, and OBC).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid:

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(viii) Section 28 Report: Included in report for quarter ending June 30, 1981.

(viii) Date Report Delivered to Congress: September 10, 1981.

POLICY JUSTIFICATION

UNITED ARAB EMIRATES—TOW LAUNCHERS AND MISSILES

The Government of the United Arab Emirates (UAE) has requested the purchase of 54 jeep-mounted TOW launchers, 1085 Improved-TOW (HEAT) missiles, 101 practice missiles, supporting equipment, associated spares, repair parts, field engineering services, and training at an estimated cost of $28 million.

This sale will contribute to the foreign policy and national security objectives of the United States by enhancing the ability of the UAE to provide for its own defense. A strong and independent UAE, that is able to defend itself, contributes to the stability of the Middle East.

The addition of the TOW anti-armor missile system will enhance the UAE's ability to respond to armor threats with organic ground defense forces.

This sale will not have an adverse impact on the regional military balance. The TOW or similar anti-tank missile systems are currently fielded in the majority of the countries in the region.

The prime contractors are Hughes Aircraft Company of Canoga Park, California, and Emerson Electric Company of St. Louis, Missouri.

This sale will require approximately eight U.S. Government personnel in-country for about two months upon delivery of the weapon system.

There will be no adverse impact on U.S. defense readiness as a result of this sale as the system will come from new production.

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DEFENSE SECURITY
ASSISTANCE AGENCY,
*Washington, D.C., September 10, 1981.*

Hon. CHARLES H. PERCY,
*Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-87, concerning the Department of the Army's proposed Letter of Offer to Indonesia for defense articles and services estimated to cost $16 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERICH F. VON MARBOD,
*Director.*

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[Transmittal No. 81-87]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Indonesia.

(ii) Total Estimated Value:

| | *Millions* |
|---|---|
| Major defense equipment* | $14 |
| Other | 2 |
| Total | $16 |

* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: One hundred thirty-three M101A1 105mm howitzers with related training and support items.

(iv) Military Department: Army (UCH).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: None.

(vii) Section 28 Report: Included in report for quarter ending June 30, 1981.

(viii) Date Report Delivered to Congress: September 10, 1981.

POLICY JUSTIFICATION

INDONESIA—105MM HOWITZERS

The Government of Indonesia has requested the purchase of 133 M101A1 105mm howitzers with related training and support items at an estimated cost of $16 million.

This sale will contribute to the foreign policy objectives of the United States by helping to improve the security of a friendly and strategically important country in Southeast Asia.

The Government of Indonesia is upgrading its artillery forces. These howitzers will be used to equip 10 operational and one training battalion as the primary field artillery of the Indonesian Army. They will replace obsolete Soviet bloc 76mm howitzers.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the U.S. Army.

Implementation of this sale will require the assignment of a U.S. Army site survey team to Indonesia for a few weeks to identify training and support requirements.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

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DEFENSE SECURITY
ASSISTANCE AGENCY,
*Washington, D.C., September 10, 1981.*

Hon. CHARLES H. PERCY,
*Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-89, concerning the Department of the Navy's proposed letter of Offer to Saudi Arabia for defense articles and services estimated to cost $180 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERICH F. VON MARBOD,
*Director.*

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[Transmittal No. 81-89]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Saudi Arabia.

(ii) Total Estimated Value:

| | *Millions* |
|---|---|
| Major defense equipment* | $0 |
| Other | 180 |
| Total | 180 |

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: This case amendment is for the purchase of the services and materials required to complete the development, installation, and check-out of the Royal Saudi Naval Forces (RSNF) Command, Control, and Communications ($C^3$) system; procurement and installation of a microwave interconnect system between the RSNF communications stations of Jidda and Jubail; spare parts, support equipment, training, and contractor maintenance services for the $C^3$ system and the microwave interconnect system; and the completion of the RSNF communications stations at Jidda, Jubail, and Riyadh.

(iv) Military Department: Navy (LAH, Amendment 5).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold:

(vii) Section 28 Report: Included in report for quarter ending June 30, 1981.

(viii) Date Report Delivered to Congress: September 10, 1981.

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POLICY JUSTIFICATION

SAUDI ARABIA—COMMAND, CONTROL, AND COMMUNICATIONS SYSTEM

The Government of Saudi Arabia has requested amendment of an existing Foreign Military Sales agreement for the purchase of the services and materials required to complete the development, installation, and check-out of the Royal Saudi Naval Forces (RSNF) Command, Control, and Communications ($C^3$) system; installation of a microwave interconnect system between the RSNF communications stations at Jidda and Jubail; spare parts, support equipment, training, and contractor maintenance services for the $C^3$ system and the microwave interconnect system; and the completion of the RSNF communications stations at Jidda, Jubail, and Riyadh at an estimated cost of $180 million.

This sale is consistent with the stated U.S. policy of assisting friendly nations to provide for their own defense by allowing the transfer of reasonable amounts of defense articles and services. It will demonstrate the continuing willingness of the United States to support the Saudi Arabian effort to improve the security of the country through modernization of Saudi naval forces. In a regional context, enhancement of the defensive capabilities of Saudi Arabia will also contribute to overall Middle East security.

Saudi Arabia is in the process of enlarging and improving its naval assets through the Saudi Naval Expansion Program (SNEP) with the United States. The SNEP includes the purchase of 29 ships and craft, shore facilities, equipment, logistical support, and training. This sale will provide for completion of the shore-based communications system and the U.S. designed $C^3$ system which are essential for the effective operation and control of Saudi naval forces. This sale will not introduce a new military capability into the region since neighboring countries have $C^3$ systems with similar capabilities.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractors will be Science Applications, Incorporated of McLean, Virginia, and Page Communications Engineers, Incorporated of Vienna, Virginia.

Implementation of this sale will require the assignment of 30 to 50 additional U.S. Government or contractor personnel to Saudi Arabia.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

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DEFENSE SECURITY
ASSISTANCE AGENCY,
*Washington, D.C., September 10, 1981.*

Hon. CHARLES H. PERCY,
*Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-90, concerning the Department of the Navy's proposed Letter of Offer to Saudi Arabia for defense articles and services estimated to cost $1.3 billion. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERICH F. VON MARBOD,
*Director.*

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[Transmittal No. 81-90]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Saudi Arabia.

(ii) Total Estimated Value:

| | Billions |
|---|---|
| Major defense equipment* | $0.0 |
| Other | 1.3 |
| Total | $1.3 |

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: This case amendment is for the purchase of two additional years of contractor and U.S. Navy provided services in the United States for post delivery support of four Patrol Chaser Missile (PCG) ships and nine missile equipped Patrol Gunboats (PGG) purchased by the Royal Saudi Naval Forces (RSNF) under previous Foreign Military Sales agreements, two additional years of contractor provided operations and maintenance support of RSNF shore facilities in Saudi Arabia, and associated U.S. Navy management support.

(iv) Military Department: Navy (GAS, Amendment No. 4).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: None.

(vii) Section 28 Report: Included in report for quarter ending June 30, 1981.

(viii) Date Report Delivered to Congress: September 10, 1981.

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POLICY JUSTIFICATION

SAUDI ARABIA—CONTINUATION OF SUPPORT SERVICES FOR THE SAUDI NAVAL EXPANSION PROGRAM

The Government of Saudi Arabia has requested amendment of an existing foreign Military Sales (FMS) agreement for the purchase of two additional years of contractor and U.S. Navy provided services in the United States for post delivery support of four Patrol Chaser Missile (PCG) ships and nine missile equipped Patrol Gunboats (PGG) purchased by the Royal Saudi Naval Forces (RSNF) under previous FMS agreements, two additional years of contractor provided operations and maintenance support of RSNF shore facilities in Saudi Arabia, and associated U.S. Navy management support at an estimated cost of $1.3 billion.

This sale is consistent with the stated U.S. policy of assisting friendly nations to provide for their own defense by allowing the transfer of reasonable amounts of defense articles and services. It will demonstrate the continuing willingness of the United States to support the Saudi Arabian effort to improve the security of the country through modernization of Saudi naval forces. In a regional context, enhancement of the defensive capabilities of Saudi Arabia will also contribute to overall Middle East security.

The United States is assisting the RSNF to enlarge and modernize its forces through the Saudi Naval Expansion Program (SNEP). The SNEP includes the procurement of 29 ships and craft, shore facilities, equipment, logistical support, and training. The services to be provided under this sale will not introduce a new military capability into the region.

The sale of this support will not affect the basic military balance in the region.

The prime contractor will be the HBH Company (a joint venture of Hughes Aircraft Company, the Bendix Corporation, and Holmes and Narver, Incorporated) of Arlington, Virginia.

Implementation of this sale will require the assignment of an additional 600 contractor personnel to Saudi Arabia.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
*Washington, D.C., September 10, 1981.*

HON. CHARLES H. PERCY,
*Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-91, concerning the Department of the Army's proposed Letter of Offer to Saudi Arabia for design and construction services estimated to cost $1.7 billion. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERICH F. VON MARBOD,
*Director.*

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[Transmittal No. 81-91]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Saudi Arabia.

(ii) Total Estimated Value: $1.7 Billion.

(iii) General Description of Facilities to be Constructed: This case amendment is for design and construction services for additional housing, personnel support facilities, training and maintenance facilities, expanded utilities systems, and a fleet headquarters building at the Royal Saudi Naval Forces (RSNF) bases at Jidda and Jubail; a data library system for the RSNF headquarters in Riyadh; and alignment and calibration ranges for RSNF ships.

(iv) Military Department: Army (HAQ, Amendment No. 16).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Design and Construction Services proposed to be Sold: None.

(vii) Section 28 Report: Included in report for quarter ending March 31, 1981.

(viii) Date Report Delivered to Congress: September 10, 1981.

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POLICY JUSTIFICATION

SAUDI ARABIA—NAVAL FACILITIES CONSTRUCTION

The Government of Saudi Arabia has requested amendment of an existing Foreign Military Sales agreement for the purchase of design and construction services for additional facilities required by the Royal Saudi Naval Forces (RSNF) at the Jidda and Jubail bases and the Riyadh headquarters complex at an estimated cost of $1.7 billion.

This effort is one of several construction projects being supervised by the U.S. Army Corps of Engineers which, when completed, will provide operational, training, and support facilities for the Saudi Arabian armed forces. The development of defense infrastructure is important in assisting nations to provide for their own security. Further, the values of construction efforts such as these extend far beyond the facilities themselves to the training and economic benefits derived by the labor force.

This particular construction effort is in support of the Saudi Naval Expansion Program (SNEP), which will provide major facilities for the Royal Saudi Navy to include deep-water ports on both the Red Sea and the Persian Gulf, ship repair facilities, training facilities, a naval headquarters, and a naval academy. This sale includes additional housing, personnel support facilities, training and maintenance facilities, expanded utilities systems, and a fleet headquarters building at the RSNF bases at Jidda and Jubail; a data library system for the RSNF headquarters in Riyadh; and alignment and calibration ranges for RSNF ships. This sale does not introduce a new military capability into the region.

The sale of these services will not affect the basic military balance in the region.

The prime contractor has not been determined at this time.

Implementation of this sale will require the assignment of an additional 160 U.S. Government personnel to Saudi Arabia. The total contractor work force should approximate 5,000 persons, primarily third country nationals.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

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DEFENSE SECURITY ASSISTANCE AGENCY,
*Washington, D.C., September 10, 1981.*

HON. CHARLES H. PERCY,
*Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-92, concerning the Department of the Air Force's proposed Letter of Offer to Oman for defense articles and services estimated to cost $45 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERICH F. VON MARBOD,
*Director.*

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[Transmittal No. 81-92]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Oman.

(ii) Total Estimated Value:

| | Millions |
|---|---|
| Major defense equipment* | $40 |
| Other | 5 |
| Total | 45 |

* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Two C-130H aircraft with support and training.

(iv) Military Department: Air Force (SCA).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: None.

(vii) Section 28 Report: Included in report for quarter ending June 30, 1981.

(viii) Date Report Delivered to Congress: September 10, 1981.

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POLICY JUSTIFICATION

OMAN—C-130H AIRCRAFT

The Government of Oman has requested the purchase of two C-130H cargo aircraft with support for two years and training at an estimated cost of $45 million.

This sale is consistent with the stated U.S. policy of assisting other nations to provide for their own security and self-defense by allowing the transfer of reasonable amounts of defense articles and services. Oman's strategic location at the entrance to the Persian Gulf closely links the national interests of Oman and the U.S. Along with the formal Access Agreement signed by the Governments of Oman and the United States in June 1980, this sale of two C-130H aircraft will enhance our country-to-country relationship.

This sale is designed to assist the Omani Air Force in modernizing and increasing its transport aircraft capability for the rapid movement of troops and military equipment within Oman and the resupply of ground forces. The sale of two C-130H aircraft does not introduce a new military capability into the region.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Lockheed Corporation of Marietta, Georgia.

Implementation of this sale will require the assignment of two additional U.S. Government or two contractor personnel for a minimum of one year.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

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DEFENSE SECURITY ASSISTANCE AGENCY,
*Washington, D.C., September 10, 1981.*

Hon. CHARLES H. PERCY,
*Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-93 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Navy's proposed Letter of Offer to Spain for defense articles and services estimated to cost $510 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

ERICH F. VON MARBOD,
*Director.*

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[Transmittal No. 81-93]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Spain.

(ii) Total Estimated Value:

| | Millions |
|---|---|
| Major defense equipment* | $200 |
| Other | 310 |
| Total | 510 |

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulation (ITAR).

(iii) Description of Articles or Services Offered: This sale is to provide development and procurement of shipboard antisubmarine warfare (ASW) electronic suites and the purchase of 18 SH-60B Light Airborne Multi-Purpose System (LAMPS) III helicopters for the Spanish Navy carrier and three frigates.

(iv) Military Department: Navy (SBZ and SCB).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Included in report for quarter ending June 30, 1981.

(viii) Date Report Delivered to Congress: September 10, 1981.

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POLICY JUSTIFICATION

SPAIN—SHIPBOARD ANTI-SUBMARINE WARFARE (ASW) SYSTEMS

The Government of Spain has requested the development and procurement of shipboard ASW electronic suites and the purchase of 18 SH-60B Light Airborne Multi-Purpose System (LAMPS) III helicopters at an estimated cost of $510 million.

This sale will contribute to the foreign policy and national security objectives of the United States by furthering cooperation under our Treaty of Friendship and Cooperation with Spain and improving Spain's coastal defense. Such improvement will benefit the defensive posture of the southern flank of NATO and contribute to keeping the sea lanes open for supplying the U.S. in-country military facilities which are important staging and reinforcement sites.

The purchase of these ASW systems will upgrade and modernize the Spanish antisubmarine capability by supplementing or replacing existing equipment. The Spanish Navy will be capable of absorbing and maintaining these systems within their current inventory and capabilities.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor for the SH-60B LAMPS III helicopter will be the IBM Corporation, Federal Systems Division of Oswego, New York, and the associate contractor will be the Sikorsky Aircraft Division of United Technologies Corporation of Stratford, Connecticut. The prime contractor for the shipboard equipment has not been chosen because the configuration for these electronic suites is not finalized.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Spain.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

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## DEATH OF LAWRENCE J. WASHINGTON

● Mr. LEVIN. Mr. President, I was shocked and saddened to learn of the death on Monday of a close friend and civic leader, Lawrence J. Washington. Larry was a leading figure in the National Association for the Advancement of Colored People on a national level and the unquestioned spokesperson for civil rights in Michigan. He was, in addition, a friend and adviser whose counsel I sought and respected.

Larry was a gentle person who could, when he needed, turn into a tiger in the constant battle for social justice. In a 1974 interview, he phrased his view of the world with characteristic honesty and elegance. He said then that:

I always believed in appealing to reason. Of course, I also learned that some people are more reasonable when you have them in a hammerlock.

Larry's accomplishments—achieved through both reason and the hammerlock he knew when to apply—were unquestioned. His voice will be missed, but the wisdom of his words and the fruits of his deeds will be long remembered and felt. I will always remember him—and I will always miss him.●

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## TO BE CONSERVATIVE

● Mr. GOLDWATER. Mr. President, it is a wonderful feeling to be a conservative these days. When I ran for President 17 years ago I was told I was behind the times. Now everybody tells me I was ahead of my time. All I can say is that time certainly is an elusive companion.

But those reactions illustrate how far the ideological pendulum has swung in recent years. The American people have expressed their desire for a new course in our public policy in this country—a conservative course.

President Reagan's triumphs at the polls and in Congress during the past year are, of course, great tributes to his skill as a politician. But they also resulted, I believe, from the long-developing shift of public opinion to traditional American values.

As far as I am concerned, that shift had to come. Government had been intruding more and more into every aspect of our lives. The people just would not stand for it anymore.

I have seen it coming for a long time. Throughout my political career, since the day I took my seat in the U.S. Senate, I have preached one basic theme: The bigger Government gets, the more it threatens our freedom.

I am certain those who contributed to the growth of Government had all the best intentions. As they started one Federal program after another through the years, their motives always sounded good and the intent of the programs always seemed admirable.

Almost 150 years ago a young Frenchman came to this country and marveled at the success of the American experiment in democracy. Alexis de Tocqueville wrote after visiting this country that:

The advantage of democracy does not consist . . . in favoring the prosperity of all, but simply in contributing to the well-being of the greatest number.

And the foundation for our form of government is not in the principle of prosperity for all but in freedom for all. That is what has attracted all those who have migrated to this country. That is what has made America the symbol of hope and prosperity for all the world. Freedom: That is what true conservatism is all about.

Being a conservative in America traditionally has meant that one holds a deep, abiding respect for the Constitution. We conservatives believe sincerely in the integrity of the Constitution. We treasure the freedom that document protects.

We believe, as the Founding Fathers did, that we "are endowed by our Creator with certain unalienable rights; that among these are life, liberty and the pursuit of happiness."

And for 205 years this Nation, based on those principles, has endured. Through foreign wars and civil wars, through political scandals and economic disasters, through civil disorders and Presidential assassinations, our flag has flown high. Through it all we have survived every possible attack on our freedom.

But where the guns of war and the breadlines of the depression failed, another force could succeed in dividing our country. The specter of single issue religious groups is growing over our land. In all honesty, I must admit that the birth of the so-called "new right" is a direct reaction to years of increasing social activism by the liberal side of the religious house. Within that development lies a very serious threat to our liberty.

One of the great strengths of our political system always has been our tendency to keep religious issues in the background. By maintaining the separation of church and state, the United States has avoided the intolerance which has so divided the rest of the world with religious wars. Throughout our 200-plus

years, public policy debate has focused on political and economic issues, on which there can be compromise.

James Madison, once wrote that "If men were angels, no government would be necessary."

Well, Madison certainly recognized that humans are not angels. He realized that they tend to group together in narrow interest groups, which he called factions. And he wrote extensively in the federalist papers about how the Constitution should protect us from the abuses of various factions.

Madison saw this as the great paradox of our system: How do you control the factions without violating the people's basic freedoms?

Madison wrote:

> In framing a government which is to be administered by men over men, the great difficulty lies in this: You must first enable the government to control the governed; and in the next place oblige it to control itself.

And in a well-constructed representative government like ours, Madison said, one of our greatest strengths is our ability to "break and control the violence of faction."

What he said is that the aim of the framers of the Constitution was to allow freedom of religion and freedom of speech for everyone, not just those who follow one religious faction.

Madison said:

> A zeal for different opinions concerning religion has occasionally divided mankind . . . and rendered them much more disposed to vex and oppose each other than to cooperate for the common good.

Can any of us refute the wisdom of Madison and the other framers? Can anyone look at the carnage of Iran, the bloodshed in Northern Ireland, or the bombs bursting in Lebanon and yet question the dangers of injecting religious issues into the affairs of state?

Our political process involves a constant give and take, a continuous series of trade-offs. From this system of compromise, we get legislation that reflects input from many sectors of our society and addresses many needs and interests.

Obviously, not everyone can be pleased, but at least all sides are considered.

However, on religious issues there can be little or no compromise. There is no position on which people are so immovable as their religious beliefs. There is no more powerful ally one can claim in a debate than Jesus Christ. Or God, or Allah, or whatever one calls his supreme being.

But, like any powerful weapon, the use of God's name on one's behalf should be used sparingly.

The religious factors that are growing throughout our land are not using their religious clout with wisdom. They are trying to force government leaders into following their positions 100 percent. If you disagree with these religious groups on any particular moral issue, they cajole, they complain, they threaten you with loss of money or votes or both.

In the past couple years, I have seen many news items that referred to the moral majority, pro-life and other religious groups as "the new right," and the "new conservatism." Well, I have spent quite a number of years carrying the flag of the "old conservatism." And I can say with conviction that the religious issues of these groups have little or nothing to do with conservative or liberal politics.

The uncompromising position of these groups is a divisive element that could tear apart the very spirit of our representative system, if they gain sufficient strength.

As it is, they are diverting us away from the vital issues that our Government needs to address. We are facing serious economic and military dangers in this country today, and we need to make a concerted effort to correct our problems in these areas.

But far too much of the time of Members of Congress and officials in the executive branch is used up dealing with special interest groups on issues like abortion, school busing, ERA, prayer in the schools, and pornography. While these are important moral issues, they are secondary right now to our national security and economic survival.

I must make it clear that I do not condemn these groups for what they believe. I happen to share many of the values emphasized by these organizations.

I, too, believe that we Americans should return to our traditional values concerning morality, family closeness, self-reliance, and a day's work for a day's pay. These are the values our forebears clung to as they built this Nation into the citadel of freedom it is today.

And I, too, have been pleased with the swing of the pendulum for in recent years to the conservative, moral end of the spectrum.

But I object to certain groups jumping on that pendulum and then claiming that they caused it to swing in the first place.

And I am frankly sick and tired of the political preachers across this country telling me as a citizen that if I want to be a moral person, I must believe in "A," "B," "C," and "D." Just who do they think they are? And from where do they presume to claim the right to dictate their moral beliefs to me?

And I am more angry as a legislator who must endure the threats of every religious group who thinks it has some God-granted right to control my vote on every rollcall in the Senate.

I am warning them today: I will fight them every step of the way if they try to dictate their moral convictions to all Americans in the name of conservatism.

This unrelenting obsession with a particular goal destroys the perspective of many decent people with whom I think I agree on most issues. In the quest for moral righteousness they have become easy prey to manipulation and misjudgment.

A prime example was the recent nomination of Sandra O'Connor as a Supreme Court justice and the ensuing uproar over her stand on abortion.

The abortion issue has nothing to do with being conservative or liberal. I happen to oppose abortion, but there are many fine conservatives who would go along with regulated abortions. In fact, my own wife believes that a woman should have the freedom of choice for herself whether she is capable of continuing the pregnancy and then raising the child.

I disagree with her on that. Yet I respect her right to disagree. If I expected her to agree with me on every issue we would be in a lot of trouble.

And the same goes for prospective Supreme Court justices. No single issue ever should decide the fitness of a Supreme Court justice. To think otherwise is to go against the integrity of the Constitution.

There are many broad issues addressed each day by a jurist that are much more revealing of how that person might perform on the High Court. A judge's attitude on private property rights, State sovereignty, statutory construction, and treatment of criminals tells me more about whether a person is conservative than his or her stand on abortion.

Of course, the saddest part of the whole dispute was that Judge O'Connor was attacked by these religious factions for a position she does not hold. She opposes abortion and said so. I firmly believe that she recognizes the authority of legislatures to regulate it.

She will make an excellent justice of the Supreme Court. She will make President Reagan proud that he chose her as the best of all candidates—men or women.

And the religious factions will go on imposing their will on others unless the decent people connected to them recognize that religion has no place in public policy.

They must learn to make their views known without trying to make their views the only alternatives.

The great decisions of Government cannot be dictated by the concerns of religious factions. This was true in the days of Madison, and it is just as true today.

We have succeeded for 205 years in keeping the affairs of State separate from the uncompromising idealism of religious groups and we must not stop now.

To retreat from that separation would violate the principles of conservatism and the values upon which the framers built this democratic republic.●

## CONSULTATIONS ON INTEREST RATE REDUCTIONS

● Mr. BAUCUS. Mr. President, on July 30 my colleague, Senator MELCHER, introduced Senate Joint Resolution 104 that would require President Reagan to begin immediate consultations with the Federal Reserve Board with the aim of reducing interest rates substantially within the next 60 to 90 days.

On August 20, the members of the Montana Governor's Ad Hoc Committee on Agriculture formally endorsed Senator MELCHER's resolution. I ask that their endorsement appear in the RECORD.

The material follows:

STATE OF MONTANA,
*Helena, August 20, 1981.*

Montana's two leading cereal grains, wheat and barley, are currently selling for 50 and 56 percent of parity, resulting in an ever in-

creasing need for credit to continue operations. Current usurious interest rates are devastating to agriculture as well as the rest of the economy. A one percent increase in interest rates results in a one billion dollar increase in expenses nationally for agriculture. An 8 percent decrease in rates would mean additional income to meet expenses in the amount of 8 billion dollars.

Senator John Melcher's efforts to lower interest rates are to be commended. The undersigned members of the Governor's Ad Hoc Committee on Agriculture does hereby endorse to support Senate Joint Resolution 104 introduced by Senator Melcher directing the President of the United States to consult with the Governors of the Federal Reserve System for the purpose of substantially reducing interest rates within the next 90 days. Unless this is done it will likely cost us a generation of young farmers.

Montana Farmers Union, Montana Farm Farm Bureau, Montana Stockgrowers Association, Montana CowBelles, Montana Cattlemen's Association and Dairy Association, National Farmers Organization, Montana Grain Growers Association, Montana Women Involved in Farm Economics, Montana State Grange, Montana Department of Agriculture, Farmers Union Marketing, and Processing, Cenex, Grain Terminal Association, Montana Weed Control Association, and LENEX.●

## NOTICE OF DETERMINATIONS BY THE SELECT COMMITTEE ON ETHICS

● Mr. WALLOP. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD this notice of Senate employees who propose to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Mr. Thomas A. Brooks of the staff of the Committee on Banking, Housing and Urban Affairs, and Ms. Joan McEntee of the staff of the Committee on Governmental Affairs, to participate in a program sponsored by a foreign educational organization, the Eisenhower Fellows Association in the Republic of China, from August 11 to September 4, 1981.

The committee has determined that participation by Mr. Brooks and Ms. McEntee, to discuss banking, finance and economic development in the program in Taiwan, is in the interests of the Senate and of the United States.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Mr. John R. Steer, legislative director to Senator STROM THURMOND, to participate in a program sponsored by a foreign educational organization, Tamkang University, in the Republic of China from August 16–24, 1981.

The committee has determined that participation by Mr. Steer in the program in the Republic of China, at the expense of Tamkang University, to discuss economics and international relations, is in the interests of the Senate and the United States.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Ms. Margo Carlisle of the staff of the Republican conference, to participate in a program sponsored by the Konrad Adenauer Foundation, to be held in Cologne, Germany from September 2 through 5, 1981.

The committee has determined that participation by Ms. Carlisle in the program in Cologne, Germany, at the expense of the Konrad Adenauer Foundation, is in the interests of the Senate and the United States.

The Select Committee on Ethics has received a request for determination under rule 35 which would permit Mr. John E. Carbaugh, Jr. of the staff of Senator HELMS to participate in a program sponsored by a foreign educational organization, the Konrad Adenauer Foundation in Bonn, West Germany, from September 3–6, 1981.

The committee has determined that his participation in the program in West Germany at the expense of the Adenauer Foundation, to discuss the Atlantic Alliance, is in the interests of the Senate and the United States.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Senator PAULA HAWKINS to participate in a program sponsored by a foreign educational organization, Ta Tung University, Taipei, Taiwan on August 31, 1981.

The committee has determined that participation by Senator HAWKINS in the program in Taiwan, at the expense of Ta Tung University, to speak to the faculty and student body of that university, is in the interests of the Senate and the United States.

The Select Committee on Ethics has received a request for a determination under rule 35 which permits Mr. Robert J. Kabel of the staff of Senator LUGAR to participate in a program sponsored by a foreign educational organization, Soochow University in Taipei, Taiwan on August 3–11, 1981.

The committee has determined that Mr. Kabel's participation in the program in Taiwan, at the expense of Soochow University, to discuss relations between the United States and the Republic of China, is in the interests of the Senate and the United States.

The Select Committee on Ethics has received a request for a determination under rule 35 which permits Mr. Kent Hughes of the staff of the Joint Economic Committee to participate in a program sponsored by a foreign educational organization, Tamkang University in Taiwan on August 16–24, 1981.

The committee has determined that Mr. Hughes' participation in the program in Taiwan, at the expense of Tamkang University, to discuss relations between the United States and the Repubic of China, is in the interests of the Senate and the United States.●

## SOUTH BRONX: STRENGTH FROM UNITY

● Mr. MOYNIHAN. Mr. President, the Sunday, July 26 Los Angeles Times carries a story entitled "South Bronx: Strength From Unity." As almost everyone knows by now Mr. President, politicians have made the South Bronx the most frequently visited part of New York in recent years. It is now apparent that the area is coming back to life. Its renaissance is the result of the efforts and faith of local residents and community organizations.

I ask that the text of this article be presented in the RECORD together with a letter from New York's Mayor Koch.

CITY OF NEW YORK,
*New York, N.Y., July 28, 1981.*

Hon. DANIEL PATRICK MOYNIHAN,
*Russell Senate Office Building,*
*Washington, D.C.*

DEAR SENATOR: The South Bronx is coming back. Here's a fresh look by a reporter from the Los Angeles Times. I know you'll be pleased to read his story.

All the best.

Sincerely,

EDWARD I. KOCH,
*Mayor.*

SOUTH BRONX: STRENGTH FROM UNITY

(By John J. Goldman)

NEW YORK.—After decades of decay and delay, significant stirrings are taking place in the South Bronx.

Where despair once reigned, a series of diverse community organizations—some with such exotic names as the Banana Kelly Community Improvement Assn., the Mid-Bronx Desperadoes, the Bronx Frontier Development Corp. and the Last Hope Tenants Assn.—are beginning to bring change and a piece of the American dream to the nation's most publicized urban wasteland.

The South Bronx, 20 square miles of New York City widely believed to contain only rubble-strewn empty lots, hides surprising pockets of strength: an industrial park under construction, truck farms, rose gardens, restorations of burned-out apartment buildings, even a windmill.

Land speculators are beginning to emerge; so are tax shelters for the wealthy.

An alliance of tough parish priests, professional planners and community activists is working to stamp out arson.

POTENT, APPEALING SYMBOL

Ground has been broken for 250 suburban-style, middle-income homes. The scene isn't exactly Levittown, and the problems that remain certainly are gigantic. But the symbol of suburban middle-class home ownership as a means of anchoring slum neigborhoods is powerful and appealing to urban planners.

"I hope that people who are middle-class and who hung on will say, "Gee, we're glad we hung on and we can stay," says New York's Mayor Edward I. Koch, who was born in the South Bronx. "I hope that people who left and who are middle-class will come back and buy some of these houses."

". . . It is an accurate statement to say that the South Bronx is coming back," Koch said. "I believe it to be so. People always focus on the dreadful parts of the South Bronx. You will find an enormous amount of construction there—low-income housing, moderate-income housing that has been built over the years."

"I AM VERY ENCOURAGED"

"There are centers of strength that will be expanded as long as everybody hangs in there," adds Mitchell Sviridoff, president of the Local Initiatives Support Corp., launched by the Ford Foundation last year in an effort to revitalize neighborhoods. "I am very encouraged by what has been happening in the Bronx."

The impression that the American dream

remains permanently shattered in the South Bronx has been enduring and has been reinforced by tours of the rubble by politicians of both parties, including President Reagan and his predecessor, Jimmy Carter. Pictures of both men viewing the wasteland of Charlotte Street hide another reality—the gritty vitality of many residents who have been working, building by building and block by block, to rebuild.

"The South Bronx is both an area and a scare word. The stereotypes tend to hide the activity," says Lois Harr, a project coordinator with the Northwest Bronx Community and Clergy Coalition, one of the principal groups seeking to improve the area. "What the South Bronx is about is people struggling in their neighborhoods."

"WE ARE THE GET SET"

"I am a conservative, liberal, radical grandmother," adds Anne Devenney, 61, president of the Coalition's Board of Directors." We improve. We don't move. We are not in the jet set. We are the get set. We get things done."

Despite her optimism, getting things done in the South Bronx has traditionally been very difficult. Resources for urban renewal have been scarce generally, and New York's fiscal crisis has heightened competition among neighborhoods for the money that is available. Thus, it is no surprise that what remains to be done in the South Bronx is awesome.

Just one statistic points to the scope of the problems: At least half of the 2,900 abandoned buildings still standing are so badly damaged that they must be torn down before new neighborhoods can be built.

But, two organizations have served as catalysts.

PARTNERSHIP WITH OTHERS

One is the Local Initiatives Support Corp. Launched by the Ford Foundation, it has forged a partnership with three other foundations and 10 corporations, including banks and insurance companies, to raise close to $2 million in fresh funds for the area. Since it started last year, the corporation has been able to raise more than $25 million nationally with 25 corporations contributing.

It has already funneled $255,800 to local South Bronx groups that have shown stability, managerial competence and community rapport. Only to the extent that these and other grass-roots organizations across the nation become businesslike and self-sufficient, will they be able to weather the difficult times ahead when federal budget cuts hit home.

A FASCINATING PLACE

The second coordinating body is the South Bronx Development Organization, directed by Edward J. Logue, the veteran urban planner whose work has altered the design of Boston, New Haven and New York. This group, created by Koch, has 15 directors representing City Hall, the Bronx Borough Hall and the South Bronx's six community boards. It started operations in 1979 and last fall was again funded by the city, state and federal governments as a nonprofit local development corp. It seeks economic development, job creation, housing and rehabilitation.

"It (the South Bronx) is a fascinating place. You catch the spirit of it," Logue says. "A year from now we will have achieved more momentum and begun to change attitudes even more. We will be getting more people in there to work. And we will be significantly more along in the basic thing we have to do—change the town's attitude about itself."

"If you change the attitude of the South Bronx people and they begin to think there is a reason for staying and a reason for improving, that makes the difference . . . There is a whole public perception of what the place is like, and there is a whole different reality."

DECLINE IN POPULATION

The reality of what happened in the South Bronx has been well chronicled—the flight of the middle class to the suburbs, the influx of poor, the arson, abandonment and decay. Latest census figures show the decline.

In the 10 years since 1970, the population of the South Bronx dropped from 763,326 to 459,777—a loss of 303,549. The loss of about 40 percent of any area's residents is startling. Not only did the population leave, but it changed, becoming overwhelmingly black and Latino.

Summarizing the turbulence and what happened afterward, the police station serving the toughest area in the South Bronx changed its nickname from "Ft. Apache" to "The Little House on the Prairie." Urban planners say the South Bronx burned itself out. What remained became ripe for renewal.

PRIESTS STARTED ORGANIZING

But while attention focused on the firestorm, several groups stubbornly stayed. Parish priests, facing rows of empty pews as parishioners fled, switched to community organizing. While chaos in the classroom dominated many public schools, the tough priests and nuns kept up educational standards in parochial schools. On some blocks residents formed community organizations to repair buildings, press absentee landlords for heat and hot water and to fight for a share of available local and federal funds.

"The role of the church as a catalytic force and as a stabilizing force has been major," Logue says. "The clergy believes there is work to be done, and they are working away at it. The clergy has a very special reason. What is a clergy without a flock?

"The parochial schools could have died. They went through some lean times, and then people said, 'Hey, here I get security, here I get discipline. My child gets educated.' You don't hear of any of the parochial schools closing down."

GOOD PRICE ON A HOME

". . . I tell everybody, sure we have 150,000 or 175,000 people on welfare," Logue adds. "But we got close to 300,000 people in families who support themselves. That says something. There is a large self-supporting population."

Stabilizing that population has been a major priority of South Bronx pioneers. Building 250 private suburban homes is the most dramatic event that has happened to the area in decades. The home building is clearly aimed at residents who are tempted to move elsewhere.

The address aside, the deal is one of the best in the nation. In few other places can buyers pay $41,500 for a brand-new, two-story, three-bedroom row house, complete with driveway and front yard, all with a 4.75 percent mortgage. A four-bedroom model is available for $49,500. Purchasers are required to earn from about $14,300 to $26,000 a year.

Two factors make the offering possible—the large amount of cheap city-owned land that was cleared by arson, plus a subsidized federal mortgage plan for single-family homes.

WORKSHOPS FOR PURCHASERS

The response of South Bronx residents has been strong, even though there has been no advertising yet and model homes still are to be built. The cooperative extension service of Cornell University has been running workshops for potential purchasers. Some of the meetings in local schools and churches have attracted as many as 400 people, who receive basic lessons in budgeting and worksheets on the cash flow that it takes to pay off a mortgage.

Over the years some urban planners, concerned about the plight of the poor, have criticized bringing more affluent families into an area—a process they label gentrification.

"You know, there are people who are against gentrification as they define it. I'm for gentrification because I define it more broadly," says Koch. "I happen to believe it's helpful to an area that is perceived as low-income, near the bottom of the poverty ladder to have an infusion of middle-class people—black, white and Hispanic—to upgrade the area.

"Nobody seems to get upset when a middle-class area starts to go downhill and the poor people move in. Why should people be upset from an ideological point of view that middle-class people move into a neighborhood that is poor? It takes years and years and years before there is even a significant impact of middle-class people moving into a neighborhood. I encourage it."

As important as the private housing is the plan for Bathgate Industrial Park. When fully developed, it is designed to bring 1,500 jobs to the South Bronx. The first building on the 21.5-acre site, situated largely on city-owned land near a convenient expressway, is under construction.

When the first structure is finished it will contain 60,000 square feet and will rent at between $2.50 and $3.00 a square foot—a price attractive enough to compete with industrial parks in New Jersey and Connecticut. To be secure from theft and vandalism the industrial park will use such techniques as off-street parking and inside loading.

With Koch's backing, the first building is being erected as a speculative venture—but if indications of interest from companies continue, parts of the park will not be speculative for long. The Port of New York Authority has become a partner in the project and has agreed to develop at least three of its eight blocks. Over the next five years the South Bronx Development Organization sees a market for 2.5 million square feet of new industrial space. It has been looking for other sites.

700 LOCAL GROUPS SURVIVE

Another part of the strategy for bringing back the Bronx is strengthening existing community groups. About 700 local groups have survived, ranging from block associations to larger bodies like the Burnside Development Corp., the Northwest Bronx Community and Clergy Coalition and the Southeast Bronx Community Organization.

Daniel Rosa, who runs a meat market on Burnside Avenue, remembers the days when Loew's Burnside Theater flourished. The movie house no longer operates, and Rosa, as head of the Burnside Development Corp. consisting of 100 merchants, has been fighting to bring back what was once a very strong shopping area.

"This was always a seven-day-a-week business community, predominantly Jewish," Rosa recalls. "The void is being filled by middle-class blacks and Hispanics. They are trying to raise their children to give them a better outlook."

Rosa is part cheerleader, part urban strategist. He lobbies for better street lighting, for quick rehabilitation of buildings after fires, for better subway service and for new private investment along Burnside Avenue.

"We want to have a neighborhood office to set up tenant organizations," he said, spreading a map of the area on the top of his meat market's freezer. "We are trying the grass-roots, ground-up approach. We are trying to show the city there is a tremendous amount of vitality up here. The Bronx bottomed out a few years ago. The smart real estate people knew there is a future."

While Rosa heads one of the more successful neighborhood merchants associations, the scope of the Northwest Bronx Commu-

nity and Clergy Coalition is far broader. Its mandate covers one-fourth of the Bronx.

The coalition was organized in 1973 by the pastors of 16 parishes. Their goal was to treat the problems of their 12 neighborhoods in the Northwest Bronx and avoid the waves of destruction sweeping through the southern part of the borough. But trouble soon spread north until the area the coalition serves is now considered part of the devastated South Bronx.

The churchmen responded by convassing their neighborhoods and forming 974 tenant associations and 137 block organizations. The coalition made efforts to save hundreds of decaying buildings, fighting to have 37,000 building violations removed and improving safety in 557 structures through installing secure lobby doors, intercom systems and other measures. New boilers, plumbing, wiring, mailboxes and roofs were obtained in many cases.

The Community and Clergy Coalition has organized more than 300 cleanups of streets, sidewalks and vacant lots. It has planted trees and community gardens, sealed abandoned buildings, repaired broken sewers and supervised play streets. Neighborhood patrols have been organized. The coalition has forged alliances with several banks and insurance companies to get financing for building improvements. Three insurance companies—Aetna, Allstate and Travelers—have agreed to write policies in neighborhoods the coalition covers.

ARSON PREVENTION PROJECT

Working with members of the Bronx District Attorney's Office, the U.S. Fire Administration and the New York City Fire Department, members of the coalition have launched a unique arson prevention project in 50 buildings.

Arson-prone buildings are identified through computer analysis. Tax arrears, vacancy rate, the number of previous fires of other measurements are entered into a computer and a score is assigned to the structure. Thirteen would be an abandoned building with 12 previous fires.

"Most of the buildings we look at are in the 1.85 range," says Lois Harr, who heads the coalition's antiarson effort "We channel the buildings into a treatment program."

TREATMENT PROGRAM

That can include organizing the building's tenants, finding out who holds the insurance, inspecting the structure for repairs and meeting with cooperative landlords to arrange fix-ups or refinancing. If a landlord is uncooperative, court action can follow to put a bank-appointed manager in charge of the building.

Sometimes the satisfactions are far greater than restoring bricks and mortar. Harr, 27, who grew up in the Bronx and who graduated from Fordham University in the neighborhood where rehabilitation work is under way, remembers what happened in one building when it was finally repaired.

"The younger people, blacks and Hispanics in the building, gave a little old white-haired lady a birthday party. They learned there was something to be gained by working together. It was a thrill to go to her birthday party," Harr said. "It was the first winter in four years they had heat and hot water."

ENTERING ANOTHER WORLD

Perhaps the most spectacular progress in all 20 square miles of the South Bronx has been made in the Hunts Point section nicknamed Gigante Land, after Father Louis Gigante, an associate pastor of St. Athanasius Roman Catholic Church.

Gigante formed the Southeast Bronx Community Organization in 1968 when Hunts Point was synonymous with dilapidated housing, poor health care, crime and decay. These days, to enter Gigante Land is to enter another world.

The area is dominated by rehabilitated apartment houses and Tiffany Plaza, and outdoor, European-style plaza with ornamental fountains and lion's-head sculptures, made in Italy, spouting water. The plaza contains a stage and 30 honey locust trees. Over the years, Gigante has overseen the construction and rehabilitation of 1,100 federally subsidized apartments.

SELLING TAX SHELTERS

The group's budget is funded in part by the sale of tax shelters on its buildings. On a $10,000 investment, deductions of up to $30,000 a year for five years are possible. Selling tax shelters to wealth investors has become an increasingly common tactic among South Bronx development groups.

There also are signs that real estate speculators are beginning to purchase properties on a selective basis. Gigante's group thought it had a deal recently to buy land for a parking lot by paying the owner's back taxes. But when the time came to purchase the lot, another buyer had stepped in and was asking a much higher price for the land.

"We have to stay here. We live and die here," says Mario Tolsano, the group director. "We expect to be around for a long time just to make sure that the neighborhood becomes stable."

Clearly, the process of bringing stability to the South Bronx will be long and difficult. The hardships some community groups have endured are memorialized by such names as the Last Hope Tenants Assn. and the Mid-Bronx Desperadoes Community Housing Corp. The Mid-Bronx Desperadoes were formed by nine tenant and block associations who were desperate because of the arson and abandonment sweeping Charlotte Street and the nearby neighborhood.

In seven years the Desperadoes have rehabilitated more than 300 units of housing. The group runs senior citizen patrols, youth and senior citizen committees. It prints a community newsletter and has undertaken beautification projects that include building picket fences and planting flowers around trees that grow in the South Bronx. The Desperadoes work closely with a day-care center, sponsoring educational projects and have contacted more than 200 merchants to form an association to stabilize shopping streets.

"When we applied to the state with the name Desperadoes because were were desperate, the state refused to incorporate us. Officials thought we were a vigilante group," says Genevieve Brooks, the group's president. The problem was solved by incorporating under the initials MBD—which satisfied the lawyers.

"CLEANEST BLOCK IN CITY"

"We felt there were a lot of good people here and they should have a chance," Brooks says. "We are the cleanest block in the city. There are no graffiti on our block of Vyse Avenue. Our floors are highly polished. Curtains are on the windows. Our people are very proud of where they live. The people here are entering into a community. It's a family."

The Last Hope Tenants Assn. was formed because all the other apartment houses in a section of Charlotte Street were torn down. The association has worked successfully to stabilize the last remaining building.

While blocks of Charlotte Street typify urban blight and are startling to tourists, the contrasts now appearing in the South Bronx can be equally startling. Near an expressway on Bathgate Avenue stands a truck farm, complete with its own greenhouse. It grows cucumbers, flowers, grasses, tomatoes and herbs designed to be sold to chic Manhattan restaurants. There are plans, with logic based on locale, to plant mushrooms in darkness of a nearby abandoned building.

"Mushrooms grow in the dark, so abandoned buildings are ideal," says Connie Davis, the farm's office manager, who previously was a social worker. "The Bronx was originally farmland, and we are going back to some of its roots."

In another aspect of soil management, Bronx Frontier Development Corp. furnishes compost material for street gardens. The mulch is manufactured on what Bronx Frontier calls its "ranch," complete with a 64-foot-tall windmill named Aeolus in honor of the Greek wind god. The windmill not only furnishes electricity but is also designed to aerate the mulch pile. As an added bonus, the windmill contains a synthesizer that plays music as the blades spin.

Contrasts are equally vivid on one block of Kelly Street. Boarded-up apartment buildings stand as reminders of the area's decline, but across the street are rehabilitated redbrick buildings with solar collectors on the roof. The apartments include duplexes as chic as many found in Manhattan. Behind the renovated structures stand a rose garden, vegetable beds, a small park and a playground complete with a "dragon" made from wood and abandoned tires.

Responsible for the renovation is the Banana Kelly Community Improvement Assn., so named because part of Kelly Street is curved like a banana. In the four years since its founding, the group has weatherized and managed housing, sealed up abandoned buildings, formed a food cooperative and begun marketing a product one of its members invented—a thermoshade that is placed over windows preventing heat loss during the winter.

Some urban planners believe the transition from community groups to small businesses will be a benchmark in the future of the South Bronx. Another benchmark could be the expansion of single-family, owner-occupied housing. The technology exists for a few family members to do most of the work to erect a new house.

"If people see home ownership as a workable option in the South Bronx and if land can be made available cheaply—which it can—the impact could be magic," Logue said. "We might see a whole new wave of urban homesteaders."●

## OIL PIPELINE DECONTROL LEGISLATION

● Mr. MURKOWSKI. Mr. President, I have worked closely with Senator NICKLES over the past few weeks in an effort to design legislation to reform petroleum pipeline regulations. I share Senator NICKLES' views with respect to the need for regulatory reform of this industry. This is a competitive industry, and Government regulation is not needed.

I believe, however, that unique circumstances exist with respect to the transportation of oil through the Trans-Alaska pipeline system authorized by by the Trans-Alaska Pipeline Act to transport oil from the North Slope of Alaska to the Port of Valdez. Because of the special situation, maintaining Federal Energy Regulatory Commission responsibility for determining the transportation rate for this particular system is essential. Senator NICKLES and I have agreed on language which recognizes this. Accordingly, rate regulation over the Trans-Alaska Pipeline System will be maintained under the proposed legislation.●

## PHILIP SLOMOVITZ HONORED

● Mr. LEVIN. Mr. President, on September 22, Bar-Ilan University, the third largest university in Israel, will formally confer the degree of Doctor of Humane Letters on Philip Slomovitz and establish the "Philip Slomovitz Chair in Communications" in his honor. I rise to call this event to the attention of the Senate not just because Phil is a close friend of mine, but also because I believe that his accomplishments deserve to be recognized at the national level just as they have been in Michigan and in many parts of the world.

Phil Slomovitz has, for the past 35 years, served as the editor of one of the truly great weeklies to be published in the United States, the Detroit Jewish News. His work on the paper has allowed Phil to combine the three moving forces of his life: His love for America, his devotion to the Jewish people, and his respect for the printed word.

As a journalist, Phil is a keen observer of the world that surrounds him, reporting on events which affect his community and commenting on the forces which shape it with an insight and intelligence and elegance that have marked his writing for years. As an individual, Phil has accepted his responsibility to help make the world a better place for all people. He does not just cover events; he helps to shape them. He does not attend just to report; he shares in the decisionmaking process and his suggestions and guidance are inevitably solicited and respected.

I suspect that of all the awards he has received, and there have been many, the establishment of a chair bearing his name at Bar-Ilan University is the honor that may mean the most to him. When Phil accepts that award, and the honorary degree being bestowed on him, he will see tangible evidence of the respect and admiration and love which his work and his life have earned for him.●

## TRIBUTE TO ROY WILKINS

● Mr. HEINZ. Mr. President, behind every successful movement there is always one person who steadfastly goes about getting the job done. Roy Wilkins, who led the National Association for the Advancement of Colored People for 22 years, was such a man. If he were alive today, he would insist—correctly so—that the big job is still not done; nevertheless, it was he who laid the foundation for those laborers who will follow him.

As editor, executive, and activist, Roy Wilkins played a major role in winning progress for American blacks and other minorities in the last half century. He organized the march on Washington in 1963 that mobilized public opinion behind his people's cause and made it a national cause. We can be grateful to Roy Wilkins in large measure for the Civil Rights Act of 1964, the Voting Rights Act of 1965, and the Fair Housing Act of 1968.

Roy Wilkins' greatest quality was his ability to convey his passion for justice and his conviction that the underdog must be included in our society. He well knew that it was in the interest of all Americans to recognize the human dignity and worth of their countrymen and women. Besides his keen moral vision, he succeeded through his intelligence, his thoroughness, his quiet use of power, and his mastery of the English language.

This Congress and this administration have faced and will continue to face a series of challenges that will affect future generations. I hope that we will keep Roy Wilkins' life and work as a guide, and imitate a man who set his course on what was ultimately right and who helped move the country in that direction. America has lost a good friend.●

## THE SPRINGBOKS SHOULD GO HOME

● Mr. KENNEDY. Mr. President, I wish to express my deep opposition to the decision to invite and to permit the Springbok rugby team of South Africa to compete in the United States. These decisions run directly counter to our Nation's proud tradition of support for civil and human rights. Here in the United States, it is a basic right to participate and compete in sports regardless of race. But in South Africa, the black majority is excluded from the Springbok rugby team—as they are from opportunities in the most basic aspects of human existence by the inhumane, racist system of apartheid.

By allowing the Springboks into the United States, the Reagan administration is telling the world of its indifference to South Africa's apartheid policies. Only last month, the South African Government decided to evict over 1,200 squatters from Nyanja township, outside Capetown, and to deport them to a life of poverty and deprivation in the Transkei. Instead of indirectly supporting South Africa's racist policies, the United States should do all it can to end apartheid, which is an abhorrent violation of fundamental human rights.

The administration's decision further undermines U.S. policy in Africa. Nations throughout Africa have been clear in their opposition to this rugby tour. Yet instead of taking African views into consideration, the Reagan administration has shown once again great insensitivity to the legitimate concerns raised throughout Africa.

Moreover, this decision provides a useful propaganda tool for the Soviet Union. By opposing this rugby tour and by threatening to boycott the 1984 Olympics, the Soviet Union—not the United States—can claim to support human rights and majority rule throughout Africa. Instead of opening an avenue for Soviet gains in Africa, the United States must stand firm in its commitment to democracy and fundamental human rights.

Mr. President, in the wake of the appalling United States veto of a U.N. resolution condemning South Africa's recent invasion of Angola, it is time to put America's Africa policy back on track. We must never forget that our basic interests are those which we share with the people of Africa: upholding national sovereignty, promoting economic development and attaining fundamental goals of political and racial justice. I believe that by stating opposition to the Springbok tour, the American people can show Africa and the world that we both oppose the administration's decision and stand firm in our commitment to civil and human rights.●

## INTERNATIONAL LINER SHIPPING

● Mr. PACKWOOD. Mr. President, I have requested that my name be added as a cosponsor of S. 1593, a bill to revise regulation of international liner shipping. I am pleased that Merchant Marine Subcommittee Chairman SLADE GORTON has moved forward with this needed legislation. Before we address maritime promotional policy, we must provide U.S. maritime carriers and shippers with a legal and regulatory environment conducive to international competition.

Reinstating the immunities provided by the 1916 Shipping Act, as S. 1593 seeks to do, will go a long way toward this end.

I believe the concept of shippers councils and the precise nature of regulatory reforms affecting the Federal Maritime Commission deserve further review. Hearings on S. 1593, and S. 125, introduced by Senator INOUYE, will focus on these and related issues.

As chairman of the Commerce Committee I am committed to revitalization of the U.S. merchant marine, and support this initiative to place the U.S. industry on an equal, competitive footing.●

## OIL, OPEC, AND U.S. POLICY

● Mr. HATCH. Mr. President, for the past decade this Nation has been forced to deal with the erratic behavior of OPEC pricing policies. The 1973 oil embargo forced prices to skyrocket and sent waves of fear reverberating through the gas-buying public. In many circles it was suggested that U.S. policy, particularly toward the Middle East, would have to give greater consideration to OPEC desires in the future. Oil producing nations fostered such a belief and basked in the newly created perception of power.

In the intervening years many oil consuming nations have invested massive amounts in researching alternative energy sources. These programs, coupled with conservation campaigns, have reduced demand for oil. The net result has been a glut of oil on the world market. The recent meeting of OPEC nations failed to establish a clear policy giving supporting evidence to the economic law of supply and demand. The member nations of the cartel found it easy to agree when demand was high, but national interests take over when competition for sales becomes more intense.

On August 1, 1981 a stimulating Op-Ed piece appeared in the Chicago Tribune entitled "Oil, OPEC, and U.S. Policy." The author, Jeffrey Bergner, puts the arguments on this topic in a clear, concise manner. He outlines the positions available to the United States and our allies vis-a-vis the OPEC nations

and suggests some options. Recent actions by the Reagan administration, particularly the Libyan plane incident, demonstrate a resolve previously missing in U.S. policy. OPEC nations would do well to take notice of these events. The question is not: How much will they charge us for oil? Instead it should be: Where else will they sell their oil? It is my belief that at the present time the Soviet Union is not interested in purchasing oil on the world market at inflated prices. In fact, they would much rather seize the oilfields and the OPEC nations know it.

Mr. President, I ask that the above-mentioned article be reprinted in the RECORD.

The article follows:

OIL, OPEC, AND U.S. POLICY

(By Jeffrey Bergner)

Motorists may have had the unusual experience of paying less, not more, for gasoline in recent weeks. The arrest and reversal of a seemingly inevitable upward spiral in the price of oil is welcome in itself; but it is also occasion for reflection upon a few simple truths about oil, the OPEC cartel, and American foreign policy.

The first of these is that oil is indeed a commodity, much like any other commodity which is bought and sold. This would go without saying, were it not for the fact that OPEC oil ministers have spent several years propounding with some success a quite different view.

OPEC oil ministers have fostered the myth that oil is unique: Unlike the price of other commodities, which is set by the market, the price of oil is set by men whose goals include an integrated world economy, Third World economic development, and a more just system of distribution. When production levels go up, it is a favor to the world economy, and especially the West; when production levels go down, it is to preserve oil supplies for the good of all peoples. When prices rise, it is to compensate producing nations for Western inflation and to realize economic development goals. So the myth runs.

But price and production levels are not set by a willful cartel free of all restriction upon its plans. The recent softening of demand for world oil exports has made this clear.

There may not be a perfectly free market in oil; the fact that governments, rather than profit-seeking corporations, control oil production in many nations diminishes the freedom of the market. So, too, does the fact that these governments attempt to collude on prices. But it still remains: Because there is not a perfectly free market in oil does not mean that there is no market at all.

Supply and demand has not, nor will it ever be, abolished by fiat. In the short run there can indeed be manipulation of supply and price within certain limits. But these limits are set by the facts that national interests differ, even among the OPEC nations; that decreases in production by some nations result in revenue losses for those nations; and that increases in price make alternative energy sources more attractive.

U.S. imports are running at between 5 and 6 million barrels of oil per day, over 30 per cent below 1977 levels. Domestic production, conservation, and alternative fuels all account for this decline. Recent studies now suggest far greater elasticities of demand for oil than were once assumed. And there is room for far more improvement in the future.

All of this is not without meaning for American foreign policy. In recent years it has been argued that our policy options in the Middle East have been closely constrained by our reliance upon Persian Gulf oil; similarly, our response to Libyan-supported terrorism by our reliance upon Libyan oil; similarly, our initiatives in Nambia, Angola, and South Africa by our reliance upon Nigerian oil; and similarly, our policies in the Western hemisphere by the increasing importance of Mexico as an oil-exporting nation.

Oil is a highly tradeable commodity, as the 1974 embargo proved. It is difficult for any one nation or group of nations to cut off oil supplies to another nation and to retain business as usual with the rest of the world. To think, however, that all of the exporting nations can withhold oil from the industrialized world at once is simply unrealistic.

This is not to suggest recklessness in American foreign policy or to imply that temporary adjustments in the world market may not be inconvenient or painful to Americans. But the current decline in world demand for oil demonstrates the importance of market forces upon the commodity of oil. It suggests, too, that with some clarity of mind, consultation with other oil-importing nations and resoluteness of will that foreign policy can be liberated from the threat of the so-called oil weapon.●

## ORDER OF PROCEDURE

Mr. BAKER. Madam President, I have a number of housekeeping details to attend to and before I do proceed to their consideration and inquire of the minority leader of his wishes in respect of certain matters I have a statement I wish to make.

## WILBUR WALKER'S 65TH BIRTHDAY

Mr. BAKER. Madam President, I shall take only a moment today to depart from budget considerations and the farm bill to announce to the Senate a truly significant occurrence: Today is the 65th birthday anniversary of Wilbur Walker.

Some may say, "Who is Wilbur Walker?"

I reply, Madam President, that Wilbur Walker is one of the unsung heroes of the Senate and he has been so for more than 30 years, for Wilbur Walker is the most senior of all of the Senate drivers.

He happens to be the man who regularly travels with me in the automobile generously assigned by the Senate as I go about my official duties.

Over the years I have come to know Wilbur Walker well and to know him as the A. J. Foyt of politics. He is a modern-day pony express, and he is the one member of my staff who does not ever desert me or inquire into my position on important and earth-shaking issues.

But, Madam President, he is more than just a driver. He is my conjointment with the past, for indeed Wilbur Walker began his career as an employee of the Senate as the assigned driver for then Senator Alben Barkley of Kentucky in 1947. Since then he has been the driver for the illustrious Senator from Ohio, Senator Robert A. Taft, Sr.; for my predecessor as Republican majority leader, Senator William Knowland of California; and for Senator Everett Dirksen of Illinois, the minority leader, a man for whom I have extraordinary respect; and for Senator Griffin of Michigan when he was the assistant Republican leader of the Senate.

He is truly a professional among drivers and his professionalism was never brought to a higher level of accomplishment and never better stated than when a representative of one of the commercial television networks approached Mr. Walker one day and said, "Mr. Walker, I understand that you began driving for Alben Barkley in the 1940's and that you have driven for a series of majority and minority leaders since that time. You must have heard a lot of top politics talk in the back seat of your car," to which Wilbur Walker replied, "Indeed I have."

He said, "Mr. Walker, are you someday going to write a book?"

Wilbur Walker replied, "You may be assured that I am not," which I take to be the mark of a true professional and too infrequently noted in this world in which we politicians thrive.

Madam President, Wilbur Walker has always been proud to be part of the Senate, and I will take this opportunity to tell him that we have been proud to have him to be part of this family and of this organization.

## EXECUTIVE SESSION

Mr. BAKER. Madam President, I am prepared at this time to consider three nominations on the Executive Calendar, and I will ask the distinguished minority leader if he might examine his calendar to say whether or not we might consider those nominations appearing under National Labor Relations Board and, under New Reports, Community Services Administration at this time?

Mr. ROBERT C. BYRD. Madam President, the nominations referred to by the distinguished majority leader have been cleared on this side of the aisle.

Mr. BAKER. I thank the minority leader.

Madam President, I ask unanimous consent that the Senate now go into executive session to consider the three nominations just identified.

The PRESIDING OFFICER. Without objection, it is so ordered.

The assistant legislative clerk proceeded to read various nominations under the National Labor Relations Board and the Community Services Administration.

Mr. BAKER. Madam President, I ask unanimous consent that the three nominations be considered and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

NATIONAL LABOR RELATIONS BOARD

Robert P. Hunter, of Virginia, to be a member of the National Labor Relations Board for the term of 5 years expiring August 27, 1985.

COMMUNITY SERVICES ADMINISTRATION

Clarence Eugene Hodges, of Indiana, to be an Assistant Director of the Community Services Administration.

Lawrence Y. Goldberg, of Rhode Island, to be an Assistant Director of the Community Services Administration.

Mr. BAKER. Madam President, I move to reconsider the vote by which the nominations were confirmed en bloc.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Madam President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

## LEGISLATIVE SESSION

Mr. BAKER. Madam President, I now ask that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ORDERS FOR WEDNESDAY

ORDER FOR THE SENATE TO RECESS UNTIL 9 A.M.

Mr. BAKER. Madam President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9 a.m. on tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATORS RIEGLE AND COHEN

Mr. BAKER. Madam President, I ask unanimous consent that after the two leaders are recognized under the standing order that the Senators from Michigan (Mr. RIEGLE), and Maine (Mr. COHEN) each be recognized in that order for not to exceed 15 minutes on special orders.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Madam President, I ask unanimous consent that after the recognition of the two leaders under the standing order and the two Senators just granted special orders there be a brief period for the transaction of routine morning business to extend not past the hour of 10 a.m. in which Senators may speak for not more than 2 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

## LEGISLATIVE PROGRAM FOR THE NEXT SEVERAL DAYS

Mr. BAKER. As some point, Madam President, I would expect this week, perhaps tomorrow, to return to the consideration of the farm bill.

After the farm bill is concluded, it is the hope of the leadership that we may proceed to the consideration of the Department of Interior appropriation bill this week.

Following on after that, Madam President, I would hope that the O'Connor nomination to be an Associate Justice of the Supreme Court of the United States would be available so that we may proceed to the consideration of that matter in executive session on Monday next.

After the disposition of the O'Connor nomination, it is the hope of the leadership that we will be in position to proceed to the consideration of the Foreign Assistance Act.

Madam President, that is a brief vignette of the legislative schedule as I see it for the next few days.

Other matters may intervene of urgent importance. Other matters, of course, will be dealt with by unanimous consent if they are available or on short-time limitations if they are required for other measures that are not very controversial.

## INQUIRY REGARDING TIME-LIMITATION AGREEMENT ON O'CONNOR NOMINATION

Mr. BAKER. Madam President, might I inquire of the distinguished minority leader if he is in a position to agree to a unanimous-consent request in respect to a limitation of time for debate on the nomination of Sandra Day O'Connor on Monday, September 21?

Mr. ROBERT C. BYRD. Madam President, the matter is being cleared on this side of the aisle. I do not at the moment anticipate any problem, but I am not in a position at this moment to give to the distinguished majority leader an answer in the affirmative.

Mr. BAKER. I thank the minority leader. I appreciate the response and I will confer with the minority leader on tomorrow.

I have no further matters to present to the Senate, and I ask the minority leader if there is any further business he wishes to transact this evening.

Mr. ROBERT C. BYRD. Madam President, I thank the distinguished majority leader. I have none.

## PROGRAM

Mr. BAKER. Madam President, tomorrow the Senate will convene at 9 o'clock. After the recognition of the two leaders under the standing order, there will be two special orders in favor of the Senator from Michigan (Mr. RIEGLE) and the Senator from Maine (Mr. COHEN). After the recognition of the two Senators under special orders, there will be a brief period for the transaction of routine morning business not to extend beyond the hour of 10 a.m. during which Senators may speak for not more than 2 minutes each.

At 10 o'clock, after the orders previously entered, the Senate will resume consideration of the farm bill. It is my hope, Madam President, that we can complete consideration of the farm bill on tomorrow.

At the hour of 2 o'clock, under the order previously entered, a vote will occur, pursuant to the provisions of rule XXII, on the cloture motion filed to end debate on the Johnston amendment to the Department of Justice authorization bill. An order has been entered heretofore that if cloture is not invoked on tomorrow the bill will be returned to the calendar automatically.

Madam President, after the disposition of the vote on the Johnston amendment, the cloture motion vote, I hope to have a further announcement in respect to a mutually satisfactory arrangement in dealing with further consideration of the Department of Justice authorization bill.

## RECESS UNTIL 9 A.M. TOMORROW

Mr. BAKER. Madam President, I now move, in accordance with the order previously entered, that the Senate stand in recess until 9 a.m. tomorrow.

The motion was agreed to; and at 6:36 p.m. the Senate recessed until Wednesday, September 16, 1981, at 9 a.m.

## NOMINATIONS

Executive nominations received by the Senate September 15, 1981:

INTERNATIONAL ATOMIC ENERGY AGENCY

The following-named persons to be the Representative and Alternate Representatives of the United States of America to the 25th session of the General Conference of the International Atomic Energy Agency:

Representative:

W. Kenneth Davis, of California.

Alternate Representatives:

Richard T. Kennedy, of the District of Columbia.

Roger Kirk, of the District of Columbia.

Thomas M. Roberts, of Tennessee.

DEPARTMENT OF STATE

John Augustus Bohn, Jr., of California, for the rank of Ambassador, while serving as U.S. Director of the Asian Development Bank.

CORPORATION FOR PUBLIC BROADCASTING

Sonia Landau, of New York, to be a Member of the Corporation for Public Broadcasting for the remainder of the term expiring March 26, 1986, vice Melba Patillo Beals.

R. Kenneth Towery, of Texas, to be a Member of the Corporation for Public Broadcasting for the remainder of the term expiring March 26, 1986, vice Reuben W. Askanase.

## CONFIRMATIONS

Executive nominations confirmed by the Senate September 15, 1981:

NATIONAL LABOR RELATIONS BOARD

Robert P. Hunter, of Virginia, to be a Member of the National Labor Relations Board for the term of 5 years expiring August 27, 1985, vice John C. Truesdale.

COMMUNITY SERVICES ADMINISTRATION

Clarence Eugene Hodges, of Indiana, to be an Assistant Director of the Community Services Administration, vice Michael T. Blouin, resigned.

Lawrence Y. Goldberg, of Rhode Island, to be an Assistant Director of the Community Services Administration, vice Robert Stern Landmann, resigned.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

# HOUSE OF REPRESENTATIVES—*Tuesday, September 15, 1981*

The House met at 12 o'clock noon.

The Reverend David G. Buescher, Washington, D.C., offered the following prayer:

Creator of the universe, God of all peoples, Father of all nations, to You we turn again today.

Without You there can be no goodness, but with You is justice, mercy, and compassion.

Be with this House today. Let Your Spirit breathe through the minds and hearts of these women and men who ask Your guidance. We trust that Your presence is here with us, creating and recreating, holding firm and starting again, dividing and reconciling. We pray that all our consultations, deliberations, and decisions will be after the image of Your own mind and in the likeness of Your just heart. Breathe where You will here and around our world until all peoples are one in Your new nation of justice, peace, and love, forever and ever. Amen.

## THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. WALKER. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 366, nays 12, answered "present" 1, not voting 54, as follows:

[Roll No. 201]

YEAS—366

| | | |
|---|---|---|
| Addabbo | Atkinson | Bennett |
| Akaka | Badham | Bereuter |
| Albosta | Bafalis | Bethune |
| Alexander | Bailey (MO) | Bevill |
| Anderson | Bailey (PA) | Bingham |
| Andrews | Barnard | Blanchard |
| Annunzio | Barnes | Bliley |
| Anthony | Beard | Boggs |
| Archer | Bedell | Boland |
| Ashbrook | Benedict | Bolling |
| Aspin | Benjamin | Boner |
| Bonior | Frenzel | Martin (NC) |
| Bonker | Frost | Martin (NY) |
| Bouquard | Gephardt | Matsui |
| Bowen | Gibbons | Mattox |
| Breaux | Gingrich | Mavroules |
| Brinkley | Ginn | Mazzoli |
| Brodhead | Glickman | McClory |
| Brooks | Gonzalez | McCloskey |
| Broomfield | Gore | McCollum |
| Brown (CA) | Gradison | McCurdy |
| Brown (CO) | Gramm | McDade |
| Brown (OH) | Gray | McDonald |
| Broyhill | Green | McEwen |
| Burgener | Gregg | McGrath |
| Burton, John | Grisham | McHugh |
| Butler | Guarini | McKinney |
| Byron | Gunderson | Mica |
| Campbell | Hagedorn | Michel |
| Carman | Hall (OH) | Mikulski |
| Carney | Hall, Ralph | Miller (OH) |
| Chappell | Hall, Sam | Mineta |
| Chappie | Hamilton | Minish |
| Cheney | Hammerschmidt | Mitchell (NY) |
| Clinger | Hance | Moakley |
| Coats | Hansen (ID) | Moffett |
| Coelho | Hansen (UT) | Molinari |
| Coleman | Harkin | Mollohan |
| Collins (IL) | Hartnett | Montgomery |
| Collins (TX) | Hatcher | Moore |
| Conable | Hawkins | Moorhead |
| Conte | Heckler | Morrison |
| Corcoran | Hefner | Mottl |
| Coughlin | Heftel | Murphy |
| Courter | Hendon | Murtha |
| Coyne, James | Hertel | Myers |
| Coyne, William | Hightower | Napier |
| Crane, Daniel | Hiler | Natcher |
| Crane, Philip | Hillis | Neal |
| D'Amours | Holland | Nelligan |
| Daniel, Dan | Hollenbeck | Nowak |
| Daniel, R. W. | Holt | Oakar |
| Danielson | Hopkins | Oberstar |
| Dannemeyer | Horton | Obey |
| Daschle | Howard | Panetta |
| Daub | Hoyer | Parris |
| Davis | Hubbard | Pashayan |
| Deckard | Huckaby | Patman |
| Derrick | Hughes | Patterson |
| Derwinski | Hunter | Paul |
| Dickinson | Hutto | Pease |
| Dicks | Hyde | Perkins |
| Dingell | Jeffords | Petri |
| Dixon | Jeffries | Peyser |
| Donnelly | Jenkins | Pickle |
| Dorgan | Johnston | Porter |
| Dowdy | Jones (NC) | Price |
| Dreier | Jones (OK) | Pritchard |
| Duncan | Jones (TN) | Pursell |
| Dunn | Kastenmeier | Quillen |
| Dwyer | Kazen | Rahall |
| Dymally | Kemp | Railsback |
| Dyson | Kildee | Rangel |
| Early | Kindness | Ratchford |
| Eckart | Kogovsek | Regula |
| Edwards (AL) | Kramer | Reuss |
| Edwards (CA) | Lagomarsino | Richmond |
| Edwards (OK) | Lantos | Rinaldo |
| Emerson | Latta | Ritter |
| English | Leach | Roberts (SD) |
| Erdahl | Leath | Robinson |
| Erlenborn | LeBoutillier | Rodino |
| Evans (DE) | Lehman | Roe |
| Evans (GA) | Lent | Rogers |
| Evans (IN) | Levitas | Rose |
| Fazio | Lewis | Rosenthal |
| Fenwick | Livingston | Rostenkowski |
| Ferraro | Loeffler | Roth |
| Fiedler | Long (MD) | Roukema |
| Fields | Lott | Rousselot |
| Findley | Lowery (CA) | Russo |
| Flippo | Lowry (WA) | Santini |
| Florio | Luken | Sawyer |
| Foley | Lungren | Schulze |
| Ford (MI) | Markey | Schumer |
| Ford (TN) | Marks | Seiberling |
| Fountain | Marlenee | Sensenbrenner |
| Fowler | Marriott | Shamansky |
| Frank | Martin (IL) | Shannon |
| Sharp | Staton | Weber (OH) |
| Shaw | Stenholm | Weiss |
| Shelby | Stokes | White |
| Shumway | Stratton | Whitehurst |
| Shuster | Studds | Whitley |
| Siljander | Stump | Whittaker |
| Simon | Swift | Whitten |
| Skelton | Synar | Williams (OH) |
| Smith (AL) | Tauke | Wilson |
| Smith (IA) | Tauzin | Winn |
| Smith (NE) | Traxler | Wirth |
| Smith (NJ) | Trible | Wolf |
| Smith (OR) | Udall | Wolpe |
| Smith (PA) | Vander Jagt | Wortley |
| Snowe | Vento | Wright |
| Snyder | Volkmer | Wyden |
| Solarz | Walgren | Wylie |
| Solomon | Wampler | Yates |
| Spence | Washington | Yatron |
| St Germain | Watkins | Young (FL) |
| Stangeland | Waxman | Young (MO) |
| Stanton | Weaver | Zablocki |
| Stark | Weber (MN) | Zeferetti |

NAYS—12

| | | |
|---|---|---|
| Beilenson | Forsythe | Nichols |
| Conyers | Gejdenson | Sabo |
| Edgar | Jacobs | Schroeder |
| Evans (IA) | Mitchell (MD) | Walker |

ANSWERED "PRESENT"—1

Schneider

NOT VOTING—54

| | | |
|---|---|---|
| Applegate | Fascell | Miller (CA) |
| AuCoin | Fish | Nelson |
| Biaggi | Fithian | O'Brien |
| Burton, Phillip | Foglietta | Ottinger |
| Chisholm | Fuqua | Oxley |
| Clausen | Garcia | Pepper |
| Clay | Gaydos | Rhodes |
| Craig | Gilman | Roberts (KS) |
| Crockett | Goldwater | Roemer |
| de la Garza | Goodling | Roybal |
| Dellums | Ireland | Rudd |
| DeNardis | LaFalce | Savage |
| Dornan | Lee | Scheuer |
| Dougherty | Leland | Skeen |
| Downey | Long (LA) | Taylor |
| Emery | Lujan | Thomas |
| Ertel | Lundine | Williams (MT) |
| Fary | Madigan | Young (AK) |

□ 1215

Mr. MINISH and Mr. ECKART changed their votes from "nay" to "yea."

Mr. DYMALLY changed his vote from "present" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On July 9, 1981:

H.J. Res. 238. Joint resolution to approve a constitution for the U.S. Virgin Islands.

On July 10, 1981:

H.R. 3807. An act to make technical corrections in the Defense Officer Personnel Management Act.

On July 17, 1981:

H.R. 3520. An act to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization.

On July 27, 1981:

H.R. 31. An act to amend the Truth in Lending Act to encourage cash discounts, and for other purposes.

On July 29, 1981:

H.J. Res. 308. Joint resolution making an urgent supplemental appropriation for the Department of Health and Human Services for the fiscal year ending September 30, 1981.

On August 4, 1981:

H.J. Res. 84. Joint resolution designating the week of October 4 through October 10, 1981, as "National Diabetes Week."

On August 6, 1981:

H.J. Res. 191. Joint resolution designating August 8, 1982, as "National Children's Day."

H.R. 4074. An act to revise the laws pertaining to the Maritime Administration.

On August 13, 1981:

H.R. 3982. An act to provide for reconciliation pursuant to section 301 of the first concurrent resolution on the budget for the fiscal year 1982; and

H.R. 4242. An act to amend the Internal Revenue Code of 1954 to encourage economic growth through reduction of the tax rates for individual taxpayers, acceleration of capital cost recovery of investment in plant, equipment, and real property, and incentives for savings, and for other purposes.

On August 14, 1981:

H.J. Res. 141. Joint resolution authorizing and requesting the President to issue a proclamation designating the period from October 4, 1981, through October 10, 1981, as "National Schoolbus Safety Week."

H.R. 1100. An act to amend title 38, United States Code, to improve certain benefit programs of the Veterans' Administration for veterans who are former prisoners of war, and for other purposes.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments a joint resolution of the House of the following title:

H.J. Res. 223. Joint resolution to provide for the awarding of a special gold medal to Fred Waring.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1181. An act to amend titles 10 and 37, United States Code, to increase the pay and allowances and benefits of members of the uniformed services and certain dependents, and for other purposes.

## REV. DAVID G. BUESCHER

(Mr. VOLKMER asked and was given permission to address the House for 1 minute.)

Mr. VOLKMER. Mr. Speaker, I am pleased to welcome to the Halls of Congress a personal friend, the Reverend David Buescher, who is currently living in Washington, D.C., but is a native of Missouri and former resident of Hannibal, Mo., my hometown.

Father Buescher, a longtime friend is currently attending Catholic University in Washington studying for his doctorate in theology. He is originally from Washington, Mo., having attended college at Cardinal Glennon College in St. Louis and then received his M.A. degree from Catholic University in Washington D.C., in 1971. Father Buescher was assigned in my hometown of Hannibal, Mo., from 1971 to 1977. During his years in Hannibal, Father Buescher showed great dedication in the teaching of young men for the priesthood at St. Thomas Seminary, and served my parish as a part-time assistant.

Again, Father David, I welcome you.

## PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the bill on the Private Calendar.

## REMEDIOS R. ALCUDIA, CHRISTOPHER, EZRA, VERMILLION, AND PERISTELLO ALCUDIA

The Clerk called the bill (H.R. 1547) for the relief of Remedios R. Alcudia, Christopher, Ezra, Vermillion, and Peristello Alcudia.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER. This concludes the call of the Private Calendar.

## PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. BOLLING. Mr. Speaker, first I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

## THE LATE CHARLES SHELDON

(Mr. BOLLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOLLING. Mr. Speaker, one of the finest of all public servants died last Friday morning. I went to his memorial service today at Fort Myer.

I wish to announce to the House that I intend to ask unanimous consent for a special order on the 29th of September, if the House meets on that day, in order to extoll the virtues of a fine public servant, Charles Sheldon, of the Congressional Research Service.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

## PERMISSION FOR SUBCOMMITTEE ON ENERGY RESEARCH AND PRODUCTION OF THE COMMITTEE ON SCIENCE AND TECHNOLOGY TO SIT TODAY DURING 5-MINUTE RULE

Mrs. BOUQUARD. Mr. Speaker, I ask unanimous consent that the Subcommittee on Energy Research and Production of the Committee on Science and Technology be permitted to sit while the House is meeting under the 5-minute rule.

The purpose of this meeting is to take testimony from witnesses on the Price-Anderson Act. There will be no votes and no markup of legislation. This request has been cleared with the minority.

The SPEAKER. Is there objection to the request of the gentlewoman from Tennessee?

There was no objection.

## DISCHARGE OF COMMITTEE ON FOREIGN AFFAIRS FROM FURTHER CONSIDERATION OF EXECUTIVE COMMUNICATION NO. 2019 AND RE-REFERRAL TO COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from the further consideration of executive communication No. 2019 and that it be re-referred to the Committee on Public Works and Transportation.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

## MAKING IN ORDER ON TOMORROW OR ANY DAY THEREAFTER CONSIDERATION OF HOUSE JOINT RESOLUTION 325, CONTINUING APPROPRIATIONS FOR FISCAL YEAR 1982

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that it be in order on tomorrow, or any day thereafter, to consider in the House, House Joint Resolution 325, making continuing appropriations for fiscal year 1982 for a 1-month period.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. WALKER. Mr. Speaker, reserving the right to object, I reserve the right to object to ask the chairman of the committee a couple of questions with regard to the continuing resolution.

I simply ask the chairman of the Appropriations Committee the nature of the continuing resolution. Are the figures that are within the continuing resolution going to stay below the budget figures previously passed by this House?

Mr. WHITTEN. If the gentleman will yield, they are. May I point out, certain other facts that might be of interest, too. The resolution has a duration of 1 month. As the gentleman knows, unless we do get the regular appropriations bills signed by the 1st of October, under an opinion of the Attorney General, Government activities must cease.

This resolution is cosponsored by the gentleman from Massachusetts, (Mr. CONTE) and myself. The bill covers 8 of the 13 appropriations bills. The five bills that we have not included in this resolution we passed in July prior to the August recess.

Hopefully we will get those bills accepted by the Senate and signed by the President. The rates contained in this resolution are restrictive and the concept is based on the traditional continuing resolution used each year before the Budget Act was fully implemented. The rates are based on where the individual bills are at midnight on September 30. So it is altogether in line with what is going on at the present time in an effort to hold spending down and provide for the orderly operations of Government that might otherwise be jeopardized with this October 1 date.

Mr. WALKER. Further reserving the right to object, as I understand, the continuing resolution would not mandate any spending which would go over and above what is in the budget language.

Mr. WHITTEN. That is correct.

Mr. WALKER. Further reserving the right to object, I would ask the distinguished chairman of the Appropriations Committee whether or not the restrictive amendments that are in a number of appropriations bills that are now a part of law would be protected under the continuing resolution.

Mr. WHITTEN. It continues exactly as it is for the 30-day period.

Mr. WALKER. I thank the gentleman very much.

Further reserving the right to object, I would yield to the gentleman from Massachusetts (Mr. CONTE) for the figures that are within the continuing appropriation with regard to spending levels.

Mr. CONTE. Under section 101(a) of the continuing resolution, Commerce, State, District of Columbia, HHS, Military Construction, and Transportation, if passed by the House, it will be the House or the current rate, whichever is lower. If passed by the House and the Senate, House or Senate rate, whichever is lower.

Section 101(b) will take care of Defense and Foreign Aid. That will be at the budget or the current rate, whichever is lower.

Section 101(c) is the legislative, and that will be under the House reported rate.

Not covered in the bill, as the chairman said, will be Agriculture, Energy, Water, HUD, Interior, and Treasury. They all passed before the August recess.

Mr. WALKER. Further reserving the right to object, I would ask the gentleman, since HHS is going to be a part of this particular appropriation, all of the amendments such as abortion amendments, prayer amendments, all of those things that are currently in law, would be protected under this bill; is that correct?

Mr. CONTE. Yes, because we are operating under the current level, and that language was included in last year's bill. So they would be included now.

Mr. WALKER. I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

## RETIREMENT OF WASHINGTON POST REPORTER RICHARD L. LYONS

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, I want to call the attention of the House to the retirement of Washington Post reporter Richard L. Lyons after 34 years of covering the House of Representatives.

For almost 20 of these years, Dick covered all major bills which came across this floor, including the landmark civil rights bills of the mid-1960's and the Great Society measures of President Johnson.

He is known for his crisp, readable style and his ability to make even the most complex of issues understandable.

□ 1230

In recent years Dick has called upon his wide knowledge of the House and Congress to write a daily column on congressional activities which has brought to the public attention many bills, issues, and inside developments not routinely covered by the press. Dick's long journalistic career has been known for accuracy and clarity in reporting often complex events.

I know all of us want to wish him and his wife, Shirley Elder Lyons, a happy retirement in the beautiful hills of New Hampshire.

## CUT OIL PRODUCER GIFT BEFORE SOCIAL SECURITY BENEFITS

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, this morning as I watched the television news, I saw one of my Democratic colleagues leaving a meeting at the White House, and he indicated in his statement that he made for the news that we may just have to cut social security benefits. Later, a Republican leader agreed with this assessment.

Mr. Speaker, I hope that before these gentlemen quickly rush in to cut social security benefits for our senior citizens, that they will join me in supporting H.R. 4460, which has just been introduced, that will repeal the $11 billion gift we gave to oil producers in this country. Surely, we cannot equate the problems of the elderly with the increased profits of oil producers.

So, for the benefit of the public at large, I hope—and I want it clearly understood—that up to this point the Democratic Party is not advocating the cuts of benefits for those under social security today, and I hope they never will.

## LEGISLATION INTRODUCED PROVIDING FOR EXPERIMENTAL DEMONSTRATION PROJECT ON OVERSIGHT

(Mr. MOFFETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOFFETT. Mr. Speaker, if we think back to our seventh and eighth grade civic textbooks, we will recall that they taught us that a good Congress is one that passes a great deal of legislation. Unfortunately, those textbooks are still teaching our children and other children that very thing. It is time that we spend more time investigating and overseeing than lawmaking. It is time we spend more time making old laws work than making new laws. I know many Members share this. The feeling comes from many Members of both parties, various ideologies.

Today, I am introducing a resolution to create an experimental demonstration project on oversight which would set a 21-day legislative moratorium at the beginning of the next year. It would be set by the Speaker for 3 consecutive weeks, during which time all legislation, markups, floor action, would be halted. The Speaker, of course, would be able to grant waivers in the event of an emergency.

If successful, I will move for a permanent change in the House rules to embody this permanently into the processes.

There has already been great interest in this resolution from Members on both sides of the aisle. I urge Members' support for it.

The SPEAKER pro tempore. (Mr. MINISH). The time of the gentleman from Connecticut has expired.

## STATUS REPORT ON SECOND BUDGET RESOLUTION

(Mr. JONES of Oklahoma asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONES of Oklahoma. Mr. Speaker, today is September 15, the day by which the Congress is supposed to have completed action on the second budget resolution. I rise to inform my colleagues as to the status of that resolution.

In August, the House Budget Committee invited the chief administration spokesmen to present their revised plans for fiscal 1982 to the committee as soon as possible in September so that we could move ahead with the resolution.

Mr. Stockman agreed to testify on September 9. Later he canceled that appearance because the administration was changing its program and asked to be rescheduled on September 14. Then he canceled that date and asked to come on the 16th.

Yesterday Mr. Stockman canceled that appearance and asked to be heard by the committee on September 22 or later. Secretary Regan and others have basically bowed to Mr. Stockman's timetable and have repeatedly asked to be rescheduled.

So at this point, the House Budget Committee anticipates that the administration will testify September 24. We hope that by that time the administration will know what its plans are for the fiscal year which begins on October 1. Until then we cannot seriously consider what actions are needed to straighten out our problems.

Obviously, the committee will be unable to conform to the timetable set by the Congressional Budget and Impoundment Control Act of 1974.

But we recognize that the financial community wants certainty and specifics on budget deficits, where revenue increases will occur if at all, what specific new spending cuts will be recommended, et cetera. The Budget Committee will be ready to hear these specifics whenever the Reagan administration is ready.

## INTEREST RATES

(Mr. McCURDY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCURDY. Mr. Speaker, the American farmer chooses his vocation knowing full well the risks involved. He knows he will always face the devastating effects of drought, animal disease, insect infestations, and any other surprises that Nature can cook up.

However, he cannot know that his own Federal Government will make his daily struggle even harder. He cannot know that an administration's almost passive approach to high interest rates will send him to town looking for another job.

We are failing the American farmer, the prime source of this country's food supply. We are allowing him to smother beneath economic conditions he has little or nothing to do with.

While high interest rates have virtually eliminated the potential for production loans for farm capital improvements, the same high interest rates have been identified as a direct cause of depressed farm commodity prices.

Not only does the farmer find money on credit scarce, but he cannot make money on the market either. Rising production costs and an inability to borrow also puts the squeeze on money available to pay off outstanding loans.

Where does the American farmer go for help? I can tell you that in my district in southwest Oklahoma, help is running out. Lately, he has been selling the family farm.

## PARTS OF TAX CUT SHOULD BE DEFERRED TO SAVE SOCIAL SECURITY

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker and my colleagues, despite the enactment of the President's economic policy, Americans persist in their preference for a balanced budget over a tax cut. Wall Street has to date refused to accept budgetary gimmickry as a substitute for a balanced budget.

The best hope for lower interest rates is to defer parts of the tax cut until the budget is balanced. The Joint Committee on Taxation and the Congressional Budget Office have projected a revenue loss through 1986 of a staggering $748.9 billion from the tax cut. By deferring parts of the tax cuts until the budget is balanced, we can quiet the efforts to cut social security.

## NATIONAL PARKS IN URBAN AREAS MUST BE SAVED

(Mr. FLORIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLORIO. Mr. Speaker, as the chairman of a subcommittee which has jurisdiction over environmental protection issues, and as a member of the Interior Committee, the policies that have been pursued by the Interior Secretary James Watt have been of deep concern to me. The Secretary's actions have the potential to cause irrevocable harm to our precious natural treasures.

Our Nation's wilderness areas, parks, and refuges ought to be managed to protect the qualities and purposes for which they were expressly created. Instead, it appears that the Secretary intends to overemphasize short-term economic goals.

He has not attempted to achieve a realistic balance between the need for conservation and energy exploration and development. Our natural resources need to be managed so that they can produce public benefits over a long period of time.

I have received numerous letters from constituents who are appalled by the Secretary's actions. They feel that his imposition of a complete moratorium on the acquisition of additional national parkland, and his actions to expedite oil and gas development on refuge lands, for example, will inevitably result in the degradation of our natural heritage. He does not appear to be guided by the spirit and intent of the laws governing our wilderness areas.

As the Representative of one of the most densely populated States in the United States, I am particularly concerned about the Secretary's proposal that Congress deauthorize certain national parks in urban areas. He has proposed that State and local governments be charged with the management of the parks in metropolitan areas. As you are all aware, the national park idea was brought to our urban areas for the express purpose of bringing the parks to the people. Visitation to the national parks has increased dramatically over the past decade.

The Secretary has proposed to deauthorize the Gateway National Park. The Gateway National Park, a 26,000-acre recreation area which stretches across the entrance of the New York Harbor from Sandy Hook, N.J., to Jamaica Bay in Queens, has over 10 million visitors per year.

According to State and local political leaders, as well as officials of the park itself, it will be virtually impossible for New York State, New Jersey, and New York City to assume the park's $8.4 million annual operating costs. The $300 million, 20-year development plan that was approved 2 years ago will be impossible to implement. In essence, the Secretary will force New Jersey and New York residents to either assume more costs or see vital services deteriorate.

I pledge to work on behalf of our national parks. Let us remember that historically this has not been a partisan issue.

## THE ADMINISTRATION MADE A COMMITMENT TO OUR SENIOR CITIZENS

(Mr. MICA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICA. Mr. Speaker, last night I was in my district in Florida in a meeting of senior citizens when someone rushed in and said, "They have just reported on the news that the President will cut social security."

There was alarm, there was anger, and there was fear. I thought it was interesting because so many of the seniors thought that they had a commitment from this administration not to cut social security.

Now, I would be the first to say that we need to stabilize that system. We need to make adjustments, but it is up to this body, the Congress, to make known the commitment that we will

not cut social security, to take away that fear, and remind the administration that the American public did agree, when the President said to the air traffic controllers, "You signed a commitment, you must live up to your commitment."

We in the Government made a commitment to our senior citizens. We must live up to that commitment. It is that kind of response the American public wants to see.

## CONGRESS MUST HAVE COURAGE TO TREAT SUGAR INDUSTRY FAIRLY

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, when the 1981 farm bill comes to the floor of the House, we in this body are going to have to make some very tough decisions. We are going to have to decide whether or not we have the courage to treat the sugar industry fairly.

Sugar is, whether some of us like it or not, a major U.S. agricultural crop. In fact, it ranks fifth in the number of tons produced. Sugar is the cheapest source of food energy; sugar is the most efficient producer of calories per acre of any crop in the United States.

The sugar industry employs over 100,000 Americans; the domestic industry contributes over $3 billion to the GNP and pays over $600 million annually in taxes.

In spite of the fact that sugar is a major U.S. agricultural crop, the United States is the only major sugar-producing nation in the world that has no sugar legislation. The sad fact of the matter is that sugar is an orphan in our agricultural family. It is time that we correct this wrong and begin to treat the sugar industry fairly.

While there are those who say that the sugar provisions in the farm bill will cost the American consumer $2.2 billion annually, the facts of this case tell a different story. And, the facts are very simple: the nonrecourse loan provisions for sugar will not cost the people the billions of dollars often cited by opponents of sugar legislation. Nor will these provisions burden the Government with more debt. Properly administered, this loan program will keep farms from going out of business when the price of sugar drops through the floor. This loan program will guarantee that we have a vital and healthy domestic sugar industry. It is simply a price stabilization program. There are no quotas. There are no set-aside programs. There are no Government payments under the sugar provisions of the farm bill.

Sugar has never cost the Government the money some claim it has. In 1977 and 1978, we did have a limited loan program for sugar. Minor forfeitures did take place. And price recoveries since 1979 and 1980 have allowed the Government to sell the forfeited sugar at a net profit of $67 million. Sugar has made money for the Government, not lost it. And anyone who maintains the contrary simply does not have the facts.

## DEFENSE DEPARTMENT IS NOT A POOR RELATIVE

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEIBERLING. Mr. Speaker, yesterday's Washington Post quotes President Reagan as defending his proposal to cut only $2 billion from the fiscal year 1982 defense budget while cutting $15 billion or more from social and human needs by saying that "defense has been a poor relative" in recent years.

This statement aroused my curiosity, to put it mildly, so I asked my staff to get me the figures on military spending outlays in each of the post-Vietnam years, 1974 through 1982. Those figures, supplied by Congressional Research Service, add up to an astounding $1,610 billion in budget authority and $1,460 billion in outlays for the 9-year period. In this same 9-year period, defense outlays took an average of 25 percent of the total Federal budget, and they took between 5 and 6 percent of the entire GNP in each of those years.

If those huge expenditures made the Defense Department a poor relative, it is only in comparison with the even larger sums that the President proposes to spend on the military, which in the next 5 years alone would double the military spending of the last 9 years. Some poverty.

□ 1245

## SPECIAL INTERESTS PARTICIPATE TOO HEAVILY IN TAX CUT

(Mr. WEISS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, it is obvious that the Reagan administration's game plan for reviving the economy by increasing defense expenditures, cutting taxes, and balancing the budget simply is not working. What I find remarkable in all of this is that the President is making recommendations for tinkering with his game plan in all respects except one.

He complained when he signed the tax bill that the Congress gave him more than he wanted, and yet nowhere do we hear President Reagan now saying that the tax cut was too large.

Let us now take back some of that special-interest giveaway that the Congress adopted at the end of July at the President's urging. That $746 billion tax cut, the bulk of it going to the special interests, is what has caused the havoc in the Nation's economy.

Mr. Speaker, now is the time, if the Republican administration really wants to balance its budget, to take some of those revenues back. If not, then all their claims about wanting to balance the budget are a sham and a charade.

## PARRIS FIGHTS TO REMOVE PAY CAP FOR SENIOR FEDERAL EMPLOYEES

(Mr. PARRIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PARRIS. Mr. Speaker, yesterday I testified before the Senate Governmental Affairs Civil Service Subcommittee on the critical problem of the pay cap on the salaries of our senior career employees.

Since 1979, the salaries of our top Government officials have been frozen creating a situation where executives in the top seven civil service categories are now getting the same pay. The resulting low employee morale and lack of incentive is having a devastating impact on the Federal Government.

Firms in the private sector can offer three times the salary Federal employees are receiving and these firms do not have to invest in costly training programs. Within the last 3 years, retirement of the highest ranking employees, aged 55 to 59, has risen from 18.2 to 95 percent. Executive turnover has increased at such an alarming rate that 9 out of 10 top career officials are retiring as soon as they become eligible.

Due to the pay cap, our Government is no longer able to retain its top people or attract qualified people from the private sector to fill vacancies in the top ranks.

The cap on senior salaries is having an impact on the lower ranks of civil servants as well. Since our top people have very little mobility, transfers are refused that would otherwise move top people to where they are needed the most. This lack of mobility, in addition to low morale and lack of incentives, has produced a situation where our best young executives, aged 35 to 45, are among the most likely to resign.

I strongly urge my colleagues to act now in the interest of effective Government and remove the cap on executive salaries at the earliest possible date.

## OIL PRICE DECONTROL VINDICATED, SAYS OHIO PAPER

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BROWN of Ohio. Mr. Speaker, the day after the Soviet Union doubled its price for domestic gasoline by

executive order, I am pleased to share an editorial from this morning's Columbus Citizen-Journal, a Scripps-Howard newspaper, which recognizes the wisdom of U.S. oil price decontrol. Entitled "Decontrol Gains," it reads:

Remember the handwringing when the Reagan administration announced the end of oil price controls last January?

Doomsayers predicted the oil companies would rob consumers blind, the economy would suffer another debilitating round of inflation and the whole thing would have little effect on oil exploration or oil imports.

They were wrong on all counts. After an initial round of increases, gasoline prices are back about where they were. The inflation rate is slower this year. Oil exploration has accelerated sharply. Oil imports are down 20 percent.

It's a good example of marketplace efficiency.

As a member of the Energy and Commerce Committee who worked to achieve energy price decontrol in the face of some doubt and criticism, I am naturally pleased at this development and applaud President Reagan for his political courage and economic good sense.

## GIVE IT A CHANCE—IT'LL WORK

(Mr. COLEMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLEMAN. Mr. Speaker, I would like to put this whole, critical discussion of the economic recovery program on a more human level.

Let us say my cheerful Uncle Sam had been overeating, drinking too much, chain smoking, and loafing around for 25 years or so. He is obese, flabby, his heart is weak, and he is easily winded.

Then one day, say last July, the Doctor says, "Sam, you've got to shape up or die."

Uncle Sam takes the doctor's advice and signs up for physical fitness classes at the local gym. Classes start October 1.

In the meantime, Uncle Sam's neighbors are laughing at him and telling him his physical fitness program is not working. "You're still fat and out of shape," they say.

But, Uncle Sam responds, "For Pete's sake, the program hasn't even started yet. Besides, it took me 25 years to get this way. It'll take awhile to get back in shape."

Mr. Speaker, I believe this analogy sums up the lack of understanding and critical reviews that have been heaped upon the budget cuts and tax cuts passed by this Congress earlier this year. Yes, interest rates are still high, we are still fat and flabby.

But, as Uncle Sam told his scornful neighbors, "For Pete's sake, the program hasn't even started yet."

What we have done thus far is the equivalent of Uncle Sam signing up for the physical fitness class which doesn't start until October 1, the start of the new fiscal year when portions of the tax cuts and other programs take effect.

## FORD MUSEUM DEDICATION CLIMAXES GRAND RAPIDS CELEBRATION

(Mr. SAWYER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. SAWYER. Mr. Speaker, I rise in great pride concerning the core city of my district, Grand Rapids, Mich., a city of about a 200,000 population, with a metropolitan area population of 375,000 or 400,000.

This week Grand Rapids embarked on a so-called Celebration on the Grand, the Grand River running right through the city. There will be the dedication of the Jerry Ford Museum, climaxing a full week's activities.

We are going to have the President there. We will have the President, the past President, Mr. Ford, the Vice President, the Speaker of the House, and we will have the majority leader of the Senate. Many others, including many celebrities from other countries will also be there—Giscard d'Estaing, Pierre Trudeau, the Premier of Canada, Lopez Portillo, President of Mexico, and others. It is going to be a great celebration.

This is the third time this city has been designated an "All-American City." This entire program has been accomplished by all the various local units getting together—organized labor, management, downtown committees, and so forth. Right now we have $250 million worth of construction going on in the downtown city.

Mr. Speaker, we have through private cooperative efforts done much to lick the big city problems, and the bigger cities could well take a look at Grand Rapids.

## BIG GOVERNMENT RESPONSIBLE FOR HIGH INTEREST RATES

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, the people at home are very much concerned about America's 21-percent interest rate. That is their prime concern, a 21-percent interest rate.

Here in the House we know what causes it. Last year the Democrats who controlled the House passed a budget that totaled $634 billion. Right now we are talking about a $725 billion budget just 1 year later.

Congress is overspending, and continues its overspending. Let me tell the Members how it works out. Every week the Government spends $8 billion to finance the debt and pay the interest. Every week it also takes $16 billion to operate the Government. That means that the Federal Government every week takes $24 billion out of the economy. So when the hard-pressed private sector goes into the money market for its operating funds, private business has to pay 21 percent interest.

Mr. Speaker, Congress has simply got to cut its spending.

## SOUTH AFRICA RUGBY TEAM SHOULD NOT PLAY

(Mr. GRAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRAY. Mr. Speaker, today I have introduced a resolution which expresses the sense of this body that the national rugby team of South Africa should not play in this country.

I ask my colleagues in this body to join me in this expression of outrage at the viciousness of South African apartheid. We must send a message to the world that we in the United States clearly understand that apartheid is a political frankenstein created by a deranged society that nurtures racial hatred as part of its national consciousness. We must not throw open our doors to those who would represent fascism.

Some might respond by saying that politics should be kept out of sports. But I note, Mr. Speaker, that the Springboks is the national team of South Africa, and that the South African sports council is a quasi-governmental body.

And let me quickly remind this body, that on January 24, 1980, by a vote of 386 to 12, this House voted to withdraw American participation from the summer Olympics in response to the Russian invasion of Afghanistan.

It also should be noted that in less than 3 years, the Olympics will be convened in the United States in Los Angeles. It would be a shame and a national embarrassment if we gave the Olympics and half the world did not come.

## NEW BOOK RELEASE BRINGS SUBJECT OF GAS WARFARE TO THE FOREFRONT

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, there is a nightmarish story that has played across the wire services in this city and at the U.N. over the last 3 days that I think should have the total attention of every Member of this House and the other body and every staffer interested in humanity. A book will soon be published called "Yellow Rain." The subject is toxic chemical weapons and the use of poison gas against innocent tribal people by the Soviet military. We have some familiarity with poison gas in my own family because my father was gassed several times in

World War I and received two Purple Hearts for injuries sustained. It is not a terror weapon of the past.

It appears we now have proof of poison gas being used in Afghanistan, Cambodia, and in Laos against the Muong people, the Meo tribesmen. There are reports in this book also about the use of gas in the Yemen Civil War of 1967 where leftists united with the Egyptians and Russians to tear apart a small nation on the Arabian Peninsula.

There is a great historical misconception in our country that poison gas was not used in World War II. Incorrect. The Fascists under Mussolini used gas to kill in Ethiopia, and Adolf Hitler used "Cyclone B" gas to kill a large percentage of the 6,000,000 Jews who were murdered in Europe.

Mr. Speaker, I think if there is any truth or substance to Secretary Alexander Haig's press conference on Soviet use of toxic poisons then it should be the major issue before our Committee on Foreign Affairs. I urge my colleagues to sign a letter urging our distinguished chairman, the gentleman from Wisconsin (Mr. ZABLOCKI), to hold extensive hearings as soon as possible on this affront to civilization and human decency.

## QUARTERLY REPORT ON EAST-WEST TRADE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore (Mr. MINISH) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Ways and Means:

*To the Congress of the United States:*

In accordance with Section 411(c) of the Trade Act of 1974, as amended (19 U.S.C. 2441), I herewith transmit the quarterly report on East-West Trade covering the first quarter of 1981.

The report discusses United States trade relations with the Soviet Union, the People's Republic of China and the Eastern European countries.

RONALD REAGAN.

THE WHITE HOUSE, *September 15, 1981.*

## AUTHORIZING A BUST OR STATUE OF MARTIN LUTHER KING, JR., TO BE PLACED IN THE CAPITOL

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, the unfinished business is the question of suspending the rules and agreeing to the concurrent resolution (H. Con. Res. 153) on which further proceedings were postponed on Monday, September 14, 1981.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. HAWKINS) that the House suspend the rules and agree to the concurrent resolution, (H. Con. Res. 153) on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 386, nays 16, not voting 31, as follows:

[Roll No. 202]

YEAS—386

| | | |
|---|---|---|
| Addabbo | Donnelly | Horton |
| Akaka | Dorgan | Howard |
| Albosta | Dornan | Hoyer |
| Alexander | Dougherty | Hubbard |
| Anderson | Dowdy | Huckaby |
| Andrews | Dreier | Hughes |
| Annunzio | Duncan | Hunter |
| Anthony | Dunn | Hutto |
| Applegate | Dwyer | Hyde |
| Aspin | Dymally | Jacobs |
| Atkinson | Dyson | Jeffords |
| Badham | Early | Jenkins |
| Bafalis | Eckart | Johnston |
| Bailey (MO) | Edgar | Jones (NC) |
| Bailey (PA) | Edwards (AL) | Jones (OK) |
| Barnard | Edwards (CA) | Jones (TN) |
| Barnes | Edwards (OK) | Kastenmeier |
| Beard | Emerson | Kazen |
| Bedell | Emery | Kemp |
| Beilenson | English | Kildee |
| Benedict | Erdahl | Kindness |
| Benjamin | Erlenborn | Kramer |
| Bennett | Evans (DE) | LaFalce |
| Bereuter | Evans (GA) | Lagomarsino |
| Bethune | Evans (IA) | Lantos |
| Bevill | Evans (IN) | Leach |
| Bingham | Fary | Leath |
| Blanchard | Fascell | Lehman |
| Bliley | Fazio | Lent |
| Boggs | Fenwick | Levitas |
| Boland | Ferraro | Lewis |
| Bolling | Fiedler | Livingston |
| Boner | Fields | Loeffler |
| Bonior | Findley | Long (MD) |
| Bonker | Fish | Lott |
| Bouquard | Flippo | Lowery (CA) |
| Breaux | Florio | Lowry (WA) |
| Brinkley | Foley | Luken |
| Brodhead | Ford (MI) | Lundine |
| Brooks | Ford (TN) | Lungren |
| Broomfield | Forsythe | Madigan |
| Brown (CA) | Fountain | Markey |
| Brown (CO) | Fowler | Marks |
| Brown (OH) | Frank | Marlenee |
| Broyhill | Frenzel | Marriott |
| Burgener | Frost | Martin (IL) |
| Burton, John | Garcia | Martin (NC) |
| Butler | Gaydos | Martin (NY) |
| Byron | Gejdenson | Matsui |
| Campbell | Gephardt | Mattox |
| Carman | Gibbons | Mavroules |
| Carney | Gingrich | Mazzoli |
| Chappell | Ginn | McClory |
| Chappie | Glickman | McCloskey |
| Cheney | Gonzalez | McCollum |
| Chisholm | Goodling | McCurdy |
| Clausen | Gore | McDade |
| Clinger | Gradison | McEwen |
| Coats | Gramm | McGrath |
| Coelho | Gray | McHugh |
| Coleman | Green | McKinney |
| Collins (IL) | Gregg | Michel |
| Conable | Grisham | Mikulski |
| Conte | Guarini | Miller (CA) |
| Conyers | Gunderson | Miller (OH) |
| Corcoran | Hagedorn | Mineta |
| Coughlin | Hall (OH) | Minish |
| Courter | Hall, Ralph | Mitchell (MD) |
| Coyne, James | Hall, Sam | Mitchell (NY) |
| Coyne, William | Hamilton | Moakley |
| D'Amours | Hammerschmidt | Moffett |
| Daniel, Dan | Hance | Molinari |
| Daniel, R. W. | Harkin | Montgomery |
| Danielson | Hartnett | Moore |
| Dannemeyer | Hatcher | Morrison |
| Daschle | Hawkins | Mottl |
| Daub | Heckler | Murphy |
| Davis | Hefner | Murtha |
| Deckard | Heftel | Myers |
| Dellums | Hendon | Napier |
| DeNardis | Hertel | Natcher |
| Derrick | Hightower | Neal |
| Derwinski | Hiler | Nelligan |
| Dickinson | Hillis | Nichols |
| Dicks | Holland | Nowak |
| Dingell | Holt | O'Brien |
| Dixon | Hopkins | Oakar |
| Oberstar | Santini | Tauke |
| Obey | Savage | Tauzin |
| Oxley | Sawyer | Taylor |
| Panetta | Scheuer | Traxler |
| Parris | Schneider | Trible |
| Pashayan | Schroeder | Udall |
| Patman | Schulze | Vander Jagt |
| Patterson | Schumer | Vento |
| Pease | Seiberling | Volkmer |
| Perkins | Sensenbrenner | Walgren |
| Petri | Shamansky | Walker |
| Peyser | Shannon | Wampler |
| Pickle | Sharp | Washington |
| Porter | Shaw | Watkins |
| Price | Shelby | Waxman |
| Pritchard | Shumway | Weaver |
| Pursell | Shuster | Weber (MN) |
| Quillen | Siljander | Weber (OH) |
| Rahall | Simon | Weiss |
| Railsback | Skeen | White |
| Rangel | Skelton | Whitehurst |
| Ratchford | Smith (AL) | Whitley |
| Regula | Smith (IA) | Whittaker |
| Reuss | Smith (NE) | Whitten |
| Richmond | Smith (NJ) | Williams (MT) |
| Rinaldo | Smith (PA) | Williams (OH) |
| Ritter | Snowe | Wilson |
| Roberts (KS) | Snyder | Winn |
| Roberts (SD) | Solarz | Wirth |
| Robinson | Solomon | Wolf |
| Rodino | Spence | Wolpe |
| Roe | St Germain | Wortley |
| Roemer | Stangeland | Wright |
| Rogers | Stanton | Wyden |
| Rose | Stark | Wylie |
| Rosenthal | Staton | Yates |
| Rostenkowski | Stenholm | Yatron |
| Roth | Stokes | Young (FL) |
| Roukema | Stratton | Young (MO) |
| Roybal | Studds | Zablocki |
| Russo | Swift | Zeferetti |
| Sabo | Synar | |

NAYS—16

| | | |
|---|---|---|
| Archer | Hansen (ID) | Paul |
| Ashbrook | Hansen (UT) | Rousselot |
| Collins (TX) | Jeffries | Smith (OR) |
| Craig | Latta | Stump |
| Crane, Daniel | LeBoutillier | |
| Crane, Philip | McDonald | |

NOT VOTING—31

| | | |
|---|---|---|
| AuCoin | Fuqua | Mollohan |
| Biaggi | Gilman | Moorhead |
| Bowen | Goldwater | Nelson |
| Burton, Phillip | Hollenbeck | Ottinger |
| Clay | Ireland | Pepper |
| Crockett | Kogovsek | Rhodes |
| de la Garza | Lee | Rudd |
| Downey | Leland | Thomas |
| Ertel | Long (LA) | Young (AK) |
| Fithian | Lujan | |
| Foglietta | Mica | |

□ 1300

The Clerk announced the following pairs:

Mr. Mollohan with Mr. Gilman.
Mr. Biaggi with Mr. Moorhead.
Mr. Phillip Burton with Mr. Rudd.
Mr. AuCoin with Mr. Young of Alaska.
Mr. Mica with Mr. Thomas.
Mr. Pepper with Mr. Hollenbeck.
Mr. Foglietta with Mr. Lee.
Mr. de la Garza with Mr. Lujan.
Mr. Ertel with Mr. Bowen.
Mr. Crockett with Mr. Downey.
Mr. Clay with Mr. Fithian.
Mr. Fuqua with Mr. Ottinger.
Mr. Long of Louisiana with Mr. Ireland.
Mr. Nelson with Mr. Rhodes.
Mr. Leland with Mr. Kogovsek.

Mr. MARLENEE changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. KOGOVSEK. Mr. Speaker, on rollcall No. 202, the vote on the motion to suspend the rules and agree to House Concurrent Resolution 153, authorizing the Martin Luther King, Jr., statue for the U.S. Capitol, I was necessarily off the House floor. I support this legislation, and had I been here, I would have voted "yea."

PERSONAL EXPLANATION

Mr. BOWEN. Mr. Speaker, on rollcall No. 202, the vote on the motion to suspend the rules and agree to House Concurrent Resolution 153, authorizing a bust or statue of Martin Luther King, Jr., to be placed in the Capitol, I was meeting with a group of constituents at a place in the Capitol where I could not hear the bells announcing the vote and I could not be present in the Chamber. Had I been present, I would have voted "yea."

□ 1315

CONFERENCE REPORT ON H.R. 4034, HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES APPROPRIATION ACT, 1982

Mr. BOLAND. Mr. Speaker, pursuant to the order of the House of September 10, 1981, I call up the conference report on the bill (H.R. 4034) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1982, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of September 11, 1981.)

Mr. BOLAND (during the reading). Mr. Speaker, I ask unanimous consent that the statement be considered as read.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The gentleman from Massachusetts (Mr. BOLAND) will be recognized for 30 minutes, and the gentleman from New York (Mr. GREEN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. BOLAND).

Mr. BOLAND. Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Speaker, I am pleased with the agreement reached by the House and Senate on the HUD-independent agencies appropriations for fiscal year 1982. The conference agreement is about $2.5 billion below the budget estimate and about $2 billion below the amount which was passed by the House. I am particularly pleased with that portion of the HUD bill pertaining to the funding level for the Veterans' Administration. I want to commend my colleague, the very able chairman of the full committee, Mr. WHITTEN, the distinguished ranking minority member of the full committee, Mr. CONTE, the very distinguished chairman of the subcommittee, Mr. BOLAND, and the able ranking minority member of the subcommittee, the gentleman from New York, Mr. GREEN. All of the conferees are to be commended for their quick action in resolving the differences between the House and Senate and their commitment to provide an adequate level of benefits and services for our Nation's veterans.

Mr. Speaker, I am especially pleased with the agreement reached with the other body pertaining to the veterans' hospital and health care program. I note that the conference agreement has restored approximately $330,054,000 and 5,181 staff years of the budget reductions proposed by the President in his budget request of March 10.

This restoration carries out the recommendations of the Committee on Veterans' Affairs and is consistent with the agreement reached with the administration under Gramm-Latta.

The conference agreement provides $1,716,000 to treat 200 additional patients in community nursing homes.

The Appropriations Committees have taken note of the critical nursing shortage in VA hospitals and have included $4 million for the implementation of the Roberts' scholarship program signed into law last year. Approximately 800 to 1,000 beds are now closed in VA hospitals because of a lack of nurses.

The conference agreement denied $4,692,000 for the construction and operation of garage and parking facilities. It should be noted however, that in denying this request, the conferees agreed that the Veterans' Administration should continue to fund such maintenance, construction, and operational expenses from existing resources. If the deletion of the $4,692,000 from the conference agreement adversely impacts on the agency in any way in the construction of garages and parking facilities, the Administrator can request the funds in a future supplemental appropriation request.

Finally, Mr. Speaker, I must comment on one item of the conference agreement that is of particular concern to me. A few weeks ago the House and Senate Committees on Veterans' Affairs worked out their differences on the cost savings related to veterans' benefits and services as contained in H.R. 3982, the Omnibus Budget Reconciliation Act of 1981. The two committees agreed to the cuts in the amount proposed in the reconciliation instructions totaling $110 million in budget authority in fiscal year 1982. Although our committee had recommended that both flight training and correspondence training under the GI bill be terminated effective October 1, 1981, in working out our differences with the other body it was agreed that the correspondence training program would be continued and that the allowance to be paid after September 30 would be reduced from 70 percent to 55 percent of the established charge which the institution requires nonveterans to pay for the course being taken. This notwithstanding, the conference agreement now before us purports to reduce the readjustment benefit account by an amount produced by elimination of all new GI bill enrollments in correspondence training after September 30th.

Mr. Speaker, although I personally supported the administration's recommendation to terminate both the flight and correspondence training programs, I do not support the action taken by the conferees on the HUD-Independent Agencies bill that would seem to ignore the decision made by the authorizing committees on this issue. Section 1786 of title 38, United States Code, clearly establishes that any eligible veteran "who enters into an enrollment agreement to pursue a program of education exclusively by correspondence shall be paid an educational assistance allowance computed at the rate of 55 percent of the established charge which the institution requires nonveterans to pay for the course or courses pursued by the eligible veteran. * * *." Section 1652(a)(1) clearly establishes the eligibility criteria for such veteran to be paid for education programs pursued under chapters 34 and 36. Section 1661(a) of title 38, United States Code, states that such veteran "shall be entitled" to education assistance for a specified period of time up to 45 months.

Mr. Speaker, the reason I cite these provisions of law is to alert my colleagues to the fact that the education benefit paid for veterans enrolled in a correspondence training program is an entitlement under title 38. It is not discretionary, as are some other VA programs. If a veteran meets the eligibility requirements regarding service under these provisions of law, and enters into an enrollment agreement with a school to pursue a program of education through correspondence training, the Administrator must pay an educational assistance allowance not to exceed the rate established by law.

As I stated, Mr. Speaker, although I may personally prefer to see the correspondence training terminated, if such program is to be terminated, it should be done only in legislation under the

jurisdiction of the authorizing committees. It is not a function of the Appropriations Committees or appropriations bills to seek to terminate entitlements by withholding funds.

I realize the appropriations bill, as passed by the House on July 21, included an amount for readjustment benefits that assumed the termination of both programs. However, at that time, the House action was consistent with, and seemed to be taken in contemplation of, ultimate enactment of the provisions contained in the reconciliation bill previously passed by the House on June 26 proposing the termination of both programs. This was changed in conference. We reached agreement with the other body on this after many hours of negotiations.

Mr. Speaker, in my view, the agency will be facing a number of law suits under this provision of the conference agreement if the Veterans' Administration refuses to make payments for the pursuit of flight and correspondence training under the provisions of title 38 and the Reconciliation Act because the agency considers appropriations not to be available. So long as a veteran meets the criteria for eligibility established by law, payments must be made by the Administrator. Perhaps the Appropriations Committees may be able to bring about the repeal of an entitlement in an appropriation measure if the legislative language used is clear and unequivocal and makes reference to the provision sought to be repealed in direct and unambiguous fashion. But that is certainly not the case here.

Thus, in my view, Mr. Speaker, when the veteran pursues, through the courts, his or her right to benefits based on a clear entitlement in title 38, not repealed directly or indirectly, the courts will direct that payment be made. Legislated entitlements cannot be repealed by indirection or imprecise riders suggesting that the funds were not appropriated by the Congress for a vaguely defined purpose. Discretionary programs may be curtailed or even terminated when the appropriations are not made. Entitlements are another matter. Unless clearly and expressly contradicted by another law later enacted, statutory entitlements must be paid based on terms established for such payments by the authorizing laws.

As I have indicated previously, although I personally feel the GI bill correspondence training program should be terminated, the Veterans' Affairs Committee and the Congress in Public Law 97-35 enacted just last month, in working out our differences in the reconciliation process, decided not to take such action. I regret the Appropriations Committees have decided not to honor that reconciliation agreement.

Mr. Speaker, I hope this agreement will be quickly acted on by the other body so it can be submitted to the President. There is some indication that some administration officials may recommend a veto of the bill. I certainly hope not. According to the Congressional Budget Office, the agreement we are considering today is about $2.6 billion below the budget estimate. It is about $2 billion below the bill that passed the House on July 21. It will provide an adequate level of benefits and services for our Nation's veterans, and their dependents, and I shall strongly recommend to the President that he sign it.

I urge my colleagues to adopt the conference agreement.

Mr. BOLAND. Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas (Mr. HAMMERSCHMIDT).

Mr. HAMMERSCHMIDT. Mr. Speaker, I want to associate myself with the remarks of the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. Speaker, I rise in support of the conference agreement on the HUD-independent agencies appropriations for fiscal year 1982.

I compliment the conferees for bringing to the House an agreement with the other body that is approximately $2 billion below the amount which originally passed the House. I want to acknowledge the outstanding work of the chairman of the subcommittee, Mr. BOLAND, and the distinguished ranking minority member, Mr. GREEN, of New York.

I am especially pleased with that portion of the conference agreement that pertains to veterans benefits and services for the next fiscal year. The conference agreement includes approximately $330 million in outlays to restore a proposed cut of 5,181 staff years for personnel in the Veterans' Administration's hospital and medical care program. You will recall, Mr. Speaker, that this amount was contained in the so-called Gramm-Latta amendment to the first concurrent budget resolution adopted by the House. This restoration of funds supports the recommendation of the Committee on Veterans' Affairs and is consistent with the first concurrent budget resolution adopted by the House.

Mr. Speaker, the Veterans' Administration medical program cannot afford a reduction of more than 5,000 personnel and I am glad that the House and Senate conferees have agreed to restore the funds so that this reduction will not take place.

As the distinguished chairman of the Committee on Veterans' Affairs has indicated in his remarks, more than 800 beds and the VA hospitals have been closed because of a shortage of nurses. The conference agreement contains $4 million to be used for the implementation of the scholarship program which our committee initiated and which the President signed into law last year. With this $4 million, the Veterans' Administration should be able to make commitments for at least 500 nurses who would be obligated to provide 1 year of service for each year of nursing school attended through the scholarship program. This is the best way we can eventually solve the long-range problem of a shortage of nurses which exists not only in VA hospitals but the private sector as well.

I am very pleased that adequate funds have been included in the conference agreement to take care of additional patients in community nursing homes. The conference agreement provides $1,716,000 to take care of an additional 200 patients who cannot receive treatment in VA nursing homes but may be taken care of through private community nursing facilities.

Mr. Speaker, I certainly support the President in his efforts to reduce spending, and I am very pleased to take note of the fact that the conferees in the House and Senate in resolving differences on this particular bill, are proposing a reduction of approximately $2 billion from the amount approved by the House on June 26, 1981. This is a substantial reduction and I am very much in favor of the savings that have resulted from the conference with the other body.

I am convinced that if the agreement we are considering is enacted, veterans will continue to receive an adequate level of monetary benefits for disabilities incurred in service and will be assured that their medical needs will be met by a competent medical staff who operate our 172 hospitals.

I urge the adoption of the conference agreement.

Mr. BOLAND. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. EDGAR).

Mr. EDGAR. Mr. Speaker, I would like to give my support to final passage of the conference report of H.R. 4034, making appropriations for the Department of Housing and Urban Development and Independent Agencies. In particular, I would like to commend the committee for its support shown in the appropriations approved for the Veterans' Administration for fiscal year 1982.

As a member of the House Committee on Veterans' Affairs, I know our Nation's 30 million veterans, and those I represent in the State of Pennsylvania, can look to the coming fiscal year with the assurance that the Congress, at least, has understood their needs.

Earlier this year, in March, I received word of OMB's intention to cut approximately $600 million from the fiscal year 1982 Veterans' Administration budget. The scope of these budget reductions could have had a disastrous effect on the VA's ability to maintain basic health care and benefit delivery systems.

Since that time, it has been very clear that the House of Representatives has taken the offensive in restoring balance to the veterans budget,

not only through the House Committee on Veterans' Affairs but through the House Budget Committee and the House Appropriations Committee as well.

Significantly, the conference report targets restored and vital appropriations to the VA medical system. The bill reinstates the 5,181 VA personnel staff years which had been targeted for elimination by the administration last March. Because of this appropriation, these needed personnel will continue to fill positions mandated, in part, by the Congress, within the VA Department of Medicine and Surgery and benefit delivery systems.

Every estimate before the House Committee on Veterans' Affairs indicates that the health care needs of our Nation's veterans are expanding at an alarming rate. In less than 10 years, more than one-half of the U.S. male population over 65 years of age will be veterans. In 15 years, demand on the VA medical system is expected to triple, primarily to meet the needs of this aging veteran population.

Recognizing this need, H.R. 4034 provides funds for augmenting nursing care and extended care services for veterans. It also allows the Veterans' Administration to care for an additional 200 veterans in community nursing homes. The bill calls for $151 million to fund the valuable and award winning VA medical and prosthetic research program which is the heart of a quality, integrated medical system. The conference report would also, for the first time, appropriate $4 million to fund the nurse scholarship program approved by the Congress last year and authorized by the Veterans' Administration. Facing a chronic shortage of nurses, the VA, through implementation of this program can begin to build a steady pool of well-trained nursing staff.

H.R. 4034 targets very specific assistance to the Veterans' Administration to maintain the quality and quantity of VA health care services during the coming year. By maintaining adequate staff and funding levels we can begin to insure that the VA will not fall behind the projected curve of veterans health care delivery.

Mr. Speaker, after this conference report is approved, I understand that the administration still might not agree with the appropriations totals called for in this legislation. I would certainly hope that the continuing commitment demonstrated for the American veteran in this legislation today, could be honored, in full, not only in this appropriations bill, but in years to come.

I would like to thank the members of the Appropriations Committee, and my colleague EDDIE BOLAND and his conference committee, for their hard work on this legislation. I know they have the appreciation of all the members of the House Committee on Veterans' Affairs, but more importantly, they will continue to have the thanks of the American veteran.

Mr. BOLAND. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Speaker, I rise in support of the conference agreement on H.R. 4034, the HUD-independent agencies appropriation bill for fiscal year 1982.

I would like to take this opportunity to congratulate Chairman BOLAND and the other members of the HUD-Independent Agencies Subcommittee on the fine job that has been done under particularly difficult circumstances.

This administration has shown a clear lack of regard for the housing needs of this country in establishing its budget priorities. Within the severe cuts imposed on the housing programs by the Gramm-Latta budget, it has been the very difficult task of the authorizing and appropriating committees of this Congress to allocate these limited resources in a manner which best addresses the needs of low-income persons.

I am particularly pleased to note the Committee's action with respect to public housing operating subsidies. The conference report does not include the Senate provision which would have shifted development funds provided in 1982 into operating subsidies. In its place, the conferees have provided an additional $148 million for operating subsidies for fiscal year 1981. As a result, many PHA's which otherwise would have been in severe financial straits will be made whole, at least for the present time. The members of the committee should be commended in providing these additional funds, in light of the administration's refusal to recognize the grave financial problems facing PHA's, especially where energy costs are concerned. The public housing program represents a valuable Federal resource. We as a nation simply cannot afford to sit back and let existing public housing projects decay due to a lack of funds. The future cost of such inaction would be much greater than the funds we are presently providing.

I do, however, regret that the committee did not see fit to provide the full authorization level of $1.5 billion for operating subsidies for 1982, and has instead provided the amount of $1.2 billion requested by the administration. I do note, though, that the conferees have indicated in the statement of managers language that the House committee will begin a comprehensive review of the operating subsidy issue, and that it will sympathetically consider whether additional resources are required, based on the results of this survey. I urge the chairman and members of the committee not to delay in exploring this critical issue, and I commend the chairman for his continued interest in and support of the public housing program.

I also wish to commend the gentleman from Massachusetts for his perseverence with respect to the Senate amendment to limit subsidy payments on vacant section 8 units to 30 days. I had brought to the attention of the distinguished chairman in a letter dated August 3 the fact that this amendment was originally part of the omnibus reconciliation bill. In the reconciliation conference, it was agreed with full concurrence by the House and Senate conferees that this amendment would be dropped. It was felt that there was insufficient evidence as to whether the current law had ever been abused, and what the impact of changing it would be. It was agreed to have the HUD Secretary report back to the Congress on these two issues so that legislative action could be taken at a future time if necessary. That this very same Senate amendment was included in the Senate appropriations bill was a clear disregard of that agreement. I wish to thank Chairman BOLAND and the other House conferees for holding firm in supporting the approach that was ratified by the budget reconciliation conferees.

I urge my colleagues to join with me in supporting this conference agreement.

Mr. BOLAND. I thank the gentleman for his contribution.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DANIELSON).

Mr. DANIELSON. I thank the gentleman for yielding.

Mr. Speaker, I also support this report. I am most pleased—and I am glad to announce to my brethren—that the Veterans' Administration has finally come to its senses and has decided to establish a national cemetery at Fort Mitchell in Alabama, one of the most beautiful sites available, and free of charge to the U.S. Government. So now that they have come to their senses, I support this great effort.

Mr. BOLAND. I thought the gentleman was going to say Fort Mitchell in California.

Mr. DANIELSON. No. Fort Mitchell in Alabama. It is a most beautiful site, and I am reserving a site with a view for myself.

Mr. BOLAND. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, We bring back to the House today the conference report on the 1982 HUD-independent agencies appropriation bill. Mr. Speaker, this

has been an extraordinary year for the budget process. I cannot recall a time when our work in this House has had a more profound effect on how the Government spends the taxpayer's money.

Clearly, from the beginning, this has been a different year. The President came to the Congress in March and presented a revised budget which drastically reduced the request of the former administration. The HUD bill was no exception to those reductions. In fact, in terms of budget authority, the January request for the agencies in this bill was $80 billion. The March request reduced that total by $17 billion to $63 billion.

By any standards—that is a dramatic reduction. Now where does this conference report come out against the President's revised budget? In total, the 1982 HUD-independent agencies appropriation bill is $2,558,482,000 below the budget request.

The bill is also well within the section 302 allocation to the subcommittee. In fact, on the basis of that allocation we are $3,715,000,000 below the total allocation.

And finally Mr. Speaker, and I want everyone here to understand this, the conference agreement is under the amounts authorized in the omnibus reconciliation bill by approximately $400 million.

So the facts are clear. In terms of budget authority, the 1982 HUD bill meets the test of the President's own budget request.

It meets the test of the section 302 allocation from the Budget Committee.

And it meets the test of the omnibus reconciliation bill.

But even in the face of this rather remarkable agreement—which incidentally I think the members of the HUD subcommittee can be very proud of—I have heard rumors that the President may veto this bill.

Why? Well—to tell you the truth—I am not sure why. We keep hearing that the President is going to look very carefully at the outlay impact of the various appropriation bills. So now let us talk about where the HUD bill stands in relation to outlays.

Let me first talk about the revised budget. The conference agreement is approximately $373 million above the budget request for 1982 outlays. So the bill is over the President's request in terms of outlays.

But here is the important point. What causes that? The answer is simple. The largest part of the $373 billion is represented by an increase of nearly $300 million in outlays for the medical care programs of the Veterans' Administration.

The President's revised March budget proposed cutting 5,181 staff years and $330 million from the 172 hospitals operated by the VA. Anyone who has been through a veterans hospital—anyone who has taken the time to go out on the surgical wards—anyone who looks in some detail at the operation of these hospitals—will quickly come to the conclusion that the VA cannot take a 5,181 staff-year cut. The fact is that the VA hospital system today is suffering from the most critical shortage of nurses in its history.

It was my view and it was the view of the subcommittee that we had to restore the funding for veterans medical care programs. And that is the reason—the principal reason—that this bill is over the President's request in terms of outlays.

Now when we took this bill to the floor on July 21 we got a letter from the Director of the Office of Management and Budget—who in my view is one of the more capable members to have served in this body. We got a letter from David Stockman complaining about a number of areas in the bill as reported by the committee. I think it is instructive and it is important to point out the fact that in that letter Mr. Stockman did not raise the issue—did not ask us to retreat—and did not indicate we were off base in adding $300 million back to the VA medical programs.

So the bottom line is this—we are over the President's budget in outlays for 1982—but we are over because we have had the compassion to add money where we felt it was absolutely necessary.

I am talking about those 172 VA hospitals—and a problem with shortages of nurses and doctors and lab technicians and radiologists. Without those skilled people, this Nation's veterans cannot get adequate medical care.

I cannot believe that the President would veto this bill on the basis that we are above the budget request for outlays—when he knows and when everyone here should understand that the principal reason we are over is to protect the VA medical programs.

During the Veterans' Administration's fiscal year 1982 appropriations hearings, we had extensive discussions regarding the compensation, pension and education (C.P. & E.) target system. We are pleased that the VA has worked out all of the initial technical difficulties and has the system completely operational nationwide. The Department of Veterans Benefits has achieved all of the 1,414 FTEE savings on the originally projected dates with a life cycle net savings of over $200 million.

We understand that due to continuing extension and enhancement to the system that the supporting hardware resources are reaching capacity limits. The committee would be willing to entertain an appropriate reprograming request for additional target computer hardware resources if substantiated by the VA for sound reasons.

Mr. Speaker, I think this is an excellent bill. We have made some deep cuts in this bill. We are only providing 147,000 subsidized housing units in 1982. That compares with the President's own budget request of 175,000 units and it compares with a 1981 level of 210,000 units—after the rescission cut more than 45,000 units from the original 1981 appropriation.

We have provided the President's request for the community development block grants and urban development action grants programs. Taken together these total $4.166 billion. Also, I think the subcommittee can take some pride in the fact that it maintained the urban development action grant program as a separate budget activity.

We are within the amounts authorized for the National Consumer Cooperative Bank in the Omnibus Reconciliation Act. In fact we are $9 million under the amount authorized for the bank.

We are within the amounts authorized in the Omnibus Reconciliation Act for the Solar Energy and Energy Conservation Bank. In fact we cut that authorization in half and have provided only $25 million of the $50 million authorized.

We are under the President's request for the operating programs of the Environmental Protection Agency.

We have provided the President's budget request for the Consumer Product Safety Commission—which represents a 33-percent cut in that agency.

We are under the President's request for the programs of the Federal Emergency Management Agency by $12.5 million.

And finally, Mr. Speaker, we have made a small addition above the budget of only $37 million for the programs of the National Science Foundation. That adds back only 11 percent of a $300 million cut in the March budget.

And we have added back a token amount of $70 million of a more than $600 million reduction proposed for the National Aeronautics and Space Administration.

So, Mr. Speaker, when you get to the bottom line, I believe this conference agreement is responsible.

It meets the test of the President's budget cutbacks.

It meets the test of the section 302 allocation to the subcommittee.

And it also meets the test of insuring that we do not neglect taking care of our veterans.

Mr. Speaker, I will include with my remarks a table on each item, a comparison with 1981, and the action of both Houses.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY

[Fiscal years]

| | New budget authority | | | | | Conference compared with— | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Enacted, 1981 | Estimates, 1982 [1] | House, 1982 | Senate, 1982 | Conference, 1982 | Enacted, 1981 | Estimate, 1982 | House bill | Senate bill |
| TITLE I | | | | | | | | | |
| DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | | | | | | | |
| Housing Programs | | | | | | | | | |
| Annual contributions for assisted housing (contract authority) | 24,950,662,850 | 19,472,645,500 | 19,742,645,500 | 17,815,100,000 | 17,939,370,000 | −7,011,292,850 | −1,803,275,500 | −1,803,275,500 | +124,270,000 |
| (Increased limitation for annual contract authority) | (1,155,128,695) | (987,436,250) | (987,436,250) | (891,500,000) | (916,233,800) | (−238,894,895) | (−71,202,450) | (−71,202,450) | (+24,733,800) |
| Homeownership assistance (contract authority by transfer) | (2,100,000,000) | | | | | (−2,100,000,000) | | | |
| (Increased limitation for annual contract authority) | (70,000,000) | | | | | (−70,000,000) | | | |
| Rent supplement (rescission of contract authority, indefinite) | −700,000,000 | −1,037,000,000 | −1,037,000,000 | −1,037,000,000 | −1,037,000,000 | −337,000,000 | | | |
| (Limitation on annual contract authority, indefinite) | (−20,000,000) | (−30,500,000) | (−30,500,000) | (−30,500,000) | (−30,500,000) | (−10,500,000) | | | |
| Housing payments (appropriations to liquidate contract authority) | (7,383,966,000) | (8,759,000,000) | (8,759,000,000) | (8,759,000,000) | (8,759,000,000) | (+1,375,034,000) | | | |
| Housing for the elderly or handicapped fund (authority to borrow) | 780,918,000 | 773,848,000 | 773,848,000 | 773,848,000 | 773,848,000 | −7,070,000 | | | |
| (Limitation on direct loans) | (830,848,000) | (830,848,000) | (830,848,000) | (830,848,000) | (830,848,000) | | | | |
| (Limitation on loans, prior authority) | (65,000,000) | (20,000,000) | (20,000,000) | (20,000,000) | (20,000,000) | (−45,000,000) | | | |
| Congregate services program | | | | 10,000,000 | | | | | −10,000,000 |
| Payments for operation of low-income housing projects | 1,070,800,000 | 1,204,600,000 | 1,204,600,000 | 1,204,600,000 | 1,204,600,000 | +133,800,000 | | | |
| Fiscal year 1981 supplemental | | | | | (148,000,000) | (148,000,000) | (+148,000,000) | (+148,000,000) | (+148,000,000) |
| Troubled projects operating subsidy | 18,050,000 | 50,176,000 | 50,176,000 | 4,000,000 | 4,000,000 | −14,050,000 | −46,176,000 | −46,176,000 | |
| Housing counseling assistance | 7,000,000 | 4,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | −2,000,000 | +1,000,000 | | |
| Federal Housing Administration Fund | 268,640,000 | 222,148,000 | 222,148,000 | 222,148,000 | 222,148,000 | −46,492,000 | | | |
| Portion applied to debt reduction | −30,000,000 | −45,000,000 | −45,000,000 | −45,000,000 | −45,000,000 | −15,000,000 | | | |
| (Limitation on guaranteed loans) | (34,154,732,000) | (35,000,000,000) | (39,000,000,000) | (41,000,000,000) | (40,000,000,000) | (+5,845,268,000) | (+5,000,000,000) | (+1,000,000,000) | (−1,000,000,000) |
| Temporary mortgage assistance payments (limitation on direct loans) | (14,040,000) | (75,960,000) | | (75,960,000) | | (−14,040,000) | (−75,960,000) | | (−75,960,000) |
| Total, Federal Housing Administration Fund | 238,640,000 | 177,148,000 | 177,148,000 | 177,148,000 | 177,148,000 | −61,492,000 | | | |
| Nonprofit sponsor assistance (limitation on direct loans) | (2,300,000) | (2,590,000) | (2,590,000) | (2,590,000) | (2,590,000) | (+290,000) | | | |
| Low-rent public housing—loans and other expenses | | 1,100,000,000 | | | | | −1,100,000,000 | | |
| (By transfer) | (1,060,422,303) | | | | | (−1,060,422,303) | | | |
| (Appropriations to liquidate contract authority) | (1,060,422,303) | | | | | (−1,060,422,303) | | | |
| Government National Mortgage Association | | | | | | | | | |
| Special assistance functions fund: (Limitation on direct loans) | (1,800,000,000) | (3,600,000,000) | (3,600,000,000) | (1,973,000,000) | (1,973,000,000) | (+173,000,000) | (−1,627,000,000) | (−1,627,000,000) | |
| Payment of participation sales insufficiencies | 4,967,000 | 1,964,000 | 1,964,000 | 1,964,000 | 1,964,000 | −3,003,000 | | | |
| Guarantees of mortgage-backed securities (limitation on guaranteed loans) | (64,000,000,000) | (64,000,000,000) | (67,000,000,000) | (69,500,000,000) | (68,250,000,000) | (+4,250,000,000) | (+4,250,000,000) | (+1,250,000,000) | (−1,250,000,000) |
| Total, Government National Mortgage Association | 4,967,000 | 1,964,000 | 1,964,000 | 1,964,000 | 1,964,000 | −3,003,000 | | | |
| Solar Energy and Energy Conservation Bank | | | | | | | | | |
| Assistance for solar and conservation improvements | −121,000,000 | | 50,000,000 | | 25,000,000 | +146,000,000 | +25,000,000 | −25,000,000 | +25,000,000 |
| (By transfer) | (121,250,000) | | | | | (−121,250,000) | | | |
| Total, Housing Programs (net) | 26,250,037,850 | 22,017,381,500 | 20,968,381,500 | 18,954,660,000 | 19,093,930,000 | −7,156,107,850 | −2,923,451,500 | −1,874,451,500 | +139,270,000 |
| Community Planning and Development | | | | | | | | | |
| Community development grants | 3,694,600,000 | 4,166,000,000 | 3,800,000,000 | 4,166,000,000 | 3,666,000,000 | −28,600,000 | −500,000,000 | −134,000,000 | −500,000,000 |
| (Limitation on guaranteed loans) | (250,000,000) | (250,000,000) | (200,000,000) | (250,000,000) | (225,000,000) | (−25,000,000) | (−25,000,000) | (+25,000,000) | (−25,000,000) |
| Urban development action grants | 675,000,000 | | 500,000,000 | | 500,000,000 | −175,000,000 | +500,000,000 | | +500,000,000 |
| Comprehensive planning grants | 17,774,291 | | | | | −17,774,291 | | | |
| Rehabilitation loan fund | 19,123,046 | | | | | −19,123,046 | | | |
| (Limitation on direct loans) | (186,000,000) | | | | | (−186,000,000) | | | |
| (Limitation on loans, prior authority) | (15,000,000) | | | | | (−15,000,000) | | | |
| Neighborhood self-help development program | 881,466 | | | | | −881,466 | | | |
| Total, Community Planning and Development | 4,407,378,803 | 4,166,000,000 | 4,300,000,000 | 4,166,000,000 | 4,166,000,000 | −241,378,803 | | −134,000,000 | |
| Policy Development and Research | | | | | | | | | |
| Research and technology | 39,650,000 | 35,000,000 | 20,000,000 | 30,000,000 | 23,000,000 | −16,650,000 | −12,000,000 | +3,000,000 | −7,000,000 |
| Fair Housing and Equal Opportunity | | | | | | | | | |
| Fair Housing Assistance | 5,700,000 | 5,700,000 | 5,700,000 | 5,700,000 | 5,700,000 | | | | |
| Management and Administration | | | | | | | | | |
| Salaries and expenses | 329,096,000 | 338,664,000 | 323,664,000 | 323,664,000 | 323,664,000 | −5,432,000 | −15,000,000 | | |
| (By transfer, FHA funds) | (264,007,000) | (266,752,000) | (266,752,000) | (266,752,000) | (266,752,000) | (+2,745,000) | | | |
| Working capital fund | | 600,000 | 600,000 | 600,000 | 600,000 | +600,000 | | | |
| Total, title I, Department of Housing and Urban Development: | | | | | | | | | |
| New budget (obligational) authority (net) | 31,031,862,653 | 26,563,345,500 | 25,618,345,500 | 23,480,624,000 | 23,612,894,000 | −7,418,968,653 | −2,950,451,500 | −2,005,451,500 | +132,270,000 |
| Appropriations | 6,030,281,803 | 7,128,852,000 | 6,183,852,000 | 5,973,676,000 | 5,981,676,000 | −48,605,803 | −1,147,176,000 | −202,176,000 | +8,000,000 |
| Portion applied to debt reduction | −30,000,000 | −45,000,000 | −45,000,000 | −45,000,000 | −45,000,000 | −15,000,000 | | | |
| Contract authority | 24,950,662,850 | 19,742,645,500 | 19,742,645,500 | 17,815,100,000 | 17,939,370,000 | −7,011,292,850 | −1,803,275,500 | −1,803,275,500 | +124,270,000 |
| Rescission of contract authority, indefinite | −700,000,000 | −1,037,000,000 | −1,037,000,000 | −1,037,000,000 | −1,037,000,000 | −337,000,000 | | | |
| Authority to borrow | 780,918,000 | 773,848,000 | 773,848,000 | 773,848,000 | 773,848,000 | −7,070,000 | | | |
| (Fiscal year 1981 supplemental) | | | | | (148,000,000) | (+148,000,000) | (+148,000,000) | (+148,000,000) | (+148,000,000) |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

[Fiscal years]

| | New budget authority | | | | | Conference compared with— | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Enacted, 1981 | Estimates, 1982 [1] | House, 1982 | Senate, 1982 | Conference, 1982 | Enacted, 1981 | Estimate, 1982 | House bill | Senate bill |
| (Appropriation to liquidate contract authority) | (8,444,388,303) | (8,759,000,000) | (8,759,000,000) | (8,759,000,000) | (8,759,000,000) | (+314,611,697) | | | |
| (Increased limitation for annual contract authority) | (1,225,128,695) | (987,436,250) | (987,436,250) | (891,500,000) | (916,233,800) | (−308,894,895) | (−71,202,450) | (−71,202,450) | (+24,733,800) |
| (Limitation on annual contract authority, indefinite) | (−20,000,000) | (−30,500,000) | (−30,500,000) | (−30,500,000) | (−30,500,000) | (−10,500,000) | | | |
| (Contract authority by transfer) | (2,100,000,000) | | | | | (−2,100,000,000) | | | |
| (Limitation on direct loans) | (2,833,188,000) | (4,509,398,000) | (4,433,438,000) | (2,882,398,000) | (2,806,438,000) | (−26,750,000) | (−1,702,960,000) | (−1,627,000,000) | (−75,960,000) |
| (Limitation on loans, prior authority) | (80,000,000) | (20,000,000) | (20,000,000) | (20,000,000) | (20,000,000) | (−60,000,000) | | | |
| (Limitation on corporate funds to be expended) | (264,007,000) | (266,752,000) | (266,752,000) | (266,752,000) | (266,752,000) | (+2,745,000) | | | |
| TITLE II | | | | | | | | | |
| INDEPENDENT AGENCIES | | | | | | | | | |
| AMERICAN BATTLE MONUMENTS COMMISSION | | | | | | | | | |
| Salaries and expenses | 9,585,000 | 10,507,000 | 10,507,000 | 10,507,000 | 10,507,000 | +922,000 | | | |
| CONSUMER PRODUCT SAFETY COMMISSION | | | | | | | | | |
| Salaries and expenses | 42,140,000 | 32,983,000 | 32,983,000 | 32,983,000 | 32,983,000 | −9,157,000 | | | |
| DEPARTMENT OF DEFENSE—CIVIL | | | | | | | | | |
| Cemeterial Expenses, Army | | | | | | | | | |
| Salaries and expenses | 5,032,000 | 5,086,000 | 5,086,000 | 5,086,000 | 5,086,000 | +54,000 | | | |
| ENVIRONMENTAL PROTECTION AGENCY | | | | | | | | | |
| Salaries and expenses | 553,723,000 | 582,769,000 | 583,691,000 | 583,747,000 | 583,747,000 | +30,024,000 | +978,000 | +56,000 | |
| Research and development | 253,020,700 | 190,635,000 | 191,247,000 | 180,750,700 | 181,250,700 | −71,770,000 | −9,384,300 | −9,996,300 | +500,000 |
| Abatement, control and compliance | 540,229,900 | 413,928,000 | 422,553,000 | 421,840,500 | 421,840,500 | −118,389,400 | +7,912,500 | −712,500 | |
| Buildings and facilities | 4,115,000 | 4,115,000 | 4,115,000 | 4,115,000 | 4,115,000 | | | | |
| Payment to the hazardous substance response trust fund | 9,000,000 | 28,000,000 | 28,000,000 | 28,000,000 | 28,000,000 | +19,000,000 | | | |
| Hazardous substance response trust fund | 68,000,000 | 200,000,000 | 200,000,000 | 200,000,000 | 200,000,000 | +132,000,000 | | | |
| Construction grants: | | | | | | | | | |
| Appropriation | 2,548,837,000 | | | | | −2,548,837,000 | | | |
| (Appropriation to liquidate contract authority) | (1,700,000,000) | (1,000,000,000) | (1,000,000,000) | (1,000,000,000) | (1,000,000,000) | (−700,000,000) | | | |
| United States Regulatory Council | 2,500,000 | | | | | −2,500,000 | | | |
| Total, Environmental Protection Agency | 3,979,425,600 | 1,419,447,000 | 1,429,606,000 | 1,418,453,200 | 1,418,953,200 | −2,560,472,400 | −493,800 | −10,652,800 | +500,000 |
| EXECUTIVE OFFICE OF THE PRESIDENT | | | | | | | | | |
| Council on Environmental Quality and Office of Environmental Quality | 2,542,000 | 1,044,000 | 1,044,000 | 1,544,000 | 1,044,000 | −1,498,000 | | | −500,000 |
| Office of Science and Technology Policy | 2,063 | 1,793,000 | 1,793,000 | 1,793,000 | 1,793,000 | −270,000 | | | |
| Total, Executive Office of the President | 4,605,000 | 2,837,000 | 2,837,000 | 3,337,000 | 2,837,000 | −1,768,000 | | | −500,000 |
| FEDERAL EMERGENCY MANAGEMENT AGENCY | | | | | | | | | |
| Funds appropriated to the President, disaster relief | 358,449,000 | 369,000,000 | 369,000,000 | 369,000,000 | 369,000,000 | +10,551,000 | | | |
| Salaries and expenses | [2] 82,773,000 | 83,369,000 | 83,369,000 | 83,369,000 | 83,369,000 | +596,000 | | | |
| State and local assistance | [2] 125,255,000 | [3] 138,789,000 | 54,084,000 | 134,789,000 | 134,789,000 | +9,534,000 | −4,000,000 | +80,705,000 | |
| Emergency planning and assistance | [2] 58,997,000 | [4] 73,963,000 | 29,010,000 | 67,456,000 | 65,456,000 | +6,459,000 | −8,507,000 | +36,446,000 | −2,000,000 |
| National flood insurance fund | 561,085,000 | 373,000,000 | 373,000,000 | | 373,000,000 | −188,085,000 | | | +373,000,000 |
| Portion applied to debt reduction | −561,085,000 | −373,000,000 | −373,000,000 | | −373,000,000 | +188,085,000 | | | −373,000,000 |
| Total, Federal Emergency Management Agency | 625,474,000 | 665,121,000 | 535,463,000 | 654,614,000 | 652,614,000 | +27,140,000 | −12,507,000 | +117,151,000 | −2,000,000 |
| GENERAL SERVICES ADMINISTRATION | | | | | | | | | |
| Consumer Information Center | 1,381,000 | 1,314,000 | 1,314,000 | 1,344,000 | 1,344,000 | −37,000 | +30,000 | +30,000 | |
| DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | | | | | | |
| Office of Consumer Affairs | 2,256,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | −256,000 | | | |
| NATIONAL AERONAUTICS AND SPACE ADMINISTRATION | | | | | | | | | |
| Research and development | 4,336,288,000 | 4,903,100,000 | 4,938,100,000 | 4,994,500,000 | 4,973,100,000 | +636,812,000 | +70,000,000 | +35,000,000 | −21,400,000 |
| Construction of facilities | 115,000,000 | 104,800,000 | 95,800,000 | 104,800,000 | 99,800,000 | −15,200,000 | −5,000,000 | +4,000,000 | −5,000,000 |
| Research and program management | 1,071,400,000 | 1,114,300,000 | 1,100,000,000 | 1,114,300,000 | 1,114,300,000 | +42,900,000 | | +14,300,000 | |
| Total, National Aeronautics and Space Administration | 5,522,688,000 | 6,122,200,000 | 6,133,900,000 | 6,213,600,000 | 6,187,200,000 | +664,512,000 | +65,000,000 | +53,300,000 | −26,400,000 |
| NATIONAL COMMISSION ON AIR QUALITY | | | | | | | | | |
| Salaries and expenses | 2,000,000 | | | | | −2,000,000 | | | |
| NATIONAL CONSUMER COOPERATIVE BANK | | | | | | | | | |
| Salaries and expenses | 8,700,000 | | | | | −8,700,000 | | | |
| Self-help development | 9,200,000 | | 5,000,000 | | 5,000,000 | −4,200,000 | +5,000,000 | | +5,000,000 |
| (Limitation on direct loans) | (19,700,000) | | (14,000,000) | | (14,000,000) | (−5,700,000) | (+14,000,000) | | (+14,000,000) |
| National Consumer Cooperative Bank Fund: | | | | | | | | | |
| (Limitation on direct loans) | (169,050,000) | | (260,000,000) | | (260,000,000) | (+90,950,000) | (+260,000,000) | | (+260,000,000) |
| (Limitation on commitments) | (5,000,000) | | | | | (−5,000,000) | | | |
| Total, National Consumer Cooperative Bank | 17,900,000 | | 5,000,000 | | 5,000,000 | −12,900,000 | +5,000,000 | | +5,000,000 |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

[Fiscal years]

| | New budget authority | | | | | Conference compared with— | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Enacted, 1981 | Estimates, 1982 [1] | House, 1982 | Senate, 1982 | Conference, 1982 | Enacted, 1981 | Estimate, 1982 | House bill | Senate bill |
| NATIONAL CREDIT UNION ADMINISTRATION | | | | | | | | | |
| Central liquidity facility: | | | | | | | | | |
| (Limitation on borrowing authority) | (600,000,000) | (600,000,000) | (600,000,000) | (600,000,000) | (600,000,000) | | | | |
| (Limitation on direct loans) | (4,400,000,000) | (4,400,000,000) | (4,400,000,000) | (4,400,000,000) | (4,400,000,000) | | | | |
| (Limitation on administrative expenses) | (1,936,000) | (1,641,000) | (1,641,000) | (1,641,000) | (1,641,000) | (−295,000) | | | |
| Emergency lending authority | | [5] 100,000,000 | 100,000,000 | 100,000,000 | 100,000,000 | +100,000,000 | | | |
| NATIONAL INSTITUTE OF BUILDING SCIENCES | | | | | | | | | |
| Salaries and expenses | 613,000 | 500,000 | 500,000 | 1,500,000 | 1,500,000 | +887,000 | +1,000,000 | +1,000,000 | |
| NATIONAL SCIENCE FOUNDATION | | | | | | | | | |
| Research and related activities | 946,659,000 | 1,020,100,000 | 1,065,000,000 | 1,024,100,000 | 1,040,000,000 | +93,341,000 | +19,900,000 | −25,000,000 | +15,900,000 |
| Science education activities | 70,700,000 | 9,900,000 | 35,000,000 | 19,900,000 | 27,450,000 | −43,250,000 | +17,550,000 | −7,550,000 | +7,550,000 |
| Scientific activities overseas (special foreign currency program) | 5,000,000 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 | −1,500,000 | | | |
| Total, National Science Foundation | 1,022,359,000 | 1,033,500,000 | 1,103,500,000 | 1,047,500,000 | 1,070,950,000 | +48,591,000 | +37,450,000 | +32,550,000 | +23,450,000 |
| NEIGHBORHOOD REINVESTMENT CORPORATION | | | | | | | | | |
| Payment to the Neighborhood Reinvestment Corporation | 12,459,000 | 14,950,000 | 13,950,000 | 14,950,000 | 14,450,000 | +1,991,000 | −500,000 | +500,000 | −500,000 |
| SELECTIVE SERVICE SYSTEM | | | | | | | | | |
| Salaries and expenses | 24,654,000 | 21,174,000 | 20,000,000 | 20,000,000 | 20,000,000 | −4,654,000 | −1,174,000 | | |
| DEPARTMENT OF THE TREASURY | | | | | | | | | |
| Payments to State and local government fiscal assistance trust fund | 4,569,949,000 | 4,569,949,000 | 4,566,700,000 | 4,566,700,000 | 4,566,700,000 | −3,249,000 | −3,249,000 | | |
| Office of Revenue Sharing, salaries and expenses | 6,700,000 | 6,986,000 | 6,986,000 | 6,986,000 | 6,986,000 | +286,000 | | | |
| New York City loan guarantee program, administrative expenses | 903,000 | 934,000 | 934,000 | 934,000 | 934,000 | +31,000 | | | |
| (Limitation on guaranteed loans) | (900,000,000) | (755,898,000) | (755,898,000) | (755,898,000) | (755,898,000) | (−144,102,000) | | | |
| Investment in National Consumer Cooperative Bank | 87,220,000 | | 58,000,000 | | 47,000,000 | −40,220,000 | +47,000,000 | −11,000,000 | +47,000,000 |
| Total, Department of Treasury | 4,664,772,000 | 4,577,869,000 | 4,632,620,000 | 4,574,620,000 | 4,621,620,000 | −43,152,000 | +43,751,000 | −11,000,000 | +47,000,000 |
| VETERANS ADMINISTRATION | | | | | | | | | |
| Compensation and pensions | 12,592,000,000 | 12,956,800,000 | 12,914,800,000 | 12,857,400,000 | 12,881,600,000 | +289,600,000 | −75,200,000 | −33,200,000 | +24,200,000 |
| Readjustment benefits | 2,289,808,000 | 1,658,000,000 | 1,626,000,000 | 1,658,000,000 | 1,638,300,000 | −651,508,000 | −19,700,000 | +12,300,000 | −19,700,000 |
| Veterans insurance and indemnities | 4,915,000 | 8,500,000 | 8,500,000 | 8,500,000 | 8,500,000 | +3,585,000 | | | |
| Medical care | 6,339,396,000 | 6,674,891,000 | 6,964,661,000 | 6,966,418,000 | 6,966,418,000 | +627,022,000 | +291,527,000 | +1,757,000 | |
| Medical and prosthetic research | 140,070,000 | 145,699,000 | 153,699,000 | 145,699,000 | 150,699,000 | +10,629,000 | +5,000,000 | −3,000,000 | +5,000,000 |
| Medical administration and miscellaneous operating expenses | 52,809,000 | 58,400,000 | 62,572,000 | 62,400,000 | 62,400,000 | +9,591,000 | +4,000,000 | −172,000 | |
| General operating expenses | 643,251,000 | 603,728,000 | 659,512,000 | 659,512,000 | 659,512,000 | +16,261,000 | +55,784,000 | | |
| Construction, major projects | 416,104,000 | 429,930,000 | 434,603,000 | 434,603,000 | 434,603,000 | +18,499,000 | +4,673,000 | | |
| (Effect of deferral) | | | (23,361,000) | (35,961,000) | (35,961,000) | (+35,961,000) | (+35,961,000) | (+12,600,000) | |
| Construction, minor projects | 108,908,000 | 116,979,000 | 110,000,000 | 110,000,000 | 110,000,000 | +1,092,000 | −6,979,000 | | |
| Construction and operation of garage and parking facilities | | 4,692,000 | | 4,692,000 | | | −4,692,000 | | −4,692,000 |
| Grants for construction of State extended care facilities | 15,000,000 | 18,000,000 | 18,000,000 | 18,000,000 | 18,000,000 | +3,000,000 | | | |
| Grants for construction of State veterans cemeteries | 5,000,000 | | | | | −5,000,000 | | | |
| Grants to the Republic of the Philippines | 1,200,000 | | | | | −1,200,000 | | | |
| Vocational rehabilitation revolving fund | 1,250,000 | | | | | −1,250,000 | | | |
| Direct loan revolving fund (limitation on direct loans) | (1,000,000) | (1,000,000) | (1,000,000) | (1,000,000) | (1,000,000) | | | | |
| Total, Veterans Administration | 22,609,711,000 | 22,675,619,000 | 22,952,347,000 | 22,925,224,000 | 22,930,032,000 | +320,321,000 | +254,413,000 | −22,315,000 | +4,808,000 |
| Total, title II, Independent Agencies: | | | | | | | | | |
| New budget (obligational) authority | 38,547,054,600 | 36,685,107,000 | 36,981,613,000 | 37,025,718,200 | 37,077,076,200 | −1,469,978,400 | +391,969,200 | +95,463,200 | +51,358,000 |
| Appropriations | 39,108,139,600 | 37,058,107,000 | 37,354,613,000 | 37,025,718,200 | 37,450,076,200 | −1,658,063,400 | +391,969,200 | +95,463,200 | +424,358,000 |
| Portion applied to debt reduction | −561,085,000 | −373,000,000 | −373,000,000 | | −373,000,000 | +188,085,000 | | | −373,000,000 |
| (Appropriation to liquidate contract authority) | (1,700,000,000) | (1,000,000,000) | (1,000,000,000) | (1,000,000,000) | (1,000,000,000) | (−700,000,000) | | | |
| (Limitation on borrowing authority) | (600,000,000 | (600,000,000) | (600,000,000) | (600,000,000) | (600,000,000) | | | | |
| (Limitation on commitments) | (5,000,000) | | | | | (−5,000,000) | | | |
| (Limitation on direct loans) | (4,589,750,000) | (4,401,000,000) | (4,675,000,000) | (4,401,000,000) | (4,675,000,000) | (+85,250,000) | (+274,000,000) | | (+274,000,000) |
| Limitation on guaranteed loans) | (900,000,000) | (755,898,000) | (755,898,000) | (755,898,000) | (755,898,000) | (−144,102,000) | | | |
| (Limitation on corporate funds to be expended) | (1,936,000) | (1,641,000) | (1,641,000) | (1,641,000) | (1,641,000) | (−295,000) | | | |
| TITLE III | | | | | | | | | |
| CORPORATIONS | | | | | | | | | |
| Federal Home Loan Bank Board: | | | | | | | | | |
| (Limitation on administrative expenses) | (21,030,000) | (22, 320,000) | (22,320,000) | (22,320,000) | (22,320,000) | (+1,290,000) | | | |
| (Limitatioin on non-administrative expenses) | (35,435,000) | (37,540,000) | (37,540.000) | (37,540,000) | (37,540,000) | (+2,105,000) | | | |
| Federal Savings and Loan Insurance Corporation (limitation on administrative expenses) | (1,000,000) | (1,030,000) | (1,030,000) | (1,030,000) | (1,030,000) | (+30,000) | | | |
| Total, title III, Corporations | (57,465,000) | (60,890,000) | (60,890,000) | (60,890,000) | (60,890,000) | (+3,425,000) | | | |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

[Fiscal years]

| | New budget authority | | | | | Conference compared with— | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Enacted, 1981 | Estimates, 1982 [1] | House, 1982 | Senate, 1982 | Conference, 1982 | Enacted, 1981 | Estimate, 1982 | House bill | Senate bill |
| RECAPITULATION | | | | | | | | | |
| Grand total: | | | | | | | | | |
| New budget (obligational) authority | 69,578,917,253 | 63,248,452,500 | 62,599,958,500 | 60,506,342,200 | 60,689,970,200 | −8,888,947,053 | −2,558,482,300 | −1,909,988,300 | +183,628,000 |
| Appropriations | 45,138,421,403 | 44,186,959,000 | 43,538,465,000 | 42,999,394,200 | 43,431,752,200 | −1,706,669,203 | −755,206,800 | −106,712,800 | +432,358,000 |
| Portion applied to debt reduction | −591,085,000 | −418,000,000 | −418,000,000 | −45,000,000 | −418,000,000 | +173,085,000 | | | −373,000,000 |
| Contract authority | 24,950,662,850 | 19,742,645,500 | 19,742,645,500 | 17,815,100,000 | 17,939,370,000 | −7,011,292,850 | −1,803,275,500 | −1,803,275,500 | +124,270,000 |
| Contract authority, indefinite | −700,000,000 | −1,037,000,000 | −1,037,000,000 | −1,037,000,000 | −1,037,000,000 | −337,000,000 | | | |
| Authority to borrow | 780,918,000 | 773,848,000 | 773,848,000 | 773,848,000 | 773,848,000 | −7,070,000 | | | |
| (Fiscal year 1981 supplemental) | | | | | (148,000,000) | (+148,000,000) | (+148,000,000) | (+148,000,000) | (+148,000,000) |
| (Appropriations to liquidate contract authority) | (10,144,388,303) | (9,759,000,000) | (9,759,000,000) | (9,759,000,000) | (9,759,000,000) | (−385,388,303) | | | |
| (Increased limitation for annual contract authority) | (1,225,128,695) | (987,436,250) | (987,436,250) | (891,500,000) | (916,233,800) | (−308,894,895) | (−71,202,450) | (−71,202,450) | (+24,733,800) |
| (Limitation on annual contract authority, indefinite) | (−20,000,000) | (−30,500,000) | (−30,500,000) | (−30,500,000) | (−30,500,000) | (−10,500,000) | | | |
| (Contract authority by transfer) | (2,100,000,000) | | | | | (−2,100,000,000) | | | |
| (Limitation on borrowing authority) | (600,000,000) | (600,000,000) | (600,000,000) | (600,000,000) | (600,000,000) | | | | |
| (limitation on commitments) | (5,000,000) | | | | | (−5,000,000) | | | |
| (Limitation on direct loans) | (7,422,938,000) | (8,910,398,000) | (9,108,438,000) | (7,283,398,000) | (7,481,438,000) | (+58,500,000) | (−1,428,960,000) | (−1,627,000,000) | (+198,040,000) |
| (Limitation on guaranteed loans) | (99,304,732,000) | (100,005,898,000) | (106,955,898,000) | (111,505,898,000) | (109,230,898,000) | (+9,926,166,000) | (+9,225,000,000) | (+2,275,000,000) | (+2,275,000,000) |
| (Limitation on loans, prior authority) | (80,000,000) | (20,000,000) | (20,000,000) | (20,000,000) | (20,000,000) | (−60,000,000) | | | |
| (Limitation on corporate funds to be expended) | (323,408,000) | (329,283,000) | (329,283,000) | (329,283,000) | (329,283,000) | (+5,875,000) | | | |

[1] Reflects all March 1981 budget.
[2] Included for comparability only.
[3] Includes estimates of $84,705,000 not considered by House.
[4] Includes estimates of $40,953,000 not considered by House.
[5] Includes $100,000,000 requested in H. Doc. 97–42.

Mr. GREEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join the distinguished chairman of the HUD-Independent Agencies Appropriations Subcommittee in urging passage of the conference report.

As the distinguished chairman has said, we have come in well under our section 302 subcommittee allocation. We have come in way under where we were last year in this appropriation bill. I think we have really taken a very, very hard line, in terms of spending in this bill. I think that everyone in the House should understand that.

Now, it is true that the administration does have a complaint on the outlays that will be engendered as a result of this bill. But I have to say that I find the administration's analysis, at least as we know it today, to be on very shaky ground. I see it counting as outlays programs which the HUD staff tells me will not get started for most of the year. I see it counting outlays based on previous years' appropriations which obviously we cannot affect by this bill. And, frankly, it has been very difficult to work with the agencies involved and get good outlay numbers.

Before this bill came on the floor for final passage and before we went to conference, I asked the HUD budget staff how much in the way of outlays one particular program that HUD manages would cause in fiscal year 1982 as a result of the appropriation we had in this bill. And in the course of a single day, I got three different numbers back from the HUD staff. I was told $5 million, then I was told $10 million, and then I was told $65 million. Obviously, if the HUD budget office has that loose control on what the outlays are going to be from one program, it is very difficult for us in this House to estimate outlays accurately.

All I can say is that I concur in this statement of our distinguished chairman of the subcommittee. After all, OMB has a good deal of capacity to control the release of funds and to slow down outlays—but if those outlays are in the magnitude that the administration suggests, our distinguished chairman is quite correct in saying that that comes because of what we did in connection with the Veterans' Administration and our decision that we could not see a further deterioration in the quality of care in the VA hospitals and our funding for VA medical personnel.

So I do urge all of my colleagues to support the Appropriations Committee and the subcommittee in going with this bill.

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Mississippi.

Mr. LOTT. I thank the gentleman for yielding.

Mr. Speaker, I would like to ask just a couple of questions, but I would like to preface those by stating that I appreciate the job, also, that the chairman and the ranking minority member on the subcommittee have done. It is always difficult to try to bring our appropriation bills when they involve HUD and independent agencies into line where we would like for them to be.

But let me ask the gentleman a series of questions, if I could. No. 1, I believe I am correct that this is the first appropriations report that we have had before the House this year that has gone through the whole process, except for the conference report approval; is that correct?

Mr. GREEN. Other than the supplemental earlier in the year, that is correct.

Mr. LOTT. And it is a fact that it is over the President's fiscal year 1982 budget in outlays. Now, we might say it is this amount or that amount, but it is in fact, I think all would agree, over what has been requested; is that correct?

Mr. GREEN. I have some trouble giving the gentleman an answer on that point because, frankly, it is very hard to pin them down as to what the outlays are going to be, and there is a good deal of discretion at OMB in terms of the time of release of the funds, which in turn determines outlays.

As I said, before we had the debate on final passage of this bill, I asked the HUD budget office to give me a number of what outlays would be engendered by the HUD section 8 existing housing program and, of course, one day I got three different numbers, $5 million, $10 million, $65 million.

To some degree that is quite controllable by OMB, depending on when they release the funds to the area offices, when the area offices advertise for proposals from the various housing authorities, and so on.

So a good deal of that number is very much within the control of the administration, particularly the HUD funds on no year funds, and they can control when those outlays come. So I do not think anyone can give the gentleman an easy answer.

□ 1330

Mr. LOTT. My understanding is clearly we might argue over the exact amount but that it is over in outlays what the President asked for.

I would like to follow up on one other point the gentleman made. The gentleman mentioned that really it was only applicable to the veterans' programs. I think in fact there are a number of programs that are over and I think I see them listed there, including, just as one example, the Consumer Co-op Bank and some other

areas where clearly additional savings could have been made and where clearly they are over what the administration requested; is that correct?

Mr. GREEN. If I may reclaim my time, I would simply say to the gentleman that the largest part by far is the Veterans' Administration spending. There are disputes as to some of the other figures. The administration is claiming $95 million, which the subcommittee believes is actually the result of previous appropriations bills and not related to this bill whatsoever.

The administration claims a $140 million expenditure for the temporary mortgage assistance program which we do not think is going to happen because of the delays in HUD in getting the program going.

So, I think the gentleman is right about the Co-op Bank, but that was included in the reconciliation bill, so that is something that this House has already approved in the authorizing legislation. And, as I would point out, we are well under the section 302 allocation that this subcommittee got.

So what we are getting down to is the very fuzzy numbers on actual outlays. Those are very difficult numbers on which to pin down the administration.

Mr. LOTT. If the gentleman will yield further, I appreciate the gentleman answering those questions, but I do want to urge my colleagues on both sides of the aisle to look very carefully at this conference report and the questions that are being raised here now and will in the future be raised, perhaps by the administration, and that the Members weigh very carefully their vote.

I think in view of the allegations, and I think they are correct, that it is over in outlays, this Member will have to vote "no" and I believe we will be hearing more from the administration in that regard.

Mr. BOLAND. Mr. Speaker, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Massachusetts.

Mr. BOLAND. I thank the gentleman for yielding. I do not think anybody can disagree with the statement of the gentleman from Mississippi. This bill is over in outlays. The question is how much is it over in outlays?

The administration sent up a paper—I think most Members have the paper—indicating that this bill is over in outlays by $620 million. That is not quite accurate. In the scorekeeping to come to that particular figure, the administration has figured in, No. 1, $95 million that occurs as a result of the 1981 supplemental appropriations and rescission bill. I do not know of any bill that has ever included that kind of a figure in the current appropriations bill. I think it is wrong to include it. It ought not to be in there. But it is in there.

Another item that is included is $140 million for the temporary mortgage assistance payments program. That $140 million payment will not occur, cannot occur. No regulations have been established so far. The target date for the Department establishing the regulations was September 1. That date has passed. There is not a chance in the world of a dime being paid out under the temporary mortgage assistance program until very late in fiscal year 1982, if at all.

Yes, there is money in here for the National Consumers Cooperative Bank. There is something like $28 million in outlays over the budget. They object. They object to that $28 million. They object to it today, but that objection was not raised when the reconciliation bill was being considered. The administration, agreed, as the gentleman from Ohio (Mr. WYLIE), who championed this particular program, and the gentleman from Connecticut (Mr. MCKINNEY) indicated during consideration of the Omnibus Reconciliation Act. The Office of Management and Budget agreed it would permit the National Consumers Cooperative Bank to be part of the reconciliation bill and so it was. In a letter to the chairman dated September 11, Mr. Stockman did not object to funding the bank. Now there seems to be some objection. Included in the $620 million that the administration believes the bill is over in outlays, is $292 million for the Veterans' Administration.

There is no objection, there was no objection on the part of the administration at the time this bill was brought to the floor with the increase in the Veterans' Administration.

Now they have objected to the bill as being $620 million over in outlays. My understanding is that as of this moment they do not have any objection to the amount that was increased in the VA budget by this Congress. So the $620 million figure is a mirage and it is not a correct figure.

Mr. GREEN. Mr. Speaker, I now yield such time as he may consume to the gentleman from Michigan (Mr. DUNN).

Mr. DUNN. Mr. Speaker, I intend to vote for the conference report on the HUD and independent agencies appropriations bill. This decision is made in spite of the additional cuts in funding by conferees for the National Science Foundation. The House Committee on Science and Technology, of which I am a member, after much deliberation, reported out an authorization figure of $1.16 million for NSF. I strongly supported this level because I believe that the broad impact of NSF science, engineering, and social science research and education programs in our economy and strategic interest is great in comparison to this relatively small part of the budget.

The House in consideration of its version of the appropriations bill, again with my support, defeated a proposal to bring the NSF figure down to the level recommended by the administration. Now, in compromise with the other body, we are asked to cut another $32 million from that already passed by the House, and I fear that if this report is not accepted, this cut will go deeper.

I commend the House conferees for managing to retain as much as they did for the NSF. Although I would prefer to see higher funding for some NSF programs, to avoid further reductions I will vote to accept this report.

Mr. GREEN. Mr. Speaker, I think it shows something of the difficulty under which this committee, this subcommittee operates, that we have now been criticized from this side of the House both for spending too much and for spending too little. I think we have done a good job and we have struck the right balance and I would urge the Members to support the bill.

Mr. BOLAND. Mr. Speaker, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Massachusetts.

Mr. BOLAND. I thank the gentleman for yielding.

In response to the gentleman who just made some remarks with reference to the National Science Foundation, my own judgment is—it is only my own judgment—it would seem to me if this bill is vetoed, and that veto is sustained, that there will be less money in the National Science Foundation than we carry in the conference report.

Mr. GREEN. I yield such time as he may consume to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, I thank the gentleman for yielding, and as he well knows, for many years I served on the Appropriations Committee before I was elected leader on our side. I know of the diligence with which the members of the various subcommittees approach their task and doing the very best they can under whatever conditions prevail at that time. They frequently come to the floor of the House and are overturned with no more argument than there has been a change of time, a change of events and circumstances.

I do not think these are normal times, and even though I would like to commend both the chairman and ranking member for the job they have done here on this bill, a bill that under conditions of the past would be accepted, even though being somewhat over the President's budget figure, I cannot endorse the final product.

I am a little bit distressed that there is this disparity of computation between the Appropriations Committee and the Office of Management and Budget as to the difference between outlays and budget authority.

As my dear friend, the gentleman from Massachusetts indicated, it is over the President's budget in outlays. It is over by some $620 million.

Now, there is no good way under this given time and circumstances that we can accept a conference report $620

million over the President's budget in outlays and expect to get the right kind of message to the folks in the money markets that we are going to toe the mark here in the Congress.

So I have to very reluctantly tell my friends that I have to personally vote against the conference report, even though we do not have any assured signal yet that the President will definitely veto the measure, though the prospects are very good that he will. If he does, and if it is the first one and is over half a billion dollars above his budget, there is no alternative for us but to build up a sufficient number of votes in this House to sustain a veto to make absolutely sure that what the President is talking about today in holding the line will be upheld.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois.

Mr. YATES. The gentleman and I served on the Appropriations Committee for many years and he knows the difficulties of the budget process. This House struggled to come forward with a budget. It approved the Gramm-Latta budget. I happened to have voted against it, but the House accepted the Gramm-Latta budget and the President signed it into law.

The level of that budget was then distributed to the various appropriations committees and under section 302 we were told that if we brought our budgets in under the levels established under that section 302 we would be complying with the Gramm-Latta.

As I understand the argument the gentleman is making, the effect of it is to say the President has the budget, the President has the say, the Congress has no say at all in how much money should be spent. We have complied with the budget that has been approved by the Congress, that has been approved by the President, by signing into law, and now the President, according to what the gentleman says, wants to throw it out the window.

Mr. MICHEL. Well, I think that is probably an exaggeration but I would remind my friend that when the President initially proposed his reductions in the budget we were talking in terms of $48 to $49 billion.

Through the process of reconciliation, we ended up with a reduction in the neighborhood of $35 billion.

Mr. YATES. Why did not the President veto it at that time?

Mr. MICHEL. There has been this margin of difference between what we agreed to in Gramm-Latta II and what the President really feels now that we have to achieve. We have got to do a better job. That is the reason I make the comments that I do today.

Mr. GREEN. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from New York (Mr. GREEN).

Mr. GREEN. I do think though that the minority leader does understand the difficulty in which this places all of us. We all, through the gentleman's good offices, negotiated with the administration about funding levels for various programs and we reached agreements and we decided either to vote for or against the various pieces of the economic plan on the basis of those agreements that we reached, and now to be told that those agreements are meaningless and it is back to the drawing board and we cannot proceed on the basis of the agreement we reached, is something this Member finds very difficult to take.

Mr. MICHEL. I understand and I have read some of the gentleman's comments and they are well taken, because as he well knows, during that agonizing period in the formulation of the reconciliation process we had many hours in which we discussed specific items and we do not mean to be taking it out on any one individual or any group of individuals, but I think if we default on our responsibility of taking another look at the overall picture and what we have got to do, to reassure people that we do mean business here, I have no alternative but to do the best I can here to give the President that flexibility that if he feels compelled to veto this measure that there will be that 140-plus votes in this body, particularly that would sustain a veto if there should be one.

Mr. GREEN. If the gentleman will yield further, if I may just make one further point, I think it is plain that all during those negotiations many of us raised the question of whether funds could not be transferred out of the defense budget categories into the other budget categories.

I think we were told by the Director of the Office of Management and Budget, our former colleague, Mr. Stockman, that in essence he viewed the defense budget as a reserve against contingencies, that he recognized there would be softness there, as there were in other department requests, but that he basically has to deal with the fact there might be higher interest rates than one expected, or there might be another Mount St. Helens, that is where he had his reserve for contingencies.

I say that now those contingencies have occurred, interest rates are running higher and I think that is the place we ought to be looking now for dealing with these problems, to come back on these agreements where we reached agreement, where this committee has come in well under its section 302 allocation and say this work was all for naught and those agreements mean nothing I find very difficult.

Mr. GREEN. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. I thank the gentleman for yielding.

I do not want to be put in the position of, "I told you so," but I did not support this bill when it passed the House initially, I thought it was too high. I think it is too high now, as pointed out by the minority leader, $620 million too high. We have 13 appropriations bills. If we just let each one slip by of $620 million, we will end up being $8 billion over the budget.

So we must hold the line.

I note you are funding the National Consumers Bank. Here is a piece of legislation that should not have been passed in the first place. It passed the House by one vote. What we do not need in this country is one more bank funded by the taxpayers.

□ 1345

Now, we do not need one more bank funded by the taxpayers of this country and since this legislation funds such a bank, we ought to vote down the supplemental and send it back to committee with instructions to "Take it out. We don't need to expend taxpayers' funds for such a bank."

Mr. BOLAND. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think this has been a very interesting debate so far. I think perhaps there is less light shed upon it than the Members of the House are entitled to.

First of all, I am impressed, as I always am, by the logic of the distinguished gentleman from Ohio (Mr. LATTA), my long-time friend. As I listen to the gentleman, I am convinced that he is an advocate or a devotee of the new math. The gentleman takes $620 million and multiplies it by 13 subcommittees and comes up with $8 billion in outlays over the President's request for 1982. But the fact of the matter is, and I would hope that the Members recognize that the $620 million figure is a false figure. You cannot describe it in any other way. It is a false figure.

Now what makes up that figure of $620 million? To begin with they are charging this 1982 bill with $95 million of outlays—some of which was for veterans medical programs—which was provided for in the 1981 supplemental appropriations and rescission bill. That is a new way to scorekeep—that I have never heard of before. It is the most illogical approach possible—and it makes no sense whatsoever—because it has nothing to do with action taken on the 1982 bill.

Even if the distinguished Director of the Office of Management and Budget were still a Member of this House—and as persuasive as he always was on this floor, one of the most brilliant men we have ever had here—he would have problems with these figures. I do not recall at any time that Dave Stockman, when he was a Member of this House and was arguing about appropriations and authorizations and budget authority and outlays, I do not recall that he ever counted into any particular figure that he gave the membership of this House actions which occurred 1 year ago.

Second, the administration is claiming that we added $140 million in outlays to the 1982 bill because of our failure to approve something known as a temporary mortgage assistance payments program. I do not think that he should include $140 million for the temporary mortgage assistance program.

The request was for a $75 million limitation on the Federal Housing Administration Fund to begin this program.

Do you want me to tell you why we did not approve the $75 million limitation? The answer is easy—the Department already has had $14 million available for the past 12 months and has still not got the regulations out. And the fact is that a representative of the administration in conference last Thursday indicated that the regulations have not gone to final clearances yet. It is very unlikely that any savings through this program could occur before next August.

So that fact is that it is the administration's inability to get the regulations out that is costing them that extra $140 million in outlays—not the action of this committee.

Let me also add that in the statement of the managers we have agreed to provide that $75 million in next year's supplemental when we can be sure that the regulations are in place and the program is ready to begin.

So the $140 million of the $620 million above the budget in outlays is wrong.

Another item is the $28 million for the National Consumer Cooperative Bank. It has been the judgment of the Members of this body that we ought to have the bank.

Incidentally, this is the last year of funding for this program and we say so. Both the House and the Senate conferees have said that. There has been an indication that the Office of Management and Budget supports the bank. It said so in connection with the reconciliation bill and in a letter to the HUD conferees.

With reference to the $292 million add-on for the Veterans' Administration, the administration supported that. There was no objection on the part of OMB.

So in my judgment, and I appeal to the membership of this body, in my judgment this is one of the most fiscally responsible appropriation bills we are going to get this year. If this one is vetoed, God help the others that are coming down the road.

Mr. DICKS. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Speaker, I would like to ask a question of the gentleman from New York, who shares with me a concern about the waste water treatment program. I am just concerned whether the gentleman has heard from the administration. As I understand, there is a zero request for funding in the fiscal year 1982 appropriations bill. Is the administration intending at some point to send up a budget request for that item? How does this fit into the bill?

Mr. GREEN. If the gentleman will yield.

Mr. BOLAND. Yes, I yield.

Mr. GREEN. I am evidently not a spokesman for the administration, so I cannot give the gentleman an answer to that one. I do not think the situation has changed since our discussion in the Appropriations Committee itself yesterday.

I am not sure what the administration was proposing. As the gentleman knows, that item has been outside the whole budget process from day one. It was not included in the Budget Committee's proposal. It was not included in the Gramm-Latta substitute. It was not included in the reconciliation bill. It is just $2.4 billion sitting there. I hope we will have it on October 1, but I do not know.

Mr. DICKS. Well, I think Members ought to be aware of that fact, because all over this country we are going to be hearing from the municipalities who say to us, "Now, wait a minute. Are you really serious? You have cut off all money for the Environmental Protection Agency's waste water treatment plant and all the ramifications of that through construction and home building and everything else in this country?"

I am rather astonished that something has not been said by the administration about what their plans are in relationship to this very significant program.

Mr. GREEN. Mr. Speaker, if the gentleman will yield further, I think what the administration has said is that it would support a $2.4 billion appropriation so long as an authorizing bill is passed that meets certain criteria that they have.

Mr. DICKS. But they would send up a budget request for that amount so that we would not be further over the budget.

Mr. GREEN. If the gentleman will yield further, my understanding is that the March 10 budget proposal of the President did specify $2.4 billion for that purpose on that commission.

Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. STANTON).

Mr. STANTON of Ohio. Mr. Speaker, within the hour on the wire services of United Press International appeared the following statement:

The stock market, which has been under the gun for the past several months because of high interest rates, was trying to mount a rally today as banks lowered their prime lending rates. Trading was moderate. The Dow was ahead 2.66 points to 868.81. Trend setting Citibank encouraged some investors when it lowered its prime lending rate to 20 percent.

Mr. Speaker, the debate that we have heard on this HUD appropriation bill is excellent. My good friend, the gentleman from Massachusetts, in my opinion, is the most outstanding subcommittee chairman on the Appropriations Committee. He has brought into this committee a reasonable budget in reasonable time.

But Mr. Speaker, these are not reasonable times. And I incur to you the idea that the United Press International ticker tape will pick up the fact that what the White House has done, in my humble opinion, is not against the Housing and Urban Development appropriation bill, which in my understanding, as ranking Republican on the minority of the Housing Subcommittee, it is not against the Housing Subcommittee; but what it is against is the $620 million in outlays over the President's budget.

The die has been cast. It is a frustrating thing to a member of this committee, to my friend, the gentleman from Massachusetts, but it is interpreted in the marketplace, and the gentleman from Illinois makes the point, it is how our actions are interpreted that will create confidence in the President's program.

They are watching. They are going to see if we do what we said we would do when we passed the budget.

Despite the rhetoric, we might as well vote so, because either today we will vote "No," or we have got to sustain the President's veto when it comes up to it. It is that simple.

So, Mr. Speaker, I appreciate the opportunity to present my views and to congratulate the gentleman on the excellent job he has done. I am sorry that the gentleman was caught in this first appropriation bill. I say to my friend from New York and my friend from Massachusetts, you are the victims of circumstances and it should not have happened to two nice people like the two of you. However, this will assure us that all future appropriation bills do not exceed the budget.

Mr. MICHEL. Mr. Speaker, would my friend yield?

Mr. STANTON of Ohio. I would be happy to.

Mr. MICHEL. Mr. Speaker, I just want to commend the gentleman for his statement. I think there is no question we are living in a day of images and impressions. It is not so much what have we really got here, but what is it perceived to be? I think that is what the gentleman from Ohio is saying. It is perceived to be a bill that, even conceding the rescission minus $95 million, is over half a billion dollars more in outlays than what the President talked about. That is the difference and that is the thing that will be communicated, and that is why I am urging a "No" vote on the conference report.

Mr. BOLAND. Mr. Speaker, I do not think we ought to act on perceptions here. Obviously, I must be a lousy advocate and a poor persuader. I made no impression, obviously, on some on that side of the aisle with respect to the $620 million figure; but what I say is absolutely accurate.

This is a $60 billion bill. If we adjust the reasoning, and I think it ought to be adjusted, that OMB attaches to the figure of $620 million of outlays in excess of the administration for fiscal year 1982, you will arrive at an excess outlay figure of $65 million in a $60 billion bill. Taking $620 million and adjusting it by the amount of excess outlays in the Veterans' Administration and the National Consumer Cooperative Bank—which the administration does not oppose—and by the 1981 outlays and by the TMAP program results in $65 million.

Let me give you the bottom line that the distinguished minority leader would want and all of you on that side want and I want, because it reflects about what is going to happen to spending in this area in the future. Let me make one final point on outlays and then I will move the previous question.

The total outlay figure for all the outyears in this bill, and hold on to your hats, is $2,411,000,000 under the administration. Just think what we are going to do for a balanced budget in 1984, 1985, and 1986 with this bill. So by the action we are taking in this bill, we will ultimately save the Government and the taxpayers more than $2.4 billion. Now, if Wall Street gets that message today, then I presume the market will be up 5 points tomorrow.

Mr. GREEN. Mr. Speaker, I would like to make one further observation; that is, I think people ought to understand that this outlay budget authority problem is complicated in the case of the HUD appropriation, because of the fact if you try to save money in the long term, you do accelerate outlays.

In the case of the HUD budget, we have as a matter of policy, and I think this has been concurred in by the Banking Committee, been shifting the section 8 funds from the new construction and the substantial rehabilitation program, which require commitments of 20 and 30 and 40 years of budget authority but where there is no outlays because the project does not get built for 1½ or 2½ or 3½ years, we have been shifting out of that and over to the existing housing and the moderate rehabilitation program where the money comes on stream a lot faster; but in the existing housing program it only costs half the amount per unit and you are only tying up the Government for 15 years, rather than 20 or 30 or 40 years.

As we try to do this and make life easier for future Budget Directors by having less in the way of these long-term, full faith and credit obligations under the section 8 program, to some degree it is true. We have accelerated the outlays.

I think this is one case where it is well to do that, because in essence we are saving simply tens of billions of dollars in future years by making that move.

Now to attack us because the result is some acceleration of outlays, I think is penny wise and pound foolish.

Mr. BOLAND. Mr. Speaker, I rise only to commend the distinguished gentleman from New York. The gentleman is in a very difficult position, coming from a great city where they have great problems. I want to commend him for the manner in which he has served on this particular subcommittee. He has been a marvelous and magnificent member of this subcommittee and what the gentleman says about the assisted housing program is absolutely correct.

A year ago, in the Carter budget for fiscal year 1981 we had in the assisted housing program something like 255,000 units. Do you know what is carried in this bill? One hundred and forty-seven thousand units for assisted housing. Now, if that does not indicate a willingness on the part of the subcommittee, and a willingness on the part of the entire Congress, to try to control spending, I do not know what figures could be more effective.

● Mr. WALGREN. Mr. Speaker, I rise in support of the conference report on H.R. 4034, appropriations for HUD and independent agencies. I wish to take a minute to speak in support of funding for the National Science Foundation.

The conference has reported a total figure of $1,070.95 million for the Foundation. This amount, though short of the figure that my subcommittee has recommended for authorization, still provides for strengthening several programs of utmost importance to this Nation's scientific and technological needs. Here I am referring to the important programs in research instrumentation, the women and minorities in science programs, the social and economic sciences, the programs in innovation and the international activities. Unfortunately, the amount for science and engineering education, though higher than requested, is still short for what I and others perceive to be the critical science and technology issue for this country in the next decade.

I realize that Mr. BOLAND has made extraordinary efforts in producing the funding changes we have achieved. I want to thank him for that support and commend him for his efforts in providing a balanced and fair budget for the Foundation's activities.

Mr. Speaker, the House voted overwhelmingly by a vote of 264 to 152 to support strengthened funding of the Foundation's programs when H.R. 4034 was originally considered. I certainly believe that my colleagues should continue that endorsement. I strongly urge they vote for adoption of the conference report.●

● Mr. WEISS. Mr. Speaker, the HUD and related agencies 1982 conference report represents a broken promise to low- and moderate-income families in desperate need of a suitable place to live. It constitutes an assault on efforts to reduce the blight and deterioration that plagues both urban and rural communities across this Nation. And it sacrifices the health and environmental safety of our citizens for the sake of misguided budget priorities. For these reasons, I must vote against the conference report, as I did against the House appropriations bill. Given the tenuous situation surrounding this year's appropriations process, I might add that my vote in no way reflects a condonation of the administration strategy to bypass this process in order to make further cuts in the budget.

Funding levels considered today will only make a bad situation more painful for millions of families who are dwelling in substandard housing, who have been displaced, who are paying excessive rents and who are unable to find affordable and decent housing. Presently the Federal Government is the major source of funds for additional assisted housing to meet this critical need of lower income families. Their only hope for decent shelter is gravely threatened by this legislation.

With its knife falling most sharply on assisted housing, this bill severely cuts funds for additional units of section 8 and public housing. The administration proposed to drastically reduce the number of units by 34 percent from the Carter recommendation of 260,000 to a mere 175,000. Congress, however, may now outdo the President. Shamefully, this bill contains funding for only 148,000 units. To make matters worse, GNMA tandem funding is slashed; thereby limiting the availability of low-interest loans which enable developers to build low income housing.

These cuts come at a time when housing problems are at crisis levels. HUD estimates that nearly 11 million American families either live in substandard housing or spend more than 25 percent of their income on housing. In New York City alone, there are at least 35,000 families in need of this assistance; yet, tragically, the city may only receive about 7,500 units if these cuts are enacted. Clearly, the damage done by these reductions is far reaching—it means fewer housing units, higher rents across the board in the rental market, fewer jobs for construction workers and greater suffering for those in need.

Not only does this bill reduce the number of units available, it also commits a further injustice against low-income renters by raising rents for those in subsidized housing. At the administration's request, rents will be raised for most tenants from 25 percent to 30 percent of their incomes, a rent increase of 20 percent. Let us not forget that the 3.3 million families living in assisted housing are generally the poorest of the poor. The 1978 median income of families in section 8 housing was $4,330. For tenants in New York City, it has been estimated

that the average rent increase over the next 5 years would amount to $1,065. How can we expect these families to afford excessive rents and still meet other essential needs out of their nominal incomes? Raising rents would essentially defeat the purpose of the program which is to provide affordable housing for low-income residents.

Another vital program slated for virtual extinction is the section 312 rehabilitation loan fund. The appropriations bill authorizes no new funding; it forces the program to die a slow death by providing only minimal proceeds from the program's revolving loan fund. Epitomizing sound economic principles, this program stretched dwindling housing stock at a relatively modest cost. As of July, there were 15,000 requests for these funds to rehabilitate buildings in New York City. Once again in this budget process, we are closing our eyes to fiscally responsible decisions which contribute to economic revitalization as well as serve basic human needs.

The list of irresponsible and inhumane cuts in housing programs goes on and on. Each cut will create an additional burden for our distressed cities.

This unprecedented attack on urban areas does not stop with housing. No funds are provided for the municipal waste treatment grant program. The administration has refused to request any funding until certain changes, which it characterizes as reforms, are made in the program. The Water Resources Subcommittee of the House Public Works and Transportation Committee is now making a conscientious and speedy review of the program, but there is obviously no assurance that the whole reauthorization and reappropriation process will be soon completed.

As a result, the entire national effort to clean up our waterways has been left in the lurch. In my district, a plant envisioned since the 1940's and now under a Federal court's consent decree is jeopardized. Because that plant, the North River plant, is only partially built, raw sewage continues to pour into the Hudson River in our Nation's largest city.

The President's "reforms" would cut the program's authorization in half, from $5 billion to $2.4 billion a year. The appropriation would be cut from $3.5 billion in 1981 to $2.4 billion in 1982. These provisions alone, apart from other proposed changes, will make it nearly impossible for many States and localities to complete the facilities they need. Some restructuring may be needed. But the President wishes to redefine away more than two-thirds of the $90 billion Federal share of the remaining need. This is absolutely unjustifiable.

This gap in funding is a disaster. I cannot vote for a bill that treats our waters and our health as a mere detail of budgeting, to be deleted and restored when convenient. Wastewater treatment is essential for a livable society. I strenously object to its omission from this report.

Mr. BOLAND. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the yeas appeared to have it.

Mr. LOTT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 209, nays 197, not voting 27, as follows:

[Roll No. 203]

YEAS—209

| | | |
|---|---|---|
| Addabbo | Flippo | Molinari |
| Akaka | Florio | Mollohan |
| Albosta | Foley | Montgomery |
| Alexander | Ford (MI) | Murphy |
| Anderson | Ford (TN) | Murtha |
| Annunzio | Fowler | Napier |
| Anthony | Frank | Natcher |
| Aspin | Frost | Nichols |
| Bailey (PA) | Garcia | Nowak |
| Barnes | Gaydos | Oakar |
| Bedell | Gejdenson | Oberstar |
| Beilenson | Gephardt | Obey |
| Benjamin | Glickman | Panetta |
| Bevill | Gonzalez | Patterson |
| Bingham | Gore | Pease |
| Blanchard | Gray | Perkins |
| Boggs | Green | Peyser |
| Boland | Guarini | Price |
| Bolling | Hall (OH) | Pursell |
| Boner | Hammerschmidt | Rahall |
| Bonior | Harkin | Rangel |
| Bonker | Hawkins | Ratchford |
| Bouquard | Heckler | Reuss |
| Bowen | Hefner | Richmond |
| Breaux | Hertel | Rinaldo |
| Brodhead | Hightower | Ritter |
| Brooks | Hollenbeck | Rodino |
| Brown (CA) | Horton | Roe |
| Burton, John | Howard | Rose |
| Byron | Hoyer | Rosenthal |
| Carney | Hutto | Rostenkowski |
| Chappell | Jacobs | Roybal |
| Chisholm | Jeffords | Sabo |
| Coelho | Jones (NC) | Savage |
| Collins (IL) | Jones (OK) | Scheuer |
| Conte | Jones (TN) | Schneider |
| Conyers | Kastenmeier | Schroeder |
| Coughlin | Kazen | Schumer |
| Coyne, William | Kildee | Seiberling |
| D'Amours | Kogovsek | Shamansky |
| Danielson | LaFalce | Shannon |
| Daschle | Lantos | Simon |
| Dellums | Lehman | Skelton |
| DeNardis | Lent | Smith (IA) |
| Derrick | Long (MD) | Smith (NJ) |
| Dicks | Lowry (WA) | Smith (PA) |
| Dingell | Luken | Solarz |
| Dixon | Lundine | St Germain |
| Donnelly | Markey | Stark |
| Dorgan | Marks | Stokes |
| Dougherty | Matsui | Stratton |
| Dowdy | Mattox | Studds |
| Dunn | Mavroules | Swift |
| Dwyer | McCurdy | Synar |
| Dymally | McDade | Traxler |
| Dyson | McGrath | Udall |
| Early | McHugh | Vento |
| Eckart | Mica | Volkmer |
| Edgar | Mikulski | Walgren |
| Edwards (CA) | Miller (CA) | Washington |
| English | Mineta | Watkins |
| Evans (IN) | Minish | Waxman |
| Fary | Mitchell (MD) | White |
| Fascell | Mitchell (NY) | Whitten |
| Fazio | Moakley | Williams (MT) |
| Ferraro | Moffett | Williams (OH) |
| Wilson | Wyden | Young (MO) |
| Wirth | Wylie | Zablocki |
| Wolpe | Yates | Zeferetti |
| Wright | Young (FL) | |

NAYS—197

| | | |
|---|---|---|
| Andrews | Gingrich | Neal |
| Applegate | Ginn | Nelligan |
| Archer | Goodling | O'Brien |
| Ashbrook | Gradison | Oxley |
| Atkinson | Gramm | Parris |
| Badham | Gregg | Pashayan |
| Bafalis | Grisham | Patman |
| Bailey (MO) | Gunderson | Paul |
| Barnard | Hagedorn | Petri |
| Beard | Hall, Ralph | Pickle |
| Benedict | Hall, Sam | Porter |
| Bennett | Hamilton | Pritchard |
| Bereuter | Hance | Quillen |
| Bethune | Hansen (ID) | Railsback |
| Bliley | Hansen (UT) | Regula |
| Brinkley | Hartnett | Roberts (KS) |
| Broomfield | Hatcher | Roberts (SD) |
| Brown (CO) | Heftel | Robinson |
| Brown (OH) | Hendon | Roemer |
| Broyhill | Hiler | Rogers |
| Burgener | Hillis | Roth |
| Butler | Holland | Roukema |
| Campbell | Holt | Rousselot |
| Carman | Hopkins | Russo |
| Chappie | Hubbard | Santini |
| Cheney | Huckaby | Sawyer |
| Clausen | Hughes | Schulze |
| Clinger | Hunter | Sensenbrenner |
| Coats | Hyde | Sharp |
| Coleman | Jeffries | Shaw |
| Collins (TX) | Jenkins | Shelby |
| Conable | Johnston | Shumway |
| Corcoran | Kindness | Shuster |
| Courter | Kramer | Siljander |
| Coyne, James | Lagomarsino | Skeen |
| Craig | Latta | Smith (AL) |
| Crane, Daniel | Leach | Smith (NE) |
| Crane, Philip | Leath | Smith (OR) |
| Daniel, Dan | LeBoutillier | Snowe |
| Daniel, R. W. | Levitas | Snyder |
| Dannemeyer | Lewis | Solomon |
| Daub | Livingston | Spence |
| Davis | Loeffler | Stangeland |
| Deckard | Lott | Stanton |
| Derwinski | Lowery (CA) | Staton |
| Dickinson | Lungren | Stenholm |
| Dornan | Madigan | Stump |
| Dreier | Marlenee | Tauke |
| Duncan | Marriott | Tauzin |
| Edwards (AL) | Martin (IL) | Taylor |
| Edwards (OK) | Martin (NC) | Trible |
| Emerson | Martin (NY) | Vander Jagt |
| Emery | Mazzoli | Walker |
| Erdahl | McClory | Wampler |
| Erlenborn | McCloskey | Weaver |
| Evans (DE) | McCollum | Weber (MN) |
| Evans (IA) | McDonald | Weber (OH) |
| Fenwick | McEwen | Weiss |
| Fiedler | McKinney | Whitehurst |
| Fields | Michel | Whitley |
| Findley | Miller (OH) | Whittaker |
| Fish | Moore | Winn |
| Forsythe | Moorhead | Wolf |
| Fountain | Morrison | Wortley |
| Frenzel | Mottl | Yatron |
| Gibbons | Myers | |

NOT VOTING—27

| | | |
|---|---|---|
| AuCoin | Fithian | Long (LA) |
| Biaggi | Foglietta | Lujan |
| Burton, Phillip | Fuqua | Nelson |
| Clay | Gilman | Ottinger |
| Crockett | Goldwater | Pepper |
| de la Garza | Ireland | Rhodes |
| Downey | Kemp | Rudd |
| Ertel | Lee | Thomas |
| Evans (GA) | Leland | Young (AK) |

□ 1400

The Clerk announced the following pairs:

On this vote:

Mr. Biaggi for, with Mr. Rhodes against.
Mr. Crockett for, with Mr. Kemp against.
Mr. Nelson for, with Mr. Lee against.
Mr. Pepper for, with Mr. Rudd against.
Mr. Leland for, with Mr. Thomas against.

Until further notice:

Mr. Clay with Mr. Goldwater.
Mr. AuCoin with Mr. Young of Alaska.

Mr. Phillip Burton with Mr. Downey.
Mr. Ertel with Mr. Evans of Georgia.
Mr. Ottinger with Mr. Gilman.
Mr. Fuqua with Mr. Foglietta.
Mr. Long of Louisiana with Mr. Ireland.
Mr. de la Garza with Mr. Fithian.

Mr. GINN changed his vote from "yea" to "nay."

Mr. DOWDY and Mr. LENT changed their votes from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

□ 1415

AMENDMENTS IN DISAGREEMENT

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that all Senate amendments in disagreement be designated by number, considered as read, and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The Clerk will designate the first amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 4: Page 2, line 18, after "19,742,645,500" insert: ": *Provided further*, That no less than 6.3 per centum and no more than 17 per centum of the budget authority provided herein which would otherwise be used for purposes other than under sections 8 and 14 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437f and 1437l) shall be transferred from amounts which would otherwise be used for new construction other than pursuant to section 8(b)(2) of such Act (42 U.S.C. 1437f) on or prior to July 1, 1982, by the Secretary of Housing and Urban Development to Payments for Operation of Low-Income Housing Projects, and appropriations for payments to public housing agencies for operating subsidies for low-income housing projects as authorized by section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g) are increased to the extent budget authority is transferred".

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendment of the Senate numbered 4 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following: ": *Provided further*, That of the budget authority provided herein, $2,354,400,000 shall be allocated for public housing new construction other than for low-income housing for Indian families".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 5: Page 4, after line 24, insert:

CONGREGATE SERVICES PROGRAM

For contracts with and payments to public housing agencies and nonprofit corporations for congregate services programs as authorized by the Congregate Housing Services Act of 1978, $10,000,000 to remain available until expended.

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendment of the Senate numbered 5 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

PAYMENTS FOR OPERATION OF LOW-INCOME HOUSING PROJECTS—FISCAL YEAR 1981

For an additional amount for "Payments for operation of low-income housing projects", $148,000,000, to remain available until December 31, 1981.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 13: Page 9, line 8, strike out "$3,800,000,000" and insert "$4,166,000,000".

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendment of the Senate numbered 13 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,666,000,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 22: Page 19, line 4, strike out "$54,084,000" and insert "$134,789,000".

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendment of the Senate numbered 22 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 23: Page 19, line 24, strike out "$29,010,000" and insert "$67,456,000".

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendment of the Senate numbered 23 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment insert $65,456,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 28: Page 21, line 17, after "1983" insert ": *Provided*, That none of these funds shall be used to support the definition and development of techniques to analyze extraterrestrial radio signals for patterns that may be generated by intelligent sources".

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendment of the Senate numbered 28 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the last amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 35: Page 24, line 18, strike out "$500,000" and insert "$1,500,000".

MOTION OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOLAND moves that the House recede from its disagreement to the amendment of the Senate numbered 35 and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the conference report and the several motions was laid on the table.

## GENERAL LEAVE

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report on the bill, H.R. 4034, as well as the Senate amendments reported in disagreement, and that I may include tables, charts, and other extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

## ARMED FORCES PAY ACT OF 1981

Mr. NICHOLS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3380) to increase the pay and allowances of members of the Armed Forces.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama (Mr. NICHOLS).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3380, with Mr. BINGHAM in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Monday, September 14, 1981, the bill had been considered as having been read and open to amendment at any point.

APPROPRIATIONS COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the Appropriations Committee amendment.

The Clerk read as follows:

Appropriations Committee amendment: On page 2, beginning at line 6, through line 11 on page 3, delete all of section 2 and insert in lieu thereof a new section 2, as follows:

PAY INCREASE OF 9.1 PER CENTUM FOR MEMBERS OF THE UNIFORMED SERVICES

SEC. 2. (a) Any adjustment required under the provisions of section 1009 of title 37, United States Code, relating to adjustments in the compensation of members of the uniformed services, that would otherwise first become effective beginning with any pay period in fiscal year 1982 shall not become effective.

(b)(1) Subject to the provisions of paragraph (2), each element of compensation specified in section 1009(a) of title 37, United States Code, shall be increased for members of the uniformed services by 9.1 per centum effective with the first pay period beginning after September 30, 1981.

(2) The President may allocate the percentage increase specified under paragraph (1) in the same manner and to the same extent the President is authorized under subsections (c) and (d) of section 1009 of title 37, United States Code, to allocate any percentage increase described in subsection (b)(3) of section 1009 of such title, except that the provisions of subsection (d)(2)(B) of such section shall not apply to this subsection or any action of the President under this subsection.

Mr. ADDABBO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD at this time. It has been printed in the RECORD previously.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENT OFFERED BY MR. ADDABBO AS A SUBSTITUTE FOR THE APPROPRIATIONS COMMITTEE AMENDMENT

Mr. ADDABBO. Mr. Chairman, I offer an amendment as a substitute for the Appropriations Committee amendment.

The Clerk read as follows:

Amendment offered by Mr. ADDABBO as a substitute for the Appropriations Committee Amendment: On page 2, beginning on line 6 through line 11 on page 3, delete all of section 2, and insert in lieu thereof a revised section 2, as follows:

PAY INCREASE FOR MEMBERS OF THE UNIFORMED SERVICES

SEC. 2. (a) Any adjustment required under the provisions of section 1009 of title 37, United States Code, relating to adjustments in the compensation of members of the uniformed services, that would otherwise first become effective beginning with any pay period in fiscal year 1982 shall not become effective.

(b) Effective with the first pay period after September 30, 1981, the monthly basic pay for members of the uniformed services within each pay grade, based on years of service computed under section 205 of title 37, United States Code, shall be as follows:

COMMISSIONED OFFICERS [1]

| Pay grade | 2 or less | Over 2 | Over 3 | Over 4 | Over 6 | Over 8 | Over 10 | Over 12 | Over 14 | Over 16 | Over 18 | Over 20 | Over 22 | Over 26 | Over 30 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| O–10 [2] | $4,416.00 | $4,571.40 | $4,571.40 | $4,571.40 | $4,571.40 | $4,746.00 | $4,746.00 | $5,110.20 | $5,110.20 | $5,475.00 | $5,475.00 | $5,842.20 | $5,842.20 | $6,206.70 | $6,206.70 |
| O–9 | 3,913.80 | 4,016.40 | 4,101.90 | 4,101.90 | 4,101.90 | 4,206.00 | 4,206.00 | 4,381.20 | 4,381.20 | 4,746.00 | 4,746.00 | 5,110.20 | 5,110.20 | 5,475.00 | 5,475.00 |
| O–8 | 3,544.80 | 3,651.00 | 3,737.70 | 3,737.70 | 3,737.70 | 4,016.40 | 4,016.40 | 4,206.00 | 4,206.00 | 4,381.20 | 4,571.40 | 4,746.00 | 4,936.80 | 4,936.80 | 4,936.80 |
| O–7 | 2,945.40 | 3,146.10 | 3,146.10 | 3,146.10 | 3,286.80 | 3,286.80 | 3,477.00 | 3,477.00 | 3,651.00 | 4,016.40 | 4,292.40 | 4,292.40 | 4,292.40 | 4,292.40 | 4,292.40 |
| O–6 | 2,184.00 | 2,399.10 | 2,555.70 | 2,555.70 | 2,555.70 | 2,555.70 | 2,555.70 | 2,555.70 | 2,760.00 | 3,060.00 | 3,217.20 | 3,286.80 | 3,477.00 | 3,771.00 | 3,771.00 |
| O–5 | 1,761.00 | 2,068.80 | 2,211.60 | 2,211.60 | 2,211.60 | 2,211.60 | 2,329.50 | 2,411.70 | 2,573.10 | 2,765.70 | 2,924.70 | 3,013.20 | 3,118.20 | 3,118.20 | 3,118.20 |
| O–4 | 1,485.00 | 1,807.80 | 1,929.00 | 1,929.00 | 2,025.00 | 2,115.00 | 2,239.80 | 2,355.00 | 2,463.00 | 2,526.00 | 2,573.40 | 2,573.40 | 2,573.40 | 2,573.40 | 2,573.40 |
| O–3 [3] | 1,380.00 | 1,542.00 | 1,649.10 | 1,841.10 | 1,928.70 | 1,998.60 | 2,106.00 | 2,191.20 | 2,225.40 | 2,265.00 | 2,292.00 | 2,320.80 | 2,320.80 | 2,320.80 | 2,320.80 |
| O–2 [3] | 1,160.40 | 1,267.80 | 1,522.80 | 1,602.90 | 1,636.50 | 1,636.50 | 1,636.50 | 1,636.50 | 1,636.50 | 1,636.50 | 1,636.50 | 1,636.50 | 1,636.50 | 1,636.50 | 1,636.50 |
| O–1 [3] | 1,007.40 | 1,048.50 | 1,267.50 | 1,267.50 | 1,267.50 | 1,267.50 | 1,267.50 | 1,267.50 | 1,267.50 | 1,267.50 | 1,267.50 | 1,267.50 | 1,267.50 | 1,267.50 | 1,267.50 |

[1] Basic pay is limited to the rate of basic pay payable for level V of the executive schedule.
[2] While serving as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, basic pay for this grade is $6,848.10 regardless of cumulative years of service computed under sec. 205 of title 37 of the United States Code.
[3] Does not apply to commissioned officers who have been credited with over 4 years active service as enlisted members or warrant officers.

COMMISSIONED OFFICERS WHO HAVE BEEN CREDITED WITH OVER 4 YR ACTIVE SERVICE AS ENLISTED MEMBER OR WARRANT OFFICERS

| Pay grade | Over 4 | Over 6 | Over 8 | Over 10 | Over 12 | Over 14 | Over 16 | Over 18 | Over 20 | Over 22 | Over 26 | Over 30 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| O–3 | $1,829.70 | $1,917.00 | $1,986.00 | $2,093.10 | $2,197.20 | $2,285.10 | $2,325.00 | $2,353.80 | $2,379.00 | $2,379.00 | $2,379.00 | $2,379.00 |
| O–2 | 1,603.20 | 1,636.50 | 1,723.20 | 1,812.00 | 1,882.50 | 1,934.10 | 1,934.10 | 1,934.10 | 1,934.10 | 1,934.10 | 1,934.10 | 1,934.10 |
| O–1 | 1,267.50 | 1,379.10 | 1,459.50 | 1,512.00 | 1,564.80 | 1,636.20 | 1,636.20 | 1,636.20 | 1,636.20 | 1,636.20 | 1,636.20 | 1,636.20 |

WARRANT OFFICERS

| Pay grade | 2 or less | Over 2 | Over 3 | Over 4 | Over 6 | Over 8 | Over 10 | Over 12 | Over 14 | Over 16 | Over 18 | Over 20 | Over 22 | Over 26 | Over 30 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| W–4 | $1,409.40 | $1,512.00 | $1,512.00 | $1,546.80 | $1,617.00 | $1,688.70 | $1,759.20 | $1,882.20 | $1,969.50 | $2,039.10 | $2,093.10 | $2,161.50 | $2,233.80 | $2,407.50 | $2,407.50 |
| W–3 | 1,281.00 | 1,389.00 | 1,389.00 | 1,407.00 | 1,424.10 | 1,528.20 | 1,617.00 | 1,670.40 | 1,723.20 | 1,774.80 | 1,829.70 | 1,900.50 | 1,969.50 | 2,039.10 | 2,039.10 |
| W–2 | 1,079.70 | 1,167.00 | 1,167.00 | 1,223.70 | 1,290.90 | 1,389.00 | 1,442.10 | 1,495.20 | 1,546.80 | 1,600.80 | 1,653.00 | 1,706.10 | 1,775.10 | 1,775.10 | 1,775.10 |
| W–1 | 889.40 | 1,031.10 | 1,031.10 | 1,137.00 | 1,189.20 | 1,266.00 | 1,317.00 | 1,372.20 | 1,424.10 | 1,476.00 | 1,528.20 | 1,582.80 | 1,582.80 | 1,582.80 | 1,582.80 |

ENLISTED MEMBERS

| Pay grade | 2 or less | Over 2 | Over 3 | Over 4 | Over 6 | Over 8 | Over 10 | Over 12 | Over 14 | Over 16 | Over 18 | Over 20 | Over 22 | Over 24 | Over 26 | Over 28 | Over 30 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| E–9 [1] | 0 | 0 | 0 | 0 | 0 | 0 | $1,682.40 | $1,720.50 | $1,759.50 | $1,800.00 | $1,840.20 | $1,875.90 | $1,974.60 | $2,025.00 | $2,166.30 | $2,221.50 | $2,221.50 |
| E–8 | 0 | 0 | 0 | 0 | 0 | $1,416.00 | 1,455.90 | 1,494.60 | 1,533.60 | 1,573.80 | 1,615.20 | 1,664.10 | 1,746.60 | 1,785.00 | 1,941.60 | 1,941.60 | 1,941.60 |
| E–7 | $977.10 | $1,054.50 | $1,093.80 | $1,149.90 | $1,180.20 | 1,217.40 | 1,256.70 | 1,297.80 | 1,354.50 | 1,394.70 | 1,436.40 | 1,479.90 | 1,547.70 | 1,587.60 | 1,740.00 | 1,740.00 | 1,740.00 |
| E–6 | 843.90 | 920.10 | 958.50 | 1,009.50 | 1,047.60 | 1,086.00 | 1,125.60 | 1,183.50 | 1,221.00 | 1,260.30 | 1,279.20 | 1,279.20 | 1,279.20 | 1,279.20 | 1,279.20 | 1,279.20 | 1,279.20 |
| E–5 | 734.70 | 799.50 | 838.20 | 885.00 | 952.80 | 987.30 | 1,020.30 | 1,046.10 | 1,050.90 | 1,050.90 | 1,050.90 | 1,050.90 | 1,050.90 | 1,050.90 | 1,050.90 | 1,050.90 | 1,050.90 |
| E–4 | 663.90 | 726.90 | 769.20 | 821.70 | 854.10 | 854.10 | 854.10 | 854.10 | 854.10 | 854.10 | 854.10 | 854.10 | 854.10 | 854.10 | 854.10 | 854.10 | 854.10 |
| E–3 | 632.70 | 667.50 | 715.20 | 715.20 | 715.20 | 715.20 | 715.20 | 715.20 | 715.20 | 715.20 | 715.20 | 715.20 | 715.20 | 715.20 | 715.20 | 715.20 | 715.20 |
| E–2 | 603.30 | 603.30 | 603.30 | 603.30 | 603.30 | 603.30 | 603.30 | 603.30 | 603.30 | 603.30 | 603.30 | 603.30 | 603.30 | 603.30 | 603.30 | 603.30 | 603.30 |
| E–1 | 536.40 | 536.40 | 536.40 | 536.40 | 536.40 | 536.40 | 536.40 | 536.40 | 536.40 | 536.40 | 536.40 | 536.40 | 536.40 | 536.40 | 536.40 | 536.40 | 536.40 |

[1] While serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy or Coast Guard, Chief Master Sergeant of the Air Force, or Sergeant Major of the Marine Corps, basic pay for this grade is $2,633.10 regardless of cumulative years of service computed under sec. 205 of title 37 of the United States Code.

(c) If the President determines such action to be in the national interest, effective with the first pay period after September 30, 1981, he may decrease by not more than 2 percent the amount of basic pay established in subsection (b) for any pay grade based on years of service and he may apply the amounts derived from any such decreases to increase by not more than 2 percent the amount of basic pay established in subsection (b) for any pay grade based on years of service.

(d) the basic allowance for subsistence authorized enlisted members and officers by section 402 of title 37, United States Code, shall be as follows:

| | |
|---|---|
| "Officers | $94.39 per month |
| "Enlisted members when on leave or authorized to mess separately. | $4.50 per day |
| "When rations in-kind are not available. | $5.09 per day |

"When assigned to duty under emergency conditions where no messing facilities of the United States are available. $6.73 per day";

and

(e) the basic allowances for quarters authorized members of the uniformed services by section 403(a) of title 37, United States Code, shall be as follows:

| "Pay grade | Without dependents | | With dependents |
|---|---|---|---|
| | Full rate | Partial rate [1] | |
| "Commissioned officers: | | | |
| O–10 | $489.00 | $50.70 | $611.70 |
| O–9 | 489.00 | 50.70 | 611.70 |
| O–8 | 489.00 | 50.70 | 611.70 |
| O–7 | 489.00 | 50.70 | 611.70 |
| O–6 | 438.90 | 39.60 | 535.50 |
| O–5 | 404.70 | 33.00 | 487.20 |
| O–4 | 360.30 | 26.70 | 434.70 |
| O–3 | 316.80 | 22.20 | 390.90 |
| O–2 | 275.10 | 17.70 | 348.00 |
| O–1 | 214.80 | 13.20 | 279.60 |
| "Warrant officers: | | | |
| W–4 | 347.10 | 25.20 | 419.10 |
| W–3 | 309.60 | 20.70 | 381.60 |
| W–2 | 269.10 | 15.90 | 342.60 |
| W–1 | 243.00 | 13.80 | 314.70 |
| "Enlisted members: | | | |
| E–9 | 268.20 | 18.60 | 377.40 |
| E–8 | 247.20 | 15.30 | 348.60 |
| E–7 | 210.30 | 12.00 | 324.30 |
| E–6 | 191.10 | 9.90 | 298.20 |
| E–5 | 183.60 | 8.70 | 274.20 |
| E–4 | 158.10 | 8.10 | 235.50 |
| E–3 | 141.30 | 7.80 | 205.50 |
| E–2 | 124.80 | 7.20 | 205.50 |
| E–1 | 117.90 | 6.90 | 205.50 |

"[1] Payable to a member without dependents who, under section 403 (b) or (c) of title 37, United States Code, is not entitled to receive a basic allowance for quarters.".

(f) Section 203(c)(1) of title 37, United States Code, authorizing the monthly pay of cadets and midshipmen is amended by striking out "$313.20" and inserting in lieu thereof "$448.80".

Mr. ADDABBO (during the reading). Mr. Chairman, I plan to explain what my amendment is designed to accomplish, and I ask unanimous consent that it be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ADDABBO. Mr. Chairman, yesterday I was fortunate to have been a guest on an hour-long national cable television program of C-Span, which is hosted by Ms. Gale Picker. Most of the questions that were asked of me concerned the military pay raise, which we have before us today. And most of the callers were career military personnel from all three services and the thing they repeated over and over again was that they deeply resented new recruits earning almost as much as they did after 10 or 12 years of service. In my viewpoint, they are absolutely right and I believe that is the best reason we need to provide pay increases to targeted groups within the Military Establishment.

Make no mistake, I believe that all members of the military require a substantial pay increase. But I am convinced that if we are to retain those men and women from those critical ranks where we are now losing experience in droves, we must provide extra incentive to these people to stay. The men and women who called yesteday made it very clear that what we do on this bill before us today will play a major role in whether they remain in military service or whether they leave if for higher paying jobs in civilian life.

Mr. Chairman, if we are going to have anything resembling military preparedness in years to come, we are going to be relying on those middle level men and women in the enlisted ranks and in those middle ranks in the officer corps to bring that about. If we desert them today, they almost certainly will desert their military careers as soon as their commitments are up. If we do not target the pay increase to those necessary skills we need to retain, then it will be us who become the eventual losers.

Mr. Chairman, as I stated earlier during general debate, I believe that this bill is basically a good bill. With only one exception it provides needed solutions to specifically defined problems. That one exception, however, is the heart of the bill—the military pay raise.

I believe there is general agreement here today that military pay may be out of line with the private sector and something must be done in the way of a catchup raise. The only disagreement is over how this catchup raise should be spread.

The approach taken by the Armed Services Committee suggests that all military personnel should receive the same 14.3-percent raise. On the surface this has the ring of fairness about it. However, a more thorough analysis shows this logic to be faulty.

When the All-Volunteer Force was established, pay levels were designed to be competitive with similar jobs in private industry. In addition, a mechanism was included to provide adjustments in pay levels for inflation. If the approach suggested by the Armed Services Committee is correct, over the last 10 years all military personnel have suffered equally at the hands of inflation. This has clearly not been the case. According to DOD's own pay adequacy study of 1979, the more experienced enlisted personnel were worse off than the more junior personnel when compared with civilian sector pay raises since 1972. Furthermore the fact that retention, not recruiting, is the biggest defense manpower problem should indicate that it is time we stopped ignoring these talented people who form the backbone of our Military Establishment.

The estimated costs of the targeted and across-the-board approaches for the 14.3-percent raise are roughly equal at $4.5 billion apiece in fiscal year 1982. You may hear some people say that the targeting approach is more costly since you do not now see the eventual increased retirement costs of $300 million. I would like to point out what these people do not tell you. For example, to replace one experienced technician the Rand Corp. estimates it takes two novices. To have two novices on hand you must recruit three people since one will drop out before he finishes training. When you work through the calculations, it is easy to show that it is cheaper to retain one skilled individual than it is to recruit and train the three replacements necessary. Moreover, who do you think can better maintain and operate sophisticated multibillion dollar weapons systems—a skilled sergeant or a new private, first class?

Briefly, my amendment would vary the pay raise from 7 to 22 percent depending upon the rank but would still average 14.3 percent. Specifically, a raw recruit would receive a raise of 7 percent, a corporal would get 14 percent, and sergeants and above would get raises ranging from 18 to 22 percent. For officers the raises would range from 9 percent for a second lieutenant to a high of 16.5 percent for majors where the greatest officer retention problem exists and then back down to 12 percent for the top brass.

I will close my comments by quoting from an official Department of Army statement of manpower and personnel issues for fiscal year 1982.

Inequities in compensation tend to frustrate the desired manning of the force * * *. At the inception of the All-Volunteer Force, pay rates for lower enlisted grades were raised disproportionately to those of careerists in order to attract volunteers * * *. A potential solution is reallocation of the annual pay adjustment for various grades * * *. The remaining alternative appears to be for Congress to appropriate funds specifically targeted on resolving pay compression.

Since DOD has not prepared a targeting plan, the Army is correct in proposing that it be done by the Congress. I urge you to support the amendment.

□ 1430

The CHAIRMAN. The time of the gentleman from New York (Mr. ADDABBO) has expired.

(On request of Mr. SKELTON, and by unanimous consent, Mr. ADDABBO was allowed to proceed for 2 additional minutes.)

Mr. SKELTON. Mr. Chairman, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from Missouri.

Mr. SKELTON. Mr. Chairman, as I understand it, the gentleman's substitute is one that targets toward the grades and not the skills; is that not correct?

Mr. ADDABBO. Except that the grades are those of the men who have the skills, so it is almost synonymous.

Mr. SKELTON. So a sergeant who happens to be a mess sergeant would receive the same as one who happens to be in a highly technical area; is that correct?

Mr. ADDABBO. That is true, but we also have provisions where there can be some further increases or bonuses

for special skills. But meanwhile those who have the training, even a mess sergeant who has specific skills as a mess sergeant, are more important than raw recruits.

Mr. SKELTON. Mr. Chairman, if the gentleman will yield further, is it not true the gentleman's substitute allows for a pay inversion in the U.S. Marine Corps so a platoon sergeant receives $140 less than a staff sergeant who works under him? Is that correct?

Mr. ADDABBO. If that is correct, then the military can correct it, because in our amendment we also permit the Pentagon leeway up to 2 percent where they can target it in situations where there may be inequities.

Mr. SKELTON. Mr. Chairman, I thank the gentleman.

Mr. NICHOLS. Mr. Chairman, I rise in strong opposition to the amendments offered by the Committee on Appropriations.

There are a number of reasons to reject these amendments, and I will summarize them here.

Any change in the compensation system must be evaluated in terms of its impact on military manpower. We do have significant problems in terms of impact on military manpower. Under the substitute offered by the Appropriations Committee, according to the Department of Defense, 10,000 fewer individuals will be recruited each year. Under both the substitute and the 14.3-percent across-the-board increase, the desired career force size will be attained in the services, even assuming the forces grow substantially in the future. However, the 14.3-percent increase does better in attracting high-quality high school graduates into the military.

The movement to an All-Volunteer Force in the early 1970's offered a commitment to maintain the pay levels established at that time relative to the pay in the private sector. The commitment was broken, Mr. Chairman, in 1975 by the pay cap. It was broken again in 1978 and again in 1979. Military pay has fallen behind since that time, and an adverse impact on force manning, both recruiting and retention, has been apparent during this period. The 14.3-percent across-the-board increase to all grades and all years of service will reaffirm this commitment.

When an enlisted man considers a career in the military, one of the factors he considers is the future increases in pay that he can expect. Inspecting the pay tables, he would observe an increase of nearly 4 percent per year as he achieves more seniority. These increases are the result of promotions and longevity changes. If he were looking at the increases he might receive in the private sector, he would observe only a 3-percent increase per year. In other words, pay increases are slightly faster for military personnel than for equally educated civilians. There is no "pay compression" that needs to be eliminated by a raise that provides greater increases for senior personnel than for junior personnel. The 14.3-percent increase maintains a slight advantage to those who join the military personnel.

The Secretary of Defense, appearing before the Armed Services Committee on June 23 of this year, stated his strong support of the pay increase provided in H.R. 3380. He has also indicated his intent to direct the newly appointed Military Manpower Task Force to look at the subject of the structure of the basic pay table and to recommend such reallocation as it may consider necessary before the final determination of the increase is implemented. An in-depth investigation is required if the modifications of the basic pay table are not to have unforeseen and adverse effects, and that investigation, Mr. Chairman, can be performed best within the Department of Defense. H.R. 3380 provides the flexibility for the results and the recommendations of the task force to be carried out.

In the early part of the August recess, I spoke on the 63d anniversary of the chemical school at Fort McClellan, Ala. After my brief remarks, the command sergeant major of the chemical school, Sgt. Maj. Donald West, a career man of many years in the military, came by to talk about the military pay raise.

I remarked to Sergeant Major West that I suspected the committee bill, which is the Senate bill, would probably do more for him, since he was an E–9, than my bill would, in all frankness. His remarks were these, Mr. Chairman:

> I understand that, but in the interest of recruiting for the future years that we so badly need in the military, I am going to support your across-the-board 14.3 percent.

Now, here is a most senior, noncommissioned officer whose experience has been lengthy and detailed in the military, and he would receive one of the largest raises under the substitute. Yet he could see the value of an across-the-board increase, and he supported the committee bill.

The CHAIRMAN. The time of the gentleman from Alabama (Mr. NICHOLS) has expired.

(By unanimous consent, Mr. NICHOLS was allowed to proceed for 1 additional minute.)

Mr. NICHOLS. Mr. Chairman, I would point out again that Sergeant West has a concern for the viability of the Army which he personally serves, and he believes an across-the-board increase is in the best interest of the Army.

Mr. Chairman, I strongly urge the Members to reject the substitute offered by the Committee on Appropriations.

Mr. MITCHELL of New York. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, we have all heard many times the old saying that "the road to hell is paved with good intentions," and I think it is appropriate here.

I am sure that the Committee on Appropriations worked very hard to help the armed services personnel secure the pay raise they so justly deserve. I think the committee should be given an E for effort. I think they really are concerned with the problem of retention of senior enlisted personnel, but I feel they went overboard in trying to resolve a problem that does not really need the attention they gave it.

The distinguished chairman of the subcommittee, my good friend, the gentleman from New York (Mr. ADDABBO), made the quote just a couple of minutes ago that new recruits are earning almost as much as oldtimers. That statement is true compared to what the situation was before the All-Volunteer Force, but it is not really true when we compare it with the civilian sector.

Before the All-Volunteer Force, there used to be a huge disparity in pay between the E–9 and E–1, perhaps as much as 9 to 1. There was a very steep pay grade differential, but since the All-Volunteer Force we have had to offer the E–1's more money to come into the service. We have had to give them more pay so that we could attract them. Now the ratio is back to 3 to 1, which is about the way it is in the civilian sector for similar levels of responsibility.

After 2 years of service, then the ratio resumes its rather sharp curve to what it used to be, which is what the gentleman was referring to.

The gentleman also mentions that General Meyer supports the Senate version. It is true that he does, but he is almost all alone in his support of it as far as our defense experts are concerned. Let me read a list of those who support the House version, the 14.3 percent, across-the-board increase. We have the Secretary of Defense, Mr. Weinberger, and, I assume, the whole administration; we have the Secretaries of each of the military services, the Chief of Naval Operations, Admiral Hayward, the Personnel Chief of the Air Force, General Osway, and we have most of the military associations, the Fleet Reserve, the National Association of Uniformed Services, the Air Force Sergeants, the Veterans of Foreign Wars, the United States Army Warrant Officers Association. All of them like the 14.3-percent across-the-board increase, even though General Meyer likes the Senate version.

The trouble with the Appropriations Committee bill or the Senate version is that there is a targeting provision, and this is the keystone of their program. This is the thrust of their bill, but it tends to create chaos and confusion and inequities.

The sad part of it is that it is not even needed to address the problem of retention. They are solving a problem

that does not exist, because our bill solves this problem. But in spending so much money and targeting so much to solve the retention problem, they create a very serious problem with recruitment. That is the other side of the scales. Retention is on one side; recruitment is on the other.

We do not need any additional targeting. Under the House bill, we permit up to 25 percent of the 14.3-percent, across-the-board pay rise to be targeted if it is needed. I seriously hope that the administration does not target $1 of it because it is not necessary, but the flexibility is there in the event we do want to do that.

Then, too, we already target about $2 billion, almost as much as this whole bill represents, for many different areas of shortages. We target for sub pay, we target for sea pay, and we target for flight pay, hazardous duty pay, and proficiency pay. We pay extra money for health professionals, nuclear qualified officers and enlisted men, and we also pay enlistment and reenlistment bonuses. We can expand this procedure if necessary. If we have shortages in certain areas, we can target further.

This is the preferred method, to target to skills, not target to grades, as the Senate version does.

Let us take a look at retention. Both bills, Mr. Chairman, solve the retention easily, with 50,000 or 80,000 people left over, in a very short period of time. It is true that the Senate version does it a little faster, maybe by 3 months, 4 months, or 5 months. As one speaker suggested, he was going to support the Senate bill because it would provide us with 4,000 more senior enlisteds the first year. That is true. It does provide 4,000 more, but it is 4,000 out of 790,000. It is less than 1 percent. It is six-tenths of 1 percent.

Mr. Chairman, to get a mere 4,000 additional out of almost 800,000, they would seriously hurt the recruitment effort. When they allocate huge sums to the senior enlisted portion of the bill, they have to take it from some place. They have to rob Peter to pay Paul. And who do they take it from? They take it from the little guy, the new guy, the junior enlisted man. In fact, they are going to take 50 percent of what they would get under the 14.3-percent-pay increase. That is 50 percent.

The CHAIRMAN. The time of the gentleman from New York (Mr. MITCHELL) has expired.

(By unanimous consent, Mr. MITCHELL of New York was allowed to proceed for 2 additional minutes.)

Mr. MITCHELL of New York. Mr. Chairman, in addition to the 50 percent that junior enlisteds would lose, we are also going to disappoint 64 percent of the people in the service because they are all going to receive less than they would under our 14.3-percent, across-the-board-pay raise. Two-thirds of the people in our armed services are going to get less then they would under our pay bill.

The CBO predicts that under the House Armed Services Committee bill all the services will meet the recruitment goals for 1982. Under the House bill everybody stays healthy. Under the Senate version, there will be 10,000 people short, and we will start down that road again of lower quality and shortages throughout the services.

Mr. Chairman, we do not need to go that route. It is far better to go with the House version and pay the 14.3-percent, across-the-board-pay raise, and it addresses the comparability problem, Mr. Chairman.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of New York. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to say to the gentleman from New York (Mr. MITCHELL) that I appreciate his statement. There is not any member of the Committee on Armed Services for whom I have greater respect than the gentleman from New York.

I would just like to point out to the gentleman that I take a little disagreement with his point about the NCO's. General Jones testified:

> Our greatest problem has been in the retention of the professionals. These are the leaders who must insist on proper discipline, performance, and productivity.

I think it is that point that we have to focus on today. Just how many NCO's are we short?

□ 1445

In the Army we are short 8,000 NCO's in 11 fields. In the Navy we are short 21,779 petty officers. In the Marine Corps we are short 9,154 NCO's. In the Air Force we are short 18,000.

It seems to me that that is the real retention problem that we face, and that the bill provides for a targeted pay increase that addresses that problem. Also, if my colleagues are concerned about the person at the low level, the early recruit, his pay in the first year normally goes up 16 percent as he advances through the ranks.

The CHAIRMAN. The time of the gentleman from New York (Mr. MITCHELL) has expired.

(At the request of Mr. DICKS and by unanimous consent, Mr. MITCHELL of New York was allowed to proceed for 3 additional minutes.)

Mr. DICKS. If the gentleman will continue to yield, most surveys show it is not the early salary levels that attracts somebody into the service. That is not what makes his judgment. It is a question of his desire for a career and a career responsibility, educational training, things of that nature that really draw him into the military service.

So I think, and I do not say this to be argumentative, I just think our approach tackles the real problem, which is the retention of those middle managers, those NCO's that are so critical to the training and the kind of experience that the early recruit has. In fact, I think one of the reasons the early recruits get out of the service is because they do not have good supervision. This attacks the supervision problem.

Mr. MITCHELL of New York. I would agree with my friend from Washington that we do need to address this problem. But I would tell the gentleman that both bills address it almost equally well. That is a point that I have been making, that the version by the other body solves the problem about 3 months or 6 months before the House version. That 4,000 additional people at the end of the first year the gentleman is talking about is 4,000 out of almost 800,000. So it is not really terribly important.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of New York. I yield to the gentleman from New York (Mr. ADDABBO).

Mr. ADDABBO. The figure of 4,000 out of 800,000 seems very slight. But we also know that when we lose one man we need three new recruits to take that spot because we lose so many in the reenlistments. So we are not talking about 4,000, we are talking more in the order of 12,000, plus the additional costs for training. So that must also be taken into consideration.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of New York. I yield to the gentleman from Alabama (Mr. NICHOLS).

Mr. NICHOLS. I would like to respond to the allegations about the shortfalls, and they are not allegations, they are true. Certainly we have a shortfall.

But I want to point out to the distinguished gentleman that the record will show that these shortfalls came about prior to 1972, right after the Vietnam war. The military was not popular then. The 1970 and 1972 classes of enlistees that went into the military, if my colleagues will look at the record of how many of them stuck, it is a very dismal record. They left in droves as soon as they had the opportunity.

So the shortfalls, I submit to the gentleman from New York (Mr. MITCHELL) that we see now are really shortfalls that came about in 1970 and 1972 from so many of our people taking it and running when their first enlistment was up. Now 10 years later those shortfalls are still in the pipeline.

Frankly, I do not know of much that is going to cure this other than time. The records also show when a man makes 10 years in the military, 90 percent of them continue to make the other 10 for total time.

I thank the gentleman for yielding.

Mr. MITCHELL of New York. I thank the gentleman for his comments.

The CHAIRMAN. The time of the gentleman from New York has again expired.

(By unanimous consent, Mr. MITCHELL of New York was allowed to proceed for 2 additional minutes.)

Mr. MITCHELL of New York. I would like to say, Mr. Chairman, this bill addresses the comparability problem. It provides members of the armed services with pay comparable to those in the civilian sector, just as Congress promised back in 1972.

If we do not go with our bill, then we are reneging on a promise that Congress made some 9 years ago, and armed services personnel will not receive raises that were promised, raises that they want and expect and some have no doubt spent. With the House Armed Services Committee revision we can continue momentum in recruiting and retention in our armed services which began last year. We want to keep this momentum building, Mr. Chairman; it is very important.

One other factor is that our bill will save about $1 billion over a 10-year period. We know that money is getting tighter and we are all asked to make more sacrifices, so $1 billion saved is an important item. It will send a strong, clear signal too, Mr. Chairman, to all members of the armed services that, not just 30-some percent of them, but all members of the armed services, that we appreciate the sacrifices they make and we want them to continue their service to our country.

I feel sincerely that the House version is a better bill that deserves our support, and I would urge my colleagues to vote against this amendment.

Mr. PRICE. Mr. Chairman, I move to strike the requisite number of words and rise in opposition to the amendment.

Mr. Chairman I would like to urge my colleagues' support for the House Armed Services Committee's military pay bill. It is a balanced approach to the two manpower problems which have plagued us in recent years: recruitment and retention. Failure to live up to our pledge of comparability, due to repeated Presidential pay caps on military pay raises, caused a great deal of turbulence and dissatisfaction among the troops, with a resultant loss of many skilled careerists.

Congress attacked the problem head-on with a comprehensive package of compensation initiatives last year. We are seeing substantial results this year through improved retention statistics for all the services. The turnaround thus far has been quite significant; H.R. 3380 represents the final installment on restoring full comparability for the career force.

We must not overlook the other manpower problem looming on the horizon; namely, recruiting. Congress has imposed strict quality controls on new recruits in terms of both mental capability and educational attainment, and these quality restrictions are paying off. The services are working harder to recruit high school graduates. Despite their beneficial effect generally, the quality restraints are making recruiting more difficult. It is, therefore, particularly important to assure that salaries for junior enlisted people are high enough to attract the kinds of individuals we are looking for.

H.R. 3380, as reported by the Armed Services Committee, accomplishes both goals. Analyses by the Department of Defense and the Congressional Budget Office indicate that all the services will be more than able to meet their career force requirements within the next 5 years, all except the Navy by fiscal year 1982. Retention figures are most encouraging at this point. This legislation will help to assure that they remain that way. I should also emphasize that we are achieving substantial progress toward targeting more money into skill shortage areas through the additional bonuses and special pays enacted in last year's compensation package and through further initiatives included in this bill. Equally important, H.R. 3380 will provide the best chance of meeting recruiting requirements as well.

The House Armed Services Committee's bill insures that we restore comparability, which is very important to retention. It also makes certain, in today's high-cost environment, that we offer a decent wage to lower ranking personnel. It strikes a middle ground between our recruitment and retention objectives, and I urge my colleagues' strong support.

Mr. BETHUNE. Mr. Chairman, will the gentleman yield to me?

Mr. PRICE. I yield to the gentleman from Arkansas (Mr. BETHUNE).

Mr. BETHUNE. I thank the gentleman.

Mr. Chairman, September 19 will mark the anniversary of a very important date for our country, the people of Arkansas and most specifically, the people of Damascus, Ark. One year ago, a Titan II facility in Damascus was destroyed by an explosion that resulted in the death of one U.S. airman and the injury of several others.

September 19 also marks the end of a year-long process of review, of soul searching and reevaluation of the role of the Titan's safety as part of the landscape in Arkansas, Arizona, and Kansas.

From the moment I learned of the accident at Damascus, my highest priority has been to insure the safety of the civilians living near the remaining 17 Titan II sites in my congressional district. Early in the unfolding of the investigation that immediately followed the accident, I concluded that it was best to leave faultfinding and accident analysis to others better equipped for such work. I turned my attention to the business of making the system as safe as possible until the Government decides what to do with the Titans.

As you and other Members know, the Titan II system is a 17-year-old defense system. Just like a 17-year-old car or home, it requires maintenance, and it has various systems that begin to exhibit faults not previously identified. A number of system-related problems had become apparent in the Titan II's prior to the disaster at Damascus. The other accidents, however, had not shown so vividly the need for constant review of the system's safety.

Mr. Chairman, the people of Arkansas, especially those with Titan II sites literally in their backyards, are to be commended. They have always viewed their relationship to the missile system as a duty necessitated by national security. They have never complained. Even after the Damascus explosion they remain calm and collected. They are reasonable people and good Americans.

During the past year, the executive branch, through the Air Force, has worked well with Arkansans to enhance Titan II safety. Both Secretary Mark, and most recently, Secretary Orr, have visited Arkansas Titan sites and the destroyed Damascus site. We have more generals in Little Rock than you can find in the Pentagon on some days. Throughout the year, Air Force safety and community relations on the Titan issues have been greatly improved, and this has not gone unnoticed by our people.

Arkansas officials and the people near the sites all report much success in working and living with Titan facilities. State and local governmental officials have devoted a great deal of time, money, and attention to designing appropriate means for dealing with any problems at the remaining 17 facilities. They are all to be commended for their efforts.

Congress, on the other hand, has not addressed itself to the Titan question. Recently, I wrote our chairman of the Armed Services Committee and suggested that the time may now have arrived wherein it would be appropriate to have a complete House review of the role Titans play in our defense mechanism. I also suggested to the chairman that Congress needs to review the maintenance issues and safety issues associated with the existence of the system.

Out of that letter a good rapport with the committee has evolved, and for that I thank the Chairman. I would also like to thank the Chairman for his indication of intention to look closely at the Titan system after the first of the year when the Armed Services Committee reviews the authorization legislation for the Air Force.

Mr. Chairman, at this time I would like to ask the chairman of the Committee (Mr. PRICE) to join me in a colloquy about the attitude of Congress toward the safety of the Titan system and also about the compensation of

the airmen working with the hazardous fuel and oxidizer.

Mr. Chairman, until now Congress has not really had a good opportunity to tell the people of Arkansas, Arizona, or Kansas exactly how critically we view safety around Titan II installations. The assurances of the Air Force and the Department of Defense are most encouraging, but we all realize that they must act within ranges created by Congress.

Mr. Chairman, in your role as head of the Armed Services Committee, you are well aware of the nature of the Titan system and the hazards associated with a missile of this nature. Further, I understand your preference to review the system in the context of Air Force authorizing legislation.

So, Mr. Chairman, in light of all that has happened, and given the complex nature of Titan II, do you share my view that Congress should again—by the record we are writing here today—tell the American people that we are strongly dedicated to taking all steps that are necessary, or might become necessary, to insure the safety of Titan II facilities?

Mr. PRICE. I certainly share the gentleman's concern and the concern for the welfare of the people in the area he serves. He makes good, valid points in what he has said.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(At the request of Mr. BETHUNE and by unanimous consent Mr. PRICE was allowed to proceed for 5 additional minutes.)

Mr. PRICE. There is no question that the people of the Southwest, of Arkansas, Arizona, and Kansas as well as the Armed Forces personnel dealing with the Titan II system are to be commended for the service they contribute to the security of our country.

I will report that experts that the committee has been able to talk with assure us of the significant role played by the Titan system in our Nation's defense. They also assure us of the safety of the system.

But as the gentleman from Arkansas (Mr. BETHUNE) has observed, all high technology systems require maintenance and constant vigilence to insure their reliability and safety, and I share the gentleman's views that the Congress should pledge with the Air Force and others involved in the operation of this critical defense tool to assure the citizens of the country that we will do all that is necessary or might become necessary to see that the Titan system is safe and reliable.

Mr. BETHUNE. The assurances of the chairman are most welcome. I would also like to ask him and the chairman of the Subcommittee on Military Personnel and Compensation about the classification and compensation of personnel associated with the servicing of the missiles. The legislation adopted last week in the other body establishes hazardous, or incentive, pay for these Air Force personnel at $110 a month for officers and $83 a month for enlisted personnel. H.R. 3380 offers slightly lower levels. Would the chairman of the committee or the subcommittee see any reason the other body's figures could not be adopted to even better signal the intent of Congress to the Air Force that the personnel working with Titans be properly recognized for the service they provide the Nation?

Mr. NICHOLS. Mr. Chairman, will the gentleman yield to me?

Mr. PRICE. I yield to the gentleman from Alabama (Mr. NICHOLS).

Mr. NICHOLS. Mr. Chairman, let me just say briefly that the House should be able to agree in conference to a language established by the other body unless action is specifically taken by this body to prohibit such an agreement. The gentleman from Arkansas (Mr. BETHUNE) has observed we have established special pay categories in the past to signify the importance and the risks associated with this particular task.

I would also note that frequently additional pay serves to help recruit the best personnel for these major jobs. Also it builds a strong desire among those personnel to excell at the tasks they perform.

I thank the gentleman for yielding.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield to me?

Mr. PRICE. I yield to the gentleman from New York (Mr. ADDABBO).

Mr. ADDABBO. Mr. Chairman, I thank the gentleman for yielding and commend the gentleman for bringing this point to the attention of the House because it is so important that those people who live in danger areas around these missiles be protected.

I would point out that the GAO pointed out that 50 percent of all weapons systems failures are due to human error, many of which are traceable to shortages of skilled personnel. That is the reason for our targeting, to make sure we keep in the skilled personnel.

Again I commend the gentleman for bringing this vital problem to the attention of the Congress so that we do keep following up on the question of safety.

□ 1500

Mr. ASPIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. MITCHELL of New York. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman from New York.

Mr. MITCHELL of New York. I thank the gentleman for yielding.

Mr. Chairman, I would say that the request of the gentleman from Arkansas makes good sense. He has a valid request, and I support it.

Mr. BETHUNE. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman from Arkansas.

Mr. BETHUNE. Mr. Chairman, I just had a few more points that I would like to make. However, the committee is fully aware of the points that I am about to make, as is the ranking minority member.

The assurances you have given are appreciated. I had intended to offer an amendment, but I believe this colloquy will suffice.

I would like to add that we all realize the hazard of duty around the missiles. But, we also know that special recognition can also help the personnel better realize Congress strong desire to see these facilities operated to perfection. In other words, we need to give them the incentive to do a good job. We have learned that serious disasters can occur, but until such time as the administration, in consultation with Congress, decides to dismantle or modify the Titan II system, we need to see that it will serve our Nation's security with the highest regard for the safety of military personnel and civilians.

I would also like to observe that Congress has a responsibility to review certain safety cost associated with Titan facilities that have come to rest on the meager treasuries of State and local governments. In Arkansas, county governments, as well as the State government, have had to expend large sums of time and money to work with Air Force personnel in the preparation of evacuation plans and in the testing of those and other warning systems.

The cost to local and State governments, like the cost the Air Force has expended, has been well worth the investment. The preparedness for a disaster is much greater today than ever before and, if in the unlikely event another disaster occurred, these governments would be better prepared. But, I hope the Committee will review this question and design some system to allow the Air Force to help meet part of these costs so that local and State governments can continue to work to insure community safety. After Damascus it was easy to understand the willingness of all involved parties to spend funds to review and plan for safety of civilians. But, time has a way of allowing our guard to drop. The Air Force should absorb out-of-pocket costs associated with local, nonmilitary development of necessary safety systems.

I hope the Air Force will review this question and report to the Armed Services Committee and the Committee on Appropriations early next year on the need for any additional authority or funds required to help local and State governments continue to cooperate in the creation of comprehensive safety mechanisms.

In conclusion, Mr. Chairman, I thank the committee leaders for their contributions today and want them and other Members of Congress to realize that no greater patriots exist

than those folks living in the shadow of our Titan defense system. But, all Americans—through this Congress—must assure our people continually that everything will be done to make the Titan II's as safe as they can possibly be.

I yield back the balance of my time.

Mr. ASPIN. Mr. Chairman, let me just make a few comments of my own about the bill and the amendment that is before the Committee here this afternoon.

I am a member of the Armed Services Committee, but I do agree with the philosophy behind the proposal of the Appropriations Committee; and I voted against the Armed Services Committee proposal in the full committee, and I am supporting the Appropriations Committee position—not because I think it is a really easy or clear cut choice, but because on reflection I think that what the Appropriations Committee is doing is the better alternative.

Leaving aside the numbers, you have got two bills here. One bill by the Appropriations Committee, which is essentially aimed at retention, is geared toward keeping people, more senior people, in the service.

The bill which comes out of the Armed Services Committee is an across-the-board pay increase, which is more geared toward recruiting people into the service, early, first-term recruitments.

Whether the numbers are exactly right or not, it is quite clear that the Armed Services Committee bill does better toward recruitment, and the Appropriations Committee bill does better toward retention.

In connection with that, I would just make the following two points: One is that, as far as recruitment goes, you can solve some of the recruitment problems by better retention. You can do it principally in the Air Force and in the Navy, not so much in the Army, but in the Air Force and in the Navy, if you retain people in for a longer time, you reduce the need for recruitment. So I think that is a point in favor of the Appropriations Committee bill.

The second point that I think is important is that the recruitment, which the Armed Services Committee addresses, is essentially a recruitment in quantity rather than in quality. I think if you look back at the history and the studies that have gone on in connection with greater pay, pay increases help to bring more recruits. They do not necessarily mean a higher quality of recruits.

So I think that what we are trying to do, or what we are going to have to do, under either proposal, is eventually face the question of what do we do about the quality of the recruiting in the Armed Forces?

I think that eventually we are going to have to go toward some of the suggestions that have been made in terms of some educational advantages or some educational breaks to people who join the military, other kinds of things, to encourage a better quality, higher mobile, upwardly mobile kind of recruit coming into the services.

So I think no matter what we do, even if we were to pass the Armed Services Committee bill, it would not take care of the kinds of problems that we are having with the early recruits in the Armed Forces.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentlewoman from Maryland.

Mrs. HOLT. I was recently in Panama and I had the opportunity to talk with some of the retention NCO's, and they felt very strongly about service to country and really trying to keep people in. Their response to me on this question was, "Let's get the across the board." They would like to have the extra money, but they feel very, very strongly that giving that young recruit that first taste of military will go farther than anything that we can do in retaining him and then recruiting others and making it satisfactory.

How does the gentleman respond to that?

Mr. ASPIN. I think you can find all kinds of people on all sides of the issue. And if you go out and ask people in the services, as we have had people quoted back and forth, the chairman of the committee and the chairman of the Subcommittee on Appropriations have been quoting back and forth various military officers and people with experience in the field in support of both of these bills.

Mrs. HOLT. Well, the Department of Defense and the Congressional Budget Office both agree, if the gentleman will continue to yield to me, that recruiting is going to be a problem now and not retention, because we are retaining people at 90 percent now, those who are in certain skills.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. ASPIN) has expired.

(On request of Mrs. HOLT and by unanimous consent, Mr. ASPIN was allowed to proceed for 1 additional minute.)

Mrs. HOLT. If the gentleman will continue to yield, how does the gentleman respond to that? We are retaining them now.

Mr. ASPIN. I understand what the gentlewoman is saying. What I am saying is that I think, for the long-term retention problems and for the long-term health of the services, the compression of those pay scales has gone too far.

We do not have enough natural rewards for people in the higher brackets than people in the lower ranks. In order to do something about that, you have got to widen it, is what essentially the Appropriations Committee is doing.

I think that there are some things, particularly in the Air Force and Navy, that there is a tradeoff between greater retention reduces the need for more recruitment. And I think it is not so true in the Army, but it is true in the Air Force and in the Navy that there is that kind of a tradeoff.

So I think you are addressing, to a certain extent, the recruitment problem in the bill that is offered by the gentleman from New York.

I think it is not an easy choice. I am not saying that all of the bill on one side of this issue is all good and the other is all bad, but only to say that, on balance, I come down on the side of the Appropriations Committee.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. ASPIN) has again expired.

(On request of Mr. ADDABBO and by unanimous consent, Mr. ASPIN was allowed to proceed for 2 additional minutes.)

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman from New York.

Mr. ADDABBO. I thank the gentleman for yielding.

In the testimony before our Subcommittee on Appropriations, the gentleman from Virginia asked General Meyer:

> Does that infer that housing is more important than additional pay, General?

And General Meyer's answer was this:

> It infers that for that basic soldier. In my judgment, the factors of where he lives, where he works, how he is taken care of and if he is given a meaningful job are more important than additional pay. They do not apply as much for the careerist. I think that for the careerist the two are in balance in terms of importance.

Again, just on yesterday, on a nationwide cable TV, I received over 25 calls from people in the military, throughout the country, as far west as Hawaii, saying that the most important thing for them to remain in the service is a targeted pay increase and that if they get that, they will remain; if not, the careers and the pay out in the civilian world are higher and they will leave the service. In addition to that, as I pointed out earlier, for every careerist that we lose, for every professionally trained person that we lose, we must fill that spot with two untrained people, which means that we must recruit three because of the fact that we lose so many enlistees.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman from Illinois.

Mr. McCLORY. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of legislation increasing the pay of our dedicated men and women serving in the U.S. military service.

Although motives of patriotism and national responsibility undoubtedly characterize the entry of many of our citizens to military service, it is unreal-

istic and unfair to expect that selfless devotion to country should be relied upon to man the armed services of the free world's flagship nation. America's position as world leader in the struggle for peace and stability is too heavy a burden for us to pretend that we can play it cheap in recruiting and retaining the kind of men and women needed to make up our armed services.

First of all, as a practical matter, we should recognize that quality personnel can only be recruited and retained when incentives outweigh or, at least, equal disincentives. In an increasingly complex technological world, we need in our military services some of the best and brightest of the Nation's minds. We will not recruit those minds on the cheap.

Second, we owe our military men and women a decent living scale as a matter of the Nation's gratitude for their work and as an expression of pride in their stations. They are the defenders of the faith, the protectors of our homes, hopes, and democratic ideals. They wage peace in a divided, troublesome world. Surely, we owe these individuals a guarantee of reasonable living standards as a small expression of our thanks.

Third, as a matter of individual justice, we seek to recognize the worth and importance of the job each man and woman performs in the military service. It is easy to speak in the aggregate when we discuss military affairs and overlook the vital role each individual plays in carrying out his or her duties. The total military establishment can be only as strong as the combined spirit and ability of the individuals contributing to that establishment. The Nation needs to say to each man and woman in the military: we value your individual contribution.

Mr. Chairman, along with increased pay for our military personnel, I support the National Youth Service Act as an additional means of strengthening America's defense posture. Taken together, these actions will go a long way to restoring our preparedness for battle as the free world's prime keeper of the peace.

Mr. ASPIN. Which bill is the gentleman for?

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. ASPIN) has again expired.

(On request of Mr. HUNTER and by unanimous consent, Mr. ASPIN was allowed to proceed for 2 additional minutes.)

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman from California.

Mr. HUNTER. I thank the gentleman for yielding.

Mr. Chairman, I would like to explore, briefly, the statements that have been made concerning the pay compression and the confrontation between recruitment and retention.

If you look at the facts, the senior NCO, an average senior NCO, is making about $1,600 a month. He is only going to get about an extra $68 in the variation between the two plans. The difference to the E-1, who is making around $500, is about $35.

I think the point we should look at is that that extra $35 for that guy who is only making about $500 could be the difference between being able to get affordable housing, especially in a high cost-of-living area like San Diego, between being able to buy that extra sack of groceries a month or not being able to do it. The senior NCO is making $1,600, is getting a healthy pay increase anyway. He is going to be knocking down about an extra $200. And necessarily, because he has a larger base, to start out with, when you put that 14.3-percent multiplier on it. He is going to be making about three times as much as the lower enlisted man in the pay increase.

I have had a number of forums in San Diego. We are the home of the largest naval base in the world. I find it hard to believe that an extra $60—I agree we have got to have that 14.3 percent; obviously, both bills will help retention and recruitment—is going to mean everything to the senior NCO.

Another thing that we have not addressed here is that this 14.3-percent raise is not a bonus, and it is not targeted to critical skills. It is really supposed to make up for cost-of-living raises which are generated by a high inflation rate, and that inflation rate hits that young NCO or officer harder, perhaps, than it does the senior NCO, because the young fellow has not made life's purchases, he has not gotten that education for his children, he has not purchased a house, he does not have a standard mortgage rate; his cost of living really is reflected, probably accurately, by the Consumer Price Index.

So if we are going to recognize this as being something which is supposed to make up for inflation, we have to recognize that it should be across the board.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. ASPIN) has again expired.

(On request of Mr. HUNTER and by unanimous consent, Mr. ASPIN was allowed to proceed for 2 additional minutes.)

Mr. ASPIN. I would just like to respond to the point.

I think the points you are making are very valid and very important. I think that, on the other side, though, the problem is that with senior people in the military, we as taxpayers and the military as an institution have a great deal invested in them, in terms of training, in terms of schooling, and other kinds of skills that they may have acquired. The military, unlike other businesses, does not have cross-lateral transfers. You do not have a person leaving the private sector and coming into the military as a sergeant. You only get people in the higher ranks of the military by bringing them up through the lower ranks in the military.

So you have a greater investment in these people, and it is those people who have an opportunity to go out and get another job, and you find that the training we have given them, in many cases, are very valuable in the private sector. So the threat is that these people we have brought in and trained and have brought along will acquire the skills to be marketed on the outside.

I think we have to give these people more money to keep them in, to keep them attracted, and in effect to back up the investment that we have already put into them.

Mr. HUNTER. If the gentleman will yield further, I think the gentleman has just reiterated the point that our chairman made, and that is, as the gentleman says, the people that we have as senior NCO's today came up through the pipeline, and the reason we have such a crunch on our senior NCO's now is because those people who were young NCO's immediately after the Vietnam war did not stay in.

So we want to make sure that we do not do the same thing with this class as we have with the class of 13- to 30-year people now. And that includes keeping the younger people in. We have got to keep the whole pipeline healthy.

Mr. ASPIN. I agree.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman from Washington.

Mr. DICKS. I just want to point out that I think there was a misstatement, not intentional, but I do not think it accurately reflects history here.

These are DOD numbers on the number of NCO's who have left the service during the last 5 years before retirement eligibility excluding separations based on medical and behavioral factors.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. ASPIN) has again expired.

(On request of Mr. DICKS and by unanimous consent, Mr. ASPIN was allowed to proceed for 2 additional minutes.)

Mr. DICKS. If the gentleman will yield further, these are E-5's to E-9's separating for expiration of term of service, excluding retirees.

In fiscal year 1976, the number was 53,000; in fiscal year 1977, 52,000; in fiscal year 1978, 55,000; in fiscal year 1979, 62,000; in fiscal year 1980, 63,000.

We do not have a problem based in Vietnam. We have a problem right here today that we are trying to deal with in this particular legislation, and we cannot base it on something that happened 15 years ago. This is going on today. These are the people we have an investment in. We have to retain them. And that is what we are trying to do here.

□ 1530

Mr. SKELTON. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman from Missouri.

Mr. SKELTON. I thank the gentleman for yielding.

The gentleman is familiar with the fact that the Department of Defense does estimate that the future problem of the armed services is going to be recruiting?

Mr. ASPIN. I understand.

Mr. SKELTON. And in the across-the-board pay raise that the committee has, this takes care of both of those problems, retention and the recruiting, as best we can, and one does not become a sergeant, as the gentleman has so aptly pointed out, unless one is recruited first. That is why I think the committee position is so much better.

Mr. ASPIN. If I could just address that point. The problem is I think that the evidence indicates that more money offered to early recruits increases the quantity of recruits but not necessarily the quality, and I think that it is a problem that we are going to have to address no matter which one of these bills passes today.

Mr. SKELTON. If I may interrupt, this Congress has done that. This Congress, regarding the Army, has decreed as to the quality the percentage of what may be in the category, the percentage of what may be high school graduates. We have already done that; so consequently let us get at the business at hand and go in and try to keep the recruits coming in.

Mr. ASPIN. But not so simple because what happens is that we can pass those kinds of quotas and those kinds of standards saying so many CAT 4's, so many CAT 3's. Unless they come in through the door, what are you going to do? We have to increase the attractiveness for people who are high school graduates, who are category one. That means, I think, educational benefits and other things that are not part of this bill.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words.

I think there have been a couple of points that perhaps have been overlooked in this debate which we ought to reemphasize, and that is that I do not believe that the statistics will indicate that the loss in terms of petty officers and noncommissioned officers, the so-called trained experts who are getting out, was primarily on account of pay.

In fact, the gentleman from Washington just indicated the numbers who were getting out even before they could qualify for retirement, and anybody who throws away a retirement in the military certainly either is not interested in money or else he does not know how to add.

The fact of the matter is that all of the evidence indicates that the senior noncommissioned officers who have been getting out have been getting out because this is not the kind of disciplined military force that they grew up in and that they were comfortable in serving with and they have been protesting, not against the pay scales, but against the way that we are operating.

Instead of discipline, we have encounter sessions and things of that kind, and that is the sort of thing that top, hard trained experienced top sergeants and petty officers and long-term chiefs in the Navy are not likely to put up with, and we can pay them anything we want to and they are not going to stay in there.

I think this is something that has been totally overlooked.

The other thing that I would like to suggest is that we ought also to remember that in the military the traditional arrangement for pay has been that everybody proceeds pretty much on the same basis. I do not think that the fact that we are going to pay the E-1's the same percentage increase as the E-9's means that we are wasting money on the initial recruits. It means that we are carrying on an arrangement where everybody can expect to get the same break.

If we do not give the 4.8-percent increase to our staffs when it comes through on the first of October, we are not going to have those members who do not get the increase very happy. I think we have got to recognize that the increase that we are giving here has got to be given to everybody if we are going to have an Army and Navy and a military where there is not going to be any odious comparisons in salary with two people doing the same job along side of each other.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from California.

Mr. HUNTER. I thank the gentleman for yielding.

I commend the gentleman for his statement and I would like to point out that the sea pay pay rates have been increased. In 1980 they were increased for an E-4 with 3 years of duty from about $125 to $160 per month. Submarine pay was increased. Reenlist bonus authority was expanded.

I think one point that has to be made extremely clear, this is not a bonus, this is a pay raise, and another point I think which has been missed by some of our Members is that this raise, the proposed targeting by the Appropriations Committee, is not targeted to skills. It is targeted only to grades.

Mr. STRATTON. I think the gentleman is making a very good point because we have been adding bonuses and bonuses on top of bonuses. We have been trying to give bonuses to the nuclear navy to get them to stay in. Even those bonuses have not helped.

In terms of providing for the senior people and for the skilled people, we have been doing very well. But money is not the thing that keeps somebody in the nuclear submarine services.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from New York.

Mr. ADDABBO. I thank the gentleman for yielding.

I am happy the gentleman brought up the question of discipline. I think the targeting, as we proposed in the appropriations, will meet that question, because many of the officers we have spoken to, and many telephone calls I received on yesterday, the officers have not been given the recognition of their skills. They have not been given the recognition which they have earned. And by targeting, the Congress recognizes those men who have made a career and want to make a career and will stay in if they are given that recognition. And the targeting gives them that recognition.

Mr. STRATTON. I think this targeting is going to work just as well as targeting when you fail to give any of your employees the 4.8 pay raise.

Mr. DICKINSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this opportunity to speak against the amendment, not because I do not think a raise is needed, but I think that we are looking at two sides of a problem, and I would like to put it in perspective as I see it.

As has been pointed out, Mr. Chairman, we have two big problems in the military. One is in recruitment—getting them in the services—but the other problem and, in my opinion, the most important problem, is in keeping the people in the service once they enter.

We talk about recruitment. We talk about possibly going to a draft. How do we get the people into the services?

The fact is that we can offer inducements to get the young people to come in. We have seen this work in the past, and we are working on inducements now.

But when that midcareer person, that guy with 8, 10, or 12 years in, and he is making up his mind is this what he is going to do for the rest of his life—is he going to make a commitment after he gets over the halfway mark and say, "I might as well go on and finish out the 20-year tour." When that midcareer guy, the E-7, E-8, E-9, or whatever, when he decides to go out the gate for good—and this is true of officers also—whether he is a captain, a major, lieutenant colonel, maybe an airplane pilot, maybe he has some other skill, when he goes out the gate for good, he not only takes that warm body, so to speak, and creates that vacancy, he takes with him hundreds of thousands of dollars' worth of training that the Government has in-

vested in him. He takes his skills and expertise, and he takes those that the Government has paid for to train, and he takes those on the marketplace, and quite often they can find them.

Then you not only have to recruit someone or induce them into the services to fill that slot that has been vacated, you have got to spend the same number of years and the same hundreds of thousands of dollars to train that new person just to get him where the E-7 or E-8 was when he went out the gate.

So you have wasted all the time and all the money. That is why it is so important for us today to recognize what we are doing, what it is we are attempting to accomplish, and why we are offering this comparability in income for our servicemen, whether they be enlisted or officers.

There are two ways to go about it. One is as our House committee did, chaired by my good friend, the gentleman from Alabama (Mr. NICHOLS). They give an across-the-board 14.3-pay increase with the flexibility to the Secretary of Defense to say, "Mr. Secretary, of this raise, you can take 25 percent of it and you can slew it, skew it, you can aim it where you, the military, see the need."

The alternative is to do what has been in the other body, and which I understand by the amendment, is being attempted, to say now we are going to decide what is best for you in the military, and we are going to decide where these weighted factors should go. So that—according to the amendment—the recruit would get a 7-percent increase. But if he goes all the way up to the E-7, he would get an 18-percent increase.

But we are letting the author of the amendment, or the Senate, if their amendment is ultimately adopted, make the decision for the Secretary of Defense. And they will say where the needs are and what can be paid.

By the House amendment, by the House bill that we are discussing and debating here today, and as has been explained by our chairman, we are saying that we are going to give an across-the-board raise of 14.3 percent which will really give them comparability with their civilian counterparts, and give the Secretary of Defense the authority, based on his expertise and his military people and the recommendations of the service Secretaries, and the people who have to live in uniform, let them recognize the need and let them target then where a portion of the raise that we are giving will go.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Washington.

Mr. DICKS. I thank the gentleman for yielding.

Is it not true that last year when the committee did an outstanding job of passing a pay raise, that they allowed 25 percent of that pay raise could be targeted, and the Secretary of Defense, both in this administration and the prior administration——

The CHAIRMAN. The time of the gentleman from Alabama (Mr. DICKINSON) has expired.

(At the request of Mr. DICKS and by unanimous consent, Mr. DICKINSON was allowed to proceed for 2 additional minutes.)

Mr. DICKS. If the gentleman will yield further, the administration refused to target even $1 of that pay increase and, therefore, has ignored the flexibility that the committee gave it, and there is no indication that they are going to do anything else this year?

Mr. DICKINSON. The gentleman asked a question. I thought I would respond.

Mr. DICKS. I want to give the gentleman the full context.

The amendment of the gentleman from New York, which we support, gives 2-percent flexibility to the administration, in the hopes that they might use that discretion.

Mr. DICKINSON. In the hopes. The gentleman is correct, and if I were representing the past administration that failed to act, as they did fail to act, I would be very, very embarrassed about it, and I am sure some on that side of the aisle are.

Mr. DICKS. And this administration chose not to act either.

Mr. DICKINSON. This administration is favoring the bill we are sponsoring now and I have had any numbers of calls from people in the Pentagon, and talked to the Secretary himself. They favor the bill sponsored by the House Committee on Armed Services. The Secretary of Defense has. My chairman has a letter from him. They want the flexibility. I do not think they would ask for it if they intend not to use it.

So, to say a 2-percent flexibility that is proposed is as good as 25-percent flexibility, which our committee proposes, which is asked for by the Secretary of Defense, makes little sense.

So what we are saying is we are all for a raise. We just do not want Congress dictating how it is to be given. Let us let the Secretary of Defense do his job and give him the flexibility.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Alabama.

Mr. NICHOLS. I thank the gentleman for yielding.

I want to concur with what the gentleman has said.

The people who ought to be doing the targeting, if we are going to do targeting, ought to be the people who know the military best, not Senator "X" or Senator "Y" or Senator "Z" or even Congressman NICHOLS and Congressman DICKINSON.

Mr. DICKINSON. The gentleman might go too far there.

Mr. NICHOLS. Right. I think these people ought to have an input into it.

Now, if I might indulge the gentlemen just a minute.

The CHAIRMAN. The time of the gentleman from Alabama (Mr. DICKINSON) has again expired.

(At the request of Mr. NICHOLS and by unanimous consent, Mr. DICKINSON was allowed to proceed for 2 additional minutes.)

Mr. NICHOLS. A statement was made yesterday to the effect that perhaps the Secretary of Defense had no intention of reallocating. I raised that question with him and I would like to read excerpts from this letter.

DEAR MR. CHAIRMAN: On June 18, 1981, I wrote to you expressing the Department of Defense's strong support for H.R. 3380 . . . I mentioned the reallocation authority contained in that bill . . . (the Nichols bill, the Mitchell bill, 3380) . . . as being very important to the Department, because the Military Manpower Task Force might conclude that the October raise should be targeted.

Yesterday, you inquired as to whether or not the Department had modified its position on reallocation or had definitely decided not to reallocate. This is not the case. As I forecasted in my June 18, 1981 letter, the Military Manpower Task Force has been grappling with the issues of whether or not the October raise should be targeted, and if so, how it should be targeted. Presently, the Task Force is refining several options relative to reallocation and these will be studied in depth . . .

□ 1530

I will say to the gentleman that that task force has had four meetings on this particular issue.

It is my intention to keep these options open and to make a decision on reallocation soon so that the October pay raise is not delayed.

Signed by Secretary of Defense, Mr. Weinberger.

Mr. Chairman, I include the letter as follows:

THE SECRETARY OF DEFENSE,
*Washington, September 15, 1981.*

Hon. BILL NICHOLS,
*Chairman, Subcommittee on Military Personnel and Compensation, Committee on Armed Services, House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: On June 18, 1981 I wrote to you expressing the Department of Defense's strong support for H.R. 3380, the Nichols/Mitchell pay bill. Specifically, I mentioned the reallocation authority contained in that bill as being very important to the Department because the Military Manpower Task Force might conclude that the October raise should be targeted and that the reallocation authority would provide us the tool for accomplishing that end.

Yesterday you inquired as to whether or not the Department had modified its position on reallocation, or had definitely decided not to reallocate. This is not the case. As I forecasted in my June 18, 1981 letter, the Military Manpower Task Force has been grappling with the issues of whether or not the October raise should be targeted, and if so, how it should be targeted. Presently, the Task Force is refining several options relative to reallocation and these will be studied in depth before any final reallocation decision is made. It is my intention to keep these options open and to make a decision

on reallocation soon so that the October raise is not delayed.

CAP WEINBERGER.

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I would be happy to yield to my colleague, the gentleman from Alabama, and to the other gentleman over there as time permits.

Mr. EDWARDS of Alabama. Mr. Chairman, I thank the gentleman for yielding.

I am the one who made the statement on the floor yesterday that Mr. Weinberger had said he would not exercise any targeting on the 14.3 percent because he felt like 14.3 percent across the board was necessary to bring everybody up to comparability and then next year we would start talking about targeting.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

(At the request of Mr. EDWARDS of Alabama, and by unanimous consent, Mr. DICKINSON was allowed to proceed for 1 additional minute.)

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield further?

Mr. DICKINSON. I will be happy to yield.

Mr. EDWARDS of Alabama. I do believe that the Secretary, in fact, told me that some months ago. I did discuss this with him today. He did say to me exactly what the gentleman has just read, that perhaps he would, depending on what this study showed.

I guess I certainly take the Secretary's word. At the time it was discussed months ago, however, that was not what was said.

Since the gentleman has raised the point, I should say to him that when I do get the floor, it had been my intention to make such a statement.

Mr. DICKINSON. Mr Chairman, in my concluding few seconds, let me say that in the last 2 or 3 years I have served on the ad hoc NATO subcommittee of the Committee on Armed Services; about 18 months ago we were in this capacity in London, talking to the Defense Minister there. He said something that was very impressive to all of us that visited with him, as we visited some of the NATO countries. He said that they were suffering from the same problems that we did.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

(By unanimous consent, Mr. DICKINSON was allowed to proceed for 2 additional minutes.)

Mr. DICKINSON. He said they were suffering the same turbulence and the same tremendous costs to keep people in the service and retrain those getting out and that the Thatcher government had given two pay increases. They have a 12 percent and an 18 percent, that adds up to 30 percent in the first 3 years, and their turbulence and their retention problem had fallen to almost zero and they were very pleased with it, because they had at least brought their military up to comparability with their civilian counterparts. That is what we are wanting to do here.

We have no problem with the thrust of the amendment offered by the gentleman from New York. We are just saying, we are both trying to accomplish the same good. We think ours is the preferred way.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I would be very pleased to yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I would like to clarify the record that when we say 2 percent, we mean a pay increase of 7 percent, could go up to 9 percent; so in actuality it is about a 14-percent flexibility.

Now, I point out that under our approach we would target initially, I cannot imagine a circumstance in which we would give somebody a 14.3-percent pay increase effective October 1 and then during the year say, "Oh, by the way, we are going to reduce your pay and reallocate it to somebody else."

That is why targeting under the gentleman's bill, I do not think really has any chance of working.

I think therefore if we are going to attack the problem of NCO retention and retain those skills that the gentleman so eloquently mentioned that targeting is necessary—we were a little curious whether the gentleman was speaking on our side or on the committee's side, because the gentleman hit the problem right on the head.

Mr. DICKINSON. I usually do.

Mr. DICKS. The gentleman always hits it on the head. We have hundreds of thousands of dollars invested in these people.

We want to keep those people in and we think by giving them the substantial reward and recognizing those years of service and skill and talent that we are going to have a better chance, plus if you have those skilled NCO's training those new enlistees and they have a good initial experience, then they will stay in.

We find out from the early enlistees when they get out, that they thought they had lousy training, that they did not have a good experience because they did not have skilled senior people there to train them initially.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

(By unanimous consent, Mr. DICKINSON was allowed to proceed for 1 additional minute.)

Mr. DICKINSON. Let me just say this. We are all trying to effect the same common good. It is just a question of which is the best approach.

The other body has essentially passed what is being proposed here, as I understand it. The only difference being that they do not even allow a 2-percent flexibility. The gentleman has at least put in 2 percent.

I would ask my colleagues, go on and pass what the Secretary has asked for and what our committee has done, the product of our committee, and then let us go to conference and see where the lines cross and where we can accomplish the most of what we are trying to do without being locked into a position that the Senate says no flexibility or the gentleman says 2-percent flexibility. We say 25-percent flexibility.

Let us pass the House position and then in conference I think we can work it out as men of good faith, as we always say.

Mr. DICKS. Mr. Chairman, will the gentleman yield further?

Mr. DICKINSON. I yield to the gentleman from Washington.

Mr. DICKS. I would like to say that the committee has done an outstanding job in all areas of military compensation over the last 2 years. We have turned this problem around. We just happen to think that our approach deals with this retention problem a little more directly. It is not meant in any way to undercut the fine work of the gentleman from Alabama and the committee.

Mr. DICKINSON. I thank the gentleman.

Mr. BENNETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendments of the Committee on Appropriations.

One of the major benefits of the October pay raise this year will be the signal that it sends to our service members. There has been a revolutionary change in the attitudes and perceptions of our service members in the recent past. To some degree this is a result of the substantial pay increases provided last year. In part, it is due to a new feeling of patriotism spreading throughout the country.

But this change is a tenuous thing. The expectation of the service member is that the administration and the Congress have taken a new look at the importance of maintaining an adequate compensation system for our military personnel and that actions to improve this system will be sustained in the future. If this expectation is not fulfilled, it is unlikely that the benefits we have accrued as a result of these recent actions will continue.

Part of this expectation is that military pay will be returned to the standard established in 1972. A 14.3-percent across-the-board pay increase is required to meet this goal.

As the Members are all aware, the administration proposed a 5.3-percent pay increase in July and approximately 9 percent pay increase in October. Service members were told that the 5.3 percent was needed in order to remove the effect of the pay caps imposed in 1975, 1978, and 1979, on mili-

tary pay. In addition, service members were told the 9-percent increase was needed in order to keep pace with the growth of wages in the private sector.

A 5.3-percent increase in July will not happen. This makes the combined increase all the more important for October. The 14.3-percent increase is needed to meet the commitment to the service member. It was not designed—nor should it be designed—to address specific, transitory problems, but it will, in part, alleviate some of the problems that exist today.

The administration has strongly sought this full increase, and the service member is fully aware of this position.

Mr. Chairman, we must fulfill the expectations of our service members and reject the amendments of the Committee on Appropriations.

Mr. SKELTON. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman.

Mr. SKELTON. Mr. Chairman, I wish to commend the gentleman, because the gentleman has hit the nail right on the head. The morale problem is the problem concerning this pay raise.

Recently, as the gentleman knows, I have talked with dozens, hundreds of young men and women in the service in Europe and South Carolina and North Carolina and Kentucky. In all of my conversations, morale is presently high because they felt the people of the country as well as Congress last year were behind them because of the pay raise that they were given. They feel the same thing now.

I think some of them were disappointed bacuse they did not get the 5-percent pay raise that was discussed by the administration in July, but they consider that part of the 14-percent pay raise that is coming up now, they expect it and if we are to continue to have outstanding morale, we must pass this committee bill.

I commend the gentleman for his statement because the gentleman is right on the target.

Mr. BENNETT. I thank the gentleman very much.

Mrs. BYRON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to the substitute amendment offered by the Committee on Appropriations.

The amendment offered by the Committee on Appropriations fails to recognize the function of the basic pay table and the annual increases made to that table each year. Basic pay, basic allowance for quarters, and basic allowance for subsistence, provide the foundation upon which the military compensation system is constructed. The basic pay table reflects differences in experience, training, responsibility, and authority.

Basic pay is also the only element of compensation that is received as cash by all service members, regardless of assignment or skill.

All military personnel serve to meet the mission of the Department of Defense. Although each individual may hold a job in peacetime that is more or less related to a civilian occupation, fundamentally these individuals all contribute equally to the defense during a national emergency. The basic pay and allowance system is an outgrowth of this fundamental principle.

As the foundation, the pay and allowances system should not be used to solve short-term problems. Obviously, today some of the services are experiencing shortages of manpower in certain years of service; and all services are experiencing manpower shortages in individual skills. But these shortages are transitory in nature. They developed over time, partially as a result of pay caps imposed in 1975, 1978, and 1979, and partially as a result of management policies existing during a period of conscription. But these are not problems that are a result of a fundamental inadequacy of the underlying compensation system.

Tinkering with this underlying compensation system, to solve a transitory problem, will cause worse problems to exist in the future. For example, a shortage exists in the Navy of petty officers between 10 and 20 years of service. This problem can only be solved over time as persons with less than 10 years of service continue on into the midcareer years and fill the shortages that exist today. If retention rates for individuals with less than 10 years of service are increased too far, while more people will flow into the area exhibiting shortages today, eventually too many individuals will be in that category. The shortages by years of service will eventually disappear if normal retention rates are maintained. A 14.3-percent increase is required to reestablish and maintain these normal rates.

While the goal of the Appropriations Committee is understandable—attempting to solve existing problems with variable basic pay increases if it is a target area they are in—these problems are better solved through modifications in bonuses and special pays. The 14.32-percent across-the-board pay increase is needed to return the foundation of the military pay system to a firm footing.

Mr. Chairman, the substitute amendment could have very adverse impacts on a fundamentally sound compensation system, and I ask Members to reject it.

Mr. WHITE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to speak in opposition to the amendment.

Mr. Chairman, the question as posed earlier by one of the Members speaking was whether you will have a pay raise across the board or whether you will target.

I would say that you should certainly have a pay raise across the board, primarily because it is fair.

Now, let us talk about why it is fair. Of the 14.3-percent pay increase, 5.3 percent is a catchup to remove the caps that were imposed in 1975, 1978, and 1979, and 9 percent is reflective of trying to bring the personnel up to the private-sector wages since last year.

Now, if you are going to target, where will this money come from? It will come from the junior enlisted personnel, and this is precisely what will cause a shortfall in recruitment, as has already been said. It will cause something estimated to be 10,000 persons.

Now, we have already last year imposed more strictures in category 4's, and high school graduates. We are trying to get quality people into the service at the present time. If you target, you will be giving 38.5 percent of the raises to 16 percent of the personnel.

□ 1545

This is not by skills but by grade. What we have been talking about today is by skills; that we want to keep people in that have certain skills. But this is not going to do it.

If you are talking about people from the midlevel, 10 to 20 years, the estimate is that 90 percent of those people today will continue their career on to retirement. But when you get the young recruit, the person of quality that we are trying to attract in, after his first enlistment, we have some difficulty keeping him in.

This is the most married Army in the history of this country. The wives who have to go out and take second jobs are the ones that are going to be saying, "Let's get out and get something that will give us at least the amenities of life. We were supposed to get a 14.3-percent pay increase and they cut it down and they gave it to the people who already have a much higher income at the present time."

The low retention rates that we have, the shortages that we have today, hark back to the time of Vietnam.

Now we have come up to the present time and we have this continued shortage because of the strictures that this Congress imposed on the services.

Targeting the costs is going to cost considerably more and does certainly less than you have in mind.

And listen to this, those of you who are concerned about economy. These are the figures from the Congressional Budget Office. To target would cost $78 million more per year. And in addition, targeting increases retirement costs by $275 million over the next 5 years, compared to the across-the-board.

The soldiers, marines, and sailors and airmen of this Nation are expecting a 14.3-percent raise. They have been waiting and their morale was raised by the last pay increase. They

are looking for comparability; they are looking for an opportunity to live in some equality with their neighbors.

I do not think we want to impose on the military of this Nation this blow to their morale, this unfairness, today, this thing that will not give the skills that we are talking about, that goes to the upper level by grades and not by skills.

We are already giving bonuses and other inducements by skills. Let us do the skill inducements and retention through other means that this Congress has already taken and will take in the future.

So I reject this amendment in the interests of the armed services.

Thank you.

Mr. TRIBLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this amendment. Either initiative before us will help, but I believe the across-the-board approach of the Armed Services Committee is the preferable approach.

We must restore to all members of our military community the purchasing power that has been lost over the last decade. We must reestablish for all military members rough comparability with the private sector. That is why the across-the-board approach is so vital.

Once we have done that, once we have made up for the neglect of the last decade, then let us start talking about targeting, increases over and above that, to meet our special needs.

The fact is we have targeted $2 billion in pay increases in recent months: sea pay, flight pay, and other special duty pays and other initiatives.

The last, as we have heard today, gives the President the authority to adjust salary increases by up to 25 percent.

A study is now underway, and this administration will certainly adjust these pay increases as the need requires.

Finally, and perhaps most important, to give only a 7-percent raise to junior enlisted personnel would be, in my judgment, inequitable. It would send a very discouraging signal to our people. These are the people who have been forced to rely on food stamps, who have been forced to hold second and third jobs to make ends meet. A 7-percent raise to these junior level personnel would put them further and further behind. It would severely damage morale. It would complicate our readiness problems and everything we are trying to do now to strengthen our defense posture.

Also, DOD estimates suggest that a 7-percent raise as opposed to the full 14.3-percent increase would result in 10,000 fewer recruits each year.

These are facts that must be considered by all of us.

In my judgment the Armed Services Committee approach is equitable. It will boost first-term enlistments. It will aid retention and it will provide an encouragement to all of our military personnel.

The Appropriations Subcommittee substitute, while meeting many of these goals, does not achieve as much. I would recommend that that amendment be rejected.

Mr. HUNTER. Will the gentleman yield?

Mr. TRIBLE. I would be happy to yield.

Mr. HUNTER. I commend the gentleman. I would like to commend him especially for recognizing that this pay raise is engineered to make up for inflation, for the ravages of inflation. If we are coming down to a 7-percent raise for the lower enlisted grades we are actually only giving them 50 percent of the comparability that we pledged to them in the early part of the decade. This is not a bonus. This is not targeted for skills. This is a pay raise which was designed to make up for inflation.

I especially commend my colleague for his comments regarding the effect that inflation has had, especially on our junior people.

Coming from San Diego, I see housing that is going for $300, $350, even for minimal housing, for junior enlisted grades. Again, these are the people who have not yet purchased a house, as many of the senior people have. Every time the Consumer Price Index jumps, their cost of living actually does jump.

They are ravaged by inflation, just as much, if not more, than the senior grades.

Mr. TRIBLE. I thank the gentleman for his contribution.

I yield back the balance of my time.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, members of the committee, I find myself in a terribly unique posture.

Normally as a member of the Armed Services Committee I stand in the well of the House to vehemently and adamantly challenge the position of the Armed Services Committee, challenge the massive expenditures, the extraordinary increases. But I find myself today standing in the well in support of the position proposed by my colleagues on the Armed Services Committee.

First, I would like to comment to the general proposition of the need for a pay raise among our personnel in the armed services. All of us have read the reports of a number of our young people who serve in the military who are recipients of welfare, food stamps. We have all read a number of stories of how the ravages of inflation have harmed a number of our personnel who serve in Europe.

So clearly there are a number of reasons why we ought to be supporting a pay raise for our military. If we are going to have one, then they ought to be able to serve with dignity. They ought to be able to serve with integrity; that the pay ought to speak to the principles of equity, and they ought to speak to the principles of justice.

A number of our young people are married, and it would seem to me that if they are going to have an opportunity to serve, then they ought to be able to make enough money to be able to do it. That is a reality in our society.

So as a general proposition, it would seem to me that all of us, as members of the Armed Services Committee, at this particular moment in history ought to be willing to support the general proposition of a pay raise.

We find ourselves today confronted with two proposals, one proposed by the Armed Services Committee that would provide for across-the-board pay of 14.3 percent. We have another proposition offered by my distinguished colleague and friend, the gentleman from New York, that would target the pay to the various ranks between 7 and 22 percent.

Clearly, both proposals address the general proposition, and that is the need for a pay riase. Both of them attempt to accomplish this.

A number of my colleagues have already spoken as to why the Armed Services Committee proposal is a superior one. I would simply add one or two remarks.

First, it would seem to me that a pay raise from 7 to 22 percent clearly speaks to a lack of equity at the extreme entry level, 7 percent; and 14.3 percent, it seems to me, is much more equitable.

Second, our proposal provides the flexibility on the part of the Secretary to take 25—up to 25 percent of these funds and to target skills as opposed to building in an elitist system of targeting grade, and I think where there is necessity for a particular skill in our society, or in the military, then we ought to have the resources at our disposal to target for those skills.

But finally, and this is the one argument that I would like to make, and I think my colleague on the other side of the aisle, the gentleman from Virginia, touched upon it: One of the arguments of the proponents of the targeting approach says that we already have enough junior enlisted people, or there is no problem in recruiting them. Why do junior enlisted people come into the military? Why are there so many young blacks and Hispanics and low-income and poor whites who come into the military at this particular moment in history? It reflects the reality of the hardships of our economic circumstances across the board.

My question is: Why should these people have to carry the burden of the problems of our economy, realizing that the only place at this moment they can find a job is in the military and have to be penalized for going in the military by being the people who receive the least resources? Seven percent, whether you target it to 9 per-

cent a few months later or 14 percent a few months later, it still is not across the board, it still does not project that equity. I think those young people who go into the military because there is no other avenue open to them at this particular moment in our society are not to be penalized for having made that particular decision.

So in summary, No. 1, I think all of us ought to support our pay raise for the military if we have one, and I think people ought to live with dignity and receive enough money to care for themselves, and in situations where they have families they ought to be able to do that.

In the two proposals, I would assume we can walk in this well and argue either side of this question, because both proposals provide a pay raise. I simply come down on the side of the Armed Services Committee: First, because I think there is much more equity in 14.3 across the board; second, targeting skills, it seems to me, makes more sense than to build in the elitism of targeting ranks; and third, I do not think those junior people who are coming into the military because they have no other way of expressing themselves in terms of employment ought to be penalized for having made that decision.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I first yield to the chairman. Then I will be happy to yield to my colleague.

(On request of Mr. NICHOLS and by unanimous consent, Mr. DELLUMS was allowed to proceed for 2 additional minutes.)

Mr. DELLUMS. I thank my colleague, and I yield to the chairman of the subcommittee, the gentleman from Alabama.

Mr. NICHOLS. I deeply appreciate the support of the gentleman from California.

I would say to my colleague, in his admonition relative to the support of the legislation in the past, a former chairman of this committee, Mendel Rivers, used to have a saying that the light in the window still burns, and the wayward son can still return. We are glad to have him on our side on this particular argument. But the gentleman from California has always been on the side of the underprivileged, the grunts, the man at the low end of the totem pole. Certainly that is the enlisted man. I appreciate the gentleman's support.

What the gentleman from California had intended to say, I am sure, with reference to targeting particular grades was that in this particular pay bill we do target certain skills in that we raise the enlistment bonus, and we pay specialties for some of our hard-to-get engineers in the service.

I appreciate the support of the gentleman from California.

Mr. DELLUMS. I thank the chairman.

I now yield to the gentleman from Washington (Mr. DICKS).

Mr. DICKS. I thank the gentleman for yielding.

Mr. Chairman, I have always had a great deal of respect for the gentleman from California and his advocacy of the rights of those people who have the greatest needs in our society. I just would point out, just to clarify the record, the chairman has done, that the reallocation of 25 percent that is allowed has to be done on the basis of rank, not on the basis of skills. Therefore, there is nothing except the reenlistment bonuses that allows us to address that problem.

The only point I would make to the gentleman also is that instead of being 7 to 22 percent, when you add in the housing and the BAQ and subsistence, actually it is a 10-percent increase overall for the person at the lowest end, the enlistee, plus the enlistee's pay goes up in the very first year that he is in the service, and his pay increases by 16 percent.

So we are trying to also be fair under our approach to the most junior enlistee. But what we are really concerned about is the training and the investment that we have in those NCO's, trying to make sure that that enlistee has a good military experience and reenlists at the end of his first term.

Mr. DELLUMS. I thank my colleague for his comments. I appreciate the clarification.

I think we could debate that issue all day, all week. But, it seems to me that the reality is that the differences here to some extent are rather subtle. It would seem to me that there is no need to prolong the issue. I simply stand in the well saying there are two proposals, they both address the problems that we choose to confront, and reasonable people can differ. I simply come down at this particular moment on the side of the Armed Services Committee for the reasons I have articulated.

(By unanimous consent, Mr. DELLUMS was allowed to proceed for 2 additional minutes.)

Mr. SKELTON. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to my colleague from Missouri.

Mr. SKELTON. I commend my colleague on his statement and for his very clear explanation as to why he feels the way he does.

The gentleman points out, I think very properly, that those who are the young recruits, the new recruits, the privates, the corporals, the petty officers, are the ones who really need it, and it will be a severe morale problem if they do not receive the pay that they have been led to believe they are to receive. They received a substantial pay increase last year. This year, as we say in Missouri, they will play catchup football. They will be at least somewhat in the ball park of being adequately compensated in relation to their counterparts in the civilian life. So, I think, the gentleman has hit the nail on the head.

One last comment. Being a former marine, I know that the gentleman would feel strongly, as I do, about the pay inversion problem that the amendment, the substitute amendment, would pay a marine staff sergeant, platoon sergeant, $140 more than his marine second lieutenant.

Mr. DELLUMS. I thank my colleague.

Mr. Chairman, I would simply respond to the distinguished subcommittee chairman and indicate that it is a pleasure to join him to improve the quality of life of our service personnel, but our coalition is very temporary.

□ 1600

When the $226 billion budget comes back to the floor, we will be out there fighting it and against the chairman to that extent.

Mr. HARTNETT. Mr. Chairman, I move to strike the requisite number of words, and I rise in strong opposition to the substitute amendment.

The substitute amendment represents an unnecessary and potentially harmful restriction on the existing authority of the President to reallocate a portion of the basic pay increase.

Current law provides the President with authority to reallocate up to 25 percent of a basic pay increase into the basic allowance for quarters and basic allowance for subsistence elements of military compensation or, as is more germane to the current discussion, from the basic pay of one pay grade and year of service to the basic pay of different pay grades and years of service.

In no case under this authority could an individual receive less than 75 percent of the across-the-board increase.

Under this authority, which is retained in H.R. 3380, as reported by the Committee on Armed Services, the President has the authority to provide a raise as low as 10.7 percent for certain grades and years of service and to increase other grades and years of service above the 14.3-percent level. This is substantial authority.

The substitute amendment, which provides only a 7-percent increase to the most junior enlisted personnel, requires up to 50 percent of the basic pay increase to be reallocated. The magnitude of this reallocation is clearly outside the original intent of the comparability mechanism established in the early 1970's. While variations in the distribution of military pay increases should be implemented from time to time to reflect variations in private sector pay increases, no evidence is available that supports such a substantial reallocation as is proposed by the substitute amendment.

The President has formed a Military Manpower Task Force that is looking at the current pay system before the

October pay increase and may recommend a change to that system in sufficient time to exercise the reallocation authority if required.

Existing authority provides an equity-management balance. On the one hand, it provides management with the flexibility to modify the pay system to respond to stable trends that evolve over time. But at the same time, it contains a safeguard to protect the individual service member from bearing the brunt of an ill-conceived or hastily manufactured reallocation. Because only a portion of the pay increase can be reallocated at any one time, the existing reallocation authority also insures that responses to transitory manpower problems are not overly aggressive.

All in all, the existing system of reallocation is both fair and useful when needed. I see no compelling reason for change and many reasons for continuing within the existing framework.

Mr. Chairman, I urge a rejection of the substitute and of the original amendment.

Mr. SMITH of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. HARTNETT. I yield to the gentlemen from New Jersey.

Mr. SMITH of New Jersey. Mr. Chairman, I thank the gentleman from South Carolina for yielding.

Mr. Chairman, on July 16, this body passed the largest defense package in U.S. history. We provided funds for new ships, new tanks, a new strategic bomber, the Trident submarine, new helicopters, new automatic weapons, and a variety of additional military hardware.

In the midst of a massive Soviet military buildup, this action is vital for the refurbishing of our national defense capabilities. However, Mr. Chairman, we have learned from experience that sophisticated military equipment is of little value if we do not have skilled personnel to operate it.

Today, as we prepare to vote on H.R. 3380, the Armed Forces Pay Act of 1981, we have the opportunity to help our military attract and retain the highly skilled and qualified personnel that they urgently need.

The administration and the Armed Services Committee support a 14.3-percent increase in pay across the board. While this proposal would be an improvement, I strongly favor another alternative—the Appropriations Committee amendment. This proposal also provides for an overall increase of 14.3 percent but does so in a targeted manner that will help our armed services retain trained professionals who, in turn, will provide the leadership that is vital for the effective functioning of our military.

Mr. Chairman, in the past year, the Army reports that it has made encouraging gains in attracting recruits. Additionally, Army officials say that the quality of recruits has also improved significantly. As of July, 69 percent of the Army's recruits were high school graduates, who, experience has shown us, tend to make better soldiers than those who dropped out. A year ago, only 40 percent of the recruits were high school graduates.

At the same time, a review of the enlistment test scores shows that 72 percent of the Army's newest recruits are in the top three mental categories, compared to 51 percent just a year ago.

These gains have been attributed to several factors—better pay and the promise of further increase in compensation have been major contributors to this improved situation. High unemployment in the civilian work force and greater cohesion and stability in Army life have also been cited as big factors. Thus, a year after the Army Chief of Staff, Gen. Edward C. Meyer, declared that he was presiding over a hollow Army, we are finally moving in the right direction.

Despite this improved situation, we cannot afford to become complacent. Nor should we entertain any notions of delaying or deferring this particular pay raise. And such action would be a breach of faith that would send a very unhealthy signal to the very people that we want to stay in the military and continue to serve their country.

Mr. Chairman, the Appropriations Committee amendment, which has the support of the chairman and ranking minority member of that committee and support of the Defense Subcommittee, goes a long way toward correcting the inequities and disincentives that exist under our current pay structure. Many officers and enlisted men and women find themselves in such a financial dilemma that they have to apply for food stamps, rent subsidies, fuel subsidies, and nutritional programs.

Mr. Chairman, a staff sergeant, with 10 years of service who is classified as an E-6 and has a good deal of supervisory responsibility, receives only $943.50 per month. This noncommissioned officer, the heart of our defense forces, makes only about $11,000 per year. Clearly, we cannot expect an experienced officer to raise a family on that kind of a salary.

The Appropriations Committee proposal, which has already been passed by the Senate, provides that pay raises of as much as 22 percent should be granted to certain highly skilled and experienced enlisted personnel who are in short supply. Others will receive raises in varying lesser amounts, with everyone receiving raises of at least 7 percent.

Mr. Chairman, according to the Congressional Budget Office, this targeted pay raise will allow the services to recruit virtually the same number of quality personnel over the next 5 years as they would under the House Armed Services Committee's across-the-board proposal. However, CBO estimates that the Appropriations Committee's targeted proposal would increase the size of the career force by 19,000 trained and experienced leaders.

In the long run, these improved conditions for experienced personnel should help the military to attract more career-oriented individuals. By encouraging experienced people to stay in for longer periods of time, our armed services will also be able to avoid the high cost of training new people to fill these important positions.

While the basic thrust of the Appropriations Committee's amendment is to retain experienced personnel, the amendment also raises the ceiling of the enlistment bonus. If recruitment officers and military advertisements make potential recruits aware of these bonuses and if they let them know that the average recruit moves up through the ranks in his first year sufficiently for his or her pay to increase about 16 percent, we should find that a good number of qualified recruits will respond to these incentives.

Mr. Chairman, the men and women who are serving in our Armed Forces have every right to take pride in the contribution they are making to our Nation. We have entrusted them with the responsibility of defending our democratic ideals and our freedoms. We should all give them the recognition—and the compensation—they deserve for the sacrifices they make on our behalf.

I urge my colleagues to join me in supporting the Appropriations Committee's amendment to the Armed Forces Pay Act of 1981.

The CHAIRMAN. The time of the gentleman from South Carolina (Mr. HARTNETT) has expired.

(On request of Mr. SMITH of New Jersey and by unanimous consent, Mr. HARTNETT was allowed to proceed for 4 additional minutes.)

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. HARTNETT. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Mr. Chairman, I appreciate the gentleman yielding to me very much. I unfortunately will also take a position which is the opposite of his, and speak in favor of the amendment. I appreciate his allowing me to take some of his time for that purpose.

Mr. Chairman, I am here because I have a commitment. I serve in the Naval Reserve—and for the cynics I would point out that I serve without pay and at my own expense—but I have two commitments.

One is to report back, because I have spent the last 2 years on my active duty 2 weeks traveling among the ship and shore stations and the Naval Establishment. During that period, I have spoken to several hundred enlisted men and officers. My main concern was morale and what we should do in order to improve the morale and the quality of our servicemen.

First of all, I have the commitment to them to come back and to thank the committee here and this body for the pay raise of the last year. It has done a tremendous thing for morale, no question about that.

My second question to them was, what must we do now, and where is their most critical problem. The most critical problem that was expressed to me is retention; that if we are going to retain the kind of quality enlisted men and petty officers we need in order to have the fighting force that is necessary for this country, we have to pay the attention to that scope. That is why I support the Appropriations Committee amendment.

To me, that does focus the attention in the area where it is needed, for if we do not have the kind of quality enlisted men in the kind of grades we must have, and have to retain them and their expertise in those areas, it does not make any difference what we have at the bottom level. Let us face it, those men at the bottom level are looking and asking, "What is in it for the future for me?"

That is what they were telling their wives: "What happens if we stay in? Where will we be in 4 or 6 or 10, or at the end of 20 years?"

That is of more interest to them, or as much as their present pay. We should give them a pay increase. They are more interested in where the service will lead them. The best way to do that is to give them the kind of incentives the Appropriations Committee amendment will give them.

I think both committees have done a good job there, but I think, and it is my understanding of the Appropriations Committee amendment, with all the other benefits and flexibility, it could be up to 12-percent increase for those in the lower pay scale, so we are not talking about 7 percent. We are talking about something above that, presuming, as the committee would say, the Secretary would exercise his discretion to increase that 2 percent to the lower pay grades.

□ 1610

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. HARTNETT. I yield to the gentleman from California.

Mr. HUNTER. Mr. Chairman, I thank the gentleman for yielding.

I think that the last two gentlemen who have spoken have stated a good general proposition, but I think they have missed the point that really this pay increase under the alternative that is offered by the Appropriations Committee is only going to mean about an extra $60 or $70 a month to that senior NCO who is making $1,600 or $1,700. As we get these NCO's who are getting down close to their 20 or 30 years of service, it is really not credible to say that an extra $60 or $70 a month is going to be the deciding factor between their staying in the service and getting out of the service. They are already making a tremendous advance here.

The CHAIRMAN. The time of the gentleman from South Carolina (Mr. HARTNETT) has expired.

(By unanimous consent, Mr. HARTNETT was allowed to proceed for 1 additional minute.)

Mr. HUNTER. Mr. Chairman, if the gentleman will yield further, they are already making a tremendous advance with this pay raise, which, for example, for the NCO making $1,600 a month, means he is going to have about a $200 increase under our bill, and as they are getting down close to 20 and 30 years of service, they are looking at incentives which are worth literally hundreds of thousands of dollars.

So that extra $60 or $70 is not going to be that important to them, but that extra $20 or $30 a month is going to be extremely important to the young enlisted man who is only making $160 a month and who is really having problems securing food and housing and the other necessities of life.

Mr. HARTNETT. Mr. Chairman, now that all the Members have heard both sides of the issue, I urge my colleagues to do the right thing and vote for the 14.3-percent, across-the-board increase for everybody.

Mr. MONTGOMERY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the substitute amendment.

Mr. Chairman, I rise in support of the original committee bill that was reported out by the Committee on Armed Services.

Mr. JONES of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I am pleased to yield to the gentleman from North Carolina.

Mr. JONES of North Carolina. Mr. Chairman, I thank the gentleman for yielding.

I would like to direct a question to the chairman of the subcommittee. Does this authorization bill provide a pay increase for the U.S. Coast Guard personnel?

Mr. NICHOLS. Mr. Chairman, if the gentleman from Mississippi will yield, the answer is in the affirmative, it does include the Coast Guard.

Mr. DYSON. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I am pleased to yield to the gentleman from Maryland.

Mr. DYSON. Mr. Chairman, I applaud the gentleman from Mississippi (Mr. MONTGOMERY), a member of our committee, on the position he has taken, and I commend other Members who have taken the floor to talk about the morale problem we face in the armed services today.

The fact is that we have seen a great turbulence with the men and women in uniform because of the uncertainties about their pay and other benefits, and I think our committee, the Committee on Armed Services, is anxious to reassure the active duty personnel that, in fact, we will continue to bring about a strong commitment to their welfare.

Mr. Chairman, I rise in opposition to the amendment and to the substitute offered by the Committee on Appropriations.

We have encountered far too much turbulence among our men and women in uniform because of the uncertainties about pay and other benefits. The Armed Services Committee is anxious to reassure active duty personnel of the Nation's continued, strong commitment to their welfare.

In 1972, Congress decreed that military pay should be comparable—in other words, that salaries should keep pace with similar jobs in the private sector. Unfortunately, that commitment was not kept because of a series of Presidential pay caps imposed in 1975, 1978, and 1979. The results have been all too apparent: shortfalls in recruiting, the exodus of skilled people, a decline in quality.

The compensation package enacted by the previous Congress was a substantial step forward toward restoring military pay to a competitive level. We would make a serious mistake to halt the momentum. The 14.3-percent, across-the-board raise represents the final installment on the comparability promised military people in 1972. It will go a long way toward restoring confidence among the military community that the Congress, indeed, does plan to look out for their welfare—on a continuing basis, rather than just when some problems reach crisis proportions. Funds expended for manpower must achieve two goals: recruitment and retention. H.R. 3380 affords the best opportunity of doing both. There has been much discussion today of which is the more severe problem. Analyses by the Department of Defense and the Congressional Budget Office show that the primary, and most persistent, problem over the next decade will be recruitment. The shrinking manpower pool, improved economic conditions, and tighter congressional quality controls on new recruits will all make the task of recruiting higher mental category high school graduates increasingly difficult, particularly for the Army. By assuring that junior enlisted people receive a decent wage, as provided by the 14.3-percent, across-the-board raise, we increase the likelihood of meeting our recruiting objectives. The chances are much slimmer under the considerably smaller raises for lower ranking people proposed in the substitute.

We must also assure that any pay raise enhances the retention of the skilled career personnel, particularly the midlevel NCO's who are the backbone of the military. The repeated pay caps I mentioned earlier reneged on

our commitment to keep military pay competitive with the private sector, resulting in much dissatisfaction among the career force and the loss of some skilled careerists. Last year's pay package attacked this situation directly through a pay raise partially closing the comparability gap and through a variety of pay initiatives aimed at specific problems in the career force. This investment is paying off; retention rates for both first termers and more senior personnel have improved dramatically.

Studies by both the Department of Defense and the Congressional Budget Office show that, with the restoration of full comparability embodied in H.R. 3380, we will more than achieve our retention goals in the coming years. Both the Armed Services Committee's bill and the substitute will insure a more than adequate supply of careerists. The primary distinction between the two approaches is this: The Armed Services Committee bill also gives us a fighting chance of meeting recruiting requirements as well. I urge my colleagues' support of H.R. 3380, as reported from the Armed Services Committee and your opposition to the substitute.

Mr. MONTGOMERY. Mr. Chairman, I appreciate the remarks of the gentleman from Maryland (Mr. DYSON). He also serves on the Committee on Armed Services.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. Mr. Chairman, I want to take several minutes first, and then I will yield to the gentleman from Pennsylvania. I would just like to make a couple of points that I do not believe have been made here today.

The Congressional Budget Office, has pointed out that the targeting of pay is more of an incentive toward not recruiting but retention, and the problem that I see in the National Guard and the Reserves, which have well over 45 percent of the combat missions now assigned to Europe and the Middle East, is in recruiting. We are getting enough people coming out of the service into the Reserves to get their 20 or 30 years in, and they are filling up to the top grade ranks. Our problem is getting recruits.

Under the Appropriation Committee's bill there would be only 7 percent targeted toward recruiting, and under the committee bill that the gentleman from Alabama (Mr. NICHOLS) has sponsored this 14.3-percent, across-the-board increase would include recruits.

So, Mr. Chairman, this is very important if we are going to help the National Guard and the Reserves, which have 50 percent of the missions. I believe now we should vote for this across-the-board increase recommended by the Committee on Armed Services.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Chairman, I thank the gentleman for yielding, and I commend the gentleman in the well for his statement.

Mr. Chairman, I rise in support of the position taken by the Committee on Armed Services and the subcommittee chairman, the gentleman from Alabama, Mr. BILL NICHOLS, and I oppose the Appropriations Committee amendment.

It seems to me that what we are dealing with today is not only adequate benefits for our military but we are dealing with the whole question of how we take the all-volunteer service and make it work well. I think that the gentleman from California (Mr. DELLUMS) hit the target when he said that people being recruited into the system need the same kind of cost-of-living increment as those who have served in the system for a long time. It is a question of this: How do we recruit adequately for the All Volunteer Forces, and how do we retain people within the All-Volunteer Forces on a long-term basis?

The gentleman in the well, as chairman of the Committee on Veterans' Affairs, has authored another piece of legislation called H.R. 1400. That bill, in my opinion, is a companion piece of legislation to H.R. 3380. It provides for a GI education in a two-step provision. The gentleman has recognized that we need to recruit quality people within the service, both with pay and with education, and his bill provides for $300 a month for 36 months if a person comes into the service and serves for 3 years.

Second, it provides that after a recommitment for 6 years of active duty service, someone would be able to receive $600 a month for 36 months of GI education, making the point that if one stays within the service and helps us over that hump of training a person within the military, we can give him adequate benefits and adequate pay to stay in.

One of the points with the legislation the gentleman in the well has authored is also an opportunity after 10 years of service to transfer those benefits to a spouse and to the children. I think this kind of educational benefit is what many people are looking for to retain quality NCO's and other mid-level career people within the services.

The Committee on Veterans' Affairs has overwhelmingly supported a GI education component, and we stand together today supporting the legislation coming out of the Committee on Armed Services on pay and hope that we can put the pay increment of 14 percent in place in this legislation, plus a GI education bill in place, so that we can have recruitment and retention in place to power ourselves in the future with quality people in the All-Volunteer Forces.

Mr. Chairman, I have one further comment. As we begin to reduce the number of basic educational opportunity grants, I think many people who are quality people will be encouraged to go in and serve in the All-Volunteer Forces.

Mr. Chairman, I would like to give my support to the distinguished subcommittee chairman, BILL NICHOLS, and to H.R. 3380 as approved by the House Armed Services Committee. I believe that a full 14.3-percent, across-the-board increase for all military personnel is totally justified.

The House Veterans' Affairs Subcommittee on Education, Training, and Employment, which I chair, has recently completed a series of six hearings aimed at designing a new GI education bill for the All-Volunteer Force. The House Veterans' Affairs Committee has since approved the proposal as contained in H.R. 1400, the Veterans' Educational Assistance Act of 1981. To date, over 125 Members of the House have joined us in cosponsoring the legislation which is now jointly referred to the House Armed Services Committee.

Our subcommittee received testimony from nearly 200 witnesses in Washington and in the field. We heard from generals to privates. We listened to Government experts and to individual citizens. We learned that education benefits can be the critical additional factor to the overall benefit equation for the All-Volunteer Force. We also received a thorough overview of the U.S. military from the vantage point of scores of individual soldiers, sailors, and airmen of all ranks and ages. We learned what had brought them into the military; and we learned what was either keeping them in the military or driving them out.

We were impressed during our hearings with the confidence and pride these military personnel held in their service. They felt that the All-Volunteer Force was working and could continue to improve, but only if they could be sure that the Congress and the American people were behind them.

We noted a growing sense of frustration among these men and women over a perceived decline in the quality of military life. This deterioration in life style was, in many cases, not equal to the demands placed upon them by their service. Faced with the attractions and rewards of civilian life, including education benefits for themselves and their families, many of these individuals had already considered, or were planning, to leave the service.

Army Chief of Staff, Edward C. Meyer, told our committee that the biggest problem in the Army today is "turbulence." Noting the current attrition rate, he said that the equivalent of a combat division turns over every 18 months. This attrition rate is caused by dissatisfaction, not only in the critical skill areas, but in the basic skill areas as well. Both the young

first termer trying to feed his family with food stamps, and the midcareer NCO attracted by high paying positions in the civilian sector are definitely feeling the crunch. The results are inefficiency, weakened defense capability, and enormous training and retraining costs in recycling new recruits.

Despite rumors in the press, both the President of the United States and the Secretary of Defense have restated their opposition to the draft and their support for the all-volunteer concept. I believe we ought to follow that lead.

The men and women who serve in the All-Volunteer Force deserve our confidence and our support. In many cases they told us they felt as though they were guinea pigs in some great social experiment: "Benefits for some, but not for others, pay increases for some but not for others."

I believe it is time to stop switching signals. It is time to either fish or cut bait with the All-Volunteer Force.

The Armed Forces need a solid, well-rounded benefit package. Education benefits can and should, once again, be part of that package. However, providing the additional incentives through adequate basic pay and allowances is also a vital tool to enhance the quality and meaning of military service.

The CHAIRMAN. The time of the gentleman from Mississippi (Mr. MONTGOMERY) has expired.

(By unanimous consent, Mr. MONTGOMERY was allowed to proceed for 1 additional minute.)

Mr. KAZEN. Mr. Chairman, will the distinguished gentleman yield?

Mr. MONTGOMERY. I am pleased to yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, I wish to commend the gentleman in the well and the chairman of our subcommittee, the gentleman from Alabama (Mr. NICHOLS), for bringing forth this bill.

I think, after listening to the debate today on both sides of the question, that the Members have a pretty good idea of what is going on. I think, as the gentleman from Alabama (Mr. DICKINSON) said, the thing that we are now doing is trying to set our feet in concrete between the two versions that we have, one passed by the other body, which is essentially what the Appropriations Subcommittee has brought in, and the other supported by those of us who serve on the Committee on Armed Services.

I think that we ought to, because of the tremendous weight of the evidence and the debate here this afternoon, go with the bill that we brought out of the Committee on Armed Services, and if there should be any question, let that be debated in the conference. Let us have something that we can go to conference with instead of making the final decision here today, because, frankly, I think the decision made by the Committee on Armed Services is the right one, and with this bill, these people will get their raise.

Mr. EDWARDS of Alabama. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think that if nothing else comes out of this debate, it will be that, for the first time in many a day, we have spent a sufficient amount of time debating the problems of our military as far as pay is concerned and as far as allowances are concerned, and I think that the service people of our country should be gratified by the caliber of the debate. They should be gratified by the marvelous piece of work that has come out of the Committee on Armed Services under the chairmanship of the gentleman from Alabama (Mr. NICHOLS).

I spoke about this yesterday, and I feel very seriously that the Members have done a great job in bringing this bill to the floor. I do regret that we have this one little difference as to how we ought to go about it, but the bottom line is that the service person is going to benefit from what goes on here today no matter how it turns out.

I think every Member in the Chamber will agree to that, and it is important that we continue to keep the faith of the service men and women in this country as we try to bring them into a comparability structure where they can be induced, through pay and allowances and love of country and all that goes into the military, to continue to stay in and serve this country in the uniformed services.

□ 1620

So it is extremely important, I think, that we have had this debate and I hope very shortly we can wind it up. I frankly did not realize how many members of the Armed Services Committee there were.

I believe we have heard from all of them. I want to say I am uplifted by the debate and by the caliber of it.

What is it that we are really trying to do on the Appropriations Committee, and what is it that the other body, in fact, did on Friday? We believe that rather than giving an across-the-board 14.3-percent increase, that there is a clear need to target to those areas of those service people who are getting out of the service in great numbers because of pay and other reasons. So we have tried to target on the range from 7 to 22 percent the men and women in the service leading primarily to those skills that are so important to conduct the affairs of the military service.

We have talked about targeting skills and targeting grades. Let us get one thing clear. We tend to talk about skills in the sense of a person who can work as a mechanic on an airplane or ship or a tank and that person, therefore, is a skilled person we think and, therefore, that person should get an increase.

I would argue to my colleagues that there is just as much need for the skill of the guy who leads the infantry or who is out there with the artillery, who is in the trenches with the troops, or who is at boot camp trying to teach those young recruits how to be good soldiers. That clearly requires a skilled service person. I think we have to see that we pay those people just as well.

Now what has happened is that we have gone into a system of bonuses where we seem to have a bonus for everything. If someone does not get one somehow, they are mad at everybody else in the squad because they got one. Or if they want to be recruited and they do not measure up to this bonus, why, then, they come in unhappy. There are all kinds of problems with the incentive bonus issue that is before us.

Someone here earlier today ticked off many of the different types of bonuses and pay arrangements that we have with the troops. We have a clear body of skilled people in the military service, in that NCO rank and in the petty officer rank and in the young and middle level officer rank that we desperately need to keep in the service. That is why we are making this distinction here today on the part of the Appropriations Committee.

Some have said they do not quite understand what the Appropriations Committee is doing; they propose an amendment to go back to the 9.1 percent, and then the gentleman from New York (Mr. ADDABBO) comes along and talks about something called targeting. Let me say to all those listening that the Parliamentarian told us that is the only way we could make the issue on the floor, so we came with that procedure. But the key issue here today is very simple, and that is: Will we have a 14.3-percent across-the-board pay raise for all of the service people or will we take, in substance, the total of that increase and target it between 7 and 22 percent, going primarily to those skills we feel are so important?

The CHAIRMAN. Time of the gentleman from Alabama has expired.

(By unanimous consent, Mr. EDWARDS of Alabama was allowed to proceed for 2 additional minutes.)

Mr. EDWARDS of Alabama. One final point and that is, I heard the gentleman from California (Mr. DELLUMS) make a good speech here today and I agreed with basically what he said. But I want to make this point, the E-1, under our proposal, would get a 7-percent increase. The E-2 would get an 8-percent increase, and the E-3, which is private first class—for some of you old salts—would get a 9-percent increase. Once you become a corporal, which is at that point where you are really starting to learn something and become a leader in the military, under our proposal and under the proposal of the other body, you start at a 14-percent increase and the increase then goes up to the sergeant major, where you would get a 22-percent increase.

Another item of interest, I think, is that during the first enlistment time, we lose between 30 and 40 percent of

the new people who come into the service, people who cannot quite cut it, people who, for one reason or another, have to leave the service before they complete their first enlistment. So what we are trying to do is save that kind of money that the committee bill would give to those who just come into the service, for those who are staying in and who can be induced to stay in longer because of the increase in pay. We think this is extremely important.

Finally, the amendment offered by the gentleman from New York (Mr. ADDABBO), gives a 2-percent flexibility to the Pentagon so if, in fact, there is some reason why the targeting we are proposing here does not quite work out in a proper way, they have the flexibility to make it work in a proper way.

I would hope, Mr. Chairman, that the Members of this body would support the approach of the Committee on Appropriations. I think it is a reasoned approach, and I think it is a good approach.

But I want to say finally that if you do not, if you do not support what we are trying to do with targeting, you will still do a good day's work supporting the Committee on Armed Services.

(At the request of Mr. DICKS and by unanimous consent, Mr. EDWARDS of Alabama was allowed to proceed for 2 additional minutes.)

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Washington (Mr. DICKS).

Mr. DICKS. Mr. Chairman, I want to compliment my colleague on the subcommittee for, as usual, an outstanding speech and a good summary of this important issue. I think we both agree we are so happy we are here arguing about the dimensions of a pay raise, not whether we ought to have one or not have one.

But I would take this opportunity to raise with the gentleman the fact that it seems to me a person who has the most concern of all of us in this country about this is the Army Chief of Staff, "Shy" Meyer, and he states: "Addressing this pay compression problem is absolutely essential," and that is a primary reason he supports the Appropriations Committee approach to the pay increase.

Of course, Admiral Hayward has said:

> We used to have an abundant number of chiefs. Today, you don't have the right numbers of chiefs or first class, and that is where your shortage is. You have translated the shortage from one of numbers to one of experience and talent at the same time that our ships, aircraft, and weapons are getting far, far more complex than they were a decade or two ago.

It seems to me that the people who really understand the problem of the All-Volunteer Force are saying that we have to address the shortfall of skilled people. I think this is what our pay increase does under the appropriations alternative. The gentleman from Alabama (Mr. EDWARDS) has had far more experience than I, but it seems to me that this is the problem that we really face in manning our services, and this is the way to address it.

Mr. EDWARDS of Alabama. I thank the gentleman for his contribution.

May I say, Mr. Chairman, as I understand it, right shortly, I hope we will be voting on this issue and a "yes" vote would be to vote for the Addabbo amendment which would be to target this pay raise from 7 to 22 percent, targeted mainly toward the skills in the service. A "no" vote, in effect, would be to go with the 14.3-percent across the board. I state this so Members clearly understand what they are doing. In either case, I do not think the servicemen will go wrong.

I yield back the balance of my time.

Mr. DICKS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Addabbo amendment.

Mr. Chairman, the House today has the opportunity to choose between two alternative methods of addressing needed increases in military compensation. We can either provide every member of the armed services with a 14.3-percent pay increase across the board, or we can target the pay raise to the areas of greatest demonstrated need. I strongly support the Appropriation Committee amendment to target our allocation of compensation increases.

The across-the-board approach is intended to return us to the same relationship between civilian and military pay that existed in 1972 when the Volunteer Force was created. It assumes that this 1972 relationship was the ideal relationship. While our best estimate of an appropriate level at the time, we now have nearly a decade of experience and should not blindly adhere to the decisions made at its inception. The Department, in fact, testified that since there is no precise "correct" pay comparability, it is fruitless to quibble about any year that should be used as a comparison basis.

There is, in fact, considerable debate about the size of the increase in compensation needed to achieve this so-called comparability. The Department, in testimony before our committee, indicated that with the institution of the variable housing allowance, increases in regular military pay since 1972 are within 1 percent of the increases in PATC pay. They further testified that "we do not pretend to have a precise or magic percentage increase in military pay that will achieve comparability."

In fact, the military and civilian work forces are so fundamentally different and their pay systems so complicated that any effort to define real comparability is doomed from the start.

But regardless of theoretical debates on comparability, we can see the real problems in military manpower. The most glaring for the readiness of our current forces are shortages in critical skill areas, and especially in senior noncommissioned officers. It is these shortages that lead to Army divisions being rated as unready, which force juggling of Navy crews to keep our ships at sea, and which lower the readiness of our most sophisticated aircraft.

By targeting a larger portion of the pay increase to these individuals, we can help reduce the already desperate situation we face in many skills, and insure that a maximum number of junior candidates remain in the service to fill these positions.

By providing more realistic compensation for noncommissioned officers, we can also help attract back into the service many who left in recent years because of uncompetitive pay levels. Such returns will meet the shortage sooner and will avoid the high cost of training these important individuals.

The targeted approach will also allow us to address the problem of pay compression between junior and senior enlisted personnel. Before the Vietnam war, the ratio between the pay of a senior NCO and a new recruit was 7 to 1. Today it is 3 to 1, and with each across-the-board pay raise, it increases in real terms, since the NCO's higher pay is also taxed at a higher rate. Army Chief of Staff "Shy" Meyer states that addressing this pay compression problem is absolutely essential. And that is a primary reason he supports the Appropriations Committee approach to the pay increase.

Advocates of across-the-board increases do not deny the importance of the skill shortages, but argue that bonuses and special pays can be used for skills that require additional compensation. Thus, on the one hand, they say they are for comparability. On the other hand, when it is pointed out that across-the-board increases inherently overcompensate some while undercompensating others, that way we should provide additional incentives to those it undercompensates through bonuses, and so forth, but make no correction for those it overcompensates. We simply cannot afford such wasteful ways of addressing military compensation. You cannot have your cake and eat it too.

Some argue that we should wait for the current large number of junior noncommissioned officers to proceed through the ranks to naturally make up the current shortfall. This argument ignores the fact that we must act to meet the problem now. A solution that will be achieved, perhaps, some years down the line will do little good if we are forced to fight today. It also minimizes the demands of plans to substantially expand the force, which will require additional NCO's as the first step. It ignores the trend toward a greater career force ratio. Gen. R. Dean Tice, Assistant Secretary of Defense for Military Personnel Policy, testified that "If military service

should become, for whatever reason, so attractive that more NCO's were willing to reenlist than we had spaces for them to fill, we would be in the enviable position of being able to: First, be more selective in whom we reenlist; and second, cut back on reenlistment bonuses. We are not at that point, and we will never have a surplus of NCO's." I, for one at least, would not be terribly disturbed if we were, in fact, able to provide compensation that would allow us to select the highest quality applicants to lead our troops in combat.

Some argue that our targeted plan would not provide enough of a pay increase to meet the recruiting needs of the Army. It must be remembered that a typical recruit moves up through the ranks in his first year sufficiently for his or her pay to increase about 16 percent. This does not take into account any enlistment bonus or other benefits. This bill, in fact, doubles the maximum enlistment bonus, and our committee has urged that the services, in particular the Army, better advertise the existence of these bonuses in their recruitment efforts.

More importantly, there is little evidence that increases in entry compensation have as significant an impact on recruitment as the private job market's variations. Simply put, we are recruiting on the margin. Of over 100,000 first termers in Army combat arms, only 25 had a college education. Marginal increases in pay for new recruits will not change this situation. If we want the All-Volunteer Force to attract those who have higher career ambitions, we will have to dramatically increase the incentives. I personally feel that a modified GI bill would be an important step in that direction. Another option would be to place some form of service requirement or incentive for obtaining regular student loans from the Federal Government.

Finally, our committee's hearings brought out the problems that we could face on a future mobilization with higher pay levels for new recruits that an across-the-board pay increase fosters. These considerations certainly deserve full examination in setting entry pay levels.

Meeting the personnel challenge is, in my judgment, the most important aspect of our efforts to improve our defense capabilities. Multibillion-dollar procurement programs will do little good if we do not have the leaders in the field to operate them and to train soldiers in their use. I do not think any of us advocating this amendment would claim it is perfect. We recognize that under the armed services bill there is some authority to reallocate the increase. But the Department of Defense has never shown a willingness to use this authority, and even if implemented fully, would only allow a 3.5-percent variation. Hopefully, in the future, the Department will be more willing to target compensation increases rather than simply trying to dump dollars on the problem. But until that commitment is made, it is up to us, in the Congress, to take the first step. We know we have to address the compression problem. This amendment does that. It is a start we can build on for the future.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. ADDABBO) as a substitute for the Appropriations Committee amendment.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ADDABBO. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 170, noes 232, not voting 31, as follows:

[Roll No. 204]

AYES—170

| | | |
|---|---|---|
| Addabbo | Fish | Nowak |
| Alexander | Foley | Oberstar |
| Archer | Ford (MI) | Obey |
| Aspin | Frost | Patman |
| Barnes | Garcia | Patterson |
| Bedell | Gaydos | Pease |
| Beilenson | Gejdenson | Perkins |
| Benjamin | Gibbons | Peyser |
| Bingham | Gingrich | Pritchard |
| Blanchard | Ginn | Pursell |
| Boland | Gore | Rangel |
| Bolling | Green | Ratchford |
| Boner | Guarini | Reuss |
| Bonker | Hansen (UT) | Richmond |
| Bouquard | Harkin | Ritter |
| Brodhead | Hawkins | Robinson |
| Brown (CO) | Heckler | Rose |
| Broyhill | Hefner | Rosenthal |
| Burton, John | Hendon | Roukema |
| Butler | Hollenbeck | Roybal |
| Chappell | Howard | Russo |
| Cheney | Hoyer | Sabo |
| Chisholm | Huckaby | Sawyer |
| Clausen | Jeffords | Scheuer |
| Clay | Jones (TN) | Schneider |
| Clinger | Kastenmeier | Schroeder |
| Coelho | Kogovsek | Schumer |
| Conte | LaFalce | Seiberling |
| Coughlin | LeBoutillier | Sensenbrenner |
| Coyne, James | Levitas | Shamansky |
| Coyne, William | Livingston | Shannon |
| Crane, Philip | Long (MD) | Simon |
| D'Amours | Lowery (CA) | Smith (IA) |
| Danielson | Lowry (WA) | Smith (NE) |
| Daschle | Markey | Smith (NJ) |
| Deckard | Martin (IL) | Smith (PA) |
| DeNardis | Martin (NC) | Solarz |
| Derwinski | Matsui | Studds |
| Dicks | Mattox | Swift |
| Dingell | Mazzoli | Synar |
| Donnelly | McClory | Vento |
| Downey | McCloskey | Volkmer |
| Dwyer | McCollum | Waxman |
| Early | McDade | Weaver |
| Eckart | McHugh | Weber (OH) |
| Edwards (AL) | McKinney | Whitten |
| Edwards (CA) | Michel | Williams (MT) |
| English | Miller (CA) | Wirth |
| Erdahl | Mineta | Wolpe |
| Erlenborn | Minish | Wortley |
| Evans (IA) | Mitchell (MD) | Wright |
| Evans (IN) | Moakley | Wyden |
| Fascell | Moffett | Yates |
| Fazio | Molinari | Young (FL) |
| Fenwick | Morrison | Zablocki |
| Ferraro | Murphy | Zeferetti |
| Findley | Myers | |

NOES—232

| | | |
|---|---|---|
| Akaka | Atkinson | Bennett |
| Albosta | Badham | Bereuter |
| Anderson | Bafalis | Bethune |
| Andrews | Bailey (MO) | Bevill |
| Annunzio | Bailey (PA) | Biliey |
| Anthony | Barnard | Boggs |
| Applegate | Beard | Bonior |
| Ashbrook | Benedict | Bowen |
| Breaux | Hammerschmidt | Parris |
| Brinkley | Hance | Pashayan |
| Brooks | Hansen (ID) | Paul |
| Broomfield | Hartnett | Petri |
| Brown (CA) | Hatcher | Pickle |
| Brown (OH) | Heftel | Porter |
| Burgener | Hertel | Quillen |
| Byron | Hightower | Rahall |
| Campbell | Hiler | Railsback |
| Carman | Hillis | Regula |
| Carney | Holland | Rinaldo |
| Chappie | Holt | Roberts (KS) |
| Coats | Hopkins | Roberts (SD) |
| Coleman | Horton | Rodino |
| Collins (IL) | Hubbard | Roe |
| Collins (TX) | Hughes | Roemer |
| Conable | Hunter | Rogers |
| Conyers | Hutto | Rostenkowski |
| Corcoran | Hyde | Roth |
| Craig | Jacobs | Rousselot |
| Crane, Daniel | Jeffries | Schulze |
| Daniel, Dan | Jenkins | Sharp |
| Daniel, R. W. | Jones (NC) | Shaw |
| Dannemeyer | Jones (OK) | Shelby |
| Daub | Kazen | Shumway |
| Davis | Kemp | Shuster |
| Dellums | Kildee | Siljander |
| Derrick | Kindness | Skeen |
| Dickinson | Kramer | Skelton |
| Dixon | Lagomarsino | Smith (AL) |
| Dorgan | Lantos | Smith (OR) |
| Dornan | Latta | Snowe |
| Dougherty | Leach | Snyder |
| Dowdy | Leath | Solomon |
| Dreier | Lehman | Spence |
| Duncan | Leland | St Germain |
| Dunn | Lent | Stangeland |
| Dymally | Lewis | Stanton |
| Dyson | Loeffler | Stark |
| Edgar | Lott | Staton |
| Edwards (OK) | Luken | Stenholm |
| Emerson | Lundine | Stokes |
| Emery | Lungren | Stratton |
| Evans (DE) | Madigan | Stump |
| Evans (GA) | Marks | Tauke |
| Fary | Marlenee | Tauzin |
| Fiedler | Marriott | Taylor |
| Fields | Martin (NY) | Thomas |
| Flippo | Mavroules | Traxler |
| Florio | McCurdy | Trible |
| Ford (TN) | McDonald | Udall |
| Forsythe | McEwen | Walgren |
| Fountain | McGrath | Walker |
| Fowler | Mica | Wampler |
| Frenzel | Mikulski | Washington |
| Gephardt | Miller (OH) | Watkins |
| Glickman | Mitchell (NY) | Weber (MN) |
| Gonzalez | Mollohan | Weiss |
| Goodling | Montgomery | White |
| Gradison | Moore | Whitehurst |
| Gramm | Moorhead | Whitley |
| Gray | Mottl | Whittaker |
| Gregg | Napier | Williams (OH) |
| Grisham | Natcher | Wilson |
| Gunderson | Neal | Winn |
| Hagedorn | Nelligan | Wolf |
| Hall (OH) | Nichols | Wylie |
| Hall, Ralph | Oakar | Young (MO) |
| Hall, Sam | Oxley | |
| Hamilton | Panetta | |

NOT VOTING—31

| | | |
|---|---|---|
| AuCoin | Gilman | Pepper |
| Biaggi | Goldwater | Price |
| Burton, Phillip | Ireland | Rhodes |
| Courter | Johnston | Rudd |
| Crockett | Lee | Santini |
| de la Garza | Long (LA) | Savage |
| Ertel | Lujan | Vander Jagt |
| Fithian | Murtha | Yatron |
| Foglietta | Nelson | Young (AK) |
| Frank | O'Brien | |
| Fuqua | Ottinger | |

□ 1650

The Clerk announced the following pairs:

On this vote:

Mr. Nelson for, with Mr. Crockett against.

Mr. O'Brien for, with Mr. Lee against.

Messrs. DYMALLY, APPLEGATE, BENEDICT, and KILDEE, and Mrs. BOGGS changed their votes from "aye" to "no."

Messrs. PHILIP M. CRANE, ALEXANDER, McCOLLUM, SAWYER, PATMAN, PERKINS, and BONKER changed their votes from "no" to "aye."

So the amendment offered as a substitute for the Appropriations Committee amendment was rejected.

The result of the vote was announced as above recorded.

□ 1650

The CHAIRMAN. The question is on the Appropriations Committee amendment.

The Appropriations Committee amendment was rejected.

AMENDMENT OFFERED BY MR. SKELTON

Mr. SKELTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SKELTON: Page 16, after line 3, add the following new section (and redesignate the succeeding section accordingly):

SPECIAL PAY FOR AIR WEAPONS CONTROLLERS ON AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) AIRCRAFT

SEC. 11. (a) Subsection (a) of section 301 of title 37, United States Code, is amended—

(1) by striking out "or" at the end of clause (9);

(2) by striking out the period at the end of clause (10) and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof the following new clause:

"(11) involving frequent and regular participation in aerial flight by an officer (other than a warrant officer) who is serving as an air weapons controller crew member, as defined by the Secretary concerned, aboard an airborne warning and control system aircraft, as designated by such Secretary, and who is not entitled to incentive pay under section 301a of this title.".

(b) Subsection (c) of such section is amended—

(1) by inserting "(1)" before "For the performance"; and

(2) by adding at the end thereof the following new paragraph:

"(2) For the performance of hazardous duty described in clause (11) of subsection (a) of this section, an officer is entitled to monthly incentive pay as follows:

"YEARS OF SERVICE AS AN OFFICER AS COMPUTED UNDER SECTION 205

| Pay grade | 2 or less | Over 2 | Over 3 | Over 4 | Over 6 | Over 8 | Over 10 | Over 12 | Over 14 | Over 16 | Over 18 | Over 20 | Over 22 | Over 24 | Over 25 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 0–7 and above | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $110 |
| 0–6 | 225 | 250 | 300 | 350 | 400 | 400 | 400 | 400 | 400 | 400 | 370 | 340 | 310 | 280 | 250 |
| 0–5 | 200 | 250 | 300 | 350 | 400 | 400 | 400 | 400 | 400 | 400 | 370 | 340 | 310 | 280 | 250 |
| 0–4 | 175 | 225 | 275 | 335 | 400 | 400 | 400 | 400 | 400 | 400 | 370 | 340 | 310 | 280 | 250 |
| 0–3 | 125 | 156 | 188 | 206 | 400 | 400 | 400 | 400 | 400 | 400 | 350 | 300 | 300 | 275 | 250 |
| 0–2 | 125 | 156 | 188 | 206 | 250 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 275 | 220 |
| 0–1 | 125 | 156 | 188 | 206 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 200.". |

Mr. SKELTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SKELTON. Mr. Chairman, I wish to propose an amendment to the bill presently under consideration that will increase the flying pay for air weapons controllers performing aircrew duties aboard airborne warning and control system aircraft. Increased incentive pay is now justified to reduce the severe shortages of these highly trained professionals who today perform essential and critical duties aboard our AWACS aircraft. The Air Force's ability to provide enough highly skilled people to meet the AWACS global mission is now in jeopardy as a result of increasing requirements and declining weapons controller volunteers.

For example, the Air Force had 5 AWACS aircraft in 1977, 24 aircraft today, 33 by 1985. Accordingly, weapons controller authorizations will increase from 27 in 1976 to about 1,000 in the mideighties. However, while demand will increase, the supply of experienced volunteers has not increased proportionately. Today, the Air Force is 20-percent short captains, majors, and lieutenant colonels in weapons controller duties. In the past several years, field grade volunteers have been almost nonexistent. For example, since the beginning of fiscal year 1980, the Air Force had only 17 field grade volunteers for 78 mission crew commander positions—about a 20-percent fill rate. As a result of this deficit, the Air Force has been forced to accept inexperienced lieutenants to fill senior weapons controller positions. One of the major reasons for the shortage of volunteers is the nature of AWACS duty. AWACS duty is arduous and perceived by weapons controllers as having few rewards. In the past 3 years, the AWACS deployed on short notice around the globe including Iceland, Japan, Korea, Egypt, Saudia Arabia, and West Germany. These deployments translated to lengthy periods of family separation with controllers averaging 150 days per year in temporary tours of duty. In the troubled decade ahead, we can expect our worldwide AWACS commitment to expand, thereby exacerbating the weapons controller manning problem.

The major reason for the shortage of volunteers, however, is the great disparity between the flight pay paid to pilots and that paid to weapons controllers. This is a major disincentive. While the pilot and navigator receive up to $306 per month as incentive, weapons controllers receive only $110 per month. Prior to 1974, all commissioned aircrew members received the same rates of flying pay. The rates ranged up to $245 per month depending upon grade and experience. With the enactment of the Aviation Career Incentive Act in 1974, aircrew members other than pilots and navigators were excluded from the higher rates, and were authorized to receive only $110 per month—a significant cut. The existing hazardous duty incentive pay rate dates from 1955, since then, the Consumer Price Index has tripled. Moreover, in 1955, the hazardous duty incentive pay of a captain exceeded 25 percent of his basic pay; today, this incentive pay is less than 6 percent of basic pay. Today's hazardous duty incentive pay simply is not enough to attract and keep the people we need, to overcome the hardships all aircrew members endure—the irregular schedules, long periods of no-notice family separation, and the hazards involved in flying close to international trouble spots.

Mr. Chairman, we are on the horns of a dilemma. On the one hand, we have the AWACS, the most sophisticated surveillance aircraft in the world; a proven system which, through its many deployments since 1977, has proven to be an invaluable instrument of national policy. On the other hand, we are failing to attract and retain the very people who can insure the AWACS remains an effective instrument of national policy. It is time to address the problem and enhance hazardous duty incentive pay is the optimum vehicle.

The annual DOD cost of enhanced hazardous duty incentive pay would be less than $1.3 million. I am firmly convinced that the increased readiness that will result is a sound investment in national defense and I strongly urge your support.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. SKELTON. I yield to the gentleman from Alabama.

Mr. NICHOLS. Mr. Chairman, I thank the gentleman for yielding.

I would like to commend the gentleman from Missouri for bringing up this matter at this particular time.

On our side of the aisle, we have had an opportunity to review the amendment and we have no objection to its substance. There are a number of ways of addressing this particular problem, but I think the position of the gentleman from Missouri is undoubtedly the best.

I would urge Members to accept the amendment.

Mr. MITCHELL of New York. Mr. Chairman, will the gentleman yield?

Mr. SKELTON. I yield to my friend, the gentleman from New York.

Mr. MITCHELL of New York. Mr. Chairman, I thank the gentleman for yielding.

I, too, would like to join with my chairman in commending the gentleman on his amendment. I think it addresses a serious inequity in incentive pay.

I am pleased to say that it is not going to cost very much money, so here on this side we are pleased to accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. SKELTON).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SKELTON

Mr. SKELTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SKELTON: Page 16, line 3, insert the following new section (and redesignate the succeeding section accordingly):

INCREASE IN NUMBER OF SENIOR RESERVE OFFICERS' TRAINING CORPS SCHOLARSHIPS

SEC. 11. Section 2107(h) of title 10, United States Code, relating to financial assistance for specially selected members, is amended—

(1) by striking out "6,000" and inserting in lieu thereof "8,000"; and

(2) by striking out "6,500" and inserting in lieu thereof "9,500".

Mr. SKELTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SKELTON. Mr. Chairman, my amendment would simply increase the authorized number of senior Reserve Officers' Training Corps scholarships for the Navy and the Air Force.

If the Members recall, in the 96th Congress in Public Law 96-357 the number of authorized senior ROTC scholarships for the Army was increased to 12,000. This was to address a shortage of junior officers in the Army Reserve and Army National Guard.

My amendment would increase the number of authorized scholarships for the Navy by 2,000 and for the Air Force by 3,000. Currently each of these services is having difficulty meeting its requirements for engineering and scientific officer accessions. The Navy, in particular, is having difficulty in recruiting engineers and other technically qualified officers for the nuclear power field. The Air Force is already 1,100 engineers short of requirements in fields such as electrical engineering and aeronautical and astronautical engineering. Increasing the number of scholarships will substantially assist recruiting qualified individuals for these critical skill areas.

As the Members recall, ROTC scholarships provide tuition, fees, books, laboratory expenses, and $100 per month for personal expenses for selected senior ROTC students.

Mr. Chairman, the language of this amendment is included in the Senate pay bill that was passed by the Senate last Friday.

I urge adoption of the amendment.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. SKELTON. I yield to the gentleman from Alabama.

Mr. NICHOLS. Mr. Chairman, I have examined the gentleman's amendment. It is very similar, maybe virtually the same thing as an amendment that was added on the Senate side.

I am familiar with the gentleman's long-time interest in the ROTC program, and on our side of the aisle we are prepared to accept the amendment.

Mr. MITCHELL of New York. Mr. Chairman, will the gentleman yield?

Mr. SKELTON. I yield to the gentleman from New York.

Mr. MITCHELL of New York. Mr. Chairman, I thank the gentleman from Missouri for yielding.

I do understand the need for this increase. I feel it is a good investment in the defense of our Nation for the future.

I would observe that it is not going to be a big cost and we can accept it on this side of the aisle.

Mr. SKELTON. I thank the gentleman. I appreciate the gentleman's concern.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. SKELTON).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. NICHOLS

Mr. NICHOLS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NICHOLS: Page 9, after the matter following line 22, insert the following new section (and redesignate the succeeding sections accordingly):

RATE FOR MEALS PORTION OF PER DIEM FOR CERTAIN MEMBERS AWAY FROM DESIGNATED POST OF DUTY

SEC. 6. Section 404(b) of title 37, United States Code, is amended by adding at the end thereof the following new sentence:

"In prescribing such conditions and allowances, the Secretaries concerned shall provide that a member who is performing travel under orders away from his designated post of duty (other than a member on field duty or sea duty, as defined in regulations prescribed under section 402(e) of this title, or a member of a unit operating in a overseas area in a case in which the Secretary concerned has determined that unit messing is essential to the accomplishment of that unit's training and readiness) shall, whenever a per diem is authorized under clause (2) of subsection (d) of this section, be paid for the meals portion of that per diem in a cash amount at a rate that is not less than the rate established under section 1011(a) of this title for meals sold to members.".

Mr. NICHOLS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. NICHOLS. Mr. Chairman, this amendment is a clarifying amendment to a provision passed by the Congress last year. One of the provisions of the massive Defense Officer Personnel Management Act (DOPMA) was related to what we called per diem equity.

Simply, this provision called for equal treatment of officers and enlisted personnel when they were assigned on temporary duty. Before this provision was enacted last year, officers received both their basic allowance for subsistence and the portion of per diem related to subsistence. If a mess was available for the officer, his per diem was less, being sufficient to cover the cost of eating in the mess. If he ate in the mess, he broke even; if he did not, he incurred additional expenses that were not reimbursed.

The intent of the amendment in DOPMA was to afford this same treatment to enlisted personnel. The amendment I offer today simply clarifies this original intent.

I urge the Members to accept it.

Mr. MITCHELL of New York. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from New York.

Mr. MITCHELL of New York. Mr. Chairman, I thank the gentleman for yielding.

We have no objection to the amendment on this side of the aisle, Mr. Chairman, to the clarifying amendment. The chairman has accurately stated the intent of the amendment. It is a needed amendment. We support it on this side of the aisle.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama (Mr. NICHOLS).

The amendment was agreed to.

● Mr. RATCHFORD. Mr. Chairman, I rise in support of the Armed Forces Pay Act of 1981. This House is all too familar with the difficulties the military services have experienced in recent years in attracting enough high-quality enlisted recruits into active-duty service, and in retaining many career personnel. These problems have been particularly acute with regard to the hazardous or highly technical positions.

While the primary thrust of the administration has been the procurement of massive new weapons systems, we must not forget that we need a large and capable conventional force to permit responses to threats without resorting to the strategic nuclear war that we so greatly fear. I for one am unalterably committed to the concept of the All-Volunteer Force, but do indeed recognize that this system will

continue to falter unless we adequately address serious recruiting and Reserve shortfalls, and significant problems with the quality or our Active Force.

The most effective way to solve these existing problems is through a two-pronged effort. As represented in this measure before us today, we must finally make military pay comparable to that of the private sector so that we can attract more enlistees to military service. Pay caps imposed in recent years have resulted in military pay lagging behind private sector pay by 5.3 percent. Not only will this bill eliminate that critical differential, it will grant the President the authority to reallocate up to 25 percent of the increase in basic pay to selected years and grades of service to meet particular service needs. Second, by increasing enlistment and reenlistment bonuses for personnel in critical skill positions we will be able to remedy the most serious problem of the military identified in recent days—that of attracting and retaining the individual to fill positions that require technical skills that many enlistees are not capable of filling. Such individuals have been leaving the military in droves to assume technician positions in the private sector that provide substantially more pay and attractive benefits, leaving several branches of the military woefully short on technically skilled personnel.

The bill also contains provisions for the extension of other special bonuses for individuals charged wth unusually hazardous duties or those performed under unusually severe working conditions. Other bonuses for engineers and other officers possessing critical scientific skills, as well as for travel and transportation, will help alleviate the financial hardships that military service sometimes necessitates. Only through the adoption of this bill, Mr. Chairman, can we keep our promise of restoring the comparability of military pay to that of the private sector as it existed in 1972, and extend the kind of special bonuses that will ease greatly the problems we have experienced in recruitment and retention of enlistees, particularly those with valuable technical skills. If we come up short on this effort we will only perpetuate inherent problems of the All-Volunteer Force to the point that our conventional capability will be undermined and the doubters in this administration will have all they need to force a resumption of the draft upon us.●

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□ 1700

Are there further amendments? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MINISH) having assumed the chair, Mr. BINGHAM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3380) to increase the pay and allowances of members of the Armed Forces, pursuant to House Resolution 162, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 396, nays 1, not voting 36, as follows:

[Roll No. 205]

YEAS—396

| | | |
|---|---|---|
| Addabbo | Clausen | Erlenborn |
| Akaka | Clay | Evans (DE) |
| Albosta | Clinger | Evans (GA) |
| Alexander | Coats | Evans (IA) |
| Anderson | Coelho | Evans (IN) |
| Andrews | Coleman | Fary |
| Annunzio | Collins (IL) | Fascell |
| Anthony | Collins (TX) | Fazio |
| Applegate | Conable | Fenwick |
| Archer | Conte | Ferraro |
| Ashbrook | Conyers | Fiedler |
| Aspin | Corcoran | Fields |
| Atkinson | Coughlin | Findley |
| Badham | Coyne, James | Fish |
| Bafalis | Coyne, William | Flippo |
| Bailey (MO) | Craig | Florio |
| Barnard | Crane, Daniel | Foley |
| Barnes | D'Amours | Ford (MI) |
| Beard | Daniel, Dan | Ford (TN) |
| Bedell | Daniel, R. W. | Forsythe |
| Beilenson | Danielson | Fountain |
| Benedict | Dannemeyer | Fowler |
| Bennett | Daschle | Frenzel |
| Bereuter | Daub | Frost |
| Bethune | Davis | Garcia |
| Bevill | Deckard | Gaydos |
| Bingham | Dellums | Gejdenson |
| Blanchard | DeNardis | Gephardt |
| Bliley | Derrick | Gibbons |
| Boggs | Derwinski | Gingrich |
| Boiling | Dickinson | Ginn |
| Boner | Dicks | Glickman |
| Bonior | Dingell | Gonzalez |
| Bonker | Dixon | Goodling |
| Bouquard | Donnelly | Gore |
| Bowen | Dorgan | Gradison |
| Breaux | Dornan | Gramm |
| Brinkley | Dowdy | Gray |
| Brodhead | Downey | Green |
| Brooks | Dreier | Gregg |
| Broomfield | Duncan | Grisham |
| Brown (CA) | Dunn | Guarini |
| Brown (CO) | Dwyer | Gunderson |
| Brown (OH) | Dymally | Hagedorn |
| Broyhill | Dyson | Hall (OH) |
| Burton, John | Early | Hall, Ralph |
| Butler | Eckart | Hall, Sam |
| Byron | Edgar | Hamilton |
| Campbell | Edwards (AL) | Hammerschmidt |
| Carman | Edwards (CA) | Hance |
| Carney | Edwards (OK) | Hansen (ID) |
| Chappell | Emerson | Hansen (UT) |
| Chappie | Emery | Harkin |
| Cheney | English | Hartnett |
| Chisholm | Erdahl | Hatcher |
| Hawkins | McGrath | Schumer |
| Heckler | McHugh | Seiberling |
| Hefner | McKinney | Sensenbrenner |
| Heftel | Mica | Shamansky |
| Hendon | Michel | Shannon |
| Hertel | Mikulski | Sharp |
| Hightower | Miller (CA) | Shaw |
| Hiler | Miller (OH) | Shelby |
| Hillis | Mineta | Shumway |
| Holland | Minish | Shuster |
| Hollenbeck | Mitchell (MD) | Siljander |
| Holt | Mitchell (NY) | Simon |
| Hopkins | Moakley | Skeen |
| Horton | Moffett | Skelton |
| Howard | Molinari | Smith (AL) |
| Hoyer | Mollohan | Smith (IA) |
| Hubbard | Montgomery | Smith (NE) |
| Huckaby | Moore | Smith (NJ) |
| Hughes | Moorhead | Smith (OR) |
| Hunter | Morrison | Smith (PA) |
| Hutto | Mottl | Snowe |
| Hyde | Murphy | Snyder |
| Ireland | Myers | Solarz |
| Jacobs | Napier | Solomon |
| Jeffords | Natcher | Spence |
| Jeffries | Neal | St Germain |
| Jenkins | Nichols | Stangeland |
| Jones (NC) | Nowak | Stanton |
| Jones (OK) | Oakar | Stark |
| Jones (TN) | Oberstar | Staton |
| Kastenmeier | Obey | Stenholm |
| Kazen | Oxley | Stokes |
| Kemp | Panetta | Stratton |
| Kildee | Parris | Studds |
| Kindness | Pashayan | Stump |
| Kogovsek | Patman | Swift |
| Kramer | Patterson | Synar |
| LaFalce | Paul | Tauke |
| Lagomarsino | Pease | Tauzin |
| Lantos | Perkins | Taylor |
| Latta | Petri | Thomas |
| Leach | Peyser | Traxler |
| Leath | Pickle | Trible |
| LeBoutillier | Porter | Udall |
| Lehman | Pritchard | Vento |
| Leland | Pursell | Volkmer |
| Lent | Quillen | Walker |
| Levitas | Rahall | Wampler |
| Lewis | Railsback | Washington |
| Livingston | Rangel | Watkins |
| Loeffler | Ratchford | Waxman |
| Long (MD) | Regula | Weaver |
| Lott | Reuss | Weber (MN) |
| Lowery (CA) | Richmond | Weber (OH) |
| Lowry (WA) | Rinaldo | Weiss |
| Luken | Ritter | White |
| Lundine | Roberts (KS) | Whitehurst |
| Lungren | Roberts (SD) | Whitley |
| Madigan | Robinson | Whittaker |
| Markey | Rodino | Whitten |
| Marks | Roe | Williams (MT) |
| Marlenee | Roemer | Williams (OH) |
| Marriott | Rogers | Wilson |
| Martin (IL) | Rose | Winn |
| Martin (NC) | Rosenthal | Wirth |
| Martin (NY) | Rostenkowski | Wolf |
| Matsui | Roth | Wolpe |
| Mattox | Roukema | Wortley |
| Mavroules | Rousselot | Wright |
| Mazzoli | Roybal | Wyden |
| McClory | Russo | Wylie |
| McCloskey | Sabo | Yates |
| McCollum | Sawyer | Yatron |
| McCurdy | Scheuer | Young (FL) |
| McDade | Schneider | Young (MO) |
| McDonald | Schroeder | Zablocki |
| McEwen | Schulze | Zeferetti |

NAYS—1

Benjamin

NOT VOTING—36

| | | |
|---|---|---|
| AuCoin | Fithian | Nelson |
| Bailey (PA) | Foglietta | O'Brien |
| Biaggi | Frank | Ottinger |
| Boland | Fuqua | Pepper |
| Burgener | Gilman | Price |
| Burton, Phillip | Goldwater | Rhodes |
| Courter | Johnston | Rudd |
| Crane, Philip | Lee | Santini |
| Crockett | Long (LA) | Savage |
| de la Garza | Lujan | Vander Jagt |
| Dougherty | Murtha | Walgren |
| Ertel | Nelligan | Young (AK) |

□ 1710

The Clerk announced the following pairs:

Mr. Biaggi with Mr. O'Brien.
Mr. AuCoin with Mr. Young of Alaska.
Mr. Nelson with Mr. Rudd.
Mr. Pepper with Mr. Dougherty.
Mr. Price with Mr. Courter.
Mr. Crockett with Mr. Burgener.
Mr. Phillip Burton with Mr. Nelligan.
Mr. Boland with Philip M. Crane.
Mr. de la Garza with Mr. Johnston.
Mr. Long of Louisiana with Mr. Gilman.
Mr. Fuqua with Mr. Rhodes.
Mr. Frank with Mr. Vander Jagt.
Mr. Ertel with Mr. Foglietta.
Mr. Savage with Mr. Fithian.
Mr. Santini with Mr. Lee.
Mr. Walgren with Mr. Ottinger.
Mr. Goldwater with Mr. Lujan.

Mr. DENARDIS changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1181) to amend titles 10 and 37, United States Code, to increase the pay and allowances and benefits of members of the uniformed services and certain dependents, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1181

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SHORT TITLE

SECTION 1. This Act may be cited as the "Uniformed Services Pay and Benefits Act of 1981".

INCREASE IN BASIC PAY AND ALLOWANCES

SEC. 2. (a) In this section "uniformed services" has the same meaning given to that term by section 101(3) of title 37, United States Code.

(b) Any adjustment required under the provisions of section 1009 of title 37, United States Code, relating to adjustments in the compensation of members of the uniformed services, that would otherwise first become effective beginning with any pay period in fiscal year 1982 shall not become effective. Effective with the first pay period beginning after September 30, 1981, the rates for each element of compensation specified in section 1009(a) of such title shall be as provided in subsection (c) of this section.

(c)(1) The monthly basic pay authorized members of the uniformed services, based on years of service computed under section 205 of title 37, United States Code, shall be as follows:

"COMMISSIONED OFFICERS[1]

| "Pay grade | 2 or Less | Over 2 | Over 3 | Over 4 | Over 6 |
|---|---|---|---|---|---|
| 0–10[2] | $4416.00 | $4571.40 | $4571.40 | $4,571.40 | $4571.40 |
| 0–9 | 3913.80 | 4016.40 | 4101.90 | 4101.90 | 4101.90 |
| 0–8 | 3544.80 | 3651.00 | 3737.70 | 3737.70 | 3737.70 |
| 0–7 | 2945.40 | 3146.10 | 3146.10 | 3146.10 | 3286.80 |
| 0–6 | 2184.00 | 2399.10 | 2555.70 | 2555.70 | 255.70 |
| 0–5 | 1761.00 | 2068.80 | 2211.60 | 2211.60 | 2211.60 |
| 0–4 | 1485.00 | 1807.80 | 1929.00 | 1929.00 | 2025.00 |
| 0–3[3] | 1380.00 | 1542.00 | 1649.10 | 1841.10 | 1928.70 |
| 0–2[3] | 1160.40 | 1267.80 | 1522.80 | 1602.90 | 1636.50 |
| 0–1[3] | 1007.40 | 1048.50 | 1267.50 | 1267.50 | 1267.50 |

| "Pay Grade | Over 8 | Over 10 | Over 12 | Over 14 | Over 16 |
|---|---|---|---|---|---|
| 0–10[2] | $4746.00 | $4746.00 | $5110.20 | $5110.20 | $5475.00 |
| 0–9 | 4206.00 | 4206.00 | 4381.20 | 4381.20 | 4746.00 |
| 0–8 | 4016.40 | 4016.40 | 4206.00 | 4206.00 | 4381.20 |
| 0–7 | 3286.80 | 3477.00 | 3477.00 | 3651.00 | 4016.40 |
| 0–6 | 2555.70 | 2555.70 | 2555.70 | 2760.00 | 3060.00 |
| 0–5 | 2211.60 | 2329.50 | 2411.70 | 2573.10 | 2765.70 |
| 0–4 | 2115.00 | 2239.80 | 2355.00 | 2463.00 | 2526.00 |
| 0–3[3] | 1998.60 | 2106.00 | 2191.20 | 2225.40 | 2265.00 |
| 0–2[3] | 1636.50 | 1636.50 | 1636.50 | 1636.50 | 1636.50 |
| 0–1[3] | 1267.50 | 1267.50 | 1267.50 | 1267.50 | 1267.50 |

| "Pay Grade | Over 18 | Over 20 | Over 22 | Over 26 | Over 30 |
|---|---|---|---|---|---|
| 0–10[2] | $5475.00 | $5842.20 | $5842.20 | $6206.70 | $6206.70 |
| 0–9 | 4746.00 | 5110.20 | 5110.20 | 5475.00 | 5475.00 |
| 0–8 | 4571.40 | 4746.00 | 4936.80 | 4936.80 | 4936.80 |
| 0–7 | 4292.40 | 4292.40 | 4292.40 | 4292.40 | 4292.40 |
| 0–6 | 3217.20 | 3286.80 | 3477.00 | 3771.00 | 3771.00 |
| 0–5 | 2924.70 | 3013.20 | 3118.20 | 3118.20 | 3118.20 |
| 0–4 | 2573.40 | 2573.40 | 2573.40 | 2573.40 | 2573.40 |
| 0–3[3] | 2292.00 | 2320.80 | 2320.80 | 2320.80 | 2320.80 |
| 0–2[3] | 1636.50 | 1636.50 | 1636.50 | 1636.50 | 1636.50 |
| 0–1[3] | 1267.50 | 1267.50 | 1267.50 | 1267.50 | 1267.50 |

"[1] Basic pay is limited to the rate of basic pay payable for level V of the Executive Schedule.
"[2] While serving as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, basic pay for this grade is $6848.10 regardless of cumulative years of service computed under section 205 of title 37 of the United States Code.
"[3] Does not apply to commissioned officers who have been credited with over 4 years active service as enlisted members or warrant officers.

"Commissioned officers who have been credited with over 4 years active service as enlisted member or warrant officers

| "Pay Grade | Over 4 | Over 6 | Over 8 | Over 10 | Over 12 | Over 14 |
|---|---|---|---|---|---|---|
| 0–3 | $1829.70 | $1917.00 | $1986.00 | $2093.10 | $2197.20 | $2285.10 |
| 0–2 | 1603.20 | 1636.50 | 1723.20 | 1812.00 | 1882.50 | 1934.10 |
| 0–1 | 1267.50 | 1379.10 | 1459.50 | 1512.00 | 1564.80 | 1636.20 |

| "Pay Grade | Over 16 | Over 18 | Over 20 | Over 22 | Over 26 | Over 30 |
|---|---|---|---|---|---|---|
| O–3 | $2325.00 | $2353.80 | $2379.00 | $2379.00 | $2379.00 | $2379.00 |
| O–2 | 1934.10 | 1934.10 | 1934.10 | 1934.10 | 1934.10 | 1934.10 |
| O–1 | 1636.20 | 1636.20 | 1636.20 | 1636.20 | 1636.20 | 1636.20 |

"WARRANT OFFICERS

| "Pay Grade | 2 or Less | Over 2 | Over 3 | Over 4 | Over 6 |
|---|---|---|---|---|---|
| W–4 | $1409.40 | $1512.00 | $1512.00 | $1546.80 | $1617.00 |
| W–3 | 1281.00 | 1389.00 | 1389.00 | 1407.00 | 1424.10 |
| W–2 | 1079.70 | 1167.00 | 1167.00 | 1223.70 | 1290.90 |
| W–1 | 899.40 | 1031.10 | 1031.10 | 1137.00 | 1189.20 |

| "Pay Grade | Over 8 | Over 10 | Over 12 | Over 14 | Over 16 |
|---|---|---|---|---|---|
| W–4 | $1688.70 | $1759.20 | $1882.20 | $1969.50 | $2039.10 |
| W–3 | 1528.20 | 1617.00 | 1670.40 | 1723.20 | 1774.80 |
| W–2 | 1389.00 | 1442.10 | 1495.20 | 1546.80 | 1600.80 |
| W–1 | 1266.00 | 1317.00 | 1372.20 | 1424.10 | 1476.00 |

| "Pay Grade | Over 18 | Over 20 | Over 22 | Over 26 | Over 30 |
|---|---|---|---|---|---|
| W–4 | $2093.10 | $2161.50 | $2233.80 | $2407.50 | $2407.50 |
| W–3 | 1829.70 | 1900.50 | 1969.50 | 2039.10 | 2039.10 |
| W–2 | 1653.00 | 1706.10 | 1775.10 | 1775.10 | 1775.10 |
| W–1 | 1528.20 | 1582.80 | 1582.80 | 1582.80 | 1582.80 |

"ENLISTED MEMBERS

| "Pay Grade | 2 or Less | Over 2 | Over 3 | Over 4 | Over 6 |
|---|---|---|---|---|---|
| E–9[1] | | | | | |
| E–8 | | | | | |
| E–7 | $977.10 | $1054.50 | $1093.80 | $1149.90 | $1180.20 |
| E–6 | 843.90 | 920.10 | 958.50 | 1009.50 | 1047.60 |
| E–5 | 734.70 | 799.50 | 838.20 | 885.00 | 952.80 |
| E–4 | 663.90 | 726.90 | 769.20 | 821.70 | 854.10 |
| E–3 | 632.70 | 667.50 | 694.20 | 715.20 | 715.20 |
| E–2 | 603.30 | 603.30 | 603.30 | 603.30 | 603.30 |
| E–1 | 536.40 | 536.40 | 536.40 | 536.40 | 536.40 |

| "Pay Grade | Over 8 | Over 10 | Over 12 | Over 14 | Over 16 | Over 18 |
|---|---|---|---|---|---|---|
| E–9[1] | | $1682.40 | $1720.50 | $1759.50 | $1800.00 | $1840.20 |
| E–8 | $1416.00 | 1455.90 | 1494.60 | 1533.60 | 1573.80 | 1615.20 |
| E–7 | 1217.40 | 1256.70 | 1297.80 | 1354.50 | 1394.70 | 1436.70 |
| E–6 | 1086.00 | 1125.60 | 1183.50 | 1221.00 | 1260.30 | 1279.20 |
| E–5 | 987.30 | 1020.30 | 1046.10 | 1050.90 | 1050.90 | 1050.90 |
| E–4 | 854.10 | 854.10 | 854.10 | 854.10 | 854.10 | 854.10 |
| E–3 | 715.20 | 715.20 | 715.20 | 715.20 | 715.20 | 715.20 |
| E–2 | 603.30 | 603.30 | 603.30 | 603.30 | 603.30 | 603.30 |
| E–1 | 536.40 | 536.40 | 536.40 | 536.40 | 536.40 | 536.40 |

| "Pay Grade | Over 20 | Over 22 | Over 24 | Over 26 | Over 28 | Over 30 |
|---|---|---|---|---|---|---|
| E–9[1] | $1875.90 | $1974.60 | $2025.00 | $2166.30 | $2221.50 | $2221.50 |
| E–8 | 1664.10 | 1746.60 | 1785.00 | 1941.60 | 1941.60 | 1941.60 |
| E–7 | 1479.90 | 1547.70 | 1587.60 | 1740.00 | 1740.00 | 1740.00 |
| E–6 | 1279.20 | 1279.20 | 1279.20 | 1279.20 | 1279.20 | 1279.20 |
| E–5 | 1050.90 | 1050.90 | 1050.90 | 1050.90 | 1050.90 | 1050.90 |
| E–4 | 854.10 | 854.10 | 854.10 | 854.10 | 854.10 | 854.10 |
| E–3 | 715.20 | 715.20 | 715.20 | 715.20 | 715.20 | 715.20 |
| E–2 | 603.30 | 603.30 | 603.30 | 603.30 | 603.30 | 603.30 |
| E–1 | 536.40 | 536.40 | 536.40 | 536.40 | 536.40 | 536.40 |

"[1]While serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy or Coast Guard, Chief Master Sergeant of the Air Force, or Sergeant Major of the Marine Corps, basic pay for this grade is $2633.10 regardless of cumulative years of service computed under section 205 of title 37 of the United States Code.".

(2) The basic allowance for subsistence authorized members of the uniformed services shall be as follows:

| | |
|---|---|
| "Officers | $94.39 per month |
| "Enlisted members: | |
| "When on leave or authorized to mess separately | $4.50 per day |
| "When rations in-kind are not available | $5.09 per day |
| "When assigned to duty under emergency conditions where no messing facilities of the United States are available. | $6.73 per day". |

(3) The monthly basic allowance for quarters authorized members of the uniformed services shall be as follows:

| "Pay grade | Without dependents | | With dependents |
|---|---|---|---|
| | Full rate | Partial rate[1] | |
| Commissioned officers: | | | |
| O-10 | $489.00 | $50.70 | $611.70 |
| O-9 | 489.00 | 50.70 | 611.70 |
| O-8 | 489.00 | 50.70 | 611.70 |
| O-7 | 489.00 | 50.70 | 611.70 |
| O-6 | 438.90 | 39.60 | 535.50 |
| O-5 | 404.70 | 33.00 | 487.20 |
| O-4 | 360.30 | 26.70 | 434.70 |
| O-3 | 316.80 | 22.20 | 390.90 |
| O-2 | 275.10 | 17.70 | 348.00 |
| O-1 | 214.80 | 13.20 | 279.60 |
| Warrant officers: | | | |
| W-4 | 347.10 | 25.20 | 419.10 |
| W-3 | 309.60 | 20.70 | 381.60 |
| W-2 | 269.10 | 15.90 | 342.60 |
| W-1 | 243.00 | 13.80 | 314.70 |
| Enlisted members: | | | |
| E-9 | 268.20 | 18.60 | 377.40 |
| E-8 | 247.20 | 15.30 | 348.60 |
| E-7 | 210.30 | 12.00 | 324.30 |
| E-6 | 191.10 | 9.90 | 298.20 |
| E-5 | 183.60 | 8.70 | 274.20 |
| E-4 | 158.10 | 8.10 | 235.50 |
| E-3 | 141.30 | 7.80 | 205.50 |
| E-2 | 124.80 | 7.20 | 205.50 |
| E-1 | 117.90 | 6.90 | 205.50 |

"[1] Payable to a member without dependents who, under section 403 (b) or (c) of title 37, United States Code, is not entitled to receive a basic allowance for quarters.".

MONTHLY PAY OF CADETS AND MIDSHIPMEN

SEC. 3. Section 203(c)(1) of title 37, United States Code, is amended by striking out "$313.20" and inserting in lieu thereof "$448.80".

SPECIAL PAY FOR CERTAIN HAZARDOUS DUTY

SEC. 4. (a) Section 301(a) of title 37, United States Code, is amended—

(1) by striking out "or" at the end of clause (9); and

(2) by striking out clause (10) and inserting in lieu thereof the following:

"(10) involving frequent and regular participation in flight operations on the deck of an aircraft carrier or on a ship other than an aircraft carrier from which aircraft are launched;

"(11) involving frequent and regular exposure to highly toxic pesticides or involving laboratory work which utilizes live dangerous viruses or bacteria; or

"(12) involving the servicing of aircraft or missiles with highly toxic fuels or propellants.".

(b) The table contained in section 301(b) of such title is amended to read as follows:

"ENLISTED MEMBERS

| "Pay grade | Years of service computed under section 205 | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2 or less | Over 2 | Over 3 | Over 4 | Over 6 | Over 8 | Over 10 |
| E-9 | $131 | $131 | $131 | $131 | $131 | $131 | $131 |
| E-8 | 131 | 131 | 131 | 131 | 131 | 131 | 131 |
| E-7 | 100 | 106 | 106 | 106 | 113 | 119 | 131 |
| E-6 | 88 | 94 | 94 | 100 | 106 | 113 | 119 |
| E-5 | 83 | 88 | 88 | 100 | 100 | 106 | 113 |
| E-4 | 83 | 83 | 83 | 88 | 94 | 100 | 100 |
| E-3 | 83 | 83 | 83 | 83 | 83 | 83 | 83 |
| E-2 | 83 | 83 | 83 | 83 | 83 | 83 | 83 |
| E-1 | 83 | 83 | 83 | 83 | 83 | 83 | 83 |

"ENLISTED MEMBERS—Continued

| "Pay grade | Years of service computed under section 205 | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2 or less | Over 2 | Over 3 | Over 4 | Over 6 | Over 8 | Over 10 |
| E-4 under 4 months | 83 | | | | | | |
| Aviation cadets | 83 | | | | | | |

| "Pay grade | Years of service computed under section 205 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Over 12 | Over 14 | Over 16 | Over 18 | Over 22 | Over 26 | Over 30 |
| E-9 | $131 | $131 | $131 | $131 | $131 | $131 | $131 |
| E-8 | 131 | 131 | 131 | 131 | 131 | 131 | 131 |
| E-7 | 131 | 131 | 131 | 131 | 131 | 131 | 131 |
| E-6 | 119 | 125 | 125 | 125 | 125 | 125 | 125 |
| E-5 | 119 | 119 | 119 | 119 | 119 | 119 | 119 |
| E-4 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| E-3 | 83 | 83 | 83 | 83 | 83 | 83 | 83 |
| E-2 | 83 | 83 | 83 | 83 | 83 | 83 | 83 |
| E-1 | 83 | 83 | 83 | 83 | 83 | 83 | 83". |

(c) Section 301(c) of such title is amended—

(1) by striking out "or (10)," and inserting in lieu thereof "(10), (11), or (12),"; and

(2) by striking out "$55" and inserting in lieu thereof "$83".

AVIATION CAREER INCENTIVE PAY

SEC. 5. (a) Paragraph 5 of section 301a(a) of title 37, United States Code, is amended by adding at the end thereof the following new sentence: "All entitlement to continuous monthly incentive pay ceases for officers in pay grades O-1 through O-10 upon completion of 25 years of officer service, but officers in pay grades O-1 through O-6 remain entitled to monthly incentive pay in the amount set forth in subsection (b)(1) of this section for an officer with over 25 years of officer service for the performance of subsequent operational flying duty.".

(b)(1) The tables in clause (1) of section 301a(b) of such title are amended to read as follows:

"Phase I

| "Years of aviation service (including flight training) as an officer: | Monthly rate |
|---|---|
| 2 or less | $125 |
| Over 2 | 156 |
| Over 3 | 188 |
| Over 4 | 206 |
| Over 6 | 400 |

"Phase II

| "Years of service as an officer as computed under section 205: | |
|---|---|
| Over 18 | $370 |
| Over 20 | 340 |
| Over 22 | 310 |
| Over 24 | 280 |
| Over 25 | 250". |

(2) The table in clause (2) of section 301a(b) of such title is amended to read as follows:

| "Years of aviation service as an officer: | Monthly rate |
|---|---|
| 2 or less | $125 |
| Over 2 | 156 |
| Over 3 | 188 |
| Over 4 | 206 |
| Over 6 | 400". |

YEARS OF SERVICE COMPUTATION FOR SUBMARINE DUTY INCENTIVE PAY

SEC. 6. Paragraphs (3) and (4) of section 301c(a) of title 37, United States Code, are amended by inserting ", not including, in the case of an officer, periods as an enlisted member prior to initial appointment as an officer" after "title", each place it appears.

SPECIAL PAY FOR DIVING DUTY

SEC. 7. Section 304 of title 37, United States Code, is amended to read as follows:

**"§304. Special pay: diving duty**

"(a) Under regulations prescribed by the Secretary concerned, a member of a uniformed service who is entitled to basic pay is entitled to special pay, in the amount set forth in subsection (b) of this section, for periods during which such member—

"(1) is assigned by orders to the duty of diving;

"(2) is required to maintain proficiency as a diver by frequent and regular dives; and

"(3) actually performs diving duty.

"(b) Special pay payable under subsection (a) of this section shall be paid at the rate of not more than $200 a month, in the case of an officer, and at the rate of not more than $300 a month, in the case of an enlisted member.

"(c) A member may be paid special pay under this section and incentive pay under section 301 of this title for the same period of service only if that member is assigned by orders to a hazardous duty described in section 301(a) of this title in addition to a duty described in subsection (a) of this section. However, if a member is paid special pay under this section, that member is not entitled to more than one payment of incentive pay under section 301 of this title.".

ENLISTMENT BONUSES

SEC. 8. (a) Section 308a(a) of title 37, United States Code, is amended—

(1) by striking out "$5,000" and inserting in lieu thereof "$7,500"; and

(2) by striking out the second sentence and inserting in lieu thereof the following: "The bonus shall be paid in periodic installments, as determined by the appropriate Secretary, except that the first installment may not exceed $4,000 and the remainder shall be paid in equal periodic installments which may not be paid less frequently than once every 3 months.".

(b)(1) Chapter 5 of title 37, United States Code, is amended by inserting after section 308e the following new section:

**"§308f. Special pay: bonus for enlistment in the Army**

"(a) Under regulations prescribed by the Secretary of the Army, a person—

"(1) who is a high school graduate or has been awarded high school education equivalency credentials;

"(2) whose score on the Armed Forces Qualification Test is at or above the fiftieth percentile; and

"(3) who enlists in the Army for a period of at least 3 years in a skill designated as critical,

may be paid a bonus in an amount prescribed by the Secretary of the Army, but not more than $3,000. The bonus may be paid in a lump sum or in equal periodic installments, as determined by the Secretary of the Army.

"(b)(1) Under regulations prescribed by the Secretary of the Army, a person who voluntarily, or because of his misconduct, does not complete the term of enlistment for which a bonus was paid to him under this section or a person who is not technically qualified in the skill for which a bonus was paid to him under this section (other

than a person who is not qualified because of injury, illness, or other impairment not the result of his own misconduct) shall refund to the United States that percentage of the bonus that the unexpired part of his enlistment is of the total enlistment period for which the bonus was paid.

"(2) An obligation to reimburse the United States imposed under paragraph (1) of this subsection is for all purposes a debt owed to the United States.

"(3) A discharge in bankruptcy under title 11 that is entered less than 5 years after the termination of an agreement under this section does not discharge the member signing such agreement from a debt arising under such agreement or under paragraph (1) of this subsection. This paragraph applies to any case commenced under title 11 after September 30, 1981.

"(c) No bonus may be paid under this section with respect to any enlistment in the Army made after September 30, 1982.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 308e the following new item:

"308f. Special pay: bonus for enlistment in the Army.".

(c) The amendments made by this section shall apply to enlistments or reenlistments made after September 30, 1981.

ACTIVE-SERVICE AGREEMENTS FOR NUCLEAR QUALIFIED OFFICERS

SEC. 9. Notwithstanding subsections (a) and (b) of section 312 of title 37, United States Code, and under regulations prescribed by the Secretary of the Navy, the Secretary may permit an officer of the naval service who is performing obligated service as the result of an active service agreement executed under such section before January 1, 1981, to cancel that active-service agreement effective on the day before any anniversary of the day on which that agreement was executed and execute a new active-service agreement under such section for one period of not more than four years. Any such cancellation of an existing agreement and execution of a new agreement may be effective on the day before an anniversary date occurring on or after January 1, 1981.

TRAVEL AND TRANSPORTATION ALLOWANCES

SEC. 10. (a)(1) Section 404 of title 37, United States Code, is amended by striking out "Under regulations prescribed by the Secretaries concerned" in subsection (a) and inserting in lieu thereof "Except as provided in subsection (f) of this section and under regulations prescribed by the Secretaries concerned".

(2) Subsection (c) of such section is amended—

(A) by inserting "(1)" after "(c)";

(B) by redesignating clauses (1) and (2) as (A) and (B), respectively;

(C) by inserting "and as provided in paragraph (2)" before ", select his home"; and

(D) by adding at the end thereof the following new paragraph:

"(2) A member described in paragraph (1) of this subsection may select as his home—

"(A) any place within the United States;

"(B) the place outside the United States from which such member was called or ordered to active duty to his first duty station; or

"(C) any other place.

However, if a member selects as his home a place described in clause (C) of the preceding sentence, the travel and transportation allowances authorized by subsection (a) of this section may not exceed the allowances which would be payable if the place selected as his home were in the United States (other than Hawaii or Alaska).".

(3) Subsection (f) of such section is amended to read as follows:

"(f)(1) The travel and transportation allowances authorized under this section may be paid or provided to a member upon his separation from the service or release from active duty for travel which is actually performed and only if—

"(A) the member, on the date of his separation from the service or release from active duty, has served on active duty for a period of time equal to at least 90 percent of the period of time for which the member initially enlisted or otherwise initially agreed to serve; and

"(B) the member's separation from the service or release from active duty is under honorable conditions, as determined by the Secretary concerned.

"(2) Clauses (A) and (B) of paragraph (1) of this subsection shall not apply to any member—

"(A) described in subsection (c)(1) of this section;

"(B) discharged under section 1173 of title 10; or

"(C) separated from the service or released from active duty under unusual circumstances, as determined by the Secretary concerned.".

(b)(1) Subsection (a) of section 406 of title 37, United States Code, is amended—

(A) by inserting "(1)" after "(a)";

(B) by inserting "paragraph (2) of this subsection and" before "subsection (i) of this section"; and

(C) by adding at the end thereof the following new paragraphs:

"(2) The transportation and allowances authorized under paragraph (1) of this subsection may be paid or provided to a member upon his separation from the service or release from active duty only if—

"(A) the member, on the date of his separation from the service or release from active duty, has served on active duty for a period of time which is equal to at least 90 percent of the period of time for which the member initially enlisted or otherwise initially agreed to serve; and

"(B) the member's separation from the service or release from active duty is under honorable conditions, as determined by the Secretary concerned.

The requirements of this paragraph shall not apply to any member (i) described in subsection (g)(1) of this section, (ii) discharged under section 1173 of title 10, or (iii) separated from the service or released from active duty under unusual circumstances, as determined by the Secretary concerned.

"(3) The allowances authorized under this subsection may be paid in advance.".

(2) Subsection (b) of such section is amended—

(A) by inserting "(1)" after "(b)";

(B) by striking out "In" and inserting in lieu thereof "Except as provided in paragraph (2) of this subsection, in";

(C) by adding at the end of paragraph (1), as designated by clause (A) of this paragraph, the following new sentences: "Temporary storage in excess of 180 days may be authorized. In those cases of permanent change of station in which the Secretary concerned has authorized transportation under section 2634 of title 10 of one motor vehicle owned by the member or his dependents and for the personal use of the member or his dependents, the member is entitled to transportation of that motor vehicle to the point at which transportation authorized under section 2634 of title 10 commences and from the point at which transportation authorized under such section terminates, or to reimbursement therefor."; and

(D) by adding at the end thereof the following new paragraph:

"(2)(A) The transportation and allowances authorized under paragraph (1) of this subsection may be paid or provided to a member upon his separation from the service or release from active duty only if—

"(i) the transportation (including the packing, crating, drayage, temporary storage, and unpacking) is commenced not later than 90 days after the date of such separation from the service or release from active duty;

"(ii) the member, on the date of his separation from the service or release from active duty, has served on active duty for a period of time which is equal to at least 90 percent of the period of time for which the member initially enlisted or otherwise initially agreed to serve; and

"(iii) the member's separation from the service or release from active duty is under honorable conditions, as determined by the Secretary concerned.

The requirements of this paragraph shall not apply to any member (i) described in subsection (g)(1) of this section, (ii) discharged under section 1173 of title 10, or (iii) separated from the service or released from active duty under unusual circumstances, as determined by the Secretary concerned.

"(B) If nontemporary storage is authorized under subsection (d) of this section for a member to whom subparagraph (A) of this paragraph applies, the 90-day period provided for in clause (i) of such subparagraph shall not begin until such authorization for nontemporary storage expires.".

(3) Subsection (g) of such section is amended—

(A) by inserting "(1)" after "(g)";

(B) by redesignating clauses (1) and (2) as (A) and (B), respectively; and

(C) by striking out all after the second sentence and inserting in lieu thereof the following new paragraphs:

"(2) If a shipment is made to a home described in section 404(c)(2)(C) of this title or to a location other than the home selected by the member and the cost of such shipment is in excess of that which would have been incurred if the shipment had been made to a location in the United States (other than Hawaii or Alaska), the member shall pay that excess cost.

"(3) If a member authorized to select a home under section 404(c) of this title accrues that right or any entitlement under this subsection but dies before he exercises it, that right or entitlement accrues to and may be exercised by his surviving dependents, or his baggage and household effects may be shipped to the home of the person legally entitled thereto if there are no surviving dependents. However, if a shipment is made under circumstances described in paragraph (2) of this subsection in which the member would have been required to pay the excess cost of such shipment, the surviving dependents or the person legally entitled to the baggage and household effects, as the case may be, shall pay that excess cost.

"(4) Subsection (h) of such section is amended by striking out "and for this or his dependent's personal use" in clause (2) and inserting in lieu thereof "or his dependents and for the personal use of the member or his dependents.".

(c)(1) Except as provided in paragraphs (2), (3), and (4) of this subsection, all amendments made by this section shall take effect on October 1, 1981, and shall apply to members who are separated from the service or released from active duty on or after October 1, 1981.

(2) The amendments made by subsection (b)(1)(C) which add a new paragraph (3) to section 406(a) of title 37, United States Code, shall take effect on the date of enactment of this Act.

(3) The amendments made by subsection (a)(2) and subsection (b)(3) of this section shall take effect on October 1, 1981, and shall apply to members who are retired, placed on the temporary disability retired list, discharged, or involuntarily released on or after October 1, 1981, except that such amendments shall not apply to any member who before October 1, 1981, had completed eighteen years of active service.

(4) The amendments made by subsection (b)(2)(C) of this section shall take effect on the date of enactment of this Act.

TEMPORARY LODGING EXPENSES

SEC. 11. (a)(1) Chapter 7 of title 37, United States Code, is amended by inserting after section 404 the following new section:

"§ 404a. Travel and transportation allowances: temporary and lodging expenses

"(a) Under regulations prescribed by the Secretaries concerned, a member of a uniformed service who is ordered to make a change of permanent station from any duty station to a duty station in the United States (other than Hawaii or Alaska) may be paid or reimbursed for subsistence expenses actually incurred by the member and the member's dependents during a period not exceeding four days while occupying temporary quarters incident to that change of permanent station.

"(b) Regulations prescribed under subsection (a) of this section shall prescribe average daily subsistence rates for purposes of this section for the member and for each dependent. Such rates may not exceed the maximum per diem rates prescribed by or under section 404(d) of this title for the area where the temporary quarters are located. However, a member may not be paid or reimbursed more than $110 a day under this section.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 404 the following new item:

"404a. Travel and transportation allowances: temporary lodging expenses.".

(b) Section 411(a) of such title is amended by inserting "404a," after "(d)-(f),".

ADVANCE PAYMENT OF EVACUATION ALLOWANCES

SEC. 12. Section 405a(a) of title 37, United States Code, is amended by inserting after the second sentence the following new sentence: "Such allowances may be paid in advance.".

ADVANCE PAYMENT OF DISLOCATION ALLOWANCE

SEC. 13. Section 407(a) of title 37, United States Code, is amended by adding at the end thereof the following new sentence: "An allowance payable under this section may be paid in advance.".

TRAVEL AND TRANSPORTATION FOR MEMBERS SERVING CONSECUTIVE ASSIGNMENTS OVERSEAS

SEC. 14. Section 411b(a) of title 37, United States Code, is amended—

(1) by inserting "(1)" after "(a)";

(2) by inserting "who is ordered to a consecutive tour of duty at the same duty station or" after "District of Columbia" the first time it appears; and

(3) by adding at the end thereof the following new paragraph:

"(2) If, because of military necessity, a member authorized travel and transportation allowances under this subsection is denied leave between the two tours of duty overseas, the member shall be authorized to use such travel and transportation allowances from his current duty station at the first time the member is granted leave.".

ENVIRONMENTAL AND EMERGENCY TRAVEL

SEC. 15. (a) Chapter 7 of title 37, United States Code, is amended by inserting after section 411b the following new sections:

"§411c. Travel and transportation allowances: travel performed in connection with leave from certain stations in foreign countries

"(a) Under uniform regulations prescribed by the Secretaries concerned, a member of a uniformed service, while serving at a duty station outside the United States in an area specifically designated for purposes of this section by the Secretary concerned, and each dependent of such member authorized to reside at his duty station, may be paid for or provided transportation—

"(1) to another location outside the United States having different social, climatic, or environmental conditions than those at the duty station at which the member is serving; or

"(2) to a location in the United States.

"(b) The transportation authorized by this section is limited to transportation of the member and each dependent of the member for one roundtrip during any continuous two-year tour and two roundtrips during any continuous three-year tour.

"§411d. Travel and transportation allowances: transportation incident to certain emergencies for members stationed abroad

"(a) Under uniform regulations prescribed by the Secretaries concerned, transportation for a member of a uniformed service stationed outside the United States (other than Hawaii and Alaska) may be provided from the area of the member's duty station to the United States, Puerto Rico, the Virgin Islands, or the possessions of the United States, incident to a personal emergency of the member.

"(b) Transportation under this section may be authorized only upon a determination that Government transportation is not reasonably available, considering the nature of the personal emergency involved. The cost of transportation authorized under this section may not exceed the cost of Government-procured commercial air travel from the international airport nearest the location of the member at the time notification of the personal emergency is received or the international airport nearest the member's duty station—

"(1) to the international airport within the United States (other than Hawaii and Alaska) closest to the international airport from which the member departed; or

"(2) to an airport in Alaska, Hawaii, Puerto Rico, the Virgin Islands, or the possessions of the United States, as determined by the Secretary concerned,

and return to either the international airport from which the member departed or to the international airport nearest the duty station of the member.

"(c) In this section, 'personal emergency of the member' means the death, serious injury, or serious illness of—

"(1) the spouse of the member;

"(2) a child of the member (including a stepchild, an adopted child, or an illegitimate child whose alleged member-parent has been judicially decreed to be the parent of the child or judicially ordered to contribute to the child's support, or whose parentage has been admitted in writing by the member);

"(3) a parent of the member (including a stepparent, parent by adoption, or any person, including a former stepparent, who has stood in loco parentis to the member at any time for a continuous period of at least five years before the member became 21 years of age); or

"(4) a brother or sister of the member (including a stepbrother or stepsister, a half brother or half sister, or a brother or sister through adoption).

"§411e. Travel and transportation allowances: transportation incident to certain emergencies for members performing temporary duty

"(a) Under uniform regulations prescribed by the Secretaries concerned, a member of a uniformed service who is performing temporary duty away from his permanent duty station or is assigned to a ship or unit operating away from its home port may be provided transportation in kind, reimbursement therefore, or a monetary allowance at the rate prescribed in such regulations, from his place of temporary duty or his ship or unit to his permanent duty station, the home port of the ship or unit, or any other location, and return (if applicable), incident to a personal emergency of the member.

"(b) Transportation under this section may be authorized only upon a determination that Government transportation is not reasonably available, considering the nature of the personal emergency involved. The cost of transportation authorized under this section may not exceed the cost of Government-procured commercial air travel from the member's place of temporary duty or ship or unit to the member's permanent duty station or the home port of the ship or unit, and return (if applicable).

"(c) In this section, 'personal emergency of the member' means the death, serious injury, or serious illness of a dependent of the member.".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 411b the following new items:

"411c. Travel and transportation allowances: travel performed in connection with leave from certain stations in foreign countries.

"411d. Travel and transportation allowances: transportation incident to certain emergencies for members stationed abroad.

"411e. Travel and transportation allowances: transportation incident to certain emergencies for members performing temporary duty.".

UNIFORM ALLOWANCES AND ADVANCE PAY FOR MEMBERS OF THE ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP PROGRAM

SEC. 16. (a) Subsection (a) of section 415 of title 37, United States Code, is amended—

(1) by striking out "or" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof the following new paragraph:

"(4) upon reporting for the first period of active duty required by section 2121(c) of title 10 as a member of the Armed Forces Health Professions Scholarship program.".

(b) Section 1006 of such title is amended by adding at the end thereof the following new subsection:

"(i) Under regulations prescribed by the Secretary concerned, not more than one month's pay may be paid in advance to a member of the Armed Forces Health Professions Scholarship program upon reporting for a period of active duty required by section 2121(c) of title 10.".

MILITARY JUSTICE AMENDMENTS

SEC. 17. (a) Chapter 40 of title 10, United States Code, is amended—

(1) in section 701(a)—

(A) by striking out "and" at the end of clause (2);

(B) by striking out the period at the end of clause (3) and inserting in lieu thereof "; and"; and

(C) by adding after clause (3) the following new clause:

"(4) involuntary leave required to be taken under section 706 of this title.";

(2) by adding at the end thereof the following new sections:

"§706. Involuntary leave: appellate review of certain court-martial convictions

"(a) Under regulations prescribed by the Secretary concerned, a member of an armed force who has been sentenced by court-martial may be required to take leave pending completion of action under subchapter IX of chapter 47 of this title if the sentence, as approved by the officer exercising general court-martial jurisdiction under section 864 or 865 of this title, includes an unsuspended dismissal or dishonorable or bad-conduct discharge. The member may be required to begin such involuntary leave at any time on or after the date on which such sentence is approved by the officer exercising general court-martial jurisdiction. Such leave may be continued until any time on or before the date on which action is completed under subchapter IX of chapter 47 of this title.

"(b) Any period of leave required to be taken under this section shall be charged first against any accrued leave to the member's credit on the day before the day such involuntary leave begins, unless the member elects to be paid for such accrued leave under subsection (c). If a member does not elect to be paid for such accrued leave under subsection (c) or does not have sufficient accrued leave to his credit to cover the total period of involuntary leave, the leave not covered by accrued leave shall be charged as excess leave. If a member elects to be paid for accrued leave under subsection (c), the total period of involuntary leave shall be charged as excess leave.

"(c)(1) A member who is required to take leave under this section and who has accrued leave to his credit on the day before the day such leave begins may elect to be paid for such accrued leave on the basis of the basic pay to which he was entitled on the day before the day such involuntary leave begins or, if he does not so elect, is entitled to pay and allowances during any period of such accrued leave required to be taken under this section.

"(2) Except as provided in paragraph (1) and in section 707 of this title, a member shall not accrue or receive any pay or allowances during any period of involuntary leave required to be taken under this section.

"(d) No member required to take leave under this section shall become entitled to any right or benefit under section 2021 of title 38, United States Code, solely because of any employment during such leave.

"(e) The provisions of section 974 of this title shall not apply to any member required to take involuntary leave under this section during any period of such involuntary leave.

**"§707. Payment for excess leave: disapproval of certain court-martial sentences**

"(a) A member—

"(1) who is required to take involuntary leave under section 706 of this title, any period of which is charged as excess leave; and

"(2) whose sentence by court-martial to dismissal or dishonorable or bad-conduct discharge is set aside or disapproved by a Court of Military Review under section 866 of this title or by the United States Court of Military Appeals under section 867 of this title,

shall be paid, as provided in subsection (b), for the period of leave charged as excess leave, unless a rehearing or new trial is ordered and a dismissal or dishonorable or bad-conduct discharge is included in the result of the rehearing or new trial and such dismissal or discharge is later executed.

"(b) A member entitled to be paid under this section shall be deemed, for purposes of this section, to have accrued pay and allowances on each day of involuntary leave charged as excess leave (except days of accrued leave for which the member has been paid under section 706(c)(1) of this title and which have been charged as excess leave). Such pay and allowances shall be deemed to have accrued in the lower of the pay grade held by the member on the day before the date his court-martial sentence was approved by the convening authority, or any lower pay grade to which the member was reduced as a result of the court-martial sentence (including any reduction under section 858a of this title) if such reduction has not been set aside, disapproved, or otherwise vacated. Such a member shall be paid the amount of pay and allowances which he is deemed to have accrued, reduced by the total amount of his gross earnings from wages, salaries, tips, other personal service income, or unemployment or other public assistance benefits from any government agency during the period such member is deemed to have accrued pay and allowances under this subsection. Except as provided in the following sentence, when a member's sentence by court-martial to dismissal or dishonorable or bad-conduct discharge has been ordered set aside or disapproved—

"(1) payment shall be made within two months from the date of such order if no rehearing or new trial has been ordered;

"(2) payment shall be made within six months from the date of such order if a rehearing or new trial has been ordered but charges have not been referred to a rehearing or new trial within four months from the date of such order;

"(3) if a rehearing or new trial has been ordered and a dismissal or dishonorable or bad-conduct discharge is not included in the result of such rehearing or new trial, payment shall be made within two months of the announcement of the result of such rehearing or new trial; or

"(4) if a rehearing or new trial has been ordered and a dismissal or dishonorable or bad-conduct discharge is included in the result of such rehearing or new trial, but such dismissal or discharge is not later executed, payment shall be made within two months of the order which set aside, disapproved, or otherwise vacated such dismissal or discharge.

If a member is entitled to be paid under this section but fails to provide sufficient information in a timely manner regarding his gross earnings received from wages, salaries, tips, other personal service income, and unemployment or other public assistance benefits from any government agency when such information is requested under regulations prescribed under subsection (c) the periods of time established in the preceding sentence shall be extended until one month after the member provides such requested information.

"(c) This section shall be administered under uniform regulations prescribed by the Secretaries concerned. Such regulations may provide for the method of determining a member's gross earnings during any period such member is deemed to have accrued pay and allowances, including a requirement that the member provide income tax returns and other documentation to verify the amount of his earnings."; and

(3) by adding in the table of sections at the beginning of such chapter after the item relating to section 705 the following new items:

"706. Involuntary leave: appellate review of certain court-martial convictions.

"707. Payment for excess leave: disapproval of certain court-martial sentences.".

(b) Section 813 (article 13) of such title is amended—

(1) by striking out "Subject to section 857 of this title (article 57), no" and inserting in lieu thereof "No"; and

(2) by striking out "or the result of trial".

(c) Section 832(b) (article 32(b)) of such title is amended by striking out the second sentence and inserting in lieu thereof "The accused has the right to be represented at that investigation as provided in section 838 of this title (article 38) and in regulations prescribed under that section.".

(d) Section 838(b) (article 38(b)) of such title is amended to read as follows:

"(b) The accused has the right to be represented in his defense before a general or special court-martial or at an investigation under section 832 of this title (article 32) as follows:

"(1) The accused may be represented by civilian counsel if provided by him.

"(2) Subject to paragraphs (3) through (6), the accused may be represented by—

"(A) military counsel detailed under section 827 of this title (article 27); or

"(B) military counsel of his own selection if that military counsel is reasonably available.

"(3) When the accused is represented by civilian counsel, military counsel detailed or selected under paragraph (2) shall act as associate counsel unless excused at the request of the accused.

"(4) When the accused is represented by military counsel of his own selection under paragraph (2)(B), any military counsel detailed under paragraph (2)(A) shall, subject to paragraph (5), be excused.

"(5) An accused is not entitled to be represented in his defense by more than one military counsel. However, a convening authority may, in his sole discretion—

"(A) detail additional military counsel as assistant defense counsel; and

"(B) approve a request from the accused that military counsel detailed under paragraph (2)(A) act as associate defense counsel when the accused is represented by military counsel of his own selection.

"(6) The Secretary concerned may, by regulations, define 'reasonably available' and may, under such regulations, establish procedures for determining whether military counsel selected by an accused under paragraph (2)(B) is reasonably available. Such regulations shall establish uniform policies to the fullest extent practicable, recognizing the differences in the circumstances and needs of the armed forces and shall be reported to the Committees on Armed Services of both Houses of the Congress.".

(e) Subsection (c) of section 867 (article 67(c)) of such title is amended to read as follows:

"(c) The accused may petition the Court of Military Appeals for review of a decision of a Court of Military Review within 60 days from the earlier of—

"(1) the date on which the accused is notified of such decision of a Court of Military Review; or

"(2) the date on which a copy of such decision of a Court of Military Review, after being served on appellate counsel of record for the accused (if any), is deposited in the United States mails for delivery by first class certified mail to the accused at an address provided by the accused or, if no such address has been provided by the accused, at the latest address listed for the accused in the accused's official service record.

The Court of Military Appeals shall act upon such a petition promptly in accordance with the rules of the court.".

(f) Section 869 (article 69) of such title is amended by adding at the end thereof the following new sentence: "When such a case is considered upon application of the accused, the application must be filed in the Office of the Judge Advocate General by the accused—

"(1) on or before October 1, 1983; or

"(2) within two years after the date the sentence is approved by the convening authority or, in a special court-martial case which requires action under section 865(b) of this title (article 65(b)), the officer exercising general court-martial jurisdiction,

whichever is later, unless the accused establishes good cause for failure to file within that time.".

(g)(1) The amendments made by this section shall become effective 60 days after the date of enactment of this Act.

(2)(A) The amendments made by subsection (a) shall apply to members whose sentences by court-martial are approved by the officer exercising general court-martial jurisdiction under section 864 or 865 (article 64 or 65) of title 10, United States Code, on or after the effective date of this section.

(B) The amendments made by subsection (b) shall apply to all persons held as the result of a court-martial sentence announced on or after the effective date of this section.

(C) The amendments made by subsection (c) shall apply to investigations under section 832 (article 32) of title 10, United States Code, which commence on or after the effective date of this section.

(D) The amendments made by subsection (d) shall apply to trials by courts-martial in which all charges are referred to trial on or after the effective date of this section.

(E) The amendments made by subsection (e) shall apply to any accused with respect to a Court of Military Review decision which is dated on or after the effective date of this section.

(F) The amendments made by subsection (f) shall apply to applications received in the Office of the Judge Advocate General on or after the effective date of this section.

MILITARY RECRUITING INFORMATION

SEC. 18. (a) The Congress finds and declares that in order for the Congress to carry out effectively its constitutional authority to raise and support armies, it is essential—

(1) that the Secretary of Defense obtain and compile directory information pertaining to students enrolled in secondary schools throughout the United States; and

(2) that such directory information be used only for military recruiting purposes and be retained in the case of each person with respect to whom such information is obtained and compiled for a limited period of time.

(b) Section 503 of title 10, United States Code, relating to enlistments, is amended—

(1) by inserting "(a)" before "The Secretary"; and

(2) by adding at the end thereof the following new subsection:

"(b)(1) The Secretary of Defense is authorized to collect and compile directory information pertaining to each student who is seventeen years of age or older, or who is in the eleventh grade (or its equivalent) or higher regardless of age, and who is enrolled in a secondary school in the United States, its territories, possessions, or the Commonwealth of Puerto Rico.

"(2) Directory information collected and compiled by the Secretary of Defense under this subsection may be made available to the armed forces for military recruiting purposes only.

"(3) Directory information pertaining to any person may not be maintained for more than three years after the date the information pertaining to such person is first collected and compiled by the Secretary of Defense under this subsection.

"(4) Directory information collected and compiled under this subsection shall be confidential and no person who has had access to such information may disclose such information except for the purposes described in paragraph (2).

"(5) The Secretary of Defense shall prescribe regulations necessary to carry out the provisions of this subsection and may authorize each Secretary concerned to issue further implementing regulations necessary to administer the program established under this subsection. Any regulations issued pursuant to this section shall be reported to the Committees on Armed Services of both Houses of the Congress. Any regulations issued by the Secretaries concerned shall be as uniform as practicable.

"(6) In this subsection, 'directory information' means, with respect to a student, the student's name, address, telephone listing, date and place of birth, level of education, degrees received, academic grades and class standing, and the most recent previous educational agency or institution attended by the student.".

(c)(1) The heading of section 503 of such title is amended to read as follows:

**"§503. Enlistments: recruiting campaigns; compilation of directory information"**

(2) The item in the table of sections at the beginning of chapter 31 of such title relating to section 503 is amended to read as follows:

"503. Enlistments: recruiting campaigns; compilation of directory information.".

(d)(1) Chapter 31 of title 10, United States Code, relating to enlistments, is amended by adding at the end thereof the following new section:

**"§520. Criminal history information for military recruiting purposes**

"(a) Each State and each unit of general local government of a State is requested to make available, upon request, to the Secretary concerned any criminal history information maintained by or available to such State or unit of general local government which pertains to (1) any person who, within 90 days before the date on which such information was requested, has made application for enlistment in the armed forces, or (2) any person who, within 90 days before the date on which such information was requested, has in connection with an application for enlistment also has made application for participation in a program of the armed forces which requires a determination of trustworthiness of persons who participate in such program.

"(b) In this section, 'criminal history information' means the following information with respect to any juvenile or adult arrest, charge, citation, or conviction of any person referred to in subsection (a): (1) offense; (2) date; (3) place; (4) age; (5) disposition; and (6) court.

"(c) Criminal history information received under this section shall be confidential and no person who has had access to any information received under this section may disclose such information except to facilitate military recruiting.

"(d) The Secretaries concerned shall prescribe regulations necessary to carry out the provisions of this section, which shall be as uniform as practicable. Any regulations issued pursuant to this section shall be reported to the Committees on Armed Services of both Houses of the Congress.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"520. Criminal history information for military recruiting purposes.".

COMPUTING AUTHORIZED DAILY AVERAGE NUMBER OF ENLISTED MEMBERS IN PAY GRADES E-8 AND E-9

SEC. 19. Section 517(a) of title 10, United States Code, is amended—

(1) by inserting "the combined" before "pay grades"; and

(2) by striking out "2 percent and 1 percent, respectively," and inserting in lieu thereof "3 percent, but not to exceed 1 percent in pay grade E-9,".

INCREASE IN RESERVE OFFICERS' TRAINING CORPS SCHOLARSHIPS

SEC. 20. Section 2107(h) of title 10, United States Code, is amended by striking out "6,000" and "6,500" and inserting in lieu thereof "8,000" and "9,500", respectively.

CLARIFICATION OF AUTHORITY TO TRANSPORT CERTAIN MOTOR VEHICLES

SEC. 21. Section 2634(a) of title 10, United States Code, is amended—

(1) by striking out "and for his personal use or the use of his dependents" in the first sentence and inserting in lieu thereof "or his dependents and for the personal use of the member or his dependents"; and

(2) by inserting "or his dependents" in the second sentence after "motor vehicle of the member".

NOMINATIONS BY THE SUPERINTENDENTS OF THE SERVICE ACADEMIES

SEC. 22. (a) Section 4342 of title 10, United States Code, is amended by striking out subsection (d) and inserting in lieu thereof the following:

"(d)(1) Subject to paragraph (2), the Superintendent may nominate persons for appointment as cadets at the Academy. Nominations by the Superintendent may be made at any time, but not more than 50 such nominations may be made for appointment in any year.

"(2) Appointments of persons nominated under paragraph (1) may not displace any appointment authorized under clauses (2)-(7), (9), or (10) of subsection (a) and may not cause the total strength of the Corps of Cadets to exceed that authorized by subsections (a) and (b).".

(b)(1) Chapter 403 of such title, relating to the Military Academy, is amended by inserting after section 4341 the following new section:

**"§4341a. Cadets: appointment by the President**

"Cadets at the Academy shall be appointed by the President alone. An appointment is conditional until the cadet is admitted.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 4341 the following new item:

"4341a. Cadets: appointment by the President.".

(c)(1) Section 6953 of title 10, United States Code, relating to appointment of midshipmen at the United States Naval

Academy, is amended by adding at the end thereof the following new sentence: "An appointment is conditional until a midshipman is admitted.".

(2) Section 6954 of title 10, United States Code, relating to appointment of midshipmen at the United States Naval Academy, is amended—

(A) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively;

(B) by inserting after subsection (c) the following new subsection:

"(d)(1) Subject to paragraph (2), the Superintendent of the Naval Academy may nominate persons for appointment as midshipmen at the Naval Academy. Nominations by the Superintendent may be made at any time, but not more than 50 such nominations may be made for appointment in any year.

"(2) Appointments of persons nominated under paragraph (1) may not displace any appointment authorized under clauses (2)–(7), (9), or (10) of subsection (a) and may not cause the total strength of midshipmen at the Naval Academy to exceed that authorized by subsections (a) and (b)."; and

(C) by striking out "Effective beginning with nominations for appointment to the Academy in the calendar year 1964, the" in subsection (f) (as redesignated by clause (A)) and by inserting in lieu thereof "The".

(d) Section 9342 of title 10, United States Code, relating to the appointment of cadets at the United States Air Force Academy, is amended by striking out subsection (d) and inserting in lieu thereof the following:

"(d)(1) Subject to paragraph (2), the Superintendent may nominate persons for appointment as cadets at the Academy. Nominations by the Superintendent may be made at any time, but not more than 50 such nominations may be made for appointment in any year.

"(2) Appointments of persons nominated under paragraph (1) may not displace any appointment authorized under clauses (2)–(7), (9), or (10) of subsection (a) and may not cause the total strength of the Air Force cadets to exceed that authorized by subsections (a) and (b).".

(e)(1) Chapter 403 of such title, relating to the Air Force Academy, is amended by inserting after section 9341 the following new section:

"§9341a. Cadets: appointment by the President

"Cadets at the Academy shall be appointed by the President alone. An appointment is conditional until the cadet is admitted.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 9341 the following new item:

"9341a. Cadets: appointment by the President.".

(f) The amendments made by this section shall apply to nominations for appointment to the first class admitted to each Academy after the date of enactment of this Act.

COMPANY COMMANDERS AT THE UNITED STATES MILITARY ACADEMY

SEC. 23. Section 4349(a) of title 10, United States Code, is amended by inserting ", Navy, Air Force, or Marine Corps" after "Army".

AUTHORITY OF THE SECRETARY OF THE NAVY TO ISSUE REGULATIONS

SEC. 24. (a)(1) Section 5031 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) The Secretary of the Navy may prescribe regulations to carry out his functions, powers, and duties under this title. The authority of the Secretary under the preceding sentence is in addition to the authority of the Secretary under section 6011 of this title.".

(2) Section 6011 of such title is amended by striking out "with the approval of the President".

(b) United States Navy regulations issued under section 6011 of such title before the effective date of this section shall remain in effect in accordance with their terms until amended or revoked by the Secretary of the Navy.

PER DIEM FOR MEMBERS OF THE NAVAL RESEARCH ADVISORY COMMITTEE

SEC. 25. Section 5153 of title 10, United States Code, is amended by striking out subsection (c) and redesignating subsection (d) as subsection (c).

ELIMINATING DATE FOR NOMINATIONS TO THE NAVAL ACADEMY

SEC. 26. Section 6956 of title 10, United States Code, is amended by striking out subsections (b) and (c) and redesignating subsections (d), (e), and (f) as (b), (c), and (d), respectively.

REIMBURSEMENT FOR ACCOMMODATIONS IN PLACE OF QUARTERS FOR MEMBERS ON SEA DUTY

SEC. 27. (a) Section 3 of Public Law 96-357 (94 Stat. 1182; 10 U.S.C. 7572 note) is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1982".

(b) Section 7572(b) of title 10, United States Code, as amended by section 3 of Public Law 96-357 (94 Stat. 1182; 10 U.S.C. 7572 note) is amended to read as follows:

"(b) Under such regulations as the Secretary prescribes, any member of a uniformed service on sea duty who is deprived of quarters on board ship because of repairs or because of other conditions that make the member's quarters uninhabitable and for whom it is impracticable to furnish accommodations under subsection (a), may be reimbursed for expenses incurred in obtaining quarters in an amount not more than the total of—

"(1) the basic allowance for quarters of a member of the same pay grade without dependents; and

"(2) a variable housing allowance which could be paid to a member of the same pay grade under section 403 of title 37 at the location where the member is deprived of quarters on board ship.

A member entitled to receipt of basic allowance for quarters may not be reimbursed for expenses under this subsection when deprived of quarters on board ship at a location at which the member can reside with such member's dependents. The total amount of such reimbursement may not exceed $9,000,000 for the fiscal year ending September 30, 1981, and may not exceed $6,300,000 for the fiscal year ending September 30, 1982.".

LIMITATIONS ON AMOUNTS PAYABLE TO AVIATION CAREER OFFICERS

SEC. 28. (a)(1) An officer who receives special pay for any period under an agreement executed and accepted under section 301b of title 37, United States Code, shall not be entitled to aviation career incentive pay under section 301a of such title during such period at a rate which exceeds the rate in effect on the day before the effective date of the increase in the rate of aviation career incentive pay provided for by section 5 of this Act.

(2) From the date of enactment of this Act until September 30, 1982, only agreements executed by officers of the Navy or Marine Corps under such section 301b may be accepted.

(b) Section 301b of title 37, United States Code, is amended by adding at the end thereof the following new subsection:

"(e) Special pay may be paid under this section only for agreements accepted before October 1, 1982.".

(c) This section shall become effective on the date of enactment of this Act.

$3,000 ACCESSION BONUS FOR SURFACE NUCLEAR POWER APPLICANTS

SEC. 29. Section 312b of title 37, United States Code, as amended by the Uniformed Services Pay and Allowances Benefits Act of 1980, is amended by striking out "submarine" in paragraph (a)(1).

SEA PAY TO MEMBERS OF TWO-CREW VESSELS

SEC. 30. Section 305a of title 37, United States Code, relating to career sea pay, as amended by the Military Pay and Allowances Benefits Act of 1980, is amended by inserting "such service to include periods as a member of the off crew of a two-crewed submarine" after "underway" in paragraph (d)(1).

AMENDMENTS TO THE MILITARY SELECTIVE SERVICE ACT TO PERMIT PERSONS OVER 65 YEARS OF AGE TO SERVE ON LOCAL DRAFT BOARDS

SEC. 31. Section 10(b)(3) of the Military Selective Service Act (50 U.S.C. App. 460(b)(3)) is amended by striking out "who has attained the age of 65 or" in the sixth complete sentence thereof.

EFFECTIVE DATES

SEC. 32. (a) Except as provided in subsection (b) and otherwise in this Act, the amendments made by this Act shall take effect on October 1, 1981.

(b)(1) The amendments made by section 11 shall take effect on April 1, 1982.

(2) The amendments made by sections 6, 9, 12, 13, 14, 16, 19, 21, 22, 23, 24, 29, 30, and 31 shall take effect on the date of enactment of this Act.

MOTION OFFERED BY MR. NICHOLS

Mr. NICHOLS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NICHOLS moves to strike out all after the enacting clause of the Senate bill, S. 1181, and to insert in lieu thereof the provisions contained in H.R. 3380, as passed by the House, as follows:

SHORT TITLE

SECTION 1. This Act may be cited as the "Armed Forces Pay Act of 1981".

PAY INCREASE OF 14.3 PER CENTUM FOR MEMBERS OF THE UNIFORMED SERVICES

SEC. 2. (a) Any adjustment required under the provisions of section 1009 of title 37, United States Code, relating to adjustments in the compensation of members of the uniformed services, that would otherwise first become effective beginning with any pay period in fiscal year 1982 shall not become effective.

(b)(1) Subject to the provisions of paragraph (2), each element of compensation specified in section 1009(a) of title 37, United States Code, shall be increased for members of the uniformed services by 14.3 per centum effective with the first pay period beginning after September 30, 1981.

(2) The President may allocate the percentage increase specified under paragraph (1) in the same manner and to the same extent the President is authorized under subsections (c) and (d) of section 1009 of title 37, United States Code, to allocate any percentage increase described in subsection (b)(3) of section 1009 of such title, except that the provisions of subsection (d)(2)(B) of such section shall not apply to this subsection or any action of the President under this subsection.

REENLISTMENT AND ENLISTMENT BONUSES

SEC. 3. (a) Section 308(e) of title 37, United States Code, is amended to read as follows:

"(e) Any unserved period of an enlistment (including any extension of enlistment) for which no bonus has been paid or for which no bonus is otherwise payable under this section may, under regulations prescribed by the Secretary concerned, be considered as part of an immediately subsequent term of reenlistment (or as part of an immediately subsequent voluntary extension of an enlistment) for the purpose of determining the eligibility of the member for a bonus under this section and for the purpose of computing the amount of such bonus.".

(b) Section 308a of such title is amended—

(1) by striking out "for a period of at least four years";

(2) by striking out "to a total of at least four years"; and

(3) by striking out "$5,000" and inserting in lieu thereof "$10,000".

SPECIAL PAY FOR UNUSUALLY HAZARDOUS DUTY OR DUTY PERFORMED UNDER UNUSUALLY SEVERE WORKING CONDITIONS

SEC. 4. (a) Chapter 5 of title 37, United States Code, is amended by adding at the end thereof the following new section:

**"§315. Special pay: unusually hazardous duty or duty performed under unusually severe working conditions**

"(a) Under regulations prescribed by the Secretary concerned, a member of a uniformed service who is entitled to basic pay may be paid special pay, in the amount set forth in subsection (b) of this section, for any month during which the member performs duties that have been determined by the Secretary concerned to be—

"(1) unusually hazardous; or

"(2) performed under unusually severe working conditions.

"(b) Special pay payable under subsection (a) of this section shall be paid at the rate of $110 per month, in the case of an officer, and at the rate of $55 per month, in the case of an enlisted member.

"(c)(1) A member may not be paid more than one payment of special pay under this section for any month.

"(2) A member may not be paid special pay under this section for any period of service for which that member receives special or incentive pay under section 301, 301a, 301c, or 304 of this title.

"(d) In time of war, the President may suspend the payment of special pay under this section.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"315. Special pay: unusually hazardous duty or duty performed under unusually severe working conditions.".

DUTY REQUIRING AN ENGINEERING OR SCIENTIFIC SKILL DESIGNATED AS CRITICAL

SEC. 5. (a) Chapter 5 of title 37, United States Code, is amended by adding after 315 (as added by section 4) the following new section:

**"§316. Special pay: engineering and scientific career accession bonus and continuation pay**

"(a) In this section, the term 'engineering or scientific duty' means service performed by an officer holding a degree in engineering or science from an accredited college or university that requires a skill designated under regulations prescribed by the President as critical and that requires an engineering or science degree.

"(b) Under regulations prescribed by the President, an officer of an armed force who—

"(1) is entitled to basic pay;

"(2) has been certified by the Secretary concerned as having the technical qualifications for detail to engineering or scientific duty; and

"(3) executes a written agreement to serve on active duty for detail to engineering or scientific duties for a period of at least four years;

may be paid, in addition to all other compensation to which the officer is entitled, a bonus in an amount not to exceed $15,000. The bonus may be paid in a lump sum or in equal periodic installments, as determined by the Secretary concerned.

"(c) Under regulations prescribed by the President, an officer of an armed force who—

"(1) is entitled to basic pay;

"(2) is below the pay grade of O-7;

"(3) has been certified by the Secretary concerned as having the technical qualifications for detail to engineering or scientific duty;

"(4) has completed at least three but less than nineteen years of engineering or scientific duty as an officer;

"(5) is not serving a period of obligated service under subsection (b) of this section; and

"(6) executes a written agreement to remain on active duty for detail to engineering or scientific duty for at least one year, but no more than four years, of active service;

may, upon acceptance of the written agreement by the Secretary concerned, be paid, in addition to all other compensation to which the officer is entitled, an amount not to exceed $3,000 multiplied by the number of years, or monthly fraction thereof, of obligated service to which the officer agrees under the agreement. The total amount payable may be paid in a lump sum or in equal periodic installments, as determined by the Secretary concerned.

"(d)(1) An officer who does not serve on active duty for the entire period for which he has been paid under subsection (b) or (c) of this section shall refund that percentage of the payment that the unserved part of the period is of the total period for which the payment was made. Nothing in this subsection shall alter or modify the obligation of a regular officer to perform active service at the pleasure of the President. Completion by a regular officer of the total period of obligated service specified in an agreement under subsection (b) or (c) of this section does not obligate the President to accept a resignation submitted by that officer.

"(2) Subject to paragraph (3) of this subsection, an obligation to reimburse the United States imposed under paragraph (1) of this subsection is for all purposes a debt owed to the United States.

"(3) The Secretary concerned may waive, in whole or in part, a refund required under paragraph (1) of this subsection if the Secretary concerned determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

"(4) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of an agreement under this section does not discharge the member signing such agreement from a debt arising under such agreement or under paragraph (1) of this subsection. This paragraph applies to any case commenced under title 11 after September 30, 1981.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"316. Special pay: engineering and scientific career accession bonus and continuation pay.".

RATE FOR MEALS PORTION OF PER DIEM FOR CERTAIN MEMBERS AWAY FROM DESIGNATED POST OF DUTY

SEC. 6. Section 404(b) of title 37, United States Code, is amended by adding at the end thereof the following new sentence: "In prescribing such conditions and allowances, the Secretaries concerned shall provide that a member who is performing travel under orders away from his designated post of duty (other than a member on field duty or sea duty, as defined in regulations prescribed under section 402(e) of this title, or a member of a unit operating in an overseas area in a case in which the Secretary concerned has determined that unit messing is essential to the accomplishment of that unit's training and readiness) shall, whenever a per diem is authorized under clause (2) of subsection (d) of this section, be paid for the meals portion of that per diem in a cash amount at a rate that is not less than the rate established under section 1011(a) of this title for meals sold to members.".

TEMPORARY LODGING EXPENSES

SEC. 7. (a)(1) Chapter 7 of title 37, United States Code, is amended by inserting after section 404 the following new section:

**"§404a. Travel and transportation allowances: temporary lodging expenses**

"(a) Under regulations prescribed by the Secretary concerned, a member of a uniformed service who is ordered to make a change of permanent station to another station in the United States may be paid or reimbursed for subsistence expenses actually incurred by the member and the member's dependents during a period not exceeding four days while occupying temporary quarters incident to that change of permanent station.

"(b) Regulations prescribed under subsection (a) of this section shall prescribe average daily subsistence rates for purposes of this section for the member and for each dependent. Such rates may not exceed the maximum per diem rates prescribed by or under section 404(d) of this title for the area where the temporary quarters are located.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 404 the following new item:

"404a. Travel and transportation allowances: temporary lodging expenses.".

(b) Section 411(a) of such title is amended by inserting "404a," after "(d)-(f),".

ADVANCE PAYMENT OF CERTAIN TRAVEL AND TRANSPORTATION ALLOWANCES

SEC. 8. (a) Section 405a(a) of title 37, United States Code, is amended by inserting after the second sentence in that section the following new sentence: "Such allowances may be paid in advance.".

(b) Section 406(a) of such title is amended by adding at the end thereof the following new sentence: "Travel and transportation allowances authorized by this section may be paid in advance.".

(c) Section 407(a) of such title is amended by adding at the end thereof the following new sentence: "An allowance payable under this section may be paid in advance.".

TRAVEL AND TRANSPORTATION FOR MEMBERS SERVING CONSECUTIVE ASSIGNMENTS OVERSEAS

SEC. 9. Section 411b(a) of title 37, United States Code, is amended—

(1) by inserting "(1)" after "(a)";

(2) by inserting "who is ordered to a consecutive tour of duty at the same duty station or" after "District of Columbia"; and

(3) by adding at the end thereof the following new paragraph:

"(2) If, because of military necessity, a member authorized travel and transportation allowances under this subsection is denied leave between the two tours of duty overseas, the member shall be authorized to use such travel and transportation allowances from his current duty station at the first time the member is granted leave.".

TRAVEL FROM ISOLATED DUTY STATIONS AND TRAVEL INCIDENT TO EMERGENCY LEAVE

SEC. 10. (a) Chapter 7 of title 37, United States Code, is amended by inserting after section 411b the following new sections:

**"§411c. Travel and transportation allowances: travel performed in connection with leave from certain stations in foreign countries**

"(a) Under uniform regulations prescribed by the Secretaries concerned, a member of a uniformed service, while serving at a duty station abroad in an area specifically designated by the Secretary concerned for purposes of this section, may be paid transportation—

"(1) to another location abroad having different social, climatic, or environmental conditions than those at the duty station at which the member is serving; or

"(2) to a location in the United States.

"(b) The transportation authorized by this section is limited to payment for transportation of the member, and of each dependent of the member authorized to reside at the member's duty station, for one roundtrip during any continuous two-year tour and two roundtrips during any continuous three-year tour.

**"§411d. Travel and transportation allowances: transportation for members stationed abroad and dependents incident to emergency leave**

"(a) Under uniform regulations prescribed by the Secretaries concerned, roundtrip transportation for a member stationed overseas and for dependents of the member authorized to reside at the member's duty station may be provided from the member's duty station to the United States or its possessions incident to emergency leave granted for reasons of personal emergency (or, in the case of transportation provided only for a dependent, under circumstances involving a personal emergency similar to the circumstances for which emergency leave could be granted a member).

"(b) Transportation under this section may be authorized only upon a determination that, considering the nature of the emergency involved, Government transportation is not reasonably available. Transportation authorized under this section shall be limited to the cost of Government-procured commercial roundtrip air travel from the international airport nearest the location of the member and dependents at the time notification of the emergency is received or the international airport nearest the duty station of the member and dependents in the overseas area—

"(1) to the international airport within the continental United States closest to the overseas airport from which the member or dependents depart; or

"(2) as determined by the Secretary concerned, to an airport within the United States or its possessions convenient to the uniformed service involved.

**"§411e. Travel and transportation allowances: travel performed in certain emergency situations**

"Under regulations prescribed by the Secretaries concerned, a member of a uniformed service who is performing temporary duty away from his permanent duty station may be paid the travel and transportation allowances provided by section 404 of this title for travel performed from his place of temporary duty to his permanent duty station or to any other location, and return (if applicable), if such travel has been approved because of the serious illness or injury or the death of a dependent of the member. Travel and transportation to a location other than the permanent duty station of the member may not be paid under this section in excess of the amount for such travel and transportation to the member's permanent duty station, and return (if applicable).".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 411b the following new items:

"411c. Travel and transportation allowances: travel performed in connection with leave from certain stations in foreign countries.

"411d. Travel and transportation allowances: transportation for members stationed abroad and dependents incident to emergency leave.

"411e. Travel and transportation allowances: travel performed in certain emergency situations.".

UNIFORM ALLOWANCES AND ADVANCED PAY FOR MEMBERS OF THE ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP PROGRAM

SEC. 11. (a) Subsection (a) of section 415 of title 37, United States Code, is amended—

(1) by striking out "or" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof the following new paragraph:

"(4) upon reporting for the first period of active duty required by section 2121(c) of title 10, United States Code, as a member of the Armed Forces Health Professions Scholarship Program.".

(b) Section 1006 of such title is amended by adding at the end thereof the following new subsection:

"(i) Under regulations prescribed by the Secretary concerned, not more than one month's pay may be paid in advance to a member of the Armed Forces Health Professions Scholarship Program upon reporting for a period of active duty required by section 2121(c) of title 10.".

SPECIAL PAY FOR AIR WEAPONS CONTROLLERS ON AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) AIRCRAFT

SEC. 12. (a) Subsection (a) of section 301 of title 37, United States Code, is amended—

(1) by striking out "or" at the end of clause (9);

(2) by striking out the period at the end of clause (10) and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof the following new clause:

"(11) involving frequent and regular participation in aerial flight by an officer (other than a warrant officer) who is serving as an air weapons controller crew member, as defined by the Secretary concerned, aboard an airborne warning and control system aircraft, as designated by such Secretary, and who is not entitled to incentive pay under section 301a of this title.". (b) Subsection (c) of such section is amended—

(1) by inserting "(1)" before "For the performance"; and

(2) by adding at the end thereof the following new paragraph:

"(2) For the performance of hazardous duty described in clause (11) of subsection (a) of this section, an officer is entitled to monthly incentive pay as follows:

"YEARS OF SERVICE AS AN OFFICER AS COMPUTED UNDER SECTION 205

| Pay grade | 2 or less | Over 2 | Over 3 | Over 4 | Over 6 | Over 8 | Over 10 | Over 12 | Over 14 | Over 16 | Over 18 | Over 20 | Over 22 | Over 24 | Over 25 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 0–7 and above | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $110 |
| 0–6 | 225 | 250 | 300 | 350 | 400 | 400 | 400 | 400 | 400 | 400 | 370 | 340 | 310 | 280 | 250 |
| 0–5 | 200 | 250 | 300 | 350 | 400 | 400 | 400 | 400 | 400 | 400 | 370 | 340 | 310 | 280 | 250 |
| 0–4 | 175 | 225 | 275 | 335 | 400 | 400 | 400 | 400 | 400 | 400 | 370 | 340 | 310 | 280 | 250 |
| 0–3 | 125 | 156 | 188 | 206 | 400 | 400 | 400 | 400 | 400 | 400 | 350 | 300 | 300 | 275 | 250 |
| 0–2 | 125 | 156 | 188 | 206 | 250 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 275 | 220 |
| 0–1 | 125 | 156 | 188 | 206 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 200.". |

INCREASE IN NUMBER OF SENIOR RESERVE OFFICERS' TRAINING CORPS SCHOLARSHIPS

SEC. 13. Section 2107(h) of title 10, United States Code, relating to financial assistance for specially selected member, is amended—

(1) by striking out "6,000" and inserting in lieu thereof "8,000"; and

(2) by striking out "6,500" and inserting in lieu thereof "9,500".

EFFECTIVE DATES

SEC. 14. (a) Except as provided in subsection (b), the amendments made by this Act shall take effect on October 1, 1981.

(b) The amendments made by section 7 shall take effect on April 1, 1982.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill to increase the pay and allowances of members of the Armed Forces."

A similar House bill (H.R. 3380) was laid on the table.

□ 1720

## AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF HOUSE AMENDMENTS TO S. 1181, ARMED FORCES PAY ACT OF 1981

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent that in the engrossment of the House amendments to the Senate bill, S. 1181, the Clerk be authorized to make necessary tech-

nical corrections, including section numbers, punctuation, and cross references, as may be necessary to reflect the actions of the House in amending the bill H.R. 3380.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

## GENERAL LEAVE

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

## HOUR OF MEETING ON TOMORROW, WEDNESDAY, SEPTEMBER 16, 1981

Mr. FOLEY. I ask unanimous consent that when the House adjourns tonight, it adjourn to meet tomorrow at noon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. LOTT. Mr. Speaker, reserving the right to object, could I inquire of the gentleman from Washington (Mr. FOLEY) what the schedule will be tomorrow and what time we might expect to finish up tomorrow, since we will be coming in at noon?

Mr. FOLEY. Mr. Speaker, if the gentleman will yield, we are anticipating that we will adjourn tomorrow at a reasonable hour, something similar to the schedule that is anticipated for today. It is not anticipated that we will be in late tomorrow night.

The schedule tomorrow will be the continuing appropriations resolution and the beginning of the military construction appropriations bill.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I am delighted to yield to our distinguished leader.

Mr. MICHEL. Mr. Speaker, I appreciate the gentleman's yielding.

Might I ask the distinguished majority whip if the question has been asked as to what the program might be on Friday? The gentleman will recall. I think, that we had a conversation earlier about that because we have a conference with the Canadians that is very critical, with a number of Members involved on both sides, and we discussed the embarrassment that might follow if it has to be canceled again, that conference having to do with acid rain, which is a very critical problem.

I wonder if the distinguished majority whip would give us any kind of indication as to whether or not we could assure Members there would not be rollcall votes on Friday that would in anyway inhibit that conference?

Mr. FOLEY. Mr. Speaker, will the gentleman from Mississippi yield further?

Mr. LOTT. I am happy to yield to the distinguished majority whip.

Mr. FOLEY. Mr. Speaker, in response to the distinguished Republican leader's inquiry, we have three matters we would like to complete this week, the continuing appropriations resolution, the military construction bill, and State Department authorizations. Upon the completion of those matters, which could be accomplished tomorrow and Thursday, then we would have no more than a pro forma session on Friday. However, it is the intention of the leadership to try to conclude those three items of legislation this week, and we would have to reserve the possibility of a Friday session in the event we cannot complete the business on the calendar by Thursday evening. I understand the distinguished Republican leader's concern, and we would hope to accommodate that concern with no more than a pro forma session on Friday, without substantial votes in any case, if we could get through these three items of legislation.

Mr. MICHEL. Mr. Speaker, I thank the gentleman, and with that response I would give the gentleman our utmost assurance of our cooperation in order to meet that schedule and so we would not embarrass Members with a full Friday session.

Mr. FOLEY. Mr. Speaker, needless to say, the conference is important to both sides of the aisle, and I am sure the gentleman knows we have a deep concern with the ongoing relations between the parliamentarians of Canada and the United States.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the gentleman's yielding.

So that means that there is a real possibility on Thursday that we might be in late in order to complete the schedule?

Mr. FOLEY. Mr. Speaker, if the gentleman will yield, yes, we might be in late Thursday. I think the fact is that if we finish the week's agenda by Thursday afternoon late, the Members would rather conclude the schedule and avoid a Friday session.

Mr. LOTT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

## PERMISSION FOR COMMITTEE ON THE JUDICIARY TO FILE REPORT ON H.R. 3112, VOTING RIGHTS EXTENSION ACT

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight to file a report on H.R. 3112.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. WALKER. Mr. Speaker, reserving the right to object, could the gentleman tell us what that bill is?

Mr. EDWARDS of California. Mr. Speaker, if the gentleman will yield, that is the Voting Rights Extension Act.

Mr. WALKER. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

## NATIONAL CYSTIC FIBROSIS WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 62) to authorize and request the President to designate the week of September 20 through 26, 1981, as "National Cystic Fibrosis Week," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 62

Whereas cystic fibrosis is the number one genetic killer of children in America, and between one thousand five hundred and two thousand five hundred are born each year in this country with the disease; and

Whereas public understanding of cystic fibrosis is essential to enhance early detection and treatment of the disease and reduce the misunderstanding and confusion concerning the symptoms of cystic fibrosis; and

Whereas a national awareness of the cystic fibrosis problem will stimulate interest and concern leading to increased research and eventually a cure for cystic fibrosis: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the week of September 20 through 26, 1981, is designated as "National Cystic Fibrosis Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the Senate joint resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

## GENERAL LEAVE

Mr. KOGOVSEK. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks, and to include therein extraneous material, on the subject of the special order speech today by the gentleman from Oklahoma (Mr. SYNAR).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

## GENERAL LEAVE

Mr. KOGOVSEK. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks, and to include therein extraneous material, on the subject of the special order speech today by the gentleman from Arkansas (Mr. ALEXANDER).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was not objection.

## SECRETARY OF INTERIOR WATT MUST BE DISMISSED

(Mr. HARKIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARKIN. Mr. Speaker, the great conservationist, Aldo Leopold, once said "we abuse land because we regard it as a commodity belonging to us. When we see land as a community to which we belong, we may begin to use it with love and respect."

I believe therein lies the reasons for Mr. Watt's actions to date. Mr. Watt sees our land and our wilderness areas, not as the community to which we belong, but as a commodity to be used and to be dispensed with. That is why almost all of the conservationist groups in this country—the Sierrra Club, the Wilderness Society, the National Wildlife Federation, the Isaac Walton League—have all called for Mr. Watt's removal.

It is a shame that the Republican Party, which has a proud heritage of concern for our wilderness areas and for our natural resources, has not come to the forefront and also asked for Mr. Watt's removal.

I call upon my friends and colleagues in the Republican Party to reclaim that proud heritage of Teddy Roosevelt, to ride Jim Watt out of town on a rail and send him back to this private law firm in Denver where he can represent his special interests as they ought to be represented, by a private lawyer and not by a Secretary of the Interior.

Mr. Speaker, the Secretary of the Interior has historically been relied on by the American public to place the value of environmental conservation above the values of big business and profiteering.

Many people still believe this is the role of the Interior Secretary and that Mr. Watt is not fulfilling that role, and please count me among them. In 6 short months Watt has managed to incur the wrath of every major environmental and conservation group in the country—from the most liberal to the most conservative.

The Sierra Club has more than 750,000 signature on a petition asking for Watt's removal.

The Wilderness Society's board of directors has called for Watt's removal.

The National Wildlife Federation's 4.5 million members, when polled, opposed Watt by a 13-1 margin. This is a group that supported President Reagan in November 2 to 1.

The Izaak Walton League of America characterized by its executive director, Jack Lorenz, as extremely conservative, passed a resolution at its annual conference asking for Watt's removal.

Watt's declaration that environmental policy will be made using the budget system as an excuse is highly irresponsible.

Let me cite for you some of the anti-Interior positions and actions of Mr. Watt. He advocates:

Giving national park concessionaires a greater role in park management;

A weakening of Federal surface mining controls;

A relaxation of the environmental impact statement process; and

Accelerated offshore leasing while reducing funds for environmental assessments.

This spring he abolished the Heritage Conservation and Recreation Service while programs administered by it were still in existence, hoping that through the budget process they too would be dismantled.

Once again, I would like to join with other Members of Congress and millions of Americans in calling for Secretary James G. Watt's dismissal.

## SOCIAL AND ENERGY SECURITY

(Mr. NELLIGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. NELLIGAN. Mr. Speaker, I am introducing a bill to earmark the revenues collected by the Federal Government—and generated from offshore exploration and drilling by gas and oil companies—to the social security old age and survivors insurance trust fund.

As you know, the future solvency of the social security system is not assured. According to Health and Human Services Secretary Richard Schweiker, the social security system could go broke as early as the fall of 1982 if necessary steps are not taken. In addition, the social security trust fund deficit could climb as high as $111 billion in the next 5 years.

Some may argue whether the situation is that serious. However, it is obvious that some steps must be taken to shore up the system.

There have been various proposals made to save the system, most of which I cannot support. One proposal which comes to mind is that of raising the retirement age from 65 to 68. Another proposal I have a problem accepting is the reduction of benefits for early retirees.

I come from a district in Pennsylvania where a major portion of the population is elderly and is therefore greatly dependent on social security. As their representative, I am very concerned about any attempt to cut social security benefits. I cannot—and will not—support the cutting of benefits for those elderly persons already dependent on the system. Instead of altering benefits or the retirement age to fit the current and anticipated revenues of the social security system, we must find additional funds to continue operation of the system.

The Federal Government currently opens up its offshore areas to gas and oil exploration and development. As a result, the Government collects revenues from the companies in exchange for exploration and production rights.

According to the most recent Health and Human Services Department survey, and using the President's economic assumptions, $59 billion more will flow out of the social security system between January 1, 1981 and January 1, 1986, than will flow into it. The total offshore revenue for that same time period is projected to be about $65 billion. If these revenues were to be earmarked for the social security system, about $6 billion more would flow into the system than out of it.

However, I would like to make clear that my bill would draw no funds away from the land and water conservation fund, which is used for the acquisition of conservation land such as parks and wildlife refuges. Presently, $900 million in offshore revenues are earmarked for the land and water conservation fund each year. My bill states explicitly that no funds credited to the conservation fund can go to the social security trust fund. Even after subtracting $900 million per year from the offshore revenues placed into social security, $1.5 billion more would flow into the system than out of it over the 5-year period.

The attached chart shows the projected net inflow or outflow in the social security system for the years 1981 through 1985. Also in the chart are estimated revenues to be generated from offshore exploration and drilling, minus funds earmarked for the land and water conservation fund. The third column shows the status of the

social security old age trust fund after the addition of the offshore revenues. As can be seen, the addition of these revenues would eliminate the short-term social security deficit over the 5-year period. After this period, the fund should stay in balance until almost the year 2020, using the President's economic assumptions.

I believe that to take these offshore revenues for use in the social security system makes sense. The offshore areas belong to the Federal Government and, as such, belong to all of the people. The social security system is important to all Americans, too. Therefore, I think it appropriate that what belongs to the people should be used to shore up the social security system, which concerns and affects all of us.

In addition, tying the social security system and the offshore leasing program together will encourage the development of our offshore oil and gas resources. I believe that 99 percent of our Nation's problems stem from the failure to achieve energy independence. My bill will help assure social security for the elderly and energy security for the Nation.

I am very much concerned over the future of the social security system. As I stated before, I represent a district which has a high proportion of elderly people who are dependent—or will soon be dependent—on social security. I cannot, in good conscience, justify taking away any of their benefits. Therefore, I am introducing this bill to help generate the necessary funds for the social security system without cutting benefits.

I urge my colleagues to join me in cosponsoring this bill.

EFFECT OF ADDING OFFSHORE REVENUES TO THE SOCIAL SECURITY OLD AGE AND SURVIVORS INSURANCE TRUST FUND (OASI)

[In billions of dollars]

| Year | OASI income over disbursements | Offshore energy revenues [1] | OASI income over disbursements with offshore revenues added |
|---|---|---|---|
| 1981 | −3.7 | 9.5 | 5.8 |
| 1982 | −11.8 | 10.5 | −1.3 |
| 1983 | −15.1 | 11.8 | −3.3 |
| 1984 | −16.9 | 13.2 | −3.7 |
| 1985 | −11.5 | 15.5 | 4.0 |
| Total | −59.0 | 60.5 | 1.5 |

[1] Excludes the $900 million/per year which is earmarked to the land and water conservation fund.

## THE PASSING OF ROY WILKINS: 1901–81

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ADDABBO) is recognized for 60 minutes.

GENERAL LEAVE

Mr. ADDABBO. Mr. Speaker, in honor of Roy Wilkins, and so that Members of Congress may say goodby to this remarkable man, I have requested this special order in honor of Roy Wilkins, and I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ADDABBO. Mr. Speaker, our Nation is a poorer place spiritually and morally, as it mourns the passing of Roy Wilkins, a dear friend, constituent, and civil rights leader who passed away in New York City at the age of 80. As the former executive director of the National Association for the Advancement of Colored People for a great many years Roy Wilkins helped achieve unprecedented economic and civil rights gains for the minority of this country. As a leader who taught and fought for the poor, the weak, and the discriminated, he was without peer, and as a compassionate human being striving for justice, he was without parallel.

For a half a century the name Roy Wilkins was synonymous with reason and justice for millions of black Americans who were denied the rights and dignity expressed in our Constitution. For 50 years he fought this Nation's greatest battle, a battle against ignorance and prejudice, segregation and oppression. For 50 long and sometimes bitter and painful years he walked the Halls of Congress fighting for people who's voices were too soft to be heard. For 50 years he marched in demonstrations demanding equal protection under the laws. And for 50 years he stood his ground in courts across this Nation fighting to achieve voting rights, integrated schools, and fair housing for black Americans

To give you an idea of just how important Roy will remain in the hearts of all Americans, just consider that it was he who set the legal process in motion to eventually have the Supreme Court in 1954 rule that "separate but equal" facilities in public education was unconstitutional. It was a decision that many legal scholars consider one of the most important of all time.

Though Roy has passed away he leaves with us many monuments of his work. They are not buildings of stone, but rather, edifices of justice and equality, structures in law which will always remain standing.

To his wife, a wonderful woman who was instrumental in helping Roy maintain his spirit and seemingly endless supply of energy, my prayers are with her in this time of mourning. She surely must be comforted, secure in the knowledge that her husband was loved by millions of Americans who today and in the future will benefit from his work.

Mrs. CHISHOLM. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentlewoman from New York.

Mrs. CHISHOLM. Mr. Speaker, I, too, would like to add a few words to this congressional tribute to the memory of Roy Wilkins.

I was shocked and saddened by the passing of one of America's great leaders. He was not only a leader of the blacks of this Nation. He spoke and he struggled for a liberation of spirit which has uplifted all of America. His untiring commitment to the civil rights movement brought about a lessening of the segregation, discrimination, and exploitation that have been a longstanding blight on the national conscience.

It has been said that in order to hold a man down, you have to stay down there with him. Roy Wilkins helped us all to climb from the dark hole of racism into the bright light of equality.

This great man was born at a time when the freedoms won during the Civil War had been subverted by a pervasive system of segregation, Jim Crow laws, political disenfranchisement, and the use of physical terror against those who sought to exercise all their constitutional rights. He reached maturity in an environment in which nearly every road to opportunity and advancement was blocked for all but white males. He saw and he felt the need for a "second reconstruction," a new national drive to finally put an end to second-class citizenship for millions of black Americans.

Roy Wilkins' legendary role in the 1954 school desegregation case is testimony enough of his contribution to that "second reconstruction"; but it is just one exemplary achievement in a long list of accomplishments.

He participated, he was there, in the battles that resulted in the enactment of civil rights laws, in the integration of schools and universities, in the election of minority public officials, and in the appearance of blacks in institutions and professions where none had been welcome.

Without flamboyance, without noisy rhetoric, and without militant appeals, he quietly and persistently directed the work of the NAACP. With dedication and determination, he adhered to the principles of nonviolent struggle in the legislatures and courts of the Nation.

Particularly during the turbulence of the sixties, more radical activists came on the scene, preached revolution, but soon dropped from view. However, like A. Philip Randolph and Dr. Martin Luther King, Jr., Roy Wilkins understood how to bring about lasting change in America. The outcome of his labors will benefit generations of citizens years after the recent day he drew his last breath.

We who survive him have an opportunity, and a responsibility, to pick up the banner and renew the struggle. The agenda he set, the dream he held so dear for an America of real equality, remains unrealized. To truly honor

his memory, we must complete his work and free our Nation from the curse of discrimination, wherever it may linger.

Mr. MITCHELL of Maryland. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Speaker, I thank the gentleman for yielding, and I commend him for taking this special order. Indeed this Nation is the lesser because of the passing of Roy Wilkins, and I want to join in this tribute to his life.

Mr. Speaker, on September 8, 1981, this Nation lost a leader whose legacy moves us one step closer to the achievement of equality for all people. Roy Wilkins, a leader and stalwart of the National Association for the Advancement of Colored People (NAACP) for 46 years, and its executive director for 22 years, passed away following a serious battle with ill health.

While sadness over his recent death remains with us, the strength of Roy Wilkins' life and the very spirit of his commitment will continue to guide us for many years to come. There are not many who will forget or cease to benefit from Mr. Wilkins' significant contributions and leading role in landmark decisions and laws which helped to form the foundation for the national focus on civil and human rights. For example, it was Roy Wilkins who was the NAACP administrator when this organization won the monumental Brown against Board of Education decision in the U.S. Supreme Court in 1954. This decision provided the essential impetus for the pursuit of equal educational opportunities since it overturned the 1896 Plessy against Ferguson decision, which maintained the legal justification for racial segregation in this country.

Roy Wilkins' tenure as a leader within the NAACP was marked with many other triumphs for those who sought the equal application of justice to all citizens under our Nation's laws. Some of the highlights include his role as a key supporter and organizer of the historic 1963 March on Washington. This march, a reiteration of many citizens' concerns for the enjoyment of equal rights by all, was a part of Roy Wilkins' work which led to the congressional passage of the 1964 national Civil Rights Act.

As we reflect on the life of Roy Wilkins, we can see that this "quiet storm" of a man provided an example worthy of duplication. We must share with our children the works of this great human being, and the constant reminder that his statements and actions were based on intensive research and the thorough completion of his homework.

Throughout his life, Roy Wilkins' work symbolized pride, dedication, tenacity, and concern for all people. His particular activities to safeguard and promote the rights of black people in this Nation epitomized a human who, in his heart, felt that the meaning of "family" extended beyond strict biological boundaries. These are but a few of the things about Roy Wilkins which will never be forgotten.

□ 1730

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from New York.

Mr. WEISS. Mr. Speaker, Roy Wilkins' life should be an inspiration to all those who believe that human values should be preeminent in our society. He was a man who achieved great things in a momentous cause.

Roy Wilkins was a model for all leaders. He showed that intensity of belief can be consistent with responsible political style. He was a man with a vision, a vision whose clarity and consistency gave him strength to persist on its behalf. He was a pragmatist who knew the value of sound planning and careful execution. He knew that men and women must stand up for their rights. The grandson of a Mississippi slave, Roy Wilkins began his career as the crusading editor of a black weekly, the Call, in Kansas City, Mo. Within a few years, he had been asked to join the staff of the National Association for the Advancement of Colored People NAACP. His first project was the exposure of the virtual slave conditions under which blacks worked building levees beside the Mississippi River on a Federal project. After working those levees incognito, Wilkins said he had learned more about racism than in years of journalistic and academic observation.

That experience must have fortified him for the struggles to come. The high point, he said, was the ruling of the U.S. Supreme Court in the 1954 case, Brown against Board of Education, overturning the doctrine of "separate but equal" and the racial segregation it condoned. It is Roy Wilkins who deserves much of the credit for planning the legal battle that led to that decision.

Wilkins was a key planner of the 1963 march on Washington, when civil rights flowered as an issue in the national mind. He worked behind the scenes to insure passage of the landmark civil rights laws of the 1960's. And 30 years before, he had led the drive to enact antilynching laws when that foul practice was still common in the rural South and Midwest.

Roy Wilkins worked for the NAACP for 50 years. He served as its executive director for 22 years. During his tenure with the organization, it grew from 25,000 members to a powerful force of 400,000, and annual income rose from $80,000 to $3.6 million. It always got its basic support from the ordinary people of this land, especially the working blacks whose rights Roy Wilkins so eloquently fought for.

Those who criticized his low-key style during the sixties today must know that Roy Wilkins was an invaluable leader. Without his dogged pursuit of legal and legislative goals, the codification of all Americans' civil rights may not have been achieved when it was, or in the form that it was. Due to his leadership, black and white children in Virginia, Texas, New York, Massachusetts, and across the Nation now attend school together. The most hideous legal barriers to equality, that once marked this land with an American apartheid, have fallen. His fellow Americans have seen that civil rights is a cause that transcends self-interest, one that will ennoble us all by its realization.

Roy Wilkins struggled for the rights of all people. He knew that without common understanding, no one will ever be free. It is an honor to remember him, and to have worked in some small way to help in the cause he did so much to advance.

Mr. CONYERS. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Speaker, I thank my colleague for yielding and for taking this special order on Roy Wilkins. I feel a personal loss.

Throughout my career in the North as a civil rights activist, Roy Wilkins was the word, was the image, was the strategist that brought many in the communities across this Nation together in a very unique way. In addition, of course, he worked very closely with the Presidents of the United States in the passage of civil rights legislation.

So I very proudly join with my colleagues who pay Roy Wilkins this important tribute this day in this House.

Mr. PANETTA. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from California.

Mr. PANETTA. I thank the gentleman for yielding and congratulate him on assembling this tribute to Roy Wilkins.

As Director of the Office of Civil Rights, I had the opportunity to work very closely with Mr. Wilkins in the effort to try to achieve equal education in this country. I think he was a man who was very sensitive to the needs of everyone in the effort to obtain equal rights, and we will miss him a great deal in the efforts to implement civil rights laws in this country.

Mr. Speaker, I would like to pay tribute to a heroic figure in recent American history, Mr. Roy Wilkins, whose death last week saddened everyone who cares about freedom and social justice.

The grandson of a Mississippi slave and the son of a college graduate who was forced to earn a living tending a brick kiln, Mr. Wilkins took an activist role in the civil rights movement at an early age. As a student at the University of Minnesota and as managing

editor of a Kansas City newspaper, he called attention to the plight of blacks in America. In the early thirties, when lynchings still occurred in alarming numbers throughout the country, Mr. Wilkins joined the staff of the NAACP, later becoming greatly involved in planning for the landmark Brown against Board of Education case, in which the Supreme Court outlawed "separate but equal" public schools. In 1955 he was named executive director of the NAACP, a post he held for 22 years, years that saw the economic and political status of American blacks improve dramatically.

Mr. Wilkins served as the calm eye in the storm that swirled around the civil rights movement. He refused to advocate violence and disruption to achieve the goals of the movement, but rather advised blacks to work within the legal system and with government to secure rights owed them under the Constitution. The numerous statutes that now exist guaranteeing minority rights in elections, housing, and jobs are a testament to Mr. Wilkins' persuasiveness and dedication to the civil rights movement. We were all fortunate to have so fine a man in such a sensitive position throughout one of the most difficult periods of our history.

As Director of the Office for Civil Rights, I had the opportunity to work closely with Mr. Wilkins in the effort to promote equal education for our children.

Mr. DYMALLY. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from California.

Mr. DYMALLY. Mr. Speaker, on Tuesday, September 8, 1981, America lost one of her greatest sons.

The tributes from those who loved and admired Roy Wilkins, as well as from those who were compelled to respect him even as they differed with him, speak eloquently of the mark he made on this Nation's life.

As is true of all the faithful who seek not to tyrannize, but to serve humankind, Roy Wilkins lived his commitment. His was not the way of empty ritual or hypocritical rhetoric, but of action.

He literally put his life on the line that those he considered his brothers and sisters—and they were both black and white—might inherit lives of freedom and dignity. Few indeed there are of whom as much can be said.

As journalist, as civil rights worker, as leader of the NAACP during two of the most critical decades of this century, Roy Wilkins showed the rest of us how to live a life of humanitarian concern.

There is a certain irony, and yet a profound symbolism, in his sojourn with us coming to an end as America is turning away from the values he held dear. It is almost as if he chose to stage one last grand protest of the violence and selfishness and greed that has gripped our Nation's soul.

It is sometimes the case that circumstances are such as to enable the voice of a prophet to be heard only in death. I pray this final act of his may serve to waken us to the options we have before us—indeed, awaken us to the reality that we do have options.

This would surely be the most fitting tribute, for Roy Wilkins' fight, above all else, was a fight against the intolerance and closed-mindednesss of dogmatism that denies us options and so denies us freedom.

His was a spirit that rejoiced in opening the gates to opportunity. If we seek to honor that spirit, let us not utter mere words; let us authenticate in our actions our own faith that his was the right way, the just way, and what ought to be the American way.

Ms. FERRARO. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I am pleased to yield to the gentlewoman from New York.

Ms. FERRARO. Mr. Speaker, I want to commend my distinguished colleague and good friend, the gentleman from New York, for asking for this special order to honor a man who contributed so much to American history over the past 50 years—Roy Wilkins.

In 1958, when I was a student at the Fordham University Law School, I had the opportunity to interview Roy Wilkins, who at the time had already been active in the civil rights movement for a quarter century and was executive director of the NAACP.

In that interview, Roy Wilkins impressed me as a brilliant, articulate, compassionate man, totally dedicated to the cause of civil rights.

In the years following, Roy Wilkins would become a nationally known figure and one of the leading lights in this country's struggle to escape the darkness of racial prejudice.

His efforts made possible the 1963 Freedom March on Washington at which Martin Luther King, Jr., made his historic "I Have A Dream" speech.

He always believed in working within the system. When the frustrations and pressures forced some to turn to violence, he steadfastly pursued his goals of justice, equality, and opportunity in the Congress, in the courts, and in the country.

Perhaps more than any other person out of government, Roy Wilkins played a vital role in the passage of the major civil rights legislation of the sixties. The Civil Rights Act of 1964, the Voting Rights Act of 1965, and the Fair Housing Act of 1968 all bore the mark of his influence.

A few years ago, I had the opportunity to meet Roy Wilkins again. While he was not as physically active as he had been—in fact, his wife had to read his speech that day—his words showed the same brilliance, the same reasonableness, the same dedication to the cause that fired a nations's spirit.

In our continuing efforts to achieve racial equality, we will miss Roy Wilkins.

Mr. WASHINGTON. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from Illinois.

Mr. WASHINGTON. Mr. Speaker, it is with sadness and a deep sense of loss that I join my colleagues today in paying our respects to the late Roy Wilkins.

No one can doubt that Roy Wilkins was a man worthy of our respect and a man who won the respect of the entire Nation.

But Roy Wilkins, the man, is gone. So let us look beyond the man to his lasting legacy, the contributions he made to his community, his Nation, and his world. Let us look at what he did and how he did it.

Like most of us, Roy Wilkins was a product of his time. A man of great dignity, he sought dignity in others. A deeply tolerant man, he believed that tolerance and patient perseverance would bring out the best in all men and women. His entire career, every major act in his 46 years of service at the NAACP, was testimony to the depth of Roy Wilkins' unshakable faith in his fellow human beings.

Roy Wilkins was no Joshua. He was not the one to make the walls come tumbling down. Roy Wilkins was a man who believed in knocking at the door, a man with faith that, in righteous time, the doors would be opened.

That one word, faith, is the key to understanding Roy Wilkins. It was faith that kept him going when the obstacles seemed insurmountable. It was faith which made him a most patient, most persistent spokesman for black people, through periods of hardship which would drive a lesser man to deep despair.

He had faith in the American people, that one day we would all march together—black and white, young and old—in a history-making crusade for racial and economic justice.

He had faith in the Congress and the Presidency, faith that this Nation's leaders would adopt and sign the civil rights laws which were needed to transform the fine words of the Bill of Rights and of the 13th, 14th and 15th amendments to the Constitution into a living reality for all citizens.

He had faith that the American system would prevail; that the words "liberty and justice for all" were more than just rhetoric; that our Nation's Government and private institutions would respond to patient, reasoned arguments and forthright but tactful pressure. He believed in working through channels. He believed—as much as any Member of this body—in the legislative process, in the judiciary, in the Presidency. He believed that the wheels of justice would turn, that justice would be done, even when all the historical evidence suggested otherwise.

It was faith such as his which sustained the civil rights movement

through the difficult fifties into the vital legislative advances of the sixties. Against all the odds, this faith prevailed.

Yet, today that great legacy is endangered.

The Voting Rights Act, for which he labored so diligently in 1965, is being questioned and even attacked just as its impact is starting to be felt. The economic and social achievements of the sixties have become the target for a conservative backlash in the eighties.

In such an era, we cannot pay our respects to Roy Wilkins with words alone.

Roy Wilkins gave this Nation the best years of his life. He served, not just black people, but all Americans who care about social justice. He pursued a noble, but simple objective—to make the words of the Bill of Rights and the Constitution ring true. His accomplishments may have been remarkable. But his goals and ideals were composed of the simple truths which make our Nation great.

For those who believe in those goals the time for faith alone is clearly past. We can pay our respects, to the memory of Roy Wilkins, by working for the future betterment of our Nation and all its people; by working to revive and sustain the movement for social justice to which he gave every ounce of his intelligence, his commitment, and his faith.

● Mr. RODINO. Mr. Speaker, I could scarcely give words to the sorrow I felt when I learned that my dear and longtime friend, Roy Wilkins, had died.

How difficult it is to face the reality that his voice, so eloquent in his half-century struggle for equality and justice, is now silent. How difficult it is to accept that this indomitable man, who for 46 years was a propelling yet steadying force within the National Association for the Advancement of Colored People, is no longer here to counsel us, to inspire us, as he always did in his relentless quest for full citizenship for all who suffer racial prejudice.

During his long years as head of the NAACP he was a thoughtful, stable, effective leader. He was the chief architect of the legal strategy that resulted in the 1954 Supreme Court ruling that declared so-called separate but equal public schools unconstitutional. His role was inestimable in the passage of the Civil Rights Act of 1964, the Voting Rights Act of 1965, and the Fair Housing Act of 1968.

Under his leadership, the NAACP chose to fight the battles for justice and against bigotry in the Congress and the courts. Roy Wilkins followed this course of working within the law, within the system, even during the years when less patient civil rights leaders counseled a more militant approach, because he believed his tactics the correct one to achieve equal rights and equal opportunities.

But early in his career, and in subsequent years, Roy Wilkins proved his willingness to take his cause to the streets when he thought this would help break down the barriers to his goals. As early as 1934, He was arrested in a demonstration in support of antilynching laws. He was among the leaders of the later civil rights marches in Washington, in Selma, in Montgomery, in Memphis, and in other cities.

In the words of his nephew, Roger Wilkins, Roy loved above all to compose "elegant statements and send them or take them out to do the battle for justice to which his life was committed."

Roger Wilkins wrote at the death of his uncle:

> He did other things in the movement of course. He marched in demonstrations, he orchestrated the March on Washington in 1963. He met in rooms from battered shacks in Alabama to the Oval Office on Pennsylvania Avenue to help shape strategies to secure more justice for all Americans.
>
> But it was the word he loved and used with joy and power in his life's fight.

Although Roy Wilkins is now dead, his lifelong dedication to freedom and equality will remain a bright and lasting beacon for us all in the continuing struggle for justice for all.

Roy Wilkins retired as executive director of the NAACP in 1977. During his tenure the membership of that organization had grown from 25,000 in 1931 to more than 400,000.

On the occasion of his retirement, He promised, "As long as there is breath in my body, I shall be with you in this fight."

That breath is now stilled, but his promise will last beyond his life. The values, the courage, the fervor, the elegant statements of Roy Wilkins will endure.

He will remain with us in the fight that does, indeed, still lie ahead.●

● Mr. STOKES. Mr. Speaker, I would like to thank my distinguished colleague, the gentleman from New York (Mr. ADDABBO), for taking this special order so the Members of the House can pay tribute to one of this Nation's greatest leaders—Mr. Roy Wilkins. As all of my colleagues know, Roy Wilkins, the former executive director of the National Association for the Advancement of Colored People, died on September 8, 1981, at the age of 80.

The fact that Members of this body are taking this time to pay tribute to this great civil rights leader is in itself a testimonial to the principles and civil rights victories of Roy Wilkins. He believed and fought for the principle that all men, regardless of their skin color or economic status, had the same rights and by law should have the same opportunity to pursue the American dream.

Mr. Speaker, Roy Wilkins worked everyday of his life for these convictions in his own effective methodical style. It was his perseverance which paved the way for blacks in this Nation to rise above the throes of injustice and discrimination and simultaneously elevate the sense of morality and justice in this Nation.

Mr. Speaker, Roy Wilkins' accomplishment in the field of civil rights were unmatched. His ingenuity as a master strategist for civil rights legislation is something we all can be thankful for.

In my mind, Roy Wilkins was and will always be regarded as the positive catalyst and one of the first architects of the civil rights movement. He was, at the same time, the eloquent voice for change and the voice of rationality in that struggle for change.

We will sorely miss Roy Wilkins' wit and his tenacity for getting the job done in terms of righting the wrongs of this Nation with regards to blacks and the poor. He leaves us a strong legacy of love, determination, and justice that every Member of this body and this Nation can take pride in.

With those thoughts in mind, Mr. Speaker, I join my colleagues in acknowledging the death of one of our greatest citizens: Mr. Roy Wilkins. Although the physical presence of Roy Wilkins is no longer with us, the movement that he nurtured will live on.

● Mr. MAZZOLI. Mr. Speaker, I would like to join my colleagues in the House of Representatives in paying tribute to Roy Wilkins, who passed away September 8, 1981, at the age of 80.

As a leader of the NAACP for 42 years and its executive director for 22 years, Roy Wilkins helped shape the course of the civil rights movement in the United States.

Though Mr. Wilkins' work was, for the most part, behind the scenes, his determination and conviction provided the guiding spirit of the civil rights movement. Indeed, as a man who could fight for the poor, the weak, and the hungry, Roy Wilkins was unsurpassed.

His life and his work should serve as an example to us all. Roy Wilkins deserves the highest acclaim from all freedom-loving Americans who, in many ways, owe their cherished rights and liberties to this dedicated, giving man.

We shall all miss him greatly.●

● Mr. FROST. Mr. Speaker, I am saddened by the death of Roy Wilkins, a man who championed the rights of minorities in this country. His contributions to the civil rights movement will not soon be forgotten. While his efforts may have been matched by other civil rights leaders, black achievements over the past 50 years surely would not have been possible without his help.

During a time when militancy often became the preferred strategy, Roy Wilkins' was the voice of reason—the man who preferred to work within the system to correct its deficiencies rather than destroying it entirely. Roy Wilkins knew the system could be used to the advantage of blacks. He

was the architect of the 1954 Supreme Court ruling striking down the "separate but equal" doctrine—a victory over a system that had so often failed his race.

Wilkins steered the National Association for the Advancement of Colored People through its years of greatest achievement. He was both strategist and architect during those years. But his greatest contribution was to the individual black man and woman. Roy Wilkins had no apologies for his color, and knew no limits to his potential. His inspiration taught young blacks to see themselves as people, rather than products of a system. For this contribution, he will be badly missed by everyone who profited from his efforts.●

● Mr. FLORIO. Mr. Speaker, this past week our Nation was shocked and deeply grieved by the news that Roy Wilkins, leader of the National Association for the Advancement of Colored People and an activist in the cause of civil rights for more than 50 years, passed away at the age of 80 in New York City.

From 1931, when Wilkins joined the NAACP until 1977, when he retired as executive director after 22 years in that post, Mr. Wilkins and the NAACP were one. He guided the NAACP, the Nation's largest and oldest civil rights group, through its time of greatest growth and prestige. During his tenure as a top official, membership rose from approximately 25,000 in 1931 to more than 400,000 in July 1977. The number of branches of the NAACP also rose from 690 in 1931 to approximately 1,700 in 1977.

Roy Wilkins was the chief planner of the legal battle that resulted in the 1954 Supreme Court decision outlawing "separate but equal" public schools. This laid the foundation for the civil rights gains of the 1960's.

Mr. Wilkins was instrumental in the development of a better life for blacks throughout this Nation, most prominently in the fields of education, employment and housing.

Roy Wilkins was an inspiration to countless people in the civil rights movement, and young people throughout the world. He left behind a legacy of achievement, of cooperation and of progress.

On the death of Wilkins, mourners throughout the world expressed their sorrow and praised not only what he did in his life, but the way he did it and what he stood for.

Although Roy Wilkins will no longer be with us, the accomplishments of his life will continue on.●

● Mrs. HOLT. Mr. Speaker, we might all hope that upon reaching the age of 80, we could look back upon a life of great accomplishment that earned the respect of millions of our fellow citizens.

Roy Wilkins attained that marvelous level of success; he even looked forward to greater triumphs for the cause he led, and he had the respect of all of us.

Perhaps it is not proper to mourn the passing of such a great man. Perhaps we should instead be giving thanks to God that he was among us and achieved good things.

As executive director of the NAACP, Mr. Wilkins worked to achieve social justice by using the courts and the legislative process in our great constitutional system of Government, and he appealed to the conscience of the people.

Much of the progress we have made in fighting racial discrimination can be credited to his noble work. We as a people owe much to his labors, the fruits of which we will be seeing long into the future.

We Americans are one people, and he always reminded us of it.●

● Mr. GEJDENSON. Mr. Speaker, I would like to join with my colleagues today in paying tribute to a great man, Mr. Roy Wilkins. Roy Wilkins, who was the grandson of a slave, will be remembered as one of the main moving forces behind the civil rights movement in this country.

Mr. Wilkins, who served as the Executive Director of the NAACP for 22 years, truly devoted himself to the cause of social justice. Fighting for civil rights has never been an easy business, but Roy Wilkins literally risked his life in the pursuit of that goal. He led the drive to enact antilynching laws in the 1930's, and he was a leader of the NAACP when that organization won the landmark case of Brown against Board of Education.

As a close friend and trusted adviser of President Johnson, Roy Wilkins was instrumental in the passage of our most important civil rights laws. His quiet style and effective coalition building was crucial to the enactment of the Civil Rights Act of 1964, the Voting Rights Act of 1965, and the Fair Housing Act of 1968.

Because of Roy Wilkins great strides have been made toward guaranteeing civil rights for all Americans, but the fight is far from over. In these times, when apathy seems to be the order of the day, we can be thankful that we have the memory of Roy Wilkins to look to for inspiration. Whenever we are feeling too tired, or too busy, or just to lazy to speak out against injustice we should all remember Roy Wilkins and renew our commitment to the fight for equality.●

● Mr. VENTO. Roy Wilkins was a great American. He could have sought material wealth, but he aimed for the stars. His quest was to breathe life into the American dream.

Roy Wilkins will be remembered with other great leaders like Hubert Humphrey and Luther Youngdahl. He shared their goals and visions, and they shared his. He contributed to their greatness as much as they contributed to his. It was really as a result of their mutual respect and support for each other that we were able to achieve the remarkable social progress we did.

We are especially proud of Roy Wilkins' close ties to St. Paul, Minn. But our feelings about him and our respect for what he did transcend the local interest.

Many people in St. Paul knew Roy Wilkins personally. I did not. I only knew him through his ideas and his beliefs. His legacy of hard work, commitment and determination became his hallmark. It is a hallmark which can be built upon by those who continue his work to improve the lives of all Americans, black and white, red and yellow.

In labor, they say that Roy Wilkins had a "working man's scholarship." That means that he worked 40, 50, and 60 hours a week. Roy Wilkins worked hard to gain his skills and know-how. He may have been a genius, but more likely it was 95-percent determination that enabled him to achieve such a long list of successes and lay such a strong foundation for our civil rights programs.

If Roy Wilkins is known for his determination, he is also known for his unselfishness. What he gained from his education, he turned back to the community by using his knowledge and skills to help better his neighborhood, his city, his country. There is an old saying that a man of humanity is one who, in seeking to establish himself, finds a foothold for others, and who, desiring attainment for himself, helps others to attain. Roy Wilkins was a man of humanity and a man of humility.

We should cherish the lessons and examples of Roy Wilkins' life. He was a role model not just for black Americans, but for all Americans who care about people and social justice.

Roy Wilkins will be greatly missed.●

● Mr. CLAY. Mr. Speaker, it is with profound sadness that I take this opportunity to express my condolences upon the death of Mr. Roy Wilkins.

Mr. Wilkins, elder statesman of the civil rights movement, was born in St. Louis, Mo., in 1901, graduated from the University of Mimesota, and worked for the Kansas City Call newspaper before joining the National Association for the Advancement of Colored People (NAACP) in 1931. He spent 46 years of his life with the NAACP where he rose from the position of assistant secretary to executive director.

The life of Roy Wilkins reflects a record of persistent battling for the underprivileged and black Americans in our Nation. His commitment and determination to right wrongs in our society were unrelenting. For over 46 years, he was the moral conscience of this country. He was unwavering in his determination to use all legal and constitutional means at his disposal to help black Americans achieve the right of full citizenship and total equality of opportunity within the

democratic framework of American society.

Mr. Wilkins seemed happiest when he was about the business of correcting socioeconomic and racial inequities and advocating human possibilities for blacks and those who were historically excluded from the mainstream of American life. He was untiring in working to help direct the fight for equal rights and opportunities for blacks.

He stood as a monument of integrity, perseverance, and fidelity to social justice and a belief in the improvability of all mankind. Mr. Wilkins leaves behind a distinguished legacy of outstanding achievements and contributions which are luminescent examples of personal courage, and steadfast moral conviction which will shine forever as a beacon of wisdom and guidance for all of us who follow the path of struggle in pursuit of lasting justice for all.

Among his many awards and achievements, Mr. Wilkins won the Spingarn Medal in 1964 for his work in civil rights.

Roy Wilkins was a man for all seasons. He was proud of his heritage, riveted to the cause of equality of opportunity, bold in his pursuit of social justice, and a proud black spartan who was unremitting in his efforts to achieve a just society.

The legacy of Roy Wilkins will remain with us eternally for the work he accomplished. To his dear wife, Minnie, I extend my deepest sympathy.

● Mr. RICHMOND. Mr. Speaker, I join my colleagues in honoring one of the greatest and most effective civil rights leaders in our Nation's history—Roy Wilkins, former executive director of the National Association for the Advancement of Colored People.

Roy Wilkins guided and shaped the growth of the NAACP, in which he served from 1931 until his retirement in 1977.

He was a key organizer of the March on Washington in August 1963, when 250,000 people came to Washington in the cause of civil rights, justice, and equality.

In his quiet, efficient way, Roy Wilkins worked within the system, teaching, organizing, inspiring—and winning victory after victory in the struggle to enable black Americans to participate fully in American society.

When he retired from the executive directorship of the NAACP, all of the battles had not yet been won. But, as a result of his courageous and ceaseless efforts over more than half a century, the principle of racial equality is firmly rooted in our laws and daily life.

Roy Wilkins was a man of eloquence, modesty, and grace; an enduring, inspirational leader whose every action was motivated by love, by compassion, and by a passionate opposition to injustice.

● Mr. BIAGGI. Mr. Speaker, I wish to join my colleagues in paying a richly deserved tribute to a leading pioneer in our Nation's civil rights movement—Roy Wilkins. While I deeply regret his death at the age of 80, I would like to take this time to salute his life.

A Mississippi slave's grandson, Roy Wilkins knew poverty at an early age and soon discovered prejudice. He tolerated neither. Instead, his unsurpassed strength and determination allowed him to climb out of the ghetto, obtain a college education, and become one of our Nation's most respected and effective civil rights leaders.

As a leader of the National Association for the Advancement of Colored People (NAACP) for 46 years, he played a major role in the enactment of antilynching laws in the 1930's; obtaining the 1954 Supreme Court decision, Brown against Board of Education, which reversed radial segregation policies in the United States; organizing the 1963 civil rights march on Washington; and enacting the landmark 1964 Civil Rights Act.

His methods, while sometimes less than dynamic, were always effective. His patience and ability to work within the system allowed Mr. Wilkins to succeed where others had failed. For this, all Americans, no matter what creed or color, can be thankful.

Mr. Speaker, Roy Wilkins spent a lifetime helping to rid this Nation of racial injustice. As a direct result, America is a better place to live. But—as I am sure Roy Wilkins would want us to recognize—no matter how far we have come, the journey is still far from over. His life was spent laying the foundation for justice and equality; I am hopeful his memory will provide the inspiration for others to complete the task.●

● Mr. HALL of Ohio. Mr. Speaker, I join my colleagues in mourning the loss of a great civil rights leader and a great American, Roy Wilkins.

For half a century, Wilkins fought to improve the lives of black people by guaranteeing their political and economic rights. He was an active participant in every major civil rights advancement since the 1930's when he helped establish State antilynching laws. He was the architect of the historic 1954 Surpeme Court decision which overturned the doctrine of "separate but equal," paving the way for school desegregation. He worked to pass the Civil Rights Acts of 1957, 1960, and 1964, as well as the Voting Rights Act of 1965.

As an executive of the National Association for the Advancement of Colored People, Wilkins led the group from a membership of 25,000 in 1931 to a broad-based organization of 500,000 in 1977. From 1955, he served as executive director.

Wilkins was a man of courage who was unafraid to fight for the rights of black people. He risked his life by investigating poor conditions of black workers rebuilding levees on the Mississippi River in 1931. He was arrested several times for participating in civil rights demonstrations. He was always outspoken, ready to condemn any leader—black or white—who opposed the concept of equality of all peoples.

Yet Wilkins preferred negotiation to confrontation. His eloquence, quietness, and powers of persuasion gave him a special effectiveness in dealing within the political and legal system. He was a statesman of the first order.

Roy Wilkins dedicated his life to justice and equality. Let us always keep his memory alive by continuing his unfinished work.●

● Mr. ANDERSON. Mr. Speaker, this past September 8 America lost a great leader, Roy Wilkins, the former executive director of the NAACP. During most of his 80 years amongst us, Roy Wilkins contributed tremendously toward improving the quality of life of all Americans, by dedicating himself to combating racial prejudice.

As a youth, following his graduation from the University of Minnesota, Wilkins worked for Chester A. Franklin's Kansas City Call, a Negro newsweekly which shortly made him its managing editor. However, Wilkins was not satisfied with taking the nonactivist position of merely covering the news. He continually urged the paper's readers to vote and assert their rights. It is believed that this stance contributed to the defeat of Senator Henry J. Allen, a man Wilkins referred to as "a militant racist."

These activities brought Wilkins to the attention of Walter White, then the executive secretary of the NAACP. White brought Wilkins into that organization, where Wilkins would remain for over 40 years. During Wilkins years with the NAACP, its membership grew from 25,000 in 1931 to over 400,000 at the time of his retirement in 1977. In the thirties, when there were over 30 lynchings annually, Wilkins led the fight to stop them. He organized picketing of U.S. Attorney General Homer G. Cummings' office, after the latter's failure to place lynching on the national crime agenda. In later years, as executive director of the NAACP, Wilkins masterminded the legal assault against segregation which culminated in the Supreme Court's decision in Brown against the Board of Education. Afterward, Wilkins formed a friendship with President Johnson and helped him develop the Civil Rights Act of 1964.

Throughout his life, Roy Wilkins remained a man of consistency, integrity and honesty who worked within the law to obtain his people's rights. In his own words, Roy Wilkins believed that the Negro—

> Has to parlay what actual power he has along with the goodwill of the white majority. . . He must gain the sympathy of the large majority of the American public.

However, he never believed that blacks had to docily accept the status quo. Wilkins also said:

We must condemn the propaganda that Negro citizens must "earn" their rights through good behavior; . . . No American is required to earn his rights as a citizen. His human rights come from God and his citizenship rights come from the Constitution.

All his life, Roy Wilkins was a crusader for justice condemning oppression without exception, be it a dictator like Idi Amin abroad or Jim Crow laws at home. Always, he maintained his integrity by working within the law and reshaping it into a more just instrument than when he started. I was fortunate to have had the opportunity to meet this great man, and I believe we might best honor him by continuing the work that still remains unfinished to insure equality for all Americans.●

● Mr. MOFFETT. Mr. Speaker, I rise today to express my sadness at the death of NAACP leader Roy Wilkins, and also to express my respect and admiration for his efforts on behalf of equal rights for all Americans.

Mr. Wilkins led the NAACP through times of considerable turmoil in this country; yet he always maintained a cool, calm, and reasoned approach to the issue of civil rights. His attitude toward equality for black Americans was one of peaceful protest and change wrought through the legislative process. He believed in the system, and he used it successfully in efforts to desegregate the classroom, to achieve voting rights, fair housing, and employment opportunities. Mr. Wilkins was the driving force behind such landmark civil rights policy as the Brown against Board of Education Supreme Court decision. His ability to absorb and articulate the issues of concern to black Americans won him the unqualified respect and appreciation of Presidents, the Congress, and his fellow Americans.

It is with great sadness that we observe Mr. Wilkins' death. Eighty-one years ago, the poet Paul Laurence Dunbar said that black life in America was a promise and not a fulfillment. Roy Wilkins made an enormous contribution toward that fulfillment, but the battle—as he himself recognized—is yet to be won. We have an unfulfilled agenda for many minorities in our society. Let us not permit progress to wane on the issues to which Mr. Wilkins committed his life: voting rights, housing, employment opportunities, health, and education. I pay homage to this great man and thank him for his good work on behalf of all the races in this Nation.●

● Mr. FASCELL. Mr. Speaker, I am grateful to our distinguished colleague from New York, Mr. ADDABBO, for this opportunity to pay tribute to the memory of a truly great American, Roy Wilkins.

Roy Wilkins was a fighter, a leader for a cause which he knew to be just—the civil rights of black Americans. His struggle was not an easy one. He abhorred the Jim Crow and lynching laws accepted in many parts of the country earlier in this century, and was a key instigator in eliminating these atrocities. He was harassed, ridiculed, and even arrested for his civil rights activities. These obstacles, too, were eventually overcome.

There are many ways to fight a battle. Roy Wilkins' way was to work within the law, with political, religious, and community leaders; to gradually, yet effectively, change the system which had previously seemed immovable. He chose his weapons carefully; he could not condone the use of violence, destruction, hatred, or bitterness. His weapons were words—strong, persuasive words—and the use of legislation and the courts to help secure the victories which he fought so diligently to gain. He once said, "No American is required to 'earn' his rights as a citizen. His rights come from God and his citizenship rights come from the Constitution." Firm in this conviction, his messages were transferred into major successes—the 1963 march on Washington, the Supreme Court decision in Brown against Board of Education, the Voting Rights Act, the Fair Housing Act, and the Civil Rights Act. Presidents Kennedy and Johnson depended on his honesty, faith, and judgment in helping formulate many of these policies.

While we shall all miss Roy Wilkins, we must consider ourselves fortunate to have known and benefited from this man and his honorable cause. As the late columnist Walter Lippmann so accurately stated,

The final test of a leader is that he leaves behind him in other men the conviction and the will to carry on . . . The genius of a good leader is to leave behind him a situation which commonsense, without the grace of genius, can deal with effectively.

Let us work together, with the same conviction and good sense of Roy Wilkins, to achieve what must remain one of our highest national goals—the true equality of all Americans.●

● Mr. FISH. Mr. Speaker, it is with a great sense of loss to our country that I join my colleagues in paying tribute to the late Roy Wilkins. His greatness came out of an ability to inspire people and achieve purpose—the purpose of progressive social change.

Mr. Wilkins will be remembered as the last of a generation of civil rights leaders whose work began when American society was still rigidly segregated by law and lynching was a regular occurrence. Roy Wilkins was the guiding force behind the National Association for the Advancement of Colored People for a half-century, and was in the forefront of the struggle to achieve for black Americans—and thus for all people of color—the social, political, and economic gains which have been reached today and for which the effort continues on behalf of those yet to achieve equality. Roy Wilkins also sought the fruits of liberty and justice established by the Founding Fathers in the Declaration of Independence and the Constitution.

A pillar of intellectual and moral strength, the message of his life and work endures and will have an impact on future generations. His goal was clear: to work a revolution in the laws of the Nation. Many goals of this battle for equality have been achieved, and Roy Wilkins, who dedicated his life to this valiant fight, has instilled in all of us the determination to never give up the struggle for justice and freedom.●

● Mr. MARKS. Mr. Speaker, American flags have flown at half-mast throughout the world—at every U.S. diplomatic and military post, on U.S. naval vessels steaming across the oceans, and whenever our national ensign is displayed. To those around the globe asking Americans why our flag was at half-mast, the answer must have been near unbelievable. The flags of the United States were dipped in mourning for a former redcap, dining car waiter, and black journalist who became one of the most influential Americans of this century.

Roy Wilkins went from doing undercover work with Thurgood Marshall, in documenting the massive abuse of blacks in our society, to guiding President Johnson in managing and coordinating legislative and judicial efforts which vastly expanded the rights and social and economic opportunities of colored people of every color.

One can just imagine the reaction of peoples throughout the world, less blessed with freedom than we are, that a member of a repressed minority would achieve such a reputation that the American Nation would bow its collective head in sorrow at his death but gratitude for his life.

Mr. Speaker, the achievements of Roy Wilkins are a legacy which will sustain us and our continuing efforts to provide equality of opportunity to all Americans. His successful efforts to eradicate lynching from the American scene, his quiet but effective leadership in opening America's schools to every child, his day-by-day work with President Johnson and Vice President Humphrey in securing passage of the 1964 Civil Rights Act and Voting Rights Act of 1965—all are shining tributes to a man of humble stubbornness and persistent dedication to ideals of freedom and equality which identify the just society toward which America must continue to strive.

From 1931 until his death Roy Wilkins not only provided the intellectual and legislative leadership for the civil rights movement, he also led the way in many marches and peaceful demonstrations which focused the attention of America's conscience on the needs and rights of all minorities.

The 1963 Washington march, in which Dr. King spoke of a dream, which must be shared by all Americans, was organized by Roy Wilkins. His wise determination that the civil

rights movement would achieve truly lasting success by working within the legislative and judicial systems has been proven right. How very different might be relations between the races today had the movement taken a different direction. All Americans, of whatever color, owe Roy Wilkins a debt of gratitude we can never repay. His quiet but firm leadership kept us all on a peaceful path—a path which carefully took us through a veritable minefield of potentially explosive confrontations—confrontations which could very well have institutionalized strife as the only means of communication.

Mr. Speaker, it is only fitting that the words which best describe the life, death, and legacy of Roy Wilkins be his own: "The heritage of a man of peace will endure and shine into the darkness of this world." So while we do bow our heads in sorrow, we also bow them in gratitude for the life of this man of peace—a man whose life must continue to show us our way through the darkness.●

● Mr. WEBER of Ohio. Mr. Speaker, I was saddened to hear of the death of Roy Wilkins, a man who will be remembered as one who shaped some of the most important events in the history of the U.S. civil rights movement.

I was in the audience a few years ago when Roy Wilkins, then executive director of the National Association for the Advancement of Colored People, came to Toledo to speak. I remember him as a forceful and eloquent speaker who inspired confidence in his leadership. Roy Wilkins was a man who would get things done. He didn't talk about "what if"—he preferred accomplishment to rhetroic.

Roy Wilkins was a leader in the true sense of the word. He was deeply devoted to the cause of equal rights, equal opportunity, and equal responsibility for all persons. At the same time he recognized the need to build lasting bridges of harmony and understanding between the races.

Roy Wilkins' passing will be felt by everyone who loves what he stood for—a better country for each and every person in the United States. We are all well served by his accomplishments and his ideals.

Thank you, Mr. Speaker.●

● Mr. BOLAND. Mr. Speaker, I appreciate this opportunity to join the Members of the House in paying tribute to Mr. Roy Wilkins who died on Tuesday, September 8, 1981, at the age of 80.

Roy Wilkins devoted his entire life to promoting racial equality. He was one of the most effective advocates of civil rights causes, and many of the civil rights gains made by black people in this country are directly attributable to his efforts.

Roy Wilkins was internationally known for his eloquence, intelligence, and diplomatic manner. These and other qualities made him a dynamic leader, who won the respect of his strongest opponents. He was always recognized as a leader of the civil rights movement and as an expert on racial matters. For these reasons Mr. Wilkins was frequently consulted by the Congress on matters affecting race relations.

As executive director of the National Association for the Advancement of Colored People for 22 years, Roy Wilkins established an outstanding record of leadership and accomplishment. The civil rights movement has in Roy Wilkins' memory a powerful symbol of courage, personal dedication, and compassion. This symbol will surely guide the civil rights movement to further progress on the road to justice.●

● Mr. ROE. Mr. Speaker, I rise today to join my colleagues in this well-deserved salute to the late Roy Wilkins, who perhaps more than any other man represented the era of great progress for the black people of our Nation.

Roy Wilkins was a man of vision who embraced the philosophy that the rule of law rather than confrontation would present the greatest opportunity for the advancement of his people.

As the chief executive of the National Association for the Advancement of Colored People from 1955 to 1977, the Nation's oldest and largest civil rights organization, Roy Wilkins led the way in the fight against such heinous roadblocks to racial equality as the poll tax, segregation in the Armed Forces, public accommodations, and schools.

Mr. Speaker, perhaps the greatest legacy that Roy Wilkins left for his people and all freedom-loving Americans was the U.S. Supreme Court's reversal in 1954 of the Brown against Board of Education decision, which had made "separate but equal" the law of the land.

Roy Wilkins was a man who deeply understood the needs of the black people as they attempted to break free from the bonds of segregation.

Born in 1901, he was the grandson of a slave. As a young man he worked as a redcap, a dishwasher, a train car waiter, and a clean-up man in a slaughterhouse.

Roy Wilkins first became involved in the black movement as a student at the University of Minnesota where he witnessed the lynching of a black man.

After graduating, he became managing editor of a black newspaper, the Kansas City Call, and was instrumental in calling attention to police brutality against blacks in that city. As a result of those efforts, Roy Wilkins was persuaded by the NAACP Director Walter White to become his assistant in 1931.

It was during the 1930's that Roy Wilkins, as editor of the NAACP magazine investigated and published some of the most searing exposés of black mistreatment that the American public had ever seen. The results of those articles were earthshaking with their tremors reaching the Congress, the Supreme Court, and the White House.

In the 1960's Roy Wilkins worked closely with Presidents Kennedy and Johnson in helping draft the Civil Rights Acts of 1964 and 1965.

During the turbulent late 1960's when violence swept the streets of our urban centers, Roy Wilkins strongly condemned the rioting and worked diligently as a member of President Johnson's National Advisory Commission on Civil Disorders to quell those disturbances. His greatest fear was that the flareups would lead to two societies in America; one black and one white.

Roy Wilkins was condemned at that time by several black militants as being an "Uncle Tom." But Wilkins resisted the pressure from those groups and continued working until his recent death to convince blacks that their best hopes for the future lay in working within the existing societal structure rather than against it.

Mr. Speaker, Roy Wilkins was a rare human being whose devotion to his people will both serve as an inspiration and standard for all who will continue his work in the years ahead.

The American people have indeed lost a good friend.●

● Mr. BONER of Tennessee. Mr. Speaker, all Americans are saddened by the death yesterday of civil rights leader Roy Wilkins.

Roy Wilkins was a quiet, but persistent man. Some would even characterize him as stubborn. Yet, he was one of the most effective leaders of the civil rights movement—a leader who, using his great skill, was able to translate the frustration and turbulence of the streets into visions of the future that were comprehensible to policymakers in Washington. His association with officials in the Kennedy and Johnson administrations enabled him to persuade reluctant and fearful politicians that the time was right for legislation to guarantee for the black man and woman what was an unalienable right for all the rest of us—equal justice under law. In a time of lynch law and Jim Crow, Roy Wilkins was a pioneer whose trusted position and determined style contributed to the passage of the Civil Rights Act of 1964, the Voting Rights Act of 1965, and the Fair Housing Act of 1968.

From inauspicious beginnings as the grandson of a Mississippi slave, Roy Wilkins dedicated his life to the protection of all peoples. As executive director of the National Association for the Advancement of Colored People, he guided the organization through its period of greatest growth, prestige, and accomplishment. His role in the historic Brown against Board of Education Supreme Court decision is legendary. His role in supporting and organizing the 1963 March on Washington, however, is too often overlooked. Yet, it was Roy Wilkins, using his greatest persuasive skills, who was

able to translate the great emotion present at the March and subsequent shift in public opinion into legislation and legal rulings that benefited blacks and, as a result, all Americans.

Roy Wilkins worked for equality, spoke for freedom, and marched for justice. His quiet and unassuming manner masked his tremendous passion for civil and human rights. While his voice is now stilled, his spirit and accomplishments will remain among us—encouraging all Americans to carry forward his life's work.●

● Mr. PEPPER. Mr. Speaker, distinguished colleagues, I would like to remember today one of the Founding Fathers our country has been so honored to count as one of its own.

This man was not of the 18th century, nor did he help write our glorious Constitution. It must be said that he worked all his life to bring more of our constitutional protections and liberties home to America.

Roy Wilkins, longtime executive secretary of the NAACP, who was chosen to succeed Walter White in 1955, was one of the fathers of modern America. He, among other outstanding contributors to our public life and cultural perceptions, labored mightily to give constructive form to our modern world. Most of us agree that it is a far, far better world today thanks to the efforts of Roy Wilkins.

Although poverty still exists, discrepancies are still rampant and many hopes have still not been fulfilled, Roy Wilkins' achievement in his time as a man who led the effort for better lives stands undeniable—a monument to human courage and intelligent sacrifice for the advancement of our Nation and our people of every color. For all of us benefit from a climate of liberty as intended under the Constitution and from the freedom of debate and economic enterprise which enlarged our prosperity during the last two decades.

Through marches, legal arguments, courageous civil action and always with the letter and spirit of the Constitution and of human decency, Roy Wilkins insisted on the political, ethical, and practical human equality of black Americans.

His contribution to our cultural growth, our national cohesion, our economic improvement, our human improvement, and our standing in the world was a great and lasting gift he gave to his country.●

● Mr. BINGHAM. Mr. Speaker, I rise to join in the widespread expressions of sorrow at the death of Roy Wilkins, executive director of the NAACP from 1955 to 1977. I wish to thank my colleague from New York, Mr. ADDABBO, for arranging this special order.

Roy Wilkins was 80 years old when he died last Tuesday and, although we grieve at his passing, we must also celebrate a life of such inspiration and achievement.

Roy Wilkins was the grandson of a Mississippi slave. His parents were both college graduates and he grew up in a poor but integrated neighborhood in St. Paul, Minn. He worked his way through the University of Minnesota and, upon graduation, became the editor of a black weekly in Kansas City. It was in Kansas City that Roy Wilkins first encountered the racial discrimination and grinding poverty that were the lot of most American blacks in the early decades of this century. Roy Wilkins could have turned away. He could have retreated into the comfort of middle-class life in Minnesota.

But Wilkins could not do that. In a pattern that marked his entire life, Wilkins entered into the struggle for civil rights and equality. He joined the staff of the NAACP and stayed with that organization for almost 50 years. Wilkins was one of the leaders of the struggles against the poll taxes, segregation in the Armed Forces, and segregation in public accommodations. Perhaps the NAACP's greatest victory was the 1954 Supreme Court decision in Brown against Board of Education which overturned the "separate but equal" doctrine in public school systems. In the 1960's and 1970's, when some militants of the civil rights movement called for violent protest, Wilkins continued to fight for change through peaceful means. He worked with Presidents Kennedy and Johnson on the civil rights legislation of the 1960's which accomplished so much good for all Americans. Roy Wilkins cared less about rhetoric than accomplishment, less about the fashions of the moment than achieving long-term goals. Black separatism never appealed to him. He always insisted that integration, not separation, was the only way.

At various times in my life and as a life member of the NAACP, I had the privilege of meeting Mr. Wilkins on several occasions. I was always impressed with his modesty, his essential goodness, and his shrewd sense of what was possible and what was not. I shall miss the counsel of Roy Wilkins and believe that he will not easily be replaced.●

● Mr. BROWN of California. Mr. Speaker, I wish to submit to the RECORD an editorial, written in Newsweek magazine, September 21, 1981.

Many of my colleagues are paying tribute to the late Roy Wilkins, former executive director of the National Association for the Advancement of Colored People in the coming days. His death hit all members of society as we remember him as a lifelong fighter for equal rights for blacks. Although he is gone, his legacy will never die. Mr. Speaker, I submit this article from Newsweek magazine that captures the essence of the man.

ROY WILKINS, 1901-81

His grandfather was a slave, and his father tended a brick kiln. He worked at turns as a redcap, a dishwasher, a Pullman-car waiter and a cleanup man in a St. Paul slaughterhouse. But since 1931, when Roy Wilkins joined the staff of the National Association for the Advancement of Colored People, his name has been synonymous with the nation's oldest and largest civil-rights organization. His tenure, from 1955 to 1977, as the NAACP's chief executive embraced the era of greatest progress for black Americans. Though he lacked the magnetism of Martin Luther King Jr. or the fire of Stokely Carmichael, he quietly made an enduring contribution to the cause of equal rights, embodying the will of the majority of black citizens to work within the system. When he died last week in New York City of kidney failure, just after his 80th birthday, he left behind a landscape of broken barriers and a lifetime in the fight for integration—against the recalcitrant South and, later, against the forces of separatism within his own race.

Wilkins was most remarkable for his longevity in the civil-rights movement. When the black revolution reached fever pitch in the 1960s, he had already spent four decades battling to make the U.S. legal system work for blacks. Born in 1901 in St. Louis and raised by an aunt and uncle in a poor, integrated section of St. Paul, he knew little racial hatred in his early life. But at the University of Minnesota, he was deeply affected by a lynching in Duluth and after graduation, as managing editor of a black weekly, the Kansas City Call, he experienced Jim Crow firsthand. His efforts on the Call in the 1920s to halt police brutality against blacks and to defeat segregationist politicians attracted the attention of NAACP director Walter White, who persuaded Wilkins to come to New York as his assistant in 1931.

Crusade: For the NAACP the 1930s were the heyday of the anti-lynching campaign, the Scottsboro case and battles against all-white primaries. Wilkins ran the day-to-day operations and spearheaded some of the NAACP's famed exposes. Dressed as a day laborer, he infiltrated Army-run construction projects in 1932, and his revelations that blacks were working twelve hour days for as little as 10 cents an hour forced a Congressional review. As editor of the NAACP magazine, The Crisis, Wilkins also crusaded against poll taxes and segregation in the armed forces, public accommodations and schools. Looking back on his career, he viewed the 1954 Supreme Court decision in *Brown v. Board of Education*, which overturned the "separate but equal" doctrine, as the NAACP's greatest victory.

When the civil-rights battle shifted to the streets in the 1960s, the NAACP and Wilkins—by then its director—lost the limelight to groups like King's Southern Christian Leadership Conference and the Congress of Racial Equality. The NAACP did participate in the sit-ins, boycotts and marches that wrenched the South into compliance with the law, Wilkins liked to point out, but usually its role was to provide bail and legal assistance to other demonstrators. The SCLC and Core "furnish the noise," Wilkins said in 1963, while the NAACP "pays the bills." Wilkins personally spent much of the early 1960s working with John F. Kennedy and Lyndon Johnson on the civil-rights acts of 1964 and 1965 and increasingly, he differed with more visible black leaders who, to Wilkins, some times seemed more interested in protest than progress.

'Jim Crow': The rifts in the civil-rights leadership grew deeper when blacks in Northern urban ghettos rioted in the mid-1960s. Wilkins understood the anger and, as a member of Johnson's National Advisory Commission on Civil Disorders, he was instrumental in drafting the tough language in the panel's 1968 report that warned of

the emergence of "two societies, one black, one white." But Wilkins steadfastly condemned the violence and he advocated the use of Federal troops, when necessary, to contain it. He also opposed the growing black separatist movement. The clamor for all-black dorms and autonomous black-studies departments on some campuses, he declared, were simply "another version of Jim Crow."

Militant black leaders, in turn, branded Wilkins an Uncle Tom, activists picketed his home and a band of revolutionaries was arrested for plotting to assassinate him. Within the NAACP itself, a group known as the Young Turks battled bitterly to steer the organization toward a more militant posture. But Wilkins resisted. He had lived through the back-to-Africa movement and the communist appeal to blacks in the early 1900s, and he still believed that the best hopes of blacks lay in working with whites toward a shared equality.

Wilkins's voice grew quieter in the 1970s, though he continued to press for better opportunities for blacks and assailed Richard Nixon, Gerald Ford and suddenly timid liberals for slowing the pace of desegregation, particularly in school busing. His final years with the NAACP were clouded in a dispute with the group's directors, who suggested that he had stayed too long. But when, at 75, he finally surrendered the helm to former Federal Communications Commission head Benjamin Hooks in 1977, he was met with an outpouring of appreciation for his 46 years of service. Increasingly feeble—he needed a pacemaker and a wheelchair and had developed a speech impediment—Wilkins spent his last years living quietly with his wife, Minnie, a former social worker, accepting awards and working on his autobiography, to be published next year. It should tell a remarkable story of faith, optimism and endurance through an era of historic change.—MELINDA BECK.●

● Mr. WAXMAN. Mr. Speaker, in the death of Roy Wilkins at age 80, we have lost a national treasure. Although I am saddened by his passing, none can doubt that we are immeasurably richer as a nation by virtue of his selfless contributions to our society.

As we all know so well, Roy Wilkins' life spanned an era of change in American civil rights—an era which, without his persistence and quiet genius, might not have occurred. In the 1930's, when America was seemingly blind to the fact that it had a racial problem, Roy Wilkins was risking his life to document discrimination against blacks working on flood control projects along the Mississippi River. His report led to congressional inquiries and legislation against unequal pay and exploitation by employers. It was a victory destined to be followed by countless others. He went on to lead the NAACP for two decades, becoming a pillar of the civil rights movement, guiding America through a veritable social revolution in race relations.

Roy Wilkins placed his belief in the law; his faith in our system of justice. Roy Wilkins' greatest victory in this effort—the landmark Supreme Court decision in Brown against Board of Education—was ours as well. Although it became fashionable among some groups in the late 1960's and 1970's to criticize Roy Wilkins' tactics, the groundwork he laid and the legislative and judicial milestones he erected have served as the firmest foundation for progress in civil rights. We are all in debt to Mr. Wilkins for his courage and dedication.

Let us remember him, then, for his efforts and his hope for the future. They will serve as an inspiration to us to continue the struggle for dignity and equality for all people—just as they have during Roy Wilkins' extraordinary life.●

● Mrs. COLLINS of Illinois. I would like to commend my colleague, Representative JOSEPH ADDABBO, for reserving a special order today so that all Members would have the opportunity en masse to pay tribute to Roy Wilkins, longtime head of the National Association for the Advancement of Colored People (NAACP), who passed of heart failure on September 8, 1981.

In the early morning of the 8th, the public, indeed the world was shocked and saddened to learn of the death of Roy Wilkins. Because Roy lived, the history and indeed, the path of the world changed. His courage and leadership in the 1950's provided the momentum for the activism of the 1960's and 1970's.

At a time when lynchings of young black men were rampant, segregation loomed threateningly over the lives of all black people, and few voices of righteousness and reasoning could be heard, Roy Wilkins took to the picket lines. His objective: To securely and without question establish, in his words, "the Negro as a legal entity with the rights and privileges of a citizen."

Through his active membership with NAACP, Roy was able to effectively lobby State after State in order to help enact antilynching laws. He led the fight against school desegregation by filing a desegregation suit, and scored a victory when the Supreme Court in 1953 directed all public schools to integrate.

His accomplishments were perhaps best described by the Reverend Joseph Lowery, president of the Southern Christian Leadership Conference (SCLC) who said, "He served during the toughest of periods."

Perhaps, in living Roy Wilkins summed up his own life when he said, "the heritage of a man of peace will endure and shine into the darkness of this world."

As a peace-loving man, a strategist, a fighter, and a mover of men, Roy Wilkins, the man and the ideals he preached must continue on. In his name we must rededicate ourselves and not let the clock be turned back on his life's work which was freedom, justice, equality, and economic democracy for all.●

● Mrs. BOGGS. Mr. Speaker, along with many of our colleagues, I am deeply saddened by the death of Roy Wilkins. The sterling qualities he possessed were a rarity that will be difficult, if not impossible, for any of us to experience again in the entity of a single person.

Many people knew Roy Wilkins because of his efforts to improve the social, political, and economic status of his fellow blacks, but many of us will remember his as well as a great humanitarian dedicated to equal opportunity for all Americans. Those of us in public service will also remember him as a skilled politician and statesman.

The son of a Methodist minister, Mr. Wilkins believed that human rights come from God and citizenship rights come from the Constitution, and he fought for constitutional rights in order to secure equality.

In the spirit and memory of Roy Wilkins, this Congress hopefully will heed his words to not turn back the clock on civil rights progress.

I should like to assure Roy Wilkins' family members and close associates that his lifelong struggle to gain respect for others has gained the undying respect of millions of Americans.

Mr. Speaker, I ask permission to include, at this point, in the RECORD an editorial that appeared in the New Orleans Times-Picayune/States-Item on September 10.

ROY WILKINS

If Martin Luther King Jr. was the spiritual leader of the American civil rights movement, Roy Wilkins was its mind. Mr. Wilkins, who died Tuesday at 80, will not be remembered for his impassioned speeches but for his relentless pursuit of racial equality through the nation's legal process.

For 22 years before his retirement in 1977, Mr. Wilkins was executive director of the integrated National Association for the Advancement of Colored People. In all, he served the civil rights organization for 46 years. Quietly but determinedly and skillfully, he worked to broaden the base of support for black civil rights among all Americans. Because of his strategy of working with and through established institutions, he was mistakenly labeled an "Uncle Tom" by some younger black activists impatient for radical change but whose own achievements pale in comparison to the monumental successes of Mr. Wilkins.

He was in the forefront of the civil rights movement "during the toughest of periods," to borrow the words of the Rev. Joseph Lowery, president of the Southern Leadership Conference. "The whole point of the NAACP," Mr. Wilkins once said, "was to establish the Negro as a legal entity with the rights and privileges of a citizen."

To that end, he worked tirelessly and with great success. The high point of the NAACP's legal approach, pursued initially by Roy White, Mr. Wilkins' predecessor as director, came in the famous 1954 Brown vs. the Board of Education decision, when the U.S. Supreme Court held "separate but equal" schools unconstitutional. Later, Mr. Wilkins guided the campaigns that resulted in passage of the historic Civil Rights and Voting Rights Acts during the presidency of Lyndon B. Johnson. These new laws opened the way for the full participation of blacks in the political process, and were largely responsible for the steady increase in the number of black elected officials in the South and elsewhere.

For all his devotion to the cause of civil rights of members of his own race, Roy Wil-

kins fundamentally was a humanitarian who believed deeply in the worth and dignity of the individual. Today, the rights of all Americans are more secure because of his life's work. His place in the history of his country is firmly established.●

● Mr. RATCHFORD. Mr. Speaker, I join my colleagues in grieving the passing of a great American, Roy Wilkins, the former executive director of the National Association for the Advancement of Colored People and a leader in the fight for civil rights for half a century. Born at a time when Jim Crow laws and other forms of socially accepted discriminatory practices were in wide use, Mr. Wilkins dedicated his life to ridding this country of these racial inequities.

Roy Wilkins was instrumental in pushing for legislation that eliminated the "separate-but-equal" philosophy in many of our public school systems, and he championed the Civil Rights Act of 1964, the Voting Rights Act of 1965, and the Fair Housing Act of 1968. Because of his patience and persistence, and the rightness of his cause, the goals of racial equality have been embodied in American law.

He was a teacher and an organizer, an activist, and a statesman. His leadership role on behalf of black Americans awakened our society to the recognition that blacks deserved equal opportunities, basic rights that had been denied for centuries. Although there were some who criticized him and the organization he headed in the turbulent 1960's as being too accommodating and too moderate, the goals of the NAACP were achieved—legal racial equality in the voting booth, in the job and housing markets, in virtually every facet of American society. I am sure that historians will remember Roy Wilkins, the grandson of slaves, as a warrior who fought lone battles for equal rights and who won the war.

In the 48 years that he worked for the NAACP, Mr. Wilkins saw the gains made by his race. I am certain he took satisfaction in looking back over the decades and seeing black Americans participating as full members of our society. He was a man who could not accept mediocrity; he believed in excellence and he instilled those high standards in the whole of the civil rights movement.

Roy Wilkins was truly a man who dedicated his life to improving race relations, to promoting equality for all. We are a better people, a stronger and more just Nation, for the contributions he made in a lifetime of public service.●

● Mr. STARK. Mr. Speaker, September 8 was indeed a sad day for this Nation. Not only did we lose our beloved friend and respected colleague, Bill Cotter, but the Nation also lost the leadership of Mr. Roy Wilkins.

His leadership and guidance were instrumental in securing the passage of the 1964 Civil Rights Act, and other pieces of monumental legislation to help black Americans. His leadership of the NAACP was a selfless dedication to the betterment of black America. But every American, black and white, is better off because of Roy Wilkins. He was not only a leader, but a fighter, willing to lay himself on the line for the future of the black people in this country.

Roy Wilkins lived through some of the hardest times this country has ever known, and out of those hardships he built rights and liberties for the most oppressed members of our society. Roy Wilkins is a man unequaled in dedication, patriotism, and a true sense of justice.

As Americans we should all give thanks for Roy Wilkins.●

● Mr. COUGHLIN. Mr. Speaker, I join my colleagues in paying tribute to Roy Wilkins, a peerless advocate of civil rights for all Americans. As our Nation mourns the loss of this great leader, I too wish to salute Mr. Wilkins' unparalleled accomplishments as executive director of the National Association for the Advancement of Colored People. His lifelong mission against racial discrimination will serve as a testimony to future generations that persistence, tempered with patience, can right the wrongs of past generations.

Roy Wilkins felt the sting of racial prejudice at an early age. As a young man at the forefront of a campaign for antilynching laws in the 1930's, he began his practice of entering the courts, rather than taking to the streets, to combat the injustice of discrimination. In his capacity as editor of the NAACP magazine, the Crisis, Mr. Wilkins built a reputation as both a scholar and emerging leader, willing to work within the system, yet unwilling to accept that system's injustices.

While playing a key role for the prosecution in the historic Supreme Court decision, Brown against Board of Education, Roy Wilkins again demonstrated both his respect for the law and his determination that it must be changed. As his political power increased in the 1960's, Mr. Wilkins initiated a peaceful drive to secure passage of the 1964 Civil Rights Act.

In the course of the urban riots of the latter part of that decade, Mr. Wilkins served as a moderating, yet no less concerned voice, in easing our Nation through that difficult period. Up until, and after he ended his 22-year stewardship of the NAACP, his behind-the-scenes leadership continued to further the cause of civil rights.

Throughout his life, Roy Wilkins faced the brick wall of racial discrimination. He did not choose to raze this wall, risking the possibility of entrenched opposition and failure. Instead, Roy Wilkins worked to dismantle the wall of racial discrimination, brick by brick, over the course of a lifetime. His accomplishments are many and great. We will, however, remember Roy Wilkins not only for his effectiveness, but also for his diligence.●

● Mr. DWYER. Mr. Speaker, it is a privilege for me to take part today in this tribute to Roy Wilkins, a man of tireless commitment and strength, who contributed so profoundly to the betterment of this Nation.

While his passing has surely left a void in our perennial quest for equality and justice for all, his imprint on society will endure.

In five tumultuous, critical decades, he effectively combined a policy of needed restraint with prudent activism in a manner that serves as a lesson to all of us who strive to continue his work.

We owe him that much. It is incumbent on those who practice in his stead to follow his example in full appreciation of his contribution and the deep devotion he had to his people and their cause.

Even-handed and thorough, Roy Wilkins held the trust and respect of the civil rights community and our Nation's leaders, who saw him as a tough man of quiet effectiveness who could and did get the job done.

He did it all without the self-seeking publicity that so often accompanies such efforts. For that, too, we owe him a debt of gratitude: he recognized the importance of substance over style. And, what better testament to the merit of that philosophy than the fruits of his labors?

The demise of "separate but equal" under Brown against Boar of Education. The landmark Civil Rights Act of 1964, and a host of other less visible, but nonetheless significant actions which led to the strides made by blacks in this century.

Most of all, we owe Roy Wilkins and his followers the assurance that that for which he worked so hard—real, measurable economic and social gains for those who were so long denied them—will not be undermined by any rigid, indifferent fiscal choices which may threaten his accomplishments.

That is a danger the Wilkins legacy poses a powerful reminder to all of us to avert.●

● Mr. EDWARDS of California. Mr. Speaker, when I read of Roy Wilkins' death last week, I felt, and still feel, as if a friend and a mentor had departed. While working on the extension of the Voting Rights Act, I cannot help but be proud of, and humbled by, the accomplishments of this great American. For it is because of his work that we are now working on this legislation.

When I contemplate the life of Mr. Wilkins, I recognize I cannot truly understand the world which faced him when he joined the NAACP some 50 years ago. We had lynchings; we had Grandfather clauses. One hundred years after the Civil War, American society as a whole still refused to recognize the existence of a culture of people who lived in the country's midst.

But even without this recognition, Mr. Wilkins believed in our Constitu-

tion. He believed we could have justice without overthrowing the system. He was one of the few people who recognized the need to initiate action, and instill confidence in the people as well as the need to lobby the Hill for better laws. And it is largely because of Mr. Wilkins that we have the Brown against Topeka Board of Education decision, the Civil Rights Act of 1964, and the Voting Rights Act of 1965.

In few other people have I seen such a dedication to the Constitution, and I shall miss this example. There have been times when I have been frustrated, tired of the slow advances, and of the retreats which accompany legislation. At such times, we all gained strength and patience from his example.●

● Mr. FORD of Michigan. Mr. Speaker, one of the best has gone. Roy Wilkins was a master in shaping civil rights laws in this country and a great leader who very competently guided the NAACP through its days of greatest growth and prominence.

Roy Wilkins was a skilled and determined leader who worked behind the scenes to bring about legislation and legal rulings that benefited blacks. I watched him in action as he ably lined up support and strength for the Voting Rights Act of 1965 and the Fair Housing Act of 1968. He translated his convictions of guaranteed equality and opportunity for all Americans into Federal laws—one of which we will be considering during the current session of Congress.

I can think of no finer tribute to this brilliant man than to pass legislation to extend the Voting Rights Act. Reauthorization is essential if all Americans are to be assured their most fundamental right, the right to vote. Roy Wilkins played a major role in the passage of the original legislation. Let us extend it in memory of this hero.●

● Mr. SHAMANSKY. Mr. Speaker, it is most appropriate that Congress has taken a special order in memory of Roy Wilkins, the veteran executive director of the National Association for the Advancement of Colored People, who died last week at the age of 80.

It is appropriate because Mr. Wilkins' career exemplified what one person can accomplish through the conscious combination of a passionate desire for change and the intellectual recognition that social progress requires the simultaneous reform, and upholding of the Nation's laws.

Roy Wilkins was the grandson of a slave, and he spent his life working—mostly successfully—to cut away the vestiges of slavery which still clung to his people. His civil rights career really began when, as a college student in the 1920's, he undertook an antilynching crusade which eventually helped turn the national climate against such barbarity. In the 1930's he carried out a dangerous investigation of the working conditions of blacks rebuilding the Mississippi River levees.

Perhaps Roy Wilkins' greatest accomplishment was masterminding the NAACP's legal challenge to unconstitutional school segregation which culminated in the historic 1954 U.S. Supreme Court decision overturning "separate but equal" public education, which in reality was discriminatory and unequal.

He became counsel to Presidents and, retaining the integrity of his beliefs, and his individualism, rebuked the implicit separatism of black power extremists in the 1960's.

Roy Wilkins' example transcends his achievements. He was honest and understanding, diplomatic in method yet implacable in his opposition to racial hatred, bigotry, and unconstitutional segregation. He was a man of both change and law, thus helping America become a better nation. We will all miss him.

Thank you.●

● Mr. RANGEL. Mr. Speaker, last Tuesday, this Nation lost one of the most dedicated and influential freedom fighters. With the passing of Roy Wilkins, an era of struggle for black people passed. It is with great sadness that I mourn his passing, for he truly was one of the great figures in the struggle for human rights and dignity in this Nation. The greatness of Roy Wilkins was his undying, single-minded commitment to racial justice. No man has done more to eliminate racial discrimination, and to improve the lives of black people in this country than Roy Wilkins. From an early age he dedicated his life to the cause of equality. As a young man, fresh out of college, he used the pen to denounce Jim Crow laws and racism in Kansas City, where he worked for a local black newspaper. From there he went to the NAACP, where he was to work for most of the rest of his life, first as a writer for the NAACP newspaper, and later as the executive director of the organization, a post he held for 22 years. Those 22 years were the most important in terms of civil rights for blacks since Reconstruction, and it was under his leadership and direction that the movement was most effective.

In the 1950's, when he assumed leadership of the NAACP, segregation and racial discrimination were the American way of life. The specter of lynching still was in the minds of many blacks. Blacks were summarily denied access to decent housing, decent schools, public accommodations, restaurants, movie houses, and so forth. For many the right to vote was a dream. While many people worked hard, and gave their lives, their time, and their energies to the cause of civil rights, none was more effective than the soft-spoken Roy Wilkins, who parlayed his commitment to the ideal of equality with his compassion for his fellow man and his unique intelligence into the skills that made him the most effective lobbyist for the legislation that was to change the social and political history of the Nation. His name must be invoked when we discuss passage of the hallmark civil rights legislation of the 1960's: The Voting Rights Act and the Civil Rights Act, since it was his efforts that were in many ways responsible for these acts becoming law. His persistence and determination helped move the Congress and the President, and also led the NAACP as they successfully challenged discrimination through court suits against racial discrimination in jobs, in housing, and in employment. He left a record of achievement and leadership that will be hard to match by his successors.

This Nation will have to remember Roy Wilkins. In a time of rapid change, he unceasingly pressed to bring this country closer to the ideal that he believed so deeply we could achieve—equal opportunity and justice for all. He left a legacy of progress in social justice that we must continue to improve upon in his absence. His struggle, his commitment, and his dream was for an America free from the racial prejudice that so enraged him as a young man, and that shaped the career that spanned nearly a half-century of dedication to the cause of civil rights. Now that we have desegregated schools in many places, and hotels and rest rooms are integrated, and blacks sit on the Federal bench and the Supreme Court, we must not forget one who made it possible. Roy Wilkins was one of the giants of the century, who saw an opportunity for change, and used his unique talents to make sure that dreams did become real. I will miss him, the Nation will miss him, and our children will live better because of him.●

● Mr. WYDEN. Mr. Speaker, the death of Roy Wilkins, former executive director of the National Association for the Advancement of Colored People witnessed the passing of one of the most important men in the history of the civil rights movement in the United States.

Mr. Wilkins guided the NAACP, the Nation's oldest and largest civil rights organization through a period of its greatest growth and prestige. In so doing, Mr. Wilkins' relationship with the NAACP and the civil rights movement continued for a half-century. His tenure bears witness to Mr. Wilkins' perseverance in the struggle to insure equality of opportunity for all Americans.

In carrying out this mission, many have characterized Mr. Wilkins' style as that of a quiet crusader, not one to play upon the emotions of the moment or seek media attention for his sake. He was a quiet crusader whose dedication to solid facts and research addressed the problem at issue. This dedication to facts combined with eloquent and powerful persuasion won many civil rights victories.

If a civil rights hall of fame existed, I am sure Mr. Wilkins would have been inducted many years ago. His ac-

complishments in the area of civil rights span two generations.

Mr. Wilkins led the NAACP during its drive to establish antilynching laws. Mr. Wilkins was administrator for the NAACP when it won the historic Brown against Board of Education decision rendered by the U.S. Supreme Court. Thus overturning the "seperate but equal" doctrine which provided the legal basis for racial segregation in the United States.

Mr. Wilkins was a key supporter and organizer of the March on Washington on August 28, 1963. The march was a dynamic lobbying effort which brought 250,000 people to the Nation's Capital in support of the Civil Rights Act. This effort was key in the establishment of the Civil Rights Act in 1964 establishing voting rights, equal employment and access to public accommodations as a matter of Federal law.

The 97th Congress can commemorate the accomplishments of Mr. Wilkins by extending the Voting Rights Act during this session of Congress. I am sure Mr. Wilkins will look upon Congress and be well pleased by congressional action to extend this act and to assist those who now find themselves outside of our Nation's economic mainstream.●

● Mr. GUARINI. Mr. Speaker, yesterday our Nation was saddened by the news that Roy Wilkins, former director of the National Association for the Advancement of Colored People, died at the age of 80. The annals of history will show that Roy Wilkins was perhaps the most articulate, conscientious, and able spokesman of the world's black population.

The grandson of a Mississippi slave, Mr. Wilkins became dedicated to the cause of civil rights needs while a student at the University of Minnesota, from which he was graduated in 1923, majoring in sociology and minoring in journalism. While attending college he supported himself by working in a slaughterhouse, as a pullman car waiter, and as a redcap. His public speaking skills won him first prize for his deliverance of an impassioned antilynching speech.

Realizing the need for an expression of views, he took a job with the Kansas City Call urging black voter registration and political action. It was because of his work as a newspaperman that he came to the attention of the executive director of the NAACP, Walter White.

His newspaper experience enabled him to succeed W. E. DuBois as editor of the NAACP magazine. In 1949 he became acting executive secretary, a post he held until 1955 when the NAACP national board unanimously elevated him to their executive director's position. Considered by many within his own ranks as a moderate, he advocated the use of constitutional means rather than demonstrations to achieve black civil rights.

He often counseled blacks to be proud of their American status, noting:

> This is our land. This is our Nation. We helped to build it. We have defended it from Boston Common to Iwo Jima.

Wilkins bluntly cautioned America while testifying in support of President Kennedy's civil rights bill that:

> The players in this drama of frustration and indignity are not commas or semicolons in a legislative thesis. They are people, human beings, citizens. They are in a mood to wait no longer, at least not to wait patiently and silently and inactively.

Mr. Wilkins' great leadership resulted in invitation from every President of the United States who sought information and guidance on one of America's greatest problems, that of racial segregation.

His leadership saw the NAACP rise from 25,000 members in 1931 to more than 400,000 individuals in 1977 when he retired.

A tenacious individual with remarkable stamina, he underwent surgery for cancer of the stomach in 1946 and enjoyed a full recovery.

In 1969 he was awarded the Nation's highest civil honor, the Medal of Freedom, by President Lyndon B. Johnson. A man of high integrity and outstanding decency, he has been called one of the 10 greatest persons having an impact on America over the last 50 years by Mayor Edward Koch.

President Reagan yesterday eulogized Roy Wilkins for working for equality, speaking for freedom, and marching for justice.

Community leaders of Hudson County, New Jersey's 14th District, which I represent, vividly recall Roy Wilkins' visit at a dinner about 10 years ago where he told the group that "those who have the wider vision have a responsibility of tolerance." He warned the group that "a thin skin is a poor asset," and spoke of the many broken promises made to America's black population. He told the group that "the more significant tragedy of things that are broken is that they may not be mended again."

I extend condolences to Mrs. Aminda Wilkins, his widow. Residents of Jamaica, Queens, they would have celebrated their 52d wedding anniversary next Tuesday.

Roy Wilkins championed the cause of school desegregation which, no doubt, has been "the finest hour for America's black population." Roy Wilkins has served his nation well. Echoing the words of Daniel Webster:

> Let our object be our country, our whole country, and nothing but our country. And, by the blessing of God, may that country itself become a vast and splendid monument, not of oppression and terror, but of wisdom, of peace and of liberty, upon which the world may gaze with admiration forever.

Roy Wilkins, in his lifetime, has reached immortality. His leadership proves that immortality is not a gift but one of achievement, and those of us who have deep courage and strive valiantly shall possess it.●

● Mr. WINN. Mr. Speaker, I, like many Americans, was saddened at the news of the death of Roy Wilkins last week. Mr. Wilkins spent many prosperous years in the Kansas City area, first as the managing editor of the Kansas City Call and then as a staff aid in the local office of the NAACP. Of course, Mr. Wilkins went on to become executive director of this great organization for 22 years—an organization that was largely responsible for gains of black Americans during the racially turbulent 1950's and 1960's.

While working in Kansas City, Mr. Wilkins saw and experienced firsthand the inequities of segregation. This appalled the quiet Marshall, Tex., native who grew up in St. Paul, Minn. But through his efforts on the Call, local blacks were able to raise their hopes for a better life. Many young blacks are productive parts of the local economic scene in Kansas City because of the work of Roy Wilkins. Mr. Wilkins' nephew Roger grew up in Kansas City and has many fond memories of his hard-working uncle. He looked up to his uncle as many of us did. Roger Wilkins remembers the inspiration he received when his father, Mr. Wilkins' brother, passed away at an early age. It was a quiet inspiration, but one that was indelibly imprinted in the mind of young Roger.

Roy Wilkins was a quiet man. He was quiet when American schools were segregated as a rule and when lynchings occurred regularly. He was quiet yet he was effective in correcting these inequities. Long before the well-publicized civil rights marches of the 1960's, Roy Wilkins worked feverishly behind the scenes with government leaders to correct injustices against blacks. Mr. Wilkins played a big part in the massive civil rights march on Washington in 1963 which attracted 250,000 peaceful marchers. He also was a pillar of strength during the distressing innercity riots of the late 1960's and later urged restraint when antibusing demonstrations became violent in Boston in the mid-1970's.

Roy Wilkins will be missed greatly. He was a man I admired and respected. Hopefully, his work will motivate us all to better our lives as free Americans.●

● Mr. ROSENTHAL. Mr. Speaker, I rise to express my deep sorrow over the death of Roy Wilkins at the age of 80 years old.

Mr. Wilkins will always be remembered for his intense devotion to the cause of civil rights and for his work as executive director of the National Association for the Advancement of Colored People. Mr. Wilkins' unrelenting efforts helped to bring about the significant achievements made by black Americans in the last three decades. However Mr. Wilkins' work touched upon all Americans, each of us has gained from his presence and leadership. He stood as a symbol of rationality during an era of emotional

upheaval, as a voice of reason rising above the din of rhetoric, as a man of peace tempering the violence of the times. The loss of Mr. Wilkins will be felt by all of us.●

● Mr. GILMAN. Mr. Speaker, I was deeply saddened to learn of the passing of one of our Nation's leading civil rights leader, Roy Wilkins.

Under Roy Wilkins, the NAACP grew in stature, power, and pride. When he first joined the NAACP in 1931, that organization's income was slightly more than $50,000. After assuming leadership in 1955, the income of the group rose to over $2 million.

The life of Roy Wilkins is parallel to the black movement in our Nation: Hard work, some discouragement, but eventual triumph. Born in St. Louis in 1901, Wilkins worked his way through college, obtaining reporters jobs at papers in Kansas City.

The NAACP, under Roy Wilkins' leadership, undertook some particularly courageous missions, leading to the eventual desegregation of schools, betterment of work opportunities and conditions, and the elimination of racial bias.

Wilkins was an esteemed adviser to President Johnson and continued as an outspoken critic of policies which were detrimental to the black population. His inspiring presence and voice of moderation will be sorely missed.●

● Mr. YOUNG of Florida. Mr. Speaker, on July 21, 1868, in the midst of a civil war, the Constitution of the United States was amended to include the following well-known words:

> • • • [no State shall] deprive any person of life, liberty or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

And, on March 30, 1870, the U.S. Constitution was again amended to state that:

> The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude.

For at least 100 years, these words held little meaning. Yet, they gained strength and conviction through the courage, honesty, and dedication of a few men and women. One of those men was Roy Wilkins.

As head of the National Association for the Advancement of Colored People for 22 years, Roy made friends out of enemies and success out of what had been past failures. When others were demanding radical action, Roy Wilkins was a moderating voice. Yet, he commanded both attention and respect.

On Friday, September 11, 1981, we marked the passing of, not only a great leader, but a great American as well. Let us insure that his achievements are not forgotten. Let his dedication and ideals live on in the hearts and minds of others. Only then can we be certain that those precious words added to the Constitution at the price of human life shall, indeed, gain strength in the years ahead.●

● Mr. GREEN. Mr. Speaker, I would like a moment to express my deep sadness and sense of loss at the death last week of Roy Wilkins, a man who helped shape many of the most important moments in U.S. civil rights history as executive director of the National Association for the Advancement of Colored People.

Mr. Wilkins guided the NAACP, the Nation's largest and oldest civil rights group, through its times of greatest growth and prestige. Through his dedication and unmatched leadership, Mr. Wilkins brought unprecedented economic and human justice to black Americans in this country.

From 1931, when he joined the organization's staff as assistant secretary, until 1977, when he retired as executive director after 22 years in that post, Mr. Wilkins and the NAACP were united in their efforts for equity and freedom. He and the association were at the forefront of the drive for antilynching laws in the 1930's, when lynching was a "common and acceptable occurrence in regions of the South and Midwest.

Mr. Wilkins was the administrator of the association in 1954 when it won the historic Brown against Board of Education decision in the U.S. Supreme Court, which reversed the Court's previous decision of 1896 in Plessy against Fergurson that provided legal justification for racial segregation in the United States.

Throughout Mr. Wilkins' 80 years of life, he was moved to defend the poor and the victims of discrimination by his conviction that every American should be guaranteed justice.

Roy Wilkins was and will continue to be a prominent figure in the history of all American citizens, hailed not only for what he did during his lifetime but for the persistent and enthusiastic commitment he made to the numerous challenges he undertook.●

## GENERAL LEAVE

Mr. ADDABBO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the passing of our dear friend Roy Wilkins.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

## TRIBUTE TO CATHERINE DORRIS NORRELL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 60 minutes.

● Mr. ALEXANDER. Mr. Speaker, on August 27, death closed a lifetime of public, community, and religious service by Catherine Dorris Norrell.

In an editorial, August 28, the Pine Bluff Commercial said:

> Catherine Dorris Norrell was in Congress much longer than she was a Congresswoman from this State's old Sixth District.

Catherine Norrell was one of that honorable, courageous, generous legion of women who have served their States and their Nation as wives and helpmates to their Congressmen husbands. While he was in Congress, Catherine Norrell worked as staff assistant to her husband, William Frank Norrell. And, after his death Arkansans recognized her 22 years of experience and qualifications by electing her to Congress.

Although she was a Member of the House for just one term, from April 1961 through 1962, Mrs. Norrell's congressional service actually spanned 24 years.

Both Norrells served Arkansas' old Sixth District, our State, and our Nation with intelligence, compassion, grace, and dignity.

In her first election, Catherine Norrell won a hard-fought campaign over four other candidates, by a 2-to-1 margin over her closest opposition. Although political forecasters gave her a strong chance for reelection, she decided 4 days before the 1962 candidate filing deadline not to seek another term. But, her service to the Nation was to continue throughout the decade of the 1960's.

President John F. Kennedy appointed her Deputy Assistant Secretary of State for Cultural Affairs, where her training and experience as a musician, educator, leader, and public official could stay in service to America. She held that post from 1963 to June 1965, when President Lyndon B. Johnson named her Director of the U.S. Department of State Reception Center in Honolulu. Mrs. Norrell retired from that post in 1969.

Mrs. Norrell's leadership talents were put to use in a wide array of community and church activities. Daughter of a Baptist minister, she gave many years of work to church music programs.

While living in Honolulu she became the first woman to be elected a deacon in a Baptist Church in Hawaii. She had been president of the Congressional Club, past worthy grand matron of the Order of the Eastern Star in Arkansas, and a member of the Honolulu board of directors of the Salvation Army. Mrs. Norrell had been active in the Women's National Democratic Club, the Business & Professional Women's Club, the Former Members of Congress Club, the Soroptimist Club, and the Foreign Service Officers Association.

Mrs. Norrell was educated in Arkansas public schools and at Quachita Baptist College and the University of Arkansas. She taught in Arkansas public schols and had been director of the Department of Music at Arkansas A. & M. College, now the University of Arkansas at Monticello.

Born in Camden, Ark., she was the daughter of the late Rev. William Frank Dorris and the late Mrs. Rose Catherine Dorris. She leaves a daughter, Julia J. "Judy" Norrell, of Washington.

Mr. Speaker, I believe our colleagues would be interested in some of the public comment in Arkansas on Catherine Norrell's life of service; therefore I would like to include at this point editorials and a news article that appeared at the time of her death.

Editorials and news article follow:

[From the Pine Bluff Commercial, Aug. 28, 1981]

CATHERINE NORRELL

Catherine Dorris Norrell was in Congress much longer than she was a congresswoman from this state's old Sixth Congressional District. She had served as a staff assistant to her husband—Congressman William Frank Norrell—for years before being elected to Congress in her own right after his death. That special election in 1961 was a spirited race, with the widow Norrell pitted against four opponents—two from Pine Bluff and one each from Benton and Hot Springs—but the outcome was not much in doubt with Mrs. Norrell outpolling her nearest competitor almost 2-to-1.

The new congresswoman had more going for her than the good Norrell name. She had all that experience in Washington, a network of friends back home that she and her husband had built over the years, and a reputation for charm and, yes, competence. Mrs. Norrell spoke her views freely to the press, but carefully off the record. And got away with it, politics and woman's place in it being more sedate in 1961. One subject she did not hold back on was her support for the Equal Rights Amendment, which was fighting for its life back then as it is now. Mrs. Norrell co-sponsored it early on in the House of Representatives.

When the state's congressional districts were remapped for the 1962 election, Mrs. Norrell chose to step down rather than contest the issue with Congressman Oren Harris of El Dorado—but she didn't return to live at Monticello. Genteel, outgoing, a joiner, and very much into political life, she would have made a fine choice as a deputy under secretary for cultural and educational affairs—and that is what the still new President, John F. Kennedy, appointed her. Later, Lyndon Johnson would put her in charge of the State Department's Reception Center at Honolulu. An unflappable gentlewoman, and an accomplished musician to boot, she lent a Southern grace to international gatherings, as she had to a rough-and-tumble Congress.

Mrs. Norrell once described her politics as "middle-of-the-road conservative," but her political views were seldom as distinct as her personality and courtesy. At her death at the age of 80, many people throughout the old Sixth District, and around the world, will pause to remember an old friend and an always obliging public servant.

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[From the Advance Monticellonian, Sept. 3, 1981]

THE HONORABLE CATHERINE NORRELL

One after another, they walked to the podium at First Baptist Church last Sunday to pay tribute to former Congresswoman Catherine Norrell of Monticello.

One distinguished public servant after another . . . Judge Oren Harris, former Congressman Ray Thornton, now president of Arkansas State University, former Congressman Jim Guy Tucker, Fourth District Congressman Beryl Anthony, Congresswoman Cardis Collins of Illinois . . . each with the mainstream thought expressing admiration for the courage, dignity and human service delivered over the years by Mrs. Norrell, before and after the death of her husband.

A woman, no . . . better, a PERSON such as Catherine Norrell walks with us during a period of our fleeting lifetime . . . and strongly influences the roads we choose. She never had to worry about leading anyone down the "wrong" one because she lived, worked and played this worldly time in such a manner that said: "You're a person . . . you must choose your own way . . . and in the end you must be willing to stand on your choice."

The philosophy above seemed to express her to many of us. Her daughter Judy, now a Washington lawyer, appears to be the epitome of that philosophy. An outstanding woman of high intelligence. A person who has walked and worked with the powerful business and political leaders of the world . . . and yet, in delivering the eulogy for her mother, who lay directly in front of her in that church service . . . Judy Norrell THANKED the mourners who came, the people of Drew County and the congressional district for giving the Norrell Family the opportunity to serve human needs.

She told us that it was not a day of sorrow, but of joy. Her type of faith and strength seemed exceptionally appropriate for the occasion, because Catherine Norrell had not left us . . . and everyone who brushed her hand in life knew very well she hadn't.

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[From the Advance Monticellonian, Sept. 3, 1981]

FORMER CONGRESSWOMAN, RESIDENT, DIES AT 80

Catherine Dorris Norrell, 80, a former Arkansas member of Congress, ex-State Department official, educator and musician, died Aug. 26 in Warren following a brief illness.

Funeral services were at 2 p.m. Sunday afternoon at First Baptist Church in Monticello by Dr. Harry Trulove with comments by United States Rep. Cardiss Collins (Dem., Ill.), Rep. Beryl Anthony (Dem., Ark.) former Democratic representatives Ray Thorton and Jim Guy Tucker and federal Judge Oren Harris. The eulogy was given by her daughter, Judy Norrell. Burial was in Oakland Cemetery in Monticello by Stephenson Funeral Home.

Pallbearers were Zach McClendon Jr., Bennie Pierce, Billy Hartness, Frank Jackson, Adrian Williamson Jr. and David Taylor Hyatt Jr.

In a hotly-contested special election April 1, 1961, Arkansans chose Mrs. Norrell from a field of five candidates to fill the vacancy created in the U.S. House of Representatives by the death of her husband, William Frank Norrell. Mr. Norrell was a member of the House from 1939 to February 1961.

During that period, the election of a congressional widow to fill out a term was normally a low-keyed process. This one was different. Population shifts were costing Arkansas two congressional districts. The realignment of the districts was a hard-fought issue. And, Arkansas had already demonstrated its willingness to elect and re-elect a woman, Sen. Hattie Caraway, to Congress.

Mrs. Norrell used her years of experience as staff assistant to her Congressman husband to increase her voter appeal. She won her election with almost twice the votes of her closest competitor.

As a member of the House, Mrs. Norrell was an early cosponsor of the Equal Rights Amendment to the U.S. Constitution. She was a member of the House Committee on the Post Office and Civil Service.

In its 1962 New Year's predictions, the Dumas Clarion, a newspaper serving part of her district, said, "Catherine D. Norrell and Oren Harris (whose congressional district had joined with most of Mrs. Norrell's) will run against each other, with Mrs. Norrell carrying the vote in her district counties and Mr. Harris taking his district counties. How heavy the vote will determine the outcome."

But, four days before the 1962 candidate filing deadline, Mrs. Norrell announced she would not seek reelection. Although she did not make her reasons public at the time, she was quoted in Hope Chamberlin's 1973 book, A Minority of Members: Women in the U.S. Congress, as citing the growing dominance of television in political campaigns and saying that politics had become "a rich person's game."

In 1963, President John F. Kennedy appointed Mrs. Norrell Deputy Assistant Secretary of State for Cultural Affairs. She served in this post until June 1965, when President Lyndon B. Johnson named her director of the U.S. Department of State Reception Center in Honolulu, Hawaii. Mrs. Norrell retired from this post in 1969.

While living in Honolulu, Mrs. Norrell became the first woman to be elected a deacon in a Baptist church in Hawaii. She had been president of the Congressional Club, past Worthy Grand Matron of the Order of the Eastern Star in Arkansas and a member of the Honolulu board of directors of the Salvation Army. Mrs. Norrell had been active in the Women's National Democratic Club, the Democratic Wives Forum, the Soroptimist Club, the Business and Professional Women's Club, the Former Members of Congress Club and the Foreign Service Officers Association.

Mrs. Norrell was educated in Arkansas public schools and at Ouachita Baptist College and the University of Arkansas. She taught in Arkansas public schools and had been director of the Department of Music at Arkansas A&M College (now the University of Arkansas at Monticello).

Born in Camden, Mrs. Norrell was the daughter of the late Rev. William Frank Dorris and the late Mrs. Rose Catherine Dorris.

She is survived by one daughter, Julia J. (Judy) Norrell of Washington, D.C., and Monticello, associate counsel of the American Council of Life Insurance, and one brother, William Franklin Dorris of Tucson, Ariz.

The family requests that memorials take the form of gifts for student financial aid to the Department of Music at UAM, or to Rust College in Holly Springs, Miss.●

● Mr. O'NEILL. Mr. Speaker, I am saddened by news of the death of my friend and former colleague, Hon. Catherine Dorris Norrell, of Arkansas.

I had the privilege of knowing Catherine both as the wife of a Member (William Frank Norrell) and as a colleague. She was a lovely and talented woman who made significant contributions in both capacities. She worked closely with Bill throughout the more than 20 years he served here in the House. Upon his death, the people of Arkansas elected Catherine Norrell to serve the remainder of his term. Her service was marked by dedication and skill.

I admired her grace and dignity, and I appreciated her professionalism and sense of purpose.

My wife, Millie, joins me in extending our deepest sympathy to Catherine's daughter, Julia Norrell, in this time of great personal loss and sadness.●

● Mr. BOLAND. Mr. Speaker, I appreciate the opportunity afforded by the gentleman from Arkansas, Mr. ALEXANDER, to pay tribute to our former colleague, Catherine Dorris Norrell.

Catherine Norrell was a Member of the House for a relatively short period of time. Her service in the Congress, however, was only a small part of a lifetime of service to the residents of Arkansas and the people of the United States. Prior to her election, she spent more than two decades as her husband's staff assistant and confidante during his tenure as a Representative of the people of Arkansas. After she left Congress she served with distinction in varied posts in the State Department. In addition, she held a number of important positions in civic and fraternal organizations.

Mr. Speaker, Catherine Norrell took an active interest in the promotion of equal rights for women as a Member of this House. She was an early cosponsor of the equal rights amendment and an effective member of the Post Office and Civil Service Committee. She cared deeply for the people of Arkansas and sought to speak for them to the best of her ability. I believe that she succeeded.

I want to extend my deepest sympathy to Catherine Norrell's daughter, Judy.●

● Mr. DINGELL. Mr. Speaker, Catherine Dorris Norrell will always be remembered by those of us in the House of Representatives who were fortunate to serve with her and with her late husband, William Frank Norrell, who was a Member of the House from 1939 to February 1961.

Upon her husband's death, former Congresswoman Norrell competed in a special election and was selected out of a field of five to continue to represent his district in Arkansas. She was a woman of courage, a woman of fortitude.

While she served in the House of Representatives, she was one of the original sponsors of the equal rights amendment and she served as a member of the Post Office and Civil Service Committee.

In 1962, Catherine Norrell decided not to seek election to her Arkansas seat but continued to be active in party politics. In 1963, President John F. Kennedy appointed Mrs. Norrell as Deputy Assistant Secretary of State for Cultural Affairs, where she served in this capacity until 1965 when President Johnson named her Director of the U.S. Department of State Reception Chapter, Honolulu. Mrs. Norrell retired from this post in 1969.

While living in Honolulu, Catherine Norrell was active in religious, civic, and political affairs and was a leader in her community.

Catherine Norrell was an extraordinary person as a Member of Congress, State Department official, educator, civic leader, musician, and innovator. Her passing will be a loss to our society. But her contributions will not be forgotten.●

● Mr. ADDABBO. Mr. Speaker, I would like to join in today's commemoration of Catherine Dorris Norrell. Mrs. Norrell filled the congressional seat made vacant by her husband's death during my first term in Congress. I remember her willingness to offer friendship and advice, her agility in the ways of the House of Representatives, and her devotion to the constituents she served. I take this opportunity to commemorate her service to the people of Arkansas and to this body.

As a staff assistant, Mrs. Norrell was an important part of her husband's congressional service. After his death in 1961, she was able to fulfill the commitment of his term, establish recognition in her own right and retain ties with her home State. In one of her own statements in the RECORD, Mrs. Norrell cited May 1961 as a "milestone in history * * * when the largest number of women ever to serve in the House and Senate became Members of the Congress." She was an early supporter of the equal rights amendment, and went on to serve as Deputy Secretary of State for Cultural Affairs under John F. Kennedy. Mrs. Norrell returned to Arkansas to chair the music department at Arkansas A. & M. College.

I applaud Mrs. Norrell's achievements in politics and the arts, and express my deepest sympathy to her family. As her colleague, I will not forget her perseverance and valuable insight.●

● Mr. BROOMFIELD. Mr. Speaker, I wish to join my colleagues in paying a well-deserved tribute to our former colleague, the late Catherine Dorris Norrell, who passed away on August 30, 1981.

In April 1961, Mrs. Norrell filled the congressional seat left vacant by the death of her husband, Hon. William Frank Norrell. She served the people of her district with great diligence and care, and brought honor to this body with her presence. However, in 1962, Mrs. Norrell chose not to run for reelection.

While her stay as a Member of the House of Representatives was far too brief, she had a long and distinguished record of actively serving our Nation both before and after her years as a Member of the House.

Prior to her own election to the House, Mrs. Norrell worked throughout her husband's term from 1939 to 1961 as his staff assistant. In fact, she was so well known throughout Arkansas because of her work with her husband that she won almost twice the votes of her closest competitor.

From 1963, when she left the Congress, to 1969 when she retired from public service, Mrs. Norrell continued to serve our country at the State Department—first as Deputy Assistant Secretary of State for Cultural Affairs and later as the Director of the U.S. Department of State Reception Center in Honolulu, Hawaii.

Mr. Speaker, Catherine Norrell served her country and its people with intelligence, dignity, and a great caring for many years. It was an honor and a privilege to know her, and I wish to extend my deepest sympathy to her daughter, Judy.●

● Mr. FINDLEY. Mr. Speaker, Catherine Norrell was no stranger to us in Washington when she was elected to fill out her husband's term in 1961. She had served as his staff assistant and worked throughout his 22 years of service in Congress. Her 2-to-1 victory in the special election was a tribute to how the people of Arkansas felt about her and her decision not to seek reelection in 1962 was a loss to both the House and the people of Arkansas. She continued to serve the Government until 1969 and will be remembered for her contributions long into the future. Catherine Norrell will be missed by all her friends in Congress as well as in her home State.●

● Mr. CONTE. Mr. Speaker, I would like to thank my colleague, the gentleman from Arkansas, for reserving this time to pay tribute to former Congresswoman Catherine Dorris Norrell, of Arkansas, who passed away on August 30.

I had the opportunity to serve with both Mrs. Norrell and her husband in the 87th Congress. Following her husband's death after a long and successful tenure in the House, Mrs. Norrell won a decisive victory over her opponents and assumed her husband's seat for the remainder of the term in 1962. While in Congress, Mrs. Norrell served her district in a competent and compassionate manner; many of us were disappointed when she opted against seeking reelection.

Aside from her congressional achievements, Mrs. Norrell made her mark at the State Department as Deputy Assistant Secretary of State for Cultural Affairs, and was also a noted musician and educator. I would like to express my deepest sympathy to her family and friends on her untimely passing.●

● Mr. RHODES. Mr. Speaker, I want to thank the gentleman from Arkansas, Mr. ALEXANDER, for inviting me to participate in this special order honoring a former colleague—Catherine D. Norrell.

It was my privilege to have served with this charming lady in the 87th Congress when she was sent to Washington by the residents of her congressional district to fill the vacancy created by the death of her husband. In this regard, it is pertinent to note that she was elected from a field of five

candidates by nearly twice the number of votes of her nearest competitor. This margin of victory attests to the high regard in which she was held by her constituency.

During her term of service in this body, she was not only very popular with her colleagues, but also highly respected. She was a tireless worker who dedicated herself to serving her district and country.

Quite frankly, I remember my surprise in 1962 in learning that she would not seek reelection. That decision cost the House of Representatives an outstanding legislator.

Mr. Speaker, I would like to extend my heartfelt condolences to Mrs. Norrell's daughter, Ms. Judy Norrell, of Washington, D.C., who many of us have come to know over the years.●

● Mrs. BOGGS. Mr. Speaker, it is with deep sympathy that I mourn the death of Catherine Norrell. I am among those who had the good fortune to enjoy her friendship as well as that of her husband, the late William Norrell. Both were Members of this House, and both did a superb job of service to the people of Arkansas and the people of the United States.

I greatly admired Catherine's own spirit of enthusiasm and her unending support of Bill during his 22 years in office. She was behind him all the way, with an ear to listen and a hand to help. So strong was her desire to see the people of Arkansas grow and prosper and so deep was her conviction in Bill's plans to make this happen that upon Bill's death she ran in a hotly contested race to represent the Sixth District of Arkansas.

Catherine was also a leader among congressional wives and at the time of Bill's death she was president of the Congressional Club. I enjoyed working with her in the Women's National Democratic Club, the Democratic Congressional Wives' Forum, and the Congressional Club.

We in this Congress would do well to emulate Catherine Norrell. Her dedication to cause and belief in her people and their ideas, are the fundamentals upon which this great Nation was founded—they are the groundwork for all relationships of mutual respect and cooperation.

My special expressions of affection and condolence reach out to Judy, the Norrells' dear and accomplished daughter, who has inherited her parents' love for our Nation and respect for this House.●

## MORE SUGGESTIONS FOR BUDGET CUTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANNEMEYER) is recognized for 30 minutes.

Mr. DANNEMEYER. Mr. Speaker, in my continuing saga of rattling off prospective budget cuts, it is indeed interesting to note recent revelations in the September 21 issue of Newsweek by a diverse crew of instant analysts (brokers, economists, news writers) offering divergent reasons for the monetary malaise which infests our economy and threatens the President's economic recovery program. Although disagreeing on a number of factors, the prevailing common ground which most of them shared was that the Federal budget deficit is way out of sync. More so inasmuch as a great share of Wall Street runs on psychology. So, what better way for the Federal Government to show its faith than to trim its deficit even further, thereby lessening its grip on the credit markets.

By now we have all become acquainted with the latest in constituent jargon as they barrage us with letters and besiege us at district meetings—"interest rates, bring down the interest rates." Well, my friends, controlling money supply is only one part of that battle and there has been looser control than we have been led to believe. Whereas M1-B, the measure most commonly used, has been steadily declining to the point where it is about half of the rate of increase at the beginning of the year, M2, a far more reliable barometer—since it includes moneymarket funds—has been galloping along at a 10-percent clip. The other, and I believe more important, factor is to further reduce the size of the Federal budget deficit, a view shared by Murray Rothbard—no fan of Reaganomics—in a September economic newsletter.

Furthermore, the President has acknowledged the harsh reality that more must be cut. And Members of this House and our brethren in the Senate are quickly coming to the same conclusion. Clearly then, we must find additional targets for trimming, and the question becomes not why but where.

The Members will recall that over the last few days I have taken this opportunity at the close of business to bring to the Members' attention a brief summary of those items contained in the work product of the Budget Reduction Subcommittee of the House Republican Research Committee's Economic Task Force. In July of this year the committee published a report enumerating 272 items where we believe, in good conscience, we can make reductions in Federal spending for fiscal year 1982 of some $52 billion. I shall begin reading today from this list under the category of agriculture.

The Members will recall that agriculture is one of the 20-odd functional categories of spending in the Federal budget for 1982, and this particular section of the study contains 27 items suggesting cuts totaling some $2,387,856,600.

Again I would request the Members, when they hear these suggestions for cuts, to ask themselves a question: Will this cut, if implemented by the Congress, adversely impact on the poor, the downtrodden, the deprived, or the handicapped of our society?

I would submit that is a very humanitarian question and I would also observe to the Members that in my judgment the answer in each instance is "no." The accomplishment of these cuts would not do that.

Beginning then with those items categorized under agriculture, Office of International Cooperation and Development, salaries and expenses, we propose to allow 20 percent over that was spent in 1980. The proposed outlay represents a 62.1-percent increase since 1980, which we believe is excessive.

□ 1740

This cut would save $1,070,400.

Agriculture Stabilization and Conservation Service, dairy and beekeeper indemnities. We eliminate this program and phase it out because, in our judgment, it is no longer needed. This would save $200,000.

Federal Crop Insurance Corporation, administrative and operating expenses. We would allow expenditures for this item to increase by 20 percent over 1980. The proposed outlays are 1,025.8 percent higher than 1980, while the insurance fund declines from 1981. Administrative costs are three times higher than the fund, which we believe is excessive. This item would save the taxpayers $121,394,200.

Commodity Credit Corporation, price supports. We would cut 10 percent from the proposed spending of 1982. We would eliminate the tobacco subsidies. It seems a little ironic that the Surgeon General of the United States has caused to be printed on cigarettes sold in this country the warning that smoking is hazardous to your health and, at the same time, we have the taxpayers subsidize tobacco production. Elimination of this subsidy would save the taxpayers $180,024,900.

Farmers Home Administration, salaries and expenses. We would allow 10 percent above what was spent in 1981, for a savings of $7,968,900.

Farmers Home Administration, rural housing for domestic farm labor. We would allow expenditures for 1982 to increase 10 percent above 1981, for a savings of $5,128,700.

Farmers Home Administration, mutual and self-help housing. We would allow growth in 1982 to rise by 10 percent above 1981 spending. This would save $552,500.

Farmers Home Administration, rural housing supervisory assistance grants. We would allow 20 percent above 1980. The proposed outlays for 1982 represent a 141.5-percent increase since 1980, which, in our judgment, is excessive. This would save $1,006,400.

Farmers Home Administration, agricultural credit insurance fund. We would allow 10 percent above 1980. We would restrict the funding to corporate agribusiness and reemphasize

emergency loans to small farmers. This would save $87,291,400.

Farmers Home Administration, rural development insurance fund. We would allow expenditures to grow 20 percent above 1980. The proposed outlays represent a 62.8-percent increase for this activity since 1980, which we consider to be excessive. This would save $92,540,400.

Office of Transportation. We would eliminate this function of the Department of Agriculture because we think that the farmers can figure out how to get their goods to market without it. This would save $2,923,000.

Food and Nutrition Service, food stamp program. I will say to the Members that this, perhaps, is the most controversial of the items, that I shall mention briefly this afternoon. The Members should be aware that we are spending roughly some $12 billion on this program in 1982. It is the suggestion of our subcommittee that we reinstate the purchase requirements for this program which, if they had been in existence in 1980, would have saved at least $800,000,000. The savings for the reimposition of the purchase requirement would be $1 billion, 48 million in 1982.

I would like to bring to the Members' attention just a brief history of the food stamp program in our country. It was enacted in 1964 as a part subsidy-part welfare program, to allow low-income families to increase their food purchasing power with stamps purchased at less than redemptive value. The program has been amended several times to expand eligibility, reduce the purchase cost to recipients, and increase the bonus value of the stamps.

In 1977, the requirement that recipients pay for a portion of the value of the stamps was dropped altogether, thereby reducing recipient participation costs to zero.

The easy negotiability of the stamps and restriction of their use to food products has fostered an extensive black market. In the last 10 years, annual food stamp outlays have increased from $1.6 billion to $9.7 billion, an average annual growth rate of 19.8 percent, 2.3 times the average annual cost-of-living increase and twice the average annual GNP increase.

The food stamp program has been out of control since its inception. Its benefits are totally duplicative of the food benefit allowances in AFDC and SSI, which assist three-fourths of food stamp recipients.

In 1977, Congress eliminated the purchase requirement, which made all but the very poorest recipients pay a portion of the value of the food stamps. The arguments to restore the purchase requirement are both philosophic and economic. Former Congresswoman Leonor Sullivan, one of the early proponents of the food stamp program, stated the philosophical argument in her congressional retirement speech:

> No one—no one—should receive food stamps free, no matter how small their income. They should be required to pay something for the food stamps, whatever they can afford to spend for food out of their limited income, even if it is only 50 cents or $1.00 for a month's food. Otherwise, the stamps are considered a kind of funny money which are merely handed over as a gift from some mysterious source and do not have to be regarded as something you work for and buy. Anything handed over free in that fashion, whether it be food stamps or anything else, invites cheating and abuse. The economic consequence of removing the purchase requirement has been rapidly increasing case loads and escalating costs. The lure of free income was largely responsible for a 42-percent caseload increase in one 18-month period. Restoring the purchase requirement as it existed prior to 1977 would turn case load growth rates around and prevent the costs of the food stamp program from reaching a projected $10.3 billion in fiscal year 1981.

And so it goes. There have been recent accounts in the press of investigations that have been made by various agencies, citing fraud and abuse in the food stamp program, and it is the suggestion of our committee, as indicated earlier, that we reinstate the purchase requirement as it existed in 1977 which would reduce expenditures in 1982 by $1.048 billion.

□ 1750

Food and Nutrition Services, food stamp program. We would institute a personal consumption index instead of the CPI to determine benefit increases. We would employ the same General Accounting Office and Congressional Budget Office formula as is used for social security. This would save $233,489,000 in fiscal year 1982.

Forest Service, construction and land acquisitions. We would allow a 20-percent increase above 1980. The proposed outlays represent an 80.7-percent increase since 1980, which is excessive when the Federal Government is supposed to be backing away from further acquisitions. This would save $161,843,800 in 1982.

Forest Service, acquisitions of land for national forests, special acts. We would eliminate this because we do not believe that there is any further reason for the Federal Government to be acquiring yet more land in this country; $754,000 would be saved by adopting this item.

Forest Service, acquisition of land to complete land exchange. We would eliminate this. We believe it is unnecessary in this time of tight budgetary restrictions to be adding further land to the Federal Government's inventory. This would save $327,000.

Forest Service permanent appropriation, 302 account. We would allow 10 percent growth above 1981 levels. The proposed staff increase for this program of 40 percent from 1981 is excessive and should be rescinded. This would save $77,687,100.

Forest Service, permanent appropriations, 852 account. We would allow 10 percent above 1981. This would save $29,073,500 departmentwide in the Department of Agriculture. By correcting their accounting procedures, as a result, and in response to, the recommendations of the General Accounting Office, would save $211 million in fiscal year 1982.

Office of Governmental and Public Affairs in the Department of Agriculture, newly established in 1981, could be eliminated as unnecessary. This would save the taxpayers $10,799,000.

Office of the General Counsel. We would restrict spending for 1982 to an amount not in excess of 10 percent above what was spent in 1981, saving $255,900.

Science and Education Administration, Agricultural Research, we would allow 20 percent above what was spent in 1980. The proposed outlays represent a 26.5-percent increase over 1980, which we consider to be excessive. This would save $23,409,000.

Science and Education Administration, cooperative research. Here again we would allow 20 percent above what was spent in 1980. The proposed outlays represent a 34.6-percent increase since 1980, which we consider to be excessive. This would save $25,507,000.

Science and Education Administration, extension activities. We would cut 10 percent from 1980. The program has outlived its usefulness. It no longer serves farmers as much as it does urban gardeners, and we believe it needs to be reevaluated and restructured. This would save $56,294,300.

Agriculture Cooperative Service. We would eliminate this office, which was newly established in 1981. This office provides research which can be handled by the Economy and Statistics Service, a savings of $4,821,000.

Foreign Agricultural Service. We would allow spending for 1982 in an amount not in excess of 10 percent over what was spent in 1981. We do not believe it is necessary to spend more on offices in Warsaw, Peking, and Moscow. If those functions are to be performed they can well be performed in the offices of the Department of State in those specific foreign capitals. This would save $3,595,000.

Members, this completes the itemization and enumeration of those portions of the 272 items that are contained in the agriculture category and, to repeat, these total some $2,387,856,600.

Members may well ask, well, why do we not adopt these suggestions? Some Members may say, well, I cannot vote for the elimination of some of those programs because I do not agree philosophically with the thrust behind some of the suggestions. But, please bear in mind, Members, the projected deficit for this next fiscal year, scheduled to begin in about 3 weeks, has been estimated to range anywhere from $42 billion to $80 billion.

If they do not like these suggestions, I might request of the Members in a very sincere way, "What are yours?"

Does anybody serving in this Chamber seriously believe that we can continue to go on as we have over the past 5 years, during which this Congress has created in excess of 30 percent of the outstanding Federal debt of close to $1 trillion.

The interest expense in servicing that debt is approaching $100 billion for fiscal year 1982 and may be substantially higher than that.

If we are going to restore vitality to the housing industry and to the automobile industry in this country, and the ability of numerous small businesses and indeed large businesses around this Nation to survive, we must drive down the cost of credit. The answer is to get the snout of the Federal Government out of the credit markets so that our beloved Federal Government is not competing with every would-be borrower for the available credit supply.

It is estimated that the Federal Government is consuming about 38 percent of the available credit supply in this fiscal year, and that it is close to a historic high in the history of the last several decades.

We cannot go on this way.

Tomorrow, and as the days continue, it is the intention of this Member from California to enumerate the remaining items of this list totaling some 272, with the idea of developing a consensus in these closing months of the 97th Congress of finding a way to restore fiscal sanity to the U.S. Government.

## MISS ARKANSAS NAMED MISS AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. HAMMERSCHMIDT) is recognized for 10 minutes.

● Mr. HAMMERSCHMIDT. Mr. Speaker, the annual selection of a Miss America has become a fall tradition.

The young woman chosen to wear the 1982 crown is Miss Elizabeth Ward, 20-year-old daughter of Patricia Hampe and Jim Ward, of Russellville, Ark.

A stunning beauty, Miss Ward demonstrates not only the poise and presence this honor requires, but also the extra dimensions of character and talent to bring added distinction to the title.

Miss Ward is completing her junior year of study in accounting at Arkansas Tech University, and looks toward a career in corporate law. Her musical training includes both piano and voice. She held several beauty titles prior to being named Miss Arkansas.

Miss Ward is the only Arkansas Miss America since 1963, when the title was held by Donna Axum, now a television personality in Little Rock.

The duties and requirements of the Miss America position are many and demanding, but it is certain Miss Ward's vitality and determination will be equal to the task.

When her travels bring her to this Capitol, I am hopeful all of you will join me in welcome. I have every confidence that all of us will take pride in our new Miss America and her stewardship of the national title.●

## LEONARD-HEARNS FIGHT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 60 minutes.

Mr. CONYERS. Mr. Speaker, I come to the well of the House this evening to serve as an advisory for activities that are to occur in Las Vegas tomorrow night, about 24 hours from now, and this event is one of the greatest interstate commerce activities to occur in many years. Tommy Hearns and Ray Leonard have stimulated and excited the interest of many Members of the House who not only serve on the Judiciary Committee and the Commerce Committee, who have jurisdiction over interstate affairs and business activities, but, indeed, from what I can tell, nearly every Member of the House has been duly stimulated, even, yes, excited by the prospect of a classic showdown between two first-rate pugilists who join in final depository combat tomorrow night.

So, as one who comes from Detroit and knows Thomas Hearns and his incredible coach and manager, Emanuel Stewart, who is intimately familiar with the stable of fighters who have trained and grown under this incredible coach-trainer, who is familiar with the community training center where these boxers have amazed and startled the entire sports profession, I offer a few kindly and well-intentioned remarks in an attempt to make sure that none of our colleagues makes a serious mistake of predictive judgment about the outcome of this great contest.

□ 1800

You should know that Thomas Hearns is younger, bigger, tougher and has one more victory than his worthy opponent. It is very important, it seems to me, that we take into consideration that our Detroit champion is a little bit hungrier than this tremendous athletic machine, a beautiful face, wonderful family; I love his little kid as millions of people do who have seen him on television; but the suggestion has been made, and perhaps appropriately, that he has grown a little bit soft.

So I would wish to caution all of my colleagues to be careful in terms of how they might view the outcome of this great classic pugilistic contest.

Now, in great matches like this, it is always a pity that there has to be a winner and a loser. Even magazines as reputable as Sports Illustrated, which I follow carefully, while it praises both fighters, makes a very important and classic error. I would like to quote this for the record, so that we may all the morning afterward make our postfight assessments; but here is this great athletic documentary saying:

> Hearns, who fancies himself as a boxer, is a pure slugger about as scientific as a wrecking ball.

Now, this does great hurt. It demeans one of the classic, fastest, toughest, punchers in the business. To consider that he is merely a fighting machine, a slugger, and I hope that Leonard's camp does not take this too hard, because it will only aggravate the error that probably will be unwittingly committed in his camp, but this man Hearns is a puncher, a boxer, fast as the speed of light and probably in this misconception will lie the difference in the outcome of this fight.

I would like to say that in the vernacular, and I have watched Thomas Hearns, I have seen him in workouts, I have carefully tried to appraise the great skills that both of these pugilists would bring into this contest and I am only sorry to say I have not been able to run them through a computer in the finest scientific methodology; but in the vernacular, the saying is that, "Leonard couldn't hit Hearns with a bucket of rice."

Now, I would not, of course, go that far. Of course, Sugar Ray Leonard is a fast, awesome and powerful hitter; but you know, when you are dealing with a quiet, hungry, sober young fellow, who has got to make it or break it; he has no television ads, he has no movie contract, he has no beautiful family to bring to America's attention. He has only got those two dynamite-laden hands, a right and a left, to bring into the ring.

So I would caution my good brother Leonard that his ads will not help him. His television status will not help him. His little kid will not help him, as beautiful and as attractive as he is. All of the contracts that he has to do other products will not help him. His good looks will not help him.

I have just a little something I should relay that I heard Thomas Hearns say in Washington when he was here recently, winning many friends from the Leonard camp. One young lady, and I was standing right next to him, came up and she said to him, "Please, please, don't hurt Mr. Leonard's face. Don't hit him in the face."

Tommy Hearns, as sober as a judge said, "Well, it's nothing personal, lady, but I can't guarantee that in a fight."

I think that underscores the nature of the contest. There is nothing personal about this. There is no grudge. This is not a grudge match. It is not vindictive, but it is in the highest nature of this art, a skill of the two classic giants of our time and the best man, it seems to me, will win.

So I say, "You better pray, Sugar Ray."

You better understand that when Thomas Hearns said on the Johnny Carson Show when asked what it was all about, "I'm just simply going to annihilate him."

So as the odds now move down to about even, there are about 24 hours left, I urge upon my colleagues not to do anything rash or impulsive in the remaining hours before the fight. Guard your hard-earned income and your purse with all your might. Do not succumb to any of the temptations that those who may be lurking in the hallways of our great Capitol to lure you down unsuspecting paths. Do not yield to temptation, but study the words of your colleague from Michigan, who carefully and confidently predicts that Leonard will fall to Hearns.

## TRIBUTE TO THE HONORABLE JAMES A. HALEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 10 minutes.

Mr. UDALL. Mr. Speaker, I want to say a few words today about our late colleague, James A. Haley, who died August 6. Prior to his retirement from the House in 1976, Jim preceded me as chairman of the Committee on Interior and Insular Affairs.

Coming to the Congress in 1953, Jim Haley served the people of Florida and the Nation with distinction. For almost a quarter century, he dedicated himself to outstanding public service, bringing to his office conscientiousness, integrity, and judgment tempered with commonsense. It became apparent early in his career on Capitol Hill that he genuinely cared for his constituents and truly believed in the political and moral traditions that have contributed to the greatness of this Nation.

Although his political philosophy was more conservative than my own, we did find ourselves in agreement on many issues. I admired his individualism and his concern for the preservation of human dignity. I also respected his sense of fiscal responsibility.

His strong fiscal views were well known by those of us serving on the House Interior Committee. The so-called Haley amendment to eliminate open-ended funding in Interior Department programs was a precursor of a trend in Congress to require greater accountability of Federal agencies carrying out Federal projects and programs. He supported legislation to require balancing the national budget long before it was in vogue to do so.

And, there was Jim Haley's compassion for the plight of the American Indian and other aboriginal Americans, including the Alaska Natives—Eskimo, Aleut, and Indian peoples. This compassion was well illustrated during his 18-year tenure as chairman of the Subcommittee on Indian Affairs and his 4 years as chairman of the full Committee on Interior and Insular Affairs. Under his guidance the Alaska Native Claims Settlement Act was developed. This landmark measure provided for the settlement of aboriginal claims of Alaskan Native people and established the foundation for the ultimate resolution of the issue of how Federal lands in Alaska would be managed. Also while he served as subcommittee chairman, he directed legislation through Congress which resulted in the return of the sacred Blue Lake area to the Taos Pueblo Indians. As full committee chairman, Jim Haley fought hard to win passage of the Menominee Restoration Act, the Indian Financing Act, and the Indian Self-Determination Act—all measures of great importance to the Indian people.

Jim Haley made many contributions to the Nation as a conservationist. Always a friend of the Everglades National Park, he led the effort to protect an area of southern Florida called the Big Cypress Swamp. This area—three-fourths the size of Rhode Island—has proven to be a significant factor in the protection of the ecology of a portion of the Everglades and of the environment of south Florida in general. I supported him in this effort because, together, we knew the investment of $116 million of the Land and Water Conservation Fund moneys would make it possible to preserve this fragile area so that future generations could continue to enjoy the Everglades National Park. As time has passed, the benefits gained from protecting the Big Cypress have become more and more apparent—as have Jim Haley's legislative wisdom and foresight. He also was instrumental in helping to establish the Canaveral National Seashore in Florida, an effort which has contributed to the preservation of one of the last large undeveloped stretches of pristine shoreline in that State.

Jim Haley was a conservative who defied stereotyping. This man who won three Watchdog of the Treasury Awards for fiscal conservatism and was a traditionalist in his political habits, never lost sight of the need for compassion and human dignity within Government. His strongly held views of this need led him not only to doing much for the American Indian people—examples of which have been cited earlier—but also to being an original and outspoken sponsor of the Equal Rights Amendment, to supporting the right to vote for 18-year-olds, and to championing the rights of the elderly and disadvantaged.

As a powerful advocate for the veterans of our Nation, he served on the Veterans' Affairs Committee for many years, and, as chairman of the Subcommittee on Hospitals, contributed substantially to the improvement of the VA hospital system.

Jim Haley had a great sense of humor. Prior to serving in Congress, Jim had been president of the Ringling Brothers, Barnum and Bailey Circus. He used to poke a little fun at the Congress by saying that he was one of the most eminently qualified people to serve in the U.S. House of Representatives—having already presided over the largest circus in the world, he had simply moved from one circus to another.

Jim Haley could be described as a man for all seasons who, beyond his career of public service on the State and national levels, enjoyed a rich and full life, which included lifelong service to his community and devotion to family and friends. His record of good works left a lasting impression on his colleagues, his employees, his community, friends, and loved ones. The gentle dignity of the man, his goodness, his sense of fair play will not be forgotten.

He was a good man who was my friend, and I'm sad that he is gone.

Mr. Speaker, I ask unanimous consent to insert in the RECORD at this time the funeral eulogy for Jim Haley delivered by Dr. Paul F. Andrus, pastor of Trinity United Methodist Church in Sarasota, Fla., which is a tribute to the man who indeed, as Dr. Andrus remarked, "fought the good fight" and won.

FUNERAL SERMON FOR THE HONORABLE JAMES A. HALEY, TRINITY UNITED METHODIST CHURCH, AUGUST 10, 1981, BY DR. PAUL F. ANDRUS

SERMON TEXT: II TIMOTHY 4: 6–8

St. Paul must have come to the end of his life with a sense of fulfillment. Clearly it shows in his words: "I have fought the good fight, I have finished the race, I have kept the faith."

Few men of our time and acquaintance have lived to these words as has James A. Haley. It can well be said of him: He fought the good fight.

Born in 1899 in Jacksonville, Alabama, he

Enlisted in the United States Army in 1917, and as a member of the First Division, fought in every major battle of the Army Expeditionary Force in World War I. Then he

Became a Certified Public Accountant, establishing his own accounting firm in Sarasota in 1925.

In 1933 he became General Manager of the John and Mable Ringling Museum of Art as a Florida State Museum.

Later he became the First Vice President of Ringling Circus, and

Still later was made President and Director of Ringling Bros., Barnum & Bailey Combined Shows, a responsibility he fulfilled until 1948.

It was in that year (1948) that he turned to public service, being elected to the Florida House of Representatives and serving two terms. While there he was voted "Most Outstanding Member," and was known as "Mr. Economy."

In 1952 he was elected to the 83rd Congress of the United States, and was subsequently elected to Congress for the next 24 years!

James A. Haley was never defeated in any election he chose to enter!

While in Congress he chaired several influential Committees, including:

The Indian Affairs subcommittee during the 84th to the 92nd Congresses. While there he earned the title of "Big Chief" be-

cause of his concern for our native Americans.

The House Committee on Interior and Insular Affairs during the 93rd and 94th Congresses, and

The Hospitals Subcommittee of the House Committee on Veteran Affairs, where he was instrumental in establishing Veterans hospital in Gainesville, Tampa and Miami.

In 1976, upon his announced retirement, his portrait was hung in the Hearing Room of the House Committee on Interior and Insular Affairs.

Truly, James A. Haley Fought the Good Fight!

But he also Kept the Faith!

There was never a question as to Jim Haley's love of God and the Church. The very land upon which this church sits was donated by him. And every time he was home from his duties in Tallahassee or Washington he would be in church on Sunday morning. In recent years his health and failing strength would not permit him this pleasure. The Fellowship Hall of this church bears Jim Haley's name.

But his Christianity had a practical side beyond donating land to his church. Before our parking lot was paved it was an area distinguished mostly for its sugar sand and sand spurs. On more than one occasion, Jim Haley could be seen after church helping push some poor motorist out of the sand. . . . probably a tourist who just did not know the problem sand can be while driving.

And the testimony of those with whom he served in Congress is consistant: James A. Haley was a man of the highest integrity. As the Honorable Carl Albert, former Speaker of the House of Representatives said about him, "Jim Haley did not always vote like I voted, but Jim Haley always voted as he thought he should vote. He is a man of integrity and character, and beyond that, as far as I am concerned, he will always be a friend."[1]

James A. Haley lived his religion in many very real ways. Truly, he Kept the Faith!

But perhaps best of all, like St. Paul, James Haley Finished the Race!

To have lived long and well is a goal all of us want to reach in our lives.

To have laughed with friends . . . to have known the dignity of serving one's fellow human beings . . . and to have come to the end with a sense of completion . . . this is truly finishing the Race.

And for James A. Haley, the race was well run.

Doing more in one life than many men could do in several . . .

Becoming honored and respected for work close to home and in our nation's capital . . .

These are just a few of the signs of a Course well run!

Truly, James A. Haley Finished the Race!

So I have come today to join with you in honoring one who honored us with his selfless life and his sterling example . . . and to join with you in the sorrow that we feel, for we are diminished by his death.

But I also come to thank God for giving us James A. Haley for these years. For our lives have been touched and made the better because he was with us in these days. He will not be forgotten. Thank God for James A. Haley.●

[1] Speaker Carl Albert, July 27, 1976, upon the occasion of the unveiling of a portrait of the Honorable James A. Haley in the Hearing Room of the Committee on Interior and Insular Affairs, Washington, D.C.

## INTRODUCTION OF LEGISLATION TO REFORM THE REGULATION OF OIL AND OIL PRODUCT PIPELINES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. SYNAR) is recognized for 5 minutes.

● Mr. SYNAR. Mr. Speaker, I am today introducing along with my colleague from Illinois (Mr. CORCORAN) legislation to reform the regulation of petroleum and petroleum product pipelines. A section-by-section analysis of the bill is included at the end of my statement for the convenience of Members in reviewing this proposal.

My colleagues will recall that prior to adjournment in August I announced my intention to introduce legislation to reform oil and product pipeline rate regulation. Since that time, several Members of the House have indicated their interest in this proposal, and I look forward to working with them.

The legislation which we are introducing reforms oil and product pipeline regulation by repealing the jurisdiction of the Federal Energy Regulatory Commission to determine and prescribe rates and charges. Under our bill, FERC will continue to regulate common carrier obligations and will continue enforcement of legal proscriptions against any possible discriminatory or preferential treatment of shippers by pipeline companies. And, of course, all Federal antitrust laws will continue to apply to oil and product pipelines. It is only rate regulation that is unnecessary and therefore repealed by this legislation.

I would emphasize at this point that our legislation deals only with oil and oil product pipelines—pipelines which are not franchised by the Federal Government and which are not, in any sense of the term, a legally protected monopoly.

Before going on, Mr. Speaker, I would like to provide a short history of oil and oil product pipeline rate regulation by the Federal Government.

Since 1906 petroleum pipelines have been subject to regulation under the Interstate Commerce Act which imposes common carrier obligations on those pipelines, requires that their rates be just and reasonable, and prohibits any discriminatory or preferential treatment of shippers by any pipeline.

Until 1977, the Interstate Commerce Commission administered the provisions of the Interstate Commerce Act as they apply to oil and oil product pipelines. Profits of oil pipeline companies have been regulated by two rate-of-return standards and, in some cases since 1941, by a negotiated consent decree. One standard sets maximum rates of return for crude oil pipelines, the second for petroleum product pipelines. On October 1, 1977, with enactment of the Department of Energy Organization Act, regulatory jurisdiction over petroleum pipelines was transferred from ICC to the Federal Energy Regulatory Commission within DOE.

Just prior to this transfer of jurisdiction, the ICC had begun a reexamination of its approach to pipeline rate regulation, and this review has continued under FERC without resolution for almost 4 years now. In the meantime, the Federal Energy Regulatory Commission has suspended and set for administrative proceeding every single rate increase proposed by an oil pipeline company. Needless to say, the backlog of pending pipeline rate cases continues to grow as FERC reviews the basic methodology used by ICC for regulating industry rates.

Since coming to Congress almost 3 years ago, I have been actively involved in efforts to effect regulatory reform in two ways: by changes in the regulatory process itself, and by relieving industry of regulation where it is unnecessary and counterproductive.

From this work, I know that many of my colleagues share my view that we should avoid regulatory interference in the marketplace where it can be shown that competition exists within a particular industry and that competition will continue to be the driving force behind the setting of reasonable rates for services of that industry. In any industry where competition can and should work, the Nation is ill-served by unnecessary regulation. The Congress has already found this to be the case in many other industries and accordingly moved to relieve them of Federal regulations.

Back in 1906 when rate regulation of oil and product pipelines was first instituted there was some justification for it, since shippers had relatively few options available to them for transporting their crude oil and products. However, that situation no longer exists as it did 75 years ago. Today, shippers enjoy a great variety of options which include transport by different pipelines, by other modes of crude and product transportation and by shipper exchanges. Evidence reveals that shippers benefit from this intramodal and intermodal competition, since it results in competitive rates for shippers. I believe that evidence also shows that it is this competition, and not Federal rate regulation, which continues to provide shippers with reasonable transportation rates.

There is yet another aspect of pipeline industry competition which I want to address for a moment. Since the ICC began its reexamination of pipeline ratemaking methodology several years ago, which has continued under FERC, the issue of how to set appropriate rates for this industry has been the topic of much discussion and disagreement. It is clear to me that this lack of agreement results in very large measure from the fact that there simply is no satisfactory way to establish an appropriate ratemaking methodology for a competitive industry.

Where there is no need to regulate, there is no effective and appropriate method for regulating.

In addition, this regulatory state of flux has resulted in considerable uncertainty for an industry which can ill afford it, by making new investment planning difficult at best and impossible in some cases. Without some direction from Congress, this unnecessary review of ratemaking methodology could go on for several more years. It would continue to impose upon the industry the regulatory uncertainty which hampers effective planning necessary to meet the changing dynamics of the industry and the changing demands of shippers and consumers. Without the ability to plan and invest with reasonable certainty of Federal regulation, the industry cannot meet the needs of our consumers.

While the state of the industry as a whole may be relatively sound, many believe it will not remain so under current unpredictable conditions or under a radical departure from traditional methods of rate regulation.

Mr. Speaker, this is clearly an appropriate time for Congress to explore fully the issue of oil pipeline rate deregulation for the many reasons I have outlined above. I look forward to working on this issue with other Members of the House and members of the Energy and Commerce Committee who have expressed an interest in our proposal.

Following is a section-by-section analysis of the bill:

SECTION-BY-SECTION ANALYSIS OF H.R. 4488 BY MR. SYNAR AND MR. CORCORAN

Section 1. Title of the Act. This Act may be cited as the Department of Energy Organization Act Amendments of 1981.

Section 2. Statement of purpose: to foster a competitive oil pipeline industry, induce investment in new oil pipelines, and eliminate unnecessary regulations.

Section 3(a). Repeals Section 306 of the Department of Energy Organization Act of 1977 which transferred from ICC to the Secretary of Energy those functions which relate to the transportation of oil by pipeline.

Section 3(b). Repeals Section 402(b) of the Department of Energy Organization Act of 1977 which transferred to FERC the functions and authority of ICC to establish rates and charges for the transportation of oil by pipeline.

Section 3(c). Amends Section 402 of the Department of Energy Organization Act of 1977 by adding a new Subsection to transfer to FERC all functions related to the transportation of oil by pipeline (formerly transferred to the Secretary of Energy and FERC under Sections 306 and 402(b) of the Department of Energy Organization Act of 1977 as originally enacted), subject to the provisions of Section 4 of this bill.

Section 4(a). Repeals those laws which vest jurisdiction and authority to suspend or determine or prescribe rates, fares or charges for the transportation of oil by pipeline, except as provided by Section 4(b).

Section 4(b). Provides that the repeal in Subsection 4(a) does not apply to the FERC's authority with respect to rates, fares or charges for the transportation of oil by the trans-Alaska pipeline system.

● Mr. SHARP. Mr. Speaker, I commend my colleague for identifying and suggesting action in this area. Congress has not looked at the question of oil pipeline regulation for many years, and I hope our Subcommittee on Fossil and Synthetic Fuels will be able to do so during this term. I look forward to working with the gentleman from Oklahoma.●

● Mr. CORCORAN. Mr. Speaker, the gentleman from Oklahoma (Mr. SYNAR) today introduced a bill to achieve regulatory reform in the area of petroleum and petroleum product pipeline rates. This bill, which I am pleased to cosponsor, will remove an unnecessary and burdensome rate regulation and will promote competition to the benefit of the consumer.

The bill is important to the Nation, because the country always benefits from the removal of regulation where it is unnecessary and counterproductive. It is also important, however, to the industries and consumers in my region of the country.

It is estimated that the 15th District of Illinois consumes some 4.7 million barrels per year of gasoline and distillate fuels. Of this amount, approximately 50 percent is delivered to the area via Refined Products Pipelines. The balance is sourced from area refineries or from river terminals. All the area refineries depend on pipeline as a source for the crude oil processed in their facilities.

Through this competitive network of crude oil and refined products pipelines, refineries, and river terminals, the district is able to access its petroleum needs from a wide variety of sources.

Crude oil from domestic production sources in Illinois, Oklahoma, Texas, and Louisiana are directly connected to the area and Alaskan oil is also available to the region from pipelines originating on the gulf coast. In addition, the connection to the gulf coast provides economic access to imported crude oil from the major world producing areas in South America, the North Sea, Africa, and the Persian Gulf. Canadian production is also tied directly into the area by the pipeline network from the North.

In addition to local refinery production, the area is served by refined products produced in the major midcontinent and gulf coast refining centers and delivered into the area by barge and pipeline. Much of the local refinery production is also distributed through the region via pipeline.

The ability to economically access both raw material and refined products which is provided by the extensive oil pipeline network serving this region provides a maximum measure of security for this area in this age of energy uncertainty. Periodic or intermittent interruption of supply from one area; that is, OPEC embargo, Canadian export cutback does not leave the region isolated as material from other sources can supplement these losses as long as adequate capacity exists on the various pipeline systems serving the area.

The willingness to take the risk to commit to such capacity levels is best assured by an economic and regulatory environment which recognizes the intensely competitive nature of the industry. With a healthy oil pipeline industry, this interior region of the country, located away from the major oil producing areas, is able to maintain parity of access to the available supplies of energy in a dynamic and rapidly changing energy environment. The obvious competition among various sources to supply the area during normal times assures energy supply at the least possible cost. Without such a healthy system, this region could suffer both severe economic penalties and physical limitations in accessing its needed energy supplies.

For these reasons, the bill to foster competition by ending petroleum pipeline rate regulation is of vital importance to my district and the mid-West. It deserves our support and I look forward to working for its passage.●

## EXODUS OF EXECUTIVES FROM THE FEDERAL GOVERNMENT REACHES ALARMING PROPORTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 5 minutes.

● Mr. FORD of Michigan. Mr. Speaker, the exodus of executives in the Federal Government has reached alarming proportions. More and more we are reading and hearing about the Federal brain drain as a result of the $50,112 pay ceiling. Our best and brightest people are fleeing to private industry where in many cases they double or triple their annual earnings.

Just last week Newsweek magazine warned that the drain could turn into a flood.

Within the last 3 years retirement or resignation of top Federal employees has risen alarmingly.

Early this year the Post Office and Civil Service Committee held hearings to determine the seriousness of the problem. What we heard was frightening. Managers of several Government departments and agencies painted a disquieting picture of what is taking place.

The Reagan administration is not unaware of the problem. But OMB Director David Stockman told us last winter and spring that this would not be an appropriate time to attempt to remedy the problem. We would have to wait, he said, until there was improvement in the economy.

Yesterday Donald J. Devine, Director of the Office of Personnel Management, testified before the Senate Committee on Governmental Affairs on this very subject.

After acknowledging that people are leaving the Senior Executive Service at the prime of their careers and warning of a serious morale problem, Mr. Devine urged Congress to pass legislation that would permit the pay cap to increase by 4.8-percent, the same amount the administration has recommended for all Federal employees.

In light of what Mr. Stockman told us earlier, I am not sure how to read this proposal. Does it mean that the economy has improved by 4.8 percent using supply side arithmetic? Or does it mean the administration projects a 4.8-percent improvement?

I don't think it means the administration has decided to face up to the problem. The people who are leaving the Government are doing so because the offers in the private sector are substantially more than they are earning. I don't think this proposal, which Mr. Devine calls symbolic, can be regarded as a serious gesture. I would hope that the President in this instance recognizes that this is far from an adequate solution.●

## MONTHLY LIST OF GAO REPORTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BROOKS) is recognized for 5 minutes.

Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The June 1981 list includes:

NATIONAL DEFENSE

Adjustments Recommended in fiscal year 1982 Ammunition Procurement and Modernization Programs. PLRD-81-35, June 30.

Improved Work Measurement Program Would Increase DOD Productivity. Acc. No. 115468, PLRD-81-20, June 8.

Will There Be Enough Trained Medical Personnel in Case of War? Acc. No. 115603, HRD-81-67, June 24.

*Letter reports*

Update concerning proposed reactivation of the Iowa class battleships and the aircraft carrier *Oriskany*. Acc. No. 115403, PLRD-81-21, April 20.

Navy is not adequately protecting the government's investment in materials furnished to contractors for ship construction and repair. Acc. No. 115426, PLRD-81-36, June 9.

GAO recommendations to reduce the incidence of excess weight shipments of household goods by servicemembers. Acc. No. 115550, PLRD-81-40, June 18.

Problems with the use of air carriers for freight shipments are due to lack of services' full compliance with existing policies and procedures. Acc. No. 115597, PLRD-81-44, June 22.

Improvements can be made in military assistance equipment disposals. Acc. No. 115611, 10-81-43, June 23.

INTERNATIONAL AFFAIRS

To Be Self-Sufficient or Competitive? Eximbank Needs Congressional Guidance. Acc. No. 115602, 10-81-48, June 24.

Food for Development Program Constrained by Unresolved Management and Policy Questions. Acc. No. 115599, ID-81-32, June 23.

*Letter reports*

The Agency for International Development should ensure that guidelines for foreign disaster reconstruction are issued in 1981. Acc. No. 115449, ID-81-40, June 10.

Improvements can be made in military assistance equipment disposals. Acc. No. 115611, ID-81-43, June 23.

Examination of financial statements of the Inter-American Foundation for fiscal years 1980 and 1979. ID-81-52, June 25.

ENERGY

Changes in Natural Gas Prices and Supplies Since passage of the Natural Gas Policy Act of 1978. Acc. No. 115398, EMD-81-73, June 4.

Impact of Gasoline Constraints Should Be Considered in Managing Federal Recreation Facilities. CED-81-111, June 30.

Better Communication Could have Enhanced Enforcement of Federal Oil Pricing Regulations. GGD-81-60, May 4.

Materials Shortages and Industrial Bottlenecks: Causes, Trends, Prospects. EMD-81-42, June 25.

New England Can Reduce Its Oil Dependence Through Conservation and Renewable Resource Development. Acc. No. 115491, EMD-81-58, June 11.

Department of Energy Needs Better Procedures for Selecting a Contractor to Operate Argonne National Laboratory. Acc. No. 115428, EMD-81-66, June 8.

Policies Governing the Bonneville Power Administration's Repayment of Federal Investments Need Revision. Acc. No. 115510, EMD-81-94, June 16.

*Letter reports*

Responses to questions on DOE's breeder reactor program. Acc. No. 115411, EMD-81-83, May 4.

There is a continuing need for a national helium conservation policy. Acc. No. 115606, EMD-81-91, June 15.

The Federal Government should break through barriers inhibiting the realization of available energy conservation opportunities. Acc. No. 115601, EMD-81-82, June 17.

Greater use of satellite telecommunications to link ADP facilities could save millions. Acc. No. 115598, EMD-81-102, June 19.

Improvements needed in the Department of Energy's efforts to disseminate solar information. Acc. No. 115609, EMD-81-101, June 24.

The Department of Energy needs to reestablish a solar energy goal and develop plans to achieve it. EMD-81-100, June 25.

NATURAL RESOURCES AND ENVIRONMENT

Assessing the Impact of Federal and State Taxes on the Domestic Minerals Industry. Acc. No. 115398, EMD-81-13, June 8.

Minerals Management at the Department of the Interior Needs Coordination and Organization. Acc. No. 115425, EMD-81-53, June 5.

Congressional Action Needed to Provide a Better Focus on Water-Related Research Activities. Acc. No. 115447, CED-81-87, June 5.

*Letter reports*

Objectives and progress of the Forest Service's Helistat Program needs to be reevaluated. Acc. No. 115368, MASAD-81-31, June 2.

The Administrator, National Oceanic and Atmospheric Administration should initiate a study to assess the quality of U.S. seafood produced for domestic and foreign consumption. Acc. No. 115610, CED-81-125, June 22.

AGRICULTURE

Farmer-Owned Grain Reserve Program Needs Modification to Improve Effectiveness. CED-81-70, June 26.

Weak Management in Animal Disease Control Program Results in Large Economic Losses. Acc. No. 115608, CED-81-96, June 24.

More Can Be Done to Protect Depositors at Federally Examined Grain Warehouses. Acc. No. 115548, CED-81-112, June 19.

*Letter reports*

The Federal role in developing grain subterminals should be coordinated by the Department of Agriculture. Acc. No. 115407, CED-81-101, May 14.

Gross and net income of major U.S. sugar cane and beet producers. Acc. No. 115373, CED-81-113, May 29.

TRANSPORTATION

FAA Misses Opportunities to Discontinue or Reduce Operating Hours of Some Airport Traffic Control Towers. Acc. No. 115374, CED-81-100, June 1.

The Changing Airline Industry: A Status Report Through 1980. Acc. No. 115410, CED-81-103, June 1.

Federal Aviation Administration Can Improve the Operation of Its General Aviation District Offices. CED-81-114, June 29.

SOCIAL SERVICES

Weakness in the Planning and Utilization of Rental Housing for Persons in Wheelchairs. CED-81-45, June 19.

Qualifying for Federal Funding of Tribally Controlled Community Colleges. Acc. No. 115536, CED-81-115, June 18.

*Letter reports*

Decisive action, effective monitoring and internal communication can lead to swifter correction of grantee problems at the Nicholas County Community Action Association, West Virginia. AFMD-81-48, May 6.

Preliminary information on funding commitments from CETA titles III and IV during fiscal year 1981. Acc. No. 115568, HRD-81-108, June 15.

Alleged weaknesses in Yolo County, California, Economic Opportunity Commission's administration of local poverty programs. HRD-81-110, June 24.

HEALTH

Family Planning Clinics Can Provide Services At Less Cost But Clearer Federal Policies are Needed. Acc. No. 115647, HRD-81-68, June 19.

Health System Plans: A Poor Framework For Promoting Health Care Improvements. Acc. No. 115600, HRD-81-93, June 22.

Reimbursement for National Health Service Corps Personnel. Acc. No. 115469, HRD-81-90, June 4.

Health Service Program Needs Assessments Found Inadequate. Acc. No. 115488, HRD-81-63, June 15.

Cost Cutting Measures Possible if Public Health Service Hospital System is Continued. Acc. No. 115448, HRD-81-62, June 10.

*Letter reports*

Transfer of phyicians from the Boston Public Health Service Hospital. HRD-81-69, April 1.

Duplication in Navy recruit medical screening should be eliminated. Acc. No. 115607, HRD-81-115, June 24.

The Health Development Corporation in Tuscaloosa, Alabama, is generally managing its clinics well and complying with regulations and requirements. HRD-81-114, June 26.

INCOME SECURITY

Millions Can Be Saved By Improving the Productivity of State and Local Governments Administering Federal Income Maintenance Assistance Programs. Acc. No. 115467, AFMD-81-51, June 5.

GENERAL GOVERNMENT

Civil Servants and Contract Employees: Who Should Do What for the Federal Government? Acc. No. 115604, FPCD-81-43, June 19.

Response to Questions Bearing on the Feasibility of Closing the Federal Reserve Banks. GGD-81-49, May 21.

Better Investment Decisions Can Save Money at GSA and FAA. Acc. No. 115470, PLRD-81-30, June 5.

Status, Progress, and Problems in Federal Agency Accounting During Fiscal 1980. AFMD-81-58, June 25.

Multiyear Authorizations for Research and Development. Acc. No. 115375, PAD-81-61, June 3.

Logistics Management: Issues for Planning. Acc. No. 115446, PLRD-81-32, June 8.

Agency Printing Plants—Choosing the Least Costly Option. Acc. No. 115549, PLRD-81-31, June 19.

Examination of the Panama Canal Commission's Fiscal Year 1980 Financial Statement and Treaty Related Issues. ID-81-49, June 29.

*Letter reports*

Through January 1981, obligations and expenditures of transition funds by the incoming Reagan administration were made in accordance with the Presidential Transition Act of 1963. GGD-81-50, March 2.

Corporate automative data. Acc. No. 115406, PAD-81-72, April 30.

Travel by certain noncareer Government officials. Acc. No. 115409, FPCD-81-49, May 27.

Wage subsidies appear to be a potentially useful tool for combatting structural unemployement. Acc. No. 115427, PAD-81-73, June 5.

The most practicable means to reduce duplication of field contract support services for supply and equipment procedures is through expansion of the centralized acquisition process. Acc. No. 115482, PLRD-81-38, June 11.

The General Services Administration needs to improve its procedures and controls for identifying significant rate increase proposals and to report the results of its intervention actions. Acc. No. 115509, EMD-81-95, June 12.

Anticipated benefits of moving the Federal Home Loan Bank of Little Rock, Arkansas to Dallas, Texas are outweighed by other considerations. GGD-81-82, June 18.

IRS can reduce processing cost by not transcribing cents data from as many lines on tax returns. Acc. No. 115596, GGD-81-84, June 19.

FCC did not act in the Government's best interest in acquiring leased space. PLRD-81-39, June 26.

The Monthly List of GAO Reports and/or copies of the full texts are available from the U.S. General Accounting Office, Distribution Section, Room 1518, 441 G Street, N.W., Washington, D.C. 20548. Phone (202) 275-6241.●

## BOSSES, UNIONS, WANT FEDERAL HELP IN CLOSING BRAINPOWER GAP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana (Mr. LONG) is recognized for 5 minutes.

● Mr. LONG of Louisiana. Mr. Speaker, in each of its economic reports to the Congress over the past few years, the Joint Economic Committee has pressed for a comprehensive supply-side approach to the economy. Many of our recommendations have been enacted into law.

However, just as we have emphasized the importance of putting the most modern equipment into up-to-date factories, I believe we must now be equally concerned with making sure that our work force is prepared to make the most of the opportunities that technological change and high rates of investment will make possible.

The following article appeared recently in the Washington Post. I believe many of the points made in the article by Mr. Morgan are worthy of consideration of my colleagues. I commend it to their attention.

[From the Washington Post, Aug. 7, 1981]

BOSSES, UNIONS WANT FEDERAL HELP IN CLOSING BRAINPOWER GAP

(By Dan Morgan)

The Reagan administration's formula for licking unemployment calls mainly for the government to stand aside while an unleashed American industral machine puts the jobless back to work.

That formula fits neatly with President Reagan's philosophy of reducing the government's role. It moves decisively away from the Carter administration's concept of "reindustrialization," which envisioned government, business and labor tackling economic problems together.

But now, as Reaganomics is about to get its first actual test, some businessmen are warning that the economy could face serious difficulties if the government reduces its responsibility for educating, training and improving the quality of the work force.

The Business Roundtable, representing a blue-chip roster of corporate America, has called for a national policy to deal with a "growing imbalance between the supply of workers and the skills demanded" because of the aging of the labor force, the continued movement of women into jobs and an increase in the number of young, unskilled blacks and Hispanics.

Testifying before the Senate subcommittee on employment and productivity in June, the chairman of TRW, Inc., R. F. Metler, called for a "public-private effort to address the problems of structural unemployment." Metler, who heads a Business Roundtable task force, acknowledged that the nation has skimped on its investments in training and educating workers.

Echoing these concerns, labor representatives such as United Auto Workers consultant Harley Shaiken have called for a "national debate on the social consequences of micro-electronics."

While business groups are increasingly concened about shortages of trainable workers in the mid-1980s, labor organizations are increasingly worried about the loss of jobs. Both sides share a fear that the administration's economic visions may not square with the kind of American economy and work force that is emerging in the 1980s.

Doubters say that Americans are out of work today not only because the economy is slack, but also because of barriers posed by racial discrimination, age, education and the places they have chosen to live.

The role that race plays in employment can be judged in a single statistic gleaned from former vice president Mondale's task force on youth unemployment: the jobless rate for black high school graduates under 24 is higher than that for white high school dropouts in the same age bracket.

Of the nation's 8 million unemployed, 4 million to 6 million are estimated by Labor Department analysts to lack the basic skills of communication, personal relations, motivation, self-confidence, reading and calculating that would enable employers to train them for the jobs that will open up in the next few years.

Labor projections suggest that the number of unskilled and semi-skilled jobs will shrink in the next few years as computers take their places in factories and offices.

Even skilled workers might not benefit from a new business boom if the jobs created are in the wrong places. While thousands of good jobs are going begging in the booming electronics centers in California and Texas, thousands of skilled workers are jobless in the Northeast, and many of them are unwilling to move. Machinists can earn more than $30,000 a year, yet a trade association reports a shortage of 60,000 machinists.

Lurking behind these odd statistics is the expected speedup of automation in the 1980s, which Business Week magazine said could affect 45 million jobs out of the 103 million jobs in the economy now. The magazine said that while the "unprecedented" changes may not cause widespread unemployment, they will "result in a fundamental change in most workplaces and a painful adjustment for the workers involved."

The main factor will be the widespread introduction of silicon integrated circuits with 64,000 transistors on a single chip a quarter-inch square.

Already microprocessors are replacing secretaries, and electronic sensing devices are substituting for assembly line workers. Industrialists talk of "paperless offices" and "peopleless factories." General Motors vice president Richard Beecher predicts that by 1990 there will be 50,000 computer-controlled robots working in the world automotive industry.

Ever since the Luddite movement attempted unsuccessfully to prevent the introduction of industrial machinery in England in the early 19th century, pessimists have predicted that new technology would wipe out jobs. Yet each new step up the technological ladder has created new productivity, new wealth, new jobs.

In the 1950s, there was wide concern about the impact of automation. Yet between 1960 and 1980, the U.S. economy added 30 million jobs and the labor force grew by 50 percent.

Whole new industries, producing energy, electronics and environmental equipment, have arisen to confound the prophecies of the pessimists. The 1980s may also see the creation of industries built around such new technologies as gene-splicing. And the computer industry, a $10-billion-a-year global enterprise that could be $25 billion by 1985, will employ millions of people.

To the extent that the new electronic technology sharpens the competitive edge of U.S. industry, computers can help slow the job loss resulting from imports. Automation could benefit the industrial nations by "eroding the comparative advantage that developing countries, with their lower labor costs, now hold," according to Colin Norman of Worldwatch Institute. Some predict that as American multinational companies switch to the new technology, they might close their overseas plants and once again manufacture most of their products in highly automated plants in this country.

But the jobs won't be the same. Norman notes that the textile industry plans to spend $2 billion a year on new equipment, some of it computer-controlled. "As a result, as many as 300,000 relatively low-paid jobs could disappear from American textile plants by 1990," he writes in a Worldwatch report. Norman says a British spinning mill

using the new technology will produce as much with 95 employes as three mills employing 435 formerly did.

Many of the jobs that the new technology will supplant, such as those in hazardous textile mills, are low-paid, dangerous and difficult.

Just as agricultural productivity has risen over the decades while the number of farm workers has steadily declined, manufacturing may be in a natural phase of evolution toward increased productivity and declining employment, say the optimists. Manufacturing jobs have stayed constant at about 20 million since 1969, but these jobs' share of the total work force has fallen from one third to one fifth.

Yet even the strongest enthusiasts of the new technology acknowledge that the adjustment will be extremely bumpy, with new industries and jobs arising in some parts of the economy while skills rapidly fall into disuse in others.

Juan Rada, a consultant for the International Labor Office whose detailed study of the microelectronics industry was published in 1980, concludes that "we may be facing a transition to a society that no longer needs to make full-time use of its entire potential labor force."

Until now the United States has been able to make this transition by absorbing steadily increasing unemployment rates and by adding a vast number of relatively low-paid jobs in the service sector.

While employment in manufacturing and mining has remained almost constant since 1970, some 14 million new jobs have been created in retailing, finance, state and local government and other services. There has been a sharp increase in the number of people producing memos, guarding buildings, caring for the sick, working on city garbage crews, and waiting on table, but not in the number digging for coal or turning out refrigerators, computers, planes, missiles and automobiles. Today, the number of people working in restaurants, bars and fast food establishments (where pay averages $3.91 an hour) is about the same as the number in the construction industry (where pay averages $10.50 an hour).

"Most of the growth in the American economy is leading toward an economic structure which creates badly paid and unproductive work for a large segment of the work force," writes economist Anthony Carnevale, a former aide to the Senate Budget Committee who is now a consultant to the American Society for Development and Training.

Some of the semi-skilled jobs appear to be likely targets for automation. While employment in banking rose rapidly in Europe and the United States in the 1970s, some European studies predict a 20 percent to 30 percent decline in the 1980s, as human tellers are replaced with automatic money machines.

Business Week predicts that some 38 million of the 50 million white-collar jobs in the United States eventually will be automated.

Electronic mail could displace millions of postal workers in Japan, Europe and the United States. Rada's report to the ILO says that private communications satellites using electroic mail techniques could take over 30 percent of the Post Office's volume of correspondence by 1986.

Skeptics in business and labor say they doubt that the adjustments likely to occur in the 1980s can take place smoothly without national manpower policies that provide incentives for retraining and financing to educate and train the millions of people who are badly prepared to find work in the new industries.

Many liberals now acknowledge that the manpower programs of the 1970s would not be well suited to the 1980s. In the decade past, children of the "baby boom" matured and began looking for jobs. To deal with this demographic bulge, federal economic policies were aimed at creating more jobs, even at the risk of inflation. Government programs, such as the Comprehensive Employment Training Act, provided temporary employment but little permanent training.

In Congress, liberals joined conservatives this year in cutting $2.3 billion from CETA, largely in recognition of changing times, and changing needs.

However, neither business-minded conservatives nor liberals appear to want the federal government to opt out of a role in making manpower policy.

Corporate executives are eyeing declining high school enrollments and low academic performances and wondering if there will be enough qualified young people available for the new jobs. They have been urging the Reagan administration to support regional or state "customized training" that would provide remedial and basic education for the unemployed followed by technical training for specific jobs available in those areas.

Employers' belated concern about the quality of the labor force comes after some 20 years in which industry has enjoyed the luxury of a large surplus of unemployed workers, as well as too many college graduates for the professional and technical jobs available.

Some labor officials and economists suggest that corporations are mainly interested in increasing the size of the pool of qualified workers to hold down wages. Others say the talk of unproductive labor is a smokescreen to cover a more serious problem: unproductivity and incompetence of management.

"Industry has to find something to blame," said a government expert who believes the number one problem is unemployment due to automation, not a shortage of skilled workers. "First it was government regulation, then it was the high cost of capital, and foreign imports, now it's labor unproductivity."

Consultant Carnevale feels that corporate leaders are sincere in their new interest in the fashionable subject of "human capital"

"In the past we had unemployment off to the side and an economic system that was working well. Now the system itself is at stake. It's no longer a well-functioning economy in which some pieces are left out."

In West Germany about 2 percent of all workers are being retrained at any one time, compared with .1 to .5 percent in the United States. This intensive training is mandated in West German law.

If millions remain unemployed, and millions of other productive women who would like to work are unable to do so because good jobs are not there, Reagan's policies could end in unrest even if they succeed in putting millions to work.

Unanswered by the Reagan policies are questions with a profound significance for the country in the computer age: Is maximum productivity the single goal? Or is the objective a society in which all persons have an opportunity to work? Without a balance, says Carnevale, there is a real danger that the aspirations of a "bottomless pit" of people will go unfulfilled. The consequence of that, he warns, would be a country full of "frustration and anger."●

## SUBCOMMITTEE ON CRIME TO HOLD HEARINGS ON H.R. 2646, H.R. 2910, AND H.R. 4110 IN REGARD TO GENERAL QUESTIONS OF FORFEITURE STATUTES AND THEIR IMPLEMENTATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HUGHES) is recognized for 5 minutes.

● Mr. HUGHES. Mr. Speaker, on September 6, 1981, at 1 p.m., in room 2237, Rayburn House Office Building, the Subcommittee on Crime of the House Judiciary Committee will begin hearings on H.R. 2646, H.R. 2910, and H.R. 4110 to address the general question of forfeiture statutes and their implementation.

Appearing before the subcommittee to give testimony will be the Honorable JOSEPH R. BIDEN, Senator from Delaware; the Honorable LEO C. ZEFERETTI of the 15th District of New York; the Honorable BENJAMIN A. GILMAN of the 26th District of New York; William J. Anderson, Director, General Accounting Office; Steven Horn, Esq., of Washington, D.C.; Edward Dennis, Chief of Narcotics Section, Criminal Division, U.S. Department of Justice; and Paul Rothstein, Esq., of Chevy Chase, Md.

All interested persons or organizations wishing to submit testimony for the record of the hearings or desiring further information should address their communications to the Subcommittee on Crime, Committee on the Judiciary, 207 Cannon House Office Building, Washington, D.C. 20515. Telephone: (202) 225-1695.●

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CROCKETT (at the request of Mr. DINGELL), on account of official business, from September 14 through September 18, 1981.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BOLLING, for 60 minutes, on September 29.

(The following Members (at the request of Mr. BENEDICT) to revise and extend their remarks and include extraneous material:)

Mr. LEACH of Iowa, for 60 minutes, today.

Mr. HAMMERSCHMIDT, for 10 minutes, today.

(The following Members (at the request of Mr. KOGOVSEK) to revise and extend their remarks and include extraneous material:)

Mr. SHAMANSKY, for 5 minutes today.

Mr. CONYERS, for 60 minutes today.

Mr. LAFALCE, for 15 minutes today.

Mr. ROEMER, for 10 minutes today.
Mr. GONZALEZ, for 15 minutes today.
Mr. ANNUNZIO, for 5 minutes today.
Mr. UDALL, for 10 minutes today.
Mr. SYNAR, for 5 minutes today.
Mr. FORD of Michigan, for 5 minutes today.
Mr. BROOKS, for 5 minutes today.
Mr. LONG of Louisiana, for 5 minutes today.
Mr. HUGHES, for 5 minutes today.
Mr. FORD of Michigan, for 5 minutes September 16, 1981.
Mr. CONYERS, for 60 minutes each day on September 16, 17, and 18, 1981.

## EXTENSIONS OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. BENEDICT) and to include extraneous matter:)
Mr. BROOMFIELD.
Mr. FISH.
Mr. WEBER of Ohio.
Mr. COLLINS of Texas in three instances.
Mr. DERWINSKI in two instances.
Mr. SAWYER.
Mr. MARRIOTT.
Mr. PORTER.
Mr. FINDLEY in two instances.
Mr. HYDE.
Mr. EVANS of Delaware.
Mr. LEBOUTILLIER in two instances.
Mr. SNYDER.
Mr. LEACH of Iowa.
Mr. MCGRATH.
Mr. BROWN of Ohio.

(The following Members (at the request of Mr. KOGOVSEK) and to include extraneous matter:)
Mr. MAZZOLI.
Mr. PEASE.
Mr. D'AMOURS.
Mr. MATTOX.
Mr. ECKART.
Mr. EDGAR.
Mr. JOHN L. BURTON.
Mr. LEHMAN in two instances.
Mr. FROST.
Mrs. BOUQUARD.
Mr. GINN.
Mr. SHELBY.
Mr. AUCOIN.
Mr. ZABLOCKI.
Mr. BRODHEAD.
Mr. BONER of Tennessee.
Mr. MOAKLEY.
Mr. COELHO.
Mr. FRANK.
Mr. SANTINI.
Mr. ROE.
Mr. OBERSTAR.
Mrs. BOGGS.
Mr. GEPHARDT.
Mr. TRAXLER.
Mr. KASTENMEIER.
Mr. DAN DANIEL.
Mr. SIMON.
Mrs. SCHROEDER.
Mr. SCHUMER.

## BILLS PRESENTED TO THE PRESIDENT

Mr. HAWKINS, from the Committee on House Administration, reported that that committee did on September 14, 1981, present to the President, for his approval, bills of the House of the following title:

H.R. 2120. An act to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes; and

H.R. 4416. An act to enable the Secretary of Agriculture to assist, on an emergency basis, in the eradication of plant pests and contagious or infectious animal and poultry diseases.

## ADJOURNMENT

Mr. CONYERS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 8 minutes p.m.), under its previous order, the House adjourned until Wednesday, September 16, 1981, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2182. A letter from the Acting Chairman, Federal Trade Commission, transmitting the second and third annual line of business reports prepared by the Commission's Bureau of Economics; to the Committee on Energy and Commerce.

2183. A letter from the Acting Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

2184. A letter from the Acting Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C 112b(a); to the Committee on Foreign Affairs.

2185. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of proposed changes in an existing Navy records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2186. A letter from the Acting Secretary of the Interior, transmitting notice of the proposed refund of $303,553.83 in excess oil or gas royalties to Ocean Production Co., Shell Oil Co., Gulf Oil Corp., ARCO Oil & Gas Co., and Hamilton Bros. Oil Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act, as amended; to the Committee on Interior and Insular Affairs.

2187. A letter from the Acting Secretary of the Interior, transmitting notice of the proposed refund of $775,392.39 in excess gas royalties to Getty Oil Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act, as amended; to the Committee on Interior and Insular Affairs.

2188. A letter from the Office of the Secretary of Defense, transmitting a report on Department of Defense procurement from small and other business firms for October 1980 to May 1981, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

2189. A letter from the Chairman, National Transportation Safety Board, transmitting the Board's 1983 budget submission, pursuant to section 304(b)(7) of Public Law 93-633; jointly, to the Committees on Energy and Commerce, Public Works and Transportation, and Appropriations.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FROST: Committee on Rules. House Resolution 215. Resolution waiving certain points of order against H.R. 4241, a bill making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1982, and for other purposes (Rept. No. 97-224). Referred to the House Calendar.

Mr. HALL of Ohio: Committee on Rules. House Resolution 216. Resolution providing for the consideration of H.R. 3136, a bill to amend the Foreign Assistance Act of 1961 with respect to the activities of the Overseas Private Investment Corporation (Rept. No. 97-225). Referred to the House Calendar.

Mr. DERRICK: Committee on Rules. House Resolution 217. Resolution providing for the consideration of H.R. 2330, a bill to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes (Rept. No. 97-226). Referred to the House Calendar.

Mr. EDWARDS of California: Committee on the Judiciary. H.R. 3112. A bill to amend the Voting Rights Act of 1965 to extend certain provisions for an additional 10 years, to extend certain other provisions for an additional 7 years, and for other purposes; with amendments (Rept. No. 97-227). Referred to the Committee of the Whole House on the State of the Union.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SNYDER (for himself, Mr. PERKINS, Mr. TAYLOR, Mr. HUBBARD, Mr. STOKES, Mr. EVANS of Georgia, Mr. ROE, Mr. LATTA, Mr. GONZALEZ, Mr. STANGELAND, and Mr. MOTTL):

H.R. 4471. A bill to provide that no person may charge interest at a rate which is greater than 10 percent per annum on loans exceeding $300, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BONER of Tennessee:

H.R. 4472. A bill to amend the Social Security Act to provide for improved management of the social security trust funds and increase the return on investment to those funds; to the Committee on Ways and Means.

By Mr. BRODHEAD:

H.R. 4473. A bill to amend the Internal Revenue Code of 1954 to permit the rollover to individual retirement plans of certain partial distributions received by employees; to the Committee on Ways and Means.

By Mr. CHAPPELL:

H.R. 4474. A bill to provide for the wilderness designation of certain lands within the Ocala National Forest, and for other pur-

poses; to the Committee on Interior and Insular Affairs.

By Mr. COELHO (for himself, Mr. AKAKA, Mr. BAFALIS, Mr. BOWEN, Mr. BROWN of Colorado, Mr. CHAPPELL, Mr. DIXON, Mr. FAZIO, Mr. FISH, Mr. FOLEY, Mr. HEFTEL, Mr. HILLIS, Mr. HORTON, Mr. IRELAND, Mr. JONES of Tennessee, Mr. LEHMAN, Mr. LOWERY of California, Mr. LOWRY of Washington, Mr. MATSUI, Mr. MINETA, Mr. WAXMAN, Mr. WIRTH, Mr. BURGENER, Mr. EDWARDS of California, Mr. PANETTA, and Mr. QUILLEN):

H.R. 4475. A bill to enable producers and importers of flowers and plants to establish, finance, and carry out a coordinated program of research, producer and consumer information, and promotion to improve, maintain, and develop markets for flowers and plants; to the Committee on Agriculture.

By Mr. DANIELSON:

H.R. 4476. A bill to amend the Administrative Conference Act, by authorizing appropriations therefor; to the Committee on the Judiciary.

By Mr. DERRICK:

H.R. 4477. A bill to amend the Internal Revenue Code of 1954 to permit the cost of property installed to meet the requirements of occupational safety standards relating to cotton dust to be treated as an expense; to the Committee on Ways and Means.

By Mr. FAUNTROY (for himself and Mr. HANSEN of Idaho):

H.R. 4478. A bill to amend the Federal Reserve Act to require that detailed minutes of Federal Open Market Committee meetings shall be published on a deferred basis; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HANCE:

H.R. 4479. A bill to provide that sales of agricultural commodities may not be made at prices which are less than 90 percent of the parity prices therefor; to the Committee on Agriculture.

Mr. HOWARD:

H.R. 4480. A bill to extend through June 30, 1985, the suspension of import duties on synthetic rutile; to the Committee on Ways and Means.

By Mr. HUGHES (for himself, Mr. RODINO, Mr. MCCLORY, Mr. SAWYER, Mr. SAM B. HALL, Jr., Mr. FISH, Mr. BIAGGI, Mr. HOWARD, Ms. OAKAR, Mr. ROE, and Mr. SOLARZ):

H.R. 4481. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, and for other purposes; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. RODINO, Mr. DANIELSON, Mr. RAILSBACK, Mr. MCCLORY, Mr. BUTLER, and Mr. SAWYER):

H.R. 4482. A bill to establish a U.S. Court of Appeals for the Federal Circuit, to establish a U.S. Claims Court, and for other purposes; to the Committee on the Judiciary.

By Mr. KOGOVSEK:

H.R. 4483. A bill to provide for confirmation of the repayment contract of the Dallas Creek participating project of the Upper Colorado River storage project; to the Committee on Interior and Insular Affairs.

By Mr. MOORHEAD:

H.R. 4484. A bill to direct the President to provide for the award of the Purple Heart to prisoners of war held during World War I, World War II, and the Korean conflict under the same criteria applicable to prisoners of war held during the Vietnam era; to the Committee on Armed Services.

H.R. 4485. A bill to reform the Federal Power Act to encourage conduit hydroelectric facilities; to the Committee on Energy and Commerce.

By Mr. NELLIGAN:

H.R. 4486. A bill to amend the Social Security Act to appropriate to the Federal old-age and survivors insurance trust fund the amount of certain rents, royalties, and other sums deposited in the Treasury of the United States pursuant to the Outer Continental Shelf Lands Act; to the Committee on Ways and Means.

By Mr. STRATTON:

H.R. 4487. A bill to amend the Internal Revenue Code of 1954 to repeal the 25-percent reduction in individual income tax rates and to substitute a 15-percent reduction in such rates consisting of a 7½-percent reduction for 1982, a 5-percent reduction for 1983, and a 2½-percent reduction for 1984, to result in a projected revenue recovery of over $65 billion by 1984; to the Committee on Ways and Means.

By Mr. SYNAR (for himself and Mr. CORCORAN):

H.R. 4488. A bill to amend the Department of Energy Organization Act to clarify the jurisdiction of the Federal Energy Regulatory Commission, to reform and improve the regulation of oil pipelines, and for other purposes; to the Committee on Energy and Commerce.

By Mr. COLLINS of Texas:

H.J. Res. 327. Joint resolution authorizing the President to proclaim the first Saturday in October of each year as "Children's Day"; to the Committee on Post Office and Civil Service.

By Mr. FAUNTROY (for himself, Mrs. CHISHOLM, Mr. CLAY, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. CROCKETT, Mr. DELLUMS, Mr. DIXON, Mr. DYMALLY, Mr. FORD of Tennessee, Mr. GRAY, Mr. HAWKINS, Mr. LELAND, Mr. MITCHELL of Maryland, Mr. RANGEL, Mr. SAVAGE, Mr. STOKES, and Mr. WASHINGTON):

H.J. Res. 328. Joint resolution designating August 30, 1982, as "Roy Wilkins Day"; to the Committee on Post Office and Civil Service.

By Mr. GEPHARDT:

H.J. Res. 329. Joint resolution proposing an amendment to the Constitution to preserve the neighborhood school; to the Committee on the Judiciary.

By Mr. FISH:

H. Con. Res. 180. Concurrent resolution to commend the Attorney General's Task Force on Violent Crime for drawing national attention to the plight of victims of crime and to urge the Attorney General to promulgate within the Department of Justice standards for the fair treatment of victims of serious crime; to the Committee on the Judiciary.

By Mr. GRAY:

H. Con. Res. 181. Concurrent resolution expressing the sense of the Congress that the National Rugby Team of South Africa should not play in the United States; to the Committee on Foreign Affairs.

By Mr. WOLPE (for himself, Mr. GOODLING, Mr. BONKER, Mr. GRAY, Mr. ERDAHL, Mr. DOWNEY, Mr. WEISS, Mr. STUDDS, Mr. SOLARZ, Mr. SIMON, Mr. DIXON, Mr. MOFFETT, Mr. FAUNTROY, and Mr. ECKART):

H. Res. 214. Resolution condemning South Africa's recent invasion of Angola and the resulting unnecessary loss of lives and destruction of property, and calling upon all parties to the Namibian conflict to cooperate in the implementation of United Nations Security Council Resolution 435; to the Committee on Foreign Affairs.

By Mr. MOFFETT:

H. Res. 218. Resolution to provide authority for the creation of an experimental 21-day period commencing in January 1982 during which standing committees of the House of Representatives would engage in the oversight of programs and laws within their jurisdiction in lieu of the consideration of legislation; to the Committee on Rules.

By Mr. OBERSTAR:

H. Res. 219. Resolution urging the President to rescind the agreement to sell butter to the New Zealand Dairy Board; to the Committee on Foreign Affairs.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PATTERSON:

H.R. 4489. A bill for the relief of Kha Duc Mai; to the Committee on the Judiciary.

H.R. 4490. A bill for the relief of Lehi L. Pitchforth, Jr.; to the Committee on the Judiciary.

## ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 25: Mrs. BOGGS, Mr. BREAUX, Mr. HUTTO, and Mr. TAUZIN.

H.R. 52: Mr. BENJAMIN, Mr. CARNEY, Mr. FORSYTHE, and Mr. SABO.

H.R. 248: Mr. MATSUI.

H.R. 894: Mr. GIBBONS, Mr. PORTER, Mr. DAVIS, Mr. ERDAHL, Mr. BURGENER, Mr. STANGELAND, Mr. FRENZEL, Mr. MCDADE, Mrs. SNOWE, and Mr. SABO.

H.R. 992: Mr. SILJANDER.

H.R. 1297: Mr. EMERY.

H.R. 1300: Mr. BAILEY of Missouri and Mr. GUNDERSON.

H.R. 1376: Mr. GILMAN.

H.R. 1603: Mr. NICHOLS, Mr. ERTEL, Mr. UDALL, Mr. FISH, Mr. ENGLISH, Mr. LONG of Louisiana, Mr. WAMPLER, Mr. FINDLEY, Mr. BAFALIS, Mr. DANNEMEYER, Mrs. SMITH of Nebraska, and Mr. BLILEY.

H.R. 1919: Mr. BINGHAM.

H.R. 2439: Mr. FAZIO, Mr. HOLLENBECK, and Mr. SIMON.

H.R. 2488: Mr. RAHALL.

H.R. 2543: Mr. ROE, Mr. MCCOLLUM, and Mr. LEBOUTILLIER.

H.R. 2832: Mr. MURPHY.

H.R. 3048: Mr. BENNETT, Mr. JAMES K. COYNE, Mr. HARKIN, Mr. OBERSTAR, Mr. PETRI, and Mr. SOLARZ.

H.R. 3083: Mr. MILLER of Ohio.

H.R. 3122: Mr. HUGHES.

H.R. 3274: Mr. WEBER of Minnesota and Mr. DREIER.

H.R. 3364: Mr. HANSEN of Utah.

H.R. 3441: Mr. FORSYTHE, Mr. BROWN of Ohio, and Mr. EVANS of Iowa.

H.R. 3496: Mr. BONKER, Mr. DASCHLE, Mr. DYMALLY, Mr. MILLER of California, Mr. MILLER of Ohio, Mr. ROYBAL, Mr. SHUMWAY, and Mr. WORTLEY.

H.R. 3526: Mr. BAILEY of Pennsylvania, Mr. CORCORAN, Mr. DOWNEY, Mr. DWYER, Mr. HIGHTOWER, Mr. MATTOX, and Mr. ROBINSON.

H.R. 3575: Mr. COLEMAN, Mr. LOTT, and Mr. MINETA.

H.R. 3614: Mr. EMERSON, Mr. KRAMER, Mr. WEAVER, Mr. ROBERT W. DANIEL, Jr., Mr. BAFALIS, Mr. TRAXLER, Mr. BAILEY of Missouri, Mr. WHITTEN, Mr. DOWDY, Mr. DAN DANIEL, Mr. HOWARD, Mr. PARRIS, and Mr. RODINO.

H.R. 3656: Mr. STOKES, Mr. YOUNG of Missouri, and Mr. MINETA.

H.R. 3721: Mr. FAZIO and Mr. AKAKA.

H.R. 3907: Mr. SAVAGE and Mr. HOWARD.

H.R. 3958: Mr. WYLIE, Mr. YATRON, Mr. ST GERMAIN, Mrs. ROUKEMA, Mr. HYDE, Mr. GEPHARDT, Mr. BETHUNE, Mr. HORTON, Mrs. HOLT, Mr. LEE, Mr. CORRADA, Mr. LEBOUTILLIER, Mr. MORRISON, Mr. FORSYTHE, and Mr. SMITH of Pennsylvania.

H.R. 4002: Mr. CARNEY.

H.R. 4015: Mr. WOLPE, Mr. MITCHELL of Maryland, and Mr. FISH.

H.R. 4049: Mr. DAN DANIEL, Mr. MCDONALD, Mr. PARRIS, Mrs. HOLT, Mr. SILJANDER, Mr. SMITH of Alabama, Mr. CORCORAN, Mr. MCCOLLUM, Mr. EVANS of Iowa, Mr. MARTIN of North Carolina, Mr. BLILEY, Mr. SMITH of Oregon, and Mr. HANSEN of Utah.

H.R. 4332: Mr. FAUNTROY.

H.R. 4343: Mr. CROCKETT, Mr. NOWAK. Mr. WYDEN, Mr. GONZALEZ, Mr. MAVROULES, Mr. WILLIAMS of Ohio, Mr. SAVAGE, and Mr. ECKART.

H.R. 4346: Mr. CONABLE, Mr. PICKLE, Mr. DUNCAN, Mr. LAFALCE, Mr. ROUSSELOT, and Mr. COUGHLIN.

H.R. 4404: Mr. BLILEY, Mr. BENEDICT, Mr. MADIGAN, and Mr. LEE.

H.R. 4461: Mr. APPLEGATE, Mr. WILSON, Mr. KOGOVSEK, Mr. MURTHA, Mr. MURPHY, and Mr. COELHO.

H.J. Res. 81: Mr. BRODHEAD and Mr. GARCIA.

H.J. Res. 144: Mr. RINALDO, Mr. ROE, Mr. FORSYTHE, Mr. FLORIO, Mr. GUARINI, Mr. HORTON, Mr. PEPPER, Mr. SCHUMER, Mr. RICHMOND, Mr. FOGLIETTA, Mr. SIMON, Mr. ADDABBO, Mr. COURTER, Mr. SMITH of New Jersey, Mr. BREAUX, Mr. DWYER, Mr. HOWARD, Mr. MADIGAN, Mr. HEFTEL, Mr. KRAMER, Mr. CLAY, Mr. KILDEE, and Mr. BARNARD.

H.J. Res. 214: Mr. AKAKA, Mr. ASPIN, Mr. BENJAMIN, Mr. JOHN L. BURTON, Mr. DANNEMEYER, Mr. DAUB, Mr. DERWINSKI, Mr. DONNELLY, Mr. DREIER, Mr. DUNN, Mr. DWYER, Mr. EVANS of Indiana, Mr. EVANS of Delaware, Ms. FERRARO, Ms. FIEDLER, Mr. FITHIAN, Mr. GILMAN, Mr. GINGRICH, Mr. HAMILTON, Mr. HEFNER, Mr. HOPKINS, Mr. LEVITAS, Mr. MARKEY, Mr. MARTIN of New York, Mr. MCCURDY, Mr. MCDADE, Mr. MCEWEN, Mr. PASHAYAN, Mr. REGULA, Mr. ROBERTS of South Dakota, Mr. ROEMER, Mr. ROTH, Mrs. ROUKEMA, Mr. SCHUMER, MR. SKEEN, Mr. SOLARZ, Mr. STATON of West Virginia, Mr. TAUZIN, Mr. WAMPLER, Mr. WEBER of Ohio, Mr. WORTLEY, Mr. YOUNG of Florida, and Mr. EMERSON.

H.J. Res. 241: Mr. GILMAN.

H.J. Res. 243: Mr. AKAKA, Mr. AUCOIN, Mr. BAILEY of Missouri, Mr. BARNES, Mr. BENJAMIN, Mr. BOLAND, Mr. BONIOR of Michigan, Mr. BRODHEAD, Mr. CARMAN, Mr. CLAY, Mr. CONTE, Mr. CONYERS, Mr. COURTER, Mr. DASCHLE, Mr. DENARDIS, Mr. DERWINSKI, Mr. DOWNEY, Mr. DREIER, Mr. DWYER, Mr. EDGAR, Mr. EMERY, Ms. FERRARO, Mr. FINDLEY, Mr. FISH, Mr. FOLEY, Mr. FORSYTHE, Mr. GLICKMAN, Mr. GREEN, Mr. HARKIN, Mrs. HECKLER, Mr. HORTON, Mr. HYDE, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LEACH of Iowa, Mr. LEE, Mr. LIVINGSTON, Mr. LOTT, Mr. LOWRY of Washington, Mr. LUJAN, Mr. MCCLORY, Mr. MCCOLLUM, Mr. MCCURDY, Mr. MCGRATH, Mr. MCHUGH, Mr. MARKS, Mr. MARRIOTT, Mr. MITCHELL of Maryland, Mr. MOFFETT, Mr. MOLINARI, Mr. MONTGOMERY, Mr. MYERS, Mr. O'BRIEN, Mr. OTTINGER, Mr. PEPPER, Mr. PERKINS, Mr. PEYSER, Mr. PRITCHARD, Mr. PURSELL, Mr. RAILSBACK, Mr. RATCHFORD, Mr. REUSS, Mr. RINALDO, Mr. ROSENTHAL, Mr. SABO, Mr. SAWYER, Mr. ST GERMAIN, Mr. SOLARZ, Mr. VENTO, Mr. WAMPLER, Mr. WEAVER, Mr. WHITEHURST, Mr. WIRTH, and Mr. WORTLEY.

H.J. Res. 268: Mr. ANNUNZIO, Mr. ATKINSON, Mr. BONER of Tennessee, Mr. CLINGER, Mr. DOWNEY, Ms. FERRARO, Mrs. HECKLER, Mr. KRAMER, Mr. LENT, Mr. LUNDINE, Mr. MINETA, Mr. PRITCHARD, Mr. REGULA, Mr. SEIBERLING, Mrs. SNOWE, Mr. SNYDER, Mr. WALGREN, Mr. WILSON, Mr. YATRON, Mr. YOUNG of Alaska, Mr. ERDAHL, Mr. EMERY, Mr. FAZIO, Mr. RODINO, Mr. ASHBROOK, Mr. WAMPLER, Mr. CORCORAN, Mr. DANNEMEYER, Mr. FASCELL, Mr. BONKER, Mr. PERKINS, Mr. VANDER JAGT, and Mr. JONES of North Carolina.

H.J. Res. 273: Mr. FORSYTHE, Mr. BENJAMIN, Mr. HYDE, Mr. MCDONALD, Mr. PEPPER, Mr. LAGOMARSINO, Mr. MORRISON, Mr. YOUNG of Florida, Mr. WOLF, and Mr. BARNARD.

H.J. Res. 296: Mr. KEMP, Mr. SMITH of New Jersey, and Mr. WHITTEN.

H.J. Res. 303: Mr. STRATTON, Mr. RITTER, Mr. STUMP, Mr. HORTON, Mr. FORSYTHE, Mr. ADDABBO, Mr. LEE, Mr. LOEFFLER, Mr. WEBER of Ohio, Mr. SCHEUER, Mr. MONTGOMERY, Mrs. HOLT, Mr. CHENEY, Mr. EDGAR, Mr. WALGREN, Mr. DE LA GARZA, Mr. WOLF, Mr. MCCLOSKEY, Mr. JEFFORDS, Mr. MCCLORY, Mr. MATSUI, Mr. RAHALL, Mr. NEAL, Mr. STENHOLM, Mr. FOGLIETTA, Mr. PORTER, Mr. MORRISON, Mr. MURPHY, Mr. WEAVER, Ms. MIKULSKI, Mrs. BOUQUARD, Mr. BEARD, Mr. BARNES, Mr. BROWN of Ohio, Mr. BURGENER, Mr. BENEDICT, and Mr. BROWN of Colorado.

H.J. Res. 323: Mr. FINDLEY, Mr. YOUNG of Florida, Ms. MIKULSKI, Mr. FORSYTHE, Mr. SIMON, and Mr. JEFFRIES.

H. Con. Res. 17: Mr. DERRICK.

H. Con. Res. 112: Mr. FORD of Michigan, Mr. SILJANDER, and Mr. WEISS.

H. Con. Res. 139: Mr. GILMAN.

H. Con. Res. 151: Mr. WYDEN, Mr. KILDEE, Mr. BEDELL, Mr. GRAY, and Ms. MIKULSKI.

H. Con. Res. 157: Mr. PHILIP M. CRANE and Mr. MILLER of Ohio.

H. Res. 200: Mr. MOAKLEY, Mr. ATKINSON, Mr. ARCHER, Mr. LOWERY of California, Mr. FARY, Mr. LAGOMARSINO, Mr. RITTER, Mr. MCDONALD, Mr. SCHEUER, Mr. HOLLENBECK, Mr. FORSYTHE, Mr. FRENZEL, Mr. SMITH of New Jersey, Mr. FRANK, Mr. LAFALCE, Mr. WYDEN, Mr. SABO, Mr. GARCIA, Mr. SOLOMON, Mr. MURPHY, Mr. BRODHEAD, Mr. YATES, Mr. DWYER, Mr. WAXMAN, Mr. EDWARDS of California, Mrs. HOLT, Mr. OTTINGER, Mr. MAVROULES, Mr. MARKEY, Mr. KEMP, Mr. WORTLEY, Mr. BENJAMIN, Mr. YATRON, Mr. FROST, Mr. PORTER, Mrs. CHISHOLM, Mr. GRAY, Mr. EDGAR, Mr. NELLIGAN, Mr. BONIOR of Michigan, Mr. O'BRIEN, Mr. SMITH of Pennsylvania, Mr. MARKS, Mr. MCDADE, Mr. FOGLIETTA, Ms. MIKULSKI, Mr. HORTON, Mr. RUSSO, Mr. WEBER of Ohio, Mr. BLANCHARD, Mr. FISH, Ms. FIEDLER, Mr. HAMMERSCHMIDT, Mr. RATCHFORD, Mr. CORCORAN, Mr. FORD of Michigan, Mr. CONYERS, Mr. LEACH of Iowa, Mr. HYDE, Mr. GREEN, Mr. LEBOUTILLIER, Mr. BENJAMIN, and Mr. STARK.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

197. By the SPEAKER: Petition of the council of the District of Columbia, Washington, relative to funding for education of handicapped children; to the Committee on Education and Labor.

198. Also, petition of the 23d annual covention, National Association of the Physically Handicapped, Inc., Fort Collins, Colo., relative to programs for the disabled; to the Committee on Education and Labor.

199. Also, petition of the American Library Association Council, Chicago, Ill., relative to public access to Federal information; to the Committee on Government Operations.

200. Also, petition of the Synod of Southern California and Hawaii, United Presbyterian Church in the U.S.A., Los Angeles, Calif., relative to legal services; to the Committee on the Judiciary.

# EXTENSIONS OF REMARKS

## THE THREAT OF WATERWAY USER CHARGES

**HON. LES AuCOIN**

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. AuCOIN. Mr. Speaker, Congress is now reviewing legislation that would impose certain user charges on our Nation's ports and waterways as a way of recovering the Federal Government's cost of building and maintaining these important commercial facilities.

Few will dispute the need to look at the way we finance these projects. But as we do so, we must be mindful of the real impact cost recovery will have on our waterways and ports—especially in the West.

Mr. Speaker, I am seriously concerned that proposals now being considered will cripple shipping commerce and international trade on the west coast and in my own State of Oregon. As evidence of this crippling impact, I want to call to my colleagues' attention an article that recently appeared in Oregon Business magazine by Dan Poush. His analysis and commentary clearly shows what this legislation means for Oregon. I ask unanimous consent to insert the article at this point in the RECORD.

THE THREAT OF WATERWAY USER CHARGES

(By Dan Poush)

President Reagan's proposed waterway user charge (the so-called cost recovery proposal) may very well deal a deadly blow to barge shipping in the Pacific Northwest. If approved, the Reagan plan would strap those who ship freight by barge with higher barge fuel taxes, thus reducing the competitive edge they have over other modes of transportation.

The economic impact of this proposal would have a crippling effect, not only on barge traffic on the Columbia and Snake Rivers, but on the Port of Portland as well.

"There has never been a more serious and negative impact" looming for the Port, according to Lloyd Anderson, Executive Director, Port of Portland. "One out of every ten jobs is affected by the system," he says. "This would have a paralytic effect on growth."

Growth is an important factor affecting the entire river system, with huge investments being risked on future business. The Port of Portland is planning a $300 million investment in new facilities at one port, but investments of this magnitude will not occur if the proposed legislation is implemented.

The Reagan plan is a simple formula to have the users of the waterway systems pay for the recovery of federal expenditures for deep-draft navigation projects—anything over 14 feet in depth. The second aspect of the proposal is to promote a user-pays concept for the operation and maintenance of the waterways. But according to Port of Portland officials, this proposed plan will have a severe impact on the national waterways system, the Columbia/Snake system, the national economy, and affect 15,000 jobs in the Northwest alone.

Garry J. Whyte, Executive Secretary of the Columbia River Towboat Association, monitors activities which affect the eight companies belonging to the association. The issue is "vital to our life support system," he says, "but it is coming too fast."

"Deep-draft steam ship operators don't seem to be aware of the ramifications," Whyte notes. For example, cargo being shipped from Lewiston by barge will cost more due to the fuel tax being charged the towboat operators. When the shipment gets to Portland and is loaded, the steam ship will pay the deep draft fees. This system amounts to double taxation according to Whyte.

The towboat operators began paying a user fuel tax of $.04 per gallon of diesel fuel last October. Operators are facing an additional $.02 this October. President Reagan's plan would add additional charges on top of that. As transportation charges increase Northwest shippers may seek alternate methods perhaps causing cargo shifts to Canadian ports, where fees are less. This would cause cargo volume on the waterways to decline, leaving the remaining users to shoulder the burden for maintenance and operation. Add to that any new construction, and the fees could drive even the strongest out of business.

An analysis of the impacts of the user charge produced by the Port of Portland points out that some waterway segments may eventually be closed. Parts of the system which require higher maintenance or have a low volume, may be closed purely for ecomomic reasons. Only those segments that can afford to pay for operation and maintenance themselves will survive. The rippling effect will then be felt by ports downstream, with the result that only the largest volume ports will be able to cover their costs. The biggest ports will get bigger at the expense of small and mid-size ports.

The Columbia/Snake River system is the fourth largest system in the U.S. for tons carried by barges, and the only system west of the Rockies. The economic impact on a single 50,000-ton shipload of export grain calling on Portland could be as high as $23,750. That would be the combined total user taxes paid for shallow draft (the river system) and deep-draft operation and maintenance. Adding new construction costs of enlarging Bonneville Lock and deepening the mouth of the Columbia would bring the total taxes for each 50,000-ton grain ship call to $63,750, according to Port of Portland researchers Glenn Vanselow and Mary Brugo. Conservatively, the report stated, the immediate oceangoing cargo loss is estimated at four to five million tons, or 15 percent of the total volume of cargo in 1980. Containers, logs/lumber/plywood, autos, dry bulks and grain are particularly vulnerable. The impact on the upper river system would be even more dramatic because it would not only lose its share of the lower Columbia cargo, but other barge cargo would be diverted to other carriers.

IMPACT

The loss of four to five million tons of cargo on the lower Columbia River will have a severe impact on the economy of the entire region. Handling this volume of cargo adds a total of about $750 million to the region's economy and creates over 15,000 jobs, according to Port officials. Any drop in cargo volume along the navigable shallow-draft system would affect 19 port districts.

The administration's proposal would obtain money from the local users, who in turn will try to pass along the extra charges to the customer. User charges cannot be passed on to foreign consumers, and since 43 percent of U.S. exports are farm products, the U.S. farmer will be forced to absorb the bulk of the increased costs.

Farmers who rely on the Columbia/Snake River system would be handed a double bill. First they must pay a higher price to receive fuel and fertilizer; then, after harvest, they must absorb the extra user fees to get their products to market. Some raw material being shipped may allow the producers to pass on the higher costs, but farm products such as grain are traded on the world market where competition sets the price. Foreign buyers will seek alternative suppliers or products rather than pay increased prices. Over the long run, full-recovery user charges will reduce the ability of farmers and suppliers to compete on the world market.

James Q. Johnson, Executive Vice-President and General Manager of Interior Elevator Co., The Dalles, calls himself "a middle man". His purpose is to store, sort, and ship grain to the Portland market. He said he agrees with President Reagan, that users of the river should pay, but added, "the dam across the river allows many users. Irrigation is a user, and flood control serves many people. How in the world can you proportion that out? Hydro-electric power benefits too."

Johnson claims that because of the dams and flood control, thousands of acres of land in low areas have become productive farms and the additional taxes and fees received from products passing through the locks have more than paid for its maintenance and operation.

Johnson is also very sympathetic to the farmers' plight, but said "even the farmer with 1000 bushels will have to pay more. Of course the tax is going to be passed on. Any cost that comes to us will be passed on to the farmer. In many cases the user fee is the cream."

WIDE OPPOSITION

Opposition to the proposed cost recovery proposal is being felt throughout the nation. Members of the Pacific Northwest Congressional delegation have joined together in writing a three-page letter to President Reagan dated June 18, 1981, in which they recognize that the objective of the proposal is to raise additional revenues, but ask the President to take into account a broader range of objectives, including the improvement of the overall transportation system and our position in world markets.

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The delegation stressed that the proposal, while raising additional funds, would do so at a significant cost. They said that:

Development of a mature, energy-efficient waterway system will be retarded; Cargo movements will be diverted to foreign ports, hurting regional economies that rely on waterborne commerce; Inflation will be refueled as the price of domestic goods and imports transported by waterway are pushed higher; and Exports, especially bulk commodities such as grain and coal, will be reduced because higher transportation costs make them less competitive in world markets, thus adversely affecting U.S. balance of payments.

The congressional delegation is not the only official body to be fired into action. The Coordinating Committee of the American Association of Port Authorities (AAPA) has drawn a position paper which will be offered to all affected deep-draft ports in the nation. A conference telephone call was held July 6 to muster support for the proposal, which was then presented to the U.S. Senate Subcommittee on Water Resources in Washington, D.C. by Lloyd Anderson. Anderson serves as president of the Coordinating Committee, as well as being executive director of the Port of Portland.

The position paper has nine aims meant to meet the administration's objectives of full recovery of federal expenditures, while at the same time safeguarding the interests of all who use the waterways. The paper concludes with several possible procedures for uniform federal user charges, including but not limited to:

1. Expansion of current vessel tonnage taxes collected by the Customs Service.
2. Surcharge of customs levies.
3. Allocation of customs receipts.
4. Flat tonnage rate on cargo.
5. Variable rate tonnage assessment on cargo scaled according to commodity types.
6. Deep-draft vessel licensing.
7. Establishment of a quasi-independent group who will study the level of user charge and analyze the impact.

This report will be delivered in Washington, D.C. to the House Merchant Marine and Fisheries Committee by Anderson and others from the AAPA committee. The position has received 100% backing from all the ports who are members of AAPA. The U.S. ports fall into regions categorized as follows: Northeast Atlantic, Southeast Atlantic, Gulf, Southwest Pacific, North Pacific, and Great Lakes region.

"There is a variety of legislation before the Congress and they all have a possibility of getting through," Anderson says.

It is Anderson's hope that with the position paper and written concern from the Northwest Congressional delegation, President Reagan will delay any decision on the plan until after the close of this fiscal year. The big question for many port authorities is the ultimate impact. "Nobody knows," Anderson says. The first hearing was held in June, another on July 22 and field hearings are scheduled in Seattle on August 21st. "We want nothing done before September 30—the close of the fiscal year," Anderson emphasizes. That way everyone would have at least another year to research the potential problems and solutions to problems before any charges could go into effect.

THE VILLAIN?

A few people feel this entire situation was brought on by the railroads. Higher barge costs would cause more customers to use rail for transporting goods. Tom Zelenka, Manager, Government Relations, for the Port of Portland, strongly feels that three pressure groups have caused President Reagan to use this proposed method to raise money. The railroad tops his list of pressure groups who would gain the most from a user fee for the waterways. The environmental movement is basically after "no growth", according to Zelenka, and is using the user charge as a mechanism to slow down all use of the waterways. "The third pressure group is the bureaucrats who count paperclips," Zelenka says, noting that they are looking only at a financial ledger.

A nation which is being held in the grip of the oil-producing nations of the world should, whenever possible, resort to the most energy efficient means of transporting its goods and material. A large diesel truck can move one ton of goods 59 miles on one gallon of fuel. The railroad will move the same ton 202 miles on only one gallon. But the inland barge will transport a ton of goods 514 miles on a single gallon of fuel (Source: Fuel Efficiency in Freight Transportation, S. E. Eastman, 1980).

The railroads are just "sitting back and watching," according to James Johnson. The cost of shipping grain from The Dalles to Portland, when broken down to cost per bushel, clearly shows that barge transportation is nearly half of what rail is, Johnson says. "The average truck will carry approximately 900 bushels of grain. It's about 190 miles round trip and costs about $1.25 per running mile," Johnson explains. "That breaks down to about $.25 per bushel. Truck rate cannot compare to rail or barge."

The Union Pacific rate office reported a rate which equals $.185 per bushel for export grain from The Dalles to Portland. Johnson claims existing rates for barge shipping, which have been in effect since February, are $.104 per bushel. "Even though cost per bushel may only be $.01, it adds up," he says.

By applying Johnson's calculations to the Port of Portland's figures on the possible cost which could be levied on a single 50,000 ton export grain ship ($23,750) the cost works out to $.014 per bushel, or an increase of 13.3%. But figuring what could happen if construction of a new Bonneville Lock and dredging the mouth of the Columbia were added ($63,750 total) the cost jumps to $.038 per bushel, or a 36.2% increase in freight charges.

George Shaver, president of the 101-year-old Shaver Transportation Co. in Portland, also feels the user fee is a "railroad ploy." He is also upset at government funding of railroad pension funds, among other things.

"My father (the late Capt. Homer Shaver) used to tell me, 'I wouldn't mind paying a user tax if the government had given us every other section on the river when we started,' " Shaver says.

Shaver claims that the railroad itself may not show a profit, although all their other assets, such as pipelines and forest land, are held under other corporations that are making profits.

Shaver claims to be paying $170 per man, per month, into a pension plan for his employees, and calls the railroad's pension plan "an inequity." "The railroad retirement program is the only federally administered pension plan for a private industry," according to Shaver. That fact is confirmed in a report from the General Accounting Office. The GAO study addresses what the federal role should be in providing such financial assistance and what funding alternatives are available.

At Shaver Transportation, as elsewhere, any tax levied will be passed on. "There is no way we can absorb the tax," Shaver says.

This nation has 25,543 miles of waterways serving 87 percent of major U.S. cities and is generating over $1 billion annually in onboard employee payrolls for the barge industry alone. The ramifications of the waterway user tax will surely be felt throughout the nation in many related industries—none more than at the farm level. But if the research and testimony prepared by the Port of Portland and the written concerns of the members of the Northwest Congressional delegation do nothing more than delay a decision until alternatives can be found, the Northwest may be able to avert a disastrous, unrepairable business collapse.●

## AL PARKER DAY

### HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. GINN. Mr. Speaker, it is with great pleasure that I recognize 12-year-old Al Parker of Claxton, Ga., who last month completed the Grand Slam in winning both the singles and doubles in the National Amateur Tennis Tournament. This is the first time in the history of these tournaments that this feat has been achieved in junior tennis play.

Al has been recognized for this achievement by Sports Illustrated magazine, and his hometown of Claxton, Ga., was so proud of his accomplishments that they designated Sunday, August 30, 1981, as "Al Parker Day in Claxton." For the benefit of the Members, I would like to insert the community's proclamation honoring Al Parker, a superachiever in amateur athletics. I include the proclamation in the RECORD at this point:

PROCLAMATION HONORING AL PARKER

Whereas, Al Parker was born in Chatham County, Savannah, Georgia, December 22, 1968, and is presently a student at Pinewood Christian Academy; and,

Whereas, he has excelled in the field of tennis since the age of six; and,

Whereas, Al Parker has constantly played and practiced the game of tennis until he has reached the point of perfection; and,

Whereas, Al Parker has played tennis throughout America taking one challenger after another with victory always on his side; and,

Whereas, Al Parker played in the National Indoor Tournaments, winning both the singles and doubles; and,

Whereas, Al Parker defeated all competition in the Clay Court Tournament winning the National Championship in both the singles and doubles; and,

Whereas, Al Parker moved on to the next area of competition at the Hardcourt and there he defeated all competition winning the National Championship in both singles and doubles; and,

Whereas, Al Parker moved on to the "Nationals" in singles and doubles winning both divisions and becoming the first person in history to do so in the National Tennis Tournament; and,

Whereas, Al Parker has become the unquestionable National Champion Tennis Player in the Junior Division of the twelve years olds.

Now therefore, we the Governing Bodies of the Cities of Claxton, Daisy, Bellville, Hagan, and the Evans County Commissioners do hereby recognize the many accomplishments of Al Parker and honor him for his many achievements by proclaiming Sunday, August 30, as Al Parker Day in Evans County and urge all citizens to join hands in honoring Al Parker; and,

Therefore, let it be known that we as elected officials on behalf of all citizens that we represent are very proud of Al Parker and extend to him our sincere congratulations and wish for him in the months and years ahead continued success.

This the 17th day of August 1981.

Claxton: Perry Lee DeLoach, Mayor, W. T. Palmer, Elton Todd, Jimmy Lanier, Tommy Flanigan, Luther Royal.

Daisy: Carson Sands, Sr., Mayor, Carson Sands, Jr., Barney Joe Durrence, Sr., Barney Joe Durrence, Jr., Cecile Jarriel, Johnny Smith.

Hagan: Aden Massey, Mayor, Johnny Massey, Zeke Perkins, Larry Sikes, B. A. Hammock, Vernon Owens.

Bellville: Jerry Coleman, Mayor; Alvin Blalock, O. H. Daniel III, Inman Hearn.

Evans County Commissioners: Norman DeLoach, Chairman, Bill DeLoach, Carlon Lewis, Wayne Massey, David Tippins.●

## FOR BAHA'IS IN IRAN, A THREAT OF EXTINCTION

### HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. DERWINSKI. Mr. Speaker, in late June, my distinguished colleague, DAN MICA, and I wrote to U.N. Secretary General Kurt Waldheim, to appeal on behalf of the Baha'is in Iran. "Baha'is in Iran have long suffered tremendous pressure and persecution," as we reminded the Secretary General in our letter. We appealed to him to do everything in his power to alleviate their suffering at the hands of the Iranian Government.

Firuz Kazemzadeh, professor of history and chairman of the Committee on Middle Eastern Studies at Yale, and a member of the national governing body of the American Baha'i organization, wrote a moving column in the New York Times on August 6 describing the treatment of Baha'is in Iran. It is reprinted here for the benefit of the Members.

FOR BAHAIS IN IRAN, A THREAT OF EXTINCTION

(By Firuz Kazemzadeh)

NEW HAVEN.—The Bahais in Iran are in danger of extermination. Not a week passes without a sinister incident. Already more than 60 people—storekeepers, artisans, teachers, Government employees, doctors and a distinguished university professor—have been lynched by mobs or executed by revolutionary firing squads. Hundreds have been dismissed from jobs; thousands have lost their homes and possessions.

From every province pour in accounts of atrocities. Two men are burned alive in Shahmirzad; a clinic is dynamited in Kata; a community center is burned to the ground in Tavil; graves are desecrated at Hoseynabad; houses and shops are set on fire in Zenjan; mobs attack Bahais in Ardistan; families that refuse to recant their faith are driven out of several villages near Hamadan; a man, his wife, their 7-year-old child and 4-year-old grandchild are beaten nearly to death with iron-tipped staves near Birjand; the Bahais are forbidden to bury their dead in the cemetery at Chahbahar; the Bahai hospital is confiscated in Teheran; seven Bahais are executed in Yezd. . . .

Authorities conduct sham trials of Bahais that invariably result in their conviction. The charges hurled at Bahais by prosecutors, shouted by crowds in the streets, spread by the press, radio and television and glossed from the pulpit by the Shiite clergy are always the same. They include the promotion of prostitution, cooperation with Zionism, spying for imperialist powers, corruption on earth and warring against God.

This assault against the approximately 400,000 Bahais is not confined to individuals nor is it a mere outburst of religious passion. It is a case of well-planned genocide. The scope of the attack became clear a year ago when the entire national governing body of the Bahais of Iran was kidnapped and disappeared without a trace.

Allegations that the Bahai faith is a political conspiracy serving the interests of foreign powers have been made by the Shiite clergy and the Government in Iran and by their representatives abroad. They contend that the Bahais were favored by the Shah's Government and that they ran both the infamous secret police, Savak, and the Government. Stories make it appear that all the ills of a rapidly changing society are directly attributable to the machinations of an accursed group of heretics.

The hatred that a large segment of the Shiite clergy and the more retrograde elements of Iranian society feel for the Bahai faith has nothing to do with politics. It is inspired by a primitive religious fanaticism. A century ago, before the modern notions of religious toleration penetrated Iran, the Islamic religious men did not bother to hide the true reasons for their hostility to the Bahai faith. They saw it as a dangerous heresy and its followers as apostates who deserved death. That the Bahais worshipped the same God and held the Koran to be divinely inspired scripture made matters worse. The Bahais also believe in progressive revelation. They repudiated the notion that non-Moslems are unclean. They taught principles that the clerics found either incomprehensible or odious: universal peace and the unity of mankind, the equality of sexes, the harmony of religion and science, universal education. That the Bahais have no clergy, trusting the leadership of their community instead to elective bodies, is an affront to the arrogant religious leaders.

Unlike Jews and Christians who belong to distinct ethnic groups and cultures, the Bahais were Persian- and Azerbaijani-speaking converts from Islam. They were an organic part of the Iranian nation and could not be confined to a physical or spiritual ghetto, they could only be exterminated. And the Shiite clergy have long been trying to achieve this.

As times change, so change rationalizations and slogans. In the 20th century the Bahai faith could no longer be attacked on purely theological grounds. Secularism has influenced the educated who embrace nationalism as a surrogate religion. To turn them against their Bahai fellow citizens it was necessary to show that the Bahais were unpatriotic. Their opponents resorted to lies, including the production of fake historical documents. During the revolution of 1906–1911, reactionary religious men in the Shah's camp charged that the Persian constitutional movement was a Bahai plot to take over the country. Simultaneously those clerics who led that revolution in an uneasy alliance with a handful of liberals accused the Bahais of supporting despotism. Neither side would acknowledge that the Bahais, adhering to the principle of noninvolvement in partisan politics, remained neutral.

During the anti-Communist 1930's, the Bahais were linked with Russia, Czarist and Soviet. When American influence in the Middle East increased after World War II, the Bahais were linked by their opponents to the United States. More recently they have been accused of supporting Zionism. One may expect that soon they will be linked to Iraq or some other hostile power.

In spite of a century of persecution, Iran's Bahais remain loyal to the country that is not only their homeland but also the land where their religion was born. However, their fate should not be hidden from the world by a veil of misrepresentation. Humanity should be aware of the plight of a peaceful, law-abiding community in the clutches of a relentless and unscrupulous foe.●

## FEAR AND NUCLEAR POWER

### HON. MARILYN LLOYD BOUQUARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mrs. BOUQUARD. Mr. Speaker, while the debate over nuclear power has more recently focused on economic issues, the vulverability of this technology to attack rests ultimately on public fear. I have found the economic arguments to be distorted and often self-fulfilling such as when antinuclear groups delay the completion of a nuclear plant for many years and then claim it is too expensive. My goal is to free nuclear power from the chains of unreasonable public fear, excessive and counterproductive regulation, and vacillating Government policies.

The most fundamental of these issues is, of course, fear and especially unrealistic or "phobic" fear. Mountains of material have been written on the cause of fear which is the risk of being injured in some way as perceived by the individual. Because of the complexity of risk, however, most people avoid reading about it, much less understanding it.

A recent article in Business Week, September 7, 1981, by Dr. Robert L. DuPont is an outstanding and rare example of a short discussion of fear, risk, and nuclear power which is both comprehensive and intelligible. The phobic fear that most people have of anything nuclear is put in perspective

and the reader is clearly shown its causes. I encourage my colleagues to spend a few minutes and read this informative and timely article.

[From Business Week, Sept. 7, 1981]

THE NUCLEAR POWER PHOBIA

(By Robert L. DuPont, M.D.)

The nuclear power industry has been virtually stopped in the U.S. because of fear. This is true despite the fact that for more than 20 years the commercial nuclear industry has operated under unprecedented public health scrutiny and that to date there have been no radiation-related injuries (let alone deaths) suffered by any member of the public. The accident at Three Mile Island was a financial disaster, but the health protections built into the plant worked. The independent presidential commission established to investigate the accident concluded that the only negative health effect was "mental stress," or fear.

My interest in the curious paradox of widespread fear of nuclear power despite credible evidence of safety was stimulated in part by my frustrations from more than 13 years of trying to encourage people to fear using illegal drugs such as heroin and marijuana. It has been as puzzling to me that 500,000 people shoot heroin into their veins voluntarily and that 23 million otherwise reasonably rational people regularly suck marijuana smoke into their lungs as it has been that nearly half of all Americans fear nuclear power so much they would rather import oil or suffer the consequences of burning more coal to make electricity.

THE PARADOXES

My professional experience with unconscious motivations for human behavior has helped me begin to understand these paradoxes. Before getting to the explanation, however, let me extend the paradox a bit further.

How is it possible to explain that despite massive public education, 50 million American cigarette smokers have not been scared out of their habit, which takes the lives of more than 350,000 smokers a year? Or that more than 80 percent of Americans do not wear seat belts although 50,000 U.S. highway deaths, more than 500,000 crippling injuries, and nearly 30 million traffic accidents occur on our roads each year?

Similar paradoxes exist in the public's feelings toward driving a car vs. flying in an airplane. Nearly 30 million Americans are afraid to fly while few fear the automobile—even though automobile accidents are the leading cause of death for every age group from 1 to 40 in the U.S., and commercial air travel in America took only 13 lives in 1980. The answer is found in our attitudes toward risk, which are rooted in three simple psychological perceptions—all irrational—that govern risk assessment.

The first and most important consideration is whether the individual thinks he controls the risk. Many recreational activities are quite dangerous. Skydiving, skiing, and skateboarding are obvious examples. And it is far more dangerous to ride a bicycle around the block once a week than it is to live next to a nuclear power plant. As anyone who has ever had an automobile accident knows, the driver does not control his risk—or he would not be in the accident. But this risk is denied by the person who anticipates driving a car or skiing down a slope because he thinks he does control his risk. The same illusion often protects the cigarette smoker from fear: He has been manipulated by peer and commercial pressures and by the pharmacology of nicotine addiction, but he thinks he can stop or cut down if he needs to. Therefore he is not fearful. This particular factor—the location of control of the risk—is exaggerated further for some people when the "they" who control the risk are big, impersonal, and often mistrusted institutions. Thus, fear of nuclear power is exaggerated in part because the risk is perceived to be controlled by "big utilities" and by "remote bureaucracies" such as the Nuclear Regulatory Commission.

The second major variable in risk assessment involves the question of whether the hazard shows up as one big event—an airplane crash, for example—or whether it occurs in separate, individual events scattered over time and space, such as automobile accidents or cigarette-related deaths. Single, big events are feared excessively. Multiple, separate dangers are more easily denied. Here the role of the media is particularly important. Compare the news value of 130 people dying in an airplane crash once a year with the news value of the 130 automobile-related deaths that now occur every day in the U.S. Imagine the public fear if all 350,000 American cigarette smokers who die each year died together in one place at one time.

The third element in risk assessment is whether the risk is familiar or unfamiliar. Familiar dangers, almost no matter what the relative danger involved, are hard to fear, while unfamiliar threats are almost impossible not to fear. For many people, cars and cigarettes are hard to fear, while airplanes and nuclear power plants are hard not to fear. The siting of nuclear power plants far from urban centers ensures this unfamiliarity, as do the regulations that restrict public visiting to nuclear installations.

When these three principles of risk assessment are put together, one realizes that the deck is stacked against nuclear power. The risk of nuclear power, as perceived in the public mind, is controlled by someone else; it is thought of as related to one massive accident, such as TMI; and it is unfamiliar.

"WHAT IS" VERSUS "WHAT IF"

It is not surprising, then, that many energy experts are paranoid about media coverage and political handling of nuclear power. By contrast, consider how those same three irrational psychological principles protect the alcohol, tobacco, and automobile industries from political and media outrage over the hundreds of thousands of preventable deaths caused each year by their products.

If these distortions in risk assessment were simply quirks of the public psyche, they would be interesting but hardly worthy of serious concern. But the facts are otherwise. These distortions are built into daily political and economic decisions, with far reaching implications for the nation's health and economy. Contrast the preoccupation with—and cost of—further improving the safety of nuclear power with the American inability either to require the wearing of seat belts or to develop mandatory passive restraints in cars. Or consider our unwillingness to discourage cigarette smoking in the light of our expensive and destructive preoccupation with nuclear waste management.

These same principles are affecting the national debate over many drugs and chemicals. Critics often point out that the risks involved have been identified in only a few cases and that an unknown danger of cancer and/or birth defects—the two most emotionally potent health fears of our generation—may be hanging over us.

There are several ways we can overcome our fears. The first is to separate the "what is" from the "what if." We need to recognize, for example, that we have more than 20 years of experience with nuclear power plants to study. Rather than being endlessly preoccupied with what could happen, let us talk about what has happened in terms of the public health effects of commercial nuclear power. We can also begin to think more clearly about what our overall health dangers are. We should indeed focus attention on cancer and birth defects, since with the information we have today many cases are preventable. The public should know that the U.S. has not experienced a rise in the rates of either cancer or birth defects in recent decades. Aside from the tragic rise in lung cancer rates (secondary, to cigarette smoking), cancer rates are generally level or headed slightly downward. When cancer and birth defects are discussed, let us consider all preventable causes and put each in proper perspective. When we do that, we will find that many risks are the result of lifestyle decisions that individuals make every day, particularly decisions related to diet and use of alcohol, tobacco, and illegal drugs.

LOOKING AT FACTS

We are likely to come to the uncomfortable conclusion, when we meet our health "enemies," that "they is us." This is not to say that industry should not have a role in improving health, but we need to put this into perspective. The number one cause of preventable cancer is not nuclear power; it is cigarette smoking.

Finally, it is vital that health agencies and the media reflect more clearly the full facts and not exploit, or simply reflect, the irrational fears of the public. This is particularly important when an industry (such as the nuclear industry or the chemical industry) is attacked as a health threat, since defenses from the involved industry tend to be dismissed as "biased" even when they are right. Public health agencies and the media have an affirmative responsibility to get the facts and educate the public about their fears.

Editors and reporters must become educated about what the dangers to public health really are, especially the dangers that are potentially controllable. If the media are to do more than reflect the common distortions in risk assessment, they will have to overcome their own limitations. Meanwhile, we should get off their backs. They do not cause nuclear fears; they are victims of the same irrationality as the rest of us.

CONFRONTING NECESSITY

During the last four years I have extended my study of fear to my clinical practice of psychiatry: I direct the Phobia Program of Washington to help people over the ultimate irrational fears. I have learned that only by repeated exposure to the feared situation can the phobic person overcome his fear. When considering fear of nuclear power, this principle leads to the conclusion that far more people need to visit nuclear power plants, see them in operation, and talk with their operators. People, especially young people, need to be able to measure radiation and learn about its effects through hands-on use of radiation detection devices. The new requirements for all nuclear power plants to have documented emer-

gency plans that include informing the public within 5 mi. of the plants can be used to educate millions of people.

I have also learned that phobic people, like most of the rest of us, can overcome their fears when confronted with necessity. The phobic woman who cannot drive will do so when her child needs to get to the emergency room. The phobic man who cannot speak at a business meeting will speak if he concludes that his job depends on it. This helps explain why France, which lacks oil, gas, and coal, has done such a good job in overcoming public fear of nuclear power: Most Frenchmen know they have no choice if the lights are to go on when they pull the switches. This principle also explains courage: The courageous person acts out of what he considers necessity. ("I carried the child out of the burning building because I couldn't see anything else to do.") And when we tell a friend how courageous he or she is in facing a serious illness or operation, the most common response is, "What choice did I have?"

Maybe necessity will provide the route through which nuclear fear will subside in the U.S. When most Americans conclude that they need nuclear generation of electricity, they will face their fear and overcome it. But, as I have also learned, phobic people will seldom face their fears unless they feel they must. This leads to the opposite conclusion: If a nation thinks it can get by without nuclear power, it may try simply to avoid facing the fear, however irrational or expensive the fear may be.●

## COTTON DUST STANDARDS

### HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. DERRICK. Mr. Speaker, I am today reintroducing legislation to assist the textile industry in its efforts to comply with the cotton dust standards issued by the Occupational Safety and Health Administration, and recently upheld by the U.S. Supreme Court.

While I agree with the Court that the health of the workers is of utmost importance, I have a sincere concern for the potential effect which this may have on the textile industry, in particular, those mills which do not have the capital to comply with the regulations by 1984.

My bill would allow the textile industry to fully expense any machinery and equipment placed in service after June 23, 1978, the date the standards were issued by OSHA. Machinery and equipment would be eligible for this tax treatment if used in connection with a facility in operation before this date.

I believe passage of this legislation to be crucial to the textile industry in this country. The industry has estimated that approximately 2,330 workers suffer some form of illness as a result of their work environment. However, the installation of the federally mandated equipment is a costly procedure. This legislation would alleviate the tremendous burden on the industry and have a beneficial impact upon those men and women who are employed in the textile mills of this country.

Mr. Speaker, I cannot underestimate the importance of this legislation and I believe that my colleagues will agree with me and we will see quick enactment of this measure.●

## VISIT TO ARGENTINA

### HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. LEHMAN. Mr. Speaker, I recently spent 5 days in Argentina and during that short visit met with Argentine officials and others concerned with improving United States-Argentine relations. I had hoped to gain a better understanding of the present state of affairs regarding the important issue of human rights as well as other issues of mutual concern. As a result of the trip, I was able to accomplish this largely due to the very useful and encouraging discussions held with Interior Minister Horacio Liendo and Foreign Minister Oscar Camilion.

I believe that Argentina is beginning to address some of the issues standing in the way of improved United States-Argentine relations. While much still remains to be done, the release this year of over 200 PEN prisoners should not go unnoticed. The willingness of the Argentine Government to move along a path of increased democratization will in itself be beneficial to Argentina's own people and to future relations between our two countries.

I would like to share with my colleagues a letter I have sent to Argentina's new Ambassador, His Excellency Esteban Takacs, in gratitude for the cooperation I received while in Argentina and to express my hopefulness for the future. The letter follows:

HOUSE OF REPRESENTATIVES,

*Washington, D.C., September 14, 1981.*

His Excellency ESTEBAN TAKACS,
*Ambassador of Argentina,*
*Washington, D.C.*

DEAR MR. AMBASSADOR: I wish to express my sincere appreciation to you and to your government for the many privileges extended to me during my recent visit to your country.

The meetings, especially with Interior Minister Horacio Liendo and Foreign Minister Oscar Camilion, were very constructive and gave me a positive impression regarding the future of United States-Argentine relations.

I am convinced that Argentine leadership is concerned about moving to a more progressive political posture and toward increased democratization. Furthermore, I am encouraged about the progress that is taking place and am hopeful that our two countries will continue to strengthen our ties.

Please convey my appreciation to President Viola.

With best wishes, I am

Sincerely,

WILLIAM LEHMAN,
*Member of Congress.*●

## SOCIAL SECURITY

### HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. SHELBY. Mr. Speaker, an item of concern to most Americans is the stability of social security. The system is in financial trouble, and Congress must give top priority to making changes that will reassure current and future beneficiaries that they will not be denied their benefits.

Social security was created in 1935 as a means to provide supplemental income for retired workers. It was originally intended to be a form of social insurance to protect against loss of income at retirement. The changes in coverage and scope of the program account for part of the system's revenue problems. They have combined with unfavorable economic conditions to upset the financial balance of the old age and survivors fund.

Congress must now develop a plan that will bring benefits and revenues into line. We must take steps to guarantee that the system will not run out of money. The challenge is to provide for long-term reforms without raising taxes, or changing the age-of-retirement features of the program.

The administration has shown great courage in bringing a complacent Nation to realize the severe financial crisis faced by the social security system. Congress should now accept this challenge and cooperate to find long-term solutions that protect existing benefits and enable Americans to count on this assistance.

I am absolutely committed to the fact that any changes in the social security system should be made to strengthen and insure that this viable retirement income source is continued for our senior citizens.

I am also confident that the administration can work with Congress to save the system because of the spirit of cooperation that has been shown through a proven willingness and ability to compromise.

We can overcome the crisis facing social security, but only if we work together, honestly and openly, and exercise the courage difficult decisions require.●

## LET THEM EAT CAKE

### HON. DENNIS E. ECKART

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. ECKART. Mr. Speaker, Ellen Goodman's article in today's Washington Post reveals the sad truth about the new guidelines for the school lunch program. While our high Government officials are dining lavishly at the taxpayer's expense, kids in school will be given a lunch which amounts to little more than a paltry snack.

REAGAN'S NOUVELLE CUISINE FOR KIDS

BOSTON.—The luncheon was arranged rather neatly. A discreet hamburger sat on half a roll. Six longish French fries lay beside it. Nine green grapes lolled nearby. To the side stood half a glass of milk.

It sounded to me like some forlorn menu for overweight executives. But it wasn't. It was, rather, a prototype of a school lunch, or what may remain of it, after the budget cuts.

We are about to see the full-fledged Nouvelle Reagan Cuisine for Kiddies. Higher costs and smaller portions. No stars, please.

As you may have heard, dinner with the Reagans in the While House has definitely improved these days. When the Reagans dine with the Anwar Sadats on the federal tab, they eat smoked filet of mountain trout, a roast supreme of duckling a l'orange, a touch of wild rice with raisins, a bit of Brie and chévre, followed by the palate-cleansing melon glacé and fresh raspberries.

But under Reagan, lunch in the school cafeteria is quite another affair: an ounce-and-a-half of meat or meat alternatives, a half-cup of fruit and vegetables, one serving of bread, six ounces of milk. Yummy in the empty tummy.

FRAC, the Food Research and Action Center, cooked up the lean-and-hungry lunch described above, by carefully following the new proposals that have come out of the Department of Agriculture.

According to FRAC's Nancy Amidei, the Agriculture people were assigned the task of cutting fat from the budget "without impairing the nutritional value of the meals." But they ended up cutting food.

Under the old requirements, more food was served to older grammar-school kids than younger ones. But under the proposed new rules, the 11-year-olds will get the same amount of meat and vegetables as the 5-year-olds. Even the bread and milk are cut, from eight pieces a week to five, from eight ounces a day to six.

The other changes in rules are even more curious. Ketchup and pickles now qualify as vegetables; tofu (try that on your second grader) now qualifies as a meat; and any school can put its eggs in a cake instead of on a plate.

According to Amidei, the lunches would supply less than one-third of the daily nutritional value and only 17 percent of the calories needed. "We feel this is compromising children's health," she says flatly.

The motto of the Nouvelle Reagan Cuisine—"Eat Light and Like It"—would be fine for the statesmen passing up the Brie. But the Department of Agriculture's own study shows that poor kids get anywhere from one-third to one-half of all their daily nutrients from school lunch.

Of the 27 million children who eat school lunches, 12.6 million get a free or reduced rate. If the meal shrinks just when food stamps are being cut and food prices are on the rise, these kids can't make up the difference at home.

There is also a social effect of the Nouvelle Reagan Cuisine. Middle-class parents, who pay the full amount for lunch, are going to balk at paying more for a snack. As a 10-year-old visitor to FRAC said when she spied the prototype meal, "Yuk! Where's the rest of it?"

In our house, after the price went up last week, the brown bags came back. But if these proposals are approved, there could be a national two-track lunchroom, with only the poorest students going through a highly stigmatized free-lunch line. The end result of that is higher costs, fewer schools in the system, and a program goes on the skids.

There is the taste of irony sprinkled over all this food talk. The lunch program started back in 1946 because of the military. During World War II, the draft board had to reject an enormous number of men suffering from poor nutrition. When the School Lunch Act was passed in 1946, they wrote: "It is declared to be the policy of Congress as a measure of national security to safeguard the health and well-being of the nation's children."

Today we have another administration that is worried about the Army, worried that an Army of illiterates will end up operating sophisticated multi-billion dollar military equipment. But as Amidei notes, "At this rate we'll have an Army of anemic illiterates."

If the Reagans will pass me a glass of their Domaine Chandon Blanc de Noir, I'll drink to that.●

## BALANCE THE BUDGET AND BRING DOWN INTEREST RATES

### HON. JIM MATTOX

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. MATTOX. Mr. Speaker, reality destroys fantasies and scenarios more quickly than rhetoric can. The administration said interest rates would be 11.1 percent in 1981. Later, they revised this to 13.6 percent. In 1982, they promised, interest rates would be at 8.9 percent and later they revised this to 10.5 percent. Of course, all of these projections were wrong.

What is the reality?

This is an administration of double-digit interest rates. They cannot escape this economic fact; they cannot cover it up. They must address the issue.

When President Reagan presented his economic plan in detail in mid-March, interest rates for Treasury bills were 13.79 percent; when the key element in his program, the tax bill, passed in August, interest rates on Treasury bills were just around 15 percent. Today, interest rates on Treasury bills are 15.6 percent. Of course, the prime rate is much higher.

High interest rates cause inflation, slow down the economy, make it impossible to buy cars and homes, and devastate savings and loans and the construction industry. I agree with the chairman of the House Budget Committee that there is no pleasure in reminding people of earlier unheeded warnings. Frankly, I am afraid we must be prepared to take drastic action and postpone some of these unwise tax cuts until we can stop the incredible growth in deficit spending, which further fuels high interest rates.●

## LEGISLATION TO ELIMINATE RESTRICTIONS UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT

### HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. BRODHEAD. Mr. Speaker, today I am introducing legislation to permit a worker who makes a partial withdrawal of funds from a tax-qualified pension plan or tax-sheltered annuity program to transfer it to an individual retirement account (IRA) without paying tax on the withdrawal. Permitting partial rollovers will eliminate restrictions under the Employee Retirement Income Security Act of 1974 (ERISA). Time has shown them to be unnecessary and burdensome.

As originally enacted, ERISA permitted tax-free rollovers of benefits paid by tax-qualified plans only in those cases where the benefits could otherwise be subject to special 10-year income averaging treatment. Accordingly, rollovers are generally available only where an employee receives a distribution of the full balance of benefits under a plan in a single taxable year. Tax-free rollover treatment was later extended to employee benefits under tax-sheltered annuity programs.

The requirement that the full balance be received in a single year can be justified as a condition of eligibility for 10-year income averaging but it is an unnecessary restriction where the taxpayer is merely transferring benefits under a qualified plan or a tax-sheltered annuity program to an individual retirement account. This restriction interferes with a worker's ability to plan for retirement. For example, the rule may prevent a worker from diversifying investments to suit individual needs by leaving part of the funds in a plan and transferring a part to an IRA where earnings rates may be higher or where the funds will be more easily accessible.

While providing the flexibility to make a partial rollover, my bill also contains several safeguards to prevent it from being abused. First, partial rollovers could be made only in cases where an individual has left a job. This will assure that no one is encouraged to remove funds from a retire-

ment program earlier than they otherwise could. Second, partial rollovers could not be made using regular annuity payments which are part of a life annuity. If regular annuity payments could be rolled over, the tax on this retirement income would be changed from an income tax to a consumption tax. My bill will also prevent a compounding of tax benefits by barring 10-year income averaging, capital gains treatment, and deferral of tax on unrealized appreciation in employer stock where a partial rollover has been made.

Mr. Speaker, this bill provides workers with retirement planning flexibility which is both logical and fair. The bill is fully consistent with the principles incorporated in ERISA and the tax law. Its revenue effect is estimated to be negligible. I will be working to have it considered soon by the House Ways and Means Committee, of which I am a member.●

## POSITIVE ACTIONS TAKEN BY VIOLA ADMINISTRATION

### HON. DAN MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. MICA. Mr. Speaker, last March Argentine President Roberto Viola met with Members of Congress and emphasized his administration's intentions to lay the foundations for a stable and effective democracy. Those were encouraging words to we Members of Congress who wanted to improve our relationship with Argentina but who also had genuine concerns about reports of human rights violations there.

I think it is now appropriate some 6 months later to take this opportunity to note some positive actions taken by the Viola administration since his March declaration.

Mr. Speaker, I would like to submit for the RECORD and my colleagues' attention the following information with regard to Argentina:

PEN cases (cases under which individuals are under executive national power procedures), are being regularly reviewed and information has recently been received from the Argentine Embassy on more than 200 persons either released or paroled.

Freedom of the press appears to be expanding (i.e. lately several newspapers like "La Prensa" have been highly critical of the Government without censorship).

Argentina's Minister of Foreign Affairs, Oscar Camilion, during his September 1-4 visit to Washington, assured Secretary of State Haig that by August, 1982 all political parties will be allowed to participate in the political process in Argentina.

During his meeting with leaders of the American Jewish Community, Minister Camilion also confirmed that the Holocaust series, shown on national television in the United States, will be shown by the Argentine television network.

I welcome these positive signs that decisively contribute in improving the relations between our two countries. I encourage the Argentine Government to continue to make significant strides toward meeting the goals of a stable and effective democracy that President Viola declared was his administration's aim.

Thank you, Mr. Speaker.●

## TIME TO THINK ABOUT CLEMENCY

### HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. JOHN L. BURTON. Mr. Speaker, I would like to insert in the RECORD an editorial by William Randolph Hearst concerning air traffic safety and the PATCO strike. Mr. Hearst, who is not given to radical thought, has come up with what I believe to be a meaningful first step toward solving this unfortunate dispute and returning America—as soon as possible—to its position of having the safest air traffic control system in the world.

TIME TO THINK ABOUT CLEMENCY

Has anyone noticed that the air controllers' strike isn't part of the major news any more, on most days? It is gradually slipping from the public consciousness, as the planes fly and the replacement controllers are trained.

Clearly, the strike has been lost. The members of the Professional Air Traffic Controllers Organization (PATCO), of whom more than 11,000 are on strike illegally against the federal government, should recognize this. They should consider the futility of their action, which does not have the support of the American public.

And the Reagan administration, recognizing that it has won this historic domestic confrontation, should think now about a carefully measured offering of magnanimity in victory, which could be becoming and honorable, as well as practical.

The president and his advisers should think about an offer of clemency, for controllers who wish to abandon and foreswear the strike and return to work. Any such amnesty should apply only to individual workers and not to PATCO, nor should it be connected to any renewal of negotiations. It should be simply an offer of jobs returned, for those who are willing to come back within a fixed and rather narrow frame of time, with no favors given beyond the prior pay scale and working conditions.

Any thought of negotiations will have to be for well into the future; PATCO is, where the government is concerned, removed from the picture because of the illegality of the strike. President Reagan has made his point convincingly that lawless strikes by government workers will not be tolerated. It is as plain as daylight that he will not back down. The federal controllers' training academy has, by now, almost 80,000 applications from people who wish to replace the absent PATCO members, and classes are planned around the clock. Meanwhile, airline flights are running at about 75 percent of normal.

But normal operations probably cannot be achieved until next spring, at the earliest, and, while the inconvenience is fairly mild, the interim cost will be high—into the hundreds of millions. The airline industry will suffer. Its employees laid off temporarily because of the trimming of schedules will suffer. The jobless PATCO members will suffer.

Some of the latter doubtless went into this strike with misapprehensions, and to give them one more brief chance to return to work would be to cut the costs to the nation, and to demonstrate that winning is best sewed up with a thread of generosity.●

## LEGISLATION TO HELP OUR FEDERAL EMPLOYEES CHANGE THEIR SURVIVOR BENEFIT ELECTION

### HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. LEHMAN. Mr. Speaker, earlier this Congress, I introduced legislation to help our Federal retirees who did not elect survivor benefits at the time of their retirement. Although the response to this legislation, H.R. 1398, was positive, some Federal retirees who retired in accordance with current law have expressed their desire to have legislation introduced to assist them.

These Federal employees elected their survivor benefits at the time of their retirement, or if unmarried, and later remarried, elected survivor benefits within 1 year from the date of their marriage. However, their financial situation, in many cases because of our high inflation rate, has changed, and they are no longer satisfied with the decision that in most cases was made many years ago. Their current financial status is not what these retirees had anticipated when they retired, and they should not have to suffer and worry about the security of their loved ones because of this. If married, our elderly retirees should be able to have a 1-year opportunity to provide some additional security for their spouses. If unmarried, Federal retirees should be able to elect during this 1-year period additional benefits for a financially dependent individual.

The new bill that I have recently introduced would give all of our Federal retirees, those who elected survivor benefits at the time of retirement and those who did not make this election, a 1-year period to reassess their decision. Those who had already elected a reduced annuity in order to provide a survivor annuity could modify or revoke this election. Those Federal employees who did not elect survivor benefits at the time of retirement would now be able to do this.

I am hopeful that hearings will be held on this bill in the near future,

and that Congress will consider and pass this legislation to assist our deserving Federal retirees during this session of Congress.●

## VOLUNTEER DIXIE YOUTH BASEBALL

### HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. BONER of Tennessee. Mr. Speaker, I want to bring to the attention of the Members of Congress 16 outstanding young men from Nashville, Tenn.: Mike Hunt, Scott Green, Marsh Taylor, Jim Hupka, Chuck Pack, Larry Cheshire, Troy Allen, Chris Murray, Scott Hord, Robbie McNair, Trace Vaughn, Jeff Trull, Jonathan Watkins, Anthony Hager, Dickie Dixon, and Shawn Malone. These individuals, along with their manager, Eddie Allen, and coaches, Steve "Spike" Hupka and Phil Hord, recently won the 26th Annual Dixie Youth World Series played at Bartow, Fla., on August 22, 1981.

Approximately 150,000 youth participate in the Dixie youth baseball program over 12 Southeastern States. Just to win the championship is an outstanding event in itself. But it is particularly noteworthy because the Nashville team either tied or broke existing World Series records and have been in the record books 23 years. The accomplishments of several of the young men on the volunteer team are:

Marsh Taylor tied the record of 4 runs scored.

Robbie McNair got 5 hits in one game.

Scott Hord broke the record for bases on balls with 11. This record has been standing since 1958.

Larry Lee Cheshire had a grand slam home run.

And the team broke a tournament team batting record for homeruns with 22. They broke the record of 20 which has been standing since 1977.

Mr. Speaker, in these times when the press is filled with sensational stories about the misadventures of some of our young citizens, it is heartening to bring to your attention the accomplishments of these young men. Nashville is indeed fortunate to have such adults as Eddie Allen, "Spike" Hupka, and Phil Hord, who unselfishly give of their time to help these young men evolve into productive adults.●

## DILEMMA REMAINS IN ILLINOIS WORKERS COMPENSATION

### HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. DERWINSKI. Mr. Speaker, Douglas F. Stevenson, a senior partner of the Chicago law firm of Rooks, Pitts, Fullagar & Poust, has been litigating workers compensation cases for 31 years. His extensive knowledge of this subject is revealed in an article he authored in the August 17 edition of Crain's Chicago Business magazine. I wish to insert his in-depth look at the question of workers compensation in Illinois so that all Members may benefit from his insight.

The article follows:

DILEMMA REMAINS IN ILLINOIS WORK COMP

(By Douglas F. Stevenson)

The workers compensation turmoil in Illinois is a responsibility shared by the Legislature, the governor and the Illinois Industrial Commission.

Gov. Thompson and the Legislature bear the responsibility, and both stood still in 1981. The governor and the Industrial Commission bear the administrative responsibility, and in that area, significant improvements have been made in 1981, specifically in the decision-making process. It is a change that is certain to benefit workers and employers alike.

The improvement stems in part from one legislative change in 1980, and initiative of Sen. Aldo DeAngelis (R-Chicago Heights), requiring the commission to make specific findings of fact and conclusions of law that would demonstrate the reasons for its decisions in making awards. Previously, commission decisions said little more than "there was an accident, and you owe X dollars." The DeAngelis amendment also required that these decisions be published and that they be regarded as precedents in the future by the hearing officers (the arbitrators) and the commission itself.

The Industrial Commission deserves great credit for having embraced fully the new statutory directive. Its decisions since Jan. 1 are clear, understandable and consistent with each other. Whether one agrees with the bottom line of the award, there is no difficulty in understanding just how and why the commission arrived at its decision. A body of precedents is being created for the guidance of claimants, insurance companies, arbitrators and lawyers.

Along with this new format, commission decisions focus more accurately on the essential question in workers compensation: "Did the injury leave a permanent disability that will affect the earning capacity or the quality of life of the employee?"

This focus is the most important byproduct of the new decision-making process.

This new focus on whether there is a residual disability replaced the old system of "automatics," where awards were based upon the initial injury, not the final result after healing. The old system contained such shibboleths as "every fracture leaves a 25 percent disability," "you pay for disfigurement at the rate of $200 per inch of scar or $100 per stitch," "an operated knee cartilage always leaves 25 percent to 40 percent disability of the leg." (The orthopedic specialty society says that the standard operation, with usual recovery, leaves no more than 5 percent disability!)

Under the old system, it was not conceivable that any fracture could heal, leaving no disability whatsoever. (Fractures do heal in other states but never in Illinois.) And it was presumed that every scar, even a thin, white scar that could not be seen from more than three feet away, left some "permanent impairment of earning capacity." Many persons with very minor injuries that had no impact upon their earning capacity or the quality of life they could enjoy received hefty awards from the Illinois Industrial Commission.

At the same time, these "automatics" frequently operated as a ceiling on awards for individuals who made very poor recoveries from the initial injury, and many were undercompensated.

This new focus on the residual disability, rather the initial injury, is in accordance with the basic premises of workers compensation. It disturbs some lawyers, of course, whose stock in trade was familiarity with the "automatics" and with the propensities of individual arbitrators. Such knowledge was never published but was acquired by a process best described as "osmosis"—you picked it up just being around the commission.

This "inside knowledge" is no longer valuable; the arbitrators must now follow the precedents established in the commission's decisions, thus reducing diverse awards among the arbitrators on virtually identical facts. And instead of stating "there was a fracture" and demanding an award, lawyers now have to show in just what respect the employee is actually disabled.

Other partisans (and the diverse interests that must be reconciled at the Industrial Commission produce strident partisans) criticize the new decisions as "too high" or "too low." For some interests, this type of complaining is an organized, continuing lobbying effort to influence the commission in its decisions.

However, no one can show any statistic illustrating that more or less money is being awarded by the commission now than before.

It is apparent, however, that more money is going to the seriously injured and less to those with minor injuries that have healed. Injuries that heal, leaving little or no impact on the lives of the individuals, need no sustaining compensation.

This commendable improvement does not, of course, solve the workers compensation problem in Illinois. We still have a system that overcompensates, a system that makes it more financially rewarding for people who do not work than for those who do work.

The current weekly benefit level of two-thirds of wages on a tax-free basis is almost identical to the take-home pay of most workers. As a result, people can stay home longer following injuries than they used to, for there is no financial incentive to get back to work.

Further, because this tax-free benefit can go on for life, workers compensation benefits are a temptation for the unscrupulous.

Even greater benefits are often available. Workers compensation is only one of several benefits to be found in our society. I recently had a case of a 55-year-old bachelor with no clearly defined injury or disability who already was receiving $538 a month from Social Security and $413 a month from his employer's disability pension, a total of $951, mostly tax-free. He was trying for workers compensation benefits, which would give him an additional $800 per month. If successful, he will be receiving $1,751 a month, mostly tax-free. When he worked, he earned $1,200 a month gross, $875 net take-home pay.

The liberalization of Illinois' workers compensation system in 1975 was enacted with "tunnel vision," ignoring the other benefits available in our society. Most states, but not

Illinois, have simply guaranteed the two-thirds of earnings level and required that these other benefits, outside the workers compensation law, be credited against workers compensation benefits.

The burning question of Illinois workers public compensation remains: Is it sound public policy to make it more financially rewarding to stay home than to work? The governor and the Legislature must face this issue.

Too many persons believe that workers compensation is just a battle between employers and the unions. They forget that it is the consumer who eventually pays all the costs of the workers compensation system in the price of every product purchased. The employer may pay first, but the cost is passed on in everything he sells. Will consumers and other working people continue to pay people more for not working than for working?●

## H.R. 4416

### HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. DE LA GARZA. Mr. Speaker, I want to underline the importance of the action taken last week by the House and Senate in passing H.R. 4416, a bill which will make it possible to continue Federal support for the effort to eradicate the Mediterranean fruit fly in California. I am sure that President Reagan will quickly sign this bill into law so the eradication campaign can continue without any letup.

The legislation gives the Secretary of Agriculture permanent authority to transfer funds within his Department for use in combating plant pests. At present, the Secretary has authority for such transfers in fighting animal and poultry disease outbreaks under the terms of an appropriation law, but no authority exists for emergencies involving plant pests. H.R. 4416 covers both types of situations and will be in effect permanently.

The bill is desirable and useful policy to arm the Secretary with discretionary power to respond quickly and effectively to problems which may arise in the future. But it is particularly important that the bill be enacted now, because of the Medfly situation. Federal funds immediately available for the California eradication campaign have been exhausted or virtually exhausted, and the transfer authority is needed immediately to keep the campaign going.

I cannot put too much stress on the importance of stopping the Medfly outbreak before it makes any further inroads in California or moves on to invade other States. This destructive pest of fruits and vegetables has already caused serious problems. If it is not checked, it could devastate the Nation's multibillion-dollar fruit and vegetable industry. The cost to farmers and consumers, and the cost to the general economy in export disruptions, could be tremendous.

The need to put a stop to the Medfly outbreak is so clear and obvious that Congress—with strong support from the administration—passed H.R. 4416 last week with not a single voice raised in opposition. What we must do now is continue our vigilance and emphasize the importance of moving rapidly against pest outbreaks whenever they occur.●

## THE FLAG AND KERRI LYNN DIXON

### HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. EDGAR. Mr. Speaker, recently, sixth-grade student Kerri Lynn Dixon of Springfield, Pa., was awarded first place in the AMVETS national essay contest. The subject of this year's competition was, "What the American Flag Means to Me."

Kerri's essay was selected for the first-place award after receiving top honors among hundreds of entries in competitions at the post, district, State, and national level.

I would like to share Kerri's words and insight with my colleagues. But also, in congratulating her, I would like to commend her sponsors, including Mr. Robert Matts and the leadership and members of AMVETS Harold Paul Saks Post No. 118 of Morton, Pa., who continue to foster and encourage the basic principles of our country.

WHAT THE AMERICAN FLAG MEANS TO ME

(By Kerri Lynn Dixon)

Over two hundred years ago, millions of brave men fought to win this country's freedom from the British. Many gave their lives so that America may have liberty.

During the early years of America, many different flags were used to symbolize the United States, but on June 14, 1777, Congress stated that the flag should consist of thirteen stripes, seven being red and six being white, with a union of thirteen stars of white on a blue field.

To these Americans these thirteen stars and stripes represented thirteen colonies joined together under God in love and loyalty. Each color also had a special meaning. White signified Purity. Red signified Loyalty and blue signified Justice.

Over the many years our flag may have changed but the meaning of our flag never has.

The flag holds much meaning for me. This flag helps me realize what a great country America is.

In the Pledge of Allegiance each verse has a special meaning. In the words, "I pledge allegiance to the flag of the United States of America and to the Republic for which it stands," I am promising loyalty to America and to the American flag. In the words, "One nation under God, indivisible," I am saying that America is joined under God and that through good and bad times will never be divided again. In the words, "With liberty and justice for all," I am saying that in America a person has many freedoms and liberties and that there is fairness and justice within the government.

Still, the flag holds many other meanings for me. Hope in the future is one of these meanings. The flag helps me to have hope because I know the first Americans had hope in this country.

I think strength and courage are very important meanings because the flag represents that America has the strength and courage to conquer anything.

Another meaning is happiness. The flag helps me to realize all the joys and good times I have in this country.

Other meanings this flag holds are loyalty, responsibility, patience, consideration, love, justice, and understanding.

Although this flag has all these meanings for me, I feel the most important are unity and freedom. America is a great country where you have many opportunities and liberties. The fifty stars on this flag represent the bondage our fifty states have. America is lucky to be a country in which fifty different states are joined together to form a great nation.

I am very proud to be an American and I love the American Flag very much. Even though America has many things to be proud of, the Americans are very lucky to have such a beautiful flag with so many special meanings waving over their country.●

## SOLIDARITY DAY—A UNIFIED VOICE

### HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. PATTERSON. Mr. Speaker, on Saturday, September 19, thousands of citizens representing labor unions, civil rights, and women's groups will march on Washington to express their deep dissatisfaction with the policies of the Reagan administration. Solidarity Day will bring together grassroots, rank and file people of this Nation who support the goals of social and economic justice, and also will reaffirm the basic right guaranteed by the first amendment of free men and women to peaceably assemble, and to petition the Government for redress of grievances. It is ironic that another group of brave men and women in Poland have rallied under the banner of Solidarity to fight for the very freedom that allows our citizens to demonstrate here in Washington.

Solidarity Day will help send an important message to President Reagan and to the Congress, that working people want a just and decent America. An America that cares for its elderly and its poor. An America with full employment at decent wages for all those who want to work. An America that provides equal opportunities to all of its citizens. Solidarity Day is an expression of labor's longstanding commitment to jobs and justice for all Americans.

American workers, in the 8 months of this administration, have seen the consistent undermining of vital social programs that were painstakingly enacted over the last half century. Yet this administration wants us to believe that it speaks for the working people. An administration that threatens to cut back social security, weaken OSHA, and throw the leaders of a union in jail because of their willingness to stand up for what they believe in cannot claim that it speaks for the working people of America.

I believe that the labor movement in this country is well aware of the many problems that our Nation faces today. The American worker has been hit hard by inflation, high interest rates, and unemployment. But we will not solve our economic ills by weakening the laws that guarantee safe workplaces, equal employment opportunities, and the right of workers to organize and bargain collectively.

Mr. Speaker, I know that many of my colleagues join me in commending the AFL-CIO for organizing this historic event. Those attending the rally in Washington will be pleased to know that millions of others across the country will be joining them in Solidarity Day activities. I personally wish to recognize the members of the Orange County Central Labor Council who will be participating in the Solidarity Day rally at MacArthur Park in Los Angeles. Solidarity Day is more than just a demonstration against the Reagan administration policies. It is also a demonstration of the trade union movement's century of solidarity, of pride in our past, and of confidence in our future.●

## THE WHOLE TRUTH

### HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. FROST. Mr. Speaker, recently a newspaper from my part of Texas wrote an editorial which illustrates the way many voters in Texas feel about the National Conservative Political Action Committee. Known as NCPAC, this group has targeted several of my colleagues for defeat in 1982 through campaigns based on half-truths and distortions. As the editorial in the Fort Worth Star-Telegram points out, this irresponsible approach toward our electoral process is one we can do without.

I recommend this editorial be included in the RECORD and be brought to the attention of my colleagues.

[From the Fort Worth Star-Telegram, Sept. 14, 1981]

THE WHOLE TRUTH

A comment by the political director of the National Conservative Political Action Committee last week reveals the type of organization NCPAC is. Steve DeAngelo, speaking of the group's effort to oust Rep. Jim Wright from his 12th District seat, said: "We will be supporting whoever runs against Jim Wright—as long as they're conservative, of course."

Perhaps NCPAC would support a conservative chimpanzee.

Such negativism is not needed in American politics. NCPAC is against Jim Wright, and several other congressmen across the nation that it has marked as liberal targets. And NCPAC has made it obvious that it would rather be against than for. Wright does not even have an announced opponent and NCPAC is spreading its propaganda in opposition to Wright's re-election next fall.

Its tactics are irresponsible and we hope that voters of the 12th District recognize NCPAC for what it is—a high-powered, well-financed political hit group.

Earlier this year, NCPAC was caught in lies it had distributed about the voting records of Sens. John Melcher, D-Mont., Dennis DeConcini, D-Ariz., and Quentin Burdick, D-N.D. Last year, NCPAC had claimed credit for the defeat of several liberal senators in campaigns that got rather nasty.

Recently, television stations in the Fort Worth-Dallas area and in Oklahoma and Massachusetts have turned down political advertising from NCPAC. The ads were in opposition to Wright, Rep. Jim Jones, D-Okla., and Sen. Edward Kennedy, D-Mass., all NCPAC targets.

Thus, NCPAC sent 10,000 letters to 12th District residents urging them to contact the local television stations, which it claimed were "New York based," that had refused NCPAC ads. It said, "Instead of providing the public the truth, they are deliberately denying our group access to the people. . . ." Look who's talking about truth. The television stations that refused NCPAC ads are based in the Fort Worth/Dallas area. NCPAC, however, is based in suburban Washington.

In addition, the letter to 12th District residents distorts Wright's voting record on busing, tax cuts and other issues.

Voting records are such nebulous issues but they continue to be used by NCPAC and others to "prove" a point. In fact, voting records seldom prove anything except that someone has taken the trouble to tabulate them. For example, Wright continually has voted against forced busing, but the NCPAC letter cites one Wright vote on a flawed piece of legislation in saying that Wright was for busing.

NCPAC's lack of concern for who replaces the people it seeks to oust is the type of "tear-down" politics we can well do without here in the 12th District and elsewhere in our democracy. Criticism of government and government officials is part of democratic politics, and it is welcome. But the negative "killer" attitude of NCPAC is not.

NCPAC, go home.●

## THE LONGSHORE ACT AND SHIPBUILDING

### HON. LINDY (MRS. HALE) BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mrs. BOGGS. Mr. Speaker, this afternoon, after much study and thought, I have made the decision to join with our colleague from Illinois (Mr. ERLENBORN) as a cosponsor of H.R. 25, legislation to amend the Longshoremen's and Harborworkers' Compensation Act.

I have come to this decision neither easily nor quickly. I have been keenly aware of the problems that have been raised by many in the shipbuilding, maritime, stevedoring, and insurance industries regarding problems and shortcomings in the existing law. In order to learn more about these concerns I participated in hearings conducted by the Education and Labor Committee in 1978. I was particularly impressed by the arguments raised by the Shipbuilders Council of America and the American Waterway Operators.

At the same time, I fully accept the need for the Longshore Act. We must have a systematic approach to fairly, reasonably, and swiftly providing benefits for workers in maritime-related fields who are injured in the course and scope of their employment and who are not otherwise covered by State worker compensation laws. But in 1972 the act was amended to extend coverage from the water's edge to areas adjoining the navigable waters of the United States.

The result of this expansion has been considerable confusion. Not only are shipyard workers who never set foot aboard a vessel now covered by the act but so are employees of oil refineries, chemical plants, paper and steel mills, and many other heavy industries that operate along navigable waters. Quite arguably the workers in these industries should be covered by State worker compensation laws as they were prior to the 1972 amendments.

As it now stands, the Longshore Act is severely impaired as an insurance program. Because of its open-ended annual escalation of benefits, benefits are unpredictable and, from an insurance standpoint, uninsurable. The act has been converted from a wage replacement program to a life insurance program by the extension of death benefits in certain cases to dependents even when the death of the employee is unrelated to the industrial accident. Finally, the bureaucratic administration of the act by the Office of Workers' Compensation Programs and the Benefits Review Board has been alleged to be "nonuniform."

It is interesting to note that the council members of the District of Columbia whose worker compensation program falls within the parameters of the Longshore Act has passed legislation to establish instead its own worker compensation program.

Mr. Speaker, the act as it is presently written is unfair to the shipbuilding industry, the offshore service indus-

try, the Nation's stevedores and ports. I have long urged a thorough examination of possible revisions. I am cosponsoring H.R. 25 in hopes that the Committee on Education and Labor will now affirmatively act to take the necessary steps to make the Longshore Act workable, reasonable, and fair to both workers and their employers. This legislation is the vehicle needed to accomplish needed changes.

As a cosponsor of H.R. 25, I look forward to working with the gentleman from Illinois (Mr. ERLENBORN) as well as the chairman of the Subcommittee on Labor Standards and representatives of industry and labor to revise and improve the act.

At this point, I would like to share with my colleagues a factsheet prepared by the Shipyard Council of America that briefly outlines the problems shipyards have experienced with the act:

SHIPYARDS IN CRISIS

The United States Longshoremen's and Harbor Workers' Compensation Act was conceived and enacted for longshoremen. With respect to shipyards and other non-longshoring interests, it was originally intended that only a small portion of those operations would be covered by the Longshore Act. However, in 1972, shipyards and other non-longshoring interests were inadvertently swept into the coverage of the Act. The results have been devastating.

Approximately 180,000 workers are employed by shipyards in the private sector. Most are employed by the 27 major shipyards which compose the U.S. shipbuilding resource base and about 40,000 to 50,000 are employed by approximately 300 small to medium sized shipyards which build towboats, tugboats, barges, fishing boats and other types of small commercial vessels.

Considering present and projected workloads in the 27 major shipyards, an overall decline in employment of 45,000 to 50,000 persons, about 30,000 of which will be production workers, is very probable starting at the end of 1978.

Companies had to withdraw from nonmaritime production because they became non competitive with those companies who did not have to carry Longshoremen's insurance.

Surveys of the industry show that over 80 small to medium sized shipyards have gone out of business since 1972. There is no doubt that many factors were present in their demise, however, the conclusion cannot be avoided that the cost of the Longshoremen's Act had to be a significant factor.

Approximately 50 percent of the cost of a U.S. built ship consists of purchased materials and components which come from every state in the Union. Also, it takes approximately 3 workers in other industries to keep one shipyard worker employed. Thus, a loss of 50,000 shipyard workers would equate to a loss of about 150,000 jobs in the private sector.

The Longshoremen's Act is inherently uninsurable. The risks cannot be determined and quantified. As a result, the number of insurance companies willing to write policies for Longshoremen's Act coverage have dwindled to three, and they will only do so on a selective basis. Insurance premiums have risen over 400% since 1972 with some companies spending more than $40.00 per $100.00 of payroll for the coverage. Several of the large shipyards have become self insured, an alternative which is not possible for the small to medium sized shipyards. In reality, though, "self-insurance" is a misnomer because it is no insurance at all.

Many companies have been forced to become partially self insured because their deductibles have been increased up to a half million to one million dollars per claim.

The cumbersome procedures compounded by the lack of administrative prowess on the part of the agency charged with administering the Longshoremen's Act have compounded the entire problem. In fact, the Office of Worker's Compensation Programs of the United States Department of Labor has recently received the ". . . dubious distinction of producing the greatest volume of complaints from the public to congressional offices about slow and shoddy service . . ." Washington Post, August 15, 1977.

A thorough review of the Hearings on the 1972 Amendments fails to reveal any testimony assisting House or Senate deliberations in establishing reasonable jurisdictional parameters for shipyards. In fact, extension of coverage and jurisdiction for shipyards is not reflected in any of the committee or staff bills of the 1972 Amendments. To the contrary, the evolution of the 1972 Amendments reveals that extended coverage for shipyards was a product of a Staff Conference between House and Senate committees. Shipyards were not a part of the conferences. These conferences, commonly referred to as the "midnight meeting", concerned stevedores, ship owners and longshoremen. In a negotiated agreement between those parties, jurisdiction and coverage for longshoremen was extended over land. Unwittingly, the compromise language between those parties also extended jurisdiction for shipyards and other non-longshoring interests. Inadvertently, shipyards and other non-longshoring interests were swept into the 1972 Amendments.

Indeed, the Longshore Act was originally created for longshoremen. The problem first arose with the longshoremen in 1917, when the United States Supreme Court held that a longshoreman injured over the navigable waters of the United States could not receive a remedy under a State's worker's compensation statute. Between 1917, and 1927, Congress twice attempted to empower the states to provide such remedy. Twice, the United States Supreme Court disallowed such legislation as unlawful delegations of congressional power. In 1927, Congress enacted the Longshore Act. The purpose of the Act was to provide a compensation remedy to longshoremen injured over navigable water and employees of maritime interests who could not be covered by State worker's compensation statutes. For thirty-five (35) years after enactment, the Longshore Act applied to only a limited class of employees in the shipbuilding industry—namely, shiprepairmen engaged in the performance of maritime contracts of repair and injured over the navigable waters of the United States. In 1962, the United States Supreme Court expanded the coverage of the Longshoremen's Act to embrace shipyard workers engaged in the new construction of vessels over navigable water. Hence, subsequent to 1962, all shipyard workers injured over navigable water could obtain their workmen's compensation remedy under the Longshoremen's Act. All confusion and inequity regarding the issue of jurisdiction and coverage were ended.

The 1972 Amendments expanding jurisdictional coverage for shipyards has been a nightmare. Employers and employees have been unable to determine which injuries are covered. In attempting to determine which workmen are covered under the Longshoremen's Act, the courts have been compelled to employ far reaching efforts to interpret congressional intent. For example, in one case, the United States Third Circuit Court of Appeals was required to rely upon the Encyclopaedia Britannica description of "shipbuilding".

Moreover, a rational justification for expansion of jurisdiction and coverage in the shipyard does not exist. Traditionally, shipyard workers, other than shiprepairmen injured over navigable water, have received their workmen's compensation remedy under the remedies provided by the several states. Workers engaged on land in shipyards perform work similar to work performed in heavy industry throughout the United States. For example:

Welders perform work in shipyards which is comparable to work on an automobile assembly line, the aerospace industry, the fabrication of railroad cars, pipeline work and other industries which join metal together.

Pipefitters perform work comparable to that in boiler construction, chemical plant construction and refinery construction.

Crane operators are used in virtually all manufacturing and heavy commercial plants.

Carpenters perform the same type of work found in home and commercial construction.

Fitters perform the same type of work done in the construction of mobile homes, trailers, heating and air conditioning systems and steel product fabrication.

Grinders perform work which is found in any sheet metal fabrication operation.

Clearly, the work performed by shipyard employees is the same as the work performed in heavy industry, on assembly lines, and in fabricating plants throughout the United States.

Since extension of jurisdiction for shipyards in 1972 was inadvertent, since rational justification for such extension of jurisdiction is non-existent, and since extension of jurisdiction has caused economic chaos, jurisdiction and coverage under the Longshoremen's Act for shipyards and other non-longshoring interests should be returned to the water's edge. This test provides a clear line of demarcation and conforms with the original congressional and jurisprudential intent and interpretation.

The shipyards are in a crisis and the need for essential jurisdictional relief from the Longshoremen's Act is urgent!●

## SOMETHING MUST BE DONE ABOUT HIGH INTEREST RATES

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. SNYDER. Mr. Speaker, earlier this year, we accomplished something that many people thought was impossible—we passed a massive budget cutting bill which will pare down Federal spending in fiscal year 1982 by the amazing amount of $35 billion. It was not an easy task. Doing the impossible never is.

Now they say that doing the impossible was not enough—not enough because interest rates are stubbornly hanging up at stratospheric levels, driving the estimates of Federal spending and Federal deficits higher every day.

What then have we gained by doing the impossible? If we cut spending $35 billion only to see the deficit climb back up to $20 or $30 or even $40 billion because of interest rates, what have we gained?

As far as I can see we have three options. We can go along as we are—trying to cut more each time interest rates knock the estimates up another notch. Or we can sit back and carp at the Federal Reserve Board and its tight money policy.

Or we can do something about high interest rates before they undo everything we have worked so hard to accomplish this year.

I personally think it is time to do something, and today I am introducing the National Usury Act (H.R. 4471) which would limit the interest rates on most loans to 10 percent.

I urge my colleagues to join me in doing something to stop high interest rates before they put an end to our hopes for an economic recovery and our dreams of a balanced budget.●

## NO PEACE CORPS—CIA CONNECTION

### HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. LEACH of Iowa. Mr. Speaker, the Peace Corps has for years fended off periodic charges that its volunteers have engaged in intelligence activities and has, in its own written policies prohibited any such connection.

There is no agency of the U.S. Government which has a mission so explicitly committed to nonpolitical, global goodwill and to the improvement of the lives of millions in the poorest nations of the world. And there is no agency of Government to which greater damage could be done by erroneously associating it with our intelligence services.

For that reason, the suggestion in an August 10, 1981, article in Time magazine about CIA Director Casey that Peace Corps volunteers are under consideration for use as intelligence agents deserves prompt, public rebuttal. Accordingly, Mr. Speaker, I would like to submit a letter, written by the Director of the Peace Corps Loret Miller Ruppe, making crystal clear the Peace Corps' policy that no volunteer will ever be used for such purposes and providing, for the record, the assurances she received from the CIA Director that no effort will be made to draw the Peace Corps into intelligence gathering activities. The letter follows:

PEACE CORPS,
*Washington, D.C., August 18, 1981.*

EDITORS,
*Time magazine,*
*New York, N.Y.*

GENTLEMEN: In your August 10 issue, your story on William Casey stated that pursuant to a draft, Executive Order, "The CIA * * * might be able to use the Peace Corps * * * as undercover agents."

During the twenty years of the existence of the Peace Corps, throughout each Administration, it has been policy, strictly adhered to, of keeping the Peace Corps totally separate from any intelligence-gathering activities. The present CIA Director has indicated to me that he does not intend to change this long-standing policy.

Peace Corps volunteers are struggling in the remotest parts of the world to help the peoples of the third world meet basic human needs and achieve economic self-sufficiency. I pledge that I will not permit their outstanding efforts to be jeopardized by any involvement in intelligence work during my service as Peace Corps Director.

Sincerely,

LORET MILLER RUPPE,
*Director.*●

## AN OPEN LETTER TO PRESIDENT REAGAN

### HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. GARCIA. Mr. Speaker, during this week of National Hispanic Heritage Week, Hispanics are acutely aware of their cultural, social, and political existence. However, Hispanics are also acutely aware of the sacrifices the Reagan administration is attempting to impose on us.

We find it disheartening that the administration is dismantling and discontinuing programs for the poor, women, the disadvantaged and minorities that we have struggled to obtain. If struggle again we must, then rest assured that Hispanics and other minorities throughout the country will rise to the call to maintain our hard fought battles to achieve equality.

National Hispanic organizations have sent the following open letter to President Reagan indicating our willingness to work for Federal policies of national interest, but we will not sit idly by and allow the Reagan administration to disproportionately affect the poor, women, the disadvantaged, Hispanics and other minorities:

AN OPEN LETTER TO PRESIDENT RONALD REAGAN

Senor Presidente:

Once again, the Nation is commemorating National Hispanic Heritage Week, September 13–18, 1981, to show appreciation for the many fine contributions which Americans of Hispanic ancestry have made to the United States.

One important difference is taking place in 1981 which makes the observance of this occasion a particularly distasteful and onerous act this year for a majority of Hispanics. Your Administration has embarked on a course of action which assumes a "broad national mandate" from all Americans to have you dismantle, disembowel, or otherwise discontinue programs for the poor, women, the disadvantaged and minorities.

We Hispanics do not support your current course of actions. We find them ironic, patronizing, insensitive and highly contradictory to the spirit of the National Hispanic Heritage proclamation for 1981, which you have just signed. How can we observe National Hispanic Heritage Week in good conscience when:

Hispanic Federal employees in unprecedented numbers are being given their last pay checks this month and told that the Federal Government no longer needs them.

Essential programs in key areas of health, education, employment, housing, energy, civil rights and transportation will no longer be available to a large segment of the Hispanic population beginning October 1.

Vital public information programs designed to reach Hispanics in the language of their choice are being terminated at agencies such as the Departments of Energy, Education, Housing and the Community Services Administration.

Appointees of Hispanic ancestry to your Administration, who could speak out on behalf of the community, have been few and largely relegated to lower level positions.

We are a coalition of organizations representing the majority of Hispanic Americans in the United States. This letter brings to your attention those areas of most concern to us, which if left to the current course of action of your Administration will set back the many advances our people have worked so hard to achieve.

We fully support the principles of your economic recovery plan for the Nation and are willing to sacrifice our fair share, but not at the expense of the few hard-fought gains Hispanics have made in the last few years. We recommend that you take immediate and decisive action to alter the following aspects of your Administration, which we find troublesome:

1. Instruct your Cabinet Secretaries and other top agency officials to work at reducing the negative impact of you policies and programs on Hispanic Americans by consulting with the community before such actions are proposed.

2. Reorient your budget cuts to minimize the destruction of special emphasis programs of vital necessity to Hispanics in the areas of Civil Rights, education, energy, health, housing, labor and transportation.

3. Alter the make-up of the Federal workforce in policy-making positions to assure that Hispanics and other minorities are fully represented in the decision-making processes of your Administration at the GS-15, Senior Executive Service and appointee levels.

4. Take a stronger affirmative action position to insure that "the last hired—first fired" rule presently being applied in the current "reduction-in-force" actions does not destroy ten years of progress made by Hispanics in public service. The majority of Hispanics employed in the Federal government are non-career, excepted term appointment, part-time temporary positions with limited time in service. Consequently, they are likely to be the first and most unfairly affected group of "reduction-in-force" actions.

5. Through business tax incentives and other economic means, similar to what you are proposing for the arts and humanities, involve the private sector in filling the voids in Hispanic employment opportunities and community development needs, which you are creating with your budget reduction measures in the Federal sector.

Mr. President, do not brush these concerns aside as idle, emotional, rhetoric from a small segment of the community. Behind these concerns are stark realities of a duality in American life that could blunt the impact of your Administration on the economic and social well-being of the United States.

We are not asking for charity nor for pity. We only want a fair share of our Federal tax dollar and the right to have equal representation of our interests in your Administration.

We have been recently described in the national media as "a people on the move—young, aggressive and hungry for (our) rightful share of the American dream." You can add significant meaning to this dream and to the observance of National Hispanic Heritage Week this year by reconsidering your harsh budgetary measures and noticeable absence of Hispanic representation in your Administration and throughout the Federal system. Your actions are affecting disproportionately the poor, women, the disadvantaged, Hispanics and other minorities.

What good is a balanced budget to a nation of disenfranchised citizens?●

## ROLE OF EXIMBANK

### HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. EVANS of Delaware. Mr. Speaker, the following article was recently brought to my attention by the American Legal Foundation. Its authors, Mr. John Sununu and Mr. Dan Popeo, address the important role played by the Export-Import Bank. I have spoken on numerous occasions in support of the Eximbank, and believe the following article is worthy of serious study.

President Reagan's drive to turn our nation's economy around—to "begin an era of national renewal"—deserves our unqualified support, but our commitment of overall support should not tie us to a policy, advocated by some within the Administration, which would gut the Export-Import Bank and thus inadvertently allow foreign governments to shut out American industries from major export markets by creating an unfair, unfree international market.

The economies of the world's nations are interlocked. High interest rates in one country will affect exports and profits in another; and nowhere is this interrelationship more apparent than in high technology industries where employment and continuing scientific development depend on regular sales within the international marketplace.

In 1934, the Export-Import Bank was created to ensure that American producers of capital intensive products might compete for sales with foreign producers of similar goods. Through favorable interest loans made to foreign purchasers of American technology, the Bank enabled prospective foreign consumers to base purchasing decisions not on the cost of borrowing dollars, yen, or francs, but on a required product's quality, suitability and factory price.

Until 1973, when the oil embargo sent shocks through most of the world's economies, the interest charged on ExIm loans was never more than one or two percent below the prevailing prime rates in the United States. With no wide disparity between the cost of its money and the cost of money elsewhere, ExIm operated profitably and helped establish the United States as the premier producer and distributor of quality products ranging from airplanes to factories and power plants.

Today, with a relative general decline in the strength of the national economy, the disparity between ExIm interest rates and the prime rate is no longer slight, and the Bank finds itself with more critics than friends. Ironically, the recent mounting public pressure for decreased federal authorization levels in ExIm borrowing comes at a time when American productivity is at a relative disadvantage and inflationary costs are closing foreign markets to American goods.

Some conservative economic opinions offered from within and outside the new Administration in Washington argue that further support of the ExIm Bank is tantamount to recognizing one more special interest group at the expense of the American taxpayer—a step they feel is inconsistent with the free market philosophy endorsed by the Reagan government. From a purely philosophical stance, these critics may be right, but their philosophy neglects the exigencies of an international marketplace in which the United States is only one party.

The international marketplace is neither fair, equitable, nor free. Extensive foreign government subsidization of domestic industries interferes with the market and influences market decision on the basis of credit terms rather than product quality or price. Within this environment, ExIm provides American exports a parity with foreign goods they would not otherwise have. It also provides an international disincentive for continuing such practices and sets the mood for changes through diplomatic agreements.

Since 1978, the United States has been negotiating for an international agreement to end nationally supported export credits. Were it not for the unexpected and unprecedented increase in this country's prime lending rate and the subsequent reaction to this increase in capitals abroad, these negotiations would have succeeded late last year. Unfortunately, however, in Paris and Tokyo, for example, immediate action was taken to further support the exports of products with subsidized credits in certain areas where sales were perceived to be within each nation's own interest.

This reaction is neither surprising nor an unlikely outcome. Politics and nationalism play a role in markets which economists too frequently overlook. France is challenging Japan as the world's third largest exporter after the United States and West Germany. Its international profits stem from the aggressive marketing of its aircraft, electronics, and electric power industries and a national willingness to promote these products as part of a large and economically attractive package that frequently has political strings attached.

Even in the United States, evidence of the French success is apparent. French helicopter sales account for 20 percent of domestic U.S. helicopter sales and the French Airbus consortium has made France the second largest manufacturer of airplanes in the world.

Nowhere are the economic fruits of France's discount financing more visible than in its exports of nuclear power plants. Already the French have won contracts to build plants in Belgium, Iraq, South Korea and South Africa, with negotiations in progress for future sales to Egypt, China, Taiwan, Yugoslavia, Finland, and Mexico.

In virtually every export sale of a nuclear power plant the French have been able to overcome an apparently less-than-best price offer from other foreign manufacturers by offering a financing package that assures an unbeatable net cost to their buyers. Not surprisingly, an examination of recent purchases shows that these buyers, in almost every instance, passed up better technology and a lower competitive price proffered by U.S. suppliers of nuclear power plants.

The d'Estaing and Mitterrand governments have both appreciated the political wisdom of supporting exports through a discount financing program. At home, more jobs are created by expanding industries and prices for items purchased domestically remain stable because the country enjoys an overall balance of payments. And more jobs means more tax revenues with less unemployment and insurance costs. Abroad, France carries more clout in political spheres where, through its ability to sell energy plants and airplanes, it can influence international events.

Contrasted with the French experience, the American electric power industry, especially the nuclear industry, finds itself shut out from international competition at a time when domestic sales are dwindling. Adversely affected by the costs of over-regulation and bureaucratic inefficiency, production delays and cost overruns in this industry have all but eliminated the home market.

The aggressive credit policies of foreign competitors have forced the American nuclear industry to compete not only with foreign industrial corporations but with their governments as well. It is shocking that Washington in its effort to remain true to free market theory has not seen the practical implications of its position. The political and economic advantages of the sale of high technology equipment are being squandered to satisfy national economic policy perfectionists. Moreover, failure to maintain truly competitive, fair, or free conditions in the international market through discount financing promises to destroy an industry that is already hard pressed for orders.

It must also be seen that the commercial power industry serves as a necessary and vital pool for the skilled manpower and technological innovations necessary to support this nation's defense needs for nuclear technology. Without a commercial power industry serving as a continuing market for the further training of engineering graduates and other technical personnel, the nation's nuclear educational and research structure would have to be scaled down significantly. Furthermore, with a paring down of this structure and the trained personnel within that structure, the country would be risking the loss of necessary personnel and technology it would need to supply future peak demands in our national security nuclear power needs.

The Reagan Administration has recognized that the nuclear industry has a significant role to play in helping meet America's energy needs. In this connection, it would be counterproductive to adopt a policy

toward ExIm Bank which would impede this major American industry from competing internationally by further limiting the bank's ability to provide loans and guarantees.

At least fourteen major foreign orders for nuclear plants are anticipated in the next year or two. Typically, most are orders for beginning facilities and networks which will be expanded over time. Because of the complex inter-relationships of fuel requirements to the kind of systems built, original purchase orders generally tie the consumer to the same manufacturer well beyond the terms of the first contract. Subsequent purchases could therefore be dependent on the availability of financing incentives for current needs through ExIm Bank. This situation will particularly apply in Mexico, China and Korea where forecasted nuclear power needs are already understood.

The arguments presented herein favor of ExIm have been made from the perspective of one segment of our industrial structure. Admittedly, these arguments do not apply to American industries which can and have produced exports without special help. Therefore, in the interest of swiftly achieving a free and unsupported world market, the ExIm might be required to accept applications for ExIm credits on a selective basis only. In other words, the burden of proving the absence of fairness and parity of competition in a market would rest on the manufacturer's shoulders. In so doing, these criteria could be designed to put maximum pressure on nations with discount financing policies with the intention of fostering a mutual agreement for significant reductions in or elimination of export credit subsidies.

There is much pressure mounting in the United States to cut back on the activity of the Export-Import Bank. This pressure is part of the budget cutting process now underway in Congress. Gutting ExIm would not only endanger certain capital intensive American industries, it would additionally represent a weakening in this country's bargaining position and national resolve to protect free markets and eliminate internationally all subsidies to national exports.

The goal of a free unsupported world market, while very desirable, is beyond human grasp if sought after by weakening our nation's industries' ability to compete for sales. This country's best economic defense against foreign governments' industrial loan subsidies is the offense provided by the Export-Import Bank. At the same time, it serves as a weapon to protect the United States' position in the world marketplace while it also serves as an incentive to convince those foreign governments to join in abstaining from disrupting the flow of the market.●

## NEIGHBORHOOD SCHOOLS

### HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. GEPHARDT. Mr. Speaker, few issues today arouse as much controversy as forced busing as a means to desegregate our schools. In the academic community, the merits of involuntary desegregation plans continue to be debated and doubted; among the parents of schoolchildren who ultimately serve as the pawns in this experiment there is near unanimous disapproval.

What is it that the American people object to about busing? With more than 50 percent of U.S. schoolchildren riding a bus each day, it certainly cannot be the fact the children are transported to school via a schoolbus. Rather, the objections occur when children are forced to attend a school in another neighborhood, far away from their community, in an effort to achieve a noble goal in a manner which has never been proven to be beneficial to the students involved.

It is this central objection which I seek to address today with the introduction of a constitutional amendment to prohibit the assignment of a student to any school other than the public school nearest his place of residence. In my view, this amendment addresses a number of questions that have been raised over previous legislative attempts to limit forced busing. Its language is simple and straightforward. It would enshrine the neighborhood school as U.S. policy yet would continue to permit and encourage the voluntary attendance at schools other than the one nearest the home in order to pursue specialized education.

It is my sincere belief that forced busing has been counterproductive to the goals of the sociologists who sought to rectify the inequities on our education system and the solution must be found elsewhere.

Other approaches must be tried—such as insuring equal funding for public schools—that do not carry with them the undesirable consequences of removing children from their neighborhood and transporting them elsewhere.●

## VIRGINIA WING NO. 1 IN NATION

### HON. DAN DANIEL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. DAN DANIEL. Mr. Speaker, the Virginia Wing of the Civil Air Patrol has recently been accorded outstanding recognition by the top echelons of that organization.

Being selected as the No. 1 wing in the Nation, the Virginia group has been signally honored. The members of this outstanding group have been doing a splendid job for many years and this formal recognition is a culmination of a long period of steady growth and achievement.

A recent press release sets forth the details of the honor and I ask permission that this be carried in the RECORD at this point.

The release follows:

VIRGINIA WING CIVIL AIR PATROL,
*Sandston, Va., August 15, 1981.*

For the first time in its history, the Virginia Wing, Civil Air Patrol, has been rated number one in the nation based on the Management Analysis program conducted each year by the National Headquarters, Civil Air Patrol, Maxwell Air Force Base, Ala. The evaluation period covered is from July 1, 1980 through June 30, 1981.

Virginia Wing is comprised of 35 units with approximately 1,900 members throughout the state, and they are either senior squadrons (adults), composite squadrons (seniors and cadets), or cadet squadrons (young people, 13-18 years).

Col. Floyd B. Callihan is commander of Virginia Wing, and in making the announcement, he said, "Our selection as number one was not the result of a few, but the entire membership did their very best in each category being evaluated by National Headquarters. I am proud of each and every one of them. Our wing has always been in the top 10, and we have even come close to being rated number one."

During the National Board meeting of Civil Air Patrol in New Orleans, August 28 and 29, Virginia Wing will be honored by National Commmander, Gen. Johnnie Boyd, through Col. Callihan who will be present with other staff members, to accept the signal honor as being the nation's top rated wing.

The criteria for the Management Analysis Program (CAP-MAP) and its associated awards are composed of 12 categories, as follows:

(1) Membership growth (2) Cadet Awards: Mitchell, Earhart and Spaatz (3) Cadet encampment attendance (4) Cadet flight orientation (5) Senior training (6) Chaplaincy effectiveness program (7) Management and control of Civil Air Patrol property (8) Corporate owned powered aircraft utilization (9) Emergency services resources (10) Communications (11) Flight clinic attendance (12) Reporting and Public Affairs narrative.●

## RESOLUTION TO RESCIND BUTTER SALE TO NEW ZEALAND

### HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. OBERSTAR. Mr. Speaker, on August 5, the U.S. Department of Agriculture and the New Zealand Dairy Board signed an agreement detrimental to the interests of American farmers.

The USDA sold 220 million pounds of Commodity Credit Corporation butter to the New Zealand Dairy Board for $155 million, or about 70 cents per pound. The current price on the open market is $1.05 per pound. The decision to sell the butter at 70 cents per pound cost the American taxpayer approximately $77 million.

I am upset not with the decision to export butter, but with the manner in which the USDA negotiated and announced the sale and the provisions which give control over U.S. dairy

export policy to the New Zealand Dairy Board.

The Governments of Poland, Ireland, Romania, and U.S. butter exporters all had expressed interest in buying the butter for up to $1.05 per pound. Secretary of State Haig vetoed these possible sales in the belief the butter would be sold eventually to the Soviet Union.

The CCC sale to the New Zealand Dairy Board includes a provision which prohibits the dairy board from selling this butter to the Soviets. However, the administration failed to realize that the increase in world butter supplies will benefit the Soviet Union indirectly. This is a problem with all embargoes. As long as the Soviets can buy butter from other countries, they will not be affected by our embargo. The result is that American farmers are hurt by the action much more than the Soviets.

Two clauses were included in the agreement which give control over U.S. dairy export policy to the New Zealand Dairy Board. It can veto further sales of U.S. butter abroad through July 1982. It also has the right of first refusal on any butter and the United States may want to sell abroad between July 1982 and December 1982.

New Zealand exercised its veto power under the August 5 agreement on August 10, when it blocked a sale to Egypt of 26.5 million pounds of our butter, roughly 10 percent of U.S. Government stocks.

This veto is a clear example of the harmful affects the provision will have on U.S. dairy farmers.

As new members of the international dairy marketing community, we must learn the intricacies of the market. It is also important that the USDA negotiate and announce future sales of this type in a more straightforward manner.

I am today introducing a resolution calling upon the administration to rescind the August 5 agreement. I ask that the text of the resolution be included in today's RECORD.

I urge my colleagues to join me in this effort to convince the President to rescind the August 5 agreement and to prevent similar detrimental contracts in the future.

Whereas the embargo on grain sales to the Soviet Union had insufficient impact on the Soviet economy to justify the detrimental economic effect of the embargo on American farmers;

Whereas President Reagan lifted that embargo on April 24, 1981;

Whereas on August 5, 1981, the United States agreed to sell 220 million pounds of Government-owned surplus butter to the New Zealand Dairy Board for $155,000,000;

Whereas under the agreement the United States Department of Agriculture sold the butter, which was 80 percent butterfat, to the New Zealand Dairy Board for 70 cents per pound;

Whereas the world price for butter which is 82 percent butterfat is $1.05 per pound;

Whereas the executive branch rejected offers by the Governments of Poland, Romania, and Ireland and by United States exporters to purchase the butter at the world price because of concern that the butter would be transferred to the Soviet Union;

Whereas, although the New Zealand Dairy Board agreed not to sell any of the butter directly to the Soviet Union, the increase in world butter supplies will benefit the Soviet Union;

Whereas the agreement with the New Zealand Dairy Board also included two clauses under which the New Zealand Dairy Board could veto further sales of United States butter abroad through July 1982 and would have the right to buy, before any other purchaser, any butter the United States may want to sell abroad between July 1982 and December 1982;

Whereas the terms of the agreement will give control of United States dairy export policy to the New Zealand Dairy Board; and

Whereas the only group adversely affected by the agreement will be American farmers, not the Soviet Union: Now, therefore, be it

*Resolved*, That it is the sense of the House of Representatives that the President should take immediate action to rescind the agreement entered into on August 5, 1981, to sell United States butter to the New Zealand Dairy Board.●

## NASSAU COUNTY FEIS

### HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. McGRATH. Mr. Speaker, it is with great pleasure and pride that I take this opportunity to congratulate the Nassau County, N.Y., Ancient Order of Hibernians who will be holding their ninth annual feis over the upcoming weekend, in Plainview.

Each year this celebration of Irish culture attracts thousands of spectators and hundreds of talented artists, athletes, and performers who compete in traditional Irish sports and participate in music and dance contests and art exhibitions. The theme for this year's feis is "Family" and events will be held to highlight the importance of family life in Irish and American culture. Each year the Ancient Order of Hibernians use this occasion to honor an individual who has made great contributions to the goals and activities of the organization. The honoree this year is New York State Assemblyman Sean Patrick Walsh.

A great deal of credit for the coordination of this festival goes to the members of the Nassau County A.O.H. and its ladies' auxiliary and their respective presidents, Dave Henshaw and Marie O'Neill. I would ask that all the Members of this body join me in wishing the members of the Nassau County A.O.H. and all of the visitors and participants at the feis an enjoyable traditional Irish weekend.●

## UNITED AUTO WORKERS SUPPORTS H.R. 4400

### HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. TRAXLER. Mr. Speaker, Mr. HILLIS, of Indiana, and I have sponsored H.R. 4400, the Mobile Source Clean Air Act Amendments of 1981, which amends title II of the Clean Air Act relating to automobile and truck emissions. I have recently received a letter of support for H.R. 4400 from the United Auto Workers that I would like to share with my colleagues.

I am especially pleased to have the support of the United Auto Workers, an organization that is committed to providing for a healthy environment and to preserving jobs. The UAW, which was consulted in the development of the provisions of our bill, has advised us of its support for the carbon monoxide, oxides of nitrogen, and hydrocarbon emission levels presented in this legislation, based on the weight of current scientific data which indicates that the levels we are proposing will not adversely affect public health.

I share the UAW's commitment to preserving jobs and making continued progress in air quality across this Nation. We will make the greatest advances in cleaning the air by getting the old cars off our highways, and replacing them with clean-burning, fuel-efficient vehicles. We will also be helping to put some of the thousands of unemployed auto workers back to work.

Mr. Speaker, a copy of the letter I received from the United Auto Workers follows:

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA—UAW,
*Washington, D.C., September 11, 1981.*

Hon. BOB TRAXLER,
*U.S. House of Representatives,*
*Washington, D.C.*

DEAR CONGRESSMAN TRAXLER: This is in response to your request for our views on H.R. 4400, the proposed Mobile Source Clean Air Act Amendments of 1981, which you introduced with Congressman Hillis.

We agree with you that early action on extending the mobile source provisions of the Clean Air Act is desirable. It is our belief that Congress should begin work immediately on legislation to extend all provisions of the Clean Air Act with the objective being final action before adjournment later in the year. If this is not possible, however, we hope Congress will at least complete action on the mobile source issues.

H.R. 4400 represents a thoughtful proposal for dealing with several difficult and interrelated issues in a reasonable manner, and we support it on the basis of our understanding that its provisions would not result in deterioration of public health. As we have indicated, we continue to be concerned

about air quality, and we intend to elaborate on our position with respect to a number of issues when we testify on H.R. 4400 and other proposals relating to the Clean Air Act.

We believe your bill has made a constructive contribution to the discussion of mobile source issues. We look forward to working with you and other Members of Congress on the extension of the Act.

Sincerely,

DICK WARDEN,
*Legislative Director.*●

## DENY AWACS TO SAUDI REGIME

### HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. SCHUMER. Mr. Speaker, the administration maintains in proposing the AWACS sale to Saudi Arabia that there is little reason to doubt the stability of the current Saudi regime. Fears that AWACS technology will fall into unfriendly hands are therefore groundless, the administration argues.

A closer look at recent events in Saudi Arabia, however, undermines the administration's claim. In November 1979, religious insurgents forced a takeover of the Grand Mosque at Mecca, and Saudi security forces proved themselves to be quite inept at stopping them. Orthodox religious zealots throughout the country are a major source of discontent, and large numbers of Shia Muslims in the oilfields area are highly susceptible to the revolutionary movement in Iran. Popular resentment against the concentration of power in the hands of the Saudi royal family continues to grow, and is fed by widespread corruption in the government and unpopular budgetary priorities. The increasingly restive National Guard and Saudi Army are potential powerful rivals to the House of Saud.

It is crucial to remember that in 1977, State, Defense, and CIA experts all testified to Iranian stability and argued for the transfer of sophisticated military equipment to the Shah. It is imperative that we do not provide our most advanced reconnaissance technology to a regime that may very well go the way of the Shah.●

## DANGEROUS TECHNOLOGY TRANSFER: U.S.-U.S.S.R. ACADEMIC EXCHANGE PROGRAMS

### HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. FINDLEY. Mr. Speaker, in the July 23, 1980, RECORD, I spoke of the dangers of the United States training Soviet "students" in high technology. These risky programs have continued despite the Soviet invasion of Afghanistan. I intend, therefore, to offer an amendment to the State Department authorization bill when it comes to the floor later this week to prohibit U.S. Government funding for programs that train Soviets in high technology. My 1980 statement which I am resubmitting to the RECORD today explains the importance of such an amendment:

TRAINING THE SOVIETS TO FILL IN THE GAPS

Mr. Speaker, the United States relies on its technological superiority to maintain a strategic advantage over the Soviet Union. With the fearsome increase in the quantity and delivery capability of Soviet military forces, this U.S. technological edge could make the difference between deterrence or war, between survival or defeat.

Yet, the United States has been far too lax in controlling the transfer of high technology to the Soviet Union. Some examples are now well-publicized: U.S. technology built the Soviet Kama River plant which produced many of the trucks that rolled into Afghanistan this winter. U.S. precision miniature ball-bearing grinding machines helped the Soviets develop MIRV guidance systems to give their huge intercontinental ballistic missiles pinpoint accuracy. Having enabled the Soviets to make their ICBM's more deadly, the United States must now pay a second price—a multimillion-dollar MX system to undo the damage our technology transfer policy created.

In the aftermath of the Soviet invasion of Afghanistan, President Carter imposed new, though no doubt temporary, restrictions on high technology exports to the U.S.S.R. This followed congressional action on legislation in 1979 to tighten controls on technology transfer to Communist States.

But the type of technology transfer to the Soviet Union which should arouse the greatest concern for our national security—the training of Soviet scientists and engineers in American universities and research institutions—continues, unabated and unfettered. Via federally funded U.S.-U.S.S.R. academic exchange programs, the United States is enabling Soviet citizens to come to this country to acquire critical technological know-how and understanding of vital scientific processes. Much of what these Soviet scientists and engineers study here has a dual-use potential, that is, it has military as well as peaceful applications.

The U.S. intelligence community has actually discovered that some of the Soviet students are assigned to work on defense programs when they return to the U.S.S.R. But this is no doubt just the tip of the iceberg. Given the closed nature of Soviet society and our complete lack of control over the end use of the knowledge we have imparted, we have no way to monitor the whereabouts or the nature of the work of the Soviet students when they go home.

In spite of these facts, no new restrictions have been imposed on United States-Soviet academic exchanges—a program where few restraints have existed in the past. United States-Soviet academic exchanges began in 1958; they have occurred at their current level since the mid-1970's. Approximately 70 Soviets annually come to the United States to study at academic and research institutions while about that same number of Americans go to the Soviet Union. Fifteen to twenty on each side are involved in a Soviet Academy of Sciences exchange program which, despite its name, focuses primarily on economics and the social sciences. About 10 more Soviets and 10 Americans each year are senior research scholars. The remaining 40 from each country participate in the U.S.-U.S.S.R. graduate student/young faculty exchange. This last program offers a 10-month stay in a university or research institution of the other nation.

There is a disturbing disparity in the research topics pursued by each side in both the senior research and the graduate student/young faculty exchange programs. In 1978-79, for example, all 10 of the U.S. senior scholars researched liberal arts or social science topics while 8 of the 9 Soviet senior scholars specialized in the natural sciences. Again, the 43 American graduate students participating in 1978-79 studied history, literature, music or another liberal arts topic in the Soviet Union while 36 of the 43 Soviet graduate students and young faculty members who came here, on the other hand, studied science, most notably physics and chemistry.

One American thus spent her 10 months in Moscow looking into "The Heroine in the Russian Fairy Tale." Another examined "The Political Attitudes Behind the Assassination of Tsar Paul I" while still another focused on "Performance Practices in Russian Choral Music of the Late 19th and Early 20th Centuries."

The contrast of these topics with those of the Soviet students is startling. One Moscow State University student was in the United States for 10 months researching laser physics, nonlinear optics, and spectroscopy as well as tunable lasers. Another was also interested in lasers—two level atoms in one-mode laser fields. The list goes on. In case these technical topics are initially as inscrutable to you as they were to me, tunable lasers and two-level atoms in one-mode laser fields both relate to separating out parts of complex atoms. This field is still in its infancy though we are already certain of its implications for chemical warfare.

Many of the Soviet graduate students and young faculty members, in fact, spend their time here working on advanced state-of-the-art U.S. technology and on research in areas in the forefront of American scientific discovery. Aircraft engine design, ship hydrodynamics, and optical signal processing are among the many topics recently pursued with obvious interest for the Soviet Armed Forces. And the Soviets are now surpassing their past record by pushing for greater access to U.S. computer technology through these exchanges.

Part of the reason for the disparity between American and Russian topics is that young American scientists prefer to work in the superior U.S. labs rather than undergo a restrictive and half productive year in a Soviet institution. Applying for such an exchange scholarship is, of course, a matter of individual choice for Americans. No one forces them to go.

Not so for the Soviet students who are carefully selected by their Government according to the scientific requirements of the U.S.S.R. Furthermore, the Soviet "students" are far older than their American counterparts. Usually, they are at least 35 and already extremely experienced in their field. The Soviet Government carefully analyzes what gaps exist in Soviet scientific knowledge and works to place students in research programs designed to help them fill those gaps. The Soviets insist on placing their students in the very best American

universities and science programs: MIT, Cal Tech, Berkeley, and Syracuse are high on the Soviet list.

At one time it may have been easier to restrict Soviet access to high technology of military significance by keeping them out of government labs. However, today each of the armed services awards contracts to U.S. universities for an increasing amount of scientific research with potential military uses. The university research may continue for years before the Government assumes direct responsibility for its further development. Therefore, it is dangerous to give Soviet scientists a free rein for 10 months in U.S. university laboratories. There has, indeed, been more than one case where the Pentagon discovered that a research assistant working on a defense contract in a university lab was actually a Soviet exchange student.

Ironically, Soviets working in American labs have access to equipment which the United States will not agree to sell to the Soviet Union on the grounds that it would damage our national security to so so. In their own labs in the U.S.S.R., they would have to work around the lack of this equipment. Their hands-on experience with this equipment gained during their stint in the United States, of course, undermines the effectiveness of any export embargo. In addition, Soviet familiarity with the state of U.S. technology, its priorities, successes, and failures, provides the Soviets with the insights they need to develop effective countermeasures to our scientific advances.

The threat these exchanges pose to U.S. national security interests is very real. The United States should therefore, immediately take steps to restrict this critical outflow of U.S. technology to the Soviet Union.

We should insist on mutuality in these exchanges. The United States should not be training Soviet "students" in physics and chemistry while Americans are researching 18th century Russian history. The United States must put an end to this one-way flow—an outflow—of U.S. technology.

The result of these proposed restraints may well be that these academic exchange programs with the Soviet Union will come to an end. Or, future Soviet students in the United States will spend 10 months researching topics such as "The Importance of the American Comic Strip as an Indicator of Social Change in the United States." So be it. There may be a place for United States-Soviet exchange programs to improve understanding between our two nations but it should focus on humanitarian programs, perhaps medicine or cultural affairs. It should not be a one-way drain of U.S. high technology and science which threatens U.S. national security. U.S. security is far more important than the goodwill these programs may produce. And, in the aftermath of the Soviet invasion of Afghanistan, we should clearly recognize the need for a strong U.S. national defense rather than Soviet goodwill.●

## ATTORNEY GENERAL'S TASK FORCE ON VIOLENT CRIME REPORT

### HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. FISH. Mr. Speaker, on August 17, 1981, the Attorney General's Task Force on Violent Crime issued its final report. In that report, the task force made several recommendations with respect to victims of crime, who, in its estimation, are all too frequently victimized by a criminal justice system unresponsive to their special needs. The task force wisely noted that the Federal Government, and in particular, the Attorney General, can play an extremely important leadership role in advocating that victims of violent crime, at all levels of government, be afforded their proper status in the criminal justice system.

Mr. Speaker, I am today submitting a concurrent resolution to commend the Attorney General's Task Force on Violent Crime for drawing national attention to the unfortunate plight of victims of crime and for urging the Federal Government to assume its appropriate leadership role in addressing these problems. In addition, this resolution would urge the Attorney General to promulgate Federal standards for the fair treatment of victims of crime, as recommended by the task force. Although the task force did not endorse specific standards, this resolution would urge inclusion of the following guidelines:

Federal law enforcement agencies, U.S. Attorney's Offices and correctional facilities shall keep interested victims informed of the progress of investigations and prosecutions and shall notify them of a defendant's release from custody;

Federal law enforcement agencies and U.S. Attorney's Offices shall notify victims of serious crime of available financial and social service assistance, including victim compensation and witness fees, and shall advise them that they may wish to consult with private counsel who may be able to advise them of potential civil remedies and other forms of relief or assistance;

U.S. Attorney's Offices shall encourage employers of victim-witnesses to cooperate in minimizing the economic disadvantages resulting from court appearances;

U.S. Attorney's Offices shall provide victim-witnesses secure waiting areas during court appearances to minimize contacts with defendants, their families and friends;

Victim-witnesses shall be provided with adequate protection and shall be informed of available protective measures, including relocation;

Federal law enforcement agencies and U.S. Attorney's Offices shall return to victims stolen or other property held for evidentiary purposes as quickly as possible;

U.S. Attorney's Offices shall obtain the views of serious crime victims before entering into plea negotiations with defendants or recommending sentences; and

Federal law enforcement agencies, U.S. Attorney's Offices and correctional officers shall treat victims of serious crime with dignity and compassion.

Mr. Speaker, in addition to the leadership role that the Federal Government can play, citizens organizations can provide effective assistance in achieving needed improvements. For that reason, I formed an organization called National Victims of Crime, a group which will provide an organized voice for law-abiding citizens in achieving criminal justice reforms. This union of Federal Government leadership and citizen concern is the best weapon that we have in the war against crime.●

## CELEBRATION ON THE GRAND

### HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. SAWYER. Mr. Speaker, this is a tremendous week for Grand Rapids and the Fifth District of Michigan. Thanks to television, our entire Nation will be able to witness "Celebration on the Grand", a joyous outpouring of civic pride and renewal.

More than a decade of planning and hard work to restore our city is being celebrated with the dedication of the Gerald R. Ford Presidential Museum, the Amway Grand Plaza Hotel, and the Grand Rapids Art Museum.

It is an opportunity for our citizens to celebrate themselves, their vision, progress, vitality, and planning. All of those ingredients which won for Grand Rapids the "All-America City" honors this year.

Past and present leaders of four nations will be in attendance along with President Reagan, Vice President Bush, former President Ford, and a host of dignitaries and celebrities.

More than 700 members of the media from all over the world will watch and report on the festivities. I know they will love our city and our people. Grand Rapids is proud of our 38th President, Jerry Ford. I hope you will join with us as we pay tribute to a great President, our Grand City, and its vibrant people.●

## THE CIGARETTE SAFETY ACT

### HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. MOAKLEY. Mr. Speaker, I would like to share with my colleagues an editorial from the American Medical News. It outlines the concerns of many of the people in the medical profession that the Congress must begin to address the No. 1 national cause of residential fire deaths and injuries—the cigarette-related fire.

A text of the editorial follows:

CIGARET SAFETY

The American Medical Association supports the concepts in two House and Senate bills that would require "self-extinguishing" cigarets.

The AMA House of Delegates this summer adopted a Board of Trustees report calling for objective studies and develop-

ment of regulations requiring the manufacture, if feasible, of cigarets with reduced capacity for causing fires.

The bills (S. 51 and H.R. 1854) would authorize the Consumer Product Safety Commission to set standards so that cigarets and little cigars would have a "minimum capacity" for igniting upholstery and mattresses. The bills stipulate that the process used to meet the self-extinguishing standards cannot add additional toxic elements to the cigaret or little cigar.

H.R. 1854 differs from S. 51 in that it requires the Consumer Product Safety Commission to terminate regulatory proceedings if it finds that such a standard would be "technologically impractical or economically unreasonable."

The AMA Council on Legislation received information that in 1979, fires started by cigarets resulted in 2,300 deaths, 5,800 injuries, and $210 million in property damage.

The AMA board has expressed concern that implementation would be through the Consumer Product Safety Commission. The commission is the center of legislative controversy, and is slated for substantial funding and staff reductions.

"The AMA would recognize passage of cigaret safety act as a positive step in eliminating one of the most significant causes of residential fires," said AMA Executive Vice President James H. Sammons, MD, in letters to the bills' principal sponsors, Sen. Alan Cranston (D, Calif.) and Rep. Joe Moakley (D, Mass.). "While a 'safe' cigaret would not eliminate all fires caused by careless use of smoking materials, efforts should be undertaken to reduce any causative action where possible," Dr. Sammons wrote.

"Serious burns can be the most debilitating of all accidental injuries. If the development and marketing of 'firesafe' cigarets proves to be feasible, this would certainly be an excellent example of an initiative that could prevent potentially devastating effects," Dr. Sammons said.●

## NATIONAL AUTO POLICY—UNFINISHED BUSINESS—PART II

### HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. PEASE. Mr. Speaker, the second installment of UAW President Doug Fraser's address dwells upon what our auto industry is prepared to do to help itself. Signs are already seen of a new resolve and toughmindedness in the boardrooms and on the assembly lines of American auto companies.

But it is vitally important for those of us in Government positions to recognize that our corporate managers and autoworkers cannot reverse the plight of our auto industry by themselves. Just as the governments of virtually every other industrialized nation work hand in hand with the private sector to forge national auto policies, so, too, must our Government promote cooperation in labor, corporate, and Government circles. Consider carefully the litany of steps taken by the Japanese Government, for example, which have allowed the Japanese auto manufacturers to surpass our industry in production:

CONTINUATION OF ADDRESS BY UAW PRESIDENT DOUGLAS A. FRASER TO THE SIXTH ANNUAL AUTOMOTIVE NEWS WORLD CONGRESS

The UAW agrees that major responsibility falls on the industry itself, and on labor, to rebuild our own house; nor do we shrink from our role and responsibility in that regard.

Take productivity, for example. We never have stood in the way of new technology, as evidenced by auto's remarkable 3.4 percent average annual increase in productivity over the last twenty years—productivity far in excess of the all-manufacturing average. The current productivity slump is the result of depression-level sales volume and capacity utilization; productivity can be expected to rise sharply if and when the industry recovers.

We expect to continue our cooperative attitude toward new technology.

On product quality and absenteeism, the UAW has demonstrated a cooperative attitude many times in the past, and intends to continue to do so in the future. Product quality is justifiably of great concern to the American consumer, and this is an area in which we sense a new seriousness among workers and a higher level of commitment than in the past on the part of corporate management.

Absenteeism isn't a problem peculiar to the auto industry nor to the U.S. We negotiated procedures in the last round of bargaining that have been helpful in combatting this problem.

But all of us should understand that the industry and the UAW cannot solve the auto crisis alone. Indeed, many of the steps the U.S.-based auto multinationals will be taking to improve their competitive position could cause further widespread unemployment and continued erosion of the nation's industrial base.

To the extent that the nation's objectives are preservation of regional economic stability and a satisfactory level of auto industry employment, it is important to recognize that these are not inherently corporate goals.

Nor will the proposals currently advocated by the Administration to revitalize basic industry and revive the economy meet these employment and regional stabilization objectives.

Proposals for tax and regulatory relief may throw some money at the corporations, but they provide no guarantee as to how and where that money will be spent.

In the case of the auto industry, in the absence of other needed public policies, there is no assurance that federal assistance will be used to finance domestic revitalization; there is nothing to prevent it from financing further offshore sourcing and continued internationalization.

The U.S. no longer has the luxury of remaining the only major nation without a coherent, employment-oriented auto policy. Our non-policy is a holdover from a by-gone era of cheap fuel and rapid economic expansion, when U.S. dominance in auto and other key manufacturing sectors was unchallenged and other war-torn countries were striving to re-industrialize.

In 1980, after seven straight decades as unchallenged world leader, the U.S. was displaced by Japan as the world's largest motor vehicle producer. Yet we remain the largest motor vehicle market by far, while Japan exports half of its production.

Through the early 1970s, the Japanese government carefully nurtured and protected its auto industry. Imports were subjected to prohibitive tariffs, while foreign investment was strictly controlled to promote transfer of technology while preventing development of foreign-controlled marketing networks and preserving the autonomy of Japanese producers. Credit was allocated to the fledgling industry on favorable terms.

Moreover, Japan's auto industry was—and continues to be—the beneficiary of government policies to stimulate the manufacturing sector at the expense of non-international trade-oriented sectors. Auto makers get their energy and raw materials artificially cheap, transport their products to foreign markets via subsidized Japanese ships, and escape most taxes on what they export.

The Japanese auto industry has been a double beneficiary, first of the government's strategy of encouraging manufacturing exports to finance energy and other raw material imports; and second from the systematic encouragement of high productivity, high technology manufacturing at the expense of other industries which had been favored during an earlier stage in Japan's economic development.

Moreover, though its prohibitive auto tariffs are now a thing of the past, an array of non-tariff barriers push the sticker price of a typical North American-made car sold there to two to three times the U.S. level, effectively shutting out North American vehicles from the Japanese market.

Indeed, every other nation in the world that has or wants an auto industry, has taken definite steps to shape its development.

Government ownership and financial assistance is common, as evidenced by VW, Renault, BL and Alfa Romeo; in that regard, Chrysler is hardly unique.

In many cases, the steps other countries have taken include strict quantitative restrictions against Japanese imports.

In the UK, for example, Japanese imports are restricted to a market share under 11 percent.

It is no coincidence that Nissan has announced plans for large scale direct investment in that country, its largest European market.

France limits imports to a 3 percent market share; and Italy, to 2,200 cars per year!

West Germany just negotiated limits as the Japanese started to exceed a 10 percent market share.

In each case, decisive action was taken well before Japanese import penetration reached half the 22 percent share taken of the U.S. market.

Australia requires autos sold in that country to contain 85 percent domestic content (which can be offset by parts exports); Brazil and Mexico have likewise stimulated development of their auto industries by means of stringent local content rules.

In the case of Mexico, this is paying off handsomely in the form of commitments by several auto multinationals to source a substantial part of their worldwide requirements for engines and other key components from that country.

By contrast, we have the most open auto market in the industrialized world, with tariffs only one-fourth the EEC level and we have the most permissive posture toward Japan.

To make matters worse, our federal reserve conducts an outrageously high interest rate monetary policy. In addition to its

disastrous domestic consequences, that policy cheapens imports and makes U.S. manufactured goods less competitive on world markets.

Whatever the appropriateness of our pre-1974 auto policy, in today's world it is a prescription for disaster.

It is not appropriate for U.S. auto policy to be determined, by default, in the boardrooms of multinational corporations, or in Tokyo, Mexico City, or Bonn. Yet that is exactly what will happen if we do not begin to chart our own course. We will continue to be passive victims of other nations' policies and priorities, for which U.S. workers will be made to pay the price. There is one positive development in this area.

In April, the government of Japan announced a plan of voluntary restraint, under which the number of cars exported to the U.S. from Japan will be held to 1.68 million units during the year starting April 1, 1981, down 7.7 percent from the prior year. Restraint will continue through fiscal 1982, when sales growth of Japanese-made cars will be limited to 16 percent of any increase in the total market. Restraints may continue through fiscal 1983, though no commitments have been made.

Japan's announcement is a welcome long-overdue step. Unfortunately, many appear to have assumed that temporary, voluntary import restraint has "solved" the nation's auto trade problems. That is not the case; no one should be lulled into a false sense of security.

Moderation in the flow of Japanese autos into the U.S. market should assist U.S. companies to carry out their plans for a thorough overhaul of product lines and facilities. But it does nothing to slow down the rapid increase in foreign sourcing by U.S.-based companies.

During this critical period of restructuring, the auto multinationals are making many important sourcing and investment decisions. These decisions have long lead times and once made are often difficult or impossible to reverse.

Major commitments by these corporations, with profound consequences for North American employment and the future of the nation's industrial base, will be made in the months and years ahead. It is therefore critical that the temporary breathing space provided by Japan's voluntary agreement not be frittered away.

The time has come for us to take the next step. The Japanese automakers enjoy an $11 billion market here. We have to force them to put some capital where their markets are—to create jobs and cash flow in the cities and towns where they sell their products. They should have done this voluntarily, as we in the UAW called upon them to do time after time in recent years. Instead of savaging our auto market, the Japanese ought to become a part of it. We've waited too long for them to act as responsible trading partners.

And while America has waited, the American dream has wilted. Hard-working citizens seeking the chance to put in a fair day's work for a fair day's pay found themselves without jobs. People who dreamed of some day owning their own homes found themselves in unemployment lines. Americans who hoped to send their kids to college found themselves forced to seek welfare.

The time has come to quit waiting and start acting. We need legislation that would have the effect of requiring the Japanese to build plants and create jobs here where their market is.

I'm talking about content legislation. The UAW intends to launch a major effort aimed at achieving content legislation in Washington.

We intend to work with key Senators and Representatives in both parties, and we believe a content bill can be introduced this summer.●

## VLADIMIR KISLIK

### HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. McGRATH. Mr. Speaker, I want to call to my colleagues' attention the plight of yet another Soviet prisoner of conscience, Vladimir Kislik. Kislik, a distinguished scientist, first applied for permission to emigrate in 1973. Since that time, he has been forced to work in menial jobs, and recently was convicted of "malicious hooliganism" and sentenced to 3 years in prison.

The New York State Legislature recently approved a resolution condemning the Soviets' treatment of Vladimir Kislik, and I include the text of the resolution at this point in the RECORD.

STATE OF NEW YORK—SENATE RESOLUTION No. 1003

Whereas Vladimir Kislik, a distinguished scientist, determined to depart from the Soviet Union in nineteen hundred seventy-three in order to freely practice the traditions of the Jewish heritage as well as on numerous occasions since that year has been denied the basic human right to free emigration; and

Whereas Vladimir Kislik's aspiration to emigrate has resulted in his employment being limited to menial labor by Soviet authorities, the confiscation of his personal belongings, and other indignities, including the Soviet police repeatedly questioning him for the purpose of "trumping up" foreign agent charges against other Soviet Jews; and

Whereas Vladimir Kislik, a distinguished scientist, has had his name deleted from the important scientific papers he wrote while engaged in research at the Kiev Institute of Nuclear Research, and has been beaten by Soviet Authorities as a warning to him to stop holding scientific seminars; and

Whereas Vladimir Kislik remains within the Soviet Union, despite the emigration of his son, Maxim Kislik, to Israel, thereby placing Vladimir Kislik in the ranks of many Soviet parents who are unfortunately separated from their children by the design of Soviet Union officials; and

Whereas Vladimir Kislik had endured persecution, harassment, imprisonment and family separation simply because of his desire to practice his own religion in a country of his choice; and

Whereas Vladimir Kislik has recently been charged by Soviet Authorities with "malicious Hooliganism," unjustly convicted, and subsequently sentenced to a three year term; and

Whereas the Legislature of the State of New York, which holds justice, freedom and liberty as the highest ideals, urges the Soviet Union to immediately free Vladimir Kislik and permit him to join his family in Israel in the name of human rights and human justice; and

Whereas the Soviet Union's continuing persecution of its Jewish citizens and denial of those rights and privileges accorded other recognized religions in the Soviet Union will not succeed in isolating Soviet Jews from their friends in the world so long as those who hold liberty and freedom as the highest ideal continue to speak out on behalf of all beleaguered and oppressed people: Now, therefore, be it

*Resolved*, That this Legislative body pauses in its deliberations to condemn Vladimir Kislik's continued oppression by Soviet Authorities and urges the Soviet officials to give Jews in the Soviet Union the same rights afforded its other citizens, rights affirmed by the Soviet Union's Constitution, the Declaration of Human Rights adopted by the General Assembly of the United Nations and Principle VIII of the Final Act of the Helsinki Accord; and be it further

*Resolved*, That copies of this Resolution, suitably engrossed, be transmitted to The Honorable Ronald W. Reagan, President of the United States; Honorable Hugh L. Carey, Governor of the State of New York; Honorable Alexander Haig, Secretary of State of the United States; and to each member of Congress of the United States from the State of New York; Lynn Singer, Executive Director of the Long Island Committee for Soviet Jewry, 91 North Franklin Street, Hempstead, New York 11550; Leonid Brezhnev, Secretary General of the Communist Party, the Kremlin, RSPR, USSR; and Oleg Troyanovsky, Ambassador, Soviet Mission to the United Nations, 136 East 67th Street, New York, New York 10021.●

## AN AMERICAN HERO

### HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. SANTINI. Mr. Speaker, the veterans of America have long been recognized for their courageous deeds in the effort to maintain this country's freedom. But it is often only after these brave men and women have passed from our midst that we take any action to show our appreciation for their contributions. I would like to change that tradition and take steps to honor a real, live American hero, now.

Today in Reno, a celebration is taking place to honor one of Nevada's brave legionnaires. I am speaking of Nevada's own Ioannis "Johnny" Lougaris who has gone beyond the call of duty in service to his country. This man, a Greek immigrant, made the United States his country and fought for it like any native. The wounds he suffered in World War I were complicated by the onset of tuberculosis he contacted while defending this country and doctors told him he had only 6 months to live. But did this stop him? No. He moved on to Nevada, made that State his home, and fought off disease and depression to become a

successful lawyer in Reno. His immigrant and combat experience gave him the insight to know what a precious life we live in the United States and how important it is to maintain the freedom that has been ours through the centuries. He also realized that defending the country takes a special kind of spirit and a special kind of person and one who should not be neglected when he finally returns home. Johnny Lougaris worked unceasingly to see the Veterans' Administration Medical Center built and located in Reno to help servicemen who fought so valiantly for their homeland.

Now, the people of Nevada, in a move to pay heartfelt tribute to their comrade, asked that the VA center in Reno be renamed the "Ioannis A. Lougaris Veterans' Administration Medical Center." I fervently supported this move and am glad to report that with the fine cooperation of Congressman SAM HALL, the name change can become a part of a bill that will shortly be considered by the House, insuring this memorial to honor someone whose perseverance has benefited so many Nevada veterans.●

## HANDICAPPED ACCESSIBILITY CAN BE A REALITY

### HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. FRANK. Mr. Speaker, we are now witnessing a very serious assault by the administration on the rights of the handicapped, particularly on the guidelines promulgated by the Architectural and Transportation Barriers Compliance Board requiring access to Federal and federally funded buildings. The Board recently announced its intention to rescind these guidelines, which I believe to be a tragic mistake. Denial of access to the handicapped into Federal buildings is a denial of the right to participate in our democratic decisionmaking process, a right we should be encouraging, not discouraging. Handicapped access is not simply something which would be nice to have; it is a basic civil right, the abridgement of which is as serious and invidious as discrimination on account of religion, race, sex, or ethnic background.

I ask my colleagues to read the following statement, which was written by Ms. Phyllis Ryan, a constituent of mine from Newton, Mass., and to join with me in opposing the administration's proposal to rescind the accessibility guidelines.

A copy of the statement follows:

STATEMENT OF REPRESENTATIVES OF THE INTERESTS OF THE HANDICAPPED

Regulations that protect all people, combined with citizen action to insist on their enforcement, have brought us from that steep, bumpy, dangerous hill to this legal, workable ramp giving the disabled and elderly access to water, located in Newton but available to everyone.

We should not be persuaded that laws protecting everyone's rights to equal access and opportunity are burdens, but should recognize that they are safeguards for all of us who, at any time, might find ourselves in need of their protection.

In America, committed to equal rights for all, it is difficult, but it is possible, to achieve equal access and equal protection under the law for everyone. Changes are made slowly. Inertia and opposition must be overcome. But collective struggling for change is the only way we can achieve equity.

Government can function for the people if people take action on their own behalf and others support them.●

## SUBSTANTIVE AMENDMENTS TO H.R. 3613—FLORAL RESEARCH AND CONSUMER INFORMATION ACT

### HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. COELHO. Mr. Speaker, I rise to introduce a substitute bill for H.R. 3613, the Floral Research and Consumer Information Act. I originally introduced this legislation on May 19, 1981, with 20 cosponsors. Subsequently, 13 additional cosponsors have been added.

Mr. Speaker, this legislation has broad support from the floral industry. It is an attempt by the floral industry to try to increase their sales by assessing themelves a small percentage of the value of their produce for research and promotion efforts. The program would be conducted at absolutely no cost to the American taxpayer.

Since my introduction of this legislation on May 19, representatives of the floral industry have been meeting with administration officials in order to achieve a consensus on this legislation. As a result, I am recommending several changes which I would like now to incorporate in the legislation by introducing a new bill.

The following is a list of the substantative amendments that are made in the new bill:

SUBSTANTIVE AMENDMENTS TO FLORAL RESEARCH AND CONSUMER INFORMATION ACT

(1) The statement of "Congressional Findings and Declaration of Policy" is amended to clarify that nothing in the Act is to be construed a trade barrier to flower and plants in foreign countries. Section 2

(2) Propagational material would be subject to assessments. Section 3(f)

(3) The definition of term producer is changed to conform to USDA suggestions. Section 3(m)

(4) Under the procedure for certified industry organizations submitting nominations to the Floraboard, certified organizations would submit only one nomination for each position on the Floraboard. Section 7(b)

(5) The system of assessing producers at the "point of first sale" is changed to a system of assessing producers for each sale. For each domestic sale, producers will deduct the cost of plant material from the value of the sales transaction on which the assessment is made. The deduction of the cost of plant material prevents any flowers and plants from being subjected to a double assessment. Section 7(e)

(6) The bill is amended to say which kinds of entities the Floraboard is authorized to contract with. Industry groups, profit and non-profit companies, private and state colleges and universities and governmental groups are authorized to be contractors. Section 7(h)

(7) Only employees (not officers) of the USDA and Floraboard would be given access to confidential information. Contracting agencies would not be given access to such confidential information. These changes were suggested by USDA. Section 8(c)

(8) The bill would be amended, as suggested by USDA, to make clear that Federal agencies would have access to confidential information for the purpose of investigatory or enforcement actions necessary for the implementation of the Act. Section 8(c)

(9) The exemption of flowers and plants which are ultimately sold for consumption outside of the United States is eliminated. This change is made because such an exemption is no longer appropriate in the new system of assessment. Section 12(b).

Mr. Speaker, this legislation has broad support from the floral industry. It is a self-help program that is in the best tradition of free enterprise. Producers of flowers and plants receive no Federal subsidy and no price support programs. They are not asking for such a program now. They are merely asking for the legal authority to assess themselves for voluntary research and promotion efforts so that they can build a better market for their products.

Moreover, the passage and enactment of this legislation would not insure that flower and plant producers would have a research and promotion program. After the law is enacted, the growers will have to go through a lengthy and detailed administrative procedure in developing an order that would then have to be approved by the producers themselves. Unless two-thirds of all producers or a majority of producers who are responsible for the production of more than two-thirds of the total product vote for such an order, it will not be implemented.

In addition, there is another safeguard for those producers who do not wish to participate. Those producers who do not believe in the program for any reason whatsoever, have an absolute right to ask for, and promptly receive, a refund of their entire assessment.

Mr. Speaker, I commend this legislation to the attention of the House and I hope that it will be possible to have

prompt hearings and early committee action on the legislation.●

## WEST BLOOMFIELD WOMAN RECALLS TORNADO TERROR

### HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. BROOMFIELD. Mr. Speaker, last Friday I had the honor of attending a ceremony at the White House paying tribute to 10 genuine young American heroes.

One of the most inspiring among them was Miss Donna Slack, a 21-year-old college sophomore from West Bloomfield Township, Mich., in my congressional district.

Donna was presented the 1976 Young American Medal for Bravery by President Reagan for saving the lives of three young brothers when a tornado ripped through their home on March 20, 1976.

Disregarding her own safety, Donna threw herself on top of the boys moments before the storm demolished their home. Her act of bravery may have saved their lives and certainly spared them serious injury.

The award was belated because President Carter discontinued the ceremony after he took office. I am certain that anyone who had the privilege of witnessing Friday's presentation and meeting these fine young people would join me in commending President Reagan for reviving this important tradition.

It offers one more opportunity for emphasizing the greatness of our country and the goodness of our people.

The following article written by Joe Cisneros of the Oakland Press, a newspaper which serves my congressional district, provides an interesting account of Miss Slack's heroism and a warm insight into her character.

WEST BLOOMFIELD WOMAN RECALLS TORNADO TERROR

Donna Slack of West Bloomfield never thought when she voted for Ronald Reagan in November that one day she'd meet the chief executive face-to-face.

Their meeting is scheduled to take place 11 a.m. Friday in the White House Rose Garden. Ms. Slack, who saved the lives of three young brothers in her charge when a tornado ripped through the township March 20, 1976, is to receive a 1976 Young American Medal for Bravery from the president.

The presidental citation is three years late in coming, but "We are very excited, very honored," says Ms. Slack, a 21-year-old Oakland Community College sophomore studying to become a certified public accountant.

She already has a citation from the Michigan State Police for her heroism. She was nominated for the medal by Gov. William Milliken in October 1977.

In presenting the award, Reagan is reviving a practice abandoned by former President Jimmy Carter. In 1978, she received a letter from then-U.S. Attorney General Griffin Bell telling her she was chosen for the award. The ceremony was delayed because of scheduling difficulties at the White House, according to letters Ms. Slack received since then.

Word came about three weeks ago from the Justice Department that Ms. Slack, the daughter of John and Carolyn Slack of Buxton Avenue, would be among 10 people recognized for acts of heroism. Her parents and a brother, John B. Slack II, will depart Thursday for Washington.

A selection committee headed by FBI Director William Webster chose the recipients from nominees selected by state governors. A Justice Department spokesman said he did not know why President Carter never scheduled the ceremony.

"If I had to wait this long, I am glad it is President Reagan that I get to meet," says Ms. Slack.

It's been five years, but "I imagine they get a little nervous when they hear the tornado sirens, as anybody would" township Police Chief Alfred McGhee says of the residents of an area near Orchard Lake and Maple roads where the tornado struck at about 7:16 p.m. that fateful March evening.

One life was lost, and 42 other people were injured; damage to residential property alone exceeded $2 million.

Recalling the "complete devastation," Lt. David Snowaert, now the operations officer at the Michigan State Police Pontiac post, says, "We were just fortunate that there were not more people killed or injured in this tornado."

Ms. Slack, who celebrated her birthday Saturday, hasn't forgotten the nightmare experience. "I can remember almost everything like it happened yesterday," she says. "It is something I will never forget."

The heroine was a 15-year-old baby-sitting for her neighbor's children, Aaron, Jason and Justin Hegedus, then 5, 4 and 3, when the life-threatening drama unfolded.

The children waited upstairs to be bathed while she went to the front door to hand over a pair of binoculars requested by a neighbor.

The exchange was never completed, as the neighbor jumped into his vehicle and sped away. The reason soon became apparent. "I looked up and saw it coming," she recalls. She tried to close the door, but couldn't. "Finally, I let it go. The lights went out and the kids started screaming. I told them to hold on to the bannister and come downstairs."

The boys—without any clothes on—had made it to a landing about two steps from the ground floor when she realized there was no time to get to the basement. "So I threw them down on the landing and lay on top of them.

"The next thing I knew I was on the lawn, 60 feet from the house. I looked over and saw that the house was leveled."

Two of the boys were still under her. The third was next to her. She said two suffered minor cuts and bruises, but Jason needed 40 stitches to close a gash on his back.

"I never thought about leaving those kids upstairs and running for the basement," she says. "I have been brought up to think of others before myself."

The children she saved now live in Milford, but Ms. Slack remains close. "They are like a second family to me," she says.●

## U.S. ECONOMIC ASSISTANCE SHOULD BE CONDITIONED ON ECONOMIC FREEDOMS AND POPULATION CONTROL

### HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. PORTER. Mr. Speaker, I strongly suspect that most Americans—as I do—upon returning home from travel abroad, feel an overwhelming sense of gratitude for the privilege of being citizens of this bountiful land. Not only do we enjoy personal freedoms unparalleled in human history and a stability and continuity of government unknown in most places on the Earth, but here we have largely eradicated the horrible diseases and hopeless poverty that overwhelm a large portion of mankind around the world.

Appreciation for what we so often take for granted, however, is not enough. Nor could the redistribution of portions of our wealth from the productive sector at home to the unproductive either here or abroad ever be enough. No transfer of wealth or resources could ever significantly impact the unbelievable poverty and problems that need correction.

What is needed, Mr. Speaker, are wholesale changes in philosophy and direction in those countries seeking our economic assistance—the same changes we are now finally making at home to emphasize those economic factors that truly lead to long-term solutions: Capital formation, education, technology, and the real productivity growth that can only come in an environment of freedom from excessive government control, regulation, and taxation.

Another factor of immense importance is the need for population control. India, for example, though its economy has grown substantially since independence in 1947, has stood absolutely still in per capita real income despite $30 billion in Western aid during that period simply because where there were previously 400 million Indians, there are now almost 700 million. Every bit of the growth has been absorbed by more people and the average Indian has not only experienced no betterment in his standard of living but, without a brake on population growth, is utterly without hope for the future. In such circumstances, economic aid should not be considered—except on an emergency humane basis—without conditions requiring actual progress in controlling future population.

Conditions requiring economic freedom and population control are absolute prerequisites, in my judgment, to success in assisting developing coun-

tries. To the extent we fail to include these conditions, we not only throw hard-earned money away without hope of real economic progress and thus shortchange our own constituents, but, with the short-sighted policies we now pursue, we continue to lead developing countries into the economic never-never land of poverty, depredation, starvation, disease, and death.●

## PRIVATE RELIEF BILL—TOLEDO MINING CO.

### HON. DAN MARRIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. MARRIOTT. Mr. Speaker, today, I am introducing a private bill for the relief of Toledo Mining Co. which holds four Federal oil and gas leases in Wyoming which are about to expire, W 66245, W 66246, W 66247, and W 62250. This bill would extend those leases until 2 years after the effective date of its enactment or the termination of the period for which the leases have been suspended, whichever is later, and so long thereafter as oil and gas is produced in paying quantities.

This legislation would prevent Toledo Mining Co. from losing a potentially important oil and gas lease due to their agent's misinterpretation of the provisions of the Mineral Leasing Act of 1920. Relying on the erroneous representations of the operating company, Toledo believed that these four leases which were segregated out when the Deadman Unit was formed, would be preserved by drilling within the unit. The true effect of the segregation was that on the nonunitized lands—the four leases in question—by law, Toledo had 2 years in which to drill a well capable of producing in paying quantities prior to lease expiration. When the false statement was discovered, Toledo made efforts to bring these four leases to production, but too late. The rough terrain and weather and remote location made drilling permitting and actual operations impossible in the remaining time. Operations on the leases were suspended by the U.S. Geological Survey in order to perform the environmental assessment work necessary to approval of an application for a permit to drill. Although the operations are now suspended, when the suspension is terminated, only 48 days of the lease term will remain to complete a well—clearly, not enough time.

No administrative solution to this unfortunate situation is possible; therefore, it is up to Congress to act. Toledo is willing to invest the required time, money, and effort to drill the ultradeep well required to bring into production a potential domestic gas supply that would otherwise go untapped for several years if the leases are not now extended.

At a time when we have been pressing industry to supply us with more sources of natural gas, it seems to me this legislation makes sense. I ask that the bill be referred to the appropriate committee for consideration.

H.R. —

A bill to extend the lease terms of Federal oil and gas leases, W 66245, W 66246, W 66247 and W 62250

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. That the Secretary of Interior is authorized and directed to extend United States oil and gas leases issued under section 17 of the Mineral Lands Leasing Act of 1920, as amended, designated W 66245, W 66246, W 66247, and W 62250, and presently known as the Toledo Unit in Lincoln County in the State of Wyoming, and which would otherwise expire 48 days after the termination of U.S. Department of the Interior administrative suspension of operations and lease terms currently in effect, until two years after the effective date of this Act or the termination of the period of suspension, whichever comes later, and so long thereafter as oil and gas is produced in paying quantities as defined under the Mineral Lands Leasing Act: *Provided, however,* That except as specifically modified herein as to such leases, all other provisions of the Mineral Lands Leasing Act of 1920, as amended, shall be applicable as to such leases.

SEC. 2. The effective date of this Act shall be the date the leases specified in section 1 would have expired by operation of law, but for the passage of this Act.●

## HOW THE UNITED STATES GIVES AWAY ITS HIGH TECHNOLOGY TO THE SOVIETS

### HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. FINDLEY. Mr. Speaker, the September 6, 1981, issue of Parade magazine picks up on a concern which I have been stressing for well over a year now; that is, the United States, by training Soviet scientists in long-term academic programs in high technology, is harming its national security interests. My own statement on this issue is elsewhere in today's RECORD. I also wanted to include the article from Parade by Michael Satchell and again stress the importance of stemming this high technology giveaway to the Soviets:

HOW WE GIVE AWAY OUR SECRETS

(By Michael Satchell)

Today, much of Soviet military hardware and technology rivals ours. It should. A lot of it is American.

A look at the history of technology transfer to the Soviet Union reveals that in the pursuit of détente during the 1970s, we allowed the Soviets to take or buy vast amounts of superior technology—much of it having direct military application—that took us years, and cost us billions of dollars, to develop. We opened our industrial plants, research laboratories and universities to Soviet scholars, scientists—and spies. That process is continuing under the Reagan Administration.

Under détente, we supplied the technology-starved Soviets with sophisticated computer and electronics hardware. We also built entire factories and assembly-line production plants in the Soviet Union.

After the Soviet army rolled into Afghanistan in December 1979, the flow of computers and other sophisticated equipment was halted, and the State Department was ordered to clamp down on Russian scientists who were flocking here to study in sensitive areas.

However, in the 18 months between January 1980—when the embargo supposedly went into effect—and June of this year, some 450 Russian scientists and technicians have been granted visas by the State Department. They have been allowed to attend conferences or study such topics as lasers and optics, high-energy physics, computer software engineering, particle accelerators and other highly technical disciplines.

Another 77 Soviets have been allowed in for study under U.S. government-sponsored exchange programs. The New York-based International Research and Exchanges Board (IREX), which arranges scholarly exchanges between the U.S. and the U.S.S.R. and Eastern European Communist nations, placed 31 top Russian scientists in study programs for the 1980–81 academic year at such institutions as the Massachusetts Institute of Technology. Stanford, Northwestern and UCLA.

Says Sen. Jake Garn (R., Utah): "Allowing them to study high-level technical subjects is far more damaging than selling them grain. They are causing us to spend billions of extra tax dollars on defense."

A case in point: the Bryant grinding machines, which produce pinhead-sized ball bearings, vital to the manufacture of advanced inertial guidance systems for intercontinental ballistic missiles. For 12 years, we refused Soviet requests to sell the machines to them.

When the Nixon Administration extended the hand of détente in 1972, the Soviets asked again. The sale was approved, and the Russians bought 164 machines for $20 million.

At that time, the best Soviet ICBM was a nuclear blunderbuss, packing a mighty wallop but often missing its target by 3 miles or more. Today, with the help of the ball bearings made by the Bryant grinders—plus American computers and know-how—the Russian SS–18 multiple warhead rockets can hit the bull's-eye within 500 feet or less leaving our fleet of 1054 Minuteman and Titan missiles sitting ducks in their silos.

Our response? The proposed MX movable-missile system—estimated to cost up to $60 billion.

Believing the Soviets interested in massive purchases of jumbo jets, we allowed a team of 20 high-ranking Soviet scientists, engineers and KGB agents to tour the Boeing aircraft plant. According to Gen. George Keegan—head of Air Force Intelligence from 1971 to 1977—they took thousands of pictures, viewed the assembly lines, were given mountains of information and had access to secret laboratories. It was later learned that the visitors wore special shoes that picked up metal shavings to reveal

secret alloys used in jumbo jet construction. Subsequently, instead of buying American planes, they built their own wide-bodied Ilyushin jet transports and powered them with copies of Rolls-Royce jet engines made under Amercian patent.

Dr. Miles Costick, head of the Washington-based Institute on Strategic Trade, testifies regularly before Congress on technology transfer. He notes that Soviet embassy employees in Washington, including known KGB agents, are allowed to attend Congressional hearings on defense and national security. And they own computer terminals that link them to American data banks, providing instant information on new products and patents.

"With technology transfer," Costick says, "we have saved the Soviets well over $100 billion in research and development costs."●

## THE WAR ON CIVIL SERVANTS

### HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mrs. SCHROEDER. Mr. Speaker, while we were on our August break, an article of special interest to all who are interested in effective management of Government appeared in the Washington Post. I ask that it be reprinted for the benefit of my colleagues who may have missed it.

[From the Washington Post, Aug. 25, 1981]

THE WAR ON CIVIL SERVANTS

(By Murray Comarow)

There are important differences between big business and big government—differences in how success is measured, in how decisions are made, and so forth. In one obvious respect, however, business and government are alike: both depend on people to get the job done. If the employees of a company or agency are alienated and bitter, they won't do a very good job.

As any corporate executive will appreciate, including the skilled and resourceful businessmen who play major roles in the Reagan administration, this is as true for the Department of Health and Human Services as it is for General Electric, as valid for the Interior Department as it is for the Bank of America. And it is especially the case with regard to upper-level managers, the senior career people whose experience and energy get the job done anywhere.

Those top people are leaving government in droves. Since 1977, Newsweek reports, there has been a 500 percent increase in the number of top employees in the 55-to-59 age group retiring. Nineteen out of 20 workers in that bracket retired last year. NASA says most of its space shuttle team, for example, will soon be gone. Nor are those who remain moved, by and large, to extend themselves. The result is a quiet, almost unobserved government crisis of competence and commitment.

That crisis can only be understood within a larger framework: the conviction on the part of our elected officials for the past decade that government—and the men and women within it—is the root cause of social and economic problems.

Every group tends to reflect and be influenced by society's perception of it, career government people no less than blacks, Hispanics or women. As the larger population, misled by its elected leaders, scorns its servants, so will its servants react to that scorn through increasing alienation and demotivation.

Item: Office of Personnel Management Director Donald Devine recently said that Senior Executive Service members—the government's top career people—should not be involved in formulating policy. This view is not only archaic, it is destructive, for it would deprive policy-makers of the best views of their most informed staff. While final policy decisions should and would be made by the politicians and their appointees, are the polls so insecure that they cannot listen to other voices? Devine's view, while widespread in this administration, has been rejected in some agencies—Treasury, for example.

Item: A small matter of bad faith: Originally, half the SES men and women were eligible for bonuses. Now only one out of five are, Grafting a private-sector type bonus system onto a traditional civil service is not an overnight job. Allegations of mismanagement and unfairness—both warranted and unwarranted—were to be expected. Giving up on the system before it has been fairly tried would be a mistake.

Item: The $50,112 pay cap, no higher than the salaries of many subordinates, forces SES people to ask themselves why they are taking so much added heat and pressure.

I'm not sure what can be done about the mind-set of many Reagan officials—not much different from the Carter crowd, actually. But I suggest that professional organizations such as the National Academy of Public Administration and the American Society for Public Administration can do something. And the academic community can do something. That is to respond, constructively and with dignity, when a government official or the press expresses opinions or reveals "facts" that are unsound or untrue. Two examples:

1. Devine's statement about keeping top career people from participating in policy-making should have provoked protests from all quarters. It did not.

2. The stream of misleading terms ("burgeoning bureaucracy" and "ever-increasing size of government") should be countered by the Office of Personnel Management's own figures. These reveal that the ratio of government employees to the general population over the last 25 years has been fairly stable. Nor has the growth in government expenditures been out of line as a percentage of the gross national product, as compared with other developed nations.

Few senior civil servants would opt to join SES today if they had another chance to decide. Indeed, they and other senior careerists are beginning to behave like blue-collar unionists. Who can blame them? If they don't band together to protect their interests, who will? The professional societies and the academics have not.

The Carter-Reagan view of government-as-enemy is bad for this nation. While we should never act as single-minded advocates for the bureaucracy, we should be advocates for sound government. If that involves criticizing the bureaucracy, fine. If that demands resisting mindless anti-government and anti-careerist rhetoric, we should act with equal vigor.●

## 3M LANGUAGE SOCIETY ANNUAL MEETING

### HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. SIMON. Mr. Speaker, about a year ago I saw an item in the CONGRESSIONAL RECORD, inserted there by Senator DAVID DURENBERGER, regarding the language program of the 3M Co., of Minnesota.

I have since that time received some information from them about their program and have been most impressed.

3M is one of the U.S. corporations that is doing what every major U.S. corporation ought to be doing: Putting an emphasis on foreign languages.

And they are doing it in such a way that it is not drudgery for the employees of 3M.

My recollection is that about 750 employees of 3M are now studying foreign languages.

They have a 3M Language Society and are providing courses in approximately 20 languages.

Their program includes not only noontime classes, summer classes, and evening classes, but hosting of foreign business visitors and their families and training of personnel who will be going overseas on assignment, and translation and interpreting services.

I am inserting into the RECORD a speech made by the language services administrator, Esther F. Piper, before the Minnesota Council of Teachers of Foreign Language and a speech by Manuel J. Monteiro, vice president of European operations for 3M.

Had I known about their good work before I wrote my book on the foreign language problem, I would certainly have commended 3M as one of the most enlightened corporations in this country.

What they are doing should be good news to their stockholders and good news to Americans who want a favorable balance of trade.

3M LANGUAGE SOCIETY ANNUAL MEETING, DECEMBER 4, 1979, REMARKS BY MANUEL J. MONTEIRO, VICE PRESIDENT, EUROPEAN OPERATIONS

Thank you, Allan, and good afternoon everyone.

The Language Society has been very helpful to me in my career with 3M as often times I've had to call on them for help in translations, interpretations and in speech writing in a foreign language.

One instance in particular, is the day I was asked to give a speech to a group of Hungarians who would be visiting 3M. When I address a group of foreign speaking people, I always try to give my speech in their language. So I called on Mr. Gabor from Central Research and asked if he could help me write and give a speech in Hungarian.

Mr. Gabor asked me if I spoke Hungarian, I said no. He said, "well, you won't be able to do it." I said I could try. So Mr. Gabor translated my speech from English to Hungarian, made a tape recording in Hungarian of the speech so I could practice and also came over and tutored me prior to my giving the speech.

The speech was a success as, after I made the speech, the Hungarians said they could understand me—at least most of it.

The Language Society has assisted me in translating speeches into French, German, Spanish and Portuguese.

The 3M Language Society is a unique organization. Over the years, you have been recognized for your achievements by 3M's management and the news media. Why?

This is a group of volunteers who tackle the difficult task of learning foreign languages—and it is difficult—and it does take dedication—to extend your capabilities beyond your first language.

Even more important than the individual effort which each of you makes, however, is the fact that you are dedicated to a principle—the idea that language differences do not necessarily have to separate people. The learning of languages can bring people of diverse history and cultural backgrounds together so that they understand and respect each other.

Look at the world situation. Was there ever a time when mutual understanding and respect were needed more than now? Was there ever a time when Americans needed to hear foreign languages—and not just the European languages—more than right now?

Yet, according to the President's Commission on Foreign Language and International Studies, which issued a report a few weeks ago, Americans are grossly deficient in learning languages other than English.

Consider the facts which the Presidental Commission uncovered in its year-long investigation. Only 15 percent of American high school pupils study any foreign language, compared with 24 percent in 1965. Only 8 percent of the U.S. colleges require a foreign language, compared to 34 percent in 1966.

At a time when Americans need to be understood in the Arab world—also a time, when the Arabs need to understand us—the United States State Department can only find adequately trained linguists for 35 percent of the posts that require Arabic.

For the rest of the world, the State Department's situation in terms of trained linguists is better, but, still not good enough. Trained linguists can only be found for 66 percent of the State Department's available positions.

The Presidential Commission called Americans' incompetence in foreign languages as nothing less than scandalous. It said that the United States has developed a "moat mentality" in which the American people are looking inward to develop understanding rather than outward where language competence is absolutely necessary for the nation's security.

If there were more Americans learning foreign languages, consider the potential results. Certainly, for example, our government and its citizens would be able to improve our communications with our allies. We would be in better position to analyze the behavior of potential adversaries. We would improve our ability to earn the trust and sympathies of the uncommitted.

According to the Presidential Commission, one reason why the United States suffered a trade deficit of nearly $29 billion in 1978 was that Americans don't speak other languages well enough to persuade foreigners to buy their products.

The United States, of course, is a nation of immigrants. Yet, Americans have never excelled in studying foreign languages. And, the situation is getting worse.

Here, though, we have the 3M Language Society bucking the national trend. And, you have been doing it successfully for 13 years. To be sure, there are not many of you. The challenge is to interest millions of Americans to learn foreign languages. But, a beginning must be made and it must be made not just in our formal institutions of education, but, in businesses such as this which relate to international markets.

The situation is much like that of the child who asked his parents: "How do you eat a whale?" His parents answered almost in unison: "One bite at a time."

So, you have made a modest start in devouring the whale, not to mention all the ethnic foods you eat in the course of your activities and the food that is on the table at this luncheon. You also have made a contribution to 3M through your hosting and translation programs.

Moreover, in this, our company headquarters, you have contributed to 3M's view of the world. You have helped our people develop an attitude that regards world markets not just as extensions of our domestic markets, but as opportunities which are global in scope and unending in their potential.

For people in this country to be motivated to learn languages, they need pathfinders such as yourselves. Let people know about the personal satisfaction that each of you gets through studying languages. Communicate your enthusiasm both inside and outside of 3M.

The Language Society is a living example that learning languages need not be drudgery or something to be endured—it can and should be an intellectual pursuit to be enjoyed.

People take piano lessons even though they know that they are not going to be concert pianists. Why do they study piano? To enjoy producing music.

Why, then, can't more people follow the example of the 3M Language Society and learn world languages even though they don't intend to be linguistic experts? They can, and they should, because there is as much enjoyment in understanding languages and, through them, alien cultures, as there is in enjoying Bach, Beethoven and the Beatles.

Thank you very much for inviting me to this unique organization and your Annual Meeting.

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### World Languages Integrated Into International Business; Minnesota Council of Teachers of Foreign Language; Esther F. Piper, Language Services Administrator, 3M

I have a Ph D in a language—what can I do with it? To rephrase the students' question, they are asking "How do we make the transition from the classroom—the academic world—to the business world?"

They soon find out that even though a person has studied a language for seven years or more—that fact, of itself, does not constitute a qualification for joining a certain company.

How do we encourage young people to study a language—with emphasis on attaining a skill—to be used in conjunction with a profession?

We must start with ourselves—as parents and teachers—to broaden some of our own ideas. For a long time it has been an unnecessarily limiting factor in the study of foreign languages, to think only of "Careers in Foreign Languages." It opens up a whole new and exciting future to think of "languages as an added skill" in any profession. We must also ask ourselves as parents and teachers—how do we make the present language curriculum more relevant to today's world of business?

It's important to have a knowledge of the classics, if we are to be well-educated, but shouldn't there also be an alternate course for the advanced language student which focuses more on business and professional needs? Some of those needs for language assistance are, of course, for:

(1) Translating a legal document on one of our product lines;

(2) Interpreting for an overseas businessman who needs to be trained on some equipment using our products;

(3) Tutoring a family recently transferred here on temporary assignment from an overseas subsidiary.

Or they could be more ordinary requests such as,

(1) A receptionist or a security guard needs assistance with a visitor who speaks little English;

(2) A secretary needs help in placing an overseas call, or answering an incoming call;

(3) A telex operator needs help with a wire to be sent overseas;

(4) An overseas family needs help in enrolling their child in an American school where no teachers speak even a few words of their language.

These and many more requests come across my desk every day.

We are mainly concerned with 2-way communication which occurs not only when we transmit ideas—but when we receive them—as well. So often we think of Americans as being the teachers, the transmitters of information—with the "foreigners" being the receivers. This is not always the case—much valuable research is being done outside the United States—and in a recent year more patents were filed in other countries than here. What a student transmits depends largely on the profession he chooses.

He could be hired in a company such as 3M and work for them for many years without ever using his language. My husband did for 12 years before we were transferred to Europe on a five year assignment when he needed this skill immediately! In 1957—language was not a consideration, and it is not the prime consideration now, but the fact that he had three years of French, two years of Latin and two of Scientific German in college helped him to do a better job.

We had two small children, we lived in Paris, Dick travelled up to 75 percent of the time throughout Western Europe, we lived in a 10 story apartment building where no one spoke a word of English and I found myself embarked on my first career in a foreign language—as a homemaker! (Luckily for me I had six years of French and four of Latin.)

We don't often think of homemaking as a career in which you would need a second language—and yet how could any homemaker perform her tasks in another country without knowing the language and something about their way of doing things and their culture as well.

The expertise in the language and the insights into European cultures which I gained, were experiences that helped me in

my second career in foreign languages—as Coordinator of the 3M Language Society and since May 1978 as Administrator of Language Services for 3M!—a staff service, part of the Personnel Department.

We hired a young lady, a new Coordinator of the Language Society. While I retain overall responsibility for both functions, this gives us the capability to expand further the scope of a program, which didn't even exist 15 years ago.

This Language Society, at 3M, is a recreational program made up of some 775 people, teaching and learning 12 languages in noontime classes. All are 3M employees—who donate their time at noon to teach their native language; others, like my husband and myself teach from our own experience of living overseas. Not all will be used in business—some people are studying because relatives still live in Europe and speak no English. Others plan to travel and will need the language unless they stay strictly in the tourist area.

3M has subsidiaries in 50 countries encompassing 22 languages—85,000 employees worldwide—of which 33,500 employees are outside the United States. It has been said that one out of every six jobs in 3M U.S. is due directly to our overseas business—that is one out of every three jobs in 3M in Minnesota.

Americans are employed overseas for limited periods of time for specific reasons such as, to aid in setting up operations or the introduction of new products or for training people. When the job is done, they come home. And we did too. However, while there, Dick put his languages to good use. Many of the people he travelled with spoke no English, so he spoke English only on Saturday evenings when he phoned home to us in Paris. (At present we have about 100 families overseas—roughly two per subsidiary.)

Normally, a person is not paid more simply because he has studied a language—but when in the course of his work—he uses his/her language to do a more effective job—promotions and raises are the natural results.

Mr. Thwaits, our President of International Operations noted that in a 12 month period there were 155 International relocations, 800 trips of 3Mers from other countries to St. Paul and 900 trips of 3Mers from St. Paul to other countries. The person working in the next office or the next lab, or the next desk might be from another country and not speak English very well. He may need training in our ways or may be here to bring new technologies to us.

In learning a language we build an awareness of others—their needs and their struggles. In learning their culture we learn to understand them, we often like them and find that we have much in common. If we are learning from them—and we know even a little of their language—we are more patient and understanding. If we each try in both languages—we have communication—and we have gained the cooperation of a colleague!

An American scientist, who speaks some Italian, can put on a much more effective, and better attended seminar in Italy—if he gives his message in Italian.

Someone unexpectedly needing an interpreter will have more patience with his visitor. He doesn't speak the languages of all the countries where he travels either.

Last year 63 3M employees translated almost a million words in 16 languages for 114 departments. To insure the best translation possible the translator should know the target language, know the idiomatic use of that language, know the culture of the country and understand the technical field in which he is translating.

We furnished 10 French speaking interpreters for 3 days to work in meetings with 60 business visitors from France in laboratory demonstrations, sales and marketing meetings for Visual Products. Those interpreters had the material to be presented more than two weeks in advance to give them time to (1) prepare the necessary vocabulary, (2) visit the laboratories and see the equipment to be demonstrated, (3) translate all the visuals that were to be used.

Each presenter had his notes in English on the frame of his visuals. He was well aware that pauses must be made for adequate interpretation time.

Tutoring Services are provided for 3M families assigned overseas, so they may learn about that country's culture, traditions and society in addition to the language. This has become a recognized asset for them since the prior knowledge of what is acceptable and how things are done in a country makes that person a more productive employee sooner, without spending an excessive amount of time adjusting to a different life style.

We also provide tutoring for the overseas 3M employee and family assigned to St. Paul. They may have learned English in their own country but due to lack of opportunity to speak it and to hear American English spoken, they are rather insecure. Until they can gain some fluency—here are some suggestions. We teach our employees when working with someone of limited language capabilities—in any country: to speak slowly, pronounce their words clearly, take the slang, the idioms out of their conversation and when asked to repeat always say the same thing in the same way.

John Marshall, director of China Affairs at 3M, said at the Minnesota Town Meeting at the State Capitol Friday, April 6, National Language Day:

"I think in a world as fragile, interrelated and interdependent, as ours is today, it behooves us all to take an interest in the countries in which we reside, and the world in which we live, to do all we can to develop our own studies in this direction, and to use our best influences to assist others."

We believe at 3M that a multinational company can be an effective instrument working toward a better world for all mankind. Again quoting from our International Operations President, Mr. James Thwaits, talking about multinational companies he said, "we are a vehicle for world peace, certainly through the free interchange of goods and services—But going much beyond that, through the person-to-person exchange of human understandings from the many face-to-face contacts that you all have with people from around the world. That's really what promotes world peace."

We offer all of our employees and their adult family members the opportunity to learn another language.

We believe that—

It is important also that you encourage your students to notice someone who needs help in a grocery or department store, hospital, at the bank or the airport—with teachers of other subjects. In any situation where they find themselves—they may have an opportunity to use their second language. Whenever they apply for work, permanent or part-time, they should list their second language experience.

With a major in a profession and a minor in languages a student should have a distinct advantage in the job market of the 1980's.

Language training is worth every effort we put into it, for it is skill, a tool that is useful all our lives—to open doors to new opportunities, to broaden our point of view, to expand our ideas, to help make you—and me—better citizens of the United States—and better citizens of the whole world!

Thank you.●

## THE FBI'S UNIFORM CRIME REPORT

### HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. ROTH. Mr. Speaker, recently released figures for crime in 1980 perpetuate the alarming increase that has plagued the Nation since the early 1970's.

Crime rose 9 percent in 1980 from 1979. There was a murder committed every 23 minutes. The FBI's Uniform Crime Report said 13 million serious crimes were reported last year, a level 55 percent higher than a decade ago.

Adding insult to injury is the fact that criminals escaped apprehension in four out of five crimes committed in 1980, with an arrest rate of 19 percent for serious crimes.

I most adamantly urge my colleagues to act swiftly and in unison to reform the criminal justice system and put an end to the war being fought every day in every corner of America.

Let us get down to business and improve law enforcement, expand the penal system and enact mandatory sentencing laws. Convicted criminals belong behind bars and not on the streets of this Nation.

The lives and property of law-abiding Americans are at stake. If ever this august body needed to act, it is now.●

## ANTI-SEMITIC ACTS: THEY MUST BE STOPPED

### HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. LEBOUTILLIER. Mr. Speaker, "Congress shall make no law respecting an establishment of religion * * *," the first amendment begins, but the overall intent of the Constitution is to guarantee a free and untrammeled exercise of religion that is free from official or individual harassment. Protection of a people—be it from foreign lands or from each other—is the elemental goal of a constitutional republic.

We have fulfilled this goal, but there are attempts to defy the spirit of our laws and social system.

A prime example of this attempt to intimidate and provoke law-abiding worshipers is found in the case of burgeoning anti-Semitism. This odious outburst of malevolent activity has been occurring with alarming frequency on my native Long Island, N.Y. There are approximately 414,000 Jewish people living in the highly populated surburban New York City counties of Nassau and Suffolk. Most of these citizens are one, two, and in some cases three generations removed from bloody pogroms and officially conducted campaigns of extermination. This region contains 15 percent of America's Jewry, but it is also the third largest Jewish community in America.

Frequent acts of synagogue desecration, violent acts committed to artifices of Jewish worship, personal harassment, and schoolyard hate-spewing have alarmed all of Long Island's community leaders. The problem is not confined to Long Island; it seems to be a national phenomenon that is on the upswing.

Because of this nationwide growth in anti-Semitic and other forms of religious attacks, my distinguished colleague from California, Ms. FIEDLER, has introduced H.R. 2394, which seeks to elevate religious desecration to a Federal crime. I became an early cosponsor of Ms. FIEDLER's bill, and I urge its speedy consideration by the Judiciary Committee. I also urge my fellow colleagues to join me in cosponsoring this needed legislation. As a nation, we will become serious about combating acts of religious desecration. We cannot legislate changes in the hearts of men; but we can mandate serious penalty if their hateful actions unjustifiably impede another's sacred right to worship in peace and security.

Adam Simms, who is the Long Island area director of the American Jewish Committee, recently authored a piece in the internationally read Present Tense magazine entitled "Watching and Waiting on Long Island." I share Mr. Simms' deep concern about the problem of anti-Semitic acts, and hope that this plague will cease.

We are a pluralistic nation. The age-old Yiddish proverb—"live and let live"—applies with great weight when seeking to deter anti-Semitic acts.

I offer Mr. Simms' article from the summer 1981 issue of Present Tense for the consideration of my colleagues:

WATCHING AND WAITING ON LONG ISLAND

(By Adam Simms)

Long Island juts like an extended crab's claw into the Atlantic Ocean eastward from New York City. Before World War II it was the preserve of potato farmers, fishermen and wealthy estate owners. But after the war, suburbanization brought many changes, including religious, ethnic and racial diversity, to its burgeoning population.

Jews are now as much a part of the Long Island landscape as commuter traffic jams and pleasure boats. In fact, most Islanders are surprised when they learn that the estimated 414,000 Jewish residents in their two counties—Nassau and Suffolk—number only 15 percent of the region's total population, but constitute the nation's third largest Jewish community (after New York City and the Los Angeles metropolitan area). Over the years, Long Island Jews have been involved in the same questions as Jews elsewhere in the country: Israel's security, Soviet Jewry, Jewish education, assimilation, intermarriage, the cults, and, on a more pleasant level, bar mitzvahs and weddings. But of late a special anxiety haunts them—the specter of anti-Semitism.

It is the weekend of Halloween in October 1980. Friday evening Sabbath services are ending at Community Reform Temple in Westbury. Twenty-year-old Ethan DeJong drives past the synagogue. He has volunteered to patrol the neighborhood to prevent more of the vandalism that has defaced his and a neighboring congregation, Temple Sholom, during the preceding month. He sights a group of teenagers spraying shaving cream on the glass entrance door. The scrawls quickly take shape: "Judes," "Jews ——," swastikas, crosses.

An auxiliary police car passes; the youths flee. DeJong gives chase. Six blocks from the temple, he captures one of them. Joseph McCloskey, a 16-year-old Westbury resident, is turned over to the Nassau County police, who charge him with harassment. Ten weeks later, following statements by McCloskey, the police arrest Donald Ostrander, also 16 years old and from Westbury, for taking part in the vandalism.

In early March, in Mineola District Court, Judge Thomas Ryan fines McCloskey $150, places him on probation for a year and orders him to perform one hundred hours of community service. The judge rejects Assistant District Attorney Edward Lieberman's request that McCloskey be sentenced to one or two weekends in the county jail. Rabbi Michael Klein-Katz, spiritual leader of the desecrated synagogue, announces that under the circumstances he agrees with Judge Ryan's decision against a jail term. "It would have only hardened him and made him . . . able to boast to his friends that he had done time," the rabbi says.

What makes Community Reform Temple's encounter with Joseph McCloskey unusual is the fact that he was caught by someone who was concerned about the property he had defaced. In other respects it is a paradigm of repeated anti-Semitic acts that have sent small tremors through Nassau and Suffolk counties since the Halloween episode.

Police department reports and interviews with police spokesmen provide some insights into the extent and nature of the problem.

The incidents began before Halloween and reached high tide at the end of November. During that period, more than sixty cases of property destruction and written, verbal or telephoned threats were reported to the police or in the press. Since December, the number has declined. The counties have recorded combined totals of twenty incidents in December, eighteen in January, ten in February, twenty-six in March and twenty-two in April.

This time-clustering is a significant factor, according to law enforcement officials and Jewish community leaders. Halloween, one night when property owners expect pranksters to do some damage (and hope it won't be much), has never been a time of special concern for the Island's Jewish community. But last year's Halloween was preceded by extensive publicity about a synagogue bombing in Paris and the worldwide protest that followed. Local anti-Semitic vandalism that began toward the end of October also was widely reported. Not long after, knowledgeable observers believe, it was mindless imitative behavior—rather than hardcore religious or ethnic bigotry—that surfaced.

Indeed, fears that political extremists, such as neo-Nazis or the Ku Klux Klan, may secretly be fomenting anti-Semitism have so far proven groundless. Deputy Inspector Kenneth Carey, who supervises the Nassau County Police Department's investigations of anti-Semitic incidents, notes that regional law enforcement intelligence networks have yet to find any direct or indirect linkage. Says Carey's Suffolk County counterpart, Detective Sergeant Howard Mandell; about his area's three known Nazis and one Klansman: "They've taken a really low profile. Our Klansman still has his sheet under his bed, but he hasn't taken it out."

Further, all the vandals apprehended by both police departments have been under 17 years old, white and male. (In one case, a 9-year-old was picked up in Smithtown on Halloween for smearing swastikas on a house, car and driveway.)

Sergeant Mandell, a former schoolteacher who says his classroom experiences with adolescent psychology have come in handy during interviews with most of the vandals caught in his jurisdiction, describes them thus: "They tend to come from a lower-middle-class background. They tend to have a ne'er-do-well mentality. They have not succeeded in what they want to do; they are looking for a scapegoat for their own failure."

Beyond this assessment, hard facts about motives remain elusive. Shaky economic conditions have historically been associated with outbursts of anti-Semitism, but Long Island has been having a modest business boom and unemployment has not risen markedly during the past year or so.

Teenage alcohol and drug use, often associated with property destruction, was pinpointed in a special Nassau County task force study as a significant factor in the 81 percent increase in vandalism of all kinds during the past decade. But based on their interviews with adolescents involved in anti-Semitic incidents, the police discount this. Few of the vandals, they say, were stoned or drunk when they committed the acts or were arrested.

Lacking a clear explanation for the anonymous, unpredictable destruction that randomly erupts, Long Island's Jewish community has, for the most part, settled into a *sotto voce* dialogue between its predominantly cool head and sometimes queasy stomach.

Some Jews, analyzing the situation objectively, believe that it is under control. They tell themselves that Jewish community relations agencies and the Long Island Board of Rabbis are doing their jobs. Local politicians and church leaders strongly denounce the acts. Police departments appoint high-ranking officers to investigate each incident. District attorneys successfully prosecute those arrested. News media report developments accurately, without sensationalism. Tough it out; let the cops and D.A.s do their work. Let the message sink in, and the kids

will put away their spray cans as soon as some other fad comes along.

But for many the sinking feeling in the pit of the stomach refuses to go away. With each new tremor it rumbles: This is no fad. Something is awry. All dreams are illusory, and the American dream is no exception. Life was good in Weimar Germany and we know what happened there. The cops may be trying, but the incidents continue. Spray cans today—pogroms tomorrow?

Still, though ambivalence ruled for a time, cool community heads have prevailed. An illustration is the way the Jewish Defense League was neutralized when it came upon the scene.

Two weeks after the Halloween incidents, a J.D.L. spokesman in Manhattan announced that his group would send "fifty to one hundred armed patrols" to Long Island to watch synagogues, cemeteries and private homes. Queried by a local paper about who had requested "protection" and who would provide it, the J.D.L. said that it had no active chapters in the area and outsiders would man the patrols. But for quite a while no patrols materialized, though dozens of anti-Semitic acts were reported in Nassau and Suffolk counties during the next thirteen weeks.

Then, in mid-February, J.D.L. founder Meir Kahane—in the United States on a speaking tour after serving a jail sentence in Israel for leading violent demonstrations against West Bank Arabs—touched down at synagogues in both counties, proclaiming that "a Holocaust in this country is very real." (Close on his heels was Brett Becker, national director of the J.D.L., who urged Suffolk synagogue presidents to organize gun clubs in their congregations to defend their property and themselves. Nobody heeded this call.)

But five weeks later, Rabbi Sol Appleman of Syosset's East Nassau Hebrew Congregation announced that he and nine other J.D.L. members, armed with semi-automatic .22 rifles, handguns and a baseball bat, had begun patrolling seven synagogues in Nassau County. Introduced with an eye toward the headlines—an improvised target shoot in a temple meeting room was staged for the benefit of an inquiring reporter—the guns were put away and the patrols suspended after Inspector Carey met with the rabbi to inform him that there are laws against bearing arms in a threatening fashion.

The rest of the Jewish community, especially rabbis of the synagogues to be "protected," heaved a sigh of relief. Their militant colleague had not informed them of his plans; they had learned about their would-be champions from newspaper reports.

Otherwise, the J.D.L.'s appeals fell on deaf ears, for the Jewish community realistically decided that loutish teenagers, and not professional bigots, are the vandals. To adopt "machismo-at-Masada" postures, Jewish leaders felt, would be a wild over-reaction. Long Island Board of Rabbis president Simon Resnikoff expressed the general consensus when he observed, shortly before the J.D.L.'s hasty retreat, that people bearing arms send a signal that "They are ready to wage a war. Nobody is firing at us. The police have been doing a very good job, and this action tells the world that we are panicking."

Panic has not taken root, largely because most of the Jewish community believes that public agencies are most effective in halting incidents, reasserting accepted standards for adolescent behavior and quarantining residual contagion. Vigilantism, they agree, is not the way.

Inspector Carey and Sergeant Mandell are making it clear that the first line of defense is vigorous law enforcement. They give many overtime hours to discussions with Jewish and general community groups and the press, getting across the message that their departments investigate each incident with the thoroughness due felonies such as rape and burglary—despite the fact that under current statutes most of the vandalism qualifies as, at most, misdemeanors.

Noting that Newsday, the area's major daily newspaper, usually links stories of new incidents to reports of arrests, Mandell declares that "If other kids read about it, that has a far-reaching deterrent value. It also sends a message to the real [adult] bigots, who would like to 'do it the right way,' that maybe it's not the time for them to do their thing."

As to whether teenage vandals will change their attitudes as well as their behavior, he is less sanguine: "They'll learn to stifle their animosities. They can sit around their houses and talk about ethnic groups, but they can't go out in the streets and do it. We're not going to change their basic attitudes. I'm not a social worker, and their parents and the school system haven't done an effective job of teaching them proper values. So I teach them in a different way that you can't go out and pick on your neighbor for his values."

Until recently, schools had been reluctant to take on the problem of adolescent prejudice and vandalism. But as some students increasingly used school property as billboards for swastikas and ethnic and racial epithets, some school districts began to act. Several officials in Long Island's approximately 150 school districts have set out to demonstrate that their schools are equipped to form and change attitudes among students and to contribute to the security of their communities. Their main focus is the intergroup relations program.

Of all the programs planned or under way, perhaps the most ambitious is the one in Great Neck. It grew out of a vicious graffiti attack three days before Halloween which defaced the entire front and one side of North Senior High School with swastikas and "KKK" daubings. This vandalism, reported throughout the New York metropolitan area, deeply shocked Great Neck residents, who are proud of their school's excellent record and the community's religious, racial and ethnic mix. They turned to North Senior High's administration and staff for response and reassurance, correction and catharsis.

SHARE Day (an acronym for "Stop Hatred And Respond Effectively") was the first step. On December 11, classes at the now sandblasted high school were replaced with more than 150 workshops on the nature and dynamics of prejudice. Parents and other adults who wanted to join in this demonstration of concern were invited to come in the evening for a public discussion resolving misunderstandings and tensions.

SHARE galvanized support among members of the school board, administration and staff, and the local citizenry for a proposal to launch a "prejudice reduction" project. Under the plan, the community's educational establishment—from pre-kindergarten through its adult program—is expected to provide coherent focus and direction for community activists who, until recently, found it difficult to coordinate their organizations' efforts to deal with local problems of prejudice and tension.

On February 24, 1981, members of the Religious Fellowship of Westbury join congregants of Community Reform Temple in court as Joseph McCloskey is sentenced. The Fellowship has issued a statement that anti-Semitic vandalism is a societal issue, not a Jewish one; among the signers are representatives of local Baptist, Quaker, Catholic, Methodist and African Methodist Episcopal churches.

Ironically, Joseph McCloskey brings the Fellowship together following a period of inactivity. Soon after, the group sponsors an interfaith seminar and takes part in a Passover seder at Temple Sholom. Rabbi Michael Klein-Katz sees the religious leadership's response as an encouraging sign—but he recognizes that interfaith dialogue, presently in the province of the clergy, does not run very deep in Westbury. He doesn't know how many of his congregants, or members of Christian congregations, would participate if a grassroots dialogue were proposed.

East Meadow's school district, where Joseph McCloskey is a high school student, has been hesitant about following Great Neck's example, even after Rabbi Klein-Katz approached district officials about this.

On May 7, Daniel Ostrander, like McCloskey, was fined $150, placed on a year's probation, and ordered to perform 100 hours of community service. In lieu of the two weekends in jail requested by District Attorney Lieberman, the judge required that Ostrander devote twenty hours to studying about the Holocaust. And in an unrelated case on the Island, another teenager who had painted a swastika and the word "Jew" on the house of a Lake Ronkonkoma Jewish family, was sentenced to six months imprisonment.

The unarmed patrols go on at Community Reform Temple. Members of the synagogue have approached the neighborhood civic association about expanding the area covered, to help deter frequent residential burglaries. The association indicated interest, but hasn't followed up vigorously.

There hasn't been anti-Semitic vandalism at Community Reform since Halloween night. Things appear to have quieted down in Westbury. People are watching. And waiting.●

## EXPIRATION OF EMERGENCY PETROLEUM ALLOCATION ACT

### HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. BROWN of Ohio. Mr. Speaker, last week the Subcommittee on Fossil and Synthetic Fuels held 3 more days of hearings on whether to grant the President any new price and allocation authority over petroleum once the Emergency Petroleum Allocation Act expires on September 30. As the ranking Republican on the subcommittee, I have been permitted the opportunity of making opening remarks. I insert these remarks in the RECORD at this point:

REMARKS OF THE HONORABLE CLARENCE J. BROWN BEFORE THE SUBCOMMITTEE ON FOSSIL AND SYNTHETIC FUELS, JULY 28, 1981

POST EPAA AUTHORITY

Mr. Chairman: I would like to begin by thanking you for convening this hearing and join you in welcoming Kenneth Davis, the Deputy Secretary of Energy, to the Subcommittee.

Mr. Chairman, I know of your efforts to have the DOE testify here today, and once before on July 14. I understand that DOE was reluctant to testify prior to the President's final decision on legislation to succeed EPAA. As you know, the President has now made his decision that no new authority is necessary.

I, for one, am delighted—at the President's position and at the willingness of the Deputy Secretary of Energy to share the Administration's position with us today.

As my colleagues know, the Emergency Petroleum Allocation Act of 1973 expires on September 30 of this year. And with it, will expire the authority of the President to control the prices and the allocation of crude oil and petroleum products: the tried-twice and failed-twice ideas of the past. Controls on prices and on allocations were in effect during both the 1973 oil embargo and during the shortfall in 1979 precipitated by the Iranian revolution. Both times, the evidence now clearly shows, these Federal regulations made matters worse.

But more importantly, the expiration of EPAA will come at a time when this nation is far more prepared to weather an energy emergency than ever before. Let me explain.

According to today's Washington Post, the Strategic Petroleum Reserve was filled with a record 16 million barrels of oil during the month of May, an average of 513,000 barrels a day. The SPR office at DOE has informed me that, in June and July, the average daily fill was over 400,000 barrels a day, not as great as May, but a far cry from the previous rate of fill during the previous Administration—which only under Congressional pressure brought the rate of fill from zero barrels a day to 100,000 barrels a day.

But the Strategic Petroleum Reserve is not our only—and by no means our largest—stockpile of oil. According to the latest survey of the Department of Energy, total private and public reserves of oil are an incredible 243 days of full import oil replacement—that means that if a shortage hit us today, we could, conceivably, continue to consume at the usual rate of 5 million barrels a day for eight months. Naturally, we would not consume this stockpile that fast, since prices would rise eliciting greater conservation, thereby stretching out our available stockpiles even longer. Nor could we exhaust all of this inventory without literally drying up every pipeline in the country. But, it is an academic point to debate exactly how long we could stretch these supplies; the important point is that we have them.

We did not, however, have a Strategic Petroleum Reserve when we wrote the EPAA. We did not have 243 days of full oil import replacement when we wrote the EPAA. So, perhaps, when we wrote the EPAA we had the excuse of, if not ignorance, then innocence, or if not innocence, then an overconfidence in ourselves and in the Federal government.

We have none of these excuses today. We ought to be wise enough now to watch September 30 come and go without making the same mistakes we made before.

I realize that it may be asking too much to ask a legislative subcommittee not to legislate, but we must resist every temptation. Because if we do begin to legislate, we will find ourselves with a bill on our hands remarkably similar to EPAA. Even if we were to have each member of this Subcommittee sign a blood oath, sooner or later along would come a series of amendments to put this group of energy users ahead of that, one region ahead of another, and one type of refiner ahead of another. We could not, in my judgment, stop this process from happening.

How can I be so sure that any bill, no matter how simple, is pre-destined to evolve into another complicated EPAA, with a long and growing list of priorities? Because that is exactly what happended to EPAA itself.

Mr. Chairman, if you and my colleagues would permit, a short history of how we first got into price and allocation controls might shed enough light to keep us out of the dark this time.

During the Arab Oil Embargo in 1973, the price controls on petroleum—imposed under the Wage and Price freeze pursuant to the Economic Stabilization Act of 1970—turned a modest decrease in world oil supplies into a major product distribution crisis in the U.S. Because prices were unable to rise under the price controls, a "shortage" led to long gasoline lines and new legislation, the EPAA. Since the price freeze authority had failed, it was believed by many that a scheme of general price and allocation regulations would solve a future crisis and also help to keep consumer prices low.

This is a copy of S. 1570, introduced by Senator Jackson on April 13, 1973, entitled "The Emergency Fuels and Energy Allocation Act of 1973".

It was four pages short.

It granted broad discretion to the President to allocate crude oil and fuels but only when he declared that an "extraordinary shortage or dislocation" existed or was imminent.

It contained not one priority classification although it stated that such protection was within the discretion granted to the President.

It contained no price control authority.

It was due to expire September 1, 1974.

That bill grew into what was passed in November of 1973, the Emergency Petroleum Allocation Act, the EPAA. And the EPAA contained a certain section chock full of priority classifications, section 4(b)(1). I could read off this list, but I know my colleagues are familiar enough with all the various interest groups which won—or didn't win—a priority over other users.

But let me point out that the two major groups not provided for are: (1) the average American automobile driver; and (2) the average American heating oil purchaser.

The EPAA, as originally passed, did not work as we planned. The shortages, the gasoline lines and the frustrations of our constituents were not being remedied, they were being compounded. We couldn't, evidently, legislate the shortages to fit our preconceived plan. But that did not stop us.

So we amended the EPAA time and again. We prevailed upon the Executive Branch, under both Republican and Democratic Administrations, to "improve" its regulations. Create a new department! Create the Office of Hearings and Appeals!

And the regulations poured out of the Federal Government. And the appeals from our citizens poured into the Government. Middleclass America was sitting in gas lines, but K Street in Washington was swarming with Energy Lawyers. The Economic Regulatory Administration received 110,000 applications for motor gasoline allocation adjustments.

These volumes consist of 80,000 pages of Hearings and Appeals decisions—only a fraction of the total of 33,000 decisions. But all of this only indicates the burden on the Federal Government as it attempted to adjust these regulations in the real world.

The burden on the private businessmen was far greater. The Office of Hearings and Appeals case files of applications for exception relief and enforcement cases fills 27 standard 5-drawer filing cabinets; 9 larger shelf cabinets; and 573 record boxes. Most of this paper was prepared by private attorneys at great expense to the applicants—thousands of whom were gasoline station dealers.

From the relatively concise, discretionary program of the original EPAA—which would be "temporary, only temporary"—came reams of regulations, eight years in existence.

And somehow, over the course of eight years, the "emergency" stayed with us. Why? The reason was the EPAA itself.

With domestic crude oil prices kept below world prices, U.S. consumers paid less for petroleum products. However, they also conserved less. U.S. producers produced less because of the lower prices. Imports, therefore, rose substantially as the price of imported oil was subsidized at the expense of domestic supplies. Total imports increased by one-third between 1974 and 1979—despite an increase in Alaskan production of 1.2 million barrels a day.

Mr. Chairman, I voted for the original EPAA. I signed the Conference Report. I crossed my fingers, but my sincerity did not help.

I am firmly convinced that we cannot reconsider the EPAA without re-creating the EPAA.

Let us concentrate on the pleasant news that we now have a record inventory of private and public oil stockpiles of 243 days of full import replacement. That is a remarkable achievement. We now have a Strategic Petroleum Reserve being filled at a rate more than four times greater than the rate we mandated last summer in the Energy Security Act.

We are, therefore, in a far better situation than we were in 1973. We no longer have the excuses of ignorance or innocence. So, I prevail upon my colleagues to support the Administration's position.

Thanking each of you for allowing me these somewhat long—but I hope, helpful—remarks, I welcome Kenneth Davis of the Department of Energy.

Thank you, Mr. Chairman.

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STATEMENT OF THE HONORABLE CLARENCE J. BROWN BEFORE THE SUBCOMMITTEE ON FOSSIL AND SYNTHETIC FUELS ON THE EPAA, SEPTEMBER 9, 1981

Mr. Chairman, at the last EPAA hearing which was held on July 28 by this subcommittee, I believe I made clear my opposition to any new price and allocation legislation. My colleagues were gracious to allow me a good bit of time on that occasion, so I will be brief today.

Price and allocation controls on petroleum during a sudden severe curtailment in supplies are worse than ineffective—they are damaging. The mere prospect that price and allocation controls will be implemented in

an emergency discourages the stockpiling of crude oil and products—because of the fear that Uncle Sam will steal stocks from the prudent ant and give them to the grasshopper. Also, price controls discourage prior buildup and timely drawdown of private inventories.

Price controls will also keep consumption up and create a shortage of demand over supply. Finally, allocation controls will have the Department of Energy in Washington again distorting the supplies of fuel, such as sending residential heating oil to farmers, or commuters' gasoline in Ohio or New York to Florida vacationers.

It is time to realize we were wrong in 1973 when we passed the EPAA and again in 1975 when we extended it. Why are there those who insist on renewing these tried-and-failed tools of big government? Are all the special interests so powerful that it is only the consumers' long term interests that are sacrificed?

Adoption of a "no allocation bill" policy by the administration does not mean that the Federal Government does not have a role in some future sudden cut-off of foreign oil supplies. On the contrary, the Federal Government already has numerous powers to deal with energy and national security emergencies. Our best single defense is the strategic petroleum reserve, which thanks to the Reagan administration, is being filled at over 400,000 barrels of oil per day. In his first year in office, President Reagan's administration will have doubled the crude oil in SPRO to over 220 million barrels.

Private stocks are also critical to the Nation's ability to adjust to sharp fluctuations in crude oil imports. The recent provision in the Economic Recovery Tax Act which permits 5-year depreciation and investment tax credit treatment for petroleum storage facilities is a proper step in the direction of positive Government support for rather than discouragement of—private inventory building.

But I do not believe that it is sufficient for the administration to simply say that the free market is the best allocator of petroleum during a crisis and then expect the Congress to obey. The bad tradition of turning to price controls and the enormous power of special interests must not be simply brushed aside. The administration must work to educate the Congress and the public that its position is both intellectually and practically the best alternative.

The administration must also educate the Congress of its awareness that it has a role in the management of a petroleum crisis.

Nor do I believe that the Federal Government can close its eyes to the plight of the truly needy during a petroleum interruption in which prices may rise and discourage consumption. I have no reluctance to seeing social policy questions addressed as long as we separate our energy policy from our social policy.

In sum, I urge my colleagues to listen carefully to the parade of special interests before us this week, and think carefully about not what will be the best for the slickest lobbyists, but what will be the best for the American people and the economy as a whole.

I introduce into the RECORD a letter which my colleague, the gentleman from North Carolina, Congressman JAMES BROYHILL, and myself wrote to President Reagan on September 9, 1981, with respect to the administration's position on price and allocation legislation. Today, we received President Reagan's response which I would also like to include in the RECORD at this point.

The letters follow:

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON ENERGY AND COMMERCE,
*Washington, D.C., September 9, 1981.*

The PRESIDENT,
*The White House,*
*Washington, D.C.*

DEAR MR. PRESIDENT: As Republicans who have long been opponents of price and allocation controls, we applaud the Administration's position of opposition to the enactment of any price and allocation authority to replace the Emergency Petroleum Allocation Act of 1974 (EPAA), which expires on September 30, 1981.

As you know, the EPAA grew out of the Wage and Price Guidelines as the Federal solution to the Arab Oil Embargo of 1973-74. During the period of price controls, the United States conserved less, produced less, and imported more petroleum at higher prices than it would have without such controls. Furthermore, twice during the seven years of price and allocation controls on petroleum, the Nation experienced major gasoline lines from minor shortfalls in crude supplies. We firmly believe that price and allocation controls will be as inequitable and unworkable if imposed in the future as they were in the past.

Notwithstanding what we understand to be your clear and unequivocal position in opposition to any extension of the Emergency Petroleum Allocation Act, there are many Members of the House and Senate who appear undecided on this issue. Moreover, in the absence of any formal statement from the White House, there are a number of Members who are prepared to pass new price and allocation legislation without any Administration input. A number of bills have already been introduced. As the September 30 expiration date approaches, Chairmen in the House and Senate may be under increasing pressure to act on emergency price and allocation legislation.

We are concerned that unless your Administration makes a strong statement of its opposition to such legislative initiatives, we may not be able to block the extension of price and allocation control authority on your behalf. We, therefore, believe your timely and unequivocal statement on this matter is needed as soon as possible.

Sincerely,

JAMES T. BROYHILL,
CLARENCE J. BROWN.

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THE WHITE HOUSE,
*Washington, D.C., September 14, 1981.*

Hon. CLARENCE J. BROWN,
*House of Representatives,*
*Washington, D.C.*

DEAR BUD: I know that you and Jim Broyhill have worked hard over the years to eliminate unnecessary Federal regulation of energy. As the expiration date of the Emergency Petroleum Allocation Act approaches, I want you to know that I fully share your opposition to any extension of allocation and price control authority.

Experience under the existing law has taught us that rather than ensuring equity, allocation and price controls simply make a bad situation worse. As you noted in your letter, allocation and price controls have turned minor shortages into major gas lines twice in the past seven years.

My Administration is fully committed to preparing for and protecting against oil supply emergencies. The Strategic Petroleum Reserve will acquire more oil this year than in the preceding four years. The Department of Energy undertook an internal reorganization to focus responsibility in a new Assistant Secretary for Emergency Preparedness. Working with other affected agencies and taking advantage of the numerous legal authorities that will remain in force after September 30, DOE is developing careful plans that will encompass a broad range of emergency response measures.

In closing, I would like to thank you and Jim for your strong support.

Sincerely,

*Ron.*●

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## TRIBUTE TO CHARLES L. KMEN OF CICERO, ILL.

### HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. HYDE. Mr. Speaker, the Life newspaper in my district recently published a short article about a very courageous constituent of mine, Mr. Charles L. Kmen of Cicero. For the past 25 years, Mr. Kmen has been paralyzed and confined to an iron lung but despite his handicap he has kept an active mind and particularly enjoys writing.

One of his hobbies is writing songs and among them is a march for his hometown simply entitled "Cicero."

Mr. Kmen, an Air Force veteran, is a "profile in courage" and deserves our congratulations and best wishes. I am pleased to share the following article about him with my colleagues, as well as reprint his song "Cicero":

[From the Life, June 28, 1981]

RESIDENT WRITES MUSICAL TRIBUTE TO CICERO

(By Susan Saccaro)

He has been completely paralyzed for 25 years and confined to an iron lung, but that doesn't stop Charles Kmen from using his mind, his last active resource, for learning about the world around him, a world greatly limited for a victim of polio.

A resident of Cicero, the 51-year-old Kmen has written a march honoring his home town. The lyrics were submitted to Morton High School for arrangement, but rejected as school funds could not cover the expense.

"To arrange the piece so that it is playable by a band requires a great deal of time, expertise and expense," states a letter sent to Kmen from Joseph Frantik, head of the fine arts division. "Our budget does not permit us to undertake this type of project, and the members of our music faculty are not professional arrangers."

The Ciceronian is hoping to find someone who will volunteer to arrange the score, he said, as he can create a melody but does not write music.

"I kind of figured I'd write something about the town," Kmen said. "Nobody else did it before, so I thought I'd try."

Kmen said he has 18 other songs copyrighted, and wrote his daughter's wedding march in 1974.

"It's kind of like a hobby," Kmen explained. "I can hum it, then I find someone who can put it in note form."

One of his latest efforts, a hymn entitled "What Have You Done That Was Good?", was played after a Mass in Our Lady of Charity Church, 3600 S. 57th Court. Organ music for the hymn was provided by Robert Valenta, while lyrics were sung by Lynn Macejek.

But the Ciceronian's talents are not limited to musical creativity, as he has tried his hand at a manuscript as well. Kmen spent eight years working on a 26-chapter book entitled "Sentenced to Live."

"The publishers just weren't interested," said Kmen, adding the piece was rejected by the 40 publishers who were sent copies. "I still have it yet. It's like a record of what happened to me. The grandchildren can read it someday."

In his writings, Kmen attempts to explain the pain and pity of polio, he said, and how the physical results affect the victim in other ways.

GLAD TO BE ALIVE

Though there were times the polio victim said he wanted to die because of the pain, he is glad he survived it, adding, "Now I got to see my grandson."

Bryan Charles Gerdzunas is Kmen's only grandchild, born of his only daughter, Kimberly. His daughter was 1-year-old when Kmen became one of 1,100 Chicagoans afflicted with polio.

"You're locked in your flesh," Kmen said of paralysis. "You can't move, but your mind is active."

An understatement, to be sure, as Kmen's mind is constantly creating ideas, though his motionless hands cannot put them on paper.

"When I get a thought, either my wife writes it down or someone else does," he explained. "I'm looking for volunteers who could help me write my dictation or help with simple sketches to put my ideas on paper."

The sketches the Air Force veteran refers to are designs for toys he has thought up, along with "different gadgets." Kmen said volunteers are "the hardest thing to find. People are always so busy." He would also like to find some retired men with whom to play cards.

The amateur songwriter, author, inventor loves to go out for car rides, but even that is a rare treat since it takes two men to get him and his wheelchair into a car, he explained. But despite the physical restrictions given to him by an invisible enemy, Kmen continues reading, learning and creating, making the most of the one thing polio didn't steal away; his mind.

CICERO

Cicero, hey, Cicero, say
Cicero, a town you should know
A good suburb of Chicago
Hard working people left their past
Built town and industry to last
Cermak Road, the lake's a stone's throw
This new land to house more peasants
Once violets prairie for pheasants

(*Chorus*)

We are the new generation
Proud graduates of Morton High
Progress of our town's children
Have their own college right nearby
Basketball, baseball champions
We're part of future Midwesterners
Ethnic group's family ties are strong
Ciceronians get along.●

## SOUTH AFRICA AND SOVIET UNION: ODD PAIR ON MINERAL MARKETS

### HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. SANTINI. Mr. Speaker, as you know, I have warned the Members of this House for the last several years of our vulnerability with respect to the supply of strategic and critical minerals from southern Africa. On August 4, 1981, the Washington Post published an article linking the Soviet Union and South Africa in the strategic minerals trade.

In light of recent political events in this area involving South Africa, Namibia, and Angola as well as troops from both Cuba and the Soviet Union, one cannot deny the existence of dangerous instability in this region that is so critical to our mineral well-being.

It was with great alarm that I read of the cooperation between the Soviets and the South Africans in minerals marketing. This is especially disconcerting when one realizes that the Government of South Africa, the Saudi Arabia of strategic minerals, is strongly anti-Communist.

For the convenience of my colleagues who may not have had the opportunity to read this article, I include this article, "South Africa and the Soviet Union: Odd Pair on Mineral Markets," in its entirety in the CONGRESSIONAL RECORD.

[From the Washington Post, Aug. 4, 1981]

(By Caryle Murphy)

JOHANNESBURG.—Each year in carefully concealed movements, thousands of carats of rough diamonds from Soviet mines in Siberia are transferred to vaults owned by a South African-run enterprise based in London. In exchange, the Soviets are paid millions of dollars by the South Africans.

This diamond connection between two of the world's bitterest enemies, who are also through a twist of geological fate two of the largest treasure-troves of precious stones and strategic minerals, is part of a series of secret and regular contacts between South African businessmen and Soviet officials.

Some of the contacts, the best documented ones, involve South African marketing for Soviet diamonds. Others reportedly are aimed at sharing information about mining technology and the marketing of certain strategic minerals in addition to the diamonds.

As the major competitors on the Western market for such important commodities as gold, coal, asbestos, iron, manganese and platinum, Pretoria and Moscow share a common interest in seeing a high or at least a stable price for these products, vital to both their economies. So despite their ideologic distaste for each other—and Moscow's support for economic sanctions against South Africa in international political forums condemning apartheid—calmer and friendlier relations prevail in the discreet world of international finance and business.

It would be going too far to say there is collusion between South Africa and the Soviet Union to fix mineral prices, especially in the case of gold. But their covert contacts undoubtedly provide them both with valuable information and contribute to what financial people like to call "orderly marketing."

Diamonds are forever and the South Africans would like to market them for everyone forever. For decades, maintaining a controlled world supply of diamonds has been the prerogative of De Beers Consolidated Mines. This is the diamond section of Harry Oppenheimer's Anglo-American Corp., the world's largest mining empire headquartered on a quiet, tree-lined street in this city's financial district.

For many years the Soviet Union, second-largest producer of gem diamonds in the world, had an open contract with the London-based, De Beers-controlled Central Selling Organization to market their diamonds. Although this was abrogated in 1963 for political reasons, a working relationship still exists.

European diamond dealers buying from "the syndicate," as the Central Selling Organization is also called, say they find Soviet gems in their purchases. Oppenheimer has privately told people here that his cousin Philip Oppenheimer, who heads the Central Selling Organization, regularly travels to Moscow and that De Beers executives meet the Soviets in London. Earlier this year a British Broadcasting Corp. "Panorama" television program told how a Soviet delegation visited the South African diamond mine in Kimberley and how Oppenheimer had dined in London with Boris Sergeev, deputy president of the Soviet diamond and platinum marketing organization in Moscow.

The Soviet Union is not the only ideological foe of South Africa to deal with the Central Selling Organization. Marxist-run Angola, which is virtually at war with South Africa because of its support for anti-Pretoria insurgents in Namibia, also sells its diamonds through the group's pipeline.

Mining and Technical Services, a Liberian-registered company whose board has several directors formerly associated with De Beers, has recruited expertise and technological aid since 1977 to help the Angolan diamond industry recover from its disruption during the civil war there in 1975–76, according to a British diamond expert, Timothy Green.

It was at the Bolshoi Theatre in Moscow that the curtains were accidentally raised on other acts in the Kremlin-South African connection. In the audience watching a performance of the opera "Boris Godunov" one night last November was one of Oppenheimer's right-hand men, Gordon Waddell. As chairman of Anglo's Johannesburg Consolidated Investments, Waddell directs operations of the world's largest platinum mine. A former son-in-law of Oppenheimer, Waddell is also on the four-man Operating Committee that makes top day-to-day executive decisions for the Anglo American Corp.

Waddell was accompanied by another Anglo executive and two unidentified Soviet officials. He told an inquisitive BBC reporter who spotted him that he was "just passing through."

"I would find that explanation quite difficult to believe," said William Gutteridge,

professor of international studies at Birmingham's University of Aston and an expert on Soviet-South African relations. "You don't just pass through Moscow and get good seats at the Bolshoi ballet by accident," Gutteridge said in a telephone interview.

South Africa and the Soviet Union supply 95 percent of the world's platinum. South Africa's major mines sell on long-term contracts. But the Soviets, who produce about one-fifth of what South Africa does, sell their platinum on the free market. A tacit agreement for the Soviets not to accept a free-market price substantially under the South African contracted prices would be in the long-term interests of both parties, observers note.

"You've got to have some kind of marketing arrangement," said one South African trader commenting on Waddell's presence in Moscow.

It would not be the first time Waddell met the Soviets. Each May in London's Savoy Hotel, platinum merchant Barry Salter brings together about 200 of the world's major platinum producers and consumers. The Soviets and South Africans are among the guests quaffing quality wine and talking shop.

Gutteridge says that he also knows of at least one secret meeting two years ago between Soviets and South Africans in Oslo during which the Soviets told the South Africans they were temporarily dropping out of the platinum market.

"There are some cases too, for example in chrome, of the Soviet Union indirectly contacting South Africa on prices," he added. But "the evidence on platinum is pretty clearcut . . . I would not be surprised if they are not also discussing mining and refining techniques."

While there is no evidence of direct discussions on gold sales between the two countries, which together supply 80 percent of this precious metal, there are ample opportunities through intermediaries to learn about each other's intentions.

The South African Reserve Bank, which last year sold more than $10 billion worth of gold, and the Soviets' Zurich-based Wozchod-Handelsbank deal with the same bullion dealers and Swiss banks. In addition, Anglo-American owns 29 percent of the London-based Consolidated Gold Fields, a gold-mining finance house that besides owning profitable gold mines in South Africa is regarded as the expert source in the West on Soviet gold production.

The company's executive director, Michael Beckett, visited Moscow for discussions with Soviet officials last September that he said were to gather information for his company's annual bullion survey and to discuss gold mining technology. He also acknowledged that his company regularly speaks with officials of Wozchod-Handelsbank.

Christopher Stolz, senior deputy director of the South African Reserve Bank, agrees his country and the Soviet Union "have common interests in marketing operations of gold" that could lead to similar sales policies. But he denies any formal or informal discussions.

The bank does, however, "get a lot of information, quite good information sometimes" on Russian sales through banks and dealers used by both countries in New York, Frankfurt, Zurich and London, Stolz said.

Ian Wright, a former executive of Consolidated Gold Fields and now a London stockbroker specializing in gold, said in a telephone interview that "the strings or ties between the Soviet Union and South Africa are very slender indeed, but I'm quite sure some kind of link has been made."

Wright speculates that any tacit agreement might be along the lines of agreeing on a floor price below which both countries would not sell. Such an agreement would be all the more useful now than in the past due to what Oppenheimer calls the volatility of the gold market.

As Communists who pride themselves on their anti-South African posture in international bodies, the Soviets appear more embarrassed by the publicity of these contacts than the South Africans. but they have not been as adept as the South Africans in denying them.

Anatoli Gromyko, head of the Soviet Africa Institute, told a Swiss newspaper that asked him about Soviet ties to the Central Selling Organization: "The Soviet Union has contacts with the cartel which deals in diamonds, which is not to be confused with official government ties with South Africa."

And when a BBC team questioned the Soviet deputy ambassador to London, Vladimir Bykov, about Oppenheimer's meal with Sergeev, Bykov replied, "Harry Oppenheimer is an international businessman. I assure you that our representative when he talked to him, he talked to him as a businessman, perhaps from Britain or the U.S., not like to a South African."

"There is no cooperation at all," Oppenheimer said last May in Frankfurt when asked about the Waddell excursion to Moscow. "There are common interests obviously in these markets and naturally both sides try to know what the other is doing. There are no agreements. Perhaps it would be better if there were, but I'm afraid there are not."

Waddell did not attend Salter's platinum lunch this year. When a rival South African platinum producer, Sidney Newman of Lonrho, playfully broached the subject of Waddell's visit to Moscow, Soviet trade official Eugene Manakov shouted from his seat, "He was at the Bolshoi," according to a participant at the lunch.

At this, grins and chuckles bubbled over in the Savoy's dining room.●

# HOUSE OF REPRESENTATIVES—*Wednesday, September 16, 1981*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O gracious God, we ask Your favor on all those who labor in this assembly that the opportunities to serve You will be known and thus bring a measure of justice to people everywhere. Give us strength and diligence not only for the tasks near at hand, but also enlighten us to see how we, even in seeming small measure, can do those things that keep bringing purpose and meaning to people in our land and in the world. Give us the zeal and determination to do the things that make for peace so we can live with one another without threat, but with trust and respect, recognizing that we are all created equal in Your sight, blessed by Your providence and guided by Your Spirit. This we pray. Amen.

## THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## CONGRESSMAN STRATTON OFFERS BILL TO END DEFICITS WITHOUT MAKING FURTHER CUTS IN EITHER DEFENSE OR SOCIAL PROGRAMS: H.R. 4487

(Mr. STRATTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STRATTON. Mr. Speaker, we are all aware that there is a crisis in Washington because of the unwillingness of the financial community to bring down interest rates because of continuing budget deficits. There are a number of suggestions now being made with respect to how to deal with this serious economic problem. One group says we should cut more deeply into defense. Another group says we should cut social security and a third group says we should go back and cut some of the social programs. Some people have even suggested putting the bankers in jail. All of these approaches would obviously be disastrous. Yet the Director of the Office of Management and Budget tells us that we need some $70 billion of additional revenue in order to get the Reagan program into balance.

Well, yesterday I introduced into the House H.R. 4487. This is a relatively painless solution to our problems. It provides for a reduction in the personal income tax rates in the Reagan tax cut legislation now on the books from 25 to 15 percent. This change will produce an estimated $65 billion of revenue. By passing this bill we will not have to cut defense or social security, or undertake further cuts in our domestic programs.

My bill does not tamper with any other feature of the tax cut legislation, including the stimulative cuts provided to business.

I urge Members to join me in cosponsoring this legislation, so that we can have a viable alternative to damaging budget cuts.

## A HECK OF A WAY TO RUN A RAILROAD

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, there is an old phrase, "That's a heck of a way to run a railroad." A lot of people are feeling that way about their rail service today.

Many of our communities will never hear another train whistle. Unfortunately, many railroads in this country, including the one that operates in my State, are quietly abandoning our towns. They are forming holding companies. They are abandoning branch lines and they seem to have more interest in their mineral, timber, and other interests, than they have in running their railroad.

I think it is time to get the railroads back on track. We gave them massive amounts of property to run that railroad. Now they want to keep the property and abandon the rail service.

I intend to use every handle I can to fight these railroad actions. I have the Congressional Research Service doing a study to determine what our remedies are; but I want this Congress to know that I am going to use every legislative and legal remedy available to reclaim land and minerals given these railroads when they abandon service and I will continue to fight the formation of their holding companies.

Most companies try to structure their service to attract the customer. The railroads structure their service for their own interests and they tell the customer that this is the way it is. It is a heck of a way to run a railroad and we do not have to sit quietly by and take it.

## BALANCING THE BUDGET ON AMERICA'S RETIREES

(Mr. RATCHFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RATCHFORD. Mr. Speaker, I wish to commend the President for his promise yesterday that he would propose no further cuts this year, in social security. But I wish he would speak to Mr. Stockman; I wish he could convince some of his allies in Congress to quit the scare tactics.

There is no excuse for those scare tactics; there is no excuse for telling 36 million recipients of social security benefits that Washington may renege on its commitment if Washington's high-risk gambles with the economy do not pay off.

There is simply no excuse, Mr. Speaker, for an administration and a Congress to contemplate balancing a Federal budget on the backs of America's retirees.

There are other, better alternatives: a billion dollars in wasteful tobacco, sugar, and other subsidies; a half billion in unnecessary public works projects; as much as $15 billion a year, according to the General Accounting Office, in sloppy management at the Pentagon.

These are the programs we should be cutting, Mr. Speaker. We should not, to borrow that phrase from Vice President BUSH, try to make "voodoo economics" work by sticking more needles into the social security system and wounding America's elderly.

## CALIFORNIA DEMOCRATIC DELEGATION UNANIMOUSLY OPPOSED TO SALE OF AWACS TO SAUDI ARABIA

(Mr. LANTOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANTOS. Mr. Speaker, California is a defense State and the 22 members of the California Democratic delegation do not agree on many things, but it was my great pleasure last night to deliver to the White House a letter signed by every single one of the 22 Members of the California Democratic delegation opposing the sale of

AWACS to Saudi Arabia. This is what we told President Reagan:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
*Washington, D.C., September 15, 1981.*

President RONALD REAGAN,
*The White House,*
*Washington, D.C.*

DEAR MR. PRESIDENT: We respectfully inform you that the twenty-two member California Democratic delegation—the largest in the Congress—is unanimously opposed to the sale of AWACS and the F-15 enhancement package to Saudi Arabia. The overriding consideration on which our opposition is based is our considered judgment that this sale would be profoundly contrary to the interests of the United States.

We fully share your stated desire to further advance the Camp David process and to strengthen relations both with Israel and with friendly Arab nations, but we believe that the proposed Saudi arms package would increase tensions and instability in the Middle East and would threaten the integrity of some of our most sophisticated weapons systems.

Sincerely,

Tom Lantos, Don Edwards, Mervyn M. Dymally, Glenn M. Anderson, Anthony C. Beilenson, George E. Brown, Jr., John Burton, Phillip Burton, Tony Coelho, George E. Danielson, Ronald V. Dellums, Julian Dixon, Vic Fazio, Augustus F. Hawkins, Robert T. Matsui, George Miller, Norman Y. Mineta, Leon E. Panetta, Jerry M. Patterson, Edward R. Roybal, Pete Stark, and Henry A. Waxman.

## NONRECOURSE LOAN PROVISION FOR SUGAR IS NOT A MONSTER

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, when the 1981 farm bill comes to the floor of the House, our attention will be directed to the merits of the sugar provision. This provision calls for nonrecourse loans for our Nation's sugar growers in the event of record-low prices.

The nonrecourse loan provision is not the monster it is cracked up to be. Nonrecourse loans for sugar will not break the bank. They will not saddle the consumer with heavy debt. They will not force the price of sugar to skyrocket. Nonrecourse loans will do one thing and one thing only: They will guarantee that we, in this country, have a vital and healthy domestic sugar industry.

Opponents of the sugar provisions have knowingly circulated misinformation about the nonrecourse loan program. And, I want to set the record straight right now.

When the price of sugar drops through the floor, many small farms simply go out of business. Under the sugar provisions in the farm bill, farmers of beet and cane sugar can get a loan on their crops rather than sell at a loss. When the price of sugar falls below the loan level established in the bill, the nonrecourse loan program is triggered. The farmer can then obtain a loan from the Government using his crops as collateral. When the price goes back up, farmers can later redeem their crops by paying off the loan with interest. What this means for the small farmer is that he is not forced out of business by an unstable market. What this means for the consumer is a stable market and stable prices.

The bottom line is that administering this program will not cost the Government a penny. And the bottom line is that it is time we treated sugar just the way we treat other crops: Corn, wheat, rice, soybeans, oats, honey sorghum, and rye all have nonrecourse loan programs. The time has come for sugar to receive equal treatment.

## IS PRESIDENT'S NAME "REAGAN" OR "FAGIN"?

(Mr. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, the administration's proposal to reduce the quantity and ingredients of school lunches leaves me wondering whether the President's name is Reagan or Fagin.

This is the same administration which wanted to slash food-stamp benefits to families whose children were eating school lunches. Now they want to reduce those lunches.

We can all appreciate the plain silliness of the administration's proposal.

Cakes, which are mostly flour, milk, water, and especially sugar, will now count as eggs.

Catsup will count as a vegetable? The catsup is mostly water, corn sirup, sugar, vinegar, and salt, in addition to tomato.

Relish as a vegetable? The relish is mostly chopped pickle, corn sirup, sugar, vinegar, water food starch, and salt.

But this proposal is more than silly; it is malicious. Many children in the school lunch program depend on those meals for one-half their daily nutrition. Depriving them of wholesome, edible meals in schools sentences them to nutritional deprivation which will affect their schoolwork and their health, and ultimately, their personal development.

And this proposal is cruel. What kind of a message does it send to the poor and the hungry people of this country when they read that Mrs. Reagan is going to spend more on a single china place setting for the White House than it costs to feed a schoolchild for an entire year or three high-risk mothers in the women, infants, and children program, which saves $3 in medical costs for every dollar it spends.

The message is very clear: They do not care.

I hope the Congress sends a different message. As Representatives of all the people instead of merely the well to do, we must be more concerned with the quality and availability of the food we put on the table than with the exquisite design of the china the food is served on.

## ANOTHER IN SERIES OF "EVENTS" AT THREE MILE ISLAND

(Mr. ERTEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ERTEL. Mr. Speaker, last Friday night we experienced yet another in a series of "events" at Three Mile Island. This time, the normal leakage from TMI 2's primary coolant system increased 500 percent, from one-tenth gallon per hour, to six-tenths gallon per hour.

This coolant spilled into the reactor containment building joining the already over 8 feet of contaminated water that makes up the radioactive swamp in the building today.

Since the accident 2½ years ago, many of the systems maintaining the status quo at TMI 2 have gone without maintenance. It should come as no surprise, then, that these systems will develop new problems.

Luckily, Friday's "event" did not result in any offsite radiation exposure. But, it again raises the troubling question: How long can we drawout the TMI 2 cleanup without inviting disaster?

Public health and safety demands a TMI cleanup funding solution to be put in place soon. H.R. 2512 does that job and insures that people living around the site of the next accident are not held hostage to increased health and safety hazards.

## NO GOOD REASON FOR SALE OF AWACS

(Mr. FRANK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRANK. Mr. Speaker, it is unfortunate that at the current moment the No. 1 legislative priority of the Reagan administration appears to be breaking congressional resistance to selling AWACS to Saudi Arabia.

I noted with distress, but not surprise, the Saudi Arabians' vehement objection to the notion that there should be stronger strategic collaboration between America and Israel. This reflects Saudi Arabia's hostility to the very existence of Israel. It is not an attitude one would expect from a nation

primarily interested in opposing Soviet penetration of the Middle East.

There is simply no good reason in American foreign policy terms for the sale of these AWACS. We run the risk of losing control of this most important and sophisticated defense technology—the risk that we ran a few years ago when, if the ayatollah had shown a little patience, he would now be in possession of AWACS, because we almost sold them to the Iranian regime.

The argument that the Saudis have, in fact, earned these planes by oil pricing concessions to the United States simply misconceives the basis for Saudi oil pricing policy which is, as it ought to be, their own long-term economic interest in preventing other OPEC nations from pricing oil out of the energy market.

The sale of the AWACS will undermine further the chance of progress in the Israeli-Egyptian peace talks, which are the main framework and, in fact, the only framework in which peace negotiations now exist in the Middle East.

It makes no sense to reward Saudi Arabia for its fierce hostility to the Camp David talks and its support of the pro-Soviet PLO by selling them the most desired items in the American defense arsenal. Congress should vote down this sale.

## POLICIES OF INTERIOR SECRETARY JAMES WATT

(Mr. FROST asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FROST. Mr. Speaker, I believe that any member of the party not in office in the White House must be prudent in calling attention to the misjudgments of those at the helm of Government.

Now, Mr. Speaker, after 8 months, I feel fully justified in challenging the direction of the policies of Interior Secretary James Watt.

I had reservations about Mr. Watt's objectivity since he had been the director of a foundation which represents developmental interests. As Secretary of the Interior, he is charged with serving the competing interests of mineral development and environmental preservation. My apprehensions, as it has turned out, were not unfounded. Mr. Watt's policies are not designed to balance the need for energy independence and the need to preserve our Nation's wealth of beauty. His objectives are strictly economic—and shortsighted.

Some resources have to be developed—but there are also alternative energy sources available which can be developed. There are no alternatives to our wilderness areas and national parks. Previous Secretaries—Democratic and Republican—have realized these facts. It is true that they have tended to lean in the direction of preservation, but by no means can any of these men be called extremists. They have made determined efforts to strive for the balance I mentioned. But Mr. Watt's term, thus far, represents a drastic shift in policy direction.

Mr. Watt denies this. But at the same time, he claims that he has been so effective in his job that he is a rebel without a cause—that the sagebrush rebellion has been won. He may be a rebel, but it is apparent that his cause is not consistent with his responsibilities as steward over departmental programs.

Mr. Speaker, I rise today to urge the Secretary to review his obligations and revise his policies so as to properly reflect his department's mission.

## SECRETARY OF THE INTERIOR REPRESENTS ALL AMERICANS

(Mr. GEJDENSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEJDENSON. Mr. Speaker, as a member of the House Interior Committee I have become quite familiar with Secretary Watt's policies with regard to the environment. Mr. Watt, as director of the Mountain States Legal Foundation was an able advocate for those who wished to open up Federal lands to mineral development. There is now a new director of the Mountain States Legal Foundation who is also an able advocate for development interests. Secretary Watt, however, is still operating as if he were still in his former capacity.

The Secretary of the Interior holds a very special position in this country. Whether or not future generations will have the opportunity to enjoy unspoiled wilderness areas, well-kept national parks, and other natural resources that we may sometimes take for granted, is to a large extent in his hands. The responsibility is a broad one. Different segments of society obviously have different interests. This is where the need for the balancing of interests comes in.

Currently 90 percent of all Federal lands are open to development. Only 2.9 percent of all Federal lands in the lower 48 States are closed to development. Secretary Watt feels that this "balance" is unfairly weighted in favor of the "environmental extremists." I have to disagree with Secretary Watt on this.

Public lands belong to all the people, and their interests need to be protected. I feel that Secretary Watt has failed in fulfilling his obligation to those who truly own the Federal lands—the people of this country.

## LET'S STEP BACK FROM SECRETARY WATT'S POLICIES

(Mr. VENTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VENTO. Mr. Speaker, I want to call attention of the House and the Nation, really, to the conduct of Secretary Watt this past week at the Governors Conference. Apparently Watt recognizes his faltering policy and popularity in the polls, and as a consequence he is trying to give the States everything they ever wanted. The problem is, he is doing it at the expense of the environment, I think that this really is crass contradiction to the responsiblities that he assumed when he became Secretary of the Interior.

I am very concerned about the changing complexion of things. I think that the degradation of our natural resources and environment are too great a cost to pay to buoy up the image of the Reagan administration's resource policies with regard to land use, and with regard to the environment. So I would hope that we can avoid this and step back from these actions proposed by Secretary Watt, and look at it dispassionately. The Department of the Interior should seriously defend the National Government's water rights and legitimate interests, not place them on the auction block to placate criticism. It does not take much talent or fortitude on Watt's part to cave in to a "States rights" argument in this regard.

Mr. Speaker, I must say I was disappointed to hear President Reagan remark during a press gathering in August that he thought that Secretary of the Interior James Watt was doing a good job in the face of attacks from environmental extremists.

Now what bothers me about the President's statement is not the fact that he supports James Watt. This is to be expected, because Secretary Watt is the ball carrier for the administration's environmental policies. What really bothers me is the fact that our President has fallen into the trap of using the code words, "environmental extremist." Those who oppose the policies of Secretary Watt, and I am one of them, are now labeled environmental extremists, not only by Secretary Watt but by the President as well. Characterizing someone as an extremist is a convenient way to brush off criticism, attempting to make it appear that the administration's environmental policies are only opposed by a few Americans.

It is clear that there are many Members of Congress and vast numbers of Americans who oppose Secretary Watt's policies. To dismiss our concerns as the talk of extremists is both irresponsible and a disservice to many concerned Americans.

## UNWARRANTED CRITICISM OF SECRETARY SCHWEIKER

(Mr. HYDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HYDE. Mr. Speaker, the gentlewoman from Colorado issued a "Dear Colleague" letter recently with a copy of a magazine cover photo of Secretary and Mrs. Schweiker splendidly attired sitting at a lavish banquet table. Our colleague entitled the photo and the accompanying cartoon "The Two Sides of Ronald Reagan's America."

This criticism, I might mention, was emulated by two Washington Post columnists whose talent for research is exceeded by their talent for criticism.

Now, what they all failed to tell you was that this was a publicity photo for the Juvenile Diabetes Foundation's annual charity ball, of which Mrs. Schweiker is chairlady. Except for Secretary Schweiker's 20-year-old tuxedo and Mrs. Schweiker's gloves, everything in the picture, including Mrs. Schweiker's gown, was loaned by local merchants for purposes of the publicity picture.

I know it is great fun to criticize the Reagan administration, but I wish they would not use the Juvenile Diabetes Foundation to do it.

I yield back the balance of my time.

## DAIRY AMENDMENT RECKLESS, NOT REASONABLE

(Mr. GUNDERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUNDERSON. Mr. Speaker, the administration's latest amendment to the 1981 farm bill regarding dairy price supports, as reported in the Washington Post this morning, is nothing short of appalling. This shortsighted and uninformed proposal demonstrates just how out of touch some members of the Agriculture Department and others are with the long-term best interests of the farm community and the American consumer.

Simply stated, it is a drastic overreaction to an admittedly serious problem of overproduction.

The Congress has already addressed the problem of overproduction in the dairy industry twice this year when it voted to eliminate the April adjustment in March and when parity was decreased from 80 percent to 75 percent in reconciliation. These reductions have already saved over $500 million in outlays on the dairy program in fiscal year 1982 alone and must be given time to bring about the necessary adjustment in dairy production.

Now, in addition to these previous sacrifices, dairy farmers will lose another $2.3 billion annually in cash receipts if the administration's proposal is incorporated into the farm bill. This would be a death blow to thousands of young dairy farmers who are barely making it now in this time of soaring production costs. Similarly, consumers will also be forced to suffer with high prices and production shortfalls when there are insufficient dairy farmers to meet the demand for dairy products.

I call upon my colleagues to exercise reason—not reckless abandon—when we consider the dairy price support program in the coming weeks.

## ABUSE IN FOOD STAMP PROGRAM

(Mr. COLEMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLEMAN. Mr. Speaker, I rise to inform my colleagues that yesterday, September 15, 1981, the Department of Agriculture's Office of the Inspector General, and several other law enforcement officials in southeastern Virginia arrested 40 persons for exchanging food stamps for cash.

The investigation showed that the cash was being used to buy cars, guns, television sets, and drugs, including heroin and marihuana.

This investigation is one of several being conducted by the Office of Inspector General into criminal activity in the food stamp program. Yesterday's arrests bring to 600 the total indictments for food stamp fraud this year. Persons arrested for food stamp trafficking say that the stamps are just like money—that they can buy anything with food stamps—not only food, but cars, guns, and drugs.

Mr. Speaker, this year's budget for food stamps is $11.5 billion. This program is intended to feed the poor and disadvantaged of America. Clearly, it is not intended to provide a second currency for criminals. Food stamps are not intended to purchase guns, illegal drugs or other such items.

Mr. Speaker, as ranking member of the Food Stamp Subcommittee, I rise to assure my colleagues that I will continue to do all I can to reduce waste, fraud, and abuse in the food stamp program. I hope my colleagues will join me in this effort and in working with the Inspector General's Office and law enforcement agencies in their continuing effort to crack down on illegal trafficking of food stamps.

## INTEREST RATES AND INFLATION

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, the gentleman spoke a moment ago about high interest rates, because that is the No. 1 concern of everyone in this country, high interest rates. We, in Congress, know that we in the Halls of Congress are the ones who are responsible for inflation and high interest rates, because in 1970 we were looking at $200 billion that Congress spent to run this country and today Congress is looking at $725 billion. Congress has gone from $200 billion to $725 billion. Everyone in my home town says they cannot think of one thing the Government is doing for them today that they were not doing in 1970 except spending more money and giving America more inflation.

I was interested in a statement that was made by Mr. Butcher, who is chairman of the Chase Manhattan Bank, and he said:

> There is a difference between using a dollar to finance a deficit, which is inflationary because it adds nothing in the long run to the economy, and a dollar that ends up in private investment and thereby improves productivity and creates jobs and real wealth.

Let us spend less money in Congress and put the money back in the private sector.

## AWACS SALE IS A DANGEROUS GAMBLE

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, the administration's decision to sell AWACS planes to Saudi Arabia threatens to compromise not only American security but NATO defenses as well.

The AWACS aircraft—with its remarkable abilities as a battlefield surveillance plane and as a tactical battle control station—is the key feature in NATO's first joint military program. The capacity of the AWACS planes for detecting opposing aircraft and directing friendly fighters will double NATO air surveillance capability. Future enhancements planned for the NATO planes, including an improved information-processing and communications setup, will further secure NATO's defenses.

If the sale is completed, there is no possible guarantee that AWACS secrets will not fall into unfriendly hands. The Soviets, far behind in look-down radar development, could wipe out the gap by recovering an AWACS. The sale is a dangerous gamble that the West can ill afford to take.

## TRIBUTE TO ROGER BALDWIN

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, the death of Roger Baldwin on August 26 deprived America of our most persistent and effective advocate for civil liber-

ties. In all his 97 years, he never ceased working on behalf of the Bill of Rights.

Roger Baldwin helped to found the ACLU in 1920. For the next 30 years he served as its executive director. He defended the constitutional rights of those as disparate as Nazis, Communists, Henry Ford, the Ku Klux Klan, Socialists, and Jehovah's Witnesses. He understood that effective protection of the rights of all citizens required the defense of "people you disliked and feared," he said, "as well as those you admired."

Simply stated, he was deeply committed to democracy. His goal, he said, was "a society with a minimum of compulsion, a maximum of indivdual freedom and of voluntary association, and the abolition of exploitation and poverty." It is a tribute to Mr. Baldwin, I believe, that today most Americans accept his credo as their own.

Many of the ACLU's cases during Baldwin's tenure, and since, are landmarks in the evolution of American law and society. The two that gave him the most satisfaction, he said, were the 1925 "Monkey Trial" in Tennessee, where the ACLU defended John T. Scopes' teaching of evolution, and the 1962 case, Baker against Carr, which established the one-man, one-vote principle.

Roger Baldwin was truly a giant among Americans. Perhaps more than anyone else, he is responsible for insuring that the Bill of Rights is vigorously applied. We all owe him an enormous debt. It is to the lasting benefit of every American that this man lived and worked in this Nation.

## ELECTION AS MEMBER OF COMMITTEE ON GOVERNMENT OPERATIONS

Mr. MICHEL. Mr. Speaker, I offer a privileged resolution (H. Res. 220) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 220

*Resolved*, That Michael G. Oxley, of Ohio, be and hereby is elected to the Committee on Government Operations.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## CONTINUING APPROPRIATIONS FOR FISCAL YEAR 1982

Mr. WHITTEN. Mr. Speaker, pursuant to the order of the House on yesterday, I call up for consideration in the House the House joint resolution (H.J. Res. 325) making continuing appropriations for the fiscal year 1982, and for other purposes.

The joint resolution reads as follows:

H.J. RES. 325

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled*, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units of the Government for the fiscal year 1982, and for other purposes, namely:

SEC. 101. (a)(1) Such amounts as may be necessary for continuing projects or activities (not otherwise specifically provided for in this joint resolution) which were conducted in the fiscal year 1981 and for which appropriations, funds, or other authority would be available in the following appropriations Acts:

Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriation Act, 1982, notwithstanding section 15(a) of the State Department Basic Authorites Act of 1956 and section 701 of the United States Information and Educational Exchange Act of 1948, as amended;

District of Columbia Appropriation Act, 1982;

Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriation Act, 1982;

Military Construction Appropriation Act, 1982; and

Department of Transportation and Related Agencies Appropriation Act, 1982.

(2) Appropriations made by this subsection shall be available to the extent and in the manner which would be provided by the pertinent appropriation Act.

(3) Whenever the amount which would be made available or the authority which would be granted under an Act listed in this subsection as passed the House as of October 1, 1981, is different from that which would be available or granted under such Act as passed by the Senate as of October 1, 1981, the pertinent project or activity shall be continued under the lesser amount or the more restrictive authority: *Provided*, That where an item is included in only one version of an Act as passed by both Houses as of October 1, 1981, the pertinent project or activity shall be continued under the appropriation, fund, or authority granted by the one House, but at a rate for operations not exceeding the current rate or the rate permitted by the action of the one House, whichever is lower, and under the authority and conditions provided in applicable appropriation Acts for the fiscal year 1981.

(4) Whenever an Act listed in this subsection has been passed by only one House as of October 1, 1981, the pertinent project or activity shall be continued under the appropriation, fund, or authority granted by the one House, but at a rate of operations not exceeding the current rate or the rate permitted by the action of the one House, whichever is lower, and under the authority and conditions provided in applicable appropriation Acts for the fiscal year 1981: *Provided*, That for the purpose of this joint resolution, when an Act listed in this subsection has been reported to the House but not passed by the House as of October 1, 1981, it shall be deemed as having been passed by the House.

(5) No provision which is included in an appropriation Act enumerated in this subsection but which was not included in the applicable appropriation Act of 1981, and which by its terms is applicable to more than one appropriation, fund, or authority shall be applicable to any appropriation, fund, or authority provided in the joint resolution unless such provision shall have been included in identical form in such bill as enacted by both the House and the Senate.

(b) Such amounts as may be necessary for continuing the following activities, not otherwise provided for, which were conducted in the fiscal year 1981, at a rate for operations not in excess of the current rate or the rate provided for in the budget estimate, whichever is lower, and under the more restrictive authority—

activities for which provision was made in the Department of Defense Appropriation Act, 1981; and

activities for which provision was made in section 101(b) of Public Law 96-536 regarding foreign assistance and related programs, notwithstanding section 10 of Public Law 91-672, and section 15(a) of the State Department Basic Authorities Act of 1956.

(c) Notwithstanding the provisions of sections 102 and 106 of this joint resolution, such amounts as may be necessary for continuing projects and activities under all the conditions and to the extent and in the manner as provided in H.R. 4120, entitled the Legislative Branch Appropriation Act, 1982, as reported July 9, 1981; and the provisions of H.R. 4120 shall be effective as if enacted into law; except that the provisions of section 305 (a), (b), and (d) of H.R. 4120 shall apply to any appropriation, fund or authority made available for the period October 1, 1981, through November 1, 1981, by this or any other Act.

(d) Such amounts as may be necessary for continuing the following activities which were conducted in fiscal year 1981, but at a rate for operations not in excess of the current rate—

activities of the Department of State for contributions to the United Nations Relief and Works Agency for Palestinian Refugees notwithstanding section 10 of Public Law 91-672, and section 15(a) of the State Department Basic Authorities Act of 1956.

SEC. 102. Appropriations and funds made available and authority granted pursuant to this joint resolution shall be available from October 1, 1981, and shall remain available until (a) enactment into law of an appropriation for any project or activity provided for in this joint resolution, or (b) enactment of the applicable appropriation Act by both Houses without any provision for such project or activity, or (c) November 1, 1981, whichever first occurs.

SEC. 103. Appropriations and funds made available or authority granted pursuant to this joint resolution may be used without regard to the time limitations for submission and approval of apportionments set forth in section 665(d)(2) of title 31, United States Code, but nothing herein shall be construed to waive any other provision of law governing the apportionment of funds.

SEC. 104. Appropriations made and authority granted pursuant to this joint resolution shall cover all obligations or expenditures incurred for any project or activity during the period for which funds or authority for such projects or activity are available under this joint resolution.

SEC. 105. Expenditures made pursuant to this joint resolution shall be charged to the applicable appropriation, fund, or authorization whenever a bill in which such applicable appropriation, fund, or authorization is contained is enacted into law.

SEC. 106. No appropriation or fund made available or authority granted pursuant to this joint resolution shall be used to initiate or resume any project or activity for which appropriations, funds, or other authority

were not available during the fiscal year 1981.

SEC. 107. Any appropriation for the fiscal year 1982 required to be apportioned pursuant to section 665 of title 31, United States Code, may be apportioned on a basis indicating the need (to the extent any such increases cannot be absorbed within available appropriations) for a supplemental or deficiency estimate of appropriation to the extent necessary to permit payment of such pay increases as may be granted pursuant to law to civilian officers and employees and to active and retired military personnel. Each such appropriation shall otherwise be subject to the requirements of section 665 of title 31, United States Code.

SEC. 108. All obligations incurred in anticipation of the appropriations and authority provided in this joint resolution for the purposes of maintaining the minimum level of essential activities necessary to protect life and property and bringing about orderly termination of other functions are hereby ratified and confirmed if otherwise in accordance with the provisions of this joint resolution.

SEC. 109. No provision in any appropriation Act for the fiscal year 1982 that makes the availability of any appropriation provided therein dependent upon the enactment of additional authorizing or other legislation shall be effective before the date set forth in section 102(c) of this joint resolution.

SEC. 110. To meet the emergency facing a number of fruit producing States, particularly California, from the Mediterranean and other types of fruit flies, as well as the immediate and long-range threat to the timber stands and the watersheds of the Northeastern United States and other areas from the gypsy moth, as well as to meet threats from other pests and diseases, the Secretary of Agriculture is authorized to exercise the emergency authorities provided for in H.R. 4119 as passed the House of Representatives on July 27, 1981, in connection with the program of the Animal and Plant Health Inspection Service, notwithstanding any other provision of this joint resolution.

The SPEAKER pro tempore. The gentleman from Mississippi (Mr. WHITTEN) is recognized for 1 hour.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and to include extraneous material, in consideration of House Joint Resolution 325.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts (Mr. CONTE) for purposes of debate only, pending which I yield myself such time as I may require.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Speaker, we bring before you today a resolution providing continuing appropriations for many programs and activities of the Federal Government for a 1-month period.

STATUS OF APPROPRIATIONS BILLS

The House has now passed 7 of the 13 regular appropriations bills for fiscal year 1982. Another appropriation bill is scheduled for floor consideration this week, and, hopefully, more will be scheduled for House consideration later this month.

While a majority of the bills will have been acted on by the House by the end of this month, the Senate has had only limited opportunity to consider these bills due to the lateness of the submission of massive budget revisions by the executive branch. In fact, only one appropriation bill has passed the Senate as of this time and that bill has completed the conference process in the House (HUD-independent agencies).

URGENT NEED FOR CONTINUING RESOLUTION

Without this critical funding mechanism the majority of the Government programs face shutdown at midnight on September 30. I would like to call attention to an opinion of the Attorney General concerning the shutdown of the Government. The Attorney General's opinion states in pertinent part as follows:

During periods of "lapsed appropriations," no funds may be expended except as necessary to bring about the orderly termination of an agency's functions, and that the obligation or expenditure of funds for any purpose not otherwise authorized by law would be a violation of the Antideficiency Act.

This removes what flexibility there was in previous years to carry on Government activities for a short period beyond the last day of the fiscal year. This year we must pass a continuing resolution by October 1 to maintain necessary Government activities for defense, health, safety, and welfare.

DELAY IN BUDGET PROCESS

As you know, President Carter submitted his fiscal year 1982 budget on January 15 of this year. President Reagan was sworn in office on January 20 and in early February he announced his economic recovery program. It wasn't until March 10 that the President submitted his fiscal 1982 budget revisions and this was followed in March and April with a number of rescission and deferral proposals which had an overall affect on fiscal 1982 spending. The conference report on the first budget resolution was agreed to on May 21 which directed the House and Senate to make massive reductions in funding levels of many Government programs by the reconciliation process. This reconciliation effort was not completed until July 31.

Although these delays cost precious time and hampered by the fact that it was extremely difficult to determine the latest executive branch and authorization funding levels because of ever changing conditions, the Appropriations Committee acted as swiftly as possible, reporting out 5 of its 13 appropriation bills in the later part of June and early July and reporting out 4 additional bills in the latter part of July. Even now, the administration is in the process of making additional changes in their current budget requests to bring about desired reductions in order to minimize the extent of the fiscal 1982 deficit. Two appropriation bills are scheduled for Committee action this week. As stated earlier, the House has passed 7 of the 13 appropriation bills as of this time but the Senate has acted on only one of these. Not a single bill has been signed into law and there has been the threat of Presidential veto on a number of these bills. As my colleagues can see, the necessity for a continuing resolution is unquestioned.

COVERAGE OF THE CONTINUING RESOLUTION

This resolution provides funding for the programs covered under 8 of the 13 regular appropriation bills for a 1-month period. The resolution excludes funding for the 5 bills which passed the House before the August recess because it was felt those bills could complete conference action and be sent to the President before October 1.

The five bills not included in the continuing resolution are as follows: Agriculture; Energy and Water; HUD-Independent Agencies; Interior; and Treasury-Postal Service-General Government.

The rates provided in the resolution are restrictive and are based on the concept of traditional continuing resolutions used each year. The rates are based on where the individual bills are located in the legislative process as of midnight September 30. If the bill has passed the House and the Senate, the rate is the House level or the Senate level, whichever is lower. If the bill has passed only the House, the rate is the House level or the current rate, whichever is lower. Special provision is made for the Defense bill, the foreign aid bill and the legislative branch bill.

PROTECTION FROM INSECT EMERGENCIES

I would like to point out to my colleagues that this resolution includes authority to immediately respond to the problems to plant diseases caused by the Medfly or the gypsy moth type infestation. This authority is important because these and other types of infestations do not know anything about State lines, or about the distinction between rural and urban areas. The purpose of providing this authority in this resolution is to make our intent quite clear, and to permit the Secretary of Agriculture to be fully and immediately responsive to any emergency which may arise.

PHILOSOPHY OF THE CONTINUING RESOLUTION

The basic philosophy of this continuing resolution is simple. It is designed to carry forward activities of the Government into the fiscal year that begins on October 1. The resolution is effective only until November 1

and its applicability to programs and activities ceases as the regular bills become law. It is essential that officials responsible for administering programs during the period covered by the resolution take only the limited action necessary for orderly continuation of projects and activities, preserving to the maximum extent possible the flexibility of Congress in arriving at final decisions on funding levels and restrictive provisions. Accordingly, the rates of operation for programs and activities under the resolution are to be interpreted as ceilings and not as mandatory spending levels. This is necessary in order to preserve congressional prerogatives in the course of the regular authorization and appropriation process. It is also expected that departments and agencies will carefully avoid the obligation of funds, for specific budget line items or program allocations on which Congress may have expressed strong criticism, at rates which would impinge upon discretionary decisions otherwise available to the Congress.

□ 1230

I could go into great detail as to what is involved, but may I say again that it is within the limits of the President's recommendations for the coming year. It is within the limits of section 302 of the first budget resolution. Again, we are just asking the Members to go along with us for 30 days while we work all these matters out.

I would like to call to the attention of my colleagues in the House that I was joined in sponsoring this legislation by my good friend, the gentleman from Massachusetts (Mr. CONTE), the distinguished ranking minority member of the committee. Without his help on this resolution and his commitment to a streamlined, restrictive and responsible resolution, today's action would not have been possible.

Mr. Speaker, I would like to close my explanation of this resolution with only one thought. This resolution provides for the orderly continuation and operation of the Government and it provides funding for Government agencies at very restrictive rates. It is not a spendthrift resolution. This resolution that we have before you in total actually spends less than amounts proposed by the President.

I call this to the attention of my colleagues so that they can, in all good conscience, vote for this responsible resolution.

Thank you.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding. I would just like to ask the distinguished chairman of the committee a couple of questions for clarification.

I understand the gentleman's point that we will be within the budget figures. Has the bill been examined to assure us that we would also be within the outlay figures, since it has become a question of controversy within the last few days?

Mr. WHITTEN. It is my understanding that it definitely is within that limit, and also it is below the budget authority recommendations by the President in the budget he has before us.

Mr. WALKER. I thank the gentleman for that clarification. If the gentleman would yield further, I also wanted to get a clarification on the section in the bill which does, as the report indicates, protect the provisions on the federally funded abortions, and prohibition against preventing implementation of programs on voluntary prayer. Am I correct? I just want to make certain the protection is in the bill on page 3, under section 101(a)(4), that the language there is what protects those various amendments and assures that all the various provisions that are now in law with regard to restrictive amendments will be held throughout the 30-day period.

Mr. WHITTEN. Anticipating that the question would be asked, we spelled out in the report exactly what we do, so we continue all the restrictions that presently exist which prohibit use of Federal funds for abortion or to prevent voluntary prayer in public schools, and I might also add that the provision maintaining the tax-exempt status of private schools continues in the Treasury-Postal Service bill. This action is for the 30-day period and is spelled out in detail in the report.

Mr. WALKER. Am I correct, the section to which I referred?

Mr. WHITTEN. That is correct. That is what it means, and we also point it out in detail in the report.

Mr. WALKER. I thank the gentleman very much.

Mr. CONTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, and Members of the House, I support House Joint Resolution 325, making continuing appropriations for fiscal year 1982. In fact, I took the unusual step of cosponsoring this joint resolution with my good friend, the chairman of the committee, the gentleman from Mississippi, (Mr. WHITTEN).

With one exception, the joint resolution provides continuing appropriations for projects and activities through October 31, or until the applicable appropriation bill is enacted, with or without any provision for the project or activity, whichever first occurs.

Five bills are covered under section 101(a): Commerce, Justice, State, and the Judiciary; District of Columbia; Labor, Health and Human Services, and Education; Military construction; and Transportation.

The spending rate for any one of these five bills is based on the status of the bill as of October 1.

If a bill listed in section 101(a) has passed the House and the Senate, a project or activity is continued at the House or Senate rate, whichever is lower, and under the more restrictive authority. An item included by only one House is continued under the rate provided by that House, or the current rate, whichever is lower, and under the authority and conditions for fiscal 1981.

If a bill listed in section 101(a) has been reported to or passed only the House, a project or activity is continued at the 1981 rate, or the rate provided by the bill as reported to or passed the House, whichever is lower, and under the authority and conditions for fiscal 1981.

Any general provision in a bill listed in section 101(a) shall take effect under the joint resolution only when included in identical form in a House and Senate bill, or when a general provision is identical in form to current law, and is included by one House in a bill that has passed both the House and the Senate.

Two bills, defense and foreign assistance, are covered under section 101(b), and are continued at the rate provided in the budget estimate, or the current rate, whichever is lower, and under the more restrictive authority.

The legislative bill is continued for the full fiscal year by section 101(c) at the rate and under the conditions provided in the 1982 bill as reported to the House.

Five bills which passed the House before the August recess are not covered by the continuing resolution: Agricultural, Energy and water development, HUD-independent agencies, Interior, and Treasury-Postal Service.

The committee hopes and expects that action on these five bills will be completed before the beginning of the fiscal year.

The joint resolution contains the standard general provision that continuing appropriations shall not be used during fiscal 1982 to initiate or resume any project or activity for which budget authority was not available during fiscal 1981.

For those five bills where spending rates are established by section 101(a), depending on the status of the bill as of October 1, we do not now know what the rate for any particular project or activity will be, or what the overall spending rate for those bills will be under the joint resolution when enacted.

I support this joint resolution precisely because it contains virtually no

special provisions for individual spending rates or reductions.

All 13 of the regular annual appropriation bills are still before the Congress and the President for action. The Congress and the President should complete action on those bills before we consider extracurricular action on spending cuts for 1982.

This joint resolution provides minimum continuing appropriations for the orderly continuation of Federal programs and activities. It preserves the right of Congress to establish funding levels and limitations through the regular appropriations process.

It deserves, and I ask for, your support.

Mr. PARRIS. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I will be glad to yield to my good friend from Virginia.

Mr. PARRIS. Mr. Speaker, would the gentleman tell me, whether the gentleman from Mississippi, the distinguished chairman of the committee, yielded to the gentleman from Massachusetts for the purpose of debate only. Would the gentleman tell me whether or not this resolution is open to amendment?

Mr. CONTE. No; it is not.

Mr. PARRIS. If the gentleman will yield further, I had prepared an amendment, Mr. Speaker, to this resolution, and specifically to subsection (c) of section 101. But as I understand the gentleman's response, under the rules of the House and because of parliamentary limitations I am precluded from offering or pursuing that amendment.

The thrust of this resolution is to freeze for an additional 30 days the salaries of Federal employees and executives, who have not had any kind of increase for over 3 years. My amendment, Mr. Speaker, would have eliminated the pay cap that now throttles the compensation of 35,000 Federal executives in the top seven levels of civil service categories. It is devastating performance and it is crippling the morale of Federal employees.

The amendment would have appropriated 10.5 percent in a pay raise, which is 50 percent of normal comparability rates for fiscal year 1979 and fiscal year 1980. It would have excluded Members of Congress for compensation from that increase.

I say to the gentleman from Massachusetts and the gentleman from Mississippi that I would certainly hope that the committee will consider adopting in the final legislation a proposal similar to my amendment, and that this unconscionable limitation on compensation of Federal executives can be removed at an early date.

I thank the gentleman for yielding.

Mr. CONTE. I thank the gentleman from Virginia.

Mr. MILLER of Ohio. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield for debate only to the gentleman from Ohio (Mr. MILLER).

Mr. MILLER of Ohio. Mr. Speaker, I thank the gentleman for yielding. I too have an amendment, and it is to the legislative section of the continuing resolution. Yesterday, we had under unanimous consent the authority to bring this continuing resolution to the floor of the House, which means, of course, that we were not allowed to offer amendments unless the chairman would be willing to yield for that purpose.

What I want to bring to the attention of the House is that last May the House Administration Committee authorized an increase in the allowance for travel, official expenses, and district office equipment and furnishings allocated to Members of the House. It is not possible to determine the precise figure for the amount of money involved, because not all Members use their full allowance, and travel is variable. But a reasonable estimate is that this increase will average out to roughly $10,000 per Member, for a total of around $4.4 million.

When we are cutting down on the social programs and the domestic programs, it is pretty hard to talk to a constituent back in the district and ask him to tighten his belt when we increase our office allowances here.

Some say we are entitled to this increase because all our expenses have gone up due to inflation. To this I reply: Tell it to the taxpayers. You think they do not know about inflation? About price increases at the supermarket, the filling station, the drugstore, the department store? Tell the taxpayer who needs a new car but cannot afford it about inflation. Tell the young couple that cannot afford a home about the cost of living. Tell the housewife who finds that planning her menus has become an exercise in budget cutting about inflation. Tell the mother who is wondering how she is going to pay the bills for outfitting her youngsters for school about inflation. Since the word got around that I intended to offer this amendment I have heard a lot about the increase in travel costs. Sure air fares have increased. No doubt about it. So has the cost of gasoline. Tell the family that had to give up the idea of a family vacation because they simply could not afford it—tell them about the increases in the cost of travel.

The American people know all about inflation. What they do not know is how to get someone else to foot the bill for increases in their expenses.

We in Congress simply must practice what we preach. We are preaching austerity to the American people, and rightly so, because this living-beyond-our-means cannot continue. Now we must also practice austerity.

I have the amendment prepared, and I would ask the chairman, the gentleman from Mississippi, if he would yield for the purpose of offering the amendment to reduce the legislative appropriation by $4,400,000.

Mr. WHITTEN. In response to the gentleman's remarks for the record, the Committee on Appropriations turned down the gentleman's amendment. Funds for office expenses must be spent for legitimate expenses. If not spent, they remain in the Treasury.

Personally I do not spend anything like the total amount available, many others do not, but that does not mean that others might not have the need.

What the gentleman would do is reduce a ceiling when he was turned down by an overwhelming vote in the committee. Further, Mr. Speaker, I call attention to the fact that if we yield to my friend, we would have an obligation to yield to at least 50 others. I am sure that this is the reason for the decision that the resolution be open for debate only.

I guess I know of at least 50 differences of opinion that would have been before the House, and we likely would not have finished them in this continuing resolution within these 2 weeks which under the Attorney General's ruling would bring most Government services to a standstill.

So, for that reason, we were faced with the necessity of bringing up the resolution under the conditions that we have here, and these are various controversial subjects which will be available to the gentleman and to others, as I understand it, when we get to a further continuing resolution. But, at any rate, we were faced with dire necessity.

May I say that I appreciate very much the cooperation of my friend from Massachusetts and members of the Appropriations Committee, because we have, if I may say so, been long-suffering this time because we have done our job, but the appropriations have been delayed by various reasons, but not by the Committee on Appropriations. We were ready to go. Now, we find ourselves with less than 2 weeks, and no appropriation bills signed into law. If we do not get them signed into law or provide some means of appropriation, the whole Government will be in trouble on October 1. So, may I say that I cannot yield to the gentleman in that I refused to yield to about 45 or 50 others who have their items that they would like to bring up. I would not wish to have appeared to have agreed with the gentleman's description of the situation, but that again can be thrashed out, but not at this time.

Mr. MILLER of Ohio. Two items: We are under a unanimous-consent request, and therefore the gentleman

could yield time not for debate only, but time to offer the amendment. I would like to clarify that.

Mr. WHITTEN. I would like to accommodate my friend from Ohio, but I have about 50 other colleagues in the same situation. I cannot afford to yield in one instance and refuse to in the others, so I have to stick to that rule. I cannot yield for that purpose.

Mr. MILLER of Ohio. But the other continuing appropriations are for only 30 days, and the legislative bill is for 1 year. So, therefore, this amendment would be different than for the other amendments.

Mr. WHITTEN. I repeat my statement that I cannot yield.

Mr. MILLER of Ohio. I thank the gentleman.

Mr. CONTE. Mr. Speaker, I yield for debate only to the gentleman from Illinois (Mr. ERLENBORN).

Mr. ERLENBORN. Mr Speaker, I thank the gentleman for yielding.

Mr. Speaker, I think the Members should know the legislative situation, and my colleague, Mr. MILLER, was just explaining it. But we have before us, in effect, the final act, legislative act on the appropriation for the House. We are adopting here today without any debate, without any opportunity to offer any amendments, the whole legislative appropriation for fiscal year 1982.

Now, the bill had been reported from the Appropriations Committee earlier. It had been scheduled for floor action earlier. It has been withheld. It has never been brought to the floor, and now, of course, in this procedure we will be adopting the legislative appropriation for 1982.

The gentleman from Ohio, myself, and other Members who had amendments we wanted to offer to the legislative appropriations are foreclosed. We have been foreclosed from offering an amendment to legislative appropriations for 1982 unless the chairman will assure me that H.R. 4120, as reported by the Appropriations Committee, will be brought to the floor of the House for proper consideration and that the normal legislative process for the legislative appropriation will be followed.

Can the chairman of the committee give me that assurance?

Mr. WHITTEN. Mr. Speaker, I will yield to the gentleman who heads the subcommittee, the gentleman from California (Mr. FAZIO).

Mr. FAZIO. Mr. Speaker, I appreciate the chairman's yielding to me. The reason by which we have decided to place in the bill the full year appropriation for the legislative branch is because of a rather unprecedented thing which occurred in the subcommittee comparable to ours on the Senate side, whereby all the items relating to the House were stricken.

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We are very concerned about the traditional responsibility each House has with respect to the interest of the other, and we felt we should go to this conference committee with all the leverage we would need in order to protect the interests of the House vis-a-vis the Senate as a result of this rather unprecedented act they took. We hope we will not have any confrontation on any of the issues, and we do not expect any, but we do think we should protect the interests of the House in this regard, and, therefore, we felt the entire year should be before the Congress.

Mr. ERLENBORN. Mr. Speaker, I wonder if the gentleman would answer the question that was asked, though.

Can the gentleman assure me that H.R. 4120 will be brought before the House for further debate and amendment, and that the normal legislative process will be followed in the regular course?

Mr. WHITTEN. Mr. Speaker, if the gentleman will yield, I think that would depend on the conference with the Senate and what is agreed on.

Mr. ERLENBORN. Then the gentleman can give me no assurance of that?

Mr. WHITTEN. I can give no further assurance other than what has been stated.

Mr. ERLENBORN. Mr. Speaker, I was afraid of that, and it appears we never will have an opportunity to work our will as a body here on normal legislative matters in the normal course.

Mr. WHITTEN. Mr. Speaker, I say that had we had the necessary cooperation we would like to have had, these bills would have been here months before. I can only say that we have done the best we could.

Mr. ERLENBORN. I know there are obstreperous Members who want to offer amendments and I am sure that is the kind of cooperation the gentleman does not want to have.

Mr. FAZIO. Mr. Speaker, this resolution provides funds for the operation of the legislative branch during fiscal year 1982, the same as reported to the House in 4120, and explained in House Report No. 97-170. This is my first year as chairman of the Legislative Branch Subcommittee and I would like to express my thanks to the other members of the subcommittee for their help and support throughout the hearings and markup process. The members of the subcommittee include Mr. MURTHA of Pennsylvania; Mr. TRAXLER of Michigan; Mr. BENJAMIN of Indiana, the former chairman of the subcommittee who was been very generous when I needed some advice; Mr. BURGENER of California, who has been very helpful in his position as ranking minority member; Mr. CONTE of Massachusetts, the ranking minority member of the full Appropriations Committee; Mr. LEWIS of California; Mr. CAMPBELL of South Carolina; and of course, Mr. WHITTEN of Mississippi, who, as chairman of the Committee on Appropriations, is an ex-officio member of the subcommittee.

RECOMMENDATIONS FOR FISCAL YEAR 1982

Mr. Speaker, the bill we are considering today includes funds for the legislative branch, totaling $1,101,266,000 of which $650,761,000 is for congressional operations. These figures exclude appropriations for the operation of the Senate in accord with the long-term practice under which each body determines its own housekeeping requirements.

The budget requests considered by the committee totaled $1,181,977,000. The recommendation is $80,711,000 less than was requested. This is a reduction of almost 7 percent under the amounts presented in the President's budget. We have searched our records going back over 25 years and find, Mr. Speaker, that this is the second largest reduction in a legislative branch bill ever presented in this House.

The overall appropriations recommended are $60,509,074 over the current year level. This represents only a 5.8-percent increase. Since inflation rates have been running at 10-12 percent, it is fair to say that we have actually reduced the size of the legislative branch budget. In the face of our recent inflation rates this budget is far below the amount necessary to keep up with the constant increases in prices and wages.

In general, very few increases for workload expansion have been allowed, and then only when the work of the Congress has so required or where we are trying to protect the taxpayers' investment in legislative branch resources. It has been the general policy of the committee to provide the funds necessary for employee cost-of-living pay raises and other mandatory items and for a selected number of the increases made necessary because of rising prices. These increases have been offset by reductions in staffing, equipment, alterations, repairs, and in the potential effects of legislation.

H.R. 4120 requires a 1.4-percent reduction in the projected level of legislative branch employment. We have allowed only 22 of 265 new jobs requested, but other cuts in the employment base will enable us to end up with 83 fewer jobs in the legislative branch than we now have. But I believe we have been careful to insure that the essential operations necessary to support the Congress have been preserved.

At a time when the Federal budget presented by the administration is up by 8.8 percent, and while the budget resolution calls for an increase in budget authority between fiscal year

1981 and fiscal year 1982 of 8 percent, we are bringing a legislative branch budget to the House that will result in a reduction in the work force and budget authority that is growing at a rate which is one-third less than the growth in the executive branch even in these austere times.

We are actually reducing the employment base in the legislative branch and we are recommending a decline in real dollar terms in the overall budget of the legislative branch.

Mr. Speaker, we can tell the taxpayers that the legislative branch is participating completely—as a matter of fact we are showing the way—in the process of reducing Federal expenditures. Every Member of this body can report to his constituents that fiscal responsibility begins at home—here in the Halls of Congress.

At this point in the RECORD under permission which I have already obtained, I will insert a tabulation detailing the committee recommendations in comparative form:

LEGISLATIVE BRANCH APPROPRIATIONS BILL, FISCAL YEAR 1982 (H.R. 4120)—COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1981 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1982

| Agency and item | New budget (obligational) authority fiscal year 1981 [1] | Budget estimates of new (obligational) authority fiscal year 1982 [2] | New budget (obligational) authority recommended in bill | Bill compared with— | |
|---|---|---|---|---|---|
| | | | | New budget (obligational) authority fiscal year 1981 | Budget estimates of new (obligational) authority fiscal year 1982 |
| TITLE I—CONGRESSIONAL OPERATIONS | | | | | |
| HOUSE OF REPRESENTATIVES | | | | | |
| Payments to Widows and Heirs of Deceased Members of Congress | | | | | |
| Gratuities, deceased Members | $121,326 | | | −121,326 | |
| Compensation and Mileage for the Members | | | | | |
| Compensation of Members | 29,254,300 | $29,382,000 | $29,382,000 | +127,000 | |
| Mileage of Members | 210,000 | 210,000 | 210,000 | | |
| Total, compensation and mileage for the Members | 29,464,300 | 29,592,000 | 29,592,000 | +127,700 | |
| House Leadership Offices | | | | | |
| Office of the Speaker | 641,700 | 642,000 | 642,000 | +300 | |
| Office of the Majority Floor Leader | 472,500 | 523,000 | 523,000 | +50,500 | |
| Office of the Minority Floor Leader | 572,700 | 573,000 | 573,000 | +300 | |
| Office of the Majority Whip | 487,600 | 438,000 | 438,000 | −49,600 | |
| Office of the Minority Whip | 387,400 | 388,000 | 388,000 | +600 | |
| Total, House leadership offices | 2,561,900 | 2,564,000 | 2,564,000 | +2,100 | |
| Salaries, Officers and Employees | | | | | |
| Office of the Clerk | 10,883,000 | 11,057,000 | 11,057,000 | +174,000 | |
| Office of the Sergeant at Arms | 14,665,500 | 15,679,000 | 15,337,000 | +671,500 | −342,000 |
| Office of the Doorkeeper | 5,517,800 | 5,662,000 | 5,662,000 | +144,200 | |
| Office of the Postmaster | 1,485,100 | 1,544,000 | 1,544,000 | +58,900 | |
| Office of the Chaplain | 52,800 | 53,000 | 53,000 | +200 | |
| Office of the Parliamentarian | 292,000 | 305,000 | 305,000 | +13,000 | |
| Compilation of precedents of the House of Representatives | 190,000 | 190,000 | 190,000 | | |
| Technical assistant, Office of the Attending Physician | 38,700 | 38,000 | 38,000 | −700 | |
| House Democratic Steering Committee | 371,800 | 372,000 | 372,000 | +200 | |
| House Democratic Caucus | 108,800 | 109,000 | 109,000 | +200 | |
| House Republican Conference | 480,600 | 481,000 | 481,000 | +400 | |
| Six minority employees | 316,500 | 317,000 | 317,000 | +500 | |
| L.B.J. Interns and Former Speakers' staff | 742,900 | 753,000 | 700,000 | −42,900 | −53,000 |
| Total, salaries, officers and employees | 35,145,500 | 36,560,000 | 36,165,000 | +1,019,500 | −395,000 |
| Committee Employees | | | | | |
| Professional and clerical employees (standing committees) | 29,225,000 | 29,225,000 | 29,225,000 | | |
| Committee on Appropriations (Studies and Investigations) | | | | | |
| Salaries and expenses | 3,669,000 | 3,685,000 | 3,685,000 | +16,000 | |
| Committee on the Budget (Studies) | | | | | |
| Salaries and expenses | 245,000 | 218,000 | 218,000 | −27,000 | |
| Office of the Law Revision Counsel | | | | | |
| Salaries and expenses | 521,000 | 525,000 | 525,000 | +4,000 | |
| Office of the Legislative Counsel | | | | | |
| Salaries and expenses | 2,202,000 | 2,390,000 | 2,390,000 | +188,000 | |
| Members' Clerk Hire | | | | | |
| Clerk hire | 138,348,000 | 138,813,000 | 138,813,000 | +465,000 | |
| Contingent Expenses of the House | | | | | |
| Allowances and Expenses | | | | | |
| Official expenses of Members | 43,049,000 | 43,049,000 | 43,049,000 | | |
| Supplies, materials, administrative costs and Federal tort claims | 10,695,000 | 15,137,000 | 11,970,000 | +1,275,000 | −3,167,000 |
| Furniture and furnishings | 2,000,000 | 1,670,000 | 1,670,000 | −330,000 | |
| Reporting hearings | 1,810,000 | 1,511,000 | 1,511,000 | −299,000 | |
| Reemployed annuitants reimbursement | 2,209,000 | 2,300,000 | 2,300,000 | +91,000 | |
| Government contributions | 17,700,000 | 17,709,000 | 17,709,000 | +9,000 | |
| Miscellaneous items | 514,000 | 647,000 | 647,000 | +133,000 | |
| Total, allowances and expenses | 77,977,000 | 82,023,000 | 78,856,000 | +879,000 | −3,167,000 |
| Special and Select Committees | | | | | |
| Salaries and expenses | 41,500,000 | 45,761,000 | 41,761,000 | +261,000 | −4,000,000 |
| Total, contingent expenses of the House | 119,477,000 | 127,784,000 | 120,617,000 | +1,140,000 | −7,167,000 |
| Total, House of Representatives | 360,980,026 | 371,356,000 | 363,794,000 | +2,813,974 | −7,562,000 |
| JOINT ITEMS | | | | | |
| Contingent Expenses of the Senate | | | | | |
| Joint Economic Committee | 2,207,000 | 2,250,000 | 2,250,000 | +43,000 | |
| Joint Committee on Printing | 760,000 | 922,000 | 816,000 | +56,000 | −106,000 |
| Total, contingent expenses of the Senate | 2,967,000 | 3,172,000 | 3,066,000 | +99,000 | −106,000 |
| Contingent Expenses of the House | | | | | |
| Joint Committee on Taxation | 2,759,000 | 2,967,000 | 2,967,000 | +208,000 | |

See footnotes at end of table.

LEGISLATIVE BRANCH APPROPRIATIONS BILL, FISCAL YEAR 1982 (H.R. 4120)—COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1981 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1982—Continued

| Agency and item | New budget (obligational) authority, fiscal year 1981 [1] | Budget estimates of new (obligational) authority, fiscal year 1982 [2] | New budget (obligational) authority recommended in bill | Bill compared with— | |
|---|---|---|---|---|---|
| | | | | New budget (obligational) authority, fiscal year 1981 | Budget estimates of new (obligational) authority, fiscal year 1982 |
| Office of the Attending Physician | | | | | |
| Medical supplies, equipment, expenses, and allowances | 503,900 | 603,000 | 603,000 | +99,100 | |
| Capitol Police | | | | | |
| General expenses | 834,000 | 925,000 | 887,000 | +53,000 | −38,000 |
| Capitol Police Board | 915,000 | | | −915,000 | |
| Total, Capitol Police | 1,749,000 | 925,000 | 887,000 | −862,000 | −38,000 |
| Education of Pages | | | | | |
| Education of congressional pages and pages of the Supreme Court | 245,000 | 267,000 | 244,000 | −1,000 | −23,000 |
| Official Mail Costs | | | | | |
| Expenses | 52,033,000 | 81,095,000 | 75,095,000 | +23,062,000 | −6,000,000 |
| Capitol Guide Service | | | | | |
| Salaries and expenses | 731,000 | 734,000 | 734,000 | +3,000 | |
| Statements of Appropriations | | | | | |
| Preparation | 13,000 | 13,000 | 13,000 | | |
| Total, joint items | 61,000,900 | 89,776,000 | 83,609,000 | +22,608,100 | −6,167,000 |
| OFFICE OF TECHNOLOGY ASSESSMENT | | | | | |
| Salaries and expenses | 11,183,000 | 13,100,000 | 12,019,000 | +836,000 | −1,081,000 |
| CONGRESSIONAL BUDGET OFFICE | | | | | |
| Salaries and expenses | 12,519,000 | 14,298,000 | 13,458,000 | +939,000 | −840,000 |
| ARCHITECT OF THE CAPITOL | | | | | |
| Office of the Architect of the Capitol | | | | | |
| Salaries | 3,327,000 | 3,964,000 | 3,760,000 | +433,000 | −204,000 |
| Contingent expenses | 210,000 | 210,000 | 210,000 | | |
| Total, Office of the Architect of the Capitol | 3,537,000 | 4,174,000 | 3,970,000 | +433,000 | −204,000 |
| Capitol Buildings and Grounds | | | | | |
| Capitol buildings | 7,330,000 | 9,971,000 | 8,937,000 | +1,607,000 | −1,034,000 |
| Capitol grounds | 2,264,000 | 4,927,000 | 4,234,000 | +1,970,000 | −693,000 |
| Acquisition of property as an addition to the Capitol grounds | 11,500,000 | | | −11,500,000 | |
| Memorial to Hale Boggs, Architect of the Capitol 1981 | 7,000 | | | −7,000 | |
| House office buildings | 16,560,000 | 20,292,000 | 19,899,000 | +3,339,000 | −393,000 |
| Capitol Power Plant (operation) | 19,101,000 | 22,888,000 | 21,348,000 | +2,247,000 | −1,540,000 |
| Total, Capitol buildings and grounds | 56,762,000 | 58,078,000 | 54,418,000 | −2,344,000 | −3,660,000 |
| Total, Architect of the Capitol (except Library buildings and grounds) | 60,299,000 | 62,252,000 | 58,388,000 | −1,911,000 | −3,864,000 |
| LIBRARY OF CONGRESS | | | | | |
| Congressional Research Service | | | | | |
| Salaries and expenses | 29,689,000 | 32,288,000 | 31,575,000 | +1,886,000 | −713,000 |
| GOVERNMENT PRINTING OFFICE | | | | | |
| Congressional printing and binding | 82,400,000 | 91,218,000 | 87,918,000 | +5,518,000 | −3,300,000 |
| Total, title I—Congressional Operations | 618,070,926 | 674,288,000 | 650,761,000 | +32,690,074 | −23,527,000 |
| TITLE II—OTHER AGENCIES | | | | | |
| BOTANIC GARDEN | | | | | |
| Salaries and expenses | 1,644,000 | 2,311,000 | 2,311,000 | +667,000 | |
| LIBRARY OF CONGRESS | | | | | |
| Salaries and expenses | 105,089,000 | 115,443,000 | 111,989,000 | +6,900,000 | −3,454,000 |
| Copyright Office, salaries and expenses | 10,201,000 | 10,623,000 | 10,306,000 | +105,000 | −317,000 |
| Books for the blind and physically handicapped, salaries and expenses | 34,337,000 | 33,243,000 | 33,221,000 | −1,116,000 | −22,000 |
| Collection and distribution of library materials (special foreign currency program) | | | | | |
| Payments in Treasury-owned foreign currencies | 3,175,100 | 4,043,000 | 3,976,000 | +800,900 | −67,000 |
| U.S. dollars | 389,900 | 431,000 | 429,000 | +39,100 | −2,000 |
| (Release of section 311 funds) | | (300,000) | | | (−300,000) |
| Total, collection and distribution of library materials | 3,565,000 | 4,474,000 | 4,405,000 | +840,000 | −69,000 |
| Furniture and furnishings | 1,775,000 | 1,540,000 | 1,089,000 | −686,000 | −451,000 |
| Total, Library of Congress (except Congressional Research Service) | 154,967,000 | 165,323,000 | 161,010,000 | +6,043,000 | −4,313,000 |
| ARCHITECT OF THE CAPITOL | | | | | |
| Library Buildings and Grounds | | | | | |
| Structural and mechanical care | 4,753,000 | 22,718,000 | 8,715,000 | +3,962,000 | −14,003,000 |

| | | | | | |
|---|---|---|---|---|---|
| COPYRIGHT ROYALTY TRIBUNAL | | | | | |
| Salaries and expenses | 470,000 | 500,000 | 461,000 | −9,000 | −39,000 |
| GOVERNMENT PRINTING OFFICE | | | | | |
| Printing and binding | 16,250,000 | 19,380,000 | 17,888,000 | +1,638,000 | −1,492,000 |
| Office of Superintendent of Documents, salaries and expenses | 24,000,000 | 29,279,000 | 27,120,000 | +3,120,000 | −2,159,000 |
| Total, Government Printing Office (except Congressional printing and binding and acquisition of site and general plans and designs of building) | 40,250,000 | 48,659,000 | 45,008,000 | +4,758,000 | −3,651,000 |

See footnotes at end of table.

LEGISLATIVE BRANCH APPROPRIATIONS BILL, FISCAL YEAR 1982 (H.R. 4120)—COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1981 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1982—Continued

| Agency and item | New budget (obligational) authority fiscal year 1981 [1] | Budget estimates of new (obligational) authority fiscal year 1982 [2] | New budget (obligational) authority recommended in bill | Bill compared with— | |
|---|---|---|---|---|---|
| | | | | New budget (obligational) authority fiscal year 1981 | Budget estimates of new (obligational) authority fiscal year 1982 |
| GENERAL ACCOUNTING OFFICE | | | | | |
| Salaries and expenses | 220,602,000 | 244,878,000 | 233,000,000 | +12,398,000 | −11,878,000 |
| RAILROAD ACCOUNTING PRINCIPLES BOARD | | | | | |
| Salaries and expenses | | 1,000,000 | | | −1,000,000 |
| Total, title II—Other agencies | 422,686,000 | 485,389,000 | 450,505,000 | +27,819,000 | −34,884,000 |
| TITLE III—CAPITAL IMPROVEMENTS | | | | | |
| GOVERNMENT PRINTING OFFICE | | | | | |
| Acquisition of site and general plans and designs of building | | 22,300,000 | | | −22,300,000 |
| Grand total, titles I, II, and III: New budget (obligational) authority | 1,040,756,926 | 1,181,977,000 | 1,101,266,000 | +60,509,074 | −80,711,000 |
| RECAPITULATION | | | | | |
| TITLE I—Congressional operations | 618,070,926 | 674,288,000 | 650,761,000 | +32,690,074 | −23,527,000 |
| TITLE II—OTHER AGENCIES | 422,686,000 | 485,389,000 | 450,505,000 | +27,819,000 | −34,884,000 |
| TITLE III—CAPITAL IMPROVEMENTS | | 22,300,000 | | | −22,300,000 |
| TITLE I—CONGRESSIONAL OPERATIONS | | | | | |
| House of Representatives | 360,980,026 | 371,356,000 | 363,794,000 | +2,813,974 | −7,562,000 |
| Joint items | 61,000,900 | 89,776,000 | 83,609,000 | +22,608,100 | −6,167,000 |
| Office of Technology Assessment | 11,183,000 | 13,100,000 | 12,019,000 | +836,000 | −1,081,000 |
| Congressional Budget Office | 12,519,000 | 14,298,000 | 13,458,000 | +939,000 | −840,000 |
| Architect of the Capitol (except Library buildings and grounds) | 60,299,000 | 62,252,000 | 58,388,000 | −1,911,000 | −3,864,000 |
| Congressional Research Service, Library of Congress | 29,689,000 | 32,288,000 | 31,575,000 | +1,886,000 | −713,000 |
| Congressional printing and binding, Government Printing Office | 82,400,000 | 91,218,000 | 87,918,000 | +5,518,000 | −3,300,000 |
| Total, title I—Congressional operations | 618,070,926 | 674,288,000 | 650,761,000 | +32,690,074 | −23,527,000 |
| TITLE II—OTHER AGENCIES | | | | | |
| Botanic Garden | 1,644,000 | 2,311,000 | 2,311,000 | +667,000 | |
| Library of Congress (except Congressional Research Service) | 154,967,000 | 165,323,000 | 161,010,000 | +6,043,000 | −4,313,000 |
| Library buildings and grounds, Architect of the Capitol | 4,753,000 | 22,718,000 | 8,715,000 | +3,962,000 | −14,003,000 |
| Copyright Royalty Tribunal | 470,000 | 500,000 | 461,000 | −9,000 | −39,000 |
| Government Printing Office (except congressional printing and binding) | 40,250,000 | 48,659,000 | 45,008,000 | +4,758,000 | −3,651,000 |
| General Accounting Office | 220,602,000 | 244,878,000 | 233,000,000 | +12,398,000 | −11,878,000 |
| Railroad Accounting Principles Board | | 1,000,000 | | | −1,000,000 |
| Total, title II—Other agencies | 422,686,000 | 485,389,000 | 450,505,000 | +27,819,000 | −34,884,000 |
| TITLE III—CAPITAL IMPROVEMENTS | | | | | |
| Government Printing Office | | 22,300,000 | | | −22,300,000 |
| Grand total, new budget (obligational) authority | 1,040,756,926 | 1,181,977,000 | 1,101,266,000 | +60,509,074 | −80,711,000 |

[1] Does not reflect effect of section 309 of H.R. 7593 as provided by section 101(c) of Public Law 96-536 which requires that 2 percent of total budget authority not required by law shall be withheld from obligation and expenditure.
[2] Includes the following budgert amendment (H. Doc. 97-49) for fiscal year 1982:
" Joint Committee on Taxation ..... $123,000.

### REVENUE ACTIVITIES

The Members may be interested to know there are a number of revenue activities within the legislative branch which will return $82 million before expenses to the Federal Government during fiscal year 1982. Included in this estimate is $2 million to the Capitol Power Plant in reimbursements for heating and air conditioning, $11.5 million from copyright fees and the sale of catalog cards and publications by the Library of Congress, $5.5 million in gift and trust fund income, and $63 million from the sale of Government documents through the Office of the Superintendent of Documents. Savings attributable to General Accounting Office activities total approximately $3.7 billion, which also have an offsetting effect on total Federal finances.

### MAJOR ITEMS IN BILL

#### TITLE I—CONGRESSIONAL OPERATIONS

The bill provides a total of $650,761,000 for fiscal year 1982 for seven major areas of congressional activity or in areas of direct support of the Congress. These include the House, joint items, the Office of Technology Assessment, the Congressional Budget Office, the Architect of the Capitol—except Senate and Library buildings and grounds—the Congressional Research Service, and congressional printing and binding.

#### HOUSE OF REPRESENTATIVES AND JOINT ITEMS

The allowances of $447,403,000 for the House and joint items for 1982 includes an amount of $363,794,000 for the operations of the House itself. This is less than a 1-percent increase over 1981, most of which is caused by last October's pay increase for our employees.

#### RECOMMENDED REDUCTIONS

The total recommendation for congressional operations is $23,527,000 less than was requested. Included in this decrease is: a reduction of $4 million in funding requested for the special and select committees—due to actions already taken and approved by the House; a markdown of $342,000 in the Sergeant of Arms budget; a reduction of $3,167,000 in various supplies, materials, and administrative expenses of the House; a reduction of $6,167,000 in various joint items, primarily in official mail; a reduction of $1,081,000

under the request of the Office of Technology Assessment; $840,000 less than requested by the Congressional Budget Office; the deferral of certain projects and other downward adjustments totaling $3,864,000 in the budget of the Architect; a reduction of $713,000 for the operation of the Congressional Research Service; and a reduction of $3,300,000 in congressional printing and binding.

TITLE II—OTHER AGENCIES

A total of $450,505,000 is recommended for the six agencies carried in title II of H.R. 4120. This allowance is an increase of $27,819,000 over the current level of appropriations and $34,884,000 less than requested.

The agencies that are included in this title of the bill and the amounts recommended are as follows: First, Botanic Garden, $2,311,000; second, Library of Congress (except the Congressional Research Service), $161,010,000; third, Library Buildings and grounds, $8,715,000; fourth, Copyright Royalty Tribunal, $461,000; fifth, Government Printing Office (except congressional printing and binding), $45,008,000; and sixth, General Accounting Office, $233,000,000.

Mr. Speaker, I will not attempt to discuss all of the recommendations made by the committee for the various agencies funded in this title of the bill, but I would like to mention a few. Our general policy has been to provide only the resources necessary to maintain activities at the current level and to fund mandatory increases. Only 4 of the 232 additional staffing requested have been allowed. In addition, a reduction of 100 positions under current staffing has been made.

Also, Mr. Speaker, the committee has recommended no funding for the Railroad Accounting Principles Board. We have taken a close look at this proposed new program. It had been established to recommend uniform rail cost accounting standards for regulatory purposes. However, the General Accounting Office has informed us that the Interstate Commerce Commission has just released a uniform rail cost system that the industry will be obliged to use. The committee believes, based on the GAO findings, that this is not the time to set up a new Government entity which may lead to confusion and redundancy since the ICC is already doing the job. We have decided not to fund the RAPB—but have asked the GAO to monitor the new system and to advise the Congress of any deficiences.

We have allowed $2.5 million to fireproof the bookstacks at the Thomas Jefferson and John Adams Library of Congress Buildings. The stacks need this protection desperately. We have also provided the Architect sufficient funds to finish completely the design work on the restoration and needed renovation of those buildings. There is no money in the bill for the construction part of that project—nor will there be until we get a properly certified estimate of the cost of the entire project. We do not intend to authorize the use of so-called phased construction—a method that has proven so costly in the past.

CAPITAL IMPROVEMENTS

Due to lack of authorization, the Committee has denied the funds for site acquisition and design of a proposed new Government Printing Office Building.

TITLE III—GENERAL PROVISIONS

Section 305 provides that during fiscal year 1982, individuals in the legislative, executive, or judical branch, or the District of Columbia government, may not receive a pay raise over their rate of pay on September 30, 1981, if their salary is set at a rate which is equal to or greater than level V of the Executive Schedule (currently frozen at $50,112.50 per annum), or to a percentage of such rate. There is also a limitation on bonuses paid to senior executive service personnel.

EXPLANATION OF SECTION 305

Section 305 provides for a pay freeze for high-level individuals in the legislative, executive, and judicial branches or in the government of the District of Columbia.

The first sentence provides that the rate of basic pay or salary will be frozen at the rate payable or, if higher, the maximum rate payable on September 30, 1981, which is the last day before the 1981 comparability adjustment is to take effect. It also defines in clauses (1) and (2) the individuals who are subject to the freeze. Under clause (1) any individual whose rate of pay is $50,112.50 or more (that is equal to or greater than level V of the Executive Schedule) is covered by the freeze. This clause covers those individuals whose rates of pay were directly affected by the 1977 Quadrennial increase (such as judges, Members, Senators, heads and assistant heads of cabinet departments), as well as individuals whose rates of pay are administratively set at rates above $50,112.50 (such as certain high-level positions in the Postal Service).

Clause (2) covers those individuals whose rates of pay are limited to a maximum rate which is equal to or greater than the rate for level V by reason of a statutory or other salary ceiling. For example the maximum rate for GS-18 is limited to the level for level V which under existing law (section 101(c) of Public Law 96-536) is $50,112.50. Under the provision the $50,112.50 ceiling is maintained. The amendment also maintains existing ceilings on rates of pay for committee staffs, other officers and employees of the House and Senate, and for administrative assistants whose maximum rate of pay is limited by congressional resolution.

Clause (2) would also limit the 1981 pay increase for some individuals who are currently paid less than the level V payable rate of $50,112.50. For example, a GS-14, step 4 employee presently makes $49,002. Under the amendment, He could not receive this October's entire comparability increase since his pay would be subject to the "frozen" $50,112.50 statutory ceiling. The parenthetical "or a percentage of such maximum rate" insures a freeze in rates of pay for those House committee staff employees whose rates are limited to 75 percent of level IV.

Section 305 applies to individuals in all three branches, and thus includes individuals in the Postal Service and the military service.

The Office of Personnel Management has informally estimated that the freeze will apply to 48,487 individuals broken down as follows:

Directly affected by freeze (currently at level V or above):

| | |
|---|---|
| Executive branch | 800 |
| Legislative branch | 546 |
| Judicial branch | 1,641 |
| Additional affected by frozen ceiling | 45,500 |
| Total | 48,487 |

Under the provision, the freeze is in effect for fiscal year 1982. If the freeze is to continue beyond fiscal year 1982, it will be necessary for Congress to enact a similar limitation of funds again next year.

Subsection (b) provides a special rule to cover positions which are created after September 30, 1981, and requires the appropriate officials in each branch to promulgate regulations to insure that the pay for such positions will be set at a rate equivalent to that for comparable positions which were in existence on September 30, 1981.

Subsection (c) provides that the number of Senior Executive Service bonuses be limited to 25 percent of all those eligible, instead of the 50 percent allowed under the civil services reform law. This would not affect the payment of differentials, allowances, or other payments, except salaries and bonuses.

Subsection (d) provides that the salary or pay actually paid to an employee, as a result of the application of the amendment, will serve as the basis for computing life insurance, retirement, and other benefits, rather than the higher statutory rate.

CONCLUSION

Mr. Speaker, these are the highlights of H.R. 4120, as reported to the House on July 9, 1981. The committee report (No. 97-170) explains our actions in much more detail, and is available to all the Members of the House.

The committee has little discretion as far as the amounts for the House and the joint items of the Congress are concerned. Salaries, allowances,

and expenses of the Members, special and select committee funding, and other items have been approved by the House and are already in effect through the adoption of House resolutions from the Committee on House Administration. Where the committee has discretion, it has been exercised.

As I noted earlier in my remarks, the committee is recommending an overall reduction totaling $80,711,000, and only 22 of the 265 new positions requested in those areas where we have control have been allowed. Moreover, the level of legislative branch staffing will actually be less than the current level.

We are bringing a legislative branch budget to the House that is smaller in real dollars than the current year.

We have trimmed the fat from the legislative branch and have made a conscious effort to stimulate increases in productivity.

We have no apologies to make in voting for this budget, Mr. Speaker.

I think all the Members can support and identify with these recommendations during this period of extreme budget austerity.

● Mr. ALEXANDER. Mr. Speaker, I would like to address two questions to the gentleman from Iowa, chairman of the Appropriations Subcommittee on Commerce, Justice, State, and the Judiciary. As the chairman of the subcommittee knows, I and other members of the committee and House, are convinced that the State-based economic development representatives are essential to the effective and efficient operation of the Economic Development Administration.

My questions are these.

Is it not correct that the intent of the Congress that the EDR's remain in place and doing the jobs they have done through the years was clearly expressed in the reports on the Supplemental Appropriations and Rescissions Act for 1981 and H.R. 4169, the regular EDA fiscal year 1982 appropriations bill which passed the House this month? And, further, is it not correct that the chairman decided against offering an amendment on this matter to the language of this resolution now before us because of the committee's desire to present the House with as simple a continuing resolution as possible and that that decision in no way reflects a change in our concern over the administration's actions ignoring congressional intent with regard to the EDR's?

Mr. SMITH of Iowa. The gentleman is correct in both instances.●

Mr. CONTE. Mr. Speaker, I have no further requests for time.

Mr. WHITTEN. Mr. Speaker, I move the previous question on the joint resolution to final passage.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the joint resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 281, nays 107, not voting 45, as follows:

[Roll No. 206]

YEAS—281

| | | |
|---|---|---|
| Addabbo | Dickinson | Hillis |
| Akaka | Dicks | Holland |
| Albosta | Dingell | Holt |
| Alexander | Dixon | Hopkins |
| Anderson | Dorgan | Horton |
| Andrews | Dornan | Howard |
| Annunzio | Dougherty | Hoyer |
| Anthony | Dowdy | Hubbard |
| Archer | Downey | Huckaby |
| Aspin | Duncan | Hutto |
| Atkinson | Dunn | Hyde |
| Badham | Dwyer | Jacobs |
| Bafalis | Dymally | Jeffords |
| Bailey (PA) | Dyson | Jenkins |
| Barnard | Early | Jones (NC) |
| Beard | Eckart | Jones (TN) |
| Bedell | Edgar | Kastenmeier |
| Beilenson | Edwards (AL) | Kazen |
| Benedict | Edwards (CA) | Kemp |
| Benjamin | Edwards (OK) | Kildee |
| Bennett | English | Kogovsek |
| Bereuter | Ertel | LaFalce |
| Bethune | Evans (DE) | Lantos |
| Bevill | Evans (GA) | Latta |
| Bingham | Evans (IA) | Leach |
| Blanchard | Fary | Leath |
| Bliley | Fazio | LeBoutillier |
| Boggs | Ferraro | Lee |
| Boland | Fish | Lehman |
| Bolling | Flippo | Leland |
| Bonior | Foglietta | Lent |
| Bonker | Foley | Levitas |
| Bouquard | Ford (MI) | Lewis |
| Bowen | Ford (TN) | Livingston |
| Breaux | Forsythe | Loeffler |
| Brinkley | Fountain | Long (LA) |
| Brodhead | Fowler | Long (MD) |
| Brooks | Frank | Lott |
| Byron | Frost | Lowry (WA) |
| Campbell | Gaydos | Luken |
| Carney | Gejdenson | Lundine |
| Chappell | Gibbons | Markey |
| Chappie | Ginn | Marks |
| Chisholm | Glickman | Marlenee |
| Clausen | Gonzalez | Martin (NY) |
| Clay | Gore | Matsui |
| Clinger | Gray | Mazzoli |
| Collins (IL) | Green | McCurdy |
| Conte | Guarini | McHugh |
| Coughlin | Hall (OH) | McKinney |
| Courter | Hall, Ralph | Mica |
| Coyne, William | Hall, Sam | Michel |
| D'Amours | Hammerschmidt | Mikulski |
| Daniel, R. W. | Hance | Miller (CA) |
| Danielson | Harkin | Mineta |
| Daschle | Hatcher | Minish |
| Daub | Hawkins | Mitchell (MD) |
| Davis | Heckler | Mitchell (NY) |
| Dellums | Hefner | Moakley |
| DeNardis | Heftel | Moffett |
| Derrick | Hightower | Mollohan |
| Moore | Rodino | Studds |
| Morrison | Roe | Swift |
| Murtha | Rogers | Synar |
| Myers | Rose | Tauzin |
| Natcher | Rosenthal | Thomas |
| Neal | Rostenkowski | Traxler |
| Nelligan | Roybal | Trible |
| Nelson | Sabo | Vento |
| Nichols | Santini | Volkmer |
| Nowak | Sawyer | Walgren |
| Oakar | Scheuer | Wampler |
| Oberstar | Schneider | Watkins |
| Obey | Schumer | Waxman |
| Ottinger | Seiberling | Weiss |
| Parris | Shamansky | White |
| Pashayan | Shannon | Whitehurst |
| Pease | Shaw | Whitley |
| Perkins | Simon | Whitten |
| Peyser | Skeen | Williams (MT) |
| Porter | Skelton | Williams (OH) |
| Price | Smith (AL) | Wilson |
| Pritchard | Smith (IA) | Wirth |
| Pursell | Smith (NE) | Wolf |
| Quillen | Smith (NJ) | Wolpe |
| Rahall | Smith (PA) | Wortley |
| Railsback | Snyder | Wright |
| Rangel | Solarz | Wylie |
| Ratchford | Spence | Yates |
| Regula | St Germain | Yatron |
| Reuss | Stanton | Young (MO) |
| Richmond | Staton | Zablocki |
| Rinaldo | Stokes | Zeferetti |
| Robinson | Stratton | |

NAYS—107

| | | |
|---|---|---|
| Applegate | Gingrich | Patterson |
| Ashbrook | Goodling | Paul |
| Bailey (MO) | Gradison | Petri |
| Barnes | Gramm | Ritter |
| Broomfield | Gregg | Roberts (KS) |
| Brown (CO) | Grisham | Roberts (SD) |
| Brown (OH) | Gunderson | Roemer |
| Broyhill | Hamilton | Roth |
| Burton, John | Hansen (ID) | Roukema |
| Butler | Hansen (UT) | Russo |
| Carman | Hendon | Schroeder |
| Coats | Hertel | Sensenbrenner |
| Coleman | Hiler | Sharp |
| Collins (TX) | Hughes | Shelby |
| Conable | Jeffries | Shumway |
| Conyers | Johnston | Shuster |
| Corcoran | Jones (OK) | Siljander |
| Coyne, James | Kindness | Smith (OR) |
| Craig | Kramer | Snowe |
| Crane, Daniel | Lagomarsino | Solomon |
| Crane, Philip | Lungren | Stangeland |
| Daniel, Dan | Martin (IL) | Stark |
| Dannemeyer | Mattox | Stenholm |
| Deckard | McClory | Stump |
| Derwinski | McCollum | Tauke |
| Donnelly | McDonald | Taylor |
| Emerson | McEwen | Walker |
| Emery | Miller (OH) | Washington |
| Erdahl | Molinari | Weaver |
| Erlenborn | Moorhead | Weber (MN) |
| Fiedler | Mottl | Weber (OH) |
| Fields | Murphy | Whittaker |
| Findley | Napier | Winn |
| Frenzel | Oxley | Wyden |
| Gephardt | Panetta | Young (FL) |
| Gilman | Patman | |

NOT VOTING—45

| | | |
|---|---|---|
| AuCoin | Florio | McCloskey |
| Biaggi | Fuqua | McDade |
| Boner | Garcia | McGrath |
| Brown (CA) | Goldwater | Montgomery |
| Burgener | Hagedorn | O'Brien |
| Burton, Phillip | Hartnett | Pepper |
| Cheney | Hollenbeck | Pickle |
| Coelho | Hunter | Rhodes |
| Crockett | Ireland | Rousselot |
| de la Garza | Lowery (CA) | Rudd |
| Dreier | Lujan | Savage |
| Evans (IN) | Madigan | Schulze |
| Fascell | Marriott | Udall |
| Fenwick | Martin (NC) | Vander Jagt |
| Fithian | Mavroules | Young (AK) |

□ 1300

The Clerk announced the following pairs:

On this vote:

Mr. Pepper for, with Mr. Pickle against.

Mr. O'Brien for, with Mr. Hollenbeck against.

Until further notice:

Mr. Biaggi with Mr. Vander Jagt.
Mr. de la Garza with Mr. Hunter.
Mr. AuCoin with Mr. Martin of North Carolina.
Mr. Fascell with Mr. Marriott.
Mr. Mavroules with Mr. McGrath.
Mr. Udall with Mr. Young of Alaska.
Mr. Ireland with Mr. Rousselot.
Mr. Garcia with Mr. Schulze.
Mr. Florio with Mr. Dreier.
Mr. Fuqua with Mrs. Fenwick.
Mr. Crockett with Mr. McDade.
Mr. Phillip Burton with Mr. Rudd.
Mr. Coelho with Mr. Madigan.
Mr. Brown of California with Mr. Lujan.
Mr. Evans of Indiana with Mr. Lowery of California.
Mr. Fithian with Mr. Hagedorn.
Mr. Boner of Tennessee with Mr. Hartnett.
Mr. Savage with Mr. Burgener.
Mr. Cheney with Mr. Goldwater.
Mr. McCloskey with Mr. Rhodes.

Mr. GEPHARDT, Mr. PATTERSON, Mrs. MARTIN of Illinois, and Mr. HANSEN of Idaho changed their votes from "yea" to "nay."

Mrs. HOLT changed her vote from "nay" to "yea."

So the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## PERSONAL EXPLANATION

Mr. JOHNSTON. Mr. Speaker, I was unable to be present on the floor of the House of Representatives for rollcall No. 205 yesterday, on H.R. 3380, to increase the pay and allowances of members of the Armed Forces. Had I been present, I would have voted "yea."

## MILITARY CONSTRUCTION APPROPRIATIONS, 1982

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 215, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 215

*Resolved,* That during the consideration of the bill (H.R. 4241) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1982, and for other purposes, all points of order against the following provisions in said bill for failure to comply with the provisions of clause 2, rule XXI, are hereby waived: beginning on page 2, line 3 through page 8, line 7; and all points of order against the following provisions in said bill for failure to comply with the provisions of clause 6, rule XXI, are hereby waived: beginning on page 4, line 7 through page 5, line 5; and beginning on page 7, line 1 through page 8, line 2,

The SPEAKER pro tempore. The gentleman from Texas (Mr. FROST) is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 215 is a rule to facilitate consideration of H.R. 4241, the Department of Defense Military Construction Appropriation Act for fiscal year 1982. The rule waives points of order pursuant to clause 2 and 6 of rule XXI against certain paragraphs of the bill.

Clause 2, rule XXI, prohibits unauthorized appropriations and legislation in an appropriations bill. As in the case of other appropriations bills that we have considered this session, this waiver is necessary because legislation authorizing funds for military construction for fiscal year 1982 has not yet been enacted. H.R. 3455, the military construction authorization bill, was passed by the House on June 4, 1981, by a vote of 311 to 36. A similar Senate bill is currently awaiting Senate floor consideration. Since the authorization has not been enacted into law, the appropriating provisions of H.R. 4241 violate the provisions of clause 2, rule XXI.

Additionally, the limitations and legislative provisions in the bill appear in the section entitled "General provisions" and are not covered by the waiver of clause 2, rule XXI.

Mr. Speaker, House Resolution 215 also waives clause 6, rule XXI, which prohibits reappropriation of unexpended balances of funds. The waiver is necessary because two paragraphs in the bill which authorize transfer of unexpended balances from previous appropriations for use in military public works projects and defense family housing constitute reappropriations. The rule specifically identifies those sections of the bill for which waivers are granted.

Mr. Speaker, H.R. 4241 provides $6.9 billion in new budget authority for military construction projects and military family housing for fiscal year 1982. This amount is approximately $591.5 million or 10 percent below the administration's budget request but also represents an increase of $1.6 billion over the fiscal year 1981 appropriation of $5.3 billion. H.R. 4241 does not exceed the total amount recommended in the authorizing legislation passed by the House.

Mr. Speaker, I know of no particular controversy over this rule. I urge my colleagues to adopt House Resolution 215 so that the House may proceed to the orderly consideration of the bill on its merits.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I shall not go into the details of the resolution, as the able gentleman from Texas (Mr. FROST), has explained them thoroughly. I know of no objection to the rule. I think it is important that we get the appropriation bills behind us.

There are some deficiencies in the measure itself which I am sure will be discussed on the floor. However, Mr. Speaker, I urge the adoption of the rule.

I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. GINN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4241) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1982, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Ohio (Mr. REGULA) and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Georgia (Mr. GINN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4241, with Mr. SHARP in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Georgia (Mr. GINN) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. REGULA) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Georgia (Mr. GINN).

Mr. GINN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, before beginning my remarks I want to say that I do not think any subcommittee chairman from the Appropriations Committee has ever had any ranking member be any more cooperative than the gentleman from Ohio (Mr. REGULA) has been to me. Today I want to express my profound appreciation to him, along with my appreciation to all members of our subcommittee, because we have workd together, I think, as a bipartisan team, and we

bring today to the floor an excellent bill.

The Military Construction Subcommittee held extensive hearings that have led to the bill that is before the House today. The amended request for military construction and family housing totaled $8 billion. The committee has deferred consideration of $522.3 million for MX funding of that request. The total amount recommended includes $6.9 billion, which is the largest military construction appropriation to ever reach the floor of the House of Representatives.

The committee's recommended fiscal year 1982 funding represents a $592 million reduction from the amount considered, but a $1.6 billion increase over the amount approved in fiscal year 1981. The recommendation by the committee is $96 million below the outlay request of the executive branch and also $40 million below the section 302 budget allocation.

The committee's recommendations reflect the current fiscal and economic conditions of the country and weigh the highest priority military requirements against the need for fiscal restraint. I feel the recommended bill achieves this balance.

The committee this year focused on some of the most important issues facing the country today, the basing of the MX missile, Indian Ocean, Persian Gulf program, NATO programs in construction, the Pacific, and the overall need to improve the quality of life in the military. I will now highlight a number of major recommendations that are explained in more detail in the committee report.

Mr. Chairman, the committee has deferred, without prejudice, the consideration of $522.3 million requested in fiscal year 1982 for design, construction, land acquisition, and headquarters facilities for the land-based system to support the MX missile.

□ 1315

The committee had hoped to have the opportunity to hold hearings and to examine the administration's MX proposal prior to completing action on the fiscal year 1982 appropriations bill for military construction. However, Mr. Chairman, no decision from the administration on the MX system has been made. The long-term significance of the MX program is such that the committee feels that action should be deferred until hearings and a full review of the program can be conducted. In order to assure timely approval of the other items in the fiscal year 1982 request, the committee feels that action must proceed at this time.

The committee will work with the administration in the upcoming months to find the most beneficial method to review and act on additional military funding for the MX or other systems that might require construction funding.

The committee continues to support the policy of developing capabilities in the Persian Gulf area to assure the continuation of the flow of oil from the region, while respecting the sovereignty of foreign states. The committee recommends $335 million to continue our efforts to provide additional facilities in the Middle East. Construction projects at Ras Banas, Egypt, and Lajes, Portugal, are not recommended because of questions concerning the design, need, and country-to-country agreements.

Over the past years, not enough attention has been paid to fulfilling our need to provide modern facilities for our personnel stationed in NATO countries. The committee feels that planning has been based on the assumption that the United States would stay in Europe for a short period. That short period has turned into more than 30 years. Facilities are now worn and inadequate and no longer meet the requirements of a modern military force. The needs have grown to the point, Mr. Chairman, that the Department estimates a requirement of more than $10 billion in construction to solve the current construction deficiency.

The committee's recommendation of $1 billion in NATO funding is the largest ever. The committee feels it is time to get on with improving facilities for our people who serve there.

Recent news reports have indicated that the Republic of Germany is reluctant to proceed with the development of the master restationing plan in Germany. However, it is my understanding that the Government is interested in continuing discussions on the implementation of the restationing proposal. It is essential that talks be initiated rapidly in order to accelerate the implementation of the master restationing plan. We are at a critical juncture with our facilities in Germany. It is time to improve our installations, as well as locate them in the most strategic locations. The relocation of facilities from crowded urban areas will allow for more productive use of property by Germany and for siting U.S. facilities at more advantageous locations. The funding for the program by the Germans will be recouped from moneys obtained through the release of urban property and thereby to offset the planned increase defense expenditures.

The committee has recommended $18 million for projects associated with the master restationing plan. The U.S. contribution is proposed in order to show our commitment to the program and to obtain a like response to the Government of Germany. I am disappointed that the initial response from the Republic of Germany is one of only continuing to discuss this plan. I hope that in the next several months the discussions will turn to positive action by the German Government.

In regard to another NATO construction matter, the ground-launched cruise missile facilities have been recommended in order to show our support for the program, but we require, Mr. Chairman, that the Department seek NATO infrastructure funding for essentially all GLCM construction.

The committee held extensive hearings this year to examine the issues relating to improving the quality of life for the men and women who serve in the U.S. military. In a special hearing on the subject this year, the committee invited and heard testimony from the top ranking enlisted person in each service and the Exectutive Secretary of the Defense Advisory Committee on Women in the Service. The committee has added a new section to the report on quality of life to show the need to accelerate unaccompanied personnel housing, to improve family housing overseas, and to fund child care centers with military construction funds. Design funds in the amount of $20 million have been added to the request to accelerate the design of 20,000 substandard barrack spaces.

The committee again this year has focused on the need for the Department of Defense to increase the host nation's support provided to U.S. Armed Forces defending foreign nations. The committee feels that as the United States significantly increases its spending on defense, other countries should develop host nation programs to reduce the U.S. costs associated with the maintenance of large numbers of U.S. troops and dependents stationed abroad.

ENERGY

The committee held extensive hearings this year on DOD's energy program. It is essential that the Department, as the single largest user of energy in the United States, embark on an aggressive program for both energy conservation and new technology improvements.

The committee approved all requested projects for energy conservation except those requested for temporary buildings scheduled for replacement. The committee is confident that the Department will reach its goal of a 12-percent reduction in energy use by 1985.

The committee included language in the bill clarifying the life cycle cost criteria to be used when determining the feasibility of solar energy applications to construction projects. The committee also made reductions to the utility account in family housing as a direct incentive to reduce consumption.

POLLUTION ABATEMENT

The committee has approved all funds requested for domestic air and

water pollution abatement programs. Testimony before the committee indicated that the Department of Defense, not the Environmental Protection Agency, will pay for DOD use of sewage treatment plants, when they are tied into the local system. The committee acknowledges that some additional costs may be incurred because of the waiting period for this decision.

Although the Department has made gains in reducing pollution abatement violations, there still remains a backlog of pollution control projects. The committee expects the Department to continue to devote sufficient planning and design funds to continue to reduce this backlog.

SAFETY

The DOD safety program has been an issue of particular interest to the committee. Worker safety should be a primary concern of the Department, and the committee feels that priority should be given to any military construction project that will eliminate safety problems.

The committee directed last year that the Department prepare a multiyear plan that establishes how military construction projects will be funded to correct safety problems. That report was prepared and has been published in part 3 of this year's hearing record. The committee has approved all requested safety projects and urges the Department to continue to program its safety improvements so that it can meet its stated goal of eliminating all serious hazards by 1984.

MEDICAL PROGRAM

The committee has been concerned about several issues involving medical readiness and held extensive hearings this year to examine these concerns. The committee feels that there are many methods available to provide for medical mobilization space without overbuilding military hospitals. The committee has directed the Department to review design alternatives that would improve the mobilization capacity of military hospitals constructed in the future, and to develop a standard guidance on ways to improve military service plans for use of existing hospitals.

SHORTFALL FUNDING

The Department requested $387,437,000 in fiscal year 1982 to cover funding shortfalls in varying amounts for each of the services. The committee provided $293,400,000 of that request. The fiscal year 1982 budget amendment reduced that total military construction request by $119,300,000 because the President's economic recovery plan is expected to result in lower inflation and result in Government-wide savings. The committee has accepted these reductions and is hopeful that these savings can be achieved. However, since the shortfall was justified partly on the basis that lower than actual inflation rates were used in estimating and since the Department has lowered the assumed inflation rate for the fiscal year 1982 request, the committee does not anticipate any funding shortfall requests in the future.

MILITARY CONSTRUCTION, ARMY

The committee is recommending appropriations totaling $1,029,519,000 for "Military construction, Army." This is $70,181,000 less than the amount requested and $143,285,000 more than the amount appropriated in fiscal year 1981. The major reductions are the Fort Carson, Colo., land acquisition; the shortfall funding reduction; the construction management for NATO; and the Ras Banas, Egypt, project. The committee added planning and design funds to advance barracks projects and approved two additional barracks projects.

MILITARY CONSTRUCTION, NAVY

The committee is recommending appropriations totaling $1,404,883,000 for "Military construction, Navy." This is $72,917,000 less than the amount requested and $613,748,000 above the amount provided in fiscal year 1981. The major reductions are the deletion of four airfield pavements projects; the Mariana Islands land lease; and the shortfall funding adjustment. The committee has included $204,000,000 to initiate construction of the San Diego, Calif. hospital. The committee added several projects to modernize and enhance the capabilities of the Nation's shipyards.

The committee has approved a substantial amount for the Marine Corps and has added several projects to enhance their readiness.

MILITARY CONSTRUCTION, AIR FORCE

The committee is recommending appropriations totaling $1,407,565,000 for "Military construction, Air Force." This is $295,535,000 below the amount requested and $470,340,000 above the amount provided in fiscal year 1981. The committee has deferred consideration of the $522,300,000 requested for the MX missile system as discussed earlier. The major reductions were the adjustment to the shortfall request and reductions to projects at Lajes Air Base, Portugal; Ras Banas, Egypt; and Diego Garcia, as well as deletion of all requested funds for the collocated operating bases in Europe.

MILITARY CONSTRUCTION, DEFENSE AGENCIES

The committee is recommending appropriations totaling $251,004,000 for "Military construction, Defense agencies." This is $103,096,000 below the amount requested and $10,996,000 below the amount provided in fiscal year 1981. The major reductions are the deletion of the National Security Agency building project at Fort Meade, Md.; the fuel tankage project in Korea; and an adjustment to the emergency construction request.

NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

The committee is recommending appropriations totaling $385,000,000 for the NATO infrastructure. This is $135,000,000 above the amount provided in fiscal year 1981 and is the full amount requested.

MILITARY CONSTRUCTION, RESERVE COMPONENTS

The committee is recommending appropriations totaling $313,342,000 for "Military construction, Reserve components." This is $77,142,000 above the amount requested and $79,831,000 above the amount provided in fiscal year 1981.

The committee heard testimony this year which indicated that there is a significant backlog of Reserve construction. The committee has provided a substantial increase in the Reserve components request in order to accelerate the replacement and modernization of Reserve facilities. The committee has recommended adding only projects that are at a sufficient design level to require construction in fiscal year 1982.

FAMILY HOUSING, DEFENSE

The committee is recommending appropriations totaling $2,238,027,000 for "Family housing, Defense." This is $126,869,000 less than the amount requested and $128,196,000 above the amount provided in fiscal year 1981.

The committee continues to be concerned that although the number of family housing units has remained relatively stable over the past several years, the cost of the family housing program has increased at a greater rate than the annual rate of inflation. The committee has made reductions in this year's request in areas where better management and increased emphasis on conservation of energy can lead to cost savings. The committee has approved all projects that contribute to improved quality of life in the military. The reductions made by the committee encourage better management and will not adversely impact the quality of life.

HOMEOWNERS ASSISTANCE FUND

The committee has approved the $2,000,000 requested to insure payment to individuals who are forced to dispose of their homes due to base closure or reductions in the scope of operations.

The committee has made every attempt to recommend funding for projects in the United States. The funding recommended relates to approximately 200,000 jobs in the construction and related industries and accounts for $3.5 billion of the bill.

In addition to these areas of emphasis, the committee is recommending a series of pluses and minuses in the various military construction programs.

Each of these is identified in the back of the report in the State list section.

I urge the swift adoption of this bill, Mr. Chairman. The recommendation provides for the most far-reaching military construction program ever passed by the House of Representatives. It is time for us to proceed to improve the facilities in the Defense Department. This must be done both for the sake of the men and women who work and live in these buildings and for the long-term defense needs of the country.

Mr. REGULA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I wish to echo the chairman's remarks about the excellent working relationship in the committee. This is due, in large part, to the leadership provided by the gentleman from Georgia. In every instance, members of the committee, of the subcommittee, as well as outside Members had an opportunity to present their ideas on needed construction. It has been a real pleasure to work with the gentleman from Georgia, particularly because our efforts have been totally nonpartisan, and the only goal of the committee is to best serve the needs of this Nation and the Armed Forces.

I would point out to the Members that, while military construction is not an exciting topic, it is one of the very basic elements in having an adequate security system for the United States.

The cutting edge of any weapons system has to be construction, regardless of what it might be: a new airplane, a new ship, a new system of any type. There has to be a development of port facilities, such as Kings Bay for the Trident submarines on the east coast. There must be runways adequate for our airplanes. There must be wind tunnels, such as we have in Arnold Engineering in Tennessee to test equipment. All of these involve construction. Therefore, the forerunner of any adequate security rests in getting a finely developed construction system to meet the needs of any given weapons system.

We hear a lot today about the necessity of a volunteer military service and the necessity to retain skilled people in the service.

Again, construction is a very important element. If you have inadequate housing facilities, be it in the United States or in the 29 territories and foreign countries that have U.S. personnel, the problems of retention are magnified because people are concerned about adequate housing. They are concerned about adequate workplace facilities. I want to emphasize that an adequate military construction budget is basic to everything we do in military programs.

I would also emphasize that no matter what kind of figures you use on this particular bill, we are under the administration's requests and under the section 302 allocations. We are under the President's request by $96 million. We are under the section 302 allocation by $40 million. So I think that everyone can feel comfortable that in the terms of actual budget outlays for fiscal year 1982, the military construction budget is under any set of measures that you might want to use. This again reflects the leadership of the chairman in trying to make everything that we do in this budget cost effective. Seven billion dollars is a lot of money, and it is important that we use this wisely to achieve the greatest amount of construction possible.

This year's Department of Defense request for military construction totaled $7.5 billion, excluding a half billion dollars for MX missile system projects. This is the largest request ever submitted to this committee. After extensive hearings on the various projects, and in view of this country's current economic situation, the committee reduced funding by over a half billion dollars and is bringing a bill totaling $6.9 billion in military construction appropriations for 1982. I think the bill achieves a balance between our national defense needs throughout the world and the need to control overall Federal spending and to justify defense expenditures to the American taxpayers.

In addition to the specific construction projects funded in this bill, there are certain issues that the committee addressed this year.

I might add that I do not think we often recognize the magnitude of the construction programs. We are involved in 1,286 bases worldwide. All of these construction decisions have to be made by this subcommittee, in terms of funding.

In regard to the MX missile program, with President Reagan's decision on MX basing imminent, the committee has deferred all MX-related requests, including $146.3 million for planning and design, $345.5 million construction, $9.5 million planned acquisition, and $10 million of community impact assistance, along with $11 million for MX headquarters. We recognize that there is a great deal of uncertainty in the whole question of the basing mode for the MX, and therefore we are deferring this until there is a clear decision in the Department of Defense and in the Congress on basing for the MX weapons system.

In fiscal year 1981 $92 million was requested in the supplemental MX planning and design, and this was also deferred by this committee earlier in the year. The committee will work with the administration to evaluate and review the President's forthcoming decision on MX basing and his request to provide construction funds. Hearings will be conducted and a thorough evaluation of the MX construction request will be made by the committee.

The Persian Gulf is a vital region to the United States; vital because it is our supply of oil; vital because of raw materials coming from the African Continent. Funding for projects in the Persian Gulf is recommended at over $334 million, along with the suggestion that the United States continue to pursue sharing the burden of military presence in this part of the world with NATO allies and Japan, who also have a real stake in what happens in the Persian Gulf area.

This can often be handled by our allies by replacing U.S. responsibilities in other parts of the world. I would say to our NATO allies that they should take a look at their foreign economic assistance programs. They should take a look at their NATO commitments, and help relieve U.S. burdens in Western Europe, because we in turn are taking a large share of responsibility for the Persian Gulf.

Facilities expansion at Diego Garcia will proceed next year with the $187.4 million appropriation in this bill; $26 million is available for dredging and facilities expansion in Kenya.

In terms of NATO, in consideration of the 240,000 American Armed Forces personnel in West Germany who are working in facilities that predate World War II—some of them, in fact are World War I facilities—the committee has recommended $385 million, the full amount requested for the NATO infrastructure program, and $750 million for unilateral funding of construction and modernization of U.S. facilities.

Maxwell Taylor, retired Chairman of the Joint Chiefs of Staff, has noted that shortages of well-maintained equipment and of supply units generally mean that in Europe and elsewhere regular divisions, no matter how prepared themselves, are not in fact ready to perform their combat missions. Improving working and living conditions in NATO facilities is a top priority with the committee.

Even though West Germany has agreed in principle to offer host nation support, it has yet to appropriate any money. We are again recommending that efforts to seek more host nation and infrastructure funding continue.

I cannot emphasize too much the leadership this subcommittee has provided, not only this year, but in past years, in attempting to get greater host nation support from our NATO allies and also from the Japanese. I think it is very important that these nations take a larger share of responsibility for those forces that are stationed in their country.

□ 1330

In one of the most important hearings the committee held this year,

Members heard testimony from the top ranking enlisted person in each service on the quality of life program. It was very clear that construction of new, modern housing for both unaccompanied personnel and families is sorely needed.

For example, housing at U.S. bases in West Germany is so short that thousands of soldiers, many with dependents, have been forced into the local economy. Families may pay $800 a month—more than twice the housing allowance given men living off base—for apartments that Army inspectors classify as substandard or even uninhabitable.

Those who were able to see the NBC show hosted last week by Dave Brinkley observed the truly miserable living and working conditions our servicemen must endure in Europe. It is time we devoted as much of our energy and resources to making working conditions minimally tolerable as we do to procuring new weapons systems.

The committee added $45 million in fiscal year 1982 construction money to increase by 2,000 the number of unaccompanied personnel housing units to be built in 1982. In addition, we added $20 million to design and plan housing projects at an accelerated pace for 1983.

Child care facilities are certainly a necessary element of life in the working, military community. The committee found that child care centers are often in make-shift buildings and not up to acceptable standards. Ten centers at a cost of $14.7 million are funded in this bill.

I would like to emphasize the matter of contracting by the Department of Defense.

This year's request of over $509 million for planning and design is the largest ever in a military construction appropriations bill. I have been increasingly concerned about cost overruns that have necessitated a lot of reprograming requests this past year.

The committee is initiating an in-depth survey and investigation study on such contracting procedures as unsolicited proposals, sole source contracting, revolving door procedures, contract add-ons and change orders, and the contract selection process.

Based on the results of this study, the committee will conduct extensive hearings on this matter. In addition, this bill contains the same provision as other appropriations bills in requiring that all consulting service contracts be made a matter of public record and available for public inspection.

These hearings will begin this fall on the matter of contracting. I think that one of the important things that needs to be addressed by this Congress in terms of military budgets is how to do a better job of contracting. We took important action in the past months to allow multiyear contracting for procurement. We need to address the same issue in the matter of contracting for Government construction facilities.

It is vitally important if we are to restrain the budget costs, to restrain overruns, which erode credibility of the defense budget, that we examine the statutory requirements in the matter of contracting and see if we cannot find a better way, a more cost-effective way to meet this Nation's defense needs.

This bill today is a result of careful examination and deliberation by the committee. In this period of Government restraint in spending, we have cut back in several areas, and, in fact, are over a half billion dollars under the Department's request.

I believe this bill reflects the current economic conditions of the country and balances those conditions against the highest priority military requirements.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from California.

Mr. CLAUSEN. I thank the gentleman for yielding.

Mr. Chairman, I rise to compliment the distinguished chairman, the gentleman from Georgia, and the distinguished gentleman from Ohio, the ranking Republican on the Subcommittee on Military Construction of the Committee on Appropriations, for what I think is an exceptionally good job under very difficult circumstances.

Mr. Chairman, I rise in support of H.R. 4241, the military construction appropriation bill for fiscal year 1982. One of the priority items addressed in this legislation is the modernization needs of our U.S. naval shipyards. In consideration of the fact that Congress will undoubtably authorize a significant increase in the production of naval vessels over the next several years, I feel it is essential to make a careful evaluation of our naval yards, their repair facilities, and their potential for future construction. The Mare Island Naval Shipyard in Vallejo, Calif., is one such facility. Mare Island has been sighted for the possible construction of 688 class attack submarines. Indeed this would be a superior choice, seeing that it is the only public west coast facility to have ever constructed submarines. There are also a large number of civilian employees at Mare Island who are experienced in new construction.

An undertaking of this magnitude however, would require greater funding not only for new ships and submarines, but also for the upgrading of the existing facility. The construction or repair of our modern subs requires both the most modern and efficient equipment, as well as an optimum arrangement of naval personnel. At the present time, Mare Island is faced with substandard pipe and boiler facilities which are widely dispersed along the shipyard's waterfront. These facilities need careful attention in order to meet occupational safety and health standards. The current inadequacies are causing both an inefficient workflow as well as insufficient labor supervision, all of which result in additional and unnecessary production costs. Rising costs in the future may be inevitable if Mare Island is forced to continue in the maintenance of substandard buildings.

Budget requests for military construction facilities of the past years have been woefully neglected. It must be noted that our objective in this legislation is to maintain the efficiency of our current naval shipyards. By making this our highest priority, we can then look forward to modernization of our Navy with the confident knowledge that past neglects have been remedied.

Mr. LOEFFLER. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Texas.

Mr. LOEFFLER. Mr. Chairman, I rise in strong support of H.R. 4241, the fiscal year 1982 military construction appropriations bill. This bill provides more than $6.9 billion in new budget authority for military construction projects in the United States and throughout the world. This represents an increase of almost 30 percent over the fiscal year 1981 level in keeping with our commitment to provide necessary increases in defense spending across the board. After years of steadily declining defense budgets, this legislation represents a critical first step in our efforts to insure our Nation's security through a strengthened and viable military capability.

I would like to point out that this bill provides more than $590 million less in budget authority and $150 million less in outlays than the President's March budget request over and above the amounts deferred from consideration for the MX missile program. In keeping with previous congressional action on the MX missile, the committee has deferred without prejudice consideration of the $522.3 million requested for MX-related projects. This action was not taken lightly, however. In view of the fact that no final decision has been made by the administration regarding the MX program, the committee felt that it was necessary to proceed with the fiscal year 1982 military construction bill so that other programs and projects critical to our military readiness will not be delayed. Should the administration proceed with a recommendation to Congress, I know that our subcommittee is committed to a prompt review and action on that recommendation.

While the committee provided major increases in funding for possible Middle East contingencies, including an aggressive construction program in the Indian Ocean and other areas in this critical part of the world, reductions were made in funding for certain activities related to the rapid deployment force. These reductions were due, in large part, to the lack of country-to-country agreements with the appropriate nations involved. It is my hope that the Department of Defense will proceed quickly to secure the necessary agreements so that we may continue to develop a sound operational plan for the RDF in the event of a severe crisis.

The committee has recognized the important contributions which living conditions and facilities make toward improving the quality of life in the military. The bill provides across-the-board increases in such areas as unaccompanied enlisted personnel and family housing in a cost-effective manner which, when coupled with other initiatives such as pay and compensation, will encourage greater enlistment and retention in our Armed Forces.

As this is my first term on the Appropriations Committee and on the Military Construction Subcommittee, I want to thank the chairman, the gentleman from Georgia (Mr. GINN), and the ranking minority member, the gentleman from Ohio (Mr. REGULA), for their leadership and for their assistance to me. I look forward to working with you and the other members of the subcommittee in the future.

I particularly want to thank the chairman for his assistance in securing funds to initiate planning and design for critically needed facilities at Goodfellow Air Force Base in San Angelo, Tex. This important cryptological training center has for some time been under consideration for closure. That ominous cloud has passed, and I am grateful for the committee's recognition of the urgent need to expedite the design of facilities at Goodfellow.

Overall, Texas military facilities received approval for more than $125 million in construction-related projects, including many which are directly related to maintaining a high degree of readiness of both Active and Reserve Forces located in the State and improving the quality of life for those personnel. Bases and projects receiving funding under this bill include enlisted housing at Kelly and Lackland Air Force Bases in addition to a $2.2 million marksmanship training facility at Lackland, funds to upgrade facilities in support of Air National Guard, Air Force Reserve, and Army Reserve contingents in San Antonio, Tex., and a $1 million data processing facility at Laughlin Air Force Base in Del Rio, Tex.

Again, I want to thank the gentleman from Georgia and the gentleman from Ohio for their leadership during the consideration of this important legislation. At this time, I would like to engage the gentleman from Georgia in a colloquy concerning the Brooke Army Medical Center at Fort Sam Houston, Tex.

Mr. Chairman, I am extremely concerned relative to the physical condition of the existing hospital facilities at Brooke Army Medical Center, Fort Sam Houston, Tex. Brooke Army Medical Center is essential to the health care capabilities of the Army Medical Department and the U.S. Army. The Center ranks second among all Army hospitals in both beds occupied and outpatient visits, and is the location of the internationally known and respected burn center.

However, the Center is dispersed among numerous old buildings across the post, resulting in safety hazards, performance inefficiencies, and demeaning patient care. Efforts to achieve a major hospital construction project have been frustrated by resistance within the Department of Defense and have resulted only in limited renovations of little permanent value.

As a result of these concerns and at the urging of the House Armed Services Committee, the Department has proposed construction of a major addition which would consolidate and modernize all BAMC activities at Fort Sam Houston. While fully justified and long overdue, construction has been delayed until fiscal year 1987. However, it is my understanding that the project could be moved up to fiscal year 1986 should design funds be available as early as fiscal year 1982. In view of the critical need for this facility, and because of the long leadtime for the development of a medical center of this size, including the required extensive economic analysis and design studies, it is my strong recommendation that the Department expedite programing for a new Brooke Army Medical Center so that design may be initiated during fiscal year 1982.

Mr. GINN. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Georgia.

Mr. GINN. The gentleman is correct in his analysis on the need to proceed rapidly with the design and construction of new facilities for the Brooke Army Medical Center. I support you in the desire to proceed with this project. The Army has furnished the committee with information that indicates that planning and design funds for the Brooke project may not be required until fiscal year 1983 because of necessary prearchitectural work that must take place during fiscal year 1982.

Mr. LOEFFLER. Mr. Chairman, I would expect, then, that the committee would proceed with full design funding for the project in fiscal year 1983. However, if the necessary work were to be completed prior to fiscal year 1983, are sufficient planning and design funds available for the project at the Brooke Army Medical Center?

Mr. GINN. The committee has recommended approximately $128 million in planning and design funds for the Army in fiscal year 1982. If the various studies for the Brooke project were completed earlier than scheduled, I feel the Army has sufficient planning and design funds to accommodate any requirements for the new hospital. I want to assure the gentleman that the committee will watch the design status of the project very carefully, and, if additional funding becomes necessary, that we will work with the Army, through reprograming or other means, to assure that sufficient design funds will be available when required.

Mr. LOEFFLER. Mr. Chairman, it is my understanding, then, that the committee will closely monitor the progress of the Brooke Army Medical Center project to assure its design and construction on the most timely basis, and that if the Department is able to proceed with design in fiscal year 1982, design funds will be available?

Mr. GINN. I will give the gentleman my assurances that the committee will see to it that the Brooke project is carefully monitored and that design funds will be available when needed.

Mr. LOEFFLER. I thank the gentleman for his assurances. I urge support for the fiscal year 1982 military construction appropriations bill and again give my thanks and appreciation to the distinguished chairman of our subcommittee and to the distinguished ranking minority member of our subcommittee, and I yield back the balance of my time.

Mr. REGULA. Mr. Chairman, I yield such time as he may consume to the gentleman from Alabama (Mr. DICKINSON).

Mr. DICKINSON. I thank the gentleman for yielding.

I want to rise in support of this military construction bill.

Mr. Chairman, yesterday, I stood in the same place to discuss one leg of what I considered probably the biggest problem facing the military. That had to do with the compensation of our uniformed personnel.

Today I think the other leg of what is necessary to maintain an effective combat force is being addressed, and that is the military construction bill.

There are two things we talk about if we want to avoid resorting to the draft. What do we have to do to build and maintain an adequate force? Is the All Volunteer Force working? And people say no, no, it is not, we are not attracting the right quality of people and not retaining them.

Well, Mr. Chairman, we do not have to worry about attracting people into the service nearly so much as we do about retaining those we already have who we have trained, in whom we have hundreds of thousands of dollars invested in their skills and experience. If we do not provide them the quality of life that they expect and deserve, then we have found that we lose them.

We find there is a constant hemorrhage of trained personnel and that we have to replace those losses through the very expensive process of recruiting and retraining new personnel for positions that had been filled by good people who would like to have stayed had they been offered a better standard of living and quality of life that they are entitled to and that they see in the civilian community.

So when the gentleman from Ohio commented on what has happened in West Germany, he is exactly correct. Our Subcommittee on Armed Services visited in Stuttgart, I think 6 months ago, and was given a briefing as to the situation there.

General Allen, who is Deputy CINCEUR, gave us an extensive briefing and the situation that the gentleman from Ohio described was impressed on us. He said:

Congressman, you would not let your son, if you knew it, live in the conditions that we are forcing our enlisted men to live in, because we will not furnish them on-base housing. We do not have the facilities. They have to go off base to find places in which to live with their families. They are having to pay exorbitant rates because of the shortage of housing in West Germany and it is substandard housing that you would not allow anybody in your family to live in, but we are forcing our soldiers to live in these conditions.

The answer is, what we are trying to do today in part, the military construction budget. We are not worried about the weapons systems now. They are a concomitant part and a very important part of our overall defense posture.

When we authorized the Trident submarine we knew that necessary facilities would be constructed for it. We know that we have to appropriate for the necessary support and berthing facilities for it. When we authorize so many aircraft, we know we are going to have an airport with a paved runway of $x$ number of feet, hangars, revetments, and so forth, but what about the people?

I am required to do a great deal of traveling as ranking member of the Committee on Armed Services. I have been all around the world, and it is our job to see what conditions our people are living in and in base after base we find people living under deplorable conditions. I have seen people in this country, in my district, living in World War II barracks, with holes in the walls, so to speak, through which the wind blows. When you can see this happening all through the United States, we might as well not worry about how much money we are going to spend on the MX missile and all the exotic programs and strategic programs. That money is going to come, because somebody is out there selling that program. But when it comes to creature comforts, a decent standard of living for our enlisted people, particularly, we fall far short. The quality of life they deserve has never been achieved. This military construction bill is one step toward correcting that and I want to commend the chairman of the subcommittee and the ranking member and all the members of the Subcommittee on Military Construction for focusing on this problem.

I hope we will continue to focus on it and I hope that we will furnish all of our people in uniform an adequate standard of living so that we do not have to worry about them being demoralized, and losing confidence in their Government. We gave them a pay increase yesterday. Let us give them better living conditions today. I want to rise in strong support of the bill and congratulate the committee for its work.

□ 1345

Mr. GINN. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Chairman, I want to rise in strong support of this legislation and also to compliment the chairman and ranking member for the job they have done.

Mr. Chairman, I welcome the opportunity to enter into a brief colloquy with the distinguished chairman of the subcommittee, the gentleman from Georgia.

I have a simple request concerning the construction of the proposed National Guard Armory for Westchester County which is noted in the subcommittee report.

It would be helpful, for the purpose of clarification, that the armory be designated as the Yonkers/Mount Pleasant Armory. This will allow for the final site selection to be made in the area of Yonkers or Mount Pleasant. Current planning is underway to determine the best location.

Mr. GINN. Will the gentleman yield?

Mr. PEYSER. I would be glad to yield.

Mr. GINN. I have had the opportunity to review this request, and I believe that the project area should be identified as the Yonkers/Mount Pleasant Armory. We would expect the Department of Defense to return to the Committee to report the final site selection. This will allow for an orderly planning process for the project.

Mr. PEYSER. Mr. Chairman, I thank the chairman very much.

Mr. REGULA. Mr. Chairman, I yield such time as he may consume to the gentleman from Oklahoma (Mr. EDWARDS), a member of the subcommittee.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I just rise first of all to thank the chairman of the subcommittee and the ranking member of the subcommittee for the excellent job they did. We had extensive hearings on all of the parts of the bill. We gave very careful attention to things that have been somewhat controversial, including the continued funding on the MX program.

We gave all points of view a very good hearing.

I want to thank the chairman and the ranking member and say that I fully support the actions of the subcommittee on the bill that we have reported out.

I think on matters like the MX, we have done what was prudent, practical, and reasonable from the point of view of people who are committed to a strong national defense.

I would hope that the House would support the recommendation of the subcommittee and approve the appropriations.

Mr. GINN. Mr. Chairman, I yield 1 minute to the gentleman from Colorado (Mr. KOGOVSEK).

Mr. KOGOVSEK. Mr. Chairman, I want to take just a brief period of time right now to commend the chairman of the subcommittee and also the ranking member, the gentleman from Ohio (Mr. REGULA) for their diligence and for their hard work on the committee.

As the gentleman from Ohio indicated, the Military Construction Subcommittee is not the most exciting committee to serve on. I think all too often the people of this country think that a subcommittee sits down and meets here in Washington hour after hour and really does not get out and do the groundwork that has to be done.

I want to bring to the attention of the House at this time the work that was done by the gentleman from Georgia (Mr. GINN), and by the gentleman from Ohio (Mr. REGULA), on a very small matter, at least so far as the overall budget is concerned, the proposed expansion of Fort Carson. I would commend the gentlemen from Georgia and Ohio who, on a very small matter of $30 million, and it is small compared to the entire budget, for taking the time and having the diligence to come to Colorado and look at the Fort Carson expansion site which is a major concern to the people of southeastern Colorado. It is a critical problem to the gentleman from Colorado. It was more than just a day's visit. It was an in-depth investigation of the expansion issue.

I think that as the gentleman from Ohio (Mr. REGULA) and the gentleman from Georgia (Mr. GINN) were riding on the back end of a pickup truck in southeastern Colorado on a very hot day that approached the 100° mark, when the gentleman from Ohio and the gentleman from Georgia were riding on the back end of a pickup truck eating a lot of southeastern Colorado dust, they wondered, I am sure, about the job that they had to do.

I wanted to take this time, to tell the gentleman from Georgia and the gentleman from Ohio, that on behalf of my constituency I want to thank them both for their attention to detail, for their diligence and for their hard work on this committee.

Mr. GINN. Mr. Chairman, will the gentleman yield?

Mr. KOGOVSEK. I yield to the distinguished gentleman.

Mr. GINN. Mr. Chairman, I would say to the gentleman from Colorado, I think I can speak for the gentleman from Ohio (Mr. REGULA), as well as our entire subcommittee, we thoroughly enjoyed our visit to the gentleman's great State and to the gentleman's great district.

The matter we were looking at there is a very important matter. We look forward to continuing to work with the gentleman. We thank the gentleman for his hospitality while we were there.

Mr. KOGOVSEK. Mr. Chairman, I thank the gentleman.

I would ask to associate myself with the remarks that were made on behalf of the bill by the gentleman from Ohio (Mr. REGULA) and by the gentleman from Georgia (Mr. GINN).

I speak in support of the bill.

Mr. GINN. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. KAZEN).

Mr. KAZEN. Mr. Chairman, I wish to thank the distinguished chairman for giving me this time. I wish to congratulate the chairman and the ranking member of this subcommittee for the report and the bill which they bring to the floor today.

I particularly want to associate myself with the remarks of the gentleman from Alabama (Mr. DICKINSON) on the work done by the committee on behalf of housing for American personnel in Europe and elsewhere.

The conditions that our fighting men and women, the living conditions which they must endure, are really getting intolerable. In this bill we take a long step forward in correcting that situation.

I think there is no greater base for high morale, a high sense of duty, than to have good living conditions. This we must look after.

The committee, as I say, has started on that road now.

Mr. GINN. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. Yes; I yield.

Mr. GINN. I want to thank the gentleman, of course, for his complimentary remarks and say to the gentleman and to the chairman, the gentleman from Georgia (Mr. BRINKLEY), who are both very important members of the House Armed Services Committee, that we are attempting to follow the gentleman's lead in improving housing conditions and the quality of life of all our military personnel.

We thank the gentleman from Texas (Mr. KAZEN) and the gentleman from Georgia (Mr. BRINKLEY) and other members of the committee for the great work they have done in this area.

Mr. KAZEN. I thank the gentleman.

My chairman of the Milcon subcommittee of the Armed Services Committee, the gentleman from Georgia (Mr. BRINKLEY), has been looking into this situation. We have found out that in many, many parts of the world the living conditions are nothing that the American people could be proud of. It is right here in this bill that we begin to do something about it.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent, Mr. KAZEN was allowed to proceed for 2 additional minutes.)

Mr. KAZEN. Mr. Chairman, I wish to compliment my colleague, the gentleman from Texas (Mr. LOEFFLER) for bringing to the attention of the committee the situation at Brooke Army Hospital. Our colleague, the gentleman from Texas (Mr. GONZALEZ) in whose district the hospital is located has been very interested in this situation for a long time. In fact, it was the gentleman from Texas (Mr. GONZALEZ) who obtained the $10 million appropriation last year or the year before to update the physical plant only up to the point where it would not become unaccredited, and that is how bad the situation is there. Mr. Chairman, that hospital houses the most renowned burn center in the world and we must not neglect it.

I am glad to get the assurances of the chairman of the subcommittee that they will continue to push the Army to get going on this project as soon as possible and that the committee will then look very favorably upon the appropriations for this hospital.

Lastly, Mr. Chairman, I would like to ask a question concerning Chase Field in Beeville, Tex., which is in my district.

The budget requested $2,800,000 for paving at that base. I see where the committee has refused to fund it.

Now, what was the reason for the refusal?

Mr. GINN. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. Certainly.

Mr. GINN. We are not recommending the paving in the fiscal year 1982 bill, to which the gentleman referred, we think for a good and sound reason, certainly, though, without prejudice.

There is a new system, known as the CASS system, and in seventh grade language which we can all understand, that means centralized airfield support system. It is a new system of installing and implementing refueling facilities, which has worked very well at civilian airports. The military has already successfully tested that at Randolph Air Force Base in Texas.

Mr. KAZEN. In my district, sir.

Mr. GINN. Yes, in the great district of the gentleman.

What we are attempting to do is to urge the Navy to move forward with the CASS system.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. GINN. Mr. Chairman, I yield the gentleman 1 additional minute.

We are attempting to urge the Department of the Navy to move forward with the implementation of the CASS system at the field to which the gentleman referred, so it will not be necessary to pave it, tear it up and put in a system and repave it.

We have taken this action without prejudice and I assure the gentleman we will work very closely with him in urging the Air Force to move forward quickly with implementation of the CASS system and the paving to which the gentleman referred.

Mr. KAZEN. Fine. I would hope the Navy would move quickly on this project, because it is very sorely needed.

As the gentleman knows, Chase Field is one of our advanced training bases and it is a very necessary cog in the defense of this country.

Again, Mr. Chairman, I commend the committee for the bill which they bring forth today.

Mr. GINN. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Georgia (Mr. BRINKLEY).

Mr. BRINKLEY. Mr. Chairman, I thank my colleague, the gentleman from Georgia, for yielding. I wish to commend the gentleman from Georgia (Mr. GINN) and the gentleman from Ohio (Mr. REGULA) for the excellence of their bill. I think it is quite a good bill.

I commend these gentlemen for their leadership role, as well as their colleagues on the subcommittee, as well as the staff.

I do it, Mr. Chairman, especially because it is a true fact that success is a matter of margins. This subcommittee in committee hearings has provided that important extra dimension, which is a good example to all of us. For example, rather than relying completely upon the brass and the military services to come before their committee, they have brought before

them some enlisted personnel on one occasion.

On another occasion they visited personally Fort Carson, Colo., to see for themselves how it was out there on an important land acquisition proposition.

They have dealt with the basics. They have dealt with conventional forces.

I know the gentleman from Georgia (Mr. GINN) has taken a trip in the Southeastern United States to review Marine facilities, and at Jacksonville, the naval facilities, and in Georgia some Army and Air Force facilities. These are the basic things that construct a fine bill such as we have today.

I simply commend these gentlemen for doing a good workmanlike job and would join with my colleague, the gentleman from Texas (Mr. KAZEN) in his alliance with the gentleman from Texas (Mr. LOEFFLER) in his thoughts about the Brooke Army Hospital facility and the need there to make positive affirmative movements over the next years until we have that in place.

I thank the gentleman for this time.

Mr. GINN. Mr. Chairman, will the gentleman yield?

Mr. BRINKLEY. Yes.

Mr. GINN. Mr. Chairman, the gentleman who just spoke and who has yielded to me, and I appreciate his yielding to me, is not only my colleague from Georgia and the dean of my delegation, he is also chairman of the Subcommittee on Installation and Facilities which authorizes military construction projects. We have taken the lead from the work that the gentleman and his great subcommittee have done, and we thank the gentleman for the advice and counsel he has given us in our work.

Mr. BRINKLEY. I thank the gentleman.

Mr. GINN. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. REGULA. Mr. Chairman, I have some additional requests.

Mr. Chairman, I would like to point out to the Members something that I think needs to be emphasized and that is epitomized in the military construction budget. That is that much of our military budget goes for people. Approximately 50.7 percent of the total defense budget in this Nation is for people programs. This amount is in marked contrast to the military budget of the Soviet Union which devotes 17 percent to manpower. We emphasize the need for hospitals, living quarters work facilities, and a host of other programs that are geared to the needs of people.

I think sometimes when we see the large size of defense budgets in the United States, that people envision those dollars as being spent on weapons, nuclear warheads and so on, when in reality probably the United States spends a larger share of its total defense budget on caring for people than any nation in the world today.

I think it is an important part of our national attitudes that we care for those who serve us in the military forces of our Nation and provide for the security of all of us.

Mr. Chairman, I yield 1 minute to the gentleman from Virginia (Mr. TRIBLE).

Mr. TRIBLE. Mr. Chairman, I thank the gentleman for yielding me time, and I rise in support of this measure.

I commend the committee for its efforts on this bill, which represents a substantial 30-percent increase over the fiscal year 1981 bill. Such an increase is necessary if we are to provide adequate facilities for our Armed Forces.

Military construction is essential to a strong defense. Quality housing, adequate work facilities, and sufficient dining and recreational facilities are necessary to an efficient, high-morale force.

This bill provides $1 billion for new construction to improve the readiness of United States and Allied Forces in Europe. The need to improve our European facilities is great; most of these facilities were built immediately after World War II for short term use, and after 35 years of constant use urgently need repairs and upgrading. This construction is essential to make our forces more effective and to restore high morale to our men and women stationed in Europe.

I note that the committee has denied funding to several projects in the Persian Gulf-Indian Ocean region. I hope that these denials stem not from a lack of support of administration efforts to develop adequate staging facilities in this area, but rather from uncertainties in the planning process. If so, I strongly urge the Pentagon to solidify the plans and ascertain the locations for each of these projects as soon as possible. While we talk about the threat to our security from this region, the Soviets are acting. They are stockpiling planes and weapons at several locations, increasing their naval presence, and fomenting revolt. We must back up our verbal commitment with action to protect our interests in this area.

I also note that the committee has denied funding to the manufactured housing pilot project at Fort Irwin, Calif. This project would compare 200 units of manufactured housing (which meets HUD standards) to 254 units of conventional site-built housing. An earlier test in Nevada indicated that 70 manufactured housing units compared favorably with site-built housing, and cost only 53 percent as much. The Armed Services Committee, believing that a larger scale project was needed, authorized the Fort Irwin project.

Manufactured housing may result in significant savings to the Government, and it should receive further study. I would urge my colleagues who participate in the conference on this bill to give their consideration to including this project in the conference version of this bill.

Construction projects are the building blocks of our defenses. This bill provides an adequate level of funding for our armed services, and I urge my colleagues to support it.

● Mr. McCLORY. Mr. Chairman, I am pleased to note that the Appropriations Committee in this legislation has provided funds for substantial improvement in military construction for the Great Lakes Naval Training Center in my congressional district. This action is consistent with the President's determination to revitalize our defense establishment, and the funding improvements for the Great Lakes Naval Training Center are an essential part of our military buildup.

The current Service School Command at Great Lakes provides training for the most skilled and technologically expert personnel in the U.S. Navy. The service school is composed of the following seven technical training schools teaching more than 100 career courses: gunnery school, engineering systems school, fire control technicians school, opticalman/instrumentman school, electronics technician school, basic electricity and electronics school, and electrician's mate/interior communications school.

The average population of those attending the technical training schools at any given time is 8,500. The facilities for instruction and the personnel for providing this critical training to our Navy men and women are currently available. However, the quarters necessary to meet the housing needs at the Service School Command are inadequate. Accordingly, I applaud the committee for its wisdom in providing $8.8 million for quarters for enlisted personnel at Great Lakes.

Mr. Chairman, the recruit training which is provided at Great Lakes is likewise a major part of military training in which the recruit command at Great Lakes Naval Training Center has broad experience and a record of accomplishment from which the U.S. Navy and the Nation have greatly benefited. The graduation of recruits at Great Lakes occurs 50 weeks of the year and averages a graduating class of 750 men and women per week. Moreover, it is very interesting to note that since 1911 one out of every three sailors in the U.S. Navy has received at least part of his training at the Great Lakes Naval Training Center.

In addition to providing for improvements in housing for enlisted person-

nel, the committee approved $3 million for the construction of a needed cold storage warehouse, making a total funding level of $11.8 million for Great Lakes.

Mr. Chairman, I strongly support the administration in its efforts to strengthen our military defense. With the development of sophisticated weaponry, logistics and other aspects of military preparedness and maneuvers, the role of the U.S. Navy in the event of armed conflict is of critical significance. By maintaining the finest technical training in the world, Great Lakes is an indispensable and vital element of our national security. I commend the committee for its response to the construction needs of the Great Lakes Naval Training Center.●

● Mr. SANTINI. Mr. Chairman, I would like to make a few brief remarks at this time on what has come to be my favorite subject of legislative debate—the MX missile. The military construction bill before us today has deferred without prejudice $522 million for the basing costs of MX. I would like to say at this time that in light of the present uncertainty about the basing of MX, I think that the chairman has taken a wise and prudent course of action in deferring appropriations for this project. Chairman GINN and the committee members have acted in the best tradition of fiscal responsibility.

It is certainly no secret in this House that I have spent a large part of my life for well over 2 years studying MX basing and alternatives in an attempt to protect my home State of Nevada from man's largest construction project with all of its impacts on our land and on our people. I, and many of my House colleagues, have searched for basing systems which would buy us more for our defense dollar without wreaking havoc on one State. We have presented our preferred alternatives to the President, and the ball is now in his court. It looks very much as though we are on the homestretch, and Congress and the Nation will know very shortly just what shape the MX will take.

Without diverging into a discussion of the merits of the latest rumored basing proposals, I want to make a statement at this time that if Nevada gets the MX basing, even in a scaled-down version, the physical, social, environmental, and economic impacts will still be very serious. Planning and mitigation of those negative MX impacts will continue to be a top priority for me as Nevada's lone Member of this body.

Chairman GINN of the Military Construction Appropriations Committee, and Chairman BRINKLEY of the counterpart authorizing committee and I may well become even better acquainted than we are already in the coming year. These gentlemen and I have not always agreed on MX, but they certainly have always agreed with me on one thing. If the system comes, this Nation will have to pay the total cost of MX—not just the weapon, not just the basing scheme, but for MX generated impact problems as well.

Of the $522 million for MX basing which this bill defers, Mr. Chairman, some $10 million was allocated for community impact assistance for fiscal year 1982. I wish to state for the record that Chairman GINN has assured me that if the President makes an MX basing decision which puts this massive project in Nevada, House conferees will give the most favorable consideration to the reinstatement of the MX community impact funds in conference committee or in a separate supplemental bill.

I am most grateful for the committee's favorable response to my belief that MX impacts are indeed a matter of national responsibility. Thank you.●

Mr. REGULA. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

The Clerk will read.

Mr. GINN. Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. Are there any points of order against the bill? The Chair hears none.

AMENDMENT OFFERED BY MR. JAMES K. COYNE

Mr. JAMES K. COYNE. Mr. Chairman, I offer an amendment.

The portion of the bill to which the amendment relates is as follows:

FAMILY HOUSING, DEFENSE

For expenses of family housing for the Army, Navy, Marine Corps, Air Force, and Defense agencies, for construction, including acquisition, replacement, addition, expansion, extension and alteration and for operation, maintenance, and debt payment, including leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, $2,238,027,000, to be obligated and expended in the Family Housing Management Account established pursuant to section 501(a) of Public Law 87-554, in not to exceed the following amounts:

For Construction: $275,545,000;

For Debt payment: $148,111,000;

For Operation, maintenance: $1,814,371,000:

*Provided*, That the amounts provided under this head for construction, and for debt payment, shall remain available until September 30, 1986: *Provided further*, That funds previously appropriated under this head in fiscal year 1980 for debt payment in the amount of $1,992,000 for the Department of Defense shall be transferred and merged in the Family Housing Management Account with, and be available for the same period as, the funds appropriated in this Act for debt service for such departments and agencies, and such funds may be obligated and expended for such purposes: *Provided further*, That of the amounts appropriated for operation and maintenance, not less than $811,000,000 shall be available only for the maintenance of real property facilities.

The Clerk read as follows:

Amendment offered by Mr. JAMES K. COYNE: Page 7, line 8, strike out "$2,238,027,000" and insert in lieu thereof "$2,223,117,000".

Page 7, line 12, strike out "$275,545,000" and insert in lieu thereof "$260,635,000".

Mr. JAMES K. COYNE. Mr. Chairman, I rise to offer an amendment to delete $14,910,000 authorized in this bill to the Department of the Navy for the construction of 200 off-base family housing units near the Johnsville Naval Air Development Center in Warminster, Pa., and the Willow Grove Naval Air Station located in Horsham, Pa.

The Navy desires to purchase approximately 30 acres of privately owned, industrially zoned land in a suburban community where open space is rapidly diminishing. This initiative, as presently proposed, is inconsistent with community planning, which has, in the past, tried to sensibly coordinate private residential needs and industrial land usage with the priorities of the Warminster/Horsham Townships. Acquisition of this land, added to the 1,000 acres within Horsham Township already owned by the Federal Government, will result in the removal of one-twelfth of township property from the tax rolls. In these budget-cutting times, when the Federal Government is already asking so many sacrifices of local governments, township officials believe that further reductions in their tax base would be detrimental to the area and to their ability to provide funding sources for necessary local services.

Additionally, under another program, AICUZ, the Department of the Navy has already begun to purchase private properties totaling 300 acres at the northern and southern ends of the Willow Grove runway which have been determined to be too close to incoming and outgoing flights. While Horsham residents are well aware of the benefits derived from having the Navy as a neighbor, they are also aware of the penalties which must be paid. Although few air tragedies have occurred in the vicinity of the complex, the community has readily recognized the potential danger and has, for the most part, cooperated with the Department of Navy in this particular land acquisition endeavor.

I call this project to my colleagues' attention to emphasize the spirit of cooperation my constituents generally display in their relationship with the Navy.

However, this existing housing proposal which is the subject of my amendment threatens to destroy this relationship. I have been actively working with local officials and representatives of the Navy to develop a suitable alternative to the off-base housing plan. The surrounding localities, and in particular the residents of Horsham, many of them veterans, take a tremendous amount of pride in the role they have historically played in our Nation's defense readiness. By deleting the funds for this construction and the related encroachment on the local tax base, we will provide the Navy and the community with the necessary time to conduct a thorough review of the avenues open to use to see that a suitable alternative is developed, one that satisfies the Navy's criteria without placing an undue burden on the neighboring communities and their residents.

Therefore, I strongly urge my colleagues to adopt this amendment and I thank them for their support.

Mr. GINN. Mr. Chairman, I rise to speak on the amendment.

Mr. Chairman, the committee had approved the request of the Navy for $14,910,000 to construct 200 units of family housing at Naval Air Station Willow Grove in Pennsylvania. As of January 1980 there were 279 eligible families residing in unsuitable housing. An updated survey indicates that, at present, slightly fewer than 200 families are now residing in unsuitable housing.

Mr. Chairman, we have examined this amendment and have no objections to it. The downward trend in the number of families in inadequate housing at this location reflects, I feel, the effects of the variable housing allowance and will probably continue to reduce itself. I also recognize the difficulties in finding a suitable location that does not result in the loss of potential tax revenue, something that is extremely important to the gentleman from Pennsylvania.

Therefore, Mr. Chairman, after reviewing the amendment on this side, we feel we can accept it.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. GINN. I yield to the gentleman from Ohio.

Mr. REGULA. I thank the chairman for yielding.

We on this side do not object to the amendment and recommend its adoption. I think it is an enlightened approach, because it recognizes the need to maintain the local tax base in the private sector.

As we legislate additional responsibilities away from Washington back to the local communities, it is very important that they be able to enhance their tax base to increase the job opportunities through industrial development. I commend the gentleman from Pennsylvania (Mr. JAMES K. COYNE) for recognizing that need in his community.

Certainly in a Nation where one-third of the entire land of this country is owned by the U.S. Government, it makes a lot of good sense to, wherever possible, avoid putting additional lands into the public sector. I think this amendment is an excellent step in maintaining a strong private sector economic base.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. GINN. I yield to the gentleman from Texas.

Mr. KAZEN. I agree with the remarks of the gentleman from Ohio. I can sympathize with the thrust of the amendment. However, let me ask the chairman and members of the subcommittee what alternative we have to provide adequate housing for these Navy families? We want these bases around us. We want to have the advantages. And, of course, we have to have the best possible defense that we can get.

At the same time, as the gentleman has well said, the base of our security is people. Here we are with over 200 families that, according to what I have just heard the chairman say, are living in substandard homes. Now, what are we going to do to improve that situation?

Mr. GINN. If the gentleman would yield to me, I would say to the gentleman simply that we feel that because of the successful effects of the variable housing allowance at this particular installation, that the need is not quite as severe as it was when the Navy came in with its request.

In addition to that, we think there is available space onbase for any additional housing that would be needed, which would free up this very fine industrially developed potential site.

I yield to the gentleman from Pennsylvania.

Mr. JAMES K. COYNE. I cannot speak to other bases around the country. The specific facility involved here at the Willow Grove Naval Air Station, we have identified sufficient land on the base itself, which perhaps it not as convenient to the nearby sewer system, but we can certainly overcome those objections, I am convinced, and I am going to work with the Navy and the local township officials to see that the needs of these Navy personnel are met on the base without further detriment to the local tax base and the community.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. GINN. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. I just want to commend the gentleman from Pennsylvania for his amendment. I appreciate the committee's position in this matter. I think it is a very worthwhile amendment. I commend him for it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. JAMES K. COYNE).

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. BUTLER

Mr. BUTLER. Mr. Chairman, I offer amendments, and I ask unanimous consent that these amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The portions of the bill to which the amendments relate are as follows:

MILITARY CONSTRUCTION, ARMY

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, and facilities for the Army as currently authorized in military public works or military construction Acts, and in sections 2673, 2674, and 2675 of title 10, United States Code, and for construction and operation of facilities in support of the functions of the Commander-in-Chief, $1,029,519,000, to remain available until September 30, 1986: *Provided,* That of this amount, not to exceed $137,550,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: *And provided further,* That $1,000,000 of the funds available for planning and design shall be available only for the design of a headquarters facility for the U.S. Army Forces Command at Fort McPherson, Georgia.

MILITARY CONSTRUCTION, NAVY

For acquisition, construction, installation, and equipment of temporary or permanent public works, naval installations, and facilities for the Navy as currently authorized in military public works or military construction Acts, and in sections 2673, 2674, and 2675 of title 10, United States Code, including personnel in the Naval Facilities Engineering Command and other personal services necessary for the purposes of this appropriations, $1,404,883,000, to remain available until September 30, 1986: *Provided,* That of this amount, not to exceed $92,500,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor.

MILITARY CONSTRUCTION, AIR FORCE

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, and facilities for the Air Force as currently authorized in military public works or military construction Acts, and in sections 2673, 2674, and 2675 of title 10, United States Code, $1,407,565,000, to remain available until September 30, 1986: *Provided,* That of this amount, not to exceed $93,000,000 shall be available for study, planning, design, ar-

chitect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: *Provided further,* That $500,000 of the funds available for planning and design shall be available only to design facilities at Goodfellow Air Force Base, Texas.

MILITARY CONSTRUCTION, DEFENSE AGENCIES

(INCLUDING TRANSFER OF FUNDS)

For acquisition, construction, installation, and equipment of temporary or permanent public works, installations, and facilities for activities and agencies of the Department of Defense (other than the military departments), as currently authorized in military public works or military construction Acts, and in sections 2673, 2674, and 2675 of title 10, United States Code, $251,004,000, to remain available until September 30, 1986; and, in addition, not to exceed $20,000,000 to be derived by transfer from the appropriation "Research, development, test, and evaluation, Defense Agencies" as determined by the Secretary of Defense *Provided,* That such amounts of this appropriation as may be determined by the Secretary of Defense may be transferred to such appropriations of the Department of Defense available for military construction as he may designate: *Provided further,* That of the amount appropriated, not to exceed $28,000,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committee on Appropriations of both Houses of Congress of his determination and the reasons therefor.

NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

For the United States share of the cost of multilateral programs for the acquisition or construction of military facilities and installations (including international military headquarters) for the collective defense of the North Atlantic Treaty Area as authorized in military construction acts, $385,000,000, to remain available until expended.

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army National Guard as authorized by chapter 133 of title 10, United States Code, as amended, and the Reserve Forces Facilities Acts, $62,925,000, to remain available until September 30, 1986.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air National Guard, and contributions therefor, as authorized by chapter 133 of title 10, United States Code, as amended, and the Reserve Forces Facilities Acts, $117,740,000, to remain available until September 30, 1986.

MILITARY CONSTRUCTION, ARMY RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army Reserve as authorized by chapter 133 of title 10, United States Code, as amended, and the Reserve Forces Facilities Acts, $59,277,000, to remain available until September 30, 1986.

MILITARY CONSTRUCTION, NAVAL RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the reserve components of the Navy and Marine Corps as authorized by chapter 133 of title 10, United States Code, as amended, and the Reserve Forces Facilities Acts, $36,000,000, to remain available until September 30, 1986.

MILITARY CONSTRUCTION, AIR FORCE RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air Force Reserve as authorized by chapter 133 of title 10, United States Code, as amended, and the Reserve Forces Facilities Acts, $37,400,000, to remain available until September 30, 1986.

The Clerk read as follows:

Amendments offered by Mr. BUTLER: Page 2, line 11, strike out "$1,029,519,000" and insert in lieu thereof "$1,009,276,400".

Page 3, line 6, strike out "$1,404,883,000" and insert in lieu thereof "$1,354,096,100".

Page 3, line 21, strike out "$1,407,565,000" and insert in lieu thereof "$1,373,940,100".

Page 4, line 15, strike out "$251,004,000" and insert in lieu thereof "$245,382,800".

Page 5, line 19, strike out "$62,925,000" and insert in lieu thereof "$60,131,950".

Page 6, line 2, strike out "$117,740,000" and insert in lieu thereof "$112,531,000".

Page 6, line 8, strike out "$59,277,000" and insert in lieu thereof "$56,803,150".

Page 6, line 16, strike out "$36,000,000" and insert in lieu thereof "$34,345,000".

Page 6, line 22, strike out "$37,400,000" and insert in lieu thereof "$35,855,000".

Page 14, after line 13, insert the following new section:

SEC. 123. The provisions of the Act of March 3, 1931 (40 U.S.C. 276a-276a-5; 46 Stat. 1494), commonly referred to as the Davis-Bacon Act, shall not apply to the wages paid to laborers and mechanics for any work or services performed under any contract entered into on or after the date of enactment of this Act for the construction of any project funds for which are appropriated by this Act.

POINT OF ORDER

Mr. GINN. Mr. Chairman, I make a point of order against the amendments.

The CHAIRMAN. The gentleman will state his point of order.

Mr. GINN. Mr. Chairman, I make a point of order against the amendments because they constitute legislation in an appropriations bill, which is in violation of clause 2, rule XXI.

The amendments proposed constitute a change in existing law, which under House rules is not allowed through an appropriations bill.

The amendments are legislative in nature and are in violation of clause 2, rule XXI. Therefore, Mr. Chairman, I ask for a ruling from the Chair.

Mr. BUTLER. Would the gentleman reserve his point of order until I make my presentation?

Mr. GINN. Yes, Mr. Chairman, I will cooperate with the gentleman.

PARLIAMENTARY INQUIRY

Mr. HARTNETT. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. HARTNETT. We do not have a whole lot of on-the-job training for new Members who just arrived in the 97th Congress. In the event I would want to raise a point of order, as did the distinguished chairman from Georgia, that the amendment is what I would call double or triple barreled, that I, as a Member, although I may want to vote for some of the changes that are proposed by the gentleman from Virginia (Mr. BUTLER) in his amendment to the bill, I may not want to vote for others.

My inquiry is: Is this amendment being offered as one amendment, and if it is, would the point of order be in order that the amendment was not properly drawn and that I was being precluded from voting for—I would have to vote for or against all of them where, in fact, I may want to vote for one or the other?

The CHAIRMAN. The Chair will respond to the gentleman's inquiry by stating that the gentleman from Virginia has already gotten unanimous consent to offer his amendments en bloc. However, if a point of order is sustained against those amendments or any portion thereof, under the precedent the remaining amendments will have to be reoffered, at which point the gentleman from Virginia will again have to ask permission to have them offered en bloc. If that is denied, then the amendments would have to be offered individually.

Mr. HARTNETT. Mr. Chairman, what you are telling me is, in order for the gentleman from Virginia to offer a series of amendments like that, the gentleman has to obtain unanimous consent prior to doing that or, in fact, he would have to offer each one of them individually?

The CHAIRMAN. The gentleman is correct. The very first action the gentleman from Virginia engaged in was to ask for such unanimous consent.

Mr. HARTNETT. I thank the Chair.

PARLIAMENTARY INQUIRY

Mr. GINN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. GINN. I want to make sure I have reserved a point of order with the Chair.

The CHAIRMAN. The Chair has indicated a point of order has been reserved.

The Chair now recognizes the gentleman from Virginia (Mr. BUTLER) for 5 minutes in support of his amendments.

□ 1415

Mr. BUTLER. Mr. Chairman, I appreciate the courtesy of the manager of the bill in allowing me to make my presentation before he insists upon his point of order.

Mr. Chairman, today we are discussing appropriations for military construction.

The bill provides $6.902 billion for various projects during fiscal year 1982.

However, even as we discuss this bill, there is an underlying discussion of how we must continue to reduce Federal spending and the defense budget is not immune from the budget ax.

Today, I am offering an amendment which could reduce military construction costs during the coming fiscal year by as much as $400 million.

My amendments would remove Davis-Bacon applicability for military construction projects funded under the fiscal year 1982 military construction appropriations bill, and reduce various line functions.

I have provided for a reduction in total spending of $123.9 million in order to reflect the least amount of savings that is anticipated from waiving Davis-Bacon applicability.

The Davis-Bacon Act, enacted in 1931, requires contractors for construction projects exceeding $2,000 funded in whole or in part by Federal funds, to pay the prevailing wage for similar private sector jobs in the area.

The act was intended to prevent mobile labor from underbidding local labor, a widespread problem during the depression.

At the time of its enactment, there were no minimum wage laws, unemployment compensation, or other laws to protect the wages of workers.

While the Davis-Bacon Act may have been necessary at the time of its creation, it is unnecessary now.

In 1931, the nationwide construction industry had been crippled by the depression, but now, the act only inflates the price the Federal Government must pay for construction work.

This has been documented by voluminous studies by the General Accounting Office which point out that wage determinations for the prevailing wage are often not the wage that actually prevails or even the average wage, but are union-negotiated rates, generally far in excess of the average wage.

As many of you know, the Senate Armed Services Committee has agreed to an amendment to its version of the military construction authorization bill which would waive Davis-Bacon requirements as they apply to any military construction project executed after the date of enactment of the fiscal year 1982 Military Construction Authorization Act.

During committee hearings, Department of Defense experts estimated a waiver might save between 5 and 15 percent of the contract costs on applicable contracts.

That indicates a savings anywhere between $124 million and $400 million, which is substantial savings by anyone's standards.

The General Accounting Office has indicated that Department of Labor prevailing wage rates ranged from 5 to 15 percent higher than the actually prevailing construction wage rates.

And the GAO is not the only agency recognizing the inflationary impact of the Davis-Bacon Act.

In February 1981, the Congressional Budget Office stated in its report "Reducing the Federal Budget: Strategies and Examples," that repeal of the Davis-Bacon Act would have significant cost-saving benefits.

In its report, CBO stated:

Repeal of Davis-Bacon might result in cumulative outlay savings of $776 million by 1986 in just the three largest Federal construction programs: military construction, Environmental Protection Agency construction grants, and ground transportation construction.

It must also be considered that these figures may be substantially understated since many contractors will not bid on Federal projects because of Davis-Bacon applicability.

The increased competition could result in even greater savings.

Just this past weekend, the administration proposed reducing defense spending by $2 billion in fiscal year 1982.

The need to increase our defensive posture and regain our military position in the world is widely recognized.

However, the concern that we must not do so at the expense of our social programs is also accepted.

Waiving of Davis-Bacon applicability for military construction projects provides a means of reducing our defense spending, while at the same time permitting scarce Federal dollars to be used in a manner which benefits our defense initiatives.

We would, of course, prefer the act be repealed completely.

However, the need to remove its requirements from military projects at this time is extremely evident and I urge this body to adopt my amendment.

Mr. Chairman, I would ask the gentleman from Georgia to withdraw his point of order.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. I will be happy to yield.

Mr. REGULA. Mr. Chairman, I thank the gentleman for yielding. I am sure the gentleman is aware, but I want to point out to the other Members that in the bill before us we did delete $69,200,000 in anticipation of revised regulations implementing the Davis-Bacon Act. This is the best judgment we could get as to what reductions would result from administrative changes that are anticipated.

I think we should emphasize that the subcommittee has already recognized the savings that will amount to over $69 million.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

(By unanimous consent, Mr. BUTLER was allowed to proceed for 2 additional minutes.)

Mr. BUTLER. I thank the gentleman for his contribution, but I would point out that in pointing out what the report says about the $69 million we will save by these new regulations, which of course will not become effective until some little time down the line, pinpointing only $69 million, the gentleman points out the great contrast between the perhaps $400 million we would save by repealing the statute. There are just some savings which cannot be accomplished by regulation, which can be accomplished by removing the statute's applicability. One, of course, is that we have not repealed the recordkeeping we still impose on the contractors. We have not repealed all the requirements that burden the contractors by the regulation, so I think the gentleman has illustrated what is most important, that we repeal Davis-Bacon.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Georgia wish to press his point of order?

Mr. GINN. Yes, Mr. Chairman, I insist on the point of order.

Mr. BUTLER. Mr. Chairman, if the gentleman insists on his point of order, I will not put him further to the proof. I will concede that perhaps he is correct.

The CHAIRMAN. The Chair sustains the point of order.

Does the gentleman from Virginia wish to reoffer any remaining part of his amendments at this point?

Mr. BUTLER. No, sir, if the Chair will not take them all I am not going to give him any of them.

AMENDMENT OFFERED BY MR. HARTNETT

Mr. HARTNETT. Mr. Chairman, I offer an amendment.

The portion of the bill to which the amendment relates is as follows:

MILITARY CONSTRUCTION, NAVY

For acquisition, construction, installation, and equipment of temporary or permanent public works, naval installations, and facilities for the Navy as currently authorized in military public works or military construction Acts, and in sections 2673, 2674, and 2675 of title 10, United States Code, including personnel in the Naval Facilities Engineering Command and other personal services necessary for the purposes of this appropriation, $1,404,883,000, to remain available until September 30, 1986: *Provided*, That of this amount, not to exceed $92,500,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the

Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor.

The Clerk read as follows:

Amendment offered by Mr. HARTNETT: Page 3, line 6, strike out "$1,404,883,000" and insert in lieu thereof "$1,420,883,000".

Mr. HARTNETT. Mr. Chairman, I want to thank the Chair and I want to thank the distinguished chairman from my sister State of Georgia for giving me the opportunity to trespass on the valuable debate time that we have here before us. I also want to express my deepest appreciation to my other colleagues from Georgia, the chairman of the Military Construction Subcommittee, Mr. BRINKLEY, for having helped me raise this point.

I might also express deep appreciation for my distinguished colleague from Pennsylvania, who just saved $14 million, Mr. Chairman. Now, I want to spend $16 million, so it would almost be a wash. So, I extend my heartfelt gratitude to those three distinguished gentlemen of this august body.

Mr. Chairman, today we are considering a very important piece of legislation, the military construction appropriation bill of 1982. I would like to offer an amendment which would restore a $16 million naval project which was included in the Military Construction Authorization Act, fiscal year 1982, H.R. 3455, which the House has already passed. However, the Appropriations Committee removed the provision from the military construction appropriations bill.

This project is vitally important to operations at the Charleston Naval Station, which has become one of the primary maintenance and support facilities for the fleet ballistic missile weapon system and Polaris submarines. Briefly, the problem existing at the Charleston Naval Station is this: The buildings and piers are presently supplied with steam from four separate boiler plants that use fuel oil to produce steam. These boiler plants are 71 years old. Although the components of these steam generating plants have been replaced incrementally, they are difficult to maintain as parts are increasingly difficult to obtain. The boiler plants have served their useful like and are costly to operate.

To solve the problem, the Navy planned to shutdown the oil-fired plants and buy the necessary steam from the adjacent shipyard which is served by a large coal-fired plant. The steam distribution project requires 20,000 linear feet of overhead steam lines from the coal-fired plant to the naval station. It will save 5 million gallons of fuel oil per year and have a discounted payback of approximately 6 years.

By 1986 the oil-fired plants will no longer be operational. A modern efficient steamplant on the naval station's property will ultimately be necessary. If such a project were started today it would cost approximately $100 million.

This steam distribution system, once installed, would not only conserve an energy resource and return the Government's investment in a short period of time, but it could also reduce the size and cost of the replacement powerplant.

Because this is both a necessary and cost-effective project I feel that we would be doing a great disservice to the country and the Navy by denying funds for this steam distribution system.

Mr. Chairman, I have a colleague who serves in the 97th Congress in another section of this building, and who also is a ranking member of the Senate Appropriations Committee. I would just as soon, if we are going to get it put back in the First District of South Carolina, that the gentleman from Ohio would have the pleasure of putting it on this floor rather than any other floor in this building.

I thank the distinguished chairman and ranking minority member, the gentleman from Ohio, for permitting me to offer this amendment. I think it makes a lot of sense and will save us a lot of fuel oil. We can save on the cost. It will cost $100 million, but in a few years it is going to be more than that.

Because the gentleman from Pennsylvania saved us $14 million in a preceding amendment, I am asking for a paltry $16 million in the following amendment, which is almost awash.

Mr. GINN. Mr. Chairman, I rise in opposition to the amendment, and I do so reluctantly, because I admire the legislative initiative of the gentleman from South Carolina. There is nothing wrong with the project. There is nothing wrong with his request except for the fact that it is untimely. This is an unbudgeted item. The Navy has not requested this funding for the project because it will probably not be necessary until 1985 when the anticipated additional ships to be home ported in Charleston, S.C., would actually arrive.

Therefore, Mr. Chairman, I must, as I say, reluctantly oppose the gentleman's amendment. We have considered it in our deliberations within the committee. It is a good project. When its time arrives, I feel sure that the gentleman from South Carolina will meet with success within our committee, but as I say, I must oppose it at this time.

Mr. REGULA. Mr. Chairman, will the chairman yield?

Mr. GINN. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, likewise I would rise in opposition to the amendment. I am not addressing the needs of the project. As the chairman has pointed out, if the decision is made to base additional ships in Charleston at some future time, it will become necessary that this be done.

□ 1430

We did examine this, and we addressed the issue on page 29 of the committee report, so it is not something that was casually overlooked.

In terms of contract management and management of the budget, I would just like to point out something here that is probably easily overlooked. We are talking about $16 million. It is not needed until 1985. Therefore, if we were to build the project now instead of 4 years from now, we are talking about borrowing an additional $16 million. At the present Treasury bill rate of 15 percent, debt service and interest costs on $16 million would be $2.4 million.

By delaying this 4 years until needed or, let us say, 3 years, allowing for construction time, by delaying this 3 years until needed, we save a total of $7.2 million in debt service cost because we have not borrowed the money. Therefore, I think it is important, as we try to manage this budget carefully, that we recognize those costs as being a real part of budgetary considerations.

Mr. Chairman, I commend the gentleman from South Carolina (Mr. HARTNETT) for drawing our attention to this, but again it is not a question of the merits of the project; it is a question of timing, and to this point the Navy did not request this project because they are somewhat uncertain about what their ship-basing program will be that far out in the future.

Mr. HARTNETT. Mr. Chairman, will the gentleman yield?

Mr. GINN. Yes, I yield to the gentleman from South Carolina.

Mr. HARTNETT. Mr. Chairman, with the invaluable instructions and information obtained from the distinguished chairman and ranking minority member and with the implied future cooperation of both these gentlemen, I would like to ask unanimous consent to withdraw my amendment temporarily for about about 3 years.

Mr. Chairman, I ask unanimous consent that I may be permitted to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

Mr. BRINKLEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise simply to compliment the gentleman from South Carolina (Mr. HARTNETT), who is a valuable member of the Committee on Armed Services, and also to assure him of our cooperation to see to the finalizing of this very fine project in

Charleston which will then be in the wings when the necessary funding is provided in future years, whether in 1985 or earlier. We will look forward to working with the gentleman then.

Mr. HARTNETT. Mr. Chairman, I thank the gentleman for that assurance.

Mr. BRINKLEY. Mr. Chairman, I yield back the balance of my time.

Mr. JOHN L. BURTON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of this legislation, and I would like to enter into a colloquy with the gentleman from Georgia (Mr. GINN) on an item appearing on page 28 in the report that deals with the Mare Island Naval Shipyard, Calif., pipe and boiler shop.

There is $25 million included for the overhaul and repair of this facility, and the purpose of making this type of investment would be to provide for more efficient and economical operation of Mare Island as they move ahead into the overhaul and repair of modern submarines, because the project would consolidate 10 separate outmoded buildings that are spread along 1.3 miles of waterfront. They have numerous OSHA and EPA deficiencies, all of which would be alleviated by the new construction.

May I ask the gentleman, is that correct?

Mr. GINN. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I am delighted to yield to the gentleman from Georgia.

Mr. GINN. Mr. Chairman, before I attempt to answer the gentleman's question, I wonder if he can give me his assurance that he intends to vote for this bill this year?

Mr. JOHN L. BURTON. I vote for this bill. I have voted for this bill several times.

Mr. GINN. Yes. The gentleman is correct.

Mr. JOHN L. BURTON. Military construction is very important. I remember on the first effort of Chairman Nedzi, I voted for the bill.

Mr. GINN. The gentleman is correct.

Mr. JOHN L. BURTON. Mr. Chairman, I do appreciate the chairman's comments on that, because this will have the effect of saving dollars in the future by providing a more efficient operation at this facility. In fact, today the gentleman from California (Mr. FAZIO) and I entered in the RECORD a statement concerning the celebration of the 500th vessel that was constructed here in a facility that was first opened by "Damn-the-torpedoes-full-speed-ahead" Farragut 120 years ago.

Mr. BURGENER. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. Yes, I am happy to yield to the gentleman from California.

Mr. BURGENER. Mr. Chairman, I commend the gentleman for his interest in this project.

Mr. JOHN L. BURTON. I have always been interested in Vallejo.

Mr. BURGENER. I might ask, where is this facility located, in whose district?

Mr. JOHN L. BURTON. It is in the district of the gentleman from California (Mr. FAZIO), but it affects the bay area, and as the gentleman knows, the bay area is considered as one, although it is more than one district.

Mr. BURGENER. Mr. Chairman, I really want to commend the gentleman for his statesmanlike approach to some other Member's district.

Mr. JOHN L. BURTON. I would do that, and I would hope that the gentleman from San Diego would sometime convince all those retired admirals to let some of the other ships be home ported somewhere else.

Mr. BEARD. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I am happy to yield to the gentleman from Tennessee.

Mr. BEARD. Mr. Chairman, I want to commend the gentleman from California for his support of this project, because obviously, by the construction of this new facility, it will make the new district even more gorgeous than it is today.

Mr. JOHN L. BURTON. It is one of the finest districts one could ever see, and as you look across from Marin County toward the island you see nothing but blue sky and blue water and seagulls with people carrying umbrellas. I thank the gentleman for his participation.

Mr. Chairman, I rise in support of this portion of the bill and of the bill itself, and I yield back the balance of my time.

Mr. ADDABBO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in full support of this bill, and I take this time to commend the chairman of the subcommittee, the gentleman from Georgia (Mr. GINN), and the ranking minority Member, the gentleman from Ohio (Mr. REGULA), for their exemplary presentation. This has been a fine presentation of this bill before this Congress by the new chairman and ranking minority Member. They fill the shoes of two other great chairmen and ranking minority Members that have gone before them, and they have grasped the problems that beset this committee and beset the Congress. There are many hard problems, especially the MX, the closing of camps, and the opening of new facilities.

So, Mr. Chairman, I take this opportunity to offer my commendation and the commendation of the House on their exemplary presentation this afternoon. They have done a fine job in their first presentation here before the Congress.

Mr. FAZIO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would also like to take the opportunity to express my appreciation to both gentlemen from Georgia—the gentleman from Georgia (Mr. GINN) and the gentleman from Georgia (Mr. BRINKLEY)—who are sitting here for the treatment I have been afforded in this fiscal year, both by the authorizing committee and the Appropriations Subcommittee. Both committees have been extremely sensitive to the needs of my district and the facilities there, particularly with reference to the point made by the gentleman from San Francisco, Calif., our new "sea hawk," the gentleman from California (Mr. JOHN L. BURTON). We do appreciate his support. It has been very crucial to our success thus far in the House, and we anticipate more success as a result of his close relationship with Members of the other body.

I would particularly like to express to the gentleman from Georgia (Mr. GINN) my deep thanks for the assistance I have received in increasing the productivity of two industrial facilities, and in northern California that is most appreciated. I understand how difficult dollars are to get in this most difficult fiscal year, and I would like to thank the gentleman publicly for his support.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. FAZIO. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, I am happy to join with the gentleman from California (Mr. FAZIO) in his remarks, and it is with mixed feeling that I hear reports of our good friend going to run for Governor of Georgia. We know he would be a great Governor, and the caliber of the government would be raised by his election. But I will miss him as a personal friend, and for that reason I want to see him back here. He has been a personal friend of mine.

Mr. GINN. Mr. Chairman, will the gentleman yield?

Mr. FAZIO. I yield to the gentleman from Georgia.

Mr. GINN. Mr. Chairman, I do, of course, want to thank the gentleman from New York (Mr. ADDABBO), the gentleman from California (Mr. FAZIO), and the gentleman from California (Mr. JOHN L. BURTON), and all the Members who have helped to draft this bill.

Again I want to thank the distinguished gentleman from Ohio (Mr. REGULA) and the other members of our subcommittee who have worked so long and hard in our efforts.

Mr. FAZIO. Mr. Chairman, I yield back the balance of my time.

Mr. GINN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with

an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MINETA) having assumed the chair, Mr. SHARP, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4241) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1982, and for other purposes had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was not objection.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read a third time.

The SPEAKER pro tempore. The question in on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BEARD. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 382, nays 24, not voting 27, as follows:

[Roll No. 207]

YEAS—382

| | | |
|---|---|---|
| Addabbo | Bevill | Chisholm |
| Akaka | Blanchard | Clausen |
| Albosta | Bliley | Clay |
| Alexander | Boggs | Clinger |
| Anderson | Boland | Coats |
| Andrews | Bolling | Coelho |
| Annunzio | Boner | Coleman |
| Anthony | Bonker | Collins (IL) |
| Applegate | Bouquard | Collins (TX) |
| Archer | Bowen | Conable |
| Ashbrook | Breaux | Conte |
| Aspin | Brinkley | Corcoran |
| Atkinson | Brooks | Coughlin |
| Badham | Broomfield | Courter |
| Bafalis | Brown (CA) | Coyne, James |
| Bailey (MO) | Brown (CO) | Coyne, William |
| Bailey (PA) | Brown (OH) | Craig |
| Barnard | Broyhill | Crane, Daniel |
| Barnes | Burgener | Crane, Philip |
| Beard | Burton, John | Daniel, Dan |
| Bedell | Butler | Daniel, R. W. |
| Beilenson | Byron | Danielson |
| Benedict | Carman | Dannemeyer |
| Benjamin | Carney | Daschle |
| Bennett | Chappell | Daub |
| Bereuter | Chappie | Davis |
| Bethune | Cheney | Deckard |
| DeNardis | Hunter | Peyser |
| Derrick | Hutto | Pickle |
| Derwinski | Hyde | Porter |
| Dickinson | Ireland | Price |
| Dicks | Jacobs | Pritchard |
| Dingell | Jeffords | Quillen |
| Dixon | Jeffries | Rahall |
| Donnelly | Jenkins | Railsback |
| Dorgan | Johnston | Ratchford |
| Dornan | Jones (NC) | Regula |
| Dougherty | Jones (OK) | Reuss |
| Dreier | Jones (TN) | Rinaldo |
| Duncan | Kazen | Ritter |
| Dunn | Kemp | Roberts (KS) |
| Dwyer | Kildee | Roberts (SD) |
| Dymally | Kindness | Robinson |
| Dyson | Kogovsek | Rodino |
| Early | Kramer | Roe |
| Eckart | LaFalce | Roemer |
| Edwards (AL) | Lagomarsino | Rogers |
| Edwards (OK) | Lantos | Rose |
| Emerson | Latta | Rosenthal |
| Emery | Leach | Rostenkowski |
| English | Leath | Roth |
| Erdahl | LeBoutillier | Roukema |
| Erlenborn | Lee | Rousselot |
| Ertel | Lehman | Russo |
| Evans (DE) | Lent | Sabo |
| Evans (GA) | Levitas | Santini |
| Evans (IA) | Lewis | Sawyer |
| Fary | Livingston | Scheuer |
| Fazio | Loeffler | Schneider |
| Ferraro | Long (LA) | Schroeder |
| Fiedler | Long (MD) | Schulze |
| Fields | Lott | Schumer |
| Findley | Lowery (CA) | Seiberling |
| Fish | Lowry (WA) | Sensenbrenner |
| Flippo | Luken | Shamansky |
| Foglietta | Lundine | Shannon |
| Foley | Lungren | Sharp |
| Ford (TN) | Madigan | Shaw |
| Forsythe | Markey | Shelby |
| Fountain | Marks | Shumway |
| Fowler | Marlenee | Shuster |
| Frank | Martin (IL) | Siljander |
| Frenzel | Martin (NC) | Simon |
| Frost | Martin (NY) | Skeen |
| Gaydos | Matsui | Skelton |
| Gejdenson | Mattox | Smith (AL) |
| Gephardt | Mavroules | Smith (IA) |
| Gibbons | Mazzoli | Smith (NE) |
| Gilman | McClory | Smith (NJ) |
| Gingrich | McCollum | Smith (OR) |
| Ginn | McCurdy | Smith (PA) |
| Glickman | McDade | Snowe |
| Gonzalez | McDonald | Snyder |
| Goodling | McEwen | Solarz |
| Gore | McGrath | Solomon |
| Gradison | McHugh | Spence |
| Gramm | McKinney | St Germain |
| Gray | Mica | Stangeland |
| Green | Michel | Stanton |
| Gregg | Mikulski | Stark |
| Grisham | Miller (CA) | Staton |
| Guarini | Mineta | Stenholm |
| Gunderson | Minish | Stokes |
| Hagedorn | Mitchell (NY) | Stratton |
| Hall (OH) | Moakley | Stump |
| Hall, Ralph | Molinari | Swift |
| Hall, Sam | Mollohan | Synar |
| Hamilton | Montgomery | Tauzin |
| Hammerschmidt | Moore | Taylor |
| Hance | Moorhead | Thomas |
| Hansen (ID) | Morrison | Traxler |
| Hansen (UT) | Mottl | Trible |
| Harkin | Murphy | Udall |
| Hartnett | Murtha | Vander Jagt |
| Hatcher | Myers | Vento |
| Heckler | Napier | Volkmer |
| Hefner | Natcher | Walgren |
| Heftel | Neal | Walker |
| Hendon | Nelligan | Wampler |
| Hertel | Nelson | Washington |
| Hightower | Nichols | Watkins |
| Hiler | Nowak | Weber (MN) |
| Hillis | Oberstar | Weber (OH) |
| Holland | Obey | Weiss |
| Hollenbeck | Oxley | White |
| Holt | Panetta | Whitehurst |
| Hopkins | Parris | Whitley |
| Horton | Pashayan | Whittaker |
| Howard | Patman | Whitten |
| Hoyer | Patterson | Williams (MT) |
| Hubbard | Pease | Williams (OH) |
| Huckaby | Perkins | Wilson |
| Hughes | Petri | Winn |
| Wirth | Wyden | Young (MO) |
| Wolf | Wylie | Zablocki |
| Wolpe | Yates | Zeferetti |
| Wortley | Yatron | |
| Wright | Young (FL) | |

NAYS—24

| | | |
|---|---|---|
| Bingham | Fenwick | Paul |
| Bonior | Garcia | Pursell |
| Brodhead | Kastenmeier | Rangel |
| Conyers | Leland | Richmond |
| Dellums | Miller (OH) | Roybal |
| Downey | Mitchell (MD) | Studds |
| Edgar | Moffett | Tauke |
| Edwards (CA) | Ottinger | Weaver |

NOT VOTING—27

| | | |
|---|---|---|
| AuCoin | Fascell | McCloskey |
| Biaggi | Fithian | O'Brien |
| Burton, Phillip | Florio | Oakar |
| Campbell | Ford (MI) | Pepper |
| Crockett | Fuqua | Rhodes |
| D'Amours | Goldwater | Rudd |
| de la Garza | Hawkins | Savage |
| Dowdy | Lujan | Waxman |
| Evans (IN) | Marriott | Young (AK) |

□ 1445

The Clerk announced the following pairs:

Mr. Ford of Michigan with Mr. Young of Alaska.

Mr. Pepper with Mr. Rhodes.

Mr. Hawkins with Mr. O'Brien.

Mr. Fuqua with Mr. Campbell.

Mr. Fascell with Mr. Lujan.

Mr. de la Garza with Mr. McCloskey.

Mr. Florio with Mr. Rudd.

Mr. Biaggi with Mr. Marriott.

Mr. Waxman with Mr. Savage.

Ms. Oakar with Mr. Evans of Indiana

Mr. D'Amours with Mr. Crockett.

Mr. Phillip Burton with Mr. Dowdy.

Mr. AuCoin with Mr. Fithian.

Mr. PHILIP M. CRANE changed his vote from "nay" to "yea"

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

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□ 1500

## GENERAL LEAVE

Mr. GINN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed, and that I be permitted to include extraneous matter and tabulations.

The SPEAKER pro tempore (Mr. PATMAN). Is there objection to the request of the gentleman from Georgia?

There was no objection.

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## WITHDRAWAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2451

Mr. DUNN. Mr. Speaker, I ask unanimous consent that my name be withdrawn as a cosponsor of H.R. 2451.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

## PENTAGON SCARCELY NICKED IN THE BATTLE OF THE BUDGET CUTS

(Mr. BROOKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BROOKS. Mr. Speaker, it is nice to see Mary McGrory back in action in the Washington Post after the loss of the Star. Her column in Tuesday's Post dealing with the "ritual scratch" inflicted on the Defense Department in President Reagan's latest round of budget cuts shows her usual sharp observation and deft phrasing.

With the need to make substantial cuts in Government spending so obvious, it is indeed hard to understand that out of the $1.635 trillion the President plans to give the Pentagon over the next 5 years he can find only $2 billion to cut this year and $13 billion for 3 years. And yet hungry schoolchildren are going to take a 33-percent cut in the size of their glass of milk at lunch in order to reduce spending.

I commend Mary McGrory's column to my colleagues:

PENTAGON SCARCELY NICKED IN THE BATTLE OF THE BUDGET CUTS

(By Mary McGrory)

When the government departments line up to claim their Purple Hearts for wounds suffered in the battle of the budget cuts, the Pentagon will be there.

Having received only a ritual scratch inflicted by a wincing commander in chief, it may look a little funny next to agencies that have lost arms and legs, but where the Department of Defense is concerned, Ronald Reagan is ready to stretch a point.

Actually, he only did it to make a point, which is that all government is making equal sacrifice for the realization of the president's economic goals. Making a $13 billion reduction in the rate of rise of the Pentagon spending means that next year the warriors will have $2 billion less to defend us from the Soviets. Out of a budget of $1.6 trillion over the next five years, it may not seem like much—but that's only to people who cannot see the threat from a nation that has added to its perfidy, according to our secretary of state, by using poisonous chemicals in Asia.

As it turns out, the $13 billion was a sum proposed last spring by a Democrat, Chairman Jim Jones of the House Budget Committee, and it was angrily rejected then by conservatives of both parties.

By certain standards, especially his own, Reagan was extremely brave.

He does not believe for a minute that the Pentagon wastes money. Only sloppy, civilian agencies like Health and Human Services and Housing and Urban Development throw the stuff around. Cost overruns and lemon-weapons are honest mistakes, as compared with the deliberate fraud perpetrated in behalf of "welfare queens" and other such predators.

The extraordinary thing about the Pentagon in this Congress is that even waste and fraud have been regarded as sacred cows. Take the fate of Representative Patricia Schroeder's modest attempt to take $8 billion in documented waste (documented by the General Accounting Office) out of the Pentagon budget—with the secretary given discretion in the choice. Only three Republicans out of 60 who had written a letter in May, suggesting that $25 billion could be painlessly removed, dared to vote with her.

She was denounced during the debate of July 16 by outraged defenders of the Defense Department for "a cheap, backdoor attempt to reduce the authorization figure" and for "really going after the national defense of this country." She lost by a margin of almost two to one.

And how will Reagan, with his penknife on the Pentagon's sleeve, be received by such champions? They will groan a bit, but only for the record. The $13 billion frees their hands for the real action—bigger slashes on the social programs.

They were terribly concerned that radicals like David A. Stockman and White House chief of staff James A. Baker III, who have an unfortunate tendency to look at figures instead of red hobgoblins, might persuade Reagan to do something really wild, like a $20 billion to $30 billion cut. Now that reason has prevailed, they are relieved.

During the suspenseful White House meetings where the fate of the big spenders was being decided, two friends of the Pentagon, Representatives William L. Dickinson (R-Ala.) and Charles E. Bennett (D-Fla.), held a press conference under the auspices of the Coalition for Peace through Strength—a 270-member hawk club on Capitol Hill. Although Dickinson had been shown special consideration by Reagan, and had been flown to the ranch for reassurances about some supposedly endangered weapons systems, he was worried that the president might be listening to the wrong voices.

Dickinson can live with the cuts.

The Democrats are in the process of deciding that they can, too. They have informally reached the conclusion that there is nothing in it for them to propose a leaner, alternate defense budget. They do not need to carry the added burden of being called "soft on defense" into the 1982 campaign. They are inclined to let the Republicans fight it out among themselves. There are people in the GOP who are mindful of their budget balancing rhetoric, and somewhat self-conscious about taking milk from babies and pittances from Social Security recipients in order to provide for "the poor relative"—Reagan's term for the Pentagon.

But as Representative Schroeder observes from her experience, "Republicans talk defense cuts, but they never vote them."

Politically and cosmetically, the president is in fine shape. He will "win" in Congress. He has tiptoed into the temple of defense spending. Unfortunately for him, Wall Street is the only audience that counts. If the Street says that the $13 billion nick won't do anything to bring down the high interest rates, he may have to go back and take a serious whack at the wallets of the admirals and the generals. It would go against the grain for him.

For now, though, he and his victims are happy.

They are rejoicing in their token martyrdom. They can say with Mercutio about their wound:

"Tis not so deep as a well, nor so wide as a church-door;

but 'tis enough, 'twill serve."

□ 1215

## REALTORS URGE TAX CUT DELAY TO BALANCE BUDGET

(Mr. SIMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SIMON. Mr. Speaker, we cannot tolerate the present high interest rate levels. No one knows that better than those involved in the housing industries, either construction or sales. They also know that we cannot bring interest rates down with false promises that we can have it all—lower taxes, more defense dollars and a balanced budget. They know such proposals are the stuff of fairy tales, not sound economic policy. The real answers lie in much more difficult measures, and those measures require real courage to support. The National Association of Realtors has shown that courage this week. They have called for the one real, strong and necessary action we must take if we are to bring the Federal budget into balance and get the Government out of the credit markets. That action is to delay part of the tax cut until after the budget is balanced. This is sensible economic policy. The homebuilding and home selling industries know it, and the American people know it. I applaud the courage of the National Association of Realtors in urging this measure. I am inserting the statement of Dr. Jack Carlson, chief economist and executive vice president of the Realtors Association, into the RECORD. I urge every Member to heed his remarks.

STATEMENT OF DR. JACK CARLSON

President Reagan's tentative decision to reduce federal spending by an additional $10 to $15 billion in fiscal year 1982 is encouraging but it is not enough.

If sufficient budget cuts are impossible, the President and the Congress should seriously consider deferring the July 1982 10 percent across-the-board personal income tax cut until October 1982.

With only the spending cuts the deficit would likely exceed the commitments the President made in March and the Congress made in the First Concurrent Budget Resolution limiting spending to $695 billion and the deficit to $38 billion.

Deferring tax relief would at least lower the deficit and thereby lower inflation and interest rates. If, in fact, the budget cuts of $10 to $15 billion and tax relief deferral are achieved, there could be a significant effect on interest rates—a 2 percentage point drop would be possible.

This tax-cut deferral can be initiated in the Second Concurrent Budget Resolution which is required to be passed by September 15, 1981. This would be in keeping with the procedures of the Congressional Budget Act intended to bring various spending and taxing measures in line with the needs of overall economic policy.

The National Association of Realtors, the Nation's largest trade association, repre-

sents nearly 700,000 individuals involved in all phases of the real estate industry.

It is of interest to me that among those criticizing the tax cut are almost all the leading bond people on Wall Street, a former Director of the Budget under Nixon—who has said it is "likely to go down in history as the single most irresponsible fiscal action of modern times"—and conservative columnist George Will. My vote against the tax cut was not popular, and unfortunately there are no popular ways of getting inflation under control and getting interest rates down, but it is essential for the Nation that we do so. We somehow—in both political parties—seem to lack the will to do what is necessary to bring the budget into balance. That is my reason for cosponsoring now for many years a proposal for a constitutional amendment requiring a balanced budget except for times of emergency.

If we had passed that 10 years ago we would have a 6-percent interest rate today.

While everyone in theory is for a balanced budget and lower interest rates, few are willing to call for the tough steps needed to achieve this. Until this statement by the realtors, the only major U.S. industry that has really faced up to the inflation and high interest rate issue has been the life insurance industry. I am pleased to see the realtors joining them. Some will argue that they are only trying to serve themselves. It is true that their proposal would serve their industry, but it would also serve the Nation. Yes, we need some tax relief, but let us not borrow money to get it.

## HAPPY 200TH BIRTHDAY, LOS ANGELES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DIXON) is recognized for 60 minutes.

GENERAL LEAVE

Mr. DIXON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DIXON. Mr. Speaker, I have reserved this time in order to officially—if somewhat belatedly—pay tribute to the city of Los Angeles, which recently capped a year-long celebration by commemorating its 200th birthday.

It was 200 years ago, on September 4, 1781, that El Pueblo de la Reina de Los Angeles Sobre El Rio de la Porcuincula was founded as the first Spanish civilian settlement in southern California. Today, the towers of the new downtown Los Angeles skyline cast long shadows across a bustling plain where an Indian village, a Spanish colonial settlement, a Mexican provincial capital and a Yankee boomtown lie buried beneath.

The bicentennial celebration just concluded helped make Angelenos aware of the richness of their history, which I now commend to the attention of my colleagues.

The initial settlers of Los Angeles consisted of 11 families; 22 adults and 22 children, who were recruited from the Provinces of Sinaloa and Sonora in New Spain, now called Mexico, by Capt. Fernando de Rivera y Moncuda, emissary of the Governor of California, Felipe de Neve. They included farmers, artisans, and stockraisers necessary for the survival of the settlement. Escorted by Spanish soldiers, they departed from Los Alamas, Sonora on February 2, 1781, and arrived in the summer of that year. Their goal was to establish an agricultural pueblo to provide food for soldiers at the presidios at San Diego and Santa Barbara.

Ranging in age from 1 to 67, the pobladores reflected the cultural heritage and racial diversity that link the city's past to it present. Almost all of the settlers from the surrounding province of Sonora were of mixed blood. Three ethnic groups were represented among the earlier settlers; Spanish, Indian, and black. Twenty-six of the pobladores were of African ancestry, since Spanish law had always made it easy for black bondsmen to buy their freedom in New Spain, and custom had raised no barriers to intermarriage.

The three reasons for the choice of the site were the obvious fertility of the land, the availability of water, and the nearby location of an Indian village called Yang Na. Thus, the settlers would enjoy the prospect of agricultural productivity, water, and a source of labor. No eyewitness account of the pueblo's founding has ever turned up, since none of the Founding Fathers could read or write. However, mythmakers have cloaked the day's events in suitable splendor, depicting Governor de Neve on horseback at the head of a procession of priests, soldiers, settlers, and converted Indians. By the start of the 20th century, the ceremony was thought to be the most extensive and most impressive ever held over the founding of an American city.

In the spring of 1822, word reached El Pueblo that Mexico had won its independence from Spain. California was now Mexican territory. Angelenos of the day dutifully changed the flag flying about the Plaza, replacing the Spanish lion with the Mexican serpent.

The transformation for Los Angeles came with the acquistion of California by the United States at the end of the Mexican War. Gradually, the little Mexican settlement was transformed into a Yankee town, the key being the increased American population. The first notable Anglo to reach Los Angeles was Abel Stearns in 1832. Stearns was born in Massachusetts but lived and had become a Spanish citizen in South America.

As the town grew, so did its needs. The first railroad south of the Tehachapis formally opened and the first train left the new Los Angeles depot on the morning of October 26, 1869. With the completion of the transcontinental railroad in 1872, many Chinese came to Los Angeles; some in the search for gold, others just seeking a new way of life. Like their black and brown brothers before them, they found discrimination, but remained and persevered. By the turn of the century, Los Angeles was already experiencing the escalation in property values and shortage of downtown parking space which continue to this day. Indeed, Los Angeles in the early 1900's was overwhelmed with growth, due in large part to the infant oil drilling and movie industries.

The events of the 20th century have left their mark on the tiny pueblo, which has seen its population soar from 102,000 in 1900 to nearly 3 million today. World War II, of course, had a special significance for the city's 40,000 residents of Japanese descent. And the city's postwar boom, fueled in large part by the growth of the area's aerospace industry, has exascerbated the problems of transportation and air quality which confront the present-day mayor, city council, as well as its legislative delegations.

Today, 200 years later, Los Angeles finds itself as the third largest city in this, the greatest Nation in the world. Nearly 3 million persons call it home, and many more come to visit. Like any of the world's great cities, Los Angeles has come to mean many things to many people.

Aesthetically, Los Angeles today is a vast and beautiful metropolis, one in which high-rises and stucco homes, beaches and mountains, lush vegetation and desert lands exist side-by-side. At 463 square miles, its land area is larger than any major city in the world. In addition to its fabulous beaches, that area boasts the only major mountain range to be found in any American city: The Santa Monicas. And at the eastern tip of those mountains lies Griffith Park, the largest municipally owed park in the country.

Culturally, Los Angeles retains all the glitter and glamour of early Hollywood, and then some. The vitality and enthusiasm of the Nation's entertainment pervades the city, and the creative energies of thousands of men and women—from D. W. Griffith to Francis Ford Coppola—have found fulfillment in the city of the Angels. Lo-

cally, L.A. is also home to one of the Nation's finest philharmonic orchestras, and with the opening of the music center and its Dorothy Chandler Pavilion in 1964, features one of the most extraordinary centers for music, dance and theater anywhere.

Consistent with its sunny, year-round climate, Angelenos are devoted sports fans. Over 3 million persons a year crowd beautiful Dodger Stadium, the crown jewel of major league baseball. Across town, the memory of 10 NCAA basketball championships continue to make Westwood and UCLA the Mecca of college basketball. And while Los Angeles waits patiently for the return of professional football, its two collegiate powerhouses, USC and UCLA, consistently bring top 10 rankings back to their mutual home, the Los Angeles Coliseum.

It is athletics which has brought Los Angeles perhaps its proudest modern distinction, as the only city in the world to host the summer Olympics on two separate occasions. Less than 3 years hence, the world comes to the United States—to Los Angeles—for the games of the XXIII Olympiad. The 1984 games promise to surpass their predecessors not only in pageantry and athletic excellence, but also in the prudence, perspective and commonsense in which they are being conducted.

As I mentioned, each person who comes to Los Angeles carries away his or her own special memory or impression of its attributes. To me, Mr. Speaker, the one thing which has made Los Angeles the modern-day success story that it is has been the will of its people, all kinds of people, to work together in a spirit of unity and community. Again, perhaps no city in the country can match Los Angeles' ethnic diversity and cosmopolitan character. Los Angeles has the second-largest Spanish-speaking population of any city in the world, trailing only Mexico City. It trails only New York among followers of the Jewish faith. And it remains the largest city in U.S. history to elect a black mayor, which it has now done three times. Each group, each race, each nationality, has made a contribution; some so innovative and grandiose as to stretch the imagination of men.

It is that indomitable will that has helped Los Angeles surmount its historically insurmountable problems—water, shipping, transportation, and pollution—and which leads us into our third century. At this point, I wish to insert in the RECORD a Los Angeles Times editorial which captures just what this bicentennial celebration is all about; a 200-year act of will.

Happy birthday, Los Angeles.

The article follows:

[From the Los Angeles Times, Sept. 4, 1981]

A 200-YEAR ACT OF WILL

Precisely 200 years old today, Los Angeles is still something new under the sun. For the story of its progress from Spanish colonial pueblo to international center of learning, art and commerce is as much a work of imagination as it is a history—its subject not so much a city as an act of will.

More than any major city, Los Angeles is what it is today because a few men—from the kings of Spain to the barons of land, rail and industry—dreamt and decreed that it would be so, and because tens of thousands of other men—working people from Sonora and Ohio, Shanghai and Odessa—bought and built accordingly.

Los Angeles was not blessed with a great natural harbor or commanding physical site. It does not sit at the confluence of vital rivers or along some antique trading route. Nor was it built atop some ancient center of human habitation or religion. But it has always had an unequaled location in the human imagination.

If New York is the big apple and Chicago the city of the big shoulders, Los Angeles is the city of the big dream—and of the big fix; of the grand illusion and the hard reality. Unconscious of its own or any other's past, it is a place where few have felt obliged to be content with just a second chance.

And yet none of the city's great accomplishments have come without cost or contradiction.

When, for example, Los Angeles' need for water outstripped the resource of its own semi-arid environment, an intricate system of aqueducts was constructed to import water from the Sierra, the Colorado River and Northern California. The city could not exist without this system, and the aqueducts themselves are enduring monuments to human ingenuity and skill, even though they damaged distant environments, robbed other communities of their livelihoods and engendered in the state a bitterness against Los Angeles that persists to this day.

Similarly, when the needs of thousands of new arrivals and the financial interests of aggressive developers converged in the post-war era, the San Fernando and San Gabriel valleys bloomed with suburban housing tracts that made Angelenos the envy of people around the world. Indeed, no community in history ever housed so many of its working-class and middle-income people so well, supplying them with amenities, such as private gardens and swimming pools, usually reserved for the wealthy. But the cost was high: The open spaces that once surrounded the city are gone forever, and, as a consequence, millions are spent each year fighting fires and mudslides.

The unique freeway system built to serve these sprawling suburbs is a similarly mixed blessing. For, while it brought Angelenos an unprecedented degree of personal mobility—and therefore freedom—it also has helped to foul the basin's air and to make the city overly dependent on an increasingly scarce and expensive fuel.

Yet somehow none of the contradictions of accomplishment have shaken Los Angeles' confidence in itself or disillusioned the thousands of immigrants who continue to pour into this area each year. For them, Los Angeles—the community that invented itself—remains the city of exceptions and of exceptional dreams.

Mr. DYMALLY. Mr. Speaker, will the gentleman yield?

Mr. DIXON. I yield to the gentleman from California.

Mr. DYMALLY. Mr. Speaker, in recent years, we have been much given to the criticizing of our urban centers. They are crime-stricken and unsafe, polluted and unhealthy, debt-ridden, and fiscal disasters, dilapidated and unattractive places to live. So we say.

We too seldom pay homage to cities as the nerve center of our economy, as the hub of cultural activity, as the home of scientific and educational enterprise that sustains an enlightened civilization.

So I am happy for this opportunity to laud the city of Los Angeles on this, its 200th anniversary, as one of the great cities of our Nation. Los Angeles has been good to me. Los Angeles gave me my education, my first teaching job, my start in a political career. So it has been for countless migrants, not only from Mexico and the countries of the East, but from New York and Indiana, from Mississippi and Oklahoma, and I might add the Caribbean.

Los Angeles has been a city of hope, a city where dreams are pursued and fulfilled. It is a people city. It is in some ways a troubled city, but it is more an energetic and determined city. It is a city rich in its heritage, and—barring the ever-present earthquake threat—richer still in the brightness of its future.

I join with my colleagues in wishing all the residents and Mayor Tom Bradley of Los Angeles a very happy birthday, and many more to come.

● Mr. ROYBAL. Mr. Speaker, I am happy to inform my colleagues that this month Los Angeles, a city I am truly proud to represent in Congress, is celebrating its bicentennial. I have had the honor of representing parts of this great city for over 30 years—first as a city councilman, now as a Member of Congress.

Two hundred years ago this past September 4, 44 recruits from Mexico, half of them children and most of them of Indian and African blood, claimed a strip of land that had been promised to them by the Governor of New Spain. The strip of land is now the west bank of the Los Angeles River. Thus began a city more properly known as El Pueblo de Nuestra Senora la Reina de Los Angeles.

From these humble beginnings, emerged a city universally envied for its climate, its culture, and its way of life. Few cities in this country can claim the diversity of peoples that Los Angeles enjoys. This deversity is reflected in the large populations of Japanese, Filipino, Chinese, Cuban, Puerto Rican, and Mexican Americans. Moreover, few people realize that Los Angeles is one of the largest Spanish-speaking cities in the world, and has a native American population larger than any Indian reservation.

The contributions Los Angeles has made to this country are as diverse as its people. Its environs include one of the Nation's wealthiest agricultural areas. The entire motion picture industry was created in Los Angeles, and the city has become one of the major centers of communication in the world. Among the marvels to be found in the Los Angeles area are the world's best known amusement attraction—Disneyland—and the Jet Propulsion Laboratory, which brought us pictures from Saturn.

We Angelenos are justifiably proud of our great city and its many contributions to this Nation. We invite all of you to join in our celebration.●

● Mr. COELHO. Mr. Speaker, as a native Californian, it gives me great pleasure to have this opportunity to say a few words in honor of Los Angeles, the largest city in the West. I think it is interesting to note that although it remained as isolated pueblo until 1876, when the Southern Pacific and Santa Fe Railroads promoted a massive "take the train to Los Angeles" campaign, the city is celebrating its 200th birthday just 5 years after that of our Nation.

The Los Angeles area today is a massive urban and industrial complex, stretching from the mountains on the north and east to the beautiful Pacific beaches on the west. It is truly a city of cities offering a wide range of activities for amusement, entertainment, and education. Its center of government, the civic center complex, is the largest concentration of public buildings outside Washington, D.C., and serves well over 3 million people.

In closing, I would just like to add that I am honored to be a part of this important celebration, and I am eagerly looking forward to the summer of 1984, when Los Angeles will host the summer Olympics.●

● Mr. ANDERSON. Mr. Speaker, as a lifelong resident of the Los Angeles area, I am deeply honored to join with my colleagues in recognizing the 200th anniversary of the city of Los Angeles. Although many today will focus their attention on Los Angeles from a historical viewpoint—which, needless to say is quite important—I would like to briefly speak about the social diversity of Los Angeles and the growth and advancement in areas I have personally been involved with and devoted to as a Member of Congress.

What I feel is one of the truly unique attributes of our great city is the vast array of cultural influences which have shaped Los Angeles. This is clearly evident in my own congressional district which includes the harbor area of Los Angeles. For example, I have the privilege of representing large blocks of white Americans, black Americans, Hispanics, Asians, and peoples of the Pacific. Each of these groups brings with it, its own heritage and helps form a more balanced community in which all residents are equal. And, each of these major groups is further divided into numerous subgroupings reflecting different ethnic, cultural, linguistic, and social backgrounds, each making a significant contribution to the city we know and love.

Mr. Speaker, as you know, also included within my district is the great Port of Los Angeles. I am indeed fortunate to represent such a fine port facility. What has occurred at the port—in terms of economic advancement and international recognition—during the past two decades is truly amazing. In my years in Congress I have been able to witness first hand the tremendous growth of this dynamic, but yet beautiful, port and its ever-increasing shore-based facilities. It is a moneymaker for the city, currently moving about 40 million tons of cargo through its facilities each year. I am proud to say that the economic outlook for the port in the future is one of continued progress and steady expansion. This has been accomplished only through the dedicated services of hard-working men and women who are at the port around-the-clock, 365 days a year, and providing the services and facilities for the import and export of goods, which literally millions of Americans across the country rely upon.

The city of Los Angeles is the hub around which the industry, transportation, cultural life, and social activities of the frequently cited "Sixty Mile Circle" revolve. It is a dynamic, living thing. Proud of its historic past, rich in the cultural heritage given it by the early inhabitants, today it looks to the future. It is not content to rest on past achievements, but instead eagerly looks toward overcoming the problems and challenges of today, and to meeting the difficulties prognosticated for the years ahead.

Problems inherent in such a large and diverse political entity are many and varied but, as they have been in the past, they will be solved by the able and efficient elected and appointed officials of the city, supported by a citizenry fully cognizant of their duties and responsibilities as Angelenos, Californians, and Americans. I am proud to be one of them.●

● Mr. WAXMAN. Mr. Speaker, I am especially pleased to join my colleagues from California in commemorating the 200th birthday of Los Angeles. I want to discuss the exceptional heritage of our city on this special occasion.

As a native of Los Angeles, I have always been especially proud of the extent to which my city has given opportunity to a vast array of different racial, religious, and ethnic groups. Even the original settlers, though only 46 in number, included people of the most divergent backgrounds.

I do not want to imply that Los Angeles has been a paradise for each group which has settled in it. To the contrary, each group has encountered a certain amount of prejudice and discrimination. Vestiges of the color line under which blacks suffered are still to be found. There are still traces of the virulent antioriental sentiment which hit both Chinese and Japanese and peaked in the months prior to the infamous relocation of Japanese nationals and Japanese Americans during World War II.

No group has been more important in the 200 year history of Los Angeles then Mexicans and Americans of Mexican ancestry. They have played a prominent role in the life of our city from its founding down to the present day. Our Hispanic community is now the second largest in the world—surpassed only by Mexico City.

Despite the prominence of Mexican Americans and the age of their community, they, too, continue to struggle against the long-established economic and cultural dominance of the Anglo majority.

My own group, the Jewish community, has played an important role in Los Angeles for over a century. However, we have been present in truly substantial numbers for only about the past 50 years. Traces of anti-Semitism have been more than outweighed by opportunities which have allowed us to play a major role in the development of the classical professions, retail merchandising, and numerous other fields.

As my birthplace and hometown enters its third century we are faced with an explosion of new ethnic groups seeking an opportunity to forget the incredible tribulations they have suffered before settling here.

In my own congressional district in central Los Angeles there are thousands of Vietnamese, ethnic Chinese boat people from Vietnam, refugees from Thailand, Laos, and Cambodia. On the same streets we find Jews and Armenians fleeing from Soviet oppression. From the Spanish-speaking world we have people fleeing the chaos and despotism of El Salvador, Guatemala, and Cuba. An entire neighborhood has in a few short years become a full-fledged Korea town with Korean schools, businesses, health services, and churches.

We so-called oldtimers are beset on every side with the problems created for our city by the sudden influx of so many people of such diverse backgrounds. We must meet our humanitarian responsibilities to them—especially in the fields of education and health. We must also realize that we are experiencing in microcosmic form, "the Great American Experience." We have the opportunity to derive from our newly expanded diversity economic, cultural, scientific, and spiritual ac-

complishments of unsurpassed scope and beauty.●

## SUGGESTIONS FOR BUDGET CUTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANNEMEYER) is recognized for 30 minutes.

Mr. DANNEMEYER. Mr. Speaker and Members, I remarked yesterday that the chief culprit behind continued high interest rates was deficit spending by the Federal Government. The call for further budget cuts, or at least a substantially reduced budget deficit, since some prefer tax increases to achieve a balance, has been sounded by a growing array of financial, economic, and political leaders.

Accordingly, I wish to present some disturbing facts which illustrate exactly how imminent our continued travel is down this road to fiscal ruin. Treasury statistics beginning in 1789 reveal that we experienced the lowest gross national debt in 1835, $38,000, a drop from a wartime high of $127.3 million in 1815.

For the first century and a half of our Federal Government's existence the debt fluctuated, increasing during wars but subsiding afterward. This cycle was repeated from the time of the War of Independence through the War of 1812 and the War Between the States, to the First World War. Indeed, from 1789 to 1942, the gross national debt rose to a total of $79.2 billion. It took 154 years to get to $79.2 billion. The debt for 1981 alone is estimated by the administration to be $79.6 billion and by the Congressional Budget Office at $84 billion—more red ink in 1 year than in the first 154.

In 1982, the deficit is variously estimated to be $42 billion to $80 billion.

Although the debt roller coastered along a gradual upward path, attaining $316.8 billion in 1964, that year marks a sort of watershed. For, in the years following the normal wartime surge during Vietnam, there has been no downward slide. The opposite has been true. The wartime years of 1965-73 saw the debt climb from $316.8 billion to $468.4 billion, a 47.9-percent increase over a 9-year span. Since 1973, on the other hand, the debt has climbed to a stratospheric $1 trillion, a 113.5-percent increase in just 8 years.

The effect of this irresponsible spending spree on credit markets is not lost. Of the outstanding debts financed by the Treasury, $907.6 billion in 1980, holders of debt securities include commercial banks, $100.9 billion; mutual savings banks, $5.3 billion; Federal Reserve banks, $120.7 billion; corporations, $25.5 billion; State and local governments, $73.4 billion; individuals, most of these being holders of savings bonds, $123 billion; insurance companies, $14.4 billion; foreign and international investors, $126 billion; U.S. Government investment accounts, $197.7 billion; and, finally, miscellaneous accounts, including assets for debt owned by savings and loans, a total of $120.7 billion. That totals $907.6 billion as of 1980.

The question can really be asked: How many mortgages would that sum of debt buy?

When you point the facts out, there is nothing really new about them. So the question comes into existence: Where can we cut Federal spending in 1982 so as to bring this runaway monster that we currently have on our hands under control?

The Members may recall that during the course of the past 3 or 4 days I have taken the well of the House in a special order to outline and read a portion of the 272 items that are reflected in the work product of the economic task force of the Republican Research Committee, indicating where we can make specific reductions in spending in 1982.

Today I would like to continue reading from that list, as an indication to the Members where we can make further reductions in spending for 1982. Again I would ask the Members, when these items are mentioned, would the adoption of these specific reductions in spending for 1982 adversely impact on the poor, the downtrodden, the handicapped, and the deprived of our society?

I think if we are honest with ourselves in each instance, the answer is no, their adoption would not do so.

In the category entitled "Energy."

"Atomic energy defense activities." Here we have an option whereby if we limit the increase over 1980 to 39.1 percent, the equivalent of the Defense Department increase, rather than the proposed increase of 60.8 percent, we could reduce expenditures in this item by $623,077,100.

"Energy programs, general science/research, operations expense." We would allow a 10-percent growth over what was spent in 1981. This would save $27,260,000.

"Energy programs, energy production, demonstration, and distribution." We would allow a 20-percent increase over 1980. The proposed expenditure is 102.4 percent above 1980, which we believe is excessive. This would save $114,397,600.

"Energy programs, energy conservation—area and regional development." We would eliminate this program. We do not believe that its continued existence as a function of the Energy Department of our Government is in any way necessary. This would save $16 million.

"Energy programs, strategic petroleum reserves." We would eliminate Federal financing of this program. We think that its financing can be functioned via public bonds. This would delete $3,607,775,000.

"Energy programs, economic regulation." We would eliminate this because we have in this phase of deregulation largely reduced the staff requirements of the Department of Energy, and this would result in a savings of $40,400,000.

"Energy programs, Federal Energy Regulatory Commission." We would eliminate the gas and oil regulation aspects of this program on the grounds that the deregulation of oil, which our Nation has embarked upon, makes redundant the continued bureaucracy which heretofore has performed this function. This would save $51,167,000.

□ 1515

"Power Marketing Administration, Southeast Power Administration, operations and maintenance." We would allow 10 percent above 1980. The proposed increase here is 324.2 percent over what was spent in 1981. The adoption of this item would save $5,133,600.

"Power Marketing Administration, Southwest Power Administration, operations and maintenance." Here we would allow 20 percent over what we spent in 1980. The proposed items suggests that we spend in 1982 80.5 percent over what was spent in 1980. This would save, if adopted, $9,817,400.

"Power Marketing Administration, Western Area Power Administration, construction, rehabilitation operations, and maintenance." We would allow a 10-percent increase above what was spent in 1981. The proposed increase for this item is 27.8 percent over what was spent in 1981, which in our view is excessive. If this item is implemented, it would save $55,536,300.

"Power Marketing Administration, Western Area Power Administration, emergency fund." We would delete this on the ground that there are sufficient reserves in other accounts. Therefore this would save $234,000.

"Department Administration, information policy and regulation." We would cut 10 percent from what they spent in 1980. These activities in the Department of Energy we feel can be served by other functions and are unnecessary. If this item is adopted, it would save $60,062,400.

"Departmentwide in the Department of Energy." Correcting their auditing procedures pursuant to the recommendations of the General Accounting Office would save $19,800,000.

Members, in this category of the Department of Energy, it will be interesting to note that these proposed savings, if adopted, total 13, for a sum total of $4,693,660,400.

In the Department of Commerce, the following items are suggested for

deletion/modification for fiscal year 1982.

Promotion of "Industry and commerce, International Trade Administration, operations and administration." We would allow a 20-percent increase over 1980. The proposed outlays for this item represent a 102.1-percent increase over 1980. We believe that this is clearly excessive and cannot be justified on any basis of rational thought.

The adoption of this item would result in a savings of $65,468,800.

Promotion of "Industry and commerce, International Trade Administration, trust funds." We would allow a 20-percent increase above 1980. The proposal is for a 123.4-percent increase in just 2 years. We think this is markedly excessive. Adoption of this item would save $6,390,400.

"Science and technology, NOAA, fishermen's contingency fund." We would retain it at the 1981 level. The proposed outlays, based on the projected 2,332.4-percent increase in losses from 1980, we feel is extravagant, to say the least. This would save, if the item was adopted, $400,000.

"Science and technology, foreign fishing observer fund." We do not believe in this time of tight money and excessive cost for credit that we should be establishing a foreign fishing observer fund in the Department of Commerce, and this elimination would save the taxpayers $750,000.

"Science and technology, science and tech research services." We would allow 10 percent growth over 1981. This would save $9,191,000.

"Ocean shipping, Maritime Administration, ship construction." We would eliminate this program. We believe that the construction of ships to carry the goods of this Nation to foreign soil should be left in private hands. The adoption of this program would save $145 million.

"Ocean shipping, Maritime Administration, operating subsidies." We would eliminate this. We believe that the cost of transportation of goods should be paid by the shippers, not by the taxpayers. This would save $417,148,000.

Then finally in this category, the "Department of Commerce, departmentwide savings," auditing procedure corrections recommended by the General Accounting Office, if implemented, would save $112,626,000.

In summary, let me relate that these projected savings from the Department of Commerce, if adopted, totaling eight items, would save the taxpayers $756,974,200.

At a time when the Treasury Department every week is conducting a public auction for the raising of money, and paying 14 or 15 percent for that money, in order to finance the activities of the Federal Government and provide liquidity for the deficit, estimated for the fiscal year that we are now in as nearly to $80 billion, I think it is high time that we serving in this institution have the courage to recognize what the basic cost of the high cost of credit is in this country. That is, the irresponsible spending habits of the institution in which we serve, the House of Representatives. The buck stops here. Spending is out of control, year after year, deficit after deficit and 30 percent of the existing deficit and outstanding debt of the United States of close to a trillion dollars has been created in the last 5 years alone. It cannot go on this way indefinitely and the way we can stop the excessive demand for credit by this establishment is having the courage in this body to vote the suggested changes whereby we delete this excessive level of spending that has been proposed for fiscal year 1982.

I thank the Members and the Speaker for their time.

## A TRIBUTE TO GARY HYMEL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 30 minutes.

Mr. O'NEILL. Mr. Speaker, I rise today to honor a man who has been like a member of my family for the last 10 years.

Gary Hymel came to work for me in the majority leader's office and proved invaluable to me as an employee, close friend and adviser. Gary has many friends up here and has the respect of the Members of both sides of the aisle. It is no accident—he loves this institution, and he respects the Members of the Congress himself.

Time and time again, people have mentioned he has always been courteous and friendly to everybody and in every situation. Gary has the unique ability to read the House as well as anyone.

He developed this ability by getting to know and listen to people, and to understand points of view and philosophies, not necessarily his own.

The late Sam Rayburn once said that the most beautiful word in the English language is "service." This truly applies to Gary who served his country, his employers, and this institution so loyally and diligently for so many years.

Gary and I are from different parts of this country. When I first met him he was working for Hale Boggs, and after the loss of our dear majority leader he came to work for me.

Through the years, we have been as close as anybody could possibly be. As I say, he has been like a part of my family. Millie and I hate to see Gary leave the staff. We wish him the very best in his endeavors in his new position. I watched his eight children grow up over the years. He and his lovely wife, Winkie, have every reason in the world to be proud of them. What beautiful children. He has gone to work for the Bob Gray Co., downtown. I know that he is going to enhance that company by his brilliance, by his courtesy, by his knowledge, and he will give to them the same service as he gave to the majority leader's office, the Speaker's office, and the whip's office through the years. He is just such an intelligent, industrious, and beautiful individual.

I have grown to know all his children through the years, Amy, Beth, Joy, Peggy, Madeline, Judy, Greg, and Kevin. Some of them have worked here on the Hill, others have visited here often. They have the same love and affection for this institution that their dad has.

Gary, I am sorry to see you leave. You are like a part of my family. I want to wish you happiness, success, and good health in your new endeavors.

## GARY HYMEL

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Louisiana (Mrs. BOGGS) is recognized for 30 minutes.

Mrs. BOGGS. Mr. Speaker, to paraphrase the Bard of Stratford on Avon, we have come today to praise Gary Hymel and not to bury him.

I am reasonably certain that I have known Gary longer than anybody else in this House because Gary came to the Hill in 1965 as a member of my husband Hale's staff in the majority whip's office.

Prior to his move to Washington, Gary was a fine political reporter for the New Orleans States and his coverage of the intricacies of the political scene in Jefferson Parish more than qualified him to deal with the Congress and with the Nation's Capital.

When Hale became majority leader in 1971, Gary became his executive assistant and he contributed a great deal to making both of those leadership institutions the fine institutions that they are today.

On a more personal side, Gary was a great support to me through good times and bad, through easy campaigns and tough campaigns, and at home in the district, in this House, and through the Nation. He was an affectionate tower of strength to me and to my family members when Hale's plane disappeared in Alaska.

As a Member of this body, I know what a great service he has provided over the past several years to the Speaker and to our leaders, both Democratic and Republican, and I might also add that Gary is a graduate of Loyola University of New Orleans where he received his bachelor's degree and Louisiana State University,

where he received a master's degree in journalism, and he continues to have an active interest in the education of young people.

For the past several years, he has been a lecturer for the Washington workshop, a program that helps high school students from around the country to understand our system of government.

While we are here to recognize Gary's outstanding service to this House and to the people at large, with the Speaker I think that I should also salute his loving family, his wife, Winkie, and his children, whose beautiful names bear repeating, Amy, Beth, Joy, Peggy, Madeline, Judy, Greg, and Kevin. They are living testimony to his goodness and we recognize also that their sharing of Gary with us individually and with this beloved institution was a contribution of tremendous worth.

Mr. Speaker, I am happy to join now with other Members of this House who wish to join in this special order in honor of Gary Hymel.

I now yield to the gentleman from Mississippi (Mr. WHITTEN).

□ 1530

Mr. WHITTEN. Mr. Speaker, I join with my dear colleague, the gentlewoman from Louisiana (Mrs. BOGGS), the Speaker and others in taking this opportunity to join my colleagues in an expression of sincere thanks to a good friend of this House, Gary Hymel. Over the years as a Member and chairman of the House Appropriations Committee I have come to know and respect Gary for his insight into critical problems and his never-ending desire to work out solutions that all parties could find acceptable.

It is of paramount importance that the Appropriations Committee, the Rules Committee, and the leadership work together for the good of the country. This we have done. Fortunately for us much of the credit for this coordination goes to Gary. His unique position in the office of the majority whip, the late majority leader and finally the Speaker's office give him an opportunity to see the problems of the House of Representatives from all angles. Gary has always tried to get everyone together on issues. His value to the Appropriations Committee I doubt can never be matched. He kept us informed because he understood our problems. In his important position he made real contributions in bringing individuals and groups together on issues and procedures.

On behalf of the membership of the Appropriations Committee, and its staff, I would like to thank him again, for his constant cooperation, and most of all, for keeping the valuable lines of communications open. As a Member of this body, I personally would like to thank Gary for his unquestioned loyalty to the people's branch of government—the House of Representatives and wish for him success in his new undertaking.

Thank you, Mr. Speaker.

Mrs. BOGGS. Mr. Speaker, I yield to the gentleman from Massachusetts (Mr. MOAKLEY).

Mr. MOAKLEY. Mr. Speaker, I thank the gentlewoman from Louisiana (Mrs. BOGGS) for yielding and commend her for affording Members this opportunity to comment on the retirement of Gary Hymel from congressional service.

All of us deeply regret, but fully understand, Gary's decision to return to private life and wish him all the best in his new work. During his 15 years of dedicated service to the House, Gary has made a lasting impression on this institution. Few staff members ever achieve the kind of recognition and friendship that Gary inspired as aide to the late Hale Boggs, as majority whip and leader, and to Speaker O'NEILL as his aide in that office and previously as majority leader.

Gary served in an extraordinarily able and useful capacity. He was always available to anyone who needed his counsel or help, and served as a consistently objective and loyal adviser to the Speaker and the entire leadership.

His good spirits and fairness are legendary and he served in the highest policy staff positions in Congress for 15 years without ever making a single enemy, a unique talent few can ever hope to duplicate.

His departure from the House is a loss that has already been felt and I want Gary to know how sincerely he is missed by his friends in Congress. I will continue to value Gary's friendship highly and wish him, Winkie, and the children all the best.

Mrs. BOGGS. I thank the gentleman.

Mr. Speaker, I yield to the gentleman from New Jersey (Mr. HOWARD).

Mr. HOWARD. Mr. Speaker, I thank the gentlewoman for yielding and wish to congratulate her for holding these special orders in behalf of our friend, Gary Hymel.

Gary served this institution and the Members and leadership so very, very well, in the years that he was on the Hill, serving both the majority whip and majority leader Hale Boggs, as well as majority leader and Speaker, TIP O'NEILL. I think that his intelligence and background served him well in serving these two great leaders. His knowledge of the media as well as his legislative prowess were of invaluable help to them; but I think also that he was of great help to all the rest of us here in the House of Representatives, because his advice and counsel was of great help, I know, to me many times in preparing legislation to bring to the House. His knowledge of this institution was tremendous, because although whether it was in trying to determine the time of the adjournment on a certain day or the date of adjournment for a session or the scheduling of legislation, when we would ask for his advice he would perhaps be guessing like the rest of us, but he seemed to guess with a great deal more accuracy than the rest of us did.

I think that Gary certainly will be a tremendous asset to whatever endeavor he may wish to involve himself in the coming years.

I would just like to say that his many, many friends on the Hill, as well as the institution itself will certainly miss him.

I thank the gentlewoman.

Mrs. BOGGS. I thank the gentleman very much.

Mr. Speaker, I yield to the gentleman form Florida (Mr. MICA).

Mr. MICA. Mr. Speaker, I thank the gentlewoman for taking these special orders on behalf of my good friend, Gary Hymel.

I might just say that I spent 11 years as a staff member here and we all know, all the staff knows, that they do the hard work in this body. Really, it is true, that the work of the membership and the work of this House is the tip of the iceberg and all these people here and throughout Capitol Hill, the thousands of people who would do a good job, have someone like Gary Hymel to look at and say here is a man that we can all emulate.

He did an excellent job. He was a top staffer for 15 years, and being there making things go right is what it is all about. You do not hear about it until things go wrong. I like that quality in Gary Hymel, because he was there and he did the job. He did it accurately and professionally every day.

I might say that I found many times in this Chamber, not only among the staff but among my colleagues, when everyone was losing their head there was somebody very calm that we could ask what was happening and that was Gary. He always knew. He was always calm, maintained his composure.

Really, I would like to say that he was probably one of the few staffers I knew when I was here that had more children than I did; so he had a great compassion and does have a great compassion in trying to tell us what that schedule would be, when school would be out, when we could plan to go home. That meant a lot to not only me and my staff, but my wife and the wives of Members who are trying to plan for school vacations and Easter recess and the August recess, and it is important.

So, I would say this, we had a quality staffer here, somebody that all of us who have served as staffers on this

hill can emulate, someone whose success in this town is assured.

I congratulate Gary Hymel and wish him every success in the future.

Mrs. BOGGS. I thank the gentleman very much.

Mr. Speaker, I yield to the gentleman from Indiana (Mr. JACOBS).

Mr. JACOBS. Mr. Speaker, I thank the gentlewoman for yielding.

In essence, I echo the remarks of the gentleman from Florida. It is said that the ideal of nature is to be calm, and if that is true, then Gary is an ideal person of Mother Nature.

I suppose we were freshmen together. I arrived in 1965 as well. It occurs to me that learning the rules is something that a lot of people can do. Applying the rules is something that a lot of people can do; but that special grace to breathe humanity into the application of the rules is the thing that sets some people apart. It is the sort of thing that makes Members of Congress come to pay tribute to Gary today. He was and is and will continue to be our friend.

I admire the gentlewoman from Louisiana for about 10 billion reasons, and here is one more.

Mrs. BOGGS. Mr. Speaker, I thank the gentleman from Indiana. If anyone knows the institutions of this House, it is the gentleman whose father preceded him here and who has been such a very valuable Member himself.

Mr. Speaker, I yield to the gentleman from Maryland (Mr. BARNES).

Mr. BARNES. Mr. Speaker, I thank the gentlewoman from Louisiana for yielding to me and I commend the gentlewoman for giving Members the opportunity this afternoon to comment on the departure of Gary Hymel and what it means to us and this institution.

I tend to think of Gary not so much as I got to know him here, but as I got to know him before coming here. Gary was and is the father of students that my wife has taught. I knew him as a father of his children and a really fine family man before I came to know him here in the Congress. In fact, one, or maybe two of his daughters baby sat my kids, so there is a friendship there that goes beyond our association in Congress.

At first when I came here, Gary was enormously helpful to me in giving me advice and guidance, I felt that it was probably just because of that association, that we had known each other before I came to Congress; but it became clear to me that he had precisely that same kind of relationship with the other Members and who was willing to bend over to help us, to show us how this institution functions and to try to give us some sense of how we could perform our responsibilities at best.

I turned to Gary for advice and guidance so many times that I cannot overstate how much I regret the fact that he is not here to turn to in those moments when we all need that calm voice.

How would you handle this? What do you think we ought to do?

My staff will confirm that many, many times when we would be discussing something, whether it was a legislative question or policy issue or whatever, and I would say, "Well, hey, let us check this out with Gary. He will know how we ought to handle this. He will have some good advice for us."

It is precisely that kind of expertise and professionalism that made him the extraordinarily respected servant of this institution that he was.

I do not want to turn this tribute to Gary into a discussion of the merits of the legislation that is before the body, but I just note that there is some irony that today yet again the House has voted, we voted earlier today to refuse to consider adequate pay increases for our staff and for other responsible officials on the U.S. Government.

I think the fact that we recognize that many of the finest people in Government, like Gary, need to consider careers outside of Government because of their responsibility to their families and others, is an unfortunate commentary on some of the actions that we as Members have taken with respect to the way we treat very able and dedicated public servants, such as Gary, and many others who serve in this institution and throughout the Government.

We will miss him. The Government will miss him and this institution particularly, I think, that he loved so much and served so well is going to miss him.

I am delighted to have the opportunity to participate in this special order for Gary Hymel.

Mrs. BOGGS. Mr. Speaker, I thank the gentleman for his participation. Life has come full cycle now and here we have a fine representative in Congress of those children who baby sat for the gentleman's children.

I yield to the gentleman from Pennsylvania (Mr. MURTHA).

Mr. MURTHA. Mr. Speaker, I have to say listening to the gentleman from Maryland that Gary was always a practical politician. As a matter of fact, after he got this big pay raise and having to leave because of the number of children and all these excess bills and so forth and so on, the first thing he did was call and immediately change his position on Kemp-Roth, because he gets a big pay cut.

So I think the way that I will remember Gary Hymel is as the consummate politican, the consummate practical politican, because he understands the system as well as anybody I have ever seen. He never got upset, and we have had some extremely volatile arguments in the office and Gary sat there calmly and the rest of us went to extremes on many occasions; but Gary understood the system. He knew it would go away. He thought things would get better and he always looked on the optimistic side. His enthusiasm, his dedication, and his devotion to the Speaker and to this country are well known.

I commend him and wish him well in everything that he does.

Mr. Speaker, Gary Hymel's change of employment is a real loss to the U.S. House of Representatives. I have never met an individual with more talent, more enthusiasm, and more dedication than Gary.

His extraordinary abilities could easily be overlooked because he handled difficult situations with exceptional ease. As a staff member he has been completely devoted to the Speaker. He understands the system of Government as well or better than any individual I have worked with.

He used his ability with consummate skill to help the Members in innumerable ways, and even after the hardest, longest of sessions, he always was pleasant and courteous.

He leaves with an admirable record of accomplishment and his ability and expertise will be sorely missed by the Congress and the country.

Mrs. BOGGS. Mr. Speaker, as often happens in this body, the gentleman from Louisiana (Mr. GILLIS LONG) was here and wished to participate in person and was called back to a meeting in which he is helping the Chair. His remarks will be included in the RECORD.

Mr. Speaker, I yield to the gentleman from Ohio (Mr. PEASE).

Mr. PEASE. Mr. Speaker, I thank the gentlewoman for yielding.

I will not go on at length because my colleagues have more than adequately covered the many virtues of Gary Hymel.

I just would like to add my own words of appreciation for the great service that he gave to the House of Representatives. It seems to me that Gary Hymel is a good example of the adage that, "Nice guys can finish first."

I always think of Gary as, first of all, and foremost, a genuinely nice person, who as many people have said before me, did not lose his cool and was always unflappable. Yet he consistently gave sound advice to the Speaker and to all the Members of the House.

I, too, as my colleague, the gentleman from Maryland, cannot help but think as we lose the services of a genuinely effective person such as this, of the follies of the House sometimes in

relation to compensation for our staff members.

Clearly, Gary has family responsibilities. He felt that in order, among other reasons, to meet those responsibilities he had to look to the private sector where obviously he was worth a great deal more money than he is earning here in the House of Representatives.

Clearly, there are other people who can fill those responsibilities for the salary and will be happy to do so, but I dare say there are very, very few Gary Hymels in the world and his particular shoes will be especially difficult to fill.

So I, too, as my colleagues, wish him well in his new responsibilities and hope that he will frequently and often come back to the House to see us.

Mrs. BOGGS. Mr. Speaker, I think that we realize that this tribute to Gary has also been a tribute to the professional staff members of this institution and to those individual staff members in all of our congressional and legislative offices. We have been so pleased at the great number of Members who were not able to be here and who have, indeed, sent in some very beautiful remarks.

□ 1545

One of the things that has not been mentioned about Gary's service that maybe I can now confess, since the Speaker has left the Chamber, I remember when Carl Albert was elected Speaker and Hale was elected majority leader, and we went past the majority leader's office to try to move in. Carl was sitting on a pile of packing boxes looking very dejected and he said, "You know, what I do not like about my new job?" I could not imagine, he had worked so hard to get there. I said, "What is it, Mr. Speaker?"

He said, "Rooms. I cannot stand rooms." He discovered that the Speaker's office had a great deal to say about the assignment of rooms.

Gary was very adept at helping people find rooms, and I am very grateful for that as well.

● Mr. LONG of Louisiana. Mr. Speaker, it is a pleasure to join in this tribute to my dear friend Gary Hymel. I know of no single person who has contributed more to this institution than he. Gary is an unsung hero of the House of Representatives. For 15 years he has served the Democratic leadership in a staff capacity.

I first knew Gary as a cub reporter in New Orleans, a young man with a flair for political reporting. When Gary went to work for my close friend the late Hale Boggs, then majority whip, we became well acquainted. Over the years, I have watched Gary grow in wisdom and stature. He is now a counselor of the highest degree, a man of seasoned judgment, having realized his full potential as journalist and policy adviser.

Gary's success in his difficult role as leadership aide stemmed from his personal character and intellect. He has always been a man of highest principle and honor. He exhibited evenhandedness and objectivity in his dealings. Gary Hymel's word is his bond. His counsel was sought by great and small, and he has always been willing to extend a helping hand. Throughout the most trying times, Gary has kept his contagious sense of humor intact. He has been a valued friend to Members on both sides of the aisle.

Things will never be the same around here without Gary Hymel's friendly face in the Speaker's office. We all appreciate the sacrifices he has made in his years of loyal and dedicated service to this institution.

As one who has watched a talented and dynamic young man mature with grace and distinction, I take special pride in extending best wishes to Gary in his new career in Government relations. My wife Cathy and I wish Gary and his lovely wife, Winkie and their eight outstanding children new happiness and well-being in their life beyond this House. But all of us hope that we may still avail ourselves of Gary's advice and friendship through many years to come.

Gary will long be remembered in the House of Representatives as a person to be counted on, a statesman and seer. And I personally will feel the daily loss of a close friend and counselor. We rejoice in his opportunity, but we regret his departure.●

● Mr. MICHEL. Mr. Speaker, I am happy to join with my colleagues on the other side of the aisle in paying tribute to Gary Hymel. We over here on this side have a deep respect and high regard for Gary and know full well that his skill and experience played no small part in developing policies and strategy over there which gave us a great deal of difficulty over the years.

As a former staff member myself, I know the importance of competent and efficient staff assistance and certainly Gary ranks at the top of those whom I have had the pleasure of working with during my term of service here in the Congress.

I am sorry he felt it necessary to move on but as one who had the difficult experience in putting four children through college, I can certainly appreciate his reasons for deciding to leave.

We extend to him our best wishes for continued success in the future while at the same time thanking him for his dedicated service to this institution which we all love so well.●

● Mr. REUSS. Mr. Speaker, I am pleased to join in this tribute to Gary Hymel, a fine public servant and an important House employee for 16 years. Gary played a key role in the office of majority whip, majority leader, and, finally, the Speaker's office. During his tenure, he witnessed great changes in the way Congress operates. Through this period of reform in House rules and practices, Gary worked hard and well to insure that the leadership offices served the needs of this body.

Although Gary is now privately employed, his heart remains with Congress. In an interview published earlier this year, he said, "The beauty of the House is that it is a mirror of what America is * * *. This is a very human institution." Gary Hymel's loyal and dedicated service helped make it that way. We miss him, and wish him continued success.●

● Mr. BOLLING. Mr. Speaker, we will all miss Gary Hymel, his lovely wife and their wonderful children on the Hill. I have never known a nicer family.

In his various jobs with our distinguished late colleague, Hale Boggs, Gary was always pleasant and helpful. As an assistant to Speaker O'NEILL in his several leadership roles Gary has been invaluable to the Speaker and helpful to other Members of the House who have had contact with him. I am particularly grateful to him for his assistance to me personally and as chairman of the House Committee on Rules on many occasions.

He has my very best wishes in his new career.●

● Mr. DERWINSKI. Mr. Speaker, I am pleased to join in wishing Gary Hymel much success in his new position with Robert Gray & Co., and in recognizing an outstanding public servant who has given this House many years of competent and dedicated work.

Gary was an outstanding asset to the Speaker's office and to the legislative operation of the House. Intelligent, fair, and possessed of a brilliant and quick mind, Gary is universally respected not only by his friends in the majority, but by all of us in the minority. I found him responsive and helpful to all Members, and I know that his many friends here, on both sides of the aisle, will miss him greatly.

I join my colleagues in wishing him well and extending my personal gratitude for his years of loyal service, and for all the best in his new career.●

● Mr. BEVILL. Mr. Speaker, Gary Hymel is one of my best friends on Capitol Hill, and his leaving his Government career is certainly an occasion which I view with mixed feelings, as I know you must.

Of course, I am very pleased that Gary will be moving into an area which will provide him with many challenges and opportunities, and in which I know he will be very successful. But I shall personally miss his wise counsel, his friendship, and his most generous help.

Gary has served as an associate to all of us. I am particularly grateful to my good friend, Speaker TIP O'NEILL, for his kindness in sharing Gary's many talents and abilities with us these past years.

I wish Gary the rewarding and personally gratifying success which he so richly deserves. We all shall miss his unselfish service to Congress and this country.●

● Mr. HOYER. Mr. Speaker, I am pleased to have this opportunity to honor Gary Hymel for his service to the Speaker, and to many of us, in this House. As a new Member of this body, I have served only a few months. I assumed office in the middle of a busy session, when there was a great deal of activity on the budget, taxes, and other issues to occupy the leadership and its staff. But following my election, and in the transition period as my office was being established, Gary was unfailingly patient and helpful to me and my staff in setting up our office, making helpful suggestions and greatly easing what might have been a difficult process. I wish him well in his future work, and only regret that the many of us who have had the privilege of knowing Gary will not be seeing him quite so often. But he will always be welcome here, since this is his House as much as it is ours.●

● Mr. FORD of Michigan. Mr. Speaker, it is with great admiration today that I rise to pay tribute to our good friend and loyal public servant, Gary Hymel, who is leaving the Hill after 16 years of dedicated service to our Democratic leadership.

My friendship with Gary dates back to the days when I first came to the Congress in 1965. At that time, he was working with the majority whip, Hale Boggs, and from there he rose to become your very able administrative assistant. I have continually been impressed with the very calm and efficient manner in which Gary has carried out the enormous demands of his job. I have high regard for his political savvy and astute legislative advice. While we certainly will miss him as one of the Congress most outstanding employees, it is my sincere hope he will not absent himself completely from our deliberations, and that we can depend on him from time to time for his historical perspective and talented legislative expertise.

His warmth and charm along with his great contribution to public service, will long be remembered on Capitol Hill. It is with a great sense of loss that we bid him farewell. I wish him the best of luck and happiness.●

● Mr. SCHEUER. Mr. Speaker, I rise to honor a gifted public servant and a good friend, Gary Hymel.

Gary has long distinguished himself by the impressive depth of his understanding of the issues, combined with his unparalleled expertise in the intricacies of the legislative process.

With Gary's departure we lose more than a remarkably effective technician with a fine sense of public policy. We lose a man whose accomplishments are best exemplified by the breadth of friendship felt for him in every faction of the House.

I have been enriched by his friendship and wise counsel. I wish Gary, Winkie, Amy, Beth, Peggy, Madeline, Judy, Joy, Greg, and Kevin great happiness and success. With the number of potential voters in his family, I only wish he would move to my district.

I hope that Gary will continue to have personal contact with the many Members who remain his friends and admirers.●

● Mr. GUARINI. Mr. Speaker, I join with my colleagues today in tribute to Gary Hymel, a man who has done much in his supportive positions of assisting the House leadership make this body more responsive, responsible, and human.

Gary's whole profession was dedicated to helping Members in an environment sometimes frustratingly cumbersome. Affable, but professional, this outstanding fellow made a big difference in the day-by-day chores we face. As TIP O'NEILL worked through the ranks of the leadership, Gary labored faithfully at his side with invaluable advice smoothing the way. Not only did the leadership offices work better, but this helped make our whole organization strong and efficient. TIP O'NEILL and Gary Hymel made a formidable team of political savvy and righteous compassion for the less fortunate of this Nation.

I congratulate Gary Hymel for a job done well, and I wish him the best of luck as he embarks on his new career. This House is truly losing a valuable asset.●

● Mr. COELHO. Mr. Speaker, I am only too glad to have this opportunity to speak well of my friend Gary Hymel. You know only too well how much his services meant to the functioning of the House, as well as the Speaker's offices.

Gary has an easygoing air about him which belies the intensity with which he approached and accomplished the things in his job. He was always responsive to inquiries from Members as well as to staff, which meant a great deal to me personally since I have served in both capacities.

While Gary may not be directly in the service of those of us on the Hill any longer, it is comforting to know that he is still in Washington and available for advice and counsel.●

● Mr. ADDABBO. Mr. Speaker, I am delighted to join my colleagues today in paying tribute to my good friend Gary Hymel, who has left the Speaker's office to join the private sector. After 16 years of service in three of the most important offices in the Capitol—the whip's office, the majority leader's office, and the Speaker's office—Gary performed well in all of those functions.

It is a very difficult chore to be the point man for the Speaker of the House. Everybody wants your ear, everybody relies on your judgement, and it sometimes is very difficult to resolve the many conflicts that arise so naturally in a day of politics. I think it can be said that Gary Hymel performed those tasks as well as any person who has ever served in that post. He did that and so much more for Hale Boggs until his death and up until this summer for Speaker O'NEILL. Gary left the Hill with his reputation intact, with his freindships in good order, and with the good wishes of all who have known he and his family and have worked with him through the years. I know that he will do well in his present endeavors and it is a distinct pleasure to join my colleagues in wishing him well.●

● Mr. ANNUNZIO. I rise to join my good friend and colleague, the Honorable LINDY (Mrs. HALE) BOGGS, in expressing my best wishes for continued success to Gary G. Hymel who resigned his post in June as administrative assistant to Speaker THOMAS P. O'NEILL, JR.

Gary has performed his duties with outstanding dedication during the 8 years he has served the Speaker, and I know he will be missed. He began his career in Congress as administrative assistant to the Honorable Hale Boggs of Louisiana 16 years ago, continuing through the years when Congressman Boggs was majority leader of the House of Representatives. He also served Speaker O'NEILL during his period of service as majority leader.

During the years 1954-56, Gary served as an officer in the U.S. Army, and until 1965 he was a sports and political reporter for the New Orleans States-Item.

Again, I congratulate Gary G. Hymel on his distinguished service, and extend the very best to him, and to his devoted wife, Alice, for continued good health and happiness.●

● Mr. CONTE. Mr. Speaker, I know that you agree with me that the U.S. House of Representatives will deeply feel the absence of your outstanding assistant, Mr. Gary Hymel, as he moves on to another career opportunity.

After 16 years, however, we must respect the fact that he needs a break from such difficult challenges as arranging the Monday schedule so that we can all get out to do the Lombardi and Elder invitationals. His job was one of extreme dedication and concentration which was put to the test hourly as others "played through" your office, swapping golf stories,

Irish anecdotes, and sports trivia. Yet, for all those temptations to be pulled away by his own interest in sports, this professionally oriented, diligent administrative assistant to the Speaker was able to keep the legislative train on the tracks in spite of the fact that many of the "engineers" wanted to take other routes.

Gary Hymel is well known throughout the entire Washington legislative scene and was subjected to a daily barrage of inquiries and requests for assistance because of his position so close to you, Mr. Speaker. Without exception his patient and helful approach to everyone who called or visited was in the same tradition that you have established in one of the warmest and friendliest Speaker's offices this House has ever known. But he now has a much more financially rewarding position and with eight children he is going to need a lot more than our capped pay system can provide. So, I suppose we must accept that fact that when our staff members become as proficient and experienced as Gary Hymel, the tendency to leave us in order to better provide for their families becomes very great indeed.

In any event we will miss him as I am sure you will. He is accomplished at the fine art of sports appreciation and sports statistics. I suppose that you will have to hold up that end of things now that he will not be with us on a daily basis anymore.

I want to wish him well in his new career and express my profound gratitude for the 16 years he has been helping us get our business done.●

Mrs. BOGGS. Mr. Speaker, it has been a joy and a privilege to participate in this special tribute to Gary Hymel. I am very grateful for all the Members who joined me.

Thank you very much, Mr. Speaker.

## GENERAL LEAVE

Mrs. BOGGS. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks in the RECORD concerning Gary Hymel.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Louisiana?

There was no objection.

## A BILL TO AUTHORIZE MARIHUANA IN THE TREATMENT OF LIFE- AND SENSE-THREATENING DISEASES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. MCKINNEY) is recognized for 15 minutes.

● Mr. McKINNEY. Mr. Speaker, today I am introducing legislation to legalize the controlled use of marihuana in treating glaucoma and the side effects of anticancer therapy. In my view the time is long overdue for the Federal Government to recognize marihuana's limited medical value and help alleviate the profound pain associated with these medical conditions. While 32 States have adopted laws that allow supervised medical use of marihuana, Federal agencies still define marihuana as a "drug with no accepted use in the United States" and continue to prohibit marihuana's medical application. I hope that through the passage of this bill, we can support these humane State efforts and bring relief to those who suffer from painful and sometimes terminal diseases.

Currently, it is possible to identify two broad disease classifications where marihuana can provide patients with relief not found in any treatments. These two diseases are glaucoma and cancer. Glaucoma is the general name given to an ill-defined group of eye diseases which, if uncontrolled, result in blindness. The National Eye Institute (NEI) estimates there are 30 or 40 types of glaucoma. Glaucomas are incurable, but may be responsive to medical or surgical control. NEI estimates between 2 and 8 million Americans are afflicted with glaucoma and reports that glaucoma is the second leading cause of blindness in the United States. Approximately 70,000 to 80,000 patients are blinded each year due to inadequate medical therapies and surgical techniques, and, at least 10 percent of the Nation's glaucoma cases are inadequately controlled by conventional medication or surgical interventions.

Glaucoma is characterized by an abnormal elevation of the inner eye (intraocular) pressures which, unrelieved, causes damage to the optic nerve and result in a progressive loss of vision, eventually ending in blindness. All standard medical and surgical therapies for glaucoma seek to lower elevated intraocular pressure into the normal or safe range. Historical records indicate that marihuana was often prescribed for the relief of reading tension and eyestrain at the turn of the century and through the mid-1920's. Eyestrain and reading tension are the more common modern misdiagnoses of glaucomatose conditions. In 1938, the LaGuardia Commission, in its extensive report on marihuana, noted the plant's possible utility in the management of ocular disorders.

The first modern clinical and scientific evidence of marihuana's medical value in the treatment of glaucoma was reported by Dr. Robert Helper of the Jules Stien Eye Institute, UCLA School of Medicine, in 1970. After 6 years of analysis and investigation Helper reported that smoked marihuana generated a consistent, dose related and clinically significant reduction in intraocular pressures. In addition, Dr. Helper noted that marihuana appears to enhance the utility of other glaucoma control medicants and is most effectively employed in conjunction with such agents. Numerous studies undertaken at a variety of institutions since 1970 have confirmed Helper's initial and most detailed observations. The NEI acknowledges that marihuana, when smoked, is highly effective on lowering intraocular pressure. Currently, even if marihuana was available only in the worst case situations, between 400,000 and 600,000 Americans with glaucoma would be immediate candidates for cannabis-based therapies. I think this is powerful evidence of both the demand for and the effectiveness of the drug.

The most obvious and well-documented applications for cannibis in cancer-related therapies are: First, in reducing the sickening after effects associated with anticancer therapies, and second, in combating appetite loss associated with such treatment. The National Cancer Institute (NCI) estimates 800,000 to 1,000,000 new cases of cancer are diagnosed in the United States each year. Of this number, NCI estimates 250,000 patients are receiving some form of chemotherapy and 250,000 or more additional patients will receive radiation treatments. In addition, NCI indicates that more than 50,000 chemotherapy patients and approximately the same number of radiotherapy patients suffer from intense and uncontrollable nausea and vomiting.

Currently, two drugs are commonly utilized as antiemetics for persons undergoing chemotherapy: Compazine and a synthetic form of delta-9-tetrahydrocannibomol (THC), the primary pyschoactive ingredient in marihuana. Yet more than half of the persons undergoing chemotherapy treatments do not obtain effective nausea relief from either of these drugs. By contrast, marihuana administered through inhalation is 80 percent effective in the relief of anticancer induced nausea. Thus, the nausea caused by chemotherapy can be alleviated in many persons only through the use of natural marihuana. Despite this medical evidence the Federal Government continues to deny marihuana to those in need.

Under current Federal law marihuana is regulated both under the Controlled Substance Act of 1970 and the Food, Drug, and Cosmetic Act. In addition, the Food and Drug Administration (FDA), the National Institute on Drug Abuse (NIDA), the Drug Enforcement Agency (DEA), the National Cancer Institute (NCI), the National Eye Institute (NEI), and the National Institutes on Health (NIH), all have a bureaucratic claim to regulate the supply, distribution, and security aspects of providing medical marihuana. My bill will eliminate this unwieldy, unnecessary regulatory system and

will make marihuana available for prescription by physicians whose practices involve the treatment of glaucoma or cancer.

Currently, marihuana is classified as a schedule I narcotic substance. Schedule I is the most restrictive classification and defines drugs "with no accepted medical use in the United States." The proposed legislation recategorizes marihuana to schedule II of the Controlled Substances Act of 1970. A schedule II classification recognizes marihuana's medical value, but will not alter criminal sanctions against marihuana's nonmedical uses.

The bill also creates a single agency the Office for the Supply of Internationally Controlled Drugs (the Office) in the Department of Health and Human Services, which is exclusively responsible for regulation of the manufacture and distribution of therapeutic marihuana. Yet it also maintains a significant role for the DEA, by providing for consultation between it and the new agency in maintaining effective controls against the illegal use of marihuana. In addition, the Office is designed to be selfsupporting. Physicians and patients licensed to receive marihuana will be charged a reasonable price for supplies of medicinal quality marihuana. Initial appropriations of $5 million for fiscal year 1983 will be required. Thereafter, the Office as outlined in the legislation, will generate operating funds and replay all initial outlays through the distribution of marihuana to authorized users.

Under the proposed legislation the Office will be responsible for providing a sufficient supply of marihuana to meet the needs of those physicians who qualify and desire to prescribe or utilize it in research. The primary method of providing such a supply will be solicitation of bids for the cultivation of marihuana. Only bidders whose proposals provide for acceptable controls against the diversion of marihuana into illicit channels can be registered to grow marihuana. The Office may also solicit bids for the collection, processing, and distribution of the marihuana crops that will be grown by registered bidders. In addition, the Office may also authorize imports of marihuana in the event of domestic supply shortages.

Distribution of marihuana under the bill would fully satisfy the requirements of the Single Convention on Narcotic Drugs concerning controls against diversion into nonmedical uses. Marihuana may be distributed to hospitals or pharmacies only at the request of registered physicians. In order to be registered as eligible to obtain and prescribe marihuana, a physician must file an application with the office certifying that he will use the requested marihuana solely for the treatment of glaucoma or anticancer therapy induced discomforts. Physicians requesting the marihuana must be approved by the DEA to dispense other schedule II drugs. The Secretary is also authorized to promulgate regulations concerning appropriate controls against illegal use or diversion. These controls should be as restrictive as those now imposed by the DEA on the distribution of other schedule II drugs.

Finally, the legislation exempts marihuana from the FDA's regulations governing "new drugs." These FDA regulations were designed to test pharmaceutically prepared synthetic drugs and cannot adequately deal with naturally occurring medicants like marihuana. Moreover, patent problems, regulatory inhibitions, and marihuana's present schedule I status make it impossible to advance cannibis through the FDA's complicated "new drug" procedures. Marihuana, in effect, "falls through the cracks" of existing FDA regulations. Congress, under the proposed law, would supersede these FDA regulations to recognize marihuana's medical value in the treatment of glaucoma and cancer and make marihuana medically available to patients undergoing supervised routines of health care.

As a result of backward Federal policies, Mr. Speaker, many seriously ill Americans are being denied legal access to marihuana that could save their sight or even their lives. The public and the State legislatures have shown their overwhelming support for medical marihuana use. It is time for the Federal Government to act. I hope you will closely examine this proposal in light of the problems experienced by thousands of Americans in trying to obtain marihuana for medical use, and the potential of Congress to relieve real suffering in the field of medicine.●

## WAGING BATTLE FOR THE MINDS OF MEN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ROTH) is recognized for 15 minutes.

Mr. ROTH. Mr. Speaker, this time has been requested because in the area of foreign policy I think Congress has been derelict in the most important aspect of foreign policy, that is, public diplomacy.

"Waging Battle for the Minds of Men"—this is a battle which we have in recent years chosen not to fight, thereby leaving the field to Soviet-inspired and directed forces.

We have not said very much about the battle of public diplomacy in recent years, yet it is a vital part of our defense. We have ignored the ideological battlefront just as we have let down our guard in the field of military deterrent. If we are to avoid "defeat by default," we must awaken to the danger.

Our Secretary of State has warned us that we are losing the battle of ideas, that the Soviet propaganda apparatus is making gains in the struggle for world opinion. We do not need to look any further than the headlines of our major newspapers to find confirmation of his statements. Anti-American demonstrations in Western Europe against proposed new weapons gives us a graphic and undeniable indication that we are failing to get America's message across. If we are failing in Western Europe, where a free press exists, how much more serious must the situation be in denied areas, where information is strictly controlled?

Our national security rests on a triad composed of three vital elements: A vigorous, expert diplomacy; an alert intelligence service; and a first-class military capability.

After years of neglect, we have in recent months turned our attention to improvement of the defensive forces of this Nation—our national security requires that we act, and act now, to respond to the challenges of an ever-threatening world situation.

In the military services there are critical needs to which we must respond. We need weapons and equipment which will enable us to counter the Soviet modernization and buildup of forces. In regards to our strategic deterrent, we face the question of vulnerability of our land-based ICBM's and the necessity to decide upon a course of action.

In regards to the second aspect of our national security triad—the field of intelligence—we have been looking at the needs of our intelligence agencies, trying to determine what resources are needed for this vital area and to decide if changes need to be made in the congressionally imposed reporting and oversight requirements.

Unfortunately, we in the Congress have thus far failed to deal with the third aspect of our national security triad: The field of diplomacy, and in particular, the "public aspects of diplomacy" whereby this Nation tells its story to the people of the world.

After the Second World War, this Government recognized that a crucial element in the diplomatic process was an ability to tell America's story abroad. We established specialized agencies in the foreign affairs community which would have responsibility for explaining to people overseas the meaning and purposes of American foreign policy. These agencies were to serve as a source of accurate, nonsensational news which would correct misconceptions and combat false or distorted information about the United States and about our position on vital topics.

For many years, this "battle for the minds of men" received considerable attention from both the Congress and the American people. A decade ago, the situation changed. During the era of détente, public diplomacy seemed to be less important. Furthermore, the Soviet bloc agreed to commitments (in 1975) at the Helsinki CSCE Conference whereby assurances were given regarding a freer flow of information.

We now realize that the hopes of the 1970's have not come true. The Soviet bloc has failed to adhere to the commitments which it undertook at Helsinki. Western news sources are not in general available to the populations of the Soviet Union and of Eastern Europe.

Even in the free societies of Western Europe, American foreign policy decisions are not fully understood. Topics of vital interest to the populations of our NATO allies, such as the proposed modernization of our theater nuclear forces and President Reagan's decision regarding enhanced radiation weapons, come under critical attack—attacks not always based on a full knowledge of what it is that we have proposed to do.

As I stated earlier, Secretary Haig has commented on the clear evidence that the Soviet propaganda apparatus is "alive and well." It can quickly gear up to attack U.S. policies and decisions, thus leaving the United States in the position of having to answer false or distorted allegations.

We should be out in front on these issues. Announcements of major U.S. policy decisions should be supported by the full panoply which our international communications agencies can muster. We should be telling the American story in sufficient detail so that the public of the world can evaluate our position objectively, taking into account information available to them from all other sources, so that they can reach an intelligent decision.

In view of the difficulties which we have in getting the American message across in the free societies of Western Europe, we should be very concerned over the situation which must prevail in the denied areas of the world.

We have a long history of supplying news and information via our official broadcasts to areas of the world where information is strictly controlled by the Government. We know from refugees and from reports supplied by our Embassies that our broadcasts fill an important need and serve as vital sources of information for millions of people around the world.

At the same time, we know that we need to make improvements in this area. The Voice of America is forced to operate with outdated, 1942 vintage transmitters. This means that our radio signals are too weak to reach certain areas. We know that our broadcasters lack language ability for certain languages and that lack of broadcasting facilities limits the amount of air time during which we can broadcast in certain languages and to certain areas. These are, however, technical problems which we are aware of and which can be corrected.

Such additions to our public diplomacy effort will require an expenditure of funds—but the among that we are talking about is so small that even in these times of budgetary constraints, they can be made available. In recent years, our total expenditure on public diplomacy has been approximately $500 million: This is less than the cost of 18 Air Force fighter planes. In terms of real dollars, we are spending only one-half as much on public diplomacy now as we did in the mid-1960's. Yet the Central Intelligence Agency reports that the Soviet Union spends between $2 to $3 billion each year on a well-coordinated propaganda campaign designed to convince the rest of the world that the United States is aggressive, colonialist, and imperalist.

At a time when we are being compelled to spend billions of dollars to correct the military difficiencies of this Nation, public diplomacy represents the single best nonmilitary effort which the United States can make in order to promote U.S. interest and to protect our national security.

In the battle for the minds of men, we have been running far behind the Soviets. During the past 25 years the Soviets spent over $1 billion on scholorships, bringing students from throughout the world to the U.S.S.R. The United States, on the other hand, will spend only an estimated $66 million in fiscal year 1982 on all of its education and cultural programs—and consequently only a token amount will be made available for funding of scholarships. Thus by default we lose an opportunity to introduce the leaders of tomorrow to the American way of life.

At the same time, all of the money in the world would not assist the public diplomacy of this Nation unless we change the philosophy in which we tend to view it. We must see public diplomacy as an integral part of the foreign affairs process. It must be put to use, helping us to achieve our diplomatic goals.

All too often, the decisionmakers of the foreign affairs community seem to forget that the international communications tools are available. "After the fact" these tools are brought into play—as in, for example, attempting to respond to Soviet allegations on U.S. policy for the neutron bomb. It should be the other way around: It should be the Soviets and their propaganda apparatus that is forced to try and explain why the American decision is wrong.

If we are not willing to tell the world about America and our goals for a peaceful world, who will? We are a nation born in revolution—and we still have a revolutionary message to proclaim. We have made progress and achievements never before dreamed possible. We find ways to solve our national problems while preserving our freedom and our democracy. This is the story of America. This is the story which we need to tell to the world.

## PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GILMAN) is recognized for 5 minutes.

● Mr. GILMAN. Mr. Speaker, yesterday, September 15, 1981, I was at the United Nations in New York City, discharging my duties as a member of the U.S. delegation to the U.N. Consequently, I was unable to be present to vote on five occasions yesterday, and I take this opportunity to announce how I would have voted, had I been present.

Rollcall No. 201 was a vote on the matter of approving the Journal of the previous day's proceedings, which passed by a vote of 366 to 12. Had I been present, I would have voted "yea."

Rollcall No. 202 was a vote on the question of passage of a concurrent resolution (H. Con. Res. 153) to authorize the placement of a statue or bust of the late Reverend Dr. Martin Luther King, Jr., in the Capitol Building. The resolution passed, 386 to 16. Had I been present, I would have voted "yea."

Rollcall No. 203 was on the question of the passage of the conference report on the HUD-independent agencies appropriation bill for fiscal year 1982. The conference report passed by a vote of 209 to 197. Had I been present, I would have voted "yea."

Rollcall No. 204 was a vote on the motion by the gentleman from New York (Mr. ADDABBO) to restructure and skew toward the higher ranks the pay increases provided for the military services, as opposed to the plan proposed by the Committee on Armed Services. This motion failed by a vote of 170 to 232. Had I been present, I would have voted "no."

Rollcall No. 205 was the vote on the final passage of H.R. 3380, the Armed Services Pay Act of 1981, which passed by a vote of 396 to 1. Had I been present, I would have voted "yea."●

## THE INSURANCE SALES DEREGULATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 20 minutes.

● Mr. LAFALCE. Mr. Speaker, both double-digit inflation and spiraling in-

terest rates have been haunting American consumers and small businesses for too long. It is the responsibility of Congress to counter these forces by seizing every available opportunity to attack inflation.

Today, I am introducing an anti-inflationary measure which I hope will generate the support and cooperation of the Members of this body. This legislation would repeal that portion of the McCarran-Ferguson Act which has for far too long permitted the insurance industry to engage in massive price fixing of agent commissions outside the scope of Federal antitrust law. This legislation would put an end to the insurance industry's version of the now defunct and discredited fair trade laws.

If an American consumer or small business desires to purchase a policy issued by a particular insurance company, they will be denied any opportunity to bargain for the price of that policy or the agent's commission with either the insurer's agents or any independent agent who might handle that policy. Notwithstanding the fact that there may be a substantial variance in overhead costs and levels of efficiency among the agents, the insurance statutes in all 50 States require each and every one of those agents to charge precisely the exact same amount of commission as every other agent for that policy.

Conceived during a period of intense agent competition at the turn of the century, these statutes, generally referred to as antidiscount or antirebate laws, were designed in large part to insulate the insurance industry from excessive agent competition. It is incredible that this form of monopoly pricing has gone unchallenged for three-quarters of a century. Today it must stand as one of the most costly and enduring price-fixing schemes ever perpetrated upon the American public.

It is estimated that Americans paid more than $190 billion in life, health, and property and casualty insurance premiums in 1980. Contrast that with the fact that they paid $240 billion in Federal personal income taxes for 1980.

And yet, we have hundreds of thousands of insurance agents—250,000 life insurance agents alone—whom we absolutely prohibit from competing for the sale of insurance policies on the basis of reduced agent commission fees.

Consider for a moment the following case: A small businessman is 53 years old and wishes to purchase a whole life "key man" policy for $153,000. He decides to purchase the policy of a particular company. The annual premium will amount to $5,350. Through business associates he is aware that the agent's commission will be approximately 90 percent of the first year's premium, or $4,800. Even in smaller life insurance policies the agent's commission generally ranges from 90 to 120 percent of the first year premium, with a 5-percent-renewal fee for each year the premium is paid thereafter.

Yet, regardless of whether he discusses his purchase with the company's agents or independent agents, the policy price will be exactly the same. The antidiscount statutes effectively eliminate any commission price competition among agents.

If any of these agents had been a doctor, lawyer, grocer, accountant, or securities broker, he would have been able to sell his services at any price, since price competition is an essential feature of the American free enterprise system. In fact, if any of the members of these occupations were detected charging uniform, identical prices, they might soon find themselves involved in antitrust litigation.

The McCarran-Ferguson Act is a permissive statute. It has allowed States to enact a number of insurance laws that would otherwise be in violation of Federal antitrust statutes. It has provided a Federal umbrella for monopoly price fixing through State laws. I propose that we amend that umbrella and thus nullify the State laws that prohibit insurance agents and brokers from engaging in competitive pricing of commission levels. I propose that we get the Federal Government out of the retail insurance marketplace and permit competition rather than restrictive private agreements between insurers and agents to fix prices.

The potential for savings to American consumers and small businesses is awesome. Even if we assume a very conservative savings of only 3 percent arising from agent competition on insurance premiums of $190 billion, we arrive at annual cost savings of $5 to $6 billion to the American public.

Our economy must be made less prone to inflation and more responsive to anti-inflationary policies. This means in particular that phony Government-supported barriers to price declines must be eliminated. We must begin to ask why American consumers and small businesses should be made to pay billions more in inflated insurance agent commissions in deference to an anticompetitive price-fixing device which in most States is nearly three-quarters of a century old. Clearly the time has arrived for the Congress to review this artificial support for the existing unnecessarily costly insurance marketing system.

Most assuredly the Congress in its deliberations will come to the same conclusions arrived at by a 1977 Department of Justice Task Group on Antitrust Immunities under President Ford. In the course of their report on the insurance industry, the task group reviewed each of the arguments offered by the insurance industry to justify the continuation of the antidiscount laws in all 50 States. The task group convincingly refuted each argument in turn.

The consumer, the businessman and the country are all best served by a dynamic and competitive system of marketing. True competition will force insurers, agents, and brokers to provide the insurance consumer with the most for his money. A repeal of the antidiscount laws will stimulate an increase in productive efficiency which in turn will lead to lower prices and lessened inflationary pressure in this area of our economy.

The measure which I am introducing today is supported by the National Insurance Consumers Organization, the Consumer Federation of America, and the Small Business Association of New England.

I also wish to take this opportunity to announce that the General Oversight Subcommittee of the House Small Business Committee, which I chair, will conduct an informational hearing on this proposal on September 21, 1981, in the Small Business Committee hearing room, 2359 Rayburn, beginning at 10:30 a.m.

Appearing as witnesses that morning will be Ms. Susan Mitchell, Wisconsin commissioner of insurance; Ralph Nader; Dr. William H. Peterson, director of the Center for Economic Education at the University of Tennessee, formerly chief economist for United States Steel Corp.; an insurance agent who will testify how he sells discount insurance through a loophole in the antidiscount laws; Dr. William Scheel, professor of insurance, University of Connecticut; and representatives of the National Association of Life Underwriters, the American Council of Life Insurance, and the Professional Agents Association.●

## OLYMPIC COINS: DOES PRIVATE MARKETING LEAD TO PUBLIC SCANDAL?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, there has been much debate whether the proposed Olympic coins could best be sold by the Federal Government or by private marketers. This is a key point of difference between my bill, H.R. 3879 which calls for Federal marketing, and H.R. 3958 and S. 1230, which call for private marketing. As chairman of the House Subcommittee on Consumer Affairs and Coinage, I have studied the issue for 3 years, and firmly believe that only a sale controlled and run by the Federal Government will avoid the scandals that

have plagued private sales of commemorative coins in the past.

No commemorative coins have been struck in this country for over 25 years as a result largely of the abuses in their marketing by private firms. Problems in the past have included price manipulation, misleading advertising, favoritism in coin distribution, and lack of accounting of the proceeds.

The accompanying article from the September 19, 1981 edition of Numismatic News underlines the seriousness of my concern. A subsidiary of one of the two firms that would be given exclusive marketing rights to the 1984 Olympic coins proposed in S. 1230 and H.R. 3958 has been accused of improprieties in obtaining the rights to market 1982 European games coins in Greece. Accusations of this type undermine the integrity of the sale. Distrust and suspicion generated by accusations of special treatment fall on the Government or agency involved. Only a sale conducted under the direct control of the Government minting the coins can assure that such accusations do not mar the sale of the coins.

I am deeply interested in providing funds to help our athletes prepare for the Olympic games. Much excitement and national pride was generated by the achievements of Eric Heiden and the U.S. hockey team in the 1980 winter Olympic. The national spirit was given a great lift. The sale of Olympic coins can help raise the funds necessary for the training and facilities our athletes require.

The administration and I are in agreement that private marketing is inappropriate for commemorative coinage. The Treasury Department has the capabilty and experience to conduct a successful sale. For 45 years the Bureau of the Mint has sold a wide variety of numismatic items to the public. This spring it sold over 4 million proof sets, all from orders received in about a 6-week period. The Mint is held in high regard by its millions of customers. A sale conducted by the Mint will be a success and avoid the pitfalls inherent in private marketing.

[From the Numismatic News, Sept. 19, 1981]

GREEK PRESS AIRS CHARGES INVOLVING OLYMPIC HOPEFUL

A coin marketing scandal involving one of the two firms proposing to market U.S. Olympic commemoratives in honor of the 1984 Games has broken in the Greek parliament, according to Anastasios Tzamalis, Krause Publications' Athens correspondent.

Accusations have been leveled that Lazard-Numarco Distributing Co., reputedly a subsidiary of Lazard Freres & Co., a Paris-based international investment banking firm, was awarded a sweetheart contract by the Greek government to market its issue of commemorative coins for the 1982 European Games. These accusations were made by Member of Parliament Virginia Tsouderou, who first raised the issue in February, 1981, terming the deal a "first class scandal."

According to the *Economic Post*, a magazine with a wide circulation, prior marketing proposals from the Franklin Mint, the British Royal Mint and Italcambio were not even taken into consideration before the contract was awarded to Lazard-Numarco.

Only snippets of information have breached an offical wall of silence and these indicate that a Greek national, who formerly produced bullion medals and currently represents Lazard-Numarco, arranged the deal through his contacts in the Greek government.

Lazard Freres & Co. is currently a partner with Occidental Petroleum Corp. of Los Angeles in the "coin group," an entity with which the Los Angeles Olympic Organizing Committee (LAOOC) has signed an exclusive marketing contract for any coins struck to commemorate the 1984 Los Angeles Olympic Games.

A 29-design Olympic coin set would be authorized by the Olympic Coinage Act, a bill currently before the Senate Banking Committee that was subject of a July 14 hearing at which Krause Publications and other hobby representatives appeared to oppose it. The bill further stipulates that marketing control would be turned over to the LAOOC, which is now legally bound to use the coin group as its exclusive agent.●

## THE ADMINISTRATION DEALS ANOTHER BLOW TO STATE AND LOCAL GOVERNMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 10 minutes.

● Mr. REUSS. Mr. Speaker, while the rest of the country is only now waking up to the wide gap that exists between what the Reagan program promised and what we are actually getting, there is at least one group for whom the bad news has already hit home—the State and local government officials whose finances have been dealt a double whammy by the President's economic program.

It is ironic that a Republican administration that wants to reduce the size and influence of the Federal Government by delegating some of its responsibilities to State and local governments is, at the same time, hamstringing those same State and local governments through every part of its economic program—through its spending program, its tax program, and its program of high interest rates.

Here is what beleaguered State and local government officials are seeing when they look at the real world of the Reagan retreat from fiscal responsibility.

First, there are budget cuts of as much as $13 billion for fiscal 1982. For example, according to the administration's latest figures, waste treatment grants will fall by $300 million, spending for urban development by the Economic Development Administration will decline $200 million, the elimination of public service jobs under CETA will cost $3.6 billion, job training programs will be slashed $700 million, and grants for social services will fall $1.2 billion. While the administration is cutting aid to State and local governments, it is asking these governments to pick up the responsibilities that the Federal Government is sloughing off.

Where will they get the money to do this?

Clearly, not from any additional tax revenues. In fact, State and local government officials are discovering that the tax cuts which Congress just enacted at the President's request will pull the rug from under their own revenues.

The biggest culprit is the new Federal tax treatment of business depreciation. Since 24 States automatically link their State business income taxes to the Federal Government's tax provisions, a cut in Federal taxes also cuts State taxes. According to the National Governors' Association, State revenues could fall by as much as $2 billion in fiscal 1982 from this change in the Tax Code alone. Another group, the Citizens for Tax Justice, estimates that liberalization of business depreciation will cost the States up to $27.5 billion between 1982 and 1986.

Some of the changes in the individual income tax will also prove costly to the States. For example, States which link their personal deductions to the Federal deductions will be hurt by the new marriage penalty deduction.

Finally, the ill-conceived tax-exempt "all-savers" provision will pile a further burden on State and local governments by siphoning away investors who are attracted by tax-exempt returns. By allowing banks and savings and loan associations to compete for funds currently going into the municipal bond market, the all-savers certificates will increase the borrowing costs of municipalities by as much as $800 million to $1 billion in the next year. Furthermore, the reduction in the top tax rates will also channel money from the municipal markets by reducing the attractiveness of tax-exempt income.

And, to run up the score even more against the defenseless State and local governments, the damage done by the spending and tax provisions of the President's program is being reinforced by the administration's program of high interest rates.

The interest rate that State and local governments face when they issue tax-free municipal bonds today is the highest in the history of this country. Last week, for example, the Bond Buyer Index of some 20 municipal bonds reached a record yield of 12.97 percent. This is more than 50 percent higher than the index level just a year ago, and more than double the rate that State and local governments were paying 4 years ago. Recently, the city of Philadelphia issued a bond paying more than 14.5 percent—the tax-free equivalent of a 29-percent yield for an

individual in the 50-percent tax bracket.

This eruption of interest rates not only forces State and local governments to forego borrowing and postpone capital improvement, it places uncontrollable spending pressures on municipal budgets. For example, a Baltimore city budget official recently told the Joint Economic Committee that the cost of servicing the city's debt has risen from $17.2 million in 1971 to $27 million in 1981, an increase of almost 60 percent, while the debt outstanding has risen only 5 percent, from $493 million to $516 million. The effect on local tax rates—which fall heaviest on lower and middle income homeowners—has been devastating. Since 1961, the property tax rate for serving municipal debt has tripled.

Of course, the administration has not singled out State and local governments to endure this high-interest-rate policy. Many other sectors of the economy are staggering under today's excessive interest rates. For example, the Federal Home Loan Mortgage Corporation reports that the national average interest rate for conventional fixed-rate mortgages rose last week to 18.22 percent, the highest on record. Public utilities have been paying more than 16 percent on recent new issues, almost double the rate of 4 years ago. Interest-sensitive sectors of the economy, homebuilding and auto sales in particular, have been dealt a body blow by today's record interest rates. State and local governments must not only endure high interest rates, they have been crippled by the tax and spending parts of the President's program as well. With friends like Mr. Reagan, who needs enemies?●

## APPOINTMENT OF MEMBER TO SELECT COMMITTEE ON NARCOTICS ABUSE

The SPEAKER pro tempore. Pursuant to the provisions of House Resolution 13, 97th Congress, and without objection, the Chair appoints the gentleman from Ohio (Mr. OXLEY) to the Select Committee on Narcotics Abuse and Control to fill the existing vacancy thereon.

There was no objection.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MCEWEN) to revise and extend their remarks and include extraneous material:)

Mr. MCKINNEY, for 15 minutes, today.

Mr. ROTH, for 15 minutes, today.

Mr. GILMAN, for 5 minutes, today.

(The following Members (at the request of Mr. RALPH M. HALL) to revise and extend their remarks and include extraneous material:)

Mr. LAFALCE, for 20 minutes, today.

Mr. NELSON, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. DYMALLY, for 5 minutes, today.

Mr. REUSS, for 10 minutes, today.

(The following Member (at the request of Mr. WEAVER) to revise and extend their remarks and include extraneous material:)

Mr. ROEMER, for 10 minutes, today.

## EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. ALEXANDER, and to include extraneous matter, during debate on House Joint Resolution 325, continuing appropriations for fiscal year 1982.

Mr. LONG of Louisiana, to insert his remarks after Mr. MURTHA in special order by Mrs. BOGGS on Gary Hymel.

(The following Members (at the request of Mr. MCEWEN) and to include extraneous matter:)

Mr. DANNEMEYER.

Mr. GOODLING.

Mr. WINN in two instances.

Mr. PORTER.

Mr. RITTER.

Mr. DERWINSKI.

Mr. GILMAN.

Mr. DOUGHERTY.

Mr. CORCORAN.

Mr. LEBOUTILLIER.

Mr. COLLINS of Texas.

(The following Members (at the request of Mr. RALPH M. HALL) and to include extraneous matter:)

Mr. MINETA.

Mr. KILDEE.

Mr. PEASE.

Mr. LAFALCE in two instances.

Mr. HAMILTON.

Mr. EDGAR.

Mr. JOHN L. BURTON.

Mr. MCDONALD.

Mr. VENTO.

Mr. OTTINGER.

Mr. FOGLIETTA.

## SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 62. Joint resolution to authorize and request the President to designate the week of September 20 through 26, 1981, as "National Cystic Fibrosis Week."

## ADJOURNMENT

Mr. WEAVER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 59 minutes p.m.), the House adjourned until tomorrow, Thursday, September 17, 1981, at 10 a.m.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 4084. A bill to improve the operation of the Marine Mammal Protection Act of 1972, and for other purposes; with an amendment (Rept. No. 97-228). Referred to the Committee of the Whole House on the State of the Union.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CONABLE (for himself and Mr. PICKLE):

H.R. 4491. A bill to exempt the U.S. Capitol Historical Society from certain taxes; to the Committee on the Judiciary.

Mr. CONYERS:

H.R. 4492. A bill to amend title 18 of the United States Code to establish a new sentencing system in Federal criminal cases, and for other purposes; to the Committee on the Judiciary.

By Mr. FINDLEY (for himself and Mr. PRICE):

H.R. 4493. A bill to modify the project authorizing replacement of locks and dam 26, Mississippi River, Alton, Ill., and Mo. to authorize construction of a second lock; to the Committee on Public Works and Transportation.

By Mr. GOODLING (for himself, Mr. CONTE, Mr. JENKINS, and Mr. SCHULZE):

H.R. 4494. A bill to apply duty-free treatment to Fourdrinier wires suitable for use in capacitor paper-making machines; to the Committee on Ways and Means.

By Mr. HEFNER:

H.R. 4495. A bill redesignating the Salisbury-Concord standard metropolitan statistical area as the Salisbury-Concord-Kannapolis standard metropolitan statistical area; to the Committee on Post Office and Civil Service.

By Mr. KAZEN:

H.R. 4496. A bill to clarify the citizenship status of the members of the Texas Band of Kickapoo Indians; to provide for a reservation for the Texas Band of Kickapoo; to provide to members of the Texas Band of Kickapoo those services and benefits furnished to American Indian tribes and individuals; and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LAFALCE:

H.R. 4497. A bill to amend the McCarran-Ferguson Act to eliminate the fixing of sales commissions by insurance companies and to improve the operation of competition in the business of insurance; to the Committee on the Judiciary.

By Mr. MCKINNEY (for himself, Mr. GINGRICH, Mr. FISH, and Mrs. FENWICK):

H.R. 4498. A bill to provide for the therapeutic use of marihuana in situations involving life-threatening illnesses and to provide adequate supplies of marihuana for such use; to the Committee on Energy and Commerce.

By Mr. MICA:

H.R. 4499. A bill to amend title 5, United States Code, to reinstate provisions under which cost-of-living adjustments for Federal annuitants would be made twice each year; to the Committee on Post Office and Civil Service.

By Mr. MITCHELL of Maryland:

H.R. 4500. A bill to extend through fiscal year 1983 SBA pilot programs under section 8 of the Small Business Act; to the Committee on Small Business.

By Mr. NOWAK (for himself and Mr. KEMP):

H.R. 4501. A bill to temporarily suspend the duty on bulk fresh carrots from August 15 to February 15 of each year; to the Committee on Ways and Means.

By Mr. PARRIS:

H.R. 4502. A bill to establish a National Commission on Interest Rates; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ROE (for himself, Mr. HOWARD, Mr. HAMMERSCHMIDT, and Mr. CLAUSEN):

H.R. 4503. A bill to amend the Federal Water Pollution Control Act to authorize funds for fiscal year 1982, and for other purposes; to the Committee on Public Works and Transportation.

By. Mr. UDALL (for himself, Mr. OBEY, Mr. REUSS, Mr. FAZIO, Mr. LOWRY of Washington, Mr. D'AMOURS, Mr. SABO, Mr. MCHUGH, Mr. MILLER of California, Mr. GORE, Mr. OBERSTAR, Mr. WAXMAN, Mr. BROWN of California, Mr. BINGHAM, Mr. MITCHELL of Maryland, Mr. BENNETT, Mr. HUGHES, Mr. WEAVER, Mr. CONYERS, Mr. WEISS, Mr. SCHEUER, Mr. SEIBERLING, and Mr. MURTHA):

H.R. 4504. A bill to repeal the Economic Recovery Tax Act of 1981 and to provide substitute individual and business income tax reductions which are consistent with the achievement of lower inflation, lower interest rates, and a balanced Federal budget; to the Committee on Ways and Means.

By Mr. FINDLEY (for himself, Mr. FARY, Mr. ANNUNZIO, and Mr. YOUNG of Missouri):

H.J. Res. 330. Joint resolution to name the lock and dam authorized to replace locks and dam 26, Mississippi River, Alton, Ill., as "Melvin Price Lock and Dam"; to the Committee on Public Works and Transportation.

By Mr. MICA:

H. Con. Res. 182. Concurrent resolution to provide that Congress will not reduce social security retirement benefits to Americans who have retired or who are about to retire; to the Committee on Ways and Means.

H. Res. 221. Resolution expressing the sense of the House of Representatives regarding semiannual cost-of-living adjustments for Federal annuitants; jointly, to the Committees on Armed Services and Post Office and Civil Service.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1, of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. MATSUI:

H.R. 4505. A bill for the relief of Tomoko Jessica Kyan; to the Committee on the Judiciary.

## ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 907: Mr. MATSUI and Mr. ROSENTHAL.

H.R. 1300: Mr. ROBERTS of Kansas.

H.R. 2793: Mr. BLANCHARD and Mr. DWYER.

H.R. 4103: Mr. DAUB.

H.R. 4157: Mr. PEPPER, Mr. CORRADA, Mr. GLICKMAN, Mr. RATCHFORD, Mrs. SCHROEDER, Mr. OBERSTAR, Mr. EDGAR, Mr. FAZIO, Ms. MIKULSKI, Mrs. BOUQUARD, Mr. FORD of Michigan, Mr. FOGLIETTA, Mr. DORGAN of North Dakota, and Ms. FERRARO.

H.R. 4270: Mr. JACOBS, Mr. WHITEHURST, Mr. MITCHELL of New York, and Mr. MURPHY.

H.R. 4417: Mr. HEFTEL.

H.J. Res. 260: Mr. CONABLE, Mr. JONES of North Carolina, Mr. LEE, Mr. EVANS of Iowa, Mr. DAVIS, Mr. MICHEL, Mr. RAILSBACK, Mr. YOUNG of Florida, Mr. WAMPLER, Mr. SAM B. HALL, JR., and Mr. FISH.

H.J. Res. 293: Mr. HALL of Ohio, Mr. SOLARZ, Mr. CRAIG, Mr. MATSUI, Mr. SILJANDER, Mr. SMITH of Pennsylvania, Mr. DWYER, Mr. D'AMOURS, Mrs. CHISHOLM, Mr. SCHUMER, Mr. OTTINGER, and Mr. HARKIN.

## DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 2451: Mr. DUNN.

## AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3603

By Mr. GUNDERSON:

—Page 81, after line 21, insert the following new section (and redesignate succeeding sections accordingly):

VALUATION OF COMMODITIES

SEC. 1204. Section 403(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting "a price not greater than" after "valued at".

# SENATE—*Wednesday, September 16, 1981*

*(Legislative day of Wednesday, September 9, 1981)*

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

## PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us pray.

Loving God, our Father, who giveth life and breath to all, whose goodness never fails, whose steadfast love never ceases, whose mercies are new every morning; we pray for the people of our land. We pray for those who are hurting; for the homeless, the hungry, the voiceless, the unemployed, the oppressed. Look upon them in Thy mercy and cause those who can and should to respond to the need.

We pray for the healthy, the strong, the prosperous, that they may be sensitive to those who suffer and in gratitude for Thy gracious providence be willing to share with them the good with which they have been so lavishly endowed. Grant, O God, that those who are fortunate may understand that their good fortune imposes upon them a Godly responsibility to be compassionate and selfless with the unfortunate. Help them to distinguish between need and greed, to realize we were meant to be channels rather than reservoirs, that good things were meant to be used, not collected. We pray this in the name of Him who never turned away a needy one who came to Him. Amen.

## RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

Mr. STEVENS. Mr. President, it is my understanding that following the recognition of the two leaders there will be a period of routine morning business pursuant to a previous order. Is that correct?

The PRESIDENT pro tempore. After the two special orders.

Mr. STEVENS. I thank the Chair.

## THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

## EXECUTIVE PAY LIMITATIONS MUST BE ELIMINATED

Mr. STEVENS. Mr. President, I am going to start a series of comments to the Senate concerning a problem which I think is reaching crisis proportions. I am referring to the unprecedented rate of departure of our top level executives from the Federal Government. The rate has increased and the losses have affected programs in which we have a special interest.

I wish to give some specific examples of the kinds of losses that our Federal Government is suffering. In the social security program, for instance, when we are in a period of financial crisis, and when we need the best executive and technical leadership we can possibly get, it has now been announced that the chief actuary for the social security program, Mr. Dwight Bartlett, a highly respected actuary from private industry who took that position as chief actuary only a couple of years ago, is going to return to the private sector. He is quoted in a letter that he sent to the Baltimore Evening Sun newspaper, which I will ask to be printed in the RECORD, as saying that the limitations of Federal executive salaries played a significant role in his decision to return to the private sector. Obviously, this is no time to be losing the chief actuary from the social security program.

Let me turn to another program. Many of us are extremely interested in the space program and what is going on now. It has been announced that Dr. Gerald Griffin, the Deputy Director of the Kennedy Space Center, has now resigned after 16 years of Federal service with NASA. He stated his reluctance to leave NASA but he said that he, "simply can no longer afford to stay in the Government." He has accepted a position in private industry.

Dr. Griffin is no exception. We have two other letters from NASA concerning the problem which states that in 1980 NASA alone lost 90 senior executives, representing 20 percent of their executives and 75 percent of their senior executive service members who were eligible to retire in fact retired. This is compared to an attrition rate, a normal attrition rate, in NASA of 6 percent.

At this time we are also striving to renew our commitment to a strong national defense and forge ahead in our development of sophisticated, highly technical weapon systems. We are faced with difficult decisions on the type of defense needed and the manner in which we meet our manpower needs. Yet the Department of Defense quotes a separation rate from its senior executive service of approximately 20 percent for each of 1980 and the expired portion of 1981. Some examples of their most pertinent recent losses are:

The Director, Data Processing Directorate, Ballistic Missile Defense Advance Technology Center in Huntsville, Ala., resigned to accept a position in private industry. He stated the executive pay cap played a role in his decision.

The principal Deputy Assistant Secretary of the Air Force for Research, Development, and Logistics resigned after 1 year to work in the private sector at a substantially higher salary.

A Deputy Assistant Secretary in the research and development area of the Air Force resigned to work in the private sector at twice his Air Force salary.

We cannot keep losing people of this caliber because we are unwilling to face the reality of the labor marketplace. We must eliminate the executive pay limitations which bring about constantly this attrition. We are losing highly technical individuals who can no longer afford to work for the Federal Government, and the programs which we are changing, the directions which we are changing, must certainly falter. We must have competent executive personnel at the senior level in the executive branch.

Mr. President, I ask unanimous consent that the letter I mentioned from Dwight Bartlett and an editorial from the Washington Post this morning entitled "Thaw-Time for Top Federal Pay" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HEALTH AND HUMAN SERVICES,
*Baltimore, Md., August 27, 1981.*

Attention: Thomas Hasler.
EVENING SUN,
*Calvert and Centre Streets,*
*Baltimore, Md.*

DEAR MR. HASLER: In your column "Federal Digest" which appeared in the June 13, 1979 edition of the Evening Sun you spoke of the difficulties that the Social Security Administration had in filling the position of Chief Actuary, primarily because the salary was then limited to $47,500. In the column you identified me as the individual who finally and somewhat reluctantly accepted the position while many others had turned it down for financial reasons.

As a followup to that column I thought you might be interested to know that I have now decided to return to private business and have accepted the position of Executive Vice President, National Health and Welfare Mutual Life Insurance Association in New York. A primary consideration, although not the only consideration, was financial.

By private sector standards the job was hugely underpaid at the time I accepted the position in December 1978. Since that time I have had one raise, to $50,112, which amounts to 5½ percent. In the same period, i.e., from December 1978 to July 1981, the Consumers Price Index has risen 35.3 percent and the hourly earnings index has risen 23.8 percent.

I recognize that I am not alone in having been vastly underpaid for the responsibilities I have had. Essentially the same situation applies to all my colleagues in the Senior Executive Service. It is naive and dangerous of our political leaders and citizenry to assume that the call to public service, which is very real for many, will be sufficient to result in the hiring and retaining of talented executives and professionals in sufficient numbers in the face of increasingly

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

inadequate compensation by private sector standards.

Sincerely,

DWIGHT K. BARTLETT III,
*Chief Actuary.*

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[From the Washington Post, Sept. 16, 1981]

THAW-TIME FOR TOP FEDERAL PAY

Most Federal white-collar workers were less than giddy a few weeks ago when President Reagan proposed an annual pay raise for them of 4.8 percent. But the news this week that he would like the same raise for senior government executives must be music to the frozen little ears of these employees, who have not seen an extra penny—not one—in four years. After all this time, they deserve a break today.

True, their current salaries may not be the stuff of which poverty is made. But when you freeze everyone's pay at the top for four years, the crowd bumping against the ceiling gets thicker, incentives get thinner and valuable experience and talents vanish into retirement, which at prevailing pension rates can prove more lucrative than staying on the job.

That's hardly the formula for top-flight management in government, which is why Congress should support the administration's recommendation to end the freeze and to offer the same modest rate of increase proposed for all other federal white-collar workers. It is not a matter of "comparability" with whatever a worker's supposed counterpart in private business may be earning, but with whatever others down through the federal ranks may be getting.

Still better, of course, would be a federal pay structure that took into consideration 1) regional differences in cost of living and pay scales and 2)—would you believe?—the value of the work performed by each employee. That may be too much to ask, but then, who is footing the bill, and how much is too much to pay?

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## ZIP PLUS FOUR

Mr. STEVENS. Mr. President, I hope all Members of Congress enjoyed as much as I did the opportunity to return home during the recent recess.

During that recess, to the consternation of some people, the U.S. Postal Service notified 15 million businesses and boxholders of the four additional numbers to be added on to the current ZIP code. I do not need to remind anyone that the ZIP-plus-four proposal has stirred a great deal of controversy. One of the controversial aspects was thought to be that every American would have to learn an entirely new nine-digit ZIP code. That is not the case. No one will have to use it if he or she does not want to, and I have legislation pending to make certain that it remains voluntary. But beyond that, no one is being asked to learn any new digits.

It was interesting to note that when the boxholders were notified of their new ZIP code it turned out to be their current ZIP code plus their post office box number. For instance, the ZIP code for my office in Juneau is now 99801, plus 4 digits, 0149. That is my post office box number with a zero in front of it and my current ZIP code.

I have had no complaints at all—not one single complaint—as chairman of the Post Office and Civil Service Subcommittee, of the notification that went out to 15 million people. I think it is high time that the Members of Congress who are raising so much fuss over ZIP plus four realize that the country knows that it is not so bad. As a matter of fact, the country, in the time I have been in the Senate, has changed from 5 digits for the telephone system to 10. We now have 10 digits in our telephone numbers and we are asking to go to 9 for the ZIP plus 4.

The reaction I have been receiving from Alaskans and others in various parts of the country I have visited was "This is not so bad." In fact, I found an enthusiastic reception to the idea that someone's box number is actually going to be incorporated into their current ZIP code.

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## RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The minority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, I yield to Mr. PROXMIRE such time as he may require.

Mr. PROXMIRE. I thank the distinguished minority leader.

(Mr. GORTON assumed the chair.)

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## A LONELY CRY

Mr. PROXMIRE. Mr. President, for 14 years I have spoken daily on this floor to remind the Senate of our failure to act on the Genocide Treaty. I have made frequent reference to the most infamous examples of genocide, the holocaust.

The word genocide brings to mind memories of Hitler, Nazis, and the massive, inhumane annihilation of millions of people. Without diminishing the horror of this blatant example of genocide, I would like to remind my colleagues of a lesser known, but equally terrifying tragedy, the tragedy of East Timor.

Incidentally, that is typical of the genocide that has occurred throughout history, unfortunately, that has occurred in a number of places throughout the world since the Nazi genocide of the Jews in Europe and, of course, which calls for action by this body, not just out of memory and respect for those who were the victims of Hitler's genocide, but because it is a continuing problem that the world must face.

Few people know of East Timor, where it is, and the atrocities happening there in recent years. East Timor is a tiny island off the northwest coast of Australia in the Indonesian archipelago. In 1975, Indonesia invaded and annexed this former Portuguese colony, and in July 1976 incorporated East Timor as its 27th province.

Today a major political and military struggle continues between the Indonesian Army and a left-wing political group called Fretilin.

The abjectly poor Timorese people suffer greatly from the ugly results of postcolonial warring factions, civil war, foreign invasion and lingering low-level warfare. Some experts have compared the devastation and starvation in East Timor to that in Cambodia.

The population of East Timor in 1975 was 650,000. By the end of last year, which marked the termination of foreign famine aid by international relief organizations, up to 100,000 East Timorese had died of starvation or had been killed. Experts estimate that more than 200,000 people, or two-fifths of East Timor's population, suffer from severe malnutrition.

In writing about East Timor, columnist Jack Anderson said in 1979 that the "population in the countryside has been starved deliberately to stifle the resistance movement." He quoted a frantic plea picked up on shortwave radio in 1975.

> Women and children are being shot in the streets! . . . We are all going to be killed! This is an appeal for international help . . . Please help us!

We cannot ignore desperate pleas like these.

Whether or not the incidents in East Timor constitute genocide, the United States must do all it can to speak out against such gross and deplorable violations of human rights.

One way which we, as Members of the U.S. Senate, can affirm and protect the most fundamental of all human rights—the right to live—is to ratify the Genocide Treaty. The Genocide Treaty is not simply a response to the atrocities of the holocaust, the Turkish persecutions of Armenians during World War I, or the Russian pogroms during the late 1800's. The Genocide Treaty is a means to protect human lives, today and in the future, in all areas of the world. I suggest that there is no better affirmation of our obligation to protect human rights than to ratify the Genocide Treaty.

Mr. President, I thank my good friend, the minority leader, for yielding the time. I yield the floor.

Mr. ROBERT C. BYRD. Mr. President, have I any time remaining?

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time.

I understand that Mr. RIEGLE has a special order for 15 minutes which he will not utilize. If the distinguished acting majority leader wishes to have the time, he may have it.

Mr. STEVENS. Mr. President, I do ask unanimous consent that that 15 minutes be transferred to my control to follow the special order that is currently ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

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## RECOGNITION OF SENATOR COHEN

The PRESIDING OFFICER. Under the previous order, the Senator from Maine (Mr. COHEN) is recognized for not to exceed 15 minutes.

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## UNITED STATES-CANADA RELATIONS—A TIME FOR REASSESSMENT

Mr. COHEN. Mr. President, in the international community, few neighboring

nations have enjoyed the cordial, cooperative relationship which the United States and Canada have historically shared.

Our two nations, sharing common interest and concerns, have worked well together. The recent act of extraordinary heroism on the part of Canadian Embassy employees in Tehran, helping to hide and then facilitate the escape to freedom of several Americans who had eluded the anti-United States revolutionaries in Iran, exemplifies the spirit of friendship between our two countries.

Still, there is a danger—and I see it as an increasingly serious one—that acts of economic self-interest could jeopardize this relationship of mutual cooperation and benefit. Two recent articles reflect the growing problem. "Administration Eyes Sanctions Against Canada," which appeared in the September 10 Washington Post, and " 'Canadianization' a Red Flag to U.S. Firms and Their Friends in Congress," which was in the August 1 National Journal, discussed growing tensions between the two countries.

Mr. President, I ask unanimous consent that those two articles be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. COHEN. The thrust of both articles is that the United States is growing increasingly concerned over actions by the Canadian Government which are hampering American businesses wishing to operate in Canada. Equally serious are steps providing unfair advantages for Canadian industries competing with American firms and agricultural operations.

The economic policies of the Canadian Government in recent years have been perceived by American business and government officials as posing a threat to U.S. interests. For border States such as Maine and for smaller businesses within those States, the impact of those policies can be serious.

The situation may not be one as clearly visible as that of Japanese cars threatening the American automobile industry or Taiwanese shoes hurting the American footwear industry. But in times of economic uncertainty, the trade decisions being made north of our border can have a devastating effect on Americans who have every reason to hope that their Government will take a stand on behalf of their economic survival.

I hope in future statements to provide additional detail on the full economic impact of decisions reached and actions taken by both the Canadians and our Government. At this time, though, I would like to cite what I view as some problem areas—those which I hope will be addressed before it is too late for the continuation of harmonious relations and mutually beneficial economic policies.

Agricultural interests in the United States have been critically hurt in recent years. Later today, I will propose an amendment to the farm bill which I hope will alleviate the crisis for potato farmers. While not wanting to go into the detail that I will in discussing my amendment, I do want to relate the key aspects of the potato problem.

In the past year alone, there has been nearly a 300-percent increase in both potato seed and tablestock shipments from Canada to the United States. This increase is partly a result of gradual reductions of tariffs under the Trade Agreements Act of 1979. But Canadian growers have other advantages. The monetary exchange rate allows the importer to pay, in effect, 20-percent less to purchase Canadian potatoes, a product indistinguishable from those produced on U.S. farms.

In Canada, subsidies at both the Federal and Provincial level are known to exist. Additional inequities in energy costs, transportation subsidies, and restrictions on U.S. potatoes entering Canada only add to the frustration of U.S. producers.

Other border States have problems with smaller industries. Maple syrup from Vermont; carrots, cabbage, and onions from New York; blueberries from Michigan and New Jersey; raspberries from Washington State; and wood products in all the border States are particularly vulnerable.

This is especially true of the small horticultural industries, since there is no protective mechanism such as section 22 of the Agricultural Adjustment Act, which protects the commodities under price supports. The only mechanism is through the International Trade Commission, and countervailing duty petitions take over 6 months, are costly, and are difficult for these small industries to prove.

The difficulty in getting satisfactory redress is frustrating to many small companies which feel that Canadian companies are using predatory pricing policies to obtain U.S. markets. In one case, packed smoked herring, there are no duties. This causes the small U.S. company to face added difficulties, since its Canadian competitors, with government assistance and favorable exchange rates, can significantly undersell in the U.S. market.

Lumber and wood manufacturing firms are facing the same situation. Although the major problem is the U.S. economy (lack of housing starts and high interest rates), any market that exists is being taken over by Canadian mills—again with Canadian subsidies and favorable monetary exchange rates.

Trade flows freely at the large industrial level; however, in smaller industries where Canada is protective and interested in developing self-sufficiency, the Canadians are restrictive. This is particularly true in the case of leather tanning and poultry. In both cases, the United States has opened its markets, while the Canadians have restrictive tariffs or quotas on both products.

The Canadianization program of Prime Minister Pierre Elliot Trudeau—who was reelected last year on a platform promising increased Canadian control of the economy, especially in energy, is a legitimate cause for concern on the part of American firms and Government officials. It is understandable that the Canadians wish to hold a firmer grip on their economic and energy future. Still, this program will have a significant impact on American petroleum firms, which now have a substantial role in Canadian oil production.

For those of us in the Northeast, the fishing industry offers a particularly stark illustration of the extent to which the Canadians can take large portions of an American market at the expense of the domestic industry.

Maine fishermen have, for many years, competed with Canadian counterparts who have at their disposal a host of programs of assistance sponsored by the Federal Government of Canada and by the Provinces. Canadian fishermen can receive a grant covering an astounding 35 percent of the cost of building a boat. In addition, they are eligible for low-interest loans available through both the Federal and Provincial governments. Beyond this, Canadian fishermen can receive a range of indirect assistance from their Government.

The irony in all this is that the United States refuses to see that the fishing market which the Canadians are exploiting is its own. Moreover, the fish are taken from waters in which Americans have an equal, if not superior, legal right to fish.

In part because the Canadian Government places a higher value on its fishing industry than does the United States, it was successful last year in signing a treaty for the settlement of the maritime boundary with the United States that was highly unfavorable to U.S. fishermen. This treaty was defeated only when the Representatives and Senators from the region opposed it. The Reagan administration showed great wisdom in withdrawing it.

This is an industry—one of small businessmen—where 20 percent of the world's fisheries lie within our borders, but we import two-thirds of the fish we consume. The moneys which New England fishermen would make with adequate Government support would be money that would not leave this country and would go toward redressing the imbalance in our balance of payments.

What this example makes clear is how distorted and out of focus the issue of United States-Canadian economic and trade relations is. The Canadian Government should not be blamed if it places a higher priority on a particular industry than does our Government. Similarly, one can understand the interest of the Canadians in protecting their key industries.

The Canadian oil and fish policies also reflect the regional differences within that country, ones which are distinctly reflected in the decisionmaking process in the United States. Canada obviously places a high priority on aiding its eastern provinces and their fishing industry; the interest of the burgeoning Sun Belt have appeared to some in the older, industrialized Northeast to benefit to a

greater extent from U.S. Government policies.

The provincial nature of Canadian Government is another factor. Each province can provide economic incentives of its own, in addition to any steps by the central Government, to aid its industries. Our States, under the Federal system, do not have the same ability and resources to take those kinds of actions.

The question, then, is what the United States and Canada can and should do to assist their industries and protect their economic interests while operating within a framework of regional cooperation. Our mutual interests are strong. The degree of our interdependence makes it all the more essential that we minimize our disagreements and resolve minor differences before they become major ones.

Each country can point to policies of States and the neighboring communinatory or unfair. Each can cite an action of the other which it believes is harmful to its interests.

For the northern tier of the United States and the neighboring communities in the Canadian provinces, it is especially critical that we take early, effective steps to correct problems which exist and to anticipate prospective ones. If that does not happen, a "no win" situation can be created.

Take, for example, what happened in 1976, when the Canadian Government told Canadian companies they could no longer deduct as a business expense the cost of advertising on U.S. television stations. This cost American stations bordering Canada, including a number in Maine, about $15 million annually.

In response to the Canadian action, the U.S. Congress passed legislation permitting taxpayers to deduct the cost of attending only two conventions outside the country each year. This step was estimated to cost the Canadian tourist industry about $100 million each year.

Mr. President, this offers a perspective of what we can expect if our two Governments fail to resolve differences and choose retaliatory means of response. It would seem that both sides would want to avoid this kind of situation. Yet, the Canadians, by some of their recent actions, have caused some U.S. Government officials to speak, as reflected in the Post article, of specific sanctions against Canada. Our two nations are clearly reaching a point where the decisions they make and steps they take will have far-reaching implications.

President Reagan, recognizing the sensitivity of this issue, proposed during his Presidential campaign, that there be a "North American accord" among the United States, Canada, and Mexico. The concept of a common market for our continent, on the order of the European Economic Community, is one which many favor as a means of insuring that the economic interests of the nations of this hemisphere are protected.

We need to take a closer look at what Anthony Westell of the Carnegie Endowment for International Peace has referred to as the "poison pinpricks," the minor irritants between the United States and Canada which could, if not staunched, become major fissures. As Westell said in a recent Foreign Policy article:

An overriding question for the 1980s, therefore, is whether the two countries are going to recognize that they are committed to a special and increasingly complex relationship and establish new institutions to manage it, or whether they are going to try to maintain the pretense that they are just good neighbors with diverging interests and proceed to engage in unnecessary confrontation.

As we seek to establish those new institutions, it is all the more imperative that we do all we can to avoid the unnecessary confrontations which could weaken our alliance and diminish its effectiveness. We in Congress bear a special responsibility to see that the "poison pinpricks" I cited earlier—the disagreements on agricultural, energy, fishing, and other policies—are dealt with effectively.

This will be a difficult process, but I think it is a critically important one. We must make it a top foreign policy priority.

For the benefit of my colleagues, I submit the Post and National Journal articles I referred to earlier.

EXHIBIT 1

[From the Washington Post, Sept. 10, 1981]

ADMINISTRATION EYES SANCTIONS AGAINST CANADA

(By Jane Seaberry)

The Reagan administration is considering tough retaliatory sanctions against the Canadian government if it goes ahead with nationalization plans aimed at limiting U.S. investment in Canada.

Actions under consideration range from abandoning the U.S.-Canada auto pact to granting the president emergency powers to eliminate or alter any trade agreement between the two countries.

The actions being considered resulted from a review ordered by the Cabinet at a meeting last month, administration sources said yesterday. At that meeting, the Commerce Department and the U.S. trade representative were asked to come up with a list of possible sanctions.

The Canadian government was notified of the White House study here Tuesday during consultations on Ottawa's "Canadianization" program.

A Canadian Embassy spokesman yesterday acknowledged the meeting with administration officials, but said it would be hard for the White House to design a program to hurt Canada without also hurting the United States. He said the talks were continuing and that he expected them to produce satisfactory results.

"We're letting them know there is serious concern, not just in Congress but also in the administration, and they can't count on the administration to stand between Canada and Congress," Raymond J. Waldmann, assistant secretary of Commerce for international economic policy, said in an interview.

The administration has set no timetable for determining what action it might take, Waldmann said, "but we felt it was important to let [the Canadians] know now."

"There's still an opportunity" for Canada "to look at what they're trying to achieve through these measures and consider the interests of other conutries," Waldmann added. "The president is interested in harmony with Canada, yet we have this incident that's in the way."

Canadian Prime Minister Pierre Elliot Trudeau and his Liberal Party were reelected last year on a platform promising increased Canadian control of the economy, especially in energy.

Trudeau has proposed a new energy policy designed to reduce foreign ownership of the oil and gas industry from 72 to 50 percent by 1990 and to make Canada self-sufficient in energy.

Trudeau also has proposed tighter controls on non-energy subsidiaries of foreign companies operating in Canada. U.S. firms have complained that the proposals are aimed primarily at them. Nearly 80 percent of foreign investments in Canada are controlled by U.S. interests.

Besides the administration sanctions, legislation is pending in Congress to force a moratorium on Canadian investment here and stiffen financial requirements for Canadian firms attempting to acquire American companies, Waldmann said. He said the White House is considering throwing its support behind that legislation.

He added that Congress is pressuring the administration to invoke the Mineral Lands Leasing Act, which prohibits a foreign company from leasing federal land for mineral development unless that country reciprocates. The secretary of the interior can declare Canada "non-reciprocal."

Waldmann said the administration was not trying to act as a big brother telling Canada what to do, but he acknowledged that it was "finger-twisting."

The most far-reaching option being considered by the White House would allow the government to initiate an investigation under Section 301 of the Trade Act of 1974. That, after a government determination, could give the president broad powers of retaliation.

The determination that Canada violated an agreement or conducted unjustifiable trade practices must be backed by evidence, which the Commerce Department is gathering. Several weeks ago Commerce mailed to the executives of the Fortune 500 companies a questionnaire asking them what problems they have had with the Canadian government, Waldmann said.

Another issue clouded by the administration's review is the U.S.-Canadian auto pact, which the Canadians have said they want renegotiated to provide more benefits for their companies, which are mostly divisions of U.S. firms.

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[From the National Journal, Aug. 1, 1981]

"CANADIANIZATION" A RED FLAG TO U.S. FIRMS AND THEIR FRIENDS IN CONGRESS

(By Richard Corrigan)

Two kids, one hefty, one scrawny, are playing in a sandbox. The bigger boy moves happily all over the box, absorbed in his castle building. The other one sticks to the north end, muttering whenever the big kid bumps him aside.

Suddenly the little kid throws sand in the big one's face, tells him to stay the hell on his side of the box and reaches over into the south end to knock over some castles there.

The big kid looks stunned and mad. "That's no fair!" he bellows. "Anyway, I thought we were friends."

A dispute of this kind is going on between the United States and Canada as a result of the Canadian government's new, nationalistic energy policy.

U.S.-based oil and natural gas companies, which have long dominated the petroleum industry in Canada, are being squeezed by the "national energy program" unveiled last October by Prime Minister Pierre Elliott Trudeau.

The U.S. companies operating in Canada are the chief targets of a "Canadianization" campaign designed to establish Canadian

control, through government and corporate expansion, of the petroleum industry. Canada's objective is not nationalization of the oil and gas business, as occurred in Mexico more than 40 years ago, but a stiff dose of de-Americanization.

At the same time, freewheeling Canadian companies have been moving to gain control over, or snatch assets from, some sizable U.S. corporations, touching off a wild series of takeover moves and countermoves within the United States.

From the U.S. point of view, Canada has abruptly altered the traditionally wide-open business and trade relationships between the two nations by embarking on a discriminatory and shortsighted course that will prove harmful to both countries. The forays by Canadian companies into U.S. energy interests only exacerbate the situation.

Bipartisan pressures are building in Congress for retaliatory action against Canada, with Members of Congress complaining that the Reagan Administration's efforts at diplomatic persuasion have gotten nowhere. Among the measures being proposed on Capitol Hill are a moratorium on takeovers of U.S. energy firms by Canadian-owned companies and restrictions on the leasing of U.S. resources by Canadian interests.

There are also indications that the anger over Canada's behavior may spill over into other areas. For example, congressional action to ease the financing and construction of the Alaska gas pipeline system through Canada to the lower 48 states may be held up.

The Administration seems reluctant to take retaliatory action: generally, because it favors the free flow of investment capital into the United States and does not want to get into an exchange of protectionist slaps with a major trading partner; and specifically, because the measures being suggested probably wouldn't work and would only solidify support for Trudeau's program within Canada.

Trudeau's energy program covers much more than Canadianization of the petroleum industry, although that is the section that naturally draws Washington's attention. It also represents an effort by Canada's federal government, mainly on behalf of the populous but energy-poor provinces of Ontario and Quebec, which give Trudeau the bulk of his Liberal Party support, to slow the flow of wealth to the oil producing provinces of the west.

Through a continuing of price controls on Canadian crude oil and new federal taxes and revenue sharing formulas, Ottawa is attempting to reassert its authority over the western provinces as well as the foreign oil companies.

Canada exhibits an extreme case of political tensions between energy-rich and energy-poor regions—tensions that are similar to but much more pronounced than those within the United States.

COOLER WELCOME

While much of Trudeau's program has proven to be highly controversial within Canada, the Canadianization policy evidently is being well received.

As the Canadian government explains it, the national energy program sets a modest goal of putting half of the nation's petroleum industry into Canadian hands by 1990.

In defense of this objective, Canadian officials ask whether any oil producing nation—including the United States—would tolerate having more than 70 percent of its industry owned and operated by foreign interests. Judged by the outcries occasioned here by a few Canadian takeover bids for U.S. oil firms, the answer is negative.

And as Canadian Ambassador Peter M. Towe said soothingly in a recent Washington speech, even after implementation of its new energy program, Canada will still offer "a warmer welcome to foreign investment in the energy sector than does almost any other producing country in the world."

According to the Trudeau government's report on its national energy program, U.S.-controlled companies hold the top positions in Canada's petroleum industry. In 1979, the report said, 9 of the top 10 oil and gas producing companies and 17 of the top 25 were controlled by foreign interests, all but a few Canadian firms. The top three were the Canadian subsidiaries of U.S.-based Exxon Corp., Mobil Corp. and Texaco Inc.

Takeover fever runs rampant north of the border: U.S. oil companies operating in Canada have become targets for takeover moves by private Canadian firms and Canadian government organizations.

In some cases, the Canadian subsidiaries of the U.S. firms have been acquired outright. In others, Canadian bidders have tried to gain enough stock in the parent U.S. firms to pry away their Canadian assets or gain control of the companies themselves.

The acquisitions were launched by Petro-Canada, the federal oil company established in 1974. Petro-Canada bought the Canadian subsidiary of Atlantic Richfield Co. for $320 million in 1976 and the Canadian subsidiary of Phillips Petroleum Co. in 1979.

The action picked up this year after Prime Minister Pierre Elliott Trudeau issued his "national energy program," which calls for greater ownership of the petroleum industry by government companies. The program gives incentives to Canadian-controlled private firms and puts new controls on investments and transfers of assets by foreign-controlled firms.

In February, Petro-Canada bought the Canadian subsidiary of Petrofina S.A., a Belgian firm, for $1.5 billion, using the proceeds of a new federal tax of 8 cents a gallon on retail gasoline to finance the purchase.

In April, U.S.-based St. Joe Minerals Corp., fighting a takeover by Seagram Co. Ltd., sold its Canadian subsidiary to another Canadian firm, Sulpetro Ltd., for $546 million. St. Joe was then acquired by Fluor Corp. of California.

In June, Dome Petroleum Ltd. of Calgary acquired Hudson's Bay Oil and Gas Co. Ltd., a subsidiary of Conoco Inc., for $1.96 billion, a deal described by Maclean's, the Canadian news weekly, as the biggest corporate takeover in the nation's history. Dome got Hudson's Bay after buying a block of Conoco shares through a tender offer and then swapping the stock for Conoco's subsidiary.

Also in June, Canada Development Corp., a federally sponsored firm, purchased Aquitaine Co. of Canada Ltd., a subsidiary of the French multinational firm Societe Nationale Elf Aquitaine. Elf Aquitaine then bought control of U.S.-based Texasgulf Inc. in a complex, multi-billion-dollar arrangement by which Canada Development Corp. will pick up Texasgulf's Canadian assets. "Elf Aquitaine said on July 28 that it had purchased more than two-thirds of the stock of Texasgulf through a $3 billion tender offer, enabling the French company to enter the U.S. oil industry with the cash it receives for pulling out of Canada.

Next, Conoco became the target of a takeover move by Seagram's U.S. subsidiary, Joseph E. Seagram and Sons Inc., which earlier had tried to get St. Joe. Seagram netted about $2.3 billion from the 1930 sale of a U.S. firm, Texas Pacific Co., and was thus ready and able to attempt a major acquisition.

Conoco is the ninth-largest U.S. oil company, according to Oil and Gas Journal, with 1980 revenues of $18.3 billion. It also owns Consolidated Coal Co., one of the top U.S. coal companies.

Conoco's management, opposing Seagram's move to gain a controlling share of the company's stock, negotiated a merger agreement with E. I. duPont de Nemours & Co. Then Mobil Corp. jumped into the competition, opening a three-way, high-level bidding war between Seagram, duPont and Mobil over Conoco.

Cities Service Co. of Tulsa, Okla., which earlier had talked with Conoco about the possibility of a merger deal, then became the target of a takeover campaign by Calgary-based Nu-West Group Ltd. Cities Service is trying to stop Nu-West from buying additional shares in the firm. In a suit filed in the U.S. District Court for the Northern District of Oklahoma, Cities Service has charged that Nu-West acquired more than 6 per cent of Cities Service stock—thus making it a major shareholder—by using borrowed funds that exceeded Nu-West's net worth.

Cities Service complained that Canadian companies, using loans from Canadian banks, are operating outside of U.S. securities regulations on borrowing limits. The intent, the company said, is to get enough stock in U.S. firms to force them to surrender their Canadian holdings in exchange for the stock.

Maclean's said that Canadians bidding for U.S. companies "are immunized from a reverse takeover bid" because Canada's Foreign Investment Review Agency "would simply disallow any U.S. attempt that succeeded."

Canadian officials deny that U.S. interests in Canada are being raided through unfair means. "No one is being obliged to sell their properties or assets, and certainly not at distressed or fire-sale prices," according to Peter M. Towe, Canadian ambassador to the United States. The Canadian government says, for example, that the price paid by Petro-Canada for Petrofina's Canadian subsidiary was more than adequate.

The turmoil within the oil industry over Canada's energy program meanwhile has generated new lobbying and legal work in Washington.

Kenneth S. Levine, who was director of congressional and public affairs for the Federal Energy Regulatory Commission, now represents Seagrams in Washington.

One of the law firms retained by Seagrams is Andrews, Kurth, Campbell & Jones, the former firm of White House chief of staff James A. Baker III. Another is Van Ness, Feldman, Sutcliffe, Curtis & Levenberg; Charles B. Curtis, a partner, was chairman of the Federal Energy Regulatory Commission.

Others representing Canadian interests here include the law firm of Prather, Seeger, Doolittle & Farmer, on behalf of Seagram and the Royal Bank of Canada, and Blatchford, Epstein & Brady, for the Independent Petroleum Association of Canada and American Hunter Exploration Ltd., a Canadian petroleum company, according to filings with the Justice Department's foreign agents registration office.

The firm of Mayer, Brown and Platt is representing Dome Petroleum, which opposes restrictions on the leasing of U.S. firms by Canadian interests. Richard M. Smith of that firm was a policy adviser in the Energy Department.

Petro-Canada's consultant in Washington is Norman C. Chappell, former energy adviser at the Canadian Embassy.

U.S. companies fighting Canadian takeovers meanwhile have lined up Washington law firms to protect their interests.

Conoco's lawyers include the firm of Patton, Boggs & Blow, a major lobbying force, while Cities Service has retained James T. Lynn, former director of the Office of Man-

agement and Budget and now with the firm of Jones, Day, Reavis & Pogue, according to the Washington Post.

Mobil, to fend off objections about the antitrust ramifications of its bid for Conoco, has retained Sanford A. Litvack, former assistant attorney general for antitrust.

Among the top 25, the foreign-owned firms accounted for 72 percent of total industry revenues while the Canadian firms got 19 percent, the report says.

The same report says that net oil and gas production revenues jumped from $1.2 billion in 1970 to $11.1 billion in 1979, with foreign companies reaping the greatest gains. The petroleum industry, Canada's biggest, has been a net exporter of capital since 1974, the report says, speaking of "a massive transfer of wealth, now and in the future," from Canadian consumers to foreign-owned companies.

To attain Canadian control of at least 50 percent of the industry by 1990—from about 30 percent now—the program calls for a combination of actions.

First, the role played by federally owned oil companies such as Petro-Canada, established in 1974, is to be enlarged. Petro-Canada or other crown corporations will get a 25 percent interest in all production concessions in federally owned frontier areas, both onshore and offshore. Acquisitions of foreign-owned assets by Petro-Canada and other crown corporations—which already are well underway—also will be accelerated, financed by a special tax on oil and gas consumption.

"For most Canadians, the only way to ensure that they do share in the wealth generated by oil, and to have a say in companies exploiting that resource, is to have more companies that are owned by all Canadians—more companies like Petro-Canada," the report says.

Meanwhile, the Foreign Investment Review Agency, which operates under their Cabinet's control, has been directed to enforce its authority "vigorously" over foreign investments in the energy sector. The agency can stop acquisitions by foreign firms operating in Canada and can prevent the sale of assets by one foreign company to another. The companies can thus be pressured into accepting Canadian takeover bids.

The program also provides preferential treatment for private Canadian as opposed to foreign companies that look for oil and gas on their federal lands, known as Canada lands, and on provincial lands.

The government, contending that the current tax and leasing systems have worked to the advantage of foreign companies, has drawn up pro-Canadian systems to replace them. Under the program, depletion allowances would be phased out and replaced by petroleum incentive payments.

The payments would be tilted to the advantage of Canadian-controlled companies. A company with 75 percent or more Canadian ownership would qualify for payments equaling 80 percent of exploration costs and 20 percent of production costs on Canada lands. A company with less than 50 percent Canadian ownership, by contrast, could get payments covering only 25 percent of exploration costs—and could not get permission to produce on Canada lands unless it teamed with Canadian companies to meet the 50 percent ownership standard. When all the incentives are added up, said an executive at a leading U.S.-controlled Canadian oil firm, "it really means a Canadian company is playing with 7- or 8-cent dollars."

Although the national energy program has not yet been formally enacted, it is generally agreed that its main elements—notably the Canadianization portions—will be put into place. Critics say the Foreign Investment Review Agency already is operating as if the program had been approved by Parliament.

"Canadianization is here to stay," and the retaliatory actions being talked about in Washington will not force Canada to back off from that goal, said a State Department official.

"Rightly or wrongly, the Canadians have been harboring a grudge for years" about the role of U.S. oil companies there, said Bernard J. Picchi, vice president of the New York investment firm of Salomon Brothers. "I don't think Trudeau is going to back off."

And a Canadian energy adviser in Washington said, "Canadianization is the political heart of the program."

IMPACT ON INDUSTRY

The program also calls for a continuation of price controls on Canadian crude oil. Currently the price of domestic oil is held at $18.75 per barrel, about half the world oil price. And the program includes a new 8 percent federal tax on oil and gas production, which further crimps the profitability of Canadian operations.

Canadian oil companies may welcome the Canadianization sections of the Trudeau energy program, but they are just as upset as foreign-owned firms about the extension of price controls. Drilling activity has slumped in Canada so far this year while drilling rigs have been moved across the border into the United States, where price controls no longer are in effect.

Picchi estimates that a newly discovered barrel of oil in the United States now will realize an after-tax profit of $10 a barrel, while the comparable figure in Canada is about $3.75.

Even without the Canadianization program, he said, there would still be an exodus of drilling rigs because the United States offers far more profitable treatment.

The effects of Trudeau's program already are showing up on the ledgers of major U.S. oil firms.

Exxon, in announcing a 77 per cent increase in worldwide profits in the second quarter of 1981 over a year ago, said exploration and production earnings in Canada were "disappointing." Imperial Oil Ltd., Exxon's Canadian subsidiary, has suspended work on a major tar sands production project until the Canadian government and the province of Alberta agree on oil pricing and revenue sharing arrangements.

And Standard Oil Co. of Indiana said it has cut its 1981 exploration and production budget in Canada to about half the 1980 figure "as a direct result of the Canadian government's announced national energy program."

According to data gathered by the House Energy and Commerce Subcommittee on Oversight and Investigations, the Canadian subsidiaries of nine major U.S. oil firms plan significant reductions in exploration spending this year from the amounts budgeted before Trudeau's program was announced.

ADMINISTRATION'S RESPONSE

U.S. officials have expressed strong concern about Canada's energy policy but have not found a way to get Canada to change it.

"What we want to do is convince the Canadian government that it must change its policy," Beryl W. Sprinkel, Treasury undersecretary for monetary affairs, told the Oversight and Investigations Subcommittee at a July 9 hearing.

The U.S. officials say that Canada's policy is clearly discriminatory, jeopardizes investments in Canada and runs counter to Canada's obligations under international trade agreements.

"Although these investment policies apply to all non-Canadian companies," deputy U.S. trade representative David R. Macdonald said in a statement at the same hearing, "it is fair to say that their impact will fall most heavily on Americans. U.S. direct investment in Canada amounts to more than $40 billion, . . . about 80 percent of total foreign investment in that country." (According to Treasury Department figures, U.S. direct investment in Canada in 1979 totaled $41 billion, with about $9 billion in oil and gas, the $41 billion represented about a fifth of total U.S. investment abroad.)

Macdonald called parts of the energy program "expropriatory in nature" and said the Foreign Investment Review Agency's operations are "clearly in violation" of the General Agreement on Tariffs and Trade.

Robert D. Hormats, assistant secretary of State for economic and business affairs, told the subcommittee: "Canada's policies toward foreign investment have since the mid-1970s been moving in a restrictive and discriminatory direction, contrary to that of other developed countries. . . . It is puzzling to me how Canada can expect to have it both ways—seeking benefits from participating in the Western industrial club, while claiming special rights to promote indigenous development by curtailing certain foreign economic activity."

This is relatively strong language, especially in a public forum. But since the program was issued in Ottawa last year, the steady stream of U.S. objections hasn't made much of a dent in Canada's policy.

President Reagan brought up the subject in his pre-summit meeting with Trudeau in Washington, according to a State Department official, again with no noticeable effect.

The question of what to do about Canada has been kicking around the Administration through several interagency groups.

One such "working group" was recently formed within the Cabinet council on economic affairs, chaired by Treasury Secretary Donald T. Regan, to review U.S. policy toward foreign investment.

A committee on foreign investment in the United States, another interagency group chaired by Treasury, has been gathering information on Canadian corporate spending here. The Commerce Department's international trade office compiled a list of Canadian acquisitions in the United States during the past year for use by this group.

The Interior Department has been studying the 1920 Mineral Leasing Act to see whether Canada's energy program offers grounds for declaring that country a nonreciprocal nation, a finding that could lead to restrictions on the leasing of federal lands in the United States by Canadian-controlled firms.

Whether such a finding could be enforced or would result in a change in Trudeau's energy policy is doubtful.

The Interior Department has no idea how many leases issued under this law are held by Canadians through U.S. subsidiaries of Canadian firms or through Canadian holdings in U.S. companies. And even if the department traced the ownership of all leases, the resources leased to Canadians under this law would represent a small portion of the comparable U.S. investments in Canada.

An Interior official estimated that on the basis of Commerce Department figures on Canadian investments in 1979, holdings by Canadians in U.S. petroleum totaled $900 million, or about a tenth of U.S. petroleum investments in Canada. And the $900 million figure covered all U.S. petroleum investments, not just oil and gas lease holdings under the Mineral Leasing Act, which make up a minor amount of actual U.S. petroleum production.

Moreover, as a Washington lawyer representing Canadian oil firms said, the effect of a clampdown on leasing might be to send Canadian exploration firms back into Canada after they came here to escape Trudeau's program. "All their weapons are aimed at Alberta, and none are aimed at Ottawa or Quebec," he said of the U.S. government's options.

CONGRESSIONAL RUMBLINGS

Congressional interest in Canada's energy program and its ramifications here was aroused last spring, when Seagram Co. Ltd., through its U.S. subsidiary, Joseph E. Seagram and Sons Inc., moved to take over St. Joe Minerals Corp.

In the House, members of the Missouri delegation introduced legislation designed to thwart the acquisition of St. Joe, which has mining operations in Missouri.

Seagram had raised the cash for this offer through the sale of another U.S. oil firm it had bought years ago, but that did not deter the Missourians from trying to stop the Canadian distillery company.

The Seagram bid was foiled when California-based Fluor Corp. stepped in and acquired St. Joe. By that time, however, there were other takeover moves under way by Canadian companies. The potential effects of the Trudeau program on U.S. firms in Canada were coming to light, and the rumblings on Capitol Hill have grown louder ever since.

In the House, the action has been centered in the Energy and Commerce Committee and in the Interior and Insular Affairs Subcommittee on Mines and Mining.

The Interior subcommittee on July 16 approved by voice vote a bill putting a nine-month moratorium on foreign acquisitions (starting at 5 per cent) of any U.S. company holding a lease under the Mineral Leasing Act—which would encompass virtually all companies in the energy mining businesses. The Interior Department would be required to study whether foreign ownership of U.S. resources served the national interest while the moratorium was in effect.

In the Energy and Commerce Committee, the Oversight and Investigations Subcommittee has been pressing Administration officials to take action against Canada. The Telecommunications Consumer Protection and Finance Subcommittee has also reported a bill that limits borrowing by foreign firms involved in takeover bids.

Rep. John D. Dingell, D-Mich., chairman of the Oversight Subcommittee as well as the full committee, has repeatedly complained about Canada's discriminatory treatment of U.S. firms.

Republican committee members have joined with Democrats in denouncing the Canadian policy, for example, by signing a July 16 letter to Reagan in advance of the Ottawa summit session. The letter complained that Canada is depressing the value of U.S corporate assets in Canada, thus making these assets available at "fire-sale" prices to Canadians.

The letter warned that legislative action would be pursued if the summit session failed to produce a change in Canada's policy.

Dingell also has drawn a link between the Trudeau program and the Alaska gas pipeline. In a July 9 statement at his Oversight Subcommittee, he said, "Current efforts to facilitate the financing and the construction of the Alaska natural gas pipeline are not assisted by Ottawa's Canadianization policy."

This statement signaled a warning that a package of legislative waivers being prepared by the Administration to assist the pipeline might not clear Dingell's committee unless the Administration makes some headway with the Canadian government.

In the Senate, a bill regulating foreign purchases of U.S. firms is before the Banking, Housing and Urban Affairs Subcommittee on Securities. The panel, chaired by Alphonse M. D'Amato, R-N.Y., is looking at legislation that would require foreign companies to put up the same amount of cash as U.S. firms in making takeover bids. One complaint about Canadian takeover attempts is that Canadian companies can line up all the credit they need from Canadian banks and do not have to put cash up front as U.S. firms do.

OUTLOOK

The Administration has been hoping that Trudeau will agree to rewrite his program because of the troubles it stirs inside and outside Canada.

The Liberal Party Prime Minister, however, has stuck with that section even as his ministries negotiate with provincial governments on the other parts of the program.

There is some recognition in Washington that anti-Canadian rumblings here make Trudeau's policy more popular in Canada, but no one seems to know what else to do but make retaliatory gestures.

"The more heat we give him here, the more political good he can get up there," said a Democratic aide who has been pushing for a moratorium bill.

There is some speculation that Trudeau may step down as prime minister by the end of this year if his government can conclude an agreement with the provinces on oil pricing and revenue sharing.

If the Alaska pipeline project gets entangled in the controversy, that could further jeopardize the pipeline's prospects and widen the rift between the United States and Canada.

As for U.S. oil companies operating in Canada, Picchi of Salomon Brothers said of the Trudeau program, "My conclusion was that the cards in the game were going to be clearly stacked against U.S. companies and other foreign companies."

Nevertheless, he advises companies to try to stick it out. "God hasn't made too many Canadas," he said. "Governments come and go, but the oil in the ground is always going to be there."

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. STEVENS. Mr. President. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MURKOWSKI). Without objection, it is so ordered.

## EXECUTIVE SESSION

Mr. STEVENS. Mr. President. I ask unanimous consent that the Senate go into executive session for the purpose of considering the nomination on the calendar of Langhorne A. Motley, of Alaska, to be Ambassador of the United States to Brazil.

Mr. ROBERT C. BYRD Mr. President, reserving the right to object. this matter has been cleared on this side of the aisle. The minority is very agreeable to proceeding with the consideration of the nomination at this time. particularly in view of the interest of the distinguished acting Republican leader. So, there is no objection.

Mr. STEVENS. Mr. President. I thank my good friend from West Virginia, the distinguished minority leader, for his cooperation and his friendship.

I am happy to note that the Presiding Officer in the chair today at this time is my colleague, the junior Senator from Alaska (Mr. MURKOWSKI).

Mr. President, has the request been approved?

There being no objection, the Senate proceeded to the consideration of executive business.

## DEPARTMENT OF STATE

The PRESIDING OFFICER. The clerk will state the nomination.

The bill clerk read the nomination of Langhorne A. Motley, of Alaska, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brazil.

Mr. STEVENS. Mr. President, it is with a great deal of pleasure that I have been able to make this motion today to request the Senate to confirm this distinquished Alaskan as the U.S. Ambassador to Brazil. Tony Motley is a close personal friend of mine. We have been through many experiences together. He will be the first Alaskan to become an Ambassador of the United States.

Mr. President, we have now been a State for some 22 years and it is, a significant day for Alaska that we now have this honor of having one of our citizens become a U.S. Ambassador.

Tony and I have worked together for many years on many issues, including the Alaska lands legislation. He was, during the time the Senate and the Congress were considering the Alaska lands bill, the executive vice president of Citizens for the Management of Alaska Lands, Inc. (CMAL). Prior to that he worked on a variety of other important State matters when he was commissioner of the State of Alaska's Department of Commerce and Economic Development

Tony is highly qualified for the job. He was born in Rio de Janeiro, Brazil, where his father headed the Atlantic Refining Co. Tony speaks fluent Portuguese and he has spent a great deal of time in personal and business contact with Brazil and other Latin American countries.

He demonstrated his administrative and political skills during the last Congress when, as chief officer of CMAL, he represented our State's interests by debating the Alaska lands issue with Members of Congress and high-level U.S. Government administrators.

Tony's record in public service is also quite distinguished. As commissioner of Commerce and Economic Development for the State of Alaska in the mid-1970's, Tony's accomplishments included a restructuring of the Alaska State Housing Authority from a dormant entity to a first-class public housing corporation. As commissioner, he revitalized the State's veterans' loan program. which had a 25-percent delinquency rate when he took over, and, within 18 months under his administration, decreased to less than

1 percent. Under his leadership the State tourism industry prospered, and he was responsible for many innovative economic development programs, including fishery enhancement in Alaska and hydroelectric power projects for small Alaskan communities.

Tony Motley's distinguished record of military service included serving as executive officer to the commander in chief of the Alaskan command in the 1960's.

Mr. President, I am delighted that President Reagan has sent to us this nomination, because Tony Motley is quick, loyal, and capable. I am also delighted that he has received the unanimous support of the Senate Foreign Relations Committee. He will represent the United States with honor and dignity. I have every confidence that his exceptional abilities will prove to make him an excellent Ambassador to the great country of Brazil.

I urge the Senate to confirm his nomination as the U.S. Ambassador to Brazil. Tony Motley is the first Ambassador ever to come from Alaska. I speak for all Alaskans in saying that we are proud of him, and that we are grateful to the President and to all those who have taken part in the selection and confirmation process.

Mr. MURKOWSKI. Mr. President, I am pleased to support the President's nomination of Langhorne "Tony" Motley to the post of U.S. Ambassador to Brazil. This is particularly gratifying to me, for the Ambassador-designate is not only a distinguished citizen of my home State of Alaska, but he is a very close and longtime friend.

Mr. President, I believe that President Reagan has made an excellent choice in his selection of Tony Motley to this important post. Tony Motley was born and raised in Brazil. He remains fluent in Portuguese. He focused on Latin American studies in college and continued to develop that expertise throughout his Air Force career—much of which was spent in Latin America as well as Alaska. In 1970, Tony resigned his Air Force commission and remained in Alaska. He then began and operated a most successful real estate development business prior to his appointment in 1975 to the State cabinet as commissioner of commerce and economic development.

Under Tony Motley's leadership, the State made great progress in public housing, finance, economic development and regulation. Subsequently, from 1977 to 1980, Tony Motley served as the chief executive officer and primary government relations representative for an organization known as Citizens for the Management of Alaska Lands, Inc., which was very active during the recent congressional debate over the Alaska lands legislation. That experience, Mr. President, has given Tony Motley an excellent understanding of the Congress, its operation, and procedures. He fully appreciates the role of Congress in the conduct of U.S. foreign policy and the importance of working with Congress on froeign policy questions. In short, Mr. President, Tony Motley's background in government and commerce make him well suited to represent our Nation in the largest of all our South American Embassies.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. STEVENS. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the nomination was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## LEGISLATIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Again, Mr. President, I thank the distinguished Senator from West Virginia, my good friend, and I thank the Senate.

Mr. ROBERT C. BYRD. The Senator is welcome.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. COCHRAN). Without objection, it is so ordered.

## ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business.

## IMPACT OF INTEREST RATES ON EXPORTING

Mr. BOREN. Mr. President, I rise again today to call attention to the serious impact of high interest rates upon another sector of the economy, those businesses which are involved in exporting.

The relationship between interest rates and exporting can be explained in this way. The rates of interest available through investment in American securities and bonds provide a much higher return than is available through comparable investments abroad. Given this incentive, foreign investors are converting their currencies into dollars for investment in the United States. This increased demand for dollars has driven the exchange rate value of the dollar up very high in relation to other currencies. The result is that U.S. products are much more expensive abroad than in recent years and demand for American exports has declined very dramatically in some cases.

One example of this is the Monsanto Co., the Nation's 16th ranked exporter. Last year Monsanto made more than $1 billion in foreign sales. This year they are reporting a decline of 15 percent in their export business because foreign purchasers are not willing to pay the much higher prices. The Ditch Witch Co. in my own State of Oklahoma, a smaller firm which exports machinery, has experienced severe difficulties because foreign customers are hesitant about paying higher prices. Eighty percent of their dealers abroad have delayed their purchases amounting to a 20- to 30-percent decline in business, all related specifically to the higher prices brought on by the high exchange value of the dollar.

In an article in Time magazine, Otto Eckstein predicted that U.S. exports, which grew by 15.2 percent in 1979 and 9.6 percent in 1980, will decline this year by 1.3 percent. This factor becomes even more ominous when we look at the significance of exports in the economy as a whole. In 1970, exports accounted for 7 percent of the total GNP. In 1980, exports had risen to 13 percent of our GNP. We simply cannot afford to depress a sector of our economy which has demonstrated significant growth in recent years and which has the potential to serve as a source of stimulus to a great deal of the economy. Former Treasury official, C. Fred Bregsten, contends that unless the dollar weakens somewhat up to 1 million workers could lose their jobs because of this decline in export business.

Mr. President, we are facing a potentially dangerous situation with the export business which could have negative repercussions throughout the economy. Again, we see, through this particular sector of the economy, that the President's economic recovery plan cannot succeed until interest rates go down.

## CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

## AGRICULTURE AND FOOD ACT OF 1981

The PRESIDING OFFICER. The clerk will state the pending business.

The bill clerk read as follows:

A bill (S. 884) to revise and extend programs to provide price support and production incentives for farmers to assure an abundance of food and fiber, and for other purposes.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The pending question is the amendment of the Senator from Georgia (Mr. MATTINGLY).

The Senator from Georgia.

AMENDMENT NO. 545 (MODIFICATION)

Mr. MATTINGLY. Mr. President, I send to the desk a modification of my amendment No. 545.

The PRESIDING OFFICER. The amendment will be so modified.

Mr. MATTINGLY. Mr. President, I ask unanimous consent that reading of the modification be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The modification is as follows:

Page 3, line 25 after "poundage on such farm," insert: "or in the event that peanuts are not actually produced on such farm in at least one of any three consecutive crop years,"

Page 4, line 1 after "production poundage that cannot be produced," insert: "or which is not produced,"

Page 4, line 7 after "production in 1980 or 1981," insert: "or any subsequent year."

Mr. MATTINGLY. Mr. President, we are now considering the bill S. 884, legislation which will govern and control commodity programs for American farmers for the next 4 years.

My home State of Georgia has a broad variety of agricultural interests. Agribusiness is a major part of my State's economy. I am committed to the task of encouraging not only agribusiness as a whole, but the survival of the family farm.

At this point, the combination of drought and high interest rates has put many farming operations into or on the verge of bankruptcy. While there may be little the Senate can do about drought, I hope we can do something about interest rates. The key to that is in holding down Federal expenditures. The farm bill should not be exempt from the scrutiny we are giving other programs.

There is a great disparity of opinion as to just what is the best policy that will adequately reward agricultural producers for their investment of time, talent, and capital. I believe in a free market system for the economy as a whole, and I have yet to be convinced that all those free market principles go out the window when we reach the farm bill.

I have, for example, been unconvinced that the peanut farmer is better off for having to pay an allotment owner rental fees before he can plant peanuts. Over 70 percent of the Nation's peanuts are grown under just those circumstances.

A railroad company or some timber conglomerate owns the allotment and Joe Farmer pays them for the right to plant. How can it hurt the farmer, the one who is doing the work, to have the direct right to plant peanuts.

It is my belief that the farmer's biggest worry is the general health of the economy, the same worry that plagues the housewife. We cannot solve the farmer's problems by artificially increasing, through governmental interference, the prices at the supermarket. That will just not work.

For over 40 years, the President, the Federal Government has been deeply involved in peanuts: who could grow peanuts, how many peanuts they could grow, the circumstances under which those peanuts could be sold, and so on.

Like many of the Government's commodity programs, the peanut program has been basically crisis oriented. And, like many programs, it has often-times caused farmers more problems than it has solved. But, in spite of its problems, the peanut program has indeed lent a great deal of price stability and supply dependability over the years.

We are now embarking upon a new era in the history of America, a new era which promises a return to the people of this country the control of their destinies. In the short span of the past few weeks and months, we, the elected representatives of this unique breed of individuals known as "Americans," have made tremendous changes in the nature and direction of the Federal Government—changes which were mandated upon us by the people of this Nation. We have passed legislation which reverses the half century old notion of "tax and tax and tax, and spend and spend and spend." We have endorsed laws which again reward that sector of the society which is productive, and which encourage others to become more productive. We have expressed our faith in the ingenuity and work ethic of the average American.

So, what does this new direction, this rebirth of federalism, have to do with the peanut program? Whay is MACK MATTINGLY standing before you in this Chamber, and just what is he advocating?

I shall tell you what I am advocating, Mr. President. I am here before the Senate to argue for fairness, for equity, for justice. I am here to ask that we give the average producer of peanuts an opportunity to benefit from the same new lease on life that we in the U.S. Senate have just so recently granted to other segments of our society—the chance to invest their capital, their labor, and their expertise. All for the promise of a fair return on these investments.

Now, I would be the first one to admit that the peanut program as it now exists needs some fundamental changes, changes that many Senators are concerned about. On the other hand, it is only fair and equitable that those hardy American farmers who have grown peanuts the way the Government dictated for the past 40 years not be penalized by what we do here today.

In keeping with the new directions that we have forged in recent weeks, I am today asking that we also set a new direction in the peanut program—but a new direction which gives our producers a reasonable opportunity to adjust to this new and innovative atmosphere.

In this amendment, I seek to accommodate each and every concern which has been expressed regarding the present program—concerns of the administration about the budget levels and a reorientation toward a free market system; concerns of my colleagues about the right to grow peanuts without penalty or restriction; concerns of present growers about their economic future and security.

Well, enough of the standard rhetoric. I can hear each of my colleagues asking, "Why all this fuss about peanuts? What are we really talking about here? What does any of this mean to me?"

The present program is rather complicated. However, I shall try to simplify the problem as best I can.

Currently, only a specified few can even grow peanuts under the present acreage allotment system. Of this designated number of persons who have the right to grow peanuts, only about 30 percent actually grow their own peanuts, while about 70 percent of our Nation's crop is grown on acreage allotments leased or rented from the owners. Many peanuts are grown under acreage allotments which are owned by timber companies, railroad companies, corporations, and even subdivision owners who do not have even 1 acre of suitable acreage, but who are in the business of renting the right to grow peanuts to farmers who do have available land, equipment and expertise.

S. 884 and the Committee Modification thereto would only extend and perpetuate this system. It does not address the vital problems posed by "endowed, nonproducing, absentee landlords" and by the desire of those without access to an allotment to grow peanuts in our supposedly free agricultural society. The amendment which I ask the Senate to consider will help solve some of these basic problems. For instance, my amendment will:

First, suspend the allotment system, and allow anyone anywhere to grow peanuts:

Second, reduce the possibility of any loss to the Government by lowering the amount of peanuts for domestic use that the Commodity Credit Corporation is obligated to buy;

Third, provide that former allotment owners who do not have adequate, suitable acreage to grow peanuts will forfeit the right to grow the crop to the person who previously had to rent or lease that right; and

Fourth, help guarantee an adequate supply of peanuts and peanut products to the American consumer at a reasonable price, while also assuring our farmers of an opportunity to receive a fair profit in return for their investment of time, labor and capital.

Mr. President, it would be very easy to single out the peanut program for extinction. It is a very small program—it impacts on a very few States. It is a complicated program, and one which is difficult to understand. In short, it lacks the "sex appeal" of many of the other commodity programs. And yet, I think we in the Senate on both sides of the aisle have some obligations. We have an obligation to the consuming public to stabilize prices and supplies of this high-protein food source. We have an obligation to the thousands of farm families, who depend on this crop, to make substantive changes in a reasoned and orderly fashion. And we have an obligation to the taxpaying citizens of the country to live up to our promise of lowered Federal expenditures.

Mr. President, I submit that my amendment to the peanut title of the farm bill presently before us will meet each of these obligations. It will also allow expanded American exports of peanuts for the world market—an expansion which we desperately need to offset our balance-of-trade deficit.

Mr. President, today, and I say this also to those Senators in their offices listening, when we vote today, there are going to be three choices. There is going to be the farm bill, S. 884, as amended by Senator HELMS, which really offers no real change. It is still allowing selling allotments and restricts freedom and prohibits farming.

Then we have an amendment by Senator LUGAR, which is good, except that when we grow more peanuts in the United States, it is going to cost the Federal Government more money. There is no safety net for the farmers.

Then there is the amendment I offer, which insures freedom. It ends the feudal system of socialized farming. It allows the farmers to grow and expand and export. That is what freedom is all about. That is what this small increment of a farm bill that came up is all about. It is about freedom.

I sincerely urge the adoption of this amendment to the peanut title.

Mr. HELMS. Mr. President, I am a little puzzled by the attacks on the peanut program, which has to be one of the most successful farm programs ever devised by this Government.

I am a bit puzzled, also, that such a far-reaching attempt would be made to jerk the rug from beneath people who have had faith in their Government and faith in the governmental program. The Senate floor, during debate on this farm bill, is neither the time nor the place to do it.

I reiterate the repeated suggestion I have made to some who feel that they see imperfections in the program: I will be delighted to hold hearings on any legislation to revise the program. We will study the impact of any proposals. This will be done promptly. There will not be any of this business of the chairman of the committee sitting on a bill because he personally may have some doubts about it.

However, Mr. President, more than that, the Committee on Agriculture, Nutrition, and Forestry has included in its modifications a provision to make the cost of the peanut program absolutely zero.

So, in the parlance of the teenagers who used to roam around my house, what is the big deal? Why not wait? Why not let the legislative process function?

It is not like some other issues that have been sat on in various committees. The chairman and the ranking minority member of this committee have guaranteed that there will be hearings on any legislation offered, so that fairness and equity can prevail.

Let us now talk about this peanut program a bit. It provides a livelihood for some 60,000 peanut farmers who work the soil in 16 of our great States. My State is one of them, yes, and I am proud of it.

I heard a Senator say yesterday, "We cannot grow peanuts in my State." Of course, he cannot. He does not have the climate. He does not have the soil. He might grow one in a pot in his livingroom.

This issue should not be obfuscated by irrelevancies. The truth of the matter is that the people participating in the peanut program have paid, and paid through the nose, to participate. To come here without any hearings whatsoever and jerk the rug from under them borders on being unconscionable.

I could give the Chair a list of thousands of widows in my State whose husbands invested in the peanut program rather than in gold or in stock. They invested in land. Are we going to say summarily, arbitrarily, here today, "That's tough, Madam Widow; your husband should have had more sense than to have faith in a Government program"? I do not think the Senate is going to do that. I would be amazed if the Senate does.

I reiterate, with all the sincerity I possess, that if any Senator introduces a bill proposing to modify, change, adjust, reconstruct the peanut program, it will go to the Committee on Agriculture, Nutrition, and Forestry, and this chairman will call hearings on it promptly.

The 16 States primarily involved in the peanut program are primarily in three growing areas in the Nation—the Virginia-Carolinas, the Southeast, and the Southwest.

What about the peanut title in this farm bill, S. 884? The peanut title was approved overwhelmingly by the Agriculture Committee by a vote of 12 to 3. It maintains the current program with modifications and improvements, among them being, as I said earlier, reducing the cost of the program to zero.

I will be fair and square about it, Mr. President: If we are going to abolish a program that costs nothing, I am going to be seriously tempted to say that perhaps all the other farm programs should cost nothing. As they say in North Carolina, "How do you like them apples?"

The truth is that there should not be all this fractious debate about this farm bill. I am not noted as the biggest spender in the U.S. Senate, but I am here to say that if we do not take care in this Congress about the overt actions we take, there may be some hungry people in the United States; because farmer after farmer is going down the tube, as well as all the businesses related to farming. Who is going to produce the food? Not the media. They may produce food for thought. Not many Senators till the soil. I cannot think of one.

The modified peanut provision in this bill adjusts the price support level, while at the same time reducing the poundage quota, so that the net results midway through the program are going to be zero in terms of costs. This will be accomplished while providing a plentiful supply of good, edible peaunts at a reasonable cost to the consumer.

I have taken note of the criticisms of the program. I have tried to look at them objectively.

Without fail, I detect that these criticisms ignore the basic fact that the program has worked extremely well for a long time, and it has benefited both consumers and producers of peanuts in this country.

Throughout the years, the program has resulted in stability for the entire peanut industry—producers, handlers, manufacturers, and ultimately consumers of peanuts and peanut products.

If you will check the record, Mr. President, you will find that this program has prevented wild swings in production and prices, which would have resulted in oversupplies in some years and shortages in other years. And I daresay that had it not been for this program, it is most likely that the net result would have been higher prices for peanut butter and peanut products in general to the consumers.

Mr. President, if you want an indication of that, just look at 1980 when the only major drought in the last 20 years occurred. There was a short crop of peanuts. Indeed, without this peanut program as it has been carefully crafted and updated over the years, it is likely that there would have been no substantial edible peanut products available to consumers at all.

The quality control and market discipline features of the program serve to provide for the availability of an edible food crop—as opposed to an oil crop—for peanuts.

I think it is demonstrable, Mr. President, that without the stability of the allotment system, boom-and-bust agriculture also would have resulted, making it extremely difficult for the small family farmer who grows peanuts to stay in business. It is volatile enough as it is. But I can guarantee that if this Senate does severe damage to this program in this bill, there are going to be problems.

The stability provided by peanut allotments and production controls has enabled producers to obtain, generally speaking, adequate financing to adopt latest production technology, which has provided consumers with a constant supply of peanuts. To dismantle this acreage allotment and price support program would replace stability with economic chaos in hundreds of rural communities stretching from Virginia to New Mexico.

I imagine that there are going to be a number of Senators who will validate that in their comments here today.

It would have a severe impact in terms of what we are doing to human beings. It would be absolutely contrary to the suggestion made by some who would criticize the program. It would bring economic disaster to many small farmers, and it would have other far-reaching results.

As an economic study by Tarleton State University in Texas has noted, an end to the peanut allotments would means—

A loss of tax base jeopardizing the stability of many rural communities, including the loss of young farmers and many small rural schools, churches, et cetera.

Mr. President, others wish to speak in connection with this matter, and I am going to forgo for the time being further comment except to say again that this Chamber on this day is neither the time nor the place to make a drastic, overt, adverse move against a successful program which will cost the taxpayers not 1 cent.

That is what we are talking about in terms of this farm bill. We have been trying to minimize the cost of it. I do not know how the peanut farmers can be asked to minimize the cost any more than they have been willing to do in terms of the modification that Senator HUDDLESTON and I, on behalf of the Agriculture Committee, sent to that desk a day or so ago.

Fairness and equity require, Mr. President, that we approach this thing, if it is to be approached at all, through the legislative process of a Senator introducing a bill, not proposing an amendment in this Chamber, a bill to be referred to the Agriculture Committee where I reiterate, Mr. President, it will be given prompt and full hearings and consideration.

The present program also provides stability and order in the marketing of peanuts. Those unfamiliar with the production do not understand that this commodity cannot be stored by the producer like grains and soybeans to await a higher market. Peanuts are semiperishable, and must be marketed as they are harvested. Price stability and quality control at the marketplace, therefore, is dependent upon controls afforded under the allotment and quota system, as well as the marketing provisions of current law.

If the allotment system were to be terminated, two fundamental and potentially devastating changes will occur in peanut production. First, production could shift to large corporate-type farm operations, dealing another blow to the family-farm system in America. Second, much of the production will likely shift to one geographic area of the Nation, leaving behind economic havoc in the areas of former production.

The dispersal of peanut production in three distinct geographic areas is good insurance against the uncertainties of weather. When adverse weather harms the crop in one area, the production in another generally offsets the impact. This has been proven repeatedly. Only once in the past 25 years has a general drought like last year affected the entire peanut belt, though localized droughts have frequently disrupted production in one region or another over the years.

The peanut provisions in S. 884, as amended, would be substantially less costly than the original administration bill and vastly less than the proposal to go to a straight loan program with unrestricted production.

Not of least concern to the Senate is the question of the impact of the costs of the peanut program without the allotment/quota system. Unlike most other farmers, peanut farmers have made an agreement with the Government. They agree—in referendum, I remind Senators—to limit production in return for the advantages of the price support program. If all other commodities were to operate that way, farm program costs would be a fraction of what they are today.

Now, not for one minute do I intend to criticize other programs. We believe peanuts are uniquely suited for the allotments and quota production controls for reasons I have already outlined—the semiperishability, the restricted geographic adaptability, the dual market for oil and edible peanuts, and all the rest.

However, it is irrefutable that the costs of the peanut program would be immensely greater if we were to alter it or eliminate it along the lines which have been suggested today.

In fact, the committee bill would bring quota production substantially into balance with domestic usage in 1982. Consequently, under our plan, there would be little, if any, cost to the Government. Virtually all loan outlays would be recoverable, and we could sharply reduce the amount of CCC loans in the first place.

The proposal to dismantle the program and permit unrestrained production would—as explained by its advocates, most especially the Senator from Indiana—be based on a loan level of either 68 percent of parity or $340 per ton and unrestricted production. I might add that the 68 percent of parity level would be $566 per ton.

Assuming a production of 2 million acres in an unrestrained production environment, with an average yield of 2,600 pounds per acre—which is really likely to be much greater if production migrates to the very high yield areas of the Southeast—cost estimates of the adversary proposal range from a low of $108 million annually to a high of $153 million annually, depending upon the sales price received for CCC stocks taken under loan.

Now, here I use the term "cost" advisedly. That is the loss to the Government—the "nonrecoverables" as the budget people say.

The outlays per year under the open production system with a price support of an extremely modest—and entirely inadequate—$340 per ton would involve outlays in the range of $200 million per annum. This must be contrasted, of course, to the likely potential of just a few million dollars in outlays—if that—for the program provided for in the committee bill.

At the risk of getting bogged down into numbers which may sound confusing to Senators, permit me to explain.

Current acreage production is established in law at 1,614,000 acres. It is my understanding that in 1981 some 1,500,000 acres were planted in accordance with the national poundage quota. At an average yield of 1,281 tons per acre, that would result in a yield of some 1,921,500 tons. Present domestic disappearance is expected to be about 1,300,000 tons. Plus, at the extremely lower price of $340 per ton we would expect about 400,000 tons to move into the edible export market. Now, that would result in some $75 million in outlays with a one-price $340 ton support—compared to some $38 million in outlays with the present two-price quota program at 1.3 million tons in the original bill, and zero outlays in the modified version.

However, that $75 million in outlays—almost double the cost of the present program—would be based upon identical production that we have with the present program, that is, with strict production controls and growing limited to those assigned a farm-base production poundage.

With the dismantlement of the program and attendant unlimited production, every observer acknowledges that production would likely increase. Several years ago USDA informed the committee that in such circumstances production would increase to 2 million acres. Using the same formula applied above, that would result in program outlays of $306 million per annum, with net losses of some $108 million.

If there are Senators who would dispute the 2 million acre production level without controls—an increase of some 500,000 acres—we can apply the same formula to half that increase in production, to say, 1,750,000 acres. That would result in outlays of some $195 million, or some $150 million greater outlays than provided for under the committee bill peanut provisions.

Now, this $195 million in outlays per year. Most of the debate on the dollar figures in this farm bill has been in 4-year costs; that is an outlay of $780 million for the Lugar amendment.

Clearly, this is an extravagance we cannot afford. The money is just not there. We have a program that works with little cost, and which supplies consumers with a wholesome edible crop. It just makes no sense to increase outlays by several hundred million dollars to correct a problem that does not exist.

It is important that the committee understand that the cost of the peanut program this bill extends has declined dramatically over the first 3 years under the 1977 act. According to figures provided to the chairman by Deputy Secretary Lyng on April 17, the net 3-year cost of the program for fiscal year 1978–80, was $15.4 million, or an average of $5.1 million per year. These costs reflected a 96-percent reduction in average annual program costs when compared with the program prior to the 1977 changes. The costs of the existing program also are far below those projected for the administration's own proposal for the 1982–86 fiscal years.

The modified peanut provision in S. 884 calls for a quota support price of $596 a ton. While this is up from the present $455 a ton, it is based on a realistic appraisal of today's production

costs. I might add that the current support level is only about 8 percent higher than it was in 1977—but production costs have risen almost 40 percent during this time.

Since S. 884 as modified calls for reducing the national poundage quota from 1.44 million tons to 1.24 million tons, the supply of peanuts should equal demand, bringing Government costs to zero or near zero for the support program.

I urge my colleagues to support the peanut program, and in turn support the thousands of farmers who depend on this commodity for a livelihood.

The peanut program has served the Nation well. The program is supported by the National Peanut Growers Group, which represents every peanut farmer organization in the United States, and has been endorsed by all general farm groups. The program has been regularly approved by growers in referendum—by overwhelming margins.

In short, it is a program that works. It provides a wholesome food commodity to consumers and livelihood to 60,000 family farmers.

I ask unanimous consent that factsheets and supporting data I have available be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

I. SUMMARY OF PEANUT PROGRAM

The present peanut program—based on acreage allotments, poundage quotas, quality controls, and export market development—has worked well over the years and has benefited both consumers and producers of peanuts.

As modified by Congress in 1977, the program has—

1. Reduced government costs dramatically;

2. Made the U.S. the number one exporter of edible grade peanuts; and

3. Assured a plentiful and constant supply of high quality peanuts at fair and reasonable prices; (1980 was the first crop shortfall in a quarter of a century, and this was due not to any failure of the program but to the drought that devastated all three producing areas).

4. Maintained a strong production base in three geographic areas of the country.

The Food and Agriculture Act of 1977 made major modifications in the peanut program that has its origins in the 1930's along with other basic commodity programs. In 1977 Congress established a two-price program that provided one level of price supports for domestic production and a lower level for peanuts produced for export. Poundage quotas were instituted among producers to bring higher-supported domestic production into line with domestic need over a phased-down period, while at the same time allowing growers to produce for the export market at competitive world prices.

As a result of 1977 modifications, net program cost have been dramatically reduced to an annual average of $5.1 million for the first three years of the new law (FY 1977–80). Prior to the 1977 Act, net annual cost had climbed above the $100 million level to $121.1 million in FY 1975 and $210.3 million in FY 1976. (Letter from Deputy Secretary Lyng to Chairman Helms, April 17, 1981.) Moreover, U.S. peanut exports for food use have zoomed, with the U.S. becoming the world's leading exporter of edible peanuts.

As it has developed over the years, the peanut program of allotments and quotas has prevented the boom-and-bust cycles that many other commodities have experienced—and are experiencing at the present time. By contrast, the peanut program has resulted in stability for the entire peanut industry—producers, handlers, manufacturers, and ultimately consumers of peanuts and peanut products. It has prevented wild swings in production and prices, which would have resulted in market gluts in some years and scarcities in others.

The present program also provides stability and order in the marketing of peanuts. Unlike grains and soybeans, this commodity cannot be stored for extended periods by the producer to await a better market. Peanuts are a perishable commodity and must be marketed as they are harvested. Without the existing program, producers at harvest would be at the mercy of buyers, without the option of holding or storing their crop in hopes of obtaining higher prices. This is a major difference that many overlook when considering commodity programs.

Quality control is tied directly into the peanut allotment program. Peanuts is the only major American food commodity that is marketed under a voluntary but very strict quality assurance program, providing U.S. consumers with the highest quality peanuts in the world. Marketing supervision and checks built into the allotment and quota system provide the mechanism for identifying at the buying point and removing from the food chain any lot of peanuts found to have mold or to be otherwise unfit for human consumption.

Under the allotment system, peanut production in this country remains primarily in the hands of family farm operators and is dispersed among 17 states in three geographic areas: Virginia-Carolinas, the Southeast, and the Southwest. If the allotment system were to be terminated, two fundamental structural changes would occur in peanut production in the future, neither of which would be in the best interest of the Nation. First, production advantage would shift to large, corporate-type farming operations, and another blow would be dealt the family farm system in America. Second, production would shift over time to one geographic area of the country, leaving behind havoc in the areas of former production.

The dispersal of peanut production over three distinct areas is insurance against uncertainties of weather. When adverse weather harms the crop in one area, production in the other two generally offsets the impact. This has happened repeatedly. Only once in the last 25 years has general drought like last year's affected the entire belt.

The peanut program has served the Nation well. The program is supported by the National Peanut Growers Group, which represents every peanut farmer organization in the United States, and has been endorsed by all general farm groups. The program has been regularly approved by growers in referendum by overwhelming margins.

In short it is a program that works. It provides a wholesome food commodity to consumers and a livelihood to 60,000 family farmers.

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II. SPECIFIC POINTS OF THE PEANUT PROGRAM

1. ALLOTMENTS—QUOTAS PREVENT OVER-PRODUCTION, PROVIDE STABILITY

The peanut is a unique commodity . . . unique because we possess the ability to vastly over-produce peanuts in a very short time. It is a perishable commodity that cannot be stored for any extended period in its raw form. Though domestic demand is growing at a healthy 3 percent annual rate, yields also are improving. In addition, even more prolific strains are now being perfected in the laboratory.

Thus, boom-and-bust agriculture can be avoided for peanuts through production controls provided under the existing allotment and marketing quota system.

Without acreage allotments and poundage quotas, production would increase rapidly, quickly surpassing demand, and causing farm prices to fall. A recent study at the University of Georgia College of Agriculture forecast a 23 percent production increase if allotments were to be terminated. Under such conditions, many smaller producers, particularly in lower yield areas, would be forced out of business. This would shift production to the high yield area of the Southeast, thus concentrating production into one limited area and increasing the risk of weather loss.

Such a shift in production would also have severe impact in human terms. It would mean larger farms, fewer people in farming areas, and fewer jobs. An economic study by Tarlton State University reports that abolishment of peanut allotments in the Southwest would result in "a loss of tax base jeopardizing the stability of many rural communities, including the loss of young farmers, many small rural schools, churches, and etc." The same type of economic and social upheaval would occur in other traditional production areas.

The stability provided by peanut allotments and production controls has enabled producers to obtain adequate financing to adopt latest production technology, which has provided consumers with a constant supply of peanuts. To dismantle this acreage allotment and price support program would replace stability with economic chaos in hundreds of rural communities stretching from Virginia to New Mexico.

2. ALLOTMENT SYSTEM PROVIDES ABUNDANT SUPPLY

The peanut allotment system, coupled with minimum price supports, have provided U.S. consumers with a steady and abundant supply of peanuts year after year. During committee testimony this year, a spokesman for the peanut product manufacturing industry acknowledged that the last shortage (before 1980) of domestically produced peanuts was "about 25 years ago." Indeed, prior to modifications in the peanut program made by Congress in the 1977 farm act, the major concern was over chronic surpluses of peanuts—not shortages.

3. 1980 PEANUT SHORTAGE DUE TO WEATHER, NOT PROGRAM

The 1980 peanut crop in the United States was reduced drastically—by some 42 percent—as a result of the worst drought and most severe heat wave of this century. All three producing areas of the country were devastated.

The shortage of domestic peanuts has been offset in part by imports from India, Mainland China, and other foreign producers at prices far above those paid to U.S. growers for last year's crop, resulting in sharp increase in consumer costs for peanut products. Although the price growers received for farmer stock peanuts last fall averaged only 24 cents per pound nationally, shelled peanuts imported sold for as much as $1.25 per pound, a level that would have justified a price over 2½ times greater than that paid to U.S. peanut producers. Despite the price paid for imported peanuts, some of the major peanut butter manufacturers have reported sharp increases in profits in 1980.

4. ALLOTMENT LEASING NORMAL AGRICULTURAL PRACTICE

Much of the criticism directed against the peanut program centers on the leasing of allotments. This practice is made to appear as some type of evil.

The fact is that the leasing and renting of farmland is a common practice in the U.S. for all types of commodities. According to the latest census data, over 40 percent of all crop land in this country is rented and formed by someone other than the owner.

In the case of peanut allotments, in the vast majority of cases, when a producer leases an allotment, included in that lease is the land on which to grow the crop. There is no difference in that process than a corn or soybean farmer renting his neighbor's cropland to grow those crops.

Leasing also is frequently necessary to bring together several small allotments into an economically viable family farm unit. Some 22,500 peanut allotments—or 38 percent—are less than 10 acres, and another 14,400 are between 10 and 20 acres in size. These smaller allotments are frequently combined with others to make up a practical family farm size allotment.

The impact of allotment rental costs on peanut products has been greatly exaggerated. For example, it has been alleged that "more than 20 percent of the cost of each peanut product . . . goes to pay the additional rental value" of peanut allotments. This is absurd. Even if an average rental cost of $115 per acre is assumed this would amount to only 1.71 percent of the consumer price of a 12 oz. jar of peanut butter selling for $1.75 today.

5. BUILT-IN QUALITY CONTROL

Acreage allotments and the peanut price support program have included a marketing agreement for quality control assuming the highest standards in the world. Peanuts is the only major American staple food commodity which is marketed under a voluntary but very strict quality control program. Every ton of peanuts grown in the United States undergoes vigorous scrutiny at the buying point by the Federal/State Inspection Service, including testing under a 20-power microscope for undesirable molds. If any are found, the entire lot is removed from edible food channels. Further, every lot of shelled or clean in-shelled peanuts moving from approved shellers into edible channels is chemically analyzed to determine wholesomeness. Lots failing to meet rigid requirements are removed and diverted to non-food channels. The Southeastern Peanut Association (handlers) has testified that: "It is very doubtful our quality program could have been effective if it had not been closely tied to the peanut price support program."

6. PROGRAM COST DRAMATICALLY REDUCED

The cost of the peanut program has declined dramatically over the first three years of the 1977 Act. According to USDA, the net 3 year federal cost of the program for FY '78–'80 was $15.4 million, or an average of $5.1 per year. These costs reflect a 96 percent reduction in average annual program costs when compared with the program prior to the 1977 changes.

These cost savings are brought about by matching supply with demand through the allotment and production quota mechanisms. It is the surplus peanut that causes government expenditures. Growers agreed to a mandated reduction in quota peanuts in the 1977 Act to reduce government costs and have again agreed to a reduction under the bills now being considered. These decisions, while lowering government costs, also reduce total grower income.

The effort behind the bills now before Congress is to continue this reduction in government costs. Both CBO and Senate Agriculture Committee staff project a virtual $0 cost of the program by 1985.

7. PRICE SUPPORTS, A VITAL PRODUCTION INCENTIVE

The peanut loan program is uniquely different from other commodity loan programs, in that the perishability of peanuts forces their sale to occur quickly. This fact prevents the peanut farmer from "holding" his production for a better price the way a corn or wheat farmer is able to. Thus, in a vast majority of years, the "loan price" has been the market price for the peanut farmer. When the "loan price" falls below the cost of production, as it has in recent years, the peanut farmer is not compensated for his labor or investment. Thus, a support rate above the cost of production is vital to enable farmers to continue to produce.

One fault of the current program is that the cost of production has greatly exceeded the peanut price support level. This situation has held down returns to producers and creates a strong disincentive to produce. Over the four years of the 1977 Act, price supports were increased only once for an 8.3 percent increase. Yet the cost of production, according to USDA figures, has increased 44.6 percent, even excluding land cost increases. (House Report 97–106, May 19, 1981). Although a quota support in $600 per ton range would not totally off-set these cost of production increases, it would offer a reasonable degree of protection to encourage growers to produce a stable, abundant supply of peanuts for the U.S. peanut industry and consumer.

8. PENALTIES FOR PRODUCTION OUTSIDE THE PROGRAM

Because surplus peanuts adversely affect a proven marketing and quality control program, strong marketing penalties are placed on production outside the program. Opponents of the current program have publicly proclaimed that one "would go to jail" for unauthorized production in an effort to cast an evil image onto the peanut program. This characterization is false. The penalty for excess production is a fine assessed on the peanuts as they are marketed. To expand this civil penalty to "going to jail" is a gross overstatement.

9. U.S. NOW LEADS IN PEANUT EXPORTS

As a result of the two-tier peanut program enacted by Congress in 1977, the U.S. has become the leading exporter of edible grade peanuts.

Under the 1977 Act, producers who elect to do so may grow "additional" peanuts above their poundage quota but within their acreage allotments for the export market. These exports peanuts are produced and handled under the same rigorous quality standards that apply to domestically marketed peanuts. The Secretary of Agriculture is required to set price supports for additional peanuts at level that will move these peanuts into the world market. The U.S. peanut industry followed passage of that Act with an aggressive foreign market development program.

These efforts have paid off. Except for the 1980 short crop year, the United States has become the leading exporter of edible grade peanuts, capturing some 60 percent of the world edible market.

10. FARMERS SUPPORT PEANUT ALLOTMENTS

The Nation's 60,000 peanut farmers have shown overwhelming support for the existing peanut program in USDA-sponsored referendums held every three years. After three years experience under the new program of 1977, 89 percent of all U.S. peanut growers who voted in the most recent referendum favored continuation of the program.

Peanut legislation now before both houses of Congress is supported by the National Peanut Growers Group, which includes all 12 peanut grower organizations in the Nation. Continuation of the existing basic peanut program is also supported by the major general farm organizations, including:

American Farm Bureau Federation;
National Farmers Union;
National Farmers Organization;
American Agriculture Movement; and
National Grange.

11. ALLOTMENT SYSTEM PART OF FABRIC OF PEANUT PRODUCING COMMUNITIES

Over the past 40 years, the peanut allotment/quota system has become an integral part of the economic and social structures of the peanut-producing areas, states, and counties of the country.

Allotments have been capitalized into land values. Huge investments have been made in farm land and capitalized allotments and in specialized equipment, much of which can be used only for production of peanuts.

Termination of allotments would cause economic disruptions and hardships in many communities. Allotment holders, of course, would suffer most, but so would small town merchants, agri-businesses, bankers, and others. The ability of farmers to establish credit and secure farm operating loans on the basis of their allotments and quotas would disappear. Many simply would be forced out of business.

In short, the abolishment of allotments would be a severe blow to owners of peanut farms and to entire communities in many areas which now depend upon peanuts as a major cash crop and an important agricultural enterprise.

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III. TOWARD THE FUTURE

The Food and Agriculture Act of 1977 updated and gave needed flexibility to the Nation's peanut program. The 1977 modifications have succeeded in reducing the cost of the program dramatically and in making the U.S. a major exporter of edible grade peanuts. The program has also continued to provide an abundant supply of high quality peanuts to the domestic market, a stable and orderly market for peanuts, and a modest floor under producers income.

The farm bills reported by the Agriculture Committees of both Houses will fine-tune and continue the basic program benefits—to consumer and producer alike—for the 1982–86 crop years.

The supply and market stability and price support protection afforded under the House and Senate bills are particularly needed at this time to allow the peanut industry to recover from the wrenching disruptions caused by the 1980 crop disaster—the first in 25 years.

As production, supplies, and the traditional marketing processes return to normal in 1981, the peanut program as fine tuned in the House and Senate farm bills will continue to meet long-range objectives that will benefit the entire Nation:

Provide U.S. consumers with an abundant supply of peanuts at reasonable prices;

Further reduce government program costs, already sharply down, to zero or near zero by mid-point in the life of the new Farm Bill;

Continue the quality assurance program for peanuts as a basic food commodity that is unmatched in the world;

Provide an increasing supply of quality-proven American peanuts for the world food market to enable the U.S. to maintain and enhance its position as the leading exporter of edible-grade peanuts;

Provide peanut producers with price support protection at a level to assure them of a reasonable return near the cost of production on their domestic quota production and an opportunity to grow additional peanuts for the export market largely at their own risk.

The peanut program has proven that it works. In the words of the adage: "If it isn't broke, don't fix it."

The PRESIDING OFFICER. The junior Senator from North Carolina is recognized.

Mr. EAST. Mr. President, I wish to speak in opposition to this amendment

that is being proposed to the farm bill and in particular, of course, I wish to direct my remarks to this question of the peanut program.

I shall keep my remarks brief and make some what I hope will be useful observations to my colleagues, and then I shall enter the remainder of my remarks in the RECORD.

Mr. President, I point out that with the commodity programs that we have in all of the areas here involved, we have programs that have been in operation for a long period of time and people have acted in reliance on those programs and they have become a part of the fabric of the economy in many parts of this country.

We are not dealing with abstractions. We are dealing with real people in real areas on real farms.

I caution members of both political parties that to engage in frontal assaults on these programs is going to cause not only enormous economic dislocation in these areas but is going to cause considerable political problems for both or either parties.

It is imperative that my colleagues keep in mind that today the American farmer has fewer and fewer representatives in the Senate and in the House of Representatives. Fewer and fewer farmers are producing more and more, and the irony of it is, as they have been more productive and more creative, they have fewer and fewer people here representing farm constituencies.

Our farmers in this country, including the peanut farmers, have been great producers. High productivity has been the hallmark of American agriculture, not only in terms of what it means for our domestic markets but in terms of what it means for our export markets.

In bringing about this excellent state of affairs, we have had a combination of the public and private sector working together, and over the period of years we have developed a very delicate balance to allow this to work and to work effectively.

The Agriculture Committee has worked very diligently to come up with the programs that meet the real needs of these real people and to meet the domestic production and foreign production needs.

It is a difficult thing to do, and they have created a very delicate balance, and I commend them for it, both parties, majority and minority, in working together diligently to bring this about.

What deeply concerns me is, in the current amendment which has been offered by the distinguished Senator from Indiana, that this is looked upon and must be as a frontal assault upon one of the vital commodity programs, and I repeat to dismantle, to begin the job of dismantling, these programs, in this case the peanut program, bodes ill for the farm economy of this country, and I strongly urge my colleagues to resist it.

Finally, I note, as the distinguished Senator from North Carolina has noted, when you are going to deal with something as fundamental and as important as changes of this kind it ought to be done through the hearing process. It ought to be done through the process of making a bill to change, not through an ill-thought-out amendment or a quickly-thought-out amendment.

I simply remind you that these kinds of amendments have enormous impact, and I would encourage my colleagues to think long and hard before they join quickly and casually in these assaults.

Mr. President, I would like to take this opportunity to speak on behalf of the Nation's 60,000 peanut farmers by supporting the peanut provisions contained in S. 884, the Agriculture and Food Act of 1981.

The peanut is a very unique commodity due to the fact that we can vastly overproduce peanuts in a very short time. Peanuts are a perishable commodity; they do not have the storability of grains and cannot be handled under similar conditions for long periods of time without severe product deterioration. Boom-and-bust agriculture can be avoided for peanuts through production controls provided under the existing allotment and marketing quota system.

The current program has provided a continuous supply of reasonably priced peanuts to the market while maintaining net returns to producers at satisfactory levels. This program has worked well over the years and has benefited both consumers and producers of peanuts.

Production is limited by the allotments and quotas, and this has served to keep supply in line with demand. A dramatic increase in production, which would occur in the absence of a program, would quickly bring crop prices down and ruin many small farmers out of business. And these are small family farmers. In my home State of North Carolina, we have over 13,400 peanut farms with an average allotment size of only 13 acres. Production would shift from these farms to large, corporate-type farming operations, and another blow would be dealt to the family farm system in North Carolina and America.

The elimination of the program would almost certainly produce a geographic shift in the growing area, and the production would be concentrated into one area of the Southeast. This shift to one area would increase the risk of weather loss, not to mention the tremendous economic injury resulting in the areas of former production.

Producers would encounter trouble in obtaining financing in the absence of the peanut price support program. Banks and other lending institutions would be very hesitant to obligate funds in a time of increased risk and uncertainty. Without the program and its stable supply and price, economic chaos would be a reality in many rural areas from Virginia to New Mexico.

Heat and drought greatly damaged the 1980 peanut crop in the United States in all producing areas. This was the first time in many years that the U.S. consumer was faced with a shortage of domestic peanuts. The opponents of the program will argue that the allotment system creates shortages. This is hardly the case. Before this current peanut program was changed by the 1977 farm bill, the major concern was over chronic surpluses of peanuts—not shortages.

Many of our opponents attack the peanut program by criticizing and calling unusual the leasing of allotments. A producer will justifiably lease peanut allotments for a number of reasons. He will often lease the allotment and the land to grow those peanuts on, just as he would for corn or soybeans.

I have already told you of the many small peanut allotments in North Carolina and elsewhere. Leasing is simply a means of combining several of these small allotments into an economically efficient farming unit. This even conserves energy by enabling a farmer to grow his peanuts in one location rather than driving up and down the highways producing peanuts on several small and scattered farms.

Leasing is not the problem many would have you think. Recent figures indicate that over 40 percent of all cropland in the country is rented and farmed by someone other than the owner.

The cost of the program is small to the taxpayer and is getting smaller. The program was indeed beginning to have considerable expenditures before the 1977 farm bill. But changes in that legislation sought to match supply with demand through the allotment and production quota mechanisms.

The cost of the program has declined drastically since those changes. The Federal cost to the taxpayer for the last 3 years has averaged just over $5 million per year—a 96-percent reduction in average annual program costs when compared with the program prior to the 1977 changes. But we are not finished reducing Government costs. This program, if it is allowed to continue, should have a virtual zero cost to the Government by 1985.

The distinguished Senator from Indiana has criticized the program by saying that he would go to jail for planting peanuts without an allotment. This is an example of a broken rule carried to the farthest step. All programs worth anything must have rules, and the peanut program states that fines must be imposed for peanuts produced outside the program.

Changes in the 1977 farm bill sought to increase the export of edible peanuts. This new legislation permitted producers to grow additional peanuts above their poundage quota but within their acreage allotments for the export market. As the 1977 act lowered the cost of the program, it also succeeded at promoting exports. The United States has become the leading exporter of edible grade peanuts, with approximately 60 percent of the world edible market.

Some of the proposed amendments would eliminate the allotment system. These allotments have been around for many years, and have actually been capitalized into land values. People have invested tremendous amounts of money into farmland with peanut allotments, and this land would be worth much less overnight if the allotments were removed. The allotment owner would not be the only one left holding the bag. Also on the

losing end would be the banker, car dealer, fertilizer salesman, and maybe even the preacher.

The peanut program is a good one. It has been overwhelmingly supported by the peanut growers in a referendum. They have voted to impose this restrictive program on themselves, because they know it works.

I urge my colleagues to support the peanut program and those farmers who depend on it for their livelihood.

The PRESIDING OFFICER. The Senator from Massachusetts.

THE FEDERAL PEANUT ALLOTMENT PROGRAM

Mr. TSONGAS. Mr. President, certainly the debate on this issue must be fascinating as we have a remarkable reversal of roles in which those who are supporting the Lugar amendment, as I do, are basically making free-market arguments, and those who are in opposition have been strong supporters of the free market and find it necessary to adopt a different approach.

It would suggest that in politics as in Government generally there are very few constants.

It must be, I would suggest, difficult for some people to get up and make these arguments, given a long history of arguing for less Government, less interference, less cost, and let the free market prevail. But there is something to be said for fascinating turnarounds.

Mr. President, today we are debating the right of any American to grow peanuts for profit, not a very complex issue at all, and a corresponding right of consumers to buy peanuts at a reasonable price.

Under current law the peanut allocation program limits the right to produce peanuts. I did not know very much about this issue a year ago. The more I have looked into it the more it has astounded me that there could be such a program in effect in the 1980's and that anyone could even suggest that it be continued in the post-Ronald Reagan period.

The limiting of the right to produce peanuts serves the interests of certain allotment holders—we all understand that—and we can understand why they are lobbying so furiously to protect their vested interests. Were we in their shoes we would do the same thing. The fact is that it hurts everyone else. This anachronism causes those 70 percent of peanut farmers who do not own allotments themselves to lease them at a handsome price from those who do. Where does that fit in a free-marketplace economy? The program artificially raises the cost of production for the average farmer.

As I said, it is ironic that we are even debating the end of such a program, given what the 97th Congress has already done. One could perhaps have envisioned this kind of debate 5, 6, 7 years ago, but the fact that we even engage in it today suggests that we live in a kind of time warp. It suggests that the approach of the free enterpriser is lacking some component parts.

For months we have listened to the claims that last November's election represented a mandate from the American people. The American public felt it was time to change the way we did things. They wanted to get Government off their backs. They wanted to eliminate special interest politics. They wanted Congress and the President to control the spiraling costs of consumer goods and services. Many of those who oppose this amendment were in the forefront of arguing for that change.

We have all received hundreds of letters, postcards, and phone calls from our constituents that express those sentiments. Motivated by this outpouring of constituent concern, the majority of the Congress supported the overall economic program of the administration. The President has won a massive overhaul of the Federal budget and the way the Federal Government will provide funds and support services in the future. His victories in the budget process have been called "sweeping," "profound," and "revolutionary," and so forth, and certainly yesterday was another step in that direction.

If we believe in the underlying goals set forth in the new budget, and obviously a majority of the Congress does, how can we continue to support a program such as the allotment program on peanuts? After all we have said and done about Government spending, Government intervention, and excessive regulations, how can we condone this wasteful Federal program?

Much has been made in recent months in the Committee on Foreign Relations about certain nominees and whether they were truly reflective of the policies of the Reagan administration, and there were Members of the Senate who were going to hold the President's nominees to the purity test of the Reagan administration's ideological bent. What I am here today to do is exactly that. I think we have to hold the Senate to a kind of ideological purity test in supporting President Reagan's commitment to the free enterprise system. What Senator LUGAR and I and others are doing is trying to, if you will, honor the mandate of November and to safeguard the mandate from those who would dilute the thrust and commitment of the Reagan administration.

The peanut acreage allotment system is a classic case of the special interest politics that many of my colleagues have pledged themselves to eradicate. Many of the programs I supported have been cut and, indeed, there were cuts made yesterday in time-honored programs. It is time that we extend the new approach across the board.

This Nation has always embraced a free market system. The peanut acreage allotment system is antagonistic to a free market. It is a blanket contradiction of the term "Land of the Free." It is incredible that an American who chooses to do so cannot grow and market peanuts for profit without an allotment. This allotment is not like a permit that anyone can get by applying for one. There have not been any issued in years.

These individuals have allotments because, by and large, their ancestors received them free from the Government during a time when the peanut farmer needed help. Forty years later they go on profiting from them, despite the fact that they really did nothing to earn them in the first place. Someone holding for 50 acres might lease it for $300 per acre, and make $15,000 compliments of Uncle Sam. This program is designed to aid one small group of people. It has an adverse affect on peanut farmers and millions of American consumers.

The vast majority of those 59,000 individuals who do have the privilege of owning an allotment do not even grow peanuts. Why should they? They can lease their allotments and make a handsome profit without purchasing one single seed or a pound of fertilizer. They do not have to plant, or nurture, or harvest the crops. Moreover, unlike the farmer, they do not lose their profits if there is a drought, such as the one in 1980. The allotment holder gets his rent no matter what.

The program has created tension between the farmer and the allotment holder, yet the farmers are reluctant to speak out. Speaking out could well mean they have no allotment for next year. This fact alone should cast doubt on the wisdom and fairness of the program. A man who invests his own money, time, and the most productive years of his life growing peanuts can lose it all at the whim of the allotment holder.

The consumer is an even bigger victim of this feudal system. All of us suffer in varying degrees during good and bad crop years, and over the last year we have paid unnecessarily high prices for peanuts and peanut products.

During the years when U.S. peanut products have been good, the consumer paid a higher price because of the artificial production costs created by the allotment system. In bad years, such as 1980, when there was a shortage of U.S. produced peanuts, consumer costs went through the roof. It inflated the cost of peanut butter—a basic part of a low-cost nutritional diet for many Americans.

Is addition to the allotment, the Government supplements the strict limits on supply with a domestic price support system. The annual cost has averaged $60 million over the last 5 years. The Government severely limits peanut imports. Last fall, shelled peanuts rose to $1.75 per pound. If there had been an adequate supply of peanuts, wholesale levels probably would have been 40 or 45 cents per pound. Our Government delayed raising the quota in response to the shortage. And so the consumer paid for the U.S. embargo on imported peanuts. Overall, this outdated program cost the U.S. Treasury over $1 billion during the past four decades—more than half of that since 1970.

I want to emphasize that we are not arguing against having an agriculture program for peanuts. But every practical factor argues against the unique allotment system for peanuts. This system, which exists for only one edible commodity, has outlived its usefulness and its effectiveness. A system more like

those for wheat, soybeans, and other major export products would be far more equitable.

The issue of the allotment acreage program is not a narrow question of farm supports and subsidies. It is not a matter of partisan politics. I urge my colleagues to support this amendment. We must demonstrate that we are working sincerely to curb inflation and protect the American consumer. We cannot and we must not continue to protect this special interest at the expense of the population at large.

(Mr. JEPSEN assumed the chair.)

Mr. TSONGAS. Let me say again that this is a fascinating issue. Indeed, the entire farm bill represents a rather historic turning point. Those who want to understand where this country is and where it is going, what the interplay is between special interests and ideology, should look at this whole debate.

Speaking as a Democrat who has grave reservations about the direction in which the country is going, one could be ambivalent about the outcome of this amendment. If indeed the amendment should fail and the vested interests should prevail, then we have indeed lost a short-term battle. But the major necessary ingredient for this administration to have in its new thrust is credibility. If you are going to go out and ask the school lunch program to take cuts, if you are going to ask people who need college loans to take cuts, and you keep this kind of program intact, you can do it, but you will pay a price. The price over the long term is a sense of unfairness, a sense of being had, a sense ultimately of hypocrisy.

So those of us who support a different approach look at this with a kind of ambivalence. In the short term, I, for one, would like to see this passed. But if I were a strong supporter of this administration's policy, I would want this to pass overwhelmingly to send a message that we are prepared to make the necessary sacrifices irrespective of special interests and who is who in the congressional firmament.

It is important that when we make cuts there be a sense of fairness. Nothing will, I think, erode that sense of credibility and fairness and equity than a sign that there are certain special reserve component parts to which the rhetoric—the ideology—does not apply. And let that sentiment be broad in the land and you will see a severe reaction build up over time.

If you are a consumerist, you should support this amendment. If you are a believer in the new economics of free enterprise, unfettered, you should support this amendment. If you are a supporter of the President in his attempt to provide a sense of equity, you should support this amendment. Indeed, one really has to search for a reason—other than that special constituency—why this amendment should not be supported.

I commend the Senator from Indiana for his initiative in this respect. Thank you, Mr. President.

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alabama.

Mr. HEFLIN. Mr. President, I wish to commend the membership of our Senate Agriculture Committee that spent literally months on the farm bill, literally weeks on the peanut provisions if you count all the hearings and various discussions, and the continuing effort to try to fit the farm bill and the peanut provisions within the scheme of the old Economic Recovery Act.

Some people have made some criticisms of deals. I heard this speech last night. I read something in the newspaper. I have heard things about a letter from the administration. But I do know that in time and sequence and events that the Secretary of Agriculture did not state his support for the revised committee version of peanuts until adjustments were made where the Government losses would be zero. In other words, no costs to the taxpaying public.

I think you have to look at every other farm commodity. Can you point to another commodity in the farm bill that is in the same category of peanuts, in that peanuts is not going to cost the Government to lose money or to expend money? Every other commodity has an expenditure associated with it, although I hear whispered that the tobacco program does not.

And I might say that the chairman of the committee, from the very beginning, has endeavored to reduce any cost that the Government is involved in down to a minimum. As the peanut section of the bill now stands, only administrative costs are involved.

Now, yesterday I painfully voted against an increase in support levels for the dairy farmers of our Nation. I have dairy farmers in my State. The president of my Farm Bureau is primarily a dairy farmer. But I have been trying to work within the framework of the committee, carefully fine tuning the farm bill to where it produces a workable program for the farmer but yet is a part of the overall economic recovery program of the President, which is fine tuned, too.

We have a budget approach involved. We had the first concurrent resolution in the budget and we had a reconciliation of the budget. The Agriculture Committee approached, its commitments and, overall, stayed within it, when everything is considered. Our Senate Agriculture Committee met the requirements or the severe budgetary constraints which were imposed upon us.

Really, it is rather ironic that the people who are trying to destroy the committee approach want to do it where it is adding costs. And each of the proposals that are before us will add costs to the peanut program.

I want to go into that later on in my remarks. The distinguished chairman of the Agriculture Committee went into that last night, pointing out how expensive the Lugar amendment will be and in a minute I want to point out what the Mattingly amendment will cost the taxpayers of the United States.

Our Senate Agriculture Committee spent 24 separate markup sessions trying to forgo a farm bill which will assure Americans plentiful supplies of food and fiber at reasonable prices while at the same time would be fair to our farmers. They have done a pretty good job. I do not believe any other committee has devoted as much time and effort trying to reach a solution to the overall problem of dealing fairly with each and every commodity. And I commend the chairman and Senator HUDDLESTON, the ranking minority member, for their patience and fairness in approaching this unenviable task.

I have heard a lot of conversations about allotments. What is an allotment? It is a franchise. Is there something un-American about franchises? Is there something un-American about McDonald's? Is there something un-American about Roy Rogers or Hardee's?

It is a franchise to sell within a restricted area. A franchise limits. It is a limitation.

Maybe we ought not to have any limitations, but there are limitations that exists in every aspect of business life and in government. Last year the soft drink bottlers came before the Congress and said because of a court decision, "Our franchises and franchise system are to be destroyed."

Like McDonald's, it was a franchise based upon a family business concept that they and they alone could sell within a limited area.

An allotment is a franchise. It is a franchise to sell to a limitation.

Why did the soft drink bottlers say, "We are justified in having a franchise"? Why is it that McDonald's is justified?

In the soft drink matter they brought out basically three arguments. One argument was quality control. No. 2 was stability. No. 3 was family, that the soft drink bottlers were family owned and operated and had been for many generations.

If you did not allow the local Coca-Cola Co. in my home area of Tuscumbia to have its franchise, then you are going to destroy that family and that family business.

There were three votes in the Senate against the Soft Drink Bottlers Act. Senator LUGAR voted for the Soft Drink Bottlers Act. Wherein, in principle, is there a difference? I see none.

We are dealing with the matter of franchise in the peanut program. We are dealing with the matter of quality control. The matter of quality control is important. It takes years of cultivation to be able to control the cornstalk borer, which is a dangerous adversary of the peanut. It takes a tremendous amount, year after year, of effort to control aflatoxin, which is a cancer-carrying type of fungus or disease.

On the matter of quality control, the fact that you have, year after year, planted peanuts in a proper manner gives you the proper control know how.

Stability. There has been a feeling that the peanut manufacturers ought to have a stability to their market. Peanuts have been grown in three areas, basically: The Southwest, Virginia and the Caro-

linas, and the Southeast—Georgia, Alabama, and Florida. Because of the fact that you have droughts that affect peanuts, only in 1 year out of the past 25 has there been a lack of stability as to adequate supply. The past crop year was a devastating year and the yield-sapping drought hit all areas of the peanut belt. As a result, we suffered. The drought caused increases in the price of peanut butter. But to show that you have had stability in all of that period of time is because of the peanut program that we have had.

The family I leave to the eloquence of the chairman of the committee who has spoken to this. There will be destruction of families, havoc that will take place in the absence of a planned, studious approach to this by which injury is minimized. If you are going to suddenly take this existing program away from groups where they have had it for 41 years, the resulting economic and social impact has to be considered and you have to minimize the consequences of injury that can result.

Franchise, quality control, stability, the family, whether it be in soft drinks, whether it be in legislation coming up pertaining to the beer distributors, again there are all of the essential elements. It is a limitation, but it is a limitation which is justified, a limitation which the soft drink people said was justified because of stability, quality control, and the consequences on the family.

Allotments have protected this country in the past. Protected the farmer, the cotton farmer, the wheat farmer, when supplies were such that we had no real export market. We have tried to improve the export market for farm commodities. They tell me in the dairy program we have butter that is 3 years old which the Government purchased as surplus. Do you want to put peanuts into the surplus type of commodity and pay a billion dollars a year as you are having to do in regards to the dairy program? That is, if they will grow peanuts, as they say, all over the country.

Somehow or other peanuts have been around for a long time. A great Alabamian by the name of George Washington Carver really lifted the world to the peanut and the potato, finding various uses for them. He could serve a meal in which you would start out with peanut soup and you would end up with peanut ice cream. Dr. George Washington Carver has been dead for many years, and peanuts have been growing. They were growing in many places before this program was adopted many years ago. Are they going to grow in Indiana? If they were to grow in Indiana, they would have been growing there a long time ago.

Forty-some odd years ago you had it where climate, the Lord, rain, everything came together. If you think you are going to grow peanuts in every place in the world, I think you will be sadly mistaken.

Frankly, the place that would probably benefit the most is the Southeast. That would be the place where the weather, the growing season, the length of time, and all of these matters would coalesce to produce and to increase the crop.

This program on peanuts is complex and a lot of people do not understand it. I would say that two-thirds of the agricultural staffs of the Senators think peanuts grow above the ground. Some of them may think you pick them from trees or in some way.

I am being facetious, though I do not intend to be. There is a lot of misunderstanding about the program and understandably, so because, as I have previously stated it is an extremely technical and complex program.

A peanut is more akin to a vegetable than to a grain. We have talked about a fine-tuned program. It has two basic areas. It has quota peanuts and it has additional peanuts, which are in a different category. There are two different support programs. There are all sorts of things that are different about peanuts that make it hard for people to understand unless they are intimately involved in it. I think because of this complexity many people compare peanuts to other crops. Some people have the idea, "All right we can take these peanuts away from the farmers in these areas and they can start out and use their plows and the tractors and the same machinery." But when you take away and destroy the peanut program, how many grain crops grow beneath the ground? Potatoes do but that is not a grain crop.

We had a terrible hurricane in my State, Hurricane Frederick. I did not know a lot about pecan trees, but I found out it takes 8, 10, or 12 years for a pecan tree to come into production. A fellow took me into his barn to show me his equipment. He had lost 2,000 pecan trees and he said, "What am I going to do with this equipment?" He had over $200,000 in specialized equipment.

As I look at the peanut farmer today, I realize that the peanut farmer's equipment is entirely different from soybean, wheat, corn equipment or the equipment for any other commodity.

The amendments now before us can destroy many of those who now rely on the peanut program for all or a substantial majority of their income. That may not be a reason for you to vote for the committee package, but it is a reason for you to give attention to what the chairman has suggested. Let us go about any changes in the program in an orderly, proper manner, through hearings and the receiving of public testimony, to determine the consequences of injury that will result from changes in the peanut program as presently constituted. We have a legislative procedure to be used when making drastic changes in various programs and this time-tested, time-proven procedure certainly should be the vehicle used in making any substantive changes in the peanut program, particulary inasmuch as livelihoods are very much involved.

If we destroy the franchise system, what takes place? What would have taken place in soft drinks? Large, regional corporate distributing units would have come about. There will be a shift, in my judgment, from the small farmer to the large corporate farmer in regard to the peanut program if we destroy it. I think it will definitely cause, as I say, a production shift from one geographic area to another of the Nation. It will destroy many family farms, as I have previously mentioned.

The average peanut allotment is 25 acres. Twenty-five acres is a small amount. Usually, there are maybe 75 acres of soybeans with it. They used to grow a little cotton, along with peanuts in my State, but they are not growing much cotton in the areas of Alabama where they are growing peanuts, because the boll weevil came along and ruined cotton farming. In Alabama, we have a statue to the boll weevils. The statue is there because it got the farmers of Coffee County away from raising cotton and got them to raising peanuts. That was many, many years ago.

Mr. President, I have heard the argument that there is a high percentage of leasing in the peanut program, and there is the indication that there is something evil about leasing. I do not know the exact figures, but I daresay that in the State of Indiana, close to 50 percent of all farmland is leased. Is there something evil about a widow leasing her land? Is there something evil about a farmer who has reached the golden years of his career deciding that he wants to lease? I do not believe the leasing aspect, which has been so highly publicized, is evil. I believe that leasing is a part of America as much as McDonald's. It is a part of America as much as political parties. So I do not see all this leasing evil which has been bandied about. I think there have been some distortions about that feature of the peanut program.

Opponents of the peanut program will take some figures and say that the peanut allotment is being leased at $200 an acre. But they do not show the separation of the other lands that go with that acreage allotment of peanuts, where they plan soybeans, where they plant corn, and where they plant other commodities.

Mr. President, I really think that this effort to drastically change the peanut program at this time is extremely unfortunate. This is certainly not a timely effort. We have really had 4 bad crop years with regard to peanuts in the Southeast. They have had, since 1977, a 40-percent loss of income. Some people had the idea that President Carter was looking out for the peanut farmers. The 1977 farm act in his administration was a substantial retreat. The peanut farmers gave tremendously at that time and now they are being called upon to abolish the entire program. All of this in just 4 short years.

Mr. President, I want to mention a few other things. If we do away with the peanut program, what is the effect going to be on soybean, corn, palm oil? Will not peanuts be turned loose in those areas? It is going to be the peanuts raised, that get into the candy bars or the peanuts that you will find on the cocktail circuits that will be involved. Those peanuts are going to go into competition with this corn oil, soybean oil, and other oils. The fine-tuned arrangement of the farm bill then gets out of line.

Mr. President, as you know, it is hard for a country boy from the valley of the Tennessee River in Alabama to understand how you can cut taxes and have a balanced budget. I was educated on the supply-side theory. The supply side brings about fine tuning so I was told. I was convinced that I ought to support the President's Economic Recovery Act and I am hoping and praying that his fine tuning is going to work. I think that high interest rates must come down if it is going to get to the fine tuning aspect of the President's program, because that tune is playing a sour note at this time.

But, Mr. President, I am telling you that the peanut program, with its complexities, has to operate under a fine-tuned plan and we are being called upon to destroy that with the amendment presently before us. On the one hand, we may have a dairy situation, where we may be called upon in 4 or 6 years to take care of the surpluses. On the other hand, which I think is going to be the more likely, we are not going to have all that production. We are going to have a fine-tuned plan destroyed. As a result, we are going to wreak havoc. It is going to be extremely costly to the Federal Government.

We have here the Helms and Huddleston carefully tuned peanut provisions that will work. It has worked in the past. It has the support of the President, it has the support of the Secretary of Agriculture. It is not going to cost the Government any money. You people who have been running around with the red pencils, balancing the budget, if you vote against the Helms and Huddleston provision, it is an indication that you are not for a balanced budget or a decrease.

The peanut farmers want to cooperate. They are willing to take their chances in regard to the commitee bill which has cut back on the program. But they want that fine-tuned plan that can come about and can continue to work.

Mr. President, I think it would be important to consider the cost of the other proposals being offered in lieu of the committee's peanut proposal. I do not have all the figures on them. With all the papers I have around here, it is a hard thing to do. But I have been told on Senator MATTINGLY's plan, there is no Government control on cost. The sky can be the limit. All additional peanuts can move into the domestic edible market, thereby causing quota-loan peanuts to remain in Government loan, resulting in high Government outlays. This would create a surplus situation similar to the situation that existed prior to the 1977 act.

The Mattingly proposal provides no cost offsets between the additional and the quota pools, thereby leaving the U.S. Department of Agriculture to pick up costs currently paid by the grower. I am told that it would cost at least $100 million a year.

Senator HELMS has gone into quite a great deal of detail about the Lugar amendment and what it would cost. It has been indicated to me in regard to the Lugar proposal that there would certainly be a price support. It will be left to the Department of Agriculture, the Secretary, and the price supports that are calculated will be calculated on the basis of cost of production. Senator LUGAR indicates that the Secretary would establish no high loan rate or support price. I just do not believe any Secretary of Agriculture, whether he be Democratic, Republican, or any breed whatever is going to get out of line in the percentage of cost of production of one commodity over another commodity.

I do not believe that anybody, in equity and fairness, is going to say, "All right, we'll give nothing to peanuts. I have the authority to do so. But we are going to give soybeans, corn, feed grains, and wheat a certain basis, based on the value of the cost of production."

If he went as low as about a third or in that neighborhood—say, a loan rate of $250 a ton—then the outlay in regard to that, under the Lugar proposal, according to the information I have, would cost $143,750,000. If a loan rate of $340 were used, which is getting up, the cost would be $195,500,000. If a loan rate of $420 were used, under the Lugar proposal, there would be an outlay of $241,500,000. If the present loan rate were used of $455, it would exceed $250 million.

In the desire to eliminate franchises, I believe we have forgotten the cost approach here, and it is important that we realize that cost is something we have to consider.

Peanuts are a complex product. The growing of peanuts is different. Peanuts grow below the ground. Have you ever eaten a rancid peanut? Peanuts cannot stay in the loan and in warehouses for long periods of time without refrigeration They are more akin to a vegetable or to a green.

I say again, the program is very, very complicated. But it has been worked out carefully over the years to prevent surpluses, to provide stability, to provide quality control, and to protect the family farmer.

I urge Senators to support the chairman and the minority member of the Agriculture Committee, who have worked, who have been present at each of the 24 markup sessions before the bill was finished, and who have been present at each of the 24 markup sessions before the bill was finished, and who have been present in at least five meetings since that time that I know of. They have endeavored to bring everything together. I believe they have done a remarkable job.

Some people can say that perhaps this commodity has a limited advantage, but that has not resulted from anything other than an effort to be fair. I believe that saying that would be a distortion, because we have tried to present an overall program that is equitable and fair. Senators should consider this. They should consider, No. 1, cost. Consider the fine-tuned plan. Consider the fact that this is an integral part of the President's program.

I hope Senators will support the chairman and the ranking minority member of the committee on this program.

Mr. HUDDLESTON. Mr. President, I join in the sentiments that have been expressed in rejecting the amendments that have been presented relating to the peanut program.

I point out, as already has been indicated, that what is before the Senate in S. 884, as modified, is a program that already has been substantially scaled down, as we have done in the case of the other commodity programs in wheat, cotton, and feed grains.

In the case of the peanut program, the committee reduced the loan rate for quota peanuts from $631 to $596 per ton. In addition, the committee reduced the minimum national poundage quota from 1.3 to 1.24 million tons. We also added language providing that no person may exercise allotment rights without sufficient land to support the allotment. Any allotment or poundage quota surrendered for lack of tillable land would revert to a pool for distribution to new growers.

The provision relating to tillable land is designed to prevent country clubs and other similar entities not now farming from accruing benefits from the peanut program through leases of their peanut allotments.

Finally, we added language making it clear that there are no criminal sanctions—only civil penalties—for violation of peanut marketing quotas.

We hear people saying that somebody is going to be put in jail if they want to grow peanuts. That question has been disposed of with this particular language.

Mr. President, the existing peanut program which S. 884, as modified, would basically extend for 4 crop years was hammered out in 1977 as part of the Food and Agriculture Act of 1977.

The program has worked well, and it has been of enormous benefit to the peanut farmers.

I point out one other fact for my colleagues. This program and all the other commodity programs are not something that just appeared out of the thin air. They were put into effect to meet a specific need. They were put into effect to eliminate chaos at the marketplace. They were put into effect to offer some degree, some modicum, of stability to the producer.

There are no bonanzas in this farm bill. You cannot write a program, no matter how generous you think you are, that is going to provide certainty for the farmer that he is going to make money from his operation. You cannot write a program against floods and dry weather and hurricanes and insects and all the other things that a farm operator is faced with from the time he considers planting his crop until he gets it to the marketplace.

This does not do that, either. All we can do is try to provide some measure of assurance that the farm operator, who invests his time, who invests his money, which is becoming more considerable all the time in the production of a crop, in trying to provide the food and fiber for this country and for much of the rest of the world, will not be totally wiped out, that he will not lose everything he has. In many cases you cannot do that because of adverse conditions over which nobody has any control.

So these are not programs, any of them, that have just appeared on the scene all of a sudden to try to provide some kind of bonanza for people who are agriculture producers. The programs were brought into being because of dire circumstances that existed.

If you want to look back to the day when we did not have any programs, if you want to look back to 1932 and 1929, there was not much Government regulation in those days. There were not even big deficits in Government expenditures. I do not have to describe the economic conditions that existed in those days, when the United States was, without question, at the point of its greatest peril since the time of the Founding Fathers.

So one can suggest that without Government programs, everything is going to be great; but I do not believe history will bear it out. I do not believe that the conditions that brought into effect these various programs have changed to the extent that we can say now that we do not need them any more and we should go back to those times.

I urge my colleagues to join in the motion that will be made relating to the pending amendments, that we table the efforts to eliminate or seriously modify this program and other programs, and move on with a reasonable program to provide some minimum help to agriculture producers of the country.

● Mr. JEPSEN. Mr. President, I am pleased to join Senator LUGAR in cosponsoring this legislation. In my opinion, there is only one word that describes the peanut program now in effect—unbelievable.

As Senator LUGAR has previously pointed out, his amendment was considered in the Senate Agriculture Committee during deliberations on the 1981 farm bill. The amendment did not pass, but that very well may have been because so few Senators really understood the peanut program.

I do not want this amendment to be voted on without Senators understanding the program we have now, so let me take a few minutes to explain it.

Simply stated, the present peanut law says that before a farmer can put a peanut in the ground, he must either have a Government peanut allotment or purchase the right to grow peanuts from a landowner who has an allotment previously passed on to him or his ancestors by the U.S. Government.

The original allotment system, started over 40 years ago, was intended to protect the peanut farmer. Allotments were generally given out to landowners who grew peanuts. However, over the course of 40 years, many of those farmers who originally wanted to plant peanuts have since decided that for various reasons they do not want to, and since a portion of their land was originally set aside to grow peanuts, they have the right to sell that allotment to another farmer who does want to grow peanuts—at some $100 to $200 rent per year.

I point out that this is not $200 per acre for the right to grow the peanuts plus the land to grow them on—this is only for the right to grow them. An allotment holder can and does sell his allotment, but farms the land and makes profit off of the crop he produces, too. This has gotten to be a common practice—in fact, today 70 to 75 percent of all the peanuts grown are grown on rented allotments.

Mr. President, I discussed this program with USDA officials during markup of the 1981 farm bill. When I asked about buying land and growing peanuts, they told me I could grow up to 1 acre for my own consumption, but that I could not market any other peanuts. When I pursued the question further, I was told that if I tried to market the peanuts I would be charged a penalty for the peanuts I grew and if I refused to pay the penalty, I would be thrown in jail. I ask my fellow Senators what kind of a free country we are running when I cannot plant what I want on my own land?

Mr. President, the history of the Government's role in the peanut industry is a classic example of bureaucratic indifference to both economic reality and the basic principles of our free enterprise system. I urge the Senate's approval of this proposed legislation.●

Mr. BOREN. Mr. President, I rise in opposition to the amendments offered by the Senator from Indiana and the Senator from Georgia.

These amendments would destroy the economic stability of the peanut producing sector. It is not fair to change the rules in midstream. Philosophically, I can understand some of the concerns expressed about the allotment approvals. However, we now have such a program. Young farmers have borrowed money to buy allotments.

To wipe away the program without notice would be to take away a property right, recognized by the current law, without compensation. It would be like suddenly doing away taxi licenses in some large cities for which the driver may have paid $25,000 to $50,000, planning for long range changes with due notice is one thing. A sudden sharp break with one part is another. Some medianism must be used to maintain a proper balance between supply and demand.

Peanut production is important to my home state of Oklahoma. There are 6,110 farms with allotments in our State. The value of the crop annually is approximately $60 million; 182,000,000 pounds constitutes the State's quota.

Peanut producers have been having a difficult time already. The cost of production exceeds $600 per acre, excluding the cost of land. The support levels have not increased quickly enough to keep up with increases in the cost of production. Last year because of a severe drought. There was a 40 percent reduction in peanut production.

S. 884 presents a reasonable compromise. It has been estimated that by 1985 the total cost of the program will be reduced to approximately $2 million. This would constitute only .0000028 percent of the total Federal budget.

Surely that is a reasonable price for retaining a viable domestic source of peanuts. We would do well to remember that last year, the domestic peanut grower received less than 34 percent of what the consumer paid for peanut butter.

We should especially remember that while the Oklahoma peanut grower was receiving about 25 cents per pound for his peanuts in 1980, the cost of imported peanuts was $1 per pound.

The peanut program, as with all programs which expend Federal funds, should be carefully scrutinized. Some changes may be in order. I might well have written a different program had I been in Congress nearly a half century ago when this and other commodity programs were commenced. However, to suddenly make drastic changes without notice which would destroy the domestic peanut producers is not fair or wise.

The over 6,000 peanut farmers in my State do not deserve such treatment. Neither do consumers who will pay much more if they are forced to depend upon imported peanuts in the future.

Mr. BENTSEN. Mr. President, I am strongly opposed both to the amendment of the Senator from Indiana and the amendment of the Senator from Georgia.

Both of these amendments would eliminate the current peanut program. They are a breach of faith in the face of a long, hard, good-faith effort by the peanut farmers to pare the program down to a minimal cost level.

The peanut growers have sacrificed for 4 years, ever since the 1977 farm bill, in order to reduce the cost of the program. They cut this cost by 90 percent a tremendous achievement.

It has been very costly for them financially, but they are now offering a peanut program which will continue to assure the American consumer a stable, adequate supply of high-quality peanuts at a reasonable price. This peanut program will deliver this at a minimal cost to the taxpayer, in fact at no cost in 1982.

We are now being asked to reject these efforts, to throw away 4 years of sacrifices made solely in order to keep a program which has served this country well. This is not right. I will not agree to it, and I hope the Senate will not agree to it.

I was an original cosponsor of the proposal that the growers wrote themselves. I have worked with the growers for months. We have gained ground inch by inch. We have made cut after cut to hold down the cost in the face of estimates which are continually revised upward. This is now the bottom line.

I am pleased that we were able to reach a reasonable compromise within the budget constraints while preserving the basic structure of the program. The peanut program has served this country well. Last year was the first time in 25 years that we have had a shortage of peanuts. Few other commodities can make that claim. The fact that peanuts are a perishable crop that cannot be stored, more like milk than other crops, requires that we produce a steady supply year in and year out. The geographic diversity of the current program has done that very successfully.

The peanut growers have made tremendous sacrifices in order to cut the cost and to keep the program. I urge

my colleagues to keep faith with these sacrifices and to keep this program without further changes.

● Mr. NUNN. Mr. President, I support the Agriculture Committee's version of the peanut program as presented by Senators HELMS and HUDDLESTON as a substitute to the original language of S. 884. I want to commend the leadership and the managers of this bill and the entire committee for meeting the challenges before them. My State depends on a healthy agricultural economy. Through the diligent efforts of these men, essential farm programs have been kept in place at cost-effective levels.

The peanut program is an excellent example. After lengthy markup sessions it was scaled down to maintain the present structure with lower costs than ever experienced in USDA history. Upon reporting the bill, it was realized that the Reagan administration would possibly veto the farm bill without further budget reductions. Once again this committee formed a package that meets these goals and protects our viable farm community. The peanut program is presently projected at no cost. With reductions in the support price, reductions in the minimal national poundage, and other changes, this perishable crop will remain affordable and abundant for consumers while protecting the marketing system for producers.

I have a more detailed statement I delivered on the floor earlier this summer which I will place in the RECORD again at this time. In short, let me caution my colleagues to refrain from drastic changes in traditional agricultural practices, when the committee bill can minimize Federal outlays and provide some semblance of security for agricultural producers. My State has endured some of the most devastating dry crop years in history. Coupled with spiraling inflation of production costs and high interest rates farmers are struggling to hold on to land that has been feeding the Nation for generations. I am not prepared to accept any responsibility for tampering with a program such as peanuts that has worked for over 40 years.

The statement follows:

[From the CONGRESSIONAL RECORD, June 25, 1981]

PEANUT PROGRAM

Mr. NUNN. Mr. President, today I rise in support of S. 884, the Agriculture and Food Act of 1981 as reported from the Committee on Agriculture, Nutrition, and Forestry under the leadership of Senator HELMS and Senator HUDDLESTON. I commend my colleagues for their conscientious reauthorization of programs which provide economic stability to the farmers of our respective States who are producing an abundant and affordable food supply for our Nation and the world.

I rise to lend my support to title VII of this bill which maintains the acreage allotments and poundage quota system for the production and marketing of peanuts. When the administration's proposal for the 1981 farm bill came to Capitol Hill, it became clear that significant alterations in the peanut program would be debated on the Senate floor with probable votes. Prior to the 1981 farm bill, peanut provisions had been part of the Omnibus Farm Act and no separate floor votes occurred.

As one of the 16,000 Georgia peanut growers, I wrote to the Senate Select Committee on Ethics describing my farm operation and, explaining attempts by me to sell my allotment during my first year as a Member of this body. I asked the committee to determine whether my participation in floor debate and votes would violate any Senate rules on conduct and ethics. I have recently received their response which concluded that legislative activity by me regarding the peanut program is not prohibited by the Senate Code of Official Conduct. Mr. President, I ask that my letter and the Ethics Committee's response be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
*Washington, D.C., April 30, 1981.*

Hon. MALCOLM WALLOP,
*Chairman, Senate Select Committee on Ethics, Washington, D.C.*

DEAR MR. CHAIRMAN: As you know, the Reagan Administration has submitted its recommendations on the 1981 Farm Bill to the Senate Committee on Agriculture, Nutrition, and Forestry. The Administration's proposal contains language that significantly alters the peanut program, including the elimination of the acreage allotment system. In addition, there are two pending amendments to S. 884 (Senator Helms' amendment 34 and Senator Mattingly's amendment 36) which may directly determine the future of the peanut program.

Georgia leads the nation in peanut production. The commodity contributes approximately $1.6 billion to the economy of my State with an allotted acreage of 567,000 acres and over 16,000 producers. I am, therefore, concerned about the proposed changes and the effect they would have on the agriculture community in Georgia.

I am now placed in an awkward position, however. My sister and I have a 75 acre peanut allotment in Houston County. I rent the farm from my sister and operate it as a sole proprietorship. I grow peanuts annually on this property, and this crop, depending on the many variables affecting farming, represents between 6% and 12% of my farm's gross income.

The dilemma is obvious—when legislation altering the peanut program is considered on the Senate floor, as a Senator from Georgia, I feel that I should play a role in the legislative process. On the other hand, I feel obligated to inform my colleagues of my own involvement in the peanut program, and I have refrained from any involvement in sponsoring legislation on this subject until my ethical responsibilities are clarified.

In the past, there has been no controversy on the peanut program in the Senate, and there have been no separate floor votes on this program. Legislation affecting the peanut program has been incorporated in the past as part of the Omnibus Farm Bill.

In 1973, early in my career in the Senate, I made an attempt to sell the allotment owned by my sister and myself, but I found that my attempted sale created much apprehension in the farming community because of considerable false speculation that I had inside information on the peanut program's future. Because of this, I decided against further efforts to sell the allotment even though I preferred not to be a direct, participant in a program with substantial federal government involvement.

This year, for the first time since I have been in the Senate, it is probable that there will be efforts to change the peanut program, and that the changes will result in Senate debate and votes.

With this background, I ask for your committee's advice on the following question: Would my participation in Senate debate and votes on the peanut program violate any Senate rules on conduct and ethics?

Thank you for your assistance in this matter.

Sincerely,

SAM NUNN.

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U.S. SENATE,
SELECT COMMITTEE ON ETHICS,
*Washington, D.C., June 3, 1981.*

Hon. SAM NUNN,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR NUNN: This is in response to your letter of April 30, 1981 concerning pending farm legislation. The Administration's recommendations on the 1981 farm bill contain significant changes in the present peanut program, including a recommendation for the elimination of the acreage allotment system. In addition, Members have submitted amendments which would significantly affect the nation's peanut program. While these issues are presently pending before the Committee on Agriculture, Nutrition, and Forestry, of which you are not a Member, these issues will very likely be the subject of debate by the full Senate.

These potential changes in peanut policy could, of course, have a major impact on the agriculture community in Georgia, which leads the nation in peanut production. This consideration leads you to a major concern over how peanut legislation will affect your State and constituents.

In addition to these issues, we understand you and your sister have a 75-acre peanut allotment in Houston County, Georgia. You rent the farm from your sister and operate it as a sole proprietorship. You grow an annual crop of peanuts on this property, and the crop represents between 6% and 12% of the farm's gross income, depending on the variables affecting farming in a particular year.

In view of upcoming debate on the peanut program, the interest of your constituents in the program, and your own involvement in the program, you ask whether your participation in Senate debate and votes on the peanut program would violate any Senate rules or standard of conduct.

Paragraph 4 of Rule 37 of the Standing Rules of the Senate provides:

"No Member, officer, or employee shall knowingly use his official position to introduce or aid the progress or passage of legislation, a principal purpose of which is to further only his pecuniary interest, only the pecuniary interest of his immediate family, or only the pecuniary interest of a limited class of persons or enterprises, when he, or his immediate family, or enterprises controlled by them, are members of the affected class."

The legislative history of this provision indicates that the provisions of the paragraph should be read quite narrowly. The Special Committee for Official Conduct stated in its report accompanying this provision to the floor as follows:

"The Committee recognizes that in many cases, legislation advancing through the Senate will have some impact on the financial situation of a member, officer, and employee. All tax legislation has such an import. Ordinarily, however, the impact on an individual's holdings is likely to be quite minimal in comparison to the impact of the legislation on the public and the public interest served. This paragraph addresses itself to the rare case when the relationship between the legislator's private interest and the public interest is dramatically different from the ordinary situation. It applies when a principal purpose of the legislation is to further the financial interests of the member, officer, or employee or his family. Legislation may have a significant financial ef-

fect on a Senator because his holdings are involved, but if the legislation also has a broad, general impact on his state or the nation, the prohibitions of the paragraph would not apply." S. Rep. 95-49 at 41-42 (1977).

The Committee Report went on to use an example which we believe is specifically applicable to the question you raise:

"Thus, for example, if a dairy farmer represented a dairy farming state in the Senate, and introduced, worked for, and voted for legislation to raise or maintain price supports for dairy producers, he would not fall under the stricture of this Rule. The strong presumption would be that the Member was working for legislation because of the public interest and the needs of his constituents and that his own financial interest was only incidentally related. In the terminology of the paragraph, the dairy farmer would be part of a class affected by the legislation, but not a member of a "limited class," as envisioned in this paragraph. The Committee tried to apply a number to the concept of "limited class" but found the task futile. However, the Committee intends that a class of people or enterprises sharing a particular economic interest (i.e. dairy farmers, shoemakers; disabled veterans) would not be a "limited class." By "limited class," the Committee means a class which resembles much more closely the class of people affected by a private bill. Therefore, to return again to the example of the Senator who was a dairy farmer, he would not be prohibited from working for legislation to help boost or maintain the price supports of dairy products. If, however, legislation was introduced to purchase a piece of land made up in part of a piece of this property and in part of pieces of his neighbor's property, in order to build a federal project there, the Senator would be foreclosed from working on the legislation.

If the legislation does meet the "principal purpose" (and "limited class") standards as necessary, the Committee intends that the disqualification from involvement with the legislation should be total. Id., at 43.

This legislative history makes clear that while you would be part of a class affected by changes in the peanut program, you would not be a member of a "limited class" as contemplated by the provision. As the report states, "[t]he strong presumption would be that the Member was working for legislation because of the public interest and the needs of his constituents and that his own financial interest was only incidentally related." We therefore conclude that legislative activity by you regarding the peanut program is not prohibited by the Senate Code of Official Conduct.

You are to be commended for your inquiry, which demonstrates sensitivity to the problems raised by potential conflicts of interest. That same judgment, carried through, indicates an ethical sensitivity to the problems and might at some moment dictate prudent withdrawal if events become more specific.

Sincerely yours,

MALCOLM WALLOP,
HOWELL HEFLIN.

Mr. NUNN. The present allotment system for peanut production has existed for over 40 years and represents 567,000 acres in Georgia. The average peanut allotment acreage in Georgia is 29 acres. With the exception of 1980 when dry weather sharply curtailed the crops, the program has insured a quality plentiful supply of peanuts at reasonble prices to consumers. This economic stability has contributed to the ability of many family-size farms to stay viable in the face of a series of drought years.

In light of producer initiated changes in the 1977 act, the overall cost to the Federal Government is minimal when compared to other commodity programs. Changes that give greater flexibility in the export and crushing markets have allowed peanuts produced in excess of quota but within the alloted acreage to be advance contracted for export at competitive market prices. This provision removes exposure for the Government by preventing those peanuts from entering the price support loan.

The present program is costing about $20 million annually. This compares with the Department of Agriculture's 1980 costs of milk at $1.03 billion, cotton at $75.8 million, wool at $34.5 million, and food stamps at $10.8 billion.

Following 1977, farm peanut prices have been stable with an increase of 8 percent between 1977 and 1981 ($420 per ton, 1978-79: $455 per ton, 1980-81).

Between 1976 and 1979, feeder steers doubled in price, corn rose from an average season price of $2.02 per bushel in 1977 to over $3.00 per bushel in 1980, and there was a general rise of 76 percent in the index of all farm prices.

Peanut prices to consumers have increased at about between 8 percent and 18 percent based on peanut butter data. Price ranges from 98 cents to $1.10 per pound in 1977 and $1.06 to $1.20 per pound in 1979. During the same period food prices rose about 27 percent.

Peanuts are also a unique perishable food crop which cannot be held in storage as grain and other commodities. This forces the marketplace to be highly dependent upon production controls and a price support program. Marketing supervision under the present program also provides for grower identification at the buying point thereby removing any mold or toxins from the food chain that are unfit for human consumption.

Peanuts are also unique in the type of equipment required to plant, harvest and dry for market. Investments required for this specialized equipment would tend to discourage major expansion into this industry should production control be eliminated. Data provided to me from the University of Georgia College of Agriculture states:

A recent study in Georgia gives more indication of what might have happened if additional peanut production were unlimited in 1979. Preliminary estimates from the study show that peanut acreage would have expanded by 28 percent, soybean acreage would have decreased by 8 percent, corn acreage would have decreased by 4 percent, and all other crops would have decreased by 3 percent. Only about 6 percent of the new production would have come from new producers and their average acreages would have been significantly less than for established growers.

The relatively small increase predicted by new growers in the shortrun was not surprising in light of the significant specialized investment required for peanut production and somewhat specialized knowledge of cultural practices. Some indicators were that relatively small acreages forecast by new producers were related to ability to rent specialized equipment from neighbors who were peanut growers. No new potential growers were found outside the traditional peanut counties.

The 1980 crop year for Georgia peanut farmers was devastating with a 40 percent reduction in crop yields. Farmers in Georgia have also experienced extremely dry conditions in almost every year since 1977 for all commodities. The financial burden has forced many bankruptcies of farm families that have lived on the land for generations. The stability of the peanut program works for the grower. It works for the landowner that uses the value of the allotment as equity to finance other farm enterprises. It works for the banker that can estimate a return for the money he lends on the peanut farmer's operating costs. It works for the fertilizer and implement dealer who provide the chemicals and equipment for this protein source. And it works for the consumer who has enjoyed an adequate supply of peanuts at a stable price for the last 25 out of 26 years.

I feel now is not the time to eliminate acreage allotments for peanuts and I endorse the committee's recommendations of the Agriculture and Food Act of 1981.●

● Mr. SPECTER. Mr. President, I support the amendment offered by Senator LUGAR which would eliminate the current peanut allotment program and provide in its place a price support program. This amendment would make the peanut program comparable to that for other commodities.

Under the Agriculture Committee's proposal, a person may not produce peanuts in excess of 1 acre in the absence of a Federal Government granted allotment. It is odd, indeed, that in a country that cherishes freedom so much, there is not freedom to grow peanuts. Any Member of this body and any other American citizen who wishes to farm may buy land in any State and plant any agricultural commodity—except peanuts.

And what is the basis for these allotments? They are based on who grew peanuts back in the depths of the great depression—1938. These allotments are now being passed down to the third generation, with approximately 94 percent of peanut allotment acreage being the special privileges of individuals in only 6 States.

And how does a person who wishes to grow peanuts obtain an allotment? Well, it is not easy. He must acquire land which already has a peanut allotment in one of the counties in only a very few States where there are owners who have peanut allotments. These allotments may not be transferred out of State and in the States where over 95 percent of all production occurs, they may not even be transferred out of the county. As a practical matter, the only way to obtain a peanut allotment is to buy land which already has an allotment. Any history student knows this system is akin to feudalism, even though it comes before the Senate under the rubric of a "farm program."

The current program has led to a terrible peanut supply shortage. In the summer and early fall of 1980, there was a severe drought in the 6 States which produce 94 percent of U.S. peanuts. The 1980 crop was 42 percent less than the 1979 harvest. With imports virtually prohibited in order to protect the peanut price support program, the price of peanuts rose from 45 cents a pound in July to $1.75 per pound in November and are still selling at approximately $1 a pound.

If Federal law did not require that 94 percent of the peanuts be produced in 6 States, and only in certain counties of those States, then the effects of the drought would not have been nearly so

severe. Peanuts would have been produced in more diversified locations. Consumers in the end were required to pay the biggest price, as peanut butter and other peanut products soared in price and even had to be rationed.

One of the more pernicious aspects of the allotment system is the value of the allotment rental. The dirt farmer has to pay an absentee landowner $100 to $300 for 1 year's use of a peanut allotment acre. Those who originally obtained the allotment from the Government, did not pay anything for it. Further, the land on which there is a peanut allotment will sell for a great deal more than comparable adjacent land without such an allotment. Of course, these same persons who have received this financial windfall from the Government are the same ones who are currently fighting so hard for perpetuation of this inequitable program.

My use of the term "absentee landowner" is not an overstatement. Over 70 percent of all peanuts are produced on rented land. Generally, the theory of Government agricultural programs has been to assist the individual actually doing the farming, not to annoint a monopoly on landlords. The peanut price support allotment program works just the opposite. Indeed, it is a fail-safe program for the allotment landlord. He gets his allotment rental cash in advance and takes no risks. While the farmer is actually doing his work, the allotment lord can have his allotment rental drawing interest.

Even worse than all of this is the total cost of the program to both the consumer and the Government. A significant part of price of peanut butter, packaged peanuts, and other peanut products reflects the value of peanut allotment rentals. For the 1981 crop, peanuts are price supported at $455 per ton, including allotment rentals which are believed to average between $100 and $300 per acre. The consumer gets nothing for these allotments. For any other crop, the cost of land rental is far less.

In order to compensate for these rental allotments and the recent escalating cost of producing peanuts because of inflation, the Senate Agriculture Committee has to provide for a minimum annual price support of $631.

Without the allotment rental of $100 and $300, the current price support of $455 per ton might be adequate. The difference, of course, will be passed on to the consumer. Under the committee's bill, U.S. consumers will pay about $175 million more for the farm value of edible peanuts. Since the manufacturers and retailers price is based on a percentage markup, the costs will probably be even greater. For example, the actual cost for the peanuts in a pound jar of peanut butter may be 60 cents instead of 43 cents.

The peanut program has also been an expensive one for the taxpayer. It has cost a total of $1.1 billion through 1980 and peanuts account for less than 1 percent of national farm income. If all other agricultural programs had been as costly, the burden on the taxpayer would have been staggering. One unexamined feature of the allotment program is the amount of bureaucracy which has been imposed on peanut production. One witness for the Senate Agriculture Committee stated:

> Most ASCS offices in the peanut belts devote nearly full time to the peanut program with more different forms, maps, measurements, poundage quota cards and peanut red tape than one can imagine.

I would also like to address two arguments proponents make in favor of this program.

First, that peanuts are a unique crop. It is contended that peanuts are different because they cannot be stored for long periods of time. While peanuts cannot be stored for as long as wheat, corn, and other commodities, they can be stored for much longer than fruits, vegetables, tree nuts, and other farm products.

Second, the current program has produced an abundant supply of peanuts. This is not accurate. There are three principal types of peanuts and the present program has provided an adequate supply of only one of these three types of peanuts.

In conclusion, Mr. President, the entire thrust of the President's program and of the program we have been trying to pass here in the Senate has been to reduce inflation and unneeded Government subsidies. Using these criteria, there is no doubt that the peanut program is a prime target for extinction. We should adopt the Lugar amendment and bring an end to the feudalistic peanut allotment program.●

● Mr. HAYAKAWA. Mr. President, at this time, I would like to voice my support for Senator LUGAR's amendment to the farm bill.

Senator LUGAR's proposal would eliminate the current system of peanut acreage allotments and poundage quotas. In place of this system, the amendment would require the Secretary of Agriculture to establish a price-support loan program at an appropriate level, taking into consideration the cost of production and other economic factors.

The farm bill, as reported from the Agriculture Committee, retains both the allotment system and poundage quotas. Such legislation preserves an archaic system of Government controlled peanut production. The original peanut allotments were distributed in 1938. They were given to those who were farming peanuts at that time to alleviate a possible oversupply situation in the wake of the depression. These farmers did not pay for this right to produce peanuts. The U.S. Government, therefore, has no moral or legal obligation to continue supporting the holders of these allotments with a monopoly on the peanut markets, especially since less than 30 percent of the allotment holders are presently involved in the actual farming of peanuts. The majority of the allotment holders simply lease all or part of their allotments, at considerable profit, to the farmer who actually grows and markets the peanuts.

As the committee's report correctly states:

> The bill attempts to protect the interests of the basic peanut producing areas of the country.

This is achieved, however, at the expense of the Nation as a whole. In this great land of freedom the only way an American can begin producing and marketing peanuts is to lease the right from an allotment holder. It is inconceivable to me that our Nation and Government, founded on the principles of free enterprise and equality, would continue to uphold a "feudal aristocracy" of privileged peanut allotment holders, while literally hundreds and thousands of farmers equally deserving are prohibited from growing and marketing peanuts.

Farmers are not the only ones affected by this outdated system. Both the consumers and the peanut processors are also penalized by the allotments and poundage quotas. By artificially limiting the supply, the consumer is forced to pay a much higher price for peanut products than he might if the free market was allowed to operate without the Government's interference. As Senator LUGAR notes, "The allotment rental costs (which add 20 percent to the farmers production costs) results directly in higher prices for every peanut produced." Though there is no way to calculate the loss to consumers from the lack of peanut supplies not produced, California consumers presently must pay 3 cents a pound in unnecessary transportation costs to bring the peanuts across the country. Not only are consumers and farmers adversely affected but the peanut processors are also inhibited by high prices and low supply.

As simple as eliminating the current peanut program seems, there are those who say we should keep the peanut program because poor old ladies have been dependent on their allotment income for years. It would be unfair, they say, to all of a sudden pull the rug out from under their feet. Indeed this conjures up a nasty image of insensitivity on the part of the Senate. Let us be realistic, the holders of peanut allotments are the same people who participate in the stock market, the bond market and the real estate market—some young, some old, some rich and some of middle income.

I think we can rest assured that those folks receiving income from peanut allotments have had plenty of forewarning. For years we have been talking of putting an end to such perversions of the free enterprise system. The writing has been on the wall long enough. We have not been bashful about taking strong actions in the past. What this country needs is tough action—responsible yes—but tough.

The question of fairness is often brought up when we talk of eliminating the peanut program. It is without a doubt a question of fairness. Just how fair is it for the Federal Government to tell farmers all across this great Nation—

no; you cannot participate in the free enterprise system? Or worse yet, how can this Senate with a clear conscience tell farmers that they must pay for the right to farm?

Let us go on with the question of fairness. I ask you, what about the millions of hard working Americans who have to pay more for peanut products just so we can maintain this program? What about the small farmer who has to pay 20 percent of his production costs just to lease the right to grow peanuts. Is this fair?

There are those who agree that this program should be eliminated but they oppose Senator LUGAR because he is supposedly moving too quickly. They say "wait", let us reduce the program gradually. Well I cannot with a clear conscience, say "wait" to the millions of Californians who should be paying less for peanuts. No American should have to wait any longer than he or she has to for relief from inflation. I cannot, with a clear conscience say "wait" to the small peanut farmers who should be getting more of a profit for the hard work they do.

There has been no clear evidence offered which would cause me to believe that peanuts should be treated any differently than other food crop. It is time to stop protecting those few privileged holders of allotments. It is time to stop national poundage quotas. If we accept Senator LUGAR's amendment Americans can look forward to larger supplies of peanuts at lower prices, peanut farmers to greater profits, and California, to the possibility of a new agricultural industry.●

Mr. THURMOND. Mr. President, today, I rise in opposition to the amendment offered by Senator LUGAR from Indiana. The Lugar amendment would jeopardize the survival of the peanut price support program, which helps stabilize the peanut market. This would be a severe blow to the peanut growers of our Nation.

The peanut price support program has been in effect since 1949. Without the stability of this program, uncertainty and confusion would interfere with the marketing of peanuts. Many small farmers unable to compete with large growers, would be forced out of business and would be denied their chosen lifestyle. This is certainly a situation that should be avoided if possible.

Peanut farmers have realized, as have most citizens today, that they must do their part to help bring Federal spending under control. The National Peanut Growers Association has worked with the Agriculture Committee and has agreed to a compromise that will help reduce Government expenditures. They have agreed to accept a support price of $596 per ton instead of the $631 level proposed in the bill as reported from committee. The minimum national poundage quota would be set at 1.24 million metric tons instead of 1.3 million. The compromise would eliminate allotments on farms with no cropland, making these allotments available for new grower applications. Additionally, it would clarify the provisions setting a civil penalty for those who produce in excess of their allotment and quota.

Mr. President, I believe this compromise is a fair one. The peanut growers of America have proven that they are willing to do their part to help cut Federal spending. In exchange, they are asking that the essential elements of this price support program be preserved. Accordingly, I hope my colleagues will reject this amendment.

The PRESIDING OFFICER. The Chair recognizes the distinguished majority leader, the Senator from Tennessee.

Mr. BAKER. Mr. President, the debate on these amendments has proceeded now for some time, and I am prepared at some point to offer a motion to table the Lugar amendment.

I have discussed this with the distinguished Senator from Indiana and the distinguished Senator from Georgia. I observe that the managers on both sides are present in the Chamber.

I have no desire to end the debate prematurely, but I inquire now if there is further debate. If not, I am prepared to make the motion at this time.

The PRESIDING OFFICER. The Senator from Alabama (Mr. DENTON) wishes to speak.

Mr. BAKER. Mr. President, I am prepared to yield the floor. At the conclusion of the remarks of the Senator from Alabama, if there are no other requirements for time to debate the amendment, I will be prepared to make the motion.

I yield the floor.

Mr. LUGAR. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. LUGAR. In the event additional time is allocated to those Senators, I should like an additional allocation of time to respond. If we are going to continue the debate, I would want time to respond.

Mr. BAKER. I thank the Senator.

Mr. HEFLIN. Mr. President, I wish to have a few additional minutes. I have additional information to present to the Senate.

Mr. BAKER. Mr. President, I do not desire to cut anyone off. Generosity can be a fault also. I thought we had this done to go right now.

So if there is to be further debate, I urge Members to make it as brief as possible. We have a lot of work yet to do and a lot of amendments to dispose of. I am prepared to make a tabling motion whenever it is possible to do so.

The PRESIDING OFFICER. The Chair recognizes the junior Senator from Alabama.

Mr. DENTON. Mr. President, my remarks will be brief. The case has been well made by the chairman of the Agriculture Committee and by my distinguished colleague from Alabama, Senator HEFLIN, here this morning.

It does seem to this Senator that the amendment proposed by my respected friend, the Senator from Indiana, does not address adequately the problems of the peanut industry. The Agriculture Committee's compromise package for peanuts is acceptable to the administration, and this compromise moves even closer to the administration's original proposal.

The committee's bill, with the latest cuts in domestic quota supports, insures that no cost will be incurred. This compromise package brings domestic quota production in balance with consumption. This proposal provides that allotments not used in at least 1 out of 3 years would revert back to the county and be made available to new growers only.

Except for last year, peanuts have been in oversupply. Senator LUGAR's proposal would create additional edible oil supply in an already saturated domestic and world market.

The committee's compromise proposal is a step in the right direction to produce adequate commodities insuring continuous supply for our American consumers.

Even with these proposed support levels, farmers will not be guaranteed a profit, only protection against manipulation of the markets and depressed prices in periods of oversupply.

It has been suggested that Senator LUGAR's proposal would enable us to maintain more budgetary control. However, under the committee compromise package, the Secretary of Agriculture will continue to have at his discretion the authority and the ability to influence commodity prices, thereby maintaining prices at levels that are not a liability to the Treasury.

In conclusion, allow me to say that the 58,000 farm families in my State of Alabama carry a tremendous financial burden. The peanut community of those farmers is facing a great challenge. In my view farmers are not among those segments of our society who are ripping off the system. We need a stable farming base to insure our national survival.

I believe we should extend to the peanut community the justified degree of stability imparted by the Agriculture Committee's compromise package.

I, as well as my colleagues, must shoulder a responsibility to assure equitable treatment of our deserving farm community.

Thank you, Mr. President.

I also thank the chairman of the committee.

The PRESIDING OFFICER. The Chair recognizes the Senator from Tennessee.

Mr. BAKER. Mr. President, I inquire of the distinguished Senator from Indiana if he has further debate on this farm bill.

Mr. LUGAR. Mr. President, I wish 2 minutes.

Mr. BAKER. I yield.

Mr. LUGAR. Mr. President, I have stated the case for my amendment in an extended speech last evening which I shall not repeat.

But the point of the peanut amendment was to bring peanuts into the

1980's, to make certain that there is some basis for the dramatic growth of a crop that has in fact been in a status of atrophy for a long time, largely because it has missed the free market of this country altogether.

In justice and equity to soybean farmers, corn farmers, wheat farmers, and every other sort of farmer, peanuts should stand in the same position. They should not have a privileged place in this House, and essentially the compromise fashioned by the committee protects, in my judgment, a system that really cannot stand the light of day, economically or politically, or with justice to farmers or consumers.

So, Mr. President, although I appreciate the parliamentary situation in which the distinguished majority leader is about to offer a tabling motion against my amendment, I am hopeful that the amendment will not be tabled, that in fact some reform opportunity will still remain. I have admitted the cost factors now are relatively moot. It is a question of principle, a question of equity, a question at least in which peanuts should not be the last edible crop in our country that has special allotment acreage controls, special poundage controls, and a system designed to privilege 59,100 Americans and no more, no less, forever.

I yield the floor.

Mr. BAKER and Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee has the floor and he may yield.

Mr. BAKER. Mr. President, I yield to the Senator from Alabama.

Mr. HEFLIN. Mr. President, I rise in support of title VII of the Agriculture and Food Act of 1981 (S. 884) as amended by the substitute package of the Committee on Agriculture, Nutrition, and Forestry. I respectfully urge the Senate to reject other amendments that will be offered to undercut and overturn the position of the committee.

Title VII is the provision of the farm bill that deals with peanuts—a basic food commodity whose products are found in almost every home in America. The principal product—peanut butter—has long been recognized as one of the most delicious, nutritious, and reasonably priced foods available to U.S. consumers. As the U.S. Department of Agriculture notes in a paper prepared for consideration of this bill:

> Peanut butter is considered by nutritionists as a good source of protein and has been widely used in low cost diets for this reason.

Peanuts are also a basic agriculture commodity in this country. The commodity is grown by some 60,000 producers in 19 States stretching across the Sunbelt from Virginia to California. Peanuts have a farm value of about $1 billion, and the crop is a bulwark of the family farm system in major producing States. Indeed, peanuts constitute a vital component of the agricultural economies of some 8 to 10 States and are deeply interwoven into the local economy and social fabric of hundreds of communities and counties across the production belt.

I cite these fundamentals at the outset to invite my colleagues—especially those from outside the peanut production areas—to consider carefully and thoughtfully all that is involved in the consideration of this title of the farm bill. I urge them to look beyond the emotional and often misleading statements that have been made about the current peanut program and about the Senate committee bill. I appeal to them to consider the impact on consumers and producers alike of the action we will take on the pending legislation and to consider the economic and human impact it will have on a large section of the country.

Mr. President, the peanut title of the farm bill now before the Senate was carefully weighed and considered before it was adopted by the Agriculture Committee. The committee held comprehensive hearings and received testimony from all segments of the industry.

The basic provisions of the peanut title now before you are supported by all the peanut grower organizations in the United States, by the sheller groups that appeared before the committee, and by the major general farm organization.

The bill was opposed by two representatives of the peanut product manufacturing industry. I doubt that any Members of the Senate will be surprised to learn that the main thrust of their testimony was that they want cheap peanuts. So much for the position of the manufacturers.

The peanut title as approved by the Agriculture Committee would extend for 4 years and fine tune the present peanut program, which was extensively revised by Congress in the Food and Agriculture Act of 1977.

It is interesting to observe that my friend and colleague from Indiana (Mr. LUGAR) continues to berate the peanut program as archaic, out of date, and a relic of the 1930's. He neglects to inform us that this archaic program is one that was substantially modified by the Senate Agriculture Committee only 4 years ago and that he, as a distinguished member of the committee then as now, participated in that modification.

The changes made by the 1977 act improved the peanut program in several respects and gave it needed flexibility.

The act provided for a two-tier system of production and price supports for the domestic and export markets within the existing acreage allotment system. Domestic poundage quotas were instituted among growers, with quota production supported at not less than $420 per ton. Poundage quotas have been adjusted downward over the past 4 years to bring production near to balance with domestic need, thus sharply reducing program costs for price supports. At the same time, producers grow additional—or nonquota—peanuts for the world market within their acreage allotments at price support levels at or below the world market price. There has been virtually no cost involved in the support of these additional peanuts.

The 1977 act has achieved a drastic reduction in peanut program costs. Prior to that act, net annual costs of the program had risen to above the $100 million level—to $121.1 in fiscal year 1975 and $210.3 million in fiscal year 1976. Since enactment of the 1977 law—according to figures provided our committee by the Department—the net 3-year cost to the Government was $15.4 million, or an average of $5.1 per year.

As a direct result of the 1977 act, the United States has become the leading exporter of edible grade peanuts. Except for last year's weather-induced short crop, we have captured some 60 percent of the world market for peanuts for food use, thus contributing to our international trade balance. This export leadership was achieved while maintaining an abundant production for our own consumers on the domestic side.

Mr. President, I believe any fairminded person will agree that the peanut program, as modified in 1977, has worked exceedingly well and to the benefit of all concerned—consumers, producers, and taxpayers. With the fine tuning that will be provided by the committee substitute, I believe we will continue to have a sound program for the next 4 years—a program that will continue to yield benefits to all concerned.

One of the principal changes in the current program under the committee substitute will be to reduce the minimum poundage quota from 1,440,000 tons this year to 1,240,000, effective with the 1982 crop. In subsequent years, the poundage quota would be adjusted as the Secretary of Agriculture deems necessary to cover domestic requirements.

The committee substitute will result in a further reduction in the already low cost of the program during the 4-year life of the bill. In fact, the net cost is projected to be only $2 million, which, I believe, represents the administrative cost of the program. Otherwise, there is zero cost to the taxpayer.

Mr. President, I am aware there are all kinds of cost estimates floating around concerning the peanut program. There are USDA estimates, CBO estimates, Budget Committee estimates, our committee estimates, and—I feel sure—OMB estimates. These estimates are just that, estimates. Each reflect the particular assumptions made by the particular estimator.

In the case of the Senate Agriculture Committee, we arrived at our cost estimates on an assumption that domestic peanut consumption next year would be in the range of 1,240,000 tons (farmer stock basis), and that increases in future years would be in line with the historic growth rate of 3 percent per year. Our assumptions are based on USDA's own projections in the 1979 and 1980 impact statements developed by the Price Support and Loan Division. These projec-

tions, which obviously were not made by USDA for use in consideration of the present legislation, put consumption in a range from 1,245,000 to 1,318,000 tons for the 1979–80 period. They were prepared before the disruptions in normal supply and demand trends caused by the 1980 crop disaster.

As the Senate Committee report notes:

USDA estimates that domestic usage will be in the 1,100,000 ton range rather than the 1,250,000 ton range estimated by the committee. Because the committee estimates that domestic usage will continue to increase at a level of approximately 3 percent per year, it establishes the minimum national poundage quota at 1,300,000 tons. This figure was reduced by the committee from the 1,440,000 tons provided for the 1977 act, so as to assure the lowest possible outlays for the program.

Another principal change that the committee substitute makes is to decrease the minimum price support loan level for quota peanuts from $631 to $596 per ton, effective with the 1982 crop. As in the case of other commodity programs, the minimum support level in future years will be increased on the basis of increases in production costs, excluding the cost of land. The Secretary's authority to set the support loan level for additional peanuts would continue to be tied to world market prices and conditions.

The price support protection provided to peanut farmers under the 1977 act has lagged far behind increases in production costs. Over the 4-year period of the present law the quota support level has been increased only once, in 1980 to $455 per ton. This is an increase of only 8.3 percent over 4 years. During the same time, according to USDA figures, the cost of producing peanuts has increased 44.6 percent, not including land costs. It was the consensus of the committee that the increase in support level provided under the bill is fair and equitable to producers.

Mr. President, in the weeks and months that the 1981 farm bill has been under consideration, a curious campaign has been mounted to discredit and vilify the current peanut program and to defeat the new peanut legislation approved by the Committee on Agriculture, Nutrition, and Forestry.

Fair criticism and vigorous debate are part of the legislative process that I welcome and relish. I am deeply disappointed, however, that much of the criticism of the peanut program has been more emotional than factual and reflects a bias and hostility that I find highly disturbing Seldom has such a small program been accused of such great evils.

Much of the criticism has centered on the acreage allotment system. It has been described as "monopolistic" and "feudal," serving no purpose other than to line the pockets of allotment holders.

This criticism ignores the vital role that the allotment system plays in assuring consumers a constant and abundant supply of high quality peanuts at reasonable prices and assuring producers of a stable market and fair prices at the farm level.

As it developed over the years, the peanut program of allotments and quotas has prevented the wrenching boom-and-bust cycles that many other commodities have experienced—and are experiencing at the present time.

By contrast, the peanut program has resulted in stability for the entire peanut industry—producers, handlers, manufacturers, and ultimately consumers of peanuts and peanut products. It has prevented wild swings in production and prices, which would have resulted in market gluts in some years and scarcities in others.

The present program also provides stability and order in the marketing of peanuts. Peanuts are a unique commodity. Unlike grains and soybeans, this commodity cannot be stored for extended periods by the producer to await a better market. Peanuts are a perishable commodity and must be marketed as they are harvested. Without the existing program, producers at harvest would be at the mercy of buyers, without the option of holding or storing their crop in hopes of obtaining higher prices. This is a major difference that many overlook when considering and comparing commodity programs.

Quality control is tied directly into the peanut allotment program. Peanuts is the only major American food commodity that is marketed under a voluntary but very strict quality assurance program, providing U.S. consumers with the highest quality peanuts in the world. Marketing supervision and checks built into the allotment and quota system provide the mechanism for identifying at the buying point and removing from the food chain any lot of peanuts found to have mold or to be otherwise unfit for human consumption.

Another persistent criticism is that the allotment system unfairly restricts peanut production to owners or renters of allotment and prevents nonallotment holders from growing and marketing peanuts.

That peanut production is tied to allotments is not denied. This is an integral part of the system to prevent ruinous overproduction and the boom-bust cycle, which would be bad for both producers and consumers of peanuts. But anyone can buy or rent a farm with a peanut allotment or the allotment itself. This, as we are frequently reminded, is a common practice.

There is another way for a new producer to obtain a peanut allotment, and that is through the new farm provision of the existing law. Under this provision, any eligible producers in a peanut county may apply to the local USDA office for a new allotment. The law establishes a 1 percent reserve in each State's annual allotment that can be apportioned among new producers. The Department has an established procedure under which new producers may apply for and receive new farm allotments.

Critics of the peanut program—relying on statistics produced by USDA—cite as a fact that 70 percent of all peanut production in the United States is on rented or leased allotments.

I do not know if the 70-percent figure is accurate or not. Regardless of what the true figure is, what is unusual, wrong, or evil about renting or leasing allotments in the first place? Leasing and renting of farm land is a time honored and perfectly normal agricultural practice in the United States for all types of commodities. According to the latest census data, more than 40 percent of all cropland is rented and farmed by someone other than the owner. It occurs in Indiana, California, Iowa, Alabama, and every other State of the Union.

In the case of peanut allotments, in the vast majority of cases, when a producer leases an allotment, included in that lease is the land on which to grow the crop. There is no difference in that process than a corn or soybean farmer renting his neighbor's cropland to grow those crops.

Leasing also is frequently necessary to bring together several small allotments into an economically viable family farm unit. Some 22,500 peanut allotments—or 38 percent—are less than 10 acres, and another 14,400 are between 10 and 20 acres in size. These smaller allotments are frequently combined with others to make up a practical family-farm-size allotment.

The impact of allotment rental costs on peanut products has been greatly exaggerated. The Senator from Indiana (Mr. LUGAR) said in a press release dated April 23, 1981, that "more than 20 percent of the cost of each peanut product * * * goes to pay the additional rental value" of peanut allotments. With all due respect to my friend from Indiana, I submit that this is patently absurd. Even if an average rental cost of $115 per acre is assumed, this would amount to only 1.71 percent of the consumer price of a 12-ounce jar of peanut butter selling today at $1.75. There is a vast difference between 20 percent and 1.71 percent.

Perhaps the most specious of all the criticisms that have been leveled against the peanut program is that a farmer without an allotment "would go to jail" for growing peanuts. This is an outrageous attempt to discredit the peanut program with emotional scare tactics.

After producers have approved of marketing quotas in a referendum, a farmer who produces peanuts without an allotment would be subject to cash marketing penalties based on a percentage of the Government price support. There is also a provision of the law for the collection of such penalties, which could result in court action to require payment to the U.S. Government. But none of this involves criminal offenses or criminal statutes and could not result in anyone "going to jail" for growing peanuts without an allotment. In any event, we have made it abundantly clear

in the committee substitute that only civil penalties shall apply in cases of program violations. In addition—and this is important—under the committee substitute it is expressly provided that no person may exercise allotment rights without sufficient fillable land to support the allotment. The substitute also mandates that any allotment or quota surrendered for lack of fillable land shall revert to a pool to be distributed to new growers.

Finally, Mr. President, there is the allegation that consumers would be forced to pay a great deal more for peanut butter and other peanut products under the committee bill because of the proposed increase in the price-support level. This is another flagrant emotional appeal to attempt to discredit the committee bill.

Mr. President, I would like to refer to a so-called "Inflationary Impact Statement" that has been circulated among Members of the Senate by the administration in opposition to the original committee bill. According to this sheet, some $185 million in higher costs to consumers would occur under the $631 per ton support level proposed in our bill versus the $455 per ton support level recommended by the administration. Even granting that such an increase would result, the impact on the U.S. economy and on consumers would be infinitesimal. The increase is further reduced by the committee substitute which reduces the loan level to $596 in the 1982 fiscal year.

Americans now have an aggregate disposal income of $1,945.5 billion—almost $2 trillion. The $185 million figure in the administration's sheet would amount to 0.00951 percent—less than one hundreth of 1 percent. On an individual basis, that works out to be about 84 cents of the per capita disposable income of $8,679 in this country.

The example cited in the administration's "Inflationary Impact Statement," upon close examination, is virtually indecipherable. Using the first quarter of 1980 as a base, the authors of this paper somehow manage to translate a 39.5-percent increase in the theoretical cost of peanuts in a 1 pound jar of peanut butter into a 38 percent of the total cost, conveniently ignoring the fact that peanuts account for only a fraction of the total price. They appear to build in an additional 31 cents profit on the jar of peanut butter for the manufacturer or somebody. Either that or the paper assumes it is all right for all costs of peanut butter to increase except for the peanuts, and that cost is supposed to remain at 1980 level.

I submit that this document appears to be deliberately intended to mislead and confuse the Senate on a very important matter. I hope it will be repudiated by the administration. For it is an insult to the intelligence of the Members of the Senate and to the integrity of this body.

Mr. President, I have cited only some of the unfair, prejudicial, and downright misleading criticisms that have been heaped upon the peanut program. I frankly am at a loss to understand the motivation behind this calculated attempt to destroy a program that is so important to a great many people in a large area of our Nation.

For let there be no misunderstanding about this: The destruction of the peanut program will have devastating economic, social, and human repercussions in a number of States. Peanut allotments have been capitalized into land values. Huge investments have been made in land, in allotments, and in the costly and highly specialized equipment required for the production of peanuts.

Termination of peanut allotments would cause economic disruptions and hardship all across the peanut belt. Allotment holders, of course, would suffer most, but so would small town merchants, agribusinesses, bankers, and others.

In my opinion, shou'd the present peanut program be abolished, there would be fundamental shifts and changes in peanut production and in the structure of peanut farming in this country. The most apparent effect, I believe, would be the concentration of peanut production in a relatively few hands and in a relatively few locales. The small, family-farm producer—now the backbone of peanut production in this country—would be replaced rather quickly by large scale farming operations.

Mr. President, I do not want to see this come to pass. I pray that it will not. The Members of this Senate have the opportunity to help see that it does not.

I urge my colleagues to support the peanut legislation that the Committee on Agriculture has brought to the floor. We have given our best efforts and our careful consideration in developing legislation that will maintain a sound, viable, and stable peanut industry in America—one that serves the best interests of the consumer, the producers, and the Nation.

Mr. President, throughout most of this year, the peanut producers of this country have worked diligently and conscientiously with Congress to develop new peanut legislation that would serve the best interest of consumers, producers, and taxpayers.

They have cooperated with the Senate and House Committees on Agriculture—and with the administration as well—in seeking to improve and fine tune the peanut title of the Food and Agriculture Act of 1977.

As a result of these efforts, both the Senate and House Committees on Agriculture approved, as part of the new farm bill, a peanut title that would:

Continue to provide U.S. consumers with an abundant supply of peanuts and peanut products at fair and reasonable prices and avoid boom-bust cycles in peanut supplies and peanut prices;

Reduce Government costs, which already have been dramatically lowered in 1977 the act, to minimal levels;

Continue the quality assurances program that provides consumers at home and abroad with the highest quality peanuts in the world;

Make U.S. peanut prices competitive in the world market and establish this country as the largest exporter of peanuts for food consumption; and

Provide peanut farmers with price support protection to assure them a fair return and to encourage a steady, constant production for domestic needs and to give producers an opportunity to grow additional peanuts for the export market largely at their own risk.

Mr. President, I believe the peanut provisions as reported by both the House and Senate committees are fair and reasonable. However, the legislation falls short of what the growers had originally sought and indeed deserve. It should be noted that the price-support levels for quota peanuts increased only 8.3 percent over the 4-year life of the 1977 act. Yet production costs, according to the U.S. Department of Agriculture increased almost 45 percent, even excluding land costs.

This pushed the cost of production to such high levels that under the present legislation, it was impossible to produce peanuts at a profit.

Since the Senate reconvened last week, a concerted effort has been made by members of the Senate Committee on Agriculture, other interested Senators, and by the administration, to reach agreement on certain provisions of the committee bill (S. 884) that the administration has found unacceptable, primarily on the basis of Government costs. With considerable give and take, agreement has been reached by the committee on the outstanding issues, and these compromises are reflected in the committee amendment now before the Senate.

Although the peanut provisions of the farm bill were not directly in dispute, those of us from peanut-producing areas—after consultation with the peanut grower groups—have, on our own motion, developed certain changes in the peanut provisions of S. 884 that will eliminate virtually all costs in the peanut program. The Nation's peanut producers have accepted these further concessions in the committee bill as a contribution to the reduction of overall Federal spending and to meet objections raised by some Members of the Senate.

Mr. President, I can explain the changes and concessions briefly:

First, the committee amendment reduces the quota support level to $596 per ton. This is a $35 reduction from the level in S. 884 and is in line with the reduction in support levels for other major commodities. It is also below the support level provided in the House bill, a measure that is acceptable to the administration.

Mr. President, let me point out again, that the peanut growers had initially sought, with considerable justification, a support level above what either the House or Senate committees approved. The $596 loan rate provided by the com-

mittee amendment represents a very significant sacrifice by the Nation's growers.

The second concession, Mr. President, in the committee amendment, is a reduction in the national poundage quota from 1,300,000 tons to 1,240,000 tons. This represents a 60,000 ton reduction from both the Senate and House bills and is 200,000 tons below the minimum established by present law.

This will bring about a drastic, one-step adjustment in the production of quota peanuts to a level that, even by the most conservative estimates, will be equal to anticipated domestic consumption in 1982. This will result in the total elimination of Government costs for peanut price supports. I must point out that it will also have a severe impact on producer income next year, and both the House and Senate bills had taken a more responsible approach to cushion the impact by spreading it over more than 1 year. This is another major concession that peanut farmers are willing to make in the interest of cutting Federal expenditures to the very bone.

A third change that will be made by the committee amendment is to require that every peanut allotment farm have sufficient tillable acreage so that the entire peanut allotment could be planted on that farm. If sufficient tillable acreage does not exist on the farm, the excess allotment would go into a pool for allocation to new growers. Mr. President, this change will answer one of the most persistent objections that has been made to the existing program. It is also a change that bona fide peanut producers support. Although this change will apply only to a tiny portion of the national allotment, it will eliminate those few instances that allotments have remained on farms that have been converted to country clubs, shopping centers, housing developments, or timber production.

The fourth change to be made by the committee amendment will provide an absolute answer to those who profess to believe that a nonallotment holder can be "put in jail" for growing peanuts. Of course this has never been the case. Nonallotment production of peanuts is subjected only to marketing penalties, not the criminal statutes. However, to put this issue to rest once and for all, the committee amendment adds a provision expressly providing that the penalties under the Peanut Act are civil, not criminal, in nature. No one will be sent to jail for growing nonallotment peanuts, although I should again like to point out that this was never the case in the first instance.

Mr. President, concessions and compromises are seldom pleasant, but they are a necessary part of our legislative process. It is clearly evident that the peanut farmers of this Nation have made their share, and perhaps more than their share of concessions in the development of the 1981 farm bill. They are making further concessions today in the interest of gaining approval for the committee amendment, which is vital to all segments of all American agriculture.

I urge the Senate to support the committee amendment.

Mr. BAKER. Mr. President, if there be no other Senators presently seeking recognition, and I see none, I now move to table the Lugar amendment, and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Indiana. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Vermont (Mr. STAFFORD) is necessarily absent.

I further announce that, if present and voting, the Senator from Vermont (Mr. STAFFORD), would vote "nay."

Mr. CRANSTON. I announce that the Senator from Hawaii (Mr. MATSUNAGA), is necessarily absent.

I further announce that, if present and voting, the Senator from Hawaii (Mr. MATSUNAGA), would vote "yea."

The PRESIDING OFFICER (Mr. EAST). Are there any other Senators wishing to vote?

The result was announced—yeas 42, nays 56, as follows:

[Rollcall Vote No. 256 Leg.]

YEAS—42

| | | |
|---|---|---|
| Abdnor | Domenici | Melcher |
| Andrews | East | Nickles |
| Baker | Ford | Nunn |
| Baucus | Hawkins | Pryor |
| Bentsen | Hayakawa | Randolph |
| Boren | Heflin | Sasser |
| Burdick | Helms | Schmitt |
| Byrd, Harry F., Jr. | Hollings | Stennis |
| | Huddleston | Stevens |
| Byrd, Robert C. | Inouye | Thurmond |
| Cannon | Johnston | Tower |
| Chiles | Lavalt | Wallop |
| Cochran | Leahy | Warner |
| Denton | Long | |
| Dole | McClure | |

NAYS—56

| | | |
|---|---|---|
| Armstrong | Gorton | Murkowski |
| Biden | Grassley | Packwood |
| Boschwitz | Hart | Pell |
| Bradley | Hatch | Percy |
| Bumpers | Hatfield | Pressler |
| Chafee | Heinz | Proxmire |
| Cohen | Humphrey | Quayle |
| Cranston | Jackson | Riegle |
| D'Amato | Jepsen | Roth |
| Danforth | Kassebaum | Rudman |
| DeConcini | Kasten | Sarbanes |
| Dixon | Kennedy | Simpson |
| Dodd | Levin | Specter |
| Durenberger | Lugar | Symms |
| Eagleton | Mathias | Tsongas |
| Exon | Mattingly | Weicker |
| Garn | Metzenbaum | Williams |
| Glenn | Mitchell | Zorinsky |
| Goldwater | Moynihan | |

NOT VOTING—2

| | |
|---|---|
| Stafford | Matsunaga |

So the motion to lay on the table UP amendment No. 544 was rejected.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, if we can have order in the Senate, I would like to make one announcement which is of importance to many Senators.

The PRESIDING OFFICER. The Senate will be in order. The majority leader has the floor.

Mr. BAKER. Mr. President, what is the pending business before the Senate?

The PRESIDING OFFICER. The pending business is the amendment of the Senator from Georgia to the amendment of the Senator from Indiana.

Mr. BAKER. I thank the Chair.

Mr. President, there will be certain matters of an official nature that will require the attendance and the attention of Senators between the hour of 12:30 and 2 o'clock.

I ask unanimous consent that no vote occur on this amendment or any other amendment prior to the hour of 2 p.m. this afternoon.

Mr. GOLDWATER. I object.

Mr. BAKER. Mr. President, I hope the Senator will consider that it is unlikely that a vote will occur before that time anyway because there will probably be substantial debate on this issue. I think to accommodate the convenience of a great number of Senators, it would be wise to place an order to make sure that we can have this in order.

Mr. GOLDWATER. I withdraw my objection.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. I thank the Chair and I thank the distinguished Senator from Arizona.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, there has been a good deal of speculation and question about the projected cost of the farm program that we are dealing with. I wish to submit for the RECORD the cost as estimated by the Congressional Budget Office. These costs include all programs that are included in S. 884, including the peanut program itself.

I ask unanimous consent that this table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE COST ESTIMATES—FARM BILL COMMODITIES, BASED ON AUGUST CROP REPORT

[In millions of dollars]

| | Fiscal year 1982 | | | | | | | New law | |
|---|---|---|---|---|---|---|---|---|---|
| | New law | 1981 crops | Total | 1983 | 1984 | 1985 | 1986 | Total cost | 5-yr average cost |
| Wheat: | | | | | | | | | |
| S. 884 | 309 | 1,281 | 1,590 | 740 | 688 | 457 | 582 | 2,776 | 555.2 |
| Administration | 219 | 1,281 | 1,500 | 555 | 468 | 437 | 560 | 2,239 | 447.8 |
| Revised Senate | 269 | 1,281 | 1,550 | 565 | 498 | 447 | 570 | 2,349 | 469.8 |
| Feed grains: | | | | | | | | | |
| S. 884 | | 1,235 | 1,235 | 588 | 474 | 403 | 220 | 1,685 | 337.0 |
| Administration | | 1,235 | 1,235 | 527 | 460 | 391 | 214 | 1,592 | 318.4 |
| Revised Senate | | 1,235 | 1,235 | 588 | 469 | 399 | 218 | 1,674 | 334.8 |
| Soybeans: | | | | | | | | | |
| S. 884 | | 36 | 36 | 9 | 10 | −6 | 5 | 18 | 3.6 |
| Administration | | 36 | 36 | 9 | 10 | −6 | 5 | 18 | 3.6 |
| Revised Senate | | 36 | 36 | 9 | 10 | −6 | 5 | 18 | 3.6 |
| Upland cotton: | | | | | | | | | |
| S. 884 | | 292 | 292 | 6 | 24 | 25 | 25 | 80 | 16.0 |
| Administration | | 292 | 292 | 6 | 24 | 25 | 25 | 80 | 16.0 |
| Revised Senate | | 292 | 292 | 6 | 24 | 25 | 25 | 80 | 16.0 |
| Rice: | | | | | | | | | |
| S. 884 | 1 | 84 | 85 | 95 | 110 | 28 | 31 | 265 | 53.0 |
| Administration | 1 | 84 | 85 | 24 | 26 | 26 | 28 | 105 | 21.0 |
| Revised Senate | 1 | 84 | 85 | 55 | 31 | 27 | 29 | 145 | 29.0 |
| Peanuts: | | | | | | | | | |
| S. 884 | 32 | 19 | 51 | 29 | 20 | 12 | 7 | 100 | 20.0 |
| Administration | 31 | 19 | 50 | 28 | 21 | 12 | 8 | 100 | 20.0 |
| Revised Senate | 16 | 19 | 35 | 14 | 10 | 6 | 3 | 49 | 9.8 |
| Sugar: | | | | | | | | | |
| S 884 | | −10 | −10 | 0 | 0 | 0 | 0 | 0 | 0 |
| Administration | | −10 | −10 | (?) | (?) | (?) | (?) | (?) | (?) |
| Revised Senate | | −10 | −10 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wool: | | | | | | | | | |
| S. 884 | 38 | | 38 | 26 | 42 | 61 | 74 | 241 | 48.2 |
| Administration | 38 | | 38 | 26 | 42 | 61 | 74 | 241 | 48.2 |
| Revised Senate | 38 | | 38 | 26 | 42 | 61 | 74 | 241 | 48.2 |
| Dairy: | | | | | | | | | |
| S. 884 | 1,028 | | 1,028 | 1,102 | 1,091 | 1,070 | 1,039 | 5,330 | 1,066.0 |
| As passed | 987 | | 987 | 791 | 750 | 733 | 684 | 3,945 | 789.0 |
| Total: | | | | | | | | | |
| S. 884 | 1,408 | 2,937 | 4,345 | 2,595 | 2,459 | 2,050 | 1,983 | 10,495 | 2,099.0 |
| Administration | 1,276 | 2,937 | 4,213 | 1,966 | 1,801 | 1,679 | 1,598 | 8,320 | 1,664.0 |
| Revised Senate [1] | 1,311 | 2,937 | 4,248 | 2,054 | 1,834 | 1,692 | 1,608 | 8,499 | 1,699.8 |

[1] Includes dairy program passed by Senate Sept. 15, 1981.

Mr. HUDDLESTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## RECESS UNTIL 2 P.M.

Mr. BAKER. Mr. President, it is clear that there will be no business transacted by the Senate of a significant nature between now and 2 o'clock in view of the fact there is a unanimous-consent order providing against any rollcalls prior to 2 o'clock. I had hoped that some other business might be disposed of, but I believe that is not the case. Therefore, I ask unanimous consent that the Senate now stand in recess until the hour of 2 p.m. today.

There being no objection, the Senate, at 1:08 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HUMPHREY).

## DEPARTMENT OF JUSTICE AUTHORIZATIONS, 1982

The Senate continued with the consideration of the bill (S. 951) to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1982, and for other purposes.

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, under the previous order, the clerk will state the motion to invoke cloture.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on amendment numbered 96 (as modified) to S. 951, the Department of Justice authorization bill.

Mr. Johnston, Mr. Bentsen, Mr. Randolph, Mr. Stennis, Mr. Long, Mr. DeConcini, Mr. Exon, Mr. Chiles, Mr. Grassley, Mr. Huddleston, Mr. Nickles, Mr. Mattingly, Mr. Proxmire, Mr. Boren, Mr. Kasten, and Mr. Heflin.

## VOTE

The PRESIDING OFFICER. The question is: Is it the sense of the Senate that debate should be brought to a close on amendment No. 96 (as modified). The yeas and nays are mandatory under the rule. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RANDOLPH. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senate will be in order. Senators will cease conversations in the well. The Senate will be in order.

The clerk will not continue until there is order in the Chamber

Mr. RANDOLPH. Mr. President, I renew my statement that the Senate is not in order.

The PRESIDING OFFICER. The Senator is correct. The Senate will be in order. Senators will cease conversations.

Mr. RANDOLPH. Mr. President, I hope the Chair will order the Senate to be in order and that there will not be the necessity to have the Sergeant at Arms enforce order in the Chamber.

The PRESIDING OFFICER. The Chair shares that hope.

The Senate will be in order.

The clerk will resume.

The assistant legislative clerk resumed the call of the roll.

Mr. WEICKER. Regular order, Mr. President. Regular order.

The PRESIDING OFFICER. The clerk will tally the vote.

Are there any other Senators in the Chamber who wish to vote?

Mr. TOWER. Mr. President, is it within the purview of the rules that I may ask whether or not I am recorded on this vote?

The PRESIDING OFFICER. Regular order has been called for.

Mr. PELL (when his name was called). Mr. President, on this vote I have a live pair with the distinguished Senator from Massachusetts (Mr. KENNEDY). If he were present, he would vote "nay." If I were permitted to vote, I would vote "aye." Therefore, I withhold my vote.

The PRESIDING OFFICER. On this vote——

SEVERAL SENATORS. Mr. President.

Mr. METZENBAUM. Mr. President, regular order.

SEVERAL SENATORS. Mr. President.

Mr. STEVENS. Mr. President, I have not voted and I desire to vote.

The PRESIDING OFFICER. The Senator has the right to vote.

The assistant legislative clerk resumed the call of the roll.

Mr. METZENBAUM. Regular order.

The PRESIDING OFFICER. The clerk will tally the vote.

Mr. WEICKER. Mr. President, regular order.

SEVERAL SENATORS. Mr. President.

The PRESIDING OFFICER. On this vote—Is there any other Senator who wishes to vote?

Mr. METZENBAUM. Mr. President, the vote has already been announced.

Mr. TOWER. No, it has not been announced.

The PRESIDING OFFICER. The Senator was in the Chamber and is permitted to vote.

Mr. METZENBAUM. The vote has been announced.

The PRESIDING OFFICER. It was not announced.

Mr. METZENBAUM. You had announced 60 to 36.

The PRESIDING OFFICER. The Senator is in the Chamber and has the right to vote.

Mr. METZENBAUM. You are making new rules as you go along, Mr. President.

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. STEVENS. I announce that the Senator from Vermont (Mr. STAFFORD) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Massachusetts (Mr. KENNEDY) is necessarily absent.

The result was announced—yeas 61, nays 36, as follows:

[Rollcall Vote No. 257 Leg.]

YEAS—61

| | | |
|---|---|---|
| Abdnor | Ford | McClure |
| Armstrong | Garn | Melcher |
| Baker | Goldwater | Murkowski |
| Bentsen | Grassley | Nickles |
| Biden | Hatch | Nunn |
| Boren | Hawkins | Proxmire |
| Byrd, Harry F., Jr. | Hayakawa | Pryor |
| | Heflin | Quayle |
| Byrd, Robert C. | Helms | Randolph |
| Cannon | Hollings | Roth |
| Chiles | Huddleston | Sasser |
| Cochran | Humphrey | Schmitt |
| D'Amato | Jackson | Simpson |
| Danforth | Jepsen | Stennis |
| DeConcini | Johnston | Symms |
| Denton | Kassebaum | Thurmond |
| Dixon | Kasten | Tower |
| Dole | Laxalt | Wallop |
| Domenici | Long | Warner |
| East | Lugar | Zorinsky |
| Exon | Mattingly | |

NAYS—36

| | | |
|---|---|---|
| Andrews | Glenn | Moynihan |
| Baucus | Gorton | Packwood |
| Boschwitz | Hart | Percy |
| Bradley | Hatfield | Pressler |
| Bumpers | Heinz | Riegle |
| Burdick | Inouye | Rudman |
| Chafee | Leahy | Sarbanes |
| Cohen | Levin | Specter |
| Cranston | Mathias | Stevens |
| Dodd | Matsunaga | Tsongas |
| Durenberger | Metzenbaum | Weicker |
| Eagleton | Mitchell | Williams |

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Pell, for.

NOT VOTING—2

Kennedy Stafford

The PRESIDING OFFICER. On this vote, the yeas are 61, the nays are 36. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. Mr. President, could we have order in the Chamber, please?

The PRESIDING OFFICER. The Senate will be in order.

Mr. METZENBAUM addressed the Chair.

Mr. BAKER. Mr. President, I have the floor, and I have asked for order. Mr. President, will the Chair restore order to the Senate?

The PRESIDING OFFICER. The Chair will announce that the Sergeant at Arms will be requested to assist if we do not have order. The majority leader wishes to conduct business. Will Members please cease their conversations?

Mr. BAKER. I thank the Chair.

Mr. President, cloture has been invoked on the Johnston amendment. I have consulted with the distinguished minority leader, with the distinguished author of the amendment, with the distinguished Senator from Connecticut, with the chairman of the Judiciary Committee, and with other members, and I believe this request has been cleared all around.

UNANIMOUS-CONSENT REQUEST

Mr. President, I ask unanimous consent that debate on the Johnston amendment, provisions of rule XXII to the contrary notwithstanding, be limited to 20 minutes equally divided and under the control of the distinguished author of the amendment (Mr. JOHNSTON) and the distinguished Senator from Connecticut (Mr. WEICKER).

I further ask unanimous consent that upon the disposition of the Johnston amendment, the bill return to the calendar pending further action by the Senate.

That is the end of the unanimous-consent request, Mr. President. I have a further statement to make in respect to it.

Mr. JOHNSTON. Mr. President, reserving the right to object, as I understand it the majority leader was going to add a proviso that the bill would come back as the pending business upon a motion of the majority leader without debate and without a vote. In other words, the motion of the majority leader would automatically cause it to come back as the pending business.

Mr. BAKER. The essence of what the Senator says is correct, but that is not part of the request. As I told the Senator in the well, or attempted to, the agreement is that the bill go back to the calendar. My additional statement to the Senator was that it is my intention at some point to motion up this bill so that he and other Senators may proceed with it as they wish.

Mr. President, I have no desire to bury this bill. Indeed, I intend to try to pass this bill. But it is not part of the unanimous-consent request that it would come up at a particular time. It is my assurance to the Senator that I intend to do that. It is my intention to do that sometime after we have disposed of necessary and urgent business of the Senate, perhaps during the month of October.

Mr. JOHNSTON. Mr. President, further reserving the right to object, I understand that there is no specific provision within the four corners of the unanimous-consent request as to when it will come up. What I have reference to is whether the motion to proceed to this bill would be debatable or would require a vote.

As I understand my agreement with the distinguished Senator from Connecticut, he is willing—and he may correct me if I am wrong—that it become the pending business at any time that the majority leader specifies it as being so, without the necessity for a debate on the motion to proceed or without the necessity for a vote of the Senate for it to become the pending business.

Mr. BAKER. Mr. President, before I agree to that request, may I inquire of the Senator from Connecticut his view on that request?

Mr. WEICKER. To respond to the distinguished Senator from Louisiana and to the distinguished majority leader, it was my intention to move ahead with some rather extended debate on this matter, even though cloture had been invoked. Then, after the vote would have been taken, which probably would have been sometime within the next week or two, we would have been back on the bill, with Members being allowed to amend or speak on the bill any way that they saw fit.

I have consistently made a commitment to the majority leader that I would not, in any way, try to interfere with the normal flow of business in this Chamber. Clearly, that kind of action would serve no purpose in the ultimate, since we would be voting on the Johnston amendment, but it certainly would hash matters up insofar as scheduling is concerned.

Therefore, I agreed to what has just been proposed here, that we have a vote on the amendment of the distinguished Senator from Louisiana. I might add, if we could, that I have a few requests to speak; if we could make it a half-hour instead of 20 minutes, I am sure that would cover it.

But I agreed to the vote being taken, with action then taking place in the form of the bill returning to the calendar. I did not want the majority leader in any way to be instructed as to when he had to bring it up. I think he has shown great good faith, both to the distinguished Senator from Louisiana—on whose side he has stood—and to the Senator from the State of Connecticut.

I will not, and the distinguished Senator from Louisiana has my word, try to delay or filibuster any motion to take this bill back off the calendar. I shall not do

that. That is the only thing that I will not do. Once that bill comes off the calendar, then we shall be in the same position that we would have been before, which is that the bill is subject to amendment and subject, by this Senator and by others, to being discussed at length.

I conclude my remarks in this fashion: This matter came to the floor exactly 3 months ago. Aside from whatever the content of the bill is or how it is viewed in the constitutional sense, it has taken 3 months to get to the point where we are now. I can assure my colleagues that it is going to take much more than 3 months before we shall ever get to passage. As long as that point has been made and as long as I make it clear to everybody what is going to happen in the future, I have no objection to the unanimous-consent request, nor do I have any objection to the request of the distinguished Senator from Louisiana that the bill, on a motion by the majority leader, be brought back here. And I will not debate that one.

Mr. BAKER. Mr. President, in view of the representations made by the Senator from Connecticut, which I greatly appreciate, and the remarks of the Senator from Louisiana, which I appreciate as well, I amend my unanimous-consent request to change the time for the debate from 20 minutes to 30 minutes equally divided.

I add to the unanimous-consent request that, at any time on a motion, a nondebatable motion of the majority leader, we may proceed to consideration of the question of proceeding to the Department of Justice——

Mr. JOHNSTON. Will the majority leader repeat that?

Mr. BAKER. That on motion without debate, the Senate will proceed to the consideration of the question of bringing up the Department of Justice authorization.

Mr. JOHNSTON. That the bill be automatically brought up upon motion without vote or without debate?

Mr. BAKER. No, no, not without vote, without debate. I really would not like to provide that it will be brought up without a vote. I think that would be a precedent that would be unfortunate indeed. I have an idea that on a nondebatable motion, in light of this colloquy, when that motion is made, it will be done on a voice vote or by unanimous consent. But I would not wish to try to abrogate the right of the Senate to speak on such an issue without unanimous consent.

Mr. President, I really must say to the Senator from Louisiana that I do not recall, in my years in the Senate, that ever having been done—that is, to obliterate the right of the Senate to speak on a motion. I have many times seen the majority leader, in consultation with the minority leader—and I add that to my request as well, Mr. President—the majority leader have the right at any time to call up a bill. That has always meant that the majority leader, in consultation with the minority leader, might ask unanimous consent that that be done or move that it be done, notwithstanding any other business pending before the Senate.

Mr. JOHNSTON. Reserving the right to object, Mr. President, the majority leader has added that it be brought up on motion of the majority leader without debate and with a vote.

Mr. BAKER. Not necessarily with a vote.

Mr. JOHNSTON. Without, necessarily, a record vote.

Mr. BAKER. Mr. President, all I have said is I am not prepared at this time to ask unanimous consent to give me the unilateral right to call up the measure and to eliminate the right of the Senate to speak on that point. I am willing to agree that the motion will be a nondebatable motion.

Mr. JOHNSTON. When the Senator says a nondebatable motion, there can be no debate on the motion to proceed.

Mr. BAKER. Yes, that is what I mean. That is the motion I am referring to.

The PRESIDING OFFICER. Is there objection?

Mr. HEFLIN. Reserving the right to object, I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I would like to reiterate the unanimous-consent request that I had put and that the Chair has not ruled on.

Mr. President, I ask unanimous consent that there be a time limitation of 30 minutes, equally divided, for debate on the Johnston amendment, the provisions of rule XXII to the contrary notwithstanding, and that the time be equally divided and controlled by the Senator from Louisiana (Mr. JOHNSTON) and the Senator from Connecticut (Mr. WEICKER). I further ask unanimous consent that, after the disposition of the Johnston amendment, that the bill be returned to the calendar and that, on motion of the majority leader, after consulting with the minority leader, that the bill be made once again the pending business on nondebatable motion.

Mr. JOHNSTON. Of the majority leader.

Mr. BAKER. Yes.

The PRESIDING OFFICER. Is there objection?

Mr. WEICKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ABDNOR). Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. BAKER. Now, Mr. President, I believe we have all of the components of the agreement and I hope and trust there will be no further difficulty and no objection.

Let me attempt to restate the request at this time.

Mr. President, I ask unanimous consent that there now be a time for debate on the Johnston amendment of not to exceed 30 minutes to be equally divided and under the control of the distinguished Senator from Louisiana (Mr. JOHNSTON) and the distinguished Senator from Connecticut (Mr. WEICKER).

I further ask unanimous consent, Mr. President, that after the vote on the Johnston amendment the bill be returned to the calendar.

I ask unanimous consent, Mr. President, that the majority leader, after consulting with the minority leader, may, at any time, by nondebatable motion, move to take the bill from the calendar and make it the pending business before the Senate.

I further ask unanimous consent, Mr. President, that on any cloture motion which may be filed against the bill, a vote on such cloture motion not occur until the bill is once again motioned up and presented to the Senate, according to the provisions of this order.

Now, Mr. President, before the Chair rules, it is my understanding of the request that I have just put that the bill will automatically go back to the calendar after the vote on the Johnston amendment, regardless of the outcome; that it will remain on the calendar until it is motioned up by a nondebatable motion, and that any cloture motion that is filed—and I anticipate that the distinguished Senator from North Carolina will shortly seek recognition for the purpose of offering a cloture motion against his amendment—will not be voted on by the Senate until the matter is once again placed before the Senate by nondebatable motion as provided for in this order.

Further, Mr. President, that the time for that vote, as I understand the matter, would be 1 hour after the Senate convenes on the day on which the matter is presented.

Mr. President, since there may be a difference between the time when we convene and control of the time for the cloture vote under the provisions of rule XXII and the time the Senate gives its consent to return to this bill, I modify the unanimous-consent request so that the vote on any subsequent cloture motion will be 1 hour after the matter is laid before the Senate again.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I will not object——

Mr. BAKER. Mr. President, before the Chair rules, the minority leader points out to me that there may be, indeed I fully expect, a motion to reconsider and the usual tabling motion against the motion to reconsider in order to lock in the result of the vote on the Johnston amendment.

Mr. President, I modify my unanimous-consent request so that the bill will go back to the calendar only after a motion to reconsider, which shall be without debate, or a tabling motion made against it.

The PRESIDING OFFICER. Is there any objection? If not, it is so ordered.

Mr. BAKER. Mr. President, I thank all Senators. I especially thank the Senator from Louisiana and the Senator from Connecticut. Notwithstanding they have been very effective adversaries and that they have required the attention of the Senate for some time now, off and on for more than 3 months, they have been unfailingly cooperative with the leadership and I am grateful for that.

What we have done just now is to provide an orderly way to go about the business at hand, that is to say the farm bill, the O'Connor nomination, the Interior appropriation bill, other appropriations bills, perhaps the continuing resolution, and a number of other matters. But still, I have given assurance to both Senators that at some point we will return to the consideration of this matter.

The Senator from Connecticut, by his agreeing to this measure, has given his consent to proceeding to this matter without debate on the motion to proceed.

I think both Senators are to be commended for their consideration for the requirements of the joint leadership and also for their concern and their respect for each other.

Mr. JOHNSTON addressed the Chair.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. Mr. President, I yield myself 1 minute simply to thank the distinguished Senator from Tennessee, the majority leader, for his kind comments, and to say that this agreement was possible because of our confidence in the distinguished Senator from Tennessee to live up to not only what he tells us explicitly but to the mood and to the spirit of this agreement. We are not requiring that the bill come up at any particular time because we have confidence that the distinguished Senator from Tennessee will indeed, as he said, bring it up sometime during the month of October and in time to finish the bill this year, this calendar year.

I have full confidence that the distinguished majority leader will do so.

I yield to the distinguished Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina.

## CLOTURE MOTION

Mr. HELMS. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the Helms amendment No. 69, to S. 951, the Department of Justice Authorization Bill,

Mr. Helms, Mr. Jepsen, Mr. Thurmond, Mr. Humphrey, Mr. McClure, Mr. Johnston, Mr. Cochran, Mr. Warner, Mr. Tower, Mr. Byrd of Virginia, Mr. Grassley, Mr. Dole, Mr. DeConcini, Mr. Abdnor, Mr. Exon, and Mr. Mattingly.

Mr. BAKER. Mr. President, I ask unanimous consent that it may now be in order to suggest the absence of a quorum without the time being charged against either party in control of time under the Johnston amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, how much time remains?

The PRESIDING OFFICER. There are 30 minutes equally divided. The Senator has 14 minutes.

Mr. JOHNSTON. Mr. President, I yield myself 5 minutes.

According to David J. Armor, the noted educator and sociologist from the Rand Corp. and Harvard University, no policy of the Federal Government since prohibition has been so unpopular and so unworkable as forced crosstown busing. This is a conclusion which the American people, in public opinion polls every year since 1972, say they have come to by percentages of not less than 72 percent each year. It is a conclusion reinforced by educators—by James J. Coleman in his noted report, by David J. Armor in his report, and a host of other reports and studies by noted educators.

Mr. President, today, in their vote on invoking cloture, some 61 Senators have said, "We have had enough. It is time to put limits on the excesses of forced crosstown busing," the kind of excesses that are represented by orders now being implemented in my own State of Louisiana.

If I may just give two examples: After the recent order in Baton Rouge, La., was issued, the superintendent of schools called to tell me how bad the situation is. He said that first and second graders are being bused an hour and a half in each direction. First and second graders, 3 hours on the school bus every day.

That is not an order from last year, that is an order from this year, with this Justice Department, with this President.

Mr. President, I also point out to my colleagues the case of Rapides Parish, La., to which I have alluded so many times: 30 to 40 miles busing in one direction. The excesses of those orders have been recognized by the Senate, Mr. President.

Mr. President, the question is what can the Senate, what can the Congress of the United States do about it? Many of my colleagues have said that this is a matter subject to the 14th amendment, it is a matter of constitutional law, we cannot change that. Mr. President, my answer is to read the Constitution. Particularly read section 5 of the 14th amendment, which provides that Congress may, by appropriate legislation, enforce the provisions of the 14th amendment.

What does that mean, appropriate legislation, Mr. President? We have the benefit of two rather recent Supreme Court cases, the case of Katzenbach against Morgan in 1966 and Oregon against Mitchell in 1970. These two cases dealt with section 5 of the 14th amendment the Katzenbach case with the Voting Rights Act, as well as the Oregon against Mitchell case.

In both cases, Congress, using the power under section 5 of the 14th amendment, provided for remedies which otherwise would not have existed under the 14th amendment. In both of those Supreme Court cases, the Court identified two important powers of the Congress, and they emphasized those two powers and underlined them: First, that the power of the Congress to find facts is one that is particularly recognized under our Constitution; second, that the Congress of the United States has wide discretion in the formulation of remedies. There is, in those two recent Supreme Court cases, all of the support and comfort that any supporter of the Johnston amendment could want.

It is quite true, Mr. President, that those two cases dealt with an expansion of rights under the 14th amendment rather than what some would call a contraction of rights under the 14th amendment. In that respect, it is quite true that the decisions are not four-square with the facts of the instant amendment.

But by the same token, Mr. President, there is no case which is contrary to this amendment.

What one has to do, I believe, is to look at the spirit of those cases, the spirit of the 14th amendment at the time it was enacted, as well as the spirit of this amendment, and I believe one will come to the conclusion, as did the Congressional Research Service in the study I put into the RECORD, that this matter can probably pass muster constitutionally.

I say "probably," Mr. President, because no one can say for certain, on a matter of first impression, what the Supreme Court will do. However, in my judgment and in the judgment of the Congressional Research Service and in the judgment of many other legal scholars, Congress does have that wide latitude and power under section V of the 14th amendment.

There is still another basis for the power of Congress as exercised in this amendment, and that is under article III of the Constitution, which gives to Congress the power to establish courts and provide for their jurisdiction.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JOHNSTON. I yield myself 2 additional minutes.

There is a whole host of cases, to which we have alluded in this debate, in which Congress has exercised its power, even in cases on appeal, to take away the jurisdiction of courts.

Congress, for example, has taken away the right of a court to issue an injunction in a labor case under the Knox-LaGuardia Act, upheld by the Supreme Court, specifically using article III to restrict remedies of the courts.

In ex parte McArdle, after the Civil War, Congress took away the appellate jurisdiction of the Supreme Court to

adjudicate a case then in the process of litigation.

So, Mr. President, there is abundant authority under article III to support this amendment.

The final judgment is, and the difficult judgment is, what should Congress do if we have the power?

Mr. President, I want to make it very clear that I do not wish to turn back the clock. I do not wish to resegregate the schools. I do not wish to go back to the status quo ante, prior to the Brown decision. Far from it.

I am and have been a strong supporter of civil rights, a strong supporter of desegregation. But, Mr. President, the evidence is overwhelming. Take almost any school system one wishes. Take yesterday's article in the Wall Street Journal describing the Nashville, Tenn., situation. Busing has not worked—so says the expert who wrote the article

Take the Prince Georges situation which has been in our newspapers here, where that which was ordered several years ago is no longer working. Why is it not "working"? Because the white students are leaving the school system.

As many of the experts say, we would do much better, instead of using the schoolbus as our principal tool, to give our attention to eliminating discrimination while upgrading education. It is time to put the emphasis again on education and not on the schoolbus. The schoolbus as a means, as machinery for providing quality education has been a sorry vehicle. More important, the schoolbus as a tool of integration has been a failure. We should discontinue what has failed and use busing in a way that promises to be effective. This amendment is just that.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. Who yields time to the Senator from Pennsylvania?

Mr. SPECTER. Mr. President, the Senator from Connecticut has yielded time to me to speak on this subject.

The PRESIDING OFFICER. Without objection, the Senator from Pennsylvania is recognized.

Mr. SPECTER. Mr. President, I speak in opposition to the subject which has been advocated by the Senator from Louisiana.

The issue which is now before the Senate has come here along a laborous road, with cloture having been invoked earlier today. It is my submission to the Senate that adoption of this measure would pose a most serious threat to the authority, power, and jurisdiction of the Supreme Court of the United States, not only on matters relating to busing but also on all matters of constitutional import.

When the Senator from Louisiana details the failures of schoolbusing, he is speaking on a subject on which many would agree with him, and my own experience has suggested to me that busing has not been successful. But the real answer to equality of educational opportunity is a good school system in the neighborhood, regardless of the racial mixture. So, busing has not been a success.

However, the problems which have been posed by busing in the United States do not justify, in my judgment, the kind of proposal which is being advocated here today by the distinguished Senator from Louisiana. The precedents he cites in terms of interpretation of section 5 of the 14th amendment—those two cases—realistically viewed, have nothing whatever to do with the measure before the Senate this afternoon. When he refers to cases which relate to limitations on jurisdiction, the labor dispute cases have no bearing on this kind of matter, and the scope of ex parte McCardle certainly is not germane precedent for the measure which is before the Senate this afternoon.

The language of the proposal, which says:

> No court of the United States may order or issue any writ, directly or indirectly, ordering any students to be assigned to or transported to a public school other than that which is closest to the student's residence unless, . . .

With a string of circumstances setting forth the conditions, poses a total threat to the supremacy of the Supreme Court of the United States in interpreting the Constitution of the United States. The language "No court of the United States" comprehends directly the Supreme Court.

So this measure does not involve a discussion as to whether the jurisdiction of inferior courts can be limited, but this measure is a direct attack on the jurisdiction of the Supreme Court of the United States itself.

If Congress has the power to prohibit the Supreme Court of the United States from issuing a writ as defined in this statute, there is nothing to stop Congress from limiting the jurisdiction of the Supreme Court of the United States on matters involving first amendment rights of freedom of the press. There are few institutions more fundamental to the operation of a democratic society than a free and unencumbered press.

Once Congress has the jurisdiction to limit the authority of the Supreme Court of the United States to interpret the Constitution freely on this issue, there would be nothing to prevent Congress from limiting the jurisdiction of the Supreme Court of the United States on matters relating to freedom of the press.

Similarly, the first amendment right of freedom of religion poses, if any does, an even more paramount concern in the heritage of the United States of America. If Congress can limit the Supreme Court of the United States and define its jurisdiction relating to busing, a 14th amendment issue, then, similarly, Congress would have the authority to limit the Supreme Court of the United States in permitting freedom of religion in this country.

So it would be with the other rights of the first amendment—of assembly, of the right to petition the Government and so, similarly, it would be with all the constitutional rights embodied in the Bill of Rights, in the first 10 amendments, and the rights embodied in the length and breadth of the U.S. Constitution.

I suggest that the transgression which would be incurred on the Court's jurisdiction, realistically viewed, would be calamitous if this measure were to be adopted. In my judgment, with some substantial experience in law enforcement and some substantial experience on constitutional issues in the courts of this country, including the Supreme Court of the United States, there is not a chance in the world that this measure would pass constitutional muster as interpreted by the Supreme Court of the United States, for the reasons I have given. Because, in the evolution of the Government of this country, the Supreme Court has asserted the power of supremacy, and the Supreme Court is not about to let the Congress of the United States tell the Supreme Court what it can do on constitutional issues.

Mr. President, I believe that the measure which is being advanced here—at least in some quarters—is being advanced by those in Congress who are concerned that a vote against this measure may seem a vote in favor of busing, which it certainly is not, because many of us concede that busing has been a failure, and yet we argue fervently that this kind of measure should not be adopted because of the threat to the court system.

I have no reason to conclude that there are those who would favor this kind of measure to avoid that kind of adverse conclusion as to a sentiment on busing, leaving the work of declaring this kind of measure unconstitutional to the courts of the United States, including the Supreme Court.

I believe we should face this issue squarely in terms of constitutionality, and this measure should be rejected by the U.S. Senate.

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. Mr. President, I yield myself 1 minute to reply.

First of all, I say to my distinguished friend from Pennsylvania that the case of ex parte McArdle, where the jurisdiction of the Supreme Court was taken away, involved the right of habeas corpus. So there is already precedent in Supreme Court decisions dealing with the right of Congress to deal with jurisdiction.

Whether or not ex parte McArdle is the law when it deals with primary constitutional rights such as those of press and religion I tend to doubt.

I do not know the limits of that because ex parte McArdle is an old case, an 1868 case, as I recall.

I believe the key issue is, Mr. President, whether a right is a primary right, and busing has been discussed a great deal by the Supreme Court but never as a matter of right.

Mr. SPECTER. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON. I yield.

Mr. SPECTER. Is a 14th amendment right not a primary right?

Mr. JOHNSTON. There are all kinds of degrees and gradations of rights within the 14th amendment, and what I am saying is that busing is not a matter of right within the 14th amendment. Busing is one of those remedies that the Supreme Court has prescribed in the

Green case and others that must be used when everything else fails.

What we are saying in this amendment is that we make a finding of fact, that as a remedy, when it exceeds limits of time and distance, it does not work.

We are dealing with the doctor here who is prescribing——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSTON. I yield myself an additional 1 minute.

We are dealing with the doctor here who is prescribing 10 aspirin for the patient. Those 10 aspirin tablets do more harm than good. He should limit that to two aspirin when he thinks it is appropriate.

Mr. SPECTER. Is the Senator confusing or mixing rights with remedies when he talks about remedies? When he talks about busing, is he not realistically talking about a remedy as opposed to the question which I propounded to the Senator? Is the 14th amendment not dealing with a primary right and is due process of law not a primary right on equal constitutional footing with first amendment rights?

Mr. JOHNSTON. What the Senator said is that busing is a remedy and not a right, and with that I agree. With all the decisions of the Supreme Court on this subject, there is none that I am aware of which said that busing is a right or a remedy which must always be used.

There is also a great deal of discussion to the effect that it has been abused, and a number of Justices have spoken of that.

The PRESIDING OFFICER. The additional minute has expired.

Mr. JOHNSTON. How much time do I have remaining?

The PRESIDING OFFICER. Two minutes and 55 seconds.

Who yields time?

Mr. WEICKER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Seven minutes and 46 seconds.

Mr. WEICKER. Mr. President, in his letter to this Senator of August 24, 1981, the president of the American Bar Association included a report with recommendation of the association.

I ask unanimous consent to have that report and letter printed in the RECORD in its entirety at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMERICAN BAR ASSOCIATION,
*Chicago, Ill., August 24, 1981.*

Hon. LOWELL P. WEICKER,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR WEICKER: On August 11, the House of Delegates of the American Bar Association overwhelmingly approved a resolution opposing congressional curtailment of the jurisdiction of the Supreme Court or the inferior Federal courts for the purpose of effecting changes in constitutional law. This resolution was brought to the House of Delegates because of the many bills which are pending in Congress to strip the Federal courts of jurisdiction to hear cases on controversial subjects such as busing, school prayer and abortion. A copy of the resolution, and a copy of the report which accompanied it before the House of Delegates are enclosed.

At best the pending legislation is of questionable constitutionality, but in any event it is, in my judgment, expressive of an extremely poor policy with serious, adverse implications for the future. If lawmakers, or others, believe our Constitution, as interpreted by the branch of government to which its interpretation was entrusted is wrong, the answer lies either in the appellate judicial process itself or in the amendment of the Constitution by the means provided in that Constitution. Anything else represents a change in our basic of government that might please some persons today and be used tomorrow to destroy things in our system that the same persons hold dear.

Although the Secretary of the Association will formally advise the President, the Attorney General, the Chief Justice, and the relevant committees of the Congress of the action taken by our House of Delegates, because of the grave importance of the subject, the fact that it will again be before the Senate immediately upon the reconvening of the Congress, and my strong support for the action of the House of Delegates, I personally call it to your attention and urge your assistance in defeating any such legislation.

Sincerely,

DAVID R. BRINK.

Enclosures.

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REPORT WITH RECOMMENDATION

RECOMMENDATION

Whereas, numerous bills are now pending in Congress that would curtail the jurisdiction of the Supreme Court of the United States and the inferior federal courts, for the purpose of changing certain decisions of the Supreme Court interpreting the Constitution of the United States; and

Whereas, historically, the American Bar Association has opposed the manipulation of the jurisdiction and powers of the Supreme Court in order to alter constiutional decisions which can be done only through constitutional amendment.

Be it resolved, that the American Bar Association opposes the legislative curtailment of the jurisdiction of the Supreme Court of the United States or the inferior federal courts for the purpose of effecting changes in constitutional law.

REPORT

Before the 97th Congress are more than a score of bills which would strip from the original jurisdiction of the lower federal courts certain subject areas involving controversial decisions of the Supreme Court of the United States, notably abortion, school prayers, and busing. Enactment of such legislation would require persons claiming rights under one or another of these decisions to bring suit in state courts. Moreover, several of these bills would deny the Supreme Court appellate jurisdiction to review the decisions of the state courts with respect to those issues that could be brought only in the state courts.

Sponsors of these bills clearly avow that their purpose is to bring about an altering of the constitutional interpretations that now prevail. The belief is apparently that state courts, if given exclusive power to decide such suits without fear of Supreme Court review, will not follow the precedents established in these areas by the Nation's highest Court.

The Committee recommends to the Association the adoption of this resolution because of one overriding conviction: the necessity to protect the integrity of the courts of this Nation, federal and state, from misdirected legislative efforts to achieve something that can be done only through constitutional amendment. The issue is not abortion; it is not busing; it is not prayer in the public schools; it is not any of a number of things that may occasion dissatisfaction with particular decisions. We are sure that the Members of the Association have many various positions on these substantive questions, as we do. But the real issue, the only issue, is whether, as a matter of policy and of constiutional permissibility, this Nation is going to adopt a device whereby each time a decision of the Supreme Court or a lower federal court offends a majority of both Houses of Congress the jurisdiction of the federal courts to hear that issue will be stripped away. We do not believe that is a system the Framers intended nor one that we should strive to institute.

Supreme Court decisions interpreting the Constitution establish binding precedents which are subject to alteration by the people through the process of constitutional amendment. The Framers provided in Article V a means of changing the Constitution and deliberately made it difficult to achieve. The "leaden-footed process of constitutional amendment," as Justice Frankfurter called it, with the requirement of extraordinary majorities in Congress and among the States, was designed to make sure that transient majorities could not easily change our fundamental law. Are we to believe that after constructing this formidable barrier to easy change, the Framers intentionally or inadvertently also put in place a system in which simple majorities could bring about a rewriting of constitutional law?

The American Bar Association has long opposed efforts, from whatever spectrum of the political scene, to alter constitutional interpretation through means other than constitutional amendment. We stood in opposition to the "Court-packing" plan of the late 1930's, which would have altered prevailing law by stacking the Court's membership. More than thirty years ago we called for the adoption of assurance that jurisdictional manipulation would not and could not be used to work substantive changes in the Constitution. In 1958, the Association opposed bills pending in Congress that would have denied the Supreme Court review of decisions involving alleged subversives in various fields. That policy is Association policy today and the Committee calls on the House to reaffirm it and extend it.

Central to this position is recognition of the great power which Congress possesses under the Constitution to structure and to allocate the jurisdiction of the Supreme Court to hear appeals and the jurisdiction of the lower federal courts—and of the limits on that power. Article III stipulates that the High Court has appellate jurisdiction over practically the entire range of federal judicial matters, subject to such "exceptions and regulations" as Congress provides. Clearly, then, Congress may regulate how cases come to the Court and could deny the Court appellate jurisdiction over some classes of cases altogether, as in fact it has historically done. It could, for example, make a lower federal court's decisions with respect to interpretation of the tax laws or admiralty issues final.

Even greater is Congress' power with respect to the lower federal courts. The compromise at the Constitutional Convention was to create "one Supreme Court" and to leave in legislative discretion whether and when to create and to do away with any "inferior" federal courts. Some of the Framers wanted constitutional assurance of lower courts, but the prevailing number thought that Congress should be able to leave to state court adjudication matters of national interest, subject to Supreme Court review. And to safeguard the national interest and the integrity of constitutional rights, the Framers wrote in Article VI, the "Supremacy Clause," the guarantee that the Constitution, federal laws, and treaties would be the "supreme law of the land" and that "the judges in every State shall be bound thereby, anything in the Constitution or laws of any

State to the contrary notwithstanding." Moreover, the same Article requires state judges, as well as all other state officers, to be bound by oath or affirmation to support the Constitution of the United States.

Necessarily, it follows that if the Constitution empowers Congress to provide or not to provide for lower federal courts, it empowers Congress to vest in such lower federal courts that it creates all or only some of the jurisdiction it could give and thus to allocate between state and federal courts the judicial power of the Nation in such ways as it deems to serve the best interests of the States and the Nation. That has been the understanding from the beginning on which Congress has acted and the decisions of the United States Supreme Court are consistent in affirming the correctness of that understanding.

It is thus not with any reservations with respect to congressional power generally that the Committee recommends this resolution. Rather, we are actuated by specific constitutional reservations, more substantial as to Supreme Court appellate jurisdiction than as to lower federal court jurisdiction, and by what we believe to be compelling policy considerations against the propriety and desirability of the bills now pending before Congress.

Even were the constitutional considerations compellingly clear in favor of the validity of these bills, as they are not, we would urge opposition.

First, if it is likely, as we by no means concede it is, that the meaning ascribed to a constitutional provision can be changed by the simple device of divesting jurisdiction from one set of courts and giving it to another, then indeed we have a Constitution writ on sand and the integrity of our amending process is eroded. It is central to our fundamental Charter that ordinary legislation can be changed through ordinary legislation and the Constitution only through amendment. We should resoundingly reject the counsel of those who tell us there is another way. Down that route lie barely-hidden hazards to constitutional governance.

Second, to accept the explicit judgment of the sponsors of these bills that shifting jurisdiction will result in substantive change requires us to dishonor the thousands of state judges who by oath and conscience are bound to adhere to established precedent enunciated by the Supreme Court. We do not doubt that the great majority of state judges will do their duty. Nonetheless, this legislation is pernicious in concept even if it does not achieve its purpose.

It is bad because it suggests state judges will depart from their oaths. It is bad because it constitutes a congressional invitation to them to depart from their oaths; it says to state judges that Congress believes some decisions are so wrong they ought to be changed and these judges should do it. It is wrong because hundreds or thousands of state judges who are subject to periodic elections will be put in peril. The same interest groups that extract from an elected Congress jurisdictional alterations will demand from elected state judiciaries that they accept the congressional invitation to change. Federal judges are insulated from this and other pressures; the Framers deliberately provided for independence to prevent just these pressures. Congress should not subject state judges to often hard choices between oath and career.

Finally, if most state judges honor their oaths, the status of the objected-to constitutional decisions will be frozen in place. The Supreme Court cannot hear such cases and perhaps overrule them or alter them in any way. And as new fact situations arise, state court interpretations will begin to create somewhat different rules which will vary from State to State.

Third, either because of disagreement with the substance of these decisions or because of electoral pressures, some state judges may indeed accept the invitation of Congress and refuse to follow Supreme Court precedent. Because there would be no Supreme Court review, in those States federal constitutional law would change and the Constitution would mean something different from State to State. This result would be pernicious because fundamental liberties—whether the ones which are the subjects of these bills or others in the future if these succeed—will have been altered in some States and depreciated in all because of the demonstration that, contrary to what we have always believed, constitutional rights are subject to evanescent majority opinion. While the constitutional rights at peril today may not be valued by some, those at peril tomorrow may be freedom of speech, or just compensation for property taken for public use, or the guarantee against impairment of the obligation of contracts.

Even were Congress to adopt an approach, which is found in a few of the pending bills, of depriving the lower federal courts of jurisdiction and continuing Supreme Court review of state court decisions in those areas, we believe that should be opposed as well. Basic to that effect would be a conclusion that alteration of substantive law could still be achieved which contains the same insult to state judges and the same possible injury to them. Supreme Court review could always alleviate some of the problem should some state judges depart from precedent, but the High Court's caseload is such that it could insure adherence to precedent only by taking an inordinate number of state cases in these areas to the neglect of its many other functions in interpreting national law.

Certainly, in the absence of Supreme Court review, the command of the Supremacy Clause that the Constitution be the "supreme law of the land" could become a nullity. Since the adoption of the Judiciary Act of 1789, a constant feature of the history of federal court jurisdiction in this country, upon which the Nation continues to depend, has been the review by the United States Supreme Court of state court interpretations on questions of federal constitutional law. If, as Justice Holmes reminded us, a page of history is worth a volume of logic, that singular fact stands as a practically unanswerable argument against jurisdictional legislation that would remove Supreme Court review of state court interpretation of the Constitution.

With regard to the constitutional validity of these bills, the Committee doubts that, with respect to the Supreme Court's appellate jurisdiction, they can be sustained as proper "exceptions and regulations" and we have reservations about the bills' divestitures of lower federal court jurisdiction as well. Numerous arguments have been addressed to the question, some based on theories of the "essential functions" of the federal courts, some on equal protection concepts governing the decision to restrict jurisdiction over certain disfavored issues, but we believe the correct analysis to be grounded upon what limits the Constitution itself places upon congressional exercise of any of its granted powers. The Constitution explicitly authorizes Congress to make exceptions to the Supreme Court's appellate jurisdiction and implicitly to determine what, if any, jurisdiction the lower federal courts are to have. Proponents of these bills read these authorizations not only as if they are plenary powers but as if they are completely unrestrained. But this cannot be so. The Constitution authorizes Congress to regulate interstate commerce, to tax, to spend money, to create a postal system. None of these powers is conferred in language that then says, "but you cannot regulate commerce to deny the right to transport political literature across state lines," or "but you cannot bar from the mails newspapers that oppose the position of the majority in Congress." Rather, these powers are conferred in the manner in which Chief Justice Marshall described the commerce power in *Gibbons* v. *Ogden*, "This power, like all others vested in Congress, is complete in itself, and may be exercised to its utmost extent, and acknowledges no limitations, other than are prescribed in the Constitution."

Just so is the power to structure jurisdiction. It is complete in itself, may be exercised to its utmost extent, and acknowledges no limitations, other than are prescribed in the Constitution. And what is prescribed in the Constitution? The First Amendment, the Fourth Amendment, and the Fifth Amendment, and all the other limitations upon the powers, conferred on Congress in other parts of the Constitution obviously are those limitations. They restrain the power of Congress to legislate with respect to other constitutional provisions under granting clauses which would appear on their face to be unlimited. To construe the congressional power to structure jurisdiction the way the proponents would construe it would be to make it the only power conferred on Congress that is beyond the constraints of other provisions of the Constitution. Obviously, this cannot be so.

Important to this issue is the fact that while the authorization to Congress to structure the jurisdiction of the courts is contained in the body of the Constitution adopted in 1789, the relevant limitations are in the Bill of Rights, proposed and adopted in 1791, which are operative as to all of Congress' powers conferred in the Constitution itself. Thus, even if the Framers in the Convention did not conceive of the jurisdictional powers being limited, although it is likely they did, adoption of the Bill of Rights did so limit them. Madison, we must remember, stated in the House of Representatives on June 8, 1789, that the amendments he proposed would not be "parchment barriers" to federal action, because "independent tribunals of justice will consider themselves in a peculiar manner the guardians of those rights."

No Supreme Court precedent stands in the way of this reading. The McCardle case (1869) is of limited value, not only because it arose in the context of post-Civil War radicalism, but because, as the Court plainly stated, it did not bar all access to the Supreme Court but only one avenue of appellate review. Within three years of McCardle, the Court in the Klein case (1872) held unconstitutional an attempted exercise of congressional power over its jurisdiction for the purpose of nullifying the President's pardoning power. Certainly, McCardle lends support to the proponents of these bills but far less support than they pretend.

The only complexity that enters into the argument is that when Congress removes from the jurisdiction of the federal courts an issue it does not by that act alone violate one of the constitutional constraints. That is to say, when it denies to the lower federal courts and to the Supreme Court authority to hear a suit arising out of the institution of a prayer in the public schools, it does not establish a religion. The establishment clause is violated when some state or local authority imposes a prayer requirement and a state court refuses to follow Supreme Court precedent and to strike down the imposition. But just as Congress could not itself violate the establishment clause it cannot authorize the States to violate the establishment clause. The authorization when acted on in the jurisdictional context would violate the establishment clause and could not validly prevent exercise of the Supreme Court's appellate jurisdiction to give a remedy for the violation. The congressional jurisdiction provision would be void.

We think it plain that the Constitution thus bars a manipulation of the Supreme Court's appellate jurisdiction for the purpose of effecting substantive changes in constitutional law. More difficult is resolution of the issue when what Congress enacts takes from the federal and gives to the state courts jurisdiction to entertain such suits subject to Supreme Court review. Theoretically, High Court review should prevent effectuation of the forbidden constitutional change and save the statute. But it may be that the practical difficulties of Supreme Court review do not allow for adequate protection of constitutional rights under the circumstances. It may be that state legislatures would restrict state court jurisdiction and powers to afford adequate relief or to process cases that can be taken to the Supreme Court with sufficient promptness to protect rights. It may be that other unforeseen situations arise. In that eventually, can it be doubted that serious constitutional questions would arise?

Because the policy considerations are so substantial and because the constitutional propriety of these bills is open to such serious reservations, we urge the House to adopt as the position of the Association a simple, forthright policy: to oppose the curtailment of the jurisdiction of the federal courts for the purpose of effecting constitutional change that is properly the province only of the amending process. Irrespective of the subject involved and regardless of our individual beliefs with respect to any of them, the overriding consideration is that we support the integrity and independence of federal courts, whether we agree with particular decisions or not, and that we support the integrity and inviolability of the amending process.

We ask reaffirmation of the principle that Elihu Root, leader of the American bar, enunciated in 1912. "If the people of our country yield to the impatience which would destroy the system that alone makes effective these great impersonal rules and preserves our constitutional government, rather than endure the temporary inconvenience of pursuing regulated methods of changing the law, we shall not be reforming, we shall not be making progress, but shall be exhibiting . . . the lack of that self-control which enables great bodies of men to abide the slow process of orderly government rather than to break down the barriers of order when they have struck the impulse of the moment."

In Number 78 of "The Federalist," Alexander Hamilton explained that federal judges had been given the maximum degree of independence and protection possible because they had a critical function to perform. They must assure, he said, that the limitations on legislative authority are enforced. "Limitations of this kind can be preserved in practice no other way than through the medium of the courts of justice, whose duty it must be to declare all acts contrary to the manifest tenor of the Constitution void. Without this, all the reservations of particular rights or privileges would amount to nothing."

We do not believe the great rights set out in the First, Fourth, Fifth, and other provisions of the Constitution "amount to nothing." We deem it critical to their continued meaningfulness that these bills under consideration and others like them be defeated.

Respectfully submitted,

Richard R. Bostwick, W. Gibson Harris, Elaine R. Jones, Johnny H. Killian, Hon. Harry Phillips, Hon. H. Barefoot Sanders, Irving R. Segal, Benjamin L. Zelenko, Edward I. Cutler, Chairman.

Mr. WEICKER. The section I wish to emphasize, and this is a good point I think with which to lead off the debate on this amendment, is that paragraph which states as follows:

The Committee recommends to the Association the adoption of this resolution because of one overriding conviction: the necessity to protect the integrity of the courts of this Nation, federal and state, from misdirected legislative efforts to achieve something that can be done only through constitutional amendment. The issue is not abortion; it is not busing; it is not prayer in the public schools; it is not any of a number of things that may occasion dissatisfaction with particular decisions. We are sure that the Members of the Association have many various positions on these substantive questions, as we do. But the real issue, the only issue, is whether, as a matter of policy and of constitutional permissibility this Nation is going to adopt a device whereby each time a decision of the Supreme Court or a lower federal court offends a majority of both Houses of Congress the jurisdiction of the federal courts to hear that issue will be stripped away. We do not believe that is a system the Framers intended nor one that we should strive to institute.

That states as eloquently as is possible the argument against adoption of the Johnston amendment.

The American Bar Association has stated clearly the case on behalf of the independence of the courts of this country.

The other individual who should be in this Chamber is the President who should state equally forcefully and with equal clarity the case on his behalf for preserving the powers of the executive branch of Government, preserving the powers of the Office of President. He is already achieving what he wants as a matter of policy in having a go-slow on the whole subject of integration as it relates to the school system in this country. But the powers of his Office are of his office; they are not his. So he should also be here making the argument that the legislative branch of Government has no right via the Johnston amendment to diminish those powers.

Mr. President, how do we get here in the first place? How is it that the Members of this body do not like what it is that the Supreme Court and the Justice Department and various administrations have done? How is it that they complain that the courts are legislating?

It is because we have failed to legislate. Congress has not gone ahead and created a system, albeit expensive, which does guarantee equality of educational opportunity and equality insofar as the quality of education is concerned, but rather we have passed the buck on the matter of integration to the judiciary. And now, when we do not like the result, now we show our courage.

That courage would have been far better exhibited in this Chamber 20 and 30 years ago.

So that is how we got here. And during this last vote and the ones that have taken place prior to it I cannot tell you the number of colleagues that came to me in the Chamber and said, "Senator, we know you are right. We know you are right but have no fear the Supreme Court will declare this amendment unconstitutional."

And I have no doubt they will. But that is a decision of leadership to be made here in the Chamber and because we did not do it in the past is exactly why the trouble confronts us now.

This bill was passed as much by those Senators who fear for the busing label on their reelection efforts as for any other reason. Even I, as the principal in this filibuster event, have a difficult time in a State like Connecticut explaining that this is not a busing issue but rather that it relates solely to the Constitution. So I can sympathize with how much more difficult it is for someone on the fringes of this particular debate to explain what it is all about.

But that does not mean that the explanation should not be made. It has to be made. If indeed we do not want imperial residencies or we do not want imperial judiciaries, then it is important that Congress exert itself, stand up for that Constitution, stand up for the rights which are ours and belong to every other citizen of this Nation.

Mr. President, mind you, I do not even get off on the hook that this is unconstitutional or a bad law. It also is mighty bad policy.

I do not think most of my colleagues even realize what they have signed their names to here in the sense of a finding of facts. Read the amendment. There are probably not three Senators out here who could attest to firsthand knowledge of the facts which they have just stated as being the case in our society.

So I hope that the amendment will be rejected. I rather doubt that it will be.

But, Mr. President, it is my hope that at the end of this, my second term in the Senate, this will not be law.

I yield the floor.

Mr. JOHNSTON. Mr. President, how much time remains?

The PRESIDING OFFICER. Two minutes and fifty seconds.

Mr. JOHNSTON. Mr. President, I yield myself 1½ minutes.

Mr. President, first of all, in reply to the distinguished Senator from Pennsylvania, with respect to remedies, it is a difficult and close distinction—the denial of a remedy as opposed to the denial of a right.

I invite his attention to the Harvard Law Review article in volume 66 entitled "The Power of Congress to Limit the Jurisdiction of Federal Courts and Exercise in Dialectic" by the distinguished Prof. Henry M. Hart, Jr. I understood he wrote the textbook on the subject. One particular quote from that article I think is particularly pertinent here. He says this:

The denial of any remedy is one thing—that raises the question we're postponing. But the denial of one remedy while another is left open, or the substitution of one for another, is very different. It must be plain that Congress necessarily has a wide choice in the selection of remedies, and that a complaint about action of this kind can rarely be of constitutional dimension.

Mr. President, I also reply on the question of the American Bar Association. The American Bar Association, in spite of numerous requests from me, never considered section 5——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JOHNSTON. Mr. President, I yield myself another additional half minute.

They never considered section 5 of the 14th amendment. They did not deal with my amendment, although I requested them to do so, and indeed their recommendation deals only with "jurisdiction of the Supreme Court or the inferior Federal courts for the purpose of effecting changes in constitutional law."

And we do not plan to change constitutional law in this amendment.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. WEICKER. Mr. President, I yield myself 10 seconds only in response, because I had to go through this exercise with the Senator from Louisiana, what the American Bar Association did or did not say. What they said in this first letter and second letter, and they had the whole American Bar Association vote on it, they said thumbs down with the Johnston amendment.

I yield the remainder of my time to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, how much time has the Senator from Connecticut generously yielded to me?

The PRESIDING OFFICER. There is 1 second remaining.

Mr. SPECTER. Mr. President, I opt not to accept his yield.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I will not take my full minute, except to say we could debate the ABA on another day. That is a very long story. They did not please me by their action, nor did they fully support those in opposition to this amendment.

Let me simply say, Mr. President, there is broad support constitutionally for this amendment. I cannot tell the Senate it is absolutely clear that there is a case on point, but, in my judgment, as in the judgment of the American Law Division of the Congressional Research Service, there is a sound basis for the Congress in making findings of fact and in choosing other remedies where remedies have proven to be ineffective. That is what we are doing here, tailoring a remedy so that it will be effective in implementing constitutional law. I ask my colleagues to pass the amendment.

Mr. President, I ask unanimous consent that my name be added to the amendment. I understand it was not on there.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. KASSEBAUM. Mr. President, the Senate is currently engaged in the most recent of a long series of efforts to eliminate busing as a tool for desegregation of our Nation's schools. The floor debate has reflected all of the intensity and controversy which has been played out time and again at local school board meetings and in the courts.

Public opposition to busing has reached the point that it is clearly only a matter of time before it is abandoned as a national policy. Congressional action and Justice Department litigation decisions may well accelerate the process, but—even in the absense of such efforts—I am convinced the demise of busing would be imminent.

This is true due to the simple fact that busing has failed. Although not without its successes in the past, busing now serves to frustrate rather than promote the goals it is intended to achieve. Bitter busing disputes have caused us to lose sight of the fact that what we really want is the assurance that our Nation's schoolchildren have the opportunity for a quality education regardless of race.

The educational neglect of black children which preceded the Supreme Court decisions initiating the process of school desegregation cannot be condoned. It is a shameful part of our national history which we cannot afford to repeat. My own opposition to busing as a technique for desegregation does not imply either opposition to school integration or an arcane desire for a return to old ways and old mistakes.

What I do believe is that busing controversies have consumed time and energy which could have been more productively channeled toward improving our school system. Some of our finest minds and our most concerned citizens have been poring over busing routes and assignment plans, paying far less attention to ways in which the schools at the end of those routes can better serve students.

It is time that we move away from our preoccupation with procedure and begin to focus on substance. There are many other avenues for achieving our real goals which we should be exploring. Nearly any person who reads a daily paper would be able to name a dozen or more U.S. cities which are in the midst of divisive busing battles. However, that person would be much harder put to identify even one example where magnet schools or other creative approaches have been established.

Alternatives are available to us—alternatives which hold the promise of upgrading the educational achievement of all our Nation's students. I urge that we move from confrontation to cooperation in making that promise a reality.

Mr. HEINZ. Mr. President, since the 1950's, the Federal Government has attempted to end racial discrimination in our Nation's schools by attempting to remedy segregated, or dual educational systems. I have been, and remain, committed to upholding the 14th amendment to our Constitution by guaranteeing equal educational opportunity for children of all races and national origins.

In the past, I have supported legislation to redress unlawful discriminatory practices in all areas, including housing, voting, employment, services, as well as education. And, I remain united with many Americans in the hope of eliminating incidences of unlawful discrimination which deprive individuals of equality under the law.

While I remain firmly committed to upholding the Constitution, I recognize that busing, which has served as a principal Federal remedy for segregation, has occasioned exorbitant social and economic costs. In return, we have reaped little reward.

Therefore, I believe that busing is an inappropriate tool of the Federal Government to effectuate equality of opportunity in education, and could only accept it when used to remedy certain instances where, without busing, children would be deprived of equal education. Furthermore, I believe busing should only be ordered when segregation in fact is coupled with evidence of a discriminatory intent on the part of school officials. School districts should be subject to busing only where discriminatory intent has been a principal motivating factor in creating segregated schools.

Mr. President, I have carefully examined the amendment offered by my distinguished colleague from Louisiana. While I am sympathetic to a number of the objectives of sponsors of the Neighborhood School Act Amendment, and while I would very much like to support legislation to curtail the use of forced busing as a tool for achieving an arbitrary racial balance in the schools, I cannot support the Johnston amendment for two reasons.

First, I am deeply troubled by the retroactive applicability of the amendment. This amendment would allow segregation cases for which busing has been ordered as a remedy for years past to be reopened. The reconsiderations and disputes about whatever has happened in the past, for better or for worse, could create disruptions in the lives of thousands of students and families across our Nation. And the effect of this amendment would therefore in my judgment, be divisive, confrontational, and counterproductive.

Second, this amendment is very broad and far-reaching in a very vital area of law—constitutional rights.

A number of highly respected legal authorities have stated for the record that the amendment is unconstitutional. Without the benefit of extensive hearings on this subject which—in depth hearings have never been held on this legislative approach, I would remind you—Congress is ill-advised to enact any measure subject to a plausible claim of unconstitutionality.

● Mr. RIEGLE. Mr. President, I have long opposed court-ordered school busing because it is an ineffective device for achieving integrated schools and high-quality education for all our students.

At no time has the Congress ever voted for busing—or have I voted for busing. Busing plans have come from the courts, not from the Congress. Here in the Senate I have consistently voted to prohibit forced busing that would result from administrative actions by the Department of Health, Education, and Welfare, a limitation within the legal reach of Congress.

Even the courts have now come to realize that forced busing usually has negative consequences, and the courts themselves have steadily moved away from busing and toward other methods of achieving integrated, high-quality education.

While I do not favor busing, I do fully recognize that our Constitution divides

Federal power and creates three separate, but equal branches of Government.

When the courts invade the jurisdiction of the Congress—or the Congress invades the jurisdiction of the courts—we violate both the spirit and structure of our Constitution. I have always opposed these unconstitutional invasions of power by any of the three branches of Government and I will continue to do so.

So, while I oppose busing, I do not believe that Congress has the constitutional authority to tell the courts exactly how to settle each and every case they must deal with. The court derives its own legal authority from the Constitution, as does the Congress and neither branch can legally deny or invade the constitutional authority of the other.

The aim of the original Johnston amendment, to sharply limit the amount and degree of court-ordered busing, is a goal I support. I believe, however, that the effort to achieve this goal must be done in a manner that does not violate the Constitution in the process. It should also be noted that we find ourselves in a parliamentary situation where we must make these crucial votes without a proper set of public hearings conducted within the committees of jurisdiction.

We cannot properly take unconstitutional actions on a given issue, no matter how strongly we feel about that issue.

Therefore, I once again state my forceful opposition to court-ordered busing, and I would urge the sponsors of this amendment to devise another legislative approach to this problem that will not violate the Constitution; and yet accomplishes the goal of further limiting court-ordered actions of this nature.●

The PRESIDING OFFICER. All time has expired. The question is on agreeing to amendment No. 96, as modified, offered by the Senator from North Carolina (Mr. HELMS), the so-called Johnston amendment, as a substitute for amendment No. 69 offered by the Senator from North Carolina, at the end of the language proposed to be stricken by the first committee amendment. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Vermont (Mr. STAFFORD) is necessarily absent.

I further announce that, if present and voting, the Senator from Vermont (Mr. STAFFORD) would vote "nay."

The PRESIDING OFFICER (Mr. CHAFEE). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 60, nays 39, as follows:

[Rollcall Vote No. 258 Leg.]

YEAS—60

| | | |
|---|---|---|
| Abdnor | Danforth | Hayakawa |
| Andrews | DeConcini | Helms |
| Armstrong | Denton | Hollings |
| Baker | Dole | Huddleston |
| Bentsen | Domenici | Jepsen |
| Biden | East | Johnston |
| Boren | Exon | Kassebaum |
| Byrd, Harry F., Jr. | Ford | Kasten |
| | Garn | Laxalt |
| Byrd, Robert C. | Goldwater | Long |
| Cannon | Gorton | Lugar |
| Chiles | Grassley | Mattingly |
| Cochran | Hatch | McClure |
| D'Amato | Hawkins | Melcher |
| Murkowski | Roth | Thurmond |
| Nickles | Sasser | Tower |
| Nunn | Schmitt | Wallop |
| Proxmire | Simpson | Warner |
| Pryor | Stennis | Zorinsky |
| Quayle | Stevens | |
| Randolph | Symms | |

NAYS—39

| | | |
|---|---|---|
| Baucus | Hart | Mitchell |
| Boschwitz | Hatfield | Moynihan |
| Bradley | Heflin | Packwood |
| Bumpers | Heinz | Pell |
| Burdick | Humphrey | Percy |
| Chafee | Inouye | Pressler |
| Cohen | Jackson | Riegle |
| Cranston | Kennedy | Rudman |
| Dixon | Leahy | Sarbanes |
| Dodd | Levin | Specter |
| Durenberger | Mathias | Tsongas |
| Eagleton | Matsunaga | Weicker |
| Glenn | Metzenbaum | Williams |

NOT VOTING—1

Stafford

So Mr. HELMS' amendment (UP No. 96), as modified, was agreed to.

Mr. JOHNSTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## AGRICULTURE AND FOOD ACT OF 1981

The PRESIDING OFFICER. Pursuant to the unanimous-consent agreement previously arrived at, the Senate will now resume consideration of the pending business, which is S. 884, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 884) to revise and extend programs to provide price support and production incentives for farmers to assure an abundance of food and fiber, and for other purposes.

The Senate continued with consideration of the bill.

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, for the dozen years I have been in Congress serving on both the House and Senate Agriculture Committees, it has been essential to form a coalition of commodity groups, agribusiness, and some cooperation by consumer groups to pass a farm bill. At this time, there is no effective coalition to pass a farm bill.

Through use of the very tactics that a coalition seeks to avoid, two commodity groups have been singled out by Senate votes to absorb devastating program restrains. Dairy and peanuts have been on the firing line first. A depressing amendment on the dairy program has been adopted by the Senate.

Dairy farmers are shell-shocked. These family operators have twice-a-day work 7 days a week, 52 weeks of the year, milking their cows.

It is a grueling way to make a living. They are now forced with lower prices for milk knowing their costs of operation are increasing and that further debt is a reality at interest rates of 20 percent.

There is no coalition for a farm bill that includes them.

Peanut farmers now face a similar fate.

Although the Senate Agriculture Committee reported S. 884, it should not be looked upon as a bill that is a bonanza for farmers and ranchers that produce any agricultural commodity. That bill is a retrenchment bill—a retreat from helping to stimulate a second agricultural economy in the United States. That is a mistake because this sick domestic economy of ours needs vigor and vitality that our most basic U.S. industry—agriculture—can provide if it is allowed to do so.

Over the past several years, our increasing agricultural exports have provided each year a shot at a favorable balance of payments. Our agricultural abundance has produced food at reasonable prices.

Farmers and ranchers have suffered the cheap commodity prices for themselves that they receive while their costs have risen. Increases in food prices at retail have, for the most part, been the result of increasing costs for processors, transportation, and retailing. Producers' prices for commodities such as livestock, poultry, dairy, grain, cotton, sugar, wool, and so forth have not been gaining enough to keep up with the increasing costs.

Despite all of this, S. 884, as reported by the committee, made further cuts, restrictions, and price constraints for agricultural producers. It is a bill that further cheapens commodity prices—a sop to a "cheaper food policy."

Now comes the administration again. Having accepted the President's budget in the Committee with S. 884, the Administration asked for further reductions. Last week, they presented to three sessions of the Senate Agriculture Committee additional sniveling cuts concerning some commodities.

Their 11th hour package of modifications has succeeded in dynamiting the very weak coalition that had formed to back S. 884.

Mr. President, the administration may reap a harvest of bitter fruit. Two out of three farmers and ranchers supported President Reagan a year ago. The hemming and hawing to further weaken the farm bill may result in so dividing the coalition as to make it impossible to agree on any bill.

That is not an economic recovery program. It is a return to the basic Agricultural Act of 1949. Every commodity group, every farm and ranch organization will review how that would affect us.

The administration's last-minute manipulations to alter and further restrict the farm bill not only puzzle me but have sent such confusing figures for budget costs to the Senate that no one can accurately portray solid cost estimates.

The only solid estimate is that farmers and ranchers producing America's food and fiber will be losers.

They are entitled to better treatment. A coalition is necessary to pass the farm bill. The administration is preventing support for a bill from a broad-based coalition.

Mr. PRESSLER. Will my colleague yield?

Mr. MELCHER. I am delighted to yield to the Senator from South Dakota.

Mr. PRESSLER. Mr. President, I commend my colleague from Montana for his remarks. I am in full agreement. There is such frustration on my part that I have talked with some of my colleagues about the possibility of a filibuster on this bill to try to get back to an extension of the present farm bill, which would be better. The point is that many Midwestern Senators of both parties have patiently supported the administration's economic programs and now find that the commodities dearest to us are those that are first to be cut. I do wish there could be an agreement that we could get the commodities back together. The farm bill we are coming out with is perhaps the worst in my 7 years here, from my State's point of view. I am very concerned about what is happening.

Let me also say that I know there are many talks under way at this moment about the treatment of wheat in particular.

I am one who believes our target price and loan price for wheat sets the international price. In meeting with Canadians, Australians, and Argentinians, they always wait to see what our target price is. We set the price below production cost because of what we do here in the Senate.

Mr. President, I feel very strongly and identify with the words of my colleague. In all my years in Congress, and this is my seventh, I am more deeply troubled with what is occurring here. I shall continue my informal discussions with my colleagues, but we would be better off with an extension of the present farm bill than this farm bill. Even if we went forward with a bill that would be vetoed, we would still be better off than with the present bill.

So I identify with the remarks of my colleague, and I commend him.

Mr. MELCHER. I thank the Senator from South Dakota.

I yield the floor.

Mr. HELMS. Mr. President, after this day, I feel that I have been fighting a pair of octopi. It is a frustrating experience.

I say again that the Senator from Montana and the Senator from South Dakota are exactly right; this is not the most desirable farm bill for any commodity.

Also, this is the first time in history that the Senate Committee on Agriculture, Nutrition, and Forestry has been required to report a farm bill under budgetary restraints, and there is no way that the committee could come up with a farm bill that would satisfy everybody. As a matter of fact, we have a farm bill that satisfies nobody.

In any event, we are doing the best we can, recognizing that the vast majority of farmers would much prefer that we get the interest rates down, that we put an end to inflation or at least put some good, healthy brakes to it; and from that standpoint, the modified version of S. 884 meets a pretty fair test.

We have had a vote today on the peanut program which is not exactly exhilarating to the Senator from North Carolina, who tried to work out a compromise, and has. The compromise will meet the objections, or most of the objections, of those who have been most vocal in their criticism of that program.

In that connection, Mr. President, I see the distinguished Senator from Georgia walking across the Chamber, and I would be willing to yield to him so that he could offer some modifications.

Mr. PRESSLER. Mr. President, if the Senator will yield, I wish to commend him.

I say to the Senator that in no way did my remarks refer to him.

Mr. HELMS. I understand. It was not a criticism of me. It was a criticism of the state the country is in. The Senator is always most cooperative and generous.

Mr. JEPSEN. Mr. President, will the Senator yield?

Mr. HELMS. I yield.

Mr. JEPSEN. Can the Senator advise me how many amendments we have remaining on this bill at this time?

Mr. HELMS. I have no earthly idea, except I believe that there are too many. [Laughter.]

We will count them and let the Senator know in a moment.

Mr. JEPSEN. If it meets with the approval of the distinguished Senator from North Carolina, I should like that information to be compiled by someone before too long.

Mr. HELMS. I have been advised by Mr. Dunlop, who keeps track of all the facts and figures, that we have at least 20.

Mr. JEPSEN. I thank the Senator.

Mr. HELMS. Mr. President, I yield to the Senator from Georgia.

Mr. MATTINGLY. I thank the distinguished Senator from North Carolina.

Mr. President, we have a few modifications I should like to make in my amendment, and they should be ready in 3 or 4 minutes.

Mr. LUGAR. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. MATTINGLY. I yield.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Will the Chair respond to this parliamentary inquiry: May the Senator from Georgia modify his amendment again? As I recall, there were modifications previously, and some action has taken place.

The PRESIDING OFFICER. The Senator from Georgia still has the right to modify his amendment.

Mr. LUGAR. I thank the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. MATTINGLY. I yield.

SCHEDULE FOR REMAINDER OF TODAY AND TOMORROW

Mr. BAKER. I thank the Senator from Georgia for yielding.

Mr. President, I take this opportunity to apprise the Senate of the present leadership plans. It is not anticipated that the Senate will consider this measure beyond about 6 o'clock tonight. I expect that we will be out around 6:30, after we have completed our housekeeping details.

It is the intention of the leadership on tomorrow to stay as late as necessary to try to finish this bill, because it must be finished. So I anticipate a late night tomorrow night, if that is necessary, in order to complete action on the farm bill; and if that means 10, 11, or 12 o'clock, we will have to do that. But it is the firm intention of the leadership to be in session late tomorrow night, if that is necessary, to pass this bill.

I thank the Senator from Georgia for permitting me to make this announcement at this time.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. MATTINGLY. Mr. President, I yield to the Senator from Virginia (Mr. WARNER).

Mr. WARNER. Mr. President, I compliment the distinguished chairman of the Agriculture Committee, as well as the Senator from Georgia, the Senator from Alabama, and the ranking minority member of the Agriculture Committee.

We have engaged in extensive negotiation during the past 3 hours or more, and I believe that the proposal soon to be submitted by the Senator from Georgia will provide the Senate as a whole a reasonable compromise of this most difficult question. I also extend my appreciation to a great number of individuals who are in the environs of this Chamber, representing diverse interests in the peanut industry, who have worked together to effect this compromise.

The modifications by the Senator from Georgia, in effect, move the peanut price support program into a "no cost" position. The amendment, of course, will remove the principal objection to the present peanut program by eliminating certain restrictions on planting. Such an amendment, while accomplishing a major objective, imposes on the Government and industry additional responsibilities for the proper administration of the program, and on the producers, and in my judgment it will help the consumers as well as the taxpayers.

Mr. President, we must make certain that if there is any extra volume of peanuts that may be produced under the amendment of the Senator from Georgia, it does not adversely affect our present peanut quality, which is excellent, the program, additional cost to the taxpayers, and the price stability to our producers.

We must assure a continuous supply of reasonably priced peanuts both to domestic and foreign markets. It is my understanding that these amendments will provide additional production for the domestic market and oil for the foreign market. The modifications by the Senator from Georgia provide systematic and orderly methods of marketing which are absolutely essential for this perishable food industry.

I am in a position to recommend to my colleagues that the amendment, as soon to be modified by the distinguished Senator from Georgia, be adopted.

Mr. MATTINGLY. Mr. President, very shortly, we will bring forth the modifications, and I will ask that they be

added to my amendment when sent to the desk, and that reading be dispensed with.

Once again, we should repeat that it does open up the export market, as the Senator from Virginia eloquently stated. In addition, it restores freedom for the peanut industry, freedom that all Americans desire.

Also, this comes at no cost to the American taxpayer, which also is what we are looking for. What has happened here today is that there has been unanimous support, coming from both sides of the aisle, on a new wave, and a new desire for a method for agriculture that will open up the markets at home and abroad.

I am glad to have been a part of it, as I am sure the same desire was in the amendment offered by Senator LUGAR, to open up the markets and open up the freedom for people to grow crops in the United States.

I will send this amendment to the desk shortly.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, I yield the floor to the distinguished Senator from Georgia.

AMENDMENT NO. 545 MODIFICATION

Mr. MATTINGLY. Mr. President, I send a modification of my amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Georgia (Mr. MATTINGLY) proposes a further modification to amendment numbered 545.

Mr. MATTINGLY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator has the right to modify his amendment and the amendment is so modified.

The amendment (No. 545), as further modified, is as follows:

In lieu of the language proposed to be inserted, insert the following:

TITLE VII—PEANUTS

SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS

SEC. 701. Effective only for the 1982 through 1985 crops of peanuts, sections 358, 358a, 359, and 371 and part I of subtitle C of title III of the Agricultural Adjustment Act of 1938 are amended as follows:

(1) Subsections (a) through (j) of section 358 shall not be applicable to the 1982 through 1985 crops of peanuts.

(2) Subsections (a) through (h) of section 358a shall not be applicable to the 1982 through 1985 crops of peanuts.

(3) Subsections (a), (b), (d), and (e) of section 359 shall not be applicable to the 1982 through 1985 crops of peanuts.

(4) Part I of subtitle C of title III shall not be applicable to the 1982 through 1985 crops of peanuts.

NATIONAL POUNDAGE QUOTA AND FARM POUNDAGE QUOTA

SEC. 702. Effective for the 1982 through 1985 crops of peanuts, section 358 of the Agricultural Adjustment Act of 1938 is amended by adding at the end thereof new subsections (k) through (q) as follows:

"(k) Not later than December 1 of each year, the Secretary shall announce a minimum national poundage quota for peanuts for the next marketing year. The minimum national poundage quota for each of the 1982 through 1985 crops of peanuts shall not be less than one million two hundred forty thousand tons reduced in each such crop year, as provided in subsection (m) of this section, by the amount of any forfeited poundage quotas.

"(l) The minimum national poundage quota established under subsection (k) of this section shall be apportioned among the States on the following basis: The poundage quota allocated to each State shall be equal to the percentage of the national poundage quota allocated to farms in the State for 1981, and such State poundage quota shall be allocated among the counties within such State in accordance with regulations established by the Secretary and in accordance with the provisions of subsection (o) of this section, taking into consideration each county's historical production of peanuts.

"(m) A farm base production poundage shall be established for each farm which had an acreage allotment for the 1981 crop year. The farm base production poundage for any such farm shall be the same as the farm base production poundage for such farm for the 1981 marketing year. Such farm base production poundage shall be the same for such farm for the 1982 through 1985 marketing years, except that if the farm base production poundage, or any part thereof, is permanently transferred in accordance with section 358a of this Act, the receiving farm shall be considered as possessing the farm base production poundage (or portion thereof) of the transferring farm for all subsequent marketing years. If any part of the farm base production poundage is allocated to a farm on which there in inadequate cropland available on the date of the enactment of the Agriculture and Food Act of 1981 to produce the amount of the farm base production poundage on such farm, or in the event that peanuts are not actually produced on such farm in at least one of any three consecutive crop years, the portion of such farm base production poundage that cannot be produced or which is not produced on such farm shall be forfeited, and, to the extent such farm base production poundage is comprised of quota poundage, such quota shall be subtracted from the national poundage quota for all subsequent years, except that in any case in which the farm base production poundage (or any portion thereof) was leased for production in 1980 or 1981, or any subsequent year, the farm base production poundage (or portion thereof) shall be allocated to the farm to which it was most recently leased.

"(n) For each farm for which a farm base production poundage was established for the 1981 crop of peanuts, and when necessary for purposes of this Act, a farm yield of peanuts shall be determined for each farm. Such yield shall be equal to the average of the actual yield per acre on the farm for each of the three crop years in which yields were highest on the farm out of the five crop years 1973 through 1977. In the event that peanuts were not produced on the farm in at least three years during such five-year period or there was a substantial change in the operation of the farm during such period (including, but not limited to, a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that amount determined to be fair and reasonable on the basis of yields established for similar farms which are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

"(o)(1) A farm poundage quota shall be established by the Secretary for each marketing year for each farm for which a farm base production poundage was established for the 1981 crop of peanuts, and such farm poundage quota shall be equal to the farm base production poundage multiplied by the factor determined by dividing the State poundage quota established in subsection (l) of this section by the sum total of all farm base production poundages in effect in such State for the 1981 marketing year.

"(2) The poundage quota so determined shall be increased by the number of pounds by which marketings of quota peanuts from the farm during previous marketing years (excluding any marketing year before the marketing year for the 1980 crop) were less than the farm poundage quota.

"(3) For any crop of peanuts, a quantity of peanuts equal to the quantity of peanuts undermarketed during such previous years may be produced and marketed in subsequent years, and such quantity of peanuts (undermarketing carry forward) shall be considered quota peanuts, except that in order to qualify for such undermarketing carry forward in any year, a producer must have planted an acreage on the farm to peanuts in the previous year which, when multiplied by the farm yield of peanuts as determined in accordance with subsection (n) of this section would have yielded 75 per centum of the quota poundage for the farm for peanuts for such previous year.

"(4) Notwithstanding the foregoing provisions of this subsection, if the total of all increases under paragraph (2) of this subsection in individual farm poundage quotas exceeds 10 per centum of the national poundage quota for the marketing year, the Secretary shall adjust such increases so that the total of all such increases does not exceed 10 per centum of the national poundage quota.

"(p) Not later than December 15 of each calendar year the Secretary shall conduct a referendum of farmers engaged in the production of quota peanuts in the calendar year in which the referendum is held to determine whether such farmers are in favor of or opposed to poundage quotas with respect to the crops of peanuts produced in the four calendar years immediately following the year in which the referendum is held, except that, if as many as two-thirds of the farmers voting in any referendum vote in favor of poundage quotas, no referendum shall be held with respect to quotas for the second, third, and fourth years of the period. The Secretary shall proclaim the results of the referendum within thirty days after the date on which it is held, and, if more than one-third of the farmers voting in the referendum vote against quotas, the Secretary also shall proclaim that poundage quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held.

"(q) For the purposes of this part and title I of the Agricultural Act of 1949—

"(1) 'quota peanuts' means, for any marketing year, any peanuts produced on a farm having a farm base production poundage, as determined in subsection (m) of this section, which are eligible for domestic edible use as determined by the Secretary, which are marketed or considered marketed from a farm, and which do not exceed the

farm poundage quota of such farm for such year;

"(2) 'additional peanuts' means, for any marketing year (A) any peanuts which are marketed from a farm for which a farm base production poundage has been established and which are in excess of the marketings of quota peanuts from such farm for such year, and (B) all peanuts marketed from a farm for which no farm base production poundage has been established in accordance with subsection (o) of this section;

"(3) 'crushing' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary; and

"(4) 'domestic edible use' means use for milling to produce domestic food peanuts and seed and use on a farm, except that the Secretary may exempt from this definition seeds of peanuts that are used to produce peanuts excluded under section 359(c) of this Act, are unique strains, and are not commercially available.".

SALE, LEASE, OR TRANSFER OF FARM BASE PRODUCTION POUNDAGE

SEC. 703. Effective for the 1982 through 1985 crops of peanuts, section 358a of the Agricultural Adjustment Act of 1938 is amended by adding at the end thereof new subsections (i) and (j) as follows:

"(i) The owner or operator of any farm for which a farm base production poundage has been established under this Act may, subject to such terms, conditions, or limitations as the Secretary may prescribe, sell or lease any part of the right to all or any part of such farm base production poundage to any other owner or operator of a farm within the same State for transfer to such farm. The owner of a farm shall be permitted to transfer all or any part of such farm's farm base production poundage to any other farm owned or controlled by him.

"(j) Transfers (including transfer by sale or lease) of farm base production poundage under this section shall be subject to the following conditions (1) no transfer of farm base production poundage from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders; (2) no transfer of farm base production poundage shall be permitted if the county committee determines that the receiving farm does not have adequate cropland to produce the farm poundage quota; (3) no transfer of farm base production poundage shall be effective until a record thereof is filed with the county committee of the county to which such transfer is made and such committee determines that the transfer complies with the provisions of this section; and (4) such other terms and conditions which the Secretary may by regulations prescribe.".

MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS

SEC. 704. Effective only for the 1982 through 1985 crops of peanuts, section 359 of the Agricultural Adjustment Act of 1938 is amended by adding at the end thereof the following new subsections:

"(f)(1) The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which such peanuts are produced shall be subject to penalty at a rate equal to 140 per centum of the support price for quota peanuts for the marketing year (August 1 through July 31) in which such marketing occurs. The marketing of any additional peanuts from a farm shall be subject to the same penalty unless such peanuts, in accordance with regulations established by the Secretary, are either (A) placed under loan at the additional loan rate in effect for such peanuts under section 108 of the Agricultural Act of 1949 and not redeemed by the producers, (B) marketed through an area marketing association designated pursuant to section 108(4) of the Agricultural Act of 1949 or (C) marketed under contracts between handlers and producers, pursuant to the provisions of subsection (j) of this section. Such penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer, or if the peanuts are marketed by the producer through an agent, the penalty shall be paid by such agent, and such person or agent may deduct an amount equivalent to the penalty from the price paid to the producer. If the person required to collect the penalty fails to collect such penalty, such person and all persons entitled to share in the peanuts marketed from the farm or the proceeds thereof shall be jointly and severally liable for the amount of the penalty. Peanuts produced in a calendar year in which farm poundage quotas are in effect for the marketing year beginning therein shall be subject to such quotas even though the peanuts are marketed prior to the date on which such marketing year begins. If any producer falsely identifies or fails to certify planted acres or fails to account for the disposition of any peanuts produced on such planted acres, an amount of peanuts equal to the farm's average yield, as determined under section 358(n) of this Act, times the planted acres, shall be deemed to have been marketed in violation of permissible uses of quota and additional peanuts and the penalty in respect thereof shall be paid and remitted by the producer.

"(2) The Secretary shall authorize, under such regulations as he shall prescribe, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or reduce marketing penalties provided for under this subsection in cases in which such committees determine that the violations which were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned. Errors in weight which do not exceed one-tenth of 1 per centum in the case of any one marketing document shall not be considered marketing violations except in cases of fraud or conspiracy.

"(3) The person liable for payment or collection of any penalty provided for in this section shall be liable also for interest thereon at a rate per annum equal to the rate of interest which was charged the Commodity Credit Corporation by the Treasury of the United States on the date such penalty became due.

"(4) The provisions of this section shall not apply to peanuts produced on any farm on which the acreage harvested for nuts is one acre or less if the producers who share in the peanuts produced on such farm do not share in the peanuts produced on any other farm.

"(5) Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which such penalty is incurred, and on any subsequent crop of peanuts subject to marketing quotas in which the person liable for payment of the penalty has an interest shall be in effect in favor of the United States.

"(6) Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under this section shall be determined in accordance with such procedures as the Secretary by regulations may prescribe. The facts constituting the basis for determining the liability for or amount of any penalty assessed under this section, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other office or agency of the Government or any court of law. Nothing in this section shall be construed as prohibiting any court of competent jurisdiction from reviewing any determination made by the Secretary with respect to whether such determination was made in conformity with the applicable law and regulations. All penalties imposed under this section shall for all purposes be considered civil penalties.

"(7) Only quota peanuts may be retained for use as seed or for other uses on a farm and when so retained shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts that are used to produce peanuts excluded under section 359(c), are unique strains, and are not commercially available. Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use. Seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

"(h) Upon a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by such handler from such crop for such marketing, such handler shall be subject to a penalty equal to 120 per centum of the loan level for quota peanuts on the quantity of peanuts which the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

"(i) The Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 108(4) of the Agricultural Act of 1949. Quota and additional peanuts of like type and segregation or quality may, under regulations prescribed by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

"(j) Handlers may, under regulations prescribed by the Secretary, contract with producers for the purchase of additional peanuts for crushing, export, or both. All such contracts shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval prior to April 15 of the year in which the crop is produced, except that if any handler contracts with a producer for additional peanuts produced on a farm for which a farm base production poundage has been established at a price equal to or more than 105 per centum of the loan level for quota peanuts not in excess of the farm base production poundage, such peanuts may be utilized as quota peanuts if (1) such contract is approved before April 15 of the year in which the crop is produced, and (2) all of the producer's quota peanuts have been contracted for before or at the same time that the producer's additional peanuts are contracted for.

"(k) Subject to the provisions of section 407 of the Agricultural Act of 1949, any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use in accordance with regulations established by the Secretary. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices not less than those required to cover all costs incurred with respect to such peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus (1) not less than 100 per centum of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season upon delivery by and with the written consent of the producer, (2) not less

than 105 per centum of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer by not later than December 31 of the marketing year, or (3) not less than 107 per centum of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year: *Provided, however,* That additional peanuts produced outside the farm base production poundage shall not be sold into domestic and related channels until all quota and additional peanuts produced within the farm base production poundage under loan have been contracted for sale.

For the period from the date additional peanuts are delivered for loan to April 30 of the calendar year following the year in which such additional peanuts were harvested, the area marketing association designated pursuant to section 108(4) of the Agriculture Act of 1949 shall have sole authority to accept or reject lot list bids when the sales price as determined under this section equals or exceeds the minimum price at which the Commodity Credit Corporation may sell its stocks of additional peanuts, except that the area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by this sentence in order to facilitate the orderly marketing of additional peanuts.".

PRICE SUPPORT PROGRAM

SEC. 705. Effective only for the 1982 through 1985 crop of peanuts, title I of the Agricultural Act of 1949 is amended by adding after section 107 a new section 108 as follows:

"PRICE SUPPORT FOR 1982 THROUGH 1985 CROPS OF PEANUTS

"SEC. 108. Notwithstanding any other provision of law—

"(1) The Secretary shall make price support available to producers through loans, purchases, or other operations on quota peanuts for each of the 1982 through 1985 crops. The national average quota support rate for the 1982 crop of quota peanuts shall be the national average cost of production, including the cost of land on a current value basis, for such crop, as estimated by the Secretary, but in no event less than $596 per ton. The national average quota support rate for each of the 1983, 1984, and 1985 crops of quota peanuts shall be the national average quota support rate for such peanuts for the preceding crop, adjusted to reflect the change, during the period January 1 and ending December 31 of the calendar year immediately preceding the marketing year for which a level of support is being determined, in the national average cost of peanut production, excluding the cost of land. The levels of support so announced shall not be reduced by any deductions for inspection, handling, or storage: *Provided,* That the Secretary may make adjustments for location of peanuts and such other adjustments as are authorized by section 403 of this Act.

"(2) The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts which are produced on a farm for which a farm base production poundage has been determined in accordance with section 358(m) of the Agricultural Adjustment Act of 1938, and which are not in excess of the farm base production poundage, at such levels as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets: *Provided,* That the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to insure that there are no losses to the Commodity Credit Corporation on the sale or disposal of such peanuts. The Secretary shall announce the level of support for additional peanuts of each crop not later than February 15 preceding the marketing year for which the level of support is being determined.

"(3) The Secretary may make price support available to producers through loans, purchases, or other operations on additional peanuts which are in excess of a farm's base production poundage, or which are produced on a farm with no farm base production poundage. In determining the support level for such additional peanuts, the Secretary shall take into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, but in no case may the level of price support for such additional peanuts be set at a level which the Secretary estimates would result in the Commodity Credit Corporation incurring a loss on the price support program for such additional peanuts for the marketing year concerned. The Secretary shall announce the level of price support, if any, for such additional peanuts of each crop not later than February 15 preceding the marketing year for which the level of price support, so announced, is to be in effect.

"(4)(A) In carrying out paragraphs (1), (2), and (3) of this section, the Secretary shall make warehouse storage loans available in each of the three producing areas (described in 7 CFR 1446.10 (1980)) to a designated area marketing association of peanut producers which is selected and approved by the Secretary and which is operated primarily for the purpose of conducting such loan activities. The Secretary may not make warehouse storage loans available to any cooperative which is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and in section 359 of the Agricultural Adjustment Act of 1938. Such area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this section and section 359 of the Agricultural Adjustment Act of 1938. Loans made under this subparagraph shall include, in addition to the price support value of the peanuts, such costs as the area marketing association reasonably may incur in carrying out its responsibilities, operations, and activities under this section and section 359 of the Agricultural Adjustment Act of 1938.

"(B) The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by type for quota peanuts handled under loans, for additional peanuts placed under loan and for additional peanuts produced without a contract between handler and producer described in section 359(j) of the Agricultural Adjustment Act of 1938, and for such additional peanuts separate pools shall be established for (i) such peanuts marketed in excess of farm poundage quotas, but not in excess of farm base production poundage, and for (ii) such peanuts marketed in excess of farm poundage quotas and in excess of the farm base production poundage, or from farms having no farm base production poundage.

Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed in proportion to the value of the peanuts placed in the pool by each grower.

Net gains for peanuts in each pool shall consist of (A) for quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in such pool plus an amount from the pool for additional peanuts to the extent of the net gains from the sale for domestic food and related uses of additional peanuts in the pool for additional peanuts equal to any loss on disposition of all peanuts in the pool for quota peanuts and (B) for additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in clause (A) of this paragraph. Notwithstanding any other provision of this section, any distribution of net gains on additional peanuts of any type to any producer shall be reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts of a different type placed under loan by such grower.".

"(5) Notwithstanding the foregoing provisions of this section or any other provision of law, no price support shall be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358(p) of the Agricultural Adjustment Act of 1938.".

REPORTS AND RECORDS

SEC. 706. Section 805 of the Food and Agriculture Act of 1977 (91 Stat. 947) is amended by striking out "1981" and inserting in lieu thereof "1985".

SUSPENSION OF CERTAIN PRICE SUPPORT PROVISIONS

SEC. 707. Section 101 of the Agricultural Act of 1949 shall not be applicable to the 1982 through 1985 crops of peanuts.

Mr. MATTINGLY. Mr. President, everyone knows the issue. We have debated it thoroughly today on the peanut program and the amendment.

I think that as rapidly as possible we should call the question on the issue.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. DURENBERGER). The Senator from Indiana.

Mr. LUGAR. Mr. President, I do not want to intrude if the Senator from Georgia is going to explain his amendment further, but in the event that no further debate is going to occur on a rather substantial modification I think we should take some time at this point to understand what is involved.

I would have thought it would be incumbent upon the proponents of the modifications to explain what they are about, and since they have, in fact, very recently reached the desk many Senators may have no idea what we are about to vote upon.

So let me proceed through analysis as I understand it of the Mattingly amendment which is being proposed as a substitute to my amendment.

The parliamentary situation is such that in the event the Mattingly amendment is adopted it will become the amendment on which we vote, and the Lugar amendment would fall because it is a substitute.

So I take the position, first of all, so that things will be perfectly clear to Senators that I oppose the Mattingly amendment. I am hopeful it will be defeated and Senators will, therefore, have an opportunity to vote on my amendment up or down.

Very clearly the last vote that we took was a motion to table the Lugar amendment, not the Mattingly amendment. It was a point of strategy taken by those who presumably oppose my idea of getting rid of allotments and poundage quo-

tas and moving peanuts to a system very similar to that of soybeans, wheat, and corn in this country. Very specifically the leadership of our Agriculture Committee determined that mine was the amendment they wanted to go after and they did so. They lost 56 to 43.

At this point apparently the distinguished Senator from North Carolina, the chairman of our committee, has worked with the distinguished Senator from Georgia in what they have described as some simple modifications which have not even been explained on which a yea and nay vote has been called for.

I am not certain most Senators understood the Mattingly amendment to begin with. I am not certain that many Senators have any idea what the peanut program in this country is all about.

Leaving that aside, the Mattingly amendment as modified, as best I can understand it from Xerox notes that have been sent out to us, comes down to this:

All acreage allotments would be eliminated. That is a good idea. That is a substantial change from the point of view expressed by the Senator from North Carolina that appeared in S. 884 and in the so-called committee modifications.

Senators should know that in voting for the Mattingly amendment at least they would get back to a point where all acreage allotments for peanuts in this country would be eliminated.

I congratulate the Senator from Georgia on that significant step.

Clearly, the right to grow peanuts on any farm in the country is a point at issue, and that we solved.

Unfortunately, we then come to the second point in the Mattingly amendment, and that is that all poundage quotas would be maintained on all the allotment acres that are actually productive farmland.

Mr. President, the peanut program involves those two elements, allotments now which have been passed on from father to son, 59,100 of them in the country, but in addition, as I pointed out yesterday afternoon, because peanut farmers become more efficient over the course of time, grow as much as 2½ to 3 times as many peanuts on an acre of allotment as they used to, in order to keep the system down to a dull roar, poundage quotas were put on in addition to acreage allotments. The poundage quotas under the Mattingly amendment would remain. And herein, of course, lies all of the Federal bureaucracy attached to the maintenance of that kind of a measuring and weighing system.

The Senator from Georgia has recognized that under the current system, the one that was being defended so eloquently earlier on in the day, there are many acres that are not tillable and that have still been receiving these monopoly rents. So, in fairness to the Mattingly amendment, at least those acres somewhere in the country that were a part of this 59,100 group that are now tillable will no longer receive the poundage quota treatment.

And the Senator from Georgia at least in his first amendment of this morning went on to say that those quota amounts would be subtracted from the total national poundage quota. It may be that in due course he will want to indicate whether that is still the case, because in this morning's amendment he suggested that national poundage quota would now be set at 1.1 million tons, lower by 140,000 tons from the 1.24 million level contained in the so-called committee compromise. And you will recall I say to my colleagues, that the committee compromise at 1.24 was called down from the original 1.3 in the S. 884. So the committee compromise has tried to lower the cost from going from 1.3 to 1.24. Senator MATTINGLY was headed toward 1.1 until he found the senior Senator from North Carolina, and now in the new modifications, as I understand them, we are back to 1.24.

An argument is being made that some seed peanuts are required and they overlooked that in the first go-round. But be that as it may, the count is back up to where we were this morning rather than where we might have been this afternoon if we were considering the Mattingly amendment as first offered.

Now, in the event that the number of peanuts gets down lower in terms of pounds, the philosophy, as I understand, of the Mattingly amendment, as modified, and as suggested before would lower the cost of the original S. 884 agriculture bill. It does so because there were fewer peanuts that are to be supported at the high level.

And in fairness to the chairman and his proposal, Senator HELMS and Senator MATTINGLY apparently have adopted a $596 per ton support as opposed to $641 that we started out with. That is a definite step forward in terms of reducing costs.

As I pointed out in my arguments last evening, the argument with regard to the cost of the program, I think, has diminished. These things are difficult to estimate. But in fairness to the amendments that I am opposing, I believe, in fact, that most of the cost of the program, at least in fiscal 1982, has been diminished by lowering the poundage and lowering the amount of $641 to $596.

Now I think what has to be said, in analyzing the Mattingly amendment, as modified, is that essentially if you are a farmer somewhere in this country who currently does not have one of the 59,100 allotments, you could grow peanuts but essentially—and I hope this does not unfairly over simpify—you had better plan to export them. In essence, the argument is being made that the Mattingly amendment would be a boost to exports. Well, indeed it would, if you grow peanuts and you have very little possibility of marketing them within the United States of America. And that is the gist of the poundage quota situation that we are looking at here.

The point that I attempted to make last evening and very briefly this morning is that a similar predicament has been faced by most of the commodities in this country at some point. I cited the case in 1975 of our congressional debate on rice. At the time, the point was made of that rigidly controlled commodity that if, in fact, the controls were knocked off and rice came into the same category as cotton and corn and beans, which we will be considering with regard to the target price argument, if rice did not have special treatment, in essence, we would see a destruction of that industry and its producers. Now, in fact, the rice market has taken off much stronger than it was in 1975.

The same thing with regard to soybeans, much earlier in the bidding there. Soybeans used to be a crop that was exceeded by peanuts in terms of production, values added, and the exports. Not so after soybeans were freed from all the apparatus and the rigmarole that we are discussing presently.

The difference between the Mattingly amendment and the Lugar amendment comes down to the fact that the Lugar amendment wants to put the peanut situation into a market economic context, not a totally free market situation. It is no more free than the market situation for wheat and beans and corn and rice and cotton and lots of other commodities. As a matter of fact, as we have discussed, peanuts are the last, the very last edible crop in this country to have this sort of convoluted support structure.

But if the peanut industry is ever going to take off in this country, it will really need to come into the same situation. There are no substantial differences with regard to perishability, with regard to marketability, with regard to anything else, aside from the very difficult political problem which is involved in this peanut question. And that is at the nub of any discussion of this.

The predicament—and I sympathize with it—of each of my colleagues on the Agriculture Committee is so frequently to be under the gun from particular producers in their States who say: "We have always had this program. Are you going to be the one that let us down? Were you the one who was sitting there when the whole thing collapsed? Did you have the watch that night when the ship went down?"

Now, the facts of life are that in the great peanut-producing States of this country there are a lot of very efficient producers. They, in fact, would like to produce more peanuts. They would produce them more efficiently.

Senator HEFLIN, I thought, in an eloquent statement this morning, said that in the event the Lugar amendment passes, there will be a change; a good number of smaller plots are likely to go into larger plots; and there will be a consolidation of many of those situations. And I would admit there would be. As a matter of fact, I have suggested that if my amendment passes, the trend will be for peanuts to be grown in the more efficient areas of this country in terms of soil, in terms of climate, by more efficient farmers and that will be of great benefit as a matter of fact to consumers as well as to the peanut industry as a

whole which is likely to take off in much the same way as the soybean industry did before, following the same route.

In other words, we are arguing, as we take a look at the Mattingly amendment, which I would characterize as sort of a last ditch attempt to hang onto some vestige or what is there to try at least now through the poundage quota situation to achieve essentially what was there before through allotment plus poundage. There are, of course, some interesting facets to the Mattingly amendment that the markets will test out. And it is difficult on first impression, as one looks simply at the notes of a Xerox copy, to imagine all the hypothetical situations.

But, in the event that there are free-floating allotment acres in a particular State, as I understand, the Mattingly amendment would make it possible for the holder of an allotment in essence to rent, to receive rent from anybody within a State for those available acres.

Now that could excite quite a bit of business. That could be a market system all of its own within the boundaries of a particular State. If, as a matter of fact, farmers who are efficient and who are consolidating their peanut operations saw a value in doing it, the monopoly rent that I have already characterized as $125 to $200 per acre could escalate very high indeed for those marginal acres. It would be a very valuable thing.

In essence the Mattingly amendment now transfers the bidding from bidding for acres to bidding for pounds. With the allotment of acres taken off but the poundage quotas remaining, one now has a very interesting speculation in pounds, as opposed to acres. And the ramifications of that, I trust, have not been thoroughly explored. I suspect that those who made the argument this morning that thorough consideration ought to be given to legislation before it is adopted, even almost without debate, by a quick up and down vote would agree there are some unusual aspects of this when you take a look at it.

Mr. President, I think you must say, in logic, that the current system is as well known as any. If one were to make a choice, it seems to me logical one is going to adopt either the current system with its failings but with its strength, as those who love it have advocated, or adopt my amendment which says that you do away with allotments, you do away with poundage quotas, you move to a free market situation very similar to those for everything else and let the Secretary of Agriculture have discretion with regard to loans and purchases to make certain that there is security for peanut producers the same as there is for producers of corn and beans and wheat and other situations.

So, Mr. President, at least these are points that, at first analysis, I wanted to share with my colleagues, as well as my conviction that there are, I believe, two essential choices to be made. One is we will continue to have the current system, the Mattingly involvement in this doing away with allotments but now putting in the controls and bidding on pounds instead. I have characterized that as, unfortunately, much of the same old thing. I would guess there is no phasing out of this. I see no phasing whatsoever, aside from the fact that a few acres might be found nontillable. In the event someone drops out of the peanut game, very rapidly they auction off the right to the pounds. The system continues on forever. There is no phasing out here. There is no end of the rainbow.

I would suggest that if you want change, if you want reform, that you vote for the Lugar amendment. This ongoing reform I believe has a certain internal logic with the rest of the farm bill we are considering.

Mr. WARNER. Will the Senator yield for a question?

Mr. LUGAR. I yield.

Mr. WARNER. I helped draft the legislation as arbiter on certain provisions and I have tried to assess the situations before I came down to support the amendment of the distinguished Senator from Georgia.

As I look at the program of the Senator from Indiana, there is involved a price support, although set by the Secretary of Agriculture, in the nature of a loan, but there is no way of estimating the volume of production of peanuts and the ultimate cost to the taxpayer. It is an open-ended situation. As such, the taxpayer is left at the peril of those who want to get involved in this new industry. Therefore, I feel that while none of these programs may have all the advantages that we wish to achieve at this time, the Senator from Georgia at least has drawn certain parameters within which there is an estimate of the impact on the American taxpayer. Am I not correct?

Mr. LUGAR. Let me respond to the Senator's question on the cost of the program by indicating that in my analysis the cost of my program would be approximately zero, as I admit the cost of the Mattingly or Mattingly-Helms program would be approximately zero. These, I understand, are from the modifications.

Mine comes to zero because the Secretary of Agriculture has absolute discretion to set the loan rates, given the conditions of the market and the supply-demand, with any other considerations which are part of his normal settings of loan rates. At least, in my judgment, he has the privilege of setting a loan rate in such a way that it could come out zero.

I see the estimates of costs which have attended the discussion of this debate have all assumed that the Secretary of Agriculture would set the loan rate at a particular level. As I recall, several hypothetical examples were tried out for size this morning, various sizes and sums of money. But I would say that this particular Secretary of Agriculture and this particular administration are feeling the chill winds of the budgetary situation right now. He is feeling at least a rather cool breeze coming from the White House with regard to the potential cost of this entire piece of legislation.

This Senator from Indiana has made other suggestions with regard to more sizable sums of money. It certainly is not my purpose to add to the problems of the Secretary. In trying to come down on this amendment I have consulted with him about his administration of the project. I have no desire to set in advance, or even hypothetically set in advance, his decision.

I would simply say that we are arguing cost, which we leave to the Secretary's discretion. His discretion will be to have a very alive program, which is what we shall have.

Mr. WARNER. Does the Senator yield the floor?

Mr. LUGAR. I yield the floor.

Mr. WARNER. Mr. President, I yield to the Senator from Georgia.

Mr. MATTINGLY. Mr. President, I have a few brief comments. I would like to ask how much virtue the last digit in the amendment has. This morning I was referred to as the emasculator of the program. In fact, statements were made that referred to poundage going from 1.1 million to 1.24 would just add seed peanuts. So it is not any real poundage change.

The problem with the Lugar amendment was, as the Senator from Virginia spoke about, that it was open-ended. There is no lid on what the CCC would have to acquire, which means that it would cost the taxpayers more money.

As far as opening up the export markets, the farmer would appreciate opening up the export markets for additional peanuts grown, but they also can be used domestically because they can be crushed and used for oil. They can also be acquired in case there was a shortfall, as there was this past year in the peanut program. So they are available from domestic production.

I would just reiterate a prior statement that I made that if you do not produce on the land that you have the poundage on, you lose the right to produce. That is a significant change. It does allow anyone anywhere in our country to grow peanuts in the future.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Will the Senator from Georgia yield for a question with regard to the modification?

Mr. MATTINGLY. I yield.

Mr. LUGAR. In the first point of the summary page that I have before me there is a notation of a 2-year grace period to be allowed. What is the meaning of that term?

Mr. MATTINGLY. I will yield back to the Senator from Virginia.

Mr. WARNER. I yield to the Senator from Kansas.

Mr. DOLE. I did not think that was in the modification.

Mr. LUGAR. Since I do not have a copy of what was included, I am going from notes of what I understood to be in the modification. What is the 2-year grace period discussion? I am not certain.

Mr. WARNER. If the Senator is reading from this handwritten document which I have been using, item 2 is not a part of the amendment submitted by the Senator from Georgia. That was not agreed upon. That reads "effective date of 1984" and so on, that sentence.

Mr. LUGAR. There are several dates. Some of it seems to be scratched out.

Mr. WARNER. We attempted to perfect a compromise on that. At one time we indicated 1983. But, again, that has not been made a part of the compromise. It was deleted.

Mr. LUGAR. So the modification would be effective with the 1982 crop, is that correct?

Mr. WARNER. That is correct.

Mr. LUGAR. Then the allotments would be suspended so that anyone could grow peanuts?

Mr. WARNER. That is correct.

Mr. LUGAR. May I ask a second question either of the Senator from Georgia or the Senator from Virginia? Why was the original poundage quota at 1.1 million raised to 1.24 million? This would appear to be a step in the wrong direction so far as its cost in winding down the program.

Mr. MATTINGLY. It was that if you did not grow peanuts in 1 year out of 3, you would lose that poundage.

Mr. LUGAR. If you do not grow peanuts in 1 year out of 3 you would lose the poundage quota?

Mr. MATTINGLY. Right.

Mr. LUGAR. How does that affect the raising of this figure from 1.1 to 1.24?

Mr. MATTINGLY. The 1.1 to 1.24 is that originally the bill included 1.29 which included the administration bill in the beginning. 1.29 included the seed peanuts and then we excluded seed peanuts which took it down to 1.14. We made it 1.1. Then they wanted to include seed peanuts and it is a reasonable modification. It goes back to 1.24. So there is no impact. It is six of one and half dozen of another.

Mr. LUGAR. How does the situation of the Senator from Georgia ever wind this program up? I do not see an end to the tunnel in this respect. In fact, we seem to have retreated back to more peanuts in the amendment than we had this morning.

Mr. MATTINGLY. It opens the program. It opens it up to where everybody in this country can grow peanuts but it would still be subsidized by the Federal Government, as in the other amendments.

Mr. LUGAR. But it does not open up the poundage quotas; is that correct? In other words, although allotments are suspended, poundage quotas remain?

Mr. MATTINGLY. Poundage would still be retained, but it opens up supplementals or additional peanuts, however you want to refer to them. But they are not supported by the Federal Government, as the Senator's are.

Mr. LUGAR. Mr. President, I have indicated that corn, wheat, beans, and a number of crops have a certain degree of support. That is the nature of our general farm bill, to try consistently to bring the general peanut situation to some equity with the others.

It would appear that, for example, in the case of a corn farmer, in Indiana, it is hard to imagine how you would begin to put a poundage quota program in place and begin auctioning off pounds of corn, as is the case with this program. If there were some progress being shown in this amendment as to how, somehow, we have to bring it to a conclusion, I think that would give this Senator some hope. But I do not see any end to this whatsoever.

As a matter of fact, Mr. President, we are going to come to the end of this farm bill debate, and Senators will be exhausted with the whole process for the next 3 years. I think that is why I support where we are in other commodities because after having this, this is what we are stuck with.

Mr. MATTINGLY. I should like to make one more comment on it, Mr. President, to clarify it.

In all honesty, if we went with the Senator's amendment and they grow 10 times as many peanuts next year as they do this year, the Government would be responsible for supporting it all. I am saying that is not right.

Mr. LUGAR. I ask the Senator from Georgia another question: On what basis would the Government have to support 10 times as many peanuts? I do not understand why people would go on an irrational binge and start growing peanuts when there is no market and no support.

Mr. MATTINGLY. That is why it has to be done in an orderly manner as with the rest of the commodities. I rest my case.

Mr. LUGAR. Mr. President, I think the market would start sending signals to people who want to grow 10 times as many peanuts that that is not a good thing to do when there is no market for them. I think if we are to rest our cases on poundage instead of principles, I hope people will side with the market. I hope Senators will reject the Mattingly substitute and support the Lugar amendment.

Mr. WARNER. Mr. President, there are many reasons I cannot support my friend from Indiana. The distinguished Senator from Indiana cannot provide the Senate with any possible cost estimates to the taxpayer in the near future. It is my hope that the Agriculture Committee, in the years to come, can consider this problem and work out a program that will address it. In the meantime, there are a number of Senators who wish to support the amendment of the Senator from Georgia, and I yield at this point to the distinguished Senator from Alabama, who has been most helpful in effecting this compromise.

Mr. HEFLIN. Mr. President, I am reluctantly supporting the Mattingly modified amendment. I think that, after 4 years, the Committee on Agriculture will come back and realize we had an excellent peanut program and reinstate it in the future. But, unfortunately, peanuts are the target of a number of attacks on the floor of the Senate. All of the attacks are not against the peanut program. There are a lot of crosscurrents and a lot of tactics being used.

There were people who had belonged to a farm coalition who voted against peanuts, as I would say, using that in a general term, on the vote that we had on a tabling motion. They do not really want to destroy peanuts, they do not want to destroy the program. They are trying to gain some advantage somewhere else. I suppose that is a part of the parliamentary procedure that we are faced with. But we are in an unusual position and we are in this position now.

It could well be, Mr. President, that there will be no farm bill. If there is no farm bill in existing legislation, we go back to the farm bill of 1949. The farm bill of 1949 provides allotments for practically every crop, referenda price supports, all sorts of things. Peanuts will do pretty well under the 1949 act. It would devastate cotton. It would devastate many other programs.

We are now at a stage where a lot of people are making tactical attacks on peanuts, trying to gain something else. Maybe they will gain, maybe they will not. I do not feel that, at this stage, with several more days of debate on the farm bill facing us, I want to be placed in a position, because of my vote today supporting the Mattingly position, that I will be in that same situation, maybe, tomorrow or the next day or on down. But I feel at the present time that the Mattingly amendment is far superior to the Lugar one. It does not completely destroy the peanut program overall. It is not nearly as costly.

Senator LUGAR, I am sure, in all conscience, feels that the Secretary of Agriculture can use his discretion where the present peanut program will cost no money. But he is not going to; let us realistically realize that he is not going to cut the support price under where it is today. At $455 a ton, we are talking about a program, under the Lugar amendment, that would cost close to $300 million a year. Under the Mattingly amendment, he did not make the corrections. His program that we were arguing this morning would have cost $100 million. But it is a matter where, because of some peculiarities, offsets and facts, it can be saved. The distinguished Senator from Virginia has worked on that along with staff people, and that saving is there, so the Mattingly amendment will not cause any losses to the Government.

Therefore, Mr. President, I urge the Senators at this time to support the Mattingly amendment. One, it is cost saving. Two, it does not completely destroy the peanut program. I should like to predict, Mr. President, that 4 years from now, Senators may see the error of their ways on a past vote.

I thank the Chair.

Mr. WARNER. Mr. President, again, I thank the distinguished Senator from Alabama. This proposal does not meet the requirements or the expectations of any of us who have been involved in it, but it represents the best compromise that we can reach through many hours of arduous effort.

At this time, Mr. President, I yield the floor to the distinguished chairman of the Committee on Agriculture, Senator HELMS of North Carolina.

The PRESIDING OFFICER (Mr. SYMMS). The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I thank

the able Senator from Virginia. I thank the Chair for recognizing me.

What we are doing, Mr. President, with this amendment is compromising on second best. The third best, or the worst, would be the Lugar amendment. By far it would be the most costly to the taxpayers and by far the most injurious to all concerned.

Mr. President, I see no point in reviewing what I have said over and over again since the peanut section of this bill became the pending business last evening. But I reiterate what I said last night. Nobody in this Chamber has more affection and respect for the distinguished Senator from Indiana than I do. This is one of the rare times when I have disagreed with him. I do not doubt his sincerity; I just think he is sincerely wrong.

I think on the arithmetic, any way you look at his amendment compared to the modified version of the peanut section of the bill, his amendment is a mistake. It will cost the taxpayers; it will disrupt a program that has worked. It will have an exceedingly adverse effect on a lot of innocent citizens, who will discover to their dismay that they made a mistake when they had faith in their Government and faith in a governmental program.

For 4 years, this program has been in effect; and now, on this day, in this Chamber, by amendment, comes the proposal to jerk the rug from under thousands upon thousands of small farmers.

I reiterate what I have said over and over again in this Chamber: that if Senator LUGAR or any other Senator will introduce legislation to adjust or change the peanut program, the Agriculture Committee will hold hearings promptly, so that we can learn what the impact would be across the board. This is not the place nor the time to take such a drastic action.

As I said this morning, the modified version of the peanut section which my friend from Indiana proposes to amend—in effect, destroy—would cost the taxpayers not one thin dime. The projected figures, on the other hand, of the Lugar proposal run into hundreds of millions of dollars.

The compromise proposal by the able Senator from Georgia (Mr. MATTINGLY) is precisely that, a compromise. It is an accommodation that has been reached on the peanut question which, while not satisfactory to every Senator, will at least not be completely disastrous.

This has been a difficult issue, because there has been an interest among Senators to permit citizens not now holding allotments to grow peanuts to have the opportunity to do so. This is not going to involve very many States.

One of my dearest friends in the Senate yesterday was lamenting the fact that he could not grow peanuts in his State because of the peanut program. I have news for the Senator. He could not grow them under any circumstances in that State, because the frost line is considerably south of his State. He might grow a few in potted plants in the living room, I say to the Senator from Virginia. But that is not an issue. This has been the most controversial aspect of the peanut program, because it does offend the sensibilities of Senators and others to have an allotment program at all.

The point is that the peanut program has worked. The point is that there has been a stable supply, at a stable price, all these years, except one, last year, when a drought caused catastrophic circumstances.

The agreement worked out and incorporated into the Mattingly compromise preserve fiscal stability of the peanut program, but it also will permit anyone to grow and to market peanuts. So let us put that argument to rest.

Under the Mattingly compromise, anybody in Nebraska, Minnesota, or anywhere else can grow all the peanuts they can grow, if they can grow them in the soil and under the climate conditions they have. This will not undermine those who have invested in the peanut program over the years, because the program will continue operating, but new growers may produce peanuts as well.

In addition, there are a number of other changes which have the effect of moving the program in the direction of market orientation, which is what we have tried to do with this entire farm bill.

So I support the Mattingly amendment. I hope the Senate will approve it, so that we can move on to the remainder of the bill and pass it tomorrow or the next day.

Finally, Mr. President, I am hearing all sorts of reports about how one commodity interest group is working against another commodity interest group. I am not working for or against any commodity interest group. From the very beginning, the minutes of the first hearing, and in the markup of the farm bill, the chairman was preaching fiscal responsibility. With the utmost respect to all members of the committee, as we proceeded into the markup session, this chairman remarked on a number of occasions that we were marching up the hill of spending, big spending, a hill down which we would have to march. And we did—not once, but twice.

So here we are, with an opportunity to move ahead on this section of the bill, an adequate compromise which is not a delight to anybody, but it was a product of a great deal of hard work by a number of people, led by the distinguished Senator from Virginia (Mr. WARNER), to whom I am most grateful for the time and effort he devoted to it.

So I do urge the adoption of the Mattingly amendment.

Mr. DOLE. I thank the chairman.

Mr. President, I will take a minute or two, because I do not know much about the peanut program. That does not mean I could not talk at length on the peanut program. [Laughter.]

The Senator from Kansas voted in favor of the Lugar amendment but did not speak on the amendment. I was in support of the effort of the distinguished Senator from Alabama and the chairman of the committee and others, because I felt that they had made a good faith effort to move in the right direction. That effort failed. The motion to table was not agreed to, and I commend the distinguished Senator from Indiana for his efforts to make certain that we move in that direction.

Having said that, I also commend other Senators who have been working on this compromise, because I believe that it is certainly a giant step in the right direction. It should still most of the criticism that may have been justified, because you just could not plant the peanuts if you did not have an allotment. There were even some penalties if you did so. That has all been changed, with this approach, and I believe it has been changed for the better.

At the same time, I certainly understand those who have been in this business for a long time who are reluctant to make any change at all. So it is not a criticism of those who grow peanuts at this time. I believe it is an indication of a change in direction in farm programs, as suggested by the distinguished Senator from Indiana, and a change that has been accepted by almost every other commodity. Rice has been mentioned as one that has been changed, but I remind the Senator from Indiana that that did not happen in one big step. As I recall, rice moved in sort of a two-step.

In 1975, they had a very tightly controlled program, probably as tightly controlled as the current peanut program. Even in 1975, when we changed the law, you had to have an allotment to be eligible for support and loans. In 1977, that was changed. So rice made it in sort of two steps. I suggest that the same could happen to the peanut program.

Peanuts are not raised in Kansas now. They could raise peanuts. There may be other reasons we would not, but it is not prohibited. The program has been opened up.

I hope that now there will be widespread support for this compromise which has been worked out by the Senator from Alabama, both Senators from Georgia, both Senators from Virginia, the Senator from Kentucky (Mr. HUDDLESTON), and the chairman of this committee. They have a direct interest, as I am sure other Senators have, in resolving what is a problem. I suggest that we have come a long way in resolving some of the thorniest issues in the farm bill. Others will come before this body.

I again say that we made a great deal of progress yesterday. I believe there are excesses in the dairy program, and those excesses were eliminated. There may be excesses in the peanut program, and those excesses, if there are any, are about to be eliminated with this compromise.

There may be excesses in other commodity programs which have not yet surfaced, including wheat, cotton, and whatever. If that is the case, we may be able to address some of the arguments made by our colleagues who have a view of what farm legislation should be that is different from the view of some of those who deal with it on a regular basis.

If I understand correctly the reason for the change in the poundage quota, the reason for the increase was to take care of the so-called seed peanuts. That

is why it was increased to that figure. Otherwise it would remain unchanged. I also understand that there can be loans extended to those who raise additional peanuts if the Secretary so determines. So it seems to this Senator there has been a giant step in the right direction.

I urge my colleagues to support this compromise that has been the result of several hours efforts by a number of our colleagues.

I thank the distinguished Senator.

Mr. WARNER. Mr. President, I just wish to thank, and I will yield momentarily, both the distinguished chairman of the Agriculture Committee as well as the distinguished Senator from Kansas.

We hope to bring this colloquy to a close very shortly, Mr. President, such as we may proceed to a vote, but the Senator from Georgia seeks recognition.

Mr. NUNN. Mr. President, I wish to make a couple of comments.

First, I congratulate the Senator from Virginia and my colleague from Georgia on working hard to come up with this compromise. I think as between this compromise and the Lugar amendment, certainly I strongly prefer the Mattingly-Warner compromise.

I do think it should be clear, though, that the committee had already proposed a compromise and that compromise would not have cost the taxpayers any money. That was a no-cost program to the Government.

So we are not talking about scaling down the cost to the Government. We are talking about changing the fundamental concept of the peanut program that I think has served the Nation well for a long time.

The Lugar amendment, of course, would eliminate that program altogether. But the Mattingly amendment is certainly preferable to that.

I think that the people who are following the farm bill with a great deal of interest and the people who are in the peanut business have to be concerned, however, even if this compromise passes because historically all of us recognize that the Senate has been the place, since we represent geography and we know something about the rural areas and many of the people in the House of Representatives are from the urban areas and they understandably do not take the interest that we do in the farm program and the welfare of our farmers, the Senate has always been the place that came up with a strong bill, a strong position on agriculture, the most favorable position for the farmers, and then we go into the conference with the House of Representatives and we come out with a much weaker provision.

What we are doing at this stage, as I see it, in the peanut program, if the Mattingly amendment passes, and I hope at this stage that it does, we are going into conference with a scaled-down version of the peanut program that has already been compromised.

What I fear is that if the House of Representatives comes up with something that is the equivalent of the Lugar amendment, then we may come out of the conference with the peanut program that is unrecognizable and does not preserve in any degree the integrity of the program that is so essential for my State and so essential for the States of many other people throughout the country.

So we are in a very dangerous position as far as the future of the peanut program is concerned. We are going to have to do everything possible to see that the House of Representatives understands that the compromise has already been made, and I certainly hope this amendment passes.

I do not wish to belabor the point, but I think the Senator from Alabama has worked longer and harder on the peanut program than anyone I know in this body, certainly on this side of the aisle. He has spent literally hundreds of hours working diligently to protect the program that is of vital interest to the State of Alabama and also the State of Georgia as well as other States.

So I thank my colleague from Alabama for his leadership. I have been following his lead on this issue as well as many other farm issues, and I thank him for an exceptional job all the way through.

I also serve notice, as the Senator from Alabama did, that I am voting on the best alternative that is now available to me vote for, and I certainly reserve my rights on any other alternative that may come up during the course of this farm bill.

I think everyone recognizes that the farm coalition at this point is split into many different groups. I think most people recognize that the vote on the tabling motion on the Lugar amendment to which the Mattingly amendment was attached this morning was an unusual vote in that many Senators voted on that in a negative sense to the peanut program because they were very disappointed in the commodities that were top priority in their own State. That is understandable.

But when the Senate coalition on agriculture comes apart, then there is real danger when we go to the House conference that we may end up with a farm bill that takes a part of our economy that is in rather desperate condition now in our section of the country and I think throughout the country and delivers it a blow from which it cannot recover.

I have a great deal of respect for the Senator from Indiana, and I know he studied this long and hard. I have tremendous respect for him as an individual.

But I simply submit to those who may be tempted to vote for this amendment that frankly we do not have the margin for error in this stage in our agriculture community to go into philosophical arguments about some theories of agriculture that might be appropriately debated in a period of time where agriculture was not already crippled by droughts and crippled by commodity prices that have been below the cost of production. We are talking about a crippled industry, and we are talking about a crippled part of our economy now that I think is in grave danger.

So I urge my colleagues, those who may at some point be inclined to vote on the basis of philosophy and a lot of theoretical arguments, to be practical at this stage of our history and to try to come out of the Senate with as strong a bill as we can on this peanut program and on other commodities from that point of view.

I know the Senator from North Carolina has worked for many, many hours on this bill. I know he has tremendous pressure on the budgetary side. I know that if we get the bill too high in cost we may very well have a veto on it. I understand all of those pressures. But I also think the Senate should recognize that we may very well be dealing with a future in the question of whether a large portion of the agricultural segment of our country indeed is able to survive.

I yield.

Mr. WARNER. Mr. President, I thank the distinguished Senator from Georgia. Indeed, I feel so strongly about this compromise that I do wish to add my name as a cosponsor.

At this point, Mr. President, I yield to the Senator from Florida.

Mr. CHILES. Mr. President, I thank the distinguished Senator from Virginia.

Mr. President, I associate myself with the remarks of the Senator from Georgia, Senator NUNN, and say that I intend to vote for this compromise also but only because I think it is the only alternative that we have now in the face of the amendment of the Senator from Indiana that will do away with the program altogether.

I was very disappointed and surprised with the result of the tabling motion. It was my feeling that the compromise that had been worked out by the committee was workable and would allow the program to survive, but at the same time would have protected the taxpayers from any loss of funds or any problems with the program until we could find another way perhaps to work on some of the problems that are in this program.

I hope that we will get an opportunity before this bill is over to get another meaningful package that we can do something to make a program better than this compromise I see here affords now, but I do intend to vote for this because it is the alternative that we have.

Mr. MATTINGLY. Mr. President, I ask unanimous consent to add as cosponsors of the amendment Senator WARNER, Senator TOWER, Senator HARRY F. BYRD, JR., Senator DOMENICI, Senator DOLE, Senator NICKLES, Senator HELMS, and Senator BENTSEN.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, I believe we have come to a conclusion now on this matter and again I thank all the many colleagues who made this possible.

I thank Senator LUGAR. It was his foresight, emphasis, and wisdom that drove this Chamber to what I hope will be a compromise on this program acceptable by the majority.

As the distinguished Senator from North Carolina, the chairman of the committee, has indicated, in the forthcoming year hearings will be held such that maybe a final result of this situation can be adopted.

Mr. TSONGAS. Mr. President, I do not wish to belabor the point. But I wish to say that as a cosponsor of the Lugar amendment, having spoken earlier I shall not repeat my remarks. I simply reiterate the comments of the Senator from Indiana to suggest that this is not a compromise. All the arguments I made this morning pertain to this vote as well.

I thank the Chair for the courtesy.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia as further modified.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Vermont (Mr. STAFFORD), is necessarily absent.

I further announce that, if present and voting, the Senator from Vermont (Mr. STAFFORD), would vote "nay."

Mr. CRANSTON. I announce that the Senator from West Virginia (Mr. RANDOLPH), is necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH), would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 51, nays 47, as follows:

[Rollcall No. 259 Leg.]

YEAS—51

| | | |
|---|---|---|
| Abdnor | Ford | Melcher |
| Andrews | Grassley | Murkowski |
| Baker | Hart | Nickles |
| Baucus | Hatch | Nunn |
| Bentsen | Hawkins | Pressler |
| Boren | Heflin | Pryor |
| Bumpers | Helms | Rudman |
| Burdick | Hollings | Sasser |
| Byrd, Harry F., Jr. | Huddleston | Schmitt |
| | Inouye | Stennis |
| Byrd, Robert C. | Jepsen | Stevens |
| Cannon | Johnston | Symms |
| Chiles | Laxalt | Thurmond |
| Cochran | Leahy | Tower |
| Denton | Long | Wallop |
| Dole | Matsunaga | Warner |
| Domenici | Mattingly | |
| East | McClure | |

NAYS—47

| | | |
|---|---|---|
| Armstrong | Glenn | Moynihan |
| Biden | Goldwater | Packwood |
| Boschwitz | Gorton | Pell |
| Bradley | Hatfield | Percy |
| Chafee | Hayakawa | Proxmire |
| Cohen | Heinz | Quayle |
| Cranston | Humphrey | Riegle |
| D'Amato | Jackson | Roth |
| Danforth | Kassebaum | Sarbanes |
| DeConcini | Kasten | Simpson |
| Dixon | Kennedy | Specter |
| Dodd | Levin | Tsongas |
| Durenberger | Lugar | Weicker |
| Eagleton | Mathias | Williams |
| Exon | Metzenbaum | Zorinsky |
| Garn | Mitchell | |

NOT VOTING—2

| | |
|---|---|
| Randolph | Stafford |

So Mr. MATTINGLY's amendment (No. 545), as further modified, was agreed to.

Mr. MATTINGLY. I move to reconsider the vote by which the amendment was agreed to.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana as amended.

The amendment (No. 544), as amended, was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote.

Mr. HUDDLESTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. Are there further amendments?

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GLENN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I am informed that the committee's substitute proposal included a technical modification on sugar deleting the April 1 to March 31 crop year definition and leaving that definition to the Secretary as it was under earlier programs. We in Hawaii, have no problem with the way it was done under the old Sugar Act and under the de la Garza amendment in the 1977 act as the crop year for Hawaii was then the calendar year and this coincides with our normal period of very minimal, if any, harvesting and processing activity.

It is my understanding that the Department of Agriculture favors the greater flexibility of setting various crop years for various segments of the industry. There is no date which can accommodate the harvesting and processing schedules of all our sugarcane and sugar beet areas.

Is it the chairman's understanding that the flexibility provided the Secretary by his technical modification should not be interpreted to permit the Secretary to set a crop year definition later than the April 1 date in the case of the Hawaiian sugar crop year.

Mr. HELMS. The Senator from Hawaii is correct. This change is for the purpose of accommodating the needs of the domestic industry for varying crop year definitions and does not threaten any loss of coverage under the act for Hawaii's production. I would hope that the Secretary would consult with the segments of the industry involved before establishing the various crop years.

## HON. MICHAEL V. DiSALLE

Mr. GLENN. Mr. President, it is with great sadness and a deep sense of personal loss that I rise to address the Senate this afternoon. Late last night, former Ohio Governor Michael V. DiSalle passed away in his sleep. Today, in the words of the English poet, John Donne, we need not ask for whom the bell tolls, It tolls for all of us. It tolls for me, because I have lost a close personal friend and a cherished counselor. It tolls for the people of Ohio, for they too have lost a friend, a friend who championed their cause throughout a quarter century of public service. And the bell is tolling for America as well, because she has lost one of her most noble patriots and eloquent spokesmen. Mike DiSalle, you see, did far more than simply devote his life to the service of this Nation. He demonstrated by personal example that the political life can be a proud and honest life. For Mike DiSalle, politics was indeed an honorable profession.

Born in New York City, Mike was 3 years old when his family moved west to Toledo, Ohio, in 1911. After receiving his law degree from Georgetown University here, in Washington, Mike returned home to Toledo in 1931 to start his own law practice. In 1936, he was elected to the Ohio General Assembly and, within 2 months, was voted one of the five most valuable members of the House.

Local government had always attracted Mike, however, and from 1941 to 1950, he served the people of Toledo—first on the city council and as vice mayor, and later as the city's mayor. As mayor of Toledo, Mike DiSalle was a brilliant and forward-looking innovator, establishing early and successful programs to deal with such contemporary problems as air pollution, labor-management relations, port development, expressways and improved recreational facilities. He was also an early and firm advocate of "sunshine" government and insisted that all city council meetings be open to the public.

But Mayor DiSalle was never one whose interests were restricted solely to local affairs. Following World War II, for instance, he was deeply concerned about growing Communist strength in the Western European democracies. So Mike established the letters for democracy program that journalist Drew Pearson later credited with defeating the Communists in the Italian national elections of 1947.

After a 3-year stint in the Truman administration, first as Director of Price Stabilization and then Administrator of Economic Stabilization, Mike came home to Toledo in 1953. Undaunted by a losing bid for the office in 1956, Mike came back 3 years later to win the Governorship of Ohio by the largest margin in the State's history.

He wasted no time in making his presence felt. Indeed, more governmental firsts were established during the DiSalle administration than at any other time in Ohio history. He made reform of the State's mental institutions a top personal priority; he put the State government on a pay-as-you-go basis; he set records in highway construction; he helped create the Ohio Civil Rights Commission; he issued a code of ethics for all State employees; he developed a statewide economic plan and he insisted on open, honest government, with all cabinet meetings, correspondence and files open and available to the press.

Always a principled politician himself, Mike also proved to be an astute observer of national political trends; in

January 1960, he became the first Governor of a major State to announce his support for the Presidential candidacy of John F. Kennedy. Because of his widely acknowledged expertise in the area of State government, Mr. DiSalle became a valued adviser to President Kennedy and was later appointed to the President's Advisory Committee on Intergovernmental Affairs.

I will not even attempt today to recite the long list of awards and honors that were bestowed upon Mike DiSalle during his long and distinguished career. But there is one award that does bear special mention, because Mike was one of only 32 people to receive it. In 1962, he was honored by Interfaith Movement, Inc., for his "outstanding achievement in attaining the highest ideals of goodwill, tolerance, understanding and mutual respect." In receiving that award, Mike DiSalle joined rather select company. The 31 other recipients included such giants as Dwight Eisenhower, Cardinal Cushing, George Meany, and Supreme Court Justice Felix Frankfurter.

Mr. President, in summarizing the life and career of my friend, Mike DiSalle, I have enumerated some of the reasons that he will long be remembered. But I loved and respected Mike for yet another reason, a reason that goes far beyond his numerous accomplishments and his governmental successes. Above all else, Mike was a courageous human being who steadfastly refused to compromise either his beliefs or his ideals. In my opinion, Mike DiSalle's life was truly a profile in courage. This was a man who had the guts, time and time again, to take unpopular and politically risky stands in support of the principles in which he believed. Not once throughout his long career did he ever shirk his duties or abandon his convictions for the sake of political expediency. In fact, many people believe that his defeat for reelection as Governor of Ohio in 1962 was largely due to his firm and outspoken opposition to capital punishment.

Whether you agreed or disagreed with the positions that Mike DiSalle took, you could not help but respect him, for you know that whatever the stakes for him personally, Mike would not deviate from the course he believed was right.

That is why I shall remember Mike DiSalle—and that is why I am thankful to have known him. It has been said that a good man never really dies, that what he leaves behind will live forever in the hearts of those who knew him. In that sense, Mike did not—and cannot—pass away from us. For as it is written in the first chapter of the Book of Psalms:

He shall be like a tree planted on the banks of running water, giving fruit in season, its leaves never fading.

For me—and for all those whose lives he touched—Mike DiSalle continues to stand like a mighty oak—his principles never bending; his compassion never waivering; his memory never fading.

Thank you, Mr. President.

Mr. BAKER. Mr. President, I am pleased to join the distinguished Senator from Ohio in expressing my regret and the regret of so many on this side who knew Governor DiSalle and respected him for the contributions he made and the warmth he brought to public service. It is truly a loss to the country. I am sure I am joined by every Member of the Senate in expressing our sympathy to the people of Ohio and the family of Mike DiSalle.

Mr. GLENN. I thank the distinguished majority leader for his comments.

## ORDER FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, there will be no more votes tonight; and if the managers of the bill are agreeable, I am prepared now to ask the Senate to proceed to a period for the transaction of routine morning business. I see no dissent.

Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, not to extend beyond 6:45 p.m., in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

## MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

## EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

## MESSAGES FROM THE HOUSE

At 11:46 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its readings clerks, announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 62. Joint resolution to authorize and request the President to designate the week of September 20 through 26, 1981, as "National Cystic Fibrosis Week."

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 153. Concurrent resolution authorizing a bust or statue of Dr. Martin Luther King, Junior, to be placed in the Capitol.

## ENROLLED JOINT RESOLUTION SIGNED

At 3:20 p.m., a message from the House of Representatives, delivered by Mr. Berry, announced that the Speaker has signed the following enrolled joint resolution:

S.J. Res. 62. Joint resolution to authorize and request the President to designate the week of September 20 through 26, 1981, as "National Cystic Fibrosis Week."

The enrolled joint resolution was subsequently signed by the President pro tempore (Mr. THURMOND).

## HOUSE CONCURRENT RESOLUTION REFERRED

The following concurrent resolution was read; and referred to the Committee on Rules and Administration:

H. Con. Res. 153. Concurrent resolution authorizing a bust or statue of Dr. Martin Luther King, Jr., to be placed in the Capitol.

## ENROLLED JOINT RESOLUTION PRESENTED

The Secretary reported that on today, September 16, 1981, he had presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 62. Joint resolution to authorize and request the President to designate the week of September 20 through 26, 1981, as "National Cystic Fibrosis Week."

## EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1925. A communication from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a report on the value of property, supplies, and commodities provided by the Berlin Magistrate, and under the German Offset Agreement for the quarter ending June 30, 1981; to the Committee on Appropriations.

EC–1926. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on a proposed foreign military sale to Jordan; to the Committee on Armed Services.

EC–1927. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on a proposed foreign military sale to Spain; to the Committee on Armed Services.

EC–1928. A communication from the Principal Deputy Assistant Secretary of Defense, Comptroller, transmitting, pursuant to law, a report on certain transfers of amounts of appropriated funds; to the Committee on Armed Services.

EC–1929. A communication from the Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting, pursuant to law, a report concerning the Selected Reserve recruiting and retention incentives; to the Committee on Armed Services.

EC–1930. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Progress In Improving Program And Budget Information For Congressional Use"; pursuant to the order of August 4, 1977, referred jointly to the Committee on the Budget and the Committee on Governmental Affairs.

EC–1931. A communication from the Acting Chairman of the Federal Trade Commission, transmitting, pursuant to law, the second and third annual line of business reports; to the Committee on Commerce, Science, and Transportation.

EC–1932. A communication from the Deputy Secretary of the Army for Installations and Housing, transmitting a draft of pro-

posed legislation to amend the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701) to permit the temporary use by Federal departments and agencies of public lands controlled by the Bureau of Land Management, Department of the Interior; to the Committee on Energy and Natural Resources.

EC–1933. A communication from the Acting Secretary of the Interior, transmitting, pursuant to law, an application for refund of excess royalty payments from Getty Oil Company; to the Committee on Energy and Natural Resources.

EC–1934. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, a final supplement to a final environmental impact statement and a final report for downstream measures on the Harry S Truman Dam and Reservoir Project, Missouri; to the Committee on Environment and Public Works.

EC–1935. A communication from the Acting Secretary of the Interior, transmitting, pursuant to law, a list of requests for refunds of excess royalty payments; to the Committee on Energy and Natural Resources.

EC–1936. A communication from the Acting Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty day period prior to September 8, 1981; to the Committee on Foreign Relations.

EC–1937. A communication from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to amend Title 18, and Title 28, and Title 49, United States Code, in order to implement the "Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation"; to the Committe on Foreign Relations.

EC–1938. A communication from the Director of the Federal Prison System, Department of Justice, transmitting, pursuant to law, the annual report of the Board of Directors of Federal Prison Industries, Inc., for fiscal year 1980; to the Committee on Governmental Affairs.

EC–1939. A communication from the Plan Administrator of the Farm Credit Banks of New Orleans, transmitting, pursuant to law, the 1980 annual reports of the Farm Credit Retirement System and Production Credit Associations Retirement Plans; to the Committee on Governmental Affairs.

EC–1940. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Serious Problems Need To Be Corrected Before Federal Merit Pay Goes Into Effect"; to the Committee on Governmental Affairs.

EC–1941. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on July 28, 1981; to the Committee on Governmental Affairs.

EC–1942. A communication from the Chairman of the National Advisory Council on Ethnic Heritage Studies, transmitting, pursuant to law, the annual report of the Council for 1980–1981; to the Committee on Labor and Human Resources.

EC–1943. A communication from the Special Assistant to the Secretary of Defense, transmitting, pursuant to law, the report of Department of Defense procurement from small and other business firms for October 1980–May 1981; to the Committee on Small Business.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PERCY, from the Committee on Foreign Relations, without amendment, and with a preamble:

S. Res. 198. A resolution expressing the sense of the Senate that Benedict Scott (Vytautas Skuodis) be released from imprisonment in the Soviet Union.

## EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PERCY, from the Committee on Foreign Relations:

Report to accompany the nomination of Jose Manuel Casanova to be U.S. Executive Director of the Inter-American Development Bank for a term of three years (Ex. Rept. 97–21).

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation:

Sherman Maxwell Funk, of Maryland, to be Inspector General, Department of Commerce; pursuant to the order of June 2, 1981, referred to the Committee on Governmental Affairs for not to exceed 20 days.

(The above nomination was reported from the Committee on Commerce, Science, and Transportation with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. McCLURE, from the Committee on Energy and Natural Resources:

William Addison Vaughan, of Michigan, to be Assistant Secretary of Energy (Environmental Protection, Safety and Emergency Preparedness);

Rayburn D. Hanzlik, of California, to be Administrator of the Economic Regulatory Administration;

Dallas Lynn Peck, of Virginia, to be Director of the Geological Survey;

Robert Carlton Horton, of Colorado, to be Director of the Bureau of Mines; and

Guy W. Fiske, of Missouri, to be Under Secretary of Energy.

(The above nominations were reported from the Committee on Energy and Natural Resources with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. TOWER, from the Committee on Armed Services:

Mr. TOWER. Mr. President, from the Committee on Armed Services, I report favorably the following nominations: Maj. Gen. Jack V. Mackmull, U.S. Army, to be lieutenant general, Maj. Gen. Donald E. Rosenblum, U.S. Army, to be lieutenant general, Maj. Gen. Howard F. Stone, U.S. Army, to be lieutenant general, Maj. Gen. James B. Vaught, U.S. Army, to be lieutenant general, Lt. Gen. John G. Albert, U.S. Air Force, (age 58) for appointment to the grade of lieutenant general on the retired list, Lt. Gen. William R. Richardson, U.S. Army, to be senior Army member of the military staff of the United Nations, Maj. Gen. Bernhard T. Mittemeyer, as the Surgeon General, U.S. Army, to be lieutenant general, Maj. Gen. John N. Brandenburg, U.S. Army, to be lieutenant general, Lt. Gen. Charles C. Pixley, U.S. Army, (age 57) for appointment to the grade of lieutenant general on the retired list, Lee D. Badgett for reappointment to the active duty list of the Regular Air Force in the grade of colonel, and in the Naval Reserve there are six temporary promotions to the grade of rear admiral (list begins with Leroy V. Isaacson). I ask that these names be placed on the executive calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. In addition, in the Air Force there are 1,312 appointments to the grade of major and below (list begins with Jose E. Calzada), in the Army there are 1,962 promotions to the grade of colonel and below (list begins with Ray A. Strawser), in the Marine Corps there are 608 temporary/permanent appointments to the grade of lieutenant colonel and below (list begins with George L. Alvarez), in the Regular Air Force there are 573 appointments to the grade of colonel and below (list begins with George W. Beddingfield), in the U.S. Army Reserve there are 378 promotions to the grade of colonel and below (list begins with Marvin G. Back), in the U.S. Navy and Naval Reserve there are 1,056 permanent promotions to the grade of lieutenant commander (list begins with Iffat A. Abbasi), in the U.S. Navy and Naval Reserve there are 311 permanent promotions to the grade of commander and below (list begins with John R. Anguilar), in the U.S. Navy there are 1,047 permanent promotions to the grade of captain (list begins with Robert W. Aldinger), in the Navy there are 27 temporary promotions to the grade of lieutenant commander and below (list begins with Steven C. Streck), in the Naval Reserve and NROTC there are 38 permanent/temporary appointments to the grade of captain and below (list begins with Billy J. Archer), and in the Marine Corps there are 149 temporary appointments to the grade of first lieutenant for limited duty (list begins with Anthony E. Agrue). Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of July 31 and September 9, 1981, at the end of the Senate proceedings.)

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. PERCY (by request):

S. 1627. A bill to amend Public Law 90–553, to authorize the transfer, conveyance, lease and improvement of, and construction on, certain property in the District of Columbia, for use as a headquarters site for an international organization, as sites for governments of foreign countries, and for other purposes; to the Committee on Foreign Relations.

By Mr. McCLURE (by request):

S. 1628. A bill to amend the Emergency Fund Act (Act of June 26, 1948, 62 Stat. 1052); to the Committee on Energy and Natural Resources.

By Mr. CANNON (for himself, Mr. PACKWOOD, Mr. GOLDWATER, Mr. HOLLINGS, and Mr. SCHMITT):

S. 1629. A bill to amend the Communications Act of 1934 in order to encourage and develop marketplace competition in the provision of certain broadcast services and to provide certain deregulation of such broadcast services, and for other purposes; to the Committee on Commerce, Science, and Transportation.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PERCY (by request):

S. 1627. A bill to amend Public Law 90–553, to authorize the transfer, conveyance, lease and improvement of, and construction on, certain property in the District of Columbia, for use as a headquarters site for an international organization, as sites for governments of foreign countries, and for other purposes; to the Committee on Foreign Relations.

AMENDMENT OF INTERNATIONAL CENTER ACT

● Mr. PERCY. Mr. President, by request, I introduce for appropriate reference a bill to amend the International Center Act which would expand and bring to completion the planned International Diplomatic Center.

This legislation has been requested by the Department of State and I am introducing the proposed legislation in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the Assistant Secretary of State for Congressional Relations to the President of the Senate dated August 25, 1981.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 1627

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress asembled,* That the first section of the Act approved October 8, 1968 (Public Law 90–553, 82 Stat. 958), is amended—

(1) in the first sentence by striking out "sell or lease" and inserting in lieu thereof: "develop in coordination with the Administrator of General Services for, or to sell, exchange, or lease,";

(2) by striking out "Van Ness Street, Reno Road, and Tilden Street" and inserting in lieu thereof: "Yuma Street, 36th Street, Reno Road, and Tilden Street, except that portion of lot 802 in square 1964, the jurisdiction over which was transferred to the District of Columbia for use as an educational facility"; and

(3) by striking out "he" and inserting "the Secretary".

SEC. 2. Section 2 of such Act of October 8, 1968 (Public Law 90–553), is amended to read as follows:

"SEC. 2. Upon the request of any foreign government or international organization and with funds provided by such government or organization in advance, the Administrator of General Services is authorized to design, construct, and equip a headquarters building or legation building or related facilities on property conveyed pursuant to the first section of this Act".

SEC. 3. Section 3 of such Act of October 8, 1968 (Public Law 90–553), is deleted, and sections 4 to 6 of such Act, inclusive, are renumbered as sections 3 to 5, including references thereto. The first sentence of renumbered section 3 is amended to read as follows: "The Act of June 20, 1938 (DC Code, secs. 5–413 to 5–428), shall not apply to buildings constructed on property transferred or conveyed pursuant to this Act including section 3 of this Act as in effect January 1, 1980.".

SEC. 4. Section 4 of such Act of October 8, 1968 (Public Law 90–553), as renumbered by this Act is amended by—

(1) inserting "demolition or removal of existing structures, site preparation, and the" immediately after "The";

(2) striking out "and" immediately before "(d)";

(3) inserting "(e) other utilities, and (f) related improvements necessary to accomplish the purposes of this Act," immediately after "the fire alarm system,"; and

(4) inserting "or contiguous to" after "within".

SEC. 5. Section 5 of such Act of October 8, 1968 (Public Law 90–553), as renumbered by this Act is amended by—

(1) inserting ", exchange," after "sale" in the first sentence, and by inserting ", exchanges," after "sales" in the second sentence thereof; and

(2) adding at the end thereof the following:

"The Secretary may retain therefrom a reserve for maintenance and security of those public improvements authorized by this Act which have not been conveyed to a government or international organization under the first section of this Act, and for surveys and plans related to development of additional areas within the Nation's Capital for chancery and diplomatic purposes. Amounts in the reserve will be available only to the extent and in such amounts as provided in advance in appropriations Acts."

SEC. 6. The Act of October 8, 1968 (Public Law 90–553), is further amended by adding at the end thereof the following new section:

"SEC. 6. This Act may be cited as the 'International Center Act'".

DEPARTMENT OF STATE,
*Washington, D.C., August 25, 1981.*

Hon. GEORGE BUSH,
*President of the Senate.*

DEAR MR. PRESIDENT: Enclosed for your consideration and appropriate reference is a legislative proposal to amend the International Center Act (Public Law 90–553, enacted on October 9, 1968) which would expand and bring to completion the planned International Diplomatic Center within the federally-owned Bureau of Standards site at Van Ness Street and Connecticut Avenue in northwest Washington, D.C. This project, with the amendments proposed herein, will be completed without cost to the American taxpayer.

This legislation was previously introduced in the House (H.R. 6550) and the Senate (S. 2302) during the 96th Congress, and was passed by the House with amendments (House Report 96–1208, July 30, 1980). Senate action, however, was unable to be completed before the end of the last session. The legislation proposed herein is the same as the Bill passed by the House, with an additional amendment to extend the time in which project-related costs can be funded from surplus lease proceeds, to the extent provided for in appropriations acts.

The need for this legislation has become pressing. The United States Government, as part of its international obligations, is required to assist foreign governments to obtain suitable premises for chanceries in the nation's capital. Of equal importance, there is a growing need for reciprocity involving the substantial problems of the United States missions overseas. The Department of State is currently unable to meet its obligations due to the unavailability of suitable chancery sites in Washington because of security, costs, and restrictive zoning problems. This situation has created an adverse impact on our national security interests and the ability of the United States to support our needs abroad.

The planned Diplomatic Center is intended to partially alleviate the critical shortage of suitable space for location of chanceries and related facilities of foreign governments in the nation's capital. The project is currently under development, and sites for ten governments have been completed by the General Services Administration. It is anticipated that all presently available space for chanceries at the Center will be reserved by the end of 1982.

The Department urges your support of the legislation and requests that consideration be given to its expeditious passage.

The Office of Management and Budget has advised the Department that there is no objection to the submission of this proposal to the Congress, and its enactment would be consistent with the Administration's objectives.

Yours sincerely,

RICHARD FAIRBANKS,
*Assistant Secretary for Congressional Relations.*●

By Mr. McCLURE (by request):

S. 1628. A bill to amend the Emergency Fund Act (Act of June 26, 1948, 62 Stat. 1052); to the Committee on Energy and Natural Resources.

AMENDMENT OF EMERGENCY FUND ACT

● Mr. McCLURE. Mr. President, at the request of the administration, I send to the desk for appropriate reference a bill to amend the Emergency Fund Act (Act of June 26, 1948, 62 Stat. 1052).

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the bill, and the executive communication which accompanied the proposal from the Assistant Secretary be printed in the RECORD.

There being no objection, the bill and communication were ordered to be printed in the RECORD, as follows:

S. 1628

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Act entitled "An Act to authorize an emergency fund for the Bureau of Reclamation to assure the continuous operation of its irrigation and power systems," approved June 26, 1948, is amended as follows: (1) by changing the first sentence of the Act to read as follows: "In order to assure continuous operation of all projects and project facilities governed by the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) and for which title is held by the United States, there is

hereby authorized to be appropriated from the reclamation fund an Emergency Fund which shall be available for defraying expenses which the Commissioner of Reclamation determines are required to be incurred because of unusual or emergency conditions."

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U.S. DEPARTMENT OF THE INTERIOR,
*Washington, D.C., August 7, 1981.*

Hon. GEORGE BUSH,
*President of the Senate,*
*Washington, D.C.*

DEAR MR. PRESIDENT: There is enclosed a draft of a proposed bill, "To amend the Emergency Fund Act (Act of June 26, 1948, 62 Stat. 1052)."

We recommend that the bill be introduced and swiftly enacted.

Public Law 80–790 (the Act of June 26, 1948, 62 Stat. 1052), referred to as the Emergency Fund Act, authorized the appropriation of an emergency fund for the Bureau of Reclamation to ensure the continuous operation of its irrigation and power systems on projects governed by the Federal Reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto). Funds are made available to the Emergency Fund in annual appropriation acts. The Emergency Fund authority can be used only for the emergency protection and repair of irrigation and power systems being operated and maintained by the Bureau and for those systems for which title is vested in the United States but which are being operated and maintained by other entities pursuant to provisions of an operating contract.

Under the Emergency Fund Act, funds are made available to meet unusual or emergency conditions, such as canal bank failures, generator failures, damage to transmission lines; or other physical failures or damage, acts of God such as fires, floods, drought or epidemics, strikes, freight embargoes, or conditions causing or threatening to cause interruption of water or power service. Use of funds must be approved by the Commissioner of Reclamation except in extreme emergencies, when regional or project officials may incur obligations in advance of the Commissioner's approval, in order to prevent any possible loss of life.

The Emergency Fund appropriation is used only to the extent necessary to restore irrigation or power service or to assure the continuation of service if conditions threaten interruption of such service. The Fund is used if no other federally appropriated funds are available and only until other Federal funds, if needed, can be obtained in timely manner through the normal appropriation process. If it will require several months to complete repairs or replacement, the appropriation of other Federal funds is requested as soon as possible. The Emergency Fund Act authority is not used as a means to avoid requesting operation and maintenance or rehabilitation and betterment funds sufficiently in advance to keep project works in a safe operating condition. On projects turned over to water users for operation and maintenance, only those emergencies which cannot be met by the water users out of regular or reserve operation and maintenance funds are considered within the scope of the Emergency Fund. Expenditures are reimbursable or returnable depending upon the applicable law or contractual arrangements on reimbursability for the purpose for which the expenditures are made. The amendment makes no change in existing law on reimbursability.

Funds for the repair or replacement of the numerous water systems constructed by the Bureau to serve municipal or industrial purposes are not available under the present terms of the Emergency Fund Act.

The proposed bill would broaden the Act to permit the use of emergency funds for the repair of all project facilities for all projects governed by the Federal reclamation laws, where title is vested in the United States, including those which are serving municipal or industrial purposes. Emergency funds would be used only when such use would be needed to restore service or to prevent loss of service or further damage to project facilities.

If the proposed bill becomes law, we would expect use of the Emergency Fund to increase; however, with the recent agency reorganization and the transfer of a large portion of our power facilities, particularly transmission lines, which have previously relied heavily on the Emergency Fund, to the Department of Energy, we cannot yet predict the net overall impact on use of the Fund. Our amendment conforms the Act to current conditions by recognizing the reorganization of most power functions out of Interior.

The bill is consistent with the purposes of the Emergency Fund Act and would enable the Commissioner to deal more adequately with emergency situations not now covered by the Act and to maintain continuous operation of all project facilities. Such a change is desirable to protect project beneficiaries from damage or economic loss, to protect the repayment capacity of project beneficiaries, and to protect the United States investment.

We recommend that the bill be introduced and enacted.

The Office of Management and Budget has advised that there is no objection to the presentation of this draft bill from the standpoint of the Administration's program.

Sincerely,

GARREY CARRUTHERS,
*Assistant Secretary.*

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By Mr. CANNON (for himself, Mr. PACKWOOD, Mr. GOLDWATER, Mr. HOLLINGS, and Mr. SCHMITT):

S. 1629. A bill to amend the Communications Act of 1934 in order to encourage and develop marketplace competition in the provision of certain broadcast services and to provide certain deregulation of such broadcast services, and for other purposes; to the Committee on Commerce, Science, and Transportation.

FEDERAL REGULATION OF THE NATION'S BROADCASTING INDUSTRY

● Mr. CANNON. Mr. President, I am sending to the desk a bill that incorporates a number of legislative proposals to reduce Federal regulation of the Nation's broadcasting industry. As such, it consolidates the substantial efforts of Senators GOLDWATER, SCHMITT, and PACKWOOD to eliminate a significant degree of Government interference with the radio and television industries.

There are three basic concepts contained in the proposed Broadcast Deregulation Act of 1981. First, is the elimination of the expensive, time-consuming, and essentially superficial comparative renewal process for all broadcast licenses. Second, is the elimination of all Federal control over radio programing. Third, is a statement of congressional policy that new and additional services, if technically feasible, are desirable and consistent with our desire to encourage competition in this industry.

None of these concepts is novel. All have been explored in previous hearings. Thus, I believe there is a strong consensus among members of the Commerce Committee that these provisions should be enacted. The list of cosponsors is sufficient demonstration of that fact.

In addition, I personally hope that we will be able to explore the idea of subsequently amending the bill to eliminate Federal Communications Commission regulation of television programing, including community ascertainment requirements. I am inclined to apply the provisions in the bill that apply to radio program deregulation to television as well. If we choose to explore this path, however, I believe we would need to hold an additional hearing to hear all the various points of view.

During the next few days, I expect to include a section-by-section analysis of the bill in the RECORD.

In the meantime, I hope that we will receive public comment on this proposal and suggestions for any further proposals. In particular, I am looking forward to the comments of the Federal Communications Commission concerning the degree to which the bill should apply to television broadcasting. I would encourage the Commission to provide us with its views as soon as possible.●

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## ADDITIONAL COSPONSORS

S. 1030

At the request of Mr. MCCLURE, the Senator from Kentucky (Mr. FORD), the Senator from Oregon (Mr. PACKWOOD), and the Senator from Wyoming (Mr. SIMPSON) were added as cosponsors of S. 1030, a bill to protect firearms owners' constitutional rights, civil liberties, and rights to privacy.

S. 1230

At the request of Mr. CRANSTON, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 1230, a bill to provide for the minting of commemorative coins to support the 1984 Los Angeles Olympic games.

S. 1235

At the request of Mr. D'AMATO, the Senator from Oklahoma (Mr. BOREN) was added as a cosponsor of S. 1235, a bill to exempt certain matters relating to the Central Intelligence Agency from the disclosure requirements of title 5, United States Code.

S. 1277

At the request of Mr. HATCH, the Senator from Idaho (Mr. SYMMS) was added as a cosponsor of S. 1277, a bill to restrict the authority of the Secretary of Health, Education, and Welfare with respect to the regulation of vitamin and mineral products for over-the-counter use.

S. 1373

At the request of Mr. DECONCINI, the Senator from New Jersey (Mr. WILLIAMS) was added as a cosponsor of S. 1373, a bill to authorize the President to call a White House Conference on Veterans.

S. 1442

At the request of Mr. HATCH, the Senator from Oklahoma (Mr. NICKLES), and the Senator from Kansas (Mr. DOLE) were added as cosponsors of S. 1442, a bill to amend the Federal Food, Drug, and Cosmetic Act, the Poultry Products Inspection Act, the Federal Meat Inspection Act, and the Egg Products Inspection Act to improve food safety decisions, to provide for assessment of risks to health presented by sub-

stances present in food, to provide for referral of food safety questions to expert scientific advisory panels, to provide authority for flexible regulatory response based on the risks and uses associated with a substance, and for other purposes.

S. 1626

At the request of Mr. NICKLES, the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Alaska (Mr. STEVENS) were added as cosponsors of S. 1626, a bill to amend the Department of Energy Organization Act to clarify the jurisdiction of the Federal Energy Regulatory Commission, to reform and improve the regulation of oil pipelines, and for other purposes.

SENATE JOINT RESOLUTION 85

At the request of Mr. HATCH, the Senator from Alabama (Mr. HEFLIN), the Senator from Maryland (Mr. MATHIAS), the Senator from Tennessee (Mr. SASSER), the Senator from North Dakota (Mr. BURDICK), the Senator from Indiana (Mr. LUGAR), the Senator from Iowa (Mr. GRASSLEY), the Senator from Florida (Mr. CHILES), the Senator from Kansas (Mr. DOLE), the Senator from Rhode Island (Mr. PELL), the Senator from Idaho (Mr. SYMMS), the Senator from Nevada (Mr. LAXALT), the Senator from Hawaii (Mr. INOUYE), and the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of Senate Joint Resolution 85, a joint resolution to designate June 30, 1981, as "National Drug Standards Day."

SENATE JOINT RESOLUTION 97

At the request of Mr. MITCHELL, the Senator from Alabama (Mr. HEFLIN), the Senator from South Dakota (Mr. ABDNOR), the Senator from New York (Mr. MOYNIHAN), the Senator from New York (Mr. D'AMATO), and the Senator from Arizona (Mr. GOLDWATER) were added as cosponsors of Senate Joint Resolution 97, a joint resolution to designate the second full week in October as "National Legal Secretaries' Court Observance Week".

SENATE JOINT RESOLUTION 104

At the request of Mr. MELCHER, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of Senate Joint Resolution 104, a joint resolution directing the President to consult with the Governors of the Federal Reserve System for the purpose of substantially reducing interest rates within the next 90 days.

SENATE RESOLUTION 175

At the request of Mr. BOREN, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of Senate Resolution 175, a resolution to congratulate the State of Oklahoma on the celebration of its Diamond Jubilee.

SENATE RESOLUTION 198

At the request of Mr. PERCY, the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of Senate Resolution 198, a resolution expressing the sense of the Senate that Benedict Scott (Vytautas Skuodis) be released from imprisonment in the Soviet Union.

SENATE RESOLUTION 200

At the request of Mr. HOLLINGS, the Senator from Florida (Mr. CHILES) was added as a cosponsor of Senate Resolution 200, a resolution expressing the sense of the Senate with respect to the scheduled meeting of the Interparliamentary Union in Havana, Cuba, in September 1981.

SENATE RESOLUTION 211

At the request of Mr. BENTSEN, the Senator from Oklahoma (Mr. BOREN), the Senator from Maryland (Mr. SARBANES), the Senator from Florida (Mr. CHILES), the Senator from Mississippi (Mr. STENNIS), the Senator from Washington (Mr. JACKSON), the Senator from North Dakota (Mr. BURDICK), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Kentucky (Mr. FORD) were added as cosponsors of Senate Resolution 211, a resolution calling on the Governors of the Federal Reserve System to encourage banks to make loans available for productive uses while eliminating loans for speculative and unproductive uses.

AMENDMENT NO. 96

At the request of Mr. JOHNSTON, his name was added as a cosponsor of amendment No. 96 proposed to S. 951, a bill to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1982, and for other purposes.

AMENDMENT NO. 545

At the request of Mr. MATTINGLY, the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from New Mexico (Mr. DOMENICI), the Senator from Kansas (Mr. DOLE), the Senator from Oklahoma (Mr. NICKLES), the Senator from North Carolina (Mr. HELMS), the Senator from Texas (Mr. BENTSEN), and the Senator from Texas (Mr. TOWER) were added as cosponsors of amendment No. 545 proposed to S. 884, a bill to revise and extend programs to provide price support and production incentives for farmers to assure an abundance of food and fiber, and for other purposes.

## SENATE RESOLUTION 212—SUBMISSION OF A RESOLUTION TO DIRECT THE FINANCE COMMITTEE TO REDUCE THE COST OF ECONOMIC RECOVERY TAX ACT

Mr. MOYNIHAN submitted the following resolution, which was referred to the Committee on Finance:

S. RES. 212

Whereas the Economic Recovery Tax Act that Congress passed in August will cost the Treasury $750 billion in lost revenue between now and 1986,

Whereas the Republican staff of the Senate Budget Committee now estimates that the deficit will be $78 billion in fiscal year 1984, when just last spring, Congress was expecting a small surplus,

Whereas the staff also estimates there will be deficits in 1985 and 1986,

Whereas sustained deficits hinder capital formation: they keep interest rates high and divert capital otherwise available for the private sector to the uses of government, and

Whereas increasing capital formation ought to be a principal objective of the government's economic policy,

Whereas a $750 billion tax Act also commits the nation to a decade in which the issue of public discourse, over and over and over, will be how big must the budget cuts be in order to prevent the deficits from being even bigger, and

Whereas this is a dismal and dispiriting prospect:

*Therefore be it resolved* That the Committee on Finance is directed to report a new bill by no later than October 15 that would reduce the revenue loss from the Economic Recovery Tax Act for fiscal years 1981 through 1986 by $250 billion.

● Mr. MOYNIHAN. Mr. President, I am submitting a resolution today that would direct the Senate Finance Committee to reduce the cost of the Economic Recovery Tax Act by a third. The committee would do this by reporting new legislation. It would have until October 15 to act.

The Economic Recovery Tax Act is too expensive. The act is expected to cost the Treasury nearly $750 billion in lost revenue over the 6 years from 1981 through 1986.

Too many provisions were added at the last minute by the administration and by Members of Congress in the bidding for votes. Democrats are as guilty of this as Republicans. I calculate the total cost of these provisions to be $150 billion. They ought to be reconsidered.

In addition, the original elements of the administration's bill were more than we can reasonably afford. The 10–5–3 depreciation plan is too liberal. Under that plan, businesses will be able to write off the cost of new machines and buildings over a shorter period of time than they could do in the past—all well and good.

But the new depreciation schedules are so generous that, in future, income from some depreciable assets would not be taxed at all. In fact, the Government will subsidize companies that make these investments. For example, the Congressional Research Service calculates that with 6 percent inflation, income from light trucks, buses and trailers would be taxed at a rate of minus 108 percent.

It is one thing not to tax income from depreciable assets. It is another matter entirely to subsidize businesses when they purchase such assets. Not taxing is defensible; subsidizing is not.

Let it also be said that Congress erred by approving a 25-percent reduction in marginal income tax rates for individuals over 3 years. A smaller reduction in tax rates limited to 1 or 2 years was in order, with a commitment by Congress for a review in the third year and a decision whether economic conditions warrant further reductions.

The Republican staff of the Senate Budget Committee recently prepared a memorandum for internal use that discusses how likely we are to balance the Federal budget in the foreseeable future. The answer: Expect mounting deficits at least through 1984.

That alone should raise questions about the tax bill. When Congress committed itself to the bill, it did so on the assumption that there would be a small budget surplus of about $1 billion in 1984.

The Republican staff now says to expect a deficit in 1984 of $78 billion. The change is explained by reestimates due to changing economic forecasts, a larger-than-expected tax cut, and an admission that some of the budget savings counted on earlier by the committee were just "smoke and mirrors."

Do we really want a decade in which

the issue of public discourse, over and over and over, will be how big must the budget cuts be in order to prevent the deficit from being even bigger? What a dismal and dispiriting prospect.

Do we really want to be forced to choose between strengthening the national defense, or continuing to pay the social security benefits we have promised elderly Americans? No other areas in the budget offer large savings.

Other Members of Congress are reaching the same conclusion. Senator GARY HART introduced a resolution on Friday that would hold the income tax cuts for individuals in abeyance until there is a balanced Federal budget. Congressmen MORRIS UDALL and DAVID OBEY introduced legislation in the House to cut the cost of the Economic Recovery Tax Act by more than half. Said UDALL and OBEY:

Emergency action is needed now to control inflation and to prevent a virtual decimation of the bond markets and a nose dive in stock values.

All these ideas should enter the mix. The point is that we could cooperate and have a bill on the President's desk very soon. Perhaps that exaggerates the prospects but it certainly does not overstate the urgency given our critical need for corrective action.

Finally, Mr. President, all of this was predictable. It was predictable that we would have large deficits. It was well known even before Congress completed work on the tax bill that too many special interest provisions had been added, and that the cost of the bill was too great.

On March 5, I spoke to the Economic Club of New York. The deficit for fiscal year 1982 was being projected at some $42 billion. This, I said, was not going to happen. There would be some loss of revenue. "The deficit in fiscal year 1982," I continued, "will surely be in the neighborhood of $60 billion, and it would go higher." I made this point "not to criticize, much less to discredit." We had to get hold of spending, we had to cut taxes, but we also had to be realistic about what would happen when we did.

The economic debate went on all spring and into summer. It culminated, for me at all events, on the evening of July 27. That was the evening the President spoke to the Nation about the tax bill. I was asked by my party to respond later that same evening, an offer made possible by the generosity of NBC television.

The President wanted to cut taxes: So did we all. My concern was with the battle then reaching its climax in the House of Representatives between the administration and the Democratic majority. Most everyone had lost sight of the fact that there was basic agreement on the need for a "clean" tax bill, while all attention had turned to the question just whose bill it would be. A bidding process had begun. Votes were being won by offering yet further special interest tax cuts.

In my July 27 speech, my plea was for the bidding to stop:

In the last few days something like an auction of the Treasury has been going on. The administration is seemingly willing to pay any price to win votes for its version of a tax cut, simply to gain a victory on its own terms.

What this is doing is taking a tax bill we could afford and transforming it into a great barbecue that we can't afford. I would say to the President that some victories come too dear.

The Senate Finance Committee voted out a major tax reduction on June 25 by a margin of 19 to 1. It is now on the (Senate) floor. We will pass it Wednesday. If the House does the same we can have a bill on the President's desk in a matter of days.

Let us pass a tax bill and get on with the business of government. Our business—the administration's business—is to promote the general welfare by getting the American economy moving again. It hasn't been and it isn't now.

My concern was that we would wake up to an empty Treasury, with the grimmest consequences.

This need not happen. There is still time to prevent it. Mr. President, I ask unanimous consent that the text of a speech I gave last Sunday to the Business Council of New York be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR DANIEL PATRICK MOYNIHAN

In 1977 I spoke to the then Associated Industries of New York State on the subject of the imbalance of the fiscal relation between the national government and the State of New York. I offered my judgement that this had become a sustained and significant problem to our economy. (Although even I would not have then foreseen that our poplation losses in the decade would lead to the loss of five congressional seats, the largest such loss in the history of the Congress.) I gave to my address the somewhat academic title:

"On the time it takes to explain something" but my purpose was to suggest that the problem was all the more urgent because it was not one that was easily set forth or readily comprehended. This evening I return to the same theme, but to a much larger subject.

The United States is facing an economic and in consequence a political crisis—I hope I do not use the word "crisis" casually—which is all the more ominous because it, too, is somehow difficult to explain, difficult to comprehend.

The signs of crisis are not hard to find. Our financial markets are in an unprecedented condition. The price of stocks and bonds have sharply dropped, while rates of interest are higher than any, I believe, known to our history. They recall the rates the Fuggers charged the Hapsburgs, but have no equivalent in the economic history of the United States, and with respect to the rates of government securities, none, at least to my knowledge, in the history of the Republic. At a time when General Burgoyne was still in the field, and not far from where we are today, the Continental Congress could sell its securities for less.

Our President, whom we admire and wish success—I served in the Cabinet or the sub-Cabinet of each of the four Presidents who succeeded Jimmy Carter, and in the Senate I did all I could do to support him, so let me say I want to see a President succeed—told his Economic Policy Advisory Board just last Thursday that there must be yet greater reductions in the budget as the only way to prevent "eventual collapse" of the economy. (NYT Sept. 11.) on that day his senior White House spokesman told the press, and I quote an account:

"Mr. Reagan's statements did not reflect a sense of panic in the White House over the declining financial markets or over a Congressional Budget Office estimate that the 1982 deficit will exceed Mr. Reagan's estimate by over $22 billion."

The only meaning of—the only reason for—such a statement is that, of course, there is panic.

The extent of the panic is to be found in the statements of the leaders of the President's party in Congress. They are talking of punishing the markets for not behaving. Quite specifically, the majority whip of the Senate has suggested a windfall profits tax might be in order for those who benefit from high interest rates. The majority leader of the Senate sent word north, to you know where, saying he wanted things to shape up not in a matter of weeks, but "days." "It's time indeed," he said, "that the financial markets realize that they are playing a dangerous game." They are, in a word, getting government mad.

I need not tell you that we are not far from proposals for wage and price controls, although the power of the Executive to impose these unilaterally has, to my knowledge, expired.

How can this have happened to an administration so exuberantly committed to the free market as an economic and moral ideal?

It is not easy to explain, but it is, I think explicable.

Two basic elements are involved: First, a political tradition; second, an economic idea.

There is no handy term for the political tradition, although it recurs in American history at all points in the political spectrum. It involves a profound distrust of institutions, be they governmental, financial or corporate. It occurs on the right and on the left. The Carter administration, for example, had more than its share of the latter variety. But the present administration, on the other end of the spectrum, is the most advanced case we have yet encountered. May I repeat that I served in the Cabinet of the two preceeded Republican Presidents. This new group—one of whose more prominant members was once a student of mine—are as nothing we have seen.

They are conservatives as anarchists are to liberals.

This would all be innocent enough were it not for the economic idea they brought to office with them, the idea that the revenue system of the Federal Government was not an institution of any great importance, that the most extraordinary things could be done to it with relative impunity.

Specifically, this doctrine held that any given level of revenue can be obtained by two levels of taxation: One high, one low. This was not a mere extension of the principle of price elasticity.

In 1978, for example, I persuaded first the Finance Committee and then the Congress to reduce capital gains taxes which clearly were too high. The Treasury foresaw a prolonged loss of revenue.

Yet the very next year capital gains tax collections increased. But that was a conventional argument over an established economic principle. The "laffer curve" was new. It was a fundamental rejection of the notion of restraint, of limit as the necessary environment of government.

The proposition took as its most popular form the proposal that taxes could be cut by one third at no cost to revenues. The President put it thus while campaigning in Flint, Michigan in May, 1980: One can cut taxes, spend more for national defense and balance the budget because:

"We would take the increased revenues from the tax decrease to rebuild our defense capabilities."

A first restraint which has had to yield is the balanced budget, which one would have thought was at the core of the doctrine of economic conservatism.

Some knew this all along. For others, it comes as a surprise. My colleague and friend Jack Kemp, an author of the Kemp-Roth tax bill, declared last spring in the House: "We don't worship any longer at the shrine of the balanced budget."

And more recently, when the tax bill was signed, the Congressman told the President: "I want your support for my next tax bill—a 30 percent rate reduction in your second term." "Gee Jack," the President responded, "I thought we'd go for a 40 percent reduction next time."

At first it seemed to me that if everyone made allowances for the understandable—and wholly attractive—enthusiasm which new ideas generate, we could get through it all well enough. "Voodoo" economics or not.

On March 5, I spoke to the Economic Club of New York. The deficit for fiscal year 1982 was being projected at some $42 billion. This, I said, was not going to happen. There would be some loss of revenue. "The deficit in fiscal year 1982," I continued, "will surely be in the neighborhood of $60 billion, and it could go higher." (On September 10, the congressional budget office forecast $65 billion.) I made this point, "not to criticize, much less to discredit." We had to get hold of spending. We had to cut taxes. But we also had to be realistic about what would happen when we did.

The economic debate went on all spring and into summer. It culminated, for me at all events, on the evening of July 27th.

That was the evening the President spoke to the Nation about the tax bill. I was asked by my party to respond later that same evening, an offer made possible by the generosity of NBC television.

The President wanted to cut taxes: so did we all. My concern was with the battle then reaching its climax in the House of Representatives between the administration and the Democratic majority. Most everyone had lost sight of the fact that there was basic agreement on the need for a "clean" tax bill, while all attention had turned to the question just whose bill it would be. A bidding process had begun: votes were being won by offering yet further special interest tax cuts.

In my July 27th speech, my plea was for the bidding to stop:

"In the last few days something like an auction of the Treasury has been going on. The administration is seemingly willing to pay any price to win votes for its version of a tax cut, simply to gain a victory on its own terms."

"What this is doing is taking a tax bill we could afford and transforming it into a great barbecue that we can't afford. I would say to the President that some victories come to dear."

"The Senate Finance Committee voted out a major tax reduction on June 25 by a margin of 19 to 1. It is now on the (Senate) floor. We will pass it Wednesday. If the House does the same we can have a bill on the President's desk in a matter of days."

"Let us pass a tax bill and get on with the business of government. Our business—the administration's business—is to promote the general welfare by getting the American economy moving again. It hasn't been and it isn't now."

My concern was that we would wake up to an empty Treasury, with the grimmest consequences. To begin with it would be discovered that the new economic doctrine did not have many adherents. One of its essential, almost chiliastic elements, is that people must believe it, if it turned out they didn't, well * * *

Well what? The absolute predictable conclusion that the lost revenues would not be replaced, and that in consequence an unending sequence of deficits loomed. I pleaded in March for realism in the hope that we would not lose our nerve once realty was forced upon us, and would set about balancing future budgets.

I repeat, I repeat, I repeat. The single most important economic problem facing our nation is capital formation. We have gone on for a generation now with the lowest or second lowest rate of capital formation in the western world. We are eating our seed corn. Last year, for example, American personal income, in real terms, dropped five percent, the largest decline since this series began in 1947.

Sustained deficits destroy capital formation.

They divert capital otherwise available for the private sector to the uses of government, most of which goes to consumption. Worse yet, in the present situation the demands of government are so great that interest rates soar beyond bearing. The cost of capital formation become prohibitive, unless a permanent inflation is foreseen.

Hence the demands for further budget cuts. Our defense budget, which finally was getting on a steady course, will not be whipped up once more. Our domestic budget is being shredded, and with it the social compact of a half century concerning the role of government in abbeting the health, education and welfare of our people.

Is there any hope: Some.

There are signs in Washington that the shallowness of some of that early economic doctrine is beginning to sink in. Commenting on the wreckage of the defense program, a department spokesman, the distinguished public servant Henry Catto, quoted Emerson: "A foolish consistency is the hobgoblin of little minds . . ."

That I fear is the mark of experience in government, and it is no accident that Mr. Catto is an experienced official. Nor any accident that so many of those who fashioned the present crisis have no real experience responsibility at the national executive level of Government.

But why not be friends? Be forgiving. Be amnesiac if it comes to that?

The tax bill was too large. Let me give you its measure. The report of the committee of conference gives the estimated revenue loss as follows:

*Total revenue effect*

[In millions of dollars]

| *Years* | |
|---|---|
| 1981 | −1,565 |
| 1982 | −37,656 |
| 1983 | −92,732 |
| 1984 | −149,944 |
| 1985 | −199,303 |
| 1986 | −267,627 |

In round terms this is a revenue loss of $750 billion. What we need is a midcourse correction, keeping many of the fine features of the new bill (which is why I voted for it) reducing this cost by, let us say, $250 billion. Take away one quarter trillion, and a one half trillion tax cut remains. Surely next month, when we raise the debt ceiling above the $1 trillion mark we could lower that tax loss over the next 5 years by a third of a trillion. The benefits to the economy would surely be enormous, and even more to the tone of public debate.

Do we really want a decade in which the issue of public discourse, over and over and over, will be how big must the budget cuts be in order to prevent the deficit from being even bigger? Surely larger, more noble purpose ought to engage us.

The tax cut was too large. That need not be the end of the world. Cut it back a bit.

I shall introduce such a bill on Tuesday. It could be on the President's desk Friday if we all cooperated. Well, that exaggerates somewhat. But it does not overstate the urgency, given the alternative.

Clearly there is nothing sacred about $250 billion as the midcourse correction I speak of, but the number can be defended. It is generally agreed that at least $150 billion in the tax cut came from the absurd last minute bidding in the House, the object of which was not to bring about a tax cut, but to run up vote totals as if a great basketball game were in progress. Assign tht sum to budget balancing. Assign the remaining to keeping other promises. (Remember, a balanced budget was promised.) You might call them negative promises. In the campaign of 1980 the President never mentioned the slashes he is now being forced to propose in education, social security, nutrition and other programs. He did not want them; I am convinced he does not want them. Imagine the United States of America, with a GNP approaching $3 trillion announcing that henceforth school children eligible for support will be limited to one half glass of milk at lunch.

I plead now as I pleaded 6 weeks ago for continuity and for rationale. For 6 months in Washington we have been subjected to ever more radical proposals for change in fundamental national commitments which don't originate in any new thinking about those commitments, but simply in the dawning recognition that the new economics isn't credible.

Just after the tax cut our distinguished majority leader Baker called the whole thing "a riverboat gamble," that seemed to me admirably candid. But why, if the flush doesn't fill out, start breaking up the place.

For how else are we to understand his more recent call for what Leonard Silk terms "reprisals" against Wall Street in the form of "credit controls, reorganizing the Federal Reserve, a windfall-profits tax on interest income, and wage and price controls"?

Do we really want to put Willard Butcher in jail for usury? Or Walter Wriston in the stocks for excess profit? Or see "Mil" Batten fined for running a gaming house? New Yorkers arise! For the first time since the battle of Oriskany, the frontier is in flames.●

## AMENDMENTS SUBMITTED FOR PRINTING

### DEPARTMENT OF JUSTICE AUTHORIZATION ACT, 1982

AMENDMENT NOS. 546 AND 547

(Ordered to be printed and to lie on the table.)

Mr. DANFORTH submitted two amendments intended to be proposed by him to the bill (S. 951) to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1982, and for other purposes.

AMENDMENT NOS. 548 AND 549

(Ordered to be printed and to lie on the table.)

Mrs. HAWKINS submitted two amendments intended to be proposed by her to the bill S. 951, supra.

### AGRICULTURE AND FOOD ACT OF 1981

AMENDMENT NO. 550

(Ordered to be printed and to lie on the table.)

Mr. HUMPHREY submitted an amendment to be proposed by him to the bill (S. 884) to revise and extend programs to provide price support and production incentives for farmers to assure an abundance of food and fiber, and for other purposes.

## NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES AND SUBCOMMITTEE ON NUCLEAR REGULATION, COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing which will be held jointly before the Committee on Energy and Natural Resources and the Subcommittee on Nuclear Regulation of the Committee on Environment and Public Works. The hearing will be held on Tuesday, October 20, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building, to consider S. 1606, relating to nuclear accident cleanup legislation, including the Three Mile Island accident.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding this hearing you may wish to contact Mr. Charles Trabandt of the Energy and Natural Resources Committee staff at 224–7141 or Mr. James Asselstine of the Environment and Public Work Committee staff at 224–2991.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Committee on Energy and Natural Resources. On Tuesday, September 29, beginning at 9:30 a.m. in room 3110 of the Dirksen Senate Office Building, the committee will consider S. 1544, the State and Local Energy Block Grant Act of 1981.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding this hearing, you may wish to contact Mr. Richard Grundy of the committee staff at 224–2564.

SUBCOMMITTEE ON ENERGY REGULATION AND THE SUBCOMMITTEE ON WATER AND POWER

Mr. HUMPHREY. Mr. President, on behalf of myself and Mr. MURKOWSKI, I would like to announce for the information of the Senate and the public the scheduling of public hearings which will be held jointly by the Subcommittee on Energy Regulation and the Subcommittee on Water and Power. These oversight hearings to consider hydroelectric development and licensing procedures will be held on Monday, October 19, and Friday, October 23, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, Subcommittees on Energy Regulation, and Water and Power, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding these hearings, you may wish to contact Mr. Howard Useem at 224–5205 or Mr. Russ Brown at 224–2366.

## AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Thursday, September 17, at 1:30 p.m., to hold a hearing on the nomination of Charles Bowsher to be Comptroller General of the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON THE CONSTITUTION

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on the Constitution of the Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, September 17, at 10 a.m. to hold a hearing on the Constitution Bicentennial and at 2 p.m. to hold a hearing on bail reform.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Energy and Mineral Resources of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, September 17, to hold a hearing on S. 1575, the Combined Hydrocarbon Leasing Act of 1981.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ADDITIONAL STATEMENTS

### HENRY B. RICKENBAKER

● Mr. HOLLINGS. Mr. President, from 1977 until early this year South Carolina, and in particular its agricultural community, has been very ably served by Mr. Henry B. Rickenbaker as chairperson of the State Agricultural Stabilization and Conservation (ASC) Committee. I bring his outstanding service to the Senate's attention, Mr. President, because his dedicated and conscientious work in behalf of many South Carolinians deserves our recognition and appreciation.

Henry knows farming firsthand. He is a resident of Clarendon County where he produces cotton, tobacco, corn, soybeans, and small grain on 2,500 acres. He has been active in the operation of Rickenbaker Gin, Inc., and has served the gin in the capacities of president and general manager. In addition to his farming activities, Mr. President, Henry has been a strong voice in the farming community of our State for a number of years. This is evidenced by his participation in many farm organizations. He has been a community ASC committeeman, a director of the Clarendon County Farm Bureau, a director of the National Cotton Council, chairman of the South Carolina Unit of the National Cotton Council, director of the Carolina Ginners Association, director of the Southern Cotton Growers, Inc., and a member of the South Carolina Farm Bureau Cotton Committee. Additionally he is very active in his church and local community and this is demonstrated, in part, by his service as senior warden of Saint Matthias Episcopal Church and his membership on the board of the Clarendon County Memorial Hospital and role of adviser to the National Bank of South Carolina.

Given Henry's background and involvement in the affairs of the agricultural community of his county and State it is no surprise to those of us who know him that he has done such a fine job as chairperson of the South Carolina State ASC Committee. A brief review of the accomplishments of ASC during Henry's tenure brings this into focus. And, Mr. President, I should point out, this record of accomplishment was made during a very difficult and trying time for the farmers of South Carolina. Because of severe drought conditions there were unprecedented agriculture disasters for the years 1977, 1978, and 1980. This condition, of course, placed additional burdens and pressures on ASC's to meet the obligations and requirements of Federal programs designed to cope with the disasters. Therefore, Mr. President, Henry's fine job of leadership takes on even more significance.

Let me outline here, Mr. President, a brief review of some of the accomplishments of ASC during Henry's tenure. Confronting disasterous economic times, the ASC committee led the way in insuring that the various ASC's programs were administered responsively and efficiently. This did much to mitigate the effect of the widespread drought. The cotton, wheat, and feed grain programs; the emergency feed program; the commodity nonrecourse loan program and other programs such as the farm storage facility and drying equipment loan program and the tobacco and peanut marketing quota programs were effective in meeting the unprecedented problems confronting our producers.

During his tenure in office, the agricultural conservation program made available over $15 million to assist farmers in carrying out soil and water conservation practices on their farms. Additionally, six special water quality projects, designed to provide clean water, were implemented within the State. And, under the forestry incentives program, over $5 million was allocated to South Carolina's 46 counties for the purpose of increasing the Nation's supply of timber products.

Under Henry Rickenbaker's leadership the aerial compliance method of determining crop acreage was introduced in South Carolina in 1977. By taking aerial photographs special equipment is used to determine crop acreage. This method was used in four counties in 1977 and was in use in 23 counties in 1980. It has proven most satisfactory. This new methodology has allowed compliance

acreage determinations to be completed in less time and at less cost to ASCS than the conventional method.

Finally, Henry Rickenbaker is to be commended, Mr. President, for the extremely high morale of State and county office employees during his tenure. This is, in part, attributable to his experience in agricultural matters, competent leadership, and sincere concern over employee welfare. His enthusiasm for his work is infectious and inspires individuals to attain their highest level of performance. All of Henry's many fine qualities are reflected by the capable and dedicated staff which serves South Carolina's agriculture community.

It is with great pleasure that I thank Henry Rickenbaker, on behalf of the people of South Carolina, for his valuable and most beneficial service. We all wish Henry well and know that he will continue his tireless efforts to benefit our farmers in his future endeavors.●

## NINETIETH ANNIVERSARY OF ST. JOHN THE BAPTIST RUSSIAN ORTHODOX CHURCH, MAYFIELD, PA.

● Mr. SPECTER. I would like to call to the attention of my colleagues the special celebrations and pontifical liturgy being held September 20, 1981, in commemoration of the 90th anniversary of the founding of St. John the Baptist Russian Orthodox Church of Mayfield, Pa. Attending the services will be his Beatitude Metropolitan Theodosius, His Grace Bishop Herman, and the clergy of the Wilkes-Barre Deanery. At this time I would like to congratulate St. John the Baptist Russian Orthodox Church on its observance of its 90th anniversary and wish the congregation and its leaders continued growth and service.●

## AN APPEAL OR DELAYING TACTIC?

● Mr. McCLURE. Mr. President, the issue of wilderness designations appears to be never ending. Over the years there has been a growing awareness for a need to preserve areas containing unique characteristics. I am in agreement with this, but I am disturbed by the attitude of more, more, more, regardless of cost and loss of other resources just as important as wilderness.

The roadless area review and evaluation (RARE II) was a voluntary effort by Government and the public to once and for all settle the question of how much wilderness. I supported this process because I believed it was important to preserve some lands, and equally important to permit long-range multiple use management on other lands.

Ten years have now passed since the inception of RARE I and II, and there is no end in sight. Even with legislation passing designating wilderness, areas which should be available for multiple use are headed for de facto wilderness once again.

Mr. President, a perceptive view of this problem was recently reported by the editor of the Idaho County Free Press. I ask that the article "An Appeal or Delaying Tactic?" by Ed W. Stepanek, be printed in the RECORD.

The article follows:

AN APPEAL OR DELAYING TACTIC?

(By Ed W. Stepanek)

One of the disturbing things about the West Meadow Creek decision is the fact that opponents of the Forest Service's decision now say they will appeal.

The Forest Service went to great lengths in past months to gain input from individuals about in what shape people wanted this area.

The Forest Service even scheduled a hearing in Lewiston which drew a good number of individuals and members of the media. Interestingly enough, at the meeting, not much opposition, if any opposition at all to the plan of the Forest Service surfaced.

In fact, this editor was absolutely amazed at the apparent harmony at the hearing. Loggers and environmentalists sat together in little study groups looking at and discussing alternatives. The many loggers in the crowd were able to give first-hand information about logging techniques, and also first-hand information about terrain in the West Meadow Creek area.

In each of the groups, the unanimous vote was for development, and rather quick development at that, which was even more surprising.

The alternative which seemed to be favored was surprising because of the amount of development people at the hearing seemed to want.

This editor recalled a vote was taken on an individual basis, with virtually no one wanting a "leave it alone" policy adopted.

Keep in mind, that this meeting included many people called environmentalists, a term which is probably a misnomer of sorts.

Even the Lewiston Tribune carried a story about the meeting the following day in which they said something to the effect that once everyone understood what the Forest Service was doing, no opposition surfaced.

Now, opposition has begun over the West Meadow Creek decision, with an individual quoted in a Spokane newspaper as saying the appeal was a foregone conclusion.

We find this type of attitude by some so-called "environmentalists" to be rather disturbing. To be sure, they have a right to take this decision by the Forest Service to the Courts, however, they have not voiced much opposition, to this editor's knowledge, about the matter prior to this. This hearing in Lewiston was a dandy place to voice opposition, however no opposition was forthcoming. We feel those trying to stop development have a duty to participate in these hearings at the first level. Not only in written form, but verbal as well.

Many environmentalists at the meeting were very open and conscientious about the West Meadow Creek matter, using give-and-take of debate for the final decision.

Now, despite all the efforts on the part of the Forest Service, we are facing, and appeal of the matter. Perhaps it was unavoidable. But we'd like to see some real reasons from those who oppose the West Meadow Creek decisions.

At this point in time, the opponents in the West Meadow Creek decision appear to be indulging in nothing more than delaying tactics.●

## RESIDENTIAL CONSERVATION SERVICE PROGRAM

● Mr. KENNEDY. Mr. President, it is expected that later this week an effort will be made to abolish the Residential Conservation Service. I believe that the residential conservation service program is a test of whether this administration is dedicated to making our Government work better or committed to destroying all efforts by the Federal Government to help our citizens increase the well-being of their lives.

The energy conservation service program was established by Congress in 1978 because of the widespread conviction that we must reduce our oil imports in the most cost-effective manner possible. It was widely agreed that homeowners did not have the information they needed to make intelligent decisions about energy conservation matters.

They needed an audit by a trained, competent professional to help them decide whether they should invest $1,000 in insulation and storm windows, or $200 in weatherstripping, or $500 in a more effective oil or gas burner. These are very complicated decisions which the average homeowner does not have the information to make.

The RCS program requires large electric and gas utilities to provide homeowners with the opportunity to have these energy audits done. No one is required to have an audit if they do not want it. And, after the auditor has made his estimates no one is required to make a single investment in energy conservation in their homes.

Thus, no homeowner is subject to any regulatory burden under this legislation. Instead, this is a program that will actually help the market to work. Without this program, the regulatory burden on homeowners will be increased because building more powerplants will increase their energy bills.

Now, there are three reasons why I support the continuation of this program.

The first is because this is a program that works. This program has a positive cost benefit ratio of at least 2 to 1. The opponents of the RCS continually talk about the costs of the program. They claim it will cost $15 billion. Even if it were this expensive, which it is not, this expenditure would create benefits of $33 billion.

This is according to the Department of Energy's own regulatory analysis. In reality, two-thirds of the $15 billion that the opponents of the RCS call "costs" are actually investments which are made voluntarily by homeowners to save energy and to save money.

The total cost of the savings is less than $10 per barrel—that is one-third the current world market price of oil.

The second reason why I believe that it is essential that we fund this program is that saving energy will free capital for more productive uses in other places in our society. The Department of Energy has estimated that this program will save 8½ quads—the equivalent of 1 entire year's oil imports. This is an enormous saving.

This money would have been completely wasted if this program is not continued. The American people do not want regulatory programs that harass them and that would not work.

But the American people clearly do support programs that will work. I would like to read several letters from average homeowners in Massachusetts who have benefited from this program. I would

like to point out to my colleagues that in Massachusetts we have already had 37,000 audits under this program and there is a waiting list of 13,000 people to go into this program.

By the end of this year, they expect there will be 80,000 homes audited and more than half of these homes will take actions as a result of their audits to save energy.

Following are excerpts from letters received from homeowners who have had a mass-save energy audit—the residential conservation service program in Massachusetts:

Beverly, Mass., September 1, 1981—Just a short note to congratulate you and the people of Mass-Save for offering the energy consumers of this state a service that all should take advantage of immediately.

I have already started implementing some of the recommendations and plan to follow through on those that seem reasonable within the timeframe that myself and my wife plan to be here. I truly can't say enough good things about Mass-Save; you are to be commended.

Burlington, Mass., August 3, 1981—On 7/22/81 I had my home audited. The young man was very informative and knowledgeable about the energy program. He cleared up quite a few questions I had asked. I was more than satisfied with the information that he gave me and was glad that I had requested the audit.

Melrose, Mass., July 2, 1981—A knowledgeable and personable young man visited my home yesterday for an energy audit.

He made quite an impression on me. He knew what he was doing and was able to explain to me clearly what I should be doing. He inspected my home from top to bottom, taking time patiently to answer my questions as I followed him around. He had a wealth of information at his fingertips and no question went unanswered.

The $10.00 energy audit is the bargain of the century!

Boston, Mass., June 26, 1981—The auditor was professional, courteous, very competent, and not only went through a thorough audit, but also was able to answer all our questions. We were very impressed with his expertise.

The audit was very beneficial, even though we learned that our home is already energy saving sound. There is still room for some improvement.

Swampscott, Mass., July 28, 1981—Last week your auditor came to my home to conduct an energy audit.

At a time when everyone seems to complain, I hasten to say thank you. Your auditor was a fine gentleman and did his job most efficiently and conscientiously. He is to be commended and your firm to be congratulated.

Lexington, Mass., July 12, 1981—I would like to thank you for an incredible service, well delivered by your auditor when he came to our house on July 6. He was thorough, competent, and willing to answer and discuss all of our questions. Thank you so much for this outstanding program.

Dunstable, Mass., June 9, 1981—Received an energy audit today by one of your auditors. I just wanted to let you know that the audit was excellent and the auditor was great. He was extremely knowledgeable, helpful and thorough. I am very pleased with the results and the recommendations of the audit.

Reading, Mass.—I would like to take this opportunity to state my sincere gratitude for the excellent service which you perform at such a reasonable price. I would like also to bring your attention to the excellent job your auditor from the Woburn office performed. If his expertise and professionalism is indicative of the rest of your staff, I'm sure we, in Massachusetts, will live a lot more warmer in the years to come.

Woburn, Mass., July 6, 1981—Today, July 6, 1981, an auditor prepared an energy report for our home. Every step that was taken was conveyed in a professional yet pleasing and personal manner. The information was clearly presented in an appropriate sequence. We hope to utilize some of the recommended measures in the near future. We also hope programs like Mass-Save will be able to continue its exposure of energy conservation measures to homes such as ours.

Great Barrington, Mass., July 12, 1981—I asked for the audit chiefly because of the furnace. I have had trouble with it for the past two years. I am on a fixed income and have already lost some of my Medicaid help. I will try and see what I can do about the furnace, but I am afraid that I can't afford a new one. I do appreciate your concern and help. The young man was very nice. I enjoyed his being here. Thank you.

Finally, I believe this program is critical because it will create jobs. The Department of Energy has estimated that 30,000 new jobs will be created throughout the economy. As unemployment is steadily rising, it makes sense to fund programs that create more jobs as well as save money for the homeowners and the economy.

I urge my colleagues to support this program. I ask that certain newspaper articles about the success of the RCS program in Massachusetts be printed in the RECORD.

The articles follow:

[From the West Hanover (Mass.) Weekly, Aug. 27, 1981]

ENERGY AUDITS INFLUENCE CONSERVATION

A recent survey indicates that 90 percent of Massachusetts residents receiving home energy audits from Mass-Save, the nation's largest utility-sponsored non-profit energy conservation program, claimed the program influenced their decisions to actively conserve energy. In addition, those interviewed claimed an average of $125 per household had already been spent on weatherization measures recommended as part of Mass-Save audits and an additional $825 in conservation measures was expected to be spent within six months to one year of the audit.

Mass-Save has already conducted 30,000 home energy audits in its seven months of operation. The audit itself consists of a two-to-three hour examination of a home's energy efficiency by a certified auditor. After results are processed in the residence with a portable computer terminal, the auditor then discusses with the customer the written comprehensive package of energy-conserving measures and practices left with the customer.

Mass-Save statistics indicate that implementation of all of the audit recommendations in the area of weatherization and heating system improvements could yield total annual savings of approximately 700 per customer. If all 30,000 customers followed through on report recommendations, up to $21 million could be saved in money spent on energy consumption. Implementation of the recommendations regarding solar measures adds even further to the energy savings.

While some of the audit recommendations require substantial investment, the most frequently called-for-steps—caulking and weatherstripping—tend to be those which could be performed easily by the average do-it-yourselfer, with minimal cost and immediate savings. However, about 60 percent of the audited homes require replacement of the heating system or burner, while 50 percent need insulation of attics and walls, measures which call for large expenditures but reap large and immediate savings.

Mass-Save Executive Director, John B. Roll, had high praise for the support which sponsoring utilities have given the program. "They have shown us exceptional cooperation; some utilities have even had their own separate programs to promote Mass-Save. In an era in which we see continued increases in the cost of energy, Mass-Save provides an important model for private industry as it meets public and consumer needs economically," he commented.

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[From the Worcester (Mass.) Evening Gazette, Aug. 27, 1981]

DON'T WAIT FOR FUEL AID

The word from Washington, by way of the state Executive Office of Communities and Development, is that more people will qualify for fuel assistance this winter. The income ceiling for a family of four has been raised from $12,880 to $14,272.

The catch is that there won't be any more money than last year for the program—about $93 million. If there are more slices from the same pie, the slices will have to be smaller.

The wise person will take note of this and act accordingly. He or she will try to make every gallon, ton or cord of fuel go farther. That can be done by weatherization. Every door, window and joint that is weatherstripped and caulked means less cold air seeping into the house. Every double window or double pane means less warm air dissipated into the outdoors. Every properly insulated hot waterpipe and heat duct means more heat in the right places.

As Fitchburg showed last year, a lot of little things add up to a lot when it comes to saving heat. That city's FACE program concentrated on the sort of weatherstripping and caulking that most anybody can do.

There are various sources of information available—the Worcester County Extension Service and Mass-Save, Inc., of example. For a token fee of $10, Mass-Save will do a complete energy audit of a single-family home and provide detailed instructions on how to tighten it up. Mass-Save also will provide information over the telephone. Now is the time to prepare for the winter. November is hardly two months away.

In addition to delivering audits, Mass-Save is working to broaden its scope in order to further encourage residential energy conservation.

"We want to underscore the fact that Mass-Save is much more than an energy audit program. It is a complete energy action program in which we also help find conservation financing and reputable contractors to do the work," Rolls said.

For example, in Westfield, Mass-Save has co-sponsored a group bidding program with the city intended to reduce the cost of installing attic insulation by 50-60 percent to residents who have had a Mass-Save audit. Interest in the Westfield-Save program seems exceptional; over 325 requests for participation were received in the five weeks of the program's duration.

As a further example, in Hampden County, 17 banks are participating in a lower interest extended repayment Home Energy Conservation Loan Program. Elsewhere in the state Mass-Save has entered into cooperative agreements to combine the Mass-Save audit with local available weatherization funds to bring the program to low-income and special groups areas.

"While the warm weather is here, we want to emphasize follow-up on audit recommendations while supplier and contractor discounts are still available. We will do everything possible to make sure these

audits don't gather dust, but are translated into energy and dollar savings," Executive Director Rolls said.

Fifty-two investor-owned and municipal electric and gas utilities formed the organization last year to provide a cost-effective means of meeting the federal and state Residential Conservation Service mandate.

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[From the Wakefield (Mass.) Daily Item, Aug. 20, 1981]

MASSACHUSETTS RESIDENTS RESPOND TO MASS-SAVE AUDITS

BOSTON.—Energy audits done by Mass-Save, Inc., the nation's newest utility-sponsored non-profit energy conservation program, have had an impact.

A recent survey indicates that 90 percent of Bay State residents receiving the audits say the program influenced them in their decisions to conserve actively. Those interviewed claimed an average of $125 per household had already been spent on weatherization projects recommended by the audits. An additional $825 in conservation measures is expected to be expended within six months to one year of the audit.

During its seven months of operation, Mass-Save has conducted 30,000 home energy audits.

The audit consists of a two to three hour examination of the home's energy efficiency by a certified auditor. Results are processed in the residence with a portable computer terminal. The auditor then discusses with the householder the written comprehensive package of energy-conserving measures and practices, and this "package" is left with the customer.

An annual savings of approximately $700 per customer could be realized, it is estimated, if there is implementation of all the adudit recommendations for weatherization and heating system improvements.

If all 30,000 customers followed through on report recommendations, up to $20 million could be saved in money spent on energy consumption.

Implementation of recommendations regarding solar measures would add even more to the energy savings.

Many of the recommended energy-saving measures are relatively simple and relatively inexpensive ones that can be handled by the average "do-it-yourselfer"—caulking and weatherstripping.

Some of the recommendations, however, do necessitate substantial investments. About 60 percent of the audited homes require replacement of the heating system or burner, and about 50 percent need wall and or attic insulation.

In addition to doing the audits, Mass-Save is working to expand its scope in order to encourage further residential energy conservation.

"We want to underscore the fact that Mass-Save is much more than an energy audit program," John B. Roll, executive director, stated.

"It is a complete energy action program in which we also help find conservation financing and reputable contractors to do the work."

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[From the Greenfield (Mass.) Recorder, Apr. 10, 1981]

ENERGY WASTE MUST BE HALTED

(By John W. Olver)

Americans use more energy than any other people in the world and a lot of what we use is wasted. This waste at today's prices represents a continuing tragedy—an economic hemorrhage stifling every citizen's finances.

The expenditure of $40 and four hours of effort (in the average household) to install nationally proven, low-cost weatherization measures such as weatherstripping, foundation caulking, doorsweeps and hot water heater insulation would save each household $150 to $200 a year at today's prices. Yet, fewer than 30 percent of Massachusetts homeowners have bothered.

If the remaining 70 percent were to apply these measures, we would keep in the Massachusetts economy at least $250 million now being spent on fuel oil, natural gas and oil-produced electricity—almost all of which now goes out of state and much of it to OPEC nations. These millions would be saved, invested or spent by our citizens; thousands of jobs would be created and millions of dollars in new municipal and state revenues would be available without raising a single old or new tax.

Our conservation efforts must include attention to the fuel assistance program for low-income people. Unfortunately, in the past the federal government has refused the state's requests to use some of the fuel assistance money provided by Congress for low-cost weatherization. The state's version of the same program set aside only $2.5 million for weatherization this year. While that is clearly a step in the right direction, it is only a drop in the bucket. We should weatherize every dwelling unit in the fuel assistance program before next winter, at least to the level of the low-cost measures. This investment in weatherization will be paid back three times within the year and will continue to save otherwise wasted energy in years to follow.

To help with conservation, our public utilities have been federally mandated to provide a program of comprehensive energy audits to households. This program, called Mass-Save, has been much touted as an energy and dollar saver. The price paid by a household for an audit is between $5 and $15. But the actual total cost is about $127, and the difference will be paid by all utility ratepayers as a monthly surcharge on all utility bills during the five-year life of the program, whether they have an audit or not. Since we may collectively pay as much as $60 million for the audits over the five-year course of the program, we all have a stake in seeing that the audit recommendations are implemented and that energy is actually saved.

We have learned from past experience that audits have not been enough to stimulate extensive conservation projects in which the payback is longer than for low-cost weatherization. Up-front money has been unavailable or, at today's interest rates, too costly for most people to implement the audit recommendations. Government and utilities must assure capital at affordable interest rates to complete energy saving projects.

While the utility companies can be commended for quickly launching the federally mandated program, their audit program, Mass-Save, would more immediately serve the public interest if, as part of the audit, the auditor turned down hot water thermostats and applied insulation to the hot water heater. That action would save real energy rather than merely audit its waste. For a cost to the utilities of about $5 for materials and less than an hour's labor, the water heater would be energy efficient. With that simple operation, according to estimates by Oakridge National Laboratories, we could save about 5 percent of each household's annual energy bill. Utility companies on the West Coast have voluntarily instituted energy conservation projects; ours should be required to do so, too.

The Legislature has before it a variety of bills to promote low-cost weatherization as well as more comprehensive energy conservation projects. With our attention focused on Proposition 2½, it would be easy to do nothing about this most inflation-ridden part of every family's budget. Instead, we should combine the best ideas into a total energy conservation program and fund it so the job can be completed quickly. The bottom line is that we can get serious and save hundreds of millions of dollars spent on energy waste in Massachusetts. If we don't, we might just as well use dollar bills themselves as fuel.

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[From the West Springfield (Mass.) News, Mar. 3, 1981]

ENERGY AUDIT SHOWS HOMEOWNERS THE LIGHT (HEAT)

(By Steve Sibbers)

WESTFIELD.—Marion McCarthy comes to the door armed with a Craftsman tool box, a computer terminal the size of a portable typewriter and almost two years of experience.

When she leaves, about two hours later, she leaves behind data, literature and advice. If the homeowner or tenant reads the information and follows her advice he will save money that would have gone out the windows, through the walls or up the chimney.

McCarthy is the only energy auditor from Westfield working with Mass-Save Inc., the non-profit company formed by state utilities to provide fuel conservation services to their customers.

McCarthy's examination of a house for energy-conservation trouble spots is exhaustive; literally top to bottom, inside and out; and it's cheap—only $10.

In the basement she examines the oil burner for efficiency, measures the amount of exposed hot water pipe and examines the perimeter of the foundation for heat loss.

On the first floor she examines every window and door for tightness and to ascertain if weather-stripping is required. She looks behind wall outlets to examine the home's original insulation. She offers advice to the homeowner with a kitchen cabinet so cold that condiments are partly frozen.

Upstairs, all the windows are checked. Crawl spaces are peered into and insulation examined. McCarthy climbs a ladder and disappears into the attic for a short time.

"There's nothing here," she tells a homeowner who has recently spent a considerable amount of money on insulation.

She's joking. The homeowner knows she's joking because bits of insulation are drifting down from the attic opening.

Outside, McCarthy uses a compass, taking a sight on the sun to ascertain the home's potential for the use of solar power. She decides the angle is not right. She asks the owner if he is interested in putting up a windmill. He says no. Perhaps at his house in Maine, which has a steady breeze, but not here.

Her physical examination of the house is complete. She's already done an energy inventory with the homeowner, asking him what kind of fuel he uses, how much was used in the previous year and how much he paid for it.

She sets up the computer on the kitchen counter. After a few false starts (it seems auditors across the state all wanted to be on-line at the same time) she is connected with the computer at Mass-Save's Boston office. She feeds it the information she's gathered and it tells her and the homeowner what steps he can take to save money, and how much money those steps will save him.

This afternoon the computer recommended a new oil burner to replace the one McCarthy found to be only 68 percent effective. McCarthy told the homeowner that a $350 outlay for a new burner which was 80 percent effective would result in $246 annual savings. That savings will increase as the price of fuel rises. The homeowner said he will probably get a new oil burner.

The computer also gave him the figures for a whole new heating system that would cost $2000 and have a payback period of about eight years. The homeowner said he would probably not replace the whole system.

McCarthy recommended extensive caulking, weatherization and insulation of pipes—

all projects the homeowner could undertake on his own, with costs and savings provided by the computer.

McCarthy handed the homeowner the facts and will call him in a few weeks to see how he's progressed.

"Very good, very worthwhile," the homeowner said. "People ought to take advantage of this service."

McCarthy's second audit of the day was complete. She does two a day, every day. She said Mass-Save wants to put the program into high gear and get 12 audits a week out of its field workers. She looks like she can handle it.

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[From the Nantucket (Mass.) Inquirer and Mirror, Mar. 5, 1981]

ENERGY AUDITS COMMENCING ON NANTUCKET AT THE REQUEST OF HOMEOWNERS

(By Dale Scott)

Nantucketers are beginning to take advantage of the low-cost home energy audits provided by the state utilities' new Mass-Save Energy Conservation Program. Southeastern division representatives for the program were here last week in response to six audit requests from local residents.

Captain Nelson Woodward of 27 Pine Street was one of the first homeowners to be audited in the newly developed program. He heard about the service one recent evening on the news and called the Mass-Save toll free number (1-800-632-8300) to request the scheduling of an audit for his house.

"It just makes a helluva lot of sense to me," he said. "At the price they're offering the audits, it would be foolish not to do it."

And so last week, Greg Cauley, one of Mass-Save's energy auditors, combed the Woodward house from cellar to attic in search of the information he needed to complete his audit report.

The procedure began with an assessment of Woodward's energy uses in his circa 1814 Nantucket three-quarter house. Cauley posed a series of questions and made note of the house size, number of rooms, type of heating system, appliance used, amount of insulation, and average temperature maintained. He pursued the past year's electric and oil bills and calculated the projected cost of heating for next winter. He explained that his figures reflected costs that could be expected if no additional energy conservation methods were employed in the Woodward household.

Woodward had been sending him a list of contractors and lending institutions to assist him in the completion of any work he chose to do.

The completed audit report was then turned over to Woodward. It came in a neat little package that includes fact sheets, guides and information about renewable resource measures. Cauley further indicated that he's available if more information is needed.

Woodward later commented on the audit, saying. "It was very worthwhile. It shows which things I ought to do and the order in which I should do them. I was very favorably impressed."

According to Mass-Save Southeastern regional manager Ed Sanders, an auditor will return to Nantucket as soon as residents express more interest in the service.

"This is the time to do it, when steps can be taken now before next winter," he said.

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[From the Middlesex (Mass.) News, Apr. 5, 1981]

A VISIT FROM THE "HOUSE DOCTOR"

(By Marion Widger)

FRAMINGHAM.—I'm a single home owner. Emancipated, and all that. I can cope with crises like frozen pipes (I know how to dial for a plumber), gypsy moths (I hung my little red sex traps for them), and lawn mowers (I've taken mine in for its spring checkup).

But, I must confess, I freaked out when I got my fuel and electricity bills last December—$153 for two months for two people in a miniscule seven-room cape. And we don't even have a dishwasher. Or color TV.

You try staying calm while watching the dials whirl on your electric meter, knowing that they are marking up 9.5 cents a kilowatt hour.

The tenants in the apartment complex behind me don't have such worries, I enviously reflected. Their landlord just takes care of all their worries by lumping them into their rent bill.

When I heard myself utter: "Oh, for a man to take me away from all this," I bit my tongue, stopped doing laundry in hot water, took showers in the school locker room where I swim, pulled down my window shades to keep every last BTU inside, and waited for spring.

Then, along came a man to rescue me.

His name was Lance Davis, and he represented Mass-Save, Inc. He took me by the hand to show me how I could save by myself.

Under a mandate from the federal Department of Energy, all utilities must offer their customers a class A audit. Mass-Save was formed by a consortium of 53 area utilities to take over the audit, and I ordered mine by returning a card that I received with my electric bill. It cost me $10.

Davis was trained as a municipal energy auditor before he went to Mass-Save and knew his business. Here's what he told me:

The overall insulation package in my house is kind of sloppy. I always knew that somewhat—you know, I'm not uptight about little drafts and things. They don't bother me. I figured that they didn't reach the thermostat so what's the difference. Besides, cauking and storm doors look gauche with my authentic antique house, I thought.

But, Davis pointed out that those little cracks around my windows and doors, and the leaks in my wall plugs, are costing me money. I could save $158 a year by tightening the doors—that simply means weatherstripping—installing rope caulking around the door and window frames, putting outlet gaskets over the wall switches. And, Davis gave me caulking compound that isn't aesthetically offensive.

If I put storm windows on the seven windows that don't have them now, I'd save another $76 a year.

And storm doors. I've got three inserts in the cellar that I didn't bother to put into the combinations this year. That little sloppinesss cost another $35.

My water heater, which is advertised as insulated, can have another layer of insulation around the outside. The do-it-yourself would cost only $15, but would save another $75 a year. And even I, who can't cope with anything with two moving parts, could manage that. The hot water used in my house, even though it's set at 130 degrees, amounts to half my energy cost. Unfortunately, Davis said a test with a shading mask shows that I can't make use of solar heat.

The sheet metal ducts that carry the heat from the furnace to the room outlets—that 140-degree air loses about one-third of its heat just passing through the cold cellar. Insulating that could save another $76.

Then, there are a couple of biggies. The interior walls, plus my floors, are not insulated. And, you know that thing about heat rising. Well, I figured that the cold in the cellar wouldn't come up through the cracks, and that the heat inside wouldn't travel laterally. Wrong. "Heat goes into unheated areas," Davis told me.

The do-it-yourself price for the floor (which might be beyond my ability) is $225, but even the have-it-done price is only $562, and the payback would be less than five years.

The wall insulation cost was quoted $1,400, with a little over six year payback period, the longest of all.

My oil burner is 73 percent efficient, which Davis said isn't bad, but a $350 investment on a new high-speed, flame-retention burner would save me $110 a year.

One thing Davis did praise me for was my Spartan stinginess with the room temperatures.

"Reducing the average temperature by one degree over the heating season results in a 3 percent reduction in fuel conservation annually," he said with teeth chattering in my 60-degree kitchen.

That means $33.60 per degree. If I could learn to stand 55 degrees, I could save $158, I was thinking.

But, what the heck—then I'd be tempted to buy a ticket on a southbound plane, and $158 wouldn't get me very far south.

Guess I'll just start wrapping insulation.

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[From the Worcester (Mass.) Sunday Telegram, May 10, 1981]

FOR $10, HE'LL PROWL YOUR HOME

(By Chris Pope)

Chuck Rousseau walked into the kitchen of a nine-room Cape-style house in Southboro, plunked a metal case down on a table and began pulling out the tools of his trade.

In short order Rousseau laid out a thermometer, a medium-length knitting needle, rolls of caulk and a variety of other equipment and materials. That done, he drew out a pen and started firing questions at the owner of the house, Walter Eremich of 46 Lattisquama Road.

The questions all had to do with the Eremichs' energy lifestyle. Among other things, Rousseau wanted to know what kind of heating system the house contained, what kind of appliances the Eremichs used, how often they used their fireplace and at what temperature they like to keep their home.

As might be expected, Rousseau was not asking the questions out of idle curiosity. The answers, he explained, might lead to suggestions that would chop hundreds of dollars from the Eremichs' annual heating bill.

Rousseau is an auditor for Mass-Save Inc., a non-profit corporation whose job is to help Massachusetts residents save on their utility bills.

Created in accordance with state and federal mandates by most of the gas and electric utility companies in the state, Mass-Save offers homeowners and multi-unit apartment dwellers the chance to have their residences inspected for efficient energy use.

In exchange for a $10 fee, Mass-Save sends its energy auditors to prowl your home in search of inefficient burners, uninsulated attics and heat-draining drafts of all kinds. When the inspection is completed, the auditors make energy-saving recommendations and provide homeowners with lists of reputable contractors who install energy improvements as well as the names of institutions that finance such work with low-interest loans.

At the Eremichs' recently, Rousseau spent almost two hours looking for ways to weatherproof their house against winter's icy and budget-busting blasts.

In the cellar he determined the condition of the family's gas-fired burner and checked to see if the hot water heater was insulated. He searched the foundation for cracks, checked windows and doors on all floors for tightness and used his knitting needle to probe walls and ceilings for insulation.

In the living room Rousseau examined the fireplace for efficiency, and in an upstairs bathroom he turned on a hot-water faucet and measured its temperature with a thermometer.

Outside the house, he peered through a device known as a solar site selector to determine whether the Eremichs could save money

by installing solar heating panels on their roof.

The audit completed, Rousseau returned to the kitchen, plugged a pint-sized computer terminal into the Eremichs' telephone and typed the information he had collected into Mass-Save's main computer in Burlington.

A few minutes later, the computer spewed out a printout that listed energy-saving suggestions. The computer estimated how much each improvement would cost if installed by a professional contractor or on a do-it-yourself basis, predicted first-year savings that would result from following each recommendation and calculated how much time would pass before the cost of making the improvements would pay for themselves in lower fuel bills.

In all, the computer recommended eight energy-conserving measures for the Eremich home. Among them were recommendations to insulate the hot water heater, outside walls and attic, to caulk some windows and install an electronic ignition device to replace pilot lights on the Eremichs' gas-powered stove.

According to the computer, provided he was willing to do some of the work himself, Eremich could recoup the cost of following five of the suggestions within four years and all within 10. The computer estimated that the improvements could be installed by a professional for about $2,370 and on a mostly do-it-yourself basis for about $1,426. In either case, it estimated that performing the work would slash about 30 percent from the Eremichs' heating bills.

Impressive as those savings sound, however, Rousseau was quick to point out that the computer's estimates of savings could differ significantly from those actually received. That's because fuel costs and winter weather are hard to predict, he said, and because the total savings from following all the recommendations together are usually less than the sum of the savings if each measure is installed individually.

And, said Rousseau, once the recommendations are made, it's up to the homeowner to decide which if any he or she wants to follow.

"We look at houses and energy systems and tell homeowners what they can do," said Ildi Von Rosenvinge, a technical specialist for Mass-Save who accompanied Rousseau to the Eremich house. "Deciding which ones to do is up to them."

For Eremich, the decision was to follow two of the eight recommendations suggested by Mass-Save.

"I'll add some insulation in the attic and have a contractor blow some into the sidewalls," he said. "I figure it'll cost about $750 and save about $200 a year on my heating bill."

But even though he deemed some of the suggestions impractical, Eremich was still pleased that he had the audit performed.

"Some of the things that were suggested would either cost too much or have too long a payback period. But overall, it was well worth it to have this done. The way I look at it, I spent $10 and got $150 worth of advice. Even if I only do one or two things, I'll more than make my money back."

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[From the Worcester (Mass.) Sunday Telegram, May 10, 1981]

HELP'S AVAILABLE FROM MASS-SAVE

(By Chris Pope)

Richard Landry is afraid of grasshoppers.

For those who've forgotten the fable, the grasshopper fiddled and diddled the summer away. The conscientious ant, meanwhile, busied itself gathering and storing supplies for the winter. When the cold weather came, the ant was ready, and the grasshopper went without.

As regional head of Mass-Save Inc., Landry's job is to help consumers conserve energy and save money on their heating bills. For the past two months he and his staff have been working out of their second-floor office at 534 Lincoln St. to provide energy audits for homeowners and some apartment dwellers in 110 Worcester County and Middlesex County communities.

So far, Landry said recently, Mass-Save's services have been in heavy demand. To date, about 600 energy audits have been completed in the Worcester area and about 3,000 have been performed throughout the state.

Even so, Landry said, the crunch remains ahead

"The weather's getting hot now, so people aren't thinking about their heating bills, but come September, I just know we're going to get inundated."

To prevent that from happening, Landry is urging homeowners to imitate the ant instead of the grasshopper by signing up for audits while the weather is warm.

And, he said, those who do sign up for the program will be cashing in on a good deal.

Incorporated as a non-profit corporation, Mass-Save is a spinoff of the federal National Energy Act approved by Congress during the Carter administration. The legislation requires utility companies with more than 250,000 customers to provide home energy audits for customers who request them.

In Massachusetts the state Department of Energy took the federal mandate one step farther by ruling that all utilities would have to participate in the audit program. To comply with that directive, more than 50 of the state's gas and electric companies set up Mass-Save in September.

According to Landry, Mass-Save offers four basic services to homeowners or apartment dwellers who live in buildings of four or fewer units.

For a $10 fee, which is waived for low-income groups, a person eligible to participate in the program receives:

A complete energy audit of his or her residence.

Help in arranging financing for energy improvements.

Assistance in finding qualified contractors to do the work.

Mediation between the contractor and the consumer in cases where there is a dispute about the work performed.

Actually, Landry said, the $10 fee covers only a fraction of the audit's true cost of about $130. To make up the difference, the state Department of Public Utilities has authorized electric and gas companies to place a monthly surcharge ranging between 30 and 50 cents on their customers' utility bills.

The financing arrangement is not without its critics. According to Fair Share, the statewide consumer organization that watchdogs utility charges, while Mass-Save's energy-audit concept is admirable, the surcharge used to pay for it is inequitable.

First, says Carol Gillies, president of Fair Share's Worcester branch, while only some Massachusetts utility customers are eligible for the audits, all are billed.

Second, Gillies pointed out that all customers receive the same surcharge regardless of how much electricity they use. The person who patrols his house turning off lights and unplugging the air conditioner pays the same as the person who turns on a half-loaded dishwasher and insists on blow-drying his hair. And what's worse, she added, is that both these customers pay the same surcharge as industries whose operations swallow up massive amounts of electricity and fossil-based fuel every month.

Finally, Gillies said, utility customers who use both electricity and gas in their homes receive surcharges on both utility bills. The double-billing arrangement is patently unfair, she contends.

To remedy these difficulties, Fair Share suggests that utility companies base the surcharges on the amount of gas and electricity customers consume each month. The more kilowatts a customer uses, the higher the surcharge should be, argues Fair Share.

According to Mass-Save officials, however, financing the energy audit program on a per-kilowatt basis might be even less fair than using the flat-rate method. People living in an all-electric house, for example, would be heavily penalized under that arrangement, and industries who run energy-efficient plants would be charged inordinate amounts to finance a program they aren't even eligible to participate in.

For Landry, the rationale for billing everyone the same for Mass-Save boils down to oil economics. "Every barrel of oil we import into this state means X number of dollars that leave the state and country. Every barrel we save means X number of dollars that stay here. It may be abstract, but the message has to go out to John Q. Public that we have to tighten our belts through conservation."

And, according to Landry, ultimately the bottom line for Mass-Save is not how it's paid for but how much oil and gas its energy-audit program can save.

"Our big thing is not just to do audits but to get people to follow up on the recommendations our auditors make. If they do, we'll be able to measure the decrease in consumption and calculate how many fewer barrels of oil are coming into the state. The goal of this program is to cut down on oil imports and to cut the export of U.S. dollars to OPEC nations. Judging from the response we've had so far, I think we're going to succeed." ●

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## SENATOR FRANK MURKOWSKI OF ALASKA

● Mr. McCLURE. Mr. President, as chairman of the Committee on Energy and Natural Resources, I have been pleased to have the support and cooperation of several new Members of the Senate on this committee. Senator FRANK MURKOWSKI of Alaska is one of these new committee members. He has worked hard, learned quickly, and taken an active role in committee activities.

As chairman of the Subcommittee on Water and Power, he has already initiated efforts to expedite the Federal licensing procedures for hydroelectric projects. Senator MURKOWSKI is also a member of the Committee on Environment and Public Works and the Veterans' Affairs Committee.

Mr. President, I am delighted to learn that the Anchorage Times, in Senator MURKOWSKI's home State, has taken note of his fine start as a U.S. Senator in an editorial of August 17, 1981. Senator MURKOWSKI deserves this recognition and I ask that the text of this editorial appear at this point in the RECORD.

The editorial follows:

A CREDIT TO ALASKA

Frank Murkowski, home during the August congressional recess, impressed many who saw him last week as a man who is delighted with being a United States senator from Alaska. The impression he gave was that the man and the job fit like a glove.

Elected last November and sworn in as a senator in January, Mr. Murkowski's first eight months in the Senate evidently posed

no big problem for the freshman in a club that prizes seniority.

Touring the state, meeting with constituents, appearing with Interior Secretary James Watt here and elsewhere, the former Fairbanks banker was at ease and in command, relaxed and responsive.

Some had feared that Mr. Murkowski might be dominated in the Senate by fellow Republican Ted Stevens, quite unintentionally on the part of either man. But he has demonstrated that he's his own man—while, understandably, recognizing that Sen. Stevens is the state's senior senator and, as majority whip, high in the Senate hierarchy.

Eight months is not a very long way into a six-year term. But it appears—to the state's credit—that Alaska has come up with a good one in Frank Murkowski.●

## OMNIBUS BUDGET RECONCILIATION ACT OF 1981—SELECTED PROVISIONS AFFECTING THE ELDERLY

● Mr. HEINZ. Mr. President, older Americans and professionals working in the field of aging are extremely interested in the details of the Omnibus Budget Reconciliation Act of 1981 which was approved by the Congress on July 31, and signed by the President on August 31, 1981.

To assist individuals and groups to understand the provisions of the act and how they impact on programs and services for the elderly, the Special Committee on Aging, with the assistance of the Congressional Research Service of the Library of Congress, has prepared an information paper summarizing the most relevant provisions affecting older persons.

The paper also provides background information and discussion of the budget proposals set forth by the administration.

Since its publication, the demand for this paper from the elderly, practitioners in the field, policymakers and others concerned with the quality of life for older Americans has been overwhelming. In fact, it well exceeds our limited supply.

I am, therefore, asking to have the document printed in its entirety in the RECORD for the benefit of my colleagues and to assure that this vital information is available to the public.

The provisions follow:

OMNIBUS BUDGET RECONCILIATION ACT OF 1981, PUBLIC LAW 97-35

(Selected Provisions Affecting the Elderly)

INTRODUCTION

The Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35) was approved by Congress on July 31, 1981, and signed by the President on August 13, 1981. Following is a summary of selected provisions affecting programs which assist the elderly.

SOCIAL SECURITY

In fiscal year 1982, more than 95 percent of the Nation's citizens aged 65 or older, and their dependents, will be eligible for social security benefits. Under current law, fiscal year 1982 expenditures for benefits for this group are projected to exceed $159 billion. The Reagan budget proposed no structural revisions to the social security system. The Reagan administration estimates that social security benefits will rise 9.3 percent in July 1982, when the next adjustment for price inflation is scheduled.

The Reagan budget included two proposals with significant potential impact on older Americans and their families.

First, the administration's budget submission assumed elimination of the minimum benefit to present and future social security recipients for fiscal year 1982, with savings of $1.3 billion. Prior law assured that beneficiaries whose average lifetime earnings in covered employment are low, received a minimum benefit higher than the benefit they would otherwise receive. This provision of the statute was originally intended to help the poor but also benefits those with other sources of retirement income. The administration's budget also assumed that retirees who could meet income eligibility requirements would have the minimum benefit replaced by payments from the supplemental security income (SSI) program, resulting in a $300 million increase in Federal spending for that program. The Omnibus Budget Reconciliation Act of 1981 eliminated the minimum benefit for all present and future beneficiaries. In the final Reconciliation Act provision as with the Reagan budget proposal, those individuals over 65, or blind, or disabled, who meet SSI eligibility requirements, will have their social security benefits replaced with SSI payments. In addition, under the bill as enacted, persons aged 60 to 64 who were entitled to a minimum benefit for the month of July 1981 will become eligible for a special SSI benefit, if they qualify under all SSI rules except that pertaining to age. Net savings for fiscal year 1982 are estimated to be $459 million.

Second, the administration's budget submission assumed elimination of the lump-sum death benefit in instances in which there is neither a widow nor a dependent child to receive the survivor's benefits. Fiscal year 1982 savings were estimated to be $200 million. Current law provides a lump-sum death payment of $255 when a worker who is fully or currently insured dies. If there is no spouse to receive the payments under prior law, the money could be paid to a relative or other persons who assumed responsibility for the funeral expenses. A funeral home itself could also apply to receive the payment directly for these expenses. This proposal, restricting the payment of lump-sum death benefits, is included in the final reconciliation legislation.

In addition to the minimum benefit and lump-sum death benefit provisions, the following other social security provisions were included in the Omnibus Budget Reconciliation Act.

A provision was enacted, although not proposed by the Reagan administration, which will delay eligibility for social security benefits for a worker retiring at age 62, and his dependents, until the first full month during which all factors of eligibility are met. Under prior law, social security benefits were always payable for the entire month during which the beneficiary first met all requirements for eligibility, regardless of when during the month all requirements were met. This provision is estimated to save $190 million in fiscal year 1982.

Another provision of the Omnibus Budget Reconciliation Act not proposed by the administration will affect older workers by delaying the time when the retirement test exempt age is lowered from 72 to 70. Under prior law, all workers 70 and older would have become exempt from the retirement earnings test in 1982; under the new law, the exempt age will remain 72 until January 1983, when it will drop to 70. Estimated fiscal year 1982 savings from this change are $380 million.

Further, in passing the Omnibus Budget Reconciliation Act, Congress voted to restrict Federal funding for reimbursement of rehabilitative services furnished by State vocational rehabilitation agencies to beneficiaries of disability insurance (DI) under the social security program. The new rule permits Federal reimbursement only for "rehabilitated" DI beneficiaries who succeed in performing substantial gainful activity (now defined as earning $300 a month) for a continuous period of 9 months. The Congressional Budget Office estimates that the new rule will cut Federal outlays by $87 million in fiscal year 1982, $86 million in fiscal year 1983, and $73 million in fiscal year 1984. The Reagan administration had recommended outright repeal of reimbursement at an estimated annual savings of $87 million.

[In billions of dollars]

| | Fiscal year outlays | |
|---|---|---|
| | 1981 | 1982 |
| Prior law | $139.5 | $159.3 |
| Savings: | | |
| Minimum benefit: | | |
| Reagan proposal | | −1.0 |
| Omnibus Budget Reconciliation Act | | −.459 |
| Lump-sum death benefit: | | |
| Reagan proposal | | −.200 |
| Omnibus Budget Reconciliation Act | | −.200 |
| Month of entitlement: Omnibus Budget Reconciliation Act | | −.190 |
| Retirement test exempt age: Omnibus Budget Reconciliation Act | | −.380 |
| Rehabilitation services: Omnibus Budget Reconciliation Act | | −.87 |

SUPPLEMENTAL SECURITY INCOME

In May 1981, supplemental security income (SSI) served some 4.1 million persons, of whom 2.2 million were at least 65 years old. The aged SSI population included 0.4 million persons who enrolled at a younger age on grounds of disability.

Basic Federal SSI benefits rose 11.2 percent on July 1, 1981, reflecting the rise in the Consumer Price Index (CPI) from the first quarter of 1980 to the same quarter of 1981. The boost lifted the Federal cash income floor from $238 per individual to $264.70 (and from $357 per couple to $397). These benefit levels apply to persons with no other counted income (and without State SSI supplements). In May 1981, SSI payments averaged $166 per person. The Reagan administration estimates that Federal SSI benefit levels will rise 9.3 percent on July 1, 1982, when the next adjustment for price inflation is scheduled.

In passing the Omnibus Budget Reconciliation Act of 1981, Congress accepted a budget-cutting recommendation of the Reagan administration to change the accounting period used for calculating SSI benefits. The change is to base SSI benefits, in general, on actual income and other relevant circumstances of the previous month (retrospective accounting) rather than on anticipated income of the future quarter (prospective accounting). An exception was made for the month of application, when both eligibility and benefit amounts would continue to be determined on a prospective basis. The Congressional Budget Office estimates that the new rule will reduce Federal SSI benefit outlays by $30 million in fiscal year 1982, and by $60 million annually in fiscal year 1983 through fiscal year 1986.

In drafting its budget-cutting bill, Congress rejected a recommendation of the Reagan administration that might have reduced SSI benefits in the 31 jurisdictions (30 States plus the District of Columbia) that now supplement the basic Federal SSI benefit with their own funds. The proposal, which was included in the administration's Social Welfare Amendments of 1981 (H.R. 3468 and S. 1293) was to repeal the law requiring States to maintain their aggregate spending on SSI supplements in order to be eligible for medicaid matching funds. This

rule has the effect of requiring States to pass through to beneficiaries any cost-of-living increases in basic Federal benefits.

Congress voted in passing the Omnibus Budget Reconciliation Act to restrict Federal funding for reimbursement of rehabilitative services furnished by State vocational rehabilitation agencies to SSI recipients. The new rule permits Federal reimbursement only for "rehabilitated" SSI recipients who succeed in performing substantial gainful activity (now defined as earning $300 a month) for a continuous period of 9 months. The Congressional Budget Office estimates that the new rule will cut Federal outlays by $20 million in fiscal year 1982, $18 million in fiscal year 1983, and $15 million in fiscal year 1984. The Reagan administration had recommended outright repeal of reimbursement at an estimated annual saving of $20 million.

| | Fiscal year— | | |
|---|---|---|---|
| | 1980 | 1981 | 1982 |
| Beneficiaries (millions) | 4.2 | 4.2 | 4.2 |
| Aged at least 65 yr old | [1](2.3) | [2](2.2) | [1](2.2) |
| Federal expenditures (billions) | $6.4 | $7.3 | $7.9 |

[1] May 1980, estimated.
[2] May 1981, estimated.
[3] Estimate. Actual number not available.

CIVIL SERVICE AND MILITARY RETIREMENT

More than 3.2 million Americans receive benefits under the civil service and military retirement systems. Retirement payments for these persons are estimated to total $35.5 billion in fiscal year 1983. The Reagan budget proposed legislation to provide cost-of-living adjustments (indexing) to annuity payments on an annual rather than semiannual basis. This proposal was adopted by Congress in the Omnibus Budget Reconciliation Act of 1981. The Congressional Budget Office estimates that adoption of the proposal will reduce fiscal year 1982 expenditures by $907 million, giving civil service and military retirees one 10.2 percent inflation adjustment for that year.

[In billions of dollars]

| | Fiscal year outlays | | |
|---|---|---|---|
| | 1980 | 1981 | 1982 |
| Civil service retirement: | | | |
| Prior law | $14.7 | $17.5 | $20.1 |
| Indexing proposal | | | −.5 |
| Military retirement: | | | |
| Prior law | 11.9 | 13.8 | 15.5 |
| Indexing proposal | | | −.4 |

RAILROAD RETIREMENT

More than 1 million Americans receive benefits from the railroad retirement system. Payments to these beneficiaries are estimated to reach $5.9 billion in fiscal year 1982. The Reagan budget assumed savings of $40 million in fiscal year 1982 by proposing to defer a cost-of-living adjustment for a portion of the railroad retirement benefit. Because payments have exceeded revenues over the last few years, Congress has adopted a package of changes to the system to assure its continued solvency. Modifications to the benefit structure are contained in the Omnibus Budget Reconciliation Act of 1981; additional revenue is provided for in the Economic Recovery Tax Act of 1981. Benefit changes include modifications to cost-of-living adjustments for survivors, and changes to the so-called "windfall" benefit rights of a closed class of employees and retirees who had been "grandfathered" for these rights when the system was reorganized in 1974. Generally, those windfall rights are held by individuals who had qualified for both social security and railroad retirement benefits prior to 1974. Congress voted to make benefits available for the first time to divorced spouses, remarried widows, and surviving divorced mothers, modified the benefit formula for new retirees, and installed permanent annual cost-of-living adjustments (32.5 percent of Consumer Price Index (CPI) changes) for a portion of the benefit paid to survivors. The major portion continues to be annually adjusted 100 percent of CPI changes. The new CPI formula for survivor benefits is that already used for benefits to retirees. Congress also increased the payroll tax on employers 2.25 percent (to 11.75 percent) and added a 2-percent tax on employee pay for the first time.

| | Fiscal year— | | |
|---|---|---|---|
| | 1980 | 1981 | 1982 |
| Estimated income (millions) | $4.8 | $4.8 | $5.2 |
| Estimated outlays (billions) | 5.2 | 5.5 | 5.9 |
| Estimated cash-flow changes from reconciliation (billions) | | | .8 |

FOOD STAMPS

Prior to enactment of the Omnibus Reconciliation Act of 1981, the food stamp program was expected to cost the Federal Government $12.3 billion, 8 percent more than the $11.4 billion appropriated for fiscal year 1981. It was estimated that over 23 million low-income Americans (2.5 million elderly) would participate in the program.

The Reagan budget assumed adoption of several legislative changes in the program to reduce food stamp expenditures by $1.5 billion in fiscal year 1982 and larger amounts in later years. Three of these proposals, totaling over $400 million in savings, would have had significant effects on the elderly.

First, the Reagan proposals would have established an absolute 130 percent of poverty gross income eligibility limit, with no allowance for special expenses such as medical costs; this new, lower income eligibility limit would be $467 and $616 per month, for singles and couples, respectively, until the next inflation update in July 1982. Under present rules, income eligibility limits for food stamps vary according to the type of household income (earned versus unearned) and whether a household has special expenses for shelter, dependent care, or medical care. As a result, the existing income eligibility limits applied to most households range from 125 to 200 percent of the official Federal "poverty levels."

Second, the Reagan proposals would have permanently frozen the $85-per-month "standard deduction"; this deduction determines the basic amount of income that is disregarded in calculating food stamp benefits and is now indexed annually for inflation.

Finally, the Reagan proposals would have repealed a provision of law, scheduled to take effect in fiscal year 1982, that would have increased benefits to elderly recipients with medical expenses by allowing these recipients to have an additional $10 per month in medical expenses disregarded when benefits are calculated. Other major savings proposed by the Reagan administration would have been achieved by converting the food stamp program in Puerto Rico to a food assistance block grant, reducing benefits to households with children in schools offering free lunches, and reducing first-month benefits to reflect the date of application.

The Omnibus Budget Reconciliation Act of 1981 adopted the three Reagan administration proposals affecting the elderly, with some significant changes. Households containing elderly (age 60 or over) or disabled members are exempted from the new, lower income eligibility limits and will continue to have their eligibility judged, as provided for by existing rules, taking into account the type of income and special expenses. The $85-per-month "standard deduction" is frozen only through June 1983. However, inflation adjustments after June 1983 are staggered: July 1983, October 1984, and October for each year thereafter. The Reagan proposal to repeal increased benefits to elderly recipients with medical expenses was adopted without change.

The Omnibus Budget Reconciliation Act also added one important new cost-saving revision that would affect the elderly along with other recipients. Benefit levels, now adjusted annually each January to reflect food-price inflation, are to be adjusted on a delayed schedule: April in 1982; July in 1983, October in 1984, and October each year thereafter. Reagan administration proposals to convert the food stamp program in Puerto Rico to a block grant and to reduce first-month benefits were also included in the Reconciliation Act; the proposal to reduce benefits to households with children in school was not included.

In all, the food stamp savings to be achieved by the provisions of the Omnibus Budget Reconciliation Act total $1.7 billion in fiscal year 1982 (larger amounts in later years), some $200 million more than suggested by the Reagan administration. Approximately $600 million of the fiscal year 1982 savings will have a significant effect on elderly recipients, primarily by delaying benefit increases that would have occurred through inflation indexing of benefit levels and the "standard deduction."

| | *Outlays in billions* |
|---|---|
| Fiscal year 1981 expenditures | $11.4 |
| Fiscal year 1982: | |
| Present rules | 12.3 |
| Reagan proposals | −1.5 |
| Omnibus Budget Reconciliation Act | −1.7 |

LOW-INCOME ENERGY ASSISTANCE

The present energy assistance program for low-income households was authorized by the Home Energy Assistance Act of 1980. Under the legislation, the Secretary of the Department of Health and Human Services (DHHS) provides grants to the States for the purpose of financial assistance available to low-income households with home energy costs that are excessive in relation to household income. Eligibility for benefits is limited to households where one or more individuals qualify for cash payments from aid to families with dependent children, supplemental security income, food stamps, or veterans' pensions. Households with income levels at or below the Bureau of Labor Statistics (BLS) lower living standard set by the Department of Labor also qualify for assistance. Single person households may have the higher of the BLS lower living standard or 125 percent of the Community Services Administration's poverty guidelines. The law specifically requires that priority be given to households with a member who is aged or handicapped.

For fiscal year 1982, the Reagan administration proposed consolidation of the expiring home energy assistance authority with the emergency assistance authority under title IV of the Social Security Act. The proposed block grant would have granted States complete flexibility to develop and administer fuel assistance and other crisis or emergency needs activities for their low-income households. The total budget request of $1.4 billion was $500 million below the combined fiscal year 1981 current services level of $1.85 billion for low-income energy assistance and an estimated $55 million for title IV emergency assistance.

As passed by Congress, the Low-Income Home Energy Act of 1981 (title XXVI of H.R.

3982, the Omnibus Budget Reconciliation Act of 1981) authorizes $1.875 billion in grants to States for low-income energy assistance for fiscal years 1982, 1983, and 1984.

The program is 100 percent federally financed in each year of its authorization. One hundred percent of the funds will be distributed as grants to States. States will receive the same proportion of $1.875 billion as the proportion of funds they were eligible to receive under the allotment formula of the fiscal year 1981 program.

In order to receive an energy assistance grant, States are required to submit a two-part application. The first part of the application consists of a series of assurances made by the chief executive officer (CEO) of the State, that the State will operate its energy assistance program in accordance with stated congressional intent. The second part of the application consists of a plan detailing the manner in which the State intends to carry out the assurances made by the CEO. An important corollary to the State application process is that the Secretary of the DHHS may not specify the manner in which the States carry out the CEO's assurances or disapprove a State's application.

In the application, the CEO must make assurances that: Federal funds will not be used to assist a household unless the household has at least one member receiving public assistance or the household has an income below either 150 percent of poverty or 60 percent of a State's median income (adjusted for family size); appropriate outreach activities, directed especially toward the elderly and the handicapped, will be conducted; no more than 10 percent of a State's allotment will be spent on State administration; there will be public participation in the development of the State plan; and owners and renters will be treated equitably.

The Low-Income Home Energy Assistance Act permits assistance for home heating and cooling costs, weatherization up to 15 percent of a State's allotment, and energy-related crisis intervention activities (temporary shelter, space heaters, blankets, etc.).

Up to 10 percent of the State's allotment under this program can be transferred into other block grant programs. Up to 25 percent of a State's allotment can be held over by a State for the next fiscal year. Funds not spent, held over, or transferred in a fiscal year can be reallocated by the Secretary.

Indian tribal organizations are eligible for direct payments of energy assistance funds if they request such payments and the Secretary determines that direct payments would best serve the tribe. At the option of the State, the Federal Government can make direct payments to recipients of supplemental security income.

[In billions of dollars]

| | Fiscal year budget authority | | |
|---|---|---|---|
| | 1981 | 1982 | 1983 |
| Prior law | $1.85 | | |
| Reagan proposal | | $1.4 | $1.4 |
| Omnibus Budget Reconciliation Act | | 1.9 | 1.9 |

VETERANS' PENSIONS

No legislative provisions changing the veterans' pension program were included in President Reagan's budget submission to the Congress or the Omnibus Budget Reconciliation Act of 1981. Federal expenditures for veterans' pensions will exceed $4 billion in fiscal year 1982 with 1.9 million veterans and their survivors receiving payments. Approximately 30 to 50 percent of the beneficiaries are age 65 and older. Recipients received an 11.2 percent cost-of-living increase in payment levels in July 1981. Pensions are automatically increased by the same amount and at the same time as social security benefits.

| | Fiscal year— | | |
|---|---|---|---|
| | 1980 | 1981 | 1982 |
| Beneficiaries (millions) | 2.1 | 2.0 | 1.9 |
| Expenditures (billions) | $3.6 | $3.8 | $4.0 |

VETERANS' BURIAL BENEFITS

Families of deceased veterans who are buried in private cemeteries may receive allowances to apply toward the purchase of a burial plot. They may also receive benefits to assist in defraying funeral expenses. Federal outlays for this program in fiscal year 1982 are expected to total $203 million.

The Reagan budget contained no proposals to revise the veterans' burial benefits program. Under the provisions of the Omnibus Budget Reconciliation Act of 1981, eligibility for the $300 burial and funeral expense benefit would be restricted to cases of veterans who were eligible to receive compensation for a service-connected disability and a Veterans Administration pension. It is estimated by the Congressional Budget Office that savings would be $75.2 million in budget authority and outlays in fiscal year 1982.

| | Fiscal year— | | |
|---|---|---|---|
| | 1980 | 1981 | 1982 |
| Beneficiaries | 334,116 | 350,500 | 355,500 |
| Expenditures (millions) | $183 | $198 | $203 |

MEDICARE

Under current law, fiscal year 1982 expenditures for the medicare program will total $48.3 billion. The Reagan budget assumed savings of $1.9 billion from implementation of several legislative and regulatory initiatives. Most of these savings were assumed to result from changes in reimbursement methods and management practices. In addition, the administration proposed repeal of several benefit provisions in the Omnibus Reconciliation Act of 1980 that will expand medicare coverage beginning in fiscal year 1982.

The Omnibus Budget Reconciliation Act of 1981 makes a variety of changes in the medicare program, some administrative and others that will impact beneficiaries directly. Beginning in 1982, for example, enrollees in the supplemental medical insurance (SMI), or part B, portion of medicare will have to pay the first $75 (instead of the current $60) of covered expenses before program benefits will be paid. The inpatient hospital deductible and coinsurance amounts required under the hospital insurance (HI), or part A, portion of medicare will also be increased in 1982 by somewhat more than such amounts were expected to rise as a result of the reconciliation action. Congress rejected provisions that would have imposed new beneficiary copayment charges on stays in a hospital, turned down increases in the part B premium, and retained the pneumococcal vaccination benefit under medicare.

MEDICAID

The medicaid program was established to provide Federal aid to States for medical assistance to low-income persons who are aged, blind, disabled, or members of families with dependent children. Each State designs its own medicaid program consistent with specific Federal guidelines and requirements. Thus, there are differences among the States in eligibility requirements, the range of services offered, limitations imposed of such services, and reimbursement policies. The Federal Government helps States share in the cost of medicaid services through a variable matching formula that is periodically adjusted. The matching rate, which is inversely related to a State's per capita income, ranges from 50 to 83 percent.

Medicaid expenditures have increased at an average rate of more than 15 percent per year over the last 5 years. A large part of the increase is due to a relatively stable percentage of elderly beneficiaries that has consumed an increasingly larger share of medicaid expenditures each year. Much of that increased share has been for long-term care services. At present, 15 percent of the medicaid program's 18.8 million recipients are elderly. They account for over 30 percent of program expenditures. The Congressional Budget Office estimates that, under current law, medicaid outlays would total $18 billion in fiscal year 1982.

The Reagan administration proposed enactment of legislation to limit, or cap, Federal medicaid expenditures for fiscal year 1982, for a savings of $1 billion. Offered as an interim measure prior to the adoption of comprehensive Federal health financing initiatives, the administration assumed immediate enactment of the proposal. The cap was structured to reduce Federal expenditures for fiscal year 1981 by $100 million below the current estimates for program costs. Expenditures would then be allowed to increase by 5 percent in fiscal year 1982, and with the rate of inflation in future years. The proposal also provided the States with more flexibility in structuring their individual medicaid programs. It was anticipated that by limiting Federal spending, States would have additional incentives to provide cost-effective services and to reduce fraud, abuse, and waste.

Congress did not accept the administration's plan for imposing a cap on State medicaid programs. Instead, the Omnibus Budget Reconciliation Act of 1981 provides for a reduction in Federal matching payments to all States by 3 percent in fiscal year 1982, 4 percent in fiscal year 1983, and by 4.5 percent in fiscal year 1984. Any State could lower the amount of such reductions in any year, if it adopts a qualified hospital cost review program; if unemployment in the State is greater than 150 percent of the national average; if it recovers 1 percent of Federal payments by controlling fraud or program abuse; or if it holds down increases in medicaid spending below certain target levels. Congress rejected efforts to reduce the minimum rate of Federal matching for medicaid services, currently set at 50 percent. The final budget measure permits States to exercise greater flexibility in implementing their medicaid programs by encouraging them to enter into new cost-effective arrangements to provide services, and by encouraging more health maintenance organization participation in medicaid. Congress also added a new provision that will permit States to provide a new range of home- and community-based long-term care services that represent alternatives to institutionalization of medicaid recipients.

NATIONAL INSTITUTE ON AGING

Since 1977, Federal funding for the Institute's research programs on aging has more than doubled. The Reagan budget included $84.2 million for fiscal year 1982 funding for the National Institute on Aging (NIA). This amount is $8.1 million higher than the amount that would be required to continue the Institute programs at their fiscal year 1981 level of activity. No specific authorization figure for the NIA was included in the Omnibus Budget Reconciliation Act. Therefore, the NIA may continue to carry out its functions under the general authority of

section 301 of the Public Health Service Act; appropriation amounts will be determined in the regular appropriations process.

VETERANS' HEALTH

The Reagan budget proposal assumed a reduction in medical care of $107 million from the adoption of legislation reducing reimbursement to veterans for travel expenses between a veteran's home and Veterans Administration (VA) medical facilities, restricting out-patient dental services, and reducing funds available for physicians bonus pay. The Reagan budget also assumed $32 million in savings by eliminating the readjustment counseling program for Vietnam veterans. It was assumed that an additional $433 million could be saved by postponing hospital construction projects, and reducing nondirect care staff and other overhead costs.

The Omnibus Budget Reconciliation Act of 1981 includes language restricting outpatient dental care for noncompensable service conditions to veterans who served at least 180 days and who apply for dental care within 3 months of their discharge date. This provision will save an estimated $17.7 million in budget authority and outlays in fiscal year 1982.

OTHER HEALTH PROGRAMS

The Department of Health and Human Services (DHHS) administers a wide array of health services and disease control programs that are utilized in part by the elderly. The Reagan administration proposed revising and consolidating these programs into block grants, designed to allow States more flexibility in determining their health services needs and priorities.

In the area of preventive health, the administration proposed the consolidation of 11 categorical programs including health incentive, hypertension, and health education and risk reduction programs. The proposed authorization level of $260 million represented a 25-percent reduction from the combined fiscal year 1981 current services levels of the preventive health programs which the block grant would replace.

In the area of health services, the administration proposed consolidation of 15 categorical programs including community and migrant health centers, maternal and child health, community mental health, and substance abuse programs. As with the preventive health services block grant, the health services block grant proposed for fiscal year 1982 would have been funded at a level representing 25 percent of fiscal year 1981 current services levels, or $1.1 billion.

The Omnibus Budget Reconciliation Act of 1981 created four health block grant programs (as opposed to the Reagan administration's proposals for two) and authorized or extended a number of separate categorical health programs, including migrant health programs and a tuberculosis control program.

*1. Preventive health and health services block grant*

The preventive health and health services block grant includes eight categorical programs. The preventive health programs included are: Health incentive, hypertension, health education/risk reduction, rodent control, and fluoridation grants; the health services program included are home health and emergency medical services grants. The eighth program included is the rape crisis centers program originally authorized in the 1980 Mental Health Systems Act.

From funds appropriated under the preventive health and health services block grant, each State will be allocated the same proportion of funds as it received in fiscal year 1981 under the various separate programs included in the block grant. The exception to this is the allocation of funds for rape crisis centers which will be based on population.

The Reconciliation Act requires each State to spend on hypertension activities in fiscal year 1982 at least 75 percent of the amount of Federal funding for such programs in the State in fiscal year 1981. The percentage drops to 70 percent in fiscal year 1983, and 60 percent in fiscal year 1984.

The Reconciliation Act contains language to continue existing grants under the emergency medical services program. In addition it requires that, of the amount appropriated for any fiscal year under this program, at least $3 million shall be set aside for an allotment to each State on the basis of population for rape crisis centers.

The authorizations for the preventive health and health services block grant are: $95 million for fiscal year 1982; $96,500,000 for fiscal year 1983; and $98,500,000 for fiscal year 1984.

*2. Primary care block grant*

The Reconciliation Act extends the community health centers program for 1 year, through fiscal year 1982, with an authorization of $284 million. Starting in fiscal year 1983, the bill replaces this authority with a new primary care block grant. From amounts appropriated under this authority in fiscal years 1983 and 1984, States will be allocated the same proportion of funds awarded to community health centers in fiscal year 1982.

Under the new primary care block grant authority, State will be required to match Federal funds in order to be eligible for grants under the block. The matching rate is 20 percent for fiscal year 1983, and 33⅓ percent for fiscal year 1984. In addition, States will be required to award grants in fiscal year 1983 to every community health center funded in fiscal year 1982. These grants will have to be as large as those awarded in fiscal year 1982. During fiscal years 1983 and 1984, the Secretary of DHHS will continue to administer the community health centers program in any State which did not apply for State administration of the program.

The authorizations for the primary care block grant are: $2,500,000 for fiscal year 1982 to help States to plan to assume responsibility for the program; $302,500,000 for fiscal year 1983; and $327 million for fiscal year 1984.

*3. Alcohol, drug abuse, and mental health block grant program*

The Reconciliation Act establishes a formula for allocating funds under this program that is intended to provide approximately equal national allocations for mental health and for substance abuse programs. Of the funds available for substance abuse programs, States will be required to spend at least 35 percent for alcohol abuse programs and 35 percent for drug abuse programs, with the remaining 30 percent left to the State's discretion. At least 20 percent of the total funds for alcohol and drug abuse programs must be used for prevention and early intervention activities.

With its mental health funds under this block grant, each State will be required to provide funding to qualified community mental health centers which received grants in fiscal year 1981 under the Community Mental Health Centers Act and which would be eligible under that legislation, if it were still in effect.

Authorizations under the alcohol, drug abuse, and mental health block grant are: $491 million for fiscal year 1982; $511 million for fiscal year 1983; and $532 million for fiscal year 1984.

*4. Maternal and child health block grant*

This block grant includes the following programs: Maternal and child health and crippled children's programs, supplemental security income for disabled children, lead-based paint poisoning prevention, sudden infant death syndrome, hemophelia treatment centers, genetic diseases, and the adolescent pregnancy program.

The authorization for this program is $373 million for fiscal year 1982, and each fiscal year thereafter.

In addition to the above provisions, the Reconciliation Act reduces funding for health maintenance organizations, health planning, and health professions education and training. The act also provides for the closing of the Public Health Service hospitals and clinics which cannot be transferred to local control.

ADMINISTRATION ON AGING

The Administration on Aging (AoA) implements most of the programs authorized by the Older Americans Act. Under title III of the act, the Federal Government finances the activities of State agencies on aging in each State, including technical assistance to over 600 area agencies on aging throughout the Nation. State agencies receive Federal funds, on a formula grant basis, which they award to area agencies based on State-approved area plans on aging. Area agencies coordinate and implement the plans and, where needed, purchase social and nutrition services with the formula grant funds.

In addition to funding social and nutrition services and service systems for the elderly, the Older Americans Act authorizes, under title IV, a program of discretionary grants for training, research, discretionary programs, and multidisciplinary centers of gerontology. These efforts help to train personnel in the field of gerontology, increase knowledge about the service needs of the elderly, and demonstrate systems to improve the quality of services. Finally, the law provides a system of direct grants to qualified Indian tribal organizations (title VI) and funding for the National Clearinghouse on Aging and the Federal Council on the Aging (title II).

The Reagan budget proposal included $744.6 million for programs administered by AoA. It was assumed that legislation would be adopted consolidating into one authorization the funding authority for social and nutrition service. In addition to $597 million requested for social and nutrition services, the President proposed a transfer to AoA of $95.5 million from the U.S. Department of Agriculture's (USDA) food commodities program for the elderly, bringing the total request for title III services to $692.5 million. The Reagan administration also proposed consolidation of all training and other discretionary research activities into a single discretionary program at an authorized level of $23.2 million in fiscal year 1982. A request of $6 million was made for title VI; no funds were requested for the National Clearinghouse on Aging.

The Omnibus Budget Reconciliation Act of 1981 includes a budget ceiling of $715 million for fiscal year 1982, and $793.3 million for fiscal year 1983 for all titles of the act, except title V, the senior community service employment program for older Americans (see "Employment" section). The House and Senate conferees included language in the report accompanying the Reconciliation Act that the total appropriation for discretionary activities under title IV should not exceed $23.2 million for fiscal year 1982 and $24.7 million for fiscal year 1983. The conferees emphasized that the budget reconciliation measure does not amend the existing USDA elderly commodity program as currently authorized. Congress has not yet taken final action on separate legislative proposals to consolidate authorizations for social and nutrition services, and training and other discretionary activities.

[In millions of dollars]

| | Fiscal year— | | | |
|---|---|---|---|---|
| | | | 1982 | |
| | 1980 | 1981 | Reagan | Omnibus Budget Reconciliation Act |
| State administration | $22.5 | $22.7 | $22.7 | $715 for all titles of the act, except title V employment program.[3] |
| Social services and centers | 247.0 | 252.0 | [1] 692.5 | |
| Nutrition | 320.0 | 350.0 | | |
| USDA commodities | 71.9 | 84.7 | | |
| Training, research, and discretionary projects | 54.3 | 40.5 | 23.2 | |
| Grants to Indian tribes | 6.0 | 6.0 | 6.0 | |
| Federal Council on Aging | .450 | .481 | .200 | |
| National Clearinghouse | 2.0 | 1.8 | ---------- | |

[1] Includes transfer of $95,500,000 for elderly commodities programs from the USDA to Administration on Aging.
[2] See "Employment" section.
[3] Report of conferees accompanying the bill states that fiscal year 1982 appropriations for title IV should not exceed $23,200,000.

SENIOR VOLUNTEER PROGRAMS

Authorized under the Domestic Volunteer Service Act of 1973, as amended, the senior companion program (SCP), the retired senior volunteer program (RSVP), and the foster grandparent program (FGP) provide opportunities for persons aged 60 and over to volunteer their services to the community. In fiscal year 1981, $88.9 million was appropriated for these programs. The Reagan budget proposal requested $89.5 million in fiscal year 1982 funding. The Omnibus Budget Reconciliation Act of 1981 includes a total of $95 million for the three volunteer programs as shown in the table below.

[In millions of dollars]

| | Fiscal year— | | |
|---|---|---|---|
| | | 1982 | |
| | 1981 | Reagan | Omnibus Budget Reconciliation Act |
| SCP | $12.8 | $11.1 | $16.6 |
| FGP | 48.4 | 49.7 | 49.7 |
| RSVP | 27.7 | 28.7 | 28.7 |
| Total | 88.9 | 89.5 | 95.0 |

SOCIAL SERVICES

The current title XX program assists States in funding a variety of social services for individuals and families. Types of services include homemaker services, family planning, preparation and delivery of meals, transportation, counseling, substitute care and day care for adults. Title XX also provides funds to States for training social services personnel. In fiscal year 1981, approximately $3 billion was available to the States for social services and training under title XX.

The Reagan administration proposed consolidation of title XX with a number of child welfare and other social services programs, including most activities of the Community Services Administration (CSA). The Reagan proposal would have consolidated these programs into a block grant to States funded at $3.8 billion in fiscal year 1982, which represents a 25-percent reduction from the fiscal year 1981 funding levels for all of the consolidated programs ($5 billion).

The Omnibus Budget Reconciliation Act of 1981 amended the existing title XX to establish a new social services block grant to States. However, contrary to wishes of the Reagan administration, the act does not consolidate any programs other than title XX social services and training. All remaining programs proposed for consolidation by the administration, except for CSA, were retained as categorical activities. (To replace CSA, a new community services block grant was established that will fund antipoverty activities at the State and local level. See "Community Services Block Grant" section.)

The social services block grant agreed to under the Reconciliation Act will be permanently authorized and funded at $2.4 billion in fiscal year 1982, $2.45 billion in fiscal year 1983, $2.5 billion in fiscal year 1984, $2.6 billion in fiscal year 1985, and $2.7 billion in fiscal year 1986 and thereafter. This funding level in fiscal year 1982 represents about a 20-percent cut from the fiscal year 1981 funding level for title XX services and training. Under the new block grant, States will receive allotments based on population. Unlike current law, there will be no income eligibility guidelines or provisions targeting assistance on certain population groups. States will be free to design their own social services programs subject to certain general prohibitions against using funds for capital improvements, most education and medical care, and certain other activities. Prior to spending funds each fiscal year, States will publish a report on their intended use of funds and every 2 years, States will report on their actual use of funds. Audits also will be required every 2 years. State plans and public participation requirements, continued in current title XX law, will be eliminated as will State matching requirements.

| | *Billions* |
|---|---|
| Fiscal year 1981 appropriation | $3.0 |
| Fiscal year 1982: | |
| Reagan proposal | [1] 2.25 |
| Omnibus Budget Reconciliation Act | [2] 2.4 |

[1] Would have been consolidated with child welfare programs, child abuse prevention, runaway youth, CSA, and programs for handicapped into larger social services block grant with total 1982 funding of $3.8 billion.

[2] Funding levels for title XX social services block grant will increase to $2.45 billion in fiscal year 1983, $2.5 billion in fiscal year 1984, $2.6 billion in fiscal year 1985, and $2.7 billion in fiscal year 1986 and thereafter.

COMMUNITY SERVICES BLOCK GRANT

The Community Services Administration (CSA) currently is an independent executive branch agency which supports a variety of programs to alleviate poverty. The chief function of CSA is to fund a nationwide network of local antipoverty programs, known as community action agencies, which exist in more than two-thirds of the Nation's counties. In addition, CSA administers a number of small categorical programs, including senior opportunities and services, which is designed to promote the self-sufficiency of low-income elderly and serves about 1.5 million elderly each year. Total appropriations for CSA in fiscal year 1981 are $526.4 million.

The Reagan administration proposed to abolish CSA in fiscal year 1982 and consolidate most of its activities and a portion of its budget into a social services block grant to States. CSA would have been combined with 11 other social services programs under the Reagan proposal, which also would have reduced the budgets for each program by approximately 25 percent. In the case of CSA, $363 million would have been transferred into the block grant.

The Omnibus Budget Reconciliation Act of 1981 abolished CSA, as requested by the Reagan administration, but did not consolidate antipoverty activities into a larger social services block grant. Instead, the CSA programs will be replaced by a community services block grant, to be administered by the Department of Health and Human Services (DHHS) and funded annually at $389.4 million. States will receive allotments based on the amounts they receive from CSA in fiscal year 1981, and will be required to pass most of their allotments to local governments and private nonprofit agencies to conduct antipoverty activities. Further, the Secretary of DHHS will be authorized to reserve up to 9 percent of total appropriations each year for discretionary use.

| | *Millions* |
|---|---|
| Fiscal year 1981 appropriations | $526.4 |
| Fiscal year 1982: | |
| Reagan proposal | [1] 363.0 |
| Omnibus Budget Reconciliation Act | [2] 389.4 |

[1] This amount would have been included in a larger ($3.8 billion) social services block grant to States, CSA as a national agency would be abolished.

[2] This amount is authorized for a community services block grant to States, CSA as a national agency will be abolished.

LEGAL SERVICES

Last year, more than 150,000 low-income elderly were served by the locally controlled legal aid offices of the Legal Services Corporation. These older citizens represented more than 12 percent of the program's total clients. In fiscal year 1981, the Corporation is funded at $321 million. To maintain the existing level of operation in local offices, the Corporation estimates about $332 million would be needed in fiscal year 1982. The Reagan administration proposed termination of the Corporation but would have allowed States to use social services block grant funds to provide legal services to the low income. House and Senate conferees on the Omnibus Budget Reconciliation Act of 1981 agreed not to include the Legal Services Corporation in the reconciliation bill, but instead to consider the question of reauthorizing the program through separate legislation. The House already has passed a 2-year reauthorization with an annual funding level of $241 million, while the Senate Labor and Human Resources Committee has reported a 3-year, $100-million-per-year reauthorization. The reconciliation bill's silence on the Legal Services Corporation does not preclude Congress from subsequently approving a reauthorization bill.

| | *Millions* |
|---|---|
| Fiscal year 1981 appropriation | $321.3 |
| Fiscal year 1982: | |
| Reagan proposal | ------ |
| Omnibus Budget Reconciliation Act | (1) |

[1] The Budget Reconciliation Act is silent on the Legal Services Corporation. Conferees on the act agreed that a separate reauthorization bill will be considered for the Corporation.

WEATHERIZATION

The present weatherization program is administered by the Department of Energy (DOE). In fiscal year 1981, the program will provide $182 million to States for weatherizing the homes of people with incomes at or below 125 percent of the poverty line. The Reagan administration requested no funds for this program in fiscal year 1982. Instead, it was proposed by the administration that either community development block grant funds or low-income energy funds could be used for home weatherization.

The Omnibus Budget Reconciliation Act of 1981 includes $336 million for DOE State and local energy conservation programs. The conference agreement on the legislation pro-

vides that as much as $175 million of this amount may be used for the low-income home weatherization program. (In addition, the Reconciliation Act provisions relating to low-income home energy assistance program provides that up to 15 percent of the total appropriated for that program may be used for weatherization. The total authorized for the low-income home energy assistance program, under the conference agreement, is $1.875 billion each year for fiscal years 1982, 1983, and 1984. See "Low-Income Energy Assistance" section.)

| | *Millions* |
|---|---|
| Fiscal year 1981 appropriation | $182 |
| Fiscal year 1982: | |
| Reagan proposal | ---- |
| Omnibus Budget Reconciliation Act | [1] 175 |

[1] The Omnibus Budget Reconciliation Act provides $336 million for State and local energy conservation projects. The conference report on the act states that as much as $175 million of this total should be made available for low-income home weatherization.

EMPLOYMENT

The senior community service employment program (SCSEP) is authorized under title V of the Older Americans Act and administered by the Department of Labor. The program provides part-time work opportunities in community services activities for low-income persons aged 55 and over who have been poor employment prospects. The fiscal year 1981 appropriation level is $277.1 million which supports 54,200 job slots. The Reagan administration requested the same level for fiscal year 1982. The Omnibus Budget Reconciliation Act of 1981 includes a level of $277.1 million for fiscal year 1982, and $293.7 million for fiscal year 1983, and such additional sums as may be necessary for each fiscal year to support 54,200 part-time employment positions for eligible individuals.

Title III, section 308 of the Comprehensive Employment and Training Act (CETA)), authorizes funding of projects for middle-aged and older workers. In fiscal year 1981, $2 million was provided for the program. The Reagan budget included $1 million for fiscal year 1982. The Omnibus Budget Reconciliation Act of 1981 did not provide a specific authorization for section 308 activities. There was a specific authorization included for all title III programs of $219 million. Up to 5 percent of these amounts could be used for the section 308 program.

Public service employment is funded under two separate CETA programs (structural employment, title II-D), and countercyclical, title VI). It is estimated that in fiscal year 1981 a total of 450,000 to 500,000 persons have been served by these two programs, over 5 percent of whom are age 55 and over. Following the Reagan proposal, the Omnibus Budget Reconciliation Act of 1981 allows no funds for public service employment in fiscal year 1982.

[In millions of dollars]

| | Fiscal year— | | |
|---|---|---|---|
| | | 1982 | |
| | 1981 | Reagan | Omnibus Budget Reconciliation Act |
| Title V: OAA | $277.1 | $277.1 | [1] $277.1 |
| Title III: Sec. 309—CETA | 2.0 | 1.0 | [2] 10.95 |
| Title II-D:CETA | [3] 2,195.0 | 0 | 0 |
| Title VI: CETA | 495.0 | 0 | 0 |

[1] The act also provides authorization for additional amounts to support at least 54,200 part-time job slots.
[2] Ceiling for possible funding from total title III authorization.
[3] The amount of $852,000,000 was reprogramed to other activities.

EDUCATION

The continuing education program provides funds to States and higher education institutions to meet the educational needs of adults inadequately served by instructional programs in their communities (title I-B, educational outreach programs, Higher Education Act). For fiscal year 1981, $2.2 million was appropriated for these activities. The Reagan administration budget requested no funds for title I-B for fiscal year 1982. The Omnibus Budget Reconciliation Act of 1981 places a ceiling of $8 million on the authorization for this program for fiscal year 1982. Thus far, there has been no action on fiscal year 1982 appropriations legislation for this program.

TRANSPORTATION

Section 16(b) of the Urban Mass Transportation Act of 1964, as amended, allows 2 percent of urban discretionary grant funding to be set aside for capital assistance grants to States, local agencies, and private nonprofit groups for transit services to the elderly and handicapped. The Reagan budget would have made $34.4 million available in fiscal year 1982 for capital assistance under this section, a decrease of $9.4 million from fiscal year 1981 funding levels. The fiscal year 1982 budget as approved in the Omnibus Budget Reconciliation Act of 1981 allows for a slightly greater level of assistance, $36 million.

HOUSING

The Department of Housing and Urban Development administers three major programs to improve rental housing conditions for low-income individuals and families. The section 202 program provides direct Federal long-term loans for the construction of rental housing for lower income persons who are elderly or handicapped. Section 8 lower income housing assistance payments are used in conjunction with the section 202 program. The section 8 program provides assistance, in the form of rental payments, to encourage the construction of new units, substantial rehabilitation of units, and the use of standard existing units. No household assisted under section 8 may pay more than 25 percent of its income for rent. The rental payment may be as low as 15 percent, depending on family income, size, and medical or other unusual expenses. Last, the public housing program is a locally operated program in which public housing agencies engage and assist in the development of public housing projects which may be newly constructed, existing, rehabilitated, or leased. Tenants in public housing have low incomes and usually must pay up to 25 percent of their incomes for rent.

The Reagan budget requested funds for 175,000 assisted housing units. In addition, the administration proposed to increase gradually, over the next 5 years, the maximum allowable rent contribution paid by tenants living in federally subsidized housing from 25 to 30 percent of their adjusted income.

The Omnibus Budget Reconciliation Act of 1981 limits the number of units to an estimated 152,500. The rent payments of assisted housing tenants would increase from 25 to 30 percent of income, phased in over a 5-year period. No tenant's payment could increase by more than 10 percent in any 12-month period, as a result of the changes in definition of income and required rent payments. Increases because of rising income are exempt from this restriction. This change is expected to produce an estimated savings of $100 million in fiscal year 1982, rising to an annual savings of more than $1.3 billion by fiscal year 1986. No authorization is given for funding congregate housing services programs.

ASSISTED HOUSING (UNIT RESERVATIONS)

| | Fiscal year— | | |
|---|---|---|---|
| | | 1982 | |
| | 1981 | Reagan | Omnibus Budget Reconciliation Act [1] |
| Sec. 202 [2] | (18,400) | (17,200) | (17,200) |
| Sec. 8 | 177,000 | 151,000 | 126,500 |
| Public housing | 30,396 | 24,000 | 24,000 |
| Total | 207,396 | 175,000 | 152,500 |

[1] Numbers are derived by Congressional Buget Office from stipulations in the act and assumptions on program mix and dollar amount.
[2] A nonadd item, units are included in sec. 8 unit reservations.●

## LEGAL SERVICES

● Mr. MATHIAS. Mr. President, during the last week before the August recess, the House and Senate conferees on the budget reconciliation measure decided to take the question of funding for the Legal Services Corporation out of the budget bill and leave it to the normal authorization and appropriations channels. Since we are now in the final stretch of this process, I want to urge all my colleagues to join me in supporting this important task now before us. During the first 6 months of this Congress, we have devoted most of our energies to putting into law the desire the people have expressed for substantial cutbacks in the Federal budget and the public sector of the economy.

Everyone realizes that these new policies, whatever their long-range beneficial consequences for the economy, are going to make many aspects of life more difficult in the short run for the poor in our country. For this reason, it is critical that the Legal Services Corporation be preserved intact and be given the strong vote of confidence it deserves from this body. As the impact of budget cuts begins to be felt at the local level, the need for insuring continued access to our country's system of justice for low-income individuals and families will become more and more pressing.

On June 18, the House passed a Legal Services reauthorization measure for fiscal years 1982 and 1983, agreeing to a $241 million funding level. In July, the House also agreed to the same funding level in the appropriations bill for the Corporation. On July 29, the Senate Labor and Human Resources Committee filed its report on the reauthorization bill it approved earlier this summer, S. 1533, authorizing a spending ceiling of $100 million for the Corporation. I was a cosponsor of the original Legal Services reauthorization bill in the Senate, S. 939, which would have maintained the Corporation's current $321.3 million funding level through next year.

I regret that the Labor and Human Resources Committee reduced this figure by over two-thirds in its authorization bill. However, I am also cosponsoring the committee bill, in anticipation of an effort on the floor to raise the funding level in S. 1533 to at least the House-

approved figure, which I will vigorously support. One promising sign is that the Subcommittee on State, Justice, and Commerce Appropriations, under the leadership of Senator WEICKER, is planning to adopt the House's $241 million figure for the Corporation in the appropriations bill it is marking up this week.

Although the prospects for reauthorizing the Legal Services Corporation are looking bright, we should not fool ourselves that this will be more than a partial answer to the need for legal services for the poor. Especially in view of the anticipated reduction in the current funding level of the Corporation ($321.3 million), it is imperative that the voluntary efforts of the private bar in this area be redoubled to compensate for the budget cuts and resulting reduced resources for local legal assistance offices. Both the House and Senate Legal Services authorization bills this year contain a provision instructing the Corporation to devote greater attention to ways of involving private attorneys in legal assistance programs on this basis.

In this connection, I was pleased to note the recent creation of the Maryland Volunteer Lawyers Service, a statewide coordinating office for organizing voluntary legal services to the poor by the private bar. The primary purpose of the service will be to establish a referral procedure that will insure that law firms and individual attorneys, who wish to volunteer some of their time and expertise to providing legal assistance to the poor, will be able to spend their time in the most productive way with the most clients. In addition, the service will offer educational programs and distribute literature as well as develop a library in the areas of law that volunteer attorneys are most likely to become involved in.

The Maryland Volunteer Lawyers Service was established on July 1, with the support of the American Bar Association, the Legal Aid Bureau, the Legal Services Corporation, the Marvland Bar Association, the Maryland Bar Foundation, and the Maryland Judicial Conference. I have been proud of what Maryland's Legal Aid Bureau has been able to accomplish with the help of the Legal Services Corporation, and I am confident that the Volunteer Lawyers Service will also become an exemplar for similar initiatives in other States. The time has come for shoring up our legal services and reaffirming our commitment to equal justice under law.●

## WEBB DRUGSTORE MARKS CENTENNIAL WITH EXPANSION

● Mr. SASSER. Mr. President, small business is the backbone of our economy and our Nation, not only economically but socially as well. And there is nothing more important in this vital sector of our economy than the family drugstore in a small town or neighborhood where there is a special relationship between the druggist and his neighbors in the community.

Such a drugstore is F. Z. Webb & Sons of Smithville, Tenn. and such a man is Norval Webb, Jr., who is the owner and proprietor of this fine institution which recently observed its centennial anniversary and a major expansion. It was like an old-fashioned barn-raising and husking bee or quilting party, a century ago when folks would travel long distances to be together. The Webb drugstore is believed to be the oldest drugstore in Tennessee still owned by the same family.

People came from miles around to visit Norval, his wife, Gail, his son, Alan, and other members of the family, who came from as far away as Texas to share in the event. There were contests of various kinds and organ music and singing. It was the best of the old tradition of Tennessee hospitality combined with the best of new techniques of merchandising. The expanded store has gleaming new fixtures—but the soda fountain and the "philosophers' corner" are still there where folks come to sip coffee or have a soft drink and discuss the issues of the day.

This is not to say that other drugstores in Smithville are not fine stores operated by fine people also. But the Webb store tradition and heritage deserve recognition at this time.

Because this saga of the Webb family is a symbol of the ability and determination of small business families throughout the country, I ask permission to place in the RECORD excerpts from the local newspapers—the Smithville Review and the Star—of the centennial event.

The excerpts follow:

[From the Smithville Review, July 29, 1981]

IN MEMORY OF F. Z. WEBB AND THE LEGACY HE LEFT

(By Felix LaFever)

The hundredth year anniversary of the founding of F. Z. Webb & Sons Drug Store brings to mind F. Z. Webb—a man of great purpose and character. His dedication to his God, his community, and his family was well established.

His greatest landmark founded in 1881 is now in the care of his grandson, Norval, and his great-grandson, Alan. They are living up to and perpetuating his idea of quality service to the community.

F. Z. Webb & Sons is one of the greatest landmarks in Middle Tennessee because of its past and present contributions. It is keeping abreast with changing times in order to continue serving the community in the best way possible. This, his legacy, is in very good hands.

F. Z. Webb was a deacon in his church. He loved people—during hard times if one didn't have the money one still got the medicine.

His son-in-law, Bill LaFever, at the other end of the block, owned Bill's Place. He was also instilled with the very same way of thinking for he supplied many families for months with groceries before they were able to pay. Perhaps this was one of the reasons why Sally was attracted to him, because of his altruistic nature.

F. Z. was very dedicated to his family, which was, of course, his greatest legacy. His children were Caeser, Georgia, Eugenia, Norval and Sally. Caeser and Norval were pharmacists trained at Vanderbilt, Georgia, Eugenia and Sally had taught in the county schools.

All of F. Z.'s children were given the advantage to learn academically. They were also taught to understand and care for others. In regards to learning, Sally was typical of the women in her family. Apart from teaching, she played the piano and painted beautiful pictures.

In 1860, F. Z. Webb was born in Warren County near the DeKalb County line in the community known as Middleton. Middleton is now known as Moore's Community College. His father was Daniel Watkins Webb and his mother was Sarah, called Sally.

Sarah was the daughter of Percy Green Magnus and his wife Polly Cantrell. Many children were born to this union, mostly girls.

F. Z. had two brothers who lived close to him in Smithville. One brother was a doctor and the other was a lawyer and judge of the chancery court. F. Z. passed away in 1924, but his memory still lives with his gift of love to his God, his community and to the ones he left.

I'm deeply in debt to Tommy Webb for information supplied about my grandfather, Felix Zollicoffer Webb.

[From the Smithville (Tenn.) Star, July 29, 1981]

WEBB & SONS PHARMACY TURNS 100

A family drug store that has prospered into an institution in Smithville and DeKalb County history for the past 100 years will be recognized the rest of this week and all next week.

F. Z. Webb & Sons Pharmacy on the courthouse square in Smithville plans its centennial celebration as visitors from as far away as Texas and who knows where else come to Smithville.

The drug store enjoys the distinction of being the oldest drug store in Tennessee to be operated by one family and has stayed at very nearly the same location for most of its century-old history.

Latest in the chain of store owner/operators is Norval Webb, Jr., past president of the State Board of Pharmacists and still a sitting board member.

Webb and his son Alan are among the Webb family members and store employees who will greet the many visitors and customers expected to drop by the store during the special anniversary activities.

For three generations, the store has been the scene of more than the mixing of prescriptions.

County commissioners and county officials have discussed many a matter over a cup of coffee, which still costs a dime.

Deals more than a dime's worth, sometimes depending on your point of view, have also been discussed over coffee, cokes, candy bars, sandwiches, and hamburgers by countless teenagers, parents and grandparents.

With its 7 p.m. closing hour, the store, which has steadily expanded since the days when a turkey feet collection graced the walls, has the latest closing hour of any business on the downtown square.

The cutting of an anniversary cake has been scheduled for Monday at 10 a.m. at the store.

Among those invited have been DeKalb County Judge Billy J. LaFever, Smithville Mayor Gary "Gus" Johnson, various elected officials from the city of Smithville and throughout DeKalb County, University of Tennessee Pharmacy School Dean John Aution, Nashville Judge Bob Sutton, who is a family friend, and members of the State Board of Pharmacies.

Former Fourth District Representative Joe L. Evins, who has visited the pharmacy during numerous visits home from Washington, D.C., has also been invited to the special cake cutting Monday morning.

Members of the Smithville Rotary Club, Downtown Merchant's Association, and Smithville-DeKalb County Chamber of Commerce have also been invited.

Hefting the knife to formally cut the cake will be Winnie Webb, the oldest living family member and wife of the late J. C. Webb.

Family members from as far away as Texas have also been invited to Smithville for Monday's cake cutting and celebration.

A drawing for a television set will be held Aug. 8 and entries will be accepted up to the time of the give-away.

Among the items donated by various companies and businesses as part of the celebration are:

An infant toy donated by the Gerber Co., which will be given to the youngest registrant for the drawing.

Brite-lite flashlights donated by Ray-O-Vac.

An Osteringer compliments of American Paper and Twine.

Soft-Pak Luggage donated by American Paper and Twine.

Coke picnic basket compliments of M&M Plastics, Inc.

Stainless steel bowls compliments of TGVD.

Weatherproof lanterns compliments of Ray-O-Vac.

Gillette razors, compliments of the Gillette Co.

Men's watch, compliments of Tennessee Wholesale Drugs.

Automatic coffee maker, compliments of American Paper & Twine.

Ladies' watch, compliments of Timex Corp.

Congress Bridge Cards, compliments of U.S. Playing Card Co.

Coppertone Beach bag filed with vacation supplies, compliments of Plough, Inc.

Road Atlas, compliments of CIBA.

Thermal blanket to be given to the oldest person registering during the celebration.

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[From the Smithville Review, July 29, 1981]

WEBB'S DRUG IS OLDEST BUSINESS

(By Thomas G. Webb)

The summer of 1881 was the driest that has ever been known before or since. Gardens dried up, much livestock literally starved to death, and no corn crop at all was made on most farms. Twenty-one-year-old Felix Zollicoffer (Zollie) Webb was working on his mother's farm, and by the end of that dry summer, he was ready for a change. He hardly had to give his decision a second thought when his two older brothers asked him to operate a drug store they had just bought in Smithville. They were far too busy to run it themselves—Bethel Webb was a lawyer and Julius Webb was a medical doctor, and they had bought the drug store as an investment when George Dillard went out of business.

While Zollie Webb had a good education for his time, he had not been educated to be a druggist; but then neither had the other druggists of that day. The State of Tennessee had no requirements to meet and pharmacists did not have to have a license. In fact, even medical doctors were not required to have a license until 1889. All that Zollie needed to become a druggist was a drug store, and that he had. He soon found that the drug store, like the farm, was not the road to prosperity. In 1881, his first year in the store, there were many days when he took in only 50 cents a day. Things improved during the next two years as the weather returned to normal, and the farmers had more money. The countryside around Smithville furnished most of the drug store's customers; Smithville itself had only about 400 residents.

Work in the store was easier than that on the farm, but the hours were about as long. The store opened at daylight and usually closed at nine o'clock at night. There were not many customers, but whenever they came, the store was open. By working long hours, Zollie prospered enough that he bought the store's goods and equipment from his brothers, and even expanded his stock to include a line of shoes. This was a fortunate addition, for it brought his future wife, eighteen-year-old Amanda Smith, into the store to look at a pair of shoes. She only came in once, for her father made it clear to her that ladies of any age did not go into the stores for any purpose. Town was much too rough for ladies, and anything they required could be bought for them by a male member of the family.

At any rate, Zollie found it convenient to visit the Smith home, and in 1885 he and Amanda were married. By 1895 they had two sons and three daughters. Zollie was now an established family man and an established business man. Then in 1898 fire destroyed all the stores in the block where the drug store was located, including Webb's Drug Store, of course. Zollie had no insurance, and nothing was saved from the fire except a string of turkey feet, trophies of several years of Zollie's hunting.

Zollie Webb now made an important decision, which marked a turning point in the history of the drug store. Until this time, he had not owned the building in which the store was located, but had rented from his cousin, Billy Potter. The store was located on the west side of the public square, in the same block where the present store now stands. The first building was the third store north of the corner; its location now occupied by a building bought in 1980 for use as storage by the present drug store.

Zollie decided he had rented long enough and he determined to build his own store. His father-in-law, George Smith, owned the lot on the corner of West Main Street and the public square. On January 5, 1900, F. Z. Webb purchased this lot, and the drug store was located where it would remain for most of the next 80 years.

Since all the stores in the block had burned, all of them had to be rebuilt. The owners of the four lots facing the square were Zollie Webb, Billy Porter, Jim Moore, and Will Smith. They agreed to build their stores with similar fronts in order to present an attractive appearance. A sidewalk was built in front of the block and a well was dug beside the walk in the middle of the block. This was long before air-conditioning, so for summer comfort a metal awning was placed over each store front. Fast-growing locust trees were planted beside the walk, and benches were placed in front of the stores. The owners could sit outside when they were not busy, and on Sunday afternoons the people of the town sat on the benches and enjoyed the music of the Smithville Concert Band as they played in the bandstand on the square.

There were changes inside the store as well as outside. The Pure Food and Drug Act of 1909 placed addictive drugs under strict control. Prior to that time opium was kept on the counter just like cheese, and anyone with the money could buy a chunk of it. DeKalb County had a number of drug addicts, though they were different from those of today. Whereas most present-day addicts are young people, the addicts of that time were mostly older people. Many of them had become addicted by taking drugs to kill the pain of arthritis or some other chronic disease. They spent considerable amounts of money in their addiction; some spent as much as $100 at one time, an enormous amount for that time.

The drug store continued to prosper, and Zollie sent both his sons to Vanderbilt University, where both graduated with degrees in pharmacy. Caesar returned to work in the store in 1912; by 1914 he was making a monthly salary of $40. He lived very well on this; his house rent was $8 a month. Norval returned from Vanderbilt in 1917. He and Caesar had some new ideas. The drug store had been selling Coca-Cola and other drinks for several years, using ice from Eli Evans' ice plant. Now that electricity had come to Smithville, they felt that a popcorn machine would pay off. Not only would they make a profit on popcorn, but the demand for cold drinks would be increased. The popcorn machine cost $500, which was an outrageous price, but they felt it would soon pay for itself. However, the popcorn machine had barely been bought and installed, when once again the drug store burned, along, with all the other stores in the block. Manful efforts were made to save the popcorn machine, but it was lost, and Caesar barely escaped injury. Once again, there was no insurance on the store.

Zollie was now sixty years old and not in the best of health. Caesar was twenty-five. They decided that all three would become equal partners in the store, now to be known as F. Z. Webb and Sons. The first thing the partnership did was to buy Harlan Mason's drug store. Mr. Mason's store was located on Main Street where Jenkin's and Darwin's store now is. On September 25, 1920, F. Z. Webb and Sons bought Mr. Mason's store, lot, drugs, furniture, and fixtures for $9,250, to be paid within three years. Thus with one stroke they continued their own business and eliminated their competition.

In the new location the partners decided on a new business venture. Smithville had had electricity for three or four years now. Though it went out every time a storm came up, it was considered dependable enough to put in a freezer for ice cream and to install a complete soda fountain. The soda fountain was bought from Vernon Gothard at Liberty; it was made of brown marble and had a large mirror that hung on the wall behind it.

There were also small tables and wire-back chairs where customers could sit to enjoy their sodas, sundaes, and milkshakes. Young Freddie Tramel was employed to operate the soda fountain and do other odd jobs. He proved to be a valuable addition to the drugstore, as Zollie Webb died in 1924, leaving Caesar and Norval to manage the store. Then in 1929 Norval found it necessary to spend several months in Albuquerque, New Mexico, with his wife, who had tuberculosis. This was a difficult time for him to be away, as construction was begun that year on the new store.

The Webbs had always intended to rebuild in the corner of the square and West Main Street. The lot had stood vacant for nine years until they felt financially able to build a new store. In 1929 Norval and Caesar Webb contracted with John Congress to build a one-story brick building on the corner. This building, with a few changes, served as the F. Z. Webb and Sons Drug Store for the next fifty years.

When the building was finished, it not only had the usual glass doors and showwindows on the front; it also had a door with a large window facing Main Street. The soda fountain and chairs were placed in this window, and the customers who sat there could both see and be seen. Freddie Tramel continued to work in the drug store until 1938 when he was elected county court clerk. His niece, Ina May Tramel, later worked at the soda fountain. Then in the 1940s, high school girls were hired to work at the soda fountain; Betty Tittsworth and Joyce Lawson were among those employed. During the 1930s and 1940s, the drug store was a popular stopping place for high school students on their way home; a Coke or a chocolate sundae was great refreshment after a hard day at school. Another reason for students to stop was that the drug store was where they bought their school books. Free textbooks were not issued until the early 1950s; before that time each student bought all his own school books at Webb's Drug Store.

The drug store was not only a gathering place for students, it was also a popular gathering place at night. It seldom closed before nine o'clock, and men of the town

would often walk down to the drug store after supper. In those days before television, the drug store offered a respectable place where they could gather and discuss the day's events. Smithville was still small; in 1940 it had less than a thousand people, so everybody knew everything about everybody else.

Changes came to the drug store; in 1920 F. Z. Webb and Sons became affiliated with the Rexall chain. The famous Rexall One-Cent sales were a great help to the store's customers, especially during the Depression. Another change was that women began to work in the store. The popular lines of cosmetics and perfumes now handled by the store were felt to need a woman's touch, so Caesar Webb's wife Winnie worked part time at the store. Later Norval's wife Lucille also worked there.

More changes were to come. Norval Webb's only son, Norval Jr., graduated from the University of Tennessee with a degree in pharmacy, and in 1953 he returned to work at F. Z. Webb and Sons Drug Store. In a few months he bought Caesar's share of the store, and Caesar Webb retired after 41 years. He continued to keep books for the store for several years after he retired, until he suffered a stroke. He was an invalid for some years before his death in 1966. Since Caesar's illness, the account books have been kept by Norval Jr.'s wife, Gail Hudgens Webb.

The new partners, Norval Webb, Sr. and Norval Webb, Jr., decided that the store needed a remodeling. The door and window on Main Street were closed and bricked up, leaving only the entrance on the square. The soda fountain was moved from the north side to the south side, and the old marble was discarded to be replaced by more modern formica. The wire-back chairs and tables also went; their place was taken by cushioned booths and formica tables. Little further change was made during the next twenty-five years.

In 1961 Norval Webb, Sr., died unexpectedly of a heart attack. For the next twenty years Norval Webb, Jr., was in charge of F. Z. Webb and Sons Drug Store, while his son Alan was growing up and going to school. Finally, in 1980 Alan Webb returned to Smithville and the drug store, having completed his training and earning a degree in pharmacy at the University of Tennessee.

Once again a remodeling was decided on. After fifty years in the same building, the store had become very crowded. In 1980 the two adjoining buildings on the square were acquired by the drug store. The store doubled its size by removing a wall between the original store and the adjoining building. Currently used for storage, the third building stands where F. Z. Webb's original store stood in 1881.

Some things have changed; some have not. F. Z. Webb and Sons Drug Store now stands where it has been for all but nine of the past hundred years. For seventy-five years it has had a soda fountain; of the five drug stores in Smithville it is the only one that now has a soda fountain. Once again there are wire-back chairs with tables. The price of coffee is still five cents a cup, unchanged from the first cup that was sold there. Today few prescriptions have to be compounded by the pharmacist, but it is more important than ever for the pharmacist to know the effects of the prescribed drugs on the patient.

Besides the owners, the drug store has had many employees over the years. Some have worked a short time; some have worked for many years. The present employees and their years of service are: Mrs. Frances Patterson, 17 years; Mrs. Mary White, 16 years; Mrs. Marie Stewart, 15 years; Teresa Johnson Caldwell, 2 years; and with less than one year, Mary Price, Brenda Driver, and Keely Smith, Norval and Gail's daughters, Annette Webb Greek and Amanda Webb, also work in the store when needed.

The owner, Norval Webb, has been a pharmacist for 30 years, while his son Alan has two years experience. With the fourth generation of the Webb family beginning service in the drug store, prospects are good for F. Z. Webb and Sons Drug Store to be in business for another hundred years.●

## THE NEED TO LOCATE CORPS OF ENGINEERS DISTRICTS IN A MORE UNIFORM MANNER

● Mr. DOMENICI. Mr. President, earlier this year I introduced S. 1026. That legislation seeks to assure that the U.S. Army Corps of Engineers will not lessen the strength of any district office in a region of the United States where the corps is presently underrepresented. I believe that such a directive is essential if the corps is to meet the challenging water needs of our Nation.

To cite an example with which I am familiar, only one corps district office exists between the west coast and the Midwest—that one is located in Albuquerque, N. Mex. I am convinced there is a strong need to increase the corps' representation in the Rocky Mountain and Intermountain States. This is not simply to protect Albuquerque, but to strengthen the corps' understanding of the water problems across a vast water-short portion of our Nation.

It is particularly gratifying to me that S. E. Reynolds, New Mexico's distinguished State engineer, has expressed his strong support for S. 1026. I ask that a copy of Mr. Reynolds' letter be printed in the RECORD.

The letter follows:

STATE OF NEW MEXICO,
NATURAL RESOURCES DEPARTMENT,
*May 27, 1981.*

Hon. PETE V. DOMENICI,
*U.S. Senate,*
*Dirksen Senate Office Building,*
*Washington, D.C.*

DEAR SENATOR: I recently received a copy of S. 1025 which you introduced to assure the continuation of an adequate regional distribution of offices under the direction of the Chief of Engineers, U.S. Army.

It is my understanding that this legislation was introduced because the Corps of Engineers had announced tentative plans to close several of the Corps' district offices.

New Mexico currently enjoys a Corps of Engineer district office in Albuquerque which handles much of the Corps' work in New Mexico. However, the San Juan River drainage in New Mexico is under a Corps district office in Sacramento, California, the Lower Colorado River drainage in New Mexico is under a Corps district office in Los Angeles and portions of the Canadian River drainage in New Mexico are under a Corps district office in Tulsa, Oklahoma. Our experience has been that, while these district offices are responsive, they are too distantly located to be totally familiar with local problems.

The Corps district office in Albuquerque has been most cooperative and responsive to state and local needs in water resource projects and problems; its closure would be a serious blow to New Mexico.

I support enactment of S. 1026.

Sincerely,

S. E. REYNOLDS,
*State Engineer.*●

## EXECUTIVE SESSION

Mr. BAKER. Mr. President, I have certain items on today's Executive Calendar that I am prepared to consider. I inquire of the minority leader if they are items that he is prepared to consider at this time.

Mr. ROBERT C. BYRD. Mr. President, on the minority side, the following nominations have been cleared: Beginning with the Judiciary Committee, page 2 of the Executive Calendar, going through Department of State on page 3, with the exception of the third nominee there, and excluding the nomination under Inter-American Development Bank, but proceeding with the last nomination on the calendar, Board for International Broadcasting.

Mr. BAKER. I thank the minority leader.

Mr. President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering the following nominations: Robert F. Chapman, D. Brook Bartlett, John R. Gibson, Joseph E. Stevens, Jr., Frank W. Donaldson, J. Frederick Motz, W. Stephen Thayer III, Alfred E. Eckes, William Courtney Sherman, Dominick L. DiCarlo, and Ben J. Wattenberg.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I believe that conforms to the statement made by the minority leader; and with his concurrence in that listing, I ask unanimous consent that the nominations just identified be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

THE JUDICIARY

Robert F. Chapman, of South Carolina, to be a U.S. circuit judge for the fourth circuit.

D. Brook Bartlett, of Missouri, to be U.S. district judge for the western district of Missouri.

John R. Gibson, of Missouri, to be U.S. district judge for the western district of Missouri.

Joseph E. Stevens, Jr., of Missouri, to be U.S. district judge for the eastern and western districts of Missouri.

DEPARTMENT OF JUSTICE

Frank W. Donaldson, of Alabama, to be U.S. attorney for the northern district of Alabama.

J. Frederick Motz, of Maryland, to be U.S. attorney for the district of Maryland.

W. Stephen Thayer III, of New Hampshire, to be U.S. attorney for the district of New Hampshire.

U.S. INTERNATIONAL TRADE COMMISSION

Alfred E. Eckes, Jr., of Virginia, to be a member of the U.S. International Trade Commission.

DEPARTMENT OF STATE

William Courtney Sherman, of Virginia, to be the Deputy Representative of the United States of America in the Security Council of the United Nations, with the rank of Ambassador.

BOARD FOR INTERNATIONAL BROADCASTING

Ben J. Wattenberg, of the District of Columbia, to be a member of the Board for International Broadcasting.

NOMINATION OF W. STEPHEN THAYER III

Mr. HUMPHREY. Mr. President, it is with great pleasure that I endorse W. Steve Thayer III for U.S. attorney for the district of New Hampshire. Mr. Thayer has played an important and active role in legal and political arenas in New Hampshire.

I cannot stress enough, the high esteem and reputation Mr. Thayer holds in the legal community in New Hampshire. His experience and competence as a practicing attorney will prove beneficial in his duties as U.S. attorney.

Mr. Thayer graduated from the John Marshall Law School in 1974 after serving his country in the Vietnam war. Since that time, he built his reputation in private law practice, as well as in State legal counseling. Mr. Thayer was the attorney for the New Hampshire State Senate, and later acted as legal counsel to the Reagan campaign in New Hampshire. In fact, Mr. Thayer played an extraordinary role in helping to elect President Reagan.

Finally, I would like to say that knowing Steve Thayer personally, there is one word I would use to describe his character: Integrity. Steve Thayer is a man of integrity and deserving of his appointment as U.S. attorney in the State of New Hampshire. It is my strong conviction that Mr. Thayer will discharge his responsibilities with excellence.

NOMINATION OF ALFRED E. ECKES, JR.

Mr. DOLE. Mr. President, on September 15, 1981, the Committee on Finance held a hearing on the nomination of Alfred E. Eckes, Jr., to be a Commissioner of the U.S. International Trade Commission. As chairman of the committee, it is a privilege and a pleasure to report the committee's decision to report favorably the nomination of Mr. Eckes.

Mr. President, the committee has reviewed Mr. Eckes' financial statement and the report of the Office of Government Ethics. We are confident that there are no problems in either area.

Mr. Eckes has been nominated to fill an extremely important position in the international trade field. The ITC is uniquely situated as an independent advisor to both the President and the Congress on trade matters. It also plays a key role in the implementation of our fair and unfair trade practice statutes. The strength of the international trading system depends on a vigorous enforcement of our trade laws. The ITC must continue to exercise its jurisdiction in this area in an expeditious and impartial manner.

Mr. Eckes has an excellent background and experience for the position to which he has been nominated. He received a B.A. degree from Washington and Lee University and achieved Phi Beta Kappa and magna cum laude honors. He was a Fulbright scholar at Cambridge in international economics. Thereafter, he received an M.A. from the Fletcher School of Law and Diplomacy, Tufts University, and a Ph. D. from the University of Texas.

He was a foreign service officer, a history professor and an editorial page editor in Columbus, Ohio. He also has had congressional experience with the House Republican conference.

Mr. President, Mr. Eckes is well qualified to serve in this important position. I urge my colleagues to approve his nomination.

Mr. BAKER. Mr. President, I move en bloc to reconsider the vote by which the nominations were confirmed en bloc.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

## LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to legislative session.

There being no objection, the Senate resumed the consideration of legislative business.

## CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. BAKER. Mr. President, there are certain items on the calendar which have been cleared on this side of the aisle, and I call the attention of the minority leader to the following items: Calendar Nos. 267, 268, 269, 270, and 271. I am prepared to proceed with those matters if there is no objection from the minority.

Mr. ROBERT C. BYRD. Mr. President, those matters have been cleared on this side of the aisle.

Mr. BAKER. I thank the minority leader.

Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the items I have just identified.

The PRESIDING OFFICER. Without objection, it is so ordered.

## FIFTIETH ANNIVERSARY OF RADIO CITY MUSIC HALL

The Senate proceeded to consider the resolution (S. Res. 155) saluting the 50th anniversary of Radio City Music Hall.

Mr. MOYNIHAN. Mr. President, 2 days after Christmas in 1932 the Radio City Music Hall in New York City opened its doors for the first time and today the Senate has taken notice of what a grand gift that hall has been to the Nation.

I am delighted that the Senate has approved Senate Resolution 155, which I introduced on June 19 and which has been cosponsored by 27 other Members of the Senate. That resolution recognizes the splendid role Radio City Music Hall has played in the cultural life of the Nation and expresses our deep appreciation to all those who have managed the hall and performed on its stage over these many years.

For five decades, musical stage shows, the Rockettes dance troupe and countless other films and productions have appeared in the hall to universal acclaim. While uniquely American in tone, origin and character, the productions at Radio City Music Hall have appealed to more than 255 million people from all nations, all walks of life, and their patronage of the hall has made it the most popular entertainment attraction in the world.

Mr. President, many of America's greatest motion pictures and musicals have premiered at Radio City Music Hall and the structure itself has been declared an architectural landmark.

It is altogether appropriate that the Senate should take special notice of this 50th anniversary for Radio City Music Hall and say once again how much we appreciate an institution which has meant so much to so many.

Mr. President, I ask unanimous consent that the text of Senate Resolution 155 be printed at this point in the RECORD along with a list of those Senators who cosponsored the measure.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SENATE RESOLUTION 155—RESOLUTION RELATING TO THE 50TH ANNIVERSARY OF RADIO CITY MUSIC HALL

Mr. MOYNIHAN submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 155

Whereas, in 1932, the Radio City Music Hall in New York City opened its doors to a public longing for the uplift and optimism that emanated from its stage, and

Whereas, for five decades, the musical stage shows and Rockettes dance troupe presented at the Radio City Music Hall have been universally acclaimed, though they are uniquely American in origin and character, and

Whereas, America's greatest motion pictures have premiered and played at Radio City Music Hall, and

Whereas, Radio City Music Hall has been declared an architectural landmark, and

Whereas, the majesty of the Radio City Music Hall and the magic of its performing arts have enchanted audiences drawn from all over America and the world: therefore, be it

*Resolved*, That the Senate hereby acknowledge the fiftieth anniversary of Radio City Music Hall in 1982, and expresses the appreciation and admiration of the Nation for all those who have performed in or managed the Radio City Music Hall and who have thereby contributed significantly to the cultural achievement of the United States.

The list of cosponsors follows:

The Senator from New York, Mr. D'Amato.
The Senator from Idaho, Mr. Symms.
The Senator from Oregon, Mr. Hatfield.
The Senator from Indiana, Mr. Lugar.
The Senator from New Mexico, Mr. Schmitt.
The Senator from Oregon, Mr. Packwood.
The Senator from Utah, Mr. Garn.
The Senator from Tennessee, Mr. Baker.
The Senator from New Mexico, Mr. Domenici.
The Senator from Idaho, Mr. McClure.
The Senator from Wisconsin, Mr. Kasten.
The Senator from New Jersey, Mr. Bradley.
The Senator from Rhode Island, Mr. Pell.
The Senator from New Jersey, Mr. Williams.
The Senator from Massachusetts, Mr. Tsongas.
The Senator from Michigan, Mr. Riegle.
The Senator from Nevada, Mr. Cannon.
The Senator from Tennessee, Mr. Sasser.
The Senator from California, Mr. Cranston.

The Senator from South Carolina, Mr. Hollings.

The Senator from Kentucky, Mr. Huddleston.

The Senator from Michigan, Mr. Levin.

The Senator from Hawaii, Mr. Matsunaga.

The Senator from Ohio, Mr. Metzenbaum.

The Senator from Montana, Mr. Melcher.

The Senator from California, Mr. Hayakawa.

The Senator from Maryland, Mr. Sarbanes.

The resolution, with its premable, was agreed to, as follows:

S. RES. 155

Whereas, in 1932, the Radio City Music Hall in New York City opened its doors to a public longing for the uplift and optimism that emanated from its stage; and

Whereas, for five decades, the musical stage shows and Rockettes dance troupe presented at the Radio City Music Hall have been universally acclaimed, though they are uniquely American in origin and character; and

Whereas America's greatest motion pictures have premiered and played at Radio City Hall; and

Whereas Radio City Music Hall has been declared an architectural landmark; and

Whereas the majesty of the Radio City Music Hall and the magic of its performing arts have enchanted audiences drawn from all over America and the world: Now, therefore, be it

*Resolved,* That the Senate hereby acknowledge the fiftieth anniversary of Radio City Music Hall in 1982, and expresses the appreciation and admiration of the Nation for all those who have performed in or managed the Radio City Music Hall and who have thereby contributed significantly to the cultural achievement of the United States.

## NATIONAL HIGH SCHOOL ACTIVITIES WEEK

The joint resolution (S.J. Res. 101) designating "National High School Activities Week" was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, together with the preamble, is as follows:

S.J. RES. 101

Whereas more than half of the students in this Nation's senior high schools are involved in at least one extracurricular activity;

Whereas this "other half of education" plans a significant role in the total educational development of high school students;

Whereas participation in activities such as athletics, speech, music, debate, drama, and others generally leads to positive development for all and often leads to superior achievement;

Whereas participation and achievement in those areas often contribute to increased interest and performance in strictly academic areas;

Whereas both academic and extracurricular achievement contribute greatly to the social development and interaction of all high school students;

Whereas that development directly benefits local communities by channeling young people's interests and talents into positive efforts, and by instilling in them an early sense of civic duty and community pride;

Whereas, former President Gerald R. Ford has agreed to act as honorary national chairman of the effort to recognize the important role of extracurricular activities in this Nation's high schools: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the President should designate the week of October 19 through October 25, 1981, as "National High School Activities Week", in recognition of the valuable contribution that such programs make in developing the interests and talents of young people at the community level.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

## NATIONAL PORT WEEK

The Senate proceeded to consider the joint resolution (S.J. Res. 103) to authorize and request the President to issue a proclamation designating the 7 calendar days beginning October 4, 1981, as "National Port Week."

Mr. THURMOND. Mr. President, I am pleased that the Senate is taking action today on Senate Joint Resolution 103, designating the week beginning October 3, 1981, as "National Port Week." This resolution was introduced on July 30 of this year by Senator HOLLINGS, on behalf of himself and this Senator from South Carolina. A number of our colleagues have joined us as cosponsors of Senate Joint Resolution 103. We appreciate the support and interest of the following Senators: Senator WILLIAMS, Senator SARBANES, Senator STAFFORD, Senator TSONGAS, Senator NUNN, Senator CHILES, Senator HEFLIN, Senator STENNIS, Senator JOHNSTON, Senator TOWER, Senator MATSUNAGA, Senator COCHRAN, Senator CRANSTON, Senator METZENBAUM, Senator CANNON, Senator BRADLEY, Senator MOYNIHAN, Senator LONG, Senator MITCHELL, Senator BENTSEN, Senator INOUYE, Senator BIDEN, Senator HAYAKAWA, Senator COHEN, Senator EAST, Senator KENNEDY, Senator DURENBERGER, Senator STEVENS, Senator DENTON, Senator MATHIAS, Senator WARNER, Senator DOLE, Senator PACKWOOD, Senator HELMS, and Senator MURKOWSKI.

Senate Joint Resolution 103 calls attention to the very important role which our ocean and inland ports have played in our Nation's economic growth and development and points out the continuing need for a viable and competitive system of commercial ports. This resolution also emphasizes the importance of a national network of ports to a vigorous international trade and to the attainment of a favorable balance of trade. Recognizing this vital role of our commercial ports, Congress has, in recent years, passed similar resolutions proclaiming the first calendar week in October as "National Port Week."

I am pleased to inform my colleagues that the current president of the American Association of Port Authorities, Don Welch, is a South Carolinian. The service of Mr. Welch as president of this national association highlights the importance to South Carolina of its commercial ports and the extent to which our State's port system has grown and obtained the respect of the international maritime transportation industry.

Mr. President, there is a similar measure, House Joint Resolution 302, pending in the House of Representatives. This resolution was introduced by Representative BIAGGI of New York. I hope that both the Senate and the House will soon take favorable action on these important resolutions.

The joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and was passed.

The preamble was agreed to.

The joint resolution, together with the preamble, is as follows:

S.J. RES. 103

Whereas the past development of the public ports of the United States is the result of a fruitful partnership in which State and local authorities have assumed major responsibilities for land-based port development with the Federal Government constructing and maintaining the navigable waterways and harbors of the United States;

Whereas our Nation's commercial seaports and inland river ports are indispensable to foreign and domestic waterborne commerce and to the economic well-being and national security of the United States;

Whereas the maintenance and development of a national network of commercial ports is vital to expanded international trade and to the attainment of a favorable trade balance;

Whereas commercial ports serving the waterborne commerce of the United States are responsible for the continued employment of more than one million workers and in 1980 generated a total of $66,000,000,000 in direct and indirect dollar income from gross sales and services to their users;

Whereas there is a continuing need to focus public attention upon the value to our Nation of a viable and competitive system of commercial ports; and

Whereas the "National Port Week" observance promotes public recognition of the vital role that our ocean and inland ports have played in the economic growth and development of the United States: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the President of the United States is authorized and requested to issue a proclamation designating the seven-day period beginning October 4, 1981, as "National Port Week" and to invite the Governors of the several States, the chief officials of local governments, and the people of the United States to observe that week with appropriate ceremonies and activities.

## NATIONAL PTA MEMBERSHIP MONTH

The Senate proceeded to consider the joint resolution (S.J. Res. 105) to designate October 1981 as "National PTA Membership Month."

Mr. TOWER. Mr. President, I take this opportunity to commend the National Parent-Teacher Association for their continuing contribution to the development of our society's most precious and irreplaceable resources—human resources. We must never forget that the education of our children is among the most important long-term investments our country can make. As a former educator, I am especially aware of this basic tenet which is crucial to the future strength of our great Nation.

Over the years, the National Parent-Teacher Association has enabled us to build for that future by helping to improve the educational opportunities and learning environment for all children. By bridging the gap between professional

administrators and local communities, this vital organization accomplishes its goals through local participation in addressing the particular needs of the communities involved. In my view, this is one of the most noteworthy aspects of the Parent-Teacher Association—it recognizes that the Federal Government does not have a monopoly on formulating workable solutions to all problems which might arise and that many situations can best be dealt with at the local level by concerned citizens.

Further, Mr. President, it gives me particular pleasure to recognize that a Texan, Mary Ann Leveridge, presently serves as the national president of the Parent-Teacher Association. Ms. Leveridge has served in the past as president of the Texas Parent-Teacher Association, and more recently, as first vice president of the national association. I am confident that she will continue in her new capacity to be a strong advocate for the furtherance of the Parent-Teacher Association's goals, and Texas is most honored to have her in this position.

Therefore, Mr. President, I am proud to add my name to the list of cosponsors to Senate Joint Resolution 105 to designate the month of October 1981 as "National PTA Membership Month."

The joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and was passed.

The preamble was agreed to.

The joint resolution, together with the preamble, is as follows:

S.J. RES. 105

Whereas the National Congress of Parents and Teachers was founded in 1897 as an advocate for children and youth; and

Whereas the National Parent Teacher Association represents over twenty-nine thousand State and local units with over six million active members and is a volunteer organization concerned with improving the educational opportunities and quality of life for all children and youth; and

Whereas the Parent Teacher Association seeks to raise the standards of home life and to secure for all children and youth the highest advantages in physical, mental, social, and spiritual education: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the month of October 1981 is designated "National P.T.A. Membership Month", and the President is requested to issue a proclamation calling upon the people of the United States to observe such month with appropriate ceremonies and activities.

## NATIONAL FAMILY WEEK

The Senate proceeded to consider the joint resolution (S.J. Res. 4) to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week," which had been reported from the Committee on the Judiciary with an amendment:

On page 1, line 5, strike "on the Sunday preceding the fourth Thursday in November of each year", and insert September 22, 1981".

So as to make the joint resolution read:

S.J. RES. 4

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the President is hereby authorized and requested to issue annually a proclamation designating the week beginning September 22, 1981, as "National Family Week", and inviting the Governors of the several States, the chief officials of local governments, and the people of the United States to observe such day with appropriate ceremonies and activities.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and was passed.

The amendment to the title of the joint resolution was agreed to.

Mr. BAKER. Mr. President, that completes the matters that I have cleared for consideration on today's legislative calendar.

## TIME AGREEMENTS FOR THE EXECUTIVE CALENDAR

Mr. BAKER. Mr. President, I have an agreement in respect to the business of the Senate on Monday next which I believe has been cleared on the minority side and I wish to state the request at this time.

Mr. President, as in executive session, I ask unanimous consent that at 10 a.m. on Monday, September 21, the Senate go into executive session to consider the nomination of Sandra Day O'Connor, to be an Associate Justice of the U.S. Supreme Court under the following time agreement: 4 hours on the nomination to be equally divided between the chairman of the Judiciary Committee and the ranking minority member or their designees, with 30 minutes of the majority's time to be under the control of the Senator from North Carolina (Mr. HELMS);

That following the conclusion of debate on the O'Connor nomination, the Senate then turn to the consideration of the nomination of James C. Miller III, to be a Federal Trade Commissioner under the following time agreement: 2 hours on the nomination to be equally divided between majority and minority leaders or their designees, and 1 hour under the control of the distinguished Senator from Ohio (Mr. METZENBAUM);

That following the conclusion of debate on the Miller nomination, the Senate then turn to the consideration of the nomination of James R. Richards, to be Inspector General of the Department of Energy under a 3-hour time limitation entered into on Wednesday, September 9; and

That at 6 p.m. on Monday, September 21, a rollcall vote will then occur on the confirmation of Sandra Day O'Connor, to be an Associate Justice of the U.S. Supreme Court. Following the disposition of the vote on the O'Connor nomination, any rollcall votes ordered on the confirmation of nominees Miller and Richards will then occur, back-to-back, with the first rollcall vote following the O'Connor vote to be 15 minutes in length and any remaining back-to-back rollcall votes ordered to be 10 minutes in length.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ORDERS FOR THURSDAY

### ORDER FOR RECESS UNTIL 9:15 A.M.

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:15 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

### ORDER FOR RECOGNITION OF SENATORS BAKER AND THURMOND

Mr. BAKER. Mr. President, I ask unanimous consent that on tomorrow, after the recognition of the two leaders under the standing order, there be special orders, of not to exceed 15 minutes each, in favor of the Senator from Tennessee (Mr. BAKER) and the distinguished Senator from South Carolina (Mr. THURMOND).

The PRESIDING OFFICER. Without objection, it is so ordered.

### ORDER FOR CONSIDERATION OF AGRICULTURE AND FOOD ACT OF 1981

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate resume consideration of the farm bill at 10:15 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

### ORDER FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that on tomorrow, after the recognition of the two leaders under the standing order and the two Senators on special orders, there be a brief period for the transaction of routine morning business, not to extend beyond 10:15 a.m., in which Senators may speak for not more than 3 minutes each

The PRESIDING OFFICER. Without objection, it is so ordered.

## ORDER FOR RECESS FROM FRIDAY UNTIL 9:30 A.M. MONDAY, SEPTEMBER 21, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business on Friday next it stand in recess until the hour of 9:30 a.m. on Monday, September 21.

The PRESIDING OFFICER. Without objection, it is so ordered.

## PROGRAM

Mr. BAKER. Mr. President, the Senate will convene tomorrow at 9:15 a.m. After the recognition of the two leaders under the standing order and the recognition of two Senators on special orders of not to exceed 15 minutes each, there will be a brief period for the transaction of routine morning business to extend not past the hour of 10:15 a.m. At 10:15 a.m., according to the order previously entered, the Senate will resume consideration of the farm bill.

It is my hope and I have a reasonable expectation that the Senate can complete work on the farm bill tomorrow.

It is the intention of the leadership, as previously indicated, to remain in late tomorrow, Thursday being the announced and regular late evening.

Mr. President, the Senate will continue consideration of the farm bill if necessary on Friday and thereafter until the matter is disposed of.

However, it is the hope of the leadership that if we complete consideration of the farm bill on Thursday or early Friday the Senate will then turn to the consideration of the Interior appropriations bill.

After the disposition of the Interior appropriations bill it is the intention of the leadership to ask the Senate to turn to the consideration of the foreign assistance bill on the calendar.

Mr. BAKER. Mr. President, I believe there is no other business that I wish to present to the Senate for its consideration this evening.

I inquire of the minority leader if there is any further matter that he wishes to address.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader. I have none.

Mr. BAKER. I thank the minority leader.

## RECESS UNTIL 9:15 A.M. TOMORROW

Mr. BAKER. Mr. President, in that event, I move, in accordance with the order previously entered, that the Senate stand in recess until 9:15 a.m. tomorrow.

The motion was agreed to; and at 6:46 p.m., the Senate recessed until Thursday, September 17, 1981, at 9:15 a.m.

## NOMINATIONS

Executive nominations received by the Senate September 16, 1981:

ALASKA LAND USE COUNCIL

Vernon R. Wiggins of Alaska, to be Federal Cochairman of the Alaska Land Use Council (new position).

FEDERAL MARITIME COMMISSION

James J. Carey, of Illinois, to be a Federal Maritime Commissioner for the remainder of the term expiring June 30, 1985, vice Peter N. Teige, resigned.

IN THE NAVY

The following-named chief warrant officers, W-3 of the U.S. Navy for permanent promotion to the grade of chief warrant officer, W-3, pursuant to title 10, United States Code, sections 563 and 5791, subject to qualifications therefor as provided by law:

Morgan, Franklin H.
Moulis, Charles L.
Rhodes, Francis S.
Scarbrough, Travis E.

The following-named chief warrant officers, W-4 of the U.S. Navy for permanent promotion to the grade of chief warrant officer, W-4, pursuant to title 10, United States Code, sections 563 and 5791, subject to qualifications therefor as provided by law:

Adams, Donald E.
Anderson, Donald E.
Anthony, Patrick L.
Ashworth, Robert A.
Bargy, Philip M.
Beatty, Arthur
Bolstad, Richard J.
Bolton, Harold L., Jr.
Book, Roy L.
Bowers, William E.
Bradley, Gene F.
Brammer, Russell G.
Brayman, Thomas E.
Britts, Haven J.
Busch, Danny G.
Busseno, Henry W.
Chapin, Ronald C.
Cherry, Stephen W.
Clements, David L.
Collins, James E.
Connell, James L.
Cooper, Gary D.
Corder, Clifford W.
Coupland, Steve J.
Cox, Anderson H.
Culberson, Edward M., Jr.
Dechene, Philip E.
Deese, David S.
Dreiling, Richard E.
Duffy, Mark E.
Eberle, Richard R.
Evergin, James F., Jr.
Favaloro, Francis A.
Garrison, Rolland R.
Glover, Andrew L.
Goodell, Edward C.
Griggs, Edward C.
Gschwend, David A.
Haller, Bernard J.
Harvey, James L.
Haworth, James R.
Hendrix, Bobby E.
Henry, James, III
Hewitt, Earl J., Jr.
Hicks, Edward K.
Hurd, William D.
Hutt, Eden A.
Iannetta, John M.
Jones, Douglas W.
Kale, James E.
Kanaski, Richard S.
Kenyon, Robert J.
Kuhnert, Howard J., Jr.
Langmaid, Robert V., Jr.
Leach, Clifford, Jr.
Loonam, John F.
Lutz, James R.
MacDonald, Richard C
Malboeuf, Ernest J.
May, Bobby E.
McDonough, James F.
McElhaney, Paul R.
Milne, Marion K.
Morrison, Herbert E.
Olander, Raymond E.
Oliver, Julian D.
Olson, John T., Jr.
Patino, Donald V.
Peszynski, Walter F.
Peterson, John E.
Petrick, Robert G.
Price, Earl J.
Reed, Frank G.
Robey, Olen W.
Salinas, Amando S.
Santonil, Rosendo T.
Schroedor, William
Singletary, Joe W.
Smith, Howard P.
Smith, Lester C.
Smith, Robert J.
Stapp, Alton E.
Stephens, Hugh L.
Stowe, Abraham R.
Stowe, Dorothy J.
Tarr, Robert M.
Taylor, Henry H.
Thompson, Robert M.
Townsend, Paul, Jr.
Turner, Donald P.
Vandenburg, Richard J.
Ventgen, Robert J.
Villanueva, Anastacio L.
Wilke, James G.
Yarmy, William J., Jr.
Yeatts, Harold
Yoneda, Minoro M.

The following-named lieutenants (junior grade) of the U.S. Navy for temporary promotion to the grade of lieutenant in the line and staff corps, as indicated, pursuant to title 10, United States Code, sections 5769 (line officers), 5773 (staff corps officers), and 5791, subject to qualifications therefor as provided by law:

LINE

Samsel, Donald G.

SUPPLY CORPS

Messman, John R.
Buchner, Marc E.

The following-named women lieutenants (junior grade) of the U.S. Navy for permanent promotion to the grade of lieutenant in the line, pursuant to title 10, United States Code, sections 5771 and 5791, subject to qualifications therefor as provided by law:

Sanderson, Vicky R.
Thomas, Violette H.

The following-named officer of the line of the U.S. Navy, for appointment in the Civil Engineer Corps, as permanent ensign, pursuant to title 10, United States Code, sections 5582(b) and 5572, subject to qualifications therefor as provided by law:

Henderson, Robert W.

## CONFIRMATIONS

Executive nominations confirmed by the Senate September 16, 1981:

BOARD FOR INTERNATIONAL BROADCASTING

Ben J. Wattenberg, of the District of Columbia, to be a Member of the Board for International Broadcasting for a term expiring April 28, 1983, vice John A. Gronouski, term expired.

DEPARTMENT OF STATE

William Courtney Sherman, of Virginia, a Foreign Service officer of class one, to be the Deputy Representative of the United States of America in the Security Council of the United Nations, with the rank of Ambassador.

Dominick L. DiCarlo, of New York, to be Assistant Secretary of State for International Narcotics Matters.

Langhorne A. Motley, of Alaska, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brazil.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

THE JUDICIARY

D. Brook Bartlett, of Missouri, to be U.S. district judge for the western district of Missouri, vice John W. Oliver, retired.

John R. Gibson, of Missouri, to be U.S. district judge for the western district of Missouri, vice Elmo B. Hunter, retired.

Joseph E. Stevens, Jr., of Missouri, to be U.S. district judge for the eastern and western districts of Missouri, vice William R. Collinson, retired.

U.S. INTERNATIONAL TRADE COMMISSION

Alfred E. Eckes, Jr., of Virginia, to be a Member of the U.S. International Trade Commission for the term expiring June 16, 1990, vice Italo H. Ablondi.

THE JUDICIARY

Robert F. Chapman, of South Carolina, to be a U.S. circuit judge for the fourth circuit, vice Clement F. Haynsworth, Jr., retired.

DEPARTMENT OF JUSTICE

Frank W. Donaldson, of Alabama, to be U.S. Attorney for the northern district of Alabama for the term of 4 years vice Jesse Roscoe Brooks, resigned.

J. Frederick Motz, of Maryland, to be U.S. attorney for the district of Maryland for the term of 4 years vice Russell T. Baker, Jr., resigned.

W. Stephen Thayer III, of New Hampshire, to be U.S. attorney for the district of New Hampshire for the term of 4 years vice William H. Shalheen, resigned.

# EXTENSIONS OF REMARKS

## ADDRESS BY NAVY SECRETARY JOHN LEHMAN

HON. CHARLES F. DOUGHERTY
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. DOUGHERTY. Mr. Speaker, on Tuesday, August 4, 1981, the Honorable John Lehman, Secretary of the Navy, addressed those present in Seattle, Wash., for the keel laying of the LSD-41. That event, most significant in the history of America's amphibious defense efforts, was a turning point and a renewal of our commitment to our Nation's security. I would like to share Secretary Lehman's words on that occasion with all Americans.

ADDRESS BY HON. JOHN LEHMAN, SECRETARY OF THE NAVY

General Barrow, Mr. Smith, Distinguished Guests, Ladies and Gentlemen, it is certainly my pleasure to be with you here in the Great Northwest.

Since assuming my duties as Secretary of the Navy—and Secretary of the Marine Corps—few events have been more pleasurable than to preside today at the keel laying of the LSD-41, the lead ship of a new amphibious class. Beginning a new class is always an important milestone in the history of the Navy, but the LSD-41 represents much more:

It is the first amphibious ship to be started since the keel was laid for the LHA-5, almost five years ago.

It is the first amphibious ship to be funded in ten years.

It is designed to carry the air cushion landing craft, or LCAC, which adds a revolutionary dimension to amphibious warfare. As such, it represents a commitment to a new technology.

The keel laying of the LSD-41 also signifies the reversal of one of the most senseless conditions in the Navy today. The fact is that the U.S. Marines—that splendidly-trained, superbly-disciplined team, and the most ready fighting force found in the world today—are fully prepared to go wherever necessary in the world . . . yet are unable fully to utilize that splendid readiness because we lack sufficient sealift to get them there.

Let me state my position unequivocally: the amphibious forces will be at the very forefront of the Navy in the decade ahead. The strategic requirements of the decade cry out for amphibious capability—forces with the flexibility and combat power embodied in the Marine Air Ground Task Forces—forces capable of safeguarding our vital interests by deterrence, but if deterrence fails, by performing on the battlefield as Marines have always performed. In this regard, the Department of the Navy, in the first months of the Reagan Administration established, in a dramatic break from Carter policies a firm policy to develop sufficient amphibious lift to transport simultaneously the assault echelon of a Marine Amphibious Force and a Marine Amphibious Brigade. Thus we shall have the capability to undertake major amphibious operations to secure our maritime security simultaneously in two separate areas of the world.

Finally, and most importantly, this new class represents a large step in the revitalization of our key national asset, the U.S. Navy, and a quantum improvement in our ability to safeguard U.S. interests overseas, through the ability to project power from sea to shore when needed.

This ship class has been a long, hard time coming. Many of you here today are veterans of the Washington skirmishing necessary to bring this ship into being. Your vision and your persistence have triumphed. I congratulate you on that persistence. And I do not speak of triumph in a narrow, bureaucratic sense. I speak of triumph in a national sense, as our country strives to regain its sense of purpose and confidence and builds to restore the unquestioned maritime superiority so vital to our existence.

Clearly, an immense change has taken place in the United States in the past year. We have come to realize that, as leaders of the free world, we have been possessed of a dangerous uncertainty for some time over the utility of committing military force for national purpose. We had forgotten the lessons of two terrible world wars; That strength, not weakness, halts aggressors; that strength is the only real deterrent, weakness an open invitation. Today it is obvious that America has now recalled these important lessons. We are revitalizing. We are renewing our traditional American character. And we are again becoming strong and filled with resolve.

The clear mandate of the last presidential election was a call for renewed national strength, prestige and self-confidence. This resurgence of demand for national strength—and a Commander in Chief and Congress dedicated to carrying out the will of the people—will inevitably ask the U.S. Marine Corps to shoulder a major burden in any commitment of military force for national purpose, as has always been the case in the past. A Marine Corps of Americans who represent the best in soldierly virtue. A Corps which has held high the concepts of duty and honor, and the qualities of strength and self-confidence, even in the lean years of the recent past. A Corps which, in the face of social and other pressures, changed what needed to be changed, but staunchly maintained a tradition of disciplined excellence and a world-recognized expertise in amphibious warfare—a form of warfare which may be more important to our Nation's future in the years ahead than it has been anytime in our history, with the possible exception of the Pacific Campaign in the Second World War.

It is not enough, however, to build ships and recruit men. We must begin with the formulation of the strategy itself. It is a difficult matter, in that we have long focused largely on the technical aspects of our naval problems. Too often, naval strategy was merely a function of the momentum of force structure and modernization. The strongest arguments for new ships were that old ships were old and due to retire. The misuse of systems analysis and computerized war games within the Defense Department had forced a mechanistic fixation on programs, and a knee jerk response to military force problems. That fixation brought forth a generation of military leaders conditioned to think mechanistically, to manage "programs" but disdain military intuition and judgment. On the national level, strategy often focused on areas of immediate concern, despite an increasing array of geopolitical shifts, which should have been accommodated by adjustments in the planned use of naval forces. It is not necessary to match Soviet force levels on a man-for-man or ship-for-ship basis. Instead, what was and is needed, is a maritime strategy which concentrates superior power at the point of confrontation, and does so with precisely "tailored" forces.

An important prerequisite in formulating a maritime strategy, is to pay more attention to those military leaders who possess the foresight to recognize the requirements ahead, and the seasoned judgment to grasp its strategic implications. Such leaders clearly foresaw the requirements of amphibious warfare in the decade preceding the Second World War. Fully a decade before that war, Admiral Chester Nimitz and General Holland Smith conceived and practiced the strategy of crossing the Central Pacific. There were Marine and Navy officers who ignored the experts' suggestions in the late 1940's that amphibious warfare was anachronistic. Those men knew there would be an "Inchon" in the 1950s. Others, on sighting the helicopter in the fifties, knew it would add a revolutionary dimension to amphibious warfare in the sixties and they were correct. These were great and daring thinkers, not unlike those who today recognize the value of VSTOL, the LCAC, the LAV, and the LSD-41 class,—and have the military judgment to grasp the strategic implications of the 1980s and beyond.

Our task in the decade ahead is clearly to deter Soviet aggression, a formidable goal in the wake of unprecedented Soviet military expansion. Our response cannot be in numbers alone. It must be in the ability to concentrate warfighting capability at the point—or points—of confrontation. The large number of Soviet options is such that landbased defenses overseas will never be sufficient for our needs, given even the most optimistic budgetary and procurement environments, and assuming that the necessary basing arrangements were politically achievable. Nor is it prudent to assume that a Soviet military confrontation, if it comes, will occur where we are best able to counter it. If history teaches us anything, the reverse will probably be the case. The Soviets must be made to understand—and be shown—that we intend to confront them militarily wherever our interests require. If we succeed in doing that, we may never have to use our capability. It is the deterrent value of strong naval forces which we seek, not confrontation.

What I propose strategically is not new. Mahan called armed naval capability seaforce. He postulated that a maritime nation should aim at acquiring a superiority in seaforce that enables it to project its seapower to the most distant quarters of the earth. It

is from that imperative that Mahan derived the concept of "Command of the Seas" so relevant today.

The perceived capability to concentrate the Nation's naval resources and to project power ashore stabilizes the global environment, according to Mahan, into a condition favorable to that nation possessing command of the seas. Recently, for the first time ever, Soviet naval expansion has threatened to overtake our sea superiority. Obviously, Admiral Gorshkov has carefully read the lessons of Mahan.

Critical to the Soviets perception, is the naval capability to provide presence. This unique naval mission is particularly relevant to a strategy which seeks to influence and deter. Naval presence does not require regional basing, a political irritant in many parts of the world. Naval presence is also a sine qua non in the perception of our allies and the Third World, and has much to do with the way in which they regard Superpower balance.

The world of the eighties is not only a world becoming more interdependent. It is also a world of increased turbulence. Our strategy must include the protection of sources of raw materials and their conveyance to us and our allies, including the protection of our source of vital fossil products and strategic materials.

The Middle East and Southwest Asia will probably dominate the world's stage in the 1980s, as did Europe in the 1940s, Northeast Asia in the 1950s, and Southeast Asia in the 1960s. If we have learned from history, the correct question today should be how best to protect our vital interests in the region, without placing half a million or more ground troops in the area for an indeterminate period of time.

The kind of ground force presence which we have in Europe and Korea will not work in Southwest Asia—or in the Caribbean or Africa for that matter. The U.S. simply does not have sizeable forces in place, nor supplies prepositioned. Neither does it possess the host-nation support agreements, nor the binding alliances that we have in Europe and elsewhere.

These combined problems of access and distance compel the U.S. to rely principally on seapower, supplemented by amphibious assault. Its "over the horizon" presence would not be a political liability, nor provide a raison d'etre for increasing instability. Amphibious forces can move ashore without the degree of permanence—and thus risk—associated with other ground forces.

The comparative attractiveness of sea-based forces for the kinds of tasks required by the situation in Southwest Asia, and elsewhere, has long been recognized. The distinguished British strategist B. H. Liddell Hart, observed in 1960:

"An amphibious force of modern type, operating from the sea and equipped with helicopters, is free from dependence on airfields, beaches, ports, and land bases with all their logistical and political complications: The use of . . . any land-based force is a more irrevocable step, since its commitment is more definite and its withdrawal more difficult. A self-contained and sea-based amphibious force, of which the U.S. Marine Corps is the prototype, is the best kind of fire extinguisher, because of its flexibility, reliability, logistic simplicity and relative economy."

Naval presence in Southwest Asia will clearly transmit the desired message, militarily as well as diplomatically. The multi-faceted projection capabilities which a balanced naval force of air, surface, subsurface, and amphibious elements brings to any situation may find application in the entire range from diplomatic signalling and crisis containment, to on-scene military action.

In the event of a Soviet attack on our vital interests in Southwest Asia, defeat of Soviet naval forces at sea will be absolutely crucial. Lacking secure sea lines of communication, no other military effort—afloat or ashore—can be sustained. The sea is the Soviets' greatest vulnerability—a place where geography greatly disfavors them. As a consequence, it is here that our superiority must be strongly maintained, enhanced, and exploited. Naval forces will also make a major contribution to the U.S. Air Force's responsibility for air superiority ashore, which must certainly be attained before there can be a successful employment of ground forces in Southwest Asia. The geostrategic realities are such that naval air and surface forces would probably have to provide both security of the seas and the air, working together as never before. Amphibious forces would then be the likely spearhead to secure a lodgement area, followed by the introduction of other forces, as necessary.

Geographic reality, the growing threat, and our balanced Navy-Marine Corps capability combine together, then, to mandate a strong and effective maritime strategy as the key U.S. national security requirement of the next decade. The effectiveness of such a strategy is unmatched, in that the capability is exercised only at the point of confrontation, whether it be in Southwest Asia, the Caribbean, Africa, or elsewhere. The unexceeded flexibility and mobility of naval forces enable them rapidly to provide a powerful instrument of U.S. foreign policy in the most distant quarters of the earth.

Continued equipment modernization will be critical in developing this vital instrument to its maximum utility. Several promising programs, all designed to provide substantially increased tactical mobility for the Marines, are uniquely associated with the LSD-41. A new medium helicopter will eventually replace the over-aged tactical assault transport helicopters. Increased numbers of heavy lift helicopters will satisfy the need for more battlefield and ship-to-shore lift. Four of the new landing craft air cushion vehicles will be carried in the well deck of each LSD-41.

These revolutionary craft will enable rapid ship-to-shore operations from stand-off positions, and expose about three quarters of the world's littorals to amphibious operations.

I have referred to the partnership of the Navy and Marines in meeting the amphibious challenges through the years. That partnership always includes, and must rely heavily upon, the experience and know-how of American industry. It is only through the dedicated efforts of the designers, managers, and workers at this shipyard and others around the country that our plans for a strategy of unquestioned maritime superiority and a thoroughly revitalized amphibious capability can be turned into reality. As the Secretary of the Navy—and, as the Secretary of the Marine Corps—I feel that I can speak for both services in extending heartfelt thanks for your cooperation and your contributions—in the past, today, and into the future.

We are all in this together—with the Navy and Marine Corps Team—as we move forward through this dangerous decade. We are now moving quickly in the right direction, but we still face a time of testing and high risk, the legacy of our past mistakes. Let the historians say in the decades to come, that we did not fail that test.

I recall that Secretary of the Navy James Forrestal, observing from aboard a ship the raising of the flag from the stormed heights of Iwo Jima, turned to General Holland Smith and said: "The raising of that flag on Suribachi means there will be a Marine Corps for the next 500 years."

I hesitate to refute a very distinguished predecessor but that statement isn't true any longer—if it ever was. The future existence of the U.S. Marine Corps simply will not be dependent on an event that took place 36 years in the past, however inspiring that scene may still be. The Corps must justify its existence and its claim to scarce Defense resources not on what it has done in the past, but what it can do now and in the future to smite our enemies and confound their threats to the peace. No one with any real understanding of the complex and challenging requirements of the decade ahead questions the utility of the Corps. Perhaps more than ever before in American history, our Nation will come to realize in the decade ahead just how vitally important the Corps is. And that says a good deal.

The survival of America could well depend on the capability resident in the Marine Air/Ground Task Forces and the Navy Team that takes them to the distant quarters of the earth where America's interests lie. The U.S. Marines know well the sacrifices which may be entailed in the commitment of military force for national purpose. And they stand ready to make those sacrifices. All the Corps asks for is sufficient sea lift to do their job; and our Marine Corps is going to get it.●

## DYNAMIC TELEVISION PROGRAMING

**HON. JAMES M. COLLINS**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. COLLINS of Texas. Mr. Speaker, for many years in serving on the Communications Committee, I have wondered why TV does not have more actual true life stories. All this TV soap usually is humorous but provides no inspiration.

Nothing is more interesting than the truth. The young people in America need to hear the exciting stories of people who have built great businesses in America.

I would like to see some of these foundations in America invest in preparing a series of 1-hour documentaries based on the lives of great industrial leaders of this country. I think the oil industry would do well to make one on John D. Rockefeller. The Ford Foundation would provide a great service to this country if they would develop a series on Henry Ford. The Firestone Co. could do well to give us one on Harvey Firestone. A series of programs on Thomas Edison would be most valuable.

In my home State I thought of so many opportunities. In our neighbor-

ing city of Fort Worth, the Amon Carter Foundation should prepare one on Amon Carter. We have a living legend in Eddie Chiles and I wish the Western Co. would film the story of his initial years.

In my city of Dallas we could prepare the most exciting as well as motivational series of shows.

The excitement of seeing how Texas Instruments was started by Eric Jonsson, Cecil Green, and Gene McDermott would make a great series. Two great insurance executives would be Ted Beasley of Republic National and John Carpenter of Southland who sparked their companies to greatness.

The story of Jodie Thompson who started the 7-11 stores from a small ice house to where it is now a retailing milestone would be a good show. There are so many great oilmen like H. L. Hunt and Ed Cox where their history should be told through their experiences.

Perhaps the Haggar Co., which sells more slacks than any company in the world, would prepare the story showing how J. M. Haggar started as a traveling salesman and eventually built this great clothing Haggar factory.

Two of our current business leaders are Norm Brinker and Ross Perot who started from scratch and became giants in industry.

Or take Mary Kay Cosmetics which is one of the success stories of all times. Or we can study Mary Crowley whose character is an inspiration.

With production costs needing to be underwritten, we need to have foundations prepare these programs for public television. Many privately owned TV stations would also run them as a public service.

We need more of the Horatio Alger message to America. And what could have more of an impact on young Americans than to have actual true stories.●

## MORE ACTION ON THE ECONOMY

### HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, September 16, 1981, into the CONGRESSIONAL RECORD:

MORE ACTION ON THE ECONOMY

Crucial decisions await the President and Congress as we return from the August recess. These decisions will be made in a political atmosphere remarkably changed from that of a month ago. Many legislators who went home pleased with the work of Mr. Reagan and Congress have come back in a panic on account of high interest rates. Some are even suggesting remedies as drastic as credit controls to bring interest rates down. Members of Congress have been listening to their constituents, many of whom are deeply worried about the economy and doubtful that the President's economic program will provide relief soon. Mr. Reagan remains a popular Chief Executive, but the developments of the past few weeks present him with a formidable challenge.

Before the recess, the President was riding the crest of a major legislative victory. He had persuaded Congress to pass a radically reduced budget and a massive tax cut. These initiatives were the fundamental elements of Mr. Reagan's economic program, which promised faster economic growth and lower inflation. His hopes were that economic problems had been tentatively solved—at least in the short term—and that he could turn his and Congress' attention to other issues.

But things have not worked out as the President expected. The economy, rather than spurting ahead, has shown some troubling signs. Interest rates have soared to record levels, and they seem to be holding there. On Wall Street, the Dow Jones average has dropped more than 100 points to a 15-month low. The Consumer Price Index rose strongly during July. Huge and inflationary budget deficits are looming just ahead. Older persons are very nervous about proposed cuts in social security. To compound the problems, there are rumblings of discord within the President's administration. One indication of discord among his top advisors is the unusual number of contradictory statements from them on the place of military spending in the budget.

The bad economic news will force Mr. Reagan and Congress to tackle economic issues again. Indeed, it is now clear that economic issues will dominate the congressional agenda for several months, just as they did before the August recess. Yet other matters put off during action on the budget and tax bills are crowding in upon us. Among them are extensions of the voting rights and clean air legislation, the sale of radar-equipped aircraft to Saudi Arabia, major "surgery" on social security, decisions on the basing of the MX missile and the production of a new strategic bomber, the nomination of Mrs. O'Connor to the Supreme Court, and social items such as crime, abortion, and prayer in school. These matters cannot be postponed indefinitely.

In order to keep his pledge to slash taxes, rearm America, and balance the budget, the President apparently decided during August to recommend a new round of budget cuts even before the $36 billion in cuts already passed take effect. Out of a spending total of about $700 billion in 1982, $225 billion will go for defense, $250 billion for social security and other retirement, $100 billion for interest on the national debt, and $25 billion for veterans' programs. Only $100 billion will be left for all other government functions. Large reductions in defense and social security may be forced upon Congress. The scope and details of possible reductions in defense are not known, but figures of $30 billion to $50 billion for the multi-year plan have been discussed. While such reductions would be significant, the size of the tax cut makes me doubt that they would be sufficient to prevent a deficit greater than the $42.5 billion which Mr. Reagan is projecting. Most estimates now put the deficit at least $20 billion higher. Likewise, the chance for a balanced budget by 1984 is thought to be slipping away.

Complicating the upcoming work of Congress is the doubt about the President's economic program. An underlying tension in the program—it stimulates the economy with an expansionary budget while restraining it with tight money—has led many observers to believe it will not work. Its principal objectives—economic growth, high employment, and low interest rates and inflation—now seem to be out of reach.

As Congress sets to work on the economy, there will be the usual wrangle to keep money flowing after the government's appropriated funds run out September 30. The deadlines for the second budget resolution and the appropriations bills will be missed, so it is likely that the government will be financed again by continuing resolution, a stopgap, emergency measure. The resolution itself will produce some of the fiercest legislative battles of the remaining months of the session. The President is expected to use the resolution to do more budget cutting, and there may be a "yes-or-no" vote on a single large package of cuts, rather than a series of votes during which members would be subject to strong pressures from their constituents.

So, as the President and the Congress begin business again, we find ourselves in an uncomfortable situation largely of our own making. The tax cut was exceedingly large—probably too large. The country may be deprived of revenue to support important military and domestic programs. One solution is a tax increase, but a tax increase is unlikely under present circumstances. Another solution is a leaner budget in which all items—including defense and entitlements—are scaled back to keep them in line with revenue. The Congress must now act vigorously to prevent larger deficits by making further reductions.●

## BETHLEHEM STEEL LOOKS TO FUTURE

### HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. RITTER. Mr. Speaker, while media profess gloom and doom about the effect of President Reagan's program on American industry and the economy, I would like to share an editorial that appeared in one of my local newspapers, The Easton Express, August 19, 1981, regarding Bethlehem Steel, whose home office is located in the city of Bethlehem, Pa., in my congressional district.

In the words of a top official at Bethlehem Steel Corp., "I am thoroughly convinced that the Reagan administration is on the right track * * *." As the editorial points out, Bethlehem Steel Corp. has made a solid commitment to revitalize that industry.

Mr. Speaker, we all hope to see other industries follow the example of Bethlehem Steel and make their commitment to get America moving again.

The editorial follows:

[From the Easton Express, Aug. 19, 1981]

BETHLEHEM STEEL LOOKS TO FUTURE

Bethlehem Steel Corp. took full page advertisements this week, not only in The Ex-

press and area newspapers, but in the nation's major publications like the New York Times to tell the United States it was planning to make a solid commitment to improve steel production.

The announcement contrasts with those of many other major industries lately which have been using their profits, not to modernize their own plants, but to diversify into other industries.

Bethlehem Steel's board is showing that it is listening to President Reagan's economic philosophies, that it is going to prove that revitalization of the industry will not only return the United States steel making to the foreground, but will aid in the nation's economy recovery.

In fact, the key message of the advertisement is "Mr. President, we're in steel to stay. And to prosper."

It is those kinds of words that could boost receptivity of President Reagan's programs, the ones that he spoke about in pre-election days and the ones that he has been discussing in national television talks. The president has promised that if taxes for business are cut and the national expenditures reduced, then industry will have more money to put into modernization. The results that should come, Steel says, will be more jobs, more production, more demand for steel. And the by-product will be to end the spiraling inflation and to make the United States economically sound again.

This prime Lehigh Valley industry points out that its projects, when completed, will bring about increased efficiency, substantial energy savings, better product quality, improved customer service and job security.

It is heartening to see any industry make this kind of commitment today, but as Bethlehem Steel said, it only demonstrates its confidence in the future.

For too many years, United States industry has been developing its own negative image. Workers have felt that they were easily discarded resources as one industry after another closed outdated plants to relocate in modern ones in cheaper labor markets.

The example set by Bethlehem Steel should be followed by other industries. The re-investment of profits by many industries in their own plants—instead of being used to try to take over other lucrative industries to fatten profits only—will demonstrate to the American people that industry is no longer the ogre of the economy.

It could go a long way to rebuilding the faith Americans have in its industrialized society, dispelling the almost universal belief that industrial and business leaders thought only of the buck and not the society as a whole.●

## ROBERT STEPHENS HONORED

### HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. MINETA. Mr. Speaker, it gives me great pleasure to rise today to honor an outstanding public servant, Mr. Robert Stephens, who is retiring as the city manager of Campbell, Calif., after serving the city for over 17 years.

The city of Campbell will be honoring Bob with a testimonial dinner on September 11, 1981, to thank him for his valuable contributions to the city.

When Bob came to Campbell in 1964, the city was in poor financial condition. There was only $1,500 in the general fund and no one to manage the city's $200,000 in annual expenditures. Bob quickly assessed the situation and did what was necessary to get the city back on its feet.

Over the last 17 years, the city of Campbell has grown and prospered under Bob's guidance. The city has gained a national reputation as being a stable and fun community that is willing to try something new. For example, the babysitting program that was started by the firefighters and supported by Bob has received national attention and has been copied by many cities around the country. And this year the city's fire department has become the first in northern California to join the We-TIP program to try to control the problem of arson, a program Bob was behind all the way.

Bob's tenure in Campbell has also seen a growth of community spirit. In 1967, a major bond issue was passed by the city's voters and later a program entitled "Congress for Community Progress" was established to involve local residents in identifying community needs and goals for the future. Bob helped bring about this kind of spirit.

Bob received his bachelor of science and master's degree from the University of Washington. In addition, he has taken many courses in continuing education programs on city management and has received his secondary teaching credentials.

Bob has participated in many conferences and seminars on labor relations and enjoys a reputation as an able labor negotiator. He is currently a member of the International City Management Association, the League of Cities, the Kiwanis, and the Elks Club. Much of his community involvement centers around his love for sports and recreation. Bob has always worked closely with the city's recreation programs.

Mr. Speaker, I ask you and all my colleagues in the House to join with me in thanking Bob for his 17 years of service to the city of Campbell and to encourage his continued involvement in our community.●

## GEN. DRAZA MIHAILOVICH

### HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. DERWINSKI. Mr. Speaker, this year marked the 35th anniversary of the death of Gen. Draza Mihailovich, the savior of American airmen during World War II. Dr. George M. Radojevich recently authored a tribute to this outstanding Serbian resistance leader, which appeared in the July 31 edition of "The Diocesan Observer," a leading Serbian newspaper published in Libertyville, Ill.

During World War II, over 500 Americans who were shot down over Yugoslavia were rescued by the forces of Gen. Draza Mihailovich. Most of the American airmen were evacuated to safety by a series of dramatic air rescue missions, which picked them up in the heart of Axis-occupied Yugoslavia and flew them to Italy.

The American airmen involved have organized into a National Committee of American Airmen Rescued by General Mihailovich, and are continuing their efforts to build a memorial in Washington, D.C., to honor him. As sponsor of a bill to authorize this monument, I believe that the time has come for the great role which General Mihailovich and his Chetniks played in the cause of freedom during World War II, to be properly recorded in history. Therefore, I urge my colleagues to join with me in supporting this legislation. I wish to insert Dr. Radojevich's comments at this point to provide information on General Mihailovich's heroic actions:

THE SERBIAN PEOPLE AND GENERAL MIHAILOVICH

(By Dr. George M. Radojevich)

Serbia and her people have a long and glorious history. From the time of their arrival in the Balkans in the sixth century, the Serbs were constantly improving the regions in which they lived and they often had to fight to protect them from foreign enemies. The great contributions of the Serbian people to western civilization and the culture of enlightened society are well known everywhere and are accorded generous treatment in all encyclopedias of the cultured world.

The heroic struggle of the Serbian people for liberation from Turkish captivity and from other occupiers, lasting for five centuries, is also well known to the world.

Also generally recognized is the contribution of the Serbian people in the Balkan War of 1912, when all the Balkan nations became free after five centuries of Turkish captivity.

Indeed, the heroic struggle of the Serbian people on the side of the Allies in World War I won the admiration of the entire world. Even the Germans, their Emperor, and General Staff, were forced to publicly admit that they were amazed by the heroism of the Serbian people and soldiers.

The Serbian King Peter I and Crown Prince Alexander, together with the government of Nikola, Pasic, insisted pertinaciously to the Allies that a Second Front be formed in Greece. This proposal finally resulted in the creation of the famed Salonica Front. On this front, the defenses of the Central Powers were smashed for the first time, the troops of Austria-Hungary and Bulgaria capitulated, and from that front the entire Balkan peninsula was liberated. While the Serbian, French and English forces fought shoulder to shoulder in the Salonica campaign, the Serbian units bore more than their share of the battle and suf-

fered the heaviest losses. This fact was publicly recognized by all the Allies as well as by the Central Powers.

Almost immediately after the Allied victory on the Salonica front, the German and Austro-Hungarian Empires also collapsed on the Western front, and all the peoples of the Intermarium gained their liberty, with the exception of Byelorussia and the Ukraine.

With British and French sponsorship, the Serbs entered into a larger South Slav state—Yugoslavia—which also embraced the Croat and Slovene peoples, who had just been liberated from Hapsburg rule.

In the Second World War, again, Serbian people amazed the world. History will almost certainly record that Yugoslavia—in reality the Serbian people—prevented Russia from being completely crushed by the Nazi offensive before the winter of 1941 and, in doing so, helped the Allies to win the war.

Prince Paul and the Yugoslav Government were forced, after offering resistance for two years, to sign an agreement with the Axis powers on March 25, 1941. Had that agreement stood, Germany would not have had reason to attack Yugoslavia, and Yugoslavia might have emerged from the war a free country.

However, the Serbian people could not tolerate the shame of being allied to their traditional enemies against their proven friends. For this reason the Serbian people, and no other nationality of Yugoslavia, deposed the pro-Axis government on March 27, 1941, and formed a new democratic, pro-Allied regime.

At this point, Hitler dared not leave behind his back a hostile and well armed Yugoslavia which, in cooperation with Allied armies in Greece, could become for Germany a danger comparable to the Salonica Front in World War I.

On April 6, 1941 Hitler attacked Yugoslavia with vastly superior forces and conquered it by pouring in troops from all sides, reinforced by massive bombardment of its cities from the air. This action postponed Hitler's planned attack against Russia from the beginning of May to June 22, 1941, which left little time to occupy Moscow before the bitter Russian winter set in. This delay played a major role in bringing about Hitler's downfall.

Immediately upon the capitulation of the Yugoslavian Army, Colonel Draza Mihailovich fled into the Serbian mountains and mobilized the remaining soldiers and the Serbian youth in the cities and villages. With Serbian guerrillas he tied up powerful German and Italian armies and disturbed Balkan communications—which, for Hitler, were his lifeline to both the Russian and North African front. In both of these battles, Hitler finally lost—and much of the credit goes to the Serbian people, for the coup of March 27, 1941 and the guerrilla movement of Draza Mihailovich.●

## REAGAN'S BUDGETARY DUNKIRK

**HON. JOHN J. LaFALCE**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. LaFALCE. Mr. Speaker, the Reagan administration is facing its most serious credibility test since the November 1980 election. Having won thorough victories in pursuit of its economic recovery program, it now faces the prospect of geometrically expanding Federal deposits and continued high interest rates. The administration is at odds with its strongest ally—Wall Street—and is in serious conflict with leaders of its own party in Congress. The fiscal policy which it so confidently sold to the public and a majority of Congress is now in disarray.

Last week, James R. Schlesinger, one of America's most serious public servants in recent history, called the crisis of confidence the equivalent of a Budgetary Dunkirk. In this same essay, Mr. Schlesinger, an individual not prone to exaggeration, commented that the recent tax legislation "seems likely to go down in history as the single most irresponsible fiscal action of modern times." For a man who served Republican Presidents as Acting Budget Director, Director of the Central Intelligence Agency, and Secretary of Defense, and a Democratic President as Secretary of Energy, these are not simple partisan slogans. They are a stinging indictment of the chaos now facing the Nation in the wake of an ill-conceived economic policy.

Less than a year ago, the American people were told by a confident campaigner that we could balance the budget by 1984, undertake a massive defense buildup, and cut taxes in a manner unprecedented to modern tax policy. All of this was to be accomplished by cutting out only the waste and fat in the Federal budget and adopting the theories of supply-side economics.

Today, in light of those promises and subsequent actions, there should be nothing surprising about the crisis of confidence. The administration has sought and attained budget cuts going well beyond what was suggested to the American people. Similarly, a tax bill of monumental proportions has been enacted. And yet, we find ourselves observing an administration which is fraught with serious internal divisions as it grapples with a potential budget deficit of $120 billion in 1984.

Is it any wonder, having made these promises and facing the bleak results of its supply-side economic policies, that a conservative public servant of James R. Schlesinger's stature deems this period a Budgetary Dunkirk for the Reagan administration?

The essay by Mr. Schlesinger follows:

[From the Washington Post, Sept. 9, 1981]

(James R. Schlesinger)

REAGAN'S BUDGETARY DUNKIRK

The last rites have now been pronounced over the great rearmament boomlet of 1981. Its demise has been expected by the diagnosticians for some time. Like Halley's comet, it visited us and then departed quickly, trailing only a long (though quite insubstantial) tail deserving further observation.

For the past six months the defense debate has focused on the wrong issue: could the "immense" funds ostensibly being made available to the Department of Defense be usefully spent in significantly enhancing the security of our international position. With the Soviet Union outspending the United States by some 50 percent on defense generally and by a disturbing 85 percent in the critical area of military investment (procurement), with conventional capabilities in Europe porous and relatively weak and theater nuclear forces now overshadowed by those of the Soviet Union, with deterrence flimsy (at best) in the region of the Persian Gulf despite the West's enhanced interests and responsibilities, with the naval balance deteriorating in the Far East, and with trouble even in the Caribbean (and an evanescent threat "to go to the source")—not to mention concern about the strategic balance, Minuteman vulnerability and aging B52s—that should have been an issue in principle easy to resolve. Yet, all along the real question should have been—given the administration's fiscal proposals—how to maintain adequate deterrence with growing responsibilities in the Indian Ocean and with resources dramatically less than those invested by the Soviet Union.

Seven months have been wasted on an irrelevant debate. We shall now have to make do with a smaller growth in defense resources than that projected by the Carter administration—previously denounced as hopelessly inadequate. So much for "making America strong again," "closing the window of vulnerability" and the vaunted "superiority" so casually endorsed in the Republican platform.

The unavoidable outcome, given its fiscal goals, seems genuinely to have surprised the Reagan administration. Disregarding the normal laws of arithmetic, and bemused by its own distortions of supply-side economics, (alternatively known as "voodoo economics," snake oil or the Tooth Fairy), it lulled its pro-defense supporters (and itself) with farfetched projections supposedly demonstrating that the proposed rearmament effort could be achieved in the face of a massive shrinkage of the tax base.

According to the initial mythology, dramatically lower interest rates and cutting the "balance of government" almost in half (everything beyond interest payments, defense and the "social safety net") would permit the achievement of a balanced budget by 1984. But interest rates have risen rather than fallen, and only so much blood can be squeezed from the "balance of government" turnip, so the cuts unavoidably must now come from the fenced "social safety net" or from defense. More significantly, the recent tax legislation—which seems likely to go down in history as the single most irresponsible fiscal action of modern times—reduced the tax base to 19 percent of the GNP by 1984 (with expenditures running some 22 percent of the GNP), a revenue reduction of $150 billion or roughly 17 percent. As an offset, some $35 billion in non-defense expenditure reductions have now been achieved—less than one-third of those projected for 1984, less than one-fourth of the revenue loss.

The budget director, occupationally debarred from an abiding faith in the Tooth Fairy, has now read the grim arithmetic—the equivalent of a Budgetary Dunkirk. The

fiscal consequences may be briefly, if sadly, stated. Unless the tax reductions are reversed—which seems unlikely—on the basis of present legislation and projected defense spending, the nation faces growing budget deficits of $65 billion in 1982, $90 billion in 1983 and $120 billion in 1984. Non-defense reductions will be increasingly hard to achieve. Thus, only the total jettisoning of the administration's goal of a balanced budget will permit even a modified defense buildup to survive.

Nor should one believe that with the half-announced cuts for defense of $20-$30 billion we have reached the end of likely defense reductions. The best current estimate for fiscal year 1982 outlays is $715-$720 billion ($20-25 billion over ceiling). The ceiling for fiscal year 1983 in the revised Reagan budget is $732 billion—a total in crease over 1982 of $12-$17 billion. Limiting spending to this ostensible ceiling, given probable inflation rates, would imply a reduction of real federal expenditures by 6-7 percent. Not very likely. Far more probably 1983 expenditures will run roughly to $775 billion—a sum $45 billion over the presumptive ceiling. Substantially to reduce the outyear deficits, given the growing difficulty in achieving non-defense cuts, would probably require that some three out of four dollars in reductions come from defense.

One can always spend less—by doing less. Gone now are the fancies of nine additional tactical air wings, of three additional Army divisions. Gone, too, in all probability, is the 600-ship Navy—unless, like Jefferson, we provide mostly frigates or gunboats. Embarking on major new systems like MX or B1 or new acquisitions like carrier task forces will ultimately lead to an ill-balanced force by leaving insufficient funds for operation, readiness and sustainability.

The planned buildup for NATO will have to be reduced—especially so in light of Indian Ocean requirements. What an ideal moment, given the anti-nuclear tide running in Europe, to increase the degree of dependence on nuclear weapons and diminish conventional capabilities.

The international ramifications are disquieting—to say the least. The already apprehensive Europeans will conclude that, while the United States is prepared to disturb the international scene by threatening to launch an arms race, it is now seen to be unwilling to provide the resources either to run the race or to provide additional military muscle. The Soviets will not be loath to exploit those European apprehensions. Moreover, the Soviets will conclude that, despite American bluster, they have little to fear in terms of additional forces to narrow the growing disparity in military capabilities. As for the Japanese (and others), this notable example implies that we might as well abandon the effort to persuade them significantly to increase defense spending.

In creating and maintaining forces, wishful thinking is no substitute for an adequate tax base. In this ill-fated venture the cycle from bold words to budget cuts has been the shortest on record—a kind of instantaneous New Look. The historic failure lies in so casually dissipating the carefully forged national consensus supporting higher defense spending—while leaving in the public mind the illusion that a sizable new defense effort has actually been launched.●

## COMMEMORATION OF MRS. EDNA M. CURTIN

### HON. JAMES K. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. JAMES K. COYNE. Mr. Speaker, it is my privilege today to rise in commemoration of an extraordinary resident of Pennsylvania's Eighth Congressional District who passed away on September 4 of this year—Mrs. Edna M. Curtin.

When she died at the remarkable age of 107, Mrs. Curtin was Bucks County's oldest resident. She also had the distinction of being the mother of a gentleman familiar to many of the Members of this body—former Congressman Willard Curtin.

Born in Staffordshire, England, in 1874, Mrs. Curtin emigrated to this country in 1900. Her family settled in Trenton, N.J., where her father managed a pottery firm.

Mrs. Curtin married her husband William in 1911. The Curtins made their home in Morrisville, Pa., while Mr. Curtin formed an electrical contracting business in nearby Trenton.

She was a charter member of the Episcopal Church of the Incarnation in Lower Makefield, and was also a member of the Order of the Eastern Star, Chapter No. 22, in Trenton.

In addition to her son, she is survived by two grandsons, Lawrence B., of Tampa, Fla., and Jeffrey H., of Morrisville; three great-grandchildren and several nieces and nephews.

Mr. Speaker, last April on the occasion of Mrs. Curtin's 107th birthday, I had the privilege of attending a celebration in her honor. Even at her advanced age, Mrs. Curtin was a woman of infectious warmth and vitality; she thoroughly charmed everyone at the party. And I am delighted to report that her son Willard has inherited much of her good humor and gregariousness.

Congressman Curtin was first elected to the 85th Congress in November of 1956 and served in this body with distinction for a decade. Mr. Curtin is a personal friend and has been of inestimable help to me. It has been a pleasure commemorating his mother.●

## HIGH-GRADE FORMING WIRE

### HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. GOODLING. Mr. Speaker, today I am introducing a bill to reclassify and eliminate the current duty on high-grade forming wire used in the production of capacitor paper. Capacitor paper is a principal insulating component which keeps stored electrical charges contained and is used in the manufacture of electrical capacitors which are vital to the florescent light industry, the electronics industry, the electric motor industry, and a variety of other important industries. Capacitor paper manufacturers use a specific high-grade forming wire on highly specialized papermaking machines in the production of capacitor paper, to be distinguished from forming wire used in the production of less specialized types of paper. All forming wire used in the production of capacitor paper is imported from France and West Germany.

This bill would create a separate category for forming wire used in making capacitor paper and eliminate the tariff currently levied upon it. The United States presently imposes a 21.3 percent tariff on forming wire from MFN—most favored nation—column 1 of the Tariff Schedules of the United States—countries. As a result of the Tokyo round of MFN negotiations, 642.30, the category in which these wires are now placed, will be reduced from its 1980 level of 23.1 percent duty to 10 percent in 1987. Because forming wire specifically for use in the manufacture of capacitor paper is not manufactured domestically, it should be classified in its own category with no applicable duty.

Removal of this tariff will further the goals of the Trade Act of 1974 by fostering economic growth in the United States and reducing barriers to trade—19 U.S.C. §2102 (1976). In addition, removal of the tariff on forming wire should reduce the total production costs for capacitor paper. For example, one domestic producer of capacitor paper paid almost $100,000 in duties on forming wire in 1980.

The assignment of a new category and removal of this tariff will not harm domestic industry because, as noted earlier, no U.S. company manufactures the high-grade forming wire used to manufacture capacitor paper. Because there is no domestic producer to protect, there is no justification for imposing any tariff on imports of such wire.●

## JOB OPPORTUNITIES

### HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. COLLINS of Texas. Mr. Speaker, my wife reads the newspapers closely. She frequently is quoting William Raspberry of the Washington Post. This morning she gave me Raspberry's column which was headed up "Too Great Expectations."

It is a pragmatic, positive approach about the transition of the minorities

into entry jobs that provide a great future. Raspberry hit it right on the head when he emphasized the point that too many young people want to start too high up the ladder. I remember so well that the best training I ever received was when I was going to Northwestern University at night and working all day for 50 cents an hour at Carson, Pirie, Scott Department Store.

My wife is always quoting Raspberry and I think you will be interested in these high points of his commonsense.

TOO GREAT EXPECTATIONS

(By William Raspberry)

You may have seen him on the CBS Evening News the day the government released figures showing that more than half of America's jobseeking black teen-agers can't find work. He was standing there in the unemployment line, good-looking, well-dressed, explaining to reporter Ray Brady what he was looking for.

"You know, I want a job where—how I am now—dressed with a tie and a suit, you know. I want a job where I can go to work every day, you know, and have a nice set of clothes on, have a nice house, have a nice family, you know, and come home, you know. And I want to live like I want to live—like I should live."

I don't want to judge the young man too harshly. Maybe he is qualified, or at least eminently trainable, to work as an assistant buyer, an administrative aide or some other job that would allow him to wear a tie and a suit, you know.

All I know is that he had several seconds of precious network time to sell himself as a potential employee, and all he could think to talk about was how he wanted to live, and particularly how he wanted to dress. Not a word about specific aptitudes or experience, no hint of any willingness to learn a skill, or to work hard, or anything else that an employer would be interested in.

He was, to hear him, looking not so much for work as for a position and the benefits that he was sure would follow. And the clear impression was that he thought he had it coming.

Some who watched the news that evening may have thought the young man insufferably arrogant, or concluded that he didn't really want a job.

I saw him as merely an exaggeration of the kind of attitude I see so often in inner-city youngsters like him. Their problem isn't arrogance or laziness or lack of ambition. Their problem is that they have no sense of what work is really about.

From their viewpoint—the only viewpoint they seem capable of considering—a job is a conduit for delivering money to people who need it. They think of jobs the way the wives in the old comic strips used to think of joint checking accounts; with utter unconcern about how the money got in, so long as they were privileged to take it out.

How do these youngsters become so separated from reality? Many of them, I suspect, live in homes where unreality is the norm: homes where income means a welfare check unrelated to any regular exertion. Some may have been misled by the well-intentioned job programs whose emphasis is on the needs of the kid who applies for work and not on his ability to produce anything of value to an employer.

The disjunction between being handed a paycheck and producing something of value becomes more pronounced all the time, particularly in cities like Washington, where work often doesn't look like work.

Congressmen seem to spend their time making speeches; television reporters go around wearing nice clothes, asking absurd questions and laughing it up on the 6 o'clock news; lawyers and consultants and executives disappear into office buildings in the morning and leave in the afternoon, with a generous break for an expensive lunch in between. None of it seems, to the youthful observer, to have anything to do with providing a service or producing a product.

But too many youngsters conclude that a high-school diploma—and certainly a college degree, in any field whatever—is a certified ticket to a decent income. If the money isn't forthcoming, then there's something wrong with the system.

But thousands of others could find work if their expectations were a bit closer to reality and if they learned something of what work really is. Those of us who see clearly the private tragedies behind the public statistics will have to teach them.●

## NATIONAL SYMPHONY AND MAESTRO MSTISLAV ROSROPOVICH; A REMINDER ON OPENING NIGHT OF A NATIONAL TREASURE

### HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. PORTER. Mr. Speaker, in the 18 months that I have been privileged to serve in the Congress, not once have I felt I had the time to enjoy the cultural advantages that abound at the Kennedy Center.

Last night, my feeling had not changed—I still do not have the time—but I and my wife, Kathryn, went anyway to the opening performance of the beginning of the second half century of the National Symphony.

It was a delightful evening in every way with the program including symphonies by Haydn and Stravinsky and then, for the finale, the magnificent third Organ Symphony of Saint Saëns, one of my favorites, to which the audience responded with a prolonged standing ovation.

Perhaps the most stirring moment, however, occurred at the beginning of the evening when the music director, Russian-born Maestro Mstislav Rosropovich, just introduced to deafening applause, took to the podium, called the orchestra to attention and then turned to conduct us with great enthusiasm and feeling in singing the Star-Spangled Banner. It was played for the first time in my memory in a key that almost all could sing, and did. It was as moving to me as the inauguration, and I recommend an evening at the symphony to all you new Members and even to us older ones who have forgotten perhaps that a little uplift to the soul and spirit is important to our own performances.●

## SOLIDARITY DAY IS FOR ALL AMERICANS

### HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. KILDEE. Mr. Speaker, on Saturday, September 19, thousands of America's labor union members and their supporters and allies will hold a Solidarity Day rally on the Mall. It is in answer to a call by the AFL-CIO to demonstrate the widespread opposition to the Reagan administration's assault on vital domestic programs, to assert demands for jobs and human rights, and to reaffirm America's historic commitment to social and economic justice. The rally is being held in alliance with organizations affiliated with the Leadership Conference on Civil Rights and the Budget Coalition to focus the Nation's attention on the public needs which are being either ignored or attacked by the Reagan administration.

I am looking forward to welcoming hundreds of my constituents to Washington, D.C., for this great rally. I will be joining them as they petition the White House and the Congress for attention to their concerns.

Solidarity Day is being characterized as a labor union rally in many cases, but it is in truth a rally for all Americans regardless of whether they belong to a labor union. The organized labor movement has been a stabilizing force in our national economy and a bulwark of our democratic society. The gains that unions have been able to achieve have brought benefits, direct and indirect, to the public as a whole. In this past century, organized labor has played a central role in the elevation of the American standard of living. The benefits which unions negotiated for workers are, in most cases, now widespread in the economy and enjoyed by millions of their fellow citizens. It is often not remembered that many benefits we now take for granted never existed on any meaningful scale until unions, and labor's supporters in legislative halls, won them for working people.

This perspective was eloquently stated by AFL-CIO Secretary-Treasurer Thomas R. Donahue in his Labor Day broadcast this year, a portion of which I would like to share with my colleagues:

FOR ALL AMERICANS

[Broadcast by AFL-CIO Secretary-Treasurer Thomas R. Donahue]

All Americans have benefitted from organized labor's uphill struggle to improve the standard of living for all workers.

It was the unswerving efforts of trade unions that won the basic eight-hour day most Americans now enjoy.

Unions fought for and won a decent minimum wage, and that is something we still

defend in spite of the fact that virtually no union member earns so little.

Unions brought an end to child labor and they fought and they continue to fight, indeed, the sweatshops that exploit the desperately poor.

America's trade unions led the fight to establish both the private pension system and social security to insure working people a decent and a dignified old age.

We fought tirelessly—against very stiff oppostion—for protections such as unemployment insurance and workers' compensation.

Because of the perseverance of unions, all American workers today enjoy greater safety and freedom from health hazards on the job.

The labor movement's concerns go far beyond the workplace and the size of the pay envelope.

American trade unionists have always been deeply concerned with human rights, human dignity and social justice.

We will continue to defend the right of all Americans to vote, to have the job of their choice, to live in the neighborhoods they choose, to educate their children to the best of their ability.

Our fight against tyranny in the workplace and in the domestic affairs of our nation translates easily into opposition to tyranny anywhere in the world.

The trade union movement has been a vehicle for the expression—in the United States and around the world—of the basic human need for solidarity. People who share common goals, have a natural interest in banding together to achieve them.

We in the labor movement plan to write another chapter in the history of that labor movement on Sept. 19 in Washington, D.C.

We are calling it Solidarity Day, and on that day, the labor movement will be joined by our allies in the civil rights movement, the women's movement, by environmentalists and consumers, by senior citizens, the religious community and many more people all united by the common bond of a dedication to human rights.

We are going to march together, to reaffirm our belief in the future of America and the promise of life, liberty and the pursuit of happiness it holds out to all. We are going to march to reaffirm, in our centennial year, the labor movement's historic commitment to social and economic justice for everyone in America.●

## HIGH INTEREST RATES

### HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. WINN. Mr. Speaker, as high interest rates continue to cause concern throughout the business and government sectors of our economy, I believe my colleagues will be interested in and intrigued by the following letter written by a constituent of mine to the editor of the Wall Street Journal. I trust this view from the heartland will prove enlightening to all who read it.

R. L. SWEET LUMBER CO.,
*Kansas City, Kans., September 1, 1981.*

Mr. ROBERT L. BARTLEY,
*Editor, the Wall Street Journal,*
*New York, N.Y.*

DEAR MR. BARTLEY: This is, as they say, a "letter to the editor" . . . which probably won't get printed—but it sure is fun to write.

It is a wondrous thing these days to sit out here . . . in the real world . . . and watch the folks fret and stew if they are located near the corner of Broad and Wall. From all I read in The Wall Street Journal (which is about the best newspaper we have) and elsewhere, there is mass confusion at Broad and Wall as to why these cotton-pickin' interest rates stay so high.

There is, in my opinion, not all that much confusion out here . . . but then we are in Kansas and no self-respecting resident of New York City probably gives much of a damn what anybody thinks in Kansas.

The reason that interest rates stay so high is that there is a liquidity squeeze in this county at the moment . . . to say nothing of the rest of the world. Or, if you prefer, you could also call it a "credit squeeze".

Every time I read about how some Wall Street Wizard is confused as to why interest rates don't go down, precipitously and immediately, I have to stifle the urge to laugh loudly. I read this kind of stuff often. Sometimes I even read it in the Journal . . . but you are usually quoting someone else.

More often I read it in some dispatch created by one of the other great dailies . . . and if any of these organizations have many really smart, understanding, knowledgeable economic writers on their respective staffs, I guess I have missed the opportunity to read much of their stuff.

The truth is, of course, that most business writers were schooled in the Roosevelt-Keynesian theories and they find it difficult to understand that the Federal Government has been robbing Peter to pay Paul since about 1933. In that length of time, best characterized by long-term profligate spending, a whole lot of people have lost track of history. . . .

When I went to college, in the proverbial Dark Ages, they taught me about a subject called "accounting". And one of the things they emphasized then was that any company would do well to have a "current ratio" of at least two-to-one. Later, I even heard that some folks would prefer something closer to three-to-one. But, somehow, a lot of folks apparently never got the word.

Look at the balance sheets of the titans of American industry. I find few with a current ratio of even two-to-one. I even found today that one of the real giants is apparently trying to operate these days with a current ratio of 1.3 to one . . . whereas only as far back as 1972 they had a current ratio of 2.1 to one. They were a whole lot better off then.

There was a signal, in 1978, that apparently a lot of people missed. It was the signal in September and October of that year that the dollar was dropping like a rock overseas . . . and finally Mr. Carter had something that he called a "save the dollar program"—which went into effect about November 1, 1978.

That was a signal that was, to us, unmistakable . . . but I guess not too many believed it—or chose to ignore it.

Then, on October 6, 1979, after Mr. Volcker flew back early from that international banker's meeting in Greece or Yugoslavia or somewhere . . . and raised the discount rate a full point that day, from 11 to 12 percent, that was another signal. That signal was clear to us . . . it meant the end of one era—and the beginning of another!

If one cares to look it up, one might look back and see what the stock market did in the weeks that followed . . . most notably on October 8, 9 and 10, 1979. That signal was clear enough, too.

Now we have a discount rate of 14 . . . with a four-point penalty for banks that the Fed thinks "borrow too much". So maybe for some banks, the discount rate is now 18 . . . and that is very damn high.

In the private sector, we have many companies, large and small, who have had to borrow too much and find it extremely difficult to pay it back. In fact, it is even difficult for them to pay the interest . . . what with having to pay anywhere from 20½ percent to Lord knows how high.

And in the public sector, we have schools without enough money, cities ditto, counties ditto, states ditto, to say nothing of the Federal Government. So it is that the Treasury has to pay well over 15 percent for money in the Treasury Bill auctions, and it may well get a whole lot higher as the liquidity squeeze gets worse, if it does, and it probably will.

Now the fact of the matter is that the U.S. economy has some pretty sick parts. Housing is sick as a cat, so are autos, so are some savings and loans . . . and, horror of horrors, so are some banks. Wall Street Wizards and Treasury Wizards do not like to talk overly much about these latter situations . . . but they seem to be there nonetheless, and may not go away too soon.

Thus, the liquidity squeeze is on. And may get worse. Look at your balance sheets, gentlemen. How close is your current ratio to the old rule of two-to-one? (Or the balance sheet of the company whose stock you love to invest in these days.) Not many of the ones I look at are anywhere close . . . including some that S&P even rates "A plus".

There are some "old canards" that some Wall Street Wizards find difficult to forget. There is the one about the "price-earnings ratio" . . . which some wizard devised back in the "Golden Days". The "price-earnings ratio" means very little indeed today . . . but I still occasionally read about how some guy says the stock market is bound to go up—simply because price-earnings ratios are now so low. Baloney.

Lately we hear some thing about a "new" canard. This new myth has to do with the fact that some of the Wizards say that the stock market is dropping because Wall Street is now "disenchanted" with the new Reagan economic programs, spending cuts and tax cuts, et al. I notice that when all the new budget cuts and tax cuts were first announced, everyone I heard of from Broad and Wall cheered . . . or so it was reported out here. Now, lo and behold, the stock market drops and the bond market drops and things look not so good and so some genius blames it on a "lack of confidence" . . . which, supposedly, has recently struck Wall Street . . . in Mr. Reagan's program.

Lord help us. Mr. Reagan's program does not even go into effect until October 1. Any reasonable man ought to give it some time after that to watch the thing and see if it does work . . . without giving up on it now, weeks before it even is on the law books. It is very difficult to correct years and years and years of funny money economics in five minutes . . . or even five months!

There is still a liquidity crisis. I repeat, look at the balance sheets.

That is the problem . . . whether some of the wizards of Wall Street believe it or not, to say nothing of the governors of the Federal Board and/or the Treasury. People are still trying to do business in the Roosevelt Era and this is the Reagan (God bless him) Era (only the problem didn't start with Reagan, he just inherited it).

There are even solutions to the problem. But they are difficult and hard to take politically . . . and besides no one east of the Hudson wants to listen to anyone west of the Hudson, so I won't bore you with them.

Right now, I have to close this letter because there is an Indian uprising across the way and we must attend to that. Furthermore, the buffalo stampede in the opposite direction has been going on for some time now and that is a worry. Besides, my sod house needs caulking and my wife is tired of doing it herself . . . and the teepee next door needs new skins to cover up a nasty crack in one of the hides over there.

So we are busy out here on the frontier.

But, if it is any consolation, I also know some people out here who are happily singing "tra-la-la all the way to the bank" every time some guru back there complains that there really is no reason whatsoever for interest rates to be this high. We wonder what that guru will do if interest rates get even higher.

Sincerely,

M. H. CLINGAN,
*President.*●

## HONORING THE 500TH SHIP MEMORIAL AT THE VALLEJO NAVAL AND HISTORIC MUSEUM, CALIFORNIA

### HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. JOHN L. BURTON: Mr. Speaker, on September 19, 1981, the Vallejo Naval and Historic Museum will celebrate the dedication of the 500th Ship Memorial in tribute to Mare Island's distinguished shipbuilding service to our fleet for more than a century.

The history of the 500th Ship Fund, set up to raise moneys that would establish a memorial, is some two decades long and it is an inspiring story that well deserves the special recognition we are giving it this week and a permanent memorial gallery.

On December 9, 1961, the nuclear submarine U.S.S. *Plunger* was launched at the Mare Island Naval Shipyard. The *Plunger* was the 500th craft built at Mare Island since the yard was founded in 1854 by David Glasgow Farragut, the Commandant of America's first naval facility in the Pacific.

Following the launching of the 500th ship, Senator Luther E. Gibson founded and spearheaded a campaign to raise funds for a memorial to Mare Island's century of distinguished shipbuilding. The funds raised by the community were placed into trust and a board was appointed to find a suitable site for the memorial. The emerging Vallejo Naval and Historic Museum proved to be the most attractive alternative and in September 1980, the museum began work on the project.

The memorial includes a gallery of artifacts from Mare Island's past, a corridor of ship models, a functional World War II periscope, a monumental sculpture of a sailing ship's prow, and four murals by artist Richard Cook of San Francisco. Some other features of the 500th Ship Memorial include a special "Staircase of Sea Power" containing a sculpture which symbolizes the sailing ships that brought the first naval personnel to the Vallejo Area. The staircase also contains a number of murals which show the progression and types of craft—sail, steam, and nuclear—that have been built at the Vallejo Yard.

In addition, The Saginaw Gallery offers both permanent and changing exhibitions of significant Mare Island artifacts from the collections of the museum and the Department of the Navy. The periscope that is displayed once served aboard a World War II submarine. It now offers a spectacular 360 degree view of the inner Golden Gate region. This scope was salvaged, restored, and installed by several volunteer Mare Island optical, design, and metal workers. The periscope is standing on a recreation of a submarine fairwater stamped with the number 595, the number of the U.S.S. *Plunger*, which was Mare Island's 500th ship.

I am very pleased to be able to call the attention of my colleagues to the 500th Ship Memorial. I commend the community and public support that helped to make this dream a reality, and most importantly, the fine craftsmenship and care of the personnel at Mare Island who have made the making of this memorial such an important goal.●

## THE CRIMINAL CODE SENTENCING ACT

### HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. CONYERS. Mr. Speaker, during the past months, I have been assessing the various proposals for reform of Federal criminal laws. After discussions with persons and groups who have experience in the criminal justice system and who have been actively involved in the past efforts to revise the Federal Criminal Code, I am convinced that a revision of the Criminal Code is desperately needed.

In particular I have concluded that a reform of current sentencing practices cannot wait. Sentencing is the cornerstone of any criminal justice system. Arcane questions involving the elements of crimes, the appropriate mental states, or the definitions of defenses are of little importance to the vast majority of defendants; over 80 percent of them in the Federal courts plead guilty. The critical question for defendants, prosecutors, and society is usually the nature of the sentence to be imposed.

In accordance with these conclusions, I am today introducing the Criminal Code Sentencing Act of 1981. This legislation would for the first time define the purposes of sentencing in Federal courts. It establishes separate sentences of conditional discharge, probation, fines, restitution, and imprisonment. Alternatives to imprisonment, in the forms of conditions of conditional discharge or probation, are explicitly set forth. A sentencing hearing is required, at which the defendant is entitled to present evidence and rebut adverse evidence. In imposing sentence, judges are required to choose the least restrictive alternative necessary to achieve the purposes of sentencing, and to state in the record the reason for choosing a particular sentence.

The bill would also establish new sentences for white collar and corporate crime. Fines could be used to deprive criminals of their ill-gotten gains because the courts could levy a fine in an amount equal to twice the gain or loss occasioned by a corporate crime. Courts could require a defendant to notify the victims of an offense regarding the criminal conviction, thus facilitating compensation to the victims. Offenders could be disqualified for specified periods of time from holding corporate office. Corporate functions could be subjected to judicial oversight in addition to any sentence imposed.

In addition, the bill provides for new, due process, procedures for the revocation of probation or parole.

Unlike recent proposals for sentencing reform this legislation does not dictate the issuance to Federal judges of guidelines concerning the imposition of particular sentences for particular crimes. Although such guidelines may eventually be advisable in order to control judicial discretion and reduce sentence disparity, the impact of a guidelines system has not yet been adequately studied. Many commentators are concerned that the result of such a system would be merely to transfer discretion from judges to prosecutors and police, thus having little effect on disparity or even aggravating it. A number of States have recently enacted various forms of guidelines systems. Studies of such systems are currently underway.

Thus, it would be foolhardy for the Federal Government to plunge into an enactment of a guidelines system at

this time, when in a few years, data will be available to permit Congress to make an informed decision regarding the value of such a system.

There is little question that the current sentencing procedures in Federal courts need reform. Studies have shown wide disparity in the sentencing decisions of Federal judges. By requiring a statement of the reasons for a sentence, this legislation will subject sentencing decisions to public scrutiny, and encourage judges to take into account the sentencing decisions of other judges, thus encouraging greater uniformity. In addition, the existing Federal law does not provide any coherent rationale for the imposition of sentences. Under current practices, judges are given no guidance as to congressional intent with regard to the purposes of sentences. By defining the purposes of sentencing, and relating the different types of sentences to the purpose to be served, the bill will provide judges with this necessary guidance. Sentencing in Federal courts is also hampered by the lack of clearly delineated procedures for the resolution of factual disputes, the absence of statutory provisions for the use of alternatives to incarceration, and inadequate fine levels. The legislation which I am proposing would remedy each of these deficiencies.

I am introducing the Criminal Code Sentencing Act at this time in the hope that interested persons and organizations will take the opportunity to study the legislation and will provide the Criminal Justice Subcommittee with their opinions and recommendations. A draft of the bill has already been circulated to many persons concerned with the criminal justice system. I plan to commence hearings on this bill at 10 a.m. in 2253 Rayburn, Washington, D.C., on September 23, 1981, with additional hearings during the coming weeks.●

## GEORGE WILL'S REFLECTIONS ON TAX POLICY

### HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. LaFALCE. Mr. Speaker, George F. Will, who in my judgment is one of America's most insightful political commentators, recently wrote an interesting column in the September 14 issue of Newsweek. He takes some positions that some individuals probably would be surprised at. For example, he states that "America is undertaxed"; "the public sector needs more resources than the revenue system currently will provide"; that the percentage of GNP taken by taxes is not as important as "the incidence of taxes—where they fall across society and how they affect particular behavior."

Since Mr. Will is noted as a leading conservative commentator, I wonder what the reaction of the conservative Members of the U.S. Congress will be to his remarks. Very interesting.

Mr. Will's article follows:

THE RETREAT ON DEFENSE

(By George F. Will)

The nation's long underestimation of Ronald Reagan ended recently with the swift apotheosis of him, but soon the assessment of him will turn on the success of his policies rather than on his success in enacting them. Already there is a striking contrast between the affection for him and the skepticism about his policies.

Stock and bond prices are sagging and Administration criticism of the markets resembles Mayor Beame's criticism of New York banks in 1975 for refusing to buy city bonds. The banks were right. Markets respect mathematics and they say Reagan's sums don't tally. They think he adopted optimistic projections (of growth, interest rates, spending, inflation), and they doubt that he can cut the budget enough to hold down deficits. Interest rates are the core of the contradiction in economic policy: the tax cuts are stimulating consumption but interest rates are depressing investment. And the country's problem remains the high ratio of consumption to investment. Today's interest rates do not reflect short-term demand for money. They are a prophecy embodied as a premium in the price of money, an anticipation of long-term upward pressure on inflation by Federal borrowing.

Cuts: What Reagan has done so far has been relatively small and easy. Many budget cuts came from enrichments added in the 1970s to programs that didn't even exist in 1960. Most of the cuts came from the poor and the cities, constituencies of few Republicans or "boll weevil" Democrats. Even so, the President, then in his honeymoon-and-hero stage, barely won the cuts. And they were a piece of cake compared with cuts that might touch the thin skin of the middle class, which received the bulk of the benefits of social programs. Middle-class people would not be middle-class people were they not gifted at organizing and complaining. So the Administration is retreating from its proposed defense spending—spending which still would have left the nation devoting a significantly smaller percentage of its GNP to defense than it did under Eisenhower.

In July, Democratic Rep. Patricia Schroeder of Colorado, an implacable foe of defense spending, proposed cutting $8 billion from Reagan's defense proposals. Now some of Reagan's senior aides, who are not bashful about anticipating and perhaps forcing his decisions, say he will go much further than Schroeder proposed to go.

Regarding defense, unlike domestic policy, Reagan campaigned candidly and received a mandate for substantial spending. Domestic spending cuts were not, shall we say, stressed. The theory was that the tax cuts would be basically self-financing, stimulating the economy to produce higher revenues from lower rates.

Given the tax cuts, and the assumed unwillingness of Reagan to raise new revenues, the markets can only be assuaged by cuts of a size that must come from social security or defense. Even when Reagan was bestriding Washington's narrow world like a colossus, Congress reacted vehemently against his tentative ideas about touching social security (96-0 in the Senate, 405-13 in the House). So the knife will drift toward defense. That will please liberals who think all other spending is more important than defense spending, and won't deeply distress conservatives who think nothing is more important than reducing government spending. The public is eager to believe that everything, including security, can be had cheaply. So the public wants to believe that only "will," not costly materiel is required to restore American power. Maybe a one-minute scrap with Libya makes everything all right.

Reagan's election did not solve problems, it just made some solutions possible. But the great question of the twentieth century remains: has the United States the stamina for what JFK called a "long twilight struggle" with the totalitarians? Reagan's retreat on defense is disheartening.

What is intended as a small retreat may become a rout as Congress seizes on defense cuts as alternatives to painful cuts in domestic spending. The political climate has changed a lot in two months. Legislators have returned from a recess during which they met many elderly persons afraid of social-security cuts, and almost everyone else was anxious about interest rates. Few people were demanding more spending on defense. Obviously, there is waste in defense; obviously, an accumulation of budget authority cannot be equated with enhanced defense. But by retreating from its defense program so soon, the Administration sends a signal: rebuilding defense is less important than reducing government spending.

Taxes: Reagan's philosophy of Carnegieism—half Andrew and half Dale: 1890s capitalism and 1950s charm—will not suffice. The fact that his tax cuts were wise does not alter the fact that America is undertaxed—especially in light of the conservatives' agenda. The tax cuts were actually tax-limitation measures, counteracting tax increases imposed by inflation. By 1984 income and social-security taxes will be, as a portion of personal income, about where they were in 1978. But the conservatives' correct agenda for national security, and concern for social equity and prudence (billions for prisons, courts and the crumbling infrastructures—roads, bridges—of major cities), compel this conclusion: the public sector needs more resources than the revenue system currently will provide.

Many conservatives are obsessed by a crude measurement—the percentage of GNP taken by taxes. (By that measure, Britain has been much better off than Germany.) But more important is the incidence of taxes—where they fall across society and how they affect particular behavior. Today, considerations of social policy as well as fiscal needs may call for a change in the deductibility of consumer-credit and mortgage-interest payments. And it may be time for a value-added tax—in effect, a national sales tax. Conservatives should favor a tax on consumption, one that would reduce the progressiveness of the tax system while moving the budget toward balance.

What will history say of those who sacrifice everything, including defense, to shrink the public sector's portion of GNP? In 1950 a man was arrested for creating a public disturbance. One witness said: "He was using abusive language, calling people conservatives and all that." Such a day could come again.●

## PROTECT OUR NATURAL HERITAGE

### HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. FOGLIETTA. Mr. Speaker, I join with my colleagues today in asking the President to replace James Watt as Secretary of the Interior. As many of us stated in signing a petition to the President, we risk losing our natural heritage unless Mr. Watt is dismissed.

The Department of the Interior plays a difficult and sensitive role. The public servants of that Department must protect our rich natural resources and at the same time must oversee the use and development of the public lands. It is important for the Secretary of the Interior to understand his dual role as protector and developer.

Unfortunately, the current Interior Secretary does not have that understanding. Mr. Watt has a distinct and clear bias toward the exploitation of our public lands. He has little sympathy or understanding for the lands which are ecologically sensitive and rare.

Secretary Watt seeks to change the direction of the Interior Department. He wants to divert funding for parkland acquisition to other uses. He wants to open wildlife refuges and wilderness areas to oil and gas leasing. He is defusing surface mining regulations. He would allow motorboating and snowmobiling in geologically sensitive areas, in violation of existing regulations. He does not see the need to limit grazing on public lands. He is suspending endangered species programs, some of which are just beginning to enjoy success, such as the protection of our national bird, the bald eagle. He proposes turning the management of national parks over to private concessioners whose existence depends on financial profit. Many of my colleagues are enumerating further on the long list of crimes Mr. Watt seeks to perpetrate on our environment and natural resources.

As a specific example, I would like to call your attention to the Valley Forge National Park near my own district in Pennsylvania. Valley Forge enjoys a unique and critical place in our history. George Washington and his army wintered there and depended on its facilities for protection and for food and supplies. We depended on his army in turn for the birth of our Nation. The Valley Forge National Park now represents the kinds of problems which are facing our National Park System as a whole. More than 11 million people visit it each year, and the number is growing. Recreational facilities cannot support the demand. Vegetation and natural areas suffer. Sanitary systems strain under the stress. Traffic overflows its roads. Highways are built to funnel yet more people into the park.

Several years ago Congress authorized the purchase of additional parkland for Valley Forge. Adjacent to the park are several tracts of wooded land which have thus far been spared from development. The landowners would like to hold the land for us, but developers are anxious to move in instead. It is unreasonable to expect the landowners to remain in limbo much longer.

The American people have a right to enjoy their national parks without crowding each other and endangering their assets. Congress recognized these problems and created the land and water conservation fund for the purchase of additional parkland. The future of the expansion of Valley Forge is held up because Secretary Watt has virtually eliminated that parkland acquisition fund. The land and the people face uncertainty as long as Mr. Watt is retained.

I have received an influx of letters from my constituents seeking my support for ousting Mr. Watt. Nearly every responsible environmental group in the country has called for his ouster. Many are circulating petitions seeking his replacement, and they have received hundreds of thousands of signatures. Conservation leaders have eagerly sought to work with Mr. Watt and have been rebuffed, mocked, and scorned. They are looking for an Interior Secretary with whom they can communicate. Newspapers across the Nation are editorializing against Watt. Even the private interests who would support increased leasing, mining, and harvesting on public lands cannot keep up with the extent of the expansion Mr. Watt is proposing for their programs.

I hope this outpouring of public sentiment will convince the President that he must replace his Interior Secretary with someone who is better able to balance his "multiple-use" responsibilities.

In the meanwhile, Secretary Watt has stated that he intends to make changes in direction and policy by the budget process rather than through legitimate legislative channels. Fortunately, Congress has been reluctant to cooperate. We must continue to carefully monitor him and the programs which have been placed in his trust. We must legislate to assure that his work conforms to the intent of the Congress and the will of the American people.●

## AMTRAK COST SAVING EFFORTS DESERVE CONGRESSIONAL SUPPORT

### HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. DANNEMEYER. Mr. Speaker, the omnibus budget reconciliation legislation signed into law by President Reagan on August 13 authorized $735 million for Amtrak's Federal subsidy in fiscal year 1982. While I would have favored the administration's original request for $613 million, I think it is still important that Congress stand ready to assist Amtrak in reducing its cost of operation.

It is heartening that Amtrak's management has reduced its headquarters staff by 25 percent. The route and schedule changes approved by the board of directors will only result in a 10-percent reduction in service, despite an earlier prediction by Amtrak president, Alan Boyd, that a 15-percent reduction would occur under the reduced subsidy level.

Despite some progress in the reconciliation bill, Amtrak is still saddled with costly and inefficient work rules and other encumberances. Amtrak is not out of the fiscal woods as of yet. First of all, the current budgetary climate strongly mandates additional reductions in Federal spending. All items in the budget—Amtrak included—will face reevaluation. Second, much of the breathing space that Amtrak presently enjoys stems from the decision of the conferees to accept the provision in the House-passed bill to defer interest payments that Amtrak owes the Federal Government until September 30, 1983. The interest deferral will free up $82 million in fiscal year 1982 and $100 million in fiscal year 1983 for operating costs and other expenditures. Over the long run, it goes without saying that it does not save Amtrak any money. It buys time, to be sure, but aside from the appropriateness of such a deferral, the key question is to what purpose is the extra time put in order to make Amtrak run more efficiently.

All of us in the House and Senate, regardless of our positions on the appropriate level of Amtrak subsidy, ought to be able to support efficiency-enhancing improvements. I want to take this opportunity to bring to the attention of my colleagues an excellent article written by syndicated columnist Neal Peirce, which appeared in the September 13, 1981, editions of the Washington Post. Peirce describes some of the outdated work rules and other practices that drive up Amtrak costs without justification. The 100-mile rule—which I have brought to the attention of the House on previous

occasions—allows an engineer to work a round trip between New York and Washington in a single day and earn 4½ days' pay. These and other work rules can be changed if Congress stands behind Amtrak in a supportive role when Amtrak enters into labor negotiations later in the year. These direct negotiations will provide Amtrak with a forum that it has not had since its inception to directly control its destiny. The work rule changes are by no means punitive measures against railroad employees. Rather, they represent an attempt to draw rules that are consistent with the technology of the 1980's and not the state-of-the-art in the early years of this century.

Finally, Amtrak is to be commended for acting like any smart corporation in today's business world by looking at ways to establish diversified profit centers within its overall operations. The Peirce column and other news reports indicate that Amtrak is researching business opportunities that might present themselves as a result of Amtrak's extensive real estate holdings in key areas of major cities. The objective, of course, should be to remove Amtrak from the Federal budget to the maximum extent possible by enhancing its profit potential.

Mr. Speaker, I ask permission to insert the entire Peirce article at this point in the RECORD. Thank you.

[From the Washington Post, Sept. 13, 1981]

THE SPECTER OF AN ENTREPRENEURIAL AMTRACK MAKING MONEY

(By Neal R. Peirce)

A railway locomotive engineer earns a day's pay for every 100 miles he goes—a rule set back in 1919. That means that if he guides an Amtrak train the 225 miles from New York to Washington, and then back to New York in a single day, he earns four and a half days' pay. At eight days' work a month he can earn $35,000 to $40,000 a year.

Such is the historical baggage with which Amtrak has been burdened ever since its birth in 1971. If we are ever to have an efficiently run, less subsidy-prone national passenger rail system, that kind of baggage must be unloaded along one of those stretches of rusty, abandoned railroad track enshrined in folk songs. Then Amtrak must go on, in entrepreneurial fashion, to generate new profit centers out of its far-flung physical facilities.

The good news is that Amtrak is at work on both fronts. The bad news is that it has a long, long way to go.

The "crippling load of labor costs" of which Amtrak president Alan Boyd complains can be traced back to World War I. Then, the federal government nationalized the railroads and President Wilson made his son-in-law, the politically ambitious William McAdoo, federal railway czar. Railway labor at the time did face hazardous duty and long hours, and the standard agreement McAdoo authored in 1919 seemed reasonable enough at the time. Why not a full day's pay for 100 miles, for instance, when passenger trains averaged 22 miles per hour?

But for the railroad brotherhoods, the 1919 work rule became virtually sacrosanct. Railway managements could break them only by risking strikes—for which they had little stomach. And politics kept intervening. Fast diesels were introduced in the '30s. Not only did diesels make the old idea of 100-mile workdays obsolete, they made firemen redundant, since there was no longer coal for them to fire. But the Roosevelt administration, to save jobs, pressured the railroads to keep the firemen on duty.

When Amtrak was formed in 1971, it was saddled with a legacy of expensive work rules and featherbedding. But Congress sharply limited Amtrak's ability to bargain directly with the locomotive and train crews of the lines over which it ran its trains. In the Northeast corridor where half its trains run, for instance, it could bargain with the crews of Conrail (the official operator). But, said the law, if there was an impasse, then after 60 days the work rules would revert to those of the old Penn Central. Amtrak elected not even to start the charade.

Congress, however, has just this summer repealed that provision. Amtrak is preparing direct, tough negotiations which it hopes will wipe away most of the obsolete work rules in the Northeast corridor and set a pattern for agreements with crews across the country. Instead of mileage compensation, Amtrak will demand a simple hourly pay system. It will try to abolish such relics of the steam-engine age as "crew districts" which require changes of crews every 100 or 200 miles. This rule leads to such absurdities as three different crews between Boston and New York.

But labor is sure to resist. A strike—perhaps next spring—is a distinct possibility. Congress traditionally intervenes to settle rail strikes. Will it now stand behind Amtrak management in a tough stance akin to President Reagan's action with the air traffic controllers? Or will it knuckle under to rail labor pressures, thwarting Amtrak's drive toward a subsidy-free future?

This year, Congress saved Amtrak from massacre at the hand of presidential budget-cutters. But it also disregarded Amtrak's pleadings to mandate unified work crews between regular Amtrak trains and the new, independent entity—"Amtrak Commuter"—which was set up to take over Northeastern commuter rail lines from the expiring Conrail system. Continued separate crews may help Rep. James Florio (D), a key House subcommittee chairman, appease organized labor and win election this year as governor of New Jersey. But it will cost taxpayers $55 million annually.

What excites Amtrak's top management these days is the body of new profit-making ventures it thinks would go a long way toward freeing it from its demeaning dependence on Washington. In renovating practically its entire passenger fleet, for instance, Amtrak built advanced railcar renovation facilities at Beach Grove, Ind. Now it's ready to sell conversion work to other railroads or transit authorities, as well as to provide training in railroad operations and skills for domestic or foreign railroads and transit systems.

Using its virtually uninterrupted Boston-Washington right-of-way, Amtrak plans to build—and get other investors to share in—a $30 million fiber-optics communication system with broad capacity in telephone, data communications and television signal relay.

Finally, Amtrak plans to get into real estate development in a big way, concentrating on the huge swatches of land it owns beside its big-city terminals. Agreement has already been reached with the Carley Capital Group to start a multimillion-dollar hotel-commercial-office project starting at Philadelphia's 30th Street Station and extending over the air rights of 30 acres of adjacent tracks. Construction should start next year.

Negotiations are under way with another developer for a major office structure at Chicago's Union Station. Amtrak would like a green light from Congress for a similar massive development at Washington's Union Station, a building grossly mishandled by a succession of government policies in recent years.

City by city, one can envision Amtrak exploiting its prime real estate for major profits. "We are looking," says Amtrak vice president Lawrence Gilson, "for any and all ways to reduce our reliance on Congress, to act more and more like a private company and less like a welfare recipient."

Even the Reagan administration, which so far has scorned Amtrak while continuing general subsidies for energy-wasteful fly-and-drive transportation systems, should applaud that fresh direction.●

## HOWARD WEXLER HONORED

### HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. LONG. Mr. Speaker, on Saturday, September 19, 1981, one of my constituents, Mr. Howard Wexler, will be honored by the State of Israel Bonds civic and religious leaders, as well as his family and friends, for his unselfish dedication to the improvment of his community.

A victim of cerebral palsy, Mr. Wexler has not allowed his physical handicap to prevent him from serving his community. Active in the Boy Scouts of America, Mr. Wexler has been awarded one of scouting's highest honors—the Order of the Arrow. He reactivated Boy Scout Troop No. 3 and serves as scoutmaster. He also serves on the Jewish Council of Scouting.

Mr. Wexler has been instrumental in making improvements for the safety of his fellow members of the Randallstown Synagogue. Widening of Church Lane, installing sidewalks and mercury vapor lights in the synagogue parking lot are just a few examples of his efforts.

A familiar figure in Baltimore County government, he is always willing to give whatever it takes to get the job done.

Mr. Speaker, it is an honor for me to join in paying tribute to this outstanding young man who serves as an inspiration to all of us.●

## PERSONAL EXPLANATION

### HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. OTTINGER. Mr. Speaker, yesterday I fulfilled a long-term commitment to attend a seminar in Detroit, Mich., on strategies for the introduction of methanol into America's transportation fleet. It was the first meeting between methanol producers and automobile manufacturers to explore the use of this important resource to relieve our dependence on imported oil.

I was therefore absent from votes on House Concurrent Resolution 153, to authorize a bust or statue of Dr. Martin Luther King in the Capitol; the conference report on H.R. 4035, Housing and Urban Development-Independent Agencies Appropriations Act of 1982; and H.R. 3380, the Armed Forces Pay Act of 1981. Had I been present, I would have voted as follows on each of these measures:

On rollcall No. 202, to authorize a bust or statue of Dr. Martin Luther King, Jr., to be placed in the Capitol, I would have voted "yea." Clearly, Dr. King made a magnificent and historic contribution to civil rights in America and deserves this kind of tribute. I am delighted that this measure passed by a vote of 386 to 16.

On the rollcall No. 203, the conference report on H.R. 4034, Housing and Urban Development-Independent Agencies Appropriations Act of 1982, I would have voted "yea." While I am distressed at the reduced contract authority for assisted housing, cuts in operating subsidies for troubled housing projects, and the one-half reduction from the House level in funding for the solar and energy conservation bank, it is clear that this conference report represents the best we are going to be able to obtain for the essential programs covered under this measure.

On rollcall Nos. 204 and 205, with respect to the Armed Forces Pay Act of 1981, I would have voted "yea" on both. It is on training and retaining qualified personnel that our national security efforts should really be focused. Indeed, we are experiencing a terrible manpower shortage which threatens out ability to defend ourselves. It seems ludicrous to spend billions of dollars on sophisticated weapons when you do not even have the skilled personnel to maintain or operate these systems. I strongly support the Armed Forces Pay Act of 1981, which would improve pay and living conditions for members of the Armed Forces, and increase bonuses to attract and retain qualified personnel.

Also, had I been present, I would have voted "yea" on the amendment offered by my good friend from New York, Representative ADDABBO, to provide for a pay raise averaging the same 14.3 percent that was authorized in the bill, but targeting it to those personnel in needed skilled positions. I believe pay raises should be targeted toward skilled personnel who are in short supply. Because the armed services have already been successful in achieving their recruitment goals, a 14.3 percent across-the-board pay raise for all is unnecessary and would preclude needed increases for personnel who have critically needed qualifications.●

## RUDOLF HESS—POLITICAL PRISONER NO. 1—PART IV

### HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. McDONALD. Mr. Speaker, there is still a cultivated misunderstanding of the Hess case, in that Hess remains a war criminal in the popular mind, despite having been acquitted of war crimes. His crime appears to have been to seek a way to bring peace between Britain and Germany in order to forestall the bloodbath on both sides which did, unfortunately, take place.

As part of the unique conditions of imprisonment which Rudolf Hess has suffered for the past 40 years, he cannot speak out in any way. There was a relaxation of this iron-gag rule between May and July of 1947, during which time Hess was able to tell his family about the flight to Scotland on May 10, 1941, the flight which was his last act as a free man, from that long-distant day to this.

Wolf Rudiger Hess, Rudolf Hess' son, writes that,

My father's flight to Scotland is considered to be one of the most extraordinary deeds in modern history. One man tried by a courageous and lonely action to end what he feared would become the greatest calamity. The approximately fifty million war dead are the dreadful proof of his vision.

Extracts from the letters of my father (from May to July, 1947) are pieced together to give a continuous story in his own words of the events of the night of the 10th and 11th of May, 1941.

What follows was written by Rudolf Hess.

The North Sea was illuminated by an evening light of unearthly loveliness, such as is found in the far north. It was utterly lonely. But how magnificent! A multitude of small clouds far below me looked like pieces of ice floating on the sea, clear as crystal; the whole scene was tinged with red. Then the sky was swept clean—alas, much too clean! There was not a trace of the "dense carpet of clouds at about five hundred metres", predicted in the weather report, and where I had thought to take shelter in case of need. For a moment I even thought of turning back. But a night landing with this machine, I reflected—that will never do. Even if I saved myself, the Messerschmitt would suffer serious damage, possibly beyond repair. Then, indeed, the cat would be out of the bag; nothing could be kept secret. The whole business would be reported in the highest quarters and then all would be over—forever.

So I told myself to "Stick it out, no matter what happens!"

Then I had a stroke of luck. A veil of mist hung over England. Its surface shone so much in the evening light that nothing down there could be seen from above. I took shelter, of course, at once, flying with the throttle full out and coming slap down from a height of two thousand metres towards the coast at a truly terrific speed. The action of that moment saved me then. There was a Spitfire in pursuit which I outdistanced before I was aware of its presence. I could not look behind; I was too enclosed in my cabin and too dazzled by the reflections. Had I not been tempted to dive for cover, but remained in the clear air at the pace I had been going he could easily have shot me down.

As it was, I crossed the East Coast a little below Holy Island at about ten o'clock and after sunset, flying low over a little town whose inhabitants must have been terrified, so low did I roar past, barely higher than the houses, at some 750 km. per hour with my two thousand h.p. engines at full throttle and the exhaust echoing through the sleepy streets. At this level the visibility was suprisingly good. I could see several miles, but I must have been invisible to my pursuer. I took good care not to rise too high, but flew on at not more than sixteen feet from the ground—even less at times—skimming over trees, men, beasts and houses; what English airmen call "hedge-hopping". It seems to have impressed them a good deal, according to the Duke of Hamilton and judging by the honour done me in a critique in an English flying journal!

I enjoyed every minute of it! At home, this sort of flying was forbidden, although I did occasionally do a bit of it—but not so drastically as on this flight over enemy territory.

"Father" Bauer [1] always said that what I really liked was to fly through barn doors, and it was in this spirit I aimed at the Cheviot, now looming out of the misty evening. This was my guiding point, as previously determined, and keeping within a few yards of the ground I literally climbed up the slope. Never before had I ascended a mountain so rapidly. With a slight alteration of course to the right, I slid down on the other side. On I went over level ground, skimming merrily over house tops and trees, and waving greetings to men working in the fields. The variometer told me I was ascending, until suddenly I was over my next point of orientation—a little dam in a narrow range of hills with Broad Dav the highest summit. Here my course bent to the left.

I had no need to bother with a map; all the details of the course, compass points, distances, etc. were already stored in my memory. After my flight from Harlaching, they may have found a sketch which I had for pinning on my bedroom wall where I could study it during the many sleepless nights, by the light of the reading lamp—the disappearance of which was, quite rightly, debited to my account by my dear wife.

[1] Hans Bauer, Hitler's chief pilot.

In the end I could have flown the whole route while asleep.

In case these sketches should, by some mistake, have been seen prematurely by my much too intelligent wife, who might become altogether too curious about the mysterious X and Y which then played a part in our lives, I had taken the precaution of simply writing Ostsee in place of Nordsee. That her womanly gift of putting two and two together during the long months of my silent preparations had inclined her to think that I intended to fly on the southern course—towards old Marshall Pétain, as she later wrote me in Nuremberg—was a thing I could not then guess. For so many years she had been educated almost to my own level of taciturnity!

At about ten forty p.m. I found myself over Dungavel, the country seat of the Duke of Hamilton, my quite unconscious future host, or so I hoped. Yet, to avoid all possibility of error, I flew on to the coast, a matter of a few minutes. The smooth sea lay beneath me, as calm as a mirror, lit by the rising moon. Just off the mainland, a towering rock, five hundred metres high, rose out of the water, magnificently illuminated, a pale reddish colour. All looked so peaceful and beautiful. What a contrast to the hazardous and exciting experience then just about to come—immediately before my first parachute jump! Never shall I forget this picture.

I flew a few kilometres along the coast until I reached a small place on a spit of land with what might have been a mole, as on my map. Satisfied that I was on the spot, I turned east again and was able to pick out the railway and a small lake which was shown on the map with a road by it and south of the residence at Dungavel. I made a curve, ready to land by parachute after rising to a safe height of some 2,000 metres. Then I switched off the engines, turned the propeller indicator to null to check rotation regardless of the following wind, so that I could drop without being churned into mincemeat—such a superfluous precaution! For I found out afterwards that it would be easier to squeeze through a solid wall than to press forward against that prodigious air pressure. The first engine did not dream of stopping but, being ignited by the red-hot cylinders, went on spinning and humming merrily and took no notice of the fact that the ignition was off and that its conduct was against the rules!

However, the motor did come to its senses finally, senses which nevertheless soon sealed its fate.

Now I fastened everything up and opened the cabin roof, with the notion of climbing out—not without some skepticism and with much curiosity but all the same in excellent spirits. It was out of the question! The air pressure was something that cannot be imagined, even when the machine was going so slowly; and it pressed me up against the back partition as if I were screwed to it. In spite of all the care I had taken to find out about everything from my good friends at Messerschmitts, there was just one thing I had overlooked. I had never asked about how to jump; I thought it was too simple!

When I think back to that time, I find it astonishing that I never once thought of using the landing gear to slow down the machine. With no motors running, I had sunk lower and lower. Then I suddenly remembered that Greim [2] had once mentioned that one had to turn the machine over on its back and allow oneself to fall out! I then began to turn the machine over but, although I had done all sorts of acrobatics in the air, this was the one thing I had never done with this 'plane. And yet even that was lucky, because I instinctively pulled the joystick as if for a semi-loop instead of setting it for horizontal flight. Coming right over, the centrifugal force held me inside. But, with my head hanging down, had I slid out even a very little, the pressure of air would have broken my neck and spine. But the centrifugal force is immense with such a machine; it made the blood drain from my head and I began to "see stars". I was just able to think: "I am only just abve the ground and flying straight down. Soon the crash must come! Is this the end?"

Then everything went black and I passed out. There I sat hurling earthwards, upside down, with no power of control. A desperate, indeed, hopeless situation! The next moment I had recovered consciousness, with full clarity of mind, and found myself staring at the speed gauge: the pointer stood at zero. I flung myself away and at the same moment the machine dropped like a stone.

I pulled at the parachute; the strands held me up, and I hovered in the air; an indescribably glorious and victorious experience all things considered. While unconscious, I had done what I should have done, had I been conscious. I had brought the plane out of its semilooping curve to finish almost perpendicular on its tail. The power of the swing spent, the maching stood motionless, immediately before plunging. Momentarily it had thrown me into a position for the blood to flow back into my head.

A second later would have meant death—Kismet!

So there I was, swaying about in the air, the mist barely illuminated by a full moon which sent no more than a thin reddish light through the night. The sudden checking of speed when I reached the ground was sufficient, after my previous experience, to send the blood again from my brain into my legs, so that I stumbled forward and once more all was as black as night; in short, I had my second "black-out". This time I recovered consciousness very slowly. Had it happened this way when I was in the machine, it would have proved fatal. Everything around me was swimming; I finally awoke, my expression, I dare say, resembling that of Adam when, having been formed from earth, he saw the world for the first time. For at first I had not the remotest idea of what had happened to me or where I was. Only gradually did it become clear to me that I had reached my goal—or rather a new beginning. Alas, more of a beginning than I dreamed!

I came down not far from the door of a farmhouse standing alone, and out of the door came a man who asked me if I was British or German and, as I could not walk easily, helped me very nicely into the house and placed me by the fire with a cup of tea. In jumping, I had hurt my ankle, probably knocked it somehow against the parachute gear.

What happened next was much less encouraging; a civil official appeared at the head of a troop of soldiers—a man who had quite evidently, judging by the smell, been celebrating Saturday with good Scottish spirits, probably having taken an extra shot when he heard that a German parachutist had come down. At any rate he staggered about in a cloud of alcoholic vapour, marching me off and prodding me all the while in the back with a large revolver, his finger never leaving the trigger. As I listened to his incessant belching and stumbling, I felt there must have been the finger of God intervening between his shaking hand and the impending shot. A little later the leader of the military asked me to enter a house, but the alcoholic official protested energetically against this and prevented my entry, poking his revolver, this time, into my stomach. I certainly did not move a muscle at this delightful little game with Fate but urged the two to unite in deciding what to do. Finally we did enter the house, where a really nice little Tommy made all well once more by offering me a bottle of milk which he had no doubt brought for himself. After five hours flying and two "black-outs", I expect I looked as if I needed it—as indeed I did, for on top of the somewhat exciting adventures of the last few hours I now knew that I was under arrest. Little did I know for how long!

Some R.A.F. officers arrived during the night to take a look at the phenomenon which had landed in their country—this being part of their "duty" as they made clear or at least asserted. An army major with them stared at me for a good while and then speaking in first-rate German, said that I was the image of Rudolf Hess. He had often seen Hess in Munich, he said. I replied very coldly that it was no news to me that I looked like Hess; and in fact it was very painful to me. The major understood perfectly.

Then, again suddenly, he produced a little photo of an Me 110 which he had with him and asked me to sign it. He no doubt thought that he was being smart and that I should give myself away. In an easy manner, I scribbled "Alfred Horn" on the photo: later I heard that this signature appeared in fascimile in the Press!

I asked to see the Duke of Hamilton. He had been told about the extraordinary similarity to Hess, and at first refused to entertain the idea that I could in fact be Rudolf Hess. When we spoke together, however, he was compelled to admit that it must be so, and, full of astonishment, exclaimed: "Can you really be Hess?"

At the time I often asked myself the same thing—was I really Rudolf Hess? Or was I, perhaps, in a dream, and would soon awake peacefully in Berlin in the Wilhelmstrasse, or in my own room at Harlaching, looking at the big map pinned on the wall? In the opposite sense, I did dream, again and again, that I was still at home and had not yet got things ready for my flight, or that I had returned from England, my mission having failed. Each time it was like some horrid nightmare. In the dream I did everything possible to attain my aim and became desperate at the idea of returning with nothing achieved.

When I woke up in England after such a nightmare and found myself really there, my first reaction was a sensation of relief but without any clear realization of the actual position of things—so powerfully had my peace objective taken possession of the subconscious mind. That which I had planned and hoped for was perhaps too gigantic; just how gigantic and yet how right we realize perhaps only now.

Ah—well! Peace. Our chaplain, who came to see me recently, was of the opinion that "At last, God has come to us!" I regret to say that—to the distress of the chaplain above all—this view does not entirely coincide with mine. I have a strong impression that, for the time being, it is the Devil who honours us with his presense and now dem-

[2] General Ritter von Greim.

onstrates it powerfully in many parts of the world. Nevertheless, I am convinced that God will sometime really come to us, conquer Lucifer, and bring peace to tortured humanity.

When I was in England, playing the part of a man who had lost his memory, I learned many things by heart as a means of saving myself from the fate which I was carefully pretending to have suffered; I regarded this as a sort of "training". Together with many other pieces I often repeated to myself—not merely by way of training either—a piece from Goethe's Egmont, with which I now conclude my factual account of the flight:

"As if urged onward by invisible spirits, the fiery steeds of the Age run away with the slender chariot which carries our fate. We can do nothing, but courageously hold fast to the reins, swerving now right, now left; avoiding here a rock; there a precipice. Where are we going? No one knows. Hardly can we remember whence we came. . . ." ●

## A SALUTE TO MEXICAN INDEPENDENCE DAY AND HISPANIC HERITAGE WEEK

### HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. ROYBAL. Mr. Speaker, we are now in the midst of Hispanic Heritage Week. This date, September 16, is of special importance to those of us of Mexican descent, and I would like to take this opportunity to offer a special salute to our great neighbor to the south while also honoring all those of Hispanic heritage.

It is not widely known in the United States that Mexico celebrates its "Fourth of July" on September 16. On this date 171 years ago, that country proclaimed its independence from Spanish colonial rule, ending forever the reign of foreign tyranny in the Western Hemisphere. On September 16, 1810, Father Miguel Hidalgo Costilla urged the citizens of the small town of Dolores to take up arms against the oppressive Spanish rulers. Like the proclamation of our own Declaration of Independence, "el grito de Dolores" of 1810 inspired the revolt that brought freedom from European colonial domination.

The independence of spirit of the people of Mexico is certainly a match for our own, and the United States must recognize and honor that fact. For too long we have regarded Mexico as a second-rate nation, but we are now discovering that its problems and interests parallel our own. I applaud the expressed desire of this administration to establish closer ties with Mexico. As equal partners our two nations will make great progress in the years ahead, both economically and socially.

This week is a celebration not only of Mexican heritage, but of Hispanic heritage in general. Although Hispanic Heritage Week has been celebrated every year for over 12 years, very few people realize just how important Hispanics have been to the development of the United States, both in physical and cultural terms. Most people are familiar with various aspects of Hispanic art, music, food, and language, but few are aware of the extent to which our society has been shaped and enriched by the Hispanic presence.

Too many of us have for too long considered Hispanics to be only the latest wave of immigrants to enter the United States, bringing with them all the problems that immigration entails. In fact, many of us have ancestors that began settling this country long before the Pilgrims landed at Plymouth Rock. Historians have tended to overlook the role of Hispanics in the development of our great Nation, glossing over Hispanic participation in the American Revolution, ignoring the Hispanic defenders of the Alamo and the mixed Hispanic-Anglo troops of the Texas revolution. This ignorance will not continue.

Recently, Hispanics have begun to speak up as a group. We are celebrating our heritage, taking pride in our ethnicity, making our presence known. We now number over 15 million in this Nation, and are estimated to become the largest minority in this country as soon as 1990. For the first time, we see political leaders and office-holders courting the Hispanic vote, expressing concern over Hispanic problems and needs. We celebrate this recognition, and at the same time call for a fair solution to our common problems of discrimination, education, and immigration. I invite you all to join the Hispanic community in celebration of our proud heritage, and in recognition of the force we have been and will continue to be in the shaping of this country.●

## EXPORT TASK FORCE HEARINGS ON THE FOREIGN CORRUPT PRACTICES ACT

### HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. BONKER. Mr. Speaker, the House Subcommittee on Telecommunications, Consumer Protection and Finance, under the chairmanship of my distinguished colleague, Representative WIRTH, has begun a series of hearings today on the amendments to the Foreign Corrupt Practices Act of 1977, offered in H.R. 2530 and introduced by Congressman RINALDO. As chairman of the House Export Task Force, I must stress the importance of this piece of legislation if we are to promote U.S. exports and increase our share of world trade.

Identified by businessmen and attorneys as one of the most significant export disincentives, the FCPA contains too many uncertainties and ambiguities. It is considered a disincentive to exports because of uncertainty within the business community about the meaning and application of some of its key provisions. Conduct prohibited and conduct permitted is often unclear.

The problem of uncertainty is compounded by a lack of guidance from the enforcement agencies as to proper interpretation of the act's provisions. This problem, in turn, is exacerbated by the dual enforcement authority of the Justice Department and the Securities and Exchange Commission over the act's payments provisions.

In a report issued in early March of this year, the General Accounting Office was highly critical of the enforcement and administration of the FCPA, stating that ambiguity and uncertainty associated with the antibribery provisions make compliance difficult and costly. Moreover, there is controversy over accounting standards and the degree of precision required by them.

H.R. 2530 offers precise and specific guidelines as to what is prohibited and what is not prohibited, rather than the vague standards now in effect. It must be emphasized that H.R. 2530 merely provides changes in the original statute without compromising the original intent; that is, the prohibition of bribery of foreign officials in order to obtain or retain business.

H.R. 2530 offers the following changes to the Foreign Corrupt Practices Act of 1977: The Act shall be named the Business Accounting and Foreign Trade Simplification Act; accounting provisions of the law would be in conformance with the generally accepted accounting principles (GAAP) instead of the ambiguous and overly detailed standard that now exists; violation of the recordkeeping and accounting controls provision would occur only if it was knowing and willful; jurisdiction for antibribery enforcement would be transferred from the Securities and Exchange Commission to the Department of Justice; the prohibition against bribery of foreign officials is rewritten to clarify what is permitted and what is not; Department of Justice actions to assist with compliance would include guidelines describing specific types of conduct which would be permissible. In addition, H.R. 2530 expresses the sense of Congress in supporting bilateral and multilateral agreements on international business practices so that competitive disadvantages against U.S. businessmen would be eliminated.

We must take steps to remove those disincentives to exports caused by the Foreign Corrupt Practices Act of 1977.

H.R. 2530 provides the needed precision, clarity, and simplicity.

The American businessmen, our constituents, have the right to know specifically what they can and cannot do in international business. We must work with them to promote U.S. exports, expand trade, and provide increased employment opportunities for Americans. I commend Mr. WIRTH for launching this series of hearings so that the full House can consider this important issue.●

## JUDGE ROY FERKICH HONORED BY BOY SCOUTS

### HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. ANDERSON. Mr. Speaker, on September 19, the Boy Scouts of America will honor Judge Roy Ferkich, an outstanding South Bay leader and a close personal friend of mine, as San Pedro's "Citizen of the Year." This honor is being bestowed upon him in recognition of the many contributions he has made to the South Bay area through his active participation in numerous community activities over the years he has been a resident of the area.

Roy moved to San Pedro as a child of 10, and has lived there ever since. He graduated from San Pedro High School, and pursued his education at Compton Junior College, completing his law studies at the Southwestern University School of Law in 1953. A year later, Roy Ferkich was admitted to the California bar and began a legal career that has now spanned over a quarter of a century.

During all these years, Judge Ferkich has repeatedly offered his services to the community. He served on the board of harbor commissioners for the Port of Los Angeles, as a board member and most recently as board president, from 1973 until his appointment this year as municipal court judge for San Pedro. Judge Ferkich is presently a member of the board of trustees of the San Pedro Peninsula Hospital Foundation, and for many years has been a leader in ethnic affairs in the San Pedro area.

He was a cofounder and is now president of the Harbor Area Ethnic-Political Coalition. This group, established in 1972, encourages political participation by the sizable black, Chinese, Filipino, Italian, Mexican, Russian, Samoan, and Yugoslav communities of the harbor area. Roy has been a particularly active member of South Bay's Yugoslav community. He is currently a member, and has been a past president, of both the Yugoslav American Club of San Pedro and Yugoslav Americans for Political Action. Ferkich was, in fact, a cofounder of the latter group. In addition, the judge is a board member and legal counsel of San Pedro-Komiza, a "Sister Cities" organization pairing our own San Pedro with the Yugoslav Adriatic city of Komiza.

My wife, Lee, joins me in wishing the very best to Judge Roy Ferkich, his mother Florence, his brother Eugene, and his sister Lorraine Norton, in the years ahead.●

## SAUL LEVY

### HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. LEHMAN. Mr. Speaker, the life of Saul Levy gave witness to the fact that it is never too late to get involved in one's community and to be of real service to one's neighbors. Mr. Levy moved into my district only 3 years ago, but he made a significant contribution toward improving the quality of life in North Miami Beach. He became a leader in the fight against excessive noise, and we will all miss the dedication and high level of energy he brought to his cause.

I offer my sincere condolences to Saul's widow, Celia, and I would like to include in the RECORD the following tribute to Saul Levy which was printed in Vibrations, published by the National Association of Noise Control Officials.

WE ARE ALL HEIRS OF SAUL LEVY

(By Marina Vitale)

When Saul Levy died suddenly in Miami May 30, he left a legacy for noise control. He had lived to see passage of a Dade county ordinance establishing a procedure to ban railroad whistle and horn noise—a goal he had made a "life's work" after retirement at age 63 as a textile salesman and owner of a Manhattan textile business.

Mr. Levy and his wife Celia moved from Valley Stream, New York to North Miami Beach about three years ago and, his son said, "he planned to sit by the pool and do the other things that old men do." He had a serious heart condition and, Mrs. Levy believes, "It was only because he was participating in an experimental program on arrhythmia at Harvard Medical that he was given these past two years which he used to create a new career in public service." That began after the Levys moved into a condominium with a view of Biscayne Bay; a railroad whistle awakened them at 3 o'clock in the morning and jolted him out of bed into a new interest.

Mr. Levy held that citizens have a right to quiet on their property in the same way they have the right to build fences to keep out other intruders. Figuring that the whistle sounded more than a half-mile from his home must disturb many other people, he formed a group that eventually was incorporated as Project Whistle Stop. He argued for use of new technology for crossing safety and quiet, recruited political and business leaders, collected materials about railroad crossings and signals into probably the most extensive library on the subject owned by a layman, and got resolutions of support from many communities. He also worked for some time as a Community Noise Counselor.

He was the kind of man who, after he was hospitalized once in 1980, sent a bulletin to all hospitals in Dade and Broward counties suggesting ways to have a quieter hospital environment. He was instrumental in getting a noise barrier along an Interstate highway. He distributed anti-noise buttons and stickers everywhere he went. Mrs. Levy, who is called Cyl, remembers, "Saul was very noisy in expounding his cause for a quiet environment. He was exasperated at the low priority noise excesses were given by the public."

An attempt to get a statewide railroad whistle law died in committee; Mr. Levy and his group concentrated on the local level and the Dade County Commission eventually entertained an ordinance which allows whistle bans to be imposed on crossings on a case-by-case basis after public hearings on petition of at least 100 crossing-area residents. (The first copy of the petition form was presented to Mrs. Levy at her husband's funeral.)

The railroad had argued that whistle and horn blasts are a safety measure. Some commissioners were undecided and the railroad offered them a ride in the cab of a train. "I think we would do better to outlaw whistles throughout the county in one fell swoop," Commissioner Barry Schrieber was quoted as saying after his ride. "The train whistles are in no way a safety factor whatsoever." The commission accepted the train whistle ordinance without dissent May 19.

"Saul envisioned that the passing of the Dade county ordinance was to be the forerunner of many of these ordinances up the Florida coast," Mrs. Levy said. "He had assurances from mayors that they were just waiting for such a precedent." He estimated two million Floridians lived along the mainline of the railroad.

He planned to continue working against noise pollution. He organized a Citizens Against Noise about six months ago to broaden his scope. He planned to promote updating of the county noise code. He had an idea that developers should be required to include noise impact statements in any housing prospectus, based on 24-hour studies and listing excessively high decibel levels and their sources. He was spreading the word about quiet compressors made in England.

Mrs. Levy helped her husband in his work, both before and after his "retirement," but she is not inclined to take his place. "I was always interested, always proud. We made a good pair. I always saw the trees; he saw the forest. He always had a broad view and the sense of knowing where to go, who to go to. I hope someone will take up the cudgel."

Besides his wife, Mr. Levy's surviviors include three grown children: a son, Lawrence C., and two daughters, Mara H. and Joyce; a sister, brother and grandson. We believers in noise control are his family, too. And we have suffered a loss.●

## DIAMOND JUBILEE FOR MINEOLA

HON. JOHN LeBOUTILLIER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. LEBOUTILLIER. Mr. Speaker, this week, the Long Island village of Mineola is celebrating its Diamond Jubilee, commemorating 75 years as an incorporated village in a region that has undergone a radical transformation from agrarian quietude to suburban sprawl.

Since 1906, Mineola—which is now the county seat of heavily populated Nassau County—has been a jewel in the crown of communities that make up Nassau County. Mineola has always been at the center of things—as a vibrant farm community, market center, depot, meeting place, and seat of county government.

Since 1945, Nassau County has undergone one of the most radical changes in population. The county has gone from a largely potato-farm-studded place to one where nearly 2 million people live and work. In spite of this rapid and dizzying change, Mineola has retained its special sense of community. Like the traditional village of the days of old, Mineola is a true community. Her people are proud of where they live and contribute in many ways to the livelihood of their community.

Mineola is no bland, faceless suburb. It has a distinctive life of its own, and is a most pleasant place to live.

Mayor Ed Smith and the Mineola Board of Trustees govern a village that has given much to the past of Long Island, and will add greatly to her future.

North Hempstead town clerk, John DaVanzo has organized a jubilee festival that reflects the special and decent character of his hometown. Most important of all, Mr. Da Vanzo's efforts are truly uniting Mineola.

Main Street used to be populated by cows, then trolleys, and then by a few cars. Today, it is a bustling place, but not in so much of a hurry that the community cannot look backward to a worthy past.

In 1976, during this Nation's Bicentennial, the village of Mineola printed a small history of their community. Entitled "Mineola: Heartbeat of Nassau," the tract is authored by Thomas Barrick.

The history is an excellent description of a smalltown atmosphere, and I am taking the liberty of offering it here for the benefit of my colleagues.

MINEOLA: HEARTBEAT OF NASSAU

(By Thomas Barnick)

1870–80

In a travel brochure of 1877, Mineola was described as "an important junction and the center of the transportation of farming products. Many of the wealthiest farmers on Long Island live in this district, the surrounding country bearing the evidence of high cultivation." Corn, potatoes and radishes were grown on the farms surrounding the station on Main Street. "The Mineola Hotel and the various saloons are liberally patronized, but for the traveler Mineola is more interesting as a junction for Hempstead."

1880's

By the eighties Mineola had a population of 313. Deitz's tubular lamps illuminated the village streets but "of the various street lamps in our place, it is rarely that more than two are burnt at night." Across the eastern part of the village was the Meadow Brook Hunt Club where Mr. Hitchcock, master of the hounds, would go streaking after a little, red fox across the Jackson and Titus farms, starting at the fair grounds.

According to the Gazetteer of Long Island, 1885, "Farming is largely and profitably carried on about these neighborhoods, a level surface and rich soil and convenient railroad facilities affording favorable conditions." Every Monday, Wednesday and Friday mornings a market train would stop at the station to bring produce into New York. "The market train is so liberally patronized by our farmers and those from Hempstead that trains are run in sections, each containing thirty to forty wagons."

MINEOLA

In 1844 John S. Wood opened the first Branch post office. He received mail for the Albertson, Allen, Hewlett, Willis, Searing, Woodnut, Simonson and Smith families. In 1928 Henry W. Skinner wrote, "When the Branch wanted a post office the United States postal authorities informed the people of the Branch that it would be necessary to have a name. Samuel V. Searing told the writer that he read in a daily paper an account of an Indian uprising in the state of Nebraska, led by an Indian chief by the name of Mineola, and liking the musical sound of the word, immediately sent the name on to Washington which was approved and adopted by the postal authorities." The Branch was officially changed to Mineola in 1858.

At the tenth anniversary of the incorporation of the village in 1916, George Littlejohn wrote a letter to the Smithsonian Institution Bureau of American Ethnology asking them if they knew what Mineola meant. They wired back saying that it means "pleasing and pleasant," from the Delaware or Algonquin stock Indian name of the original Meniologamike, which is "a pleasant or palisaded village."

1910's

Before the roads were paved the streets would resemble one large, muddy, hog wallow whenever it rained. After a storm in 1912, the residents on Willis Avenue proposed changing the name of the village to "Muddyola." During the summer, the roads would become dusty so a water wagon would come around and sprinkle the streets to keep the residents from choking to death. "On some avenues," in 1913, "residents are so indifferent to its condition that weeds in the gutters almost hide the concrete curbing." These complaints kept Street Commissioner Silas Andrews very busy.

GAS LIGHTING

In 1911 the Nassau and Suffolk Lighting Company was awarded the contract to light the village streets with gas. Every evening Robert DeSteffano would mount his little pine stepladder and light every lamp individually and put it out in the morning. Five miles of gas mains were laid and residents were installing gas in their homes. "When walking through the village streets at night it is easy to see what stores and houses are using the new 'Reflex' gas light." Electric lines were put up in 1903 but few people made use of them until the 1920's when practically everyone had converted.

MAIN STREET

Main Street was the center of village business. Ehrich's big country general store sold everything: wool, dry goods, feed and grain, hardware, dolls, silk stockings and groceries. Fred Unser also had a general store on the northwestern corner of Harrison and Willis Avenues, but the building burned down in 1915. On the southeast corner of Main and Firsts Streets was Van Wagner's General Store, with a large section of hay, grain and feed.

The post office was a little building next to Ehrich's store. The boxes for mail and delivery windows filled the whole north side. Each family called for the mail once or twice a day, until 1919 when carrier service was installed. The post office moved in 1920 to the Meyer Building, on the northwest corner of Mineola Boulevard and First Street, then to the southwestern corner of Third Avenue and Second Street until 1932 when the old Seaman homestead was torn down to make way for the present post office.

The first motion pictures were shown in Allen's Hall on Main Street (now the Allstate Plaque Company). Movies were shown in different halls around town until 1914 when The Century Opera House opened on Main Street (now a warehouse). The picture ran once in the afternoon and once in the evening, changing pictures every day, rarely having a vaudeville act. A male violinist and a woman pianist accompanied the silent picture with "the same fast banging tune when horses trotted on the screen." The reels always took a long time to change so during the intermission the moviegoers would go next door to Rushmore's Pharmacy for an ice cream soda.

1920's

In the 1920's Mineola was affected by the post-war housing boom which spread across the adjacent farmlands; the business district moved from Main Street to Jericho Turnpike and the town acquired its present look.

TROLLEY LINE ABANDONED

In 1923 the Port Washington, Mineola to Hicksville trolley line was abandoned "since this line traversed rather rugged terrain, it suffered badly in poor weather and had to fight a constant battle to operate during winter storms. From 1913 to 1920, its business gradually dropped on the Nassau section of the line. Poor finances and power troubles finally spelled the end of the line in May of 1920." The Mineola to Freeport line was in operation until Easter Sunday, April 4, 1926. "Only a few residents mourned the demise of the ten-cent ride from Freeport to Mineola on the clattering trolleys."

NEW BUSINESS DISTRICT

During the 1920's the village business district moved from Main Street to Jericho Turnpike and Mineola Boulevard.

In 1920, Hugh Kennedy purchased Allen's Hotel, and the adjoining property on Main Street, and built small stores that commanded high rent since they were near the trolley terminal and railroad station. When

the traction company discontinued the Mineola line, and the railroad station moved in 1923 to its present site, these stores lost most of their business.

The Century Opera House became outdated when the new Mineola Theatre opened in 1927. Ehrich's General Store was sold in 1925 to the Dordan Realty Company of Manhattan, who tore it down and erected the present brick building, which was used as a dress factory. In 1928 the new Village Hall and Firehouse was dedicated and Fireman's Hall was sold for land speculation. The first bank in Mineola, The Nassau County Trust Company (now Davenport Press building), incorporated in 1899, moved to the large building on the southeast corner of Second Street and Mineola Boulevard in 1922. As can be seen, the business section was shifting.

"The village had very few stores," Sister Virginia Marie said, "it was only after Jericho Turnpike had been started and many stores opened, that one could really do shopping. Before that took place, one had to go to Hempstead."

1930'S

Since few people in Mineola owned any appreciable amount of stock, the crash of 1929 passed overhead almost unnoticed. It was the ensuing Depression that made the residents aware of October 21, 1929.

In 1933, when Franklin D. Roosevelt became President, one out of every six persons in the county was unemployed, and applying for work relief. In the emergency, President Roosevelt inaugurated the Works Progress Administration which found, or made, jobs for unemployed workers. In Mineola, men were put to work building all the concrete gutters and where they weren't already, curbs. Each man worked three or four days a week for $3.20 to $4.00 a day. "Just enough," as one resident said, "to put bread on the table."

Jackson Avenue and Hampton Street Schools were both built as part of the W.P.A. project, as was the post office on Main Street. Local men were also put to work painting the buildings at the Mineola Fairgrounds, at government expense.

PRICES IN THE 1930'S

When a housewife moved to Mineola in 1929, her husband's salary was $125 a week, which was way above the approximately $15 the W.P.A. workers were getting. In her account book during the 1930's she wrote:

| | |
|---|---|
| May 19, 1936: | |
| Long Island Lighting | $5.76 |
| Nassau & Suffolk Lighting Co. (a separate bill of gas) | 3.36 |
| Monthly commutation ticket | 10.56 |
| Mineola village tax, 1936 | 34.25 |
| Dr. Frank Barnes, bill | 6.00 |
| New York Telephone | 4.55 |
| September 18, 1936: | |
| Mineola coal bill | 12.25 |
| School taxes | 23.09 |
| November 1, 1936: | |
| Water bill | 6.00 |

To help save money, school classes ran on part time. The same teacher would teach one class in the morning then another in the afternoon.

Ruth C. Smith recalls: When I came to teach French at Mineola High School, in the fall of 1934, there was no Jackson Avenue School. The first floor of the building on Emory Road had grades one through eight, and the high school occupied the second and third floors.

Since this was a depression era, teachers were required to live in Mineola—the theory being that it would help the village's economy. There were some married women already on the faculty, but the unmarried women were required to leave if they married, this was also a depression measure. Needless to say, there were some secret marriages.

AFTER THE 1930'S

In the 1930's and 1940's, daisies and violets grew in abundance, as did locust and sumac trees, in the lots and fields surrounding Mineola, that were once farms. By 1940 Mineola's population was 10,064. After WW II, small, Cape Cod-style houses began springing up in the center of the village. A large unincorporated area spreading from Mineola and north New Hyde Park to Hericks increased by 40,000 residents from 1950 to 1960.

"Mineola has changed," George Pappas said, "but there are still some of the old spots left behind."●

## NATIONAL JOB CORPS COMPETITION/EXPO

### HON. CARL D. PERKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1980*

● Mr. PERKINS. Mr. Speaker, more than 200 proud young men and women from Job Corps centers across the country will gather on the Mall in front of the Capitol September 22-24 to take part in the first National Job Corps Competition/Expo. For the first time in the program's 16-year history, Corps members will have an opportunity to demonstrate to the entire Nation the practical job skills and educational training they have gained through Job Corps.

In addition to showing the Nation that these young men and women representing the Job Corps program are ready and able to begin successful new careers in the labor force, the competition/expo also is a celebration of the program's 16th successful year. Since the program began in 1965, more than 730,000 young people have joined Job Corps to gain the training and education needed to launch them from backgrounds of unemployment and poverty into productive, responsible careers. Job Corps continues to provide educational and vocational training, work experience, counseling, and health services to help these young men and women begin meaningful new lives.

Performance records of Job Corps graduates prove that the program is a major success. And the program works because it enjoys the cooperation of private industry as well as labor and trade unions in providing the practical career training and educational programs which help the Corps members find and keep jobs.

This first National Job Corps Competition/Expo will be highlighted by 3 days of job skills competitions in 20 occupational and educational areas. Corps members will be visiting Hill offices on September 21. Luncheons for the House and Senate will be held on September 22 and 23. There also will be an awards dinner, where the master of ceremonies, Secretary of Labor Raymond J. Donovan, will be joined by approximately 1,000 corporate executives, labor officials, political leaders, and center directors to honor the competition winners.

Following is a complete schedule of events:

JOB CORPS COMPETITION/EXPO SCHEDULE OF EVENTS

TUESDAY, WEDNESDAY, THURSDAY, SEPTEMBER 22-24

(NOTES.—Competition schedule is the same for all 3 days.)

10:00

Culinary arts—Conclusion of brunch preparation and chef's salad preparation, tent A.
Solar energy installation, tent A.
Auto mechanics, tent A.
Surveying, outside area No. 3.
Basic education (oratory and spelling), tent A.
Business/clerical, tent A.
Nursing assistant, tent A.
Auto body repair, tent B.
Brick masonry, tent B.
Tile setting, tent B.
Cement masonry, tent B.
Welding, tent C.
Carpentry, tent C.
Electrical, tent C.
Plastering, tent C.
Painting and wallcovering, tent C.

11:45

Culinary arts—Roast meat preparation, tent A.

12:00

Equipment operator, outside area No. 3.

12:45

Culinary arts—Luncheon to include short order hot entree with vegetable, tent A.

1:00

Solar energy installation, tent A.
Culinary arts—Cake sculpture and decorations, tent A.
Auto mechanics, tent B.

2:00

Equipment operator, outside area No. 3.

3:00

Solar energy installation, tent A.
Auto mechanics, tent B.
Surveying, outside area No. 3.

4:00

Culinary arts—Team ice carving, tent A.
Equipment operator, outside area No. 3.

5:30

Culinary arts—Turkey carving, fruit, cheese and turkey tray arrangement, tent A.

CONGRESSIONAL EVENTS

Corpsmembers visit Hill offices, Monday, Sept. 21.

Luncheon for Congressmen and other honored guests, Tuesday, Sept. 22, 12:00 p.m.

Luncheon for Senators and other honored guests, Wednesday, Sept. 23, 12:00 p.m.

Barbecue dinner and awards ceremony, Thursday, Sept. 24, 7:30 p.m.

The luncheon and awards dinner will be held in the banquet tent, on the Mall in front of the Air and Space Museum.

I urge my colleagues to find time in their schedules to meet with Job Corps Members on September 21, attend the House luncheon on September 22 or the Senate luncheon on September 23, and participate in the awards dinner on September 24.●

## HANDGUN BODY COUNT

### HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. LEHMAN. Mr. Speaker, during the month of July there were 690 more victims of handguns in the United States. Again many of the dead are children who were "just playing" but ended up as tragic victims.

Not long ago, Miami News columnist, Jack Roberts, wrote a column entitled, "Gun Control? 10,728 Victims Would Say Yes." Noting that the gun used to shoot President Reagan was manufactured in Miami, Mr. Roberts lent his own voice to the growing chorus calling for handgun control. His reaction to the statistics—10,728 killed by handguns in 1979 and 60 million handguns existing in the United States today—is one shared by many. He wrote, "Lord help us all."

The list follows:

HANDGUN BODYCOUNT, JULY 1981

ALABAMA (3)

Anita Colquit, Winfield Jewers, Charles McGatha.

ALASKA (3)

Richard Glenn, D. Higginbotham, unidentified female.

ARIZONA (7)

Margaret DeHerera, Peter Dominguez, Angel de la Cruz, Margaret Neumann, John Vidal, unidentified female, unidentified male.

ARKANSAS (11)

Henry Adams, Carl Bellamy, Norman Block, Robert Boyd, Darrel Gooden, Bruce Johnson, Rose Owens, Ray Rainbolt, Charles Branson, Michael Pickens, Trigg Jacobs.

CALIFORNIA (92)

Alfred Blaydes, Beverly Brown, Carol Brown, Walter Bunch, Douglas Callis, Hector Carillo, Clendria Casteel, Nina Chavez, Mrs. Childress, Conrad Chiquet.

Lonnie Clevenger, Americo Cordova, Louis Correa, Garret Davis, James Delgadillo, Cheri Domingo, Mr. Dozier, Lam Duong, Charlene Fales, Reza Fathollahi, Grant Fowlkes, Jr., Lynn Fuchino.

Neil Fuchino, Robert Ford, Joseph Gableman, Jose Garcia, Oscar Garcia, Inocente Garcia-Junco, Rene Gonzales, Rogelio Gonzales, Judy Green, Jeffrey Hamby, Earl Hargrove, Jose Iniquez.

Michael Jaramillo, James Jones, Florian Karl, Riyad Khatib, Rodney Kiest, Kli Lopez, Jose Lopez, Martin Lopez, Russell MacKay, Juan Marin, Manuel Marin, Cindy Marosy.

Josephy Marshell, Robert Martin, Carlos Martinez, Carol McBroom, Reginald McGuire, Kathleen Merrill, Estelle Mullins, Nariciso Neri, Jr., Patricia O'Donnell, Martin Ortiz, Matilda Pla, Salvador Ramos, Herbert Reardon, Zack Ritsos.

Mr. Rodgers, Gerald Rodrigues, Frank Rose, Hale Ryan, Jr., David Sadillo, Greg Sanchez, Saturnio Santos, Loelia Salverria-Neal, Publo Salverria-Neal, Mark Schwartz, Jeremy Steven, William Swartz.

Sieamheing Tia, Gilbert Trejo, Jr., Estevan Valenzuela, Norberto Valles, Walter Vaughn, Maureen Whalen, Thomas Wood, James Young, Estban Zaragoza, two unidentified females, nine unidentified males.

COLORADO (27)

Salvador Archuleta, Juanita Bird, Fred Brown, Sherry Call, Armand Carabello, Ray Foster, Elvin Fuster, Robert Gilley, Clarence Harris, Larry Hartshorn, Bill Hird, Bobby Kolen.

Edward Konnaughton, Hipolito Lara, Eileen Leday, Carla Lewis, Paul Lopez, Nabil Mansour, Thomas Mix, Robert Pacheco, David Sanchez, Tony Smith, James Trujillo, Manuel Villela, Jospeh Zaharias, Mercedes Zamora, Richard Carroll.

CONNECTICUT (10)

Francisco Burgos, Virginia Garcia, Arthur Humphrey, Barbara Kelly, John Kelly, Sylvester Kinsey, Frank Mitchell, Miguel Sanchez, Gilberto Suarez, Haniscasis Suarez.

DELAWARE (2)

Michael Skinner, John Wall III.

DISTRICT OF COLUMBIA (8)

Mary Boatwright, Charles Carter, Edward Harris, Theodore Miller, Timothy Miller, Stanley Weldon, James Winzlor, unidentified male.

FLORIDA (63)

Larry Allen, Robert Barach, Ann Barach, Sergio Banculli-Salano, Michael Barr, Ed Bland, Ulbert Botero, Larry Brown, Howard Burns, Jose Comas, Dorothy Croft, Donald Custor.

Harry Desravines, Lidia Diaz, Edvareo Escudero, John Eubanks, Bobby Farmer, Henry Fester, Juan Gamoa, Jr., Robert Gass, Charles Gervil, William Grant, Leonard Grice, Marvin Harper.

Pedro Hernandez, Gregory Higgs, Luis Hincapie, Barbara Kelley, John Kelley, Sr., Dorothy Lane, Randolph Lanton, Paul Lohlein, Mario Londono, John Long, Estevan Macridis, Luis Martinez, John McQuillan, Willie Mann, Miguel Ordaz, Jerome Palacino, Karl Patterson.

Manuel Ramirez, Jose Ramos, Gerald Rauft, Annie Roberts, Michael Roberts, Susie Robinson, Benjamin Sanders, Phyllis Schwartz, Joseph Smith, Albert Swain, Frank Thomas, Jario Tobon, Jimmy Thompson, Jose Vargas, Nathaniel Williams, Eugene Wilson, six unidentified males.

GEORGIA (16)

John Brown, Andrew Bigham, Emma Bigham, Harold Connell, Clarence Davidson, Jr., William Johnson, Jr., Dorothy Lane, Jerry Lester.

Alan Reeves, Alan Shirley, Police Chief Stainaker, Lucious Stone, Alicie Watts, Hattie Watts, Ricky Watts, Nolan Jones.

HAWAII (6)

Aurelio Aradanas, Stacey Gilman, Frederick Herring, Jacqueline Ryder, unidentified female, unidentified male.

ILLINOIS (79)

Carey Addison, Johnnie Akins, Juan Ayala, Joanne Barkauskas, Mauro Beltran, Theo Booker, Louis Brown, Wesley Christian, Don Clark, Reginald Clay, Joe Clemons, Relando Cowans, Antoinette Crawford.

Dean Dary, Joe Davis, Nelson Diaz, Charles Diliberto, Richard Edmonson, Robert Elen, Joseph Esquirvel, Hector Figueroa, Michael Forbeck, Lynel Funches, George Gayles, James Gibson, Denver Griggin.

Gary Hale, Cecil Hardy, Stanley Harris, Luther Heard, Ismale Hernandez, Michael Huff, Larry Jackson, Nathaniel Johnson, Tim Krueger, John Kruger, Robert LaFlore, Hershel Littrell, Bonnie Lovett.

Yvonne Lyke, Chester Mallek, Larry Malone, Albert Mangana, Judson Manning Danny Marcu, Donald McCoy, Zenada Medines, Robert Moreland, Alfonso Munoz.

Johnnie Neal, Raymond Pace, Robert Parker, Joey Paul, Robert Peterson, James Picken, Robert Pope, Cornelius Porter, Michael Provenzano, Arthur Reynolds, Zack Ritsos, Jr., Johnny Roberts, Johnny Rodgers.

Edward Rohrback, Laddie Rychilik, Michael Shaw, Eric Shegog, Donald Smith, Modessa Spencer, Johnny Stewart, Deputy Sheriff Stokes, Evelyn Tibbs, Barbara Trotman, Ronald Weiner, Rubolph White, Mohammed Yoosef, Carlos Zamuido, three unidentified males.

INDIANA (8)

Carl Bellamy, Keith Bigley, Michael Book, Jonathan Bowie, Ronald Lank, Eugene Morgan, Edward Stewart, Paul Stickney.

IOWA (4)

Joseph Cotton, Michael Hoing, Joseph Moore, Wayne Rice.

KANSAS (8)

Peter Ferri, Thomas Gordan, Terry Pettus, Gene Phillips, Ferdinand Pribbenow, Carl Sipple, Paul Wilscam, Ralph Sothers.

KENTUCKY (5)

Homer Burke, Theresa Fitch, Mrs. Artie Greer, Jerry Johnson, Donald O'Bannon.

MAINE (3)

Donna Anton, Marc Anton, Nikki Cleveland.

MARYLAND (15)

Curtis Baltimore, Richard Borker, Ernestine Harvin, Joseph Carroll, Jr., Henry Hemphill, Loretta Hemphill, Yun Sin Kim, Armand Labat, Joseph Nutt, Jr., Carol Rogers, Nicholas Soussanin, Thomas Thompson, Ronald Tracey, Calvin Williams, Rodney Young.

MASSACHUSETTS (4)

Sgt. George Hoey, Jr., Eugene Jacques, Martin Rimkus, Gerald Walsh.

MICHIGAN (46)

Aderinto Adediran, Ernest Alsobrooks, Curtis Arnold, Albert Beasley, Freddie Blackwell, Ollie Boyd, Carl Brewster, Rickey Brown, Ralph Brueggeman, Stanley Carmichael, Ervin Cheatom.

Perkins Clay, Anthony Franklin, Eric Gammey, Paul George, William Greene, Quinton Harden, Ina Henderson, Gregory Jackson, Derrick Johnson, Claudia Jordan, Eddie Jordan, Edwin Joye, Sr.

Paulette Kirk, Leonard Klewer, Bobby Lampkin, Frederick Love, Jr., Dr. A. Malakuti, Dana Mathis, Kevin Mazzola, Florence McCrackin, Dennis Meinolf, T. Merriweather, Eric Pillette, Theron Pitts, Alexander Russell.

Aurelius Smith, Earl Stimson, Brian Tate, Mary Taylor, Dale Thompson, Willie Thur-

kill, Maria Vanbell, Ronald White, Sandra Williams, unidentified male.

MINNESOTA (3)

Ron Fellman, Bradley Klinga, Lorrie Schmit.

MISSISSIPPI (4)

Sue Acevedo, Carolyn Janosik, Edward Janosik, Maple Markham.

MISSOURI (28)

Brian Allen, Antoinette Crawford, John Crawford, Jr., Linda Coleman, Ronald Fellman, Melvin Hamler, Earl Harper, Albert Hart, Lennon Houston, Albert Howlette, Stanley Jacobs, Michael Jackson, Betty Jones, Curtis Johnson.

Douglas Lee, Thomas McDonnell, Kenneth McElroy, Leon Russ, Philip Snare, Conway Tatum, Lavert Trotter, Henry Van-Buren, Lawrence Williams, David Wright, Ernest Zavadi, Harry Klein, two unidentified males.

MONTANA (3)

Chris Bird, Bert Labrie, Harold Ridenou.

NEBRASKA (3)

George Cherney, Corey Kirkpatrick, Thomas Mack.

NEVADA (1)

Grace Quinn.

NEW HAMPSHIRE (2)

Santo Aleamisi, Steven Pelton.

NEW JERSEY (4)

Elizabeth Cole, Kenneth Ehrlich, Curtis Ransome, Raul Ruiz.

NEW MEXICO (12)

Steve Archuleta, Gary Dubay, Catherine Flores, Evelyn Johnson, Michael Garcia, Carmen Maestas, Clorimel Maestas, Lenore Maynard, John Murphy, Leo Jim, Robert Velarde, Grace Williams.

NEW YORK (27)

Chun Chao Aw, Malcolm Brown, Sheryl Brown, Juan Carmichael, Billy Chin, Shirley Choy, Elizabeth Cole, Diana Cora, Reuben Cruzado, Maria Diaz, Robert DiLeonardo, Kenneth Ehrlich, John Esposito.

Wanda Fason, Menachem Gluska, Garfield Graham, Michael Griffin, Ben Harrington, Sylvester Haynes, John Lashley, Chak Yuem Moy, Epaminonpas Peters, Joseph Pisciotta, Norman Reed, Michael Snow, two unidentified males.

NORTH CAROLINA (15)

William Britt, Nancy Camp, Clyde Cook, Debra Fowler, Laura Campbell, Floyd Donnell, Debra Fowler, Willie Hayes, Sandy Jones, Lewis Kee, Jr., Viola Kellis, William Leonhardt, Daniel McQueen, Clara Merck, Jerry Swinson.

OHIO (37)

Eranius Atkinson, Ronald Aurandt, James Bell, Jr., Edward Boyd, David Bunce, Carman Canale, Marc Curry, Edward Dowell, Leona Freeman, Richard Garlinger, James Hernandez, Jay Hoffman.

Jerry Jenkins, Christine Jones, Ricky Lesure, James Marshall, Burrell McGhee, Anthony Mikielewicz, John Miller, Frederick Miner, Henry Moon, Robert Moore, Jr., Gary O'Neil, Anthony Pallante.

Preston Parrish, Gail Rinehart, Lamar Robinson, Lavertry Sanders, Scott Savoff, Daniel Simmons, June Smith, Billy Stevenson, Sr., Billy Stevenson, Jr., Lynda Stevenson, Woodrow Thomas, Gary Watson, Ruth Williams.

OKLAHOMA (5)

Charles Brown, Thomas Gipson, Gregory McGee, Linda Robison, Shelly Westendorff.

ORGEON (3)

Daniel Freeman, Calbruce Greene, Foy Lieuallen.

PENNSYLVANIA (9)

Daniel Baird, Pedro Colon, Antonio DaSilva, Carolyn Griffis, David Kontra, Thelma Mitchell, Laverne Northern, Norman Quednow, Victor Romansky.

RHODE ISLAND (3)

Craig Caldwell, Joseph Gomes, Robert Young.

SOUTH CAROLINA (2)

John Dunbar, unidentified male.

TENNESSEE (12)

Thea Brown, Tommy Brown, Alice Bryson, Carmen Canale, Billy Dickerson, W. C. Jones III, Sam Nelson, Michael Palmer, Michael Pickens, Charles Pike, Charles Summers, Kenneth Wyatt.

TEXAS (63)

Jeannie Barrilleaux, Timothy Bilski, Juanita Bird, Julio Bonilla, Sheryl Brown, Vernon Butler, David Capuano, David Carter, Doyle Castleberry, Sr., Mario Concepcion, Raymond Cruz, John Epting, Antonio Escobar, Dr. Darwin Fielder, Jr., Ambesaw Geovanni, Joey Glass, Eddie Gonzales, Everett Goyne, Paul Greeson, Raul Guejara, Melvin Hamler, Elaine Harrison, Markar Kekimin, Mary Kekimian, Portfilio Hernandez, Ruben Hernandez, Binus Jackson, Ester Johnson, Howard Jones, Margaret Jones, Kahlil Kassees.

Clara Kemp, Selby Kemp, Reese Lacour, Jose Martinez, Hector Mata, Rosemary McGuire, Victoriano Moctejema, Dione Moody, Joe Mora, Jose Morales, Ronnie Newton, Ricky Owens, Daniel Perez, Ethel Powers, Vernon Proctor.

Manuel Ramirez, Leon Russ, Michael Ruttan, Alex Salas, Wayne Sandgran, David Scott, James Stendebach, Jarrod Thompson, Domingo Trejo, Linda Underwood, Amos VanNortrick, Jesus Vasquez, Hugh Waite, Francisco Zamora, John Zimmerman, two unidentified males.

UTAH (5)

Detective G. Beckstead, Carter Furrh, Edith Gardner, Dee Hamblin, Nabil Mansour.

VIRGINIA (3)

Paul Brown, Ward Brown, Charlie Nuckolls.

WASHINGTON (15)

Abdulah Dobashi, Oscar Fredrickson, Verner Granland, Russell Howard, Oscar Jackson, Thorval Miller, Johanna Nasi, Charlotte Owings, Robert Scott, Ronald Snyder, Shenandoa Suckanek, Richard Tallon, Frances Walter, Paula Wood, unidentified male.

WEST VIRGINIA (4)

Delbert Allen, Homer Burke, Hettie Fitch, James Osburn.

WISCONSIN (6)

Frank Abbott, Jr., Colleen Harvey, David McMillan, Charles Shelton, two unidentified males.

WYOMING (2)

Harry Noble, Lorene Noble.●

79-059 O-85-11 (Pt. 16)

## DEALING WITH VIOLENT CRIME: A NONPARTISAN ISSUE


### HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES


*Wednesday, September 16, 1981*

● Mr. MAZZOLI. Mr. Speaker, on September 10, the Federal Bureau of Investigation (FBI) reported that the rate of crime in the United States rose 9 percent in 1980; 23,044 people were murdered in the United States in 1980. That works out to one murder every 23 minutes.

This is absolutely intolerable. Something must be done—and now.

On August 17, 1981, the Attorney General's Task Force on Violent Crime submitted its final recommendations on actions needed to make Americans safe in their homes and on the streets.

The eight-member task force was appointed by Attorney General William French Smith. On it were experts in criminal justice at the Federal, State, and local levels including, I am proud to say, Jefferson County Commonwealth Attorney David Armstrong.

I am encouraged by signs that the Congress plans to make these recommendations a top-priority legislative issue. This is a nonpartisan issue, and one which deserves the strong support of all Members of Congress.

I look forward to working with other members of the House Judiciary Committee, on which I serve, so that Americans can again live free from fear.

Following is a summary of the task force's recommendations:

SUMMARY OF RECOMMENDATIONS

PHASE I. RECOMMENDATIONS

1. The Attorney General should examine the feasibility of designating a single federal law enforcement agency to coordinate all federal and state unlawful flight to avoid prosecution and other fugitive activities.

2. The Attorney General should request the United States Navy to assist in detecting air and sea drug traffic.

3. The Attorney General should work with the appropriate governmental authorities to make available, as needed and where feasible, abandoned military bases for use by states and localities as correctional facilities on an interim and emergency basis only. Further, the Attorney General should work with the appropriate governmental authorities to make available, as needed and where feasible, federal property for use by states and localities as sites for correctional facilities.

4. The Federal Bureau of Investigation should establish the Interstate Identification Index (III).

5. The Federal Bureau of Investigation should examine the feasibility of a separate registry of firearms violators.

6. The Attorney General should mandate the United States Attorneys to establish law enforcement coordinating committees in each federal district.

7. The Attorney General should expand the program of cross-designation of Assist-

ant United States Attorneys and state and/or local prosecutors.

8. The Attorney General should direct the National Institute of Justice and other branches of the Department of Justice to conduct research and development on federal and state career criminal programs.

9. The Attorney General should take all steps necessary to reduce substantially the delay in processing criminal identification applications.

10. The Attorney General should take all steps necessary to reduce substantially the delay in processing requests for technical assistance from state and local criminal justice agencies.

11. The Attorney General should expand, where possible, the training and support programs provided by the federal government to state and local law enforcement personnel.

12. The Attorney General should exercise leadership in informing the American public about the extent of violent crime. In that connection, the Attorney General should seek to build a national consensus that drug abuse, crime, and violence have no rightful place in the schools and, when these conditions are found to exist, vigorous criminal law enforcement should ensue.

13. The Attorney General should take a leadership role in ensuring that the victims of crime are accorded proper status by the criminal justice system.

14. The Attorney General should require, as a matter of sentencing advocacy, that federal prosecutors assure that all relevant information about the crime, the defendant, and, where appropriate, the victim, is brought to the court's attention before sentencing.

15. The Attorney General should direct officials in appropriate branches of the Department of Justice to give high priority to testing programs to reduce violent crime and to inform state and local law enforcement and the public about effective programs.

PHASE II. RECOMMENDATIONS

*Federal law and its enforcement*

*Narcotics*

16. The Attorney General should support the implementation of a coherent, and consistent enforcement policy with regard to narcotics and dangerous drugs including—

a. A foreign policy to accomplish the interdiction and eradication of illicit drugs including the responsible use of herbicides domestically and internationally.

b. A border policy designed to effectively detect and intercept the illegal importation of narcotics, including the use of military assistance.

c. A legislative program, consistent with recommendations in this report, to reform the criminal justice process to enhance the ability to prosecute drug-related cases.

*Guns*

17. The Attorney General should support or propose legislation to require a mandatory sentence for the use of a firearm in the commission of a federal felony.

18. The Attorney General should support or propose legislation to amend the Gun Control Act of 1968 to strengthen its ability to trace firearms used during the commission of an offense and prohibit dangerous individuals from acquiring firearms. Specifically, the Act should be amended to provide the following:

a. That, on a prospective basis, individuals be required to report the theft or loss of a handgun to their local law enforcement agency.

b. That a waiting period be required for the purchase of a handgun to allow for a mandatory records check to ensure that the purchaser is not in one of the categories of persons who are proscribed by existing federal law from possessing a handgun.

19. Title I of the Gun Control Act of 1968 prohibits the importation of certain categories of handguns. However, the Act does not prohibit the importation of unassembled parts of these guns. It is recommended that the Act be amended to prohibit the importation of unassembled parts of handguns.

20. The Attorney General should support or propose legislation to authorize the Bureau of Alcohol, Tobacco and Firearms to classify semi-automatic weapons that are easily converted into fully automatic weapons as Title II weapons under the Gun Control Act of 1968.

21. The Attorney General should direct the United States Attorneys to develop agreements with state and local prosecutors for increased federal prosecutions of convicted felons apprehended in the possession of a firearm.

22. The Attorney General should direct the National Institute of Justice to establish, as a high priority, research and development of methods of detecting and apprehending persons unlawfully carrying guns.

*Crimes against Federal officials*

23. The Attorney General should support or propose legislation to make a federal offense any murder, kidnapping, or assault of a United States official or of a federal public servant who is engaged in the performance of official duties.

24. The Attorney General should support or propose legislation to make a federal offense any murder, kidnapping, or assault on a state or local law enforcement officer or on a private citizen committed in the course of a murder, kidnapping, or assault on the President or Vice President.

*Arson*

25. The Attorney General should conduct a study of the feasibility of transferring the anti-arson training and research functions of the United States Fire Administration to the Bureau of Alcohol, Tobacco and Firearms.

26. Arson should be the subject of a special statistical study on a regular basis by an appropriate agency as determined by the Attorney General.

27. To eliminate problems that often emerge when gasoline or other flammable liquids are used in arson, current law creating federal jurisdiction over arson started by explosion where interstate commerce is involved should be amended to encompass arson started by fire as well as by explosion.

*Tax cases*

28. The Attorney General should support or propose legislation to amend the Tax Reform Act to balance legitimate law enforcement needs with personal privacy interests by permitting the limited use of Internal Revenue Service records and information by other law enforcement agencies.

29. The Internal Revenue Service should be afforded adequate resources to investigate tax offenses and financial dealings of drug traffickers and other illegal business activities that are associated with violent crime.

30. The Attorney General should review and restructure if necessary the "Dual Prosecution Policy" as it relates to prosecution of tax offenders who have committed other offenses prosecuted by the Department of Justice.

*The Freedom of Information Act*

31. The Attorney General should order a comprehensive review of all legislation, guidelines, and regulations that may serve to impede the effective performance of federal law enforcement and prosecutorial activities and take whatever appropriate action is necessary within the constitutional framework.

32. The Attorney General should seek amendments to the Freedom of Information Act to correct those aspects that impede criminal investigation and prosecution and to establish a more rational balance among individual privacy considerations, openness in government, and the government's responsibility to protect citizens from criminal activity.

*Centralizing Federal law enforcement functions*

33. The Attorney General should study whether to transfer the firearms, alcohol, and arson law enforcement functions of the Bureau of Alcohol, Tobacco and Firearms to the Department of Justice; to transfer the Border Patrol functions of the Department of Justice to the Department of the Treasury; and to transfer the licensing and compliance functions of the Drug Enforcement Administration to the Food and Drug Administration of the Department of Health and Human Services.

*Housing Federal detainees in local jails and State prisons*

34. The Attorney General should seek a waiver of the requirements of the Federal Procurement Regulations for contracts entered into for temporary housing of federal prisoners in local detention facilities and/or should seek legislation to amend the Grant and Cooperative Agreement Act of 1977 (Public Law 95-224) to establish and authorize the use of intergovernmental agreements with local governments for detention space and services for federal prisoners.

35. The Attorney General should support or propose a legislative appropriation for the implementation of a Cooperative Agreement Program that would allow the United States Marshals Service to assist local governments in acquiring equipment and supplies necessary for jails to meet requirements for housing federal prisoners and should support or propose a legislative appropriation for capital improvements of detention facilities used to house federal prisoners, with priority given to those facilities under litigation or court order for overcrowding.

36. The Attorney General should support or propose legislation to amend 18 U.S.C 5003 to permit a quid pro quo arrangement whereby the federal government could house state prisoners and the states house a similar number of federal inmates without requiring an exchange of funds.

*Adequate personnel resources for Federal responsibilities*

37. The Attorney General should seek a substantial increase in personnel resources for federal law enforcement and prosecutorial agencies to enable them to effectively perform their present responsibilities and the additional responsibilities recommended by this Task Force.

CRIMINAL PROCEDURE

*Bail*

38. The Attorney General should support or propose legislation to amend the Bail Reform Act that would accomplish the following:

a. Permit courts to deny bail to persons who are found by clear and convincing evidence to present a danger to particular persons or the community.

b. Deny bail to a person accused of a serious crime who had previously, while in a pretrail release status, committed a serious crime for which he was convicted.

c. Codify existing case law defining the authority of the courts to detain defendants as to whom no conditions of release are adequate to assure appearance at trial.

d. Abandon, in the case of serious crimes, the current standard presumptively favoring release of convicted persons awaiting imposition or execution of sentence or appealing their convictions.

e. Provide the government with the right to appeal release decisions analogous to the appellate rights now afforded to defendants.

f. Require defendants to refrain from criminal activity as a mandatory condition of release.

g. Make the penalties for bail jumping more closely proportionate to the penalties for the offense with which the defendant was originally charged.

*Insanity defense*

39. The Attorney General should support or propose legislation that would create an additional verdict in federal criminal cases of "guilty but mentally ill" modeled after the recently passed Illinois statute and establish a federal commitment procedure for defendants found incompetent to stand trial or not guilty by reason of insanity.

*Exclusionary rule*

40. The fundamental and legitimate purpose of the exclusionary rule—to deter illegal police conduct and promote respect for the rule of law by preventing illegally obtained evidence from being used in a criminal trial—has been eroded by the action of the courts barring evidence of the truth, however important, if there is any investigative error, however unintended or trivial. We believe that any remedy for the violation of a constitutional right should be proportional to the magnitude of the violation. In general, evidence should not be excluded from a criminal proceeding if it has been obtained by an officer acting in the reasonable, good faith belief that it was in conformity to the Fourth Amendment to the Constitution.

*Sentencing and parole*

41. The Attorney General should support the enactment into law of the sentencing provisions of the proposed Criminal Code Reform Act of 1979 which provide for greater uniformity and certainty in sentencing through the creation of sentencing guidelines and the abolition of parole.

*Habeas corpus*

42. The Attorney General should support or propose legislation that would:

a. Require, where evidentiary hearings in habeas corpus cases are necessary in the judgment of the district court, that the district court afford the opportunity to the appropriate state court to hold the evidentiary hearing.

b. Prevent federal district courts from holding evidentiary hearings on facts which were fully expounded and found in the state court proceeding.

c. Impose a 3-year statute of limitations on habeas corpus petitions. The 3-year period would commence on the latest of the following dates:

(1) the date the state court judgment became final,

(2) the date of pronouncement of a federal right which had not existed at the time of trial and which had been determined to be retroactive, or

(3) the date of discovery of new evidence by the petitioner which lays the factual predicate for assertion of a federal right.

d. Codify existing case law barring litigation of issues not properly raised in state court unless "cause and prejudice" is shown, and provide a statutory definition for "cause."

FEDERALISM IN CRIMINAL JUSTICE

*Fugitives*

43. The Attorney General should seek additional resources for use in the apprehension of major federal fugitives and state fugitives who are believed to have crossed state boundaries and who have committed or are accused of having committed serious crimes.

*Training of State and local personnel*

44. The Attorney General should establish, and where necessary seek additional resources for, specialized training programs to allow state and local law enforcement personnel to enhance their ability to combat serious crime.

45. The Attorney General should seek additional resources to allow state and local prosecutors to participate in training programs for prosecutors.

46. The Attorney General should ensure that the soon-to-be established National Corrections Academy will have adequate resources to enable state and local correctional personnel to receive training necessary to accommodate the demands on their agencies for managing and supervising increased populations of serious offenders.

*Exchange of criminal history information*

47. a. If the eight-state prototype test of the Interstate Identification Index (III) is successful, the Attorney General should direct the Federal Bureau of Investigation to begin immediately the development of the index and should ensure that adequate computer support and staff are available to develop and maintain it for the federal government, all 50 states, the District of Columbia, and appropriate areas of federal jurisdiction outside of the United States.

b. If the prototype test demonstrates that such an index is not feasible, the Attorney General should direct the FBI to develop alternative proposals for the exchange of federal, state, and local criminal history information, which may include a national data base of such records or message switching.

48. The Attorney General should support or propose legislation to authorize and provide adequate resources for grants to state governments to establish the central state repositories of records and the criminal justice information systems required for participation in the III program, or alternative criminal history exchange programs as discussed in Recommendation 47.

49. The Attorney General should direct the FBI to revise its long-range plan to reduce duplication of criminal history information services between the Identification Division and the National Crime Information Center to take into account the results of the eight-state prototype test of the III.

50. The Attorney General should seek additional resources for the FBI to reduce the backlog of requests for fingerprint and name checks and to enable it to respond to such requests more promptly, including those from non-law enforcement users, and should assign high priority to swift completion of computerizing fingerprint files.

*Justice statistics*

51. The Attorney General should ensure that adequate resources are available for the collection and analysis of statistics on crime, its victims, its perpetrators, and all parts of the justice system at all levels of government and for the dissemination of these statistics to policymakers in the Department of Justice; other agencies of federal, state, and local government; the Congress; and the general public.

*Disaster assistance*

52. The Attorney General should support or propose legislation to allow direct financial assistance to supplement the resources and efforts of state and local governments that have demonstrated that they are suffering a criminal justice disaster or emergency of such unusual nature and proportion that their own resources fall short of addressing the need, and he should request adequate funds to support such assistance.

*Federal funding for research, demonstration, evaluation, and implementation of innovative programs*

53. The Attorney General should ensure that:

a. Adequate resources are available for the research, development, demonstration, and independent evaluation of methods to prevent and reduce serious crime; for disseminating these findings to federal, state, and local justice agencies; and for implementing these programs of proven effectiveness at the state and local level.

b. Grant awards for implementing such demonstrated programs require a reasonable match of state or local funds and be limited to a reasonable time period.

*Assisting State and local corrections*

54. The Attorney General should seek legislation calling for $2 billion over 4 years to be made available to the states for construction of correctional facilities. Criteria for a state's obtaining federal assistance under this program include (1) demonstration of need for the construction; (2) contribution of 25 percent of the overall cost of the construction; and (3) assurance of the availability of operational funds upon completion of construction. Funds should be allocated by a formula which measures a state's need for prison construction relative to all states.

55. Within 6 months the National Institute of Corrections (NIC), which would administer the program described in Recommendation 54, would develop models for maximum, medium, and minimum security facilities of 750 and 500 (or fewer) beds, from which states would choose the appropriate model(s) for construction. In addition, over the 4-year period, NIC would complete studies pertaining to the possible establishment of regional prisons, the feasibility of private sector involvement in prison management, and the funding needs of local jails. The Attorney General should review NIC's findings and other relevant information to determine the need for additional funding upon completion of the 4-year assistance program.

56. The Attorney General should support or propose legislation to amend the Federal Property and Administrative Services Act of 1949 to (1) permit the conveyance or lease at no cost of appropriate surplus federal property to state and local governments for correctional purposes and (2) ensure such conveyances or leases be given priority over requests for the same property for other purposes.

57. The Attorney General should support or propose legislation to amend the Vocational Education Act and other applicable statutes to facilitate state and local correctional agencies' ability to gain access to existing funds for the establishment of vocational and educational programs within correctional institutions.

JUVENILE CRIME

*Juvenile fingerprints*

58. The Attorney General should direct, and if necessary seek additional resources for, the Federal Bureau of Investigation to accept fingerprint and criminal history information of juveniles convicted of serious crimes in state courts and should support or propose legislation to amend Section 5038 of the Juvenile Justice and Delinquency Prevention Act to provide for fingerprinting and photographing of all juveniles convicted of serious crimes in federal courts.

*Federal jurisdiction over juveniles*

59. The Attorney General should support or propose legislation to amend Section 5032 of the Juvenile Justice and Delinquency Prevention Act to give original jurisdiction to the federal government over a juvenile who commits a federal offense.

*Youth gangs*

60. The Attorney General, where appropriate, should expand the use of federal investigative and prosecutorial resources now directed against traditional organized crime activities to the serious criminal activities of youthful street gangs now operating in metropolitan areas of the country.

*Federal juvenile justice program*

61. Funding of juvenile justice programs should be done according to the criteria set forth in Recommendation 53; such programs should be considered for funds along with all other programs within the administrative framework for general funding.

VICTIMS OF CRIME

*Federal standards for the fair treatment of victims of serious crime*

62. The Attorney General should establish and promulgate within the Department of Justice, or support the enactment of legislation to establish, Federal Standards for the Fair Treatment of Victims of Serious Crime.

*Third-party accountability*

63. The Attorney General should study the principle that would allow for suits against appropriate federal governmental agencies for gross negligence involved in allowing early release or failure to supervise obviously dangerous persons or for failure to warn expected victims of such dangerous persons.

*Victim compensation*

64. The Attorney General should order that a relatively inexpensive study be conducted of the various crime victim compensation programs and their results.●

## HONORING CHIEF EDWIN T. GIBSON

### HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mrs. HECKLER. Mr. Speaker, there is no higher calling in our Nation than public service—and no more crucial brand of public service than working on the frontline of defense for our society, protecting the residents of cities and towns from the dangers of fire and disaster.

Tomorrow, the city of West Bridgewater, Mass., will honor a man whose record of devoted public service is unsurpassed in the Commonwealth: former Fire Chief Edwin T. Gibson.

Chief Gibson served the people of West Bridgewater for 48 years, during which time he earned the respect, admiration, and friendship of all who were privileged to work with him. He exemplified the courage, resourcefulness, and integrity that are the hallmark of the municipal firefighting forces of Massachusetts. Upon his retirement he has left behind one of the most proud, and one of the most efficient, fire departments in the Commonwealth.

The citizens of West Bridgewater have lost the services of a great leader and a great friend. But as he marks his retirement tomorrow night he must know that that friendship, and that sense of respect and appreciation he earned over so many years, will not fade with time. I am proud to offer him my most sincere thanks and congratulations here today, and I ask all my colleagues in this House to join me in tribute to this most distinguished public servant, Edwin T. Gibson.●

## IDENTIFYING CANDIDATES FOR CONTINUOUS AMBULATORY PERITONEAL DIALYSIS

### HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. EDGAR. Mr. Speaker, if the Government is serious about saving money in the health care area, all of us should become aware of an innovative new procedure of self-care dialysis. Susan Perras, R.N., and Dr. Anthony R. Lappacosta, of the Bryn Mawr Hospital in Pennsylvania gave me a tour and a complete briefing of continuous ambulatory peritoneal dialysis. Their article which follows explains in some detail the process. It is now up to us to make sure that our regulations of dialysis do not discourage home or self-care. The article follows:

[From Dialysis & Transplantation, February 1981]

IDENTIFYING CANDIDATES FOR CONTINUOUS AMBULATORY PERITONEAL DIALYSIS

Continuous ambulatory peritoneal dialysis (CAPD) requires meticulous adherence to procedure by the patient. An attempt is made to associate patient characteristics with success in performing CAPD, as measured by incidence of peritonitis and deterioration of blood chemistries.

One of the most recent developments in dialysis methods is continuous ambulatory peritoneal dialysis (CAPD),[1] a method designed primarily for home and self-care dialysis. A machine is unnecessary in this procedure, and the patient is fully ambulatory. The technique involves the instillation by gravity of 2L fresh dialysis solution into the peritoneal cavity through a permanent peritoneal device. The solution is removed by siphon after six to eight hours, and replaced. This is repeated every six to eight hours, seven days per week.

The procedure is simple and can be learned quickly. Because the dialysis is continuous, there are no fluctuations of body chemistry, and as a result, patients report feeling nearly normal most of the time, in contrast to intermittent dialysis.

CAPD, however, demands strict adherence to procedure in order to avoid peritonitis—the major drawback of this method. Peritonitis results almost exclusively from failure to maintain compliance with the aseptic technique of the procedure,[1] and it can be fatal or result in loss of function of the peritoneal membrane for further dialysis. Compliance has presented a special problem with CAPD, because the dialysis procedure itself must be repeated at least three times a day, seven days per week. This repetition and the fact that the procedure is relatively easy to integrate into one's daily lifestyle places a unique stress on continued compliance that is not present with intermittent forms of self-care dialysis. The procedure inevitably becomes routine and the absence of machinery and monitoring devices tends to de-emphasize the importance of technique.

Because of its great simplicity, CAPD appears to be very adaptable and widely applicable; however, in the majority of cases, CAPD is used only for home or self care. When initially presented with the options of dialysis methods, patients may choose CAPD without having adequate insight into the difficulties of self-care. A patient who is compliant in an outpatient dialysis setting may not be compliant with CAPD; reliability varies in the same patient with different treatment situations. Errors in patient selection will result in increased morbidity and mortality.

For these reasons, we have found it necessary to try to identify the factors which characterize a successful CAPD candidate and an unsuccessful one. Certain characteristics of patients and their environment may be considered risk factors. An attempt was made to associate these characteristics with patient success or failure measured by the incidence of peritonitis or deteriorating blood chemistries.

From February 1979 to February 1980, 14 patients with end-stage renal disease of diverse etiologies and various clinical backgrounds were started on CAPD. New end-stage renal disease patients chose CAPD after being presented with the Patient Bill of Rights and various options of end-stage renal disease management.

Our CAPD procedure is similar to that of Doctors Moncrief and Oreopoulos.[2,3] The

[1] Moncrief, J. W. Continuous ambulatory peritoneal dialysis. *Dial. Transplant.* 8(11):1077, 1979.

[2] Moncrief, J. W. "Exchange Instructions and Sterile Tubing Change" (unpublished manuscript), 1979. (Available from The Austin Diagnostic Clinic, Acorn Research Lab, Austin, Texas).

[3] Oreopoulos, D. G., et al. a simple and safe technique for continuous ambulatory peritoneal dialysis (CAPD). Trans. Am. Soc. Artif. Intern. Organs 24:484–489, 1978.

teaching methods included audiovisual aids, sterile technique, handwashing, etc., lectures by the nephrologist, dialysis nurses, nurse epidemiologist, and objective written tests. Patients were considered competent to do CAPD on their own after all members of the training team concurred.

As time went on, some of the patients proved unsuccessful, as evidenced by their deteriorating blood chemistries caused by incomplete dialysis or infection caused by poor technique. All 14 patients were carefully observed in the hospital and home situation and the patients and their families were interviewed in detail. Four factors were tentatively identified as predictors of patient success or failure with CAPD: motivation, mental acuity, health beliefs, and social support. Of the 14 patients studied, one returned to outpatient hemodialysis, three returned to intermittent peritoneal dialysis, one died, and the remaining nine continue to do well on CAPD.

MOTIVATION

Motivation has been assessed by observing various traits such as punctuality with treatment schedule, questioning of material or difficult areas, and serious attitude toward the educational process. The nonmotivated patient will exhibit opposite traits. The exhibited behavior of patients does not, of course, provide the observer with anything but an indication of the degree of the person's motivation. In conjunction with other factors, emotional readiness to learn or motivation can serve to predict the individual's willingness to put forth the effort necessary to learn and comply with the procedure. Motivation that is internally generated causes the learner to value the subject matter. If the patient does not value the information taught, it is unlikely that he will achieve a high degree of understanding or compliance.[4]

The CAPD technique is not difficult, but it does require meticulous aseptic technique and attention to detail and schedule. It is essential that the patient thoroughly understand that breaks in technique increase the probability of infection, and that inattention to the frequency of the procedure increases the likelihood of deteriorating blood chemistries. In order to accomplish this, the patient must maintain enthusiasm and determination to perform correctly each time, regardless of how boring or repetitious it may become.

Observations have revealed that this is possible if the patient is internally motivated. When the patient desires to learn and values the information given, it is more likely that compliance with procedure will be given a higher priority. Conversely, if the motivation is generated from an external source (i.e. the family), it may be more difficult for the patient to maintain compliance to a potentially monotonous procedure. It may be of little or no value for this individual to extend the effort necessary to learn or comply. Two case histories are illustrative:

Patient 1 is a 46-year-old white male who had been on outpatient non-self-care hemodialysis for two years. During this time, he maintained a full-time job. He presented us with the following history: He had no complaints about outpatient hemodialysis but had read about CAPD in a popular magazine and wanted to try it because it appeared to offer a better lifestyle. His family felt that he would be more independent, would not be tied to a machine, could be at home more, and would be free to travel; essentially, they felt that the patient would lead a more normal life.

Patient 1 outwardly agreed with his family's rationale, but subsequent interviews revealed that he also felt he would miss the support offered at the outpatient center. As training progressed, he admitted that his primary motivation to try CAPD had been to provide a more normal lifestyle for his family, not necessarily for himself.

CAPD training went quickly and well. However, it was discovered on periodic home vistis that Patient 1 was careless with sterile technique in spite of re-education attempts. During the first three months on CAPD, he developed two cases of peritonitis. The second case was extermely severe and required hospitalization, and at this time he requested to be transferred back to outpatient hemodialysis. He convinced himself that he would never be able to master the CAPD technique, and his family and the dialysis team agreed with the necessity to end CAPD. He was transferred back to outpatient hemodialysis.

The problems Patient 1 had with the CAPD procedure stemmed not from his mental inability to comprehend the procedure, as he rated high on mental acuity, but rather from lack of internal motivation. Consequently he would not maintain the simple sterile technique required for the procedure. By his own admission, it was not important for him to remember all the details when he felt a shortcut would do just as well. Even after an episode of peritonitis, he did not pay attention during retraining. Further interviewing revealed that he had been satisfied with his lifestyle on outpatient hemodialysis and that he wanted to try CAPD for his family's sake. In spite of this strong external motivation, Patient 1 was unsuccessful at CAPD because he was not sufficiently internally motivated to comply with the procedure on his own. It is possible that his satisfactory two years on outpatient hemodialysis affected his internal motivation to try a different, more independent type of dialysis. However, this assumption cannot be extended to all patients who desire to switch from non-self-care dialysis to CAPD.

Patient 2 is a 58-year-old white female who had been on outpatient hemodialysis for five years. She learned about CAPD through the local endstage renal disease network and actively sought information on it. Although she was not employed, she was very active politically, and the freedom allowed by CAPD was the major attraction for her. Patient 2 had a history of chronic colitis, and during the anxiety of switching programs and training, she experienced repeated exacerbations of this problem. The colitis attacks stopped after the initial week on CAPD. However, a second problem—leakage of dialysate from around her catheter site—appeared. When this problem stopped, she developed drainage problems and required replacement of her catheter. After the new catheter was in place, she required two weeks of maintenance intermittent peritoneal dialysis in the out-patient center. She also had one early, mild case of peritonitis which was treated with oral antibiotics at home. This case of peritonitis did not result from improper technique, but from equipment failure in the form of a small hole in the dialysate bag that was not noticed until use. In spite of these obstacles, she learned the CAPD procedure and continues to do well at home six months later.

Patient 2 was internally motivated to try CAPD. She electively switched from non-self-care to outpatient hemodialysis to self-care CAPD. In spite of the many obstacles she encountered, she persevered and succeeded with CAPD because of strong internal motivation to achieve greater personal freedom.

MENTAL ACUITY

A high degree of intelligence is not a prerequisite for CAPD, but some degree of mental acuity is necessary. The procedure itself is simple but requires strict attention to detail; the patient must be able to learn the items of equipment and remember to perform the steps of the procedure in a particular order. He must be able to comprehend that the procedure is to be done without shortcuts or variations. In addition, the ability to understand basic principles of sterile technique is necessary so that this knowledge can be transferred to unexpected situations, as in the case of equipment failure. When this occurs, for example, it is necessary that the patient understand basic concepts of sterile technique in order to solve the immediate problem before calling the dialysis unit for assistance.

Patients from a variety of educational backgrounds have been trained and have received intensive education in CAPD requiring return demonstration. This training technique has usually been able to single out the individuals who do not have the mental acuity to perform CAPD. However, follow-up home visits are absolutely essential to identify those patients who are able to perform under the intensive supervision of the training instructor but unable to perform the procedure properly or recognize their weaknesses when they are at home.

Patient 3 is a 48-year-old female who was on maintenance IPD for four months when CAPD became available. Both the patient and her husband were anxious for her to try this method of dialysis because of the independent lifestyle it promised. Patient 3 appeared to have the intelligence necessary to perform the procedure and retain it.

Within a few weeks of being on home CAPD, however, she began to get recurrent cases of peritonitis. Home visit observations showed that she was unable to recall how to perform the procedure correctly, and attempts at reeducation only produced further anxiety for her. She varied her procedure each time she was observed, but was unable to recognize her inconsistencies or lack of knowledge. She did not see the necessity to consult her instruction manual or request any clarification from the dialysis unit staff. The repeated cases of peritonitis made it necessary to stop CAPD and restart IPD in the outpatient center. The switch back to IPD was distressing for this patient because she was highly motivated to become successful in home CAPD.

HEALTH BELIEFS

The health belief model, although only partially developed, is probably the most complete theory regarding readiness to take health action.[4] This model suggests that people are not likely to take health action unless the following factors are present:

They believe they are susceptible to the disease in question;

They believe that the disease would have personal effects on their lives if they should contract it;

They are aware that certain actions can be taken, and believe that these actions may reduce the likelihood of contracting the disease or reduce the severity of the disease;

[4] Redman, B. K. "The Process of Patient Teaching in Nursing." St. Louis: The C. V. Mosby Co., 1976.

They believe that the threat to them of taking the action is not as great as the threat of the disease itself. Although a critical body of evidence regarding the health belief model for understanding chronic illness has not been accumulated, it is still valuable in assessing CAPD candidates.

The evaluation of CAPD candidates includes the determining whether they believe the following:

That they have end-stage renal disease;

That they will suffer personal effects if they do not dialyze or if they use improper techniques in dialyzing;

That the threat of dialysis is less than the threat of progressive end-stage renal disease;

That the inconvenience of a detailed procedure is less than the discomfort of peritonitis. All these health beliefs will influence compliance, and if the patients' beliefs and behaviors are adequate, they can be maintained on CAPD.

A variety of beliefs have been observed among the patients, and these are common to all patients. Some patients do not perceive the threat of peritonitis as being greater than the threat of being inconvenienced by performing a detailed procedure; peritonitis does not seem to be a personal or important threat. Ideally, this health belief should be changed before a patient is trained on CAPD. If peritonitis is not perceived as a threat, there is very little impetus to maintain the tedious and time-consuming sterile technique, and the risk of peritonitis will be very high. It has been found that education concerning the dangers of peritonitis is helpful, but caution must be exercised with this information. Over-emphasis on peritonitis may make the threat of peritonitis outweigh the advantages of CAPD and discourage patients needlessly.

Patient 4 is a 31-year-old, very intelligent, white female with a history of poor compliance with medical advice since age 27, when interstitial nephritis, apparently secondary to chronic pyelonephritis, was diagnosed. End-stage renal disease was first managed with home IPD, but this had to be discontinued after four months because she refused to dialyze herself sufficiently. She was then maintained on outpatient IPD until CAPD became available and she expressed great enthusiasm for learning it.

Training was uneventful. During the first three months of CAPD at home, however, she experienced two cases of mild peritonitis each month. All were treated successfully with oral antibiotics on an outpatient basis. The frequency of peritonitis concerned and confused the dialysis team. When questioned, the patient appeared to be very knowledgeable about procedure, equipment, and sterile technique. She was able to demonstrate the procedure under questioning without error. In spite of her apparent compliance to procedure, the patient was told that CAPD was not a suitable method of dailysis for her because of the frequency of peritonitis.

It was at this time that she explained her personal health beliefs. She had never perceived peritonitis as a serious problem. She viewed it as a minor infection causing some pain but with no long-range, serious consequences. She often felt frustrated at having a chronic illness, and during these periods of frustration, she would deliberately not use sterile technique. She looked at this as a way of punishing herself for having a chronic illness.

The patient has been under psychiatric guidance since she expressed these beliefs. Counselling has been effective, and she is still on CAPD but has not had peritonitis in the last five months. Although she does not like having a chronic illness, she no longer feels the need to punish herself for it. She understands the implications of peritonitis now and views it as a greater threat than she did before.

SOCIAL SUPPORT SYSTEMS

CAPD candidates were viewed from a holistic point of view. The patient's environment and social support systems had to be assessed, as well as his or her motivation, mental acuity, and health beliefs.

Patients on intermittent dialysis in an outpatient setting can build social relationships and a sense of belonging with other patients and the staff, but CAPD is designed to be performed by the patient in the home setting. Therefore, as with other forms of self-dialysis, CAPD may effectively isolate a patient from one of the few opportunities for socialization he may have.

Responsibility for the dialysis and the loneliness of chronic illness can be addressed by center dialysis support systems. Outpatients are not so burdened with the idea that they alone are responsible for their dialysis therapy; the staff is always present to handle problems and be of assistance as necessary. A unit also provides proximity to other patients and this helps to decrease the feeling that the patient is alone in his chronic illness.

Patient 5 is a 70-year-old white male, a former engineer, who lives alone. He was quite physically capable of performing the CAPD procedure and certainly intelligent enough. However, he had no social support systems at home, and when CAPD training was completed, he had to leave the close contact with other patients and the dialysis staff. He developed three episodes of peritonitis in three months and had to be returned to outpatient IPD. He had no regret in making this change, although he had never expressed objections to CAPD and was always very well-motivated during training. The sense of belonging that occurs in an outpatient setting became less available to this patient on home dialysis, and the secondary gain obtained from socialization in the outpatient setting appeared to be the reason for poor compliance.

From the observations and interviews conducted over the last 12 months, the following conclusions have been drawn: One cannot assume compliance with CAPD simply because the patient was compliant with another form of dialysis. The dialysis team should be no less vigilant in seeking out the compliant patient when dealing with CAPD than they would be in evaluating the patient for any other form of self-dialysis. Indeed, a special effort must be made when evaluating a patient for CAPD because of its unique characteristics: great simplicity and potential for catastrophic consequences by error.

We have also found success in the transfer of interested patients from nonself-care dialysis to CAPD but we stress the need for critical evaluation both initially and in follow-up care.

Interview objectives for selection of patients for CAPD should include the following:

Assessment of mental acuity. Is the patient going to be able to learn and retain the procedure? Will the patient be able to recognize areas of uncertainty and ask about them?

Assessment of motivation. Can the patient explain why he wants to learn this method of dialysis? Is he going along with the wishes of others, i.e., family, friends or physicians? Can the patient describe the advantages of this method of dialysis over its disadvantages and over the disadvantages of other methods? Can the patient explain why this method of dialysis is attractive to him?

Assessment of health beliefs. Can the patient explain his illness and his belief of how CAPD will help? Can he explain that there are personal consequences to insufficient dialysis and not following procedure? Does he comply with other medical regimens?

Assessment of social support systems. Can the patient explain why he would want to be independent and free of a center dialysis situation?

This patient assessment serves as a starting point for the patient who is considered for the CAPD program. If the patient is selected as a CAPD candidate, this assessment is only the first step, and a continuing evaluation of the patient for his suitability for this method of dialysis therapy must take place.●

## SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, September 17, 1981, may be found in the Daily Digest of today's RECORD.

### MEETINGS SCHEDULED

SEPTEMBER 18

9:00 a.m.

Joint Economic

Monetary and Fiscal Policy Subcommittee

To hold hearings to examine policy initiatives designed to deal with specific problems of American ethnic groups.

S-207, Capitol

9:30 a.m.

*Governmental Affairs

Federal Expenditures, Research, and Rules Subcommittee

To hold hearings on S. 719, requiring the disclosure of Federal agency use of consultants.

3302 Dirksen Building

10:00 a.m.
Foreign Relations
To hold hearings on the nominations of Robert P. Paganelli, of New York, to be Ambassador to the Syrian Arab Republic, David E. Zweifel, of Maryland, to be Ambassador to the Yemen Arab Republic, Michael H. Nelin, of Maryland, to be Ambassador to the Democratic and Popular Republic of Algeria, Richard W. Murphy, of Maryland, to be Ambassador to the Kingdom of Saudi Arabia, and other pending nominations.
4221 Dirksen Building

SEPTEMBER 21

9:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on S. 1593 and S. 125, bills revising and clarifying U.S. regulation of international liner shipping in the U.S. foreign trade.
235 Russell Building
Small Business
To hold hearings on S. 1620, extending the Small Business Administration's section 8(a) pilot procurement program to March 31, 1983.
424 Russell Building
10:00 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold oversight hearings on the implementation of the photovoltaic program of the Department of Energy.
3110 Dirksen Building
* Foreign Relations
To hold hearings on the nominations of George S. Vest, of Maryland, to be the Representative to the European Communities, with the rank and status of Ambassador, Jack F. Matlock, Jr., of Florida, to be Ambassador to the Czechoslovak Socialist Republic, John E. Dolibois, of Ohio, to be Ambassador to Luxembourg, Raymond C. Ewing, of Virginia, to be Ambassador to the Republic of Cyprus, Faith R. Whittlesey, of Pennsylvania, to be Ambassador to Switzerland, David B. Funderburk, of North Carolina, to be Ambassador to the Socialist Republic of Romania, and Arthur A. Hartman, of New Jersey, to be Ambassador to the Union of Soviet Socialist Republics.

SEPTEMBER 22

9:00 a.m.
Office of Technology Assessment
The Board to hold a general business meeting.
Room S-138, Capitol
9:30 a.m.
Commerce, Science, and Transportation
Business, Trade and Tourism Subcommittee
To hold hearings on the State Department's plan to implement a visa waiver program for foreigners who are required to apply for American visas.
235 Russell Building
Small Business
Business meeting, to mark up S. 881, to stimulate technological innovation and to increase economic productivity by using business more effectively in Federal research and development programs, and S. 1620, extending the Small Business Administration's section (a) pilot procurement program to March 31, 1983.
424 Russell Building
Special on Aging
To hold hearings to explore the scope of criminal activities against the elderly.
6226 Dirksen Building
Budget
Closed hearings on the defense provisions of the proposed second concurrent resolution revising the Congressional budget for the Federal Government for fiscal years 1982, 1983, and 1984.
6202 Dirksen Building
10:00 a.m.
Environment and Public Works
To resume mark up of an original bill authorizing funds for the municipal wastewater treatment construction grant programs of the Clean Water Act.
4200 Dirksen Building
Governmental Affairs
To hold hearings on S. 1417, establishing a Commission to recommend policies and standards to reduce the risk of criminal assaults against the President, and review the criminal laws relating to the safety of the President.
3302 Dirksen Building
Judiciary
To hold hearings to review the President's proposal to admit refugees to the United States in 1982, and to receive the President's annual report to Congress on U.S. refugee programs.
2228 Dirksen Building
Select on Indian Affairs
To hold hearings on S. 503, providing for the purchase, sale and exchange of lands by the Devils Lake Sioux Tribe of the Devils Lake Sioux Reservation, North Dakota.
5302 Dirksen Building
Joint Economic
To hold hearings to examine the problems of the Social Security system.
2118 Rayburn Building
10:30 a.m.
Governmental Affairs
Governmental efficiency and the District of Columbia Subcommittee
To resume hearings on S. 744, authorizing the District of Columbia to issue general obligation bonds to pay specified eligible liabilities.
Room to be announced
11:00 a.m.
Veterans' Affairs
To hold hearings on fiscal year 1982 legislative recommendations of the American Legion
318 Russell Building
2:00 p.m.
Foreign Relations
To hold hearings on the nomination of John G. Dean, of New York, to be Ambassador to Thailand, and M. Virginia Schafer, of Washington, to be Ambassador to Papua, New Guinea, and to serve concurrently as Ambassador to Solomon Islands.
4221 Dirksen Building
Governmental Affairs
To hold hearings on the nominations of Charles M. Girard, of Virginia, to be an Associate Director of the Federal Emergency Management Agency, and Bruce Chapman, of Washington, to be Director of the Census.
3302 Dirksen Building
*Judiciary
Criminal Law Subcommittee
To hold hearings on S. 904 and S. 907, to provide penalties for the assassination, kidnaping, and assault of Presidential, and Vice Presidential staff members.
5110 Dirksen Building
Labor and Human Resources
To hold hearings on the nominations of Gary L. Jones, of Virginia, to be Deputy Under Secretary for Planning and Budget, Department of Education, Edward A. Curran, of Maryland, to be Director of the National Institute of Education, Jean Tufts, of New Hampshire, to be Assistant Secretary for Special Education and Rehabilitative Services, Department of Education, and William M. Bell, of Michigan, to be a Member of the Equal Employment Opportunity Commission.
4232 Dirksen Building

SEPTEMBER 23

9:00 a.m.
*Small Business
To hold hearings on the impact of high interest rates on small business, and to examine their future credit needs.
424 Russell Building
Select on Intelligence
Closed business meeting.
Room S-407, Capitol
9:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To resume hearings on S. 1593 and S. 125, bills revising and clarifying U.S. regulation of international liner shipping in the U.S. foreign trade.
235 Russell Building
Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To hold hearings on proposed legislation to apply the medicare tax to Federal employees and to increase the Government contribution to the Federal employees health benefit program.
1318 Dirksen Building
Governmental Affairs
Intergovernmental Relations Subcommittee
To hold oversight hearings on block grant reform.
3302 Dirksen Building
Judiciary
Constitution Subcommittee
To resume hearings on proposed legislation to amend the Federal Criminal Code with respect to the circumstances under which a person charged with or convicted of a crime may be released on bail or personal recognizance.
2228 Dirksen Building
10:00 a.m.
Banking, Housing and Urban Affairs
Business meeting, to mark up S. 1230, authorizing the minting of special coins commemorating the 1984 summer Olympic games in Los Angeles, California.
5302 Dirksen Building
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building
Governmental Affairs
Governmental Efficiency and the District of Columbia Subcommittee
To continue hearings on S. 744, authorizing the District of Columbia to issue general obligation bonds to pay specified eligible liabilities.
Room to be announced

Labor and Human Resources
Investigations and General Oversight Subcommittee and Labor Subcommittee
To hold joint oversight hearings on the activities of the Occupational Safety and Health Administration.
4232 Dirksen Building

10:30 a.m.
Environment and Public Works
To hold hearings on the nominations of Matthew N. Novick, of the District of Columbia, to be Inspector General, Environmental Protection Agency, and Lee M. Thomas, of South Carolina, to be an Associate Director of the Federal Emergency Management Agency.
4200 Dirksen Building

SEPTEMBER 24

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 1402, establishing uniform width and length standards for commercial motor vehicles on interstate highways.
1224 Dirksen Building

*Small Business
To continue hearings on the impact of high interest rates on business and to examine their future credit needs of business.
424 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To continue hearings on S. 1593 and S. 125, bills revising and clarifying U.S. regulation of international liner shipping in the U.S. foreign trade.
235 Russell Building

Judiciary
*Constitution Subcommittee
To resume oversight hearings on the implementation of the Freedom of Information Act, and on S. 1247, S. 1235, and S. 587, bills providing for the protection of certain confidential information from the disclosure requirements of the Freedom of Information Act.
2228 Dirksen Building

10:00 a.m.
Foreign Relations
To hold hearings on the proposed Convention with Canada with Respect to Taxes on Income and Capital (Ex. T, 96th Cong., 2d sess.).
4221 Dirksen Building

2:00 p.m.
Budget
To resume hearings on the proposed second concurrent resolution revising the Congressional Budget for the Federal Government for fiscal years 1982, 1983, and 1984.
6202 Dirksen Building

Foreign Relations
To hold hearings on pending tax treaties.
4221 Dirksen Building

SEPTEMBER 25

9:30 a.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on miscellaneous tax proposals.
2221 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold oversight hearings on the viability of the domestic uranium mining and milling industry.
3110 Dirksen Building

Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

Foreign Relations
To hold hearings on the nominations of Ronald I. Spiers, of Vermont, to be Ambassador to the Islamic Republic of Pakistan, and Harry G. Barnes, Jr., of Maryland, to be Ambassador to India.
4221 Dirksen Building

Judiciary
Juvenile Justice Subcommittee
To hold hearings to explore certain issues relating to the early detection of juvenile crime.
2228 Dirksen Building

SEPTEMBER 28

9:00 a.m.
*Select on Indian Affairs
To hold hearings on S. 874, providing for additional protection of steelhead trout as a game fish.
1202 Dirksen Building

9:30 a.m.
Foreign Relations
International Economic Policy Subcommittee
To hold hearings on international investment policy.
4221 Dirksen Building

Labor and Human Resources
Aging, Family, and Human Services Subcommittee
To resume oversight hearings on the role of the Federal Government in family planning programs of Title X of the Public Health Services Act.
4232 Dirksen Building

10:00 a.m.
Judiciary
To hold hearings on proposed legislation to reform the Federal criminal laws and streamline the administration of criminal justice.
2228 Dirksen Building

SEPTEMBER 29

9:30 a.m.
Veterans' Affairs
Business meeting, to mark up S. 349, providing for limited judicial review of the administrative action of the Veterans' Administration, and for reasonable fees to attorneys representing legal counsel for veterans, and H. Con. Res. 76, expressing the sense of Congress that the Secretary of the Army provide for a plaque in Arlington National Cemetery honoring members of the U.S. Armed Forces who died during the rescue attempt in Iran.
412 Russell Building

10:00 a.m.
Governmental Affairs
To hold hearings on proposed legislation to extend certain provisions of the Inspector General Act of 1981 to the Departments of Justice, Defense, and Treasury.
3302 Dirksen Building

Judiciary
Business meeting, to consider pending calendar business.
2228 Dirksen Building

2:00 p.m.
Judiciary
To continue hearings on proposed legislation to reform the Federal criminal laws and streamline the administration of criminal justice.
228 Dirksen Building

SEPTEMBER 30

9:30 a.m.
Commerce, Science, and Transportation
To hold joint oversight hearings with the House Committee on Science and Technology on Federal patent policy.
235 Russell Building

Environment and Public Works
Transportation Subcommittee
Business meeting, to mark up S. 1024, authorizing funds through fiscal year 1986 for the construction and safety of Federal highways.
4200 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Judiciary
Immigration and Refugee Policy Subcommittee
To hold hearings on matters relating to the hiring of illegal aliens.
412 Russell Building

*Judiciary
Separation of Power Subcommittee
To hold hearings on proposals to restrict the power of Federal courts in matters of school busing, focusing on the social impact of forced busing.
2228 Dirksen Building

2:00 p.m.
Environment and Public Works
Transportation Subcommittee
Business meeting, to continue markup of S. 1024, authorizing funds through fiscal year 1986 for the construction and safety of Federal highways.
4200 Dirksen Building

OCTOBER 1

9:30 a.m.
Foreign Relations
To hold hearings on the Airborne Warning and Control System (AWACS) and F-15 enhancements arms sales package to Saudi Arabia.
1202 Dirksen Building

Labor and Human Resources
To resume hearings on S. 234, to encourage the establishment of home health care programs and to provide expanded coverage of home health services under the medicare and medicaid programs.
4232 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To resume hearings on S. 1542, prohibiting a company operating a common carrier railroad from holding Federal coal leases unless the coal is used for railroad purposes.
3110 Dirksen Building

Judiciary
Separation of Powers Subcommittee
To continue hearings on proposals to restrict the power of Federal courts in matters of school busing, focusing on the legal and constitutional issues of busing.

2:00 p.m.
Foreign Relations
To continue hearings on the Airborne Warning and Control System (AWACS) and F-15 enhancements arms sales package to Saudi Arabia.
318 Russell Building

OCTOBER 5

9:30 a.m.
Judiciary
*Constitution Subcommittee
To resume hearings on proposed constitutional amendments relating to abortion issues.
2228 Dirksen Building
Labor and Human Resources
Labor Subcommittee
To resume hearings on S. 1182, improving the administration of the Longshoremen's and Harbor Workers' Compensation Act by removing certain inequities, reducing incentives for fraud and abuse, and assuring immediate compensation benefits and competent medical treatment for injured employees.
4232 Dirksen Building

2:00 p.m.
Judiciary
*Criminal Law Subcommittee
To hold hearings on S. 101 and S. 751, bills to eliminate and establish an alternative to the exclusionary rule in Federal criminal proceedings.
6226 Dirksen Building

OCTOBER 6

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 709, prohibiting the sale of beverage containers without a minimum refund value, and prohibiting the sale of metal beverage containers with detachable openings.
235 Russell Building
Labor and Human Resources
Investigations and General Oversight Subcommittee
To hold hearings to explore the cause and effect of missing children, focusing on home environment, local law enforcement action, and citizen action groups.
4232 Dirksen Building

OCTOBER 14

9:30 a.m.
Judiciary
*Constitution Subcommittee
To resume hearings on proposed constitutional amendments relating to abortion issues.
2228 Dirksen Building

OCTOBER 15

9:30 a.m.
Judiciary
*Constitution Subcommittee
To resume oversight hearings on the implementation of the Freedom of Information Act, and on S. 1247, S. 1235, and S. 587, bills providing for the protection of certain confidential information from the disclosure requirements of the Freedom of Information Act.
2228 Dirksen Building

OCTOBER 16

10:00 a.m.
Judiciary
Separation of Powers Subcommittee
To resume hearings on proposals to restrict the power of Federal courts in matters of school busing, focusing on certain community problems.
2228 Dirksen Building

OCTOBER 20

9:00 a.m.
Labor and Human Resources
To hold oversight hearings on the implementation of the Comprehensive Employment Training Act (CETA).
4232 Dirksen Building

10:00 am.
Commerce, Science, and Transportation
Business, Trade, and Tourism Subcommittee
To hold hearings on S. 1233, establishing a service industries development program in the Department of Commerce.
235 Russell Building

OCTOBER 21

10:00 a.m.
Commerce, Science and Transportation
Business, Trade, and Tourism Subcommittee
To continue hearings on S. 1233, establishing a service industries development program in the Department of Commerce.
235 Russell Building
Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings to examine the impact of marihuana on youth, focusing on the areas of health and education.
4232 Dirksen Building
Labor and Human Resources
Education Subcommittee and Employment and Productivity Subcommittee
To hold joint oversight hearings on the implementation of vocational education and youth employment programs.
1224 Dirksen Building

OCTOBER 22

9:30 a.m.
Labor and Human Resources
To hold oversight hearings on activities relating to affirmative action of the Office of Federal Contract Compliance Programs, Department of Labor.
4232 Dirksen Building

OCTOBER 27

9:30 a.m.
Labor and Human Resources
To hold hearings on S. 1483, proposed Radiation Exposure Compensation Act.
4232 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To hold oversight hearings on America's role in the world coal export market.
3110 Dirksen Building

OCTOBER 28

9:30 a.m.
*Labor and Human Resources
Labor Subcommittee
Business meeting, to consider S. 1182, improving the administration of the Longshoremen's and Harbor Workers' Compensation Act by removing certain inequities, reducing incentives for fraud and abuse, and assuring immediate compensation benefits and competent medical treatment for injured employees.
4232 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To continue oversight hearings on America's role in the world coal export market.
3110 Dirksen Building

NOVEMBER 2

10:00 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To hold oversight hearings on the implementation of Title I, establishing wellhead prices for natural gas, of the Natural Gas Policy Act (P.L. 95-621).
3110 Dirksen Building

NOVEMBER 3

10:00 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To continue oversight hearings on the implementation of Title I, establishing wellhead prices for natural gas, of the Natural Gas Policy Act (P.L. 95-621).
3110 Dirksen Building

NOVEMBER 4

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 1541, proposed Retirement Income Incentives and Administrative Simplification Act.
4232 Dirksen Building

NOVEMBER 5

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To continue hearings on S. 1541, proposed Retirement Income Incentives and Administrative Simplification Act.
4232 Dirksen Building

NOVEMBER 11

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To resume hearings on S. 1541, proposed Retirement Income Incentives and Administrative Simplification Act.
4232 Dirksen Building

NOVEMBER 12

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To continue hearings on S. 1541, proposed Retirement Income Incentives and Administrative Simplification Act.
4232 Dirksen Building

NOVEMBER 17

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To resume hearings on S. 1541, proposed Retirement Income Incentives and Administrative Simplification Act.
4232 Dirksen Building

## CANCELLATIONS

### SEPTEMBER 17

10:00 a.m.
Budget
To continue hearings on proposed second concurrent resolution revising the congressional budget for the Federal Government for fiscal years 1982, 1983, and 1984.
6202 Dirksen Building

### SEPTEMBER 21

2:00 p.m.
Judiciary
Juvenile Justice Subcommittee
To hold hearings to examine the impact of media on juveniles.
2228 Dirksen Building

### SEPTEMBER 23

10:00 a.m.
Judiciary
Separation of Powers Subcommittee
To hold hearings on S. 481, restoring the right of voluntary prayer in public schools and to promote the separation of powers.
2228 Dirksen Building

### SEPTEMBER 24

10:00 a.m.
Judiciary
Separation of Powers Subcommittee
To continue hearings on S. 481, restoring the right of voluntary prayer in public schools and to promote the separation of powers.
2228 Dirksen Building

Labor and Human Resources
Investigations and General Oversight Subcommittee
To continue oversight hearings on the activities of the Occupational Safety and Health Administration.
4232 Dirksen Building

### SEPTEMBER 28

1:00 p.m.
Judiciary
*Juvenile Justice Subcommittee
To hold hearings to examine media response regarding its impact on juveniles.
2228 Dirksen Building

# HOUSE OF REPRESENTATIVES—*Thursday, September 17, 1981*

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. FOLEY).

## DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
*September 16, 1981.*

I hereby designate the Honorable THOMAS S. FOLEY to act as Speaker pro tempore on Thursday, September 17, 1981.

THOMAS P. O'NEILL, Jr.,
*Speaker of the House of Representatives.*

## PRAYER

The Reverend Corbin Cherry, chaplain, Veterans' Administration, Washington, D.C., offered the following prayer:

Almighty God, as this day begins, we turn to You for guidance and strength to meet the tasks that this day sends our way. As we gather from all parts of this great Nation to aid this Nation in the fulfillment of aged dreams, we ask for courage to climb the mountains of adversity that lie ahead of us, for the ability to exist in the days of tranquility and, above all, for the desire to bring about within our hearts and minds, and the hearts and minds of our brothers and sisters, the great beauty of our country and its history and the joy in relating to a God who grants us all the beauty of freedom, with the hope that all this is possible.

As these Representatives begin this, another day, grant them deep insight, ever-present love of this country, and a profound sense of duty, realizing the joy that can be real in coming to grips with God, country, and fellow man. We offer this prayer in Your name. Amen.

## THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 105. Joint resolution to designate October 1981 as "National P.T.A. Membership Month."

## THE REVEREND CORBIN L. CHERRY

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, it is my privilege to welcome as our guest chaplain today, the Reverend Corbin L. Cherry, who is head of the Chaplain Service for the Veterans' Administration's hospital system.

The first combat wounded chaplain to hold that post, is a Methodist minister and was born in Norfolk, Va. He was eductated at High Point College in North Carolina and the Candler School of Theology of Emory University, where he received his bachelor of divinity degree in 1962.

When Reverend Cherry was appointed to his present position in 1978, the former VA Chief Max Cleland said:

I can think of no one better qualified to counsel and inspire our hospitalized veterans than Corbin Cherry. He will provide inspiration to our patients as well as to the dedicated chaplains who serve them. His courageous recovery from his wounds and his leadership in a variety of community and pastoral activities since that time will, I know, make for an exciting and vital period in the annals of this extremely important and useful service.

Born on May 16, 1938, Chaplain Cherry has served in a pastoral capacity in the communities of Bath and Goldsboro, N.C., as well as a chaplain in the Army. During his Army career he was assigned to duty at Fort Bragg, N.C., for a year, served in Vietnam for a year, at Walter Reed Army Hospital for an additional 12 months, and at Letterman Army Hospital in San Francisco for 3 years.

His military decorations include the Silver Star, Bronze Star, three Air Medals, two Purple Hearts and the Vietnamese Cross of Gallantry. Reverend Cherry is an avid golfer and skier and enjoys music and singing among his leisure activities. He has served on the board of directors of both the Western International Amputee Golfers Association and the National Inconvenienced Sportsman's Association.

Mr. Speaker. In closing I would note that the VA Chaplain Service consists of over 900 ministers, priests, and rabbis, who provide 24-hour coverage in the VA's nationwide hospital, nursing home, and domiciliary network. Over 400 chaplains serve on a full-time basis, about 290 part-time and another 220 are on intermittent duty. An additional 125 serve on an on-call basis.

I join my colleagues in welcoming Chaplain Cherry to the House of Representatives today and express our appreciation to him for his service to his Nation.

## THE PRESIDENT'S FURTHER SOCIAL SECURITY CUTS

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend this remarks.)

Mr. PICKLE. Mr. Speaker, I realize that the President has said he will not cut social security benefits further than what he has already proposed. I think that this ought to be pointed out, because what he has already proposed are cuts in social security amounting to $280.1 billion between now and 1990.

Through the Gramm-Latta II budget reconciliation, based almost entirely on the President's recommendations, we have cut some $4 billion out of social security in 1982—and some $90 billion out of social security between now and 1990. But in addition, the President has already sent to the Congress proposals for further cuts in social security benefits amounting to an additional $4.8 billion in 1982—and at least $190.1 billion between now and 1990. He has not backed off these proposals for cutbacks, which include severe penalties for early retirement and which eliminate approximately one-third of the entire disability program.

I think it should be clear that when the President says he is not proposing more cuts in social security, he means no more than the $280.1 billion he has already proposed. This is how he proposes to make social security solvent and this is how he proposes to balance his budget.

I have proposed instead that we recognize the fact that we will not make these enormous cuts in social security and that we go ahead and recognize we must guarantee social security payments over the short run with some general revenues, directly or indirectly. That is not a decision I came to easily, but I am not afraid of that decision either. Our choices are simple. We can hope that the economy has no downturns for the rest of the decade and we can therefore scrape by with little more than we have done now. We can enact deep cuts either all together or piece by piece through the budget process as each year the fund is in trouble once again. Or we can go ahead and shore up the social security reserves with general funds for the

short term and let the public have some peace of mind on this issue.

I hope the Members will consider this carefully as they decide what to do on this issue in the coming months, and do it on a bipartisan basis.

## MR. WATT SUBSTITUTES EXPLOITATION FOR STEWARDSHIP OF AMERICA'S PUBLIC LANDS

(Mr. AuCOIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AuCOIN. Mr. Speaker, when President Reagan picked James Watt to be his Interior Secretary, Mr. Watt cautioned in advance that he intended to be zealous, outspoken, and controversial in his pursuit of the administration's resource policies.

Whatever else one might say of Mr. Watt's performance to date, no one can accuse him of not living up to his own billing. With a single-mindedness unmatched by any other high priest of this administration, Mr. Watt has set for himself the goal of substituting exploitation for stewardship of America's public lands.

He has let it be known that there is no room in his Department of the Interior for preservationists or anyone who doubts the new dogma, which is that the worth of our public lands and resources is to be measured solely by the dollar value of the gas, oil, and minerals that can be exploited from them.

Mr. Dan Lufkin, chairman of the President's Task Force on the Environment recently said this to Mr. Reagan:

> Your appointees to Cabinet positions must of necessity reflect your views. Thus it is up to you to decide whether they are serving you well.

Mr. Speaker, I do not know if James Watt is serving the President. But I do know he is not serving the American people.

## SECRETARY WATT ALLOWS FOREIGNERS TO EXPLOIT PUBLIC LANDS

(Mr. WEAVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEAVER. Mr. Speaker, Secretary of the Interior James Watt begins most of his speeches by saying, "I am an American." Yet this same American, Mr. Watt, has put into the Federal Register a rule change for the Department of the Interior which would allow foreigners temporary use permits or access across public lands. Previously only American citizens or U.S. corporations could have permitted access across our public lands. These lands belong to Americans.

Now this Mr. Watt, who says he is an American, is proposing a regulation to allow foreigners to come in and use our public lands to help them exploit our Nation's resources.

## COOPERATION IN THE MONETARY SYSTEM

(Mr. WATKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WATKINS. Mr. Speaker, on Monday of this week I sent a letter to the President of the United States. I sent the letter in the spirit of cooperation and in the spirit of wanting to help.

I asked the President to appoint a bipartisan Presidential commission to study the monetary system and the Federal Reserve Board of this country. There has been tremendous change in the monetary system in the last 10 years; however, the changes have not been recognized and we have not monitored these changes. Just utilizing high interest rates as controls on investment capital will not solve the problem of inflation. In fact, high interst rates add to the inflation. It is just a simple truth. It is just a simple fact that high interest rates will not allow supply side economics to work.

Therefore, I am calling on the President. I am calling on the Congress to work together in harmony, in the spirit of wanting to solve the economic problems of this country by appointing a Presidential commission, one to study the monetary policies—the growth and the changes—and also the Federal Reserve Board.

## SECRETARY WATT'S EFFRONTERY TO THE CONGRESS

(Mr. WILLIAMS of Montana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILLIAMS of Montana. Mr. Speaker, at the beginning of this summer the House Interior Committee under the emergency provisions provided it by the Forest Land Practices Management Act directed the withdrawal of 1½ million acres of the Bob Marshall Wilderness complex in Montana from oil and gas leasing and therefore required the Secretary of the Interior, James Watt, to carry out that withdrawal.

Secretary Watt, in a very generous gesture, privately came to Capitol Hill to visit Congressman MORRIS UDALL bringing with him the withdrawal papers. He told Congressman UDALL that he was signing those papers in his presence because he wanted to establish a harmony with the Interior Committee and with the Congress. The Interior Committee and the Congress appreciated that new mood of cooperation.

However, last week, Secretary Watt was in Montana and when asked about the action of the Interior Committee, which he had agreed to support, he called it a politically manufactured controversy.

As the administration seeks to identify the reasons Secretary Watt has difficulty with this Congress, they should examine this incident of effrontery to the U.S. Congress and the Interior Committee.

## SECRETARY WATT'S REORGANIZATION OF OFFICE OF STRIP MINING

(Mr. WALGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALGREN. Mr. Speaker, the Secretary of the Interior is the steward of the Nation's natural resources. He is the manager of one-fifth of our Nation's land. I am very concerned about the course Secretary of Interior James Watt is pursuing and I question whether his approach insures a proper balance between preserving the environment and using natural resources appropriately.

I am particularly concerned about Secretary Watt's reorganization of the Office of Strip Mining. It is more than shuffling bureaucratic boxes around because it means a diminishing of commitment to mine coal in a way that does not destroy the environment. On May 21, Secretary Watt announced that the number of field offices for the Office of Surface Mining would be cut almost in half, from 42 to 22 and that personnel would be cut almost in half. I question whether most States have the technical support or the enforcement capability to step in where the Federal Government will stop off. I think there is some evidence that important functions like the review of petitions to designate areas as unsuitable for mining will be delayed.

I also question certain changes in regulations published in July. These regulations, if adopted, would remove the requirement of on-the-ground inspection; would delete all provisions dealing with public participation in enforcement; would allow the termination of notices of violations simply on the basis of a signed statement by a mineowner that the violation had been abated, without any inspection to determine if in fact it has been abated. This would appear to me to represent a sharp reduction in controls over abuse of sound strip mining practices.

In Pennsylvania, we are blessed with abundant coal reserves. I have often pointed out that Pennsylvania is the Saudia Arabia of coal. At the same time, Pennsylvania has in place one of the most effective strip mining laws in

the country. If any State has an economic stake in the expeditious extraction and marketing of coal, it is Pennsylvania. But we fully recognize that economic health and growth can be compatible with effective and environmentally responsible management of natural resources. What I am saying is that Pennsylvania should stand as an example to Federal efforts to strip mine responsibly and can show those whose motives are largely profits that we do not have to destroy our resources as we mine coal.

I had hoped that the days of rampant strip mining were over, the days when peoples' homes and farms were flooded and land eroded because of strip mining. I am afraid that the Secretary's actions are taking us down a road of recklessness.

## DISAGREEMENT BETWEEN ADMINISTRATION AND SAUDI ARABIA ON AWACS SALE

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, open disagreement between the administration and Saudi Arabia regarding the purpose of the AWACS sale should raise serious concern from the Congress.

The administration consistently claims that AWACS aircraft are necessary for Saudi defenses against Iran and Soviet-sponsored threats. The Saudis, however, list Israel as their number one enemy, and profess that defense of the Islamic holy places have priority in Saudi military planning. It should concern the Congress that the Islamic holy places, Mecca and Medina, are a good distance from the Persian Gulf, where the administration would like the AWACS to patrol, and are closer to the Red Sea—and Israel—than the vital oil fields. Congress should also question the ability of tiny Saudi Arabia to seriously resist a Soviet military advance, even if AWACS were employed.

It is time for Congress to face reality. The AWACS represent no serious threat to the Soviet Union, but they do represent a genuine danger to Israel and to United States interests in the Middle East.

□ 1015

## COMMEMORATION OF VON STEUBEN DAY

(Mr. NELLIGAN asked and was given permision to address the House for 1 minute and to revise and extend his remarks.)

Mr. NELLIGAN. Mr. Speaker, September 17 is the anniversary of the birth of Gen. Friedrich Wilhelm von Steuben, one of the leading patriots of the Revolutionary War. Von Steuben was second only to General Washington as a shaper of the Continental Army.

Under George Washington, the Continental Army suffered through the winter of 1777 at Valley Forge. With his arrival in February 1778, General Von Steuben lent military expertise to an army whose performance had been inconsistent. One of Washington's last official acts as Commander in Chief of the American forces was to write of his gratitude and respect for General Von Steuben's help in forming the American Army.

I extend my greetings and best wishes to German-Americans in the 11th District of Pennsylvania, which I am honored to represent. I join with them in commemorating General Von Steuben's outstanding contribution to American greatness.

Incidentally, today is also the anniversary of the birth of another wonderful person of German descent, Mary Melissa Gansel Nelligan, my mother. Happy birthday, Mom.

## PRINTING OF BROCHURE ENTITLED "HOW OUR LAWS ARE MADE"

Mr. GAYDOS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged concurrent resolution (H. Con. Res. 106) to provide for the printing of the brochure entitled, "How Our Laws Are Made," and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 106

*Resolved by the House of Representatives (the Senate concurring),* That the brochure entitled "How Our Laws Are Made", as set out in House Document Numbered 96-352 of the Ninety-sixth Congress, be printed as a House document, with a suitable paperback cover of a style, design, and color, to be selected by the chairman of the Committee on the Judiciary of the House of Representatives, with emendations, and with a foreword by the Honorable Peter W. Rodino, Junior; and that there be printed two hundred and forty-six thousand additional copies, of which twenty-five thousand shall be for the use of the Committee on the Judiciary and the balance prorated to the Members of the House of Representatives.

Mr. GAYDOS (during the reading). Mr. Speaker, I ask unanimous consent that the concurrent resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. GAYDOS) is recognized for 1 hour.

Mr. GAYDOS. Mr. Speaker, House Concurrent Resolution 106 authorizes the printing of the brochure entitled, "How Our Laws Are Made" with emendations, as a House document. In addition to the usual number of 1,500, the concurrent resolution, further, authorizes the printing of 246,000 copies of the brochure of which 25,000 shall be for the use of the Committee on the Judiciary, and 221,000 shall be prorated to the Members of the House. The Government Printing Office has estimated that the cost of this printing will be as follows:

For the first 1,500, $1,739.01; 246,000 additional copies will cost $80,245.20. The total cost is $81,984.21.

At this time I yield to my colleague, the gentlewoman from Illinois (Mrs. MARTIN), for purposes of debate only.

Mrs. MARTIN of Illinois. I thank the gentleman for yielding.

Mr. Speaker, I would just note for the record that this bill enjoyed bipartisan support and, in fact, received a unanimous vote from the entire House Administration Committee.

Mr. GAYDOS. I thank my colleague.

I think a point should be made at this time that the Members have been waiting for a resupply for the last 4 months. The requests have been numerous and continual.

I want to conclude by suggesting that this handbook is intended to provide a readable and nontechnical outline of the background and the numerous steps of our Federal lawmaking process from the origin of an idea for a legislative proposal through its publication as a statute. Since a significant number of laws originate in the House of Representatives, the document focuses principally on the procedures in the House and is presently being revised by the Office of the Law Revision Counsel in the House of Representatives.

In the past, as a matter of general practice, Members have made this document available to constituents and other visitors to Members' offices. Additionally, many Members distribute it to community groups and schools within their district.

This brochure was last authorized by concurrent resolution during the 96th Congress, 2d session. The supply of this document for Members has been exhausted for the last 4 months.

Mr. Speaker, I move the previous question on the concurrent resolution.

The previous question was ordered.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

## PROVIDING FOR THE CONSIDERATION OF H.R. 3136, OVERSEAS PRIVATE INVESTMENT CORPORATION AMENDMENTS ACT OF 1981

Mr. HALL of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 216 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 216

*Resolved,* That upon the adoption of this resolution it shall be in order to move, sections 401(a) and 401(b)(1) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3136) to amend the Foreign Assistance Act of 1961 with respect to the activities of the Overseas Private Investment Corporation, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Foreign Affairs now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and all points of order against said substitute for failure to comply with the provisions of clause 5, rule XXI and of sections 401(a) and 401(b)(1) of the Congressional Budget Act of 1974 (Public Law 93-344) are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. HALL) is recognized for 1 hour.

Mr. HALL of Ohio. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Tennessee (Mr. QUILLEN) for purposes of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 216 is an open rule providing for the consideration of H.R. 3136, Overseas Private Investment Corporation Amendments Act of 1981.

The rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs.

The bill shall be read for amendment under the 5-minute rule, and House Resolution 216 provides for one motion to recommit with or without instructions.

It should be noted that the rule makes in order the amendment in the nature of a substitute recommended by the Committee on Foreign Affairs now printed in the bill as an original bill for the purpose of amendment under the 5-minute rule.

House Resolution 216 further waives points of order against the substitute for failure to comply with the provisions of clause 5 of rule XXI. Clause 5 of rule XXI prohibits appropriations in a legislative bill. Section 5(c) of the committee amendment, which mandates the continued transfer of OPIC resources to the Direct Investment Fund and the use of such funds for eligible small business investment projects, could involve appropriations in a legislative measure.

The rule waives points of order against both the bill and the committee amendment in the nature of a substitute for failure to comply with section 401(a) of the Congressional Budget Act. Section 401(a) bars consideration of any bill which provides new contract authority unless that bill also provides that such new authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in advance in appropriation acts. Section 5(b) of the committee amendment in the nature of a substitute relating to risk insurance involves contract authority. Since the section fails to limit the availability of such contract authority, the measure would be subject to a point of order under section 401(a) of the Budget Act.

In addition, the rule waives points of order against both the bill and the committee amendment in the nature of a substitute for failure to comply with section 401(b)(1) of the Congressional Budget Act. Section 401(b)(1) bars consideration of any bill which provides new entitlement authority which is to become effective before the first day of the fiscal year which begins during the calendar year in which such bill is reported. Section 3(a)(1) of the committee amendment in the nature of a substitute expands the OPIC Board of Directors from 13 to 15 members, thereby providing new entitlement authority in the form of fixed compensation amounts for such new members. Since the section would be effective upon enactment—and thus, arguably before October 1, 1981—it would be subject to a point of order under section 401(b)(1) of the Budget Act.

I have been advised that the Foreign Affairs Committee intends to offer floor amendments to sections 5(b) and 3(a)(1) to correct the Budget Act violations. Accordingly, the Committee on the Budget has informed the Rules Committee that it has no objections to technical waivers of sections 401(a) and 401(b)(1) of the Budget Act in order to permit consideration of the bill and the committee amendment in the nature of a substitute.

The purpose of H.R. 3136 is to provide for the continuation for an additional 4 years of Overseas Private Investment Corporation insurance and guaranties of U.S. investments which complement U.S. foreign assistance programs and contribute to economic development of less developed countries. In the absence of this legislation, OPIC's authority to issue further insurance and guaranties under existing law would expire at the end of the current fiscal year. Since OPIC operates on a self-sustaining basis, no additional funds have been requested by the executive branch for OPIC, and none is authorized to be appropriated by this bill.

The bill also increases from $1,000 in 1975 dollars to $2,950 in 1979 dollars the per capita gross national product ceiling for developing countries above which OPIC is required to restrict its insurance and financing activities. The measure mandates continuation of the direct investment program, which provides financing for developmental projects sponsored by or significantly involving smaller U.S. firms.

Additionally, the bill removes categorical statutory restrictions upon OPIC support of projects involving copper, palm oil, citrus, and sugar. Further, it expands the political risk insurance the corporation is permitted to offer to include losses due to civil strife.

I am not aware of any opposition to the rule on H.R. 3136, and I urge my colleagues to adopt it.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Ohio (Mr. HALL), has gone into depth on the provisions of the rule. I know of no objection to the rule. It is an open rule. The Budget Committee has no objection.

I urge adoption of the rule.

Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Speaker, I rise in support of House Resolution 216, the ruling providing for consideration of H.R. 3136, the Overseas Private Investment Corporation Amendments Act of 1981.

In addition to the unanimous approval of this legislation by our subcommittee and the full Foreign Affairs Committee, the House Republican Policy Committee endorses this legislation to continue the operation of OPIC for another 4 years.

OPIC serves the dual purpose of aiding development overseas at the same time it supports expansion of American trade benefits, by encouraging private investment in developing countries. I have long believed that private investment is a key ingredient in bolstering development, and OPIC has played an important part in securing investment where it is needed.

I believe OPIC offers a valuable contribution both to America's own domestic economic health and to the developing countries, where private U.S. investment serves to promote both development and trade.

Mr. Speaker, I urge my colleagues to give their full support to legislation reauthorizing the operation of OPIC and to pass this rule providing for consideration of OPIC at an early date.

Mr. Speaker, I yield back the balance of my time.

Mr. QUILLEN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## PROVIDING FOR THE CONSIDERATION OF H.R. 3518, DEPARTMENT OF STATE AUTHORIZATION ACT, FISCAL YEARS 1982 AND 1983

Mr. HALL of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 182 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 182

*Resolved*, That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3518) to authorize appropriations for fiscal years 1982 and 1983 for the Department of State, the International Communication Agency, and the Board for International Broadcasting, and for other purposes, the first reading of the bill shall be dispensed with, and all points of order against the bill for failure to comply with the provisions of clause 5, rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 3518, it shall be in order, sections 401(a), 401(b)(1), and 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, to take from the Speaker's table the bill S. 1193 and to consider said bill in the House, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and to insert in lieu thereof the provisions contained in H.R. 3518 as passed by the House.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. HALL) is recognized for 1 hour.

Mr. HALL of Ohio. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Missouri (Mr. TAYLOR) for purposes of debate only, pending which I yield myself such time as I may consume.

□ 1030

Mr. Speaker, House Resolution 182 is an open rule providing for the consideration of H.R. 3518, the Department of State Authorization Act for fiscal years 1982 and 1983.

The rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs.

In order to expedite consideration of the bill, the rule states that the bill shall be read for amendment under the 5-minute rule by titles instead of by sections. House Resolution 182 further provides for one motion to recommit.

It should be noted that the rule waives a point of order against the bill under section 402(a) of the Congressional Budget Act. Section 402(a) provides that it shall not be in order to consider any bill which authorizes the enactment of new budget authority for a fiscal year unless that bill has been reported on or before May 15 preceding the beginning of such fiscal year.

Section 302 of H.R. 3518 authorizes the appropriation of $100.3 million in fiscal year 1981 for the Board for International Broadcasting.

Various other provisions of the bill may indirectly authorize appropriations for fiscal year 1981. For example, section 119 grants to the Secretary of State basic authorities concerning the activities and operations of foreign missions in the United States which might indirectly authorize appropriations for the current fiscal year. Since this bill was not reported on or before May 15, 1980, it would be subject to a point of order under section 402(a) of the Budget Act.

The chairman of the Budget Committee has advised the Committee on Rules that the Budget Committee supports a waiver of section 402(a) of the Budget Act. The Budget Committee has noted that the fiscal 1981 funds authorized to be appropriated for the Board for International Broadcasting were included in the Supplemental Appropriations and Rescission Act of 1981. This is Public Law 97-12, which was approved on June 5, 1981. The Budget Committee further has brought to the attention of the Rules Committee that the bill will not be enacted until fiscal year 1982, so the indirect authorizations actually will not be used to provide budget authority for fiscal year 1981. Therefore, the Budget Committee does not object to a waiver of section 402(a) of the Budget Act for H.R. 3518.

House Resolution 182 also waives all points of order against the bill for failure to comply with the provisions of clause 5 of rule XXI. Clause 5 of rule XXI prohibits appropriations in a legislative bill.

Several provisions of H.R. 3518 could be considered appropriations in a legislative bill. For example, section 107 provides for the transfer of certain funds to an appropriation account. Other sections, such as section 114 and section 207, provide for the crediting of certain funds to appropriations. Therefore, the rule waives all points of order against the bill for violations of clause 5 of rule XXI.

Finally, the rule waives certain provisions of the Budget Act in order to facilitate a conference with the Senate on the State Department Authorization Act. The Senate passed its version of this legislation, S. 1193, on June 18.

After the passage of H.R. 3518, the rule makes in order the consideration of S. 1193, and waives the following provisions of the Budget Act against the Senate bill: Section 401(a), new spending authority for a fiscal year not provided for in advance in appropriation acts; section 401(b)(1), entitlement authority effective before October 1, 1981; and section 402(a), requiring new budget authority to be reported by May 15 preceding the beginning of the fiscal year for which it becomes effective.

It is the intention of the Committee on Foreign Affairs, upon the passage of H.R. 3518, to take up for consideration Senate companion bill, S. 1193, for the purpose of striking everything after the enacting clause and inserting in lieu thereof, as an amendment, the text of H.R. 3518, and requesting a conference thereon. The Rules Committee has been advised that the House Budget Committee supports the waivers of the Budget Act with respect to S. 1193 in order to facilitate a conference on the legislation.

This legislation authorizes appropriations for fiscal years 1982 and 1983 for the Department of State, the International Communication Agency, and the Board for International Broadcasting. According to the Committee on Foreign Affairs, the fiscal 1982 authorization of $3.13 billion is identical to the administration's request. The authorization amount increases in fiscal 1983 in order to adjust for inflation. In this regard, the Foreign Affairs Committee points out that the overseas rate of inflation is 18 percent.

This authorization bill also establishes a new Office of Foreign Missions in the Department of State to regulate the operation of foreign missions in the United States. Further, it extends from 5 to 10 years the period in which U.S. passports not subject to special regulation will remain valid.

This provision will apply only to passports issued after the date of the bill's enactment.

Section 119 of the bill grants to the National Capital Planning Commission the authority to decide issues concerning the location of foreign missions in the District of Columbia. The Committee on the District of Columbia received sequential referral of H.R. 3518 in order to consider section 119, which contains matters that traditionally have been within the jurisdiction of the District of Columbia Committee.

The District of Columbia Committee reported an amendment to H.R. 3518 which strikes the provision granting the Commission authority over the location of foreign missions in the District of Columbia. The committee's amendment is an interim measure while negotiations continue between the Federal and city governments about authority over foreign mission locations in the District of Columbia.

The District of Columbia Committee, which received sequential referral of H.R. 3518, supported the rule request of the Foreign Affairs Committee, which was granted by the Rules Committee.

I am not aware of any opposition to the rule on H.R. 3518, and I urge my colleagues to adopt it.

Mr. TAYLOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 182 is an open rule to facilitate consideration of H.R. 3518, the Department of State and related agencies authorization bill for fiscal 1982 and 1983. The resolution waives points of order that would otherwise lie against consideration of the bill for failure to comply with the Budget Act, as well as points of order that would otherwise lie against the bill for failure to comply with clause 5 of rule XXI.

Section 402(a) of the Budget Act prohibits consideration of any bill which authorizes the enactment of new budget authority for a fiscal year unless that bill has been reported on or before May 15 of the preceding year. In this case, the Committee on Foreign Affairs has reported H.R. 3518, which authorizes the appropriation of funds in fiscal 1981, but it did not report the bill on or before May 15, 1980.

Clause 5 of rule XXI prohibits appropriations in a legislative bill, and the waiver provided by this rule is necessary because several paragraphs of H.R. 3518 may constitute appropriations in a legislative bill.

While these paragraphs are not specified in the resolution, I will ask unanimous consent at the appropriate time to place in the RECORD a brief summary of the provisions of the bill for which waivers of points of order are provided for in this resolution.

Mr. Speaker, in addition to granting these waivers, the resolution provides that the bill shall be read for amendment under the 5-minute rule by titles instead of by sections and one motion to recommit is provided for.

After passage of the bill, it shall be in order under this rule to take from the Speaker's table the Senate companion bill, S. 1193, and to consider that bill in the House with a motion to insert the provisions of H.R. 3518 as passed by the House. For this procedure, three waivers of the Budget Act are necessary and are provided for in House Resolution 182.

In the interests of time, I will include a summary of the provisions of this rule, including the specific provisions of the Budget Act that are being waived, in the RECORD.

Mr. Speaker, in essence, this rule provides for orderly consideration of the bill in a situation where the 1981 funds have already been appropriated, and this authorization bill was not reported by May 15 of last year. As far as taking up the Senate companion bill, this rule is designed to facilitate a conference with the Senate on the matter.

I do think it important to point out to the Members that there was no controversy about the necessity for these waivers in our Rules Committee hearing, and the waivers themselves are supported by the Committee on the Budget.

In his letter to Chairman BOLLING, Chairman JONES pointed out that section 302 of the bill, H.R. 3518, authorizes the appropriation of funds in fiscal year 1981 for the Board of International Broadcasting. And, various other provisions of the bill may indirectly authorize appropriations for fiscal year 1981, such as section 119.

According to Chairman JONES' letter, the Committee on the Budget met on July 14 and voted to support the waiver as requested by the Committee on Foreign Affairs because—

(1) The 1981 funds authorized to be appropriated for the Board of International Broadcasting were included in the Supplemental Appropriations and Rescission Act of 1981 (approved June 5, 1981), and (2) the bill will not be enacted until fiscal year 1982 so the indirect authorizations will not be used to provide budget authority for fiscal year 1981.

As to the bill itself, H.R. 3518 authorizes appropriations totaling $3.133 billion for the Department of State, the International Communication Agency, the Board for International Broadcasting, and the Inter-American Foundation for fiscal 1982.

The amounts appropriated for fiscal 1982 are in line with the request of the Reagan administration.

For fiscal 1983, however, the committee bill is approximately $800 million more than the administration's request. For this reason, the administration opposes H.R. 3518 in its reported form and would support amendments to reduce the amounts to be authorized for fiscal 1983.

Mr. Speaker, I support the rule as reported by the Committee on Rules so the House can proceed to consider the measure.

Mr. Speaker, at this point I place in the RECORD a brief summary of the provision of House Resolution 182 and a brief summary of the provisions of H.R. 3518 for which the waivers contained in the rule apply:

SUMMARY OF HOUSE RESOLUTION 182

1. Open Rule.

2. Waives Section 402(a) of the Congressional Budget Act (requiring new budget authority to be reported by May 15 preceding the beginning of the fiscal year for which it becomes effective) against consideration of the bill.

3. Waives clause 5 of Rule XXI (appropriations in a legislative bill) against consideration of the bill.

4. Bill to be read by titles instead of by sections.

5. Provides one motion to recommit.

6. After passage of H.R. 3518, makes in order consideration of S. 1193 and waives the following provisions of the Congressional Budget Act against the Senate bill: Section 401(a) (new spending authority for a fiscal year not provided for in advance in an appropriation act); Section 401(b)(1) (entitlement authority effective before October 1, 1981; and Section 402(a) (requiring new budget authority to be reported by May 15 preceding the beginning of the fiscal year for which it becomes effective.)

PROVISIONS OF H.R. 3518 FOR WHICH WAIVERS OF POINTS OF ORDER ARE PROVIDED FOR IN RULE

The following sections represent authorities requested by the Executive branch and would permit the use of already-appropriated funds for slightly different purposes:

Section 107. *Currency Fluctuations.*

This section provides a means for the Secretary of State to maintain approved levels of activities under rapidly changing economic conditions. The authority has been in existence for two years, and this section, effective October 1, 1981, would clarify provisions of current law to insure authorization of the amount of appropriations necessary for the purpose.

Sections 110 and 112. *Pan American Institute of Geography and History, and Pan American Railway Congress.*

These sections provide legal authority for the United States to pay its past assessments to these two organizations by removeing an authorization ceiling which no longer covers the actual financial obligation of the United States.

Section 114. *Living quarters for the staff of the U.S. Representative to the United Nations.*

This section authorizes the lease or rental of living quarters for the use of the staff of the U.S. Representative to the United Nations and permits more efficient use of available funds to meet the high costs of the New York housing market.

Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. WALKER).

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding. I would certainly argee with the gentleman

with regard to the rule. I see no problems with the details of this rule at all.

The problem I have with the rule is the bill that it brings onto the floor. The bill as far as fiscal year 1982 is totally in line with the administration's budget. However, if we look toward fiscal year 1983, we all of a sudden realize that what this bill is proposing is about a 26-percent increase in spending.

That is the kind of spending rate which has the financial markets in this country concerned at the present time. They are concerned that this Congress is not going to stick to the projected targets we have in spending, and here we have a bill coming to us that authorizes spending for the upcoming year and increases the rate of spending by a figure which far exceeds any predicted rate of inflation. So, this is my concern. We are raising most of that cost just in the administration of foreign affairs within the Department of State, and it seems to me that we have an obligation to try to stick as closely as possible in these authorization bills to the Executive requests for the upcoming fiscal year.

This far exceeds the Executive requests for the upcoming year, and it seems to me an $800 million increase in a buget that averages just little over $3 billion a year for the 2-year period of time is an excessive increase in the bill.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I will be glad to yield.

Mr. FASCELL. Mr. Speaker, the gentleman is absolutely right. We followed the 1982 request right to the dollar. There was a down curve, however, in the 1983 request with respect to ICA and the State Department. What the committee did was to take only the average overseas inflationary factor. We did not add a single job or a single program.

What we are talking about is the responsibility of manning the U.S. posts around the world, and we are talking about the kinds of programs that are very important, such as those in ICA. It is not the U.S. domestic inflation factor that affects our operations overseas. We are talking about an average overseas inflation rate over which we have no control.

What we tried to do is to be sure that with the cuts that the administration made, because we are already cutting 550 positions, at least we would not aggravate an already critical resource shortage and end up letting overseas inflation rates control the operations of the State Department, ICA, and BIB and that is the reason for the percentage increase.

One final thing; this is within the reconciliation figure. It is in the budget.

Mr. WALKER. I thank the gentleman for his explanation. It still seems to me right now that we have got a situation in this country where financial markets are reacting to whether or not we are going to stick close to our spending figures, or whether they think the administration over a period of 3 years is going to stick close to its figures. The administration's figures are substantially lower than what are in this bill for 1983. I think that is an improper signal to be sending at the present time.

I thank the gentleman for his explanation, and I thank the gentleman from Missouri for yielding.

Mr. TAYLOR. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LAGOMARSINO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 385, nays 5, not voting 43, as follows:

[Roll No. 208]

YEAS—385

| | | |
|---|---|---|
| Addabbo | Brinkley | Dellums |
| Akaka | Brodhead | DeNardis |
| Albosta | Brooks | Derrick |
| Alexander | Broomfield | Derwinski |
| Anderson | Brown (CA) | Dickinson |
| Andrews | Brown (OH) | Dicks |
| Annunzio | Broyhill | Dingell |
| Anthony | Butler | Dixon |
| Applegate | Campbell | Donnelly |
| Archer | Carman | Dorgan |
| Ashbrook | Carney | Dornan |
| Atkinson | Chappell | Dowdy |
| AuCoin | Chappie | Downey |
| Badham | Cheney | Dreier |
| Bafalis | Chisholm | Duncan |
| Bailey (MO) | Clausen | Dunn |
| Bailey (PA) | Clinger | Dwyer |
| Barnes | Coats | Dymally |
| Beard | Coelho | Dyson |
| Bedell | Coleman | Early |
| Beilenson | Collins (IL) | Eckart |
| Benedict | Collins (TX) | Edgar |
| Benjamin | Conable | Edwards (AL) |
| Bennett | Conte | Edwards (CA) |
| Bereuter | Corcoran | Edwards (OK) |
| Bethune | Courter | Emerson |
| Bevill | Coyne, James | Emery |
| Biaggi | Coyne, William | English |
| Bingham | Crane, Daniel | Erdahl |
| Blanchard | Crane, Philip | Erlenborn |
| Boggs | D'Amours | Ertel |
| Boland | Daniel, Dan | Evans (DE) |
| Boner | Daniel, R. W. | Evans (GA) |
| Bonior | Danielson | Evans (IA) |
| Bonker | Dannemeyer | Evans (IN) |
| Bouquard | Daschle | Fary |
| Bowen | Davis | Fascell |
| Breaux | Deckard | Fazio |
| Fenwick | Lehman | Roberts (SD) |
| Ferraro | Leland | Robinson |
| Fiedler | Lent | Rodino |
| Fields | Levitas | Roe |
| Findley | Lewis | Roemer |
| Fish | Livingston | Rogers |
| Flippo | Loeffler | Rose |
| Florio | Long (LA) | Roth |
| Foglietta | Long (MD) | Roukema |
| Foley | Lott | Rousselot |
| Ford (TN) | Lowery (CA) | Russo |
| Forsythe | Lowry (WA) | Sabo |
| Fountain | Luken | Sawyer |
| Fowler | Lundine | Scheuer |
| Frank | Lungren | Schroeder |
| Frenzel | Madigan | Schulze |
| Frost | Markey | Schumer |
| Fuqua | Marks | Seiberling |
| Garcia | Marlenee | Sensenbrenner |
| Gaydos | Marriott | Shamansky |
| Gejdenson | Martin (IL) | Shannon |
| Gephardt | Martin (NC) | Sharp |
| Gibbons | Martin (NY) | Shaw |
| Gilman | Matsui | Shelby |
| Gingrich | Mattox | Shumway |
| Glickman | Mavroules | Shuster |
| Gonzalez | Mazzoli | Siljander |
| Goodling | McClory | Simon |
| Gore | McCollum | Skeen |
| Gradison | McCurdy | Skelton |
| Gramm | McDade | Smith (IA) |
| Gray | McEwen | Smith (NE) |
| Green | McGrath | Smith (NJ) |
| Gregg | McHugh | Smith (OR) |
| Grisham | Mica | Smith (PA) |
| Guarini | Mikulski | Snowe |
| Gunderson | Miller (CA) | Snyder |
| Hagedorn | Miller (OH) | Solarz |
| Hall (OH) | Mineta | Solomon |
| Hall, Sam | Minish | Spence |
| Hamilton | Mitchell (MD) | St Germain |
| Hammerschmidt | Mitchell (NY) | Stangeland |
| Hance | Moakley | Stark |
| Hansen (ID) | Moffett | Staton |
| Hansen (UT) | Molinari | Stenholm |
| Harkin | Mollohan | Stokes |
| Hartnett | Montgomery | Stratton |
| Hatcher | Moore | Studds |
| Hawkins | Moorhead | Stump |
| Hefner | Morrison | Swift |
| Heftel | Mottl | Synar |
| Hendon | Murphy | Tauke |
| Hertel | Murtha | Tauzin |
| Hiler | Myers | Taylor |
| Hillis | Napier | Thomas |
| Holland | Natcher | Traxler |
| Hollenbeck | Neal | Trible |
| Holt | Nelligan | Udall |
| Hopkins | Nelson | Vander Jagt |
| Horton | Nichols | Vento |
| Howard | Nowak | Volkmer |
| Hoyer | Oakar | Walgren |
| Hubbard | Oberstar | Washington |
| Huckaby | Obey | Watkins |
| Hughes | Ottinger | Waxman |
| Hunter | Oxley | Weaver |
| Hutto | Panetta | Weber (MN) |
| Hyde | Parris | Weber (OH) |
| Ireland | Pashayan | White |
| Jacobs | Patman | Whitehurst |
| Jeffords | Patterson | Whitley |
| Jeffries | Pease | Whittaker |
| Johnston | Perkins | Whitten |
| Jones (NC) | Petri | Williams (MT) |
| Jones (OK) | Peyser | Williams (OH) |
| Jones (TN) | Pickle | Wilson |
| Kastenmeier | Porter | Winn |
| Kazen | Price | Wirth |
| Kemp | Pritchard | Wolf |
| Kildee | Pursell | Wolpe |
| Kindness | Quillen | Wortley |
| Kogovsek | Rahall | Wright |
| Kramer | Railsback | Wyden |
| LaFalce | Ratchford | Wylie |
| Lagomarsino | Regula | Yates |
| Lantos | Reuss | Yatron |
| Latta | Rhodes | Young (FL) |
| Leach | Richmond | Zablocki |
| Leath | Rinaldo | Zeferetti |
| LeBoutillier | Ritter | |
| Lee | Roberts (KS) | |

NAYS—5

| | | |
|---|---|---|
| Brown (CO) | McDonald | Walker |
| Conyers | Paul | |

NOT VOTING—43

| | | |
|---|---|---|
| Aspin | Fithian | Rosenthal |
| Barnard | Ford (MI) | Rostenkowski |
| Bliley | Ginn | Roybal |
| Bolling | Goldwater | Rudd |
| Burgener | Hall, Ralph | Santini |
| Burton, John | Heckler | Savage |
| Burton, Phillip | Hightower | Schneider |
| Byron | Jenkins | Smith (AL) |
| Clay | Lujan | Stanton |
| Coughlin | McCloskey | Wampler |
| Craig | McKinney | Weiss |
| Crockett | Michel | Young (AK) |
| Daub | O'Brien | Young (MO) |
| de la Garza | Pepper | |
| Dougherty | Rangel | |

□ 1045

The Clerk announced the following pairs:

Mr. Young of Missouri with Mr. Lujan.
Mr. Crockett with Mrs. Heckler.
Mr. Pepper with Mr. Young of Alaska.
Mr. Weiss with Mr. O'Brien.
Mr. Ginn with Mr. Stanton of Ohio.
Mr. Barnard with Mr. Goldwater.
Mr. Rostenkowski with Mr. Wampler.
Mr. Hightower with Mr. Rudd.
Mr. Rosenthal with Mr. Smith of Alabama.
Mr. Ford of Michigan with Mr. Dougherty.
Mr. Santini with Mr. Burgener.
Mr. Roybal with Mr. Coughlin.
Mr. Clay with Mr. Bliley.
Mr. Phillip Burton with Mr. Daub.
Mrs. Byron with Mr. McKinney.
Mr. de la Garza with Mrs. Schneider.
Mr. Rangel with Mr. McCloskey.
Mr. John L. Burton with Mr. Craig.
Mr. Savage with Mr. Ralph M. Hall.
Mr. Aspin with Mr. Michel.
Mr. Fithian with Mr. Jenkins.

Mr. MINISH changed his vote from "present" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO FILE REPORT ON H.R. 4284, LELAND BOWMAN LOCK

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation may have until midnight tonight to file a report on the bill (H.R. 4284) to name the lock authorized as a replacement for Vermilion Lock, Louisiana, as "Leland Bowman Lock."

The SPEAKER pro tempore (Mr. BRINKLEY). Is there objection to the request of the gentleman from Louisiana?

There was no objection.

## UNSTABLE PRICES THREATEN U.S. SUGAR INDUSTRY

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, in Hawaii we produce 1,100,000 tons of sugar per year. That is about 20 percent of all sugar grown in the United States. Sugar is the State's largest crop and many areas of my State are highly dependent on sugar production for their economic well-being.

In fact, in many areas of my State, sugar is the only source of support for hundreds of families. On the islands of Maui, Kauai, and Hawaii—and I represent these islands—more than one-third of all cropland is devoted to sugar. Any decline in sugar production would result in a dramatic rise in unemployment. The shutdown of a sugar plantation or refinery would spell economic disaster for many areas of my State.

What the domestic sugar industry needs is insulation from the volatile sugar prices of recent years. Since 1978, prices have ranged from 9 cents a pound to 45 cents a pound. The price instability is the greatest threat to our domestic growers. Without a healthy domestic sugar industry, the United States will be entirely dependent upon uncertain foreign sources to meet its needs for sugar.

Both 1979 and 1980 were years of decline for world sugar production. In both years, consumption exceeded world production. Three of the four largest producing countries experienced serious decline in production and yield this year.

Farmers understand that production losses are part of their way of life. Natural events often result in losses even on the best of farms. When the commodity involved is sugar, however, the American consumer also suffers when poor yields cause shortages.

If the American industry is allowed to decline as cheap foreign supplies of surplus sugar are dumped on the United States, the result will be dependence on these foreign supplies. During years of low production, this dependence will mean that prices at the supermarket may double or triple.

The facts are very simple: The domestic sugar industry needs a program of nonrecourse loans if we are to have a healthy sugar industry. And, we need a healthy domestic sugar industry.

## DEPARTMENT OF STATE AUTHORIZATION ACT, FISCAL YEARS 1982 AND 1983

Mr. FASCELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3518) to authorize appropriations for fiscal years 1982 and 1983 for the Department of State, the International Communication Agency, and the Board for International Broadcasting, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. FASCELL).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HOPKINS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 379, nays 3, answered "present" 1, not voting 50, as follows:

[Roll No. 209]

YEAS—379

| | | |
|---|---|---|
| Addabbo | Daniel, R. W. | Gregg |
| Akaka | Danielson | Grisham |
| Albosta | Dannemeyer | Guarini |
| Alexander | Davis | Gunderson |
| Anderson | Deckard | Hagedorn |
| Andrews | Dellums | Hall (OH) |
| Annunzio | DeNardis | Hall, Sam |
| Anthony | Derrick | Hamilton |
| Applegate | Derwinski | Hammerschmidt |
| Archer | Dicks | Hance |
| Ashbrook | Dingell | Hansen (ID) |
| Atkinson | Dixon | Hansen (UT) |
| AuCoin | Donnelly | Harkin |
| Badham | Dorgan | Hartnett |
| Bafalis | Dornan | Hatcher |
| Bailey (MO) | Dowdy | Hawkins |
| Bailey (PA) | Downey | Heckler |
| Barnes | Dreier | Hefner |
| Beard | Duncan | Heftel |
| Bedell | Dunn | Hendon |
| Beilenson | Dwyer | Hertel |
| Benedict | Dyson | Hiler |
| Benjamin | Early | Hillis |
| Bennett | Eckart | Holland |
| Bereuter | Edgar | Hollenbeck |
| Bethune | Edwards (CA) | Hopkins |
| Bevill | Edwards (OK) | Horton |
| Biaggi | Emerson | Howard |
| Bingham | Emery | Hoyer |
| Blanchard | English | Hubbard |
| Bliley | Erdahl | Huckaby |
| Boggs | Ertel | Hughes |
| Boland | Evans (DE) | Hunter |
| Bolling | Evans (GA) | Hyde |
| Boner | Evans (IA) | Ireland |
| Bonior | Evans (IN) | Jacobs |
| Bonker | Fary | Jeffords |
| Bouquard | Fascell | Jeffries |
| Bowen | Fazio | Jenkins |
| Breaux | Fenwick | Johnston |
| Brinkley | Ferraro | Jones (NC) |
| Brodhead | Fiedler | Jones (OK) |
| Brooks | Fields | Jones (TN) |
| Broomfield | Findley | Kastenmeier |
| Brown (CA) | Fish | Kazen |
| Brown (CO) | Flippo | Kemp |
| Brown (OH) | Foglietta | Kildee |
| Broyhill | Foley | Kindness |
| Butler | Ford (MI) | Kogovsek |
| Campbell | Ford (TN) | Kramer |
| Carman | Forsythe | LaFalce |
| Carney | Fountain | Lagomarsino |
| Chappell | Fowler | Lantos |
| Chappie | Frank | Latta |
| Cheney | Frenzel | Leach |
| Clausen | Frost | Leath |
| Clinger | Fuqua | LeBoutillier |
| Coats | Garcia | Lee |
| Coelho | Gaydos | Lehman |
| Coleman | Gejdenson | Leland |
| Collins (IL) | Gephardt | Lent |
| Collins (TX) | Gibbons | Levitas |
| Conable | Gilman | Lewis |
| Conte | Gingrich | Livingston |
| Corcoran | Glickman | Loeffler |
| Courter | Gonzalez | Long (LA) |
| Coyne, James | Goodling | Long (MD) |
| Coyne, William | Gore | Lowery (CA) |
| Crane, Daniel | Gradison | Lowry (WA) |
| Crane, Philip | Gramm | Luken |
| D'Amours | Gray | Lungren |
| Daniel, Dan | Green | Madigan |

| | | |
|---|---|---|
| Markey | Paul | Smith (PA) |
| Marks | Pease | Snowe |
| Marlenee | Perkins | Snyder |
| Marriott | Petri | Solarz |
| Martin (IL) | Peyser | Solomon |
| Martin (NC) | Pickle | Spence |
| Martin (NY) | Porter | St Germain |
| Matsui | Price | Stangeland |
| Mattox | Pritchard | Stark |
| Mavroules | Pursell | Staton |
| Mazzoli | Quillen | Stokes |
| McClory | Rahall | Stratton |
| McCollum | Railsback | Studds |
| McCurdy | Ratchford | Stump |
| McDade | Regula | Swift |
| McDonald | Rhodes | Synar |
| McEwen | Richmond | Tauke |
| McGrath | Rinaldo | Tauzin |
| McHugh | Ritter | Taylor |
| McKinney | Roberts (KS) | Thomas |
| Mica | Roberts (SD) | Traxler |
| Michel | Robinson | Trible |
| Mikulski | Rodino | Udall |
| Miller (CA) | Roe | Vento |
| Miller (OH) | Roemer | Volkmer |
| Mineta | Rogers | Walgren |
| Minish | Rose | Walker |
| Mitchell (NY) | Roth | Washington |
| Moffett | Roukema | Watkins |
| Molinari | Rousselot | Waxman |
| Mollohan | Russo | Weaver |
| Montgomery | Sabo | Weber (MN) |
| Moore | Sawyer | Weber (OH) |
| Moorhead | Scheuer | White |
| Morrison | Schroeder | Whitehurst |
| Mottl | Schulze | Whitley |
| Murphy | Schumer | Whittaker |
| Murtha | Seiberling | Whitten |
| Myers | Sensenbrenner | Williams (OH) |
| Napier | Shamansky | Wilson |
| Natcher | Shannon | Winn |
| Neal | Sharp | Wirth |
| Nelligan | Shaw | Wolf |
| Nelson | Shelby | Wolpe |
| Nichols | Shumway | Wortley |
| Nowak | Shuster | Wright |
| Oakar | Siljander | Wyden |
| Oberstar | Simon | Wylie |
| Obey | Skeen | Yates |
| Oxley | Skelton | Yatron |
| Panetta | Smith (AL) | Young (FL) |
| Parris | Smith (IA) | Zablocki |
| Pashayan | Smith (NE) | Zeferetti |
| Patman | Smith (NJ) | |
| Patterson | Smith (OR) | |

NAYS—3

| | | |
|---|---|---|
| Conyers | Holt | Mitchell (MD) |

ANSWERED "PRESENT"—1

Ottinger

NOT VOTING—50

| | | |
|---|---|---|
| Aspin | Edwards (AL) | Reuss |
| Barnard | Erlenborn | Rosenthal |
| Burgener | Fithian | Rostenkowski |
| Burton, John | Florio | Roybal |
| Burton, Phillip | Ginn | Rudd |
| Byron | Goldwater | Santini |
| Chisholm | Hall, Ralph | Savage |
| Clay | Hightower | Schneider |
| Coughlin | Hutto | Stanton |
| Craig | Lott | Stenholm |
| Crockett | Lujan | Vander Jagt |
| Daschle | Lundine | Wampler |
| Daub | McCloskey | Weiss |
| de la Garza | Moakley | Williams (MT) |
| Dickinson | O'Brien | Young (AK) |
| Dougherty | Pepper | Young (MO) |
| Dymally | Rangel | |

□ 1115

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3518.

The SPEAKER pro tempore. The Chair designates the gentleman from Ohio (Mr. HALL) as Chairman of the Committee of the Whole and requests the gentleman from Louisiana (Mr. BREAUX) to assume the chair temporarily.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Florida (Mr. FASCELL) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. BROOMFIELD) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. FASCELL).

Mr. FASCELL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 3518, a bill to authorize appropriations for the Department of State, the International Communication Agency, the Board for International Broadcasting, and the Inter-American Foundation for fiscal years 1982-83, and to authorize a supplemental appropriation for the Board for International Broadcasting for fiscal year 1981.

The total in this bill is $3,133,587,000 in funding authority for 1982, and $3,674,422,000 for fiscal year 1983, and, of course, $600,000 supplemental request for the Board for International Broadcasting.

The bill was approved in the Committee on Foreign Affairs on May 12, 1981.

Mr. Chairman, let me say at the outset that all of us who participated in the hearings and considered this bill have been gravely concerned about the capability of the agencies that are involved to meet their growing international obligations and their responsibilities while their financial and human resources and their ability to keep pace with increased diplomatic and security needs continue to decrease.

The budget figures presented in this bill represent the minimum amounts that, in all good conscience, the committee could recommend and maintain the notion that the agencies could effectively carry out their duties.

The recommended 1982 authorization is identical to the executive branch request for these agencies. And although the figure reflects a numerical increase in dollar expenditures over the present 1981 figures, in real or constant dollar terms the increase barely covers the 1981 estimated average rate of overseas inflation, which has been set by the administration at 18 percent.

The committee did not feel that the 1982 executive branch request, in many accounts lower or identical to the 1982 estimates, would be adequate to even allow these agencies to maintain their present operating capacity. In fact, it represents a further cut of about 1,000 positions and the closing of numerous posts, among other things. Therefore, for the major Department of State administrative accounts for ICA and BIB we have recommended a 17-percent increase above the executive branch request for 1983; but we have kept that amount within the reconciliation figure so that it is within the overall Federal budget. It just means that we have made an adjustment within the account because of other actions taken in that account by the Budget Committee and by the Congress.

Now, let us talk for a moment about this budget in realistic terms. What it does, Mr. Chairman, is mandate a reduction, a cut, of 550 positions in the Department of State, leaving the Department with a total manpower of 16,285 people.

I want to emphasize this for my colleagues who are genuinely interested and concerned about the budget: This puts the Department of State, which is already the smallest Department in Government, at a 1959 operating level. Yes; I said 1959—which was 22 years ago. That is where they are today with the budget. And, of course, we all know how their responsibility has increased from the time in 1959 when we recognized only 77 nations and now we recognize 146. We have responsibilities all around the globe. We are all aware of the fact that life in the diplomatic service is not a cakewalk any longer. You cannot really kind of giggle and sneer about the striped pants set that has martinis for breakfast, a myth, if there ever was one, but nevertheless a lot of people believed it. We have had people brutalized, terrorized, killed, we have had our embassies burned, attacked, we have had hostages taken. We have to recognize the fact that our people who are doing this service on behalf of our country are in the frontlines. And while we all have to take budget cuts, I can tell the Members, after years of careful examination of the budgets of these agencies, that they have been brutally cut, and that the least we can do, in our own national interest and security, is to keep them at the cut level at which they are and not cut them further unless we are really in desperate straits because what we have to say then is that we are just going to have to reduce even more personnel, going back beyond our 1959 level, closing Embassies, closing consulates, doing all kinds of things that will ultimately harm the national security.

Today, the Department operates 278 posts overseas. At a time when Congress expects the Department to supply better security for our diplomats overseas, to collect the best information available to enable us to con-

duct our foreign policy, and to aid the peacekeeping process worldwide, the U.S. Government responds with a no-growth, make-do budget.

The International Communication Agency, telling the story of America around the world, is hardly the emissary of the United States that it once was. That Agency's levels of expenditure have steadily dropped over the years; the exchange program no longer provides the stipends on which people can live overseas; VOA is telling the world of America's advances on 1942 transmitters.

Telling our story around the world is one of the most important things we can do. This administration has a keen realization of that fact, and we need to stay in that fight. They have continued the support of the radios, both RFE, RL, VOA, and USIA, and it is absolutely urgent that we continue at least this reduced level in these agencies if we are going to stay in this fight. And I think we have to. They are diplomatic tools of the first order, just as essential as our military tools, just as essential as our economic tools. All I want to emphasize to my colleagues here is, believe me that this is a tough, barebones budget that takes into consideration what the administration has to face, what we have to face, in terms of the overall budget request.

Now, we have done some other things here that the Members ought to know about. We have provided authority to increase the cost of passports to meet the real costs of providing them. This will, of course, increase the revenues that will return to the Treasury. We think this is a reasonable amount, consistent with modern times.

I just want to say one thing. If you compare what the Soviets spend in this area—and that is not the only criterion, but let us face it, it is uppermost in some minds—if you consider just in one area, and that is on exchange programs, cultural presentations, whatever you want to call it, they are spending so much more money than we are, it is unbelievable—unbelievable that a country that has a responsibility of not only maintaining our own national security, but of espousing around the world the principles of democracy, representative government, human dignity, and individual freedoms, that we are here cutting back on the very programs that allow people to understand what we are all about. We just give up the fight. It is as if you were running a political campaign and you decided that: "Well, I do not need any campaign workers. I can do without that. It is just too costly. Oh, I can cut back on my radio advertising. I do not need any of that, what the heck." And your opponent is out there outspending you 5 to 1. And then you say: "Why is it that we aren't doing a better job out there?" Well, I tell you, that is one of the reasons.

So I want us all to be sure what we are doing. We are for the budget cuts and we are for carrying out programs that the President has a responsibility for carrying out. But our sense of priorities needs to be sharpened on this issue. That is all we are trying to do here. We urge the Members to do that and to support this bill.

□ 1130

We have also provided an overdue remedy in this bill which is new authority for the Secretary of State. Translated in pure slang, it means that we are tired of being mistreated by other countries with respect to our diplomatic missions and our representatives and having no way to be able to reciprocate and provide equality of treatment of our own people. We have therefore included authority in this bill which at long last gives the Secretary of State the mechanism to deal with this kind of unequal treatment or mistreatment, if you will, or just sheer capricious political action.

So, we think this is a very important step forward.

Mr. Chairman, these agencies are our diplomatic tools. Their people are our first line of defense. Their function is to make sure that we do not have to rely totally on the hardware of the Department of Defense in order to protect our people and our boundaries. But which agency of Government is receiving the funds to keep pace with the international demands of a peaceful world? I must reluctantly report that no agency charged with foreign policy responsibilities is being given the resources to cope effectively with their responsibilities—even though the foreign policy budget is barely 2½ percent of the defense budget and one-half percent of the total Federal budget, and has no discernible impact on domestic inflation.

Among the wide variety of diplomatic activities which facilitate our relations with 146 nations and more than 90 international organizations this authorization contains funds which: First, provide the U.S. assessed contribution to the United Nations, its specialized agencies and the OAS; second, provide access to a free press for people living under totalitarian rule through the broadcasts of the Voice of America, Radio Free Europe, and Radio Liberty; third, provide passport services for Americans who wish to travel abroad; and fourth, facilitate student and other scholarly exchanges as well as technical and cultural exhibitions abroad, promoting friendship and wider understanding for foreign cultures.

Let me use this latter provision to give an example of some of the less obvious programs funded by this bill and to indicate the immediate domestic benefits to be realized from them. The value of educational and cultural exchanges is one that has been significantly underestimated by U.S. citizens and Members of this body. I can tell you that the Soviet Union does not underestimate the power of such programs and places great weight on the benefits which they generate.

To our knowledge, the Soviets have spent approximately $1 billion over the past 25 years on scholarship grants to students form "disadvantaged economic and social backgrounds." U.S. programs come nowhere near this figure. For example, in 1980, the United States offered 24 grants to Costa Rica. In fiscal year 1982 we intend to offer 20. The U.S.S.R., on the other hand, administers 500 scholarships in that country. The United States counters the Soviet's 4,650 grants to the American republics with a grand total of 875 as alternatives to Soviet education. It has been estimated that the Soviet Union spends $200,000,000 for educational exchanges in the Third World alone. The United States plans to spend $66,000,000 for all of its programs in fiscal year 1983.

Let me ask you, who are Third World businessmen, educated in the Soviet Union, going to do business with and whose business methods are they going to use? We feel that we must match the Soviet military buildup, but we neglect the other elements of our defense policy—the radios and the spread of knowledge about our system and our culture through people-to-people relationships. We match military hardware, but fail to offset the ideological and political offensive aimed at the vast world population.

I urge you to endorse all of these efforts by supporting the funding levels in this bill.

H.R. 3518 contains one vital new authority for the Secretary of State which will provide the long-overdue means to remedy a serious and growing imbalance between the treatment accorded by many countries to official missions of the United States abroad, and that accorded to foreign government missions in the United States. Section 119 specifically would provide for the establishment of an independent Office of Foreign Missions in the Department of State through which the operations of foreign missions in the United States and the benefits available to them from Federal, State, and local authorities, public utilities and private persons may be reviewed and, if necessary regulated through a central authority. The Office will assist foreign missions in procuring needed benefits and services, in accordance with our international legal obligations. Such benefits and services

would include the procurement of real property, public services, supplies, maintenance contracts, transportation, travel, and other services.

The Office of Foreign Missions will also have the authority to deny benefits or services or take other action in cases where our personnel overseas are not receiving appropriate treatment. In this way, the conditions under which foreign missions operate in the United States, can be made to reflect the conditions under which missions of the United States are required to operate in the countries represented by such foreign missions.

Such conditions occur because foreign missions operating in the United States are currently free to negotiate services and benefits independent of any government sanctions within our free enterprise economy. U.S. missions abroad are often subject to government controls and whims. These manifest themselves in the form of inflated hotel rates, and other charges for diplomats, various discriminatory import duties, and taxes on heating oil, among other things.

Many nations have diplomatic service bureaus which exist solely to provide or regulate services to foreign missions and prevent contact with individual service organizations. Section 119 of this bill simply provides the United States with a similar office which would provide the means to enforce reciprocity and carry out our obligations in a more effective manner.

As a result, the foreign governments and entities represented by missions in the United States will have an incentive to provide governments and entities fair, equitable, and nondiscriminatory treatment to U.S. missions and personnel in their territories. This, in turn, will contribute to significant savings in the costs of operating U.S. missions overseas, improved morale and working conditions for U.S. personnel, and mutual respect in U.S. bilateral and multilateral relations. These authorities may also be applied to international organizations where necessary to give effect to the policy of this legislation.

The bill also makes changes in certain administrative authorities to enable the agencies to adapt to changes in international monetary conditions and to more efficiently discharge their responsibilities. Some of these are money saving provisions. One would cut down on U.S. Government insurance costs covering employees involved in short term State Department and ICA projects overseas. Another provision authorizes the State Department and USICA to enter into multiyear contracts when such contracts can be negotiated at lower costs than may be realized in contracts which must be renegotiated annually. As I previously stated, a revenue-raising provision has also been included which eliminates the statutory charge attached to passport issuance in favor of flexibility in determining fees which reflect increasing costs. This provision would extend the period of passport validity from 5 to 10 years. Another provision would clarify existing State Department offset adverse fluctuations in foreign currency exchange rates and overseas wage and price changes by authorizing a buying power maintenance fund in the Department, which will enable the Department to meet overseas operating needs in a timely manner that will insure more efficient use of the funds provided to the Department of State.

Other provisions are: First, provide for an ex gratia payment to the Government of Yugoslavia for inquires incurred by a Yugoslav national in New York City; second, provide payments of U.S. assessments to the Pan American Institute of Geography and History, the Hague Conference on Private International Law, the International Institute for the Unification of Private Law, and the Pan American Railway Congress; third, provide for a single U.S. representative in Vienna to represent U.S. interests in a variety of international organizations; fourth, allow private sector experts to serve on U.S. delegations to international telecommunications meetings and conferences; and fifth, provide for the distribution within the United States of the ICA film "Reflections: Samuel Eliott Morison."

I would also like to mention that, due to a clerical error, the authorization for ICA's special foreign currency account was not broken down in the budget table as a separate account. Although it is included in the total, it was grouped with the Agency's acquisition and construction account. For the record, I have included with this statement, a revised budget chart, breaking out the $11,451,000 in ICA's special foreign currency account.

This account covers local costs in countries where the Treasury Department finds that the supply of U.S.-owned foreign currencies is excess to the normal requirements of the U.S. Government. ICA has requested an increase of $848,000 for 1982 over the 1981 amount. These funds will be used to cover local rates for rent and utilities and other local operating costs, wages for foreign national employees, and payments to the Department of State for shared administrative support services. This authorization involves no actual budgetary outlays. It merely permits the Agency to utilize excess foreign currencies which are in U.S. account overseas.

| | *Thousands* |
|---|---|
| Salaries and expenses: | |
| Overseas missions | $146,194 |
| Exchange of persons | 92,380 |
| Broadcasting service | 106,669 |
| Program coordination, production, and support | 39,456 |
| Agency direction and management | 33,412 |
| Administrative support from other agencies | 34,076 |
| Subtotal | 452,187 |
| Salaries and expenses (special foreign currency program) | 11,451 |
| Center for Cultural and Technical Interchange Between East and West | 16,880 |
| Acquisition and construction of radio facilities | 80,884 |
| Total | 561,402 |

For all of these reasons, Mr. Chairman, I would hope that my colleagues could enthusiastically support the authorization bill as it is now printed before them, the appropriation bill having already been considered and having passed the House last week.

Mr. ROTH. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Wisconsin.

Mr. ROTH. I thank the gentleman for yielding.

I wish to compliment the gentleman from Florida (Mr. FASCELL), who is the chairman of our Subcommittee on International Operations, and our fine committee staff, for the wonderful job they have done.

We hear so much about how many billions we are going to spend on defense to build up our military, on how many billions we are to spend to promote peace. Yet the most important issue for peace, I think, facing this country, as leader of the free world, is determining how we are going to influence the views of the peoples of the world regarding democracy and in particular of America.

We can have all the weapons and military hardware in the world, but nothing can compare to what people think, and we are not doing enough in that area.

The Soviets spend billions of dollars on their propaganda apparatus. Information stressing the Soviet point of view is disseminated throughout the world in every format: Radio, television, and the printed word. Thousands of students are brought to the Soviet Union, thereby gaining firsthand exposure to the Soviet view of the world.

The American effort in this field has steadily declined. We spend today, in real-dollar terms, less than half of what we spent in the mid-1960's on our public diplomacy efforts. We know, because of public opinion surveys and through interviews with refugees, that American information sources fill a void in many parts of the world. We offer correct, accurate, and timely information on important subjects. Yet without the proper level of funding, our public diplomacy cannot keep pace.

In the race for ideas and for world public opinion, we face a challenge from the Soviets just as we face a challenge in the field of armaments.

On ideological grounds, we here in America have an excellent foundation. We have a democracy which reflects the will of the citizens of this Nation. The people of America are in control of their destiny. There are privileges and rights denied to millions around the world. No matter how much money the Soviets put into their propaganda effort, they cannot hide the fact that personal freedom and liberty disappear under a Communist system.

We have a success story to broadcast to the world. Our democracy works, and we must be willing to fund programs which will tell the world that the democracy of America is more than a match for the repressive regimes which are threatening freedom throughout the world. The ideas which we have long cherished are the most powerful weapons in the world.

Althought the commitment of this country to public diplomacy has declined in recent years, I want to commend the chairman of our subcommittee for persevering these many years and bringing this story home to the American people.

Mr. FASCELL. I thank the gentleman for his interest and his comments and I agree with the gentleman. I think there is a new awareness in this Congress, among the American people on the importance and necessity of our diplomatic service, of the International Communication Agency, the Voice of America, the Board for International Broadcasting and how vital they are to our own security to tell this story, to continue to persuade. And the old axiom about the power of the pen is still a very powerful one.

A thought is still the strongest weapon that exists.

Mr. Chairman, I yield such time as he may consume to the gentleman from Wisconsin (Mr. ZABLOCKI), who is the chairman of the full committee.

Mr. ZABLOCKI. Mr. Chairman, I rise in support of H.R. 3518, authorizing appropriations for the Department of State, the International Communication Agency, the Board for International Broadcasting, and the Inter-American Foundation.

At the outset, I want to take this opportunity to commend the distinguished chairman of the Subcommittee on International Operations, Mr. FASCELL, and the distinguished ranking minority member of the subcommittee, Mr. DERWINSKI, and member of the Foreign Affairs Committee, Mr. BROOMFIELD, for their leadership in bringing this vitally important authorizing legislation to the floor. I also want to thank the distinguished chairman of the District of Columbia Committee, the gentleman from California (Mr. DELLUMS) for his cooperation with respect to section 201 of the bill dealing with foreign missions.

The gentleman from Florida has already ably explained in detail the various provisions contained in H.R. 3518, so I will not elaborate on them. However, I would like to make the following points.

First, as a 2-year authorization this bill follows the intent and spirit of the budget act by setting fiscal guidelines for future years, thus permitting advance planning by the departments.

Second, H.R. 3518 reconciles budgetary constraints with the needs of our foreign affairs agencies. In that respect it authorizes the exact amounts requested by the President for fiscal year 1982. For fiscal year 1983 the amounts, which in some instances are in excess of the President's request, remain within the constraints of the Budget Reconciliation Act.

Third, this bill authorizes funds for the State Department and other international agencies that have proven to be the U.S. first line of defense. While the Department of Defense has increased its budget, the Department of State has closed consulates and has suffered a reduction in personnel while its workload has increased as a result of lack of funds. The resulting closing of consulates is a serious matter which affects U.S. ability in the areas of trade, security, and intelligence.

This is why the committee felt that it was wise to increase modestly funds for salaries and expenses and other personnel matters so that the Department of State and the other international agencies will be able to conduct their vitally important diplomatic work, which serves to increase U.S. security interests through peaceful means.

Mr. Chairman, I urge the adoption of this bill.

Mr. BROOMFIELD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to praise the excellent work of Chairman ZABLOCKI, Subcommittee Chairman FASCELL, and the ranking minority member on the subcommittee, Mr. DERWINSKI, in overseeing the State Department authorization bill.

I wholeheartedly support H.R. 3518. The bill, as reported from the Foreign Affairs Committee, proposes a modest increase in spending for the State Department, International Communication Agency, and the Board for International Broadcasting. While the committee fully appreciated the need for budget austerity, and for that reason kept the authorization to the minimum necessary to do the job, the committee also realized that the foreign affairs budget process has over the years seriously eroded the effectiveness of our foreign affairs agencies. For example, the State Department is the only Cabinet Department which has fewer positions now than it did in 1959. The number of political and economic officer positions has decreased by 12 percent in the last 10 years, Yet the number of countries that we maintain relations with has jumped from 85 in 1959 to 146 today. Furthermore, due to the enormous increase in travel abroad by American tourists, consular work has increased by 900 percent. The need for U.S. representation in international organizations has also grown as more international bodies have come into existence. With regard to the International Communication Agency, it operates in real dollar terms with less than 50 percent of the funding it had 15 years ago. This amount is far less than the amount spent by our ideological opponents. Not only are we unduly restricting ourselves in getting the American message abroad, but the number of scholarships that we grant for foreign students to study in the United States, thereby learning the values of freedom and democracy, are miniscule compared to the number granted by the Soviet bloc.

In short, we must not jeopardize our ability to protect the national security by providing only insufficient resources. We must improve our monitoring of overseas political events and we need to carefully evaluate the repercussions of economic fluctuations in developing areas. Additionally, it is important that Americans traveling abroad, on business or for pleasure, have access to effective protective services on a timely basis.

I fully endorse H.R. 3518, as reported, and encourage my House colleagues to do likewise.

Mr. Chairman, I yield 3 minutes to the gentleman from Delaware (Mr. EVANS).

Mr. EVANS of Delaware. Mr. Chairman, I rise in strong support of H.R. 3518. I would like to congratulate the gentleman from Florida (Mr. FASCELL) for his statement and his support of ICA; the chairman of the committee, the gentleman from Wisconsin (Mr. ZABLOCKI), and certainly the ranking minority member, the gentleman from Michigan (Mr. BROOMFIELD).

I would also like to take this opportunity to commend the administration in their conduct of our Nation's foreign policy. We have turned away from, at times, inconsistent and sometimes incoherent foreign policy which was lacking in credibility.

I do not mean to suggest that we have achieved a utopian foreign policy, but we are certainly headed in the right direction and already there is increasing respect for America around the world. Suddenly we are talking with our allies and our opponents with new strength and purpose. The awareness of that strength has increased our credit with our allies and gained, however grudgingly, the respect of our opponents.

Such grudging respect surely was the motive behind Fidel Castro's bi-

zarre attack on America at the unlikely forum of an international meeting of parliamentarians a few days ago.

In H.R. 3518, I am especially pleased that the committee has made a firm commitment to our international broadcasting efforts. This measure authorizes increases in the budgets for Radio Free Europe, Voice of America and Radio Liberty recommended by the administration for the coming year.

Mr. Chairman, these broadcasts are an important part of our national defense, and, therefore, an essential element in our Nation's national security. They are nonmilitary, cost effective and employable now.

One of the problems we have had in our dealing with other nations is that we are often misunderstood by their people. I believe it would be incredibly foolish in these times for us not to increase our efforts in getting our message across. We do not need, nor do we want, a propaganda agency. We do not have to improve on the truth because our ideas and accomplishments speak for themselves.

This is, I believe, our greatest advantage. We need not color the truth but merely relay it to the world in a strong and clear voice.

As Thomas Jefferson said in speaking of the University of Virginia, and I believe those words apply to our country as well, "Here we are not afraid to follow the truth, wherever it may lead so long as reason is free to combat it."

He believed, as I do, that the truth will always win over lies, but it is critical that we get that truth through.

The Soviets spend as much money jamming our radios as we do broadcasting and obviously we must be having an impact they do not like.

Therefore, the importance of our efforts in this field cannot be underestimated.

The CHAIRMAN. The time of the gentleman from Delaware (Mr. EVANS) has expired.

Mr. BROOMFIELD. Mr. Chairman, I yield 1 additional minute to the gentleman from Delaware.

Mr. EVANS of Delaware. For millions of our people, our international broadcasts are their only source of truthful information about actions by their government. It was a UPI story about a year ago from Moscow which illustrated well the power of our international broadcasts. It stated that—

Andrei Sakharov's exile means sitting long hours at a bare wooden table listening to the Voice of America, often, according to his wife, learning for the first time the details of his banishment.

That story reflects vividly the value of the program, and this legislation demonstrates that we will not fail in our responsibility to the millions of people in the world who hunger for the truth.

I compliment the committee on their fine work and urge my colleagues to support this important legislation.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the distinguished gentleman from Florida.

Mr. FASCELL. I thank the gentleman for yielding.

I want to thank the gentleman for his very fine statement. We just cannot keep saying too much, reiterating what the gentleman has said in his statement. We have just got to keep doing that until we get the recognition, not only here, and I think it is here in this Congress, and certainly is in the administration.

Mr. BROOMFIELD. Mr. Chairman, I have no further requests for time.

Mr. FASCELL. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the Clerk will read the bill by title.

The Clerk read as follows:

H.R. 3518

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

TITLE I— DEPARTMENT OF STATE

SHORT TITLE

SEC. 101. This title may be cited as the "Department of State Authorization Act, Fiscal Years 1982 and 1983".

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 102. There are authorized to be appropriated for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and other purposes authorized by law, the following amounts:

(1) For "Administration of Foreign Affairs", $1,318,754,000 for the fiscal year 1982 and $1,744,391,000 for the fiscal year 1983.

(2) For "International Organizations and Conferences", $563,806,000 for the fiscal year 1982 and $554,436,000 for the fiscal year 1983.

(3) For "International Commissions", $22,508,000 for the fiscal year 1982 and $24,759,000 for the fiscal year 1983.

(4) For "Migration and Refugee Assistance", $553,100,000 for the fiscal year 1982 and $555,600,000 for the fiscal year 1983.

PALESTINIAN RIGHTS UNITS

SEC. 103. Funds appropriated under paragraph (2) of section 102 of this Act may not be used for payment by the United States, as its contribution toward the assessed budget of the United Nations for any year, of any amount which would cause the total amount paid by the United States as its assessed contribution for that year to exceed the amount assessed as the United States contribution for that year less—

(1) 25 per centum of the amount budgeted for that year for the Committee on the Exercise of the Inalienable Rights of the Palestinian People (or any similar successor entity), and

(2) 25 per centum of the amount budgeted for that year for the Special Unit on Palestinian Rights (or any similar successor entity).

EX GRATIA PAYMENT

SEC. 104. Of the amount appropriated for the fiscal year 1982 under paragraph (1) of section 102 of this Act, $81,000 shall be available for payment ex gratia to the Government of Yugoslavia as an expression of concern by the United States Government for the injuries sustained by a Yugoslav national as a result of an attack on him in New York City.

ASSISTANCE FOR REFUGEES SETTLING IN ISRAEL

SEC. 105. Of the amounts authorized to be appropriated by paragraph (4) of section 102 of this Act, $12,500,000 for the fiscal year 1982 and $15,000,000 for the fiscal year 1983 shall be available only for assistance for the resettlement in Israel of refugees from the Union of Soviet Socialist Republics and from Communist countries in Eastern Europe.

BILATERAL SCIENCE AND TECHNOLOGY AGREEMENTS

SEC. 106. In addition to the amounts authorized to be appropriated by section 102 of this Act, there are authorized to be appropriated to the Secretary of State $3,700,000 for the fiscal year 1982 and $3,700,000 for the fiscal year 1983 for payment of the United States share of expenses of the science and technology agreements between the United States and Yugoslavia and between the United States and Poland.

CURRENCY FLUCTUATIONS

SEC. 107. (a) Section 24(b) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2696(b)), is amended to read as follows:

"(b)(1) In order to maintain the levels of program activity provided for each fiscal year by the annual authorizing legislation for the Department of State, there are authorized to be appropriated for the Department such sums as may be necessary to offset adverse fluctuations in foreign currency exchange rates, or overseas wage and price changes, which occur after November 30 of the calendar year preceding the enactment of the authorizing legislation for such fiscal year.

"(2) In order to eliminate substantial gains to the approved levels of overseas operations, the Secretary of State may transfer to the appropriation account established under paragraph (1) of this subsection such amounts in other appropriation accounts under the heading 'Administration of Foreign Affairs' as the Secretary determines are excessive to the needs of the approved level of operations because of fluctuations in foreign currency exchange rates or changes in overseas wages and prices.

"(3) Funds transferred from the appropriation account established under paragraph (1) shall be merged with and be available for the same purpose, and for the same time period, as the appropriation account to which transferred; and funds transferred to the appropriation account established under paragraph (1) shall be merged with and available for the purposes of that appropriation account until expended. Any restriction contained in an appropriation Act or other provision of law limiting the amounts available for the Department of State that may be obligated or expended shall be deemed to be adjusted to the extent necessary to offset the net effect of fluctuations in foreign currency exchange rates or overseas wage and price changes in order to maintain approved levels.".

(b) Section 704(c) of the United States Information and Educational Exchange Act of

1948 (22 U.S.C. 1477b(c)) is amended by striking out "preceding" and inserting in lieu thereof "calendar year preceding the enactment of the authorizing legislation for such".

(c) Section 8(a)(2) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2287(a)(2)) is amended by striking out "preceding" in the first sentence and inserting in lieu thereof "calendar year preceding the enactment of the amendments to paragraph (1) which provide the authorization for such".

(d) The amendments made by this section shall take effect on October 1, 1981.

PASSPORT FEES AND PERIOD OF VALIDITY

SEC. 108. (a) The first sentence of section 1 under the heading "Fees for Passports and Visas" of the Act of June 4, 1920 (22 U.S.C. 214), is amended to read as follows: "There shall be collected and paid into the Treasury of the United States a fee, prescribed by the Secretary of State by regulation, for each passport issued and a fee, prescribed by the Secretary of State by regulation, for executing each application for a passport.".

(b)(1) Section 2 of the Act entitled "An Act to regulate the issue and validity of passports, and for other purposes", approved July 3, 1926 (22 U.S.C. 217a), is amended to read as follows:

"SEC. 2. A passport shall be valid for a period of ten years from the date of issue, except that the Secretary of State may limit the validity of a passport to a period of less than ten years in an individual case or on a general basis pursuant to regulation.".

(2) The amendment made by this subsection applies with respect to passports issued after the date of enactment of this Act.

DOCUMENTATION OF CITIZENSHIP

SEC. 109. The State Department Basic Authorities Act of 1956 is amended by inserting the following new section 33 immediately after section 32 and by redesigning existing section 33 as section 34:

"SEC. 33. The following documents shall have the same force and effect as proof of United States citizenship as certificates of naturalization or of citizenship issued by the Attorney General or by a court having naturalization jurisdiction:

"(1) A passport, during its period of validity (if such period is the maximum period authorized by law), issued by the Secretary of State to a citizen of the United States.

"(2) The report, designated as a 'Report of Birth Abroad of a Citizen of the United States', issued by a consular officer to document a citizen born abroad.".

PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY

SEC. 110. Paragraph (1) of the first section of the joint resolution entitled "Joint resolution to provide for membership of the United States in the Pan American Institute of Geography and History; and to authorize the President to extend an invitation for the next general assembly of the institute to meet in the United States in 1935, and to provide appropriation for expenses thereof", approved August 2, 1935 (22 U.S.C. 273), is amended by striking out ", not to exceed $200,000 annually,".

INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW AND THE HAGUE CONFERENCE ON PRIVATE INTERNATIONAL LAW

SEC. 111. Section 2 of the joint resolution entitled "Joint resolution to provide for participation by the Government of the United States in the Hague Conference on Private International Law and the International (Rome) Institute for the Unification of Private Law, and authorizing appropriations therefor", approved December 30, 1963 (22 U.S.C. 269g-1), is amended by striking out ", except that" and all that follows through "that year".

PAN AMERICAN RAILWAY CONGRESS

SEC. 112. Section 2(a) of the joint resolution entitled "Joint resolution providing for participation by the Government of the United States in the Pan American Railway Congress, and authorizing an appropriation therefor", approved June 28, 1948 (22 U.S.C. 280k), is amended by striking out "Not more than $15,000 annually" and inserting in lieu thereof "Such sums as may be necessary".

UNITED STATES REPRESENTATIVE TO INTERNATIONAL ORGANIZATIONS IN VIENNA

SEC. 113. Section 2 of the United Nations Participation Act of 1945 (22 U.S.C. 287) is amended by adding at the end thereof the following new subsection:

"(h) The President, by and with the advice and consent of the Senate, shall appoint a representative of the United States to the Vienna office of the United Nations with appropriate rank and status, who shall serve at the pleasure of the President and subject to the direction of the Secretary of State. Such individual shall, at the direction of the Secretary of State, represent the United States at the Vienna office of the United Nations and perform such other functions there in connection with the participation of the United States in international organizations as the Secretary of State from time to time may direct.".

LIVING QUARTERS FOR THE STAFF OF THE UNITED STATES REPRESENTATIVE TO THE UNITED NATIONS

SEC. 114. Section 8 of the United Nations Participation Act of 1945 (22 U.S.C. 287e) is amended—

(1) by striking out "representative of the United States to the United Nations referred to in paragraph (a) of section 2 hereof" and inserting in lieu thereof "representatives provided for in section 2 of this Act and of their appropriate staffs"; and

(2) by adding at the end thereof the following: "Any payments made by United States Government personnel for occupancy by them of living quarters leased or rented under this section shall be credited to the appropriation, fund, or account utilized by the Secretary of State for such lease or rental or to the appropriation, fund, or account currently available for such purpose.".

AMENDMENTS CORRECTING PRINTING ERRORS

SEC. 115. The Foreign Service Act of 1980 is amended—

(1) in section 704(b)(2) (22 U.S.C. 402(a)(2)) by striking out "411" and inserting in lieu thereof "412"; and

(2) in section 814(a)(3) (22 U.S.C. 4054(a)(3)) by striking out "on" the second place it appears in the first sentence and inserting in lieu thereof "or".

PRIVATE SECTOR REPRESENTATIVES ON UNITED STATES DELEGATIONS TO INTERNATIONAL TELECOMMUNICATIONS MEETINGS AND CONFERENCES

SEC. 116. (a) Sections 203, 205, 207, and 208 of title 18, United States Code, shall not apply to a private sector representative on the United States delegation to an international telecommunications meeting or conference who is specifically designated to speak on behalf of or otherwise represent the interests of the United States at such meeting or conference with respect to a particular matter, if the Secretary of State (or his designee) certifies that no Government employee on the delegation is as well qualified to represent United States interests with respect to such matter and that such designation serves the national interest. All such representatives shall have on file with the Department of State the financial disclosure report required for special Government employees.

(b) As used in this section, the term "international telecommunications meeting or conference" means the conferences of the International Telecommunications Union, meetings of its International Consultative Committees for Radio and for Telephone and Telegraph, and such other international telecommunications meetings or conferences as the Secretary of State may designate.

PROCUREMENT CONTRACTS

SEC. 117. The State Department Basic Authorities Act of 1956 is amended by inserting the following new section immediately after section 13:

"SEC. 14. (a) Any contract for the procurement of property or services, or both, for the Department of State or the Foreign Service which is funded on the basis of annual appropriations may nevertheless be made for periods not in excess of five years when—

"(1) appropriations are available and adequate for payment for the first fiscal year and for all potential cancellation costs; and

"(2) the Secretary of State determines that—

"(A) the need of the Government for the property or service being acquired over the period of the contract is reasonably firm and continuing;

"(B) such a contract will serve the best interests of the United States by encouraging effective competition or promoting economies in performance and operations; and

"(C) such a method of contracting will not inhibit small business participation.

"(b) In the event that funds are not made available for the continuation of such a contract into a subsequent fiscal year, the contract shall be cancelled and any cancellation costs incurred shall be paid from appropriations originally available for the performance of the contract, appropriations currently available for the acquisition of similar property or services and not otherwise obligated, or appropriations made for such cancellation payments.".

COMPENSATION FOR DISABILITY OR DEATH

SEC. 118. The State Department Basic Authorities Act of 1956 is amended by inserting the following new section immediately after section 15:

SEC. 16. The first section of the Act of August 16, 1941 (42 U.S.C. 1651; commonly known as the Defense Base Act) shall not apply with respect to such contracts as the Secretary of State may determine which are contracts with persons employed to perform work for the Department of State or the Foreign Service on an intermittent basis for not more than 90 days in a calendar year.".

REGULATION OF FOREIGN MISSIONS

SEC. 119. (a) The State Department Basic Authorities Act of 1956 is amended by striking out "That the Secretary" in the first section and inserting in lieu thereof the following:

"TITLE I—BASIC AUTHORITIES GENERALLY

"SECTION 1. The Secretary".

(b) That Act is further amended by adding at the end thereof the following:

"TITLE II—AUTHORITIES RELATING TO THE REGULATION OF FOREIGN MISSIONS

"DECLARATION OF FINDINGS AND POLICY

"SEC. 201. (a) The Congress finds that the operation in the United States of foreign missions and public international organizations and the official missions to such organizations, including the permissible scope of their activities and the location and size of their facilities, is a proper subject for the exercise of Federal jurisdiction.

"(b) The Congress declares that it is the policy of the United States to support the secure and efficient operation of United States missions abroad, to facilitate the secure and efficient operation in the United States of foreign missions and public international organizations and the official missions to such organizations, and to assist in obtaining appropriate benefits, privileges, and immunities for those missions and organizations and to require their observance of corresponding obligations in accordance with international law.

"(c) The assistance to be provided to a foreign mission in the United States shall be determined after due consideration of the benefits, privileges, and immunities provided to missions of the United States in the country or territory represented by that foreign mission.

"DEFINITIONS

"SEC. 202. (a) For purposes of this title—

"(1) 'benefit' (with respect to a foreign mission) means any acquisition, or authorization for an acquisition, in the United States by or for a foreign mission, including the acquisition of—

"(A) real property by purchase, lease, exchange, construction, or otherwise,

"(B) public services, including services relating to customs, importation, and utilities, and the processing of applications or requests relating to public services,

"(C) supplies, maintenance, and transportation,

"(D) locally engaged staff on a temporary or regular basis,

"(E) travel and related services, and

"(F) protective services,

and includes such other benefits as the Secretary may designate;

"(2) 'chancery' means the principal offices of a foreign mission used for diplomatic or related purposes, and annexes to such offices (including ancillary offices and support facilities), and includes the site and any building on such site which is used for such purposes;

"(3) 'Director' means the Director of the Office of Foreign Missions established pursuant to section 203(a);

"(4) 'foreign mission' means any official mission to the United States involving diplomatic, consular, or other governmental activities of—

"(A) a foreign government, or

"(B) an organization (other than an international organization, as defined in section 209(b) of this title) representing a territory or political entity which has been granted diplomatic or other official privileges and immunities under the laws of the United States,

including any real property of such a mission and including the personnel of such a mission;

"(5) 'real property' includes any right, title, or interest in or to, or the beneficial use of, any real property in the United States, including any office or other building;

"(6) 'Secretary' means the Secretary of State;

"(7) 'sending State' means the foreign government, territory, or political entity represented by a foreign mission; and

"(8) 'United States' means, when used in a geographic sense, the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

"(b) Determinations with respect to the meaning and applicability of the terms used in subsection (a) shall be committed to the discretion of the Secretary.

"OFFICE OF FOREIGN MISSIONS

"SEC. 203. (a) The Secretary shall establish an Office of Foreign Missions as an independent office within the Department of State. The Office shall be headed by a Director, appointed by the Secretary, who shall perform his or her functions under the supervision and direction of the Secretary. The Secretary may delegate this authority for supervision and direction of the Director only to the Deputy Secretary of State or an Under Secretary of State.

"(b) The Secretary may authorize the Director to—

"(1) assist agencies of Federal, State, and municipal government with regard to ascertaining and according benefits, privileges, and immunities to which a foreign mission may be entitled;

"(2) provide or assist in the provision of benefits for or on behalf of a foreign mission in accordance with section 204; and

"(3) perform such other functions as the Secretary may determine necessary in furtherance of the policy of this title.

"PROVISION OF BENEFITS

"SEC. 204. (a) Upon the request of a foreign mission, benefits may be provided to or for that foreign mission by or through the Director on such terms and conditions as the Secretary may approve.

"(b) If the Secretary determines that such action is reasonably necessary on the basis of reciprocity or otherwise—

"(1) to facilitate relations between the United States and a sending State,

"(2) to protect the interests of the United States,

"(3) to adjust for costs and procedures of obtaining benefits for missions of the United States abroad, or

"(4) to assist in resolving a dispute affecting United States interests and involving a foreign mission or sending State,

then the Secretary may require a foreign mission (A) to obtain benefits from or through the Director on such terms and conditions as the Secretary may approve, or (B) to comply with such terms and conditions as the Secretary may determine as a condition to the execution or performance in the United States of any contract or other agreement; the acquisition, retention, or use of any real property; or the application for or acceptance of any benefit (including any benefit from or authorized by any Federal, State, or municipal governmental authority, or any entity providing public services).

"(c) Terms and conditions established by the Secretary under this section may include—

"(1) a requirement to pay to the Director a surcharge or fee, and

"(2) a waiver by a foreign mission (or any assignee of or person deriving rights from a foreign mission) of any recourse against any governmental authority, any entity providing public services, any employee or agent of such an authority or entity, or any other person, in connection with any action determined by the Secretary to be undertaken in furtherance of this title.

"(d) For purposes of effectuating a waiver of recourse which is required under this section, the Secretary may designate the Director or any other officer of the Department of State as the agent of a foreign mission (or of any assignee of or person deriving rights from a foreign mission). Any such waiver by an officer so designated shall for all purposes (including any court or administrative proceeding) be deemed to be a waiver by the foreign mission (or the assignee of or other person deriving rights from a foreign mission).

"PROPERTY OF FOREIGN MISSIONS

"SEC. 205. (a)(1) The Secretary may require any foreign mission to notify the Director prior to any proposed acquisition, or any proposed sale or other disposition, of any real property by or on behalf of such mission. If such a notification is required, the foreign mission (or other party acting on behalf of the foreign mission) may initiate or execute any contract, proceeding, application, or other action required for the proposed action—

"(A) only after the expiration of the sixty-day period beginning on the date of such notification (or after the expiration of such shorter period as the Secretary may specify in a given case); and

"(B) only if the mission is not notified by the Secretary within that period that the proposal has been disapproved; however, the Secretary may include in such a notification such terms and conditions as the Secretary may determine appropriate in order to remove the disapproval.

"(2) For purposes of this section, 'acquisition' includes any acquisition or alteration of, or addition to, any real property or any change in the purpose for which real property is used by foreign mission.

"(b) The Secretary may require any foreign mission to divest itself of, or forego the use of, any real property determined by the Secretary—

"(1) not to have been acquired in accordance with this section; or

"(2) to exceed limitations placed on real property available to a United States mission in the sending State.

"(c) If a foreign mission has ceased conducting diplomatic, consular, and other governmental activities in the United States and there is not a protecting power or other agent designated by the sending State and approved by the Secretary which is responsible for the property of that foreign mission, the Secretary—

"(1) until the designation of a protecting power or other agent approved by the Secretary, may protect and preserve any property of that foreign mission; and

"(2) may authorize the Director to dispose of such property at such time as the Secretary may determine after the expiration of the one-year period beginning on the date that the foreign mission ceased those activities, and may remit to the sending State the net proceeds from such disposition.

"LOCATION OF FOREIGN MISSIONS

"SEC. 206. (a) In order to ensure the fulfillment of the international obligations of the United States and fulfillment of the policy of this title, and to ensure the orderly development of the national capital, the location, height, bulk, number of stories, and

size of any building or other real property of a foreign mission in the District of Columbia, and the provision for open space in and around any such building or other property, shall be subject to approval by the National Capital Planning Commission (hereafter in this section referred to as the 'Commission'). This subsection does not apply with respect to a building or other real property of a foreign mission if the Commission determines that the property will only be used by a party other than a foreign mission and will only be used for activities that do not involve the diplomatic, consular, or other governmental activities of a foreign mission.

"(b) Any determination by the Commission pursuant to subsection (a) of this section which involves approval of the location of or a use of real property for a chancery, or involves approval of site and building plans for a chancery, shall be considered rulemaking under section 553 of title 5, United States Code, and shall be based solely on the following criteria:

"(1) the Federal interest;

"(2) the chancery is in an area (A) of predominantly office use, (B) of mixed use, including residential, commercial, office, or institutional use, (C) of medium or high density residential use, or (D) in reasonable proximity to streets on which existing chanceries are concentrated;

"(3) historic preservation (as determined in accordance with regulations issued by the Commission in carrying out this section);

"(4) the extent to which the area will be served by public transit to reduce parking requirements;

"(5) the extent to which the area will have adequate public facilities, utilities, and services, including streets, street lighting, water, sewer, electricity, telephone, and refuse collection;

"(6) the area is capable of being adequately protected, as determined by a Federal agency authorized to perform protective services; and

"(7) the municipal interest.

Any other determination by the Commission with respect to real property of a foreign mission pursuant to subsection (a) of this section shall be based solely on the criteria specified in paragraphs (1), (3), (6), and (7), and such other criteria as the Commission may by regulation establish.

"(c) In any proceeding with respect to real property of a foreign mission pursuant to subsection (a) of this section—

"(1) a determination by the Secretary as to the Federal interest shall be given substantial weight; and

"(2) a determination by the Mayor of the District of Columbia as to the municipal interest shall be given substantial weight.

"(d) In any proceeding with respect to real property of a foreign mission pursuant to subsection (a) of this section, the final determination with respect to approval of a location or use or approval of site and building plans shall be made not later than five months after the date of filing an application for such approval.

"PREEMPTION

"SEC. 207. Notwithstanding any other provision of law, no act of any Federal agency or of any State or municipal governmental authority shall be effective to confer or deny any benefits with respect to any foreign mission contrary to this title.

"GENERAL PROVISIONS

"SEC. 208. (a) The Secretary may issue such regulations as the Secretary may determine necessary to carry out the policy of this title.

"(b) Compliance with any regulation, instruction, or direction issued by the Secretary under this title shall to the extent thereof be a full acquittance and discharge for all purposes of the obligation of the person making the same. No person shall be held liable in any court or administrative proceeding for or with respect to anything done or omitted in good faith in connection with the administration of, or pusuant to and in reliance on, this title, or any regulation, instruction, or direction issued by the Secretary under this title.

"(c) For purposes of administering this title, the Secretary may—

"(1) accept details and assignments of employees of Federal agencies to the Office of Foreign Missions on a reimbursable or nonreimbursable basis (with any such reimbursements to be credited to the appropriations made available for the salaries and expenses of officers and employees of the employing agency); and

"(2) obtain without regard to the provisions of law governing appointments in the competitive service, by appointment or contract (subject to availability of funds), the services of individuals to provide technical and professional services which are not otherwise available and which are required to carry out the functions of the Director.

"(d) Contracts and subcontracts for supplies or services (except for personal services), made by or on behalf of the Director, shall be made after advertising, in such manner and at such times as the Secretary shall determine to be adequate to ensure notice and opportunity for competition, except that advertisement shall not be required when (1) the Secretary determines that it is impracticable or will not permit timely performance to obtain bids by advertising, or (2) the aggregate amount involved in a purchase of supplies or procurement of services does not exceed $10,000. Such contracts and subcontracts may be entered into without regard to laws and regulations otherwise applicable to solicitation, negotiation, administration, and performance of government contracts. In awarding contracts, the Secretary may consider such factors as relative quality and availability of supplies or services and the compatability of the supplies or services with implementation of this title.

"(e) The head of any Federal agency may, for purposes of this title—

"(1) transfer or loan any property to, and perform administrative and technical support functions and services for the operations of, the Office of Foreign Missions (with reimbursements to agencies under this paragraph to be credited to the current applicable appropriation of the agency concerned); and

"(2) acquire and accept services from the Office of Foreign Missions, including (whenever the Secretary determines it to be in furtherance of the purposes of this title) acquisitions without regard to laws normally applicable to the acquisition of services by such agency.

"(f) Assets of or under the control of the Office of Foreign Missions, wherever situated, which are used by or held for the use of a foreign mission shall not be subject to attachment, execution, injunction, or similar process, whether intermediate or final.

"(g) Except as otherwise provided, any determination required under this title shall be committed to the discretion of the Secretary. Except as provided in the first sentence of section 206(b), actions taken under the authority of this title shall not be considered rulemaking within the meaning of section 553 of title 5, United States Code.

"(h)(1) In order to implement this title, the Secretary may transfer such amounts available to the Department of State as may be necessary to the working capital fund established by section 13 of this Act.

"(2) Notwithstanding any other provision of law, all revenues, including proceeds from gifts and donations, received by the Director or the Secretary in carrying out this title may be credited to the working capital fund established by section 13 of this Act and shall be available for purposes of this title in accordance with that section.

"APPLICATION TO PUBLIC INTERNATIONAL ORGANIZATIONS AND OFFICIAL MISSIONS TO SUCH ORGANIZATIONS

SEC. 209. (a) The Secretary may make section 206, or any other provision of this title, applicable with respect to an international organization to the same extent that it is applicable with respect to a foreign mission if the Secretary determines, after consultation with the international organization, that such application is necessary to carry out the policy set forth in section 201(b) and to further the objectives set forth in section 204(b).

"(b) For purposes of this section, 'international organization' means—

"(1) a public international organization designated as such pursuant to the International Organizations Immunities Act (22 U.S.C. 288–288f-2) or other law authorizing such status; and

"(2) an official mission (other than a United States mission) to such a public international organization,

including any real property of such an organization or mission and including the personnel of such an organization or mission.

"PRIVILEGES AND IMMUNITIES

"SEC. 210. Nothing in this title shall be construed to limit the authority of the United States to carry out its international obligations, or to supersede or limit immunities otherwise available by law. No act or omission by any foreign mission, public international organization, or official mission to such an organization, in compliance with this title, shall be deemed to be an implied waiver of any immunity otherwise provided for by law.

"ENFORCEMENT

"SEC. 211. It shall be unlawful for any person to make available any benefits to a foreign mission contrary to this title. This section shall be enforceable in any appropriate district court of the United States by injunctive or other equitable relief upon application by the Attorney General.

"SEVERABILITY

"SEC. 212. If any provision of this title or the application thereof to any person or circumstance is held invalid, the remainder of this title and the application of such provision to any other person or circumstance shall not be affected thereby.".

(c) Section 13 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2684) is amended in the first sentence by striking out "and" following the semicolon at the end of clause (3), and by inserting immediately before the period at the end thereof "; and (5) services and supplies to carry out title II of this Act".

(d)(1) Subparagraph (A) of section 2(1) of the Diplomatic Relations Act (22 U.S.C. 254a(1)(A)) is amended to read as follows:

"(A) the head of a mission and those members of a mission who are members of the diplomatic staff or who, pursuant to law, are granted equivalent privileges and immunities.".

(2) Section 3(b) of such Act (22 U.S.C. 254b) is amended to read as follows:

"(b) With respect to a nonparty to the Vienna Convention, the mission, the members of the mission, their families, and diplomatic couriers shall enjoy the privileges and immunities specified in the Vienna Convention.".

(3) Section 4 of such Act (22 U.S.C. 254c) is amended—

(A) by inserting "the mission, the" immediately after "immunities for"; and

(B) by striking out "of any sending state".

(4) Section 1364 of title 28, United States Code, is amended by striking out "as defined in the Vienna convention on Diplomatic Relations" and inserting in lieu thereof "within the meaning of section 2(3) of the Diplomatic Relations Act (22 U.S.C. 254a(3))".

(c) The Act of June 20, 1938 (Public Law 684, Seventy-Fifth Congress; 52 Stat. 797) is amended—

(1) in section 6 by striking out "(a)", and by striking out subsection (b), (c), (d), and (e); and

(2) in section 16 by adding at the end thereof the following new sentence: "In addition, the provisions of this Act shall not apply to any real property to which section 206(a) of the State Department Basic Authorities Act of 1956 (relating to foreign missions) is applicable.".

Mr. FASCELL (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

DISTRICT OF COLUMBIA COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the District of Columbia Committee amendment.

The Clerk read as follows:

District of Columbia Committee Amendment: Page 14, beginning on line 9, strike out "and the location and size of their facilities".

Page 16, line 9, strike out "section 209(b)" and insert in lieu thereof "section 208(b)".

Page 22, strike out line 1 and all that follows through page 24, line 13.

Page 24, line 15, strike out "SEC. 207" and insert in lieu thereof "SEC. 206".

Page 24, line 21, strike out "SEC. 208" and insert in lieu thereof "SEC. 207".

Page 27, beginning on line 11, strike out "Except as provided in the first sentence of section 206(b), actions" and insert in lieu thereof "Actions".

Page 28, beginning on line 4, strike out "SEC. 209. (a) The Secretary may make section 206, or any other" and insert in lieu thereof "SEC. 208. (a) The Secretary may make any".

Page 29, line 2, strike out "SEC. 210" and insert in lieu thereof "SEC. 209".

Page 29, line 11, strike out "SEC. 211" and insert in lieu thereof "SEC. 210".

Page 29, line 18, strike out "SEC. 212" and insert in lieu thereof "SEC. 211".

Page 31, strike out line 3 and all that follows through line 12.

Mr. FASCELL (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

AMENDMENT OFFERED BY MR. FASCELL AS A SUBSTITUTE FOR THE DISTRICT OF COLUMBIA COMMITTEE AMENDMENT

Mr. FASCELL. Mr. Chairman, I offer an amendment as a substitute for the District of Columbia Committee amendment.

The Clerk read as follows:

Amendment offered by Mr. FASCELL as a substitute for the District of Columbia Committee amendment: Page 22, strike out line 1 and all that follows through line 13 on page 24 and insert in lieu thereof the following:

"LOCATION OF FOREIGN MISSIONS IN THE DISTRICT OF COLUMBIA

"SEC. 206. (a) In order to ensure the fulfillment of the international obligations of the United States and the policy of this title, the location, replacement, or expansion of any building or other real property in the District of Columbia which is used for the diplomatic, consular, or other governmental activities (except property used exclusively for residential purposes) of a foreign mission shall be subject to the approval of the District of Columbia Foreign Missions Commission as provided in this section.

"(b)(1) There is hereby created, as an independent agency of the District of Columbia, the District of Columbia Foreign Missions Commission (hereafter in this section referred to as the 'Foreign Missions Commission') which shall consist of the five members of the Zoning Commission for the District of Columbia (as such members are designated by section 492(a) of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 5-412)), the Chairman of the National Capital Planning Commission, and the Secretary of Defense, or such alternative as each person may designate from time to time.

"(2) While actually engaged in the performance of duties as a member of the Foreign Missions Commission, the Chairman of the National Capital Planning Commission (or the alternate designated by the Chairman) shall be compensated by the District of Columbia in the manner and at the rates applicable to the members of the Zoning Commission for the District of Columbia who are appointed by the Mayor.

"(3) The Mayor of the District of Columbia shall furnish such facilities and administrative services, and shall assign such employees, to the Foreign Missions Commission as may be required by the Commission to carry out this section.

"(c) The Foreign Missions Commission shall—

"(1) establish areas within which chanceries may be located as a matter of right, and

"(2) establish additional areas within which chanceries may be located.

Limitations on chancery uses shall not exceed those applicable to any other nonresidential use in the areas so established.

"(d) Any determination by the Foreign Missions Commission pursuant to this section, including the establishment of areas in accordance with paragraphs (1) and (2) of subsection (c), shall be considered rulemaking under the District of Columbia Administrative Procedure Act (D.C. Code, secs. 1-1501—1-1510).

"(e) Any determination by the Foreign Missions Commission with respect to chanceries pursuant to this section, including the establishment of areas in accordance with paragraphs (1) and (2) of subsection (c), shall be based solely on the following criteria:

"(1) The obligation of the United States to facilitate the provision of adequate and secure facilities for foreign missions in the Nation's Capital.

"(2) The chancery is in or adjacent to an area, determined on the basis of existing or planned uses, of (A) commericial use, or (B) mixed uses, including residential, commercial, office, or institutional use.

"(3) Historic preservation, as determined by the Foreign Missions Commission in carrying out this section; except that substantial compliance with District and Federal laws governing historic preservation shall be required with respect to new construction and to demolition of or alteration to historic landmarks, in order to ensure compatibility with historic landmarks and districts.

"(4) The adequacy of off-street or other parking and the extent to which the area will be served by public transportation to reduce parking requirements, subject to such special security requirements as may be determined by the Secretary.

"(5) The extent to which the area will have adequate public facilities, utilities, and services, including streets, street lighting, water, sewer, electricity, telephone, and refuse collection.

"(6) The extent to which the area is capable of being adequately protected, as determined by a Federal agency authorized to perform protective services.

"(7) The municipal interest, as determined by the Mayor of the District of Columbia.

"(8) The Federal interest, as determined by the Secretary.

Any other determination by the Foreign Missions Commission pursuant to this section shall be based solely on the criteria specified in paragraphs (1), (3), (6), (7), and (8), and such other criteria as the Commission may by regulation establish.

"(f)(1) The regulations, proceedings, and other actions of the Foreign Missions Commission pursuant to this section shall not be inconsistent with Federal elements of the comprehensive plan for the National Capital. All elements of the comprehensive plan relating to the location of foreign missions shall be based solely on the criteria set forth in this section and shall reflect the policy of this title.

"(2) Proposed determinations by the Foreign Missions Commission shall be referred to the National Capital Planning Commission for review and comment.

"(g) The Foreign Missions Commisson shall promulgate such regulations as it determines are necessary for it to carry out this section.

"(h) This section shall not be construed to authorize, and the regulations of the Foreign Missions Commission shall not provide for or require, procedures in the nature of a special exception or administrative proceedings of an adjudicatory nature.

"(i) In any proceeding with respect to approval of the location, replacement, or expansion of real property of a foreign mis-

sion pursuant to this section, the final determination by the Foreign Missions Commission shall be made not later than 6 months after the date of filing an application for such approval. Any such determination shall not be subject to administrative proceedings of any other agency or official except as provided in this title. Any such determination by the Foreign Missions Commission shall ensure the fulfillment of the obligation of the United States to facilitate the provision of adequate and secure facilities for foreign missions and shall take into account special security requirements as determined by the Secretary.

"(j) The Secretary shall require foreign missions to comply substantially with District of Columbia building and related codes in a manner determined by the Secretary to be not inconsistent with the international obligations of the United States.

"(k) The United States, acting on its own behalf or on behalf of a foreign mission—

"(1) has standing to bring an action for judicial review of a determination by the Foreign Missions Commission under this section or, where appropriate, for judicial enforcement of the requirements of this section applicable to the Commission; and

"(2) has standing to intervene in any such action which is otherwise pending.

"(l) Approval by the Foreign Missions Commission under this section or, except as provided in section 205, by any other agency or official is not required—

"(1) for the location, replacement, or expansion of real property of a foreign mission to the extent—

"(A) that authority to proceed with respect to such location, replacement, or expansion was granted to the foreign mission before the date of enactment of this section, or

"(B) that rights or interests with respect to such location, replacement, or expansion were otherwise acquired by the foreign mission before the date of enactment of this section; or

"(2) for continuing use of real property by a foreign mission for diplomatic, consular, or other governmental activity to the extent that such property was being used by that foreign mission for that activity on the date of enactment of this section.

Page 27, beginning in line 11, strike out "Except as provided in the first sentence of section 206(b), actions" and insert in lieu thereof "Actions".

Mr. FASCELL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment offered as a substitute for the District of Columbia Committee amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FASCELL. Mr. Chairman, I simply want to say that we discussed this in general debate, but what this substitute does is strike a compromise between our two committees and balances the Federal and municipal interests in determining the location of foreign missions in the District of Columbia.

Mr. Chairman, section 206 will strike an effective balance between the interests of the Federal Government and the District of Columbia government in determining appropriate locations for foreigh missions in the Nation's Capital. The section provides for the establishment of the District of Columbia Foreign Missions Commission, with members representing both the Federal and city governments, and sets forth criteria which promote a balancing of interests.

Section 206(a) recognizes that the location, replacement, or expansion of foreign missions in the Nation's Capital and the procedures involved in determining these matters have a substantial impact on Federal interests both in the United States and abroad. International legal obligations requiring each country to facilitate the acquistion of appropriate facilities for accredited foreign missions in the capital city of the host country cannot be subject to negation by the acts or omissions of local authorities.

Section 206(b)(1) creates the District of Columbia Foreign Missions Commission, comprised of the five members of the District of Columbia Zoning Commission and two additional members, who shall be the Chairperson of the National Capital Planning Commission and a representative of the Secretary of Defense, in order to reflect the concerns of the Congress that decisions affecting important Federal interests are made through a process which appropriately balances Federal and municipal interests.

Section 206(b)(2) provides for appropriate compensation for the Chairman of the National Capital Planning Commission during the period that individual is performing his or her duties on the Commission. The other members of the Commission are employees either of the District of Columbia or Federal Governments and therefore receive no additional compensation.

Section 206(b)(3) provides that personnel, space, and facilities will be provided by the District of Columbia government, as the Commission is a District of Columbia government agency.

Section 206(c) requires establishment of areas within the District of Columbia in which chanceries may be located as a matter of rights, as is the case with many uses in current zoning practice. Security, representation, and related factors necessitate that chancery uses be located in lesser density areas and generally in proximity to each other where possible. Security and representational functions also preclude in most cases general usage of higher density structures, such as office buildings, except for additional space needed from time to time to accommodate official activities which cannot fit into the main chancery facilities. The committee also notes that areas devoted to higher density commercial or residential uses are in most cases inappropriate for low density chancery uses, and are well beyond the financial reach of 85 percent of the foreign nations accredited to the United States, and from whom the United States must seek appropriate space within their capitals.

Section 206(c) also specifically precludes discriminatory treatment of chanceries vis-a-vis other nonresidential uses, by prohibiting limitations on chancery uses which are greater than those placed on other nonresidential uses. For example, existing regulations in some cases preclude chancery uses while at the same time permitting all other office uses to locate as a matter of right without exception or limitation.

Section 206(d) requires that rulemaking procedures under the District of Columbia Administrative Procedure Act will be applicable to such determinations. Among other things, this insures notice and opportunity to be heard for interested members of the public.

Section 206(e) sets forth the criteria to be applied to determinations by the Foreign Missions Commission. The committee notes that some of these criteria are in general usage today, but that in order to provide for effective implementation of this section, it is desirable to enumerate the criteria specifically.

Paragraphs (1) through (8) of subsection (e) set forth the criteria applicable to chanceries and chancery annexes which are intended to balance Federal and municipal interests. These criteria take into account the Federal interest, which involves international obligations of the United States and the accompanying security requirements involved, as well as concern for the impact on local matters such as transportation, housing, and environment.

Subsection (e)(1) sets forth the standard of "adequate and secure facilities" which reflects one of the fundamental purposes of the Office of Foreign Missions and the international obligations of the United States. This standard is intended to reflect the criteria of section 206(c) in order to effect the purposes of this act.

Subsection (e)(2) reflects the need to continue to locate such missions in existing mixed-used areas, in which current uses already include institutions, commercial, or governmental activities, and residential uses. The obligation to provide security for foreign missions dictates the need to locate these missions in proximity to each other and in areas of lesser density. The committee notes that areas in which current uses are entirely residential would not become available for chancery use under this amendment, except for medium-high-density or high-density apartment zones.

Section 206(e)(3) assures the continued application of historical preservation measures to facilities of foreign

missions under regulations issued by the new Commission.

Sections 206(b) (4) through (6) relate to transit, parking, public facilities and services, and special security requirements. Section 206(b)(4) also constitutes a recognition that special security factors affect parking requirements, and that similar considerations are taken into account in connection with the location of U.S. facilities abroad.

Sections 206(b) (7) and (8) specifically provide for determinations of the general municipal and Federal interests by the Mayor of the District of Columbia and the Secretary of State, respectively. Finally, the Commission is required to apply the criteria of Federal and municipal interests, historical preservation, the need for adequate and secure facilities, and adequacy of protection to other official property uses by foreign governments covered by this section.

Section 206(f) is intended to preserve the existing relationship between the National Capital Planning Commission and municipal authorities with regard to land use.

Section 206(h) is intended to assure that unreasonable burdens are not placed on chancery applicants, and that such applicants are not subjected to a process inconsistent with the conduct of official relations between nations.

Section 206(i) is intended to assure the establishment of an expeditious decisionmaking process, which will preclude overlapping and time-consuming proceedings which can result under existing law and regulations. It also emphasizes the congressional purpose in enacting this section to assure proper facilities for foreign governments consistent with international obligations.

Section 206(j) places an obligation on the Secretary to promote compliance with reasonable code requirements, taking into account special security, communications, and other factors involved in foreign government facilities in the United States, as well as with U.S. facilities abroad.

Section (k) is intended to clarify the right of the United States to intervene or bring an action concerning the activities of the new Commission, either on its own behalf or on behalf of a foreign government.

Section (l) provides "grandfather" rights with regard to existing chancery locations or uses. This subsection is necessary to protect rights and uses which were acquired prior to enactment of this section.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. FASCELL) as a substitute for the District of Columbia Committee amendment.

The amendment offered as a substitute for the District of Columbia Committee amendment was agreed to.

The CHAIRMAN. The question is on the District of Columbia Committee amendment, as amended.

The District of Columbia Committee amendment, as amended, was agreed to.

□ 1145

AMENDMENT OFFERED BY MR. BROOMFIELD

Mr. BROOMFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROOMFIELD: Page 19, immediately after line 23, insert the following new subsection:

"(e) Neither the Director nor any other officer or employee of the Department of State may certify or otherwise authenticate the accredited diplomatic status of a total of more than two persons for each foreign mission for the purpose of facilitating, directly or indirectly, the issuance to any such person of a diplomatic license plate for any motor vehicle by any Federal, State, or local governmental agency.

Mr. BROOMFIELD (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BROOMFIELD. Mr. Chairman, this amendment is designed to discourage the wholesale issuance of diplomatic automobile license plates, of which there are reportedly in excess of 3,300 in the Washington metropolitan area. The amendment would prevent the State Department from certifying the accredited diplomatic status of more than two applicants per foreign mission who are seeking diplomatic license plates from the various local motor vehicle departments.

The proliferation of distinctive diplomatic vehicle tags serves to constantly remind Americans in the Washington area of the many special privileges accorded to the large diplomatic community and of the abuses of those privileges and the thoughtless arrogance too frequently exhibited by holders of diplomatic license plates.

To put the matter in perspective, I will give a few statistics. The U.S.S.R. has 136 accredited diplomats, but 213 vehicles with diplomatic license plates. Mexico has 42 diplomats, but 92 cars with diplomatic plates. Nigeria has 35 diplomats and 74 cars with diplomatic plates. The situation for other Embassies, both large and small, is approximately the same.

In addition to the sheer number of diplomatic vehicles in Washington, D.C., and the vicinity, we have the problem of diplomatic abuse of traffic rules and regulations. We have all heard of accidents where the diplomat has either left the scene of the accident unlawfully and/or has refused to compensate the injured American after the fact.

I sincerely hope that the person eventually designated to fill the proposed new position of Director of Foreign Missions within the State Department will give careful attention to abuses by diplomats in the operation and parking of automobiles in this area. Furthermore, I hope he or she will take prompt action to try to minimize the inconvenience and annoyance too often caused Americans by insensitive diplomatic motorists.

Mr. FASCELL. Mr. Chairman, I move to strike the last word.

The gentleman's amendment touches on a matter which has plagued us in the committee for a long time and is the reason that we wrote the authority in this bill for the Foreign Missions Office.

Now, whether it is going to be done by legislative cap of whether it is going to be done administratively, as far as I am concerned, it really does not make any difference. The point is that the Secretary has to have the authority to do what the gentleman is talking about, plus deal with other problems of this kind.

The Foreign Missions Office, as the gentleman from Michigan has said, needs to be staffed properly so they can deal with this problem. They need at least 20 people in that office. Up until now, the job has not been done because the authority has not been available. We fully expect the Department to reprogram sufficient funds to get this office off the ground very soon and to make certain that it has sufficient staff to do the job—and we do not mean just three or four people. We look forward to seeing an effective Office of Foreign Missions to finally come to grips with the very real needs in this area.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. BROOMFIELD).

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. FASCELL

Mr. FASCELL. Mr. Chairman, I offer technical amendments.

The Clerk read as follows:

Amendments offered by Mr. FASCELL: Page 14, line 21, strike out "assistance to be provided" and insert in lieu thereof "treatment to be accorded"; and in line 22, immediately after "determined" insert "by the United States".

Page 20, line 23, immediately after "used by" insert "a".

Page 25, strike out lines 8 through 22 and insert in lieu thereof the following:

"(c) For purposes of administering this title—

"(1) the Secretary may accept details and assignments of employees of Federal agencies to the Office of Foreign Missions on a reimbursable or nonreimbursable basis (with any such reimbursements to be credited to the appropriations made available

for the salaries and expenses of officers and employees of the employing agency); and

"(2) the Secretary may, to the extent necessary to obtain services without delay, exercise his authority to employ experts and consultants under section 3109 of title 5, United States Code, without requiring compliance with such otherwise applicable requirements for that employment as the Secretary may determine, except that such employment shall be terminated after 60 days if by that time those requirements are not complied with."

Page 25, line 24, strike out "(except for personal services)" and insert in lieu thereof ", including personal services,".

Page 26, line 13, strike out "compatability" and insert in lieu thereof "compatibility".

Page 28, beginning in line 8, strike out ", after consultation with the international organizations,"; and in line 18, strike out "and" and insert in lieu thereof "or".

Page 29, line 13, strike out "This section" and insert in lieu thereof "In addition to means of enforcement otherwise available, this title"; and in line 15 strike out "equitable".

Mr. FASCELL (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FASCELL. These amendments, Mr. Chairman, are technical and perfecting in nature resulting from the need to clarify certain provisions of the bill or to correct printing errors.

One amendment carries out a request of the Committee on Post Office and Civil Service which would permit the new Office of Foreign Missions established in this bill to meet certain temporary technical and professional requirements in a timely manner, a request which the Post Office and Civil Service Committee felt was a needed guideline to have in that office.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Florida.

The amendments were agreed to.

AMENDMENT OFFERED BY MR. BROWN OF COLORADO

Mr. BROWN of Colorado. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Colorado: On page 2, line 15, strike "$1,744,391,000" and insert in lieu thereof: "$1,248,059,000".

Mr. BROWN of Colorado. Mr. Chairman, this particular amendment deals with the authorization for fiscal year 1983. It reduces those authorizations back to the figure requested by the executive.

I might mention, this measure comes close to saving $500 million; but that the figure that results for administrative purposes is still significantly above the figure that is being expended by the Department this year.

I might also note that it leaves the sum available to the Department, about a billion and a quarter dollars, for administrative purposes which I believe should be more than ample to conduct properly the very significant responsibilities they have around the world.

I might mention, I think in the present climate of 20 percent interest rates, of skyrocketing deficits, of an economy that faces terrible problems, that it would be the height of irresponsibility for us to go ahead with a major increase in expenditures that is beyond what even the Executive has requested.

I might also mention, Mr. Chairman, that these figures here for fiscal year 1983 are not broken down or allocated by individual account, as they are in fiscal year 1982. It would seem to me that before we would approve a major increase in this area that the Members of Congress of this country would want to at least have that kind of itemized breakdown to properly legislate an increase of this kind.

So I would urge the Members of this body to at least insist on that kind of measure and be willing to go along with this amendment to provide a modest increase from fiscal year 1981.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Colorado. I would be glad to yield to the gentleman.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding.

I, first of all, want to congratulate the gentleman on his amendment. If I understand the amendment correctly, what the gentleman is doing is attempting to put the budget figures that we would pass in this authority bill in line with the budget that the administration desires for fiscal year 1983; is that correct?

Mr. BROWN of Colorado. That is quite correct.

Mr. WALKER. So what we are really doing is trying to implement a portion of the President's economic program here. We are talking about the kinds of spending cuts that the President feels are necessary to implement that economic program.

As I pointed out earlier today, it seems to me that is an important signal to continue to send from this body to the financial markets and other places that are deciding interest rates and other kinds of economic policies so that, indeed, we do not need this economic program to be a 1-year 1982 phenomenon; but rather when we look toward fiscal year 1983, we are determined to keep on target for fiscal year 1983. It seems to me that is what the gentleman's amendment is doing. It is keeping us on target for 1983 spending with what the administration has proposed and, therefore, sending an important signal, not only to the State Department, but to the financial markets and all kinds of other places around this country that we are determined that for the next several years we are going to implement a responsible economic policy.

I, for one, would like to congratulate the gentleman. I think it is a very worthwhile amendment.

Mr. BROWN of Colorado. I believe the gentleman has summarized it correctly. I might add one aspect to it, though. It is important to realize that if this amendment passes, we will still be spending more money on administration in fiscal year 1983, or we will authorize more money to be spent in fiscal year 1983 than we authorized in the current fiscal year; so in a real sense this is not a cut from current levels in dollar terms. It is a modest increase.

Mr. FASCELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I respect the position and the logic of the gentleman who proposes this amendment. We are all aware of the necessity with respect to cutting the budget, but first let me say this.

First. We are not just talking about programs now, so we cannot just kind of writeoff with the back of our hand and say, well, we are just talking about administrative costs. OK?

What we are talking about is people who carry out the diplomatic functions. When we looked at the Presidential requests for 1983, after following it dollar for dollar in 1982, we realized that this budget would result in additional cuts in personnel beyond those to be made in 1982 of about 1,000 positions. I pointed out earlier in this discussion that the State Department, as an example, is at the 1959 level in terms of operations, and we will still cut 550 positions.

They have taken a hard slap in terms of this budget. In terms of the committee's 1983 request, what we did was look at the overseas inflation rate, the worldwide average affecting the countries where these people have to do their jobs. This budget does not represent a growth but a cut in real dollars. We are talking about taking this 1982 program, which is pretty tough on the Department as it is, and making it even rougher in terms of the ability to do the job by these agencies.

We decided, and I hope the gentleman will agree with this, that there was some need for a priority that needed to be expressed, not in terms of new programs, but simply in letting the people who are on board after this whack in 1982 to stay on board in 1983 and do that job: run the radios, run the diplomatic posts and do all the things they have to do.

In order to give consideration to the total budget problem that the President faced, we kept it as close as possible to the total reconciliation figure,

both in the budget and in the Reconciliation Act, so that the differences in the totals are not impacting on the budget to any measurable extent, if the gentleman follows me.

In other words, we shifted priorities and put the money in the accounts where we thought it would be most needed and took it from other areas, this staying within the budget resolution targets and the Reconciliation Act which was approved.

I would hope, therefore, that as well intentioned and as proper as this amendment appears to be in terms of getting back to the Presidential level in 1983, we would not inadvertently destroy those priorities.

Now, if the President wants to and has to come back at us, as he indicated he must in 1982 and in 1983 to maintain his budget deficit levels of 42½ or $24 billion for 1983, OK, he will have then established a priority; but let us not destroy the priority which has already been approved. We are not taking it away from him for all time.

□ 1200

So let us indicate that we are concerned about this. The gentleman, or the Budget Bureau, or whoever else it is who has to deal with the total problem, is going to have that opportunity.

All we did was to give recognition which has already been approved by this House. And, therefore, I hope we would not go backward. I hope the gentleman would consider withdrawing the amendment, or ask whatever other questions he cares to ask, or make whatever record he cares to make.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words.

I rise to oppose the amendment.

I would be pleased to yield to the gentleman for any questions he has in the process.

If I may direct the gentleman's attention, and the attention of the other Members on the floor, to page 4 of the committee report, and pick up the point that my friend from Florida just made, you notice that for fiscal year 1982 one of the figures allowed there is salaries and expenses, the $928 million.

Now, we have in the budget resolution anticipated, I believe it is, a 7-percent pay increase. So there alone you have approximately $70 million increase.

If the administration in its wisdom decides that we ought to fly the flag in the few additional consular posts, or there are new countries—for example, Belize is coming in next week as an independent country and that means a new diplomatic post, a new ambassador, a new staff, and so on—we have to have that flexibility. And that is what we have allowed for in our 1983 fiscal year figure.

While I realize that of the various entities in Government at the moment the OMB seems to be a more noble structure than, the Department of State, it is a fact that the Department of State is also part of the Government and of the administration. And it is a fact of life that the Secretary of State is a strong-willed man who probably does not realize, right at this point, that we would be doing a major surgical job on his 1983 budget.

So I would suggest to the gentleman from Florida that we write an effective record here; that the gentleman would give us an opportunity to further work with OMB and then through the Appropriations Committee, and whatever is a really final acceptable figure be worked out.

Mr. BROWN of Colorado. Will the gentleman yield?

Mr. DERWINSKI. Yes, I would be pleased to yield to the gentleman from Colorado.

Mr. BROWN of Colorado. If, taking your figures, I have added it up correctly, I am assuming a $70 million increase to the $948 million in administrative charges for fiscal 1981. Adding another $70 million in the following year for additional pay increases, that totals $140 million. Adding those two together, that relates to $1,088 million.

As I see it, even with the pay raises cranked in, we still have $160 million available for unforeseen additional expenses, even if my amendment passes. And if my amendment does not pass, we do not have $160 million unaccounted for funds, but we have something in the neighborhood of $660 million unaccounted for funds, even with the pay raises.

Would that be correct?

Mr. DERWINSKI. If the gentleman would further review the committee report, there are other items that I think are understated. For example, the emergencies in diplomatic and consular service have been running higher than the figure stated. The payment to the American Institute in Taiwan will be increased proportionately with inflation and salaries. And all along the line you have the representation allowance, inflation allowance for that.

Frankly, I think we are pennywise and pound foolish in that figure, since we do not really give our diplomats abroad the kind of expense allowance, that a traveling salesman would have.

If the gentleman would please note, in fiscal 1982 we took the exact figures requested. It was only in fiscal 1983 that we made the upward adjustments to allow for inflation, the salary increases, the built-in increases that we know are coming. And that is where we tried to allocate the proper figure.

Mr. FASCELL. Mr. Chairman, will the gentleman yield at this point?

Mr. DERWINSKI. I yield to the gentleman from Florida.

Mr. FASCELL. Let me just make two other points. One is that we expect at least, at the very least, a $100 million increase on overseas wages and prices, which are necessary for these agencies on services, personnel, and so on, over which we have no control. That is just a minimum.

If we go back with no flexibility at all, and we do not take into account the average inflation rate overseas on this, we are talking about a further reduction of possibly 1,000 people.

We are really impacting on the smallest department in Government today, which has infinitesimal impact on the U.S. budget. And what we have done is we tried to restructure the priorities within the amounts that the President was talking about.

Again, I just want to emphasize that in the final analysis, if on review the President has to make more drastic cuts in 1983, he can tell us what his priorities are.

(By unanimous consent, Mr. DERWINSKI was allowed to proceed for 2 additional minutes.)

Mr. DERWINSKI. I yield to the gentleman from Colorado (Mr. BROWN).

Mr. BROWN of Colorado. I thank the gentleman for yielding.

I might sum up very briefly, if I could, with this observation.

I can very much appreciate the deep concern that both the gentleman from Florida and the gentleman from Illinois have with regard to the vitally important function that is served by this department, and what I know is their genuine concern for this country and the appropriate purposes it serves.

From my point of view, if the amendment passes we have allowed for the additional pay increase for 1982, we have allowed for the additional pay increase in 1983, and we have left an additional amount of $160 million available for unforseen contingencies.

To go above that figure is to cause further havoc within the financial markets. It is to say a citizenry that is paying 20 percent to borrow money, and to keep businesses alive, and to provide jobs in this country, that we are going to take an even bigger share of what this country has to provide.

I must say to this body that I sincerely believe that if we do that, if we squeeze the private sector more than we are doing now, that we diminish its ability to support the Government that we have, not enhance it. And that to go beyond the levels requested by the President here would be great folly, not only for the individual citizens that have to pay those taxes eventually, but for the long-range foreign interests of this country as well.

Mr. DERWINSKI. Mr. Chairman, may I sum up the other side?

Mr. WALKER. Mr. Chairman, will the gentleman yield to me for a moment?

Mr. DERWINSKI. I would be happy to yield to the gentleman.

Mr. WALKER. If I understood the gentleman's point, his point was what the committee has tried to do is provide for a number of things that they do not think were provided in the budget submitted by the executive.

Does the gentleman really contend that he does not feel the administration took into consideration the very items that he raised when they prepared their budget for fiscal 1983?

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. WALKER and by unanimous consent, Mr. DERWINSKI was allowed to proceed for 4 additional minutes.)

Mr. DERWINSKI. In answer to the gentleman's question, that is exactly right. Let me explain what happened.

If the gentleman would recall, we marked this bill up in subcommittee in February. At that time the new administration was just groping. The OMB, under Mr. Stockman, was working with general figures. There was minimum consultation with the new team at State. And that is why we cooperated fully in the fiscal 1982 figures, which were really those inherited from the Carter administration, and by a gentleman's agreement there was no change there.

Then we tried to calculate with a touch of practicality, based on previous years' experience, what they would really need for 1983.

Now, OMB has come down with certain figures. I am not aware that the Department of State is at all satisfied with the calculations that have come from OMB.

Mr. WALKER. Would the gentleman yield further?

Mr. DERWINSKI. As a matter of fact, when these figures were prepared for the bill this week, early in the week, I was advised by State that they were unaware of why there were potential cuts being offered on the floor. And I think it is a case—I do not say this critically, but there are some times when one hand of government does not really know what the other is doing, coordination is somewhat lacking.

If the gentleman will keep in mind that we actually are in a period where we will be expanding, not contracting, the number of overseas installations. There are half-a-dozen new ministates which will soon become sovereign countries, and we will be sending our representatives there. Then there will be the pay increases, the inflation caused increases overseas that the gentleman from Florida mentioned. That is what we have calculated.

Mr. WALKER. Mr. Chairman, will the gentleman yield further?

Mr. DERWINSKI. Yes, I yield to the gentleman.

Mr. WALKER. I thank the gentleman.

The problem is what you are really doing in the committee bill is you are raising the fiscal 1982 figure for fiscal 1983 in the particular category to which the gentleman from Colorado's bill speaks.

What you are really doing is expanding that category by almost 30 percent.

You are talking about a very substantial increase in that particular category. And that is an increase which is far above inflation. It is far above what the administration requests.

I understand that there may have been a lack of coordination on this. But it seems to me that there has been a chance for review.

The gentleman said that he is not aware that the State Department had any consultation on the figures. But certainly since that time there must have been some consultation.

Was there testimony from the State Department indicating they do not agree with the 1983 figure?

Mr. DERWINSKI. There has been no indication from the State Department that they agree with the figure, which when you use the term "administration" I use "OMB." I am not so sure that they are speaking with one voice from the administration.

Mr. WALKER. That was not my question. My question was have you had any testimony that they do not agree with the 1983 figure?

Mr. DERWINSKI. We have had no testimony, of course, since we marked up the bill in subcommittee. That was 7 months ago.

Mr. WALKER. I thank the gentleman.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I would be happy to yield to my colleague.

Mr. FASCELL. The point is that the Secretary of State, I say to the gentleman from Pennsylvania, is not about to send down a letter saying that he disagrees with the President of the United States.

But let us face the practical aspects of life.

Mr. DERWINSKI. There are enough rumors of a conflict between the State Department and the White House. We do not want to start another one here on the floor this afternoon.

I yield back the balance of my time.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

I would like to call to the attention of my colleagues in support of Mr. BROWN's amendment, which I think has merit on the basis of the discussion we have heard, that in the committee report itself, on page 5—let me quote from the committee itself.

> The committee has not, however, allocated this increase by individual accounts, recognizing that specific needs in fiscal year 1983 will determine this allocation.

My point is that I believe my colleague from Colorado is correct in his analysis of the issue. There is an adequate contingency amount already in the bill in the amount of an additional $160 million. I cannot believe that since even the committee in its own report admits that the dollar amounts have not been allocated at this juncture, that this reduction for 1983 is but a reasonable suggestion. It is merely a recognition of what the administration originally requested. And knowing how efficiently this fine committee operates, I am sure that next year if it was desperately needed, the committee would come back and ask for it.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Of course I yield to the gentleman from Florida.

Mr. FASCELL. You know, the gentleman is on target in one sense, with regard to the allocation.

Mr. ROUSSELOT. I am merely quoting from your report.

Mr. FASCELL. I understand. The gentleman stated it accurately.

We did not want to allocate the inflationary factor to all four counts on an arbitrary basis.

Mr. ROUSSELOT. I think that was wise.

Mr. FASCELL. So we put it in because the Department has that authority. They can take that money. That is just a guide to them to allocate within the other accounts if they need it, because those other accounts are going to face the same problems whether you operate a refugee camp overseas or whether you are operating a diplomatic post overseas.

□ 1215

But, we left it to their discretion and gave them some flexibility. So, that is the reason that it is allocated to that one account in that fashion. That is the only reason.

Mr. ROUSSELOT. I think, the statement of the committee in its report reinforces my colleague from Colorado's point that there already is additional flexibility in this authorization, roughly $160 million. Therefore I did not find it difficult to support the gentleman's (Mr. BROWN) amendment on the basis of the committee's own language.

Mr. FASCELL. Will the gentleman yield again?

Mr. ROUSSELOT. I will be glad to.

Mr. FASCELL. As far as the amounts are concerned in this bill, let me just say that I have been handling this bill for some years now.

Mr. ROUSSELOT. You certainly have.

Mr. FASCELL. And we have been very careful, but I do not believe in recent memory I recall a time when there was not an emergency at the State Department with respect to the need of more funds that had to be ultimately cleared by the OMB and the President and everybody else. One year, and it has just been very recently—it may have been last year, I am not sure—we had four supplementals. I do not want to do business that way. I would rather do what we did, which is try to allocate the priorities within the total amounts of this particular account 150, and try to forestall this foolishness, as I see it, of coming back over and over again with respect to supplementals. I would rather not do that.

Again, just emphasizing—and I appreciate the gentleman giving me the opportunity to reemphasize this—if the President has to do something in 1983 to maintain the $24 deficit level beyond what he contemplates, he will then have an opportunity to review the kind of priority structure that we structured in the 150 account and say, "I can't go along with that."

It is coming to the Congress, but at least what we will do is forestall the necessity of a supplemental. So, to that extent, if the gentleman could go along with that, I think it would be most helpful.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 1 additional minute.)

Mr. ROUSSELOT. Let me just say in closing that I think, as pointed out by Mr. BROWN, the extra $160 million is more than adequate as a contingency amount in this area being discussed. If my distinguished colleague from Florida wants to raise the issue that the State Department tends to have all kinds of extra emergencies, that they are always coming back for more, so does every agency in the Federal Government. The gentleman and I know that. I cannot think of an agency that does not run down here and has to have something added in a supplemental. So, I am not sure that is a good argument for voting against the amendment of my colleague from Colorado, who is merely trying to bring this authorization into line. As my colleague from Florida is very conscious of the high interest rates we are paying all over the country, we are just trying to hold down that huge Federal deficit.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado (Mr. BROWN).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. BROWN of Colorado. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1230

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

For what purpose does the gentleman from Colorado (Mr. BROWN) rise?

Mr. BROWN of Colorado. Mr. Chairman, I withdraw my demand for a recorded vote, and I demand a division.

On a division (demanded by Mr. BROWN of Colorado) there were—ayes 42, noes 18.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. ZABLOCKI

Mr. ZABLOCKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Zablocki: Page 31, immediately after line 12, insert the following new section:

REOPENING CERTAIN UNITED STATES CONSULATES

SEC. 120. (a) None of the funds made available under this or any other Act for the "Administration of Foreign Affairs" may be used for the establishment or operation of any United States consulate that did not exist on the date of enactment of this Act (other than the consulate specified in subsection (b) of this section) unless all of the United States consulates specified in subsection (b) of this section have been reopened as required by section 108 of the Department of State Authorization Act, Fiscal Years 1980 and 1981.

(b) The consulates referred to in subsection (a) of this section are the consulates in the following locations: Turin, Italy; Salzburg, Austria; Goteborg, Sweden; Bremen, Germany; Nice, France; Mandalay, Burma; and Brisbane, Australia.

Mr. ZABLOCKI. Mr. Chairman, the purpose of this amendment is to persuade the Department of State to carry out the mandate of Congress expressed in the previous Department of State Authorization Act regarding the reopening of certain U.S. consulates. A similar amendment has already been adopted by the Senate.

In 1979, the Congress directed that the following consulates should be reopened as soon as possible: Salzburg, Austria; Bremen, Germany; Nice, France; Turin, Italy; Goteburg, Sweden; Mandalay, Burma and Brisbane, Australia. Despite overwhelming congressional support for this measure, both the previous and the current administrations have blatantly ignored this directive. In fact, the current administration is planning to open three new consulates in Communist China while at the same time refusing to reopen any of the previously named consulates due to so-called budgetary pressures.

Mr. Chairman, this is not an inconsequential matter. For example, during a recent visit to Australia, we learned that the closing of the U.S. consulate in Brisbane has forced U.S. business to turn to our consulate in Sydney for any assistance they require. This makes our Sydney consulate responsible for serving the needs of Americans in half of the land mass of Australia (an area equivalent to the distance between New York and Los Angeles). Yet Sydney has insufficient travel funds for its personnel to visit other cities in the region it must now service.

U.S. businessmen pointed out that over $20 billion in resource development projects are planned in the next decade for Brisbane's state of Queensland, while no consular support is readily available to U.S. companies seeking to bid for contracts on these projects. The case of the other consulates which remain closed is equally compelling, both on economic and diplomatic grounds.

For example, Mr. Chairman, the consulate in Salzburg, Austria, was closed. That was not wise. In fact that consulate is a very important strategic information-gathering location. There are many Communist agents operating there, and yet we closed our consulate, thus denying ourselves a presence in this critical area.

My amendment would simply defer the use of State Department funds for the establishment or operation of any new U.S. consulates overseas until the consulates stipulated in existing law are reopened. The amendment would in no way affect ongoing construction or maintenance and security measures with regard to U.S. diplomatic facilities abroad. It would, however, delay the opening of new consulates planned for Communist China and Brunei.

Mr. Chairman, I regret having to offer this amendment. But it is clear that the will of Congress in this matter has been ignored, and that the only way to insure that congressional priorities are recognized is the adoption of this amendment.

Mr. FASCELL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I can understand the frustration of the gentleman from Wisconsin (Mr. ZABLOCKI), the distinguished chairman of the Committee on Foreign Affairs.

It is just really sad that we have to legislate this kind of thing. Sometimes there just seems to be no way around it.

While I shall not object, of course, to the gentleman's amendment, since we in Congress have expressed time and time again our feeling that these consulates should be open, the fact is that what we have done already in the 1983 budget, taking it back to the old level, is we have guaranteed that the consulates will not be opened. We have guaranteed as a matter of fact that we are going to have to close more, maybe as many as 20 or 30. We have in effect guaranteed that at least another thousand people will have to be eliminated from the smallest department of Government.

So we are going to be frustrated and the Department is going to be frustrated, but the real net result is that the people we are trying to serve, the American citizens, are the people who are not going to get the services. The American businessman or the visitor, for that matter, overseas is the one who will ultimately suffer in these kinds of cuts.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. M'DONALD

Mr. McDONALD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McDONALD: Page 2, line 17, strike out "$563,806,000" and insert in lieu thereof $469,472,350".

Page 2, line 18, strike out "$554,436,000" and insert in lieu thereof "$469,472,350".

Mr. McDONALD. Mr. Chairman, last week, we appropriated $469,472,350 for international organizations and conferences for fiscal year 1982. Before us now, is the authorizing legislation for that appropriation. However, contained within the legislation is the authorization of the expenditure of $563,806,000, nearly $95 million in excess of what we have appropriated. What this amendment does is simply bring the authorization into line with our appropriation.

To enact the authorization contained in H.R. 3518 as is, would be to authorize an appropriation that is a 24.5-percent increase above the fiscal year 1981 appropriation—an increase of $97.5 million. I, for one, find it exceptionally difficult to ask the citizens of the United States to make sacrifices while we vote to substantially increase the authorization for international organizations. For that reason, I have introduced this amendment which will reduce the authorization for fiscal 1982 from $563,806,000 to $469,472,350, the amount which we have already appropriated.

In addition, in view of the proposed budget cuts for next year, this amendment will also hold the authorization for fiscal 1983 at the same level as fiscal 1982. I caution my colleagues not to be misled by the figures proposed in this bill. Despite the fact that the proposed authorization for fiscal 1983 reflects a slight decrease from the authorization for fiscal 1982, the fiscal 1983 authorization in its present form, reflects an increase of 18 percent, nearly $85 million above the fiscal 1982 appropriation which we approved last week.

Of the funds that we appropriated last week, over $400 million is earmarked as membership assessments to international organizations. Some of those organizations include:

The International Organization for Legal Metrology, $64,000.

The Inter-American Institute of Agricultural Sciences, $7,672,000.

The Pan American Railway Congress Association, $22,000.

The World Tourism Organization, $204,000.

The Pan American Institute of Geography and History, $396,000.

The Inter-American Indian Institute, $154,000.

The International Bureau of Weights and Measures, $379,000.

The International Bureau of the Publication of Customs Tariffs, $53,000.

The International Office for Epizootics, $64,000.

Just to name a few. There are a host of others.

In addition to the membership assessments, the United States spends millions of dollars—taxpayers' dollars—in the form of additional voluntary contributions to international organizations. During this year alone, despite the economic hard times, the United States will give the United Nations an estimated $550 million—over one-half billion dollars—in voluntary contributions in addition to the $340 million that we paid as a membership assessment.

Prior to the August recess, we concluded work on the budget and tax bills. With the reductions in the Federal budget contained in those bills, we have given notice to the American people that leaner appropriations will become a fact of life. With those leaner appropriations, our citizens must become less dependent on the Federal Government and sacrifices must be made. We, therefore, must ask ourselves: Are we prepared to ask our constituents to make these sacrifices and to expect less in the way of domestic programs and assistance while we vote to increase the number of their tax dollars that we authorize for international organizations? I think not and for that reason, I urge my colleagues to support this amendment to bring the fiscal 1982 authorization into line with the appropriation that we passed last week and that we hold the fiscal 1983 level to the fiscal 1982 level.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. McDONALD. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, do I understand the gentleman's amendment correctly, that, dollar for dollar, what it does is take the authorization level in this particular account to what the appropriation bill has in it?

Mr. McDONALD. Yes; the bill that we passed last week.

Mr. FASCELL. Mr. Chairman, I will not object to the gentleman's amendment.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. McDONALD. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, we have no objection on this side to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. McDONALD).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BEARD

Mr. BEARD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BEARD: Page 3, immediately after line 21, insert the following new section 104 and redesignate subsequent sections of the bill accordingly:

RESTRICTION ON CONTRIBUTIONS TO THE UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION

SEC. 104. (a) None of the funds authorized to be appropriated by section 102(a)(2) of this Act or by any other Act for "International Organizations and Conferences" may be used for payment by the United States of its contribution toward the assessed budget of the United Nations Educational, Scientific and Cultural Organization if that organization implements any policy or procedure the effect of which is to license journalists or their publications, to censor or otherwise restrict the free flow of information within or among countries, or to impose mandatory codes of journalistic practice or ethics.

(b) Not later than February 1 of each year, the Secretary of State shall report to the Congress with respect to whether the United Nations Educational, Scientific and Cultural Organization has taken any action described in subsection (a) of this section.

Mr. BEARD (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BEARD. Mr. Chairman, my amendment is a simple one, but its importance cannot be overstated. It says to the members of the United Nations and the United Nations Educational, Scientific and Cultural Organization—UNESCO for short—that if they take any steps to implement a policy which

has the effect of licensing journalists or their publications, to censor or otherwise restrict the free flow of information within or among countries, or to impose mandatory codes of journalistic practice or ethics, we in the United States shall withdraw our contribution to that organization.

The Members will notice that I said, "implement." They may discuss or debate all they want; it is only when they actually try to impose such a repressive policy of journalistic suppression that my amendment would take effect.

My amendment makes it the responsibility of the Secretary of State to report to the Congress no later than February 1 of each year as to whether UNESCO has taken such action.

Mr. Chairman, UNESCO has been debating such a plan for nearly a decade, although it is only in the last 4 years that the possibility they would adopt such a plan has grown to dangerous levels. It is inspired by a group of nations represented by the Soviet bloc countries and various totalitarian governments of the Third World.

There are many proposals which have been put forth in varying degrees or forms. Most proposals involve some kind of licensing of journalists based on compliance with some sort of mandatory code of ethics. Whatever form the proposal would take, when put into implementation, it would result in a repression of the free flow of information among nations.

My amendment is so worded as to cover any attempt by UNESCO to hamper the world's international press through some kind of regulation of journalists.

Cutting off our funding to UNESCO would not be an unprecedented act by this Congress. In 1974 Congress withdrew funds from UNESCO because of three resolutions that that particular body passed aimed at Israel and favoring the PLO. So we have cut off funding from UNESCO before. We also pulled completely out of the International Labor Organization because that organization supported the PLO.

I also want to emphasize, Mr. Chairman, that we are not cutting off 1 cent with my amendment. We are merely telling UNESCO that we shall cut off our money if they take action to suppress the international press. Therefore, it should be made clear what the choice is. There is, I believe, a number of UNESCO members willing to adopt some sort of system aimed at controlling the world's press, and it is near to a majority.

Our opposition must be made crystal clear, but our opposition must not consist of a mere resolution of disapproval as some of my colleagues have suggested. We must oppose such a move by UNESCO with our most effective weapon, and that is our financial contribution. We contribute fully 25 percent of UNESCO's budget.

I might add that UNESCO's budget has tripled in the past 5 years. If we continue to provide one-fourth of its budget while they pursue such a policy, then we are accomplices to that policy. I believe it is essential that our position be made clear before they consider such a step, thus making it their own choice as to whether they want to have America's funding.

I believe that our delegates to UNESCO would be far better armed to fight off attempts to throttle the press if they could point to total and adamant opposition by the U.S. Congress. There is no more sincere message of opposition than the promise to cut off funds.

□ 1245

Some might say by adopting my amendment we are acting like the proverbial child who threatens to take his ball and go home if he does not win the game. I do not agree. Freedom of thought and information is not a game. It is a basic human right. We must not compromise on it.

Most countries in this world already live in severe material proverty. They should not have to suffer intellectual proverty as well. UNESCO proposals, if carried out, would do that.

Mr. Chairman, the United States simply cannot be a party to global repression of freedom of information. My amendment makes that crystal clear to all concerned, and I urge its adoption.

Mr. Chairman, at this point I wish to include a copy of President Reagan's letter supporting my amendment:

The letter follows:

THE WHITE HOUSE,
*Washington, September 17, 1981.*

Hon. THOMAS P. O'NEILL, Jr.,
*Speaker of the House of Representatives, Washington, D.C.*

DEAR MR. SPEAKER: I would like to convey this Administration's support for Representative Robin Beard's amendment to the State Department authorization bill concerning funding for UNESCO.

The United States has long regarded the principle of the free flow of information as a cornerstone of any democratic political order, and an essential instrument for furthering understanding among the peoples of the world and encouraging the growth of free, equitable and enlightened government. As Article 19 of the Universal Declaration of Human Rights states: "Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers." Unfortunately, this principle is today too often honored more in the breach than the observance. It is particularly worrisome that it should come under attack in an international organization that ought to be its most tenacious defender—the United Nations Educational, Scientific and Cultural Organization (UNESCO).

We recognize the concerns of certain developing countries regarding imbalances in the present international flow of information and ideas. But we believe that the way to resolve these concerns does not lie in silencing voices nor restricting access to the means of communication, but in encouraging a broad and rich diversity of opinion. Efforts to impose restrictions on the activities of journalists in the name of issuing licenses to "protect" them, and other restrictions of this sort that have been proposed by certain members of UNESCO, are unacceptable to the United States. We strongly support—and commend to the attention of all nations—the declaration issued by independent media leaders of twenty-one nations at the Voices of Freedom Conference, which met at Talloires, France, in May of this year. We do not feel we can continue to support a UNESCO that turns its back on the high purposes this organization was originally intended to serve.

With best wishes,

Sincerely,

RONALD REAGAN.

Mr. SMITH of Alabama. Mr. Chairman, will the gentleman yield?

Mr. BEARD. I yield to the gentleman from Alabama (Mr. SMITH).

Mr. SMITH of Alabama. Mr. Chairman, I rise in support of this amendment designed to encourage and protect free press and the free exchange of ideas. It is right and fitting that the greatest free society on Earth should oppose strenuously this effort to manipulate information from country to country.

Since the licensing proposal under consideration by UNESCO was initiated by the Soviet Union it has received growing support from totalitarian and developing nations. The proposal is an obvious effort to censor and intimidate the press and the free flow of news and ideas between countries.

America appreciates the value of a free press. Therefore, we must let the world know we value dearly the competition of ideas and the free flow of information. Freedom is under assault, and we must act.

A clear and strong message must be sent to UNESCO that we find press regulation repugnant. We certainly have the power to influence this important issue because we pay such a large percentage of the UNESCO budget—25 percent of $45 million annually.

I have every confidence that if we have the resolve we will be successful. I urge passage of this amendment because it reflects our dedication to press freedom and demonstrates to the world that we are proud and vigilant of our commitment to liberty and desire that same liberty for all who would choose it.

Mr. McDONALD. Mr. Chairman, will the gentleman yield?

Mr. BEARD. I yield to the gentleman from Georgia (Mr. McDONALD).

Mr. McDONALD. I thank the gentleman for yielding and would like to commend the gentleman from Tennessee (Mr. BEARD) for a very important amendment, one that strikes at the

very heart of the danger that is now posed against freedom of the press and freedom of speech.

The CHAIRMAN pro tempore. Time of the gentleman from Tennessee has expired.

(By unanimous consent Mr. BEARD was allowed to proceed for 2 additional minutes.)

Mr. McDONALD. If the gentleman will continue to yield, I think the gentleman has done a very important thing to put the spotlight on the proposed actions or the discussed proposed actions in UNESCO, ones that would threaten freedom of speech, freedom of the press. I would like to commend the gentleman from Tennessee for this very important amendment and I wholeheartedly support it.

Mr. BEARD. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. BEARD. I am happy to yield to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Chairman, I rise in support of the amendment by the gentleman from Tennessee to the State Department authorization bill, which would direct the cutoff of America's financial contribution to the United Nations Educational, Scientific, and Cultural Organization (UNESCO), should that body implement a worldwide system of media control and press censorship.

We have watched over the past several years as UNESCO has seriously debated this issue and now must publically announce our adamant opposition to the Soviet bloc and totalitarian governments' desire to control the free flow of information among nations. I believe we must not allow discretion to host governments to either color or fully censor press reports from an international body whose obligations lie with all its member countries. It is my opinion, and I think you will agree, that any implementation of such journalistic censorship cannot be tolerated.

Remember, the United States contributes a full one-fourth of UNESCO's budget. Our position opposing censorship, and our intention to act in good faith, must be made clear before any decision by that body is made on this issue. I urge my colleagues who support this basic right of freedom of the press to vote in favor of this amendment.

Mr. BEARD. I thank the gentleman for those comments.

Mr. PARRIS. Mr Chairman, will the gentleman yield?

Mr. BEARD. I am happy to yield to the gentleman from Virginia (Mr. PARRIS).

Mr. PARRIS. Mr. Chairman, I commend the gentleman for his position on this amendment and I commend it to my colleagues.

It seems to me that this is basically a kind of worldwide protection of our Nation's freedom of speech and the first amendment.

I would like to engage very briefly in a colloquy with the gentleman from Tennessee. It is my understanding that the State Department authorization has, in fact, passed the other body and there is a proposal generally known as the Moynihan-Quayle amendment. How does the gentleman's amendment compare with the Moynihan-Quayle amendment?

The CHAIRMAN pro tempore. Time of the gentleman from Tennessee has again expired.

(By unanimous consent Mr. BEARD was allowed to proceed for 3 additional minutes.)

Mr. BEARD. The other body has passed an amendment dealing with this issue. There is a major difference, though. They would only cut back our contribution to UNESCO by a percentage equal to the percentage of UNESCO's total budget that is spent on implementing a world press regulation system. That may well be a very small, even nominal amount.

UNESCO may only spend 1 percent or several million dollars of the total budget on this so-called New World Information Order, so under the Moynihan-Quayle amendment the cutoff, our cutoff would only be approximately 1 percent, which would be a meaningless amount and not have any teeth in it.

Mr. PARRIS. Does the gentleman believe, therefore, that his amendment would be more effective?

Mr. BEARD. I think my amendment would definitely get their attention if they saw the potential of the loss of $49 million to $50 million, yes.

Mr. PARRIS. If the gentleman would yield further, how does the gentleman respond to the suggestion that he is infringing on the State Department's discretion in his amendment?

Mr. BEARD. I think everyone in this body knows that it is the Congress right to decide how the taxpayers' dollars are spent and set policy. I do not see this as infringement on the State Department's rights at all.

Mr. PARRIS. One final inquiry. Does the gentleman agree with the State Department, whose position, as I understand it, is that they would rather fight this battle within UNESCO itself without congressional strings being attached?

Mr. BEARD. I am apprised that the State Department's position has probably changed on that as a result of President Reagan's letter and strong support for my amendment. So I feel that opposition is a moot point at this time.

Mr. LANTOS. Mr. Chairman, will the gentleman yield?

Mr. BEARD. I yield to my colleague from California (Mr. LANTOS).

Mr. LANTOS. Mr. Chairman, first I want to commend my friend from Tennessee (Mr. BEARD) for bringing this all-important matter to the attention of this body.

Totalitarian regimes begin and they thrive over the suppression of the freedom of the press. There is no more important freedom in any society than the freedom of the press to investigate and to report.

I think this is a very important measure. I am proud to associate myself with my colleague's move and I commend it to my friends.

Mr. BEARD. I thank my colleague from California for his generous remarks.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. BEARD. I yield to the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. Mr. Chairman, I want to commend the gentleman for this amendment. I think a free flow of information, whether it be in the United States or worldwide, is vital to the decisionmaking process. By supporting this amendment, we are simply saying that we believe in an open press and an open flow of information. I think it is fundamental to our Nation and very much in keeping with our principles.

Mr. Chairman, the importance of this amendment cannot be understated. The gentlemen from Tennessee (Mr. BEARD) has performed an important service to the institution of a free press, an institution which this country takes seriously. The import of this amendment goes beyond sending a strong message and stern warning to UNESCO. It really is a reaffirmation to the world of this country's commitment to a free and open press. Therefore, I commend the gentleman for his leadership in this important area and urge the adoption of the amendment.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. BEARD. I am happy to yield to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, I just would like to say in reference to the remarks of my colleague from California (Mr. LANTOS) that it was on October 4, 1933, that Hitler's Reich first decided to install censorship for the press, very much a mark of the dictatorship, right or left.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

(By unanimous consent Mr. BEARD was allowed to proceed for 2 additional minutes.)

Mr. LUNGREN. Mr. Chairman, will the gentleman yield?

Mr. BEARD. I yield to the gentleman from California (Mr. LUNGREN).

Mr. LUNGREN. Mr. Chairman, I want to also commend the gentleman for bringing this to the attention of

the House. To those who would suggest, as the gentleman said, we are taking our ball and going home with it, I suggest that is not true. At a time when many are concerned about how we would combat the menace of totalitarianism around the world without reverting to a military action here is a simple case where we can act. We can show proper moral indignation at an effort by totalitarian regimes in this world to keep the truth out.

As the Universal Declaration of Human Rights states:

Everyone has the right to freedom of opinion and expression. This right includes freedom to hold opinions without interference and to seek, receive, and impart information and ideas through any media and regardless of frontiers.

It seems strange to me that we would expect other countries to have any respect for the principles embodied in our Constitution if on a question as fundamental as this we are not willing to come forward with something more than just a slap on the wrist. So I do not think this is a childish threat. This is something which expresses in a very vivid way how strongly Americans feel about the right of free press, the right of free speech, and that any attempt by a United Nations operation to restrict that will be dealt with swiftly and very, very effectively by this Congress.

I thank the gentleman for his efforts in this regard.

Mr. BEARD. I thank the gentleman for his remarks.

Mr. LEWIS. Mr. Chairman, will the gentleman yield?

Mr. BEARD. I yield to the gentleman from California (Mr. LEWIS).

Mr. LEWIS. Mr. Chairman, I would like to commend my colleague from Tennessee (Mr. BEARD) for bringing this most important item before the House today.

Amazingly, just 2 months ago, I would say to the gentleman from Tennessee, in the Subcommittee on Foreign Operations I was astonished to see several groups come before the committee who traditionally have been very supportive of the ideals of the United Nations. They came before the committee and raised serious questions about patterns that are developing there. For example, the B'nai B'rith expressed great concern about what was happening within the United Nations where the majority of those serving in that body happen to disagree with one of their opponents.

I recall clearly the days in my college years in the 1950's where it was almost considered to be subversive to question the United Nations. I would suggest further that in America we have serious questions about the erosion of freedom of the press. In my own State in California just in the last year by a vote of 72 percent the people placed in the State constitution a shield law to assure a free flow of information between the public and their government.

In the Bill of Rights the first amendment deals with freedom of speech, of communication, to preserve our country from totalitarian efforts.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

(By unanimous consent Mr. BEARD was allowed to proceed for 1 additional minute.)

Mr. LEWIS. If the gentleman will continue to yield, today in the world that question is all important. Efforts on the part of those in world bodies such as the U.N. who would undermine free speech should be of concern to not just all of us in this body but to all people in the world as well.

The gentleman bringing this to us today with a strong vote for this amendment today is most important in furthering that longstanding freedom.

Mr. BEARD. I thank the gentleman.

Mr. FASCELL. Mr. Chairman, I move to strike the necessary number of words.

Ms. FIEDLER. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentlewoman from California.

Ms. FIEDLER. I thank the gentleman for yielding.

I, too, would like to rise in support of the amendment being offered to us. The purpose of trying to restrict the free flow of information can only help to conceal the truth. It is absolutely imperative that we do go on record opposing UNESCO's effort to muzzle the press, and I am proud to be able to support this effort by my colleagues.

Mr. FASCELL. Mr. Chairman, the committee has expressed great concern over this matter in several ways and my colleagues need to know this. We have had numerous hearings over a course of years in following very carefully the progress and the operations of UNESCO. We have had innumerable conferences with people in the Department of State who have a responsibility, with the delegations who have gone there, either before they go or after they come back or both. We have met many times with the interested groups who have been waging not only a determined but a marvelous struggle. I am talking now about the media in this country who have led the fight and sounded the clarion call with respect to this issue.

So we have been aware of it. Our most recent action will be on the next amendment which comes up as a followup to this amendment, Mr. Chairman, which is very important, because that amendment following the Beard amendment asks the administration to undertake immediately total evaluation of our participation, the programs, the people, everything having to do with UNESCO.

So in the adoption of the Beard amendment I would hope my colleagues would keep that in mind, that the next amendment is a very important corollary.

Mr. MILLER of Ohio. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Beard amendment.

Mr. Chairman, I rise in support of the Beard amendment which takes a forthright stand against increasing efforts of U.N. bodies to control information.

Today, we are concerned about the new world information and communication order sponsored by UNESCO. This effort is the result of Soviet initiatives begun in the mid-1970's to bring developing nations and totalitarian nations into an alliance to control, on an international basis, information and reporting the way it is controlled in their own countries. I think it is very important that we make it clear that the United States is firmly opposed to UNESCO's code to regulate the news and to control the world press, and thus shape news and information in ways that are more acceptable to Third World governments.

In 1980, the United States contributed $49 million for its share of UNESCO's operating expenses. I do not think that U.S. taxpayers want their dollars to be used to support a system that sets a new universal standard on world news flow that is ideologically opposed to the principles of a free press.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I would like to just clarify a couple of points and I will make an observation of my own.

First, let us please differentiate between an entity of the U.N. and the U.N. itself. This is UNESCO. They have their own staff and delegates with totally different interests than the U.N. as a whole. So I do not want us to tar and feather the entire U.N. because of a legitimate difference of opinion we have with this one entity within that structure.

The reason I am inclined to support the amendment, and I will do so, is because I felt that when the AFL-CIO was upset at developments in the International Labor Organization they served notice they were going to withhold U.S. dues. Under the provisions of that organization it was 2 years before it went into effect. Near the end of the second year when the ILO brass realized the AFL-CIO meant business and were supported by our Government they were quick to make an accommodation and cleaned up

most of the abuses that had been allowed.

It seems to me that even though our committee has passed a resolution asking for them to reconsider this muzzling of the press, if I may use that term, it would be much more significant should we take the step of starting to withhold funds.

□ 1300

That they will understand. That is polite dollar diplomacy. And if they understand that the cost to them of trying to impose a form of censorship over the press is to lose the financial support of a major contributing country, I think that will have a sobering effect. I think it will have much more of a sobering effect than the resolution adopted by the House Foreign Affairs Committee.

So for that reason, thinking that an early, firm notice is better than a well-intended message, I support the Beard amendment.

Mr. DYMALLY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Beard amendment.

Mr. Chairman, I rise to speak against the Beard amendment. Reducing or cutting off assessed contributions, in my judgment, is a blunt instrument that should be reserved for cases involving a clear action violating an organization's charter, purposes, or vital U.S. interests. UNESCO has taken no decision to regulate news content. Therefore, the amendment offered by the gentleman from Florida (Mr. FASCELL) provides a reasonable alternative that signals to UNESCO that the U.S. Congress is monitoring their actions very closely.

It seems to me we need a thorough review of UNESCO's programs and activities. As the U.N. specialized agency with the broadest scope, many of its activities do not come to our attention. The amendment offered by the gentleman from Florida (Mr. FASCELL) will enable us for the first time to have a detailed examination of this organization's activities on which to base our future decisions.

There are many things that are good about UNESCO and some things that are critical, but it seems to me that we need to go about this in a very rational, a very reasonable manner, rather than responding hysterically to what we perceive as censorship but which censorship has not taken place.

Mr. BEARD. Mr. Chairman, will the gentleman yield?

Mr. DYMALLY. I yield to the gentleman from Tennessee.

Mr. BEARD. I appreciate the gentleman's sincerity, and I agree with the gentleman that this is not—and I do not mean for it to be—an attack on UNESCO as a total entity. I think the gentleman must not totally understand my amendment, and just for clarification in the RECORD, I would like at this time to reassure the gentleman that I am not cutting off one single penny.

Let me just read to the gentleman the wording of the amendment, if I may:

None of the funds authorized to be appropriated by section 102(a)(2) of this Act or by any other Act for "International Organizations and Conferences" may be used for payment by the United States of its contribution toward the assessed budget of the United Nations Educational, Scientific and Cultural Organization if that organization implements any policy or procedure the effect of which is to license journalists or their publications, to censor or otherwise restrict the free flow of information within or among countries, or to impose mandatory codes of journalistic practice or ethics.

So I am not cutting a single penny. I am just saying if they pursue that which they are discussing—I even say in my statement,

Let them discuss it, let them analyze it, debate it.

But the day they start implementing censorship of the press, I do not see, in a country, in all good conscience, how we can use our tax dollars to implement suppression of freedom of the press.

And I also go on to say:

Not later than February 1 of each year, the Secretary of State shall report to the Congress with respect to whether the United Nations Educational, Scientific and Cultural Organization has taken any action described in subsection (a) of this section.

So it is not the hatchet approach. And I just want to make sure that the gentleman understands that, that I am not that unreasonable on that.

Mr. DYMALLY. I thank the gentleman.

Would the gentleman support an amendment to withdraw all Government inkind support to the U.S. press so that they may have some responsibility and objectivity in their reporting?

Mr. BEARD. Will the gentleman repeat his statement?

Mr. DYMALLY. Would the gentleman support an amendment to withdraw all inkind services that we give to the American media so that they may be responsible and objective in their reporting.

Mr. BEARD. What inkind support do we give at this time?

Mr. DYMALLY. They get free space, telephone.

Mr. BEARD. I think that is our responsibility, to find a place for the press, to sit up there so that they can report on some of the insanities that go on down here, and some of the good things, like my amendment, that go on down here also.

Mr. DYMALLY. I thank the gentleman.

Mr. Chairman, I support the Fascell amendment. The gentleman from Florida (Mr. FASCELL) knows this issue more than anyone else in this committee, and I think that he has taken a more constructive approach to solving this dilemma.

Mr. SOLOMON. Mr. Chairman, I rise in support of the Beard amendment.

Mr. Chairman, I would like to add my strong support to the gentleman's amendment. For all our occasional complaints about this story or that article, America has the greatest press in the world and the people are better informed here than anywhere else.

The reason we have the best press is clear—reporters and news organizations have almost unlimited freedom to gather and distribute the news. The press really does act as a fourth branch of Government, checking abuses and rooting out corruption.

The basic first American freedoms that we take for granted, including freedom of the press, have never been very well respected in most of the rest of the world and now they are under even more attack.

There's nothing that Communist leaders fear more than a free press. The horrors or the Communist system would be exposed for everyone to see if press organizations had free access to information in Soviet-bloc countries that they have here.

So it is really no surprise that the Soviet puppets and the various dictators around the world are trying to snuff out what press freedoms still exist in their countries.

What is a surprise—a shock really—is that the United States might be put in the position of tacitly approving this suppression. To think that UNESCO—an arm of the United Nations—would ever consider some sort of journalistic licensing. It is outrageous.

The idea that Soviet bloc and Third World governments would be given permission to license and regulate the press is ludicrous. It is like having the underworld picking FBI agents and telling them to investigate parking violations. If UNESCO actually goes forward with its press regulations, then this country should wash its hands of the entire organization. America should never condone any encroachment of freedom. UNESCO must know where this Congress stands.

● Mr. TRIBLE. Mr. Chairman, I rise in support of the amendment offered by my distinguished colleague, the gentleman from Tennessee.

Freedom of the press is a right cherished in America. We believe that a free people, in order to maintain their freedom, must have unimpeded access to information about public affairs affecting their lives. We believe that only an informed public can achieve the goals of self-government.

The objectives of the UNESCO efforts to license journalists can only

serve to stifle the flow of information in the world, and thus to stifle the hope of freedom people in other lands share with us.

Thomas Jefferson recognized the vital need of a free and unfettered press to a free society. He said that, were he required to make a choice, he would choose a free press over government control of information, and he maintained that advocacy throughout his life even though, of our Presidents, he was one most vilified by the very press he argued should be free.

Another great Virginian, George Mason, the father of our Bill of Rights, included freedom of the press among those rights a people must have to remain free. He felt so strongly that this right and others were so essential to a free America that, as a delegate to the Constitutional Convention, he refused to sign the Constitution because it did not contain a Bill of Rights.

Mr. Chairman, we cannot, in good conscience, force our form of government, our Constitution and our Bill of Rights on other nations, but we can—indeed, conscience should compel us—to strike down efforts of international institutions in which we participate from suppressing freedom and the dream of freedom in the world.

I urge my colleagues to vote "yea" on this amendment.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee (Mr. BEARD).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BEARD. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 372, noes 19, not voting 42, as follows:

[Roll No. 210]

AYES—372

| | | |
|---|---|---|
| Addabbo | Bliley | Conable |
| Akaka | Boggs | Conte |
| Albosta | Boland | Corcoran |
| Alexander | Boner | Courter |
| Anderson | Bonior | Coyne, James |
| Andrews | Bonker | Coyne, William |
| Annunzio | Bouquard | Crane, Daniel |
| Anthony | Bowen | Crane, Philip |
| Applegate | Breaux | D'Amours |
| Archer | Brinkley | Daniel, Dan |
| Ashbrook | Brooks | Daniel, R. W. |
| Aspin | Broomfield | Danielson |
| Atkinson | Brown (CO) | Dannemeyer |
| AuCoin | Brown (OH) | Daschle |
| Badham | Broyhill | Daub |
| Bafalis | Burton, John | Davis |
| Bailey (MO) | Butler | Deckard |
| Bailey (PA) | Campbell | DeNardis |
| Barnes | Carman | Derrick |
| Beard | Carney | Derwinski |
| Bedell | Chappell | Dickinson |
| Benedict | Chappie | Dicks |
| Benjamin | Cheney | Dingell |
| Bennett | Clausen | Dixon |
| Bereuter | Clinger | Donnelly |
| Bethune | Coats | Dorgan |
| Bevill | Coleman | Dornan |
| Bingham | Collins (IL) | Dowdy |
| Blanchard | Collins (TX) | Downey |
| Dreier | Kindness | Rinaldo |
| Duncan | Kogovsek | Ritter |
| Dunn | LaFalce | Roberts (KS) |
| Dwyer | Lagomarsino | Roberts (SD) |
| Dyson | Lantos | Robinson |
| Early | Latta | Rodino |
| Eckart | Leach | Roe |
| Edwards (AL) | Leath | Roemer |
| Edwards (OK) | LeBoutillier | Rogers |
| Emerson | Lee | Rose |
| Emery | Lent | Rosenthal |
| English | Levitas | Roth |
| Erdahl | Lewis | Roukema |
| Erlenborn | Livingston | Rousselot |
| Ertel | Loeffler | Roybal |
| Evans (DE) | Long (LA) | Russo |
| Evans (GA) | Long (MD) | Sabo |
| Evans (IN) | Lott | Schneider |
| Fary | Lowery (CA) | Schroeder |
| Fascell | Lowry (WA) | Schulze |
| Fazio | Luken | Schumer |
| Fenwick | Lundine | Seiberling |
| Ferraro | Lungren | Sensenbrenner |
| Fiedler | Madigan | Shamansky |
| Fields | Markey | Shannon |
| Findley | Marks | Sharp |
| Fish | Marlenee | Shaw |
| Fithian | Marriott | Shelby |
| Flippo | Martin (IL) | Shumway |
| Florio | Martin (NC) | Shuster |
| Foglietta | Martin (NY) | Siljander |
| Foley | Matsui | Simon |
| Ford (MI) | Mattox | Skeen |
| Forsythe | Mavroules | Skelton |
| Fountain | Mazzoli | Smith (AL) |
| Fowler | McClory | Smith (IA) |
| Frank | McCollum | Smith (NE) |
| Frost | McCurdy | Smith (NJ) |
| Fuqua | McDade | Smith (OR) |
| Garcia | McDonald | Smith (PA) |
| Gaydos | McEwen | Snowe |
| Gejdenson | McGrath | Snyder |
| Gephardt | McHugh | Solarz |
| Gibbons | McKinney | Solomon |
| Gilman | Mica | Spence |
| Gingrich | Michel | Stangeland |
| Glickman | Mikulski | Stark |
| Gonzalez | Miller (CA) | Staton |
| Goodling | Miller (OH) | Stenholm |
| Gore | Mineta | Stratton |
| Gradison | Minish | Studds |
| Gramm | Mitchell (NY) | Stump |
| Green | Moakley | Swift |
| Gregg | Molinari | Synar |
| Grisham | Mollohan | Tauke |
| Guarini | Montgomery | Tauzin |
| Gunderson | Moore | Taylor |
| Hagedorn | Moorhead | Thomas |
| Hall (OH) | Morrison | Traxler |
| Hamilton | Motti | Trible |
| Hammerschmidt | Murphy | Udall |
| Hance | Murtha | Vander Jagt |
| Hansen (ID) | Myers | Vento |
| Harkin | Napier | Volkmer |
| Hartnett | Natcher | Walgren |
| Hatcher | Neal | Walker |
| Heckler | Nelligan | Washington |
| Hefner | Nelson | Watkins |
| Heftel | Nichols | Waxman |
| Hendon | Nowak | Weaver |
| Hertel | Oakar | Weber (MN) |
| Hiler | Oberstar | Weber (OH) |
| Hillis | Ottinger | Weiss |
| Holt | Oxley | White |
| Hopkins | Panetta | Whitehurst |
| Howard | Parris | Whitley |
| Hoyer | Pashayan | Whittaker |
| Hubbard | Patman | Whitten |
| Huckaby | Patterson | Williams (MT) |
| Hughes | Paul | Williams (OH) |
| Hunter | Pease | Wilson |
| Hutto | Perkins | Winn |
| Hyde | Petri | Wirth |
| Ireland | Peyser | Wolf |
| Jacobs | Pickle | Wolpe |
| Jeffords | Porter | Wortley |
| Jeffries | Price | Wright |
| Jenkins | Pritchard | Wyden |
| Johnston | Pursell | Wylie |
| Jones (NC) | Rahall | Yates |
| Jones (OK) | Railsback | Yatron |
| Jones (TN) | Ratchford | Young (FL) |
| Kazen | Regula | Young (MO) |
| Kemp | Reuss | Zablocki |
| Kildee | Rhodes | Zeferetti |

NOES—19

| | | |
|---|---|---|
| Beilenson | Dymally | Leland |
| Bolling | Edgar | Mitchell (MD) |
| Brodhead | Edwards (CA) | Rangel |
| Brown (CA) | Ford (TN) | Richmond |
| Clay | Gray | Stokes |
| Conyers | Hawkins | |
| Dellums | Kastenmeier | |

NOT VOTING—42

| | | |
|---|---|---|
| Barnard | Goldwater | Pepper |
| Biaggi | Hall, Ralph | Quillen |
| Burgener | Hall, Sam | Rostenkowski |
| Burton, Phillip | Hansen (UT) | Rudd |
| Byron | Hightower | Santini |
| Chisholm | Holland | Savage |
| Coelho | Hollenbeck | Sawyer |
| Coughlin | Horton | Scheuer |
| Craig | Kramer | St Germain |
| Crockett | Lehman | Stanton |
| de la Garza | Lujan | Wampler |
| Dougherty | McCloskey | Young (AK) |
| Evans (IA) | Moffett | |
| Frenzel | O'Brien | |
| Ginn | Obey | |

□ 1315

The Clerk announced the following pairs:

On this vote:

Mr. Coelho for, with Mr. Crockett against.

Messrs. HAWKINS, BOLLING, and BEILENSON changed their votes from "aye" to "no."

Mr. KEMP changed his vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. SHAMANSKY

Mr. SHAMANSKY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SHAMANSKY:

Page 31, immediately after line 12, insert the following new section:

UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION

SEC. 120. (a) The Congress finds that—

(1) a free press is vital to the functioning of free governments;

(2) Article 19 of the Universal Declaration of Human Rights provides for the right to freedom of expression and to "seek, receive and impart information and ideas through any media regardless of frontiers";

(3) the Constitution of the United Nations Educational, Scientific and Cultural Organization provides for the promotion of "the free flow of ideas by words and images";

(4) the signatories of the Final Act of the Conference on Security and Cooperation in Europe (Helsinki, 1975) pledged themselves to foster "freer flow and wider dissemination of information of all kinds, to encourage cooperation in the field of information and the exchange of information with other countries, and to improve conditions under which journalists from one participating State exercise their profession in another participating State"; and

(5) government censorship, domination, or suppression of a free press is a danger to free men and women everywhere.

(b) Therefore, it is the sense of the Congress that the United Nations Educational, Scientific and Cultural Organization should cease efforts to attempt to regulate news content and to formulate rules and regulations for the operation of the world press.

(c) The Congress opposes efforts by some countries to control access to and dissemination of news.

(d) The President shall evaluate and, not later than six months after the date of enactment of this Act, shall report to the Congress his assessment of—

(1) the extent to which United States financial contributions to the United Nations Educational, Scientific, and Cultural Organization, and the extent to which the programs and activities of that Organization, serve the national interests of the United States;

(2) the programs and activities of the United Nations Educational, Scientific, and Cultural Organization, especially its programs and activities in the communications sector; and

(3) the quality of the United States participation in the United Nations Educational, Scientific, and Cultural Organization, including the quality of United States diplomatic efforts with respect to that Organization, the quality of United States representation in the Secretariat of that Organization, and the quality of recruitment of United States citizens to be employed by that Organization.

Such report should include the President's recommendations regarding any improvements which should be made in the quality and substance of United States representation in the United Nations Educational, Scientific, and Cultural Organization.

Mr. SHAMANSKY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SHAMANSKY. Mr. Chairman, I want to commend the gentleman from Tennessee for his activity and concern over the efforts by UNESCO to develop a New World Information Order. This is also a problem that has concerned me for some time. On May 19, Congresswoman FENWICK and I introduced House Resolution 142, a resolution expressing the sense of the Congress that UNESCO should cease its effort to develop a so-called New World Information Order. This resolution currently has 55 cosponsors and was the subject of several days of joint hearings this past July before the Subcommittees on Human Rights and International Organizations, and the Subcommittee on International Operations. This morning the resolution was approved by the full Foreign Affairs Committee. My amendment is essentially the text of House Resolution 142. It contains a strong statement on the part of the Congress in opposition to any attempt to regulate the press.

While this New World Information Order has been discussed for many years, it has remained a rather vague series of proposals. Some of these suggestions are extremely dangerous, such as those to license journalists and develop government-imposed journalistic codes of conduct. Others, such as the call for aid from developed nations to less advanced countries in setting up local and regional press operations, could be beneficial.

The dangers to the Western ideal of political freedom based on the free flow of information are inherent in any broad attempt to regulate the press. We must make clear to UNESCO and the world at large that we oppose such regulations unequivocally.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. SHAMANSKY. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the Fenwick-Shamansky amendment.

This amendment is identical to House Resolution 142, which Mr. SHAMANSKY and I introduced on May 19 of this year, and which was reported by the Committee on Foreign Affairs this morning. The resolution has 55 cosponsors, including 17 members of the House Foreign Affairs Committee. In addition, the Department of State has written the Foreign Affairs Committee that it "commends this resolution as further evidence of the commitment of this Nation to defend without compromise first amendment principles."

The resolution was also the subject of 2 days of excellent and revealing hearings by the Subcommittee on International Organizations and the Subcommittee on Human Rights and International Organizations. Interestingly, at these hearings, the Assistant Secretary of State for International Organizations, Elliott Abrams, testified that it would be premature for the United States to withdraw from UNESCO or to threaten to cut off our rather substantial contribution to that body. I agree with Assistant Secretary Abrams that we should stay in UNESCO and fight for what we believe is right.

The amendment which we are proposing is very straightforward. It is a simple expression of the sense of the House in support of a free press and in opposition to the threats now being posed to it by UNESCO's continuing activities. It calls upon UNESCO to cease efforts to regulate news content and the operation of the world press. It states our opposition to the efforts of certain countries to control in this way the flow of news. Finally, consistent with an amendment to House Resolution 142 which was adopted by the Foreign Affairs Committee this morning, it asks the President to report to Congress on the activities of UNESCO, on the quality of our representation in that Organization, and on the extent to which our contributions to UNESCO serve the national interests of the United States. This amendment was adopted at the suggestion of Representative FASCELL, the chairman of the Subcommittee on International Operations.

The amendment is very similar in spirit to the declaration made in May of this year by 60 leaders of independent news organizations from over 20 countries at the Voices of Freedom Conference in Talloires, France. In fact, Congressman SHAMANSKY and I introduced House Resolution 142 on the day after the Talloires Conference adjourned. Without objection, Mr. Speaker, I would like to insert in the RECORD a copy of the resolution which the leaders of the world's free press adopted at that conference. It provides an excellent statement of the commitment of these distinguished gentlemen and women to freedom of the press. The declaration follows:

THE DECLARATION OF TALLOIRES

We journalists from many parts of the world, reporters, editors, photographers, publishers and broadcasters, linked by our mutual dedication to a free press.

Meeting in Talloires, France, from May 15 to 17, 1981, to consider means of improving the free flow of information worldwide, and to demonstrate our resolve to resist any encroachment on this free flow.

Determined to uphold the objectives of the Universal Declaration of Human Rights, which in Article 19 states, "Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media regardless of frontiers."

Mindful of the commitment of the constitution of the United Nations Educational, Scientific and Cultural Organization to "promote the free flow of ideas by word and image."

Conscious also that we share a common faith, as stated in the charter of the United Nations, "in the dignity and worth of the human person, in the equal rights of men and women, and of nations large and small."

Recalling moreover that the signatories of the final act of the Conference of Security and Cooperation in Europe concluded in 1975 in Helsinki, Finland, pledged themselves to foster "freer flow and wider dissemination of information of all kinds, to encourage cooperation in the field of information and the exchange of information with other countries, and to improve conditions under which journalists from one participating state exercise their profession in another participating state" and expressed their intention in particular to support "the improvement of the circulation of access to, and exchange of information."

Declare that:

1. We affirm our commitment to these principles and call upon all international bodies and nations to adhere faithfully to them.

2. We believe that the free flow of information and ideas is essential for mutual understanding and world peace. We consider restraints on the movement of news and information to be contrary to the interests of international understanding, in violation of the Universal Declaration of Human Rights, the constitution of UNESCO, and the final act of the Conference on Security and Cooperation in Europe; and inconsistent with the charter of the United Nations.

3. We support the universal human right to be fully informed, which right requires

the free circulation of news and opinion. We vigorously oppose any interference with this fundamental right.

4. We insist that free access, by the people and the press, to all sources of information, both official and unofficial, must be assured and reinforced. Denying freedom of the press denies all freedom of the individual.

5. We are aware that governments, in developed and developing countries alike, frequently constrain or otherwise discourage the reporting of information they consider detrimental or embarrassing, and that governments usually invoke the national interest to justify these constraints. We believe, however, that the people's interest, and therefore the interests of the nation, are better served by free and open reporting. From robust public debate grows better understanding of the issues facing a nation and its peoples; and out of understanding greater chances for solutions.

6. We believe in any society that public interest is best served by a variety of independent news media. It is often suggested that some countries cannot support a multiplicity of print journals, radio and television stations because there is said to be a lack of an economic base. Where a variety of independent media is not available for any reason, existing information channels should reflect different points of view.

7. We acknowledge the importance of advertising as a consumer service and in providing financial support for a strong and self-sustaining press. Without financial independence, the press cannot be independent. We adhere to the principle that editorial decisions must be free of advertising influence. We also recognize advertising as an important source of information and opinion.

8. We recognize that new technologies have greatly facilitated the international flow of information and that the news media in many countries have not sufficiently benefited from this progress. We support all efforts by international organizations and other public and private bodies to correct this imbalance and to make this technology available to promote the worldwide advancement of the press and broadcast media and the journalistic profession.

9. We believe that the debate on news and information in modern society that has taken place in UNESCO and other international bodies should now be put to constructive purposes. We reaffirm our views on several specific questions that have arisen in the course of this debate, being convinced that:

Censorship and other forms of arbitrary control of information and opinion should be eliminated; the people's right to news and information should not be abridged.

Access by journalists to diverse sources of news and opinion, official or unofficial, should be without restriction. Such access is inseparable from access of the people to information.

There can be no international code of journalistic ethics; the plurality of views makes this impossible. Codes of journalistic ethics, if adopted within a country, should be formulated by the press itself and should be voluntary in their application. They cannot be formulated, imposed or monitored by governments without becoming an instrument of official control of the press and therefore a denial of press freedom.

Members of the press should enjoy the full protection of national and international law. We seek no special protection or any special status and oppose any proposals that would control journalists in the name of protecting them.

There should be no restriction on any person's freedom to practice journalism. Journalists should be free to form organizations to protect their professional interests.

Licensing of journalists by national or international bodies should not be sanctioned, nor should special requirements be demanded of journalists in lieu of licensing them. Such measures submit journalists to controls and pressures inconsistent with a free press.

The press's professional responsibility is the pursuit of truth. To legislate or otherwise mandate responsibilities for the press is to destroy its independence. The ultimate guarantor of journalistic responsibility is to the free exchange of ideas.

All journalistic freedoms should apply equally to the print and broadcast media. Since the broadcast media are the primary purveyors of news and information in many countries, there is particular need for nations to keep their broadcast channels open to the free transmission of news and opinion.

10. We pledge cooperation in all genuine efforts to expand the free flow of information worldwide. We believe the time has come within UNESCO and other intergovernmental bodies to abandon attempts to regulate news content and formulate rules for the press. Efforts should be directed instead to finding practical solutions to the problems before us, such as improving technological progress, increasing professional interchanges and equipment transfers, reducing communication tariffs, producing cheaper newsprint and eliminating other barriers to the development of news media capabilities.

Our interests as members of the press, whether from the developed or developing countries, are essentially the same: Ours is joint dedication to the freest, most accurate and impartial information that is within our professional capability to produce and distribute. We reject the view of press theoreticians and those national or international officials who claim that while people in some countries already have a free press, those in other counties are insufficiently developed to enjoy that freedom.

We are deeply concerned by a growing tendency in many countries and in international bodies to put government interests above those of the individual, particularly in regard to information. We believe that the state exists for the individual and has a duty to uphold individual rights. We believe that the ultimate definition of a free press lies not in the actions of governments or international bodies, but rather in the professionalism, vigor and courage of individual journalists.

Press freedom is a basic human right. We pledge ourselves to concerted action to uphold this right.

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The involvement of UNESCO in freedom of information issues is not a new development. The United Nations adopted its Declaration on Freedom of Information, which declared that "all states should proclaim policies under which the free flow of information within countries and across frontiers will be protected" in 1946. Freedom of information issues have been a central focus of discussion at UNESCO General Conferences for more than 10 years. But the debate has sharpened especially since the Nairobi meeting of 1976. As the price for tabling a draft declaration on fundamental principles governing the mass media, which was slanted toward control of the press, the United States agreed at that time to the establishment of the 16-member International Commission for the Study of Communication Problems, better known as the MacBride Commission. At the 20th UNESCO general conference in Paris 2 years later, a somewhat watered-down "Draft Declaration on Fundamental Principles Concerning the Contribution of the Mass Media to Strengthening Peace and International Understanding, the Promotion of Human Rights and to Countering Racialism, Apartheid and Incitement to War" was adopted with our assent. Unfortunately, this declaration still contained references to concepts that should have troubled our representatives greatly: The need to protect journalists, the guaranteed right of reply by those who have had seriously prejudiced information disseminated about them, and discussion of codes of ethics for journalists.

The two most recent major UNESCO meetings on information issues, in Belgrade in 1980 and in Paris earlier this year, have further demonstrated the dangers that still remain. In Belgrade, final approval was given to the International Program for Development of Communication (IPDC), a body created to assist the developing countries in improving their communications capability. The United States initiated this proposal, demonstrating our willingness to cooperate in addressing the perceived inequities in this area. Unfortunately, the U.S. contribution was not matched by an elimination of some of the more troublesome issues raised by the MacBride Commission—those concerning protection and licensing of journalists, professional regulations, codes of ethics, and other such unacceptable concepts—from the UNESCO agenda. These issues deserved further study, thus keeping them under consideration.

The events surrounding the Paris meeting earlier this year demonstrated just what type of further study UNESCO Director General M'Bow and some of the Soviet and Third World bloc had in mind. The Director General originally invited only nine press groups—mostly from the U.S.S.R. and sympathetic Third World countries—to the Paris meeting for journalists to discuss these concepts. When our diplomats learned of the meeting, we were told that it was a private meeting, even though it was listed as official. Luckily, the Western delegates who were subsequently invited to this meeting were able to block proposals for licensing journalists and adopting codes of ethics, but the continuing threat to press freedom was highlighted by the secret approach which UNESCO originally took to the meeting. Perhaps most importantly, these threatening concepts remain on UNESCO's agenda for the next general conference in Venezuela in 1983.

The reason these concepts are so dangerous to the West is that they are based on a principle which is totally contrary to a fundamental tenet of Western society. The Soviet Union and many other countries in the world believe that the press exists as an instrument—a tool—of the State; that its duty is to promote the power and stability of the State. They do not believe, as we do, and our first amendment proves it, that the press exists for the people.

This amendment is intended to provide force for the voice of the free world against any regulation of the free press. By offering it, we hope to strengthen the hand of our representatives in UNESCO. They will be able to point to the expressed view of the Congress as a demonstration of American resolve on the issue of the free press. At the same time, we hope that our American delegation will work more closely with other nations who share our view on this issue.

At the same time, this amendment avoids any premature cutoff of our contribution to UNESCO. UNESCO continues to do much valuable work in the educational and scientific fields. I agree with the administration's position that it would be premature and perhaps counterproductive to cut off our rather substantial contribution to that body. I believe that we should stay in there and fight for what is right, and I think that we should not

forego the opportunity to exert our influence in the continuing debate.

If we remain in UNESCO and prevail, we can turn the attention of that body to constructive proposals in the communication field, such as that which established the International Program for Development of Communication (IPDC) to aid the LDC's in developing their communications capabilities. If we fail, and the discussion turns to less productive ideas, we can always exercise more drastic options at a later date.

I urge the adoption of the amendment, and I hope that other Members will join me in making this strong statement in support of a free press.

Mr. FASCELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this amendment was considered by the Committee on Foreign Affairs and was adopted by the full committee. We are ready on this side to accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. SHAMANSKY).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title I? If not, the Clerk will read title II.

The Clerk read as follows:

TITLE II—INTERNATIONAL COMMUNICATION AGENCY

SHORT TITLE

SEC. 201. This title may be cited as the "International Communication Agency Authorization Act, Fiscal Years 1982 and 1983".

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 202. There are authorized to be appropriated for the International Communication Agency $561,402,000 for the fiscal year 1982 and $656,505,000 for the fiscal year 1983 to carry out international communication, educational, cultural, and exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, and Reorganization Plan Numbered 2 of 1977, and other purposes authorized by law.

CHANGES IN ADMINISTRATIVE AUTHORITIES

SEC. 203. (a)(1) Title III of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1451-1453) is amended—

(A) in section 301 by striking out "citizen of the United States" and inserting in lieu thereof "person"; and

(B) in sections 302 and 303 by striking out "citizen of the United States" and inserting in lieu thereof "person in the employ or service of the Government of the United States".

(2) Such title is further amended—

(a) in section 301—

(i) by striking out "Secretary" the first place it appears and inserting in lieu thereof "Director of the International Communication Agency", and

(ii) by striking out "Secretary" the second place it appears and inserting in lieu thereof "Director"; and

(B) in section 303 by striking out "Secretary" and inserting in lieu thereof "Director of the International Communication Agency".

(3) Section 302 of such Act is amended—

(A) in the second sentence by striking out "section 901(3) of the Foreign Service Act of 1946 (60 Stat. 999)" and inserting in lieu thereof "section 905 of the Foreign Service Act of 1980"; and

(B) in the last sentence by striking out "section 1765 of the Revised Statutes" and inserting in lieu thereof "section 5536 of title 5, United States Code".

(b) Section 802 of such Act (22 U.S.C. 1472) is amended—

(1) by inserting "(a)" immediately after "Sec. 802."; and

(2) by adding at the end thereof the following new subsection:

"(b)(1) Any contract authorized by subsection (a) and described in paragraph (3) of this subsection which is funded on the basis of annual appropriations may nevertheless be made for periods not in excess of five years when—

"(A) appropriations are available and adequate for payment for the first fiscal year and for all potential cancellation costs; and

"(B) the Director of the International Communication Agency determines that—

"(i) the need of the Government for the property or service being acquired over the period of the contract is reasonably firm and continuing;

"(ii) such a contract will serve the best interests of the United States by encouraging effective competition or promoting economies in performance and operation; and

"(iii) such method of contracting will not inhibit small business participation.

"(2) In the event that funds are not made available for the continuation of such a contract into a subsequent fiscal year, the contract shall be canceled and any cancellation costs incurred shall be paid from appropriations originally available for the performance of the contract, appropriations currently available for the acquisition of similar property or services and not otherwise obligated, or appropriations made for such cancellation payments.

"(3) This subsection applies to contracts for the procurement of property or services, or both, for the operation, maintenance, and support of programs, facilities, and installations for or related to telecommunication activities, newswire services, and the distribution of books and other publications in foreign countries.".

(c) Paragraph (16) of section 804 of such Act (22 U.S.C. 1474(16)) is amended by inserting "and security" immediately after "right-hand drive".

(d) Title VIII of such Act (22 U.S.C. 1471-1475b) is amended by adding at the end thereof the following new section:

"ACTING ASSOCIATE DIRECTORS

"SEC. 808. If an Associate Director of the International Communication Agency dies, resigns, or is sick or absent, the Associate Director's principal assistant shall perform the duties of the office until a successor is appointed or the absence or sickness stops.".

(e) Title VIII of such Act is further amended by adding at the end thereof the following new section:

"COMPENSATION FOR DISABILITY OR DEATH

"SEC. 809. A cultural exchange, international fair or exposition, or other exhibit or demonstration of United States economic accomplishments and cultural attainments, provided for under this Act or the Mutual Educational and Cultural Exchange Act of 1961 shall not be considered a 'public work' as that term is defined in the first section of the Act of August 16, 1941 (42 U.S.C. 1651; commonly known as the Defense Base Act).".

(f) Section 1011(h) of such Act (22 U.S.C. 1442(h)) is amended by adding at the end thereof the following new paragraph:

"(4) Section 701(a) of this Act shall not apply with respect to any amounts appropriated under this section for the purpose of liquidating the notes (and any accrued interest thereon) which were assumed in the operation of the informational media guaranty program under this section and which were outstanding on the date of enactment of this paragraph.".

DISTRIBUTION WITHIN THE UNITED STATES OF THE FILM ENTITLED "REFLECTIONS: SAMUEL ELIOTT MORISON"

SEC. 204. (a) Notwithstanding the second sentence of section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461)—

(1) the Director of the International Communication Agency shall make available to the Administrator of General Services a master copy of the film entitled "Reflections: Samuel Eliott Morison"; and

(2) the Administrator shall reimburse the Director for any expenses of athe Agency in making that master copy available, shall secure any licenses or other rights required for distribution of that film within the United States, shall deposit that film in the National Archives of the United States, and shall make copies of that film available for purchase and public viewing within the United States.

(b) Any reimbursement to the Director pursuant to this section shall be credited to the applicable appropriation of the International Communication Agency.

Mr. FASCELL (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

AMENDMENT OFFERED BY MR. BROOMFIELD

Mr. BROOMFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROOMFIELD: Page 37, immediately after line 6, insert the following new section:

DISTRIBUTION WITHIN THE UNITED STATES OF THE I.C.A. FILM ENTITLED "AND NOW MIGUEL"

SEC. 205. (a) Notwithstanding the second sentence of section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461)—

(1) the Director of the International Communication Agency shall make available to the Administrator of General Services a master copy of the film entitled "And Now Miguel"; and

(2) the Administrator shall reimburse the Director for any expenses of the Agency in making that master copy available, shall secure any licenses or other rights required for distribution of that film within the United States, shall deposit that film in the National Archives of the United States, and shall make copies of that film available for purchase and public viewing within the United States.

(b) Any reimbursement to the Director pursuant to this section shall be credited to the applicable appropriation of the International Communication Agency.

Mr. BROOMFIELD (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BROOMFIELD. Mr. Chairman, I am offering an amendment on behalf of Mr. LUJAN. This amendment which is similar to section 204(a) of the bill, would provide for the release within the United States of an ICA film entitled, "And Now Miguel."

This film was produced in 1951 and, because the Government then had worldwide rights the film was made available to the American public prior to 1972 through the U.S. Office of Education and the National Audiovisual Center. In 1972, the U.S. Information and Education Exchange Act of 1948 was amended to prohibit the Distribution of ICA program materials within the United States. The Library of the State of New Mexico, in possession of a worn copy of the film which it is unable to replace, feels that the film is an educational aid peculiarly suited to use in the State of New Mexico.

The film relates the story of a family in the Southwest which has inherited from its Spanish ancestors the tradition of sheep raising. It portrays the development of family relationships and examines a way of life in New Mexico.

This amendment would allow the General Services Administration to secure licenses or other rights required for distribution of that film in the United States and to make it available for purchase from the National Audio Visual Center.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Florida.

Mr. FASCELL. I thank the gentleman for yielding.

We have examined the amendment on this side and we are perfectly agreeable to it and will accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. BROOMFIELD).

The amendment was agreed to.

□ 1330

AMENDMENT OFFERED BY MR. DERWINSKI

Mr. DERWINSKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DERWINSKI: Page 37, immediately after line 6, insert the following new section:

REDESIGNATION OF THE INTERNATIONAL COMMUNICATION AGENCY AS THE UNITED STATES INFORMATION AGENCY

SEC. 205. (a) The International Communication Agency, established by Reorganization Plan Numbered 2 of 1977, is hereby redesignated the United States Information Agency. The Director of the International Communication Agency or any other official of the International Communication Agency is hereby redesignated the Director or other official, as appropriate, of the United States Information Agency.

(b) Any reference in any statute, reorganization plan, Executive order, regulation, agreement, determination; or other official document or proceeding to the International Communication Agency or the Director or other official of the International Communication Agency shall be deemed to refer respectively to the United States Information Agency or the Director or other official of the United States Information Agency, as so redesignated by subsection (a).

(c) This section shall take effect on January 1, 1982.

Mr. DERWINSKI (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DERWINSKI. Mr. Chairman, I rise today to propose an amendment, on behalf of the administration, which would restore the name "United States Information Agency" to the Agency which is our principal instrument for explaining American society and policy to the peoples of the world.

For the last 3½ years, this Agency has labored under the name "U.S. International Communication Agency." When USIA and the Bureau of Educational and Cultural Affairs of the Department of State were merged, on April 1, 1978, to form ICA—or USICA as it subsequently became—a good faith effort was made to select a name which would reflect the diverse functions of the reconstituted Agency. But the name which was chosen simply has not worked. In my travels and conversations with Foreign Service officers and foreign leaders around the world, I have heard a multitude of stories about how the new Agency has been confused—sometimes deliberately, but more often honestly and unintentionally—with the CIA, ITT, the local postal service, and even, in one country, the Agricultural Extension Service which had the same initials. Even when the Agency's officers were successful in explaining to foreign audiences what the Agency was not, it was sometimes difficult to explain what a communication agency was.

A variety of other names have been suggested over the years, but they all seemed to have at least two drawbacks in common: they were unwieldy, and they were not accurate descriptions of the Agency's work. "Information" is clearly understood. The name "U.S. Information Agency" explains what the Agency does—it provides information about American policy, society, and values to the peoples of the world.

It is a name which is simple, plain English—and which translates into plain French and Spanish and Thai and Swahili. The name "USIA" also has the advantage of being known overseas where it is widely recognized and accepted. Finally, it is my understanding that there is virtually unanimous support within the Agency itself for restoring the old name, and its adoption would have a decided and positive impact upon Agency morale.

I recommend that we authorize a return to this shorter, more accurate name, and urge adoption of my amendment to accomplish this goal.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the distinguished chairman.

Mr. FASCELL. Mr. Chairman, I agree with the gentleman. It is not the most exciting thing in the world. I hate to go up the hill and down the hill, but basically this is an Executive decision, unless the Congress has strong objection; so I am prepared to go along with it.

Mr. DERWINSKI. I thank the gentleman from Florida for his diplomatic attitude.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. DERWINSKI).

The amendment was agreed to.

Mr. LOTT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to H.R. 3518, the State Department authorization for fiscal years 1982 and 1983. Mr. Chairman, we have spent the major part of this first session of the 97th Congress struggling to cut Federal spending. I think it would be safe to say that there is not a single program in the entire Federal budget that has escaped the careful perusal of the budget cutters. Many, many of the programs, some laudable, in the Federal budget and to suffer necessary reductions in funding.

I say that as a preface, Mr. Chairman, to saying that we are now considering, unfortunately, a piece of legislation authorizing in excess of $6 billion for only 2 fiscal years. The agencies are programs funded by this bill have apparently and miraculously escaped the budget-cutting knife. In 1983 alone, this bill authorizes the expenditure of approximately $805 million more than the President requested. That is $805 million that I feel could be better spent. It is absolutely impossible for this Member to justify the expenditure of $6 billion on the programs funded by this bill after the cuts this Congress has voted for in various domestic programs.

Members may ask where the $805 million, which this bill is over the President's request, is to be spent.

First, the bill authorizes an additional $496.3 million above the President's request of $1,248,059,000 for administration of foreign affairs. This is in 1983 alone. I will remind my colleagues that if there is waste, fraud, and abuse elsewhere in the Federal Government, we can all rest assured that there is plenty in the State Department and this massive increase is totally unrealistic and unjustified.

Second, the bill authorizes an excess of $95.6 million above the President's request for migration and refugee assistance. This may be a reasonable and humanitarian program but is it justified in light of the cuts we have demanded in domestic programs? I think my colleagues will agree that the answer is a resounding "no."

Finally, the bill authorizes $174.2 million more for the International Communication Agency than the President requested and $16.7 million more for the Board for International Broadcasting than the President requested. Again, when these increases are weighed in the balance against the cuts we have made in the other areas of the Federal budget, it simply is not fair and cannot be justified.

Mr. Chairman, I will not offer amendments to cut the additional $805 million in this bill. It would serve no useful purpose because the money would simply be placed back in the bill in conference. But the fact of the matter is that the fight against deficit spending, especially such an outrageous and blatant waste of the taxpayers' money as is encompassed in this bill, will be fought; if not here, then during the appropriations process. Nevertheless, Mr. Chairman, I plan to vote "no" on final passage and against this waste of money and I urge my colleagues to do likewise.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. LOTT. I yield to the distinguished gentleman.

Mr. DERWINSKI. May I advise the gentleman from Mississippi that, obviously in anticipation of his vigorous views, an amendment was adopted earlier which cut approximately——

Mr. LOTT. $496.3 million.

Mr. DERWINSKI. $496 million which really, in my opinion, gutted the administration and the State Department.

At the risk of being impolite to my distinguished whip, may I point out that even the State Department is part of the administration and that on the subject the gentleman is discussing——

Mr. LOTT. If the gentleman will yield, I am not sure of that yet. Go ahead.

Mr. DERWINSKI. On the subject the gentleman really is concerned with, the level of foreign aid, it is my understanding that our distinguished noble heroic Secretary of State wants the full amount pending in the budget, so we are going to have to clarify that. I have a sneaking suspicion that Mr. Haig has a little bit to say about foreign affairs. Mr. Stockman really is not in complete charge of that shop yet.

Mr. LOTT. I thank the gentleman for his comments.

I would like to say, first of all, that I am not quite sure who is in charge of that shop from top to bottom. I do not intend to be critical of our Secretary of State. I know the Secretary is trying to do his job; but just because we changed administrations and a few people at the top, I am not convinced yet that we made all the changes necessary in the State Department. I still represent the people of the Fifth Congressional District of Mississippi and as whip I am working with the Members of the House. I am not going to take everything this administration says and accept it, particularly when it applies to the State Department and foreign aid.

There is a higher duty and a higher responsibility here. I am not going to go back home and try to defend all these other budget cuts if we do not make the necessary cuts in foreign aid and the State Department.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. LOTT. I would be glad to yield to the distinguished gentleman.

Mr. FASCELL. I thank the gentleman for yielding. I surely do not want to persuade the gentleman or try to convince him. The gentleman knows his own politics better than I do; but I must get the record straight that, with the amendments that have been adopted, we are at the President's request.

Now, you know, if what the gentleman is saying is that he is not happy with that, and the gentleman wants to cut it even more, that is a different proposition and certainly that is the gentleman's right; but let me just say two things that I think we need to consider.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

(By unanimous consent, Mr. LOTT was allowed to proceed for 1 additional minute.)

Mr. LOTT. I yield to the gentleman.

Mr. FASCELL. I thank the gentleman. I would have gotten the gentleman the time.

One is that we are talking about three or four agencies here in that total the gentleman is talking about.

The other is that we are talking about the smallest department. No matter how much the gentleman may dislike it, it is the smallest department budgetwise, personnelwise; so there is a limit, in other words, to how far we want to go.

Now, as far as cleaning house, if the gentleman wants to appoint Republicans all the way down to the bottom level, they can do that. The gentlemen on that side are running it. That is different; but we ought to at least give the people that have got the responsibility some of the tools to do the kind of job the gentleman thinks they have to do.

I do not want to stand up here and be a spokesman for the administration. I have enough problems.

Mr. LOTT. The gentleman is doing an excellent job, Mr. Chairman.

Mr. FASCELL. So that is all I wanted to say. I just wanted to try to in some way reassure the gentleman at least with respect to this bill that the gentleman can hold his head up plenty high in talking about these other cuts because these people have been scalped to the bone.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

(By unanimous consent, Mr. LOTT was allowed to proceed for 1 additional minute.)

Mr. LOTT. Mr. Chairman, I have asked for just 1 additional minute so I can respond, and I will be brief.

My understanding was that this bill was $805 million above what the President asked for. According to the gentleman's committee report, when we took out $496.3 million, it still left about $300 million over what the administration asked for.

Again, we can start quibbling over figures, but I want to make the point that I think it certainly would be all right with me if we could cut some of these bills below what the administration asked for.

We, after all, must make those final judgments.

I think I have made my point. I appreciate the difficult job the gentleman has done on the committee. Just keep their feet to the fire is all I am asking.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I move to strike the last word.

Mr. Chairman, sitting on my desk, in my office, is an amendment to the State Department authorization bill which would require the Secretary of State to reduce funding to the United Nations organizations if the United States is denied a seat we traditionally have held on a U.N. board, committee, or commission.

I will not introduce that amendment today, but I do want to serve notice that if we continue to let opposing nations direct the course of U.N. policy against our best interests, I will work very hard to reduce, if not eliminate, our contributions to the various U.N. organizations.

Ostensibly, we belong to the United Nations because its goals enhance our foreign policy goals; however, increasingly, U.N. bodies are being exploited to promote programs and activities that are inimical to the interests of the United States and our Western allies.

There are many examples of this.

In an episode that is without precedent, the United States last spring was denied, for the first time ever, a seat on the United Nations Statistical Commission, which establishes guidelines for gathering statistical data used by other agencies.

In accordance with a longstanding tradition, permanent members of the Security Council are routinely represented on this and several other commissions. By secret vote, however, the Economic and Social Council removed the United States from the Commission. Thus, the opportunity for the United States to influence the policies of the Statistical Commission has been greatly diminished. Ambassador Jeane Kirkpatrick has said she believes the vote was orchestrated by a group of Third World nations bent on taking a slap at certain U.S. policies—especially our insistence that Israel be treated in a manner consistent with the U.N.'s formal rules of procedure.

This action establishes a precedent which should not go unnoticed by American taxpayers, who contribute 25 percent of the U.N. budget—more than twice the amount paid by any other nation—or by this Congress, which should insist that the funds we appropriate for foreign affairs in these lean years be used only to enhance our foreign policy goals.

In another ominous move, the United Nations Educational, Scientific, and Cultural Organization is embarked on a scheme to regulate news content and to control press conduct around the world. The plan is an essential part of UNESCO's promotion of the new world information order, which is hailed by its proponents—principally the Soviet Union and its Third World allies—as a systematic effort to insure so-called balanced dissemination of news and information around the world.

Apart from the absurdity of entrusting a body as political as UNESCO with formulating rules and regulations for the world's news media, the very notion smacks of censorship and conjures up the prospect of an Orwellian Big Brother which is contrary to our concepts as embodied in the first amendment and going back to John Peter Zenger's trial.

It is no wonder that representatives of major news organizations in some 20 countries met in France to condemn the proposal as a dangerous encroachment on press freedom. Unfortunately, the strong opposition from the media and many Western governments has not dissuaded UNESCO from going forward with plans to implement the proposal.

Taking swipes at Israel is another favorite exercise in the United Nations. Last spring, a bloc of Arab and African nations attempted to have Israel disinvited to an international conference aiding African refugees after a formal invitation had been extended by the conference organizers and accepted by Israel. Only when the United States threatened to boycott the conference was Israel finally allowed to attend.

A group that is particularly adept at using the United Nations for purposes in opposition to the United States best interests is the Palestine Liberation Organization. Not content with its status as an observer, the PLO has repeatedly sought to take part in U.N. activities, especially in the Security Council, as though it were a full-fledged member nation.

Rule 37 of the Provisional Rules of Procedure of the Security Council applies to nations who are members of the U.N. but not of the Security Council. Rule 39 applies to interested parties who do not enjoy U.N. membership. For several years, the PLO has attempted to gain access to the Security Council by way of rule 37. The PLO is attempting to do, behind the barn, what peace-loving nations have not allowed out front. That terrorist organization is attempting to gain recognition as a legitimate government. Unfortunately, U.S. opposition to the use of rule 37 by the PLO is ineffective as most other Western nations on the Security Council abstain on votes to allow the PLO access to the Security Council under this rule.

Mr. Chairman, I could recite other examples of actions taken in opposition to our expressed foreign policy and in attempts to prevent our influence, but the recitation would be so long that it would bore the Chamber.

The point is that the United States is losing—if it has not lost already—its efficacy in promoting American foreign policy goals through the United Nations. Increasingly, the dollars we give to the United Nations underwrite organizations which subvert or circumvent our foreign policy goals. If this continues, I, for one, will move to significantly reduce our funding for the United Nations.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this authorization bill. H.R. 3518 provides the resources for the principal elements of this country's foreign affairs programs, the principal being the Department of State which conducts our affairs with foreign governments here and abroad. At the request of the administration, we have reduced the number of State Department personnel positions in fiscal year 1982 by 500. State has fewer employees today than it did a dozen years ago—16,285, down from a peak of 17,012 in 1959, yet the burdens on our Foreign Service people continue to mount—hazardous conditions and increasing workloads, and reporting requirements continue to increase. Consular workloads, especially, are on the rise. This is a barebones bill, then, and I urge you to support it.

One particularly important feature of H.R. 3518 is the authority granted to the State Department to enforce reciprocity with other governments. With this authority, the United States will be able to act more like the power it is; the benefits, privileges, and immunities it extends to foreign governments here, under this legislation, could be directly related to those afforded the United States abroad. The treatment of U.S. missions and personnel overseas could be reflected in our treatment of the missions and personnel of foreign nations in the United States.

The International Communication Agency (ICA), whose name was, and I trust will be again, the U.S. Information Agency (USIA), is also covered by this bill. ICA's job is to provide information abroad about the United States and its objectives. It counters Communist propaganda around the world and I hope will play a greater role in exposing and countering Soviet propaganda and disinformation activities, ICA's programs, especially.

The Voice of America (VOA) radio broadcasts are necessary to give the U.S. side of the story to the rest of the world. As elsewhere, the Soviets are outspending us in the informational competition they are so clever at. We must stay in the contest in the sphere of public diplomacy.

The Board of International Broadcasting (BIB) provides for Radio Free Europe (RFE) and Radio Liberty (RL). They provide timely news and analysis to the captive peoples of the Soviet empire without which these peoples would have little or no access to the truth. They provide a communications link with the courageous defenders of human rights behind the Iron Curtain. RFE, particularly, has played a profound and salutary effect on events unfolding in Poland during the past year and more. These radios counter Soviet propaganda with a diet of truth for the information-starved peoples of the Communist world.

I urge passage of H.R. 3518.

The CHAIRMAN. Are there any further amendments of title II? If not, the Clerk will read title III.

The Clerk read as follows:

TITLE III—BOARD FOR INTERNATIONAL BROADCASTING

SHORT TITLE

SEC. 301. This title may be cited as the "Board for International Broadcasting Au-

thorization Act, Fiscal Years 1982 and 1983".

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 302. Subparagraph (A) of section 8(a)(1) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877(a)(1)(A)) is amended to read as follows:

"(A) $100,300,000 for fiscal year 1981, $98,317,000 for the fiscal year 1982, and $115,031,000 for the fiscal year 1983; and".

Mr. FASCELL (during the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

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The CHAIRMAN. Are there any amendments to title III?

If not, the Clerk will read title IV.

The Clerk read as follows:

TITLE IV—MISCELLANEOUS PROVISIONS

INTER-AMERICAN FOUNDATION

SEC. 401. (a) The first sentence of section 401(s)(2) of the Foreign Assistance Act of 1969 (22 U.S.C. 290f(s)(2)) is amended by striking out "$25,000,000 for each of the fiscal years 1979 and 1980" and inserting in lieu thereof "$12,000,000 for the fiscal year 1982 and $20,000,000 for the fiscal year 1983".

(b) Section 401(h) of that Act (22 U.S.C. 290f(h)) is amended by striking out "actual and necessary expenses not in excess of $50 per day, and for transportation expenses" and inserting in lieu thereof "travel expenses, including per diem in lieu of subsistence, in accordance with section 5703 of title 5, United States Code".

Mr. FASCELL (during the reading). Mr. Chairman, I ask unanimous consent that title IV be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: Page 38, after line 8, insert the following new section:

SCIENTIFIC EXCHANGES WITH THE SOVIET UNION

SEC. 402. (a) Prior to renewal of the General Agreement on Contacts, Exchanges and Cooperation between the United States and the Union of Soviet Socialist Republic, and prior to resumption of high-level meetings or of planning for future exchange activities or to increasing significantly individual exchange activities pursuant to the 11 agreements for cooperation in specialized fields which were entered into by United States and the Union of Soviet Socialist Republic between 1972 and 1974, or by June 1, 1982 (whichever occurs first), the Secretary of State shall submit to the Speaker of the House of Representatives and Chairman of the Committee on Foreign Relations of the Senate a report containing—

(1) an assessment of the risk of the transfer to the Soviet Union of militarily significant technology through research, exchanges, and other activities conducted pursuant to those agreements; and

(2) a detailed description on the exchanges and other activities conducted pursuant to those agreements during fiscal year 1979, fiscal year 1980, and fiscal year 1981, including—

(A) the areas of cooperation,

(B) the specific research and projects involved,

(C) the man-hours spent in short-term (less than 60 days) and long-term exchanges,

(D) the level of United States and Soviet funding in each such fiscal year, and

(E) an assessment of the equality or inequality in value of the information exchanged.

(b) The Secretary of State shall prepare the report required by subsection (a) in counsultation and cooperation with the Secretary of Defense and the heads of the other agencies involved in the exchange and other cooperative activities conducted pursuant to the agreements described in that subsection.

(c) No funds appropriated for the Department of State or the International Communication Agency may be obligated or expended after June 30, 1982, to finance any long-term scientific or technological study in the United States by citizens of the Soviet Union in the U.S.-U.S.S.R. Graduate Student/Young Faculty Exchange or in the U.S.-U.S.S.R. Senior Scholar Exchange.

Mr. FINDLEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. FINDLEY. Mr. Chairman, this amendment does two things. First of all, it requires a report from the administration before the administration can resume the traditional scientific conference exchanges and other activities in the scientific field with the Soviet Union. These activities were suspended in the wake of the Afghanistan invasion, for the most part, and they may not be resumed at all. But it is my feeling that before they are resumed, the Congress should have the analysis of the executive branch as to the risk to our national security that might be involved in the resumption of these conferences.

The amendment does one other thing, and that is to assure the mutuality of any academic exchanges that may occur between the United States and the Soviet Union in the future.

Despite Afghanistan, we have continued the academic scientific exchange program with the Soviet Union under which 70 U.S. academics, mostly in their thirties and forties, hardly the high-school age level, have come to this country to study for the entire 9-month period of the academic year.

Now, in exchange we have had the opportunity to send 70 of our people over there, but never has the Soviet Union permitted our academics to study designs or technology in any aspect. Our people study opera history and humanities; that sort of thing. But the Soviets that come to our country under this program study high technology.

Let me list just a few of the examples of the scientific study that Soviet scientists are today being permitted to undertake in this country: measuring computing systems for automation; oxidation of flow discharge silicon films; interaction of ions with solid surfaces; models in rarefied gas dynamics problems; fluid mechanics; heat and mass transfer in duct flows at low velocity; synthesis of variable valency complexes for polymer materials; solar cell semiconductor problems; gas dynamics of reactive and multiphase systems; photoelectric and luminescent properties of heterojunctions; microelectronic apparatus and computer-aided design; mass transfer of gases and vapors in multicomponent polymer materials; space flight trajectories in the target plane; heating and stability of plasmas in magnetic fields; development of electronic computers for solution of nonlinear and differential equations.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Florida.

Mr. FASCELL. I think the gentleman has made his point. Frankly, the question of reciprocity in these kinds of things is a frustrating issue. I think basically it ought to be primarily an Executive decision on when and how they obtain reciprocity. However, I see nothing wrong with a congressional expression.

I would not want to lock in the President. However, I think basically, fundamentally, the amendment proceeds in the right direction, and on this I am prepared to accept it, and if we have any difficulties, we can try to straighten it out.

Mr. FINDLEY. It does require mutuality, because the Soviets are unwilling to let us study technology over there.

Mr. FASCELL. I understand that thoroughly. I am not sure we can define mutuality here specifically legislatively is the only point I was making. Ultimately that becomes an Executive decision.

Mr. FINDLEY. I thank the gentleman for his support.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, we on this side have had the opportunity to look over the gentleman's amendment. We think it is a valuable contribution to the bill and we accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. FINDLEY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DANIELSON

Mr. DANIELSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DANIELSON: On page 38, insert the following after line 8:

REPORT TO THE CONGRESS

SEC. 402. (a) Not later than 60 days after the date of enactment of this act, the President shall prepare and transmit to the Congress a full and complete report on the total cost of Federal, State, and local efforts to assist refugees and Cuban and Haitian entrants within the United States or abroad for each of the fiscal years 1981 and 1982. Such report shall include and set forth for each such fiscal year—

(1) the costs of assistance for resettlement of refugees and Cuban and Haitian entrants within the United States or abroad;

(2) the costs of United States contributions to foreign governments, international organizations, or other agencies which are attributable to assistance for refugees and Cuban and Haitian entrants;

(3) the costs of Federal, State, and local efforts other than described in paragraphs (1) and (2) to assist, and provide services for, refugees and Cuban and Haitian entrants; and

(4) administrative and operating expenses of Federal, State, and local governments that are attributable to programs of assistance or services described in paragraphs (1), (2) and (3); and

(5) administrative and operating expenses incurred by the United States because of the entry of such aliens into the United States.

(b) For purposes of this section—

(1) the term "refugees" is used within the meaning of paragraph (42) of section 101 (a) of the Immigration and Nationality Act; and

(2) the phrase "Cubans and Haitian entrants" means Cuban and Haitians paroled into the United States, pursuant to section 212(d)(5) of the Immigration and Nationality Act, during 1980 who have not been given or denied refugee status under the Immigration and Nationality Act.

Mr. DANIELSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from Florida.

Mr. FASCELL. The gentleman has been very courteous in making the amendment available to us in sufficient time to consider it thoroughly. We think it is a very important contribution. We are prepared to accept the amendment on this side.

Mr. DANIELSON. I thank the chairman.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. DANIELSON. I am pleased to yield to the gentleman.

Mr. DERWINSKI. Mr. Chairman, we recognize the gentleman's special interest and expertise in refugee problems. I realize he has worked at this as hard as any individual Member of Congress.

This bill lends itself to this amendment. Therefore, I am pleased to indicate the acceptance on this side.

May I also add, by the way, if the gentleman will permit me, that I call to the attention of the House that in this bill we do provide for an increase in funds for refugee assistance. I am pleased that in their wisdom the Members of the House have not attempted to cut into that figure because, quite frankly, given the world situation, we are apt to be facing more rather than fewer refugee problems.

Therefore, I commend the gentleman from California for his special leadership in this field.

Mr. DANIELSON. I thank the gentleman for his comments.

I will be very brief under the circumstances.

I would like to remind some of our Members who have not been totally involved in this particular issue that the cost of refugee assistance has reached astronomical proportions and, unfortunately, none of us knows exactly what it costs.

For example, in the bill before us, as I understand it, it calls for an authorization of $553,100,000 for the fiscal year 1982 and $555,600,000 for the following fiscal year, somewhat more than a half billion dollars in each year. However, this is nothing but the foam on the surface. There is a lot more that we do not know about.

There is at least another half a billion dollars in the Department of Health and Human Services for State-administered programs, voluntary agency programs, Cuban programs for those who arrived prior to 1978, education assistance for children, preventive health screening, Federal administrative costs, aid to families with dependent children (AFDC), supplemental security income (SSI), medicaid and formula grants for education of refugee children. In addition to the moneys in HHS, there are funds in the Department of Agriculture for food stamps, the school lunch and breakfast programs, the Family Extension Service and the Forest Service Job Corps Center. The Department of Commerce provides assistance through the national sea grant program and the Minority Business Development Administration. The Department of Housing and Urban Development provides assistance through public housing and section 8 housing. The Department of Justice provides services through their Community Relations Service. I know that the Department of Labor has provided services through the Job Corps, CETA, and Federal-State employment service programs. ACTION provides assistance, the INS has a major involvement, and the Defense Department is involved. The list goes on and on.

I have recently returned from a trip to Southeast Asia where most of these refugees are generated. I find that the costs are disbursed through so many different accounts, through so many different purses, that there is no place where we can truly find out what it costs.

I do know, through some information I have acquired, that although we had comparable figures 2 years ago, a more accurate estimate was that there were $1.7 billion in the 1980 fiscal year and $2.112 billion in the fiscal year 1981. But that estimate was put together before—I say again—before the invasion of Cubans and Haitians a little over a year ago. So it means absolutely nothing.

My best guess is that we may be up in the $3 billion figure at the present time, and that is just a downpayment, because when they arrive here, then we still have to put them through educational, technical training, and other programs in order to help them to assimilate and become adapted to our society and to our economy.

It is essential, I submit, that the Congress know what this costs so that we can properly evaluate our programs in the near future.

I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. DANIELSON).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ZABLOCKI

Mr. ZABLOCKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ZABLOCKI: Page 38, after line 8, insert the following new section:

SUPPORTING IMPLEMENTATION OF THE WORLD HEALTH ORGANIZATION VOLUNTARY CODE ON INFANT FORMULA

SEC. 402. (a) The Congress finds that—

(1) there is overwhelming scientific evidence that breastfeeding has substantial advantages for infant health and growth, that it offers an uncontaminated food supply, an early transfer of antibodies protective against infectious diseases, and a naturally evolved and tested nutritional source, and that it is an important factor in bonding between mother and child;

(2) numerous studies, in a wide variety of developed and developing countries, over a long period of time, have shown that artificial infant feeding is associated with higher rates of illness and death and, in poor communities, with lessened growth and nutrition;

(3) the problem of unrefrigerated infant formula prepared with polluted water and placed in inadequately cleaned bottles is further complicated by flies and heat in tropical climates;

(4) 100 million of the 125 million children in the world below the age of one are born in developing countries;

(5) 10 million of these 100 million children will probably not live until their first birthday;

(6) diarrhea and other infectious diseases, when combined with the problems of malnutrition, account for more than half of these deaths;

(7) the use of infant formula rather than breastfeeding is estimated to account for up to a million of these deaths per year; and

(8) at a recent meeting of the World Health Organization, the United States was the only country, in a 118 to 1 vote, to vote against a voluntary code to encourage breastfeeding and to curb inappropriate marketing and advertising of infant formula, particularly in the Third World.

(b) Therefore, the Congress—

(1) expresses its dismay at the negative vote cast by the United States on May 21, 1981, at the Thirty-Fourth World Health Assembly of the World Health Organization on the "International Code of Marketing of Breastmilk Substitutes";

(2) urges the administration to notify promptly the World Health Organization that the Government of the United States will cooperate fully with other nations in implementation of that code;

(3) urges the United States infant formula industry to abide by the guidelines of the code, particularly with respect to exports and the activities of subsidiaries in developing countries; and

(4) reaffirms the dedication of the United States to the protection of the lives of all the world's children and the support of the United States for efforts to improve world health.

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Chairman, this is an amendment we have already passed earlier in the Congress.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I would be delighted to yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, this amendment is the same language as passed by the House previously?

Mr. ZABLOCKI. Mr. Chairman, the amendment offered is identical to language the House approved by a 3-to-1 margin on June 16.

The House is being asked to approve this language again in order to take it into conference with the Senate, since it appears the Senate will not take up the House resolution.

Senate-passed language on infant formula is much more general than the House language. Specifically, it:

First, expresses only "concern" at the U.S. vote on the issue at the World Health Assembly (House language expresses dismay);

Second, urges the U.S. Government and the infant formula only to "support the basic aim" of the code. House language urges the industry to abide by the guidelines of the code, particularly with respect to exports and activities of subsidiaries in developing countries, where problems are most severe.

In short, while the Senate-passed language speaks to the general issue of the infant formula problem, it is very gentle in its treatment of the U.S. position as expressed in the "no" vote at the World Health Assembly. By bringing the previously House-approved language into conference, a much more meaningful statement can be enacted.

Mr. FASCELL. The other body, as I understand it, has language in this bill in order to go to conference? Is that correct?

Mr. ZABLOCKI. The other body has language in their version of this bill somewhat similar. I believe our language is much more supportive of our position. I would hope that the House would accept this.

Mr. FASCELL. On this, we have no objection, if that is the only purpose.

Mr. ZABLOCKI. I thank the gentleman for accepting the amendment.

Mr. GILMAN. Mr. Chairman, would the gentleman yield?

Mr. ZABLOCKI. I would be delighted to yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding.

Mr. Chairman, I rise in strong support of the amendment offered by the distinguished chairman of the Committee on Foreign Affairs, the gentleman from Wisconsin (Mr. ZABLOCKI), which endorses the World Health Organization Code on the Marketing of Breast Milk Substitutes. As the gentleman explained, the language of this amendment is identical to House Joint Resolution 287, legislation which the House passed earlier this session by a vote of 301 to 100.

As a sponsor of an earlier resolution supporting that code, introduced by my colleague, the gentleman from Iowa (Mr. HARKIN), I have come to recognize the critical problems stemming from the improper use of infant formula.

The Marketing of Breast Milk Substitutes Code was developed principally in response to the improper use of breast milk substitutes in developing countries. When mixed with contaminated water and overly diluted so as to stretch out meager supplies, infant formula poses a severe and widely recognized health hazard. Under such conditions, higher rates of infant disease and death are unavoidable.

The United States was the only nation to oppose adoption of this code, doing so primarily because its delegation to the World Health Organization meeting claimed that the code would interfere with the legitimate marketing of infant formula, and that such marketing alone was not responsible for the increased use of infant formula in developing nations.

Mr. Chairman, as drafted, the code is not a regulation, but instead recommends action to be taken to help assure that infant formula is not used improperly.

In testimony before the Committee on Foreign Affairs, Mr. Stuart F. Pierson, an expert on constitutional procedures, stated that industry claims that there is a constitutional prohibition against voting to consider the recommended code are clearly invalid.

The Senate has also passed a resolution expressing concern about the U.S. vote in opposition to the code. However, the House-passed measure expresses stronger support for the infant formula code, especially as concerns implementation in developing countries where problems have proved to be most critical.

If the sense of the House, as expressed in House Joint Resolution 287, is to be given the credence it deserves on this important issue, adoption of this amendment is imperative.

Accordingly, I urge my colleagues to support this amendment to stress our Nation's strong endorsement of the code on the marketing of breast milk substitutes. The lives of millions of infants throughout the world are at stake.

Mr. ZABLOCKI. Is there acceptance on the minority side? Otherwise, I would have to perhaps reserve my time.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I am happy to yield to the gentleman from Illinois.

Mr. DERWINSKI. Given the tremendous wisdom and logic of the gentleman from Wisconsin, we naturally accept the amendment.

Mr. KINDNESS. Mr. Chairman, I move to strike the last word, and as many others as are required.

Mr. Chairman, I object strongly to this amendment being considered by so few on the floor of the House. There has been perhaps precious little attention paid to the content of this total authorization bill up to now, but I hardly understand the reason for again presenting to the House the same language which it has already acted upon back in June.

I understand that it is desired that a particular set of words be in this authorization bill so as to meet up with some different words from the other body in conference, but I am not persuaded that it is necessary to go through this same exercise that has been done already one more time in order to do that.

There is already passed by this House the resolution having to do with this very same subject matter and the same words. Why that cannot be discussed in the conference as

against the language that the other body may or may not produce is beyond me.

I think what we are really presented with is a question of whether the other body may delete the language in its comparable version of the authorization bill. If that is the case, then there would not be any such language to be discussed in conference. I would think that would be a highly desirable result.

I think it was a mistake on the part of this House to have been stampeded into acting on the resolution back in June saying, "Oh, we deplore the action that has been taken by the administration," after it had already occurred.

I do not seek to argue the question of whether breast feeding or infant formula feeding is appropriate or inappropriate in certain circumstances. That was not even the question that was presented to the House on that occasion, and it is not the question presented to the House now.

The question presented to the House now is: Shall we one more time say to the administration that "You have taken a position that is now in the past with which we disagree." All right. We have done that. Nothing really is going to be accomplished further by once more inserting these words in some legislation passed by this House.

I would implore the Members of the House not to do this one more time, simply wringing our hands over something which is a past action by the administration. I happen to have agreed with the administration. Others disagree. And it apparently runs at the ratio of about 3 to 1.

Now, I certainly do not see any reason why we should one more time go through this process of voting on some language. Despite the 3-to-1 vote on that language back in June, I trust there were a lot of those who voted for it who were really stampeded into it, and reason and logic would impel them otherwise, and perhaps we might even get a record vote on it.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. KINDNESS. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. I thank the gentleman for yielding.

I want to make it indelibly clear: It is true that in June of this year, by a 3-to-1 margin, we had passed a resolution on this issue. The Senate has refused thus far to even consider our version. The only purpose of repeating our language for the sake of having some language in conference with the Senate is the purpose of my amendment. If we do not have anything in our version, then certainly the resolution we passed earlier would not be in conference.

Mr. KINDNESS. I would suggest to the gentleman that that is one of the great benefits of a bicameral legislature.

Mr. ZABLOCKI. But unfortunately, we do not have the situation here at the present time. I would hope that the gentleman understands the purpose of the gentleman from Wisconsin is to bring the issue of the two versions, the Senate and the House version, into conference.

□ 1400

Mr. KINDNESS. I thank the gentleman for that clarification, which I did state, and I did not mean to twist in what I expressed, but I think it is clear that if this action is not taken today, we may very well not have any language considered in the conference that goes to this point. And indeed the gentleman from Wisconsin, the chairman of the committee, would like to see it otherwise.

I would agree with the result that would obtain if we do not pass this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. McDONALD. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The pending business is the demand of the gentleman from Georgia (Mr. McDONALD) for a recorded vote.

A recorded vote was refused.

So the amendment was agreed to.

The CHAIRMAN. Are there other amendments to the bill or to title IV? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. KAZEN) having assumed the chair, Mr. HALL of Ohio, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3518) to authorize appropriations for fiscal years 1982-83 for the Department of State, the International Communication Agency, and the Board for International Broadcasting, and for other purposes, pursuant to House Resolution 182, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is there a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. LOTT

Mr. LOTT. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. LOTT. I am, in its present form, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. LOTT moves to recommit the bill, H.R. 3518, to the Committee on Foreign Affairs.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LOTT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 165, nays 226, not voting 42, as follows:

[Roll No. 211]

YEAS—165

| | | |
|---|---|---|
| Addabbo | Brodhead | Davis |
| Akaka | Brooks | Dellums |
| Annunzio | Broomfield | DeNardis |
| Barnes | Brown (CA) | Derrick |
| Bedell | Burton, John | Derwinski |
| Beilenson | Chappell | Dicks |
| Benjamin | Chisholm | Dixon |
| Biaggi | Clay | Dorgan |
| Bingham | Clinger | Dornan |
| Blanchard | Coleman | Dwyer |
| Boggs | Collins (IL) | Dymally |
| Bolling | Conte | Edgar |
| Bonior | Coyne, William | Edwards (AL) |
| Bonker | Danielson | Edwards (CA) |
| Bowen | Daschle | Erdahl |

| | | |
|---|---|---|
| Erlenborn | Kildee | Regula |
| Ertel | Lantos | Reuss |
| Evans (DE) | Leach | Rhodes |
| Fary | LeBoutillier | Richmond |
| Fascell | Lehman | Rodino |
| Fazio | Leland | Rosenthal |
| Fenwick | Lent | Roth |
| Findley | Long (LA) | Roybal |
| Fish | Long (MD) | Sabo |
| Foglietta | Lowry (WA) | Schumer |
| Foley | Lundine | Seiberling |
| Ford (MI) | Madigan | Shamansky |
| Ford (TN) | Markey | Shannon |
| Forsythe | Marks | Simon |
| Fowler | Mavroules | Smith (IA) |
| Frank | McClory | Smith (NJ) |
| Frost | McHugh | Smith (PA) |
| Fuqua | McKinney | Solarz |
| Garcia | Mica | Stanton |
| Gejdenson | Mikulski | Stokes |
| Gibbons | Mineta | Stratton |
| Gilman | Minish | Studds |
| Gonzalez | Mitchell (MD) | Swift |
| Gore | Mitchell (NY) | Traxler |
| Gray | Mollohan | Vander Jagt |
| Green | Murtha | Vento |
| Hagedorn | Natcher | Walgren |
| Hall (OH) | Nichols | Washington |
| Hamilton | Nowak | Waxman |
| Hatcher | Oberstar | Weiss |
| Hawkins | Obey | White |
| Heckler | Ottinger | Whitten |
| Heftel | Pease | Winn |
| Hertel | Petri | Wolpe |
| Howard | Peyser | Wright |
| Hoyer | Porter | Yates |
| Jeffords | Price | Yatron |
| Jones (NC) | Pritchard | Young (MO) |
| Kastenmeier | Rahall | Zablocki |
| Kazen | Railsback | Zeferetti |

NAYS—226

| | | |
|---|---|---|
| Albosta | Dowdy | Jenkins |
| Alexander | Downey | Johnston |
| Anderson | Dreier | Jones (OK) |
| Andrews | Duncan | Jones (TN) |
| Anthony | Dunn | Kemp |
| Applegate | Dyson | Kindness |
| Archer | Eckart | Kogovsek |
| Ashbrook | Edwards (OK) | LaFalce |
| Aspin | Emerson | Lagomarsino |
| Atkinson | Emery | Latta |
| AuCoin | English | Leath |
| Badham | Evans (GA) | Lee |
| Bafalis | Evans (IN) | Levitas |
| Bailey (MO) | Ferraro | Lewis |
| Bailey (PA) | Fiedler | Livingston |
| Benedict | Fields | Loeffler |
| Bennett | Fithian | Lott |
| Bereuter | Flippo | Lowery (CA) |
| Bethune | Fountain | Luken |
| Bevill | Frenzel | Lungren |
| Bliley | Gaydos | Marlenee |
| Boner | Gephardt | Marriott |
| Bouquard | Gingrich | Martin (IL) |
| Breaux | Glickman | Martin (NC) |
| Brinkley | Goodling | Matsui |
| Brown (CO) | Gradison | Mattox |
| Brown (OH) | Gramm | Mazzoli |
| Broyhill | Gregg | McCollum |
| Butler | Grisham | McCurdy |
| Byron | Guarini | McDade |
| Campbell | Gunderson | McDonald |
| Carman | Hall, Sam | McEwen |
| Carney | Hammerschmidt | McGrath |
| Chappie | Hance | Michel |
| Cheney | Hansen (ID) | Miller (OH) |
| Clausen | Hansen (UT) | Moakley |
| Coats | Harkin | Moffett |
| Coelho | Hartnett | Molinari |
| Collins (TX) | Hefner | Montgomery |
| Conable | Hendon | Moore |
| Conyers | Hiler | Moorhead |
| Corcoran | Hillis | Morrison |
| Courter | Holt | Murphy |
| Coyne, James | Hopkins | Myers |
| Crane, Philip | Hubbard | Napier |
| D'Amours | Huckaby | Neal |
| Daniel, Dan | Hughes | Nelligan |
| Daniel, R. W. | Hunter | Nelson |
| Dannemeyer | Hutto | Oxley |
| Daub | Hyde | Panetta |
| Deckard | Ireland | Parris |
| Dickinson | Jacobs | Pashayan |
| Donnelly | Jeffries | Patman |
| Patterson | Sharp | Taylor |
| Paul | Shaw | Thomas |
| Perkins | Shelby | Trible |
| Pickle | Shumway | Udall |
| Pursell | Shuster | Volkmer |
| Rangel | Siljander | Walker |
| Ratchford | Skeen | Watkins |
| Rinaldo | Skelton | Weaver |
| Ritter | Smith (AL) | Weber (MN) |
| Roberts (KS) | Smith (NE) | Weber (OH) |
| Roberts (SD) | Smith (OR) | Whitehurst |
| Robinson | Snowe | Whitley |
| Roe | Snyder | Whittaker |
| Roemer | Solomon | Williams (MT) |
| Rogers | Spence | Williams (OH) |
| Rose | Stangeland | Wirth |
| Roukema | Stark | Wolf |
| Rousselot | Staton | Wortley |
| Russo | Stenholm | Wyden |
| Schneider | Stump | Wylie |
| Schroeder | Synar | Young (FL) |
| Schulze | Tauke | |
| Sensenbrenner | Tauzin | |

NOT VOTING—42

| | | |
|---|---|---|
| Barnard | Florio | O'Brien |
| Beard | Ginn | Oakar |
| Boland | Goldwater | Pepper |
| Burgener | Hall, Ralph | Quillen |
| Burton, Phillip | Hightower | Rostenkowski |
| Coughlin | Holland | Rudd |
| Craig | Hollenbeck | Santini |
| Crane, Daniel | Horton | Savage |
| Crockett | Kramer | Sawyer |
| de la Garza | Lujan | Scheuer |
| Dingell | Martin (NY) | St Germain |
| Dougherty | McCloskey | Wampler |
| Early | Miller (CA) | Wilson |
| Evans (IA) | Mottl | Young (AK) |

□ 1415

The Clerk announced the following pairs:

On this vote:

Mr. Pepper for, with Mr. Mottl against.

Mr. Boland for, with Mr. Miller of California against.

Mr. Santini for, with Mr. Quillen against.

Mr. Crockett for, with Mr. Rudd against.

Until further notice:

Ms. Oakar with Mr. Young of Alaska.

Mr. St Germain with Mr. O'Brien.

Mr. Early with Mr. Goldwater.

Mr. Barnard with Mr. Wampler.

Mr. Phillip Burton with Mr. Ralph M. Hall.

Mr. de la Garza with Mr. Sawyer.

Mr. Hightower with Mr. Lujan.

Mr. Scheuer with Mr. Dougherty.

Mr. Wilson with Mr. Horton.

Mr. Rostenkowski with Mr. Burgener.

Mr. Ginn with Mr. Daniel B. Crane.

Mr. Florio with Mr. Coughlin.

Mr. Dingell with Mr. McCloskey.

Mr. Holland with Mr. Beard.

Mr. Hollenbeck with Mr. Kramer.

Mr. Evans of Iowa with Mr. Craig.

Mr. Savage with Mr. Martin of New York.

Messrs. ASPIN, ANTHONY, ALBOSTA, ALEXANDER, PATTERSON, ROE, BUTLER, MOFFETT, Mrs. SCHNEIDER, and Mr. HARKIN changed their votes from "yea" to "nay."

Mr. WEISS and Mr. DICKS changed their votes from "nay" to "yea."

So the bill was not passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## PARLIAMENTARY INQUIRY

Mr. FASCELL. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. FASCELL. Mr. Speaker, I assume that the motion to reconsider has been laid on the table. I hope that is true.

The SPEAKER pro tempore. The Chair will inform the gentleman that it has.

Mr. FASCELL. That is good, Mr. Speaker, because with this overwhelming endorsement of the Secretary of State I would not want to be put in the position of having to do something affirmative. I will make a request to allow all Members to have 5 days in which to extend their remarks, and in that way they can vent their spleen on whomever they want.

## GENERAL LEAVE

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all Members may have 15 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

## THE "SURPRISE" VOTE ON THE DEPARTMENT OF STATE AUTHORIZATION ACT

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute.)

Mr. DERWINSKI. Mr. Speaker, I share with the gentleman from Florida the slight surprise at the developments this afternoon.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Speaker, I am not surprised by this vote. I predicted it before we started.

Mr. DERWINSKI. I actually thought that most of the serious opposition had disappeared. I did not expect to have the result we did.

But I have a slightly different interpretation. I interpret this to mean that the unexpected vote will of necessity have to be reversed in the next week or two. I believe it is a result of the misunderstood relationship between the operating of Government and the confusing positions taken by the Director of OMB. Given the confusion that I think comes from OMB and the overkill that is involved there this vote can be understood. We should understand that if we do not have a functioning Government, we then have anarchy. We have to have authorization of Government.

So, Mr. Speaker, when this gets turned around, the world will stay on its course and the Department of State will ultimately be saved.

Mr. Speaker, this vote should not be considered a reflection on the conduct of our foreign affairs by Secretary of State Al Haig. He is the strongest member of the Cabinet and the best appointment of the President. If there is any confusion in the conduct of our foreign affairs it is in the unseen advisers in the White House. As the Secretary is allowed to take hold, foreign policy matters will be handled effectively and well.

## REQUEST FOR CONSIDERATION OF HOUSE CONCURRENT RESOLUTION 183, NATIONAL RUGBY TEAM OF SOUTH AFRICA

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent for the immediate consideration in the House of the concurrent resolution (H. Con. Res. 183) expressing the sense of the Congress that the national rugby team of South Africa should not play in the United States.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. McDONALD. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

## REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3112, VOTING RIGHTS ACT OF 1965 EXTENSION

Mr. HALL of Ohio, from the Committee on Rules, submitted a privileged report (Rept. No. 97-229) on the resolution (H. Res. 222) providing for consideration of the bill (H.R. 3112) to amend the Voting Rights Act of 1965 to extend certain provisions for an additional 10 years, to extend certain other provisions for an additional 7 years, and for other purposes; which was referred to the House Calendar and ordered to be printed.

□ 1430

## REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4, INTELLIGENCE IDENTITIES PROTECTION ACT

Mr. HALL of Ohio, from the Committee on Rules, submitted a privileged report (Rept. No. 97-230) on the resolution (H. Res. 223) providing for consideration of the bill (H.R. 4) to amend the National Security Act of 1947 to prohibit the unauthorized disclosure of information identifying certain U.S. intelligence officers, agents, informants, and sources; which was referred to the House Calendar and ordered to be printed.

## REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3210, FEDERAL-AID HIGHWAY ACT OF 1981

Mr. HALL of Ohio, from the Committee on Rules, submitted a privileged report (Rept. No. 97-231) on the resolution (H. Res. 224) providing for consideration of the bill (H.R. 3210) to amend the Surface Transportation Assistance Act of 1978, to establish obligation limitations for fiscal year 1982, and for related purposes; which was referred to the House Calendar and ordered to be printed.

## REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3377, AUTHORIZING APPROPRIATIONS FOR JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

Mr. HALL of Ohio, from the Committee on Rules, submitted a privileged report (Rept. No. 97-232) on the resolution (H. Res. 225) providing for consideration of the bill (H.R. 3377), authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes; which was referred to the House Calendar and ordered to be printed.

## OBJECTION TO CONSIDERATION OF SENSE OF CONGRESS ON SOUTH AFRICAN RUGBY TEAM

(Mr. MITCHELL of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MITCHELL of Maryland. Mr. Speaker, this body just had an opportunity to vote on a resolution which would have spoken to the apartheid practices of South Africa. One Member of the House objected and, therefore, with that objection it may be that the interpretation will come out that, indeed, the present administration is tilting toward South Africa and embracing the apartheid policies.

It may be that the impression will come out that this body is unwilling to stand up against a racist regime which is committing unspeakable crimes against black Africans.

Through a parliamentary maneuver, my colleagues were denied an opportunity to stand up and vote for that which is right. However, I am assured by the gentleman from Pennsylvania (Mr. GRAY) and others that there will be an opportunity to vote on this resolution and I would hope that before my colleagues vote on it they will consider the importance of it.

America cannot, must not, ever be allied with anything that is racist and anything that is as wicked and venal as the Government of South Africa.

## PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT

Mr. DIXON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on a bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1982, and for other purposes.

Mr. PORTER reserved all points of order on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

## PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO FILE REPORT ON HOUSE CONCURRENT RESOLUTION 179

Mr. ANDERSON. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation may have until midnight tonight to file a report on the concurrent resolution, House Concurrent Resolution 179.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

## A PERSONAL EXPLANATION

(Mr. FUQUA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FUQUA. Mr. Speaker, I was unable to be here for the session of Tuesday, September 15, and missed three important votes. Had I been able to be here and vote, I would have voted "aye" on rollcall No. 202, a concurrent resolution authorizing a bust or statue of Dr. Martin Luther King, Jr.

I would also have voted "aye" on rollcall No. 203, the HUD-Independent Agencies Appropriations Act conference report.

Additionally, I would have voted "aye" on rollcall No. 205, the legislation increasing pay and allowances for members of the Armed Forces.

## LEGISLATIVE PROGRAM

(Mr. LOTT asked and was given permission to address the House for 1 minute.)

Mr. LOTT. Mr. Speaker, I would like to address the House so we may be advised of the schedule for the rest of this week and the agenda for next week.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. I thank the distinguished Republican whip for yielding.

Mr. Speaker, this concludes the business for today. Tomorrow the House will meet in pro forma session at 10 a.m.

It will be my intention subsequently to ask unanimous consent that when the House adjourns on Friday it stand adjourned to meet on Monday, September 21.

On Monday, September 21, the House will consider a Suspension Calendar of 12 bills. Those bills are:

H. Con. Res. 183, expressing the sense of Congress that the National Rugby Team of South Africa should not play in the United States;

H. Res. 142, sense of Congress objecting to UNESCO's World News and Information Control efforts;

H. Con. Res. 111, sense of Congress opposing Soviet treatment of Yuriy Shukhevych;

H. Res. 193, regarding the safety and freedom of Soviet Citizen Yuri Badzyo;

H. Res. 152, sense of Congress opposing Soviet imprisonment of Anatoli Shcharansky;

H. Res. 214, condemning South Africa's invasion of Angola;

H.R. 1952, authorizations for conservation on military installations and public lands;

H.R. 3016, Fisherman's Protection Act;

H.R. 1953, CEQ (Council on Environmental Quality) authorizations;

H.R. 4084, Marine Mammals Protection Act;

H. Con. Res. 179, highway allocations authorizations; and

H.R. 3995, veterans survivors benefits.

Then we have H.R. 3136, the Overseas Private Investment Corporation amendments of 1981, an open rule, 1 hour of general debate. The rule has already been debated and adopted and we will have general debate only on Monday.

On Tuesday, September 22, we will meet at noon and there will be no suspensions, but recorded votes on suspensions debated on Monday will take place on Tuesday. I will repeat that. There are no substantive votes anticipated for Monday. All votes due on any suspensions on Monday will be considered on Tuesday.

Also on Tuesday we have the District of Columbia appropriations for fiscal year 1982.

We will then come back to H.R. 3136, to complete action on the Overseas Private Investment Corporation Amendments of 1981.

On Wednesday and Thursday the House will meet at 10 a.m. and consider:

H.R. 4, Intelligence Agents Identities Protection Act, open rule, 1 hour.

H.R. 1520, NSF (National Science Foundation) authorization, open rule, 1 hour.

H.R. 3210, Federal Aid Highway Act of 1981, open rule, 1 hour.

H.R. 3377, authorizations for nonperforming arts functions for the Kennedy Center, open rule, 1 hour.

On Friday next, that is the 25th of September, the House will meet in pro forma session only, at 10 a.m.

This announcement is made subject to the usual reservations that conference reports may be brought up and that further announcements may be made at any time.

Mr. LOTT. So the gentleman is saying that there will not be any votes on Friday, the 25th? Did the gentleman say it would be a pro forma session a week from today?

Mr. FOLEY. Yes. The House will meet in pro forma session tomorrow and a week from tomorrow, on Friday, the 25th of September.

Mr. LOTT. The votes on suspensions on Monday will be deferred until Tuesday?

Mr. FOLEY. The gentleman is correct.

Mr. LOTT. I thank the gentleman for the schedule.

## ADJOURNMENT TO MONDAY, SEPTEMBER 21, 1981

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns on Friday, September 18, 1981, it adjourns to meet at noon on Monday, September 21, 1981.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

## DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

## EFFECT OF REAGAN BUDGET CUTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANNEMEYER) is recognized for 30 minutes.

Mr. DANNEMEYER. Mr. Speaker, if the breadwinner of a family earns $20,000 in a given year and he sought another, higher paying job, and he requested a salary of $30,000 and he was in fact offered that job but at a salary of $25,000, could that breadwinner rightfully charge that the offer is unfair because he is taking a cut in pay? The $25,000 is certainly less than the $30,000 he was asking for, but it is also certainly higher than the $20,000 he was making.

My point is this: What has been all too infrequently mentioned, if not conveniently overlooked, by most critics and commentators on the effect of the President's budget package is that fiscal year 1982 outlays total $723 billion compared to $685.2 billion for fiscal year 1981 and $593.8 billion for fiscal year 1980.

□ 1445

Including the so-called cuts enacted this summer by the Congress, the 1982 budget is still $37.8 billion higher than 1981 and represents a 21.8-percent increase from 1980.

How can this be called a massive, drastic and harsh cut, when we are spending more than the preceding year?

The Congressional Budget Office, which is less optimistic about administration estimates, believes 1982 will wind up costing from $48 billion to $54 billion more than fiscal year 1981. This even more clearly underlines the fact that what we have is a far cry from an actual cut.

The problem is, of course, that we cannot simply be satisfied with this relatively modest budget increase. Outgo continues to run consistently ahead of income.

Now, for those who are uneasy, skeptical, or merely appalled at my list of possible additional budget cuts, if all of these proposals were enacted, totaling $52 billion, that would most likely result in 1982 outlays being from $5 to $10 billion higher than 1981. There would still be more spending than the preceding year. And, at the worst, outlays would roughly approximate 1981 outlays.

So even if we slice off another $52 billion from what has already been reduced, there would be no actual cut from the preceding year's budget.

Budget cuts, as we call them, are cuts in proposed increases, not decreases and, as such, do not deserve the panic-instilling aura that has been created around them. This is what Wall Street knows. This is what taxpayers who look at the figures know. This is what we have to remember when we pace the floor, wondering what to do next about the killer deficits.

The Members will recall that over the course of the past 3 or 4 days, this Member has taken the well of the House for the purpose of mentioning

and describing in brief detail some of those 272 items which reflect the work product of the Republican Research Committee Economic Task Force Budget Study Subcommittee, which this Member chairs.

Today, in line with what I have been doing over the last few days, it is my intention to draw the Members' attention to those prospective cuts in the category designated as "Defense/military," a very sensitive area of our budget in this era of increased emphasis on increased military spending to protect the ability of this country to defend its interests around the world.

Briefly, this category contains one of the largest total spending cuts, some 15 in total. Of the 15, 9 are recommendations of the General Accounting Office and 1 is a recommendation of the Congressional Budget Office.

These cuts are mentioned as an indication that in the bureaucracy known as the Defense Department, we have the ability to make spending cuts which will not, in the judgment of this Member from California, impair the ability of our Nation to protect its vital interests around the world.

The first one is designated "Military personnel, Army." Eliminate the personnel slots retained after the functions have been transferred. This is a recommendation of the General Accounting Office. It has not yet been implemented. It would save, if adopted, $25 million.

"Military personnel, Air Force." Reduce active duty personnel required for strategic airlift crews. This is another General Accounting Office recommendation unacted upon. If implemented, it would save $105 million.

"Military personnel, National Guard, Army." Eliminate erroneous payment to reservists for drills which they do not attend. A recommendation of the General Accounting Office, this if implemented, would save $744,000.

"Military personnel, programwide." Incorporate cost-reducing measures, new clothing allowance method, overseas housing allowance, civilian substitutes for recreation and welfare activities, accelerate discharges for adverse reasons, and other reductions, all recommendations of the General Accounting Office heretofore unadopted. These items, if adopted, would save $259,300,000.

"Operations and maintenance, Navy." Improve stock maintenance policies, also recommended by the General Accounting Office, would save $20 million.

"Operations and maintenance, Defense agencies, CHAMPUS claims." Eliminating erroneous claims would save $146,615,000.

"Operations and maintenance, Navy Reserve." Retire obsolete World War II destroyers. The Congressional Budget Office has recommended that if we did this we would save $130 million.

"Operations and maintenance, National Board for Promotion of Rifle Practice." We propose to eliminate this board as unnecessary. If adopted, it would save $500,000.

"Operations and maintenance, programwide." Standardize aircraft ground service equipment and software computer systems, recommendations of the General Accounting Office, which, if adopted, would save $312,870,000.

"Allowances, other legislation." Deferring this supplemental appropriation would save $369,900,000.

"Departmentwide, Air Force." GAO recommended corrections of auditing procedures are necessary to combat unresolved audit findings which reveal considerable waste. If implemented, it would save an estimated $469,830,000.

"Departmentwide, Defense Audit Service." Correct auditing procedures as in the above; unresolved audit findings reveal waste in the amount estimated by the General Accounting Office to be $489,700,000.

"Departmentwide, operations and maintenance." Upgrade management techniques, recommended by the General Accounting Office. If implemented, this would save $4 billion.

"Departmentwide, contract awards." Institute competitive bidding; Government studies show, according to information released by Senator PROXMIRE of the other body, that 10 to 25 percent of $36 billion in contract awards would be saved. We have used a median between these two figures of 17.5 percent. If implemented, it would save $6.3 billion.

"Departmentwide, unobligated balance carryover." Eliminate the excess, that is, the increase from 1981 to 1982, carryover of unobligated balance, which would eliminate from spending for fiscal year 1982 the sum of $3,519,484,000.

These 15 items of the defense military category total $16,148,943,000.

Mr. Speaker, I think this list indicates that there is within the Department of Defense areas where savings can be made so as to bring down, if implemented, the tremendous demand for credit by the Federal Government which today has raised and kept interest rates to an historic high.

The next category that I would like to read this afternoon deals with recommendations in the "Defense/civil" area.

"Corps of Engineers, operations and maintenance, general." We would allow 20 percent above what was spent in 1980. If this is implemented, we would save $16,150,400.

"Corps of Engineers, general expenses." We would allow 20 percent above 1980. The proposed outlays represent a 33.7-percent increase since 1980, which we believe is excessive. If implemented, this would save $9,762,800.

"Corps of Engineers, proprietary receipts." This item, a recommendation of the Congressional Budget Office, may come as a surprise to many Members of the Congress. The taxpayers of this country are subsidizing barge transport around this country to the tune of well over a billion dollars a year. Members may recall that just recently, as a part of our reconciliation package, that with regards to financing Amtrak for fiscal year 1982, a compromise was worked out for $735 million. What we are doing, really, is financing barge transport out of the Treasury, and anything you subsidize you get more of. So we have a lot of barge transportation around the country at a less-than-market cost because the taxpayers are financing that transportation. And yet we have existing, in many cases side by side with these barge lines, railroad lines which are in some cases threatened with bankruptcy. In fact, ConRail may come to the Members' attention as one of those that our Federal Treasury has had to subsidize. It does not make sense for the taxpayers of our country to continue to subsidize barge transport. Recovering this cost through the imposition of user fees would net $980 million.

The last item in this category is "Wildlife conservation, military reservations, Navy." We would allow a 20-percent increase above 1980. The proposed outlays represent a 75.3-percent increase since 1980. We deem this excessive. If we limit it to 20 percent above what was spent in 1980, we would save $51,400.

These items under "Defense/civil" total four, and they total collectively $1,005,964,600.

These are the two categories that I will share with the Members today.

In conclusion of my remarks this afternoon, let me make this observation: This Nation has some very hard choices to make in terms of dollar priorities. The deficit today is so overwhelming, as it has been over the last 5 years. Bear in mind that of the almost $1 trillion national debt, better than 30 percent, or in excess of $300 billion, has been created in the last 5 years. The deficit for this current year is estimated anywhere from around $75 billion to $80 billion. This debt has to be financed. It is financed by the Treasury every week going into the credit markets of the country for the purpose of raising money to pay the bills of the Government, and it is because of the overwhelming demand of our Central Government for credit that the cost of credit for every business and citizen in our country is at an historic high. Bankruptcies are happening around this Nation. Why? Because the Central Government is

crowding out people who want to borrow or keep borrowing for a new plant or what have you, and this excessive demand for credit by the Central Government is the principal reason why credit rates in this country are at the level they are today.

What is the answer? You may say you do not like the items that I have been reading, that they are unfortunate or inadequate or politically unacceptable. To those Members in this Chamber who believe that, my question is: What is your recommendation as to how we can bring this runaway monster, Federal Government deficit spending, under control?

□ 1500

That is our challenge and I can assure every Member of this body that if we here today in the 97th Congress do not meet this challenge, which is coming to be appreciated more and more every day as the principal cause for inflation in this country, that is excessive Federal spending and deficits, then we will have the privilege of explaining that in the November 1982 elections to those opponents who come and ask us why we were here and did not do what we could to bring this monster under control.

It is in this spirit that this analysis is offered, and I want to, in conclusion, make the observation that the figures that I have related today, as I have on previous days, were accurate when they were published in July, but that there might be a slight modification of one or more of them as a result of the budget reconciliation bill and revised budget estimates.

That analysis is going on in my office and when it is completed I will share it with the Members.

## A TRIBUTE TO THE LATE FRANK J. BECKER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. McGRATH) is recognized for 30 minutes.

GENERAL LEAVE

Mr. McGRATH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. McGRATH. Mr. Speaker, I have asked for this time today to pay tribute to a special man, and a former Member of the House of Representatives, Frank J. Becker. Mr. Becker died at his home in Lynbrook, N.Y., on September 4 at the age of 82.

Frank Becker served with distinction in this body from 1953 through 1964, representing the Third, then the Fifth Congressional District of New York. He retired at the end of the 88th Congress to devote more time to the family which he held so dear.

Mr. Becker began his political career in 1945 as a member of the New York State Assembly. He was first elected to Congress in 1952, and was reelected five times by increasingly large margins. In fact, Frank Becker never lost an election, whether for political office, party leadership positions, or leadership in the many civic or fraternal organizations to which he belonged. As a Member of Congress, Mr. Becker served on the Armed Services Committee, and was a well-known proponent of a strong national defense.

Frank will be remembered for two causes which he championed during his tenure in the House. He was one of the first Members of Congress to take up the cause of voluntary prayer in public schools after the Supreme Court decision. He said at the time that it was his mission to save this Nation from "the curse which has befallen all civilizations that forgot and disobeyed God Almighty." Although his effort was not successful, he was truly the father of a movement which continues to this day.

He was also a defender of the rights of U.S. servicemen abroad. He was the author of legislation to permit U.S. military personnel under the command of NATO to be tried by U.S. courts martial rather than by foreign courts and, if convicted, sentenced to U.S. military prisons.

Mr. Speaker, the recitation of an individual's biography is often an impersonal thing, and it does not do justice to the man himself. Frank Becker was much more than just a former assemblyman and Member of Congress. He was a man who was loved and respected by all who were privileged to know him. He was an individual whose courage, heart, and dedication far exceeded his physical stature. He was, as my colleague from New York, Mr. STRATTON said, "feisty." In fact, he was known by those who knew him as "the Little Giant."

He was an active leader in the veterans community on Long Island and nationwide. As a veteran of World War I, he understood the problems of veterans, and worked with great diligence to preserve those ideals for which American military men have fought and died for over the years. He loved his country and all it stood for, and defended it through both word and deed.

He was an active member of his church and for many years served as chairman of the Catholic Charities fund drive on Long Island.

He was a leader of the business community and at the time of his death was an active part of the real estate and insurance firm which he founded 50 years ago.

Above all else, Frank Becker was a family man. He was guided in all his actions by his love and respect for the institution of the family. The most special time of his week became Sunday morning, when he breakfasted with many or all of his 3 children, 21 grandchildren, and 3 great-grandchildren.

Frank Becker was the epitome of what a public and private citizen should be. To me, he was a friend and adviser whose good judgment I always respected. To all members of the community he was a good friend who will be missed.

I want to extend my deepest sympathy to Frank's wife of 58 years, Claire, to his children, Robert, Francis, and Elizabeth, and the rest of his family.

[From the New York Times, Sept. 5, 1981]

FRANK J. BECKER, 82, IS DEAD; REPRESENTED LONG ISLAND IN CONGRESS

Frank J. Becker, a United States Representative for 12 years and a New York State Assemblyman for eight, died at his home Friday in Lynbrook, L.I. He was 82 years old.

Mr. Becker, a Republican, represented Nassau County in Albany from 1945 to 1953 and in Washington from 1953 to 1965. Never having lost an election, he retired after his sixth Congressional term, he said, to devote more time to his family and to make room for younger candidates.

Near the end of his career, Mr. Becker became the focus of a heated debate when he sponsored a Constitutional amendment to allow organized prayers and Bible reading in public schools, with voluntary participation. Mr. Becker said at the time that he believed it was his mission to save the nation from the "curse which has befallen all civilizations that forgot and disobeyed God Almighty."

FOUNDED REAL ESTATE COMPANY

The proposed amendment, which followed a United States Supreme Court decision ruling unconstitutional the organized recitation of a prayer in New York schools, was defeated.

Another issue that concerned Mr. Becker was the way foreign governments treated American servicemen accused of crimes. He proposed legislation that would have permitted the Americans to be tried by American military courts and, if convicted, sentenced to American military prisons. That measure also failed.

Born in Brooklyn, Mr. Becker moved with his family to Lynbrook when he was a child. During World War I, he served in France with the Army.

Mr. Becker took an active part in his real-estate and insurance company, which he founded 50 years ago. He was also chairman emeritus of the board of directors of the Suburbia Federal Savings and Loan Association in Garden City.

He was also active in a number of civic organizations, including the Lynbrook and Nassau County chapters of the American Legion and the Lynbrook post of the Veterans of Foreign Wars. He belonged to the Knights of Columbus and for seven years was chairman of the Catholic Charities fund drive on Long Island.

He is survived by his wife of 58 years, Claire, and three children, Francis X. Becker, a State Supreme Court justice on

Long Island; Robert G. Becker, of Lynbrook, and Elizabeth Ann Myers, of Torrance, Calif. In addition, there are 21 grandchildren and three great-grand-children.

A funeral mass will be offered at 10:30 A.M. Tuesday in Our Lady of Peace Roman Catholic Church in Lynbrook. Burial will be at the Long Island National Cemetery, Pinelawn.

● Mr. RHODES. Mr. Speaker, it is a privilege to join in this special order in honor of Frank J. Becker, a former Member of this body, who died recently. I had the pleasure of serving with Frank during his years in the House from 1953 to 1965. He approached his responsibilities in the House with the characteristic dedication he did in serving in the New York State legislature and the many other civic and community organizations with which he was affiliated.

He was a fine American who was proud of his patriotism and his religious fervor. The sense of awe at the prospect of serving in the U.S. Congress, which he possessed upon his arrival in Washington was no less intense when he took his leave of the House 12 years later. Frank Becker had an admirable old-fashioned sense of duty and love of country. It was an honor to have shared those several years with him as a colleague in this House.●

● Mr. HORTON. Mr. Speaker, as dean of the Republican delegation of the New York congressional delegation, I am grateful to Congressman RAY MCGRATH for taking this special order to pay tribute to our former colleague, the Honorable Frank Becker.

Frank Becker served with distinction and great honor in the House between 1953 and 1964. It was my privilege to serve with him during the 88th Congress. During our service in the House, I became well acquainted with his record of accomplishments and active representation of his Long Island district. We all regretted his decision not to seek another term. His legacy to this institution then, as now, is a stirring testament to an effective representational form of government.

I join my colleague, Congressman MCGRATH, and other Members of the House in extending our sincere condolences to his family.●

● Mr. DERWINSKI. Mr. Speaker, it was my privilege to have served with the late Congressman Frank J. Becker, during his long and eventful years in the House of Representatives, and I share my sorrow at his passing.

As a Member of Congress, Frank Becker was a sincere, hard-working representative for the people of New York. As a freshman Member, I remember that I was impressed with Frank's courtesy and his ability as a legislator. I held great admiration and respect for his judgment and counsel, and always found him to be a very warm, pleasant, and understanding individual.

During his distinguished career in the House, Frank made countless contributions to the legislative process. He had many friends on both sides of the aisle and was admired and trusted for his knowledgeable and wise counsel. Frank was truly dedicated to public service, and lived up to the full measure of this responsibilities.

Mrs. Derwinski joins me in extending our heartfelt condolences to his widow, Claire, and his entire family. We will remember him in Congress as a true friend and respected colleague.●

● Mr. QUILLEN. Mr. Speaker, I would like to take the opportunity, along with my colleagues, to pay tribute to former Congressman Frank J. Becker.

The tremendous work he did in serving his constitutents and our Nation is a shining example for others to follow, and his efforts will be long remembered. His record of accomplishments shows a great deal of dedication and ability, as well as personal integrity.

Frank's knowledge and experience on defense matters made him an effective member of the Armed Services Committee, and he made many important contributions to this country.

My sincere condolences to Mrs. Becker, his children, and other members of his family in their hour of sorrow. Their loss is shared by those who knew Frank, and his high level of service is etched in their memories.

Although I was a freshman Member when Frank retired, I admired his work and the principles for which he stood, and it is a privilege for me to join my colleagues in the House in paying tribute to him.●

● Mr. BROOMFIELD. Mr. Speaker, I rise to join my colleagues in expressing our deep sorrow at the death of our former colleague, the late Congressman Frank J. Becker, and to express our heartfelt sympathies to his wife, Claire, and their children.

Frank Becker, who passed away on September 4, served our Nation and his New York constituents with great distinction during his 11 years as a Member of the House of Representatives.

As a Member of the House, Frank was respected by all who knew him, and he is fondly remembered for his integrity, forthrightness, and willingness to fight hard for his beliefs. As a member of the House Armed Services Committee, these traits served him and our country well in seeking to maintain a credible defense.

Mr. Speaker, this body lost a very able Member when Frank decided to retire from public life in 1965. It was an honor to know him and to serve with him, and again, I wish to express my sincerest sympathies to his family.●

● Mr. GREEN. Mr. Speaker, I appreciate the opportunity afforded by the gentleman from New York (Mr. MCGRATH) to pay tribute to a former Member, Frank J. Becker.

Frank Becker devoted a lifetime of service to the residents of Nassau County as a U.S. Representative for 12 years and prior to that, a New York State assemblyman for 8. Mr. Becker also took an active part in a number of civic organizations, including the Lynbrook and Nassau County chapters of the American Legion and the Lynbrook post of the Veterans of Foreign Wars. In addition, he belonged to the Knights of Columbus and for 7 years was chairman of the Catholic Charities fund drive on Long Island.

Never having lost an election, he retired after his sixth congressional term to devote more time to his family and make room in Congress for younger candidates.

Frank Becker cared deeply for the people of New York whom he represented with dedication and skill.

I want to extend my deepest sympathy to Frank Becker's wife, Claire, and his family.●

● Mr. LENT. Mr. Speaker, it is with great sadness and feeling of personal loss that I rise today to pay tribute to a longtime friend, a great patriot, and former Member of Congress Frank J. Becker, who recently passed away at his home at the age of 82.

I did not have the privilege to serve in this Chamber with Frank but I was privileged to enjoy his friendhship for many years. He served as a role model and great inspiration to me when I began my political career in Albany almost 20 years ago. Despite his retirement from the Congress more than 15 years ago, his warm, outgoing friendliness is still remembered here in these Halls by all those who knew him.

Frank was a true public servant in every sense of the word. He began his political career in Albany as a State assemblyman in 1945 and was elected to the House of Representatives for his first term in 1952. He represented the Third and then the Fifth Congressional Districts of New York from 1953 to 1965. In addition to his arduous duties as a legislator, he was always interested and active in local civic, veterans, and fraternal organizations in the Nassau County area. He truly loved all those he served so well during his many years in office. A testimony to his excellence in representing the good citizens of Nassau County is the fact that he never lost an election in candidacies for private, organizational office, GOP committeeman, executive committeeman, the New York State Assembly, and the Congress.

Frank's dedication and hard work inspired his two sons to become active in public service. His oldest son, Francis, is the former mayor of Lynbrook and is presently serving as a justice on the New York Supreme Court. Robert, his youngest son is now serving as an ex-

ecutive committeeman for the Nassau County Republican Party. His daughter, Elizabeth Ann Meyers is a resident of Torrance, Calif.

His lovely wife of 58 years, Claire, his 3 children, 21 grandchildren, and 3 great-grandchildren were the centerpiece of his life. They all will miss Frank very much as will many other friends and relatives. To the family of this great American, I offer my sincere sympathy and share with them a true feeling of loss at his passing.●

● Mr. FUQUA. Mr. Speaker, it is with a deep sense of personal loss that I rise today to join my colleagues in commemorating the career of our good friend Frank J. Becker, who so ably served his districts in Long Island during 11 years in this House.

Though our tenures in this body overlapped by only a brief time, I found in Frank Becker the qualities of service which I have since tried to emulate; dedication to his country, responsiveness to his constituents, loyalty to his colleagues.

It mattered not that we were from different parts of the country and of different political parties.

His counsel was always valuable, his advise wise, his guidance trustworthy, and his friendship steadfast.

I extend my deepest sympathies to his lovely wife Claire, his three children, his grandchildren and great-grandchildren.●

## SUGAR RAY LEONARD IS THE CHAMPION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. HOYER) is recognized for 15 minutes.

Mr. HOYER. Mr. Speaker, I rise today with admiration to congratulate two young men of talent and courage.

I rise with an even greater sense of pride for the favorite son of Prince Georges County and Palmer Park—the undisputed welterweight champ of the world—Sugar Ray Leonard. A young man wise beyond his years whose head and heart combined to prevail in last night's confrontation between the "Sugar Man" and the "Motor City Cobra."

It was a boxing match which justified all the prefight hype and which showed both men to be worthy of the accolades heaped upon them by their supporters.

In the final analysis, however, it was a night which proved to those who still doubted that Sugar Ray Leonard was and is one of boxing history's greatest champions—a champion whose ability and character both justify our pride.

## PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. NELSON) is recognized for 15 minutes.

● Mr. NELSON. Mr. Speaker, due to official business in Florida yesterday I was not present for rollcall votes Nos. 201 through 205. Had I been present I would have voted "yes" on the motion to approve the Journal for Tuesday, September 15, 1981; "yes" on House Concurrent Resolution 153, authorizing a bust or statue of Dr. Martin Luther King, Jr., to be placed in the Capitol; "yes" on agreeing to the conference report on H.R. 4034, making appropriations for the Department of Housing and Urban Development and for various independent agencies; "yes" on the Addabbo amendment to H.R. 3380, to provide for military pay raises varying according to rank and needs of the services; and "yes" on final passage of H.R. 3380, to increase the pay and allowances of members of the Armed Forces.●

## GENERAL VON STEUBEN—A REVOLUTIONARY WAR HERO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, September 17 is the anniversary of the birth of Gen. Friedrich Wilhelm von Steuben, one of the leading patriots of the Revolutionary War.

General Von Steuben received a large award from Congress for his outstanding contributions to the winning of American independence, and along with General Lafayette, he was second only to General Washington as a shaper of the Continental Army.

On Saturday, September 19, the United German-American Societies of Greater Chicago will sponsor Chicago's General Von Steuben parade. The parade will step off at noon on Wacker Drive and Dearborn Street and proceed past the reviewing stand at the Richard J. Daley Center. Many scores of floats will join in this commemorative tribute to a gallant patriot of our precious freedom, along with many marching units and musical contingents.

Hon. Jane Byrne, mayor of Chicago, will serve as honorary grand marshal, Karl C. Laschet is general chairman and grand marshal, Joseph Gies is the honorary general chairman, and Norbert Holzinger will serve as parade marshal.

It was in the year 1777 that Von Steuben offered his services to the fledgling Republic. This was a time of great disappointment and hardship for the Continental Army, because the frigid winter at Valley Forge could have delayed indefinitely America's hope for independence. However, through the fortitude and discipline of General Washington and General Von Steuben, the Revolutionary Army was able to emerge from the winter in fighting shape.

During that winter in 1777, Von Steuben wrote the "Regulations for the Order and Discipline of Troops of the United States." This was one of his greatest contributions to the cause of independence. Through the use of this handbook and Von Steuben's leadership, an army of irregulars was transformed into a disciplined and organized combat unit, equal to the task of fighting one of the world's most powerful armies.

General Von Steuben had a distinguished military career during his service in America. In 1781, he served in battle against Cornwallis' invasion of Virginia, and at the battle of Yorktown, he commanded one of the three divisions of the Continental Army.

In appreciation for his services, the State of New York awarded General Von Steuben a 16,000 acre estate, and Congress granted him a pension of $2,500 for the rest of his life. Just before he retired from his leadership in the Army, Gen. George Washington wrote to Von Steuben congratulating him as follows:

ANNAPOLIS,
*December 23, 1783.*

MY DEAR BARON: Although I have taken frequent opportunities, both in public and private, of acknowledging your great zeal, attention, and abilities, in performing the duties of your office; yet I wish to make use of this last moment of my public life to signify, in the strongest terms, my entire approbation of your conduct, and to express my sense of the obligations the public is under to you, for your faithful and meritorious services.

I beg you will be convinced, my dear Sir, that I should rejoice, if it could ever be in my power to serve you more essentially than by expressions of regard and affection; but, in the mean time, I am persuaded you will not be displeased with this farewell token of my sincere friendship and esteem for you.

This is the last letter I shall write, while I continue in the service of my country. The hour of my resignation is fixed at twelve today; after which, I shall become a private citizen on the banks of the Potomac where, I shall be glad to embrace you, and testify the great esteem and consideration with which I am my dear Baron, & c.

Mr. Speaker, the members and officers of the United German-American Societies of Greater Chicago are outstanding leaders and dedicated participants in the betterment of their individual communities, and I congratulate them for their resourceful service in our city of Chicago, and on their hard work to make Chicago's Von Steuben Day Parade a success. The names of the members of the Chicago General Von Steuben Parade committee follow:

Committee: Felix Bachmeier, Melvin Brandt, Stefan Dama, Rudi Dick, Ludwig Erdbeer, Willi Follmer, John Hebling, John Kraus, Elisabeth Kraus, Fred Marunde, Josef Matzer, Wolf-

gang Reinke, Horst Seyferth, Willi Scharpenberg, Nick Schneider, Alfred Schmitke, and Horst Tietz.

Helen Meiszner, parade treasurer; Joseph Zottmann, Betty Center, and Louise Jochum, trustees.

Paula Zottman, cornflower chairlady; Clara Winkler, recording secretary; Betty Center, correspondence secretary; Edward Kmiec, coordinator.

Directoren: Joseph Freiburger, Karl Kurz, Elisabeth Kraus, Willi Follmer, Joseph Anetzberger, John Katrein, Joseph Zottmann, Helen Meiszner, Alfonse Schneemann.

Finanzcommittee: Henrietta Baltis, Ernest W. Bonatz, George Bohling, Ferdinand Fritsch, and Klaus Trottmann.

I extend my greetings and best wishes to German Americans in the 11th District of Illinois, which I am honored to represent, in the city of Chicago and all over the Nation who are commemorating the birth of that Revolutionary War hero, General Von Steuben, and the German contribution to American greatness.●

## SENATOR SARBANES REPORTS ON HIGH INTEREST RATES AND THE MARYLAND ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 10 minutes.

●Mr. REUSS. Mr. Speaker, during the week of August 31 through September 4, when Congress was in the middle of its statutory recess, the Subcommittee on Investment, Jobs, and Prices of the Joint Economic Committee conducted a series of six field hearings throughout the State of Maryland to examine the effect of today's high interest rates on local economies and local communities in Maryland. The hearings were chaired by Senator PAUL SARBANES.

Upon the reconvening of the Congress, Senator SARBANES wrote to me summarizing the findings from the hearings, where testimony was received from 85 witnesses representing major interest-sensitive sectors of the Maryland economy, including homebuilders, realtors, farmers, auto dealers, small business men and women, as well as financial institutions and State and local governments. His letter follows:

U.S. SENATE,
*Washington, D.C., September 11, 1981.*

Hon. HENRY S. REUSS,
*Chairman, Joint Economic Committee, Dirksen Senate Office Building, Washington, D.C.*

DEAR MR. CHAIRMAN: I am writing to report to you on field hearings held recently in the Subcommittee on Investment, Jobs and Prices to examine the effects of high interest rates on Maryland communities, and to summarize very briefly some of the major points which emerged from the testimony received at those hearings.

The Subcommittee held hearings in six different Maryland locations during the week of August 31 to September 4; attached you will find the hearing schedule and the complete witness lists. In my view, and I believe in the view of both those who participated in and those who attended the hearings, they were extraordinarily informative. At every hearing witnesses described in detail the immediate, practical consequences for their own communities, families and businesses of the current unprecedented level of interest rates. In every instance their testimony underscored the seriousness of the distortions and the urgency of the problems which high interest rates have created.

Transcripts of the six hearings are now available and, in accordance with normal Committee procedures, will be published and made available to Members of Congress and the public at large. Examination of the testimony reveals certain recurrent issues of particular importance, and I would like to outline these briefly and to propose that the Subcommittee investigate them further in the months ahead.

First, the high interest rates, ostensibly designed to check inflation, themselves become an important contributing factor to inflation. In housing, the availability of an assumable loan or so-called creative financing, which brings down the cost of financing purchase of a home, is almost always reflected in the higher price of that home. Farmers testified repeatedly that they have no choice but to pass on the high cost of credit to consumers in the form of higher prices. Small businessmen, homebuilders, auto dealers and others expressed the same view.

Second, high interest rates are a significant obstacle in two respects to the effort to reduce the federal deficit. First of all, they increase the carrying charge on the existing debt, thereby raising expenditures. Further, and very importantly, high interest rates have provoked a recession in certain sectors of the economy, with the result that workers who are laid off cease to be taxpayers and begin instead to draw unemployment compensation from the Treasury. The consequence of the slowdown in economic activity caused by high interest rates is a double penalty imposed on the effort to balance the federal budget.

Third, current interest rates have created an absolute disincentive to investment. Businessmen and women, even in cases where they can continue to operate, now ask whether it makes good financial sense to do so when they can earn an immediate, greater return simply by investing their capital in money market funds. This striking disincentive to investment runs precisely counter to efforts to strengthen the national economy by promoting investment.

Fourth, at just the time when state and local government jurisdictions face sharp reductions in financial support from the federal government, they also face serious obstacles in the bond market. At present they are obliged to pay rates above 11 percent and to shorten significantly the term of their bond issues. Important capital improvements are being deferred, to the detriment of the economic infrastructure of local communities.

Fifth, mortgage rates have eliminated all but 5 to 10 percent of American families from the housing market. With the notable exception of luxury and vacation homes, residential construction is almost at a standstill in Maryland. Today's mortgage rates impose a special hardship on those who must relocate for job reasons or who are in the military. The only families that can cope with the challenge of buying and selling a home under the pressure of time are those associated with large firms which can offer relocation assistance as a benefit of employment. In such cases the firm takes over responsibility for the house when a move is required. The consequence of this is to place small business at an even greater disadvantage in relation to larger concerns.

Sixth, it is impossible for a young person to take up farming unless, in the words of numerous witnesses, he inherits or marries into it. There was general agreement among farmer witnesses that investment in farm equipment is being deferred, with obvious adverse effects where productivity is concerned.

These are only several of the most serious and striking distortions in business and community patterns which were brought to the attention of the Subcommittee. It is evident that if they are allowed to continue uncorrected, these distortions will do permanent damage to the social and economic fabric of our communities.

I look forward to working with you as the Committee continues its work on this vital aspect of the nation's economy to underscore the urgency of changing current interest rate policy and to recommend steps for so doing.

With best regards,
Sincerely,

PAUL S. SARBANES,
*U.S. Senator.*●

## UNITED STATES-CANADIAN RELATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 20 minutes.

● Mr. LAFALCE. Mr. Speaker, last week a number of statements were made by administration spokesmen which appeared to declare economic warfare between the United States and Canada. At a meeting, September 8, between Canadian and American officials to discuss the Canadian Government's nationalization plans aimed at limiting U.S. investment in Canada, an Assistant Secretary of Commerce stated that if certain measures proposed by the Canadian Government are taken, there could be an unfortunate reaction in the United States. Included in this discussion were threats by the representative from the Commerce Department and the U.S. Trade Representative of imposing extreme trade sanctions upon Canada. This received widespread publicity, and has caused me considerable concern.

Therefore, I would like to urge the Members of the House to reflect for a moment on Canadian-United States relations—particularly to evaluate, in the context of the long history of cordial and mature relations between our two countries, the overreaction of some in the United States to certain Canadian policies and actions.

I am appalled at the views of some in the executive branch and in the

Congress who essentially would suggest that Canadian policy be a replica of U.S. policy, or else, appear to consider it appropriate or necessary to bludgeon Canada into following U.S. policy preferences.

This attitude has been most prevalent with respect to Canada's new energy policy. There are definitely various aspects of the NEP which the United States should protest and press for revision. For example, U.S. complaints resulted in clarifications in May to assure that compensation would be paid for the 25 percent of oil and gas leases that the Canadian Government will take over and that there is no intent to discriminate against U.S. companies in procurement. We should continue to discuss the NEP with the Canadian officials to insure that the compensation is adequate, that the implementation of the procurement policy, in fact, does not discriminate against procurement in the United States, and that the investment incentives discriminate as little as possible against foreign investors.

However, too many U.S. critics have gone beyond some of the specifics of the new energy policy and would appear to question the entire NEP itself and suggest that it be abandoned. Such an attitude totally ignores the context in which the NEP was developed and the fact that if foreign interests owned 70 percent of the U.S. oil and gas industry we would have moved much earlier and more swiftly to terminate the foreign dominance. It also ignores the fact that, at least in the medium term, the NEP may benefit the United States more than Canada—as many as 150 oil rigs may have been moved in the past year from Canada to the United States, so it is United States, not Canadian, reserves which will benefit from their operations.

The recent hysteria over the efforts of several Canadian companies to take over American companies would also appear to be out of proportion. Is it not a little absurd and even hypocritical for the United States, whose business interests own 25 percent of Canadian industrial capacity, to be exercised when Canadian firms, whose collective U.S. business ownership is barely measurable, attempt to buy out an American company? The proposal to extend the 50-percent margin requirement to foreign interests is a reasonable proposal, as the purpose of this limitation is the protection of the financial stability of the U.S. financial community and as there is no reason we should grant foreign interests a financial edge over American investors. However, the suggestion of a moratorium on Canadian purchases of U.S. energy companies is not only highly discriminatory but also of little practical use, as the marketplace appears to be doing more than an adequate job of defending whatever U.S. financial interests need to be defended from Canadian takeover attempts. Also, let us not forget that there are a handful of U.S.-based companies which are Canadian-owned—such as Massey-Ferguson, Seagrams, and Moore Corp.—which most of us never think as being foreign companies and which are good U.S. corporate citizens.

As to other United States-Canadian issues, we should be pressing Ottawa on the proposed new import policy, aspects of which could be both discriminatory to U.S. interests and highly protectionist. And we should make known our views on any attempt to extend the purview of the Foreign Investment Agency.

However, we must also recognize that Canada is not the United States and Canadians have the right to structure their society and laws as they see fit. We must realize that Canada has legitimate complaints against the United States, particularly the ill-manner in which Canada has been treated over the fisheries treaties which the two governments signed but which the U.S. Senate refused to ratify. And we must also recognize that there are many interests and problems that we have in common and that require our collective actions to solve—such as the European and Japanese challenge to the North American automobile industry and the acid rain which is killing waters in both Canada and the United States.

We must conduct our relations with Canada in a manner which is cognizant of and in keeping with the long history of cordial relations and an unguarded border. Problems between our two countries have been resolved most readily when both parties have acted quietly and calmly and avoided hyperbole and empty threats.

Canada is the closest friend and the most extensive economic partner the United States has, and we must avoid damaging or endangering that relationship due to transitional difficulties over policy differences.●

## ELDERLY AND VETERANS SHOULD NOT BE MADE TO SUFFER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Dakota (Mr. DASCHLE) is recognized for 5 minutes.

Mr. DASCHLE. Mr. Speaker, this morning's news announced the intention of the administration to request a 3-month delay in cost-of-living adjustments for social security recipients, veterans, and others.

While I commend the desire to see spending reduced and the Federal budget brought into balance, it concerns me very much that every effort to achieve that balance seems to place the burden more and more heavily on the backs of those who can least afford it.

Equity: That is all we want. The American people demand the sacrifice be equitable. This body has just last month provided billions of dollars in tax relief for the oil industry and billions more for those few Americans fortunate enough to enjoy incomes in excess of $50,000. In my view it would be absolutely indefensible for this Congress to now ask only people who are elderly, or who have helped defend our Nation, to participate in the sacrifices needed to reduce the Federal budget. Surely, if senior citizens and veterans are to sacrifice, oil companies and the wealthiest individuals among us should sacrifice as well.

To make certain this equality of sacrifice is achieved, I am today introducing a resolution in Congress in opposition to any delay in social security or veterans benefit adjustment unless the tax cuts we have just provided for oil and for the wealthy are delayed or suspended for an equal period.

I hope Members will want to join me in this effort to assure the American people that oil companies and the wealthy will not be given breaks while veterans and the elderly are made to suffer.

## REAGAN HEALTH AND SOCIAL SERVICES PROGRAM CALLS FOR GREATER CONTROL BY STATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. FORD) is recognized for 5 minutes.

● Mr. FORD of Tennessee. Mr. Speaker, as we all know, part of the Reagan plan for a variety of health and social service programs is to give a greater degree of control to the States. A number of us in the Congress have expressed concern over this plan. We have questioned whether the rights and needs of the poor will be properly addressed at the State and local level. Yesterday, the Department of Health and Human Services took action which indicates that our concern was well founded. The Department has proposed eliminating a requirement that State medicaid agencies give 60 days public notice of any proposed changes in the medicaid plan. States have a great deal of discretion in determining what services will be covered by medicaid and what the level of reimbursement will be. I do not think that it is too much to ask that the States give notice of any changes in the program. Such a notice does not interfere with the discretion we have given the States. What it does do, is assure that all parties, providers and beneficiaries, will have the opportunity at the State level to be heard. I intend to introduce legislation to require this notice

period, and I encourage my colleagues to join me.●

## ADDRESS BY SECRETARY PIERCE, AT MUNICIPAL ASSOCIATION OF SOUTH CAROLINA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. McKINNEY) is recognized for 20 minutes.

Mr. McKINNEY. Mr. Speaker, I want to share with you today the recent remarks of Secretary of Housing and Urban Development, Samuel R. Pierce, Jr., regarding the administration's commitment to a budget which reduces the Federal Government's activities to absolute priorities and requirements while at the same time assisting those least able to meet their basic necessities of life.

I have long worked on the Housing Subcommittee to do more with less money in the areas of housing and community development, and am impressed by Secretary Pierce's achievements along those lines in 8 short months. I also applaud the Secretary's formal recognition of the incredible leveraging effect of UDAG, and urge you to read his report on the administration's management initiatives in leading HUD in an eagerly awaited new direction.

REMARKS BY SAMUEL R. PIERCE, JR.

(Delivered at the 41st Annual Meeting of the Municipal Association of South Carolina, Hilton Head, S.C., August 29, 1981)

Thank you for that kind introduction, Senator Thurmond. And thank you, too, for adding your invitation to the one I received from the Municipal Association of South Carolina. The State is indeed fortunate to be represented by you as its distinguished senior Senator. In and out of Washington, I count on you as a valued friend.

It is a great personal pleasure to be here in Hilton Head the Palmetto State's beautiful, world-renowned resort area. The many kindnesses you have shown me here, I assure you, will draw me back again.

I also want to assure you that I attach considerable significance, to this meeting. The work of your Association, through its efforts to strengthen State and local relations, is of fundamental importance to President Reagan's New Federalism. The advising, information-sharing, planning, State legislative, and other lobbying functions, which characterize your Association, figure prominently in making government more responsive to the needs and rights of citizens. In so doing, it makes the system more efficient and less costly.

I want to share with you my perspective of the policy and purpose of the Reagan Administration in correcting our country's weak economy. We have been brought into this sad state of economic disrepair by undisciplined Federal spending, misguided fiscal practices, and stifling tax policies. What we in this Administration are pursuing is no less than a fundamental change in the way the government of America carries out its responsibilities. We are committed to a budget which reduces our activities to absolute priorities and requirements, a budget that will, at the same time, assist where possible those least able to meet their basic necessities of life. We are committed to a system of government that will be founded in economic stability, and that will recognize economic stability as a key ingredient to national security. We are committed to a system in which the appropriate level of government is called upon to do not just what it can do, but what it properly should do.

We do not believe that government should try to be all things to all people. This country has been led down that path before, and the result was not a happy one. To continue the reckless spending practices of the past would be irresponsible. The government spent more money in 1979 and 1980 than ever before, and look what it got us. Just last week, the Census reported that American families saw their "real" income fall more than 5 percent in 1980. That sharp drop in "real" median family income was the biggest decline in that category since the government started compiling such statistics in 1947. With all that spending, the number of Americans below the Federal "poverty level" grew from 11.7 percent in 1979 to 13 percent of the population last year. There can be no doubt that we must improve the health of our economy, and that we must change its downward direction. President Reagan has begun to effect that change. In just a little more than half a year, his Administration has taken the steps necessary to face head-on the host of economic problems that have been eroding the productivity and the confidence of our country.

There are the beginnings of some encouraging signs. With bipartisan support, the Congress has passed the President's entire Economic Recovery Program. I believe we have reached a critical stage, perhaps a turning point, in our country's history. We are today embarked on a carefully constructed course to return America to fiscal integrity.

The four points of President Reagan's plan which sets that course are, first, to reduce the rate of growth of Federal spending. This is not a cut in current spending levels, but a cut in the proposed increases. The spending increases of recent years made this budgetary restraint absolutely imperative.

The second point is a tax cut across-the-board for everyone who pays taxes. Just last month the Congress and President Reagan gave the American people an important victory, with a 25 percent tax cut over 33 months.

The third point is the prudent elimination of excessive regulation. Regulations add an estimated $100 billion to the price of things we buy. Unnecessary regulations must be eliminated. Others must be streamlined.

The fourth point is development of a sound monetary policy which is consistent with the economic recovery program and which is geared to stabilize the money supply and revitalize the economy.

I and all of my colleagues in the Cabinet have great confidence in this program. We expect to see it effectively implemented and applied to combat our Nation's economic ills. If we continue to receive bipartisan support and the willing help of the American people, we'll carry out the President's program. As this happens, I'm convinced that we'll begin to see a substantial drop in both inflation and interest rates. I'm not talking about an immediate turn-around. It's taken us since the New Deal to get into this sorry economic condition, so we'll need at least some time to get out. In the meantime, while we're following budgetary and fiscal practices that will help us to escape from prohibitive inflation and interest rates, we're working intensely to do more with less money.

At HUD this means working to get more housing and development assistance at the least cost to the taxpayer. My first months at the Department were devoted almost exclusively to a total budgetary and management efficiency review of how my agency administers the public's money. I'm not willing to recommend continuing or discontinuing programs until I have a pretty fair grasp of what they deliver, who benefits from them, how effective they are, and at what cost. So, initially, I devoted myself to an exhaustive analysis of the Department's functioning. As we all know, the sacrament of baptism varies by religion. Let me assure you, my baptism at HUD was total immersion.

As a result of this intensive review, I made some decisions and recommended to the Congress the direction in which I propose to lead HUD. We will be moving towards more efficient, less costly, and less cumbersome delivery of housing and development assistance to the persons and places most seriously in need of such assistance. We will be moving in this direction with a more rational distribution of responsibility and decision-making. To me, this means increased control at the levels of government closer to the people. That is what the President's "New Federalism" is all about . . . enhanced local and State authority, reinforced with a constructive partnership approach to the delivery of services and problem-solving among the Federal, State and local governments.

I know we need to build better communication between State and local officials and my Department. I've met with and I've been listening to officials such as you all over the country. I'm going to continue listening and gathering all the information and insights from you I can. To further that effort, I reorganized the Department to include a Deputy Under Secretary for Intergovernmental Relations. Dr. June Koch heads that office, and I urge you to work with Dr. Koch and her staff to make certain that we at HUD are addressing your needs and concerns.

In my review of the Department's operation, meetings with local officials were most useful in helping me to determine the relative merits of some programs. For example, I heard virtually unanimous support for Urban Development Action Grants. It was generally well known that private sector funds were leveraged at an average 6-to-1 ratio compared to UDAG funds expended. I wasn't surprised by the level of support for the program, but I was favorably impressed by the substantive data: jobs saved, jobs created and construction jobs involved, for instance. This prompted me to take a more careful look at the UDAG program. Consultation with local leaders, developers and others convinced me that the program was worth continuing, at least for the short term. With the knowledge gained from that consultation and with solid support from the advocates of UDAG, I was successful in urging its retention. I was pleased to help save UDAG for 1982, and I decided to make a study of the program to have a real base of knowledge in determining how effective these grants have been. That report should be ready shortly and will help plan the future of action grants for 1983 and beyond.

I know you're familiar with this program. Many of you have made extensive use of it to strengthen the economy of your communities. The city of York used a $525,000 UDAG award to leverage well over $12 million in private investment. It also brought in excess of 50 new permanent jobs when the grant award helped Edgewater Steel to locate a plant in York, which should reach 85 jobs when the plant becomes fully operational.

With a $980,000 award, Lake City attracted nearly $4 million in private investment by Yarn Industries. That has meant over 80 new permanent jobs to Lake City, which will grow to an estimated 150 jobs created when this industry is fully operational.

And, in Greeneville, a $5.5 million UDAG award will leverage an estimated $24 million in private funds. The Greeneville Commons project will see construction of a parking garage, office building and hotel/convention center which, under current estimates, will translate into 450 new permanent jobs.

In Charleston a recent $1.3 million grant will help the city to build a parking facility, which will enable rehabilitation of the historic Lodge Ally site. This rehab will include condominiums, a small hotel, and rental space for a restaurant and shops. This UDAG award will leverage over $6.7 million in private investment.

Action Grants demonstrate the important role which the private sector must play for the New Federalism to be most effective. To gain greater business and industrial involvement in urban revitalization, we're also exploring Enterprise Zones. HUD has the lead role in an interdepartmental task force that is reviewing the concept, which is of great interest to the Reagan Administration. I expect we'll arrive at some key decisions on Enterprise Zones in the very near future. I believe there should be some incentives from the State and local level, to complement Federal tax and regulatory relief, if we are to encourage business to start new operations in distressed areas. Some States already have moved ahead to offer tax relief incentives for investment in Enterprise Zones.

In addition to exploring opportunities offered by the Enterprise Zone concept, we have another initiative underway that I want to mention. At my request, President Reagan created a Commission to help solve our country's housing problems. The President's Housing Commission is reviewing all existing Federal housing policies and programs and will suggest various options to the President and me. These options will give us guidance on how to deliver decent federally-subsidized housing at less cost. They also will strengthen the ability of the private sector to increase home ownership opportunities and to provide adequate shelter for all Americans.

As I lead HUD in a new direction, some of my priorities address more responsible conduct of our management functions. For instance, in the past, debt collection by HUD has been less than vigorous. Those days are over. If a borrower becomes delinquent on a loan, we'll sue for non-payment, if necessary. When people incur a debt to HUD, I expect them to repay it. The money we've been entrusted with comes from you and your neighbors. As taxpayers, you have a right to expect a responsible accounting for that money, and I intend to see that you get it. We're also cutting back on regulatory burdens. Our objectives are to lessen Federal control of private housing and development activities, as well as the related activities of State and local governments. We're placing strict standards on the development of new regulations, and a "sunset" review of all existing ones.

The actions we've taken on Community Development Block Grants demonstrate our commitment to deregulation. We've eliminated the burdensome targeting requirement. We've eliminated the unnecessary and duplicative displacement strategies, and we've withdrawn the detailed and altogether unnecessary program application requirements. In place of these requirements, communities need submit only a simple statement outlining their community development ojectives and the projected use of the funds. We're finding that we can streamline our operation and simplify the way you do business with HUD. I urge a similar course on State and local governments. Let me tell you why.

HUD was involved in a recent demonstration program which showed that significant housing cost reductions could be achieved by streamlining and up-dating local regulations. Carried out with no Federal funds, the demonstration tested whether single family housing costs could be reduced by using local government regulations as the only variable. The demonstration was concerned only with the effect of zoning ordinances, subdivision regulations and building codes of housing. Local governments permitted minor deviations from their existing regulations without enacting new ordinances. They permitted innovations proposed by the builders, and they expedited processing and review so that construction could start as rapidly as possible. The housing cost reductions realized in this test ranged from $13,000 to $32,500. That's tremendously encouraging. Think of all the families who could find affordable housing with that kind of reduction in housing costs. It just reinforces my conviction that we can reduce the cost of doing business and delivering services at the local level as well as at the Federal level.

The positive results of this demonstration to reduce housing costs bring home an elemental point. The answers to our Nation's problems—whether those problems are economic, housing, urban, rural, whatever—the answers to them are as readily found at the local and State levels, and through the private sector, as they are by the Federal Government. That's one of the driving forces behind President Reagan's New Federalism. We're calling for a sharing of initiative and innovation, as well as a sharing of administration and governance.

We need you support. With your encouragement and insights, we can get our country back on the right economic track.

I'm excited by the opportunity to help make our government and country work better and to regain its leadership role. I am confident that this Administration is embarked on the proper course to achieve those goals.

Thank you.

## PEACE AND JUSTICE IN NORTHERN IRELAND

(Mr. GILMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. GILMAN. Mr. Speaker, Americans have come to realize the importance and critical nature of the situation in Northern Ireland. The recent deaths by hunger strike, the continuing violence in the North of Ireland, and the perpetuation of a volatile situation which has led to the deaths and injuries of thousands call attention to the urgent need for a solution to this tragedy in Ireland.

In my congressional district, the Political Education Committee (PEC) of the Ancient Order of Hibernians has undertaken a major effort of public consciousness raising in order to unify Irish-Americans in securing practical solutions to these monumental problems. One of the areas in which the PEC has been most effective is the area of judicial injustice in Northern Ireland.

I would like to submit for the CONGRESSIONAL RECORD an article which has come to my attention via the AOH Political Education Committee, written by Prof. David Lowry of Pace University. The broad overview which he presents is pertinent to our efforts to find a solution to the Irish problem.

I trust that this enclosure will prove informative to my colleagues and to all Americans who are interested in peace and justice in Northern Ireland:

THE ENGLISH SYSTEM OF JUDICIAL INJUSTICE IN "NORTHERN IRELAND"

(By Prof. David R. Lowry, Pace University School of Law, White Plains, N.Y.)

INTRODUCTION

It has not required the example of English malfeasance or misfeasance in Ireland in the twentieth century, nor even the tragedy of the past decade to convince the student of Irish history, much less the reflective man or woman of Irish blood, of the inherent evil of the English presence in Ireland. For over eight centuries England's imperial purpose in Ireland has been not only the political, economic, religious, and racial subjugation of the Irish but also the genocide of Gaelic culture (indeed England's purpose has been the destruction of all Celtic cultures, i.e., Irish, Scottish, Manx, Welsh, and Cornish, wherever they are found). Nor is England's malefaction without a purpose, for early on did the Anglo-Saxon and Norman imperialists recognize that the unique degree of spirituality and almost mystical devotion to the ideals of individual liberty, tradition and nature among the Celts make them inherently unsuited for passive submission to the materialistic priorities of English rule, or to the English idea of their "place" in the greater scheme of things. The English attitude toward other non-English cultures and races is similar.

The form of England's Celtic/Irish policy has changed over the years, but the substance of cultural genocide remains undiminished even today. To those who understand this it is obvious that, even if every piece of repressive legislation in those six of divided Ulster's nine counties known as "Northern Ireland" were repealed tomorrow, and all prisoners of conscience released from the political prisons and concentration camps, England's continued presence in Ireland could not be tolerated. Yet there are many, both Irish and non-Irish, for whom this is not intuitively obvious. It is for the enlightenment of these, or at least of those among them who are of good will, that we

must examine England's record in contemporary Ireland—not by traditional Irish standards—but according to the criteria and evidence of English and international usages and standards.

Professor David Lowry has lived in "Northern Ireland" and has his Law degree from Queens University, Belfast (1969). He is currently Professor of Law at the Pace University Schoool of Law, White Plains, New York and is a consultant to the Irish National Caucus and to the Political Education Committee of the AOH. His essay, which follows, is a masterful analysis and indictment of the English system of judicial injustice in "Northern Ireland" based not upon Irish or Irish Republican sources, but rather based entirely upon English (including official British Government) and international (e.g., European Court of Human Rights) sources. It must be read by all seeking to understand the nature of the tragic conflict that exists in Ireland today.

A strange wall of silence surrounds the plight of the 400 Irish Republican prisoners, in H-Block, Long Kesh, Northern Ireland. The American media, with a few notable exceptions, has been unable or unwilling to investigate the harrowing tales of suffering of H-Block inmates since the British authorities imposed a "blackout" on all news of H-Block in 1977. This media silence is all the more curious in an era of intensified interest in human rights throughout North America. But it is hardly surprising that Irish-Americans are largely ignorant of the H-Block issue given the lack of understanding of the struggle for human rights in Northern Ireland evident in the American media.

CIVIL RIGHTS

To understand the current violations of human rights in Ireland it is necessary to sketch briefly the political and legal background since 1969. The civil rights movement in 1969 demanded, *inter alia*, an end to religious discrimination against Catholics in housing and employment as well as the abolition of the notorious Special Powers Act of 1922. Catholics have been openly and systematically excluded from participation in virtually all but the lowest occupations in both the public and the private sector. Housing was allocated on the old gerrymandered patronage system. Any outbreak of unrest or dissent by Catholics had always been quickly and ruthlessly suppressed under the Special Powers Act which gave the authorities, *inter alia*, power to hold suspects incommunicado and indefinitely without lawful arrest, charge or trial. Thus, in 1969, the systematized discrimination against Catholics (assumed nationalists) and entrenched Protestants (assumed united empire loyalists) patronage and privilege was enforced by the much feared Royal Ulster Constabulary (RUC), an almost totally Protestant para-military police force, which had a proved capability of operating oppressively with almost unfettered discretion conferred by the Special Powers Act.

The year 1969 was a watershed for northern Ireland. Hitherto opposition to discrimination had occurred (at least once in every decade since 1920) in the form of Irish Republican Army (IRA) guerrilla campaigns focused largely in the rural border areas. In 1969 middle-class urban Catholics and liberal protestants took to the streets in protest against discrimination. A rather leftist-liberal Labor government in London was nonplussed by the protests and the traditional and practiced violence with which the RUC sought to stifle the peaceful protests of otherwise law-abiding citizens.

The Northern Irish Prime Minister was summoned to London and ordered to institute the most elementary reforms to alleviate the glaring abuses of power. However, every time a gesture was made in the direction of the Catholic community pressure from Protestant extremists would intensify to counterbalance the London pressure. A messianic Protestant preacher, the Reverend Ian K. Paisley, instigated and capitalized upon this "Protestant-backlash."

Sadly for the north's Catholics and nationalists a Conservative ("Tory") government was returned to power in London in 1970 and foolishly committed itself to a stance of "law and order first; reform later." After 50 years of intense and complete repression this was hardly likely to assuage the fears of the Catholic minority. One month after the election the Conservatives allowed the British Army and the RUC to "curfew," quite illegally, the Catholic Falls Road ghetto in Belfast for 36 hours while pouring gas and troops into the ghetto.

At this juncture the IRA did not exist as a credible military force or a major political factor in Northern Ireland and this is now conceded by all observers. But now that the British Army had turned from its original "peace-keeping" role to one of aggression the resulting escalation of violence was inevitable. Early in 1971, some eight months after the British Army had taken the offensive, the first British soldier was killed. The IRA had (in January 1970) split asunder between marxists ("Officials") and nationalists ("Provisionals"). While weapons were few there was no shortage of recruits. This time many recruits had tried the peaceful route towards reforms. They had protested and been beaten. They had petitioned London and, ultimately, London had turned its troops on them. But in 1971 the IRA was able to draw from a huge reservoir of young, well-educated urbanized youth who were determined not to be pressured into emigration (to Britain and unable, under the new law, to come to the United States) which had always been the desired goal of the authorities so as to keep the Catholics in a numerical and hence electoral minority.

INTERNMENT

As violence escalated the Northern government inevitably reached for its one trusted weapon in repressing dissent—Internment. In August of 1971 several hundred "suspects" were "lifted." The next three months saw 1400 detained and 900 released after interrogation and various periods of internment. Internment as used in Northern Ireland means that any person can be taken into custody although no evidence of suspicion of any crime is required. Such a person could be held incommunicado and detained in prison indefinitely. As the detainee is never charged with any offense, access to court, due process and civil rights are thereby denied.

Internment was rather like adding a lighted match to gasoline. According to the London Sunday Times the internment option was chosen because the authorities did not want to interfere with the commercial life of Nothern Ireland. Other alternatives such as curfews and block searches were thus summarily rejected. While such a disregard for human freedom and individual liberty is appalling, especially when property rights take precedence, it is interesting to note that this message was not lost on the "Provisional" IRA who, henceforth, set about bombing "economic targets," so-called, with renewed zeal. A zeal which has not yet diminished.

Internment solidified Catholic resistance. It also brought forward support for the IRA from urban areas. More disturbing, however, were the stories of torture, inhuman and degrading treatment which inflamed the Catholic community. Many internees were quickly released because the police had no idea who were members of the IRA and so they "lifted" people somewhat indiscriminately. The stories told by those released were almost incredible. Incessant beatings, attacks by police dogs, forced to run barefoot over broken bottles, hooded and dropped from helicopters and, most chilling of all, systematic use of "white noise" in carefully controlled conditions. Sensory deprivation, formerly the monopoly of the KGB, the Chinese and the North Koreans, had arrived in Ireland. 1971 saw the first documented, proven and, indeed, admitted use of systematic inhuman and degrading treatment. It continues in various forms to this day and there is, as yet, no sign of it abating.

MURDER

Demonstrators peacefully protesting internment were murdered by British Paratroopers in Derry ("Bloody Sunday") in January of 1972. After that event it became clear to all that all avenues of peaceful protest had been closed. Discrimination continued. Indeed Catholics were driven out of "mixed areas" with retaliation in some cases by the IRA. The result was the largest population movement in Europe since World War II as Catholics crowded into the ghettos for protection. While Protestant paramilitaries were moving the population about it is significant that few Catholics relied on the discredited RUC and the British Army for protection. The Special Powers Act and the use of internment and torture totally alienated the regular law enforcement agencies from the Catholic population. At this point very many Catholics turned to the IRA for protection, albeit often with some misgivings.

COUNTERINSURGENCY

Total police alienation from the community made intelligence gathering even more difficult for the British and the RUC. Consequently, from 1972 to today the authorities adopted a "counter-insurgency" policy. This strategy seeks to break the connection between the population and the guerrilla. Its proponent, General Sir Frank Kitson, in his book "Low Intensity Operations," describes fully how it operates. Suffice it to say that torture, inhuman and degrading treatment are integral components of such a strategy. As well as suspected terrorists, totally innocent people must be arrested and made to talk to verify data. It's all very sophisticated and detailed. For example, in 1975 the British were able to boast that nearly 40% of the population had been fed into its computer. No nugget of information is too small; even the color of wallpaper is recorded. The key to understanding this strategy is to understand that the "target population," that is the Catholic ghettos, are alienated and will not willingly inform on a neighbor—especially when such a neighbor would become a potential torture victim.

FAILURE OF BRITISH REFORM

Matters would have proceeded merrily along but for a few factors beyond British control. Firstly, international outrage at internment and torture pressured Britain to

change, at least cosmetically, its repressive laws. Secondly, regardless of placebo reforms the IRA just kept bombing on and on. Thirdly, extremist Protestants showed, through a General Strike in 1974, that they were able and willing to frustrate any compromise which would have guaranteed Catholics a share of power or which, more importantly, tended to diminish entrenched Protestant privilege. The British, fearful of fighting on two fronts, wholly capitulated to the extremist Protestant para-military forces. This capitulation showed to all Protestants and Catholics that men like the UDA or Paisley, as de facto leader of the Protestant extremists, could exercise a negative veto on any reform or peace initiative.

Thus Northern Ireland is at an impasse as the British have foolishly deprived the Protestant majority of any incentive to negotiate an accommodation with moderate Catholics. Moderate Catholics who for years have had nobody to talk to, now have nothing to talk about as Protestant privilege and domination has been guaranteed by the British gift of the negative veto. If, however, the British gave a solemn undertaking to withdraw from Northern Ireland in say 5 years the Protestants would have an incentive to negotiate and, more importantly, some things to negotiate about.

ENGLAND'S ARMY CANNOT WIN

Meanwhile the status quo in the Catholic ghettos remains intolerable. To the British it is the "containment" phase of counter-insurgency whereas to the inhabitants it is dragnet arrests, wrecked homes, tortured confessions and show trials, without due process and long prison terms at the end of it. It is not surprising that a secret British Army intelligence estimate of the IRA (leaked in May of 1979) noted that the IRA can sustain the current level of action through 1983. The report, compiled by the Chief of British Army intelligence for London, notes that the British Army cannot win.

What strengthens the resolve of the IRA and the ghetto community is the ongoing cause celebre of the deprivation of human rights to the inmates of H-Block in Long Kesh. If ever war-weariness shows its face, H-Block immediately counters it. The H-Block tragedy is probably the single most vindictive and barbaric British miscalculation during 11 grizzly years of violence on all sides. The H-Block story reveals in microcosm most that is wrong with British policy in northern Ireland.

HUMAN RIGHTS VIOLATIONS

After the debacle of internment in 1972 the British suffered stiffened resistance in Ireland and intense pressure from abroad. The government of the Irish Republic initiated suit against the British in the European Court of Human Rights. British lawyers did all that they could to delay the case and finally admitted inhuman and degrading treatment of internees. The Court nevertheless continued the hearing after the admission of guilt and found the British guilty in 1978. But delaying tactics had worked to some extent as international opinion and pressure had drifted elsewhere.

COVERUP

Similarly, the British, responding to pressure, established a plethora of judicial inquiries into torture and interrogation techniques. The Report of Sir Edmund Compton was so maladroit in stipulating that (a) sensory deprivation was used to ward off the cold and (b) that suspects couldn't be tortured unless the torturer derived pleasure from inflicting torture, that another Commission of Inquiry had to be impaneled to cover up the cover-up. Lord Parkers' hastily convened inquiry had such narrowly circumscribed terms of reference that some wondered whether it could, in fact, perfect the cover-up. However, Lord Gardiner dissented, filing a minority report in which he noted, inter alia, that the RUC torturers had been specially trained by the British six months prior to internment and that the techniques in question had been developed in Aden, Cyprus, Malaya, Kenya and Palestine by the British. But as he pointed out such torturing was an assault (at least) under British law. Nobody has yet been brought to trial in this regard.

Amnesty International has twice investigated (1972 and 1978) and found evidence of ill treatment. The second report of Amnesty prompted the British to establish yet another inquiry under Judge Bennett. It reported in March of 1979, and although its terms of reference were so narrow that it was boycotted by all impartial civil liberties groups, Bennett too found ill-treatment. Amnesty International had called for a full-scale public inquiry but the British evidently thought that a narrow secret inquiry into a few allegations would diffuse the issue. They were wrong.

TORTURE DOCUMENTED

Immediately prior to Bennett's publication Dr. Irwin, a Police Surgeon, revealed that 150 suspects whom he had recently examined had various injuries sustained in police custody during interrogation and that the injuries were of a nature that they could not possibly have been self-inflicted. Other surgeons then spoke out. Lawyers had, since 1976, noticed a dramatic increase in injuries to their clients when, that is, lawyers were eventually allowed to consult their clients, which is always after interrogation by the RUC.

There can be no doubt that suspects are tortured or treated in an inhuman or degrading manner—even carefully tailored British inquiries admit this. But what is not so readily apparent is the use and significance of these methods and how they relate to the plight of the inmates of H-Block.

After the international public pressure over internment the British responded by modifying the law. The dreaded Special Powers Act was replaced by the Emergency Provisions Act (EPA) and the Prevention of Terrorism Act (PTA). These statutes presaged a new and more subtle approach. Internees under the Special Powers Act were political prisoners. As such they had traditionally been allowed to wear their own clothes not prison uniform, not forced to do prison work and have certain other privileges concomitant with political prisoner status. They lived in wire compounds or "cages" electing their own leader or spokesman and enjoyed relatively free association with other prisoners in their cage. Lord Gardiner's Report in 1975 recommended that this system, which had only been granted in 1972 after a hunger strike, be abolished. As a result special H-Blocks were built. All political prisoners incarcerated for offences which occurred after March 1, 1976 were, henceforth, consigned to H-Blocks. The status of the other inmates remains unaltered.

Under the old legislation the RUC didn't need to gather evidence. Mere suspicion was enough to detain a person indefinitely. Although this system had worked for 50 years it, in the 1970's incurred considerable international opprobrium. Under the new EPA, enacted after yet another judicial inquiry headed by Lord Diplock, there would be an arrest, a charge and a trial. However, if the RUC could not arrest the right people under the Special Powers Act with mere suspicion and unfettered powers, how on earth could the new system (which demanded a trial) possibly work?

NEW INTERNMENT

The EPA created a "new internment" in substance while giving the accused a "trial" in form only. New vague and broad offences were created such as "being concerned with terrorism," which could, conceivably, include within its ambit any thinking human being in northern Ireland. Similarly, the EPA retains the police power to search without a warrant anywhere and take anything as evidence. The new statutes do, however, remove the right to silence and it is now an offense to "withhold evidence"—the exact opposite of the Fifth Amendment protection. Careful scrutiny of these powers of arrest and search and seizure, while having the appearance or form of law, in substance retain all of the old Special Powers Act police powers while adding the "withholding of evidence" offense. However, the EPA and PTA add a public relations gloss by using the imprimatur of law whereas the Special Powers Act was clumsy and passed at a time (1922) of limited international pressure and scrutiny.

When arrested the suspect has no actual rights for up to seven days. Under the EPA and PTA a suspect can be held without charge, incommunicado for up to seven days. During this time the suspect will be interrogated by the specially trained and long experienced tortures of the RUC. Some interrogators are the same people who should according to Lord Gardiner, a British judge, have been prosecuted for assault. The Association for Legal Justice has literally hundreds of sworn statements from victims of RUC interrogation. Many, many more do not complain fearing retribution and harassment from the RUC for both themselves and members of their family.

If the inhuman and degrading interrogation is withstood by the suspect often he or she will be threatened with a "withholding information" charge. Frequently, the RUC, after prolonged softening-up, will simply threaten to "verbal" a suspect. "Verballing" means that an RUC officer will appear in Court alleging that the suspect told him (or verballed him) that he committed the offense. "Verballed" confessions, even from the discredited RUC are enough to convict in northern Ireland. Very many people crack within seven days especially when they believe that they may be framed with a verbal, regardless of their innocence. Fr. Faul and Fr. Murray, Catholic Prison Chaplains have, over the years, cataloged hundreds of cases of suspects pushed beyond endurance into signing confessions or being "verballed." But in Court a confession is good solid evidence and thus unwanted members of society can be sent to H Block with an appearance of law. Again form over substance.

After a suspect is charged under the EPA or PTA he will be remanded in custody for up to two years to await trial. Quite often suspects have been released from custody immediately before trial after spending eighteen months in prison with no real evidence against them. This "internment by remand" is an abuse of legal process but has the appearance of law and does not, prima facie, appear to be internment.

GUILTY UNTIL PROVEN INNOCENT

When a suspect is eventually brought to trial he can, of course, claim that his "confession" was coerced by RUC torture. But in order to eliminate the "confession" the accused must show, firstly that he was, in fact, tortured and secondly, that torture was intended to induce the confession. It is almost impossible for an accused to shift this reverse onus of proof.

Moreover, how can an accused possibly show the state of mind of his torturer? This remarkable provision of the EPA, which has no analogy in any common law or democratic system of justice, is the key component of the new internment system. It is this that ensures that coerced confessions are accepted by the courts while preserving the appearance of a trial. But at a price, for even the appearance of due process of law is jettisoned.

The trial judge sits alone as the EPA abolished the jury system. Northern Irish judges, most of whom are Protestant and present or former members of the Orange Order, almost invariably accept coerced confessions produced after seven days incommunicado in the hands of the RUC. In fact the British Bennett Report in March of 1979 noted that over 93 percent of all cases before these special non-jury courts (known as Diplock courts after their creator) end in conviction. An unprecedented conviction rate. Moreover, Bennett did reveal that over 80 percent of all such convictions are based solely on the evidence of confession. In 80 percent of these cases no other evidence of any sort is adduced.

On conviction for EPA and PTA offences sentences are extremely heavy. After all the judges must protect society from self-confessed criminals. Sentences are then served in the H Blocks of Long Kesh prison. A profile of the average inmate of Long Kesh shows that he is under 20 years of age with no prior convictions and not a hardened criminal or recidivist.

H Block is the end of a conveyer belt—the terminus of the new internment system of law. A system that is in form often unexceptional but which is, in substance, an atrocious and unmitigated mockery of justice.

POLITICAL PRISONERS

When the victims of this system arrive in H Block they meet conditions of indescribable squalor. The prisoners having observed the conveyer belt at close quarters firmly believe that they are political prisoners. They claim that they have not been tried by due process of law and as such they claim to be treated as political prisoners. The British have denied this request for to do so would be to admit that they have merely commenced a more subtle "new internment" process. Such an admission would surely provoke international indignation as did the "old internment."

As a direct consequence of the British refusal to grant political prisoner status the inmates have refused to wear prison uniform for to do so would be symbolically admitting that they are common criminals.

The British response is that they are indeed common criminals, but common criminals do not ride the EPA conveyer belt to H Block. Yet another impasse was reached and a news blackout was imposed by the British on H Block.

Prisoners who refuse prison uniform are denied all privileges. Allegations of beatings by guards have grown considerably but cannot be substantiated as the British have denied access to impartial observers. Only last November Amnesty International were denied access to H Block. However, one man was allowed in some two years ago. Cardinal O'Fiaich on a pastoral visit as Archbishop of Armagh issued a statement after his visit which in pertinent part stated that:

"One would hardly allow an animal to remain in such conditions, let alone a human being. The nearest to it I have seen is the spectacle of hundreds of homeless people living in sewerpipes in the slums of Calcutta. The stench and the filth in some of the cells . . . was almost unbearable. In two of them I was unable to speak for fear of vomiting."

The prisoners' cells are without beds, chair or table. They sleep on mattresses on the floor and in some cases I noticed that these were quite wet. They have no covering except a towel or blanket, no books, newspapers or reading material except the Bible (even religious magazines have been banned since my last visit); no handicrafts, no exercise or recreation. They are locked in their cells for almost the whole of every day. . . .

Some prisoners have now been in these conditions for over 3½ years and many are now deeply concerned regarding the physical and mental health of the inmates.

PERFIDIOUS ALBION

In the middle of the H Block impasse the British government still found time to sign in 1977 the new Red Cross Protocols to the Geneva Convention. These Protocols would, inter alia, mandate that guerrillas be treated as Prisoners of War. Naturally the British have not extended prisoner of war status to the inmates of H Block but the fact that the Protocols were signed is further evidence of the British sensitivity to international opinion and pressure. Furthermore, some of the H Block inmates may actually be guerrillas or terrorists but we will never know for sure as they have been denied due process of law and mere conviction by coerced confession in a Diplock Court is not convincing evidence of anything in particular.

There are many modern definitions of human rights and some would show that Britain is violating anything up to 16 basic tenets of fundamental freedom and liberty with H Block and the EPA conveyor belt. But legalistic interpretations and quibbling are diversions from the very basic appreciation of the fact that all definitions of human rights acknowledge the transcending importance of the dignity of man. I submit that the British and the RUC inhuman and degrading treatment of Irishmen under the EPA and in H Block is a gross affront to any known concept of human dignity.

AMERICAN HELP NEEDED

Perhaps the efforts of the new U.S. based lobby, the Irish National Caucus with the Political Education Committee of the Ancient Order of Hibernians, will not only raise the consciousness of Irish-Americans but all who value human rights. Is it too much to suggest that American public opinion and political pressure be mobilized to engender a respect within the British for Irishmen? Is it too much to expect American Catholics to ask American political leaders to try to intervene to break the impasse in Northern Ireland? If America cannot talk with and criticize its old friend and ally, Britain, then there is little hope for the advancement of human rights in Northern Ireland.●

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

Mr. SAWYER (at the request of Mr. MICHEL), for today, on account of attending the dedication of the Gerald R. Ford Presidential Museum.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. WALKER) to revise and extend his remarks and include extraneous material:)

Mr. MCGRATH, for 30 minutes, today.

(The following Members (at the request of Mr. HOYER) to revise and extend their remarks and include extraneous material:)

Mr. HOYER, for 15 minutes, today.

Mr. NELSON, for 5 minutes, today.

Mr. BONER of Tennessee, for 10 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. REUSS, for 10 minutes, today.

Mr. LAFALCE, for 20 minutes, today.

Mr. ROEMER, for 20 minutes, today.

Mr. DASCHLE, for 5 minutes, today.

Mr. FORD of Tennessee, for 5 minutes, today.

Mr. DYMALLY, for 30 minutes, September 21, 1981.

(The following Member (at the request of Mr. MCKINNEY) to revise and extend his remarks and include extraneous material:)

Mr. MCKINNEY, for 20 minutes, today.

## EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. SOLOMON, immediately prior to the vote on the Beard amendment in the Committee of the Whole today.

Mr. GILMAN, and to include extraneous material notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,560.

(The following Members (at the request of Mr. WALKER) and to include extraneous matter:)

Mr. WALKER in two instances.

Mr. LAGOMARSINO in two instances.

Mr. BLILEY.

Mr. BROOMFIELD.

Mr. SHUMWAY in two instances.

Mr. DERWINSKI in two instances.

Mr. KEMP.

Mr. DICKINSON in two instances.

Mr. EVANS of Iowa.

Mr. NAPIER.

Mr. PARRIS.

Mr. SYNAR.

Mr. WYLIE.

Mr. HORTON.
Mr. DANIEL B. CRANE in two instances.
Mr. ASHBROOK in two instances.
Mr. SMITH of New Jersey.
Mr. EDWARDS of Oklahoma.
(The following Members (at the request of Mr. HOYER) and to include extraneous matter:)
Mr. SOLARZ in three instances.
Mr. FORD of Michigan.
Mr. BINGHAM in 10 instances.
Mr. STARK.
Mr. LONG of Maryland.
Mr. FROST in five instances.
Mr. HEFNER.
Mr. SIMON in five instances.
Mr. HEFTEL.
Mr. ROSENTHAL.
Mr. D'AMOURS.
Mr. VENTO in three instances.
Mr. HANCE.
Mr. PANETTA.
Mr. ECKART.
Mr. LONG of Louisiana.
Mr. PEYSER.
Mr. IRELAND.
Mr. MCDONALD in five instances.
Mr. FLORIO.
Mr. VOLKMER.
Mr. ERTEL.
Mr. PEASE.
Ms. MIKULSKI.
Mr. HUBBARD.
Mr. FASCELL in two instances.
Mr. DASCHLE.
Mr. DOWNEY.
Mr. HAWKINS.
Mr. WILLIAMS of Ohio.
Mr. GRAMM.
Mr. FAUNTROY.

## SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 105. Joint resolution to designate October 1981 as "National P.T.A. Membership Month"; to the Committee on Post Office and Civil Service.

## ADJOURNMENT

Mr. DASCHLE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 11 minutes p.m.), the House adjourned until tomorrow, Friday, September 18, 1981, at 10 a.m.

## EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees, and delegations traveling under an authorization from the Speaker, concerning the foreign currencies and U.S. dollars utilized by them during the second quarter of calendar year 1981 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1, AND JUNE 30, 1981

| Name of member or employee | Date | | Country | Per diem [1] | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arrival | Departure | | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] |
| DELEGATION TO PARIS AIR SHOW AND NORTH ATLANTIC ASSEMBLY, MAY 21-JUNE 10, 1981 | | | | | | | | | | | |
| Local delegation expenses | 5/31 | 6/1 | Hungary | | | | 1,291.62 | | 1,383.03 | | 2,674.65 |
| Committee total | | | | | | | 1,291.62 | | 1,383.03 | | 2,674.65 |

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

MELVIN PRICE, Chairman.
August 24, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ENERGY AND COMMERCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1981

| Name of member or employee | Date | | Country | Per diem [1] | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arrival | Departure | | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] |
| Finnegan, David | 6/1 | 6/3 | Canada | | 225.00 | | 228.93 | | | | 453.93 |
| Howard, Robert | 6/1 | 6/3 | do | | 225.00 | | 228.93 | | | | 453.93 |
| Shwayder, Patti | 6/1 | 6/3 | do | | 225.00 | | 228.93 | | | | 453.93 |
| Ritter, Don | 4/16 | 4/19 | Pakistan | | 228.00 | | 2,148.00 | | | | 2,376.00 |
| Dingell, John D. | 4/8 | 4/13 | France | | 588.00 | | 2,371.50 | | | | 2,959.50 |
| | 4/14 | 4/18 | Austria | | 416.00 | | | | | | 416.00 |
| Collins, Cardiss | 4/8 | 4/13 | France | | 588.00 | | 2,371.50 | | | | 2,959,50 |
| | 4/14 | 4/18 | Austria | | 520.00 | | | | | | 520.00 |
| Moorehead, Carlos | 4/8 | 4/13 | France | | 588.00 | | 2,371.50 | | | | 2,959.50 |
| | 4/14 | 4/18 | Austria | | 520.00 | | | | | | 520.00 |
| Shelby, Richard | 4/8 | 4/13 | France | | 588.00 | | 2,371.50 | | | | 2,959.50 |
| | 4/14 | 4/18 | Austria | | 520.00 | | | | | | 520.00 |
| Swift, Al | 4/8 | 4/13 | France | | 588.00 | | 2,371.50 | | | | 2,959.50 |
| | 4/14 | 4/18 | Austria | | 520.00 | | | | | | 520.00 |
| Ottinger, Richard | 4/8 | 4/12 | France | | 490.00 | | 1,147.50 | | | | 1,637.50 |
| | | | | | | | 480.80 | | | | 480.80 |
| Tauke, Thomas | 4/8 | 4/13 | France | | 588.00 | | 2,371.50 | | | | 2,959.50 |
| | 4/13 | 4/18 | Austria | | 520.00 | | | | | | 520.00 |
| Benson, Kathleen | 4/8 | 4/13 | France | | 588.00 | | 2,371.50 | | | | 2,959.50 |
| | 4/14 | 4/18 | Austria | | 416.00 | | | | | | 416.00 |
| Braun, William | 4/8 | 4/13 | France | | 588.00 | | 2,371.50 | | | | 2,959.50 |
| | 4/13 | 4/18 | Austria | | 520.00 | | | | | | 520.00 |
| Gold, David | 4/8 | 4/13 | France | | 588.00 | | 2,371.50 | | | | 2,959.50 |
| | 4/13 | 4/18 | Austria | | 520.00 | | | | | | 520.00 |
| Kitzmiller, Wm. M. | 4/8 | 4/13 | France | | 588.00 | | 2,371.50 | | | | 2,959.50 |
| | 4/14 | 4/18 | Austria | | 416.00 | | | | | | 416.00 |
| Mathews, Nancy | 4/8 | 4/13 | France | | 588.00 | | 2,371.50 | | | | 2,959.50 |
| | 4/14 | 4/18 | Austria | | 416.00 | | | | | | 416.00 |
| Potter, Frank M., Jr. | 4/8 | 4/13 | France | | 588.00 | | 2,371.50 | | | | 2,959.50 |
| | 4/14 | 4/18 | Austria | | 416.00 | | | | | | 416.00 |
| Schooler, David | 4/8 | 4/13 | France | | 588.00 | | 2,371.50 | | | | 2,959.50 |
| | 4/13 | 4/18 | Austria | | 520.00 | | | | | | 520.00 |
| Woo, Michael T. | 4/8 | 4/13 | France | | 588.00 | | 2,371.50 | | | | 2,959.50 |
| | 4/13 | 4/18 | Austria | | 520.00 | | | | | | 520.00 |
| McCabe, Michael | 4/8 | 4/13 | France | | 588.00 | | 2,371.50 | | | | 2,959.50 |
| | 4/14 | 4/18 | Austria | | 416.00 | | | | | | 416.00 |

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ENERGY AND COMMERCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1981—Continued

| Name of member or employee | Date | | Country | Per diem [1] | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arrival | Departure | | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] |
| Kitzmiller, Wm. M. | 6/10 | 6/13 | Sweden | | 300.00 | | [3] | | | | 300.00 |
| | 6/14 | 6/16 | France | | 225.00 | | | | | | 225.00 |
| Codel Dingell-Vienna: | | | | | | | | | | | |
| Transportation and related expenses | | | | | | | | | 3,531.95 | | 3,531.95 |
| Control room expenses | | | | | | | | | 259.50 | | 259.50 |
| Official long distance calls and installation | | | | | | | | | 883.62 | | 883.62 |
| Committee total | | | | | 17,914.00 | | 40,035.59 | | 4,675.07 | | 62,624.66 |

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Unknown at this time.

JOHN S. DINGELL, Chairman.
August 5, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE JUDICIARY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1981

| Name of member or employee | Date | | Country | Per diem [1] | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arrival | Departure | | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] |
| Patricia Schroeder | 4/8 | 4/10 | Switzerland | | 255.00 | | 12.88 | | | | 367.88 |
| Peter W. Rodino, Jr | 5/22 | 5/28 | Italy | | 644.00 | | 495.74 | | | | 1,139.74 |
| Commercial transportation | | | | | | | 3,364.00 | | | | 3,364.00 |
| Garner J. Cline, staff | 5/22 | 5/28 | do | | 644.00 | | 495.74 | | | | 1,139.74 |
| Commercial transportation | | | | | | | 3,445.00 | | | | 3,445.00 |
| John Conyers, Jr. | 6/19 | 6/25 | Kenya | | 412.50 | | | | | | 412.50 |
| Commercial transportation | | | | | | | 3,464.00 | | | | 3,464.00 |
| Oliver B. Quinn, staff | 6/19 | 6/25 | do | | 412.50 | | | | | | 412.50 |
| Commercial transportation | | | | | | | 1,946.00 | | | | 1,946.00 |
| Committee total | | | | | 2,368.00 | | 13,323.36 | | | | 15,691.36 |

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

PETER W. RODINO, JR. Chairman.
September 15, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON MERCHANT MARINE AND FISHERIES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1981

| Name of member or employee | Date | | Country | Per diem [1] | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arrival | Departure | | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] |
| Cassani, Rudolph | 5/26 | 6/5 | Switzerland | 1,935.45 | 935.00 | | 1,230.00 | | | | |
| | | | | | | 119.00 | [3] 56.90 | | | | |
| | | | | | | 196.00 | [4] 93.71 | | | | |
| Little, Stephen Dale | 5/26 | 5/29 | Switzerland | 703.80 | 340.00 | | 1,214.00 | | | | |
| Seifert, Gerald | 5/26 | 5/30 | do | 880.60 | 425.00 | | 1,256.00 | | | | |
| Welch, Edmund B | 5/26 | 5/30 | do | 703.80 | 340.00 | | 1,256.00 | | | | |
| Committee total | | | | | 2,040.00 | | 5,106.61 | | | | |

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Local transportation.
[4] Local transportation for travelers Cassani, Little, Seifert, and Welch.

WALTER B. JONES.
July 24, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1981

| Name of member or employee | Date | | Country | Per diem [1] | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arrival | Departure | | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] |
| John G. Fary | 5/28 | 5/29 | Italy | 107.97 | 93 | | | | | 107.97 | 93 |
| | 5/29 | 5/31 | Romania | 1,894.85 | 174 | | | | | 1,894.85 | 174 |
| | 5/31 | 6/3 | Hungary | 6,797.25 | 225 | | | | | 6,797.25 | 225 |
| | 6/3 | 6/9 | France | 3,498 | 636 | | | | | 3,498 | 636 |
| Richard J. Sullivan | 5/28 | 5/29 | Italy | 107.97 | 93 | | | | | 107.97 | 93 |
| | 5/29 | 5/31 | Romania | 1,894.85 | 174 | | | | | 1,894.85 | 174 |
| | 5/31 | 6/3 | Hungary | 6,797.25 | 225 | | | | | 6,797.25 | 225 |
| | 6/3 | 6/9 | France | 3,498 | 636 | | | | | 3,498 | 636 |
| Wayne Grisham | 5/28 | 5/30 | Spain | 22,080 | 240 | | | | | 22,080 | 240 |
| | 5/31 | 6/1 | Denmark | 1,389.5 | 190 | | | | | 1,389.5 | 190 |
| | 6/1 | 6/2 | Finland | 45,210 | 104 | | | | | 45,210 | 104 |
| | 6/3 | 6/9 | France | 3,498 | 636 | | | | | 3,498 | 636 |

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1981—Continued

| Name of member or employee | Date | | Country | Per diem [1] | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arrival | Departure | | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] |
| Ron Gering | 5/28 | 5/30 | Spain | 22,080 | 240 | | | | | 22,080 | 240 |
| | 5/31 | 6/1 | Denmark | 1,389.5 | 190 | | | | | 1,389.5 | 190 |
| | 6/1 | 6/2 | Finland | 45,210 | 104 | | | | | 45,210 | 104 |
| | 6/3 | 6/9 | France | 3,498 | 636 | | | | | 3,498 | 636 |
| Paul Schoellhamer | 6/3 | 6/9 | do | 3,498 | 636 | | | | | 3,498 | 636 |
| | | | Germany | | [3] | 3,368.65 | 1,452 | | | 3,368.65 | 1,452 |
| Geraldine Ferraro | | | France | 2,915 | 530 | | | | | 2,915 | 530 |
| | | | Germany | | [3] | 4,187.15 | 1,726 | | | 4,187.15 | 1,726 |
| James J. Howard | 6/5 | 6/7 | France | 1,749 | 318 | | | | | 1,749 | 318 |
| | 6/8 | 6/10 | Ireland | 210 | 318 | | | | | 210 | 318 |
| | | | Germany | | [3] | 6,748.9 | 2,904 | | | 6,748.9 | 2,904 |
| Robert A. Roe | 6/5 | 6/7 | France | 1,749 | 318 | | | | | 1,749 | 318 |
| | 6/8 | 6/10 | Ireland | 210 | 318 | | | | | 210 | 318 |
| | | | Germany | | [3] | 6,748.9 | 2,904 | | | 6,748.9 | 2,904 |
| Kenneth House | 6/5 | 6/7 | France | 1,749 | 318 | | | | | 1,749 | 138 |
| | 6/8 | 6/10 | Ireland | 210 | 318 | | | | | 210 | 318 |
| | | | Germany | | [3] | 6,748.9 | 2,904 | | | | |
| Committee total | | | | | 7,670 | | 6,748.9<br>11,890 | 2,904 | | | 19,560 |

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Only air transportation.

JAMES J. HOWARD, Chairman.
July 30, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE AND TECHNOLOGY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1981

| Name of member or employee | Date | | Country | Per diem [1] | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arrival | Departure | | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] |
| Scheuer | | 4/10 | U.S.A. | | | | [6] 1,925.00 | | | | 1,925.00 |
| | 4/11 | 4/14 | Germany | 502.88 | 234.99 | 840.72 | [7] 363.29 | | | 1,343.60 | 598.28 |
| | 4/14 | 4/19 | France | 2,940.00 | 588.00 | | | | | 2,940.00 | 588.00 |
| | 4/19 | 4/23 | England | 236.95 | 516.00 | | | | | 236.95 | 516.00 |
| | 4/23 | | U.S.A. | | | | | | | | |
| Kopp | | 4/14 | U.S.A. | | | | [6] 2,450.00 | | | | 2,450.00 |
| | 4/14 | 4/18 | France | 1,470.00 | 588.00 | | | | | 1,470.00 | 588.00 |
| | 4/18 | 4/23 | England | 296.20 | 645.00 | | | | | 296.20 | 645.00 |
| | 4/23 | | U.S.A. | | | | | | | | |
| Clark | | 4/14 | U.S.A. | | | | [6] 2,984.00 | | | | 2,984.00 |
| | 4/14 | 4/18 | France | 1,470.00 | 588.00 | | | | | 1,470.00 | 588.00 |
| | 4/18 | 4/23 | England | 296.20 | 645.00 | | | | | 296.20 | 645.00 |
| | 4/23 | | U.S.A. | | | | | | | | |
| Fuqua | | 5/28 | U.S.A. | | | [5] | [6] 3,936.79 | | | | 3,936.79 |
| | 5/28 | 5/31 | Spain | 22,080.00 | 240.00 | | | | | 22,080.00 | 240.00 |
| | 5/31 | 6/2 | Denmark | 1,389.00 | 190.00 | | | | | 1,389.00 | 190.00 |
| | 6/2 | 6/3 | Finland | 452.10 | 104.00 | | | | | 452.10 | 104.00 |
| | 6/3 | 6/10 | France | 4,081.00 | 742.00 | | | | | 4,081.00 | 742.00 |
| | 6/10 | | U.S.A. | | | | | | | | |
| Walker | | 5/28 | U.S.A. | | | [5] | [6] 3,936.79 | | | | 3,936.79 |
| | 5/28 | 5/31 | Spain | 22,080.00 | 240.00 | | | | | 22,080.00 | 240.00 |
| | 5/31 | 6/2 | Denmark | 1,389.00 | 190.00 | | | | | 1,389.00 | 190.00 |
| | 6/2 | 6/3 | Finland | 452.10 | 104.00 | | | | | 452.10 | 104.00 |
| | 6/3 | 6/10 | France | 4,081.00 | 742.00 | | | | | 4,081.00 | 742.00 |
| | 6/10 | | U.S.A. | | | | | | | | |
| Bouquard | | 5/28 | U.S.A. | | | [5] | [6] 3,936.79 | | | | 3,936.79 |
| | 5/28 | 5/31 | Spain | 22,080.00 | 240.00 | | | | | 22,080.00 | 240.00 |
| | 5/31 | 6/2 | Denmark | 1,389.00 | 190.00 | | | | | 1,389.00 | 190.00 |
| | 6/2 | 6/3 | Finland | 452.10 | 104.00 | | | | | 452.10 | 104.00 |
| | 6/3 | 6/10 | France | 4,081.00 | 742.00 | | | | | 4,081.00 | 742.00 |
| | 6/10 | | U.S.A. | | | | | | | | |
| Carney | | 5/28 | U.S.A. | | | [5] | [6] 3,936.79 | | | | 3,936.79 |
| | 5/28 | 5/31 | Spain | 22,080.00 | 240.00 | | | | | 22,080.00 | 240.00 |
| | 5/31 | 6/2 | Denmark | 1,389.00 | 190.00 | | | | | 1,389.00 | 190.00 |
| | 6/2 | 6/3 | Finland | 452.10 | 104.00 | | | | | 452.10 | 104.00 |
| | 6/3 | 6/10 | France | 4,081.00 | 742.00 | | | | | 4,081.00 | 742.00 |
| | 6/10 | | U.S.A. | | | | | | | | |
| Flippo | | 5/28 | U.S.A. | | | [4] | [6] 4,489.79 | | | | 4,489.79 |
| | 5/29 | 5/31 | Spain | 14,720.00 | 160.00 | | | | | 14,720.00 | 160.00 |
| | 5/31 | 6/2 | Denmark | 1,389.00 | 190.00 | | | | | 1,389.00 | 190.00 |
| | 6/2 | 6/3 | Finland | 452.10 | 104.00 | | | | | 452.10 | 104.00 |
| | 6/3 | 6/10 | France | 4,081.00 | 742.00 | | | | | 4,081.00 | 742.00 |
| | 6/10 | | U.S.A. | | | | | | | | |
| Hanson | | 5/28 | U.S.A. | | | [5] | [6] 3,936.79 | | | | 3,936.79 |
| | 5/28 | 5/31 | Spain | 22,080.00 | 240.00 | | | | | 22,080.00 | 240.00 |
| | 5/31 | 6/2 | Denmark | 1,389.00 | 190.00 | | | | | 1,389.00 | 190.00 |
| | 6/2 | 6/3 | Finland | 452.10 | 104.00 | | | | | 452.10 | 104.00 |
| | 6/3 | 6/10 | France | 4,081.00 | 742.00 | | | | | 4,081.00 | 742.00 |
| | 6/10 | | U.S.A. | | | | | | | | |
| Jenks | | 5/28 | U.S.A. | | | [5] | [6] 3,936.79 | | | | 3,936.79 |
| | 5/28 | 5/31 | Spain | 22,080.00 | 240.00 | | | | | 22,080.00 | 240.00 |
| | 5/31 | 6/2 | Denmark | 1,389.00 | 190.00 | | | | | 1,389.00 | 190.00 |
| | 6/2 | 6/3 | Finland | 452.10 | 104.00 | | | | | 452.10 | 104.00 |
| | 6/3 | 6/10 | France | 4,081.00 | 742.00 | | | | | 4,081.00 | 742.00 |
| | 6/10 | | U.S.A. | | | | | | | | |

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE AND TECHNOLOGY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1981—Continued

| Name of member or employee | Date | | Country | Per diem [1] | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arrival | Departure | | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] |
| Tate | | 5/28 | U.S.A. | | | ([3]) | [6] 3,936.79 | | | | 3,936.79 |
| | 5/28 | 5/31 | Spain | 22,080.00 | 240.00 | | | | | 22,080.00 | 240.00 |
| | 5/31 | 6/2 | Denmark | 1,389.00 | 190.00 | | | | | 1,389.00 | 190.00 |
| | 6/2 | 6/3 | Finland | 452.10 | 104.00 | | | | | 452.10 | 104.00 |
| | 6/3 | 6/10 | France | 4,081.00 | 742.00 | | | | | 4,081.00 | 742.00 |
| | 6/10 | | U.S.A. | | | | | | | | |
| Ketcham | | 5/28 | U.S.A. | | | ([3]) | [6] 3,936.79 | | | | 3,936.79 |
| | 5/28 | 5/31 | Spain | 22,080.00 | 240.00 | | | | | 22,080.00 | 240.00 |
| | 5/31 | 6/2 | Denmark | 1,389.00 | 190.00 | | | | | 1,389.00 | 190.00 |
| | 6/2 | 6/3 | Finland | 452.10 | 104.00 | | | | | 452.10 | 104.00 |
| | 6/3 | 6/10 | France | 4,081.00 | 742.00 | | | | | 4,081.00 | 742.00 |
| | 6/10 | | U.S.A. | | | | | | | | |
| Branscome | | 5/28 | U.S.A. | | | ([3]) | [6] 3,936.79 | | | | 3,936.79 |
| | 5/28 | 5/31 | Spain | 22,080.00 | 240.00 | | | | | 22,080.00 | 240.00 |
| | 5/31 | 6/2 | Denmark | 1,389.00 | 190.00 | | | | | 1,389.00 | 190.00 |
| | 6/2 | 6/3 | Finland | 452.10 | 104.00 | | | | | 452.10 | 104.00 |
| | 6/3 | 6/10 | France | 4,081.00 | 742.00 | | | | | 4,081.00 | 742.00 |
| | 6/10 | | U.S.A. | | | | | | | | |
| Taylor | | 5/28 | U.S.A. | | | ([3]) | 3,936.79 | | | | 3,936.79 |
| | 5/28 | 5/31 | Spain | 22,080.00 | 240.00 | | | | | 22,080.00 | 240.00 |
| | 5/31 | 6/2 | Denmark | 1,389.00 | 190.00 | | | | | 1,389.00 | 190.00 |
| | 6/2 | 6/3 | Finland | 452.10 | 104.00 | | | | | 452.10 | 104.00 |
| | 6/3 | 6/10 | France | 4,081.00 | 742.00 | | | | | 4,081.00 | 742.00 |
| | 6/10 | | U.S.A. | | | | | | | | |
| Krebs | | 5/28 | U.S.A. | | | ([3]) | [6] 3,936.79 | | | | 3,936.79 |
| | 5/28 | 5/31 | Spain | 22,080.00 | 240.00 | | | | | 22,080.00 | 240.00 |
| | 5/31 | 6/2 | Denmark | 1,389.00 | 190.00 | | | | | 1,389.00 | 190.00 |
| | 6/2 | 6/3 | Finland | 452.10 | 104.00 | | | | | 452.10 | 104.00 |
| | 6/3 | 6/10 | France | 4,081.00 | 742.00 | | | | | 4,081.00 | 742.00 |
| | 6/10 | | U.S.A. | | | | | | | | |
| Dugan | | 5/28 | U.S.A. | | | ([3]) | [6] 3,936.79 | | | | 3,936.79 |
| | 5/28 | 5/31 | Spain | 22,080.00 | 240.00 | | | | | 22,080.00 | 240.00 |
| | 5/31 | 6/2 | Denmark | 1,389.00 | 190.00 | | | | | 1,389.00 | 190.00 |
| | 6/2 | 6/3 | Finland | 452.10 | 104.00 | | | | | 452.10 | 104.00 |
| | 6/3 | 6/10 | France | 4,081.00 | 742.00 | | | | | 4,081.00 | 742.00 |
| | 6/10 | | U.S.A. | | | | | | | | |
| Lanes | | 5/28 | U.S.A. | | | ([3]) | [6] 3,936.79 | | | | 3,936.79 |
| | 5/28 | 5/31 | Spain | 22,080.00 | 240.00 | | | | | 22,080.00 | 240.00 |
| | 5/31 | 6/2 | Denmark | 1,389.00 | 190.00 | | | | | 1,389.00 | 190.00 |
| | 6/2 | 6/3 | Finland | 452.10 | 104.00 | | | | | 452.10 | 104.00 |
| | 6/3 | 6/10 | France | 4,081.00 | 742.00 | | | | | 4,081.00 | 742.00 |
| | 6/10 | | U.S.A. | | | | | | | | |
| Byerly | | 5/28 | U.S.A. | | | ([3]) | [6] 3,936.79 | | | | 3,936.79 |
| | 5/28 | 5/31 | Spain | 22,080.00 | 240.00 | | | | | 22,080.00 | 240.00 |
| | 5/31 | 6/1 | Denmark | 694.75 | 95.00 | | | | | 694.75 | 95.00 |
| | 6/1 | 6/10 | France | 5,214.00 | 948.00 | | | | | 5,214.00 | 948.00 |
| | 6/10 | | U.S.A. | | | | | | | | |
| Codel Charges | 5/28 | 5/31 | Spain | | | | [7] 1,176.15 | | 4,265.98 | | 5,442.13 |
| Goldwater | | 6/4 | U.S.A. | | | ([5]) | | | | | 0.00 |
| | 6/4 | 6/10 | France | 3,498.00 | 636.00 | | | | | 3,498.00 | 636.00 |
| | 6/10 | | U.S.A. | | | | | | | | |
| Tymczyszyn | | 6/4 | U.S.A. | | | ([5]) | | | | | 0.00 |
| | 6/4 | 6/10 | France | 3,498.00 | 636.00 | | | | | 3,498.00 | 636.00 |
| | 6/10 | | U.S.A. | | | | | | | | |
| Shacknai | | 5/29 | U.S.A. | | | | [6] 3,726.40 | | | | 3,726.40 |
| | 5/30 | 6/4 | Japan | 123,542 | 1,049.00 | | | | | 123,542 | 1,049.00 |
| | 6/4 | 6/11 | China | | 0.00 | | 0.00 | | | | 0.00 |
| | 6/11 | 6/13 | Hong Kong | 1,716.00 | 312.00 | | 0.00 | | | 1,716.00 | 312.00 |
| | 6/13 | | U.S.A. | | | | | | | | |
| Committee total | | | | | 25,504.99 | | 72,229.69 | | 4,265.98 | | 102,000.66 |

[1] Per diem constitutes lodging and meals. [2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended. [3] Military air. [4] Military/commercial. [5] Traveled with White House delegation. [6] Roundtrip. [7] Ground.

DON FUQUA, Chairman

July 31, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON WAYS AND MEANS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1981

| Name of member or employee | Date | | Country | Per diem [1] | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arrival | Departure | | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] |
| L. A. (Skip) Bafalis | 4/16 | 4/20 | Brazil | 36,869.44 | 464.00 | | 21.39 | | 158.00 | | 643.39 |
| | 4/20 | 4/21 | Argentina | 896,732 | 292.00 | | 78.14 | | 220.93 | | 591.07 |
| | 4/21 | 4/23 | Brazil | 6,833.56 | 86.00 | | | | | | 86.00 |
| | 4/23 | 4/24 | Mexico | 1,788.80 | 75.00 | | | | | | 75.00 |
| | 4/24 | 4/26 | Jamaica | 266.81 | 150.00 | | | | 153.39 | | 303.39 |
| Transportation by Department of Defense | | | | | | | 3,771.91 | | | | 3,771.91 |
| Hon. Wyche Fowler, Jr | 4/16 | 4/20 | Brazil | 36,869.44 | 464.00 | | 21.39 | | 158.00 | | 643.39 |
| | 4/20 | 4/21 | Argentina | 896,732 | 292.00 | | 78.14 | | 220.93 | | 591.07 |
| | 4/21 | 4/23 | Brazil | 6,833.56 | 86.00 | | | | | | 86.00 |
| | 4/23 | 4/24 | Mexico | 1,788.80 | 75.00 | | | | | | 75.00 |
| | 4/24 | 4/26 | Jamaica | 266.81 | 150.00 | | | | 153.39 | | 303.39 |
| Transportation by Department of Defense | | | | | | | 3,771.91 | | | | 3,771.91 |
| Hon. Bill Frenzel | 4/16 | 4/20 | Brazil | 36,869.44 | 464.00 | | 21.39 | | 158.00 | | 643.39 |
| | 4/20 | 4/21 | Argentina | 896,732 | 292.00 | | 78.14 | | 220.93 | | 591.07 |
| | 4/21 | 4/23 | Brazil | 6,833.56 | 86.00 | | | | | | 86.00 |
| | 4/23 | 4/24 | Mexico | 1,788.80 | 75.00 | | | | | | 75.00 |
| | 4/24 | 4/26 | Jamaica | 266.81 | 150.00 | | | | 153.39 | | 303.39 |
| Transportation by Department of Defense | | | | | | | 3,771.91 | | | | 3,771.91 |

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON WAYS AND MEANS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1981—Continued

| Name of member or employee | Date | | Country | Per diem [1] | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arrival | Departure | | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] |
| Hon. Sam M. Gibbons | 4/16 | 4/20 | Brazil | 36,869.44 | 464.00 | | 21.39 | | 158.00 | | 643.39 |
| | 4/20 | 4/21 | Argentina | 896,732 | 292.00 | | 78.14 | | 220.93 | | 591.07 |
| | 4/21 | 4/23 | Brazil | 6,833.56 | 86.00 | | | | | | 86.00 |
| | 4/23 | 4/24 | Mexico | 1,788.80 | 75.00 | | | | | | 75.00 |
| | 4/24 | 4/26 | Jamaica | 266.81 | 150.00 | | | | 153.39 | | 303.39 |
| Transportation by Department of Defense | | | | | | | 3,771.91 | | | | 3,771.91 |
| Hon Don J. Pease | 4/16 | 4/20 | Brazil | 36,869.44 | 464.00 | | 21.39 | | 158.00 | | 643.39 |
| Refund | | | | | 85.64 | | | | | | (85.64) |
| | 4/20 | 4/21 | Argentina | 896,732 | 292.00 | | 78.14 | | 220.93 | | 591.07 |
| Refund | | | | | 30.94 | | | | | | (30.94) |
| | 4/21 | 4/23 | Brazil | 6,833.56 | 86.00 | | | | | | 86.00 |
| | 4/23 | 4/24 | Mexico | 1,788.80 | 75.00 | | | | | | 75.00 |
| Refund | | | | 468.80 | 19.66 | | | | | | (19.66) |
| | 4/24 | 4/26 | Jamaica | 266.81 | 150.00 | | | | 153.39 | | 303.39 |
| Refund | | | | | 57.52 | | | | | | (57.52) |
| Transportation by Department of Defense | | | | | | | 3,771.91 | | | | 3,771.91 |
| Hon. Richard T. Schulze | 5/28 | 5/29 | Italy | 107,970 | 93.00 | | | | | | 93.00 |
| | 5/29 | 5/31 | Romania | 1,894.85 | 174.00 | | | | | | 174.00 |
| | 5/31 | 6/3 | Hungary | 6,797.25 | 225.00 | | | | | | 225.00 |
| | 6/3 | 6/9 | France | 3,498.00 | 636.00 | | | | | | 636.00 |
| Transportation, Department of Defense | | | | | | | 4,425.17 | | | | 4,425.17 |
| Hon. Guy Vander Jagt | | 4/25 | Philippines | | | | 1,566.00 | | | | 1,566.00 |
| Thelma Askey | 4/16 | 4/20 | Brazil | 36,869.44 | 464.00 | | 21.39 | | 158.00 | | 643.39 |
| | 4/20 | 4/21 | Argentina | 896,732 | 292.00 | | 78.14 | | 220.93 | | 591.07 |
| | 4/21 | 4/23 | Brazil | 6,833.56 | 86.00 | | | | | | 86.00 |
| | 4/23 | 4/24 | Mexico | 1,788.80 | 75.00 | | | | | | 75.00 |
| | 4/24 | 4/26 | Jamaica | 266.81 | 150.00 | | | | 153.39 | | 303.39 |
| Transportation by Department of Defense | | | | | | | 3,771.91 | | | | 3,771.91 |
| Joseph K. Dowley | 4/16 | 4/20 | Brazil | 36,869.44 | 464.00 | | 21.39 | | 158.00 | | 643.39 |
| | 4/20 | 4/21 | Argentina | 896,732 | 292.00 | | 78.14 | | 220.93 | | 591.07 |
| | 4/21 | 4/23 | Brazil | 6,833.56 | 86.00 | | | | | | 86.00 |
| | 4/23 | 4/24 | Mexico | 1,788.80 | 75.00 | | | | | | 75.00 |
| | 4/24 | 4/26 | Jamaica | 266.81 | 150.00 | | | | 153.39 | | 303.39 |
| Transportation by Department of Defense | | | | | | | 3,771.91 | | | | 3,771.91 |
| David B. Rohr | 4/16 | 4/20 | Brazil | 36,869.44 | 464.00 | | 21.39 | | 158.00 | | 643.39 |
| | 4/20 | 4/21 | Argentina | 896,732 | 292.00 | | 78.14 | | 220.93 | | 591.07 |
| | 4/21 | 4/23 | Brazil | 6,833.56 | 86.00 | | | | | | 86.00 |
| | 4/23 | 4/24 | Mexico | 1,788.80 | 75.00 | | | | | | 75.00 |
| | 4/24 | 4/26 | Jamaica | 266.81 | 150.00 | | | | 153.39 | | 303.39 |
| Transportation by Department of Defense | | | | | | | 3,771.91 | | | | 3,771.91 |
| Committee totals | | | | | 9,470.24 | | 36,962.69 | | 4,258.56 | | 50,691.49 |

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DAN ROSTENKOWSKI, Chairman.
July 29, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, PERMANENT SELECT COMMITTEE ON INTELLIGENCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1981

| Name of member or employee | Date | | Country | Per diem [1] | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arrival | Departure | | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] |
| Robert McClory | | | Asia | | 633.00 | | 1,434.94 | | 7.00 | | 2,074.94 |
| Richard H. Giza, staff | | | Europe | | | | 1,297.26 | | | | 1,297.26 |
| Committee totals | | | | | 633.00 | | 2,732.20 | | 7.00 | | 3,372.20 |

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

EDWARD P. BOLAND, Chairman,
July 29, 1981

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO ATTEND CONFERENCE ON BURDEN SHARING COSPONSORED BY THE NORTH ATLANTIC ASSEMBLY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 12 AND APR. 16, 1981

| Name of member or employee | Date | | Country | Per diem [1] | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arrival | Departure | | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] |
| Elliott H. Levitas | 4/13 | 4/15 | France | 99 | 196 | | 3,144 | | | | 3,340 |
| | 4/15 | 4/16 | England | 58–90 | 129 | | | | | | 129 |
| Peter A. Abbruzzese | 4/13 | 4/15 | France | 99 | 196 | | 2,086 | | | | 2,282 |
| | 4/15 | 4/16 | England | 58–90 | 129 | | | | | | 129 |
| Committee totals | | | | | 650 | | 5,230 | | | | 5,880 |

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

ELLIOTT H. LEVITAS, Chairman.
May 27, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO SPAIN, DENMARK, FINLAND, AND FRANCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN MAY 28 AND JUNE 10, 1981

| Name of member or employee | Date | | Country | Per diem [1] | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arrival | Departure | | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] |
| Keith Jewell | 5/28 | 5/31 | Spain | 22,080 | 240 | | | | | 22,080 | 240 |
| | 5/31 | 6/2 | Denmark | 1,389.50 | 190 | | | | | 1,389.50 | 190 |
| | 6/2 | 6/3 | Finland | 452.10 | 104 | | | | | 452.10 | 104 |
| | 6/3 | 6/10 | France | 4081 | 742 | | | | | 4081 | 742 |
| Ron Gering | 5/28 | 5/31 | Spain | 22,080 | 240 | | | | | 22,080 | 240 |
| | 5/31 | 6/2 | Denmark | 1,389.50 | 190 | | | | | 1,389.50 | 190 |
| | 6/2 | 6/3 | Finland | 452.10 | 104 | | | | | 452.10 | 104 |
| | 6/3 | 6/10 | France | 4081 | 742 | | | | | 4081 | 742 |
| Ruth Fisher | 5/28 | 5/31 | Spain | 22,080 | 240 | | | | | 22,080 | 240 |
| | 5/31 | 6/2 | Denmark | 1,389.50 | 190 | | | | | 1,389.50 | 190 |
| | 6/2 | 6/3 | Finland | 452.10 | 104 | | | | | 452.10 | 104 |
| | 6/3 | 6/10 | France | 4081 | 742 | | | | | 4081 | 742 |
| Committee totals | | | | | 3,828 | | | | | | 3,828 |

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RUTH W. FISHER, Employee.
July 2, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, HON. NORMAN D. DICKS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN MAY 25 AND MAY 31, 1981

| Name of member or employee | Date | | Country | Per diem [1] | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arrival | Departure | | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] |
| Norman D. Dicks | 5/25 | 5/26 | France | | 212 | | | | | 1144.8 | 12 |
| | 5/27 | 5/28 | Ireland | | 238 | | | | | 148.75 | 238 |
| | 5/29 | 5/31 | England | | 258 | | | | | 123.44 | 258 |
| Committee total | | | | | 708 | | | | | | 708 |

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

NORMAN D. DICKS.
July 10, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, LEADERSHIP TRIP TO AUSTRALIA AND NEW ZEALAND, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 13 AND APR. 22, 1981

| Name of member or employee | Date | | Country | Per diem [1] | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arrival | Departure | | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] |
| Thomas P. O'Neill, Jr | 4/13 | 4/18 | Australia | 375.00 | 442.00 | | | 397.00 | 467.00 | 772.00 | 909.00 |
| | 4/18 | 4/22 | New Zealand | 423.01 | 387.00 | | | 192.93 | 177.00 | 615.94 | 564.00 |
| Military air transport (round trip) | | | | | | | 4,540.65 | | | | |
| Dan Rostenkowski | 4/13 | 4/18 | Australia | 375.00 | 442.00 | | | 397.00 | 467.00 | 772.00 | 909.00 |
| | 4/18 | 4/22 | New Zealand | 423.01 | 387.00 | | | 192.93 | 177.00 | 615.94 | 564.00 |
| Military air transport (round trip) | | | | | | | 4,540.65 | | | | |
| Silvio O. Conte | 4/13 | 4/18 | Australia | 375.00 | 442.00 | | | 397.00 | 467.00 | 772.00 | 909.00 |
| | 4/18 | 4/22 | New Zealand | 423.01 | 387.00 | | | 192.93 | 177.00 | 615.94 | 564.00 |
| Military air transport (round trip) | | | | | | | 4,540.65 | | | | |
| John J. Rhodes | 4/13 | 4/18 | Australia | 375.00 | 442.00 | | | 397.00 | 467.00 | 772.00 | 909.00 |
| | 4/18 | 4/22 | New Zealand | 423.01 | 387.00 | | | 192.93 | 177.00 | 615.94 | 564.00 |
| Military air transport (round trip) | | | | | | | 4,540.65 | | | | |
| Joseph G. Minish | 4/13 | 4/18 | Australia | 375.00 | 442.00 | | | 397.00 | 467.00 | 772.00 | 909.00 |
| | 4/18 | 4/22 | New Zealand | 423.01 | 387.00 | | | 192.93 | 177.00 | 615.94 | 564.00 |
| Military air transport (round trip) | | | | | | | 4,540.65 | | | | |
| Joseph M. McDade | 4/13 | 4/18 | Australia | 375.00 | 442.00 | | | 397.00 | 467.00 | 772.00 | 909.00 |
| | 4/18 | 4/22 | New Zealand | 423.01 | 387.00 | | | 192.93 | 177.00 | 615.94 | 564.00 |
| Military air transport (round trip) | | | | | | | 4,540.65 | | | | |
| James J. Howard | 4/13 | 4/18 | Australia | 375.00 | 442.00 | | | 397.00 | 467.00 | 772.00 | 909.00 |
| | 4/18 | 4/22 | New Zealand | 423.01 | 387.00 | | | 192.93 | 177.00 | 615.94 | 564.00 |
| Military air transport (round trip) | | | | | | | 4,540.65 | | | | |
| Tom Bevill | 4/13 | 4/18 | Australia | 375.00 | 442.00 | | | 397.00 | 467.00 | 772.00 | 909.00 |
| | 4/18 | 4/22 | New Zealand | 423.01 | 387.00 | | | 192.93 | 177.00 | 615.94 | 564.00 |
| Military air transport (round trip) | | | | | | | 4,540.65 | | | | |
| Abraham Kazen, Jr | 4/13 | 4/18 | Australia | 375.00 | 442.00 | | | 397.00 | 467.00 | 772.00 | 909.00 |
| | 4/18 | 4/22 | New Zealand | 423.01 | 387.00 | | | 192.93 | 177.00 | 615.94 | 564.00 |
| Military air transport (round trip) | | | | | | | 4,540.65 | | | | |
| Charles B. Rangel | 4/13 | 4/18 | Australia | 375.00 | 442.00 | | | 397.00 | 467.00 | 772.00 | 909.00 |
| | 4/18 | 4/22 | New Zealand | 423.01 | 387.00 | | | 192.93 | 177.00 | 615.94 | 564.00 |
| Military air transport (round trip) | | | | | | | 4,540.65 | | | | |
| C. W. "Bill" Young | 4/13 | 4/18 | Australia | 375.00 | 442.00 | | | 397.00 | 467.00 | 772.00 | 909.00 |
| | 4/18 | 4/22 | New Zealand | 423.01 | 387.00 | | | 192.93 | 177.00 | 615.94 | 564.00 |
| Military air transport (round trip) | | | | | | | 4,540.65 | | | | |
| Ralph S. Regula | 4/13 | 4/18 | Australia | 375.00 | 442.00 | | | 397.00 | 467.00 | 772.00 | 909.00 |
| | 4/18 | 4/22 | New Zealand | 423.01 | 387.00 | | | 192.93 | 177.00 | 615.94 | 564.00 |
| Military air transport (round trip) | | | | | | | 4,540.65 | | | | |
| George M. O'Brien | 4/13 | 4/18 | Australia | 375.00 | 442.00 | | | | | 397.00 | 467.00 | 909.00 |
| | 4/18 | 4/22 | New Zealand | 423.01 | 387.00 | | | 192.93 | 177.00 | 615.94 | 564.00 |
| Military air transport (round trip) | | | | | | | 4,540.65 | | | | |
| Marty Russo | 4/13 | 4/18 | Australia | 375.00 | 442.00 | | | 397.00 | 467.00 | 772.00 | 909.00 |
| | 4/18 | 4/22 | New Zealand | 423.01 | 387.00 | | | 192.93 | 177.00 | 615.94 | 564.00 |
| Military air transport (round trip) | | | | | | | 4,540.65 | | | | |
| Henry J. Hyde | 4/13 | 4/18 | Australia | 375.00 | 442.00 | | | 397.00 | 467.00 | 772.00 | 909.00 |
| | 4/18 | 4/22 | New Zealand | 423.01 | 387.00 | | | 192.93 | 177.00 | 615.94 | 564.00 |

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, LEADERSHIP TRIP TO AUSTRALIA AND NEW ZEALAND, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 13 AND APR. 22, 1981—Continued

| Name of member or employee | Date | | Country | Per diem [1] | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arrival | Departure | | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] |
| Military air transport (round trip) | | | | | | | 4,540.65 | | | | |
| Donn Anderson | 4/13 | 4/18 | Australia | 375.00 | 442.00 | | | 397.00 | 467.00 | 772.00 | 909.00 |
| | 4/18 | 4/22 | New Zealand | 423.01 | 387.00 | | | 192.93 | 177.00 | 615.94 | 564.00 |
| Military air transport (round trip) | | | | | | | 4,540.65 | | | | |
| Kirk O'Donnell | 4/13 | 4/18 | Australia | 375.00 | 442.00 | | | 397.00 | 467.00 | 772.00 | 909.00 |
| | 4/18 | 4/22 | New Zealand | 423.01 | 387.00 | | | 192.93 | 177.00 | 615.94 | 564.00 |
| Military air transport (round trip) | | | | | | | 4,540.65 | | | | |
| James C. Healey, Jr | 4/13 | 4/18 | Australia | 375.00 | 442.00 | | | 397.00 | 467.00 | 772.00 | 909.00 |
| | 4/18 | 4/22 | New Zealand | 423.01 | 387.00 | | | 192.93 | 177.00 | 615.94 | 564.00 |
| Military air transport (round trip) | | | | | | | 4,540.65 | | | | |
| Charles Wollerton | 4/13 | 4/18 | Australia | 375.00 | 442.00 | | | 397.00 | 467.00 | 772.00 | 909.00 |
| | 4/18 | 4/22 | New Zealand | 423.01 | 387.00 | | | 192.93 | 177.00 | 615.94 | 564.00 |
| Military air transport (round trip) | | | | | | | 4,540.65 | | | | |
| Francine Gannon | 4/13 | 4/18 | Australia | 375.00 | 442.00 | | | 397.00 | 467.00 | 772.00 | 909.00 |
| | 4/18 | 4/22 | New Zealand | 423.01 | 387.00 | | | 192.93 | 177.00 | 615.94 | 564.00 |
| Military air transport (round trip) | | | | | | | 4,540.65 | | | | |
| Freeman H. Cary | 4/13 | 4/18 | Australia | 375.00 | 442.00 | | | 397.00 | 467.00 | 772.00 | 909.00 |
| | 4/18 | 4/22 | New Zealand | 423.01 | 387.00 | | | 192.93 | 177.00 | 615.94 | 564.00 |
| Military air transport (round trip) | | | | | | | 4,540.65 | | | | |

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

THOMAS P. O'NEILL, JR.
May 26, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, HON. C. TRENT LOTT, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JUNE 5 AND JUNE 9, 1981

| Name of member or employee | Date | | Country | Per diem [1] | | Transportation | | Other purposes | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arrival | Departure | | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] | Foreign currency | U.S. dollar equivalent or U.S. currency [2] |
| C. Trent Lott | 6/5 | 6/9 | France | [2] 2,332.00 | 424.00 | 11,127.27 | 2,023.14 | NA | NA | [2] 13,459.27 | 2,447.14 |
| Committee totals | | | | | 424.00 | | 2,023.14 | | NA | | 2,447.14 |

[1] Per diem constitutes lodging and meals.
[2] French frances.

TRENT LOTT, Member.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2190. A letter from the Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting notice of the proposed conversion to contractor performance of the laundry and dry cleaning activity at Fort Indiantown Gap, Pa., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

2191. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Air Force's proposed sale of certain defense equipment and services to Tunisia (Transmittal No. 81-41), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

2192. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment and services to the United Arab Emirates (Transmittal No. 81-85), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

2193. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-77, "To expand investment opportunities of businesses operating in the District of Columbia; to promote economic development; and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

2194. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment and services to Tunisia (Transmittal No. 81-41), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2195. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to the United Arab Emirates (Transmittal No. 81-85), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2196. A letter from the Acting Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during August 1981, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

2197. A letter from the Acting Comptroller General of the United States, transmitting the audit of the accounts of the Senate Building Beauty Shop for the year ended February 28, 1981, pursuant to section 451 of the Legislative Reorganization Act of 1970 (AFMD-81-79, August 6, 1981); to the Committee on Government Operations.

2198. A letter from the Acting Comptroller General of the United States, transmitting the annual report on progress in improving program and budget information for congressional use, pursuant to section 202(e) of the Legislative Reorganization Act of 1970 (PAD-81-88, September 1, 1981); to the Committee on Government Operations.

2199. A letter from the Acting Secretary of the Interior, transmitting notice of the proposed refund of $572,796.20 in excess oil royalties to Shell Oil Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953, as amended; to the Committee on Interior and Insular Affairs.

2200. A letter from the Chairman, U.S. Metric Board, transmitting a report on the effects of metric change on workers' tools and training, pursuant to section 6(9) of Public Law 94-168; to the Committee on Science and Technology.

2201. A letter from the Acting Comptroller General of the United States, transmitting a report on the use of exemplary education programs for disadvantaged children (HRD-81-65, September 15, 1981); jointly, to the Committees on Government Operations and Education and Labor.

2202. A letter from the Acting Comptroller General of the United States, transmitting a report on major income security and social services issues (HRD-81-104, August 13, 1981); jointly, to the Committees on Government Operations, Education and Labor, Energy and Commerce, Veterans' Affairs, and Ways and Means.

2203. A letter from the Acting Comptroller General of the United States, transmitting the audit of the accounts of the Majority Printing Clerk, U.S. House of Representatives, for the year ended August 31, 1980, pursuant to section 451 of the Legislative Reorganization Act of 1970 (AFMD-81-75, August 24, 1981); jointly, to the Committees on Government Operations and House Administration.

2204. A letter from the Acting Comptroller General of the United States, transmit-

ting the audit of the accounts of the Minority Printing Clerk, U.S. House of Representatives, for the year ended September 30, 1980, pursuant to section 451 of the Legislative Reorganization Act of 1970 (AFMD-81-80, August 24, 1981); jointly, to the Committees on Government Operations and House Administration.

2205. A letter from the Acting Comptroller General of the United States, transmitting a report on taxation of life insurance companies (PAD-81-1, September 17, 1981); jointly, to the Committees on Government Operations and Ways and Means.

2206. A letter from the Secretary of Energy, transmitting a report on low-level radioactive waste disposal, pursuant to section 4(b) of Public Law 96-573; jointly, to the Committees on Interior and Insular Affairs and Energy and Commerce.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. CHISHOLM: Committee on Rules. House Resolution 222. Resolution providing for the consideration of H.R. 3112, a bill to amend the Voting Rights Act of 1965 to extend certain provisions for an additional ten years, to extend certain other provisions for an additional seven years, and for other purposes (Rept. No. 97-229). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 223. Resolution providing for the consideration of H.R. 4, a bill to amend the National Security Act of 1947 to prohibit the unauthorized disclosure of information identifying certain United States intelligence officers, agents, informants, and sources (Rept. No. 97-230). Referred to the House Calendar.

Mr. BONIOR: Committee on Rules. House Resolution 224. Resolution providing for the consideration of H.R. 3210, a bill to amend the Surface Transportation Assistance Act of 1978, to establish obligation limitations for fiscal year 1982, and for related purposes (Rept. No. 97-231). Referred to the House Calendar.

Mr. DERRICK: Committee on Rules. House Resolution 225. Resolution providing for the consideration of H.R. 3377, a bill authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes (Rept. No. 97-232). Referred to the House Calendar.

Mr. HOWARD: Committee on Public Works and Transportation. H. Con. Res. 179. Concurrent resolution making apportionment of funds for the National System of Interstate and Defense Highways for the fiscal year 1983; (Rept. No. 97-233). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 4284. A bill to name the lock authorized as a replacement for Vermilion Lock, Louisiana, as "Leland Bowman Lock"; (Rept. No. 97-234). Referred to the House Calendar.

Mr. DIXON: Committee on Appropriations. H.R. 4522. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1982, and for other purposes; (Rept. No. 97-235). Referred to the Committee of the Whole House on the State of the Union.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO (for himself, Mr. FARY, Mr. FINDLEY, and Mr. YOUNG of Missouri):

H.R. 4506. A bill to name the lock and dam authorized to replace locks and dam 26, Mississippi River, Alton, Ill., as "Melvin Price Lock and Dam"; to the Committee on Public Works and Transportation.

By Mr. DOWNEY:

H.R. 4507. A bill to delay the application of Revenue Ruling 81-216 until January 1, 1983; to the Committee on Ways and Means.

By Mr. EMERSON:

H.R. 4508. A bill to modify the flood control project for the Lower Mississippi River to authorize construction of the St. Johns Bayou and New Madrid Floodway, Mo., project; to the Committee on Public Works and Transportation.

By Mr. GRAMM (for himself, Mr. BROWN of Ohio, Mr. SHELBY, Mr. DANNEMEYER, Mr. RITTER, Mr. BENEDICT, Mr. BLILEY, Mr. LENT, Mr. COLLINS of Texas, Mr. SAM B. HALL, JR., Mr. LOTT, Mr. STUMP, Mrs. HOLT, Mr. MONTGOMERY, Mr. MARTIN of North Carolina, Mr. DAN DANIEL, Mr. MOORE, Mr. WATKINS, Mr. PAUL, Mrs. BOUQUARD, Mr. FORSYTHE, Mr. STENHOLM, Mr. BAILEY of Pennsylvania, Mr. WILSON, Mr. LEWIS, Mr. BEDELL, Mr. WINN, Mr. MCDONALD, Mr. BADHAM, and Mr. GRISHAM):

H.R. 4509. A bill to reform regulatory procedures relating to safe drinking water requirements, and for other purposes; to the Committee on Energy and Commerce.

By Mr. EVANS of Iowa (for himself, Mr. NAPIER, Mr. ROBERTS of Kansas, Mr. STANGELAND, Mr. SKEEN, Mr. EMERSON, Mr. GUNDERSON, Mr. TAUKE, Mr. ROBERTS of South Dakota, and Mr. LEACH of Iowa):

H.R. 4510. A bill to amend the Export-Import Bank Act of 1945 to provide for the extension of credit for agricultural commodities; to the Committee on Banking, Finance and Urban Affairs.

By Mr. FRANK:

H.R. 4511. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income a certain portion of governmental pensions based on services not covered under the social security system; to the Committee on Ways and Means.

H.R. 4512. A bill to amend the Communications Act of 1934 to provide that persons shall be eligible to be licensed as broadcasting station operators under such act regardless of whether they are citizens or nationals of the United States; to the Committee on Energy and Commerce.

By Mr. HUGHES (for himself, Mr. SAWYER, Mr. KASTENMEIER, Mr. CONYERS, and Mr. FISH):

H.R. 4513. A bill to amend the Contract Services for Drug Dependent Federal Offenders Act of 1978 to extend the periods for which funds are authorized to be appropriated; to the Committee on the Judiciary.

By Mr. RODINO (by request):

H.R. 4514. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. ST GERMAIN (for himself, Mr. GONZALEZ, and Mr. STANTON of Ohio):

H.R. 4515. A bill to remove certain limitations on the mortgage loan purchase authority of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SCHUMER:

H.R. 4516. A bill to amend the Internal Revenue Code of 1954 to provide that taxable unemployment compensation will be treated as wages for purposes of the limitation on the deduction for individual retirement savings; to the Committee on Ways and Means.

H.R. 4517. A bill to amend the Internal Revenue Code of 1954 to increase the income level applicable to joint returns at which unemployment compensation becomes taxable; to the Committee on Ways and Means.

By Mr. SHUMWAY:

H.R. 4518. A bill to exempt certain matters relating to the Central Intelligence Agency from the disclosure requirements of title 5, United States Code; jointly, to the Committees on Government Operations and the Permanent Select Committee on Intelligence.

By Mr. SNYDER (for himself, Mr. TRIBLE, and Mrs. BOGGS):

H.R. 4519. A bill to promote orderly and efficient ocean transportation of dry bulk commodities in the foreign commerce of the United States and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries and Rules.

By Mr. WEAVER:

H.R. 4520. A bill to repeal Federal provisions of law establishing agricultural programs concerning the marketing of and price support for tobacco; to prohibit compacts among States for regulating tobacco production and commerce; to amend the Tobacco Inspection Act and the United States Warehouse Act to provide for the assessment of certain fees to cover the costs of inspection, licensing, and other activities carried out under those Acts; and to amend the Internal Revenue Code of 1954 to increase the tax on cigars and cigarettes; jointly, to the Committees on Agriculture and Ways and Means.

By Mr. DIXON:

H.R. 4522. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenue of said District for the fiscal year ending September 30, 1982, and for other purposes; to the Committee on Appropriations.

By Mr. BINGHAM (for himself and Mr. DERWINSKI):

H.J. Res. 331. Joint resolution designating the fourth Sunday in October as National Mother-in-Law Day; to the Committee on Post Office and Civil Service.

By Mr. PANETTA (for himself and Mr. CONABLE):

H.J. Res. 332. Joint resolution to designate the week beginning October 4, 1981, as "National Home Health Care Week"; to the Committee on Post Office and Civil Service.

By Mr. GRAY:

H. Con. Res. 183. Concurrent resolution expressing the sense of the Congress that the national rugby team of South Africa

should not play in the United States; to the Committee on Foreign Affairs.

By Mr. DASCHLE:

H. Con. Res. 184. Concurrent resolution opposing any delay in scheduled cost-of-living adjustments for social security and veterans' pension recipients without a corresponding and equal deferral of or delay in the effective date of the windfall profit tax provisions and individual income tax reduction provisions for taxpayers with an annual adjusted gross income of $50,000 or more contained in the Economic Recovery Tax Act of 1981; jointly, to the Committees on Ways and Means and Veterans' Affairs.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. MARRIOTT:

H.R. 4521. A bill to extend the lease terms of Federal oil and gas leases, W 66245, W 66246, W 66247, and W 62250; to the Committee on Interior and Insular Affairs.

## ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 27: Mr. ADDABBO, Mr. FARY, Mr. HAMILTON, Mr. HOPKINS, Mr. NAPIER, Mr. SILJANDER, and Mr. TAUZIN.

H.R. 767: Mr. FLORIO, Mr. OBERSTAR, and Mr. YOUNG of Alaska.

H.R. 768: Mr. CHENEY, Mr. CHAPPIE, Mr. STATON of West Virginia, Mr. DONNELLY, Ms. OAKAR, and Mr. ATKINSON.

H.R. 1290: Mr. RITTER.

H.R. 1937: Mr. MCKINNEY, Mrs. BYRON, Mr. COURTER, Mr. FOWLER, Mr. BROYHILL, Mr. YOUNG of Missouri, Mrs. HECKLER, Mr. FORSYTHE, Mr. GREEN, and Mr. BADHAM.

H.R. 2052: Mr. JEFFORDS.

H.R. 2445: Mr. HANSEN of Utah.

H.R. 2488: Ms. FIEDLER and Mr. MCEWEN.

H.R. 3083: Mr. HANSEN of Utah.

H.R. 3103: Mr. SCHUMER.

H.R. 3269: Mr. HOWARD, Mr. JONES of North Carolina, Mr. SABO, Mr. FOLEY, Mr. WAMPLER, Mr. PURSELL, Mrs. FENWICK, and Mr. BURGENER.

H.R. 3607: Mr. RAHALL.

H.R. 3806: Mr. SCHUMER.

H.R. 3882: Mr. CORCORAN.

H.R. 3908: Mr. DORNAN of California.

H.R. 3940: Mr. HAWKINS, Mr. JOHNSTON, and Mr. DOUGHERTY.

H.R. 4004: Mr. GRAY, Mr. FROST, Mr. OBERSTAR, Mr. FAZIO, Mr. D'AMOURS, Mr. GORE, and Mr. MOAKLEY.

H.R. 4009: Mr. RICHMOND.

H.R. 4057: Mr. MATSUI, Mr. OTTINGER, Mr. FRANK, Mr. LOWRY of Washington, and Mr. LEHMAN.

H.R. 4214: Mr. ROE, Mr. BONER of Tennessee, Mr. FORD of Michigan, Mr. REGULA, Mr. FAZIO, Mr. PEPPER, Mr. ROBINSON, Mr. HATCHER, Mr. STANTON of Ohio, and Mr. QUILLEN.

H.R. 4346: Mr. CLINGER.

H.R. 4351: Mr. SHUMWAY, Mr. ARCHER, Mr. MCCOLLUM, and Mr. ASHBROOK.

H.R. 4435: Mr. FORSYTHE, Mr. MURPHY, and Mr. D'AMOURS.

H.R. 4443: Mr. FAZIO, Mr. MINETA, Mr. ROTH, Mr. LAFALCE, Mr. SCHUMER, Mr. SMITH of Pennsylvania, Mr. FROST, Mr. BARNARD, Mr. GRAY, Mr. DWYER, Mr. VENTO, Mr. SIMON, Mr. STENHOLM, and Mrs. BOUQUARD.

H.R. 4475: Mr. FORD of Tennessee.

H.J. Res. 225: Mr. WEBER of Ohio, Mr. NEAL, Mr. WALGREN, Mr. LAGOMARSINO, Mr. HILER, Mrs. BOUQUARD, and Mr. BARNARD.

H.J. Res. 250: Mr. GRADISON.

H.J. Res. 305: Mr. FAUNTROY, Ms. MIKULSKI, and Mr. BARNES.

H.J. Res. 316: Mr. SABO, Mr. MARRIOTT, Mr. CHENEY, Mr. FAUNTROY, Mr. DWYER, Mr. SCHEUER, Mr. GINGRICH, Mr. WON PAT, and Mr. LEBOUTILLIER.

H.J. Res. 319: Mr. ROE, Mr. RODINO, Mr. MURPHY, Mr. PERKINS, Mr. BOWEN, Mr. JONES of Tennessee, Mr. DWYER, Mr. ANTHONY, and Mr. AUCOIN.

H.J. Res. 326: Mr. AKAKA, Mr. BROYHILL, Mr. DICKINSON, Mr. BOLAND, Mr. EMERY, Mr. HUTTO, Mrs. CHISHOLM, Mr. ROGERS, Mr. YOUNG of Alaska, Mr. SMITH of New Jersey, Mr. OXLEY, Mr. STENHOLM, Mr. DREIER, Mrs. HOLT, Mr. WON PAT, Mr. FLIPPO, Mr. FAUNTROY, Mr. MARRIOTT, Mr. CARMAN, Mr. SCHEUER, Mr. DAN DANIEL, Mr. HATCHER, Mr. MARTIN of New York, Mr. HUBBARD, Mr. MATSUI, Mr. ROSE, Mr. LUNGREN, Mr. MCCURDY, Mr. ATKINSON, Mr. ROBERTS of South Dakota, Mr. MCCLORY, Mr. QUILLEN, Mr. GRADISON, Mr. KAZEN, Mr. COLLINS of Texas, Mr. DINGELL, Mr. DERRICK, Mr. KINDNESS, Mr. RAHALL, Mr. ANNUNZIO, Mr. PERKINS, Mr. MARKEY, Mr. WINN, Mr. FOGLIETTA, Mr. ERTEL, Mr. MCDADE, Mr. LAGOMARSINO, Ms. OAKAR, Mr. SYNAR, Mr. DERWINSKI, Mr. DOUGHERTY, Mr. BEVILL, Mr. BEREUTER, Mr. MCDONALD, Mr. HOWARD, Mr. CORCORAN, Mr. DUNCAN, Mr. SNYDER, Mr. LOTT, Mr. GRISHAM, Mr. STATON of West Virginia, Mr. VENTO, Mr. KILDEE, Mr. LEBOUTILLIER, Mr. BARNARD, Mr. BIAGGI, Mr. LUJAN, Mr. SPENCE, Mr. LAFALCE, Mr. SAWYER, Mr. YATRON, Mr. BAILEY of Pennsylvania, Mr. MOLLOHAN, Mr. ADDABBO, Mr. FORSYTHE, Mr. ROBINSON, Mr. ZEFERETTI, Mr. WORTLEY, Mr. WALKER, Mrs. FENWICK, Mrs. BOUQUARD, Mr. SMITH of Pennsylvania, Mr. CLINGER, Mr. HORTON, Mr. JOHNSTON, Mr. DWYER, Mr. GRAY, Mr. MYERS, Mr. WOLF, Mr. BINGHAM, Mr. BETHUNE, Mr. PANETTA, Mr. YOUNG of Florida, Ms. MIKULSKI, Mr. MURPHY, Mr. PEYSER, Mr. WAMPLER, Mr. WEAVER, Mr. PORTER, Mr. FISH, Mr. WHITEHURST, Mr. JONES of North Carolina, Mr. LEE, and Mr. BUTLER.

H. Res. 12: Mr. MOTTL.

H. Res. 142: Mr. DORGAN of North Dakota.

H. Res. 219: Mr. KASTENMEIER, Mr. HANSEN of Utah, Mr. MCHUGH, and Mr. FRANK.

## AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3603

By Mr. PETRI:

—Page 222, after line 25, add the following new title (and conform the table of contents accordingly):

TITLE XVII—REPEAL OF PROGRAMS CONCERNING PRICE SUPPORT FOR AND THE MARKETING OF TOBACCO

SEC. 1701. (a) Section 101 of the Agricultural Act of 1949 (7 U.S.C. 1441) is amended—

(1) in subsection (a) by striking out "tobacco (except as otherwise provided herein), corn," and inserting in lieu thereof "corn"; and

(2) in subsection (d)(3) by striking out ", except tobacco," and all that follows the first semicolon.

(b) Sections 101(c) and 106 of the Agricultural Act of 1949 (7 U.S.C. 1441(c) and 1445) are repealed.

(c) Section 408(c) of the Agricultural Act of 1949 (7 U.S.C. 1428(c)) is amended by striking out "tobacco,".

SEC. 1702. (a) Section 301(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(b)) is amended—

(1) by striking out "tobacco," in paragraph (6)(A);

(2) by striking out the following in paragraph (7):

"Tobacco (flue-cured), July 1–June 30;

"Tobacco (other than flue-cured), October 1–September 30;";

(3) by striking out "and tobacco" in paragraph (11)(B); and

(4) by striking out "tobacco," in paragraph (12).

(b) Section 303 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1303) is amended by striking out "rice, or tobacco," and inserting in lieu thereof "or rice,".

(c) Section 361 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1361) is amended by striking out "tobacco,".

(d) The first sentence of subsection (a) and the first sentence of subsection (b) of section 371 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371) are amended by striking out "peanuts, or tobacco" in each sentence and inserting in lieu thereof "or peanuts".

(e) Section 373 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373) is amended—

(1) by striking out "peanuts, or tobacco, and" in subsection (a) and inserting in lieu thereof "or peanuts, and";

(2) by striking out "peanuts, or tobacco from" in subsection (a) and inserting in lieu thereof "or peanuts from";

(3) by striking out "all persons engaged in the business of redrying, prizing, or steming tobacco for producers," in subsection (a);

(4) by striking out "$500;" and all that follows in the last sentence of subsection (a) and inserting in lieu thereof "$500."; and

(5) by striking out "peanuts, or tobacco" in subsection (b) and inserting in lieu thereof "or peanuts".

(f) Section 375(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1375(a)) is amended by striking out "peanuts, or tobacco" and inserting in lieu thereof "or peanuts".

(g) The following provisions of the Agricultural Adjustment Act of 1938 are repealed:

(1) section 301(b)(3)(C);

(2) section 301(b)(10)(B);

(3) section 301(b)(14)(B);

(4) section 301(b)(15);

(5) section 301(b)(16)(B);

(6) section 311 through 314 and 316 through 320; and

(7) section 378(f).

(h) Section 2 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1282) is amended by striking out "tobacco,".

SEC. 1703. The following provisions of law are repealed:

(1) the Act entitled "An Act relating to burley tobacco farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended", approved July 12, 1952 (7 U.S.C. 1315);

(2) section 703 of the Food and Agriculture Act of 1965 (7 U.S.C. 1316); and

(3) section 4 of the Act entitled "An Act to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to

amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes", approved April 16, 1965 (7 U.S.C. 1314c note).

SEC. 1704. The first sentence of section 402 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1732) is amended by striking out "and for the purposes of title II of this Act," and inserting in lieu thereof "or".

SEC. 1705. Section 5 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c) is amended by adding the following undesignated paragraph at the end thereof:

"Notwithstanding any other provision of law, the Corporation may not exercise any of the powers specified in this section or in any other provision of this Act with respect to tobacco.".

SEC. 1706. Section 8c of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 608c) is amended—

(1) by striking out "tobacco" in subsection (2)(A);

(2) by inserting "tobacco," after "(except honey," in subsection (2)(B); and

(3) by adding the following new sentence at the end of subsection (2): "Notwithstanding any other provision of law, no order concerning tobacco may be issued or enforced under this Act.".

SEC. 1707. The amendments made by this title shall apply to the 1982 and subsequent crops of tobacco.

# SENATE—*Thursday, September 17, 1981*

*(Legislative day of Wednesday, September 9, 1981)*

The Senate met at 9:15 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

## PRAYER

The Reverend William J. Viel, Jr., pastor, Forestville Baptist Church, Forestville, Md., offered the following prayer:

Would you pray with me, please.

Our Father, we come before the throne of grace today, in the name of Jesus, and so may it be that as the heart panteth after the water brooks, so panteth my soul after Thee, O God. God, may that be true of each gathered in this time of prayer—our thirst for Thee a great thirst.

We know without Thee we can do nothing. So, guide these Senators in today's obligations and through a deep faith in Almighty God may they say, "I can do all things through Christ, who gives me strength." Grant them Godly wisdom that they might see clearly what Your plan is for our country and its people.

These Senators need Your power which comes through prayer—they have great problems to solve, issues to decide and they need to do Thy will.

Give these chosen officials a heart burdened for the world and a challenge to see that this land is free to experience a great faith in God.

Grant these servants inner peace for untroubled hearts today. This we ask in Jesus' name. Amen.

## RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

## THE JOURNAL

Mr. HELMS. Good morning, Mr. President and thank you for recognizing me.

I ask unanimous consent that the Journal of the proceedings be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

## ORDER OF BUSINESS

Mr. HELMS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HELMS. Is the acting majority leader correct in his understanding that Senator BAKER was accorded 10 minutes of time?

The PRESIDENT pro tempore. The Senator is correct.

## ORDER TRANSFERRING SENATOR BAKER'S TIME TO SENATOR THURMOND

Mr. HELMS. Mr. President, I ask unanimous consent that that time be transferred to the distinguished occupant of the chair, Mr. THURMOND.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HELMS. I thank the Chair. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MURKOWSKI). The clerk will please call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## S. 1630—THE CRIMINAL CODE REFORM ACT OF 1981

Mr. THURMOND. Mr. President, I am introducing today a bill that hopefully will culminate in a successful conclusion to our efforts to revise and reform our Federal criminal laws.

First, I wish to express my appreciation to members of the Committee on the Judiciary—Senators BIDEN, HATCH, DENTON, DECONCINI, DOLE, EAST, KENNEDY, LAXALT, SIMPSON, and SPECTER for joining me. This is a joint bipartisan endeavor to modernize and systematize a hodgepodge of criminal statutes enacted in a random fashion over the almost 200-year history of this Nation.

I am particularly pleased to have Senator BIDEN, as the ranking minority member of the committee, and Senator KENNEDY, as a longtime leader in criminal law reform, join with me in this historic task.

I also welcome and appreciate the assistance, support, and encouragement of the administration and Attorney General Smith as we proceed.

Mr. President, those familiar with the road we reembark upon today with this legislation may be reminded of the persistence of Moses and the patience of Job. The task of Criminal Code reform has a long history. In 1966, the Congress created the National Commission on Reform of Federal Criminal Laws to study the need for a major legislative overhaul of the Federal substantive criminal laws. The Commission submitted in 1971 a final report to the Congress constituting its recommendations—in the form of a draft code—as a working basis for a new Federal Criminal Code.

During the next 7 years, extensive hearings and debate occurred in the Senate Committee on the Judiciary on various bills and issues. The hearings alone now stand at almost 12,000 pages of testimony, comments, and information.

While there has always been general agreement as to the need for a new code, a number of controversial issues slowed progress until, through a process of compromise, there emerged a broadly supported bipartisan Criminal Code bill (S. 1437) that passed the Senate on January 30, 1978, by a vote of 72 to 15; however, the House failed to act on a bill reported by the House Judiciary Criminal Justice Subcommittee.

A similar bill with improvements (S. 1722) was introduced in the 96th Congress, with administration and bipartisan support; and, after committee hearings and consideration, was reported to the Senate on January 17, 1980, by a vote of 14 to 1. The House Committee on the Judiciary reported a bill of similar scope on September 25, 1980. Primarily due to the election year rush of events, neither the Senate nor the House took up their respective bills for consideration on the floor.

Mr. President, it might be helpful for me to share with my colleagues a few points about this monumental bill.

First, as I have noted, the committee has had this legislation before it for a decade. The bill has been improved upon in a slow, but evolutionary process. Over the years, each and every provision of this measure has been subjected to intense scrutiny by law professors, prosecutors, defense attorneys, the American Civil Liberties Union, business groups, and every other special interest group that believes it may be affected by enactment of this legislation. The committee has heard from hundreds of witnesses and hours of time, by both staff and Senators, have been devoted to the bill. This is not a hastily drawn or ill-conceived piece of legislation.

Second, this bill, as were its predecessors S. 1437 and S. 1722, is a careful balance between liberal and conservative points of view. I have made it clear throughout consideration of this measure that there are certain changes that I believe would improve the bill from my perspective. I know Senators BIDEN and KENNEDY feel there may be provisions in the bill that could be improved from their perspectives.

Most of the other cosponsors have similar views. However, there is only one way to achieve enactment of this kind of reform measure: That is to set certain differences aside in a sense of bipartisanship and common purpose. In my opinion, this bill achieves that end.

Finally, no amount of tinkering will ever produce a perfect code of criminal laws that will please all persons at all times. We do not have the luxury of reaching nice, safe compromises, such as splitting the difference on the amount of an item in an appropriations bill.

In considering the criminal code reform bill, Members of Congress are tak-

ing definite stands on the issues. Certain conduct is to be punished as criminal in nature, while other conduct is not. Those are difficult lines to draw. But one important point is that not many new lines are being drawn in this measure. A substantial portion of this bill, perhaps 80 to 90 percent, is simply a consolidation and organizational rewrite of present law.

Mr. President, for the most part, current Federal law is being retained intact. A few provisions of this bill are new to Federal law and have been the focus of considerable debate and controversy.

There are new terms and new expressions—actually a consolidation of terms and expressions—but, if analyzed closely, this bill is primarily a restatement of current Federal law. The bill is written in a new, simple, compact format, designed to be easily understood by both the legal and lay communities.

Moreover, whenever an issue has become too controversial to be resolved, it has generally been dropped from the bill.

For example, changes in current law to reinstate the death penalty is viewed to be too controversial an issue to include in the code reform legislation.

Thus, by mutual agreement it has been dropped from the bill and is being considered separately. This has been done with a number of issues thought to be too controversial to bring up in the context of the overall reform bill.

This has worked successfully in the past, and I trust it will allow us to reach final agreement on this legislation this Congress.

Mr. President, rather than spend an extended amount of time today discussing the more important reasons for this bill and its major provisions, I have prepared an information paper designed to systematically introduce interested persons to the long history of this effort, to the reasons for continued persistence toward achieving enactment of this landmark legislation, and to the basic provisions of the bill. I ask unanimous consent that this material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE CRIMINAL CODE REFORM ACT OF 1981
(S. 1630)

I. Introduction:

The American criminal justice system is seriously in need of reform. Of the distressingly high number of crimes that plague our nation, only two to five percent result in the offender's being convicted and sentenced for his criminal conduct. It would be prohibitively costly, both from a monetary standpoint and from the standpoint of fostering an oppressive level of law enforcement, to attempt to investigate and prosecute anything close to all criminal offenses that are committed. Any solution to our crime problem, therefore, must place a heavy reliance upon the deterrance of criminal activity. But to deter, the criminal laws and the criminal justice process must be, and must be publicly perceived to be, sensible, certain, effective, and impartial. We do not have the reality or the perception of these qualities when the laws themselves are confusing and complex, when important legal consequences turn on accidents in legislative drafting, and when similarly situated defendants committing like offenses receive widely disparate sentences.

The simple fact is that the laws themselves must be reformed before any major improvements can be made in the effectiveness of the criminal justice system.

A significant effort is now underway to reform the Federal criminal laws—laws that should be rational and clear in themselves, that should sensibly supplement State criminal laws, and that should provide a model for State consideration. The effort is the product of fifteen years' work, beginning with the creation of the National Commission on Reform of the Federal Criminal Laws in 1966. It is now in its final stage. It has been strongly supported by every Administration—Republican and Democratic—throughout the period of its development, and has received the endorsement of the legal and the law enforcement communities.

The product of that effort is S. 1630—a proposed Federal Criminal Code. The proposed new Code is monumental. It is monumental not only in size (S. 1630 contains over 450 pages, with well over 13,000 printed pages of supporting legislative history), but, more significantly, in its potential effect. It brings an unprecedented degree of clarity and certainty to the Federal criminal law that, among other advantages, should result in judicial economies that will permit the processing of a greater number of offenders, and it contains hundreds of specific improvements in the current penal and procedural statutes. A criminal law effort of this scope is unprecedented in the nation's history, and it offers a dramatic opportunity to increase the effectiveness of the nation's response to crime.

II. Deficiencies in the Current Federal Criminal Laws:

It is generally agreed by those familiar with the existing Federal criminal laws that they are seriously in need of revision. Certainly today the Nation does not have a Federal criminal code in the true sense of the term, but has instead a jumble of piecemeal legislative efforts that have been enacted sporadically over the last two hundred years. While many of the current statutes are useful in meeting contemporary needs, many others are not. Some are merely quaint remnants of other eras (such as the offenses of committing piracy for a foreign prince, detaining a government carrier pigeon, and seducing a female passenger on a steamship). Others are outmoded in more serious respects, some being unenforceable either because of inadequate drafting or court construction (for example, the statute prohibiting convicted felons from possessing firearms has been construed by the courts to require proof that the firearms had been moving in interstate commerce—a restriction the Congress had not intended). Even those statutes that have utility are in many respects overlapping and inconsistent (for example, there exist today dozens of theft offenses, several of which may apply to a single criminal act, each defining theft in a different fashion and often prescribing different penalties). Moreover, there are serious gaps in the coverage of the Federal criminal laws (for example, while there is a Federal statute covering bank robbery, there exists today no statute directed to extortion of monies from a bank). Even finding the law is a problem. Some areas of law in which there appear to be gaps, such as aircraft hijacking and espionage involving atomic weapons, actually are covered in obscure parts of the regulatory provisions of the Federal statutes (conversely, some essentially regulatory provisions, such as the prohibition against using the likeness of "Smokey Bear," appear in the midst of penal statutes covering such serious crimes as murder, kidnapping, and rape.) Other criminal law provisions are hard to find simply because they do not exist in statutory form; several areas of the law, such as the principles governing the criminal liability of corporations, have been left entirely to development by judges through case-by-case decisions—a process that has made standardized, consistent application almost impossible. In addition, even where the penal law does appear in statutory form, widely differing terms are used to describe a defendant's intent or other state of mind that must be found to coexist with his criminal action (79 different and undefined terms, such as "maliciously," "improperly," and "feloniously," are used in the principal penal title alone). Finally, the periods of imprisonment and fine levels authorized for current offenses bear little relationship to each other and a questionable connection with what would appear to be a fair penalty under all the circumstances; in fact, the whole sentencing process, which today may result in widely disparate sentences for essentially similar conduct, is seriously in need of reform.

As suggested by this brief overview, the current Federal criminal law is not only characterized by innumerable specific deficiencies, but as a whole it is haphazard, complex, and permeated with major impediments to general effectiveness and fairness. In the processing of criminal cases, a considerable amount of the time of judges, prosecutors, and defense counsel is wasted in resolving arguments designed to clarify or exploit the statutory confusion—a waste that our overburdened criminal justice system can ill afford. Moreover, even when individual cases are successfully prosecuted, the haphazard sentencing process commonly robs the effort of whatever deterrent effect it may be capable of producing, and appellate decisions providing useful statutory interpretations are lost as precedents in interpreting the numerous similar statutes based on slightly different jurisdictional considerations.

If the Federal criminal laws are ever to be more effective, they must be simplified and modernized.

III. The Background of the Effort to Reform the Federal Criminal Code:

In recognition of the difficulties with the current Federal criminal laws, Congress in 1966 established the National Commission on Reform of Federal Criminal Laws. The Commission worked for three and one-half years, and in January of 1971 submitted to the President and the Congress a Final Report which it termed a "work-basis" for a new Federal criminal code. The draft produced by the Commission was patterned upon the Model Penal Code, the basis of most State law reform efforts, with necessary modifications to adapt it to the more limited focus of Federal law enforcement responsibilities. It formed a sound basis for the subsequent work in developing a new code.

During the following 11-year period, several versions of a new Federal criminal code were introduced both in the Senate and in the House of Representatives. Exhaustive hearings were held by the Judiciary Committees, thousands of pages of testimony were taken, and views—spanning the ideological spectrum and addressing virtually every facet of criminal law and procedure—were presented by practicing lawyers; law professors; government officials, including Federal and State Attorneys General, judges, prosecutors, investigators, prison officials, probation officials, and pretrial service agency representatives; criminologists, penologists, and sociologists; psychiatrists and psychologists; and representatives of bar associations, defense organizations, business associations, unions, civil liberties groups, vic-

tim organizations, and church groups; among many others.

In the 93rd and 94th Congresses, while there was general agreement as to the need for a new code, none of the bills introduced was able to command the widespread support necessary for enactment. In fact, the principal bill introduced in the 94th Congress, S. 1, proved to be particularly divisive because of several provisions which became highly controversial. Supporters of criminal law reform became concerned that the controversy attending S. 1 might seriously jeopardize the codification effort as a whole.

Early in the 95th Congress, an agreement was reached among several interested members of the Senate and House Judiciary Committees and senior officials of the Department of Justice that the importance of a new Federal criminal code warranted a serious attempt to develop a commonly acceptable version. A resolution was made, first, to seek to draft a new bill that would avoid seriously controversial points, reform the law where all parties could agree upon such reform, and compromise on the current substance of the law in areas where change could not be agreed upon, and second, to proceed to commit the resources necessary for the bill's careful processing and enactment. It was understood that particular criminal code proposals that might result in protracted disputes should be put aside until passage of the bill, and then be introduced separately and given the individual Congressional attention they deserve. This agreement formed the basis for all subsequent codification efforts.

Later in the 95th Congress, a compromise proposal for a new Federal criminal code was introduced in the Senate by Senators McClellan and Kennedy (later joined by Senators Hubert Humphrey, Thurmond, and Hatch as co-sponsors) as S. 1437, and introduced in the House of Representatives by Congressman Rodino as H.R. 6869. It received immediate acclaim. Attorney General Bell announced that it had his strong personal support and the support of the Administration. Lead editorials in the Washington Post, the New York Times, the Boston Globe, and U.S. News and World Report, among others, called for its passage, using such terms as "[an] indisputably monumental achievement"; "legislation of great stature and importance—truly of landmark quality"; "ready to become the most remarkable achievement of this Congress"; "a product of masterly legislative compromise"; "wholly laudable legislation"; "politically realistic"; "an unprecedented opportunity"; "truly laudable reforms"; and "long overdue." In January of 1978 the Senate passed S. 1437 by a vote of 72 to 15. The 95th Congress ended, however, without similar action on a code bill in the House.

In the 96th Congress, in the Senate, an improved criminal code bill was introduced by Senators Kennedy, Thurmond, Hatch, DeConcini, and Simpson as S. 1722, and the Senate Judiciary Committee favorably reported the bill by a vote of 14 to 1. In the House of Representatives, the Subcommittee on Criminal Justice under the leadership of Congressman Drinan, held numerous hearings on criminal law codification and engaged in many protracted drafting sessions. As a product of those sessions, Congressmen Drinan, Kindness, and Sawyer introduced a proposed Federal criminal code as H.R. 6233. Thereafter, a revised version, designated H.R. 6915, was sponsored by Congressmen Drinan, Hall, Kindness, Sawyer, and Lungren. The latter bill, with the aid of Congressmen Rodino and McClory, was favorably reported by the House Judiciary Committee. Both the Senate and the House bills were tentatively slated for floor action in the post-election session of the 96th Congress, but the session expired before they could be brought up for passage.

In the current Congress, with the Judiciary Committees able to build upon the extensive work completed in the past Congresses, it appears for the first time that both Houses are in a position to process a criminal code sufficiently early to assure enactment. The Senate bill, S. 1630, introduced by Senator Thurmond on September 17, 1981, with broad bipartisan support is cosponsored by Senators Biden, Hatch, Kennedy, Denton, DeConcini, Dole, East, Laxalt, Simpson, and Specter. Attorney General Smith has announced that the new Administration is "actively and enthusiastically supporting passage", and has stated that the bill "represents the most significant series of law enforcement improvements ever considered by the Congress." Reform of the Federal criminal laws at last appears to be within reach.

IV. An Outline of the Provisions of S. 1630:

A. In General:

The Code contained in S. 1630 provides for the first time an integrated compendium of virtually all Federal statutes and rules concerning crimes, the criminal justice process, and related matters. Its most important attribute is that it sets forth the law in a far more comprehensive, orderly, and simple fashion than exists today. It corrects many major problems in the existing law, and literally hundreds of minor problems. It incorporates important areas of judge-developed law into associated statutory provisions, providing for the first time a single, basic source of Federal criminal law. The only major areas of criminal law not directly incorporated within the new Code are the judicially developed laws concerning generally applicable defenses to criminal conduct and the numerous regulatory statutes that carry low levels of criminal penalties.

The Code is divided into five parts.

Part I contains general provisions of the criminal law which govern the interpretation and application of the other portions of the Code. It sets forth the general principles of criminal law, the definitions of terms commonly used throughout the Code, the circumstances under which the Federal Government may investigate and prosecute, the nature of the intent or other mental states that must accompany conduct before that conduct will be considered criminal, the circumstances under which one individual or organization will be held responsible for the acts of another, and the conditions under which criminal conduct may be subject to a valid defense or may not be subject to prosecution.

Part II contains the penal offenses (except for misdemeanors consisting simply of violating the various Federal regulatory laws). All the serious Federal offenses are set forth for the first time in a single title of the United States Code, and are grouped in an orderly, rational arrangement. The offenses are described in as clear and simple a fashion as the appropriate precedents will permit, using, whenever possible, the common terms defined in Part I. The jurisdictional provisions which permit the Federal Government to prosecute for an offense (for example, the use of the mails in the course of the offense, the effect of the offense on interstate commerce, the status of the victim as a public official) are no longer buried in the description of the criminal conduct but are set out in a separate subsection of each offense for purposes of clarity, for purposes of consolidation, and for purposes of facilitating future changes in the law. As a result of this jurisdictional drafting approach, numerous provisions of current law are dramatically consolidated to eliminate redundancy and inconsistency; for example, 466 offenses relating to four subject areas—theft, forgery and counterfeiting, false statements, and property destruction—are reduced to 13 offenses. The potential penalty carried by each offense is also set forth in a separate subsection, using a simple categorization technique to refer to the applicable sentencing provisions.

Part III introduces a totally new and comprehensive sentencing system that is based upon a coherent philosophy and that relies upon uniform guidelines for sentencing similarly situated offenders. It sets forth the sentences that may be imposed for criminal offenses, and prescribes the manner in which an appropriate sentence is to be selected. Through the guideline sentencing system and the introduction of appellate review of sentences, far greater certainty and uniformity will be possible. The process of sentencing to imprisonment is made more forthright—the terms imposed will frequently be shorter (except for the most serious offenses) than those imposed today, but, importantly, they will not be subject to being reduced by early release on parole. In addition, more effective sentencing will be possible for white-collar offenders, and the recovery of losses by victims will be facilitated.

Part IV contains the various administrative and procedural provisions affecting the criminal justice system. They range from identifying the Federal agency with responsibility for investigating particular Federal offenses, to prescribing revised standards and procedures for release and detention pending judicial proceedings, to establishing the rules for court appointment of attorneys for indigent defendants, and to directing the procedures for handling offenders who are mentally ill.

Part V contains provisions of law by which, through the civil justice process, the government will be able to enjoin the continuance of certain kinds of criminal conduct and citizens will be able to obtain redress against offenders for damage or injury caused by specified crimes. It also contains a program for the compensation of victims of violent Federal offenses—a program that is funded from collected fines.

B. Specific Provisions:

The following is a more particularized description, on a chapter-by-chapter basis, of significant provisions of the Code, with emphasis on those that differ from the related provisions in current law.

PART I—GENERAL PROVISIONS AND PRINCIPLES

This part of the Code, comprised of Chapters 1 through 5, contains generally-applicable concepts which control the operation of the remainder of the Code.

*Chapter 1.—General provisions.*

This chapter sets forth the general purposes and principles of the Code that are intended to govern its interpretation and application. It also sets forth a "dictionary" of over 100 terms that are used throughout the Code (such as "agent," "bodily injury," "dangerous weapon," "government agency," "organization," "property," and "value"). Today such terms may carry different meaning when used in different contexts, thereby causing uncertainty and confusion.

*Chapter 2.—Jurisdiction.*

This chapter introduces the Code's innovative system for prescribing the circumstances under which the Federal Government may prosecute for the commission of Federal offenses (many of which also constitute State or local offenses). The system is of fundamental importance to the rest of the Code, and provides the basis for the simplified drafting of offenses. In view of its importance, the following discussion will describe the system in some detail.

Under most existing Federal criminal statutes, the statement of the legal basis for Federal criminal jurisdiction is commingled with the description of the criminal misconduct. In fact, in existing statutes the jurisdictional factor is often cast as the prominent factor, making the underlying criminal misconduct appear as a matter of secondary

importance. For example, what would be cast in a State statute as "robbery" is cast in one of the equivalent Federal statutes as "obstruct[ing] or delay[ing], commerce . . . by robbery"; what would be cast in a State statute as "kidnapping" was cast until 1972 in the equivalent Federal statute as "transport[ing] in interstate or foreign commerce, any person who has been . . . kidnapped." The historical reason for such an approach to the drafting of Federal offenses is, of course, to assure the appropriate limitation of the reach of Federal power to that granted the Federal Government by the Constitution. But in the course of limiting the reach of Federal jurisdiction, the current approach presents several disadvantages.

First, it leads to the formulation of offenses which, by design or by interpretation, unnecessarily require proof that the defendant knew or intended that his conduct would violate a Federal interest (for example, that the mails would be used by an accomplice in the commission of a major fraud). Second, it encourages considerable redundancy in that each time Congress applies a criminal offense in a new situation (for example, covering assault on an "official guest of the United States") an entire new statute setting forth the underlying misconduct is required (instead of simply adding, for example, to a general assault statute a new jurisdictional base permitting prosecution if the victim is an "official guest of the United States").

Third, in the course of writing such redundant definitions of the same misconduct, troublesome variations occur when they are interpreted and applied by the courts (for example, an assault occurring upon a Federal officer may be interpreted differently from an assault occurring upon a citizen in a national park).

Fourth, it permits the unnecessary multiplication of the potential criminal charges (for example, theft of a government check from the mails on a military base today may be prosecuted as three offenses—theft of government property, theft from the mails, and theft in a geographic area under Federal jurisdiction).

Fifth, it frustrates extradition of American criminals who have fled to other nations since most applicable extradition treaties describe offenses in terms of the underlying misconduct rather than a jurisdictional factor (for example, "interstate travel with intent to . . ."), and several foreign nations have refused to extradite criminals when the peculiar American definition of such offenses comes to their attention. Several other difficulties also exist with the current approach.

The Code takes a far simpler approach to Federal jurisdiction, but an approach that just as effectively permits the restraint of Federal jurisdiction to its appropriate boundaries. It defines each offense in terms of the underlying misconduct (for example, the conduct constituting kidnapping) just as a State criminal code does, but in a separate subsection of each offense it lists the particular circumstances under which the Federal Government may exercise jurisdiction to investigate and prosecute for the criminal conduct (for example, the transportation of a kidnapping victim across a State line). The basis for Federal jurisdiction is not a part of the offense that is required in all cases to be proved to a jury (but in each case it will still have to be proved to a judge, or to a jury at the defendant's option, beyond a reasonable doubt). This approach to Federal jurisdiction cures the problems stemming from the present system. It permits far clearer definitions of offenses and much simpler instructions to juries, and it allows consolidation of numerous existing offenses into a single offense with several jurisdictional bases (for example, the Code's single theft offense is possible because in a separate subsection there is a listing of several specified circumstances that would each permit the Federal Government to prosecute for the theft). Throughout the Code, the jurisdictional bases have been carefully tailored to avoid any unnecessary expansion of the reach of existing Federal jurisdiction.

The Code also contains provisions permitting the Federal Government to prosecute for certain violent offenses that are committed in the course of other specified Federal crimes. For example, if the Federal Government conducts a prosecution for an extortion offense, the Code will also permit it to prosecute for an assault or a murder committed in the course of the extortion. Under current law, the coverage of such associated offenses is irregular and inconsistent, and is attempted only through a clumsy method of raising the penalty for the underlying offense. The Code approach is more workable and more equitable, and is carefully restricted to avoid reaching offenses that appropriately should be left solely for State prosecution.

Significantly, in order to avoid potential problems in instances in which either Federal or State authorities may investigate and prosecute a particular offense, the Code includes for the first time in Federal law a provision encouraging Federal officials to use restraint in the exercise of their concurrent jurisdiction. Current statutory law purports to require Federal prosecution of all concurrent jurisdictional cases. The Code includes a checklist of factors for Federal officials to consider in such circumstances, as well as a provision requiring that the Attorney General consult periodically with State and local representatives, provide direction to Federal officials on the subject, and report annually to the Congress on the extent of prosecutions in concurrent jurisdiction cases. In addition, the Code specifically provides for the sharing of Federal investigative information with State and local investigators who have concurrent jurisdiction over the offenses involved.

The chapter also sets forth principles governing the prosecution of offenses committed outside the United States that seriously affect national interests or that are committed by or against United States citizens. In doing so, it fills several gaps in current law (for example, it covers crimes of violence committed against United States nationals on the premises of a United States embassy or consulate, permits a criminal trial of a former serviceman for a murder he committed overseas prior to being discharged, and allows a Federal prosecution for an offense involving an American that occurs outside the geographic jurisdiction of any nation—such an offense in Anarctica or on the Moon).

*Chapter 3.—Culpable states of mind*

This chapter sets forth the intent and other mental states that are used throughout the Code in defining a defendant's state of mind at the time he engaged in the criminal conduct. The chapter reduces the bewildering array of 79 different terms now appearing in the Federal penal laws ("corruptly," "feloniously," "improperly," "willfully," "wantonly," etc.) to four defined terms ("intentionally," "knowingly," "recklessly," and "negligently") like most modern State criminal codes. This simplification permits far greater clarity and precision in drafting statutes, while still permitting, through the appending of the terms to different aspects of criminal conduct, all necessary flexibility in describing offenses. Moreover, it will increase the efficiency of the system since, for example, a case precedent interpreting the term "intentional" in the context of one penal section will be applicable in the future not only to that section but to other sections using the same term.

*Chapter 4.—Complicity*

This chapter specifies circumstances under which an individual or an organization may be criminally liable for the acts of another individual or organization. It codifies much of the current judicially-developed law of aiding and abetting and of corporate liability, and clarifies the law concerning those who facilitate crimes committed by others.

One section puts in statutory form the current case law under which a conspirator may be criminally liable for incidental crimes committed by his co-conspirators in the course of working to effect the purpose of their conspiracy, as long as he could have foreseen that such incidental crimes might be committed. (Under this section, for example, if two persons conspire to rob a bank and one steals a car for use in their escape, both conspirators could be held liable for the theft of the automobile even though it was not a specific part of the conspiratorial agreement.)

The section on corporate liability is important in that it greatly clarifies the reach of the existing law holding a corporation liable for the acts of its agent that are committed within his authority and with intent to benefit the corporation.

*Chapter 5.—Bars and defenses to prosecution*

The portion of this chapter dealing with bars to prosecution sets forth a uniform system of time limits within which criminal prosecutions must begin. Rather than the varying time limits that exist today (for example, six years for income tax offenses, three years for election fraud offenses), a uniform five-year period is established (except for the offenses of murder, treason, sabotage, or espionage, which are not subject to a time limit). An extended period for the prosecution of concealable offenses is provided for the first time, permitting a prosecution for fraud or official corruption to be initiated after the five-year period in order to reduce the likelihood of success of a "cover-up."

A second bar to prosecution provided in this chapter is immaturity. Generally speaking, its effect is to lower from eighteen to seventeen the age of responsibility as an adult for criminal behavior of all kinds, and to permit prosecution as adults of offenders who are less than seventeen for an offense of narcotics trafficking or a felony involving violence.

The generally applicable defenses to criminal conduct (such as the defense of self-protection and the defense of entrapment by an investigator) are not defined in the Code, but, to avoid potential controversy, are left to continued development by the courts on a case-by-case basis. Defenses applicable only to specific offenses are set forth with the descriptions of those offenses.

PART II—OFFENSES

This part of the Code, consisting of Chapters 10 through 18, sets forth descriptions of the criminal offenses themselves.

*Chapter 10.—Offenses of general applicability*

This chapter defines the general offenses of attempt, conspiracy, and solicitation.

The general attempt section makes it an offense to attempt to commit any Federal crime, except for a small group of specified offenses. Today, Federal criminal statutes commonly specify that it is not only an offense to commit the described crime, but also to attempt to commit the crime even though the attempt proves unsuccessful. The inclusion of such a provision in current criminal statutes, however, is irregular, and thus many statutes reach only successfully concluded criminal conduct. The new attempt section in the Code unifies the law concerning attempts. It also adds a new defense to a charge of attempting to commit

a crime—if a defendant can show that he voluntarily abandoned his attempt to commit a crime and thereby actually stopped it from being committed, he will have a complete defense to prosecution (a "renunciation defense"). The theory underlying the new renunciation defense is that the public interest in reducing crime is better served by inducing persons to abandon their criminal conduct than by holding out no such inducement and relying solely on the deterrent effect of criminal prosecutions.

The conspiracy offense, which makes it a Federal crime for two or more persons to agree to commit a Federal offense, and then to take steps actually to commit the agreed upon offense, carries forward the provisions of current law. As in the attempt section, however, a new defense of renunciation is added in order to encourage the abandonment of criminal enterprises—a voluntary, complete, and effective avoidance of the planned offense will provide a charged defendant with a defense to a prosecution for the criminal conspiracy.

The solicitation offense provides that if a person tries to induce another person to engage in conduct constituting a Federal crime (other than one appearing on a limited list of exempted offenses) under circumstances making it clear that he actually intends to have the other person commit the crime, the solicitation itself is an offense even if the crime solicited is not ultimately committed. This offense is new to Federal law, except as it appears in a few offenses such as soliciting perjury in a Federal proceeding, but modern State criminal codes commonly penalize such solicitation. The rationale is that the solicitor has taken steps to set a crime in motion—a form of attempted offense. Again, a defense of renunciation is provided.

*Chapter 11.—Offenses involving national defense*

Three series of offenses—relating to treason, sabotage, and espionage—are set out in this chapter.

The treason series generally codifies current law, using the Constitution's language in defining the offense of treason. A new section appears at the end of the series, however, which penalizes the use of weapons by para-military groups that intend to take over a function of Federal or State government by force. Such an offense was recommended by the National Commission.

The Smith Act, which penalized membership in communist organizations and incitement of the overthrow of government, is repealed in its entirety. Serious revolutionary activity can still, of course, be prosecuted as treason.

The sabotage series of offenses generally codifies the current statutes, filling some gaps in the process, except that the statute dealing with the spreading of false military information in wartime with intent to aid the enemy is repealed as unnecessary.

The offenses relating to espionage and the revealing of classified information have not been revised. Because of past controversy surrounding this area, the existing statutes are moved, unchanged, to a title of the United States Code dealing with national defense matters, with the proposed new criminal code simply cross-referencing to those provisions.

*Chapter 12.—Offenses involving international affairs*

This chapter codifies various offenses pertaining to foreign relations and a series of offenses involving immigration, naturalization, and passports. The offenses in this chapter are basically drawn from current statutory provisions, except for one new provision making it an offense to conspire within the United States to assassinate or kidnap a foreign official in his own country.

The Logan Act, prohibiting private communication with a foreign government with intent to influence its actions in a dispute with the United States, is repealed.

*Chapter 13.—Offenses involving government processes*

This chapter covers various offenses that constitute obstructions of legitimate government functions—including obstruction of justice, contempt of court, perjury and false statements, and bribery and official corruption. For the most part, the offenses in this chapter reflect current law, but certain reforms are introduced.

Current law contains an offense pertaining to conspiracy to defraud the Federal Government, but contains no offense of actually engaging in such a fraud. The first section in this chapter sets forth a specific offense of defrauding the government in a way that obstructs a governmental operation, leaving coverage of conspiracy to the general conspiracy section.

The intentional obstruction of a government function by physical intereference is included in the Code as a misdemeanor-level offense, following the recommendation of the National Commission and the lead of modern State codes. Today, Federal coverage of such conduct is haphazard.

The offenses involving obstruction of justice are defined more precisely than those in current law, and contain several improvements. For the first time, specific provisions are incorporated in the Federal law which cover the intimidation or harassment of victims and other potential witnesses. Also, the penalty for the offense of bail jumping is keyed to the gravity of the underlying charges on which the defendant had failed to appear, in order to reduce a defendant's incentive to flee. In addition, provisions are added to reach "cover-ups" more effectively.

The contempt-of-court offenses are defined more clearly than those in current law. Moreover, the general contempt-of-court statute, which today carries a penalty without an upper limit on the imprisonment and fine levels that may be imposed, is limited to a thirty-day penalty for misbehavior in court and a six-month penalty for other misconduct covered by the general contempt provision. Certain defenses are added to provide protection to a defendant who genuinely finds it impossible to comply with a court order or who attempts to appeal an illegal court order prior to disobeying it but is unsuccessful in obtaining the review within a reasonable time.

The perjury series of offenses contains several changes. Like most modern State codes, and like one recent Federal statute, the Code abolishes the old rule requiring that two witnesses be able to testify to the perjury. Also a defense is added so that if a defendant recants and tells the truth before his original lie is discovered or is acted upon, he will not be subject to prosecution; in this situation, too, it was concluded that the public interest is better served by inducing truthful testimony than by being able to prosecute for false testimony. A new offense, false swearing, is added as a lesser form of perjury to cover situations where a witness's lying is not really material to the subject matter of the proceeding.

A single offense, covering situations in which false statements are made to the government outside of sworn testimony in a courtroom, is substituted for over 150 such statutes appearing in current law. In the course of the consolidation, a limitation is placed upon the existing reach of the law in that a false statement to a government official, when made orally, constitutes an offense only if (1) there is corroborating evidence that the defendant made the statement charged, (2) the official is known by the speaker to be a law enforcement officer, and (3) the statement is volunteered or is made after the speaker has been warned that making such a false statement is an offense. A new defense of retraction, similar to that provided for the perjury offense, is made available for the false statement offense.

A new offense is added to the law—failing, with intent to defraud, to keep a record required as a condition of administering or receiving a Federal grant, contract, subsidy, or loan. The provision will improve the ability to reach offenders who fraudulently convert Federal funds.

The bribery and corruption series of offenses is clarified in order to make the provisions more effective than they are today. The coverage of bribery of State officials is augmented to reach bribes made to further unlaw enterprises involving drug trafficking, loansharking, extortion, and gambling. A new offense is added to reach a Federal government official who speculates for profit on the basis of information coming to him only in his official capacity.

*Chapter 14.—Offenses involving taxation*

This chapter codifies several offenses from current law involving internal revenue and customs.

The internal revenue offenses codify the provisions of existing law except that, as the Code is structured, a defendant's intention under statement of income with intent to evade taxes may be prosecuted even though no net tax deficiency results. The penalties for the internal revenue offenses are made dependent upon the amount of taxes sought to be evaded, so that an attempt to evade $200,000 in taxes, for example, will carry a higher penalty than an attempt to evade $100 in taxes; this brings the revenue fraud laws generally into accord with the theft laws.

In the offenses pertaining to smuggling, a penalty distinction is introduced into the law so that a professional trader in smuggled goods will be subject to a more severe sanction than an individual who possesses a smuggled object for his own use.

*Chapter 15.—Offenses involving individual rights*

This chapter covers offenses involving civil rights, political rights, and privacy.

The basic civil rights statutes, which were enacted over 100 years ago (and which speak, archaically, in terms of "persons [who] go in disguise on the highway . . . with intent to prevent or hinder . . . free exercise or enjoyment of any right or privilege [which is Federally] . . . secured"), are modernized and clarified. They are recast so as not to require the existence of a conspiracy, but to permit prosecution of a person who acts alone in intentionally violating another person's rights. In addition, the coverage of the statutes is extended to protect aliens as well as citizens. Moreover, the provisions are clarified to assure that it need not be proved that a defendant specifically intended that it be a Federally protected right, as opposed to a State-protected right, that he infringes—a clarification that should permit far simpler jury instructions and a higher success rate in civil rights prosecutions.

The more recent civil rights statutes—those enacted in 1968—are recast to prohibit the use of force in discrimination not only on the basis of race, color, religion, or national origin, but also on the basis of sex in violation of a person's right not to be subject to such discrimination.

The Code for the first time in Federal law provides a specific series of statutes covering election frauds. Previously, frauds perpetrated in connection with a Federal election

could be prosecuted only under the general civil rights conspiracy statute—a less than satisfactory vehicle for insuring clarity and permitting successful prosecutions. Included among the election offenses is one covering the obstruction of a Federal political campaign by "dirty tricks" that constitute State crimes—thereby permitting either Federal or State prosecution.

In the course of codifying the current offenses of eavesdropping and wiretapping, there is added an offense covering the possession of an eavesdropping device with the intent that it be used unlawfully.

A general offense is provided to penalize a Federal official's disclosure, in violation of a duty imposed upon him by a statute, of private information that a citizen has been required to furnish to the government in seeking to obtain a Federal benefit or in response to a specific requirement of law, such as tax information or census information. This offense does not create any new crime, but standardizes the coverage and penalties for similar conduct prohibited specifically by other statutes.

*Chapter 16.—Offenses involving the person*

This chapter contains all of the offenses which involve an individual's physical being—including offenses involving homicide, assault, kidnapping and hijacking, and sexual contact. A complete range of such provisions is set forth to reach all forms of violent offenses that appropriately fall within the Federal jurisdiction. Gaps are filled in the assault, terrorizing, and kidnapping areas, and a comprehensive series of forcible sex offenses is provided for the first time. This comprehensive approach permits the adoption of appropriate grading distinctions, and reduces the necessity for reliance on the differing coverages of the various State laws.

Most of the offenses appearing in this chapter may be prosecuted by the Federal Government not only if they are directed against Federal officials or take place in national parks or other areas within the Federal geographic jurisdiction, but also if they occur in the course of other specified crimes that are subject to Federal prosecution. For example, if a maiming occurs in the course of intimidating a witness due to testify at a Federal trial, the government may prosecute not only for the intimidation of the witness, but also for the maiming that occurred in the course of the intimidation, instead of having to leave the latter offense for State prosecution. This permits a single trial of the defendant in those cases in which such a consolidated approach appears appropriate, while still relying on State prosecution for the majority of violent offenses committed in the course of Federal crimes in cases in which that approach appears preferable. This system will help to assure that Federal sentences can adequately reflect the seriousness of the underlying conduct.

The offense of rape, as well as the other sexual offenses in the same series of sections, is defined in a fashion making the gender of the perpetrator or victim irrelevant (thereby covering, for example, homosexual rapes in Federal prisons, which cannot be reached under the current statutes). Another change introduced by this series concerns the offense of "statutory rape" in which a defendant has taken advantage of a youth's indiscretion; the offense applies only if the defendant is at least three years older than the other participant, thereby avoiding the criminalization of consensual sexual conduct between persons in the same age group. Also, in any prosecution under this series of offenses, the old requirement of special corroboration of the victim's testimony is eliminated from the law.

*Chapter 17.—Offenses involving property*

This chapter incorporates and consolidates the various property offenses appearing throughout the existing laws. It contains offenses involving arson and other property destruction; burglary and other criminal intrusion; robbery, extortion, and blackmail; theft and fraud; counterfeiting and forgery; commercial bribery; and various monetary offenses. In this chapter, more than in any other, a dramatic consolidation and reduction of unnecessarily repetitious offenses is made possible by the drafting technique of separating the jurisdictional element from the definition of the substantive offense.

In the property destruction series of offenses, over 80 current statutes relating to arson and other property destruction are consolidated into three simple sections. In addition, jurisdiction is broadened to provide coverage of property destruction in the course of witness intimidation and civil rights offenses, and property destruction at energy production facilities.

The series of offenses covering burglary and other criminal intrusions clarifies current law, adds general coverage of Federally owned buildings, and eliminates a variety of redundancies.

The robbery, extortion, and blackmail offenses introduce much clearer distinctions among those offenses than exist in current law. The robbery statute extends Federal jurisdiction to cover the robbery of drugs from a pharmacy. The blackmail provision contains a special defense to assure that the section is not construed to cover a threat to undertake legitimate legal action unless a legal wrong is remedied; for example, a consumer's threat to begin a legal action unless defective merchandise is repaired or replaced would clearly not be a violation of the statute.

The theft section in the Code replaces over 130 theft and fraud statutes appearing in current law, and is followed by post-theft provisions that will facilitate prosecutions of professional "fences" who traffic in stolen property. For the first time, the penalty for the offense is made to vary with the kind and value of the property stolen; large-scale thefts and frauds carry penalties significantly higher than those in current law, while thefts of items of little value are reduced to a misdemeanor level in order that appropriate prosecution may be brought before a magistrate rather than a Federal judge. In addition, the penalty for a youth's temporarily taking a motor vehicle without authority and then abandoning it ("joy riding") is reduced from the current five-year maximum to a maximum of six months' confinement. Although theft jurisdiction in the Code for the most part carries forward current law, new coverage has been added to reach theft and fraud in programs funded by the Federal Government—thereby obviating the current difficulty in prosecuting after Federal title to the money has passed. Also, a significant new provision is added to the fraud offense—a provision covering pyramid sales schemes. In conjunction with the provisions in Part V of the Code, which contains a new statutory remedy to enjoin further frauds, this provision will help to protect the public from fraudulent schemes that often are difficult to reach under current law. Another addition to the fraud series provides Federal authority to prosecute large-scale frauds designed to obtain insurance money through arson. Another appears in the bankruptcy fraud section; the current law provisions reaching schemes to defraud creditors in bankruptcy situations are extended to reach similar fraudulent activity involving insolvent insurance companies. Still another applies felony-level penalties to fraudulent, large-scale trafficking in pirated videotapes and sound recordings.

A series of five forgery and counterfeiting offenses replaces almost 90 such offenses in current law. In the course of the consolidation, the Federal law is extended to reach the forgery or counterfeiting of corporate securities and of notes and bonds issued by State and local governments. These latter offenses, which are not now covered by Federal law, recently have become the focus of organized criminal activity.

The application of various commercial bribery provisions in current law is clarified, and is expanded to reach bribery affecting Federally-funded programs. Labor bribery statutes are extended to encompass bribery involving union membership procedures and work placement as well as involving improper expenditures of union assets.

*Chapter 18.—Offenses involving public order, safety, health, and welfare*

This chapter sets forth several series of offenses involving organized crime; drugs; explosives and firearms; riots; gambling; pornography and prostitution; and miscellaneous public health provisions.

The organized crime provisions include a simplified recodification of the 1970 racketeering statute, making several additions in the process. A new offense—aimed directly at organized crime leadership—covers individuals who actually manage a racketeering syndicate. Taking over a business enterprise by means of racketeering activities is specified as a separate offense, as is using profits from racketeering activities to acquire a legitimate business. The existing Federal loansharking laws have been broadened to penalize grossly usurious credit transactions in which it is understood, even if it is not made explicit, that the lender may resort to violence in collecting the debt.

The drug offenses are primarily a codification of the 1970 Federal statutes. Some significant changes, however, have been made. The penalty for trafficking in wholesale quantities of heroin or PCP (10,000 times the average individual dose) is raised, as is the penalty for trafficking in large amounts of marihuana. Several of the provisions of current law providing for a doubling of the penalty for repeat offenders are eliminated as unnecessary, but the one applying to heroin traffickers is not only retained but is made more effective. A person who imports or sells heroin or other opiates for profit, moreover, is subject to a mandatory minimum penalty that does not currently exist; a judge will be required to impose at least two years' imprisonment, unless the defendant was less than 17, was of impaired mental capacity, was under unusual and substantial duress, or was only a minor accomplice in an offense committed primarily by another person.

The explosives and firearms offenses generally carry forward the current law provisions without substantive change. The Code does not include changes in the law pertaining to handguns, in order to avoid controversy and promote general compromise on the Code's coverage. The offense of using a firearm in the course of committing another Federal crime, however, is made subject to an effective mandatory minimum penalty of two years' imprisonment, subject to the same exceptions as the mandatory penalty for trafficking in heroin.

The riot offenses of existing law are substantially narrowed by the Code, both in terms of the definition of the substantive offenses and in terms of the Federal ability to prosecute. Adequate Federal coverage, however, is maintained. An incitement to

riot may not be prosecuted unless a riot actually occurs. A riot is defined to require at least ten participants, instead of three participants as in current law.

The gambling offense consolidates a variety of provisions from current law. Both it and the prostitution offense seek to reach the operators of rings involving such activity but leave the lesser offenses in this area to prosecution under State or local laws; prostitution itself is not made a Federal offense. Moreover, the gambling and prostitution offenses set forth in the Code are not applicable in areas where such activity is lawful under all applicable State and local laws.

The obscenity offense focuses on (1) disseminating obscene material to a minor or to an adult who is given no opportunity to avoid exposure to the material, and (2) commercially disseminating obscene material for purposes of profit, but maintains other aspects of existing coverage. The section defines obscene material to accord with recent Supreme Court decisions concerning obscenity, and generally limits the Federal authority to prosecute to situations in which the offender employs the mails or facilities of interstate commerce.

The public health offenses consolidate existing Federal offenses pertaining to adulterated foods and environmental pollution. In addition, the penalties for the environmental pollution offenses in current law are keyed more closely to the potential harm involved.

The provision of current law that permits the Federal Government to prosecute for uncodified offenses such as traffic violations and disorderly conduct under State and local law, when such offenses are committed in a national park or other area within Federal geographic jurisdiction, is continued by the Code. Because the new Code will, for the first time, specifically define all serious forms of offenses, the penalty for assimilated crimes is limited to a one year maximum, rather than whatever higher penalty is permitted by the applicable State or local law. There will be less occasion for the use of this general provision than has existed in the past.

PART III—SENTENCES

This part of the Code, consisting of Chapters 20 through 23, contains the sentencing scheme not only for the Code offenses but also for the hundreds of minor regulatory offenses that will still exist in other portions of the Federal laws.

The sentencing provisions of the Code are significantly different from those in current law. To begin with, the four generally recognized purposes of sentencing—deterrence, protection of the public, assurance of just punishment, and rehabilitation—are specifically set forth for the first time. Currently, some judges emphasize one or another of the appropriate purposes to the exclusion of the remainder. Legislative recognition of the purposes for which sentences may be imposed is the first step toward bringing systematization and rationality to the process.

Another major difference is that each criminal offense listed in Part II of the Code is described as a certain grade of offense for sentencing purposes, thereby providing a shorthand method of referring to penalties and other considerations that are applied to the offense by the Part III provisions. This facilitates the establishment of a penalty structure assuring consistent penalties for conduct of a similar nature or degree of seriousness.

Several specific changes are introduced into the law for the purpose of making penalties more likely to serve the purpose for which they are imposed. In addition to the penalties traditionally applicable, a court is empowered to order that a convicted defendant in a fraud case give notice of the conviction to the victims of the offense (who, in cases involving large-scale frauds, may not all be known to anyone other than the defendant) in order to facilitate private actions for recovery of losses. A court is also empowered to order a defendant found guilty of an offense causing bodily injury, or property damage or loss, to make direct restitution to the victim of the offense, even if a term of imprisonment is also imposed. In addition, provisions are added to require forfeiture of the proceeds acquired by defendants through organized crime.

The probation provisions mark a significant departure from past practice and philosophy—no "free pass" will be given to any convicted defendant. Probation is converted into a form of sentence in itself—rather than a suspension of a sentence—in which, in every felony case, some form and degree of restitution to the victim, work for the community, or fine will be required as a mandatory condition upon which the probation is predicated. In addition, the probation provisions for the first time specify a variety of conditions that can be imposed upon the announcement of a sentence to probation, in order to assure that courts will give appropriate attention to the possibility of predicating the defendant's release upon his compliance with further conditions appropriate to the case. Such suggested conditions include an individual's refraining from engaging in a specific business which led to his commission of the offense; undergoing medical or psychiatric treatment; living in a halfway house, community treatment facility, or other environment offering some degree of direct supervision; residing in another city where he is less apt to be influenced by his former criminal associates; etc.

The maximum fines permitted by the Code are substantially higher than those in current law, with a convicted organization subject to a $1,000,000 fine for a serious offense and a convicted individual subject to a fine of up to $250,000. Provision is made for installment payments when warranted. Under this approach, fines are less likely to be considered by white-collar offenders simply as a minor, potential cost of doing business. The high fine levels in the Code, however, are specifically conditioned upon a defendant's ability to pay (as well as the gravity of the offense and other considerations), thereby assuring that an individual or an organization with few assets and little earning capacity will not be fined an appropriately high amount.

The terms of imprisonment permitted by the Code are generally somewhat reduced from those in current law, with the major changes applying to those existing statutes that carry penalties substantially higher or substantially lower than similar statutes in the criminal law.

More significantly, though, the new Code makes a fundamental change in the effect of sentences to imprisonment. It introduces a determinate system, abolishing early release on parole and providing for the first time that the sentence announced by the sentencing judge will be the sentence actually served by the defendant (except for a potential ten percent credit for "good time"). Such sentences will usually be shorter, on the average, than those imposed under the current sentencing-paroling process; they will no longer need to involve artificially lengthy terms that are intended to be shortened later by parole authorities. Although early release on parole is abolished, in a case in which the judge believes that a defendant should be supervised for a period after the expiration of his term of imprisonment, he may order a period of post-release supervision. Provisions are added to the law to make it clear that penalties for individual offenses cannot be strung together so as to create a total sentence that is unreasonably long, but the maximum term of imprisonment for multiple offenses is made long enough to permit the penalty to reflect the seriousness of persistent criminal conduct. The net result of these changes should be far greater honesty, public credibility, and effectiveness in sentences to imprisonment.

The complicated, special sentencing provisions of current law that are designed for particularly dangerous offenders, youth offenders, and narcotic offenders, are replaced by provisions for taking these factors into account in the course of considering all other relevant factors.

As a result of the compromise pursuant to which the Code was drafted, the death penalty is not included as an available sentence for Federal offenses. (However, the single, constitutionally supportable death penalty provision in existing Federal law—the penalty for aircraft hijacking in which a murder occurs—is retained in its present place in the United States Code.)

Although the provisions noted above are important, they are overshadowed by the structural and procedural changes in the sentencing process. These provisions are designed to achieve a rationality, uniformity, and fairness that simply have not existed before. The Code creates a Sentencing Commission within the judicial branch of the Federal Government, which is directed to establish sentencing guidelines to govern the imposition of sentences for all Federal offenses. In drafting the guidelines, the Commission is directed to take into consideration factors relating to the purposes of sentencing, the characteristics of offenders, and the aggravating and mitigating circumstances under which specific offenses may be committed. For each Federal offense, the guidelines will be expected to specify a variety of appropriate sentencing ranges—encompassing imprisonment, fines, and probation—depending upon the particular history and characteristics of the defendant in the case and the particular circumstances under which the offense is committed. The judge will be required to sentence a defendant within the range specified in the guideline covering the specific situation in the case before him, although, if he considers the guideline range inappropriate because of factors not adequately taken into consideration by the Sentencing Commission, he is free to sentence the defendant above or below the guideline range as long as he explains his reasons for doing so. If an offender is sentenced above the range specified in the guidelines he may obtain a review of his sentence by the Federal court of appeals for the circuit; if he is sentenced below the range specified in the guidelines, the government, with the concurrence of the Attorney General or Solicitor General, may obtain a review of the sentence on behalf of the public. In addition, in a case in which a defendant is sentenced to a term of imprisonment that exceeds five years, he may, after service of five years of the term, petition the sentencing court to adjust his sentence because of extraordinary circumstances. The system is designed to promote general uniformity and fairness while retaining necessary flexibility.

PART IV—ADMINISTRATION AND PROCEDURE

The chapters appearing in this part of the Code numbered 30 through 38 consolidate, clarify, and codify existing procedural provisions of the federal law. The codification is accomplished without, for the most part, making substantial change in the existing law. Of the changes that are made, the most significant are the following.

The Code modifies certain of the existing provisions permitting Federal law enforcement officers to secure a court order to au-

thorize investigative wiretapping in specified situations. The statute permitting wiretapping in emergency situations without a prior court order (which today is vaguely worded as applicable to offenses involving "national security" or "organized crime") is limited specifically to offenses involving treason, sabotage, or espionage, and to offenses involving racketeering or the risk of death. In addition, specific provision is made for court authorization of surreptitious entries necessary to install wiretaps.

In a related area, the Code provides for the first time a comprehensive and integrated series of provisions requiring court orders for the investigative use of devices to identify a telephone number that is called.

The statutes permitting the extradition to foreign nations of criminals who have fled to the United States are materially modernized and simplified.

The maximum fees permitted for government-compensated defense counsel, and for others providing defense services to defendants who cannot afford to pay for them, are increased by 50 percent to offset the imbalance caused by inflation.

The bail provisions of current law are significantly changed. For the first time, they will permit a judge to take into account the defendant's dangerousness. Specifically, they will allow a judge, in determining whether and on what conditions to release a defendant prior to his trial, to consider the danger the defendant would pose to others in the community. Money bail is precluded, but the court may require, as a condition of release, that designated property belonging to the defendant be forfeited upon his failure to appear. The available conditions are expanded and clarified, and a defendant who violates his release conditions may more readily be held accountable. In addition, after a defendant is convicted, the practice of permitting the defendant to remain free pending the long appellate process is changed by the Code; post-conviction release, instead of being the rule, is made available only if the defendant can show a substantial prospect that his conviction will be overturned on appeal and that he will not flee or pose a danger to the community.

Provisions are added to the juvenile delinquency laws that require a preliminary screening of juvenile cases by a probation officer to identify those in which an informal form of probation might be preferable to the usual court processes. If a juvenile selected for such informal probation complies with the specified conditions for a period of six months, the case against him will be dismissed; if he does not comply, the original proceedings may be resumed.

An entirely revised series of provisions dealing with mentally incompetent offenders is included in order to overcome the inadequacies of the current law. Included among them is a provision that permits the civil commitment of an individual acquitted by reason of insanity. Although the Code indicates that in such situations State civil commitment proceedings are preferred, Federal commitment proceedings are provided to insure that a genuinely dangerous individual will not be released prematurely. (Under current law, except in the District of Columbia, if a Federal defendant is found to be insane and it is determined that he is so insane that his release would threaten the lives of other persons, there are no means by which he can be hospitalized until he can regain his mental balance. While the State in which the offense will frequently be willing to initiate its own civil commitment proceedings, this is not always the case, especally in situations where the offense is committed by a nonresident of the State in which the trial takes place.)

A technicality in the law that prevents the government from appealing the erroneous dismissal of a case, or the erroneous granting of a new trial, is removed.

The provisions of law concerning the means of collecting fines that have been imposed on convicted defendants are materially changed from those of current law. Under the current statutes, it has often proved to be exceedingly difficult to collect fines that have been imposed upon corporations or individual defendants. The Code incorporates a series of provisions allowing recourse to the Internal Revenue Service statutes that permit the placing of a lien upon a defendant's property if he has attempted to circumvent the judge's order to pay as directed.

PART V—ANCILLARY CIVIL PROCEEDINGS

The two chapters contained in this part—Chapters 40 and 41—incorporate provisions of a non-criminal nature that should help to make the enforcement and execution of the criminal laws more effective.

The first chapter provides authority to the Attorney General to institute legal procedures to cause a forfeiture to the government of a defendant's property that he used in, or obtained from, a criminal offense. This provision would cover, for example, an object smuggled into the United States, an electronic device possessed for illegal eavesdropping, a set of engraving plates employed to make counterfeit currency, and a sawed-off shotgun used in a robbery. The chapter also contains provisions permitting the Attorney General to obtain court orders prohibiting individuals or organizations from engaging in specified racketeering activities, restraining intimidation of witnesses or victims, and enjoining fraudulent schemes. The final sections in the chapter preclude the imposition of Federal employment restrictions or other civil disabilities upon a defendant, if they are based solely on his conviction, unless they are reasonable in light of the offense.

The second chapter contains provisions under which individuals may attempt to seek redress for crimes committed against them by racketeering offenders or eavesdroppers—provisions continued from current law. The chapter adds a system to compensate the victims of violent Federal crimes. Funding under the system will be from collected fines—a source of revenue that will be many times the amount necessary for the purpose of compensating Federal victims and that will assure that the compensation is clearly perceived as being provided by convicted defendants as a class.

Mr. THURMOND. Mr. President, I yield the floor.

Mr. BIDEN. Mr. President, as a cosponsor of the Criminal Code Reform Act of 1981, I wish to express my enthusiastic support of this effort to reorganize and streamline the administration of Federal criminal justice. This is one of the most important pieces of legislation before us this Congress. It brings order and reason to a confusing, and in some instances illogical, mass of criminal laws enacted over the past 200 years. It follows the example of those States, including Delaware, which have modernized their criminal laws in recent years.

The bill we are introducing today is the product of many years work. Perhaps more than any other single piece of legislation, this bill in its various forms has been the subject of extensive hearings, debate, and analysis. An earlier version passed the Senate in 1978 and the Judiciary Committee approved a bill last Congress by a vote of 14 to 1.

This bill is similar to the bill approved by the Judiciary Committee last Congress, with a few notable changes. Some of those changes are the result of compromises reached among the sponsors of the bill in order to reduce the controversy which slowed and eventually stalled passage of bills in previous Congresses. Some changes improve the bill by bringing certain provisions closer to current statutes or case law.

There are however, a number of provisions in the bill which I am certain will prove controversial. Those provisions which will cause the greatest concern are changes from the bill as approved by the Judiciary Committee last Congress. For example:

First, elimination of a defense to the crimes of contempt and disobeying a judicial order that the action of the court "was constitutionally invalid and constituted a prior restraint on the collection or dissemination of the news which was invalid under the first amendment to the Constitution";

Second, adoption of a broad new offense of criminal solicitation in place of a solicitation offense limited to specific offenses;

Third, broadening of the offense of obstructing a government function by physical interference to include acts involving any public servant; and

Fourth, substantially narrowing the offense of unlawful discrimination when the discrimination is based upon a person's sex.

I assure all of my colleagues as well as concerned individuals and groups that these provisions as well as other provisions—such as creation of a government right to appeal sentences, cutting back on due process procedures for revocation of probation and changes in the present scope of Federal jurisdiction over extortionate acts by labor unions—will be the subject of careful analysis and thorough debate by the Judiciary Committee.

I want to take this opportunity to commend my colleagues on the House Judiciary Committee for their efforts to achieve passage of a comprehensive criminal code bill. I look forward to working closely with Chairman RODINO and the members of the committee in this Congress. It is my hope that we can continue the cooperative effort which began last Congress toward resolving any differences in the House and Senate bills and achieving our mutual goal of enactment of a comprehensive criminal cost recodification bill.

Finally, I want to emphasize what the Criminal Code is not. The bill is not a solution to crime. The incidence of crime, particularly violent crime, caused by factors such as drug abuse, poverty, and unemployment will not be significantly affected by a bill which recodifies current law and improves sentencing procedures.

At the same time, the Criminal Code bill is not the proper vehicle for significant or controversial proposed changes in Federal law which have arisen apart from the Criminal Code reform effort. Proposals such as changes in the law relating to habeas corpus, the exclusionary rule, and the like must be the subject of separate hearings, analysis, and debate—the same responsible legislative process afforded any other legislative proposal.

Chairman THURMOND, you have my strong support in your effort to recodify Federal criminal law. As in previous Congresses, I offer you my strongest support in working toward enactment of improved Federal sentencing procedures. I am firmly committed to the goals of speedy conviction and punishment for offenders which is based upon the severity of the harm caused. As chairman of the Democratic Task Force on Crime, I have already taken steps toward that goal by introducing on behalf of the task force amendments to the Justice Department Authorization Bill (S. 951) and the National Security and Crime Control Act of 1981 (S. 1455). Those measures include Federal sentencing reform provisions which are nearly identical to those contained in the Criminal Code Reform Act.

Mr. HATCH. Mr. President, I am extremely pleased to be a cosponsor of the Criminal Code Reform Act, as I have been for the past two Congresses. I believe that the time is long overdue for such a comprehensive reform of our Federal criminal laws. The present legislation is the result of more than 8 years of discussions and negotiations between Senators of widely varying philosophies of criminal jurisprudence. It is the result of more than 13 years of rigorous analysis by many of the most informed participants in the criminal law process—academicians, the bar, business and industry, labor, public interest groups, and law enforcement agencies throughout the country.

BACKGROUND OF CODE

The Criminal Code Reform Act had its genesis in Congress decision during the 89th Congress to establish the National Commission on Reform of Federal Criminal Laws. The Commission was charged with making—

A full and complete study of the statutory and case law of the United States which constitutes the Federal system of criminal justice for the purpose of formulating and recommending to Congress legislation which would improve the Federal system of criminal justice.

In addition, it was empowered to:

Make recommendations for the revision and recodification of the criminal laws of the United States.

The Commission, popularly known as the Brown Commission—named after its chairman, former California Governor Edmund Brown—produced a working draft of a new Federal Criminal Code in 1970, 1 year before submitting its final report to Congress recommending comprehensive reforms of the Criminal Code. Much of the product of the Commission drew upon the longstanding efforts of the American Law Institute in developing its Model Penal Code provisions.

In making its recommendations, the Brown Commission observed that the code had undergone only three revisions since the first Federal criminal statute had been approved in 1790. In 1866, the Congress authorized the appointment of a Commission to consolidate in convenient, workable form the entire body of Federal statutory law.

This effort culminated in the Revised Statutes of 1877 which organized this law, including its penal provisions, in a far more rational and accessible manner. A subsequent reform effort in 1909, limited to Federal criminal statutes, sought to perfect the form of these laws in addition to reorganizing them along more useful lines. Finally in 1948, following a period of significant development of the Nation's penal law, a third code reform effort culminated in the consolidation of these laws in title 18 of the United States Code, entitled "Crimes and Criminal Procedure". These provisions remain largely in effect today.

Legislation incorporating the recommendations of the Brown Commission was first introduced during the 93d Congress by Senators John McClellan and Roman Hruska and by Representative Edward Hutchinson. Comprehensive code reform initiatives have been introduced in every subsequent Congress, generally with modest technical and substantive changes. During the 95th Congress, the full U.S. Senate approved one of these measures, S. 1437, a bill successful in eliminating some of the provisions contained in its predecessor, S. 1 during the 94th Congress, that had been most responsible for earlier divisions and controversies with respect to the code reform effort. Despite overwhelming approval in this body, efforts faltered during the 95th Congress in the House of Representatives.

During the 96th Congress, the Senate Committee on the Judiciary approved a new code reform, S. 1722, while the House Committee on the Judiciary, for the first time, approved similar legislation, H.R. 6900. The Congress ended, however, before either legislation could be considered on the floor of Congress. Given the commitment of leadership in the Judiciary Committees in the House and Senate this Congress, the prospects for serious revision of our Nation's criminal laws appear to be extremely bright.

NEED FOR CODE REFORM

Why the compelling need for a comprehensive Criminal Code reform? There are a number of answers to this:

First, the present body of Federal criminal law is beset by entirely too many provisions of clearly archaic or obsolescent character. These include such statutes as those prohibiting piracy under the commission of a foreign prince, writing checks for less than $1, and interfering with the flight of Government carrier pigeons. Many statutes along these lines—which do little to enhance public respect for the law—have been eliminated, thereby reducing the sheer volume and bulk of the Federal criminal law.

Second, there are entirely too many gaps in the present statutory law, instances in which Congress has effectively deferred to the judiciary in the development of the law. As one who has been extremely concerned about an activist judiciary, one which has come increasingly to make law as well as interpret it, I believe that the code reform makes an important contribution in this area. Many areas of white collar crime, for example, have been left to the courts in this manner, such as the issue of corporate liability for the actions of its agents.

There are also inarguable gaps in the law in areas in which there is little room for judicial involvement. There are no Federal bank extortion laws, while the arsenal of antiracketeering laws, in my view, is grossly inadequate. The code reform would attempt to fill these gaps in areas in which there is the greatest consensus that they exist.

Third, it is often difficult to locate and identify present law. While most of the Nation's criminal laws are concentrated in title 18, there are criminal laws scattered throughout the entire United States Code. There is simply not the notice provided by such an arrangement of penal laws that a fair criminal code must provide. In so serious a matter, it is essential that the law—the entirety of the law—be easily and readily accessible to those who must know its provisions. The proposed code reform would consolidate all Federal felonies in a single place.

Fourth, partially as a result of this disorganization, the code is frequently inconsistent and inequitable. The penalty, for example, for making false statements to a Federal agency may vary from a mere infraction to a 5-year term of imprisonment, depending upon which of various Federal statutes is relied upon for prosecution. To this extent, the criminal laws are arbitrary and subject to the sort of potential abuse that a nation of laws cannot tolerate. The proposed code reform would eliminate most of these anomalies by creating a more rational and uniform system of criminal penalties.

Fifth, apart from the surface inconsistencies in the statutes, there are also deeper, even more disturbing inconsistencies that are reflected in the criminal sentencing process. The past several decades have witnessed a movement toward increasing individualization of criminal sentencing, with great discretion provided the courts and parole authorities. While not an entirely objectionable trend, it has nevertheless had the effect of insuring that relatively equally situated persons, having committed relatively equal crimes, may often be subject to widely disparate terms of imprisonment or nonimprisonment.

This has had, and can continue to have, no effect other than to engender increased resentment among those who believe that they have been treated inequitably. A major reform in the Criminal Code reform is the establishment of a program of determinate sentencing to be administered through judicial sentencing guidelines.

Sixth, the present body of Federal criminal law is beset by excessive numbers of duplicative and overlapping provisions. These not only make for an unaesthetic criminal code, but afford far too much opportunity for arbitrariness on the part of the Government. There are, for example, approximately 70 separate theft statutes, 50 false statement statutes, and 70 arson statutes.

These statutes carry differing penalties; they define essentially similar

wrongdoing in dissimilar terms; and they contain conflicting and confusing jurisdictional bases. There is no need for this statutory array. The proposed code reform would consolidate these statutes into no more than a small handful of separate offenses.

Seventh, one of the primary reasons for the proliferation of essentially similar offenses is that the current law generally defines the substantive criminal offense in terms of its jurisdictional base. The question of Federal jurisdiction is a definitional element of each offense. As a result, the law becomes more complex and prosecutions under that law become more complex. The proposed code reform would separate the jurisdictional elements from the substantive elements of an offense. There are potential benefits for the accused from this reform to the extent that he will no longer be subject to multiple counts or prosecutions springing from what is essentially a single transaction.

Under current law, for example, the robbery of a Federal credit union located on Federal property would violate three distinct provisions of the criminal law, each of which differ slightly in terms of the description of the offense, the nexus of Federal jurisdiction, and the penalties. The action would violate discrete Federal statutes relating to robbery of a Federal credit union, robbery of a Federal financial institution, and robbery upon Federal property. Under the code reform, the robbery would represent a single offense, with three potential bases for the assertion of Federal jurisdiction.

Eighth, another of the aspects which contributes substantially to the present complexity and confusion of the code is its treatment of culpable states of mind. The Brown Commission identified at least 78 different terms in the present law which are used to describe the mental elements comprising an offense. These range from "knowingly" and "willful," to "knowingly and willfully", "improperly," "feloniously," and "maliciously." Further, most of these terms have been interpreted by the courts in widely varying and often contradictory manners.

The code reform would reduce this incomprehensible assortment of terms to simply four—"intentional," "knowing," "reckless," and "negligent." Each of these would be defined in a coherent and consistent manner. For the first time, a discernible, consistent pattern would be reflected in the state of mind, or mens rea, required for a Federal criminal offense.

Ninth, the present organization of title 18 is a haphazard one, based more upon alphabetical imperatives than upon any sounder, more rational element. Like laws, in my opinion, ought to be classified together, and unalike laws ought to be separated by sections, chapters, titles, subtitles, and other basic forms of demarcation. The code reform would achieve this.

Mr. President, I believe that the present code reform measure, by remedying these difficulties to a substantial extent, can work to enhance popular respect for the criminal law. By rationalizing the criminal laws of the Nation and by eliminating present instances of duplication, overlap, and inconsistency, the code represents a step toward reasserting ours as a "nation of laws, not of men." It will make the law more coherent and accessible for the average citizen, minimize the amount of contradictory and wasteful criminal prosecutions, and reaffirm the important role of the legislative branch in the formulation of the criminal law.

The code consolidates a large body of law that has developed haphazardly and chaotically over nearly two centuries, not in the slowly developing and evolving manner of the common law, but through patchwork statutory enactments. The code is not a panacea—by itself, the code can have only limited effect in reducing the intolerably high levels of crime, particularly violent crime, in this country.

It can, however, make a substantial contribution toward insuring a much more conducive atmosphere within which the criminal justice process can operate. Dean Pound recognized four primary factors that influenced the quality of justice—personnel, administration, procedure, and substantive law. The Criminal Code is aimed largely, although not exclusively, at the final element.

PROVISIONS OF THE CODE

The Criminal Code Reform Act is part recodification and part revision. By far, the greatest part is the former. I would estimate that at least 90 percent of the code is intended to perpetuate present substantive law. To this extent, the code is not an ideological measure; it is not a conservative code and it is not a liberal code. It is primarily a neutral, technical revision of a body of law that has fallen into disarray as a result of both the rapid proliferation of new criminal laws and congressional carelessness. In attempting to impose a measure of uniformity upon the criminal laws of the Nation—uniformity with respect to culpability, penalties, and elements of offenses—it has occasionally been necessary to effect slight changes in a number of areas of the present law. The long-term benefits of uniformity far outweigh, in my mind, the occasional disruptions that I anticipate may result during the transition process.

That part of the code reform intended to represent change in present substantive law has been handled with great caution and circumspection from the outset of the code process. Most of the changes in substantive law reflect a clear consensus that the law was in need of such modification. While there are concededly remaining areas of dispute and controversy, most such difficulties have been culled from the code over the course of the years. In the great preponderance of instances in which there was substantial or irresoluble controversy, the code has sought to maintain the status quo as faithfully as possible.

No one, including myself, is in unanimous agreement with the provisions of the code. It is simply too large an undertaking to reasonably expect this. There are a number of provisions that I would just as soon not see in the code, or that are not included that I would like to see there—abolition of the exclusionary rule, for example. I would hope that my colleagues would bear these realities in mind when they consider this measure.

There are few pieces of legislation that are more expansive in their scope and more far reaching in their subject matter than the Criminal Code reform. And there are few pieces of legislation that deal with more emotional and more volatile issues than does the Criminal Code reform. While the code may not be a perfect one from the perspective of any individual Senator, I would hope that it would be recognized by each of them as a substantial contribution toward improving our criminal justice system.

Let me summarize the provisions of the code very briefly. I would recommend to my colleagues that they review the outstanding report that accompanied S. 1722 during the 96th Congress (Report No. 96–553) in order to be able to familiarize themselves with the specific provisions of this measure.

The code is divided into five parts. Part I, perhaps the most important one in many respects, contains a number of general provisions that relate to the interpretation and application of the remainder of the code. Part I contains provisions that would, first, articulate the purposes of the criminal law generally and of the code specifically; second, define more than 100 terms that are used throughout the code, in order to insure consistency and uniformity of definition; third, establish general rules of Federal jurisdiction. Section 205 is particularly important insofar as it represents the first statutory effort to outline the basis of and limits to the exercise of Federal jurisdiction held concurrently with the States; fourth, consolidate the various scienter standards throughout the present law into four well-defined terms, and establish rules for determining their applicability; and fifth, establish general rules of complicity liabiilty.

Part II contains the entire body of Federal penal law, apart from those involving violations of various Federal regulatory offenses. Each of the nine chapters in this part groups similar classes of offenses together, such as offenses involving international affairs, offenses involving government processes, offenses involving individual rights, and offenses relating to injury to persons.

In addition, it contains a number of offenses of general applicability, such as crimes of attempt, conspiracy, and solicitation. With respect to the sections included in each chapter—each of them referring to a separate criminal offense—the Code contains a clear and succinct definition of the offense, any defenses that might be applicable in addition to common law defenses, the jurisdictional predicates for the assertion of Federal jurisdiction; and the grading of the offense for purposes of determining maximum penalties.

Part III of the Code would introduce the major substantive change proposed—an entirely new system of criminal sentencing. In short, a new Sentencing Com-

mission would be established that would set forth sentencing guidelines for particular offenses, subject, of course, to the maximum penalties imposed by the code in each individual offense.

An individual, found guilty of a criminal offense, would then be required to be sentenced by the sentencing court to a penalty, such as a term of imprisonment, within the boundaries of the guidelines, unless it made an affirmative decision in writing to the effect that the defendant ought to be sentenced to a greater or a lesser sentence.

If the court's decision was to sentence the defendant to a greater sentence than the guideline, it would be subject to appeal by the defendant; it the court decided to sentence the defendant to a lesser sentence than the guideline, it would be subject to appeal by the government.

Any sentence to a term of imprisonment under these provisions would be determinate in the sense that the Code would phase out the concept of parole and gradually abolish the Parole Commission. An individual sentenced to 5 years' imprisonment would be required to serve the entire sentence—less good time—except under the most exceptional circumstances. Thus, it would be the sentencing court, not the parole officers, who would determine how much time, in fact, an offender would serve in prison as a result of his sentence.

There would be no more gamesmanship in which courts attempting to anticipate the decisions of the parole officers, sentenced individuals to far longer sentences than actually deserved in the expectation that the Parole Commission would shorten them to a more appropriate length. The honesty and integrity of the criminal justice process would benefit enormously, as a result.

Part IV of the code contains the various administrative and procedural provisions affecting the criminal justice system. Part V contains certain civil provisions closely related to the criminal justice system, such as those relating to civil sanctions upon racketeering activities.

CONCLUSION

There are few bills that have been misconstrued as badly as the proposed code reform. I am continually impressed by how much of the criticism of the measure has been generated from individuals and organizations who either wish that the present law was something other than what it is and are dissatisfied with a code that fundamentally reflects that law; or are simply unaware of what the present law is because of its present confused organization and are dissatisfied with the state of this law when it is drawn to their attention. I am sympathetic to the need to make further reforms in our criminal laws, but believe strongly that the code is not a vehicle to achieve any but the most widely supported changes.

Professor Louis B. Schwartz, the Director of the National Commission on Reform of Federal Criminal Laws, has noted:

Reform of the Federal criminal law is a project of awesome scope and complexity entailing not merely legal considerations, but also sensitivity to history, politics, social, psychology, penology, and the religious, economic, and ethnic tensions within this Nation.

This Criminal Code reform, if approved, will not only reflect the development of criminal jurisprudence in this country, but it will influence greatly the course of its future development. To that extent, it will influence the entire structure and fabric of our society. Thus, it is critical that this effort be a broadly based consensus effort, not one dependent upon the achievement of any transient political majority. The present bill represents such an accomplishment in my opinion.

Mr. KENNEDY. Mr. President, over 15 years ago a decision was made by the Congress to study the feasibility and desirability of reforming and modernizing our Federal criminal laws. More than a decade has passed since the Congress first considered comprehensive legislation to recodify the existing Federal Criminal Code. Today I once again join my colleagues in introducing legislation which is designed to bring an end to this ongoing debate over the reform of the Federal criminal law.

Mr. President, this bill constitutes the most important attempt in the history of our Nation to reorganize and streamline the administration of Federal criminal justice. The bill stands as the cornerstone of the Federal Government's commitment to the serious problem of crime in America. It follows in the wake of various State code codifications. In the past 25 years, a majority of the States have either reformed their criminal laws or are in the process of doing so. The Federal Government has a similar responsibility to act.

The bill introduced today is not a hastily conceived idea. Both the Senate and House have labored for years in an effort to secure a modern, just, effective Criminal Code. Special praise should be directed to Senators THURMOND, BIDEN, HATCH, DECONCINI, and LAXALT, as well as the House Judiciary Committee, Chairman RODINO and former Congressman Robert Drinan, Congressman THOMAS KINDNESS and the other members of the House Subcommittee who developed a Criminal Code reform bill in the 96th Congress.

The bill introduced today is the culmination of this ongoing effort by the Senate and the House. This bill has bipartisan support. n sponsoring this legislation, Mr. President, I am once again reminded of the dedicated and energetic leadership of the late Senator McClelland and former Senator Hruska in the entire codification effort. This bill—like all the previous Senate bills—builds on their work as members of the National Commission on Reform of Criminal Laws, chaired by the former distinguished Governor of California, Edmund G. Brown. The Brown Commission concluded, after close to 5 years of hearings and research, that a completely new comprehensive codification of the Federal criminal law was necessary. Piecemeal change was ruled out as inconsistent with the goal of genuine reform. The bill introduced today—like previous Senate reform bills—reflects the conclusion that a true reform effort requires a thorough and complete rewrite of all major Federal criminal laws. It is a comprehensive bill, a recognition that piecemeal reform is neither possible nor wise.

Why do we need a new Criminal Code? Judges, academicians, law enforcement personnel, and civil liberatarians alike have all agreed on the need for development of a comprehensive, logically organized, and internally consistent Federal criminal law. The 3,000 criminal laws on the books today have no standardized definitions or logical consistency. Offenses are scattered throughout all 50 titles of the United States Code. There are some 80 separate theft offenses and 70 counterfeiting and forgery offenses all with their own conflicting language and definitions. The interpretation and application of such multiple statutes inevitably results in inconsistencies, loopholes, and hypertechnicalities.

In addition, there are almost 80 different culpability terms used to describe the state of mind required for various offenses. These terms range from "wantonly" and "lasciviously" to "maliciously" and "corruptly." Such terminology helps breed uncertainty and disparity in interpretation and application of the law.

The current code is archaic. Many existing provisions should have been repealed years ago. It is still a crime to "impair military effectiveness by a false statement" even though this provision was historically used to harass war protestors and has not been invoked since World War I. In a lighter vein, it remains a Federal crime to detain a Government carrier pigeon. Such provisions are embarrassing to the very idea of an enlightened and respected Federal Criminal Code.

Nor is the current problem limited to the flaws and confusion of existing law. The omissions are also significant. The Federal criminal law currently lacks effective criminal provisions aimed at contemporary problems—such as organized crime.

Most importantly, existing Federal criminal sentencing procedures are in desperate need of reform. Every day Federal judges mete out an unjustifiably wide range of sentences to offenders convicted of similar crimes. One offender may receive a sentence or probation, while another—convicted of the very same crime and possessing a comparable criminal history—may be sentenced to a lengthy term of imprisonment. Even two such offenders who are sentenced to similar terms of imprisonment may become subject to widely differing prison release dates; one may be paroled after serving only a small portion of his sentence while the other may be denied parole indefinitely.

This glaring disparities, whether they occur at the time of the initial sentencing or at the parole stage, can be traced directly to the unfetered discretion the law confers on those judges and correctional authorities responsible for imposing and implementing the sentence. This sweeping discretion flows from the lack of any meaningful statutory guidelines or review procedures to which courts and parole boards might look for guidance. For example, a bank robber may receive

a judicially mandated sentence ranging from probation to a 25-year prison term, but it is the U.S. Parole Commission, not the court, that typically decides the point at which the convicted offender should be released.

Nor is sentencing disparity and uncertainty the only problem. Sentencing maximums are inconsistent and irrational. If one robs a federally insured bank today, a 25-year term of imprisonment is possible; but if one robs a post office, the maximum term is only 10 years. If one commits a minor mail fraud of $200 by sending three letters through the mail, 15 years can be imposed, but if a major $25,000 mail fraud is committed by sending only one letter through the mail, the maximum penalty is just 5 years.

And only occasionally, as if by accident, are the criminal fines imposed today related to the amount of actual injury inflicted or gain realized by the offender.

In plain terms, the present penalty structure of the Federal criminal law must be completely revised.

Mr. President, the Criminal Code bill introduced today is designed to deal with these and many other injustices found in current law. The bills completely reorganize the code in a logical and consistent manner. The numerous statutes relating to such crimes as arson and property destruction are consolidated. The new theft sections in the bills replace over 70 inconsistent theft and fraud statutes, with the penalty for the offense varying depending on the nature and value of the property stolen. Similarly, new forgery and counterfeiting offenses replace the numerous conflicting offenses found in current law, while 50 statutes involving perjury and false statements have similarly been consolidated.

In addition, each offense in the bill is described as a certain grade of felony, misdemeanor or infraction, as is common under most modern State codes. This provides a shorthand method of referring to the penalties and other sanctions or consequences that apply to the offense.

In place of the 80 current culpable mental states—all undefined—the bill defines just four: intentional, knowing, reckless, and negligent. This simplification will permit far greater clarity and uniformity.

The offenses are drafted simply, uniformly, and precisely. Verbose and technical language—such as that which appears in the current mail fraud statute—has been avoided. Instead, a conscious effort has been made to speak in common English.

The bill overhauls the entire sentencing process. It articulates, for the first time, the philosophical purposes to be served by a sentence—deterrence, incapacitation, punishment, and, to a more limited extent, rehabilitation—and sets out the factors that a court should consider in exercising its sentencing discretion. The bill would create a Sentencing Commission to develop a system of guidelines and policy statements designed to reduce sentencing disparity and uncertainty, and provide more rational and determinate sentencing practices. It phases out the existing parole system. Judges would be instructed to sentence defendants to terms that represent their best judgment, in light of the applicable guidelines, as to how long the offenders should actually spend in prison. The bill would, therefore, eliminate the current judicial practice of imposing inordinately long sentences designed to insure that the defendants remain incarcerated for at least one-third of their sentences, until they are paroled. Under the bill introduced today, the sentence imposed will be the sentence served—subject to limited time off for good behavior.

This legislation also proposes a comprehensive reform of the unsatisfactory two-century-old system of money bail. Under the two-key parts of this proposal, money bail will be completely eliminated, and persons accused of crime will be detained in prison prior to trial only if they are a danger to the community or likely to flee before their trial.

Our current system of bail is inadequate from the perspective of both the community and the criminal defendant. As written, the bail laws require a judge to release a defendant in noncapital cases prior to trial under those minimal conditions reasonably required to assure his presence at trial. Danger to the community and the protection of society are not factors to be considered under current law in the decision to grant bail.

Over the past 15 years, since the enactment of the Bail Reform Act of 1966, there has been rising public concern that our bail laws are not working. With increasing frequency, persons on bail are being arrested and charged with serious felonies—especially burglary, robbery, larceny, and drug offenses. In Washington, D.C., alone, the re-arrest rate has been a startling 22 percent, and the average rate of re-arrest hovers around 16 percent. The public is outraged that these violent repeat offenders, with lengthy records of serious street crime, are put back onto the street to rob and mug again.

Under our present system of bail, it is common knowledge that judges use money bail to detain defendants whom they believe will threaten the community even when there is no indication the defendant will flee. Indeed the major reason today for the pretrial detention of defendants is the inability to post bond. A judge knows that the higher the bond, the less likely the defendant will be released from jail prior to trial. Studies show that approximately 65 percent of the persons with bonds of $10,000 or more were jailed for the entire pretrial period. Thus, in practice, we have a system of preventive detention today, but it operates only against the poor.

In the legislation introduced today, we seek to establish a bail system which candidly and openly acknowledges the need to consider safety to the community, and which eliminated the present discrimination against the indigent defendant. Defendants who pose no danger to the community or risk of flight will not be unfairly sent to jail because they cannot afford to pay the cost of bail. No longer will wealthy drug traffickers be able to meet the money bail requirements, and then flee the jurisdiction. Instead this legislation will permit a judge, in determining whether to release a defendant, to consider both the likelihood of flight and of danger to the community without having to use any subterfuges to reach the legitimate objectives of detaining such persons before trial.

As one who has long been committed to preserving the civil liberties of all our citizens, I firmly believe that this provision strikes a fair balance between the rights of the accused under the Constitution and the rights of the public to be safe in their homes and neighborhoods. It meets the basic goals of law enforcement without infringing unnecessarily on civil liberties. Permitting a judge to consider danger to the community in determining pretrial release does not violate the constitutional presumption of innocence or the constitutional prohibition against excessive bail. The District of Columbia Court of Appeals, in United States against Edwards, recently upheld the constitutionality of the D.C. Preventive Detention Statute. As the court stated:

> Significantly, pre-trial detention is closely circumscribed so as not to go beyond the need to protect the safety of the community pending the detainee's trial.

In sum, Mr. President, I believe that this Criminal Code had the potential to become a historic landmark in the war on crime, and in our ongoing effort to fulfill the great goal of equal justice under law. It is up to the Congress—working in close conjunction with the Department of Justice, the American Civil Liberties Union, and interested public interest groups—to make criminal code reform a reality. I will continue to work closely with my colleagues in the Senate and the House in an effort to improve the bill and insure it promotes law enforcement without damaging the civil liberties of the American people.

Mr. President, we must make violent crime a top national priority this year. Crime is not a partisan issue but one that concerns the entire Nation. I urge my colleagues on both sides of the aisle to work together to enact this important part of a responsible Federal anticrime program.

Mr. DECONCINI. Mr. President, it is a privilege to join the distinguished chairman of the Committee on the Judiciary, and the majority of my colleagues on the committee, in cosponsoring and speaking on behalf of S. 1630, the Criminal Code Reform Act of 1981. Chairman THURMOND this year and Senator KENNEDY last year have performed yeoman services in preparing this mammoth piece of legislation and placing it before the Senate. I also believe that the staff of Senator THURMOND, especially Paul Summitt, who has spent many years working on the subject, should be commended for the excellent assistance they have provided to me and other members

of the committee in anticipation of the introduction of today's bill.

There is no question that crime and the Government's failure to deter it is of immediate and great concern to the American people. One of the prime reasons for the Government's failure to deter crime is our archaic criminal justice system and outmoded criminal law statutes. Today, again, we are presented in S. 1630 with a major piece of legislation to simplify and to modernize our Federal criminal laws to give the Government the effective tools it needs to protect society.

The Criminal Code Reform Act of 1981 is the culmination of 16 years of exhaustive study. Congress has held hearings on earlier versions of this act for 11 years. Thousands of pages of testimony from ...ing all possible perspectives has been taken and assimilated. Support for recodification of our criminal laws has come from Democrats and Republicans, conservatives and liberals, and everyone interested in a workable criminal law system. We have, I hope, at last reached the final step in this 16-year-old reform process with the introduction of S. 1630.

The 97th Congress has the opportunity to provide our citizens with a sensible, workable, and modern Criminal Code. I urge passage of S. 1630 at the earliest opportunity and pledge my continued effort to that end.

## RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDING OFFICER. Under the previous order, the acting minority leader is recognized.

Mr. PROXMIRE. Mr. President, I thank the Chair.

## URGENCY OF RATIFYING THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the adage that time dulls all memory carries an ominous significance when applied to the Genocide Convention. In the succeeding years since disclosure of the holocaust atrocities, we have seen a growing willingness to let the holocaust's horrible significance fade from memory. Worse, we have seen efforts in recent years to distort its magnitude and even to deny that the holocaust did, indeed, occur.

Thirty-six years have now passed since the monstrous proportions of Nazi genocide came to light. For 32 years, the treaty which would condemn genocide as an international crime has stood before the Senate. Let us consider how our responsibility to ratify this treaty has changed over the years.

While these three decades have soothed the harsh memories of the holocaust, they have also made ratification of the Genocide Convention more imperative. A generation of Americans has grown up free from having witnessed genocidal horror, but no more protected from its repetition. In fact, we have seen the reappearance of bloodbaths and massacres approaching genocidal proportions in Cambodia, Nigeria, Rwanda, Uganda—and the list goes on.

My intention is not to dwell needlessly on the horrors of the past. My intention is that we should do our utmost to see that they do not occur again.

Mankind has sadly demonstrated that it has a continuing tendency to commit inhuman atrocities. This Senate has a responsibility to demonstrate a continuing commitment to condemn and punish the most atrocious crime of all—genocide.

Mr. President, the urgency of ratifying the Genocide Convention has become more pressing during the 32 years that this treaty has been before the Senate. The world has not grown saner or more humane, only less aware of how horrible genocide really is and somehow less aware of how common genocidal action is in spite of the fact that, as I say, we have had genocide in Cambodia, in African countries, and elsewhere.

Eighty-five other nations, including every other major country in the world, have ratified the Genocide Convention. I repeat, as I have repeated over and over again, every President since the Genocide Treaty came before the U.S. Senate—which was pushed by the United States to its success in the United Nations—every President, Republican and Democratic, has approved and supported the Genocide Convention.

Of course, at his confirmation hearing, Secretary Haig supported the Genocide Convention and called it an embarrassment to our foreign policy that the Senate has failed to ratify the Genocide Convention.

Action only awaits the determination of this body. I am hopeful that Senators will recognize the time has come for us to act on a treaty which is of the greatest importance to human decency and to the right of the United States to continue to be a leader in fighting for human rights.

So, Mr. President, we must announce to the international community that we have not forgotten the terror of genocide, that we stand prepared to prevent and punish it in the future.

For that reason, I urge the swift adoption of the Genocide Convention.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WALLOP). Without objection, it is so ordered.

## ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of routine morning business.

## EULOGIES FOR ROY WILKINS

Mr. KENNEDY. Mr. President, last week the Nation heard many moving testimonials to the legacy of Roy Wilkins, whose patient, persistent prodding of the national conscience led us far on the road toward equal justice under law for all Americans.

One of the most compelling portraits of this extraordinary human being was provided by his close associate in the fight for human dignity, Arnold Aronson, with whom Roy Wilkins founded the Leadership Conference on Civil Rights over 30 years ago.

I ask unanimous consent that Mr. Aronson's eulogy for Roy Wilkins be printed in the RECORD at the conclusion of my remarks, so that my colleagues and the public may share his reminder of the truly great loss we have suffered with Roy's passing.

There being no objection, the eulogy ordered to be printed in the RECORD, as follows:

ARNOLD ARONSON'S* EULOGY FOR ROY WILKINS

Minnie, Roger, other members of the family, fellow friends and admirers of Roy Wilkins. Dear Minnie, you have honored me greatly by inviting me to speak on this occasion and I am profoundly grateful.

For almost 40 years now, I have been privileged to call Roy Wilkins my friend. I have worked with him, traveled, eaten and roomed with him. I have seen him relaxed and under intense pressure, before audiences numbering in the thousands and in small intimate gatherings. And as I stand here now, hundreds of images drawn from those shared experiences crowd my memory, blocking out, at least for the moment, the deep sense of loss that I share with all of you, and that I know I shall feel even more keenly in the days ahead. And so, at this time, I should like not so much to mourn his death as to celebrate his life with a few small personal reminiscences.

I remember a meeting with a hotel manager after we had been refused a room. It was an undramatic meeting in the usual sense of that term. There was no pounding on the table, no threats, not even raised voices. But when Roy finished speaking about human dignity and the meaning of democracy, the hotel manager, a native southerner, said, "Mr. Wilkins, I hope you succeed in getting a law passed that will make us all do what is right." No release about this incident was ever issued. Roy was never one to reach for headlines. But, I can tell you that hotel became the first in our Nation's capitol to open its doors on a completely non-discriminatory basis.

I remember Roy's first appearance on Meet the Press a quarter of a century ago. I was with him in the studio that day. Commonplace today, no black (Negro in those days) had ever before been invited to appear on a network interview program. Larry Spivack, the producer, approached the show with trepidation, fearful of irate reactions from bigoted viewers and timid sponsors. He need not have worried.

There was not a single such call. Instead, the switchboard was flooded with messages of appreciation and praise. I don't recall what Roy said on the program. It really doesn't matter. For he was not just a civil rights advocate. Then, as on so many other occasions, he was the personification—the living embodiment—of that human dignity

*Arnold Aronson and Roy Wilkins founded the Leadership Conference on Civil Rights, the principle lobbying organization for the 1957 Civil Rights Act; 1964 Civil Rights Act; 1965 Voting Rights Act; and the 1968 Fair Housing Act. The LCCR was founded in 1950 with Wilkins as Chairman. Aronson still serves as its Secretary.

that to him was the birthright of every man and woman.

And I recall the surprised look on his face when, after that broadcast, people would stop him on the street eager to shake his hand and to tell him how moved they had been by his performance. He seemed unaware that he was a national figure with the ability to inspire and motivate people by the sheer force of his words and personality.

I remember the Chairman at the 1960 Democratic Convention vainly trying to silence the spontaneous outburst of applause that followed Roy's movingly eloquent testimony of how segregation blights the mind and warps the heart—of the oppressor no less that of the victim. Roy's was always the quiet voice of reason. What is remarkable in this age of hype and hoopla is that, that voice was heard in an ever widening circle. And not only heard, but taken to heart and acted upon.

I still have the image of Roy trying to shovel his way out of a snowstorm that had brought all traffic to a halt in order to keep a speaking engagement. No matter that the audience was a small group of high school students. He had said he would be there and he would not go back on his word.

Roy received countless awards for his many achievements. More honorary degrees than perhaps any other American and none of those awards were in evidence either in his office or at home. Roy knew who he was and what he was; where he had come from and where he was going. Secure in his own self esteem, he had no need to surround himself with plaques and scrolls to impress others—or himself.

Most of all, I remember Roy's love for Min, a love that she returned in overflowing measure. Married for 52 years, Roy and Minnie were sweethearts even longer than that. The Talmud says that "Husband and Wife are like one fish" and all of Roy's public triumphs were also the private victories of Min, his strength and his support.

I remember, too, the many occasions when Roy knowingly and willingly subjected himself to personal attack and vilification because he insisted on speaking out for what he believed. When he urged passage of the 1957 Civil Rights Act, there were some, to their everlasting shame, who went so far as to accuse him of treason, of selling out to Senator Eastland. No one, not even the indefatigable Clarence Mitchell, had worked harder than Roy to prevent the bill from being whittled down. No one was more disappointed at the elimination of some of its vital features. But Roy knew that passage of that bill, the first civil rights bill in 82 years, would represent a breakthrough that might pave the way for subsequent and more far reaching measures. He knew that despite its limitations, the bill, for the first time, explicitly recognized the responsibility of the federal government for the protection of Constitutional guarantees. And so he took his stand and the vilification. The historic civil rights bill that followed in the 60's bear testimony to his wisdom, foresight and courage.

Long before those who attacked Roy for not being sufficiently militant were born, he was putting his life on the line to investigate the conditions of migrant workers in Mississippi, organizing demonstrations and marching on the picket lines. Those who attacked him for not being sufficiently aggressive, mistook his gentleness for weakness and his patience for acquiescence. They could not have been more wrong.

If the attacks pained him—and I'm sure they did—they did not deter him from his chosen course. Roy did not bend with the changing winds of fad and fashion; he was a man for all seasons. He believed that social change—significant change—does not come about spontaneously or overnight, but only through hard persistent work over time. And he acted on this belief throughout his life.

Roy has variously been described during the past few days as a great NAACP leader, a great black leader and a great civil rights leader. He was all of these. But he was much more. His vision was never bounded by any organization or group.

He believed that the struggle for equality is indivisable, that it cannot be won by any one group acting by or for itself alone, but only through a broad-based coalition of all who believe in human rights and human dignity. And so he helped create the Leadership Conference on Civil Rights, and for 25 years served as its Chairman.

Roy was secure and proud as a black and as an American. He said it best, himself, with his usual, quiet eloquence. "This is our land. And this is our nation. We are Americans, too." What he wanted for Black Americans was what he wanted for all Americans—nothing more and not a whit less—a free, plural, integrated, democratic society in which discrimination and bigotry shall be no more and in which all persons, regardless of birth, shall have an equal chance to live, to work, to play and to become whatever their talents and aspirations combine to make them. Despite frustrations and heartaches, Roy never lost faith that this vision of America could and would be achieved through peaceful, democratic means and within the American political system.

Roy Wilkins was an American son.

He was Minnesota, Kansas City, Mississippi, and New York.

His strengths were those of our nation.

And it is precisely because Roy was so thoroughly an American son that he was the fitting leader of the civil rights movement—our second American revolution.

Even when he saw the law trampled and misused by officials sworn to uphold it, Roy insisted in courtrooms and legislative halls across this land that under our Constitution we are a nation of laws, not of men.

Even when the nightriders and vigilantes struck, Roy insisted with his quiet force and determination that the noblest portion of the American spirit would in the end prevail.

In his life and work, Roy mirrored the fundamental moral strength of all those Blacks in the civil rights movement who refused to turn their backs on American democracy—no matter what the provocation. Roy Wilkins was an American son and his triumphs were a national victory.

When I think of Roy, I think of these words of Longfellow for they might have been written expressly for him.

"Were a star quenched on high
For ages would its light
Still travelling downward from the sky
Shine on our mortal sight.

"So when a great man dies
For years beyond our ken
The light behind him lies
Upon the paths of men."

We will walk in Roy Wilkins' light as long as freedom blesses our land.

Thanks for passing through, Roy. America and all of us are enriched for your having spent time with us. You are a model for your race—the human race.

## THE HIGH INTEREST RATES

Mr. BOREN. Mr. President, I have two items which I wish to address today in my continuing series of speeches on the devastating effects of high interest rates.

First of all, I want to enthusiastically cosponsor Senate Resolution 211, introduced yesterday by my good friend, the distinguished Senator from Texas, Senator BENTSEN.

For those who have not done so, I urge you to read the statement in yesterday's RECORD entered by Senator BENTSEN upon introduction of the resolution. It contains the kinds of statistics which I have been citing for the past several months regarding the effect of soaring interest rates on homebuilding, real estate sales, the automobile industry, farmers, small businesses, and other segments of our economy.

The resolution itself addresses the major cause of high interest rates in the United States today. That is the clamorous demand for credit in a marketplace whose dollar ability is limited by the tight money policies of this administration and the Federal Reserve Board.

Specifically, the resolution calls on the Board of Governors of the Federal Reserve System to undertake an aggressive campaign to encourage banks to stop providing loans or lines of credit for unproductive and speculative purposes, and to insure that consumers, thrift institutions, and the various productive segments of our economy have access to the cheapest credit possible. The resolution is aimed at the increasing number of corporate mergers which have been taking place in the past few years. For example, over 30 major businesses have been involved in mergers which have taken over $50 billion out of the available credit in this country.

Business Week magazine, in speaking of the Dupont purchase of Conoco, said:

Not a single new job will be created, not a single new barrel of oil will be discovered.

As Senator BENTSEN points out in his statement of yesterday, that merger alone took $4 billion in bank credits for an $8.8 billion purchase.

With these mergers taking huge amounts of available credit out of the marketplace, one is even more astounded by an article which appeared on the front page of today's Washington Post, in which the Chairman of the Federal Reserve, Paul Volcker, was quoted as saying that Federal deficits, including those of off-budget agencies, are absorbing one-half of the country's savings."

If you put together the credit lost by unproductive mergers with the one-half loss of savings in the country needed to pay for deficits on and off budget, what is there left for a young couple in Oklahoma to use to buy a house—or an automobile—or for a small businessman to expand his operation—or for a small farmer to borrow to plant his crop? It is easy to see the effect on interest rates.

And while on the subject of Mr. Volcker, I cannot let the opportunity pass to decry again the short-sighted, uncompassionate view Mr. Volcker, Treasury Secretary Regan, and others in the administration are taking on the immediate effect of high interest rates.

The thrust of Chairman Volcker's comments yesterday before the Senate Budget Committee was that the only effective way to bring interest rates down was to either cut more Federal spending, or raise taxes in order to eliminate the deficits in the Federal budget, thereby making more room in the credit marketplace.

While I have no quarrel with this view in the long run, I say again that it does absolutely nothing to solve the short-term problems that are driving individual and business bankruptcies to an all-time high.

By the administration's own reckoning, eliminating the Federal deficit cannot take place until 1984, and there is considerable doubt that it can be done even then. I believe that it must be done, but what happens to the citizens of this country in the meantime? The apparent answer of some in the administration is that they do not know, and they apparently do not care.

I fail to understand or comprehend why this administration cannot understand that the problem of interest rates is twofold—long term and short term. The eyes of the financial wizards in the administration are so fixed on the long-term goals that they cannot see that the economy is dying at their feet.

That, Mr. President, is both a monumental tragedy and the Achilles heel of the President's economic recovery plan.

I am reminded of that great ship, the *Titanic*, whose eyes were so set on reaching far distant New York in a record time. She never made it. She hit an iceberg right in front of her.

I ask unanimous consent to have the article in the Washington Post printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TIGHT MONEY TO CONTINUE, FED CHIEF VOLCKER SAYS

(By John M. Berry)

Federal Reserve Chairman Paul A. Volcker told Congress yesterday the Fed intends to stick with its tight-money policy to fight inflation, and warned that the only way to get interest rates down was to cut spending further or increase taxes.

Interest rates have stayed at near-record levels, Volcker said, because financial markets "are reacting to the harsh reality of continuing inflationary momentum and heavy current and prospective financing demands" arising from large federal budget deficits.

Volcker, in testimony to the Senate Budget Committee, said that "in voting tax reductions by large majorities, the Congress accepted the challenge of cutting the spending suit to fit the revenue cloth." The prospective revenue cloth is so shrunken, he declared, that "in terms of actions yet to be taken by [1984] you are talking, in round numbers, about $100 billion."

"Amid encouraging signs of progress on inflation, with your strong efforts toward expenditure control with firm monetary restraint in place, the markets seem to be expressing doubts," he continued. "But after all, Americans have not seen for many years a successful fight on inflation or balanced budgets or so massive a tax reduction. A lot of bets on the future are still being hedged against the possibility that you, and we, will not carry through."

President Reagan and his aides are putting together a package of spending cuts for fiscal 1982 of about $15 billion in an effort to hold the budget deficit at $42.5 billion. Cuts no larger than that more likely would produce a deficit of $60 billion or more, according to many analysts including those of the Congressional Budget Office.

CBO director Alice Rivlin presented numbers to the committee Tuesday generally agreeing that cuts of about $100 billion would be needed to balance the budget in 1984 even if the economy performs well in the meantime.

Volcker said the size of the federal budget deficit is more critical than in the past because total government borrowing needs, including those of off-budget agencies, are absorbing about half the country's savings other than that used to replace worn-out capital goods.

"The effect of a deficit on the economy and capital markets can only be judged in the context of a particular economic situation," Volcker said. "There may be relatively little risk of 'crowding out' in a period of high actual or potential savings, falling investment demands, adequate homebuilding relative to demands and low interest rates. But that surely is not the circumstances of today, in which we have a clash in the market among competing demands."

Volcker also rejected credit controls, which have been suggested recently by some congressional leaders as a way to reduce interest rates. Trying to ration scarce credit and savings by controls would prove "ultimately unenforceable [and] efforts by borrowers to protect themselves and consequent market disruptions would likely only make the situation worse," he said.

Short-term interest rates have fallen recently from their highs, but long-term rates have moved down only slightly. Several members of the committee expressed concern about the impact high rates are having on constituents. However, none called for the Fed to move to an easier policy stance.

Sen. William L. Armstrong (R-Colo.) said the situation involves "a human tragedy of immense proportions" with families doubling up in housing, children not able to go to college and even "families breaking up." Nevertheless, Armstrong advised Volcker, "Stick to your guns."

Several committee Democrats blamed the Reagan administration for the high rates. Sen. Gary Hart (D-Colo.) accused the administration of "promising the people they can have everything," including large tax cuts, higher defense spending, lower inflation and low interest rates even though neither Reagan nor Congress is "even close" to identifying the unspecified cuts needed to reduce budget deficits in future years.

Hart urged that the personal income tax cuts in last month's bill be postponed so the budget could be balanced within 24 months.

Asked by committee chairman Sen. Pete V. Domenici (R-N.M.) why interest rates have come down so little even though inflation has fallen "substantially," Volcker replied, "I would not use the adjective 'substantially.'"

"I would say we have moved the inflation rate down, oh, 1 to 2 percent," the Fed chairman said. Additional, substainable improvement in inflation will not come until wage rates begin rising less rapidly, he said. "At the very least, it is far, far too early to claim victory . . . Evidence of sustained decline is yet to come."

## JEFFREY WOODRUFF HUNT

Mr. MOYNIHAN. Mr. President, I rise to welcome Jeffrey Woodruff Hunt into the world.

Jeffrey is living proof that only good can result from close cooperation between the electronic and print media.

I congratulate Judy Woodruff of NBC and Al Hunt of the Wall Street Journal on the creation of America's first infant media mogul.

## THE NEED TO LIFT THE EXECUTIVE PAY CAP

Mr. STEVENS. Mr. President, for the past few days I have been appealing to the Congress to lift the executive pay cap which has existed to some degree since 1977. During a period of time when the law, except for our appropriations limitations, would have called for increases of over 33 percent we have only allowed these executives 5.5 percent. The reason cited for such caps has often been one of cost control. The significant point to note, however, is that there is little or no net cost attached to such an increase when all things are considered.

The cost attached to completely lifting the pay compression has been estimated at $270 million. As is often the case, however, all or most of the costs of such increases to capped executives could be absorbed by each individual agency. For example, in 1980 a pay increase to the general Federal employees of 5.5 percent was budgeted. Yet a 9.1-percent increase was finally adopted. The agency budgets absorbed the difference. Similarly, agency budgets would absorb the increase for executives this year. The cost to each agency would be relatively small.

In fact, the General Accounting Office claims we can save money by lifting the cap because in most instances costly retirements result from a continuation of the cap. The Office of Personnel Management estimated that as high as 67 percent of those at the pay cap retire within 1 year of retirement eligibility. Providing earned retirement benefits forms the largest single cost. The General Accounting Office illustrated this impact. Assuming a capped executive retires and his position is filled, the total salary and pension costs for the next 3-year period would be $243,166. If we raised the cap entirely for that individual including allowing him the projected increases of 4.8, 7, and 7 percent for the next 3 years, total outlays would be $175,593. Therefore, we save $67,573 for each such instance in which we can delay an executive's retirement. In fact, these savings pay for the increase of one or more executives who would not have retired.

If we aggregate the costs associated with those retiring, the figures show that lifting the cap can save money overall. Let me illustrate this saving potential by using some general data from both OPM and GAO. Approximately 6,000 execu-

tives are or will be eligible to retire by the end of 1981. If 67 percent of these executives do retire as the recent trend suggests, the cost for their retirement benefits will be over $120 million.

Additionally, it will cost between $80 and $200 million to replace these people either by moving people lower in the organization up or by moving people into the organization from outside Federal Government. The cost of retirement benefits and the salaries of the replacements for those who will leave range from $200–$320 million. The cost of lifting the cap is $270 million. Hence, in quantifiable terms, there is no cost by raising the cap.

This does not take into account the costs of recruiting replacements for executives who leave. The Department of the Navy quoted a price tag of $80,000 alone to recruit for four SES positions. The loss of productivity attached to the startup period of an inexperienced or new person must be costed as an intangible.

Finally, we can delay the cost of paying off retiring or resigning individuals for any accumulated, but unused annual leave to their credit. The net result of this analysis is, again, that the lifting of the pay limitation does not have to cost the Government any additional money. In fact, in many instances, it can potentially save money.

Finally, let us not forget the most basic intangible cost to the Government; that is, the loss itself of experienced, competent individuals such as these recent losses at the Tennessee Valley Authority:

The Director of the Division of Nuclear Power who took a job in the private sector at double his salary;

An assistant director of Nuclear Power who took a job in the private sector;

The second ranking executive in the electric power program;

An assistant director of powerplant operations; and

The two leaders of TVA's coal purchasing operation (TVA is the Nation's largest coal purchaser).

Mr. President, allow me to quote from a letter to me from the Chairman of the Board of the Tennessee Valley Authority regarding his loss of people,

TVA operates the nation's largest electric system and one of its largest engineering and construction firms. On a more direct basis than federal agencies generally, TVA must compete for executive talent with private industry in fields that suffer from a shortage of skilled personnel. TVA has never been a "revolving door" agency; and its losses in top executives are losses without replacements, especially with today's frozen salary levels. This situation could not come at a worse time. The electric utility industry generally is beset by rapidly increasing power rates, construction costs, demands for new capital, and the added complexities and requirements of nuclear power generation. These are extremely difficult problems to solve in the best of circumstances, and TVA is being prevented from acquiring and retaining the executive talent required to deal with them. The consumers of TVA power will ultimately bear the consequences.

Mr. President, TVA is not unique among Federal agencies in this regard. We must do something soon before it is too late.

## CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

## AGRICULTURE AND FOOD ACT OF 1981

The PRESIDING OFFICER. The clerk will state the pending business.

The bill clerk read as follows:

A bill (S. 884) to revise and extend programs to provide price support and production incentives for farmers to assure an abundance of food and fiber, and for other purposes.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The Senator from Indiana.

UP AMENDMENT NO. 362

(Purpose: To delete the sugar title from the farm bill)

Mr. QUAYLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The bill clerk read as follows:

The Senator from Indiana (Mr. QUAYLE), for himself, Mr. TSONGAS, Mr. LUGAR, Mr. PERCY, Mr. ROTH, Mr. D'AMATO, Mr. HEINZ, and Mr. PELL, proposes an unprinted amendment numbered 362:

Beginning on p. 213, line 19, strike out all down through p. 215, line 24, and redesignate the remaining titles and sections of the bill, any cross references thereto, and the table of contents accordingly.

Mr. QUAYLE. Mr. President, this amendment strikes title IX of the farm bill, which is the section that deals with the reinstitution of the sugar subsidy. This subsidy has not been a part of the farm bill for a couple of years. I and a number of others think should it not be a part of the farm bill this year. I cosponsor this amendment with the distinguished Senator from Massachusetts, Senator TSONGAS. Other cosponsors of our amendment are Senator LUGAR, Senator PERCY, Senator ROTH, Senator D'AMATO, Senator HEINZ, and Senator PELL.

Mr. President, I suppose we could summarize the debate on this issue by saying that it is a small test—just a small test—of the degree of purity one desires to take in the advocacy of the free enterprise system.

We have heard a lot of discussion about the free enterprise system, not only in these Chambers but as we talked to our constituents back home. As a matter of fact, last November, many ran under this banner and advocated less Government. Our amendment to cut out a subsidy for 22 sugar processors shows that when it comes to less Government we mean less Government.

Mr. President, in my opening remarks on the farm bill, I argued that the principle we should follow in our discussions is to return agriculture to the market-oriented economy. Unfortunately, the sugar title of the bill now before us represents an unnecessary and totally unwarranted step backward toward more Government involvement in the farm economy.

The sugar title introduces a new program of mandatory price supports which is highly inflationary and damaging to our attempt to control the budget.

I might point out, Mr. President, at this point, that the original administration proposal in the farm bill did not include a sugar section. Now, everyone has a right to change his mind. But I would just like to point out for the record that, initially, the response from the administration was not to include the sugar bill as a part of the farm legislation.

Mr. President, in the past month two developments have added urgency to the need to avoid this costly new program. First, the world price of sugar has gone down and, second, the projected budget deficit has gone higher. These two events should be linked in our minds, because, if the proposed sugar program were implemented when world sugar prices are so low, it would add a new and totally unnecessary burden to the budget.

I would like to take a moment to show how the two events I have mentioned will interact to bloat the already oversized Federal deficit.

And I might just point out that in testimony before the Senate Budget Committee, of which I happen to be a member, the Chairman of the Federal Reserve, Paul Volcker, spoke of the confidence factor which appears to be lacking on the part of Wall Street, business, and industry around this country. Chairman Volcker spoke of a convincing factor; implying that the people in the money markets are not yet convinced that the Congress will seriously attempt to balance the budget by 1984. Because of this lack of confidence, or let us use the words "a convincing factor," which I do not really understand, it appears to me they are not even giving us a chance. But they clearly are not convinced now. Are we going to do something about the budget? Are we serious about eliminating programs that are not necessary? Are we serious about getting the Government off the backs of business and industry like we have been talking about and letting free market economics work?

In 1977, the last mandatory sugar program was instituted. The program was not renewed in 1979. The 1977 crop was placed under loan at 13.5 cents per pound and the 1978 crop at 14.7 cents. The processors who receive the loans have an incentive to sell their product and redeem the loan only when market prices exceed the support price. When world prices are low, the President has the au-

thority to impose duties and fees to raise prices enough to cover interest, transportation, and marketing costs. For the 1977 and 1978 crops, prices remained low even with the added duties and fees and over 660,000 tons of sugar were forfeited to the Commodity Credit Corporation.

The proposal now before us is for 18 cents per pound support price. If we add about 2 cents for interest and 2½ cents for transportation and marketing, we have a market clearing price of 22½ cents per pound. If prices go below this level, processors will have no incentive to sell their sugar. Instead, they will default on their loans and the Commodity Credit Corporation will again be stuck with huge quantities of perishable sugar. Under the proposed program, processors have an added incentive to forfeit because they do not have to pay interest on loans when they forfeit.

With world sugar prices now hovering around 11 cents per pound, the President would have to impose import quotas, duties and fees to keep prices high enough to prevent massive forfeitures. But the real problem is that the President does not have the authority to impose duties and fees large enough to raise prices above market clearing levels.

Let me remind my colleagues how the price support system works for sugar. Under section 201(b) of the Trade Expansion Act of 1962, the maximum duty that the President can impose is set at 2.8 cents per pound. Section 22 of the Agricultural Adjustment Act of 1933 sets the maximum import fee at 50 percent of the ad valorem price of sugar and limits quotas to 50 percent of the quantity during a representative period determined by the President.

What all this means to the proposed sugar program is simple. With a world price in the 11-cent range, the maximum import fee is 5.5 cents and the maximum duty is 2.8 cents per pound. These add to a total of 19.3 cents per pound, about 2 cents below the minimum market clearing price necessary to avoid forfeiture. Although it is hard to predict how much sugar would be forfeited, the numbers add up quickly. The budget outlay for a forfeiture of only 500,000 tons would approach $200 million. But the figure could be much higher since an average of about 2 million tons per year was placed under loan between 1977 and 1980.

Even a figure of $200 million is unacceptable when it goes to protect a small number of privileged producers and processors. But it is even more unacceptable when it comes at a time when we are facing another huge budget deficit. There is no national interest or national security in protecting the privileged producers and processors, but there is a national interest in reducing the budget and getting inflation and interest rates under control.

What is more, placing 2 million tons of sugar under loan requires the Treasury to borrow money from the public and thus help to keep interest rates at their damaging rates of 18 to 20 percent.

Mr. President, a recent article in the Wall Street Journal predicted bumper crops of sugar in Europe and South America. This almost certainly means that sugar prices will remain at their current low levels. In turn, this means that we can count on huge losses to the Treasury if the proposed loan and price support program is adopted.

We cannot ignore the realities of the present economic situation. We cannot legislate another program which will be a drain on the budget, which will push up interest rates and will add to the fires of inflation.

With a world market price of 11 cents or 12 cents per pound, the inflationary impacts of the proposed sugar program are indeed sobering. Each increase of 1 cent per pound in the price of sugar adds over $300 million to the consumer sweetener bill in the United States. Given current prices, the total impact next year alone from the proposed program would be $2.5 billion. Food prices have been one area of restraint during the past year, and an increase of this magnitude would reverse this favorable trend. The American people should not have to bear such an inflationary burden, especially at a time when our new economic program is beginning to reverse the decade-old trend toward higher and higher prices.

I would like to comment on another aspect of the proposed sugar program. As in the past, loans will be given not to sugar growers, but to the 22 processors who refine all domestically grown sugar. In past years, loans have been given at below market interest rates.

Processors have then invested loans in high yield money market funds for further profits. If the processor defaults on the loan, he does not have to pay interest. Not a bad deal. A lot of taxpayers and consumers would like to have that kind of a deal. This is an additional incentive for the processor to forfeit his loan and leave the high priced sugar on the hands of the CCC. Thus the sugar program actually encourages forfeiture. This is surely unacceptable as Government policy and sound economics. In times of inflation and budget deficits, it is totally contradictory.

There is one final aspect of the proposed program that I would like to consider. With world sugar prices at relatively low levels, the program will require the imposition of the maximum permissible duties, fees, and quotas to keep sugar prices somewhere near market clearing levels. Such protection of domestic producers could spark a cycle of reactive countermeasures by our international trading partners. Last year, the 10 leading sugar exporting nations bought over $19 billion in U.S. goods. My former colleague in the House of Representatives, David Stockman, who is now Director of OMB, recognized the danger of such protection for only 13,000 sugar farmers. In 1978, he rose in opposition to a similar sugar support bill then being debated in the House. He argued:

> I think the really central issue here is the fact that this bill is really a blatant, unadulterated, reckless venture into protectionism on behalf of a minor agricultural crop which accounts for about one percent of our cropland and two percent of the gross value of our farm production in this country. Yet, I think for U.S. agriculture as a whole, the undeniable bottom line is that we will not have long-range prosperity unless we substantially expand our export market and unless the United States exerts forceful and unrelenting leadership to dismantle the absolutely mad tangle of protectionist agricultural policies which exist around the world today.

Mr. President, in conclusion, we would indeed be reckless to legislate a new round of inflation and budget deficits when we are trying to reverse the tide of decades of wasteful Government spending and regulation. The American taxpayer will not abide more inflation, more Government regulation, higher interest rates, and bigger deficits to subsidize a few inefficient producers. I therefore urge all of my colleagues to support our amendment and to vote in favor of a return to a market-oriented economy and to a Government of fiscal responsibility.

I yield to the cosponsor of this amendment, the distinguished Senator from Massachusetts.

Mr. TSONGAS. Mr. President, the last words spoken by my colleague and cosponsor, Senator QUAYLE, concerned fiscal responsibility. That is an issue we have heard a great deal of in the last year or so. There probably is not a more interesting test of fiscal responsibility and "let the market prevail and take Government off our backs" than the farm bill. What we are dealing with here today is the question of whether, when push comes to shove, Members of the Senate are prepared to honor the words that we have all been uttering for many months.

I join with Senator QUAYLE in introducing an amendment to delete title IX of the bill, which mandates price supports for sugar. I believe that, given America's current economic problems, we must look at this particular program realistically.

After all the talk about cutting Government waste, it is time to apply fiscal restraint to the farm bill. The obvious question is, Why should the American people watch and know that the sugar lobby is the exception to the cuts that are being made every place else?

UNCLE SAM AS SUGAR DADDY

Uncle Sam is a kind of sugar daddy to this industry. Perhaps it could be accepted in normal times, but these are not normal times. It seems to me that the time has come to address the issue much more critically.

If this title remains in the bill, we will raise the support level for domestically grown sugar to not less than 18 cents per pound—increasing it one-half cent per year. This will feed inflation and adversely affect international trade. It is ironic that the Agriculture Committee advocates a costly new subsidy program

in the wage of the most drastic Federal budget cuts in history.

According to today's news, we have just begun. The committee has felt compelled to cut funds for school lunches while fattening up the sugar producers. Explain that around the country.

The world price for sugar is now averaging 14 cents per pound. Early in September it was less than 12 cents per pound. In order to maintain the loan level proposed by the farm bill, the market price would have to be at least 22 cents per pound. This figure includes the base price of 18 cents per pound plus the cost of storage, marketing, and interest.

Put another way, if the producer-processor could not get 22 cents per pound, what does he do? He gives it to you and me.

A 1-cent increase in the cost of sugar will add over $300 million a year to consumer sweetener costs. If this program is implemented this year, consumers will pay an additional $3 billion for sugar sweeteners.

We are aware that the price of sugar has gone through high and low cycles. It went through high cycles recently and most recently now going down to the 12- to 14-cent range.

But a nonrecourse loan program will not protect consumers during high price periods. Producers cannot control prices. There was a clear indication of this fact when sugar prices went from 40 cents per pound to 20 cents a pound between November of last year and May of this year.

Past experiences lead us to conclude that sugar producers are hardly consumer oriented. In 1980 when prices were high, the same sugar producers who are supporting this program thwarted efforts to give consumers relief. They successfully blocked passage of a bill by Representative VANIK that would have reduced the duty on imported sugar by a mere one-half cent per pound. The same individuals were responsible for delaying the U.S. ratification of the International Sugar Agreement. The ISA is the one vehicle that does provide some hope for protecting the consumer.

There are those who argue that this program is needed because the sugar market is so volatile. That is really an interesting argument to be made in this era when "let the free market prevail" is the current theology. I wonder what would happen if I got up on the floor and said, "My fishermen, my lobstermen, have a very volatile market. Will you help them as well?"

Would the same people come rushing forward and argue that that should be the case? I am not going to hold my breath.

I would remind them that the Secretary of Agriculture retains permanent discretionary authority under section 301 of the Agriculture Act of 1949 as amended to provide a loan program should the need arise.

So, even if this amendment passes, there is still a safety net in the sugar industry. Even that, in my opinion, violates the rhetoric of the last year or so. The safety net could be as high as 90 percent of parity. The authority has been used in the past and we have no reason to believe that it will not be used in the future.

We have heard the argument that this program will not cost the Government anything. This argument is mind boggling. It is based on the assumption that no loans will be forfeited. But who is to say that is going to be the case? Of course, if they are forfeited long after this debate, few people will go back and check. If a loan is already in place, who is going to be worried at this point? Loans have been forfeited in the past, which tells us it certainly can happen again. In 1977, over 200,000 tons of sugar were forfeited. In 1978, over 450,000 tons were forfeited. It is true that no sugar was forfeited in 1979, but prices were exceptionally high.

We have all acknowledged that the sugar market is too volatile to predict accurately what will happen. I suggest that my colleagues note the comments made by Senator QUAYLE on the production estimates and the export surplus that he quoted from the Wall Street Journal.

Who can say that we will always have the good fortune that we had in 1979? If only 100,000 tons of 1982 sugar is forfeited, it will cost over $39 million plus interest.

Even if we could be sure that the loans would be repaid, the Government would be forced to borrow an estimated $1 billion to finance the program. Considering the problems we are facing with exorbitantly high interest rates, I do not believe that we can afford to put this added pressure on the economy. Wall Street's cold reaction to the administration's economic package points to the problem of additional Federal borrowing. This sugar title will make a bad situation worse.

To the extent that we can preclude a billion dollar Federal intervention into the money markets, we are all better off.

The sugar industry plays a minor role in the overall structure of American agriculture. Less than 1 percent of the Nation's crop acreage is planted with sugar producing crops. Sugar farmers could easily switch crops. Better yet, they would increase their efficiency. Washington should not be in the business of subsidizing inefficiency.

SUGAR AND TRADE

Mr. President, our sugar policy raises the question of balance of trade with sugar producing nations. Senator QUAYLE referred to the $19 billion surplus we have with sugar exporting countries. Right now, we enjoy a trading surplus. The 2-year delay by the United States in implementing the International Sugar Agreement hurt its overall effectiveness. To ignore the good faith agreements of the ISA could strain relationships with our trading partners.

We are not, as some would suggest, "at the mercy" of sugar producing nations. Our imports are down and our production of corn sweeteners is expanding rapidly. Sugar is difficult and costly to store, and so it is not likely that these nations would try to take an OPEC stance.

SUGAR AND CONSUMERS

Over the years, sugar producers have often sought high price supports for sugar and have thwarted the Government's attempt to protect consumers. In recent months, as a result of high prices, sugar processors and producers have enjoyed near-record profits. They contend that without the loan program, they will face severe economic hardships. Actually, only 22 processors who refine all the sugar beets and sugarcane grown in our Nation will benefit from this program. The below market interest rates provided by the CCC go directly to processors. Are we to believe that these corporations will not use their nonrecourse loans for other purposes? These loans below market rates are hardly a protection for a struggling industry.

Mr. President, if anyone is struggling in this Nation, the American consumer is. Title IX of the omnibus farm bill is inconsistent with the objects of the administration and 97th Congress. This proposed increase in Federal spending—which will hurt the consumer and fuel inflation—cannot be justified. Therefore, I hope my colleagues will consider the needs of the average American and will join in support of this amendment.

I suggest that that sector of our society which has been the most affected in recent years is the consumer. I hope that concern for the consumer is not dead in this body.

Mr. President, I ask unanimous consent that editorials on this issue from the Boston Globe and the Boston Herald American be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Boston Globe, Aug. 22, 1981]

GET THE SUGAR OUT

When Congress reconvenes after Labor Day, one of its first orders of business will be a farm bill that has even more icing than usual. It can improve the bill by eliminating one of the more flagrant farm giveaways, the sugar loan program.

The bill provides a loan system for domestic sugar producers of 19.6 cents a pound. Administrative and interest costs raise the wholesale cost to about 25 cents a pound. Domestic interests are protected by tariffs and fees applied to imported sugar, which has recently been selling below 19 cents in world markets.

Defenders of the sugar program claim a need for stability in planting programs if farmers are to be in the business when world prices surge, as they sometimes have in the past. They say the 16,000 affected farmers won't grow sugar at all unless they are reasonably sure of recapturing their costs. It is estimated by the U.S. Department of Agriculture that the sugar subsidy will add $5 billion to consumer costs over the next four years.

The subsidy was reasonable enough when essentially all sugar used in this country

came from either cane or beet growers, domestic or foreign. The fact is that sugar users now have important additional sources of sugar from corn, quite adequate for commercial users like bakers and soft drink bottlers. There are even indications that corn-based sugars may be convertible to granulated sugar for table use if new technologies are perfected. Corn is available in essentially unlimited quantities in this country and its price has been far more stable than sugar prices, providing consumers with assured supplies and promising reasonable promise of level prices.

In years when world supplies of sugar are plentiful and prices low, American consumers should have the option of benefiting, as they could not under the provisions of the sugar portion of the farm bill. In such years, diversion of corn from sugar production would have minimal impact on corn prices, from the farmers' point of view, since sugar would at most constitute a minor factor in corn markets.

A bill to drop the sugar title from the omnibus farm legislation has been filed jointly by Sen. Paul Tsongas (D-Mass.) and Sen. Dan Quayle (R-Ind.). If Congress really cares about consumers, it will endorse their proposal.

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[From the Boston Herald American, June 15, 1981]

NUTS TO SUGAR LOBBY

Peanuts. Sugar. What do they have in common other than being the start of a good candy bar?

They are both the beneficiaries of an outmoded system of government price supports that are a double-barreled assault on most of us—first as taxpayers and secondly as consumers.

Under the peanut allotment system drawn up in 1938, farmers must either own or rent from an owner the right to grow peanuts on a particular lot of land. The federal allotment system specifies a maximum acreage and also prohibits the growing of peanuts in 16 states.

In an article in Friday's Forum page U.S. Sen. Paul E. Tsongas estimated that the system has cost taxpayers an average of $60 million a year for each of the last five years and about $1 billion during the past four decades.

And that doesn't even take into account the price consumers of peanut butter and other peanut products have had to pay over the years.

The sugar support program works differently but the end result is the same—as taxpayers and consumers, we are taking it on the chin again.

A bill currently before the Senate Agriculture Committee would raise the support level for domestically grown sugar from 16 cents to 19.6 cents a pound. About 40 percent of the sugar refined and consumed in this country is domestically grown.

To finance the sugar support program at the proposed higher level, the government would have to borrow an additional $1 billion, further aggravating the nation's inflation, both by the borrowing itself and by inflating the price of sugar, which is used in some 90 percent of all processed foods.

Opponents of the sugar bill—and they include such local industries as Revere Sugar, which depend on imported products for its refineries—say the proposal could add as much as $1.8 billion a year to consumer costs.

The chief beneficiaries of the sugar bill are a group of some 30 sugar processors, some of them multi-national corporations. The chief beneficiaries of the peanut allotment system are some 59,000 owners of the federal allotments, most of whom don't even farm the land themselves.

The Reagan administration has proposed abolishing the peanut allotment system and has opposed the increase in sugar supports. However, the Senate Agriculture Committee, headed by Sen. Jesse Helms (R) North Carolina, has apparently turned a deaf ear to this bit of cost-cutting.

The job of bringing some measure of equity to the budget-cutting process now belongs to the full Senate and House. If food stamp recipients are to be cut back, if school lunch programs are to be cut back, if the fuel assistance program is to be cut back, then surely it's time those who have been eating so well for so long give up a little too.

Mr. TSONGAS. Since those newspapers might be considered somehow inappropriate and somehow not conserative enough to be listened to, let me read from another newspaper, the Wall Street Journal, which is not noted for being a left wing organization. I quote from an editorial of June 15 of this year.

One of the biggest tests for Reagan budget cutters is coming from the farm lobbies, who have had some success in persuading House and Senate agriculture committees to restore benevolences the Reaganites want to take away. Their most remarkable and most implausible victories are on the peanut, sugar and dairy fronts.

The spinoffs could go beyond mere budget busting if this sort of thing gets out of control. For example, American taxpayers could find themselves owning ever-larger mountains of surplus dairy products. And they could end up paying dearly for sugar that Latin American and Caribbean nations would be more than happy to supply cheaper and with great benefits to our frayed North-South relationships.

The editorial goes on to other commodities. Then—

A different problem afflicts sugar. U.S. producers of both beet and cane sugar are confronted not only with producers abroad but also with sugar substitutes. For example, fructose made from corn is coming into wide use as a commercial sweetner. But rather than compete—

There is a word we have heard a great deal of lately, "compete"—

or switch to other crops, the sugar people want additional government protection. Poor little Caribbean countries wonder why the big colossus to the North preaches free enterprise and then denies them a potentially important market. U.S. sugar producers might ask themselves how long it will be, if they get their supports, before the government is eyebrow-deep in both sugar and butter.

The editorial concludes as follows:

The farm lobbies seem to think that they should be exceptions to the Reagan attempts to cut the federal budget and restore market competition generally. From the standpoint of political credibility, it would be a good idea for the Reaganites to push hard to try to prove to them that they are not.

The final point to be made, Mr. President, goes to the larger philosophical and conceptual situation in which we find ourselves today. Imagine you are a Democrat running for office in 1982, and you have a large number of constituencies that have been hurt by the budget cuts. The argument is used by the administration that the cuts have been even.

All you have to do is go up to all those senior citizens, all those students who cannot get loans, all those poor people who have been affected by the cuts, and point to the sugar lobby, the tobacco lobby, and all the other special interests like oil that have been protected.

It is an enormously valuable political tool, because the only way any nation is willing to absorb sacrifice is if there is a perception of sacrifice being absorbed evenly.

Let one special interest escape and the whole house of cards falls for lack of credibility. There is no example in this Nation's history of our society being prepared to absorb sacrifice unevenly.

Mr. President, if I were in the White House, I would desperately want the budget cutting process, the free-market rhetoric, to be understood but, most of all, to be perceived as fair. The administration did not have the sugar provisions in the bill for very obvious economic and political reasons. We all understand why they are in there now.

Mr. President, we are going to go through some very rough times, and there are going to be some people who are going to be hurt. It is in the interest of the stability of this Nation that the perception be real that the hurt is even, it is equitable, and that we do not have a system where protection is a function of special interests, of political contributions, of economic advantage. Once you have that, you have chaos and you have people in this country who will believe that the system is basically rotten and they have no stake in continuing it. That is where social unrest comes from, and that is where violence comes from.

In many ways the farm bill and these amendments have been helpful because they have proven beyond doubt that the commitment to free enterprise is selective. They have demonstrated that everyone is committed to free enterprise in somebody else's special interest area, but when it comes to ones' own particular interest, all the rhetoric, all the ideology goes down the drain, and what we have is sheer protectionism.

Mr. President, the American people are not stupid. They will understand this for exactly what it is. The impact of what we are doing and what this administration is trying to do will be corrosive in the long term and will cause damage that goes far beyond the wasted tax dollars and inflated consumer costs.

Mr. President, I will conclude by saying that those Members who represent sugar processors, and so forth, have an obligation to them. I can understand why they get up and argue for this title. They believe it is their duty to represent their constituencies, and an element of survival is involved. But they are not a majority of the Senate.

A majority of the Senate is committed to the marketplace, free enterprise, less Government intervention, decreasing the Federal budget, and decreasing the amount of money we have to go into the money markets to borrow.

It is in the interests of those who represent consumers, those who are com-

mitted to the theoretical approaches of this administration, and those who are interested in fiscal responsibility to endorse the amendment that Senator QUAYLE and I have presented.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that my name be added as a cosponsor of the Tsongas-Quayle amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I should like to begin by addressing in general the farm bill, before I turn my attention to this amendment.

The Senate has heard a great many florid arguments, as it has heard in years past, about why farmers and the agricultural sector should be protected from the marketplace; but, fortunately, that argument is not as convincing as it used to be to a large number of Senators, and we are making some progress on exposing the agricultural sector more and more to the marketplace.

This is in the best interests of consumers, as Senator TSONGAS has pointed out. But, in the long run, it is also in the best interests of farmers, processors, and others in the agricultural community.

This Senator had few occasions to commend our last President, but one occasion on which the Senator from New Hampshire commended the former President was on the occasion of his deregulating oil prices.

Look at what has happened when we have allowed the marketplace to work in the energy sector. Our imports have fallen from over 50 percent to something like 27 or 28 percent. New forms of energy have been encouraged, alternative forms have been encouraged; and while we are far from being out of danger and out of the woods, we are in much better condition in the energy area than we were a few short years ago.

Why? One principal reason is that we have deregulated the production of petroleum. We have exposed the exploration for petroleum, the production of petroleum, and the marketing of petroleum to the marketplace, and the effects have been for anyone to observe.

Why, Mr. President, should the agricultural sector be excluded from competition and from the forces of the marketplace? There is no good reason, no convincing reason. Yet, some special interests and some lobbying groups would have us believe otherwise.

We have a whole host of schemes and scams in various agriculture programs to protect the various elements within that sector. The argument that the agriculture sector has been unique in its exposure to inflation and to high interest rates is one which is absurd on its face.

For example, would not the automobile dealers, who have to finance their inventory at very high costs in interest, like to have a program such as that of the sugar processors, who have a program under which they can finance their inventory through Government loans at considerably less than they would have to pay in the ordinary financial marketplace? Would not the automobile dealers like to have that? If sugar processors are entitled to such Government assistance, why are not automobile dealers allowed to have loan programs through the Government?

If they were unable to sell those automobiles, would they not like to be able to default on those loans and turn the automobiles over to the Government, to dispose of whatever way it could, or to store at great cost? Of course they would.

There is no logical reason why the automobile dealers should not have such a program, if the processors and farmers involved in sugar have such an advantage.

What about homebuilders? There is another element in our economy which has been badly hit by current conditions. Homebuilders are hurting. Would not homebuilders like to have deficiency payments?

If the demand for housing fell or the supply of housing rose and homebuilders could not make a sufficient margin on the homes, would not they like to have deficiency payments? Of course they would. Logically, they should have them, if those who grow grain and other commodities are entitled to such a program.

It is about time we exposed the agriculture community to the forces of the marketplace.

I will support every amendment to this bill that will accomplish that purpose.

I turn my attention now to the pending amendment with regard to the sugar loan program.

Mr. President, irrespective of the innocuous disguise this program may have, it is called a loan program, and that is how it operates. It is, in fact, a price support mechanism. In order to avoid getting stuck with huge quantities of sugar which have to be stored at considerable cost and cannot be sold easily, except at a penalty, the Government does all it reasonably can to keep up the price of domestic sugar, and it does so through adjustments to import duties. Because the United States imports about half of its sugar needs, the price of imported sugar sets the domestic price as well. Without the Government-maintained higher price of imports, domestic prices would not be as high in most times.

The Senator from Massachusetts has read a few editorials. I wish to add to that list.

The New York Times of July 2, 1981, had the following to say in part:

> Even the most zealous supporters of welfare for farmers should feel queasy about the cost of this program. Sugar is a relatively unimportant crop, representing just one percent of the acreage and revenues of the farm sector. And few sugar farmers are poor. In fact, most sugar is produced by multimillion dollar corporations.

A few days later, the Chicago Times called the sugar provision—

> An inflationary assault on the consumers' pocketbook which Congress should vote down even without White House encouragement.

The editorial went on to say that:

> Sugar producers think the Government should preserve their right to make money in good times and guarantee them a reasonable income in bad.

Mr. President, let us take a few minutes to review the factors that prompted such editorial ire.

First, there is the potential cost associated with a generous loan rate. Maximum duties and fees allowed by law might not be adequate to maintain sugar prices above the loan rate plus the "cushion." Therefore, high loan rates are very risky. The taxpayer demands that we do not take this risk of Government having to assume the burden in case of default, both the burden of storage and, until the commodity is sold, the risk of losing the money that was loaned to the processor.

Second, when the world's sugar supply is plentiful, the domestic price of sugar is supported through the imposition of import duties and fees.

In effect, the Federal Government artificially raises the price of sugar for all consumers. Of course, that is not just the price of sugar on the shelf of the grocery store. It is the price of every product in which sugar is used as a sweetener. For each 1-cent increase in the price of sugar, $300 million in additional consumer sweetener costs results.

It should be stressed that the loan rate is not the market price sugar must attain in order to prevent forfeiture of sugar stocks to the Commodity Credit Corporation. The market price objective is substantially higher.

Whatever the actual market price objective in a given year, the Government will take whatever action is necessary to keep sugar prices at this level in order to avoid forfeiture of sugar. In this case, it is the consumer who is left holding the bag.

At this point, the usual argument is that high loan rates are necessary to protect the domestic sugar industry. Oddly enough, the president of the U.S. Cane Sugar Refiners' Association, representing 11 refineries in 9 States, respectfully urged the committee not to include sugar provisions in the general farm bill. In testimony before the Senate Agriculture Committee, he stressed that:

> The loan programs, which have worked effectively for many of the other crops are simply not suited to the sugar crops because of the different nature of the industry and the dominance of production by large corporations.

Mr. President, one of the problems with a high sugar loan rate is that it results in high domestic sugar prices. These high prices are causing sugar users to turn increasingly to other sweeteners, most notably high fructose corn syrup. The corn sweeteners, which accounted for only 16 percent of our Nation's sweetener needs in 1970, accounted for 33 percent in 1980, and are expected to account for 48 percent as early as 1985. This development prompted the president of the U.S. Cane Sugar Refiners' Association to stress that:

> The sugar industry must be given a chance to compete in the sweetener market without being hampered by government policies that have the effect, however unintended, of pricing us out of business.

In short, although some segments of the sugar industry are supporting S. 884

as reported from the Agriculture Committee, this legislation may well be detrimental to sugar producers in the long run.

Mr. President, I support the amendment pending, and I commend the Senators from Massachusetts and Indiana for proposing it.

I have in mind another amendment, which I shall propose. I hope it will not be necessary. I hope this amendment will carry. It is frankly better than mine.

I urge my colleagues to support it.

I thank the Chair.

Mr. ANDREWS. Mr. President, I appreciate the opportunity to address the Senate on this issue of sugar price supports.

I shall depart from the norm to a certain extent and try to point out that this is a unique program. Quite frankly, it is not a farm price support program. It is totally different. I think we would be more correct calling it an antidumping act because that is exactly what it is.

Characteristically in agricultural commodity programs we attempt to maintain a certain level of production in this Nation and assure an adequate return to farm families for their commodities that are produced in surplus. This benefits the American consumer because if we have a surplus here at home there is an adequate supply of good and nutritional food and fiber.

But in the case of the sugar, that is not the case. We only produce 50 percent of the sugar that we use in the United States. The American consumer, I might add, buys sugar for less than sugar consumers anywhere else in the world.

Mr. President, we have heard a lot the past few months about a world price for sugar. That is a bunch of blarney. There is no "world" price for sugar. The price that has been referred to as the world price for sugar is the dump price of distressed sugar that has no home. It is sugar produced by a Latin American country or a central American country which generally contracts its entire crop to a European Economic Community nation at a price now in the neighborhood of 26 to 27 cents. In the case of Cuba, they produce for Russia and receive in the neighborhood of 33 or 34 cents a pound. If a sugar-producing nation should overproduce 5 or 10 percent—because it is getting 26 or 27 cents or even 30 cents for 90 percent of its sugar—it can afford to dump the excess at what then becomes the so-called world price.

That is why last year the so-called world price of sugar was 45 cents. These countries produced just about enough to fulfill their contracts, and they had to buy back from their contracts.

The price today is 14 cents. The cost of production in the United States is not that much higher than the cost of production in other places, but other countries have overproduced and are getting an equitable price—50 percent higher than we have recommended in the bill for American producers—for 90 percent or so of their crops. They can, therefore, dump the remainder that they had not been sure they were going to produce for almost anything that the market will bring.

I think that that does not make any kind of a case for a so-called world price for sugar.

We hear talk about the consumers being ripped off, and the increases going to a privileged few processors. Let me share with my colleagues in the Senate and those in the press gallery and those in the public that every sugar contract I know of in this country directs that any increase in price flows through to the grower-farmer. If this bill goes into effect and increases the price of sugar that increase in price goes back to the farmer. It is not retained by the processor who may in fact be a corporation. In my State we outlawed corporations from owning farmland and farming. We have an anticorporation farm law. Many other States have the same thing.

This does not accrue then to corporations. It flows through to farmers. They would be paid in the neighborhood of 18 cents or 50 percent of parity, half of what is fair.

Let me also speak to the case that was made that this would result in forfeitures that would end up costing the Government all kinds of money. Let us be honest. I cannot tell what this particular program will cost. But an identical program put into effect 3 years ago for a 2-year period called the de la Garza amendment for my former colleague in the House of Representatives from the great State of Texas was in effect 2 years and the Government made a profit from it.

We had a Sugar Act in effect for some 30 years and the Government consistently made a profit from the operation of the Sugar Act and the American consumer consistently got sugar for about 25 percent less than the consumers in other Western nations.

Mr. President, I think that we have to take a look at the fact that there are a number of unique things that have come about in sugar pricing since we last debated the issue of a sugar bill in the House of Representatives and in the Senate.

I happened to chair hearings on a sugar price support program earlier this year in the Agriculture Committee, and I remember hearing not only producers, processors, and farm organizations, but, yes, representatives of the candymakers, the confectioners, because they feel that the American consumer and their processing does not benefit from this rollercoaster—45 cents 1 month, 12 cents 10 months later—type pricing for sugar.

I point out that when the price of sugar went up to 45 cents a pound 4 or 5 years ago the price of a can of pop went up because they said the additional cost of sugar is there.

For some strange reason the price of a can of diet pop went up also even though there is no sugar in the diet pop. When the price of sugar came down to one-third what it went up to, did the price of a can of pop come down? No.

One can buy Baby Ruth candy bars in a half dozen shapes and sizes because they want to keep the price uniform. When the price of sugar goes up they decrease the size of the candy bar and they increase the size of that candy bar when the price of sugar goes down. That is why the Curtiss Candy Co., which makes Baby Ruth candy bars are in favor of this particular amendment because it represents a fair price for sugar and makes sure that they have an adequate supply here at home.

Let me address one other thing when we are talking about inflation. I voted for the budget cuts. I voted for the tax cuts. I am concerned about high interest rates. I am concerned about deficit financing, but the biggest problem with inflation today in America is the imbalance of payments that comes about because of the energy imports we have to import today from the OPEC countries. The $80 billion a year of purchases of OPEC oil are killing our economy.

If we pass a bill for farm price supports and forget to include sugar, we are going to see even more sugar plants shut down around this conutry. In the last few years we have seen five or six of the most modern sugar plants in the world shut down in the United States because they simply could not afford to continue to produce at these yo-yo prices.

That means we have to buy more from overseas. If we buy more from overseas, we spend those hundreds of millions of dollars for sugar that could just as well be produced here at home, we do not have it available to pay for the oil we have to import until we increase the production of energy here at home. That adds to the impact of inflation through increasing the imbalance of payments.

Mr. President, I think the Senate would be well-advised to recognize that these are unique times in our country, that this is not an act or a provision for a corporate few. It is a provision to allow domestic production of a commodity, a food commodity, that is needed.

It is a price that will enable production of sugar to continue in this country and will protect the consumers, the candy manufacturers, the pop manufacturers from the vagaries of a market that is here today and gone tomorrow. It addresses the fact that no nation's economy can survive for long if it allows its producers to be subject to the will of the dumpers of commodities that are temporarily in surplus, that tomorrow are in short supply.

We need to maintain a domestic supply of sugar. I have no problem if some of that supply moves into the corn.

That is a domestically produced product, and that is good, too.

But I urge my colleagues to vote for this provision in order to insure a fair break to keep the producers producing. But even more important, because we are all consumers, to assure the consumers of this country of ours a quantity of sugar at a fair price year after year.

It is a fair bill, it is an equitable compromise, and it deserves our support.

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER (Mrs. HAWKINS). The Senator from Louisiana.

Mr. JOHNSTON. Madam President, it

has been said here on the floor that this support is for the big corporate interests.

Madam President, I want my colleagues to know that at least in my State and, I suspect, elsewhere, and my colleagues, I know, from Hawaii can speak for their State, I can tell you that in the State of Louisiana sugar is grown principally by small farmers. The average size sugar cane farm is 200 acres. That is not like, you know, the old depression 10-acre farm. It is impossible for anyone to make a living on a 10-acre farm now, but the average size is 200 acres.

It is true that the support goes to the mill. However, the mill, in turn—most of the mills, by the way, are cooperatives—the income stream goes from the mill to the farmers.

Now, just in case someone should get the idea that these mills are getting rich and ripping off the public, let me tell you that the number of mills is going down precipitately. In 1975 we had 36 sugar mills in the State of Louisiana. Right now we have 24 sugar mills in the State of Louisiana or just 6 years ago we had 50 percent more than we have right now.

Just last week a large sugar mill in Rapides Parish went under, went broke, went out of business.

What does it mean when a sugar mill goes out of business? It means that all the sugar farmers who formerly furnished sugar to the sugar mill also go out of production of sugar as well because unless you have a mill close by to which you can ship the sugar, sugar cane, you simply cannot sell it. Sugar cane is a very bulkly, a very heavy, commodity, and you cannot ship it from county to county or in our case from parish to parish. You must have a sugar mill in order to be able to grind your sugar, refine your sugar, and to which you can transport it.

So when I say in Rapides Parish a sugar mill goes under, it means that all of that production of sugar in Rapides Parish, the northern most production area for sugar in our State, all of that now is lost.

The thing about sugar, Madam President, is that it requires specialized equipment for the planting and, particularly, the harvesting of sugar.

There are two or three companies worldwide that make this expensive and specialized equipment, and when you are in the business and you own this expensive and specialized equipment, it is at some great expense and great cost that you acquire the equipment.

What happens when the sugar mill goes out of business? Well, you then have on your hands a great deal of specialized sugar equipment which cannot be used for anything else and which you cannot use for your crops. So what do you do? You try to trade it as secondhand equipment in the rest of the State, I guess, and keep in mind in the rest of the State we have gone down from 36 to 24 sugar mills, so you can imagine what kind of success you are going to have in getting rid of this secondhand equipment in an already depressed market.

You say, "Well, that is all right, let the free market work, and if there gets to be a demand for sugar, then Rapides Parish or these other areas will bo back into the sugar business."

Well, Madam President, it does not work that way. Once you have been burned, that is to say scorched, and you take your land out of the production of sugar, sell all this equipment, and keep in mind that we have been growing sugar in Louisiana for a couple of centuries, once you get out of business and sell that equipment you are not getting back in because there is always a market for soybeans or at least there always has been a market for soybeans, which does not take specialized equipment.

The risk is not nearly as great as it is with sugar. You do not have these huge up and down swings. You have a worldwide free market with soybeans, whereas you do not with sugar. Sugar is a subsidized market worldwide. I wish we had a free market in sugar.

(Mr. DURENBERGER assumed the chair.)

Mr. JOHNSTON. We would take that in a New York second, Mr. President. But the fact of the matter is that most of these big sugar-producing countries are subsidized. Brazil, for example, held up as the model of the great country that produces so much sugar, completely subsidizes its sugar industry.

Cuba grows its sugar for a closed market, for the Soviet Union. As a matter of fact, there is hardly a place in the world where the United States can really sell its sugar into a real free competitive market.

The question is, Is it important for us nationally to have some sugar-producing capacity? Well, I can tell my colleagues in my judgment it is very important. It is certainly important for the farmers growing the sugar cane and sugar beets, vitally important to them. But that really, I guess, at bottom is not a national interest as important as it is to us.

But it is a national interest that we have some industry in a sugar producing capacity.

We should have learned, Mr. President, from the events of 1973 and the action of OPEC in getting the stranglehold on this country in the importation of crude oil. At that time, we were importing only about 33⅓ percent, about one-third of our crude oil. Yet, we were strangled by our sources of supply.

Now, if we get completely and totally dependent on foreign producers of sugar, as, indeed, we could—and certainly we could in my own State of Louisiana if we do not get some kind of help here—I think it would place our country in a position to get absolutely strangled by manipulated, predatory pricing of sugar.

Mr. President, this is not a bonanza for sugar mills. It is a modest proposal that will save, in my State, the remaining two-thirds of the sugar mills we had in 1975. They are literally dropping like flies. As I said, a sugar mill went out of business last week, just last week, in Rapides Parish and with it all of the sugar farmers who are totally dependent on that bill.

If this bill, or something very similar, does not pass, I confidently predict, unless there is some sudden turn around in the market, that we will be back in here next year telling you not that we have 24 sugar mills but perhaps half that much.

Mr. President, I urge my colleagues to realize that sugar legislation helps, first of all, small farmers; that it is their link to survival and that production of sugar in this country is vitally important for our independence and for our economic health.

In a free market, our farmers can lick everyone else's farmers. But the world sugar market is anything but free.

To begin with, 80 percent of the 90 million tons of sugar used each year is consumed in the country where it is produced. Another 5 percent is grown to order—traded in closed markets, such as the Cuban-Communist block agreements.

Even the remaining 15 percent does not trade freely. Australia and Brazil subsidize their domestic industry heavily and do not permit imports. The EEC does not import from certain countries.

The United States buys one-fourth of the relatively small amount of sugar which reaches the open market. These purchases provide 45 percent of our sugar supply, and changes in supply or demand are immediately reflected in the price of this imported sugar.

Just as the slightest miscalculation in the angle of descent of a space capsule can cause it to veer dangerously, a relatively minor change in the supply/demand prospect for sugar can cause prices to fluctuate wildly.

In times of world surplus, cheap foreign sugar finds its way to U.S. markets—all other countries control imports—driving prices below the level at which domestic sugar can be profitably produced. The U.S. price for sugar dropped from a high of 60 cents per pound in 1974 to less than 10 cents a pound in late 1977.

What does this do to the American sugar growers and producers on whom we depend for 55 percent of our sugar supplies?

Sugar is a major U.S. agricultural product. About 800,000 acres of sugarcane and about 1.2 million acres of sugar beets are planted annually, generating about $3 billion in farm receipts. Sugar production ranks 10th in acreage and 7th in value among farm crops. Nearly 100,000 Americans depend on the domestic sugar industry for their livelihood.

Nor is it only the large conglomerates which are producing sugar. In Louisiana, sugarcane is largely grown on family farms in 18 rural parishes; for these farmers, it is the crop of choice, and the best, most productive use of their land.

Sugar production in the United States has been on the decline since 1975–76. Cane sugar production has fallen each year since 1975, and is expected to do so again this year. This attrition is reflected in the economy of Louisiana.

In 1973, Louisiana sugarcane farms numbered 1,290.

In 1980, there were 853, a drop of 50 percent. I am sure that my friends from sugar beet producing States could cite similar statistics. Between 1975 and 1980, 12 sugar mills closed in Louisiana.

A sugar mill represents a huge capital investment in plant and equipment, most of which cannot be used to process any other crop.

The loss of a sugar mill has a multiple adverse effect on the economy of a region: It can mean the end of sugar growing in the area served by the plant; and it means that workers lose their jobs in small towns and rural areas where alternative employment opportunities may not be available.

As these domestic producers go out of business, the United States is increasingly at the mercy of the unstable world market. A shortage can cause prices to rise dramatically as they did in 1974 and again in 1980, when world output fell to 84.6 metric tons from 91 million metric tons in 1979. Dollars spent to purchase domestic sugar remain at home; dollars spent abroad increase the U.S. balance-of-payments deficit.

The legislation proposed by the Committee on Agriculture, Nutrition, and Forestry which I urge the Senate to adopt requires the Secretary of Agriculture to support domestically grown sugar beets and sugarcane through March 31, 1982, through purchases or other operations at a level approximating a raw sugar price of 19.6 cents per pound. Effective October 1, 1982, the Secretary is required to support the price of domestic sugar beets and sugarcane through nonrecourse loans at not less than 19.6 cents per pound for raw cane sugar.

The President is encouraged to use his authority to impose duties, fees or quotas on imports in order to prevent excess buildup of stocks if the market price for sugar should fall below the price objective and loan level specified under the program. These fees and tariffs will provide a net gain to the Treasury.

There will be no budget exposure during the 1982–1985 fiscal years since loans made during a fiscal year will be repaid during that fiscal year. The sugar program will not require set-asides, since it is a deficit-produced crop, nor will it entail direct payments—returns to farmers will come from the market.

In short, the program is not a subsidy. It is a stabilizer.

It insures that the domestic sugar industry can survive, free of the threat of foreign dumping.

It encourages sugar growers and processors to invest in farm and plant technology to increase productivity. Assured of survival, the industry can plan for its future. An aging or obsolescent plant can be modernized, but a defunct industry does not readily come back to life.

It protects the American consumer from the rollercoaster effect on food prices of the volatile sugar market. Sugar is used in most bakery products and canned goods, as well as soft drinks, and large increases in sugar prices quickly show up in marketbasket costs.

It furthers the objectives of the International Sugar Agreement in which the United States became a full participant last year. The ISA prescribes international stock-building policies to dampen down world production and market swings. The sugar program described in title IX puts in place a domestic policy which will stabilize our own markets, thus complementing ISA efforts.

Establishment of the ISA amounts to an international admission that the world sugar market is not a free market. Sentencing our farmers and producers to operating unaided in that arena is like sending the hometown football team to play the Dallas Cowboys.

With title IX, we give them a fighting chance.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. INOUYE. Mr. President, before proceeding, I commend my colleagues from North Dakota and Louisiana for their brilliant demonstration of their knowledge of the sugar industry. My only regret is that most of our colleagues are not here to listen in on this debate.

Mr. President, I rise in support of the sugar provision now in the farm bill. Like my colleagues, I am greatly disturbed that many of the misconceptions and inaccuracies which have characterized this debate on the sugar program in recent weeks continue to persist. It is my hope that these misconceptions will be dispelled here today.

It is important that the facts regarding the sugar program be fully and accurately understood, because the facts clearly demonstrate the need for and soundness of the sugar program reported by the Agriculture Committee. I would like to take this opportunity to address briefly some of the more major concerns surrounding the sugar program which have been expressed, and at the same time explain my reasons for supporting the program.

Perhaps the most serious concern expressed has been over the potential budgetary and economic impact of the sugar program. It has been frantically argued that the sugar provision as currently written will fuel Government's deficit spending and also impose tremendous costs on the sugar consumer.

The facts are, Mr. President, that if the sugar program is properly and sensibly administered as intended, the program will cost the Government nothing, and, just as importantly, will not be costly to the sugar consumer.

Based on its own economic projections for sugar over the next 5 years, the Department of Agriculture concedes that the program even with a 19.6-cent-per-pound loan rate would not involve any cost to the Government.

Loans under the program would mature with interest during the same fiscal year as they were made and should thus not result in any budget outlays unless forfeitures occur. Forfeitures should not occur if the Government acts rationally.

At this juncture, I think it is important to recognize that the sugar program could well result in significant revenues to the Government. As pointed out by my colleague from North Dakota, during the original sugar act of the 1930's, which went on for 35 years, each year, consistently, the Government earned.

There was no outlay on the part of the Government. It was the most stable commodity program in the United States and it is too bad that it was repealed.

The loan program which was in effect during 1977 and 1978 resulted in a net gain to the Government on forfeitures of $67 million.

The potential impact of the program on the sugar consumer has also been exaggerated. Although the sugar consumer may be required to pay a higher price for sugar under the program at a time when the world price of sugar is depressed, the moderating and stabilizing effect of the sugar program will actually benefit rather than cost the sugar consumer over the intermediate term.

The sugar price support system had a major beneficial impact on consumer prices last year.

Excess sugar from the 1977 and 1978 crops had been stored by the Government for producers, and when world market prices increased from 9.7 to 42 cents per pound because of a drop in production in late 1970 and 1980, the Government put about a half million tons of sugar into the market. This action prevented the 1980 price from increasing more than it did.

Another major concern which has been expressed frequently is that the sugar program serves to protect and subsidize a narrow segment of producers and processors, which fosters inefficiency. It is urged that pure free market economics must be allowed to operate, no matter at what expense.

Again, Mr. President, I believe the facts put the lie to this notion. While the domestic sugar industry needs support, it is not because the industry is inefficient. The domestic sugar industry is as efficient as any in the world. The trouble it finds itself in is due largely to the fact that it has had to compete in a world market which under any definition cannot be classified as free.

Of the annual world sugar consumption of 90 million metric tons, about 80 percent is consumed in the country where it is grown. Two-thirds of the remaining 20 percent is subject to substantial trade restrictions.

About one-fourth of this residual market sugar is sold in the United States, and we depend on that market for 45 percent of our supply. The result is exaggerated swings in price following even small changes in supply or demand.

The so-called world price of sugar, to which the domestic price is tied, is subject to tremendous downward pressure by the dumping on the world market by the European Economic Community of its highly subsidized sugar. The forecast is that in the coming year the EEC will have available greatly increased volumes of sugar to dump on the market.

I think, at this juncture, we should recall when Mr. Castro of Cuba and the Soviet Union decided to manipulate this market in 1 year and by just playing around with their tonnage were able to raise the world market price three times. If that is what the world market

price is, I think we should learn about it at this juncture.

The United States is a member of the International Sugar Organization, and the International Sugar Agreement provides for a modest effort to stabilize world sugar prices by requiring members to withhold up to 15 percent of their normal sugar export quota in periods of depressed prices. The EEC is not a member of the International Sugar Organization or a signatory of the International Sugar Agreement. As a leading exporter on the world market, exporting almost as much as the United States produces domestically, the EEC has severely impaired any effectiveness that the International Sugar Agreement might have had.

Let me make it clear that the sugar production of the EEC is not at a lower cost than the sugar production of the United States. The production cost of the EEC runs almost 6 cents per pound over the world average. Our domestic industry is not seeking protection from the prices of a truly free market, but assistance against a subsidized dump market.

As my colleague from North Dakota put it so clearly, this is not a support program, this is an antidumping program. The world market price floor implied by an 18-cent-per-pound loan rate is well below the anticipated costs of production for sugar in fiscal year 1982 and for the life of this bill.

Thus, the sugar program will not provide incentive for increased production even for those domestic producers and processors who are more efficient than average. It will merely keep efficient producers in business in periods of low prices on the world market. The program certainly provides no incentive for increased production to inefficient producers.

Because of the extreme instability of the world sugar market, and the price uncertainty this creates, U.S. sugar producers and processors have not had the incentive to invest in new, more efficient sugar production technology.

The continued absence of a sensible sugar program will mean increasingly escalating production costs due to a lack of investment in production and processing technology, and the slow demise of the sugar industry.

The negative consequences of this occurrence will be borne by the sugar consumer, not only those who directly consume sugar but by those who use sugar as a factor in production. Consumers will become completely reliant on another world market over which we have little, if any, control.

My colleague from Louisiana very clearly discussed this point.

Mr. President, I would like to close by attempting to convey to our colleagues the importance of the sugar industry to our Nation, and the broad impact our failure to approve an acceptable sugar program would have. It is important to realize that this is not a small industry confined to a limited section of our country. Sugar beets or sugarcane are produced in 17 States, spanning almost every geographic region of our country.

In each of these States, sugar is an important economic and agricultural factor. Our domestic sugar industry employs over 100,000 persons and contributes over $10 billion annually to the gross national product of the United States.

The critical potential consequences of our failure to enact a sugar program can be illustrated by a situation I know best, that of my State of Hawaii. About three-fourths of all the cropland in Hawaii is in sugar.

There is no feasible alternative to sugar which would provide the jobs that the local sugar industry does. A demise of the local sugar industry would mean immediate unemployment rates in excess of 35 percent on some of our neighbor islands. The resulting costs to Government would vastly exceed any estimates of short-term consumer benefit the lack of a sugar program could ever be expected to provide.

Mr. President, we are at a critical juncture. The United States is the only sugar-producing country in the world without an effective Government support program.

I firmly believe that we can no longer reasonably expect our domestic sugar producers to compete in a world market against prices which are manipulated according to government policies of foreign sugar-producing nations.

The average cost of production for sugar in the United States is approximately 24 cents per pound, exclusive of land costs. No American sugar producers can even break even at today's sugar prices which are well below 18 cents per pound.

Thus, even a 19.6-cent-per-pound loan support provision is not asking very much.

I think the facts clearly indicate that the sugar program is in the best interests of both sugar consumers and producers, and I would strongly urge our colleagues to support the sugar program.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mrs. HAWKINS. Mr. President, I rise in opposition to the amendment offered by Senators QUAYLE and TSONGAS, which could have a devastating impact on our domestic sugar industry. As you have heard from my colleagues on the committee, after many hours of caucusing last week, the committee agreed to a package which we feel, despite cutting expenditures to the bone, is fair and equitable to both consumers and producers alike. The reductions agreed to by the committee are further evidence of the committee's support for the President's goal of balancing the budget; however, we feel that every commodity in the bill has taken as much of a reduction as producers could possibly withstand.

Such is the case with sugar. As you know, the Senate Agriculture Committee included in S. 884, a nonrecourse loan program for sugar, to help moderate the wild sugar price fluctuations which adversely affect producers and consumers alike. The original committee version called for a 19.6-cent loan program to processors which would provide a floor for the domestic sugar producers while insuring a stable supply of sugar to consumers. With grave reservations as to the severity of the reductions, however, the committee agreed to lower the loan rate for sugar from the original 19.6-cent loan level to a much lower level of 18 cents in 1982 with increases of one-half cent for each of the remaining years of the bill. With the cost of agricultural production increasing an average of 14 percent each year, the one-half cent will help offset these dramatic increases in production costs.

It should be pointed out that the loan program established in the bill is not an entirely new program for sugar. The loan established in S. 884 is very similar to the loan program in effect for 1977 and 1978, a program which actually earned $67 million for the Treasury while stabilizing the price of sugar for consumers. The loan level established for sugar in the farm bill is very much in line with the levels for other commodities and, in fact, the loan level for sugar is a lower percentage of the cost of production than for most of the other commodities. In addition, the program is very simple: It requires no set-asides, no direct payments from the Government, it would not accumulate a burdensome surplus, nor would it impose any marketing costs on the Government.

Further, because the loans would be required to be repaid in the same fiscal year as in which they were made, the entire program would not cost the Federal Government one red cent. Imagine that—a Government program that not only is free of cost, but, in fact, may bring millions of dollars in revenue to the Treasury.

Let me explain my last statement. Sugar is the only commodity in the farm bill which the United States is forced to import. In fact, the United States must import close to one-half of our domestic needs. Like many other strategically important goods, the United States has traditionally applied tariffs and duties on imported sugar to prevent the dumping of foreign sugar at the expense of the domestic producer. For every cent of duties and fees currently imposed on this imported sugar, approximately $90 million in revenue is collected by the Treasury. Therefore, passage of the modest sugar loan provision, properly administered, with fees and tariffs, will help maintain a viable domestic industry while helping the American taxpayer.

The committee's sugar provision has widespread support from both producers and users. Many of America's industrial sugar users recognize the importance of maintaining a strong domestic sugar industry. Coca-Cola, the National Confectioners Association, and numerous other sugar users support the committee's sugar provision because they recognize that a stable supply of sugar is well worth a small increase in the price which may result. And, in the long run, it is to the advantage of all users that we insure a viable domestic sugar industry so that we are not at the mercy of foreign sugar producers. Unfortunately, an organization of Latin American and Car-

ibbean producers called GEPLACEA, which supplies 75 percent of America's sugar imports, has the potential to become a sugar cartel much like OPEC, the oil cartel. The fear of this sugar cartel is real: Former Secretary Bergland once stated that the price of sugar in the United States is not established domestically, and if a sugar cartel decided to withhold sugar from the United States, consumers would suffer. And, if they decided to swamp the country with sugar, domestic producers would be driven from the industry and over the long run, consumers would then be totally dependent on the outcome of the marketing practices of foreign suppliers.

The question becomes: Do we want to take action to protect sugar producers and consumers today, or allow the United States to be forced to pay whatever price foreign producers dictate to us?

Let me continue. The need for a domestic sugar program to minimize the peaks and valleys in sugar prices has never been more evident. Domestic sugar production has steadily decreased since the demise of the Sugar Act in 1974. Since 1974, a full 25 percent of the sugar processing industry has been forced out of business because of these great price fluctuations. History has shown that once these processors are forced out of business, sugar production in the area is eliminated and never returns. This decline of the domestic sugar industry jeopardizes employment for nearly 100,000 taxpaying Americans who depend on the domestic sugar industry for their livelihood. And in many rural areas, there is no other means of employment, so when the sugar processing plant goes out of business, many of these workers are forced into unemployment lines and their families on to the food stamp and welfare rolls at additional cost to the Government. And, of course, the closing of these plants has a ripple effect throughout the region. Each dollar of sugar income lost must be multiplied through its impact on those who service and supply the industry.

In addition, declining domestic sugar production and resulting huge imports of sugar from abroad have created a balance-of-trade deficit for the United States. For example, last year, the balance-of-trade deficit from sugar imports approximated $2 billion. Mr. President, had the Nation's entire sugar requirements come from abroad, the balance-of-trade deficit could have approached $5 billion. Further, USDA reports that had there been no U.S. sugar industry during the most recent worldwide shortage, the world price of sugar would have increased several hundred percent. This is because only a small minority of sugar traded in the world market is available for purchase by American importers due to long-term contracts which tie up vast quantities of sugar, and therefore, there is relatively little sugar freely traded in the world sugar market. Consequently, a small increase in the price of the sugar that is available to U.S. importers causes great price increases to American consumers.

As you know, Mr. President, sugar is one of the most volatile commodities traded on the world market today. In the past year alone, the price of sugar has fluctuated from over 60 cents a year ago to 11 cents today. When one talks about increased sugar costs for consumers, ask yourself this: Has the price of sugar products decreased to one-fifth of their former costs in the past year? Strange, that sugar products have increased in price despite the great decrease in sugar prices. Sugar users often use the increase in sugar prices to justify their increases in price passed on to consumers. However, they do not decrease their prices as the price of sugar declines. I say to the Senators, ask yourselves this: Since increased sugar prices are passed on to consumers and decreases are not passed on to consumers, is it not in the best interest of consumers to take action to bring stability to sugar prices?

Recognizing this need, several years ago, the United States signed the international sugar agreement, an agreement by sugar-producing countries with the goal of stabilizing the price and production of sugar in world markets. Unfortunately, this agreement has not been successful as witnessed by the wild fluctuations which have occurred since its inception.

However, other sugar-importing countries have recognized the need for a program and have taken action to stabilize prices for their producers and consumers. In fact, the United States is the only importer of sugar which does not have a program in effect. In behalf of producers and consumers alike, I support the sugar loan program established in the committee farm bill. With the loan program established in the committee bill, the detrimental effects of the world fluctuations in sugar prices will be minimized to the advantage of both producers and consumers. By helping to insure a strong domestic sugar industry, we will prevent Americans from becoming entirely at the mercy of foreign producers and a foreign sugar cartel.

I thank the Chair.

Mr. LONG. Mr. President, I congratulate the distinguished Senator from Florida for a very eloquent speech on the need of this program in sugar.

I congratulate my colleague (Mr. JOHNSTON) for the fine statement he made. I also congratulate the Senator from Hawaii and the Senator from North Dakota for the fine statements they made on this subject.

Mr. President, we ought to proceed on the basis that a farmer is a farmer. I know in Louisiana, most sugar producers produce nothing but sugar. I am sure that is true in Florida and in other areas. They pay their taxes, they work hard and they support this Government. They do what they can to help sustain this Government and make their sacrifices in good times and bad.

Mr. President, when we undertake to benefit from a so-called world market price, which, as the Senator from North Dakota has said, is a dump price—that is the price sugar people get when they do not have a contract for a market—it means we put our farmers out of business.

We are not doing that, Mr. President, with regard to those who produce other commodities—corn, wheat, cotton—and we should not do it to those who are sugar producers, just because they happen to be smaller in number than those who produce other commodities.

Mr. President, our experience has been that when this Nation, or the world, for that matter, had the benefit of disastrously low sugar prices in 1 year, it had to pay ridiculously high prices in subsequent years. A very low price in sugar brings a very high price in its wake. The reason for that is simple: When a price is very low, as it is now, people who suffer that disaster go out of business, so there is much less sugar available for the following year. So, in the wake of ridiculously low prices come these higher prices, not a few cents but more near to a dollar, which we can expect because there is not a reduced supply of the commodity.

What we are asking in this bill, and I support the committee amendment, is a great deal less than the producers asked. They are hoping they will get a price that is about 80 percent of production costs. What we have here is what amounts to about 70 percent of their costs. If we go any lower than that, Mr. President, we are going to put a lot of farmers out of business.

I can recall a few years ago, when I met with the sugar farmers of Louisiana in a similar situation. I was chairman of the Committee on Finance at that time. The Finance Committee then had jurisdiction of the Sugar Act. I really had a bad day of it, because those people were suffering—especially the small farmer. The smaller the farmer, the more critical their conditions were and the more difficult it was for them to understand that, as one from a sugar-producing State, this Senator was doing the best he could to help them with their problem. When the fight for the sugar bill was over that year—it passed the Senate, but failed in the House—the man who had presented me to that audience on that occasion said, "Well, Senator, you won't have near as many farmers to quarrel with next time, because a lot of those farmers are going to be gone." And so it was, Mr. President.

I notice that in 1974, in the cane area, we had 4,300 sugarcane farmers. Those who are advocating the kind of amendment we are discussing now were successful in putting many of those people out of business, because we have 3,060 now. This is a loss of 29 percent of those who were in that business.

If these people are all put out of producing sugarcane, most of them will, somehow, stay in farming. As the Senator from Louisiana, my colleague, BENNETT JOHNSTON, stated, in the main, they will move over to soy and produce soybeans—under a price support program, where the Government will support the price to try to help farmers stay in business in good times and bad. They will not have anything like the labor that they would have if they were producing sugarcane. It is my impression that it takes about five times as much labor to produce an acre of sugarcane as it does

an acre of soybeans. Most of those workers are low-income workers. The majority of them are black. They have limited skills, they have nowhere to go. They will be on welfare, they will be drawing food stamps, they will be costing the taxpayers money.

I say with confidence, Mr. President, it will cost the taxpayers a great deal more money to put these poor souls out of their jobs, put them on the welfare, put their families on the welfare, make distressed welfare wretches out of these people, than it would to continue their opportunity to work to make an honorable living the way everybody prefers to do in this great land of ours.

These people, no less than other Americans, deserve the consideration of their Government.

Why should we be importing sugar at dumped market prices, costing Americans their jobs by the tens of thousands?

All we ask in this provision is that we have the same sympathetic consideration for farmers and farm laborers in the area of sugar production that we would seek to provide in the area of corn, wheat, cotton, and the other crops covered by this bill.

I hope very much that the amendment will not be agreed to, because I believe it would be very much against the national interest.

Mr. MATSUNAGA. Mr. President, I rise to strongly oppose the Tsongas-Quayle amendment.

The proponents of the amendment raise a number of points:

First, that the proposed sugar legislation reported by the committee is strictly for the special interest groups and sugar lobbyists.

Second, that the taxpayer will be forced to pay for the cost of the sugar program.

Third, that consumers will pay higher prices for sugar and will be at the mercy of sugar interests.

Fourth, that the sugar program is a sugar storage program of domestically produced surplus sugar; and

Fifth, that we should let the free market operate in the sugar industry.

Let us examine each of these arguments and look at the facts of the case.

First, that the proposed sugar legislation is for special interest groups and sugar lobbyists: There are special interest groups, yes, but the special interest groups consist of family farmers, field workers, sugar refinery employees, and other laborers whose very livelihood depend on the continuance of a domestic sugar industry—1,000 of them.

Even in Hawaii, whose general image abroad is that every bit of sugar is produced by big corporations, 500 independent family farmers are involved in sugar production. An additional 8,500 laborers are directly employed in the industry itself, and about 21,000 more work in related services and industries which could not exist without the sugar industry. Because Hawaii produces 20 percent of the domestic sugar produced in the United States, Hawaii would lose as many as 30,000 jobs if the Congress should allow the sugar industry to go bankrupt, and unemployment rate in Hawaii would double, to 15 percent.

It can be clearly seen why laborers and labor unions, too, support the sugar provisions of the pending farm bill.

Proponents of the Tsongas-Quayle amendment argue that the sugar program is designed to keep inefficient sugar producers in business at taxpayers' expense and at the expense of poorly paid sugar workers. The truth of the matter is, Mr. President, that in Hawaii, the minimum wage of the lowliest sugar worker in the field is $5.60 an hour, including fringe benefits. That certainly is not a starvation wage, and I am sure I do not need to remind my colleagues that the federally established minimum wage is $3.20, which is far below the minimum wage paid the sugar worker in Hawaii. For this reason and others, labor is for the pending sugar legislation.

As to the point which the proponents of the amendment make, that the taxpayers will be forced to pay for the sugar program, let us look at the history of the sugar program.

During the 40 years from 1934 to 1974 when the Jones-Costigan Act was in effect, the sugar industry paid into the Federal Treasury $600 million over and above the cost of the sugar program to the Federal Government. Sugar is the only agricultural commodity which has been paying taxes in the processing of the product. That should be clearly understood.

Even during the short period of the de la Garza amendment, which went into effect in 1977, the sugar industry paid into the Federal Treasury more than $6 million over and above the cost of the program. What is the taxpayer having to pay? I ask the proponents where they gather their facts to show that the taxpayer will be paying for the sugar program. History shows that the taxpayer has in fact profited from the sugar program and saved from paying additional taxes which would otherwise have had to be paid.

As to the argument that consumers will be required to pay a higher price for sugar, should the sugar legislation be passed: An example was given here that consumers will be paying a higher price for sugar, just as they now do for oil, unless we force sugar into the free market. Well, here again, the facts show that consumers have benefited greatly by the Sugar Act. Let us just look into the experience of the past.

During the period from 1934 to 1974, when the Sugar Act of 1934 was in effect, the price of sugar was stabilized to a range between 9 cents and 15 cents a pound, except in only two isolated years of the 40-year period. Only in 2 years, because of the extreme shortage of sugar produced in foreign lands, the price of sugar was in excess of 20 cents or thereabout. But when the Sugar Act of 1934, as amended, was repealed in 1974, the price of sugar skyrocketed to 67 cents a pound; and prior to the enactment of the Jones-Costigan Act in 1934, the price of sugar used to range from 2 cents a pound to $1 a pound. Because of the absence of stabilizing legislation, the consumer, from month to month, and sometimes even from week to week, did not know what he or she was going to pay for sugar.

The Jones-Costigan Act lent stability to the price of sugar, so that not only industry and family farmers, but also labor organizations could plan for the future. Knowing that the price of sugar would be stable from year to year, and they could bargain and negotiate with that comforting thought in mind.

"But the sugar program is a surplus sugar storage program," the advocates of the Tsongas-Quayle amendment argue.

The point that needs to be remembered is that unlike other agricultural commodities which are covered under the farm bill, sugar is an import commodity, not an export commodity. Domestically we produce only 50 to 55 percent of what is consumed in the United States. We have no surplus of domestically produced sugar. The only reason we have a surplus from time to time is that there is an uncontrolled so-called "world market sugar," which is really a dump market, foreign-produced surplus sugar.

Opponents of the sugar program talk about the need for an "open market" and leaving it to the operations of the "free market." Where sugar is concerned, there is no free market. Eighty-five percent of all sugar produced in the world is controlled by some internal or international law. The 15 percent which is not controlled is what causes the trouble, and that is what we are trying in the farm bill to protect our home industry against.

The cost of producing sugar in the United States, as has been pointed out, runs about 24 cents a pound.

Although sugar sells for as much as 27 and 36 cents a pound abroad, when foreign producers ship that surplus sugar to the United States, they sell it for less than their cost of production—right now that price is between 14 and 15 cents a pound. If that is not "dumping," what is it?

It is only because of this "dump sugar" which is freely permitted into the United States, that we need to protect our domestic industry.

Some comparison was made between sugar and the oil industry by the opposition. Mr. President, Senators will recall that in 1974 there was an embargo imposed upon exports of Middle East oil to the United States, after the so-called OPEC nations were formed into a cartel. At that time we were importing only 8 percent of our oil consumed, and yet the entire Nation was in panic. We had to line up our cars for blocks to get to the gas stations. That was when there was an embargo of only 8 percent of our oil consumed in the United States. Of course, consumption of oil has since gone up considerably.

But just imagine what would happen if the foreign producers of sugar would organize into a cartel and impose an embargo on exports of sugar to the United States. Forty-five percent of our total

sugar needs would be embargoed. Just imagine the long lines of customers at the grocery stores and at the supermarkets, just to buy a pound of sugar. Then just imagine what would happen to the price of sugar, if we look at what happened to the price of oil, which used to sell at $2.40 a barrel in 1972. After the Cartel was organized, the OPEC nations raised the price of oil to $38 per barrel on contract, and $48 on the spot market. On the Island of Molokai in Hawaii, the price of that same barrel of oil which was only $2.40 in 1972 is now $44.50.

Mr. President, I ask my colleagues just to imagine what would happen if foreign producers of sugar organized themselves into a cartel and withheld 45 percent of the sugar consumed in the United States. The price of a pound of sugar will not be 15 cents as it is today, or 24 cents which is the cost of producing domestic sugar. It would be, I venture to say, $2 a pound or even more. Besides oil, I am sure my colleagues will recall that the price of coffee shot up exorbitantly because of the lack of production in the United States of that habitual commodity of Americans.

We should remember that we are bent upon creating jobs, of bringing our economy back to its feet. We have spent hours, days, weeks, and months in programs designed to do this.

Now, by one stroke of the pen, proponents of the Tsongas-Quayle amendment want to eliminate 100,000 jobs. Definitely from the facts that have been raised here today, we can conclude, first, that the sugar program proposed in the farm bill will not cost the taxpayer anything. In fact, the taxpayer will benefit, will profit by the sugar program as history has shown.

Second, that the consumer will be protected.

Third, that the sugar program will insure a stable price not only for management to be able to plan for the future but for labor as well—all for a stable and viable domestic sugar industry.

We must remember, above all, that we are dealing here with an import commodity, not an export commodity, which is not produced in surplus in the United States.

Mr. President, I wish to commend the distinguished Senator from North Dakota (Mr. ANDREWS), the Senators from Louisiana (Mr. LONG and Mr. JOHNSTON), and my senior Senator from Hawaii (Mr. INOUYE) for the points they have raised against the Tsongas-Quayle amendment. I join them in urging my colleagues to defeat that amendment and to support the sugar program as proposed in the pending farm bill.

Mr. HELMS and Mr. TSONGAS addressed the Chair.

The PRESIDING OFFICER (Mr. MATTINGLY). The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I will be delighted to defer to my friend from Massachusetts if he wishes to speak now.

The Senator from Massachusetts indicates he does not wish to speak now so I shall take this opportunity to have the RECORD show a few of the considerations by the Agriculture Committee when it adopted the sugar program.

First of all, of course, the majority of the committee perceived a need to assure stability for both growers and consumers.

As has been indicated here by a number of speakers this morning, sugar is a commodity which has felt the boom and bust of market conditions. When I say "market conditions" I am talking about the international market. This extreme volatility and price fluctuation in the so-called "free world" sugar market demonstrates to the satisfaction of the committee the need for this particular section of the bill.

The question has been asked why the committee adopted a sugar program at a time when we are seeking less, not more, Government. And that is a valid question. It is one that I had to ponder as one Senator.

This Senator believes, as has been indicated by the proponents of the amendment, that the marketplace rather than the Government is clearly a more desirable and more efficient allocator of resources.

But the fact is that there is not, and I repeat for the point of emphasis, there is not a free market in sugar.

Most of the world's sugar is traded in tightly controlled Government and private contracts.

As a matter of fact, my recollection is that less than 25 percent of all the sugar produced in this world is freely traded.

Yet from the small amount that is traded the United States must import as much as 30 percent of those free stocks.

That leaves the United States particularly vulnerable to price fluctuations.

As I recall from the testimony and other information assembled by and for the committee, something like 22 million tons out of a total world production of 90 million tons of sugar are allowed to float freely in international trade. Since the United States imports between 25 and 30 percent of sugar available in the free world market, obviously the American people are the likely victims of the wild price swings that characterize all of these markets.

In spite of the disruptive effect that dependence on this highly restrictive market breeds for producers, processors and consumers alike, the United States is the only sugar-producing country in the world without an effective Government program that attempts to provide protection from the extremes of the market gyrations.

Growers make the point that a mandatory price support program is needed to provide the incentive and assurance they need to make the investments to sustain or increase domestic sugar production. The majority of the committee agreed.

Let me digress for just a moment, Mr. President, and say there have been some unusual voices in this Chamber the last 2 or 3 days extolling the virtues of the free enterprise system, the same voices that have been voting to shovel out money through the years from the Federal Treasury.

Not all who have extolled the virtues of the free enterprise system fall in that category. But I found it amusing to hear the comments from those who have supported greater and greater entitlement programs come now and say: "Oh, we must economize."

The only fair conclusion I can reach, Mr. President, is that it is all right to shovel out the money in billions of dollars for people who are not productive, but the minute a carefully honed farm bill comes forth where some element of protection is to be offered to the producers, the producers of the food and fiber we all need, that is when the economy drive begins. It does not even stop there. They are against programs that do not cost the taxpayers a penny.

I would simply say, Mr. President, I will lay my record in terms of economy in Government beside that of any of my somewhat more liberal critics who have taken such delight in attacking this farm bill, which is the product of careful consideration and lengthy consideration.

I say again, as I have said on a number of occasions since this bill became the pending business this week, that at the outset of the consideration of the bill and its markup there was, frankly, an inclination on the part of the committee members each trying to protect his or her particular commodity to propose spending which the chairman of the committee, the Senator from North Carolina, would not accept.

I recall sitting there day after day and reminding the Members that we can march up this hill of spending, but we eventually would have to march down it, which we did. We did not march down that hill once, we marched down that hill twice, as is evidenced by the package of modifications which this Senator and the able Senator from Kentucky (Mr. HUDDLESTON) submitted on the day this bill was called up.

So I am going to have to defend my committee with all the vigor I possess in terms of being faithful to the need to control Federal spending.

The fact of the matter is that the Committee on Agriculture, Nutrition, and Forestry carefully crafted this bill. In the case of peanuts, for example, yesterday we, at my suggestion, reduced the cost of that program to zero.

In terms of this section, the committee bill provides that loan activity must occur within a fiscal year. The committee further encourages the Secretary of Agriculture to use the tools at his disposal to guard against Government costs from acquisition of sugar.

Here is the point, Mr. President: Regardless of all the headlines that some may wish to seek, the Congressional Budget Office, whose figures all of us use, assures the Senate that this program will result in zero cost to the taxpayers. So let us be done with the rhetoric. Let us look at the arithmetic and proceed. This section, the sugar section, will result in zero Government costs not just next year but for each of the 4 years during the life of the bill.

A few minutes ago I alluded to the exceptional volatility of sugar prices, and, incidentally, we do not grow any cane or beets. This is not a North Carolina commodity. Between January 1980

and October 1980 the rumor of the Soviet Union's huge purchases of sugar pushed the price of sugar from 19 cents to a 5-year record high of 45 cents.

By this spring the price began to settle back down by, as I recall, something like 30 cents below that. I believe that is correct.

The more recent sugar market developments show how critical a safety net for these producers, not people receiving billions upon billions of dollars that cannot possibly be recoverable in entitlements, but these producers, as the Senator from Louisiana was talking about farmers who tilled the soil. The recent price trend for sugar can be summarized in one word: down.

The USDA reported the estimated domestic raw sugar spot price for each of the last 12 months. The information shows the price fell dramatically from somewhat over 41 cents per pound in October 1980, to 17 cents in August.

Mr. President, I ask unanimous consent that a table showing the estimated raw sugar spot prices be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ESTIMATED RAW SUGAR SPOT PRICES

[U.S. cents per pound]

| Month | World | | Domestic: Contract No. 12 [3] |
|---|---|---|---|
| | Contract No. 11 [1] | International Sugar Agreement [2] | |
| 1980 | | | |
| September | 35.12 | 34.89 | 36.03 |
| October | 41.09 | 40.53 | 41.69 |
| November | 37.94 | 37.81 | 39.28 |
| December | 28.98 | 28.79 | 30.29 |
| 1981 | | | |
| January | 28.04 | 27.78 | 29.61 |
| February | 24.27 | 24.09 | 26.07 |
| March | 21.77 | 21.81 | 23.81 |
| April | 17.90 | 17.83 | 19.91 |
| May | 15.08 | 15.06 | 17.43 |
| June | 16.35 | 16.38 | 18.95 |
| July | 16.32 | 16.34 | 19.09 |
| August | 14.76 | 14.76 | 17.42 |

[1] F.o.b. stowed in northern Brazil, Honduras, Trinidad, Dominican Republic, Guatemala, French Antilles, Jamaica or east coast of Mexico.
[2] F.o.b. Caribbean basis.
[3] C.i.f. and duty paid to north of Hatteras ports.

Source: Weekly Sugar Distribution, September 1981, Crop Reporting Board, SRS, USDA.

With production costs rapidly inflating, this dramatic drop in prices will hit sugar producers hard. The resulting adverse impact will be felt throughout the rural economy.

A sugar program, however, will provide a safety net which encourages needed stability in an unstable economy.

Mr. President, the committee was simply proposing to try to guard against the consequences of "boom and bust" prices in a thin and highly restricted world market. Other Senators have addressed themselves to the nature of that market, as have I.

The cost of this program will be virtually zero. Unless Senators wish to say that this particular group of producers, not recipients, are entitled, this particular group of recipients should have the benefit of no concern by this Senate, then this section of this bill is worthy of support of the Senate.

Mr. President, I yield the floor.

Mr. TSONGAS addressed the Chair.

Mr. HELMS. Mr. President, the Senator from California had sent a note over to me that he wished to be recognized, but he will seek recognition in his own right.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. TSONGAS. Mr. President, I have already spoken once. Does the Senator from California wish to proceed at this point?

Mr. HAYAKAWA. I beg the Senator's pardon?

Mr. TSONGAS. I have spoken once already. I would be happy to yield to the Senator if he wishes to proceed at this point.

Mr. HAYAKAWA. I would be very grateful.

The PRESIDING OFFICER. The Senator from California.

Mr. HAYAKAWA. I thank the Senator from Massachusetts.

Mr. President, there has been much discussion, of course, about the price supports for sugar. And the more discussion I hear, the more I am convinced of the need for a strong sugar program.

Some of my honored colleagues disagree. They believe that the Government should not interfere with the free market. But the fact is that the sugar market is not now free, and never will be. They believe that a sugar program will cost the consumers an arm and a leg. But I am convinced that, in the long run, such a program will save the consumer money. Let me offer my reasons for that.

Mr. President, you know that no one defends the concept of a free market more than I do. But as much as we would like it to be, the world sugar market is not free. About 80 percent of the world's sugar is consumed in the country where it is produced. An additional 5 percent is traded through special marketing agreements such as the Cuban-Communist Block Agreement. Of the remaining 15 percent of the world sugar production, there are substantial trade restrictions on about two-thirds. The result is exaggerated swings in price when small changes in supply occur. Fortunately, today we have a domestic sugar industry to serve as a buffer to these price fluctuations. But our sugar industry is not large enough. The United States currently depends on this all too unpredictable world market for about 45 percent of its sugar supply.

Whether we will have a domestic sugar industry at all tomorrow, is a question which we must deal with today. Our domestic producers cannot compete with imports. Foreign producers have both much lower production costs and for the most part, subsidies from their government. Other countries need foreign capital, and are willing to support their sugar producers to insure sales on the world market. As a result, our domestic industry has been slowly dying. About 25 percent of American sugar producing facilities have closed down in the past 7 years. In fact, a plant near Salinas, Calif., just closed down this summer, leaving 500 workers unemployed, and causing area growers to switch countless acres from sugar production to other products.

Mr. President, we cannot let our sugar industry die. For many uses of the product, there is no substitute. Without a domestic sugar industry, we would be at the mercy of foreign producers. Price fluctuations would be much greater than they are today, and of great significance. The American consumer would be forced to buy sugar at prices much higher than those of today. If the Senate votes to kill this industry, there would be no turning back. Once our sugar industry dies out, it will be very difficult—and very costly—to rebuild. But what is most frightening about the possibility of losing our sugar industry is not the direct effect on prices. When one considers that only a handful of countries trade on the open market, the prospect of a cartel such as OPEC is not farfetched.

The alternative, however, is not all unreasonable. A price support program may cost the consumer something in the short run, but there is no question that it will save the consumer much more in the long run. Because a sugar program would include nonrecourse loans, there would be no direct expense to the Treasury. And the level of price support will not encourage over-production, as the originally proposed 19.5 cents is little over 80 percent of the USDA estimated average cost of production. All a loan rate will do, then, is to allow the American sugar industry to survive.

Sugar is unlike any other commodity covered in this farm bill. Like oil, it is an import commodity. The question here is not of short-term consumer expenditures. The question here is whether or not we want to become completely dependent on foreign nations for our sugar supply. The only way to assure that we do not is to include a good sugar program in the 1981 farm bill.

I strongly urge my colleagues to defeat the Tsongas-Quayle amendment, to defeat the Humphrey amendment, and support the sugar program as outlined in S. 884.

I thank the distinguished Senator from Massachusetts for yielding to me while, at the same time, I argued against his position. I am very grateful.

Mr. TSONGAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. TSONGAS. Mr. President, let me correct some of the impressions of our amendment that have been given.

One, the argument that has been made is that this will not cost anything. Well, I think a logical person would have to ask himself or herself, if it does not cost anything, if no one is going to use it, what are we doing?

Obviously, it will be used and if it is going to be used because it is an advantage, then that advantage gets financed by the Government. In specific terms, if you have no forfeiture, the Govern-

ment pays the cost of the differential interest rates. That is obvious.

Second, if the price of sugar is where it is today or near where it is today, any farmer would have to forfeit by definition. It would have to go up to 22 cents if 18 cents is the base price, and as we have suggested, today's price is between 12 and 14 cents. In other words, there would have to be a remarkable increase in the price of sugar if it is "not going to cost anything." You cannot have it both ways. I would suggest in reality, one cannot.

The second argument that was raised in rebuttal is that somehow sugar is not a free trade environment, unlike other farm commodities.

That simply is not the case.

I have in my hand a memorandum prepared for the U.S. Cane Sugar Refiners Association by Schnittker Associates. I ask unanimous consent that the memorandum be printed in the RECORD.

There being no objection, the memorandm was ordered to be printed in the RECORD, as follows:

MEMORANDUM FOR U.S. CANE SUGAR REFINERS ASSOCIATION

REVIEW OF EPI SUGAR PROGRAM ANALYSIS

You asked that we review a report published in June by Economic Perspectives, Inc. The report was titled "An Analysis of the Sugar Program Proposal in Senate Bill S. 884." Much of the report is descriptive or historical material on the U.S. sweetener market, the International Sugar Agreement, the USDA Draft Impact Analysis, and S. 884. When the authors proceed beyond description, however, they stumble and fall. We think their analysis has 5 major defects:

1. It understates the importance and viability of the world market.

2. It demonstrates a lack of understanding of how a U.S. program would affect the world market.

3. It seriously underestimates the exposure of the U.S. government to budget outlays under S. 884.

4. The assessment of the impact on consumers is simply wrong.

5. The analysis in this report is inconsistent with EPI's August 1981 analysis of the European Community's Sugar program.

The World Market.—EPI's analysis relies in part on resurrection of that tired old hobgoblin—the volatile, unfree, thinly-traded, unstable, world sugar market. In fact, the similarities among the world markets for sugar and other agricultural commodities are more striking than the differences. For example, 1980–81 crop year statistics from F.O. Licht and USDA indicate that total world exports of sugar as a percent of world production are greater than those of wheat or coarse grains (corn, barley, etc.):

*World trade as a percent of world production*

| | *Percent* |
|---|---|
| Wheat | 22 |
| Coarse grain | 16 |
| Soybeans | 31 |
| Cotton | 35 |
| Sugar | 32 |

World sugar exports in 1980–81 were 28 mmt (million metric tons). Of that amount, trade within the European Community represented 1 mmt, Cuban exports to Comecon countries were 4.5 mmt, and trade under various other special arrangements may have been as much as 4.5 mmt. That left a free market of 18 mmt, more than 20 percent of world production and 65 percent of world trade.

One should not forget that much of world trade in wheat and coarse grains also occurs under special arrangements. World exports of those commodities in 1980–81 were about 215 mmt. The USSR, China, and Mexico alone have trade agreements with exporting countries covering 40 mmt per year or nearly 20 percent of world trade.

Finally, the true definition of "world market" should include any sugar, wheat, etc., that is priced in relation to the world price. This leads to our second point.

Effect of U.S. Program on World Market.—After incorrectly arguing that the world market is chronically unstable because of its small size and residual nature, the EPI analysts proceed to argue that a U.S. program that would further reduce the size of world market would actually "be consistent with efforts to stabilize world prices". Not only is this incorrect, it also flies in the face of established U.S. trade policy for sugar and other commodities.

U.S. posture in most commodity trade negotiations has been to favor widening of international markets. In fact, the principal (i.e., first) objective of the International Sugar Agreement is "to raise the level of international trade in sugar", a point conveniently ignored in EPI's discussion of the ISA.

U.S. policy makers, from the State Department and USDA to the CFTC, have consistently recognized that a large freely traded market with many participants is more likely to be "stable" than a market distorted by preferential trading arrangements, domestic subsidies to consumption and production, and export subsidies. When a sugar producing country holds down domestic prices during a period of high world prices, that subsidy to consumption is destabilizing; supplies have been diverted from the world market and world sugar prices have been increased. Similarly, when a sugar importing country such as the U.S. maintains domestic prices above the world market in order to stimulate home production, imports fall and the size of the world market is reduced. These are destabilizing actions that depress world prices.

EPI's curious conclusion that the domestic program proposed in S. 884 will help stabilize world prices seems to arise from their creative definition of "stability." Early on they make the point that the effects of "price swings in the world market . . . (are) a relatively new development" for U.S. producers. This is true as far as it goes. Since the 1930's U.S. sugar producers have rarely been forced to adjust to declining world prices, but they have always benefited from prices above domestic support levels. The Senate Committee's bill is little different from its predecessors in this regard: producers will be protected from low prices and will reap substantial gains if world prices rise above the domestic support price. In short, "stability" means a floor but no ceiling.

Forfeitures and the Budget.—Misconceptions about how the world market operates are of little moment, however, when stacked up against EPI's optimistic discussion of the likely budgetary impact of the Senate Committee's bill. The view that the Administration could "use import fees to avoid any incentive to forfeit sugar under loan" (p. 12) leads to the cheery conclusion that "no significant amount of forfeitures would be expected during any year of the FY 1982–FY 1986 period."

EPI analysts arrived at this conclusion by relying on USDA supply, demand and price forecasts that were farfetched when they were first published. USDA assumed that world production and consumption in 1981–82 would be in rough balance, and that the season average price in the world market would be over 26 cents per pound. EPI should have sensed that something was amiss since the ISO price had already fallen below 16 cents before their report was published.

This altogether too rosy view of world prices led EPI to the conclusion that loan forfeitures could be limited and budget exposure minimized. There is, however, no guarantee that the Administration will be able to keep the market price high enough to prevent both large forfeitures and large budget outlays. As shown below, the U.S. market price for raw sugar would have to be at least 23.56 cents per pound to prevent loan forfeiture under a program that mandates a 19.6 cent loan rate. Even loan rates of 18.0 cents or 16.5 cents could result in government ownership of sugar, unless crop failures reduce world population. Requiring that processors pay interest on forfeiture would, however, significantly improve the government's chances of avoiding budget outlays at loan levels of 16.5 or 18 cents.

*Market price for raw sugar required at alternative loan rates*

| | Cents per pound | | |
|---|---|---|---|
| Nat'l. average loan rate | 16.50 | 18.00 | 19.60 |
| Nat'l. average freight rate | 1.00 | 1.00 | 1.00 |
| Interest at 16.5 percent for 11 months | 2.50 | 2.72 | 2.96 |
| Required domestic spot price | 20.00 | 21.72 | 23.56 |

Any of these price objectives could be difficult to achieve continuously. The world spot price for raw sugar is now near 12 cents per pound. If values get as low as 10 cents per pound in the next year or two, the Administration would be unable to attain even a 20 cent price objective because Section 22 import fees cannot exceed 50 percent ad valorem. The calculation is as follows:

| | *Cents/Pound* |
|---|---|
| World price | 10.00 |
| Section 22 import fee | 5.00 |
| Maximum duty | 2.81 |
| Transportation, insurance, and handling (USDA estimate) | 1.77 |
| Total | 19.58 |

This would provide no margin of safety to ensure redemption of the loan.

Even with a higher world price, there could easily be periods when domestic prices were below the objective if the future import fee adjustment mechanism is modeled on that in the proclamation currently in effect. That mechanism allows U.S. prices to get as much as one cent above or below the objective before making a "within quarter adjustment." This approach was chosen because for practical purposes any attempt at greater fine-tuning of the domestic price would disrupt the market.

In light of these facts, it is quite possible that if world market prices were to decline another two cents from current levels in the next two years, and if interest rates remain high, a 16.5 cent loan program of the type we had in the past would probably result in forfeitures of sugar to the government. Quantities are difficult to predict, but it would be reasonable to expect them to be on the same order of magnitude as in the past—200,000–500,000 tons. The first year budget outlay, should 500,000 tons be forfeited, would be $165 million—hardly the insignificant amount forecast by EPI.

Consumer Costs.—What does the Senate Committee's bill mean for consumers? EPI points once again to price stability, arguing in essence that prices above world market levels will keep the CPI steady but ignoring completely the salutary impact on the CPI of lower sugar prices. This leads them to one last bizarre conclusion: higher domestic sugar prices will "have a beneficial impact on

consumer food and sweetener expenditures". Do those words mean beneficial for consumers, as implied, or for producers?

Having It Both Ways.—Finally, in a subsequent report on European Community sugar policy,[1] EPI takes a different analytical tack. More precisely, EPI tacks in both directions at the same time:

High internal sugar prices are bad in the EC but good in the U.S.;

High internal sugar prices are bad for EC consumers, but good for U.S. consumers;

EC support policies destabilize the world market while a U.S. program would stabilize it; and

EC export subsidies are bad but U.S. export subsidies are good.

One cannot have it both ways. The sugar price support program in S. 884 is qualitatively the same as the EC sugar price support program, except that the latter actually holds down internal sugar prices when the world market rises above the EC support level and the U.S. program would not.

Mr. TSONGAS. This memorandum refers to an analysis done by Economic Prospectus, Inc. It states in part:

The World Market.—EPI's analysis relies in part on resurrection of that tired old hobgoblin—the volatile, unfree, thinly-traded, unstable, world sugar market. In fact, the similarities among the world markets for sugar and other agricultural commodities are more striking than the differences. For example, 1980–81 crop year statistics from F. O. Licht and USDA indicate that total world exports of sugar as a percent of world production are greater than those of wheat or coarse grains (corn, barley, etc.):

*World trade as a percent of world production*

| | Percent |
|---|---|
| Wheat | 22 |
| Coarse grain | 16 |
| Soybeans | 31 |
| Cotton | 35 |
| Sugar | 52 |

This table is world trade as a percentage of world production, which is an indication of how free the trade is or is not.

I suggest that the remainder of the memorandum be reviewed by my colleagues to refute that particular argument. I will make one further point and then I will yield to my colleague from New York.

The argument finally has been used in rebuttal that the consumers, the users of sugar, and the workers support the bill as is and, by implication, they are opposed to the amendment. The impression given is that the amendment really hurts the consumer and those involved in the industry and that is why they are opposing our amendment.

All Members have in their offices a mailgram that was sent to each Member of the Senate in specific support of the Tsongas-Quayle amendment, as they refer to it, to remove the sugar title from the farm bill.

Let me read through the people who signed the mailgram to the offices.

The American Association of Retired Persons.

That is obviously a consumer group.

Bakery, Confectionary and Tobacco International Union, AFL–CIO, a labor group; Common Cause, Community Nutrition Institute, Congress Watch, Consumer Federation of America, Consumers for World Trade, Independent Bankers Association, International Longshoremen's Association, Local 1814; National Council of Senior Citizens, National Retired Teachers Association.

This is only a group of consumers and, indeed, I do not think you can find a consumer group on the other side.

What about the users? The sugar users group—and these are cosigners of the mailgram—includes American Bakers Association, Association for Dressings and Sauces, Biscuit and Cracker Manufacturers Association, Chocolate Manufacturers Association of the United States, Flavor and Extract Manufacturers Association, International Association of Ice Cream Manufacturers, Inter-National Bakery Suppliers Association, Milk Industry Foundation, National Association of Fruits, Flavors and Syrups, National Bakery Suppliers Association, National Food Processors Association, National Restaurant Association, National Single Service Food Association, Pickle Packers International, Processed Apples Institute, Retail Bakers of America, and Retail Confectioners Institute International.

That is more groups than I have ever heard of before and I think it is more than the Senate wants to listen to. But it makes the point that the people who use sugar are strong supporters of the amendment and have gone public in endorsement.

And finally, the Sugar Workers Council of North America and the United States Cane Sugar Refiners Association.

These people have signed on. They have signed on because it is in the best interest of the consumers and the users of sugar. I would suggest that the impression given that they are not supportive is simply contrary to the facts.

I yield to the Senator from New York.

Mr. D'AMATO. I thank my colleague from Massachusetts.

Mr. President, I support the amendment to delete the sugar title from the farm bill. I am pleased to add my name as a cosponsor. The amendment will climinate mandatory and costly price supports for domestically produced sugar. As it stands now, the sugar title creates a program of loan and price supports which will only serve to regulate agriculture and increase the Federal deficit. It seems inconsistent to me that we can create a costly new program when we can no longer provide what I consider necessary price support levels for our dairy farmers.

If one sector of the agricultural community is called upon to sacrifice in an effort to achieve a balanced budget, and I mean particularly the dairy industry, then so must the other groups that contribute to this Nation's farming abundance. I cannot stand by and accept a mandatory loan program which will support sugar prices at a level of 19.6 cents per pound. This program is inflationary.

Mr. ANDREWS. Will my colleague yield?

Mr. D'AMATO. Certainly.

Mr. ANDREWS. My colleague and good friend from New York, Mr. President, is bringing up an important point. I was a supporter of a better break for dairy farmers. I fought on this floor to try to get it and in committee to try to get it. So far this bill supports the price to dairy farmers, I might point out, Mr. President, at 70 percent of parity. The 18 cent figure that we are talking about in sugar to the small sugar growers is supported 50 percent of parity.

I think the record ought to be made clear that the level of support at 18 cents is far below the 70 percent level that we have for dairy farmers. I am sure that my colleague from New York would want to make that crystal clear.

Mr. D'AMATO. I certainly think that the record amply demonstrates that parity would have gone to 80 percent. It is interesting that the dairy farmers themselves earlier this year supported a rollback to 75 percent. Now we bring the rollback to 70 percent. We do away with any cost of living adjustment which heretofore had been added.

So I think when we talk about moving in the right direction there is an area where tremendous sacrifice has been called for from the dairy industry. If we are going to be consistent, I think we have to be consistent throughout.

This program is inflationary and will cost consumers an additional $5 billion through 1986. I was on the floor when my colleagues discussed the reasons why we should not adopt fair price supports for the dairy industry. They have a point. It seems only logical to me what was good enough for the dairy farmer is good enough for the sugar grower and the same arguments should apply.

Mr. President, the world price for sugar is around 14 cents per pound today. A loan program would force the administration to artificially maintain the market price at a higher level, almost 100 percent higher. Each 1-cent increase in the cost of sugar is estimated to add over $300 million a year to consumer costs. If implemented this year, the program would cost consumers an additional $3 billion for sweeteners.

If loan forfeitures were to occur under this program due to low market prices for sugar, costs to the Commodity Credit Corporation could quickly move into the millions of dollars. For the 1977–1980 period, when support levels were between 13.5 and 15 cents per pound, over 660 thousand tons of sugar were forfeited to the CCC.

Mr. President, I am deeply concerned that, by maintaining sugar prices at the level proposed in the farm bill, it may be necessary to impose higher duties and fees on imported sugar. In New York, and the rest of the Northeast, most of our sugar is imported, and increased duties will only lead to higher prices for an already over-burdened consumer.

In addition, such action could trigger a cycle of restrictive countermeasures by our trading partners. Any action to restrict our trade in agriculture commodities would be damaging to our attempts to improve the conditions of world trade.

It is necessary in these days of fiscal restraint that we end unneeded subsidies, especially those of the nature which we

[1] Impact of European Economic Community Sugar Subsidies on U.S. and World Sugar Markets, August 19, 1981.

have before us today. The proposed sugar subsidy would continue an outmoded and inflationary program which places a heavy burden on consumers and taxpayers. We simply can no longer afford to support a relatively prosperous industry composed of big businesses when we cannot maintain necessary price supports for small family-owned dairy farms.

Mr. President, I ask unanimous consent that a New York Times editorial of May 15, 1981, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TOO SWEET A DEAL FOR SUGAR GROWERS

This may be the year for fiscal austerity, but someone apparently forgot to tell the sugar lobby. Over the objections of the Reagan Administration, the House and Senate Agriculture Committees have adopted rich price-support programs for sugar growers. Either plan could cost the Government hundreds of millions of dollars annually over the next few years, and raise the price of sugar in the supermarket by several cents a pound.

Virtually every economist not paid to think otherwise believes incomes of sugar producers and most other American commodity producers should be determined by market forces. Changes in world output do cause prices to vary unpredictably. But the sugar industry is capable of handling the risk, making up for lean years in fat ones.

Sugar producers, though, have never fully appreciated the virtues of the free market. Their numbers are small, but thanks to aggressive lobbying, their political power is formidable. Cane growers from Louisiana, Florida and Hawaii and beet growers from the upper Midwest insist that the Government set minimum prices.

Sugar prices have been high recently. But now they are on the way back down, and the best guess is that the return to farmers will average 16 or 17 cents a pound in coming months. The sugar lobby and its friends in Congress want the Government to support the price at about 19.6 cents next year. This would be accomplished either by restricting imports with tariffs or by lending the cash to growers and holding their crops as security, hoping to sell it later above the support price. Inflation adjustments would push the guaranteed support price higher in following years.

Just how much the program would eventually cost the Government depends upon how much of the stored sugar can be sold in the future, and at what price. The initial outlays, though, are likely to run close to a billion dollars. And if the program succeeds in raising sugar prices by just 3 cents a pound next year, it will require an extra $200 million to feed the national sweet tooth.

Consumers and taxpayers have long been resigned to keeping this industry fat and happy. But the times are changing. When millions of Americans are being asked to tighten their belts in the name of budget reform, why must Congress continue to play sugar daddy to a select few?

Mr. MATSUNAGA. Will the Senator from New York yield?

Mr. D'AMATO. Certainly, Mr. President.

Mr. MATSUNAGA. Mr. President, the Senator from New York proposes that we should do for sugar what we have done for dairy farmers. That is what we are asking, and the committee is asking, that the Senate do. Sugar does not presently enjoy the status of other farm commodities. As reported by the committee, sugar would be included in the farm bill. That is what we are saying: What is good for the dairy industry should be good for the sugar industry. I hate to confuse the Senator from New York with the facts, but those are the irrefutable facts.

Mr. ANDREWS. Will my colleague yield?

Mr. D'AMATO. I am delighted to yield.

Mr. ANDREWS. Mr. President, I think that brings up a very interesting point. I come from a sugar-producing State and also a milk-producing State. We now have in this bill a decrease in dairy price supports, as the Senator so ably pointed out. The dairy farmers support was high and we tried to keep it at the higher level, but it is now at 70 percent of parity. The parity price for sugar, to give full parity, is around 40 cents. The 18 cents in this bill, as I pointed out, is less than 50 percent.

So if we were to follow the advice of the Senator from New York, Mr. President, and set the price support for sugar at the level of the lower price support for milk, instead of asking for 18 cents, we should be asking for 31 or 32 cents. Perhaps we should take a look at that. But we felt that 18 cents would be the bare minimum necessary to compete with the dumped sugar that is being put into our market.

Mr. D'AMATO. If I might, Mr. President, the fact still remains that, as a result of this support and if we move it to the 19.5 cent level, we shall be adding billions of dollars to what the consumers will be paying. That is contrasted to the dairy bill, which showed a reduction. The fact of the matter is that at that price support level, parity would have been 80 percent this year, with cost of living provisions for increases. We have eliminated the increases and the level has gone from 80 to 75 to 70 percent. We are not reducing the level of support here in the sugar bill. It started out at a lower level and was reduced further.

I could understand someone objecting to that, but it is at a lower level and it is continuing to stay at that level. If we are going to be fair and balanced, it should be that way throughout.

Mr. DOLE addressed the Chair.

Mr. TSONGAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. I think the Senator from New York yielded to the Senator from Kansas and the Senator from Kansas did not recognize it.

Mr. DOLE. Mr. President, I am trying to speed up the debate. We shall never finish the farm bill if we do not speed it up.

I yield to the Senator from Massachusetts.

Mr. TSONGAS. Mr. President, I thank the Senator. I want to make one point on this argument. I wondered why it was not used before. The reasons is very simple. One, this is an add-on, it is not a cut. It is a new program.

Second, under existing law, the Secretary can impose a program up to 90 percent of parity. It is discretionary. What this bill does is make it mandatory up to the 18 cents. That is the distinction. That is the reason it has not been brought up in debate before.

I thank the Senator from Kansas.

Mr. QUAYLE. Will the Senator yield 30 seconds to me?

Mr. DOLE. Yes, I yield.

Mr. QUAYLE. Mr. President, I do not want the record to reflect or the debate to show that there is some sort of corollary or trade-off between dairy and sugar. On dairy products, I believe, a very viable argument can be made that it is in the national interest to have milk. It is nutritional, it is a staple that we need, that we produce, that we must have. I still do not know why it is in the national interest to prop up an inefficient sugar processing industry in this country.

I do not think the two are compatible. I do not think the two go together. I want the record to show that.

I thank the Senator.

Mr. DOLE. Mr. President, I am in opposition to the amendment by the Senator from Indiana. I could certainly understand his concern with the sugar program accepted by the committee if the result added any cost to Government and risked the possibility of a Presidential veto.

As we know, however, the sugar provisions in S. 884 have been designed to avoid any budgetary exposure by requiring that loans be repaid within the same fiscal year in which they are made.

Let me add, Mr. President, that sugar is a major commodity which has, in recent years, been denied the stability which Government support programs provide to other key crops such as wheat, corn, cotton, and rice.

As a result, sugar prices have been subject to extreme variation, often to levels below one-half the cost of production. This vulnerability to supply and demand conditions would be eliminated by the loan level specified in S. 884.

Mr. President, I just want to say that if the Senator from Kansas had his way, there would have been no sugar provision in the farm bill. I did not have my way. I do not quarrel with those here seeking some approach on sugar legislation. We go through farm bills every so often—every 4 years recently.

They do raise questions. Different commodities raise different questions to different people from different parts of the country. If they are producing States, they have one point of view. If they do not produce the product, they can be totally objective.

I can be very objective about sugar because most of our beet sugar producers have gone broke. There are not enough there to make any difference. In fact, I am not certain if there are a dozen left.

I suggest what we are about here is trying to pass a farm bill. There has been a lot of discussion about a coalition. I am not sure there has ever been a coalition. But there are a lot of Senators from other than sugar States, whether wheat or corn or whatever States, who, I believe, want to pass a farm bill. There-

fore, I support the position of the sugar producers and oppose the amendment of the distinguished Senator from Indiana.

Let us face it, Mr. President, it is very difficult to pass farm legislation—maybe not as difficult on the Senate side as the House side, but it is very difficult because, for the liberals, that is one way to cast a conservative vote on a farm bill and go back home and tell consumers, "I voted against high prices for farmers." From producing States, of course, we want to be responsible, hopefully, but try to help the American farmer who finds himself producing at less than the cost of production in nearly every commodity.

Having supported the efforts to reduce the cost of the dairy program, Mr. President, I hope I can in good conscience stand up and still support those who want some sugar program in the bill. In fact, we can make money in this program with the imposition of fees and duties—I think $90 or $810 million, total.

A further advantage of establishing a sugar program would be to guarantee a major source of foreign exchange through duties and fees on imported sugar.

The United States is expected to import about 4.5 million tons of sugar next year, slightly down from the 5 million tons imported last year.

In order to defend domestic producers against subsidized sugar exported from the European Economic Community and other countries, the sugar program would require the administration to assess duties and fees which could total nearly 9 cents per pound when world prices fall to the current level of about 12 cents per pound.

The revenue generated through these actions would be approximately $90 million for each penny of duties and fees—a total of $810 million per year if world prices remain at the 12-cent level.

The Senator from Kansas, as some Senators know, led an effort to put a limit on sugar payments several years ago, much to the frustration of some of my colleagues from producing areas.

I believe we have an opportunity now, between now and when we finish the farm bill, to make it possible for some farmers who are on the verge of bankruptcy, whether they be sugar or wheat producers, to provide some protection.

There is not enough money in the world to bail out all of America's farmers unless we get a handle on the economy. This is why it is necessary that there be no budget exposure for the sugar program, and there is no budget exposure, as I understand the remarks of the chairman and others who have spoken. There is not enough money in the country to support the wheat farmers in the way some think they should be supported.

In all honesty, the Senator from Kansas would be willing, if necessary, to lower the target prices for wheat back to the point where the Senator from Kansas recommended they be last April, to $4 instead of $4.10. That will be discussed later, because I know some Senators do not want to reduce that target price.

Let us face it: The President indicated a couple of days ago that he was going to veto any legislation that came to him that was over his recommendation. I believe the President has been a man of his word up to now.

I used to hear Senator TALMADGE say on this floor, "Do you want a bill or do you want a veto?" I want a farm bill. Some may not want a farm bill. Some may want an issue. Some may want to come back and try to do better.

It seems to me that it has been rather clearly transmitted—and I heard it again this morning at the White House—that if you are going to keep the bill within the recommendations, the President will sign it. If not, he will not sign it. This sugar provision does not violate that direction from the White House. It is within the guidelines. There is no budget exposure. It is my view that it will help us get the farm bill passed.

A number of Senators have an interest in sugar legislation. This Senator has a minimal interest. However, I believe the best thing we can do for the American farmer, whether it is this provision or any other provision, or the American producer, whether it be sugar or wheat, in the entire economy, is to get a handle on the economy and lower the interest rates, including farm programs.

Those of us from farm States believe we reflect the views of the majority of farmers when we say that. The vote yesterday on peanuts was a good example, when we adopted the Mattingly amendment. Some did not support it.

In my opinion, Congress is recognizing that no one is exempt from budgetary scrutiny. We are being asked, if the press reports this morning are correct, to go back and look at medicare, medicaid, and a lot of other programs that affect the low-income Americans.

This Senator believes that most farmers are not upper income people. They are low to very low middle-income Americans. They want us to continue to put the pressure on so far as Federal spending is concerned, and that includes their own programs. If we are wrong, somebody else from our States will be saying something else in the next election. But if in fact we succeed in holding down the costs of all programs, including farm programs, then I believe we are going to see the interest rates fall, inflation decline further, and the economy will prosper.

I visited my State during the August recess and discussed matters with farmers and others. Their main concern was the economy. Yes, they are concerned about target prices. They want as high a target price as they can have. They are concerned about all other programs. But, in the final analysis, they are concerned about the economy. Their suggestion was that we come back and do what we are required to do to stop inflation and lower interest rates.

I am pleased to support the efforts of the chairman and Senator HUDDLESTON in this matter.

Rather than costing the Treasury, the committee's sugar program would be a significant source of foreign exchange. The sugar program included in the farm bill meets the crucial test that must be met by all commodities: It does not result in budget exposure and will not be opposed by the administration if approved in its current form.

Mr. TSONGAS. Mr. President, will the Senator yield for a question?

Mr. DOLE. I may not have an answer, but I yield.

Mr. TSONGAS. I have two points.

One, the Senator started out by saying that if he had his "druthers," it would not be in the bill. Is that a correct statement?

Mr. DOLE. That is correct; that is a candid statement.

Mr. TSONGAS. Second, the Senator made the comment that there is no budgetary exposure in this bill. What happens if you have a loan program and the price of sugar remains where it is now or below 22 cents and forfeitures take place? What happens at that point? Is that not budgetary exposure?

Mr. DOLE. There could be some. As I understand the way the program is designed, it requires all loans to be repaid in the same fiscal year in which they are made. That was done purposely, to avoid the budget exposure. If there is forfeiture, there could be some additional cost. I am not certain what the figure might be.

Mr. TSONGAS. Historically, there has been forfeiture of great amounts; and if there is forfeiture, there is exposure.

Mr. DOLE. But this is designed to avoid that program.

Mr. ANDREWS. Mr. President, will the Senator yield?

Mr. DOLE. I yield to the expert on sugar, the Senator from North Dakota.

Mr. ANDREWS. The Senator from Massachusetts is correct. Under the de la Garza Act, for 2 years there was forfeiture in sugar. However, since this is not strictly a farm program section—it is really an antidumping section—the Secretary of Agriculture, with his authority, invoked the right type of tariffs and price adjustments on incoming sugar; and I believe the Government made a profit of $90 million-plus on the working of the act in those 2 years.

So we have a unique situation, where there is no budget exposure, and where Mr. Stockman, in the Office of Management and Budget, sent a message, as the chairman of the committee, the Senator from North Carolina, pointed out, that there is no cost impact on the Federal Government of this paragraph that deals with sugar because, in effect, it is not a farm price support program—rather, it is an antidumping provision—and because we do not produce more than 50 percent of the sugar produced in this country.

Mr. TSONGAS. What the Senator is saying is that if you have massive forfeiture, the only way to overcome that in terms of exposure is to impose fees, et cetera, to be paid by the consumer.

Mr. ANDREWS. That is correct; and the consumer would benefit from a level price of 18 cents, rather than having to pay 45 cents, which she paid a year ago.

Mr. DOLE. Mr. President, I say in a general way, with reference to the consumers, that they certainly have a right to be concerned about farm prices. How-

ever, the last time I checked the percentage of disposable income that Americans spend for food, it is still the best food bargain in the world. Some farmers may be doing very well, some sugar producers may be doing very well, but I believe that, as a group, you will find that most farmers are not in that category.

We cannot write legislation to back up or to prop up every farm in America, and we should not try. But we do have an obligation to try to protect a domestic industry, whether it is sugar or some other commodity.

In the old days, we used to pass out quotas through the Agriculture Committee and the Senate Finance Committee, and that really was not the way to proceed on sugar. This program makes a great deal more sense than what we did in the past.

I hope we can adopt the sugar provision and wrap up this bill by 6 o'clock.

Mr. QUAYLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. HELMS. The President, will the Senator yield without losing his right to the floor?

Mr. QUAYLE. I yield.

Mr. HELMS. Mr. President, I wonder whether we can reach an accommodation as to a time certain to vote.

The able Senator from Montana has indicated that he would like 5 minutes. Senator HUDDLESTON would like 5 minutes, as would the Senator from Indiana. Does anybody else desire time?

Mr. President, with the understanding that each of the three aforementioned Senators will have 5 minutes, I ask unanimous consent that we proceed to a vote on this question at 1:15 p.m.

Mr. QUAYLE. Mr. President, reserving the right to object, Senator TSONGAS is not in the Chamber. He would probably like 5 minutes. Will the Senator extend it to no later than 1:20 p.m.?

Mr. MELCHER. Mr. President, reserving the right to object—and I shall object——

Mr. HELMS. I withdraw my request, Mr. President.

Mr. MELCHER. Because there have been too many misstatements made back and forth here about what is involved, I only wish to take 5 minutes, but it depends upon what the sponsors of this amendment are going to trot out here as fact which indeed is fiction as to whether or not we should cut off debate here.

Mr. HELMS. Mr. President, I withdraw the unanimous-consent request and we will just play it by ear.

The PRESIDING OFFICER. The request is withdrawn.

The Senator from Indiana has the floor.

Mr. QUAYLE. Mr. President, I wish to continue from where the distinguished Senator from Kansas debarked, and that is on the budget impact. It has been said that there is no budget impact, that perhaps we are not going to have any forfeitures.

I wish to read to Senators an item in the Wall Streeet Journal this morning headlined "Sugar Prices Plunge as Prospects Improve for European Beets." It says:

> Sugar prices continued to plunge as prospects for the European and Soviet sugar beet crops improve.
>
> October-delivery sugar fell 0.6 cent to 10.95 cents a pound, near life-of-contract lows. Analysts said they believe prices may drop more, as traders who follow price chart patterns continue to sell.

Mr. President, if we have a world market price of 10.95, 11, 12, or even 13 cents, even modern-day mathematics cannot add up to the conclusion that there is not going to be an incentive to forfeit the loans that the sugar processors receive. This holds true at the 18-cent level and the support price goes up to 18.5, 19, and 19.5 in the coming years.

But processors have at least another 2 to 3 or 4 cents additional cost for transportation and interest rates. So we know that to break even, they are going to talk about a 22- to 23-cents-a-pound market price.

There is no way that this cannot have a budgetary impact.

We also know that sugar is a perishable item, not something we are going to store for years and unload when the price goes back up. It is going to be disposed of within about a year.

According to most analysts there is no way that the world price of sugar is going to go up and, therefore, I submit to this body that there is going to be a budget impact.

There is no way mathematically that we can shore up sugar prices to 22 or 23 cents on the pound. We therefore are almost certain of a substantial budgetary impact.

Furthermore, we talk about the duties, tariffs, and quotas on imported sugar, but, even if the price is at 12 cents the President does not have enough authority to raise the price up to 22 or 23 cents. The law simply does not allow that.

I believe that the opponents of this amendment have argued the idea of dumping, and I believe that is a justified argument and one that must be discussed. We have talked about dumping not only in sugar; we have talked about dumping in steel.

Even the most intellectual free enterprise advocate in this country will say where there is a dumping, our country certainly has a right to retaliate. If we do have dumping, however, is the right way to retaliate just to pass a loan program and subsidize this industry?

I might point out that there is authority, even if this amendment to strike title IX, passes, that allows the Secretary of Agriculture to set up a loan system if he deems it necessary.

On April 1, 1981, when the distinguished Senator from Florida asked him, "Is there a sugar section in the farm bill?" the Secretary of Agriculture said, and I am quoting from the report:

> No, there is no sugar section in the farm bill.

And in his explanation, the Secretary said that we have some authority under old laws to set sugar loan levels, and we could do this if the need arose.

Mr. President, he has that authority. The Secretary of Agriculture has the authority to establish a sugar loan program if in fact he feels that the time and the situation has arrived.

We do not need to give him this authority. We do not need to prop up this small segment of our agricultural community.

I have heard many times and there has been a lot of debate in this Chamber indicating that our amendment is going to hurt the small farmer, that we are going to hurt the producer. The opponents of this amendment argue that this amendment will harm thousands and thousands of small producers.

Let us look at a couple of little facts.

In Hawaii 98 percent of the sugar is produced by about five multinational corporations. In Florida there are only 131 cane growers. These two States combined account for almost one-half the sugar grown in the United States. Thus I suggest it is not really small business that we are talking about here.

The sugar producers also state that this sugar program is needed to protect the industry from collapse.

I wish to just read a couple of the sugar processors' profit statements that have been reported, and I think we will find that in this last year they were up significantly.

In the sugar beet processing industry, the Amalgamated Sugar Co. earned over $17 million in fiscal 1980, up from $5 million in 1979. Among Florida cane sugar processors, the U.S. Sugar Corp. earned almost $32 million in fiscal 1980, up from $16 million in 1979. For Louisiana cane sugar, Sterling Sugar Co. earned $3.3 million, up from $1.3 million. As to the Hawaiian cane sugar, the I.U. International Corp. earned $144 million, up from $67 million.

That is not bad. That is a profit. I support making a profit.

I do not think we are going to see the demise of the sugar industry if this amendment is agreed to.

The argument has been made that there is a certain risk element, that we do not want some of these small farmers that we keep talking about to lose out and to go under. We heard one statement that perhaps the sugar growers will be reduced in numbers if this amendment is agreed to.

Mr. President, we have been debating for a long time on how far the Government is going to create a risk-free society. Are we in the business to create a risk-free society? Many of us have argued that the Government, while trying to create a risk-free society, is just creating more Government intrusion and inhibiting productivity.

How far do we have to go? Risk—that is what competition is all about. It is free enterprise. That is what a free enterprise system is all about. It is what the creation of wealth in the country is all about.

Mr. President, where are we? We are on the sugar amendment. Yesterday, unfortunately, the Senate rejected an amendment proposed by my colleague from Indiana to reform the peanut pro-

gram. My colleagues said no to peanut reform. I do not know what the outcome of my proposal is going to be. I hope it is favorable. We may be saying no to sugar.

If we say no to my proposal, we would continue to pay all too much attention to vested special interest groups.

As I said earlier, there is a concern in the country today on the ability of this Congress to be able to achieve a balanced budget by 1984. I say if we continue to say no to reforms of small minority parts of our agriculture community that demand special attention we will have a very difficult time in doing that.

There are those who have argued very eloquently and sincerely and are great advocates for certain commodities, but I only suggest that we have to look at this in perspective. We cannot have a special loan rate, a special interest for every single commodity. I suppose if we extend this argument for protecting sugar we might say we want a tomato target price support system, or a cauliflower cooperative program, or an asparagus allotment, or maybe an ominous program for succotash set aside.

That is what we are talking about. It is just expanding this farm bill beyond the limits that the budget can absorb, and I emphasize this, beyond the limits that the consumer can absorb. The sugar title was not part of the original farm bill, and I hasten to say and hope to point out that it should not be a part of this farm bill either.

Mr. ANDREWS and Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER (Mr. GRASSLEY). The Senator from North Dakota is recognized.

Mr. ANDREWS. Mr. President, I appreciate the opportunity to point out that we are not talking about succotash, nor are we talking about green beans, nor are we talking about the Indiana mint. These are all very minor crops.

We are talking about sugar. Sugar is a crop that ranks 10th among the crops in the United States as far as acreage is concerned; ranks sixth or seventh among all farm crops in the United States as far as dollar return is concerned. It is a significant crop. In anybody's book it is a major crop, and it is a crop of which we only grow some 50 percent of our needs.

Mr. President, I am also intrigued with the introduction into the RECORD of the Wall Street Journal article pointing out there has been a good crop in the European Economic Community of sugar beets, and there has been. That is why we now have 14-cent sugar as the so-called world price.

But I think, to make the record clear, one should point out that also in the Wall Street Journal was a story that pointed out that because we have this good crop in Europe and because the European countries had contract obligations to buy from Latin American countries part of their sugar supply at 26 and 27 cents, that the European Economic Community was going to spend tens of millions of dollars to subsidize the export of sugar from their countries to go into this dump sugar market.

Why? Because, as the article also points out, in the European Economic Community the price of sugar is supported at 47 to 48 cents a pound. If they have an excess, they have to dump it. They have to get rid of it. Because of this, we have today a dump price of distressed sugar on the market.

But as a farmer myself, Mr. President, I resent very much someone saying that we are protecting the inefficient. Our farmers are the most efficient in the world. Whether they happen to be in the Midwest, whether they happen to be in the Far West, whether they happen to be in Florida or in Hawaii, they are the most efficient in the world, and our farmers can compete with any farmers anywhere else.

But, Mr. President, our farmers cannot compete with other governments, and that is what they have had to do in the case of sugar.

I think we have to recognize that this sugar market is not a free market. North Dakota sugar producers and Florida sugar producers and Texas sugar producers and Hawaiian and Montana and other sugar producers will compete any day for the same price European sugar producers are getting, and we will get along darned well.

I would also like to point out, Mr. President, when you talk about corporation profits—and I emphasized this early on—under the contracts the farmers raise sugar for, any increase in price, whether from a government price support or the actions of the market, flows through the corporation to the farmer. The corporation's net profits that show up on the balance sheet come from processing sugar, and those corporations, with their tender and loving concern for consumers and farmers alike, always somehow or other seem to find an adequate fee for processing each ton of sugar.

They do well whether the price of sugar is up or whether the price of sugar is down.

That is not what we are addressing in this debate. We are talking about the producer, the man on the land, the fellow out there who is working in the fields for the Hawaiian producer of cane sugar or the individual farmer who has a 100-acre beet contract with his local co-op. He is the one who will get the benefit of this price, and he is the one who deserves to be kept in business if we want the production here so that we do not have to depend on the vagaries of the comme ci-comme ca world market.

Yes, I think it can be pointed out that our farmers are effective, they are efficient, they can compete with other farmers, but not with other governments.

Yes, Mr. President, I am concerned about high corporate profits. But let me also say that I would submit that some of those corporate profits come from the processing of foreign sugar.

I hope the Senate will turn down this amendment and go with the package that came out of the Committee on Agriculture.

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, there has never been any doubt in this body or in the other body of Congress that in order to pass a farm bill a coalition is necessary. The unraveling of the coalition, that started yesterday and the day before, will be brought to a test on this particular vote on this amendment.

We are now dealing with sugar. It is an important vote, not just for the interests of sugar beet growers in my State or any other State or cane growers in any of the 50 States; this vote is very important to see whether there is going to be a rebirth, a rekindling, a restructuring of that coalition that is necessary to pass a farm bill, and make no mistake about it.

It would be my judgment that we should turn down this amendment and turn it down by a substantial majority.

I suggest that the Senator from Indiana just a few moments ago made the case for the domestic sugar industry. He recited the earnings of some sugar processors. The Senator from North Dakota pointed out very cogently just now that perhaps part of those earnings were in the processing of foreign sugar. I do not know. But I think those very modest earnings for corporations demonstrate rather clearly that there is a domestic industry and that it is not making very much money.

But let us go to the producer. In Montana we have some sugar beet producers left. What is involved in this section of the bill is the very simple question of should they or should they not have an 18 cents per pound safety net feature that would go up half a cent a pound per year, a safety net price support.

How does that relate to the retail price of sugar? Well, it is 30, 31 cents now, I am advised, per pound, so 18 cents fits in rather nicely.

What about where we get sugar from? Well, roughly 50 percent of it is imported, and 50 percent of it is produced domestically, that is the way it is now.

We would like to hold to that. I think that is a very minimum level we ought to hold to, a 50–50 basis. If we go below that, who benefits? I do not think the consumers of this country benefit if we import more than 50 percent of our sugar. I think there is some solid basis, some historic basis, for at least holding on to 50 percent of our consumption of sugar being produced domestically.

Our producers do meet competition. So what is the difference in price? Well, foreign sugar from whatever country you want to name is produced with the benefit of foreign government subsidies if it is sold abroad.

You know it is a renewable resource. There are more beets, more cane sugar grown every year. What is the world price? It has been quoted here as being around 12 cents. I think somebody said it was 10.5 cents, and somebody said it may have been 11. But it does not make any difference what the world price of sugar is. Historically the world price of sugar is a dump price.

I recall the first time we faced a sugar act when I was in Congress in the House, I think the dump price, the world price, was about a nickel a pound. Somebody said it was 4 cents a pound. Who knows? At times it was 3.5 cents a pound. We are in a different era now, so I suppose 12 cents now represent what 5 cents did in 1970. In each country that produces either cane or beets for sugar there is a domestic price.

Mark my word—I do not care what country it is—there is a domestic price and then there is an export price if they are in the business of exporting sugar and it is subsidized by that particular country.

It is almost a laugh to talk about what the European Community can do with sugar beets. I can assure you that they cannot possibly meet the competition of sugar beet producers in the United States and they never pretend to. The European Economic Community agricultural program is designed to protect their domestic producers. They would scoff at an 18 cent price for support for sugar for sugar beet producers in Europe. They would scoff at that. There would be none produced; none whatsoever. They are subsidized and subsidized very heavily and any export out of the European Community is subsidized very heavily.

How long do we want this country to be besieged in this Senate by this claptrap of free trade existing in agricultural products? Free trade does not exist in sugar. I do not know when it ever did exist in sugar. It is laughable that that is presented as an argument: "Let us get back to free enterprise." Well, if you are going to import 50 percent of the sugar that we consume in this country, you are importing 50 percent of the sugar that is not produced under free enterprise, it is produced under a government subsidy. I defy any Member of this body to present a country that produces sugar for export that is a free trade basis. It does not exist in this world.

Sugar beet producers and cane producers in the United States do not raid the Treasury. And under this very minimal amount, this safety net feature of 18 cents, they are not going to be raiding the Treasury.

What is involved here is whether or not we want some producers in the United States spread across the country that are producing some sugar. Now, sugar is positioned. In Billings, Mont., the processors there have sugar in the warehouse. I think the Wall Street Journal quoted yesterday, or maybe in today's edition reporting on yesterday's price, of the New York price, about 15 to 15½ cents per pound. I would suggest to the Senate that 18-cent-a-pound sugar positioned in Bilings, Mont., is a very good price—a very good price. Are we to assume that transportation costs from some point at New Orleans or New York is going to deliver 15½-cent-per-pound sugar to the Twin Cities or to Billings, Mont., or to some inland point at a lesser price? I think not. So I believe that the 18-cents-a-pound figure is very much of a reasonable safety net feature.

Now we have a farm bill here. And this farm bill is meant to provide for continuation of domestic production of food items. This farm bill is not designed to somehow straighten out the question of what the dump price of sugar is throughout the world. This bill is designed to help stabilize American food production. Eighteen cents a pound is very reasonable. It is designed to keep some American agricultural production of sugar alive.

This does not do any more for sugar beet producers than it does for consumers in this country. It will assure some continuation to domestic producers which is good for American consumers.

I am not impressed at all with the recitation of groups that signed some mailgram that reached our office. We can gather them up by the bushel basketsful if you want to just simply say: "Well the price of sugar in the world is low. So, therefore, it is good for consumers not to worry about any domestic producers and, therefore, we will have a lower price for consumers."

Well, that is fiction. That is absolutely fiction. What is necessary in this country is to keep some balance of American producers for food items. And if we do that, then we will help American consumers. And that is what this amendment is about.

Mark my word, we either knock down this ill-advised amendment, and knock it down by a substantial majority, or we are going to have a continuation of the unraveling of the commodity groups, the coalition groups that form to pass a farm bill. And when that happens, we are not just hurting American agricultural producers, we are hurting American food consumers.

I am going to repeat one item. American producers meet the competition. American agricultural producers meet the competition throughout anywhere in this world. They are doing it now. If we want to increase imports and further hurt the balance of payments of this country by importing food products that are heavily subsidized by various governments who sell abroad, then we could vote for the amendment. That would be foolish. It would be detrimental for the best interests of this country. I hope the amendment is not only defeated, I hope it is defeated with a large majority.

Mr. QUAYLE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. HUDDLESTON. I would just say, Mr. President, that I concur with virtually everything just said by the distinguished Senator from Montana who I think has brought a proper perspective to the whole question of our agricultural programs.

Mr. President, I support the sugar provisions of S. 884, which have been agreed to by a majority of the Committee on Agriculture, Nutrition, and Forestry.

We propose a program that will cost the Federal Government nothing and will provide some price stability for one of the most volatile commodity markets farmers must deal with.

The American consumer is sensitive to sugar prices because sugar is used in the preparation of many food products and beverages, as well as home use.

Most of us will remember the rapid escalation in the cost of sugar in 1974 and 1975, when sugar prices rose from 9.6 cents per pound to almost 65 cents per pound. And only last fall, the sugar price went to nearly 44 cents per pound.

Now you cannot blame the provisions of the modified version of S. 884 for those kinds of price escalations. And you cannot make the claim that the absence of these provisions will assure the consumer in this country that he is going to have low consistent prices in sugar because historically the record is different.

The provisions of S. 884 will not raise sugar prices to anywhere near those levels. The sugar crop loan rate established under the bill is 18 cents per pound in 1982 and increases one-half cent per pound each of the next 3 years.

Failure to enact the S. 884 sugar provisions could result in American consumers paying much higher prices for sugar. I base this projection on the history of extreme fluctuations of sugar prices in the world market—which is not a free market—and our declining processing capacity.

In the world sugar market, most—as much as 90 percent—of sugar is traded through special marketing agreements among countries. The open international sugar market, which U.S. importers use, is a residual market that buys and sells the small amount of sugar not covered by such agreements.

In the absence of a sugar program such as the one contained in S. 884, the open market that the United States uses will continue to suffer shocks such as those in 1974 and 1975.

Because, historically, 45 percent of U.S. sugar needs have been imported, small changes in world sugar production will continue to cause major changes in U.S. prices.

Domestic refiners and sugar using food industries cannot operate efficiently in the face of these price gyrations. In fact, the Congressional Research Service indicates that the U.S. sugar industry's processing capacity has fallen from 8.3 million tons in 1975 to 5.8 million tons in 1980.

The National Confectioners Association testified that the S. 884 program is reasonable and recognizes the interests of the consumer. The sugar users group, whose members are major users of sugar in the United States—they use over 60 percent of the sweeteners consumed in the United States—testified in support of a program to maintain a viable domestic sugar industry and refining capacity.

Mr. President, I submit that the sugar program proposed in S. 884, as modified, achieves the objectives of protecting sugar consumers from unreasonably high prices caused by world market instability.

as well as protecting sugar producers from unrealistically low prices.

The purpose of the sugar provisions in S. 884, of course, is to provide a stability, a certainty, provide some way of avoiding those great escalations, where, as it has already been pointed out here, sugar has gone to $1 a pound and above.

So for that reason, I support the provisions of S. 884 and urge the rejection of the amendment of the distinguished Senators from Indiana and Massachusetts and say again that what we have before us is the work of very diligent Members who have assessed the needs of our agricultural community and at the same time have been very aware of the budgetary restraints that we must operate under and the needs of the taxpayers of this country. I yield back my time.

Mr. HELMS. Mr. President, I do not want to cut off any Senator if any Senator has any further comment.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. I thank the Chair.

Mr. President, I have listened to the debate for the last half hour or so and I congratulate the several Senators who have stepped forward and supported the sugar portion of the compromise amendment which has come from the Agriculture Committee. I rise to support them and I am going to enthusiastically support the bill.

I thought the remarks made by our distinguished colleague from Montana were right on point.

Yes, it is true that there are those who would say, "Eliminate the domestic sugar program because we can buy it cheaper overseas."

We went that route several years ago on oil and we know that that came home to roost. Therefore, I think that the sugar portion of this bill is a good one.

There are one or two corrections, though, that I would like to make to the statements by the Senator from Montana, one being that a day or two ago the traditional coalition, the farm coalition, fell apart. It was sometime before the day before yesterday or the day before that that it fell apart.

The difficulty that we are having with the elimination of the traditional coalition is a direct product, a result, if you will, of what I think is a preprogramed position by the White House. I know it is not popular today to criticize the President of the United States in any way, shape, or form because the polls all tell us that the President is highly personally popular, and the advice that many of us have been given is, "Attack the administration, but not the President."

I lay the blame for the failure of the farm coalition right at the doorstep of 1600 Pennsylvania Avenue. The man who happens to reside there now is President Reagan. I have supported many of his programs, but I say that when it comes to agriculture this administration is taking the same shortsighted approach that those people who are sending wires around now to support this amendment are taking. They are taking the same shortsighted program, Mr. President, because they fail to recognize and realize that there is about only one thing left in which we excel in the United States of America and that is the production of food, due primarily to the genius of production, the hard work, abilities, and substantial investments that our family-size farm families in all walks of agriculture participate in these days.

Were it not for agriculture, can anyone in this body imagine what would happen to our balance of trade? Yet there are those who send wires to eliminate this reasonable sugar program, and there are people at the White House and at the Department of Agriculture who have seen fit, by design, to blow apart the coalition that has generally held together to come out with an acceptable farm bill.

I think it is sad indeed, Mr. President, but I think it is important that we place the blame where I think it properly belongs.

Mr. President, in closing just let me say that those on this floor know—not in the galleries, I suspect, but those on the floor know—that this Senator from Nebraska and some of my colleagues voted against the peanut program. Lest there be any misconception of the reason for that, my vote against the peanut program was not because I did not support the peanut program; I voted against the peanut program in an attempt to bring the peanut producers and those who support them back to their senses, to put back the coalition that I think is vitally necessary if we are going to have a workable farm program in the United States of America. But it was not to be.

I see all kinds of strange votes being cast on the floor of this body, basically because of the failure of the coalition, or the failure to understand the confusion that exploded the coalition, directed from the White House and the Department of Agriculture.

Some people wonder where we are going to get the money for these farm programs. The bill that was reported out of the Committee on Agriculture before the amendments were attached thereto, basically, I suspect, from pressure from the White House and the Department of Agriculture, would have cost maybe up to $1 billion more than the compromise version, which I think is not a good bill. Where could we have gotten that money?

I suspect that it was going to cost another $1 billion. Maybe some way, somehow, we could have whittled another $1 billion out of the defense budget, raising that whittling from $13 billion to $14 billion.

I am a member of the Armed Services Committee, as the Chair knows, and a strong supporter for a beefed up defense. But I suspect that if we could have saved $13 billion we could have saved another $1 billion and made it $14 billion, if that is where we want to get the money from.

What I am saying, Mr. President, is that I am fearful that if this sugar amendment is defeated, it will be the final nail in the coffin for the farm coalition. It will not make me happy. In the end, it will not be in the interests of the American people and our economy. I suppose it would be applauded at 1600 Pennsylvania Avenue.

Mr. President, I yield the floor.

Mr. SIMPSON. Mr. President, I wish to join with my colleagues who have spoken out against the Quayle-Tsongas amendment to eliminate the sugar program from the Agriculture and Food Act of 1981—the farm bill—since it would certainly doom our efforts to provide for a strong domestic sugar industry and to allow beet and cane farmers in this country to make a continuing contribution to our economy.

Sugar beet production is an important cash crop in my State of Wyoming and the employment it provides is a very significant factor in a number of counties, including my home county of Park County.

The need for a sugar program is best demonstrated by the extreme volatility of the free world sugar market. The U.S. imports between 25 to 30 percent of the sugar available in the free world market. Between January 1980 and October 1980 rumors of the Soviet Union's huge purchases of sugar pushed the price of a pound of sugar from 19 cents to a 5-year record high of 45 cents. By May of 1981, the price had settled back to 16 cents.

Yet, in spite of the disruptive effects that dependence on the world market breeds for producers, processors, and consumers alike, the United States is the only sugar-producing country in the world to be without an effective government price support program that attempts to provide some reasonable protection against the gross inadequacies of the free world market.

S. 884, the Senate farm bill, proposes to:

First, establish a loan program for the 1982 through 1985 crops of sugar at not less than 18.0 cents per pound, and

Second, provide that loans made in one fiscal year must mature in the same fiscal year.

Mr. President, I think it is important to note that the 19.6 cents per pound stated in the original S. 884 is slightly less than 46 percent of parity.

This is only about 80 percent of 1982 domestic production costs. If measured by parity, the support level would be 10½ cents less than the average price for raw sugar in 1980.

Sugar growers argue that a mandatory price support program is critically necessary to provide the incentives and assurances they need to make the necessary investments to sustain or increase domestic sugar production. At the present time, we must import about 40 percent of our domestic needs.

The proposal contained in S. 884 is important and it should be maintained and it will operate at no cost to the Treasury because of the requirement that all loans on sugar will be repaid—with interest—in the same fiscal year in which they are made.

The sugar program proposed for inclusion in the 1981 farm bill is simple,

inexpensive to administer, and requires minimum Government interference.

A loan program covering sugar crops would not be a departure from programs covering other commodities.

A loan program for sugar would not require set asides—it is a deficit-produced crop; it would not require direct payments—returns to farmers would come from the market; it would not require on-farm storage—sugar will be stored by cane or beet processors; it would not accumulate a burdensome surplus—as a deficit-produced crop, effective control on imports can be maintained; it would not impose marketing costs on Government—properly administered, a sugar loan program will be self-liquidating.

Sugar crops compete for land with other supported crops—total support for the 1980 corn crop for example equalled 51.6 percent of parity; sugar crops compete for Government research support—less than 1 percent of $1 billion spent on agricultural research was earmarked for sugar crops; and U.S. sugar crops face market competition from both U.S.-supported crops and from abroad—approximately 45 percent of the U.S. sucrose consumption is imported and corn sweeteners now account for nearly one-third of the sweetener market.

The U.S. sugar industry is seeking nothing more than a policy which recognizes that this country needs an effective domestic sugar producing capability in the same spirit as it needs other strategically important industries.

A nonrecourse loan program for sugar will assist in stabilizing prices for consumers while assuring adequate supplies.

Stable prices permit thousands of industrial users to properly plan ahead for their production of consumer goods.

A loan program for sugar will create a reserve which can serve to moderate price increases in a rising market, thereby effecting a savings for consumers.

So, Mr. President, I do urge my colleagues to support the current language in the farm bill before us and to vote against the amendment to remove these provisions from the measure.

Thank you.

● Mr. MITCHELL. Mr. President, I rise in support of the sugar program proposed by the Senate Agriculture Committee.

Among Senate Members, there is a consensus to decrease the Federal Government's role in agriculture. I share this belief. Accordingly, I believe that many of the anachronistic, post-depression farm programs must be brought up to date at this time.

But "free market agriculture" has been referred to by a number of Senators as if it were a panacea, capable of solving all the problems of today's farm economics.

I, for one, do not believe that free market agriculture represents a fair approach to all farm commodities and all farm industries.

The result of the farm bill that we are debating today should be a thoughtful and strong farm policy for the 1980's. It should be equitable, it should be reasoned, and it should be sensitive to the financial stress under which the American farm exists today.

To make such policy, we must first understand the direction of each of these farm industries—to know where they are coming from, and to foresee where they will stand over the next 4 years during the tenure of this legislation—and design the farm bill accordingly.

The argument for responsive legislation is particularly cogent in the case of the sugar program.

The United States is the only major importing country which is without a comprehensive sugar policy in place.

And, while it is clearly evident that the production of many other commodities will be viable and strong in the 1980's the future of the U.S. sugar industry is in question today.

Since 1974, our domestic sugar industry has witnessed a loss of 25 percent of it beet sugar processing facilities, declining from 56 to 42 plants. Similar closures of raw mills have occurred for the cane sugar industry. This marked decline is due to the inherent risks involved in sugar production.

Due to the fact that the United States must import up to 40 percent of its domestic requirement, we as a Nation are largely dependent upon the supply and price of imported sugar.

This dependence is especially difficult for the sugar farmer, who must plant his crop up to 18 months before it would be marketed. This requires a farmer to guess what the market price will be a year and a half in the future, in a world market that acts not unlike a roller-coaster.

Ultimately, should this sugar program be opposed by the Congress, numerous sugar farmers will decide to discontinue their efforts because the risks are simply too great.

The future decline of the sugar industry would have severe and adverse effects on our entire economy. Sugar ranks 10th in terms of farm acreage and will rank sixth or seventh in dollars to the farmer for the 1980–81 producing year.

Nearly 100,000 Americans are directly dependent on the domestic sugar industry for their livelihood. It is estimated that no alternative crop would produce equivalent food or fiber nor provide as many job opportunities as does sugar in the areas it is produced.

Today, the U.S. sugar industry is competing, not in a world free market, but against countries whose sugar industries are heavily subsidized. It is no surprise that the homeless surplus frequently heads straight toward the only free market available, the American free market.

But this process reeks havoc for the American sugar producer. Accordingly, any further decrease in U.S. sugar production would also lead to an even greater balance-of-payment deficit.

The balance-of-payment deficit accounted for by sugar imports was nearly $2 billion in 1980. Had the Nation's total sugar requirements come solely from imports in that year, the balance-of-payments deficit would have been at least $4.7 million.

We do not produce a large or safe majority of our domestic requirements of sugar. It is therefore imperative that we insure the well-being of the U.S. sugar industry for our economic health and security by stabilizing domestic production. The sugar loan program will do just that.

I urge the Senate to approve the sugar loan program proposed by the Senate Agriculture Committee.●

THE SUGAR PROGRAM

○ Mr. LEVIN. Mr. President, I want to voice my opposition to the Quayle-Tsongas amendment to strike the sugar program from the Agriculture Act. The sugar program was included in the act to maintain the U.S. sugar industry, to prevent increasing dependence on foreign imports, and to stabilize domestic sugar prices—at no cost to the Federal Government.

Under the terms of the proposed sugar program, a processor would be eligible for a loan from the Commodity Credit Corporation using his sugar as collateral if market prices fall below a set level—18 cents in 1982, 18.5 cents in 1983, 19 cents in 1984, and 19.5 cents in 1985.

If market prices rise above that level before the loan matures, processors would redeem the loan with interest. On the other hand, if market prices do not provide an economic incentive for the processor to redeem the loan, he may forfeit the sugar to the Government.

The Government then may hold the sugar until it can be sold above the loan rate—at a profit. However, because the CCC loan program is supported by import fees and duties on foreign sugar, it is unlikely that any sugar under loan would be forfeited.

The Federal Government would not spend any money on this program and the consumer would be protected from wild price swings because market prices would not drastically fluctuate as they have done when no program was in effect.

Stable prices also benefit the sugar industry. Sugar processors and growers alike are protected by stable prices. If a processor is forced to close his operation because of low prices, the grower is also forced to stop his operation because he is left without access to a processing plant.

A sugar program would prevent this problem. In Michigan, growers number approximately 2,000 and they produce an average of 388,143,462 pounds of sugar per year.

Net proceeds in 1979 yielded over $110 million to growers and processors, which meant $770 million to the State economy.

A large percentage of the proceeds are channeled back into the economy via agri-business; fuel, fertilizer, machinery, repairs, custom operations, insurance and land rent, labor, and local, State, and National taxes.●

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I move to table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the

Senator from North Carolina to lay on the table the amendment of the Senator from Indiana (Mr. QUAYLE). The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BUMPERS (when his name was called). Present.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG) and the Senator from Vermont (Mr. STAFFORD) are necessarily absent.

Mr. ROBERT C. BYRD. I announce that the Senator from New Jersey (Mr. BRADLEY), the Senator from California (Mr. CRANSTON), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 61, nays 33, as follows:

[Rollcall Vote No. 260 Leg.]

YEAS—61

| | | |
|---|---|---|
| Abdnor | Garn | McClure |
| Andrews | Goldwater | Melcher |
| Baker | Grassley | Mitchell |
| Baucus | Hart | Murkowski |
| Bentsen | Hatch | Nunn |
| Boren | Hawkins | Pressler |
| Boschwitz | Hayakawa | Pryor |
| Burdick | Heflin | Randolph |
| Byrd, Robert C. | Helms | Riegle |
| Cannon | Hollings | Sasser |
| Chiles | Huddleston | Schmitt |
| Cochran | Inouye | Simpson |
| Cohen | Jackson | Stevens |
| DeConcini | Jepsen | Symms |
| Dixon | Johnston | Thurmond |
| Dodd | Kassebaum | Tower |
| Dole | Laxalt | Wallop |
| Durenberger | Leahy | Warner |
| East | Levin | Zorinsky |
| Exon | Long | |
| Ford | Matsunaga | |

NAYS—33

| | | |
|---|---|---|
| Biden | Heinz | Percy |
| Byrd, Harry F., Jr. | Humphrey | Proxmire |
| Chafee | Kasten | Quayle |
| D'Amato | Kennedy | Roth |
| Danforth | Lugar | Rudman |
| Denton | Mathias | Sarbanes |
| Domenici | Mattingly | Specter |
| Eagleton | Metzenbaum | Tsongas |
| Glenn | Moynihan | Weicker |
| Gorton | Nickles | Williams |
| Hatfield | Packwood | |
| | Pell | |

ANSWERED "PRESENT"—1

Bumpers

NOT VOTING—5

| | | |
|---|---|---|
| Armstrong | Cranston | Stennis |
| Bradley | Stafford | |

So the motion to lay on the table Mr. QUAYLE's amendment (UP No. 362) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. MATSUNAGA. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, if we could have order in the Senate, I wish to make an assessment of the situation and to try to outline the course of the activities of the Senate for the remainder of the day and this evening.

The PRESIDING OFFICER. The Senate will be in order.

The majority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair.

Mr. President, I understand that there are a number of amendments yet to be dealt with on this bill. Notwithstanding we have spent a lot of time on it so far, and I believe we have made some good progress on some very controversial issues, there are other issues that must be dealt with and some of them are very controversial.

Mr. President, this bill has to be passed. It is not like some bills that can be dealt with in a continuing resolution very easily or may not be dealt with at all. This bill has to be dealt with and, as I announced on yesterday, it is the intention of the leadership to ask the Senate to remain in session late today. Thursday is the regular late day if there is to be a late day. Indeed, I expect this late day to be very late. I hope we can finish this bill tonight.

I will not now propound the unanimous-consent request but I shall describe a request I will put a little later in the afternoon, perhaps in the next 30 minutes or so.

At some point, when it is appropriate to do so, I shall ask the Senate to agree that we have final passage of this measure no later than 12 midnight tonight and that amendments to this bill be under a time limitation of 30 minutes equally divided.

Mr. President, I also hope that we can accommodate every reasonable amendment that Members wish to propose, but I expect that it will be very difficult to fit them all in if everyone offers them, so I hope that Senators will be frugal in their offerings and that the managers on both sides will consider carefully those amendments if they can accept or modify them to the position where they are acceptable.

I shall not now make that request, but a little later this afternoon I shall ask unanimous consent that we establish a time of no later than midnight tonight for final passage of this measure.

Mr. BUMPERS. Mr. President, will the Senator yield for a question?

Mr. BAKER. I yield.

Mr. BUMPERS. Is it the majority leader's intention to be in session tomorrow if we finish the bill by midnight tonight?

Mr. BAKER. Mr. President, I think if we finish by midnight tonight, which would mean it would be 12:30 or 1 a.m. when we finally conclude the activities of the Senate, we will not be in session tomorrow except perhaps to lay down the Department of the Interior appropriations bill and have opening statements. I would not expect tomorrow then to be necessarily a very busy day but perhaps a very short day.

Mr. President, that is the request I wish to put. I have discussed it now with a number of Senators, especially the distinguished minority leader, and after Members have an opportunity to think about that I shall propose that or some variation of that request.

Mr. FORD. Mr. President, will the majority leader yield for a question?

Mr. BAKER. I yield.

Mr. FORD. Mr. President, as the majority leader knows, it put some of us in quite a tight position. I am not sure that I can speak for my other colleagues, but where we had three rather controversial amendments so far, there will be others, and where they have had unlimited time to discuss and debate those amendments, then the majority leader is requiring those of us, who have a problem as others have had problems, if one wishes to use that, who are just as sincere and dedicated in protecting some of ours as the others have to agree to a time limit, and I would be very, very reluctant to give the majority leader a unanimous-consent agreement 30 minutes from now or an hour from now or at midnight tonight, very frankly, because I have a dedication to one particular amendment and I intend to do the best job I can with it along with my other colleagues.

So I think the majority leader is asking those of us who have not had an opportunity yet, to agree to a time limit, and apparently the one I am primarily interested in along with some others will not be considered until the end because it is not even in the farm bill. Therefore, we put ourselves somewhat in jeopardy. I just wish to advise the majority leader of at least this Senator's feeling at the moment.

Mr. BAKER. Mr. President, I thank the Senator from Kentucky.

I have no desire to limit the scope of his opportunity to debate, but the fact remains that we have to try to finish this bill.

I think the Senator from Kentucky knows I am on the same side of the issue that he is on, and I intend to help him any way I can, but notwithstanding that I very much hope that we will give serious consideration to the possibility of a unanimous-consent request that will establish a time certain for the passage of this measure no later than, say, midnight tonight.

Mr. President, I thank all Senators, and I now yield the floor.

Mr. RANDOLPH. Mr. President, will the majority leader yield?

Mr. BAKER. I yield.

Mr. RANDOLPH. I thank the majority leader for the opportunity to follow through with a question which responds to the language that if we finish tonight that Friday would not be a very busy day. Does that include rollcalls?

Mr. BAKER. Mr. President, I cannot say with certainty. I think if we get this agreement that it is unlikely we would have rollcalls on Friday.

By the way, the distinguished chairman of the Appropriations Committee just indicated to me he would not be ready on Friday to proceed to the Interior appropriation bill, so that still further reduces the likelihood there will be any significant business to be transacted on Friday if we can finish this bill tonight.

Mr. RANDOLPH. I thank the Chair.

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## AUTHORIZATION FOR COMMITTEE ON THE JUDICIARY TO FILE REPORT ON NOMINATION OF JUDGE O'CONNOR UNTIL MIDNIGHT TONIGHT

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on the Judiciary may have until mid-

night tonight to file the report on the nomination of Sandra Day O'Connor to be an Associate Justice of the Supreme Court of the United States.

The PRESIDING OFFICER (Mr. RUDMAN). Without objection, it is so ordered.

## AGRICULTURE AND FOOD ACT OF 1981

The Senate continued with the consideration of S. 884.

The PRESIDING OFFICER. The Senator from Maine.

UP AMENDMENT NO. 363

(Purpose: To direct the Secretary of Agriculture to use the authority provided in section 1203 to implement a special standby export subsidy program for potatoes)

Mr. COHEN. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Maine (Mr. COHEN) proposes an unprinted amendment numbered 363.

Mr. COHEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 241, between lines 13 and 14, insert the following:

"(e) The Congress finds that Canadian domestic production subsidies and European Economic Community subsidies are causing substantial displacement in the export sales of fresh and processed potatoes produced in the United States. The Secretary of Agriculture, therefore, is directed to exercise the authority provided in the foregoing provisions of this section to implement immediately a special standby export subsidy program for the purpose of neutralizing the effects of such subsidies programs instituted by Canada and the European Economic Community countries."

Mr. COHEN. Mr. President, I ask unanimous consent that Senator MITCHELL be added as a cosponsor to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate is not in order. The Senate will be in order.

The Senator from Maine.

Mr. COHEN. Mr. President, I ask unanimous consent that Bob Umphrey of my staff be granted floor privileges during the consideration of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COHEN. Mr. President, the principal objective of this amendment is to remedy an inequitable situation which severely inhibits the ability of domestic potato producers to penetrate foreign markets with U.S. exports. Specifically, my amendment directs the Secretary of Agriculture to implement a program of export subsidies for domestically produced potatoes to offset the generous Government subsidies provided to Canadian and European Common Market producers.

While export markets exist in Latin America, Europe, the Middle East, and North Africa, an extensive array of foreign subsidies and programs prevent U.S. producers from competing in these markets. Many Canadian programs—both Federal and provincial—aggressively and directly assist Canadian producers in crop production and, indirectly, in export development. In addition, other Federal Canadian programs have been instrumental in developing eastern Canadian port facilities, with an improved transportation network, and modern cargo handling facilities. These projects have enabled the Canadian potato producers to successfully compete in foreign markets for potato seed and tablestock, as well as processed products. I ask unanimous consent that a draft list of Canadian programs, prepared by the State of Maine, be printed in the RECORD, along with a report from our agricultural attaché.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PROGRAMS FOR POTATO GROWERS IN N.B., P.E.I., AND THE STATE OF MAINE

INTRODUCTION

The intent of this report is to provide a summary of assistance programs available to potato growers as requested by the Marketing and Trade Committee appointed by the Main Commissioner and the Ministers of Agriculture from P.E.I. and N.B.

The programs are divided into two sections: Section I deals with programs of financial assistance. Section II covers the various programs of a technical support nature.

SECTION I—LOANS AND SUBSIDIES

NEW BRUNSWICK

N.B. Crop Insurance Program.
Farm Adjustment Act.
Interest Subsidies.
Agricultural Limestone Assistance.
Farm Development Program.
Farm Machinery Loans Act.
Family Farm Improvement Program.

PRINCE EDWARD ISLAND

New Farmer Program.
Family Farm Development Program.
Agricultural Limestone Incentive Policy.
P.E.I. Crop Insurance Program.
Potato Disinfection Service.
Cull Burial Program.
Seed Incentive Program.
P.E.I. Lending Authority.
Property Tax Credit.
Land Development Corporation.

MAINE

Agricultural Conservation Program.
Livestock Feed Diversion Program.
Farmers Home Administration Loans.
Agricultural Stabilization and Conservation Service Loans.
Tax Subsidies.

AGRICULTURE CANADA

Fruit and Vegetable Storage Construction Advance Payments for Crops.
Agricultural Stabilization Act.

Title: New Brunswick crop insurance program (potatoes).

Source: Federal-Provincial.

Description: The Crop Insurance Program is designed to stabilize the income of farmers by insurance against crop loss due to natural hazards over which they have no control.

Potato crops may be insured at either 70% or 80% of the established yield (usually a six year average). The premium rate on potato coverage is 9% of which the Federal Government pays 50%. The N.B. Department of Agriculture administers the program.

Eligibility: In order to qualify for coverage, growers must:

1. Plant certified or better seed.
2. Insure all potato acreage.
3. Complete planting by June 15th.
4. Complete harvest by October 15th for Netted Gems or October 10th for other varieties.
5. Follow recommended and acceptable cultural and crop protection practices.

Budget: N/A.

Utilization: In 1980, 10,532 acres of potatoes or approximately 20% of the total provincial potato acreage was insured. From 119 accounts, total coverage amounted to 46,-111,395. Preliminary figures for 1981 indicate a slight increase in these numbers. Total indemnities for 1980 amounted to $575,000, slightly in excess of the total premiums paid.

Comments: Special coverage is available to seed potato growers with slightly higher coverage and premium rates.

Title: Farm Adjustment Act.

Source: Provincial.

Description: The Farm Adjustment Board provides loans and leases land to full and part-time farmers at low interest and rental rates, to assist farmers in establishing and maintaining economic farm units.

The Board may grant loans on the following terms and conditions:

(a) The Board must be satisfied that farmers have the necessary abilities to establish themselves economically;

(b) The amount and term of the loan will be determined by the Board; and

(c) Interest shall be 5% per annum on loans approved prior to January 24, 1980 and the Provincial Lending Rate in effect on loans approved after January 24, 1980.

Eligibility: The Board may grant loans to full and part-time farmers if:

(a) The Board is satisfied that a loan will effectively establish the farmer on an economic farm unit; and

(b) The Board is satisfied that the applicant has the necessary ability, skill and knowledge to operate his holding in accordance with a mutually agreed management plan.

Budget: $11,000,000 in loans and advances budgeted for 1981–82.

Utilization: During the fiscal year 1980–81, the Board disbursed $12.8 million. Of this amount, $12.3 was in the form of secured loans and $.5 million was expended for the acquisition of land to be leased to farm operators.

Title: Interest subsidies.

Source: Provincial.

Description: The Government of New Brunswick, through the Farm Adjustment Board, contributes towards interest payments on loans obtained by New Brunswick farmers from the Farm Credit Corporation, the Veterans Land Act and to new applicants of F.A.B. loans.

Budget:

| | |
|---|---|
| F.C.C. Interest Subsidy | $1,307,100 |
| V.L.A. Interest Subsidy | 15,000 |
| F.A.B. Interest Subsidy | 991,400 |

Utilization: In 1980–81, $1.2 million was contributed toward F.C.C. interest payments and $10,842 went towards V.L.A. subsidies.

Title: Agricultural limestone assistance.

Source: Provincial.

Description: The objective of the Agricultural Limestone Program is to encourage the establishment of sound liming practices by providing a free soil analysis service and a contribution towards the cost of limestone transportation from the plant to the farm. Assistance rate schedules are established based on mode of transportation and distance haulded.

Eligibility: The program is available to all farmers engaged in commercial crop production. To qualify for assistance, purchasers are required to submit a soil sample for analysis.

Budget: $430,000 has been budgeted for 1981–82.

Utilization: In 1980–81, $346,000 was paid on approximately 49,000 tons of lime.

Comments: Although available to potato growers, this program would not be used extensively.

Title: Farm development program.

Source: Federal-Provincial.

Description. The Farm Development Program provides a farm management counselling service to assist farmers in planning and implementing activities which will improve the viability of the farm unit. The Program also provided a grant to assist in providing a portion of new capital requirements to a maximum of $25,000.

The program is funded through the Agricultural Sub Agreement.

Eligibility: All farmers, whether full-time or part-time who are establishing a viable operation or improving or expanding to a more viable operation are eligible for assistance.

Budget: Funds available for this program have been totally committed. $14.6 million was budgeted, $11.1 million has been expended. $20.0 million in grants has been approved.

Utilization: $1.7 million in grants has been paid to potato growers. Over the period of the Agreement, approximately 80 percent of total funding was for land clearing, buildings and machinery.

Title: Farm Machinery Loans Act.

Source: Provincial.

Description: The objective of this program is to assist N.B. farmers in obtaining credit for the purchase of farm machinery and equipment. The Department of Agriculture guarantees bank and credit union loans of from $1,500 to $30,000 at prime plus 1 percent for 75 percent of the purchase price of machinery and equipment.

Eligibility: All N.B. farmer-producers.

Budget: N/A.

Utilization: Under this Act, 64 loans were made in 1980–81 for a total of $221,851. To date, loans have been made involving $4.7 million.

Title: Family farm improvement program.

Source: Provincial.

Description: The purpose of this program is to assist farmers by providing some of the capital required to improve land and buildings. The program is designed to provide incentive programs that will result in the optimum development of individual farm enterprises. The maximum contribution under all sub-programs shall not exceed $10,000.

Eligibility: Small and part-time farmers that have met the census definition of a commercial farmer.

Projects eligible for assistance include: land improvement, erosion protection and stream pollution control.

Budget: $4,000 budgeted for 1981–82.

Utilization: Very little use is being made of this program. The majority of the farm development is being carried out under the Farm Development Program.

PRINCE EDWARD ISLAND

Title: New farmer program.

Funding: Federal/Provincial.

Description: Under this Program qualified residents who are establishing a farm for the first time are eligible to receive up to $25,000 as a forgiveable loan together with advice and assistance in making other financing arrangement and technical advice and training in preparing a general farm management plant.

Utilization: During 1976–81 approximately $880,000 was advanced under this Program to 51 farmers whose primary production was potatoes.

Title: Family farm development program.

Funding: Federal/Provincial.

Description: Under this Program qualified residents may receive up to $25,000 as performance grant assistance in establishing a farm or $15,000 for further developing an established farm. The program is aimed at providing an integrated package of financial assistance and the technical support necessary to assist farmers in improving their skills as producers and farm managers.

Utilization: During 1976–81 approximately $2,900,000 was advanced to 200 producers whose primary production was potatoes.

Title: Agricultural Limestone Incentive Policy.

Funding: Provincial.

Description: As a means of increasing the productivity of agricultural land, producers are encouraged to use soil acidity corrective limestone. Eligible producers may receive $11 per metrc tonne to a maximum of 180 tonnes per year.

Utilization: In 1980–81, $746,966 was advanced to 1818 producers. The program is primarily aimed at other crops but as those crops are frequently in the potato crop rotation plan, the program is considered to significantly benefit potato producers as well.

Title: P.E.I. Crop Insurance Program (Potatoes)

Funding: Federal/Provincial

Description: The Crop Insurance Program is designed to stabilize the income of farmers by insurance against crop loss due to natural hazards over which they have no control.

Potato crops may be insured at either 70 percent or 80 percent of the established yield (usually a six year average) at a selected value of $3.00, $3.50 or $4.00 in the case of 70 percent coverage or $2.50, $3.00 or $3.50 in the case of 80 percent coverage. For 70 percent coverage the average premium rate is 8.2 percent and for 80 percent coverage it is 10 percent. Assuming, for example an established yield of 200 cwt. and 80 percent coverage at the $3.00 rate, the premium would be

$$\frac{200}{100} \times 80 \times 3.00 \times \frac{10}{100} \text{ or } \$48.00$$

per acre, half of which is paid by the federal government, the P.E.I. Crop Insurance Agency administers the program.

Eligibility: In order to qualify for coverage, growers must—

1. Plant certified or better seed.
2. Insure all potato acreage.
3. Complete planting by June 15. (June 10 for Gems and Sebagoes)
4. Complete harvest by October 15.
5. Follow recommended and acceptable cultural and crop protection practices.

Budget: In 1980, about 28,000 acres of potatoes or half of the total provincial potato acreage was insured. From 247 accounts, total coverage amounted to $1.4 million and premiums paid totalled $651,000.

Comments: Special coverage is available to seed potato growers with slightly higher coverage and premium rates. A Bacterial Ring Rot Rider is also available and provides $30 per acre to defray costs of clean-up.

Title: Potato disinfection program.

Funding: Provincial.

Description: To aid in the control and eventual eradication of Bacterial Ring Rot, the Province, as a free service, will steam clean and disinfect potato storages, handling equipment and machinery following clean-up at the close of each shipping season.

Utilization: Under this program around 500 warehouses/storages, 20,000 trucks, 5–6,000 refer cars and 10,000 pieces of other equipment are disinfected each year at a cost of approximately $300,000.

Title: Cull burial program.

Funding: Provincial.

Description: To aid in the control of potato disease and for general environmental considerations the Province, as a free service to producers, will upon request provide bulldozers for burying cull potatoes from May 1 through July 15.

Utilization: This service is utilized by approximately 150 growers at a cost of about $150,000.

Title: Seed Incentive Program.

Funding: Provincial.

Description: As a means of encouraging producers whose crop has been infected with BRR to eradicate the disease on their farm, the Province assists in the cost of purchasing new seed. Under this program, eligible growers may receive $30 per acre providing proper clean-up and disinfection is effected and new seed of Foundation Class or better is purchased.

Utilization: This program has been used by practically all eligible producers but as the incidence of BRR has decreased, the use of the program has dropped to the extent that in 1979/80 only 13 growers applied for approximately $40,000.

Title: P.E.I. Lending Authority.

Funding: Provincial.

Description: The Lending Authority offers P.E.I. producers a complete credit package for working capital based on cost of production and the acquisition of land, buildings and equipment. Short-term loans are offered at prime rate and long-term loans are offered at the Authority's cost of borrowing.

Title: Property Tax Credit.

Description: Bona fide farmers are granted a real property tax deferral that amounts to approximately $200 per year on the average farm.

Title: Land Development Corporation.

Description: Producers wishing to acquire land by purchase or rental may look to the Corporation which temporarily acquires available land and holds it to facilitate producers in establishing or expanding farm operations.

STATE OF MAINE

Title: Agricultural conservation program.

Source: Federal-State.

Description: This Federal program, authorized in 1936 by the U.S. Soil Conservation and Domestic Allotment Act, provides farmers with government cost-sharing toward the cost of carrying out pollution abatement, soil, water, woodland and wildlife conservation practices on farmland. To be eligible, farmers must be cooperators with their local county Soil and Water Conservation District, and practices must meet specifications defined by the U.S. Soil Conservation Service. The maximum yearly amount available to individual farmers was $2,500 until 1979 when it was increased to $3,500. The Federal cost sharing rate ranges from 50 percent to 75 percent depending on the practice.

Funding: Since 1977, the annual federal appropriation for this program has been $190 million. The State of Maine has expended on the order of $2 to $3 million annually, with Aroostook County accounting for 25 percent to 30 percent of total state expenditures.

Utilization: In 1979 federal payments to farmers in Aroostook County totalled $854,150 of which approximately $830,570 was paid for practices applicable to potato farmers. In 1980 Aroostook County farmers received $807,194 with $789,880, applicable to potato growers. State wide expenditures to all farmers totalled $3,305,819 in 1979, and $2,022,230 in 1980. Table 1 provides a breakdown of practices utilized in Aroostook County. Administrative costs added another $161,185 in 1979 and $167,904 in 1980 to the cost of the Aroostook County ACP Program.

Title: Livestock feed-potato diversion program.

Source: Federal.

Description: This program allows the federal government to make payment to potato farmers for diverting potatoes to livestock feed or starch in surplus years to avoid depressing prices due to oversupply. In order to be eligible for the program, potatoes have to meet a specific grade requirement and then be processed for feeding to livestock to insure the potatoes will not enter normal trade channels. This program is authorized by Section 32 of the Agricultural Marketing Act of 1946.

Funding: Monies paid to growers for diversion of potatoes are derived from a fed-

eral pool created by import tariffs. The Food Safety and Quality Service of the USDA initiates a request for funds which is subject to approval by the Secretary of Agriculture. Responsibility for this program now resides with the Agricultural Marketing Service.

Utilization: The Potato Diversion Program has only been used twice in the last decade.

In 1979 over 140 Aroostook County farmers signed up for the program which diverted 1.45 million hundredweight of potatoes. Farmers were reimbursed at a rate of $2.20/cwt during the first 30 days and $1.70/cwt during the final 30 days for a total of $3,233,124 in payments. In 1980, the program was again approved to benefit 118 farmers who diverted .5 million hundredweight and were reimbursed $2.24/cwt for a total of $1,105,827.

Title: Farmers Home Administration Loans.

(1) Ownership Loans: These loans may be obtained for the purchase, enlargement, or development of farms, which will not exceed the size of a family-type unit. Such loans also may be used to refinance debts and to finance a small, non-farm enterprise, when it is necessary to supplement the farm income to provide the individual with a reasonable standard of living. The interest rate is determined annually, and a loan may be amortized over a period not to exceed 40 years. Loans may be made to eligible individuals, cooperatives, corporations and partnerships. Also, Farm Ownership loans may be made at lower interest rates to eligible limited-resource applicants. Such applicants are those with low incomes, who are operators of small farms. They are handicapped by such factors as limited education, low managerial skills, lack of adequate land and other captial items, low producing farms and economic conditions.

FUNDING LEVELS AND INTEREST RATES ARE SHOWN FOR FISCAL YEARS 1979–81 FOR AROOSTOOK COUNTY

| Fiscal year | Total | Regular loans: Amount | Regular loans: Rate, percent | Limited resource: Amount | Limited resource: Rate, percent |
|---|---|---|---|---|---|
| 1979 | $1,018,900 | $652,200 | 8½–9 | $366,700 | 3 |
| 1980 | 1,753,100 | 1,270,000 | 10–12 | 483,100 | 4–5 |
| 1981 [1] | 1,568,200 | 1,164,700 | 12¼–13½ | 403,500 | 5 |

[1] Through June 1981.

Title: Farmers Home Administration Loans.

(2) Operating Loans: Operating loans may be made to provide financing for the operation of farm enterprises, not exceeding the family-type unit. Loan funds may be used for annual operating expenses, purchasing livestock and equipment, refinancing debts, non-farm enterprises, home operations, etc. The interest rate is determined annually and loans may be written for a period not to exceed 7 years, with a 7-year renewal feature. Loans may be made at a lower interest rate to eligible, limited-resource applicants, as defined under Farm Ownership loans, above.

FUNDING LEVELS AND INTEREST RATES FOR FISCAL YEARS 1979–81 FOR AROOSTOOK COUNTY

| Fiscal year | Total | Regular loans: Amount | Regular loans: Rate, percent | Limited resource: Amount | Limited resource: Rate, percent |
|---|---|---|---|---|---|
| 1979 | $4,484,690 | $4,010,000 | 8½–9½ | $474,690 | 5 |
| 1980 | 4,602,370 | 4,028,720 | 10½–12½ | 573,650 | 6–7 |
| 1981 [1] | 4,792,890 | 3,737,460 | 13–14½ | 1,055,430 | 7 |

[1] To June 30, 1981.

(3) Emergency Loans: In the event that a natural disaster causes serious agricultural losses, the area affected may be designated for emergency loan benefits. The purpose of such financing is to assist eligible applicants, who have sustained losses, to continue normal farming operations and return to other sources of credit as soon as possible. Loans may be made for annual operating purposes, and to make a major adjustment in a farm operation. Loans may be written for periods not to exceed 40 years, depending on loan purpose and security.

FUNDING LEVELS AND INTEREST RATES FOR FISCAL YEARS 1979–81 FOR AROOSTOOK COUNTY

| Fiscal year | Total | Interest rates: Actual loss | Interest rates: Percent operating expense |
|---|---|---|---|
| 1979 | $18,800,720 | 5 | 7½–9½ |
| 1980 | 18,175,870 | 5 | 10½–14 |
| 1981 [1] | 18,222,730 | 5 | 12½–15 |

[1] To June 30, 1981.

(4) Economic Emergency Loans: This loan program was authorized in 1978 under Public Law 95–334. It expires in September, 1981. The objective of the Economic Emergency loan program is to make adequate, financial assistance available to bonafide farmers and ranchers who are primarily and directly engaged in agricultural production, so that they may continue their normal, farming or ranching operations during the economic emergency which has caused a lack of agricultural credit, due to national or area-wide economic stress, such as a general tightening of agricultural or an unfavorable relationship between production costs and prices received for agricultural commodities. It is the policy to consider making guaranteed Economic Emergency loans, and further, to fully participate with the applicants normal agricultural lender when making insured Economic Emergency loans. Loan funds may be used for either real estate or operating purposes, and written for a period, not to exceed 40 years, depending on the purpose of the loan. There is no restriction on the size of the farm operation, and loans may be made to individuals, cooperatives, corporations or partnerships. The principal balance outstanding at any time may not exceed $650,000.

FUNDING LEVELS AND INTEREST RATES ARE SHOWN FOR FISCAL YEARS 1979–81 FOR AROOSTOOK COUNTY

| Fiscal year | Tctal | Interest rates: Operating | Interest rates: Real estate |
|---|---|---|---|
| 1979 | $3,154,840 | 8½–9½ | 8½–9 |
| 1980 | 5,095,570 | 10½–14 | 10–14 |
| 1981 [1] | 4,614,400 | 13–14¾ | 12¼–13¼ |

[1] Through June 1981.

(5) Soil and Water Loans: These loans may be obtained by eligible applicants to develop or improve water, land and forest resources in accordance with approved conservation practices. This program was not utilized in Aroostook County in Fiscal Years 1979–81.

Utilization: Farmers Home Administration (FmHA) Loans.—Allocations to the State of Maine for these programs in Fiscal Years 1978 through 1980 approximated $45 to $50 million. Aroostook County's share of these monies from 1978 to the present has been $27–30 million annually. Most of this has been utilized by potato farmers.

Title: Agricultural Stabilization and Conservation Service (ASCS) Loan Programs:

Source: Federal.—

(1) Commodity loan program: This program was established to help foster the orderly marketing of certain agricultural crops. Oats constitute the only crop affected in Aroostook County. This affects potato growers who grow oats as a rotation crop. The loan program allows eligible producers to take out a loan and hold their commodity to sell when the market may be more favorable. The loans are made directly to a producer with the commodity put up as collateral. When the loan matures, no later than 9 months, the producer may either repay the loan plus interest or forfeit the commodity to the Commodity Credit Corporation. The loan thus represents a price support, guaranteeing farmers a minimum price.

Funding Levels/Interest Rates: In Fiscal Year 1979, Aroostook County farmers obtained Commodity Loans for nine percent interest. Rates rose to 13% in April 1980, and currently are 14½%. A variable interest rate is now in effect. Loans will be issued at the cost of money to the government. Currently the loans are being based on $1.36/bu. The market price projected for next spring is $1.80–$2.00/bu. In very few cases has it been to the farmers advantage to forfeit the crop to the government. On a national basis the average support price has generally been less than the average market price. Thus this program is considered a loan subsidy, not a direct subsidy.

(2) Farm storage facility and drying equipment loan program: This program offers loans to help farmers buy, build or remodel on-farm storage facilities and to obtain the drying and handling equipment they need. Need for eligible storage structures, which include conventional bins, multipurpose structures, upright silo-type structures and horizontal type bunker silos, is based on two years production, minus existing storage capacity. Operating equipment essential to the operation of the storage or drying unit may be included in the loan.

Funding levels/interest rates: In Fiscal Year 1979, the maximum loan was 85 percent of the cost of the structure and equipment. The remaining 15 percent of the cost was paid by the farmer before the loan is disbursed.

A loan amount or the outstanding loan balance with any farmer was limited to $50,000. Loan repayment terms allowed for a maximum of seven equal annual installments over a period of eight years. The rate for loans based on applications filed by close of business March 21, 1979, was 7 percent per annum. The rate for loans based on applications filed after March 21, 1979, was 10.5 percent per annum.

In Fiscal Year 1981, the program was altered slightly. The maximum loan has been reduced to 75 percent of the cost. Farmers can borrow up to $50,000 with 25 percent down and 14.5 percent interest. The loans will be subject to adjustment in the interest rate each October 1 and April 1. Repayment of the loan is made through annual installments over a five-year period.

In the Fiscal Year 1979, 8 farmers in Aroostook County received $118,744 in loans through this program. In Fiscal Year 1980, 28 farmers in the County had outstanding loans in the amount of $378,410.

Title: Tax Subsidies.

Income Deductions: Farmers are allowed to reduce gross taxable income by deducting all business expense including hired labor, repairs and maintenance, interest paid on loans and mortgages, rental expenses, feed, seed and fertilizer costs, machine hire, purchased supplies, gasoline, fuel and oil, storage and warehousing expenses, State sales and local property taxes, insurance costs, utilities, freight and trucking, conservation expenses, land clearing expenses, pension and profit-sharing plans, employee benefit programs, and depreciation on equipment and structures used in business which have a useful life in excess of one year.

Tax Credits: Tax credits are subtracted from tax liability and so directly reduce the farmers tax burden. There are two tax credits applicable to potato farmers: a fuel tax credit and investment credit.

Fuel tax credits allow farmers to claim as a tax credit the federal excise tax paid on

gasoline, diesel fuel, special motor fuels, and aviation fuels which are used on the farm for farming purposes (off road). This amounts to recovery of a federal tax already paid.

An investment credit of 10% of the cost of investments is allowed for business equipment or specialized single purpose storage or structures with a minimum useful life of 3 years. In addition, if a farmer invests in energy equipment for alternative energy generation from biomass, hydropower solar or wind, additional credits of 10% to 15% may be taken. This latter energy credit generally applies only to investments made between September 1978 and December 1982.

State Sales Tax: A 5-percent sales tax is assessed to all articles sold in Maine, unless specifically exempt.

Exemptions: Items for which sales tax is refunded or which are exempted from sales tax, and which pertain to potato farmers include: seed, feed, fertilizer, pesticides, insecticides, fungicides, defoliants and depreciable equipment used in agricultural production. This includes field machinery and machinery to transfer the crop to storage, as well as sorting and packaging equipment, but not equipment associated with storage of the product such as cooling and ventilation equipment. Vehicles used to handle the packaged product, such as forklifts or to transfer the product to market, as trucks, also are not exempt.

Property Taxes: Property tax is assessed and collected by municipalities in Maine. These revenues are used to support local services such as schools and road maintenance, and consequently tax rates and valuations are widely varied.

Property Tax Reductions: Two Maine laws exist which enable farmers to potentially reduce property tax liabilities. The Farm and Open Space Tax Law is intended to assure that farmland is taxed as farmland not as developable land. Landowners who classify land under this law are assessed a penalty if the land is thereafter developed. Since farmland in Aroostook County is not being assessed at a higher value due to developmental pressures, there is little incentive for its use in this area.

A second law, the Tree Growth Tax Law, limits the valuation of forest land to the annual stumpage value determined on a sustained yield basis. Like the Farm and Open Space Law, a penalty is assessed for conversion of land to other than forestry-related uses. Land enrolled under this law is generally valued below prevailing rates for undeveloped land, and consequently, it is widely used throughout the State. Participation by potato farmers in this program is undetermined.

FEDERAL

Title: Fruit & Vegetable Storage Construction Financial Assistance.

Source: Federal.

Description: Assistance for construction of new storage or renovation of existing storage which will extend the storage period and/or retain quality of storable produce at an improved level.

Eligibility: Producer groups of 3 or more primary producers are eligible for up to one third of the total cost of the project but not to exceed $500,000 for any single project.

Budget: The annual budget has ranged from $1–$3.5 million since the inception of the program in 1973.

Utilization: Utilization of the program has been 50 percent plus for apple storages, 30 percent for potato storages and the balance for carrot, onion, cabbage, horseradish, rutabagas and pears. Regional utilization has been 45 percent to British Columbia, 5 percent Alberta, 10 percent Manitoba, 20 percent Ontario, 15 percent in Quebec and 5 percent for New Brunswick, Nova Scotia and Prince Edward Island.

Comments: The program has not been readily accepted by potato producers in P.E.I. and N.B. who have been reluctant to form up into producer groups to become eligible.

Title: Advance Payments for Storage Crops.

Source: Federal.

Description: Agriculture Canada agrees to pay the interest on loans to producers who as an association undertake to market their produce in an orderly marketing scheme through specified purchases and to repay the principal amount of the loan as sales are made.

Eligibility: A group of producers formed up into a legal organization to represent a significant portion of production in an area.

Budget: Annual budget is $3,000,000 for all storable crops. Potato producers in P.E.I. and N.B. received $350,960 in 1980.

Utilization: 360 growers in P.E.I. and N.B. took advantage of the program in 1980.

Title: Agricultural Stabilization Act.

Source: Federal.

Description: Producers may make application to the Minister of Agriculture to request that their crop be "designated" for deficiency payments.

The Act provides for payments to producers to stabilize returns at a level of 90 percent of the previous five year average adjusted by any increase or decrease in the cost of production over the previous five year average cost. Regional programs are considered if specific conditions affected one area more than others.

Eligibility: Individual producers are eligible for assistance with maximum payments to apply according to criteria established by the Agricultural Stabilization Board.

Budget: The annual budget includes an estimate for total cost for products "named" in the Act as well as for "designated" products. Each program is approved separately by Treasury Board.

Utilization: Stabilization payments were made to producers in Eastern Canada on the 1979 crop but not for 1980.

Coments: The Agricultural Products Board has authority under comparison legislation to purchase product or otherwise to facilitate disposal of product if market conditions can be improved.

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SECTION II—TECHNICAL SUPPORT

NEW BRUNSWICK

Potato Industry Evaluation & Education.
Bon Accord See Potato Farm.
Post Harvest Testing Program.
Contracts Program.

PRINCE EDWARDS ISLAND

Extension & Marketing.

MAINE

U.S. Crop Reporting Service.
Federal-State Market News Service.
Federal-State Inspection Service.
U.S. Soil Conservation Service.
U.S. Agricultural Research Service.
University of Maine Research Station.
University of Maine Cooperative Extension.
Maine Seed Potato Board.
Maine State Seed Potato Certification Program.
U.S. Agricultural Marketing Service.

AGRICULTURE CANADA

Inspection Services.

NEW BRUNSWICK

Title: Potato Industry Evaluation & Education.

Source: Provincial.

Description: This is a comprehensive program which is designed to develop, evaluate and communicate new and existing technologies for the potato industry in N.B. Activities carried out under this program include:

(1) Wicklow Resource Centre—Provides staff as resource people in the areas of potato production, entomology, pathology, soil management and storage management.

(2) Plot Work—Soil management and fertility testing.

(3) Production Records—Information is gathered and assembled on soil samples, fertility, climatology, yields, herbicides and pesticides. Information will subsequently provide a data base on which to make crop recommendations to growers.

(4) Pest Management—Provides information regarding insect population levels and advises growers on insecticide applications.

(5) Variety Screening and Multiplication—This program screens varieties and advanced seedlings with respect to their potential in foreign and domestic markets.

Eligibility: N.B. potato growers.

Budget: N/A.

Utilization: N/A.

Comments: This is not a comprehensive list of projects carried out under Potato Industry Evaluation and Education, but serves as a representative sample.

Title: Bon Accord Seed Potato Farm.

Source: Provincial.

Description: The Bon Accord Seed Potato Farm provides virus-free, high-quality, seed potatoes to the New Brunswick seed potato industry. Nineteen varieties are produced in three seed classes: Pre-Elite, Elite I and Elite II. The farm also serves a promotional function to the seed industry.

Eligibility: N/A.

Budget: N/A.

Utilization: Pre-Elite and Elite I stocks, not required at Bon Accord, and all of the Elite II stock were graded and sold to 91 eligible seed growers in 1980–81.

Title: Post harvest testing program.

Source: Provincial.

Description: This program provides a method of determining disease levels in New Brunswick seed potato lots. A field testing program is conducted in Florida in the fall and winter. The information is communicated to participating growers and is also used to form a data base of information on disease levels.

Eligibility: N/A.

Budget: N/A.

Utilization: N/A.

Title: Contracts program.

Source: Provincial.

Description: Funds are provided to the N.B. Potato Agency to conduct two programs.

(1) Mandatory disinfection service and storages and cull piles according to the provisions of the Potato Disease Eradication Act.

(2) To conduct a Potato Disease Survey and to certify areas which are free from ringrot.

Eligibility: N/A.

Budget: 1981–82, $80,000.

Utilization: N/A.

PRINCE EDWARD ISLAND

Title: Extension/Marketing.

Funding: Provincial.

Description: In addition to the specific programs outlined, a general advice service is available in areas of land management, pest and disease control, marketing, engineering, soil testing, climatology etc.

MAINE

Technical Assistance and Research Programs: These programs provide information which enable potato growers, wholesalers and retailers to improve production and to better compete in the marketplace. It should be noted that many of these programs benefit not only Maine potato growers but also potato growers in Canada and elsewhere in the U.S.

(1) U.S. Crop Reporting Service: An agency within the U.S. Department of Agriculture, the Crop Reporting Service reports production statistics on various agricultural crops including potatoes. This information is available to all potato farmers; utilization is high. Funds are appropriated on a national basis for the program as a whole; the contribution of Federal resources benefitting Maine potato farmers is estimated at approximately $35,000 to $40,000 annually.

(2) Federal-State Market News Service: This program, jointly funded by the State of Maine and the USDA, issues a daily potato bulletin which provides market price information, supply/demand indicators, and information on terminal and shipping point markets. The bulletin has a circulation of 700–900. The State of Maine contributes $18,500 annually to the Service. The Federal contribution is unknown.

(3) Federal-State Inspection Service: This program provides the potato industry with a voluntary grading service funded by fees paid by the users of the program. In 1980, this service was utilized by an estimated 20% of the growers, although in prior years, utilization has been on the order of 75–80%. As a result of recent legislation, the State of Maine will contribute approximately $100,000 to the program in 1981–82 and $120,000 in 1982–83 in order to reduce the cost to the users and obtain greater participation.

(4) U.S. Soil Conservation Service (SCS): The SCS is a federal agency within the USDA whose mandate is to provide technical assistance to farmers towards the reduction of soil loss and improvement of water-quality. This agency works through cooperative agreements with local Soil and Water Conservation Districts which are supported by State and local funds. About one-third of the State's potato farmers utilize this service. Federal funding supporting this activity is estimated at $250,000/year. State funds supporting the 3 Aroostook County Districts approximate $6,600/year. The Districts also raise money locally through sale of trees and shrubs and agricultural drainage tile.

(5) U.S. Agricultural Research Service: This agency, also within the USDA, conducts two research programs which benefit Maine potato farmers: (1) A plant breeding program conducted in Beltsville, Maryland budgeted at an estimated $110,000/year; and (2) A soil and water laboratory in Orono, Maine at which studies on soil borne pathogens related to potatoes is being conducted under a budget of approximately $60,000/year.

(6) University of Maine Research Station: The University of Maine conducts a variety of research programs related to the potato industry utilizing Federal and State funds approximately $175,000/year and industry funding of approximately $96,000/year.

(7) University of Maine Cooperative Extension Service: This service provides educational assistance to potato growers related to all aspects of production and marketing including farm management, pest management, engineering and financial technical assistance. The Service maintains 4–5 potato specialists to serve the industry. The cost of the Service, approximately $150,000 annually, is jointly shared by the Federal government (50%), State government (40%) and County government (10%).

(8) Maine Seed Potato Board: This Board was established by the Maine Legislature to produce seed potatoes for distribution and sale to Maine potato growers, and to guide work on improving the quality of Maine seed potatoes. Through 1980, it has been funded entirely through industry taxes. Recent legislation has approved a state contribution of $150,000 over the period 1981–83 to help fund capital improvements.

(9) Maine State Seed Potato Certification Program: A major activity of the Division of Plant Industry within the Maine Department of Agriculture is the certification of seed potatoes. A crew of 14 year-round seed inspectors, supplemented by 20 additional inspectors in the summer, is responsible for testing seed plots for State certification. Although this activity is funded through the collection of industry taxes, the State contributes approximately one man-year annually in administrative services towards this and other programs related to potatoes.

(10) U.S. Agricultural Marketing Service Research/Development Grants: Three Federal grants have been awarded to assist the Maine potato industry since 1977. These grants, totalling $107,000 provided funds to study transportation alternatives for marketing potatoes, to investigate and facilitate foreign export of potatoes, and to improve the sales and marketing structure of the industry.

FEDERAL

Title: Inspection Services.

Source: Federal.

Description: Agriculture Canada through Plant Quarantine Division of the Food Production and Inspection Branch, provides field storage and laboratory examination of seed potatoes. This service has been free but currently a Seed Potato Quality Program is being initiated which will include user-pay provisions on a shared cost system.

The Dairy, Fruit & Vegetable Division of the Food Production and Inspection Branch provides shipping point inspection on all shipments of table potatoes leaving P.E.I. and N.B. for domestic or export markets. An inspection fee is paid by the shipper.

Title: General.

Description: The Department of Industry, Trade and Commerce have a variety of programs available to potato exporters to assist in promotions. These programs are mainly directed toward trade missions either into Canada or to off-shore markets.

EXPORT MARKET PROMOTION

Export market promotion is available to Maritime potato growers through the efforts of the industry groups, the New Brunswick Potato Agency and the P.E.I. Potato Marketing Board and the federal and provincial departments of agriculture. Export market assistance is not quantifiable in value terms but includes promotions overseas, trade missions (Algeria, Yugoslavia, and Italy in 1980) and careful attention to quality and disease control and research. The federal government through Agriculture Canada has acknowledged its recognition of the importance of exports through the development of a seed potato quality program to ensure the upgrading of the phytosanitary status of Canadian seed potatoes (see CN0020, 1/24/80).

During the latter part of 1979 and throughout 1980 the provincial governments of P.E.I. and N.B. have worked closely with Agriculture Canada to develop a federal/provincial/industry program to enhance the portion of Maritime seed potatoes in international markets. The proposal, to be presented to industry for consideration some time in 1981, is expected to include a strengthened seed certification program, increased research, a form of market risk insurance, a special crop insurance provision for seed potatoes, storage assistance and increased emphasis on market development and promotion.

Mr. COHEN. U.S. exports of seed potatoes, for example, have suffered greatly in recent years because of unfair Canadian competition. In 1980, the United States exported only 232,444 hundredweight (cwt) of seed potatoes. In contrast, Canada exported nearly 3 million cwt in the same year, with major markets being Latin America and Europe. While Canada shipped Argentina and Venezuela over 1 million cwt combined, the U.S. shipments to these countries was zero. I ask unanimous consent to insert in the RECORD tables comparing United States and Canadian exports of seed potatoes in 1980.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

*U.S. exports seed potatoes*

[Calendar year 1980]

| Destination: | Cwt. |
|---|---|
| Canada | 157,580 |
| Libya | 37,937 |
| Mexico | 26,385 |
| Panama | 3,536 |
| Philippines | 2,765 |
| Dominican Republic | 2,200 |
| Thailand | 441 |
| Netherlands Antilles | 441 |
| Costa Rica | 415 |
| Sweden | 291 |
| Others (3 countries) | 453 |
| Total | 232,444 |

*Canadian exports seed potatoes*

[1979 crop]

| Destination: | Cwt. |
|---|---|
| Argentina | 687,306 |
| United States | 531,794 |
| Venezuela | 371,541 |
| Uruguay | 325,024 |
| Cuba | 248,326 |
| Italy | 188,163 |
| Greece | 95,900 |
| Spain | 67,196 |
| Algeria | 66,138 |
| Jamaica | 47,575 |
| Portugal | 40,895 |
| Dominican Republic | 32,386 |
| Bermuda | 2,800 |
| Puerto Rico | 2,712 |
| Costa Rica | 1,367 |
| Others (3 countries) | 2,161 |
| Total | 2,711,283 |

Mr. COHEN. Canada is the world's second largest seed potato exporter. Canadian trade in this area is rapidly growing, with a 600,000 cwt increase in 1979 exports over the 1978 level. Canadian seed potatoes, produced for export, are raised in the eastern Provinces of New Brunswick and Prince Edward Island. There are seven export companies involved in the Government-supported Canadian Seed Potato Export Agency, commonly known as Potatoes Canada. While this Government-supported agency does not actually sell potatoes for export, it is actively involved in sales development and promotion. The chief purpose of the agency, which has no U.S. counterpart, is market promotion with emphasis on increasing the use of Canadian seed potatoes abroad.

The Canadian Government also assists potato exporters by conducting seed potato trials in foreign countries. These trials have been completed in 36 different countries since 1975. These test plots for potato varieties have proven very instrumental in gaining approval of foreign import permits. This Government-sponsored activity places U.S. producers at a severe disadvantage. Potatoes Canada employs a full-time staff to travel throughout countries monitoring these trials and working with the host government in determining which varieties are most suitable to existing soil conditions.

Canada also has a national Seed Act,

which is important to the seed potato export market. Under the act, the Federal Government approves clone selections and varieties, conducts tuber inspections, supervises the production of all stages of elite seed classes, and conducts port inspections.

Canada's Minister of Agriculture recently announced that the Cabinet had approved the establishment of a Canadian Federal agricultural export corporation (Canagrex). This proposed corporation will have a budget of $12.3 million for its first 3 years of operation. The budget will include funds for grants, loans, and investment programs. Canagrex will be able to provide export financing in addition to engaging in direct selling and contracting with existing export companies and agencies.

Mr. President, it is clear that the Canadians continue to press forward in the development of export markets for seed and tablestock potatoes. Our domestic potato industry is experiencing the painful effects of this targeting strategy, since domestic prices have been undermined significantly in the past two marketing seasons. For the first time in history, the Canadians filled the potato seed quota at 1,140,000 hundredweight. This followed 3 years of below-cost-of-production prices to our domestic producers. This illustrates the aggressiveness and determination of our Canadian competitors. Clearly, we owe our domestic producers the same advantage in third country markets that the Canadians enjoy in competing in our domestic markets. Without Federal assistance our domestic potato producers will continue to be shut out of lucrative foreign markets.

The Netherlands is an equally aggressive competitor in both the fresh and processed potato markets, with estimated exports in seed alone approaching 10 million hundredweight. Dutch exporting companies work directly with Government agricultural agencies in establishing research and marketing personnel in foreign countries to develop seed potato trade in the larger importing areas. With facilities and personnel overseas actively working in the markets, the Dutch obviously have a competitive edge over U.S. exporters and have attained the No. 1 position in potato exports.

Our domestic potato industry is competing in an oversupply situation at a time when Canadian exports into U.S. markets have increased by 300 percent since 1976. While the previous administration was reluctant to involve itself in this worsening problem, I have been encouraged by the interest displayed by the present administration. However, to date, no remedies have been found to address what is referred to only as an "unfortunate problem" for domestic potato producers .

Mr. President, I have confidence in the ability of our domestic producers to compete, both in the domestic and in international markets. Domestic agricultural industries, however, cannot compete with foreign governments or government-supported agencies and instrumentalities in the development of export markets. Actions taken by foreign competitors in third country markets should be met on a case-by-case basis by actions of our own, which will insure the competitiveness of our domestic producers. My amendment will accomplish this objective.

I believe that in the long term, this program will be cost-effective in that our farmers will develop new markets while strengthening our balance of payments. Section 32 funds may be an appropriate means of funding these subsidies.

My amendment offers a long needed remedy to a problem that has become increasingly visible and serious in recent years. This problem can no longer be ignored, and I hope that my amendment will receive the support of the Senate.

I point out that this is simply one step in a series of amendments that I intend to offer during the course of this year and next year and the year after, if necessary; that from time to time our potato producers have come to administration after administration saying, "We are being destroyed by a situation in which the Canadians enjoy a 20 percent monetary exchange rate differential, in which they heavily subsidize their potato producers, in which they are able to enjoy the use of certain chemicals and sprays which are prohibited and banned in this country, and that they vigorously pursue the penetration of our markets."

I would submit that they have been labeling, for example, table stock as seed, and then selling it as table stock in the United States, all in an effort to undermine our domestic market.

Now, I do not blame the Canadian Government for undertaking to promote a vigorous domestic industry. I think they will continue to do so, if we remain indifferent or have a blind eye or turn a deaf ear to what is going on in that country.

I think it is time that this administration, and certainly this Congress, made a specific determination to reject the sort of policy that is being pursued by the Canadians and at least force them to sit down and start negotiating with the United States. Right now they have no opposition. The administration has shown no interest and we continue to see the erosion of the family farm in Maine and once very vigorous potato industry.

Mr. President, I hope that this amendment, which simply grants standby authority to the Secretary of Agriculture to implement a subsidy program if he determines that our market and our producers are being undercut by unfair competitive advantages, will have the support of my colleagues in the Senate.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MITCHELL. Mr. President, I rise in support of Senator COHEN's amendment which I am pleased to cosponsor. I congratulate Senator COHEN for this initiative to provide assistance for Maine and other domestic potato growers.

Section 1203 of this bill authorizes an export subsidy program, to be implemented when Government subsidies to foreign competitors of U.S. exporters are present. This amendment, if accepted, would direct the Secretary of Agriculture to use this authority to set up a special subsidy program for potato exports.

By adopting this amendment, Congress would only be acknowledging an already well-documented fact, which is the substantial subsidization of potato production by the Canadian Government. These subsidies are a major reason for the disruption in U.S. markets caused by a surge of Canadian potato imports.

Canadian potato imports have increased substantially for 3 consecutive years. Last year alone saw a 300-percent increase in imports. Canadian potatoes entering the country through Maine ports of entry are expected to equal 25 percent of the total volume of Maine table stock potatoes. This has had a devastating impact on the U.S. industry, which is already suffering from excess capacity.

Canada subsidizes its potato growers at both the Federal and provincial levels of Government. The Federal Government offers several general subsidies. The first is the agricultural stabilization program, which offers price supports for potato growers. Second, the Canadian Farm Credit Corporation offers farmers loans with interest rates 3 to 4 percent below the prime rate.

Third, their fresh fruit and vegetable storage construction assistance program offers financial assistance for up to one-third the cost of renovation or construction of storage facilities. Fourth, the Atlantic freight assistance program provides significant reductions in growers' transportation costs. Finally, as if more were needed, the Canadian Government recently approved a $3 million potato export promotion program.

Both Prince Edward Island and New Brunswick offer subsidies at the provincial level as well. These include various crop insurances schemes, special services, and selective incentives which potato growers qualify for.

Taken together, Canadian Government subsidies, the exchange rate and our own efforts to free trade have all had the end result of driving our producers toward bankruptcy while helping create a Canadian industry whose only goal is to produce potatoes for export to the U.S. market.

Mr. President, this amendment constitutes a small step that Congress can take to alleviate this situation. Passage of this amendment would acknowledge that Canadian subsidies are a problem, and would help improve the position of U.S. potato growers by stimulating their export sales.

Mr. President, I again congratulate Senator COHEN on his initiative. I urge all of my colleagues in the Senate to support this amendment.

Mr. COHEN. Mr. President, I ask unanimous consent that Senator DURENBERGER be added as a cosponsor. I yield to the Senator from Idaho.

Mr. SYMMS. Mr. President, I thank the distinguished Senator, my good friend from Maine, for offering this amendment. I would say that although, coming from Idaho, where we enjoy such a fine reputation in potato production which are of the highest quality pota-

toes, our growers probably have less problems than those of Maine. But we do support the efforts of the Senator. I compliment him for bringing this to the attention of this body. I think it should be accepted.

Mr. COHEN. I thank the Senator for his comments.

The PRESIDING OFFICER. Who yields time?

The Senator from North Carolina.

Mr. HELMS. Mr. President, we are not under a time agreement, are we?

The PRESIDING OFFICER. There is no time agreement.

Mr. HELMS. Mr. President, I must analyze the amendment that the Senator has offered. My knowledge of the issue is limited to the printed amendment he has at the desk. So to give me a few minutes to study that, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. COHEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COHEN. Mr. President, I have been discussing this with the distinguished chairman of the committee. I have a modification which I send to the desk. I ask that my amendment be so modified.

The PRESIDING OFFICER. The Senator has the right to modify his amendment. The amendment will be so modified.

The amendment (UP No. 363), as modified, read as follows:

On page 241, between lines 13 and 14, insert the following:

(e) The Congress finds that Canadian domestic production subsidies and European Economic Community subsidies are causing substantial displacement in the export sales of fresh and processed potatoes produced in the United States. The Secretary of Agriculture, therefore, is strongly urged to exercise the authority provided in the foregoing provisions of this section to implement a special standby export subsidy program for the purpose of neutralizing the effects of such subsidies programs instituted by Canada and the European Economic Community countries.

Mr. COHEN. Mr. President, the change which has been agreed upon would be to strike the words "directing the Secretary of Agriculture to exercise the authority" and substituting therefor the words "strongly urged."

The second change will be to strike the word "immediately."

It would then read "The Secretary of Agriculture, therefore, is strongly urged to exercise" and so forth, striking the word "immediately."

If that is acceptable to the chairman, I ask that the amendment, as modified, be agreed to.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, this amendment, as modified, is acceptable to this side, and I am informed that it is equally acceptable to the other side. I recommend its adoption.

The PRESIDING OFFICER. Without objection, the amendment, as modified, is agreed to.

The amendment (UP No. 363), as modified, was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. COHEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 364

(Purpose: To amend the Perishable Agricultural Commodities Act, 1930, to increase the ceilings on license fees and to increase the level of damages claimed which entitles a respondent in a reparation proceeding to have an oral hearing)

Mr. SYMMS. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Idaho (Mr. SYMMS) proposes an unprinted amendment numbered 364.

Mr. SYMMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

On page 235, between lines 17 and 18, insert the following:

PERISHABLE AGRICULTURAL COMMODITIES

SEC. 1112. (a) Paragraphs (6) and (7) of section 1 of the Perishable Agriculutral Commodities Act, 1930 (7 U.S.C. 499a (6) and (7)), are amended by striking out "$200,000" and inserting in lieu thereof "$230,000".

(b) Section 3(b) of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499c (b)), is amended by striking out "$150", "$50", and "$1,000", and inserting in lieu thereof "$300," "$150," and "$3,000," respectively.

(c) Sections 6(c) and 6(d) of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499f (c) and (d)), are amended by striking out "$3,000", wherever it appears, and inserting in lieu thereof "$15,000".

In the table of contents insert, in the appropriate place, the following:

"SEC. 1112. PERISHABLE AGRICULTURAL COMMODITIES.".

Mr. SYMMS. Mr. President, on July 31, I introduced S. 1557, to amend the Perishable Agricultural Commodities Act of 1930, or PACA, to increase ceilings on license fees and to increase the level of damages claimed which entitle a respondent to an opportunity for an oral hearing. Today, I am offering an amended version of S. 1557 to the farm bill which is currently before this body.

The PACA was first enacted as a cooperative measure between the fruit and vegetable industry, Congress and the USDA to bring stability to the fruit and vegetable marketplace. The act, closed the door to unscrupulous trading, and established a code of fair trading in the marketplace. That code prohibited unfair practices in trading, established licensing for merchants, dealers, and brokers in fruit and vegetables, and set up the framework for resolving disputes including disciplinary actions and enhanced recovery of damages.

All in all, the act has been a great success. In 1980 alone, $6 million was recovered by informal negotiations, complaints that would have otherwise been resolved in our beleaguered courts. In addition, counseling efforts involving contract responsibility reduced the number of complaints. The value of this recovery to industry is estimated at $71 million—fully 25 times the administrative costs of the program.

Nonetheless, the program, like so many programs, is in serious financial straits. Even though on January 1, 1981, the license fees were raised to the current ceilings, the costs of operating the program will exceed income in fiscal year 1981 by approximately $300,000. Most of the existing reserve funds would be used to make up that deficit. That deficit will expand in fiscal year 1982 to an estimated $800,000. Thus, without congressional action, the PACA program, so vital to the fruit and vegetable industry, will expire.

My amendment will increase the fee ceiling from the current $150 to $300, the branch fee from $50 to $150, not to exceed $3,000. The amendment would retain the current exemption of up to nine branches from the branch fees. It will also increase the damage floor that triggers mandatory oral hearings from $3,000 to $15,000. Finally, the amendment would increase the level of purchases of fruits and vegetables by retailers and of frozen food brokers' sales from $200,000 to $230,000 before they fall under the licensing provisions of the act.

Mr. President, my amendment has the support of the administration and has been carefully crafted with the assistance of industry and the Senate Agriculture Committee. The amendment will provide adequate funding for the program through fiscal year 1986. It is a necessary amendment which must be addressed immediately, although the act itself should be reviewed by Congress to address problems that are equally important, but which do not require the same level of urgency. I am pleased that Senator HELMS has assured this body that his committee intends to conduct hearings into those issues, and this Senator looks forward to participating in those discussions.

The distinguished chairman of the Senate Agriculture Committee has shown great leadership in agreeing to conduct hearings dealing with additional facets of PACA, and I would like to commend him for his efforts, and pledge my support for those hearings. We are simply talking about raising the license fee. It is a user fee which makes it a self-funding agency of the USDA.

Specifically, Mr. President, I feel that the committee should discuss the following concerns:

First, just what should constitute a misbranding violation under the act;

Second, the current situation with regard to the bonding of foreign claimants or the assignees of nonresidents under the act;

Third, the current structure of license fees with respect to retailers;

Fourth, duplicative PACA licensing by wholly owned subsidiary retail corporations; and

Fifth, the status of sellers during bankruptcy proceedings.

Although this list is by no means all inclusive, it represents concerns that have been expressed to me by those who are more closely affected by the Perishable Agricultural Commodities Act.

Mr. President, I thank the distinguished chairman of the Committee on Agriculture and the distinguished ranking minority member for their agreement to this proposal and to include it in this important farm bill.

Mr. HELMS. Mr. President, I need to discuss this amendment, which I personally favor, with the distinguished ranking member of the committee. He is not on the floor at the moment. If I may check with him, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, this Senator is certainly predisposed to accept this amendment.

The Perishable Agricultural Commodities Act, commonly referred to as PACA, establishes rules of fair play in the fruit and vegetable marketplace and provides aggrieved parties to contract disputes arising from transactions in such commodities a forum to resolve their disputes.

This legislation was originally enacted to suppress unfair and fraudulent practices that were particularly acute as a result of the nature of this industry. Due to the highly perishable nature of fruits and vegetables and the long distances between production areas and marketplaces, transactions involving thousands of dollars are frequently entered into by telephone between parties that never meet. If an unscrupulous dealer refuses to pay the agreed-upon price for commodities received, the producer often has no choice but to accept the reduced payment, since the commodities would likely spoil before an alternate purchaser can be found.

PACA not only provides a forum for the review of contract disputes but allows the department to exclude from the industry dealers and others that engage in unfair and fraudulent practices by denying or revoking the required license.

Under this program, all commission merchants, brokers, and dealers who buy, sell, or handle fresh or frozen fruits and vegetables in interstate or foreign commerce are required to be licensed. The licensing requirement also applies to retailers provided that they purchase more than $200,000 worth of fruits and vegetables annually.

By and large, PACA is favorably endorsed by most segments of the industry. In addition, this program is almost fully self-supporting since license fees paid by traders and dealers pay the costs of administration. A small amount of indirect costs for legal support is paid from appropriated funds.

Recently, the Department of Agriculture informed Congress that the current fee structure is no longer sufficient to generate adequate income to fund the program. If authority to raise the fees is not enacted, a program deficit of $700,000 is projected for fiscal year 1982.

To avoid a damaging curtailment of this program, an immediate fee increase is required. For this reason, I support adoption of the amendment of the Senator from Idaho. I am informed that the amendment is generally acceptable to most segments of this industry and satisfies the funding requirements for the program for several years.

I imagine that the Senator will support that.

Mr. SYMMS. Will the Senator from North Carolina yield?

Mr. HELMS. Certainly, Mr. President, I yield.

Mr. SYMMS. Mr. President, I ask unanimous consent that there be printed a letter from Deputy Secretary Richard Lyng which supports this part of the amendment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
*Washington, D.C., September 15, 1981.*

Hon. STEVEN D. SYMMS,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR SYMMS: The Department urges consideration of the enclosed amendment to the 1981 farm bill legislation to provide funding for the Perishable Agricultural Commodities Act program (PACA).

The proposed amendment will increase the license fee ceiling from the current $150 to $300, the branch fee from $50 to $150, and the total aggregate fee ceiling from $1,000 to $3,000. These changes will provide adequate funding for the PACA program through FY 1986. Additionally, the proposed amendment will increase from $3,000 to $15,000 the amount of claims before the Department is required to hold an oral hearing. Also, the value of purchases of fruits and vegetables by retailers and of sales negotiated by frozen food brokers before they become subject to licensing will be increased from the current $200,000 to $230,000. This will enable the Department to continue its services under the PACA program.

The Office of Management and Budget advises that it has no objection to the presentation of this proposed amendment.

Sincerely,

RICHARD E. LYNG,
*Deputy Secretary.*

Mr. HELMS. Mr. President, while this amendment satisfies the immediate funding problem for PACA, there are several other issues that have been raised by industry groups that merit further consideration. Accordingly, it is my intention that hearings on PACA will be held as soon as practicable to allow all issues that have been raised, including those involving the general fee structure, to be adequately reviewed.

For this side, Mr. President, I accept the amendment.

Mr. HUDDLESTON. Mr. President, we have examined the amendment on this side and we agree to accept it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 364) was agreed to.

Mr. HELMS. I move to reconsider the vote by which the amendment was agreed to.

Mr. HUDDLESTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 542

(Purpose: To urge and request the Secretary of Agriculture to use existing authority to increase sales of United States agricultural commodities and the products thereof in foreign countries)

Mr. ARMSTRONG. Mr. President, I call up my amendment No. 542.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. ARMSTRONG) proposes an amendment numbered 542.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

On page 235, between lines 17 and 18, insert the following new section:

EXPANSION OF INTERNATIONAL MARKETS FOR UNITED STATES AGRICULTURAL COMMODITIES AND THE PRODUCTS THEREOF

SEC. 1112. (a) It is the sense of the Congress that, in order to further assist in the development, maintenance, and expansion of international markets for United States agricultural commodities and the products thereof, the Secretary of Agriculture should, and is hereby urged and requested to—

(1) use the intermediate credit program authorized under section 4 of the Food for Peace Act of 1966 (7 U.S.C. 1707a) to improve the capability of importing nations to purchase and use United States agricultural commodities and the products thereof on a long-term basis;

(2) ask the Congress, at the earliest practicable date, for funds for the agricultural export credit revolving fund in an amount sufficient to meet the demand for short-term credit authorized to be made available under section 4 of the Food for Peace Act of 1966;

(3) establish, insofar as practicable, the maximum number of United States Agricultural Trade Offices in other nations authorized by section 605A of the Act of August 28, 1954 (7 U.S.C. 1765a);

(4) use, to the maximum extent practicable, existing authority to ensure full utilization of the levy-free quota, established during the Tokyo round of the multilateral trade negotiations, for the export sale of United States high quality beef to the European Economic Community;

(5) expand, to the fullest extent possible, the market development activities of the Foreign Agricultural Service of the Department of Agriculture in developed, developing, market, and nonmarket foreign countries with particular emphasis on (A) continuation of the cooperator programs at the same funding level (adjusted for inflation)

provided to carry out the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) during fiscal year 1970; (B) a more active export market development program for value added farm products and processed foods; and (C) the implementation of a full scale program for forestry products, including commodity information, trade policy, and market development for such products;

(6) insure that the European Economic Community observes its commitments under the General Agreement on Tariffs and Trade (GATT) regarding the tariff-free binding on imports of soybeans and corn gluten feed;

(7) consult with the appropriate officials of the Government of Japan with the objective of increasing the export sales of citrus fruits and high quality beef to Japan; and

(8) use the authority under section 32 of the Act of August 24, 1935 (49 Stat. 774; 7 U.S.C. 612c) to establish a special standby export subsidy program for United States agricultural commodities and the products thereof, the export of which has been restricted by foreign government subsidies.

(b) It is further declared to be the sense of the Congress that any special standby export subsidy program established by the Secretary of Agriculture pursuant to subsection (a)(8) should (1) be consistent with United States international obligations, and (2) be designed to neutralize the effects of those foreign agricultural commodity subsidy programs which—

(A) the President has determined, pursuant to section 301 of the Trade Act of 1974 (19 U.S.C. 2411), are acts, policies, or practices described in section 301(a) of such Act that should be eliminated by appropriate action of the United States;

(B) have, as the result of the appropriate dispute settlement procedures, been found to be in violation of the General Agreement on Tariffs and Trade (GATT) or the Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade (relating to subsidies and countervailing measures), if applicable.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that the Senator from Minnesota (Mr. BOSCHWITZ) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ARMSTRONG. Mr. President, it is my plan to speak very briefly in support of the amendment, which I believe will be received favorably by most or perhaps all Senators.

Mr. President, on October 21, 1978, the Agricultural Trade Act of 1978 was enacted to strengthen the economy of the United States through increased sales abroad of U.S. agricultural commodities. The act contains several major provisions which should, when fully implemented by USDA, assist our efforts to maintain and expand our agricultural export markets.

Agricultural exports are an important part of our economic and foreign policy, and are fundamental—they are absolutely bedrock—to the success of our farm policy. In fiscal year 1980, production of nearly 1 out of every 3 harvested acres in this country—about 110 million acres—was exported, and for many farmers, the ratio was even higher. Cotton, wheat, and rice farmers must look to foreign markets for nearly two-thirds of their sales, and exports account for nearly one-quarter of our annual corn production. Today, nearly $1 out of every $3 earned by the American farmer comes from export sales. The growth in U.S. agricultural exports has been impressive, but the need for increasing those exports has never been greater.

The most recent crop production estimates for 1981 by USDA show that wheat production is forecast at a record high of 2.75 billion bushels, an increase of nearly 20 percent over 1980. Corn production is forecast at 7.94 billion bushels, up 7 percent from last year's crop. If this corn forecast is realized, it will be the second largest corn crop in history, exceeded only by the 1978 and 1979 crops. Production of oats and barley is estimated to increase 15 percent and 33 percent, respectively, over last year's crop.

Mr. President, the 1981 bumper crops in wheat and the feed grains spell potential disaster for many farmers, because markets for these surpluses may not be available. Many observers of this bleak situation believe we have but three choices. First, we can increase direct deficiency payments to farmers, resulting in a stimulus to agricultural production and increasing Federal outlays. But the 1981 budget crunch necessitates a hard look at all Federal subsidy programs. To throw more Federal money at the immediate problem poses the dilemma that short-term aid to agriculture can result in long-term overproduction. Second, the Federal Government can step up its involvement in storage systems and increase direct storage payments. But past experience has proven conclusively that huge Government-owned surpluses cause more problems than they solve. Such huge surpluses can depress market prices for many years.

There is, however, a third option, which is the option to which my amendment is addressed today, and that is a more aggressive export policy.

Increased exports will not only assist in our balance of trade but also will help strengthen farm prices, which is so desperately needed by our farmers. Equally important, farmers will be able to receive more of their income from the marketplace rather than from the Federal Treasury.

At the end of this fiscal year, the United States will no doubt be faced with another large deficit in our balance of trade. If the United States is to continue importing huge quantities of crude oil, automobiles, and other manufactured goods, then we must also increase our exports to pay for these imports. In fiscal year 1980, agricultural exports of $40.5 billion paid for $17.3 billion in agricultural imports, leaving a net balance favorable of only $23.2 billion to be applied to imports of oil and manufactured products.

The Agricultural Act of 1978 contains several provisions which could assist in increasing exports in the long term, if fully implemented. One provision authorized the use of intermediate credit of 3 to 10 years to finance the export sale of breeding animals, including the cost of freight from the United States to designated points of entry overseas. Intermediate credit was also authorized to be marketing, processing, storage, or distribution of the imported commodities; to establish reserve stocks in importing countries; and to meet credit competition of other exporting countries. However, only limited funds were available for intermediate credit sales in fiscal year 1980, with no funds at all authorized for use in fiscal year 1981 and later years.

Another provision of the act which would have an impact on agriculture exports is the authority delegated to the Secretary of Agriculture to establish as many as 25 U.S. agricultural trade offices in other nations. Since the passage of the act, though, USDA has staffed and made operational only seven agricultural trade offices. Also, trade officers have been posted in three other countries, and one trade office was established under other authority. So only 11 offices have been established or are in the process of being established.

The Department of Agriculture should be commended for their efforts in the implementation of the authorities made available in the Agricultural Act of 1978, but I believe that much more can and should be done under existing statutory authority. Therefore, the amendment I propose contains a resolution expressing the sense of Congress to encourage the Secretary of Agriculture to fully implement the authorities contained in the act.

I ask unanimous consent that some additional information which explains the individual provisions of this resolution be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ADDITIONAL INFORMATION

INTERMEDIATE CREDIT

Congress called for enactment of the Intermediate Credit Program in 1978. It was briefly in operation; however, no funding was allocated in 1981. Intermediate credit provides a valuable link between the short-term credit guarantee program for sales with 1 to 3-year credit repayment terms and concessional sales for market development under P.L. 480, Title I, with repayment terms of 20 to 40 years. The need for intermediate credit terms providing three to ten year credit for breeding animals and foreign market development facilities is not met by the guarantee program. Particularly in developing countries where potential for increased livestock exports is greatest, and where facilities to handle agricultural imports are most needed. longer repayment terms become critical in managing these types of investments with slower rates of return.

One mechanism for providing intermediate credit while expanding our short-term credit options is an export credit revolving fund, as proposed by the Senate Agriculture Committee Farm Bill. It would be advantageous to revive the direct credit program in order to complete our mix of export credit marketing tools. USDA says there may be some instances where direct government-to-government credit is a better selling tool than private guaranteed credit. The original Senate proposal called for funding not to exceed $300 million in FY 82, $500 million in FY 85, and $700 million in FY 85.

AGRICULTURAL TRADE OFFICES

In the Agricultural Trade Act of 1978, Congress authorized the establishment of a minimum of six and a maximum of 25 Agricultural Trade Offices to be located in the major market areas with potential for expansion, i.e., OPEC countries, planned economies, and developing countries. The goal of the Trade Offices is to provide one-stop marketing service for U.S. exporters and foreign buyers.

At present, eight trade offices are fully operational and three trade officers are at posts in Nigeria, China and Tunisia with trade offices in development. In the fall of 1981, evaluation teams will begin a study of trade offices in Hamburg, London, Warsaw, Manama, Singapore, and Seoul to determine their effectiveness and the feasibility of creating additional trade offices.

EC IMPORTS OF HIGH-QUALITY BEEF

The European Community's Beef and Veal Management Committee allocates the U.S. a 10,000 MT quota of a 21,000 MT quota for high quality beef as agreed to in the Tokyo Round of the Multilateral Trade Negotiations. This was seen as a major breakthrough in U.S. efforts to gain access to the European market. However, U.S. exporters filled only 941 MT of the quota in 1980 and 1,215 MT to date in 1981. Obstacles to increased use of the quota center around pricing by U.S. producers and European wholesalers and complex licensing procedures for European importers. In June, 1981, Secretary Block won a commitment from EC ministers to keep the quota in place while these problems are addressed. Foreign Agricultural Service officials met with EC officials and U.S. industry representatives in July and August 1981. Further progress is expected with a strong, concerted effort.

MARKET DEVELOPMENT ACTIVITIES

(A) Cooperator Programs.—The dramatic expansion in agricultural exports in the past decade has put increasing pressure on the resources available for the market development cooperator program. Since 1970, the number of participants has doubled from 25 to 50 associations and a new component, the Export Incentive Program with 36 participants has been added. Funding has not kept pace with this growth. While authorization ceilings for the program have doubled from $13.1 million in 1970 to $26.6 million in 1981, inflation and currency fluctuations have kept the real purchasing power at $13.6 million—only $1.3 million above 1970 purchasing power. Instead of providing more service to agricultural exporters, FAS is providing less to an increased number of participants.

(B) Value-added Products.—With increasing emphasis on the relationship of exports to domestic employment, greater attention must be given to the importance of value-added products and processed food exports. The Foreign Agricultural Service has recently completed a draft study with recommendations for development of a program to target export market potential for these products.

(C) Forestry Products.—In 1979, the Foreign Agricultural Service began consultation with the National Forest Products Association (NFPA) in an effort to develop a cooperator program. Wood export in 1980 totalled almost $4.0 million nearly as much as the nation's coal exports. With aggressive marketing, NFPA projects a doubling of these exports in the next 20 years. FAS specialists and Agricultural Attaches are currently initiating plans to assist the wood industry in export marketing.

ZERO BINDING ON SOYBEANS AND CORN GLUTEN

During the Dillion Round of Trade Negotiations in 1961–62, the European Community (EC) agreed to a zero tariff binding on soybeans and soybean meal. Since then, U.S. exports of these products to the EC have grown to $3.6 billion annually. The EC Council of Ministers, concerned over the entrance of Spain into the EC in 1985, has again raised the possibility of a special tax on soybeans and soybean products. (Under the current system, Spanish olive oil will require heavy subsidization to compete with soybean oil.) As in the past, the U.S. strongly opposes such a tax as a violation of the agreement to the zero binding.

Similarly, the last five years have seen a large increase in U.S. exports of feed substitutes to the EC from 15 percent in 1975 to over 30 percent in 1980. Most of the $600–$700 million of such products is corn gluten feed. EC officials, fearing further increases in imports, are discussing schemes for raising duties on feed grain substitutes. These duties are bound at zero to six percent by the General Agreement on Trade and Tariff (GATT). Our competitiveness in the EC is based on more competitive pricing. Currently, corn gluten feed in the U.S. is priced roughly 25 percent above U.S. domestic corn prices, while still registering 20 percent below EC corn prices. Secretary Block and U.S. Trade Representative Brock have taken every opportunity to state U.S. opposition to such changes in EC policy, which would represent further protectionism.

The U.S. is presently involved in repealing the GATT decision allowing Spain to tax and restrict domestic use of soybean oil derived from imported soybeans. If the GATT decision is upheld, it will allow the EC to establish a secondary tax as described above. The U.S. will appeal the decision at the GATT council meeting in Fall 1981.

JAPANESE CITRUS AND BEEF IMPORTS

Although Japan has become our leading agricultural export market, quantitative restrictions on imports of certain agricultural products still severely limit our access to those markets. The apparent potential for a much larger market in Japan for U.S. citrus and beef has made the quantitative restrictions on these commodities particularly frustrating. In the Multilateral Trade Negotiations, a good beginning was made toward loosening the restraints. As a result of Japanese concessions during these talks, quotas on beef will increase annually from 16,800 tons in JFY 1978 to 30,800 tons in JFY 1983 and quotas on oranges will increase from 68,000 tons in JFY 1980 to 82,000 tons in JFY 1983. Quotas on orange and grapefruit juice will also gradually increase.

The process of loosening controls, however, has just begun. Agreement was reached with Japan to reinstitute talks on citrus and beef in JFY 1982. The U.S. objective during those talks will be to further expand the permissible levels of exports to Japan. During the U.S.-Japan Agricultural Consultations in December, Secretary Block's visit with Ambassador Okawara in March, Director General Matsuura's visit in May, Deputy Secretary Lyng's visit to Japan in July, and on numerous other occasions involving USTR, State and working level USDA and MAFF officials, the Japanese have been informed of our expectations concerning the planned talks.

EXPORT SUBSIDY UNDER SECTION 32

Section 32 of Public Law 320 and the CCC Charter Act provides for a separate fund to be established under the discretion of the Secretary of Agriculture to be used to divert surplus agricultural commodities from the domestic market. Specifically, the fund is "to encourage the exportation of agricultural commodities and products thereof by the payment of benefits in connection with the exportation thereof or of indemnities for losses incurred in connection with such exportation . . .' Other provisions include distribution of surplus to low-income groups and through donation programs. Thus, the law would give the Secretary broad authority to subsidize export sales, as long as no one commodity received more than 25 percent of the funds. Recent trade policy objectives and trade practices have been such that this authority is not in use. Section 32 is primarily used for donation of commodities to low-income groups and school lunch programs. However, escalating use of export subsidization by foreign competitors as noted above increases demand for this type of export marketing tool.

Mr. ARMSTRONG. Mr. President, this resolution can go a long way toward expanding foreign markets for American farmers. We must give the Secretary of Agriculture the tools he needs to pave the way for American farmers in free, competitive, and open overseas markets.

Therefore, I urge the adoption of this amendment.

The PRESIDING OFFICER. Who seeks recognition?

Mr. HELMS. Mr. President, I believe that the Senator's description of his amendment and its intent and its effect are accurate. It represents a comprehensive summary of what he proposes.

I am certainly inclined to support the amendment, because the Senator from North Carolina is also an advocate of the Secretary utilizing all his available authority to promote the sale of U.S. agricultural products in export markets for the betterment of the American farmers, not to mention the American people and the Government of this Nation.

So, inasmuch as this is an omnibus farm bill, and even though we have an announced purpose to keep this bill as free as possible from amendments, I say to my friend from Colorado that I have no objection to this amendment and will accept it on this side.

Mr. HUDDLESTON. We have no objection.

Mr. HELMS. I am advised by Mr. HUDDLESTON that there is no objection on the other side, and we will proceed to vote.

Mr. ARMSTRONG. I thank the distinguished chairman and the distinguished ranking minority member for their acceptance of this amendment. I thank the Senator from North Carolina especially for his kind remarks.

Mr. President, I ask unanimous consent that the names of the Senator from Minnesota (Mr. DURENBERGER) and the Senator from North Dakota (Mr. BURDICK) be added as cosponsors of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ARMSTRONG. Mr. President, I wonder whether we can withhold the vote on this amendment for a moment. The Senator from Minnesota (Mr. BOSCHWITZ) has asked to be heard on this matter. I should like to determine whether or not he wishes to come to the floor to speak.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ARMSTRONG. Mr. President, I report to the Senate that I am sorry that Mr. BOSCHWITZ has not been able to come to the Chamber, but we are prepared to go ahead. He is already reported as a cosponsor of the amendment.

As far as the Senator from Colorado is concerned we are ready to go to a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado.

The amendment (No. 542) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ARMSTRONG. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 365

(Purpose: To amend the Federal Meat Inspection Act to require that imported meat products meet the inspection and other standards that apply to domestically produced agricultural commodities)

Mr. MELCHER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER) for himself, Mr. BENTSEN, Mr. HEFLIN, Mr. ANDREWS, and Mr. BURDICK proposes an unprinted amendment numbered 365.

Mr. MELCHER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 312, between lines 9 and 10, insert the following:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That Section 20 of the Federal Meat Inspection Act (7 U.S.C. 620) is amended by adding at the end thereof a new subsection (f) as follows:

"(f) Notwithstanding any other provision of law, all meat products imported into the United States shall be subject to the inspection, sanitary, quality, species verification and residue standards applied to products produced in the United States. Any such imported meat products that do not meet such standards shall not be permitted entry into the United States. Neither shall such products be imported which have been produced using agricultural chemicals, animal drugs or medicated feeds which are not currently approved for the same use in the United States. The Secretary of Agriculture shall enforce this provision through the imposition of random inspections for such residues and species verification. The provisions of this subsection shall not be deemed to permit the imposition of standards with respect to imported meat that are less stringent than standards imposed under the other subsections of this section. The Secretary may issue such regulations as are necessary to carry out the provisions of this subsection."

Mr. MELCHER. Mr. President, this amendment is a revised version of a bill I introduced that amends the Federal Meat Inspection Act to require that imported agricultural commodities meet the inspection and other standards that apply to food produced in the United States.

The Federal imported meat inspection program was originally established under authority contained in the Tariff Act of 1930, which prohibited the importation of meat into the United States that was not healthful, wholesome, and otherwise in compliance with regulations promulgated by the Secretary of Agriculture.

Initially, the Department approved a foreign country's meat inspection system on the basis of its inspection laws and regulations alone. Direct review of foreign plants was initiated in 1962 when USDA sent meat inspection representatives to visit exporting establishments. In 1966, the Department formalized the review program and established a permanent staff of foreign programs officers.

The following year, Congress amended the Meat Inspection Act of 1906 by enacting the Federal Meat Inspection Act. This law provides that no meat or meat products may be imported from any country that fails to comply with all requirements that apply to meat shipped in interstate commerce within the United States. In addition, the Federal Meat Inspection Act requires the Secretary of Agriculture to submit a report annually to Congress on the administration of the Department's foreign meat inspection program.

The Poultry Products Inspection Act was enacted in 1968. It has the same provisions of the Federal Meat Inspection Act but it does not require an annual report.

Since I introduced my bill, two firms in Australia have been accused of shipping horse meat and kangaroo meat into this country sold as beef. Some of this meat found its way into the stomachs of the customers of a well-known fast food chain.

I believe that this incident shows that partly because of interference from the State Department, and partly because of a lack of commitment of a number of administrations, the Department of Agriculture has not in the past, and is not presently, enforcing the same high standards of wholesome inspection and honesty in enforcement that U.S. law requires for domestic packing plants.

For years I have pointed out to the Department that this particularly is the case in plants located in Australia, Central and South America. I believe this also applies to the slapdash, hit or miss sampling by inspectors at our docks when they sample only a fraction of the meat imported here.

At stake here is consumer confidence in the products they buy.

I have warned Congress and the Department for years that the lack of thorough residue sampling of imported foods jeopardizes the health of American consumers, who unknowingly assume the food products they buy have met the standards we have established as healthy.

Last week, I asked Secretary Block to help me to improve the present food inspection laws, and I got no indication that he would support me in this effort.

Frankly, I cannot understand his reticence.

Maybe the first thing we ought to vote on here is how many Members of the Senate would like a kangaroo burger for dinner tonight. Unfortunately, I did not ask the Secretary that question, and I wish I had.

The Department may insist the present system is working just fine, but a Department of Agriculture task force report on the inspection of imported meat and poultry in 1979 indicated just the opposite. The report indicated that much needs to be done to insure that Americans are not eating tainted food.

A report by the National Academy of Sciences on food safety in March 1979 shows pretty conclusively that most other food exporting countries do not require the same safety standards as the United States, and too little is done by this country to see that food imported into America is safe.

If the present system works so well, why did thousands of pounds of Australian horsemeat find its way into our food system?

The Congress tried to deal with this problem in 1978 with a bill that I introduced, but the kangaroo meat fiasco indicates to me that more must be done.

Before promoting changes in any program, it is important that we identify and examine the premises upon which current operations are based. At its most general level, the present import inspection program is designed to carry out the mandates of the Federal Meat Inspection Act and the Poultry Products Inspection Act to assure the safety of imported meat and poultry products. In order to accomplish this goal, the program must provide means for dealing with the following factors:

Presence of biological residues; disease; excessive or improper use of food additives; gross contamination; microscopic contamination; and economic fraud.

These conditions can best be detected by inspection at slaughter and processing points.

Adequate inspection must be provided by inspection at slaughter and processing points in order to provide an acceptable level of protection to the U.S. public.

It is not feasible for USDA to conduct continuous inspection in foreign plants.

Foreign countries must use their own inspectors and procedures. Countries that desire to be recognized as eligible to export meat and poultry products to the United States must make a formal request through diplomatic channels. Normally, the request is transmitted by letter from the responsible ministry of the country to the U.S. Ambassador at the American Embassy. The request reaches the U.S. Department of Agriculture through the U.S. Department of State, as recognition is not granted to any country's inspection system without the concurrence of the State Department.

Before granting approval to a foreign country's inspection system, USDA evaluates that country's laws, regulations, and inspection staff. The Department also conducts onsite reviews of the system in operation. The entire recognition procedure normally requires 2 to 3 years. The recognition becomes official when the name of the country is added to the meat or poultry inspection regulations.

Presently, there are 46 countries recognized as eligible to export meat products from livestock and four countries recognized as eligible to export poultry products. Separate recognition of a country's equine inspection system is required and five countries have obtained such recognition.

Not all plants in a recognized foreign country are certified as eligible to export to the United States. In fact, eight recognized countries have not certified any of their plants. Some do not desire certifi-

cation; others cannot qualify because of faulty construction, inadequate facilities, poor sanitation, or failure to meet other minimum requirements. A foreign establishment that does seek export certification must obtain it from the senior meat inspection official of its government. This official certifies only those establishments that meet U.S. standards and must recertify these plants at the beginning of each calendar year.

The routine daily inspection of certified plants is conducted by inspectors licensed by the exporting countries. However, food safety and quality service reviewers make periodic visits to these plants to assure that products intended for export to the United States are prepared under adequate inspection controls and that building construction standards and sanitation practices are at least equal to those required in U.S. plants.

Seventeen foreign programs officers (FPO) are assigned to overseas foreign plant surveillance. Of these, 11 are stationed overseas; the others are stationed in Washington, D.C., and travel to their assigned countries. In addition, there are three area supervisors who are all stationed in Washington, D.C. All FPO positions are filled by veterinarians with experience in the domestic meat and poultry inspection program.

These foreign programs officers conduct an average of 2,800 plant inspections each year. They review special interest plants quarterly. All other certified plants are on an annual or semiannual review schedule with the exception of a group of certified but nonexporting Canadian plants. These establishments are inspected once every 2 years.

Foreign inspection officials accompany FPO's on their plant reviews. Review findings are also discussed with senior foreign meat inspection officials at the conclusion of each trip. In many instances, the U.S. Agricultural Attaché or other American Embassy representative is present at this final meeting. The food safety and quality service reviewer submits a taped report on review findings and related discussions to Washington headquarters. Documents relating to the reviews accompany the tape.

In situations where serious deficiencies are found during the review, the FPO may not take definitive action until the review findings have been evaluated by Washington headquarters officials. However, a reviewer is authorized to issue a product segregation order (letter of advisement) if it seems likely that the food safety and quality service administrator will remove the authority for a plant to export to the United States. In such a case, the FPO advises food safety and quality service of the action and requests foreign meat inspection officials to keep all products intended for export to the United States that are manufactured after the time of the review separate from those prepared before that date. In instances in which plant violations are so serious that its products present serious health hazards, all products are retained. Should the Administrator decide to remove the plant's certification on the basis of the plant report, the segregated product may not be exported.

Plant reviews have resulted in very few delistings during recent years. Of the 3,041 inspections conducted by food safety and quality service foreign programs officers in 1978, only 38 resulted in plants rejected for failure to meet U.S. standards. Less stringent measures are usually taken to correct deficiencies. Minor difficulties are frequently resolved on the spot, while other problems are corrected over a specified period of time.

Any foreign plant that is delisted due to a food safety and quality service review loses its eligibility to export as of the day of the review. The only exception is a "health hazard" plant, which may not export any products (including those prepared prior to the review). The senior meat inspection officials of the foreign country are responsible for assuring that the delisted plant brings itself back into compliance with U.S. requirements. When foreign officials are satisfied that appropriate corrective action has been taken and notify the food safety and quality service Washington headquarters of that fact, the plant's eligibility is reinstated.

But even food safety and quality service officials have been skeptical about whether these procedures are catching meat that ought not be shipped to this country.

There have been suggestions that the Department discontinue the practice of notifying foreign countries of the arrival dates of foreign inspection officials, so that the foreign plants never know when the U.S. inspectors will be arriving. Program officials are of the opinion that the best inspections are those conducted by personnel stationed overseas, yet the State Department limits the number of inspectors who can do so.

Imported meat must also undergo additional inspection when it arrives at U.S. ports.

A meat inspection certificate issued by the responsible official of the exporting country must accompany each shipment of meat offered for entry into the United States. The certificate identifies the origin, destination, shipping marks, and quantity of the product. It further certifies that the meat is derived from animals that received veterinary antemortem and postmortem inspection; that it is wholesome, not adulterated or misbranded; and that it is otherwise in compliance with U.S. requirements.

When meat arrives at U.S. points of entry, USDA's animal and plant health inspection service (APHIS) personnel examine the original certificates and ships' manifests to determine whether or not the meat is eligible for entry into the United States.

If the product originates in or travels through countries where animal diseases exotic to the United States are found, special requirements—such as cooking of product and sealing of cargo containers—must be met before the documents are transferred to food safety and quality service personnel. The food safety and quality service works closely with APHIS in refusing entry of unacceptable meat, establishing acceptable testing requirements for subsequent shipments from the plant of origin, and notifying the country of origin of the problem.

Prior to actual food safety and quality service point-of-entry inspection, the importer or broker prepares an "import inspection application and report." The completed form must be signed by a U.S. Customs official before presentation to the food safety and quality service import documents examiner for review and approval. The establishment's history of compliance with U.S. requirements is examined. A representative sample of each shipment is then inspected.

The food safety and quality service point-of-entry inspectors utilize sampling plans and criteria for acceptance or rejection or imports that are identical to those used for Federal inspection of domestically produced meat and poultry products.

Routine inspection procedures include defrosting frozen product samples prior to inspection in order to allow identification of bruises, bone fragments, and other defects that are difficult to detect in frozen product. In addition, the condition of canned meat containers is checked and sample cans are opened for inspection of contents. Sample cans of self-stable products are also put under incubation to check for signs of spoilage. Import inspectors check the accuracy of stated net weights and assure that labels have received U.S. approval.

Meat inspection laboratory personnel examine samples to check compliance with compositional standards. Laboratory analysis is also used to monitor meat imports for residues, such as pesticides, hormones, trace elements, and antibiotics. When excessive amounts of residues are detected in a particular product, subsequent shipments of that product from its plant of origin are either withheld or refused entry until results of further laboratory analyses are provided to the POE inspector.

The reconditioning of unsatisfactory products and defective lots in the United States is not generally permitted. However, damaged or dented canned products may be sorted and resubmitted for entry, and slight irregularities in labeling may be corrected. Products may not enter the U.S. market until all examinations and tests show full compliance with U.S. standards. Rejected products are held under U.S. Customs bond until they are either reexported or destroyed for human food purposes. Some products that fail to meet requirements for human food use may be permitted entry for other uses.

There are 54 points of entry designated for inspection of imported products. These products may be shipped to other points provided that previous authorization is granted by food safety and quality service.

The widespread use of agricultural chemicals and drugs by farmers and livestock producers has been a significant contributing factor to increase agricultural productivity. While modern agricultural practices have assured an abundant food supply, they have also created certain health risks stemming from the presence of chemical residues in animals and poultry.

The list of potential sources of residues is nearly endless, including pesticides, fertilizers, insecticides, herbicides, fungicide, rodenticides, soil conditioners, seed-treating compounds, soil fumigants, and miticides. In addition, antibiotics are frequently used for growth promotion and disease treatment. Feed additives and hormones have also proven to be valuable tools in improving the efficiency of crop, livestock, and poultry production.

It has now become obvious that the pervasive use of these chemicals has adverse as well as beneficial consequences. Animals and poultry retain many chemical residues in their tissues for extended periods of time. In many cases, these residues have been discovered in meat and poultry long after the use of a particular chemical has been discontinued. We have also found that exposure to feed additives, drugs, or other chemicals deliberately added to the diet is not the only source of residues in animals and poultry. Soil and crop treatments as well as environmental contamination may indirectly result in residue build-up in food animals.

DISEASE

There are over 60 different disease and physiological conditions that are important in meat inspection. Though the incidence of disease is normally low, it is essential that diseased animals be located in order to prevent infectious disease or other abnormalities from entering human food supplies.

Accepted food additives themselves do not pose risks to consumers, but their excessive use in meat and poultry products can, in some cases, result in health hazards. USDA permits the use of only those food additives that have met one of the following criteria: First, evaluation and approval by the U.S. Food and Drug Administration (FDA); second, generally recognized as safe status; or third, prior sanction under the meat and poultry inspection laws. After making this determination, the Department decides whether or not an additive will serve a useful purpose in meat or poultry products and allows the use of only the minimum amount necessary to achieve that purpose. Although the Department establishes a wide margin of safety in sanctioning the use of food additives it is important that only approved levels of accepted additives be used in product formulation.

GROSS CONTAMINATION

Gross contamination includes any contamination that can be readily identified by sight, taste, smell, or touch. Factors that affect the incidence of gross contamination include: Building construction, facilities and equipment, sanitation and maintenance of facilities and equipment, operational sanitation, and product storage. The very nature of the meatpacking industry lends itself to gross contamination of product, as there are several potential contaminants at virtually any point in the process. Some of the more common contaminants are hair, rodent and insect filth, mold, paint flakes, grit, stones, metal, plastic, wood, and industrial chemicals. Everyday accumulation of dust, machine oil, and grease are other common contaminants. Readily identifiable spoilage of meat is also gross contamination. The risk of gross contamination is greatest in establishments that fail to maintain high standards of sanitation.

MICROSCOPIC CONTAMINATION

In many cases, contaminants are so small that they can be detected only with the aid of a microscope, other instruments, or bioassays. Microscopic contamination can be caused by the same materials that result in gross contamination or by micro-organisms. Although micro-organisms cannot be directly identified by normal sensory perception, their presence as contaminants can frequently be recognized in the form of swollen cans or packages, "off" flavors, discolored or putrid meat, and so forth. It should be noted, however, that not all micro-organisms are harmful, as some are essential to the formulation of certain types of sausages and other products.

ECONOMIC FRAUD

Unfortunately, opportunities for consumer deception are available in any commercial enterprise, and the meat and poultry industry is no exception. The two most common types of economic fraud are: First, deceptive packaging and labeling; and second, failure to comply with standards for product formulation.

Labeling and packaging may be designed in a manner that intentionally misrepresents product quantity, quality, or composition to the consumer. Labels may contain misleading information about product origins or guarantees. In some cases, they may describe the product under the name of a different food. Deceptive packaging may mask product inferiority or lead consumers to believe they are purchasing a much greater quantity of meat or poultry than is actually the case.

Addition of excessive levels of fat, water, or extenders to a product also results in the consumer paying for more than he or she is actually receiving. This practice is generally known as economic adulteration of a product. In an effort to prevent such deception, the Department has developed produce standards, specifying the levels and types of substances that may be used in products bearing particular names. For example, a product may not be called chili con carne unless it contains no less than 40 percent meat computed on the weight of the fresh meat. It may contain no more than a total of 8 percent cereal, vegetable, starch, or other specified extenders.

In order to comply with U.S. standards, a foreign country must maintain laws and regulations establishing permitted tolerances of biological residues. The tolerances may not exceed those approved by the Food and Drug Administration or the Environmental Protection Agency. Materials explicitly setting out these tolerance levels must be provided in instructions to inspection personnel. Although these laws, regulations, and instructions are reviewed when a foreign country is first recognized for export, it is necessary to keep abreast of any changes and to assure that appropriate adjustments are made by foreign countries when U.S. standards change.

Late in 1971, the Department furnished residue monitoring information to all countries exporting meat or poultry to the United States. This information packet included a listing of U.S. tolerances for biological residues. Foreign countries are routinely advised of any revisions in the original listing.

Information that has been supplied regarding foreign efforts to update laws, regulations, and inspection procedures has not yet been compiled in a meaningful format.

The foreign inspection system must provide training and instructions to inspection personnel regarding methods of detecting evidence of residues through antemortem and postmortem inspection. Foreign regulations must also prescribe the action to be taken to dispose of product found to contain violative levels of residue. Inspectors must have the authority to prevent the admission of prohibited chemicals into export establishments and to control the use of restricted chemicals.

FPO onsite reviews offer one means for evaluating the suitability of residue control mechanisms in foreign countries. Our assessment efforts in this area focus on individual establishments as opposed to entire inspection systems. Better correlation of onsite review reports for all certified establishments in a given country would provide a better basis for identifying potential problem areas.

An effective foreign sampling program would provide for the selection of a sufficient number of samples from the slaughter population to assure the statistical reliability of the results. Factors peculiar to a particular country or region would be considered in designing the sampling programs. Countries which permit the use of substances that are either forbidden or restricted in the United States are required to make special provision for control of those substances and offer evidence demonstrating the effectiveness of those controls.

The information packet provided to exporting countries in 1971 contained a considerable amount of material regarding sampling programs, including copies of USDA laboratory procedures for analyzing meat samples for pesticides, trace elements, hormones, and so forth, and instructions provided to U.S. meat inspectors for selecting and submitting data on their biological residues, the general classes of substances monitored, and the number of samples found with violative amounts of residues. The Department also asked that they furnish information regarding agricultural practices in their countries that might result in biological residue problems. Similar residue information has been requested each year. While exporting countries have supplied information pertaining to residue testing conducted during the previous years, other information has not been updated.

In order to properly implement residue control activities, a foreign surveillance program must be adequately supported in terms of funding, personnel, equipment, facilities, training, and supervisory capability. In addition, foreign laboratory technicians must use internationally accepted analytical techniques in testing for all potentially harmful residues such as antibiotics, pesti-

cides, organic or inorganic compounds, hormones, hormone-like substances, growth promoters, anthelmintics, tranquilizers, or other therapeutic or prophylactic agents. Countries are permitted to share the services of a regional laboratory or make use of a U.S. laboratory. However, countries choosing either of these options must accept ultimate responsibility for the quality of the work performed.

While onsite reviews and inspections serve as useful tools for assessing foreign inspection capability, they should be supported by countrywide evaluations.

In 1978, 34 foreign countries offered 2.1 billion pounds of meat and poultry products for import into the United States. Of this amount, 12.1 million pounds (0.6 percent) were refused entry by port of entry import inspections for a variety of reasons. (See figure 11.)

At the time these products are offered for import, we do not know if their quality meets U.S. standards, as it is not feasible to make such a determination by providing day-to-day inspection over foreign production practices. Although we do know that products are subjected to foreign producer quality control and foreign government inspection, we do not require that either the producer or government furnish information regarding the specific outcome of such quality control and inspection.

We receive a general certification in the form of an export certificate. However, differences among plants in terms of the degree of quality control attained are not reflected in the information provided by these certificates. No direct assessment of the quality control available to a foreign inspection program as a whole is made at point-of-entry inspection. Rather a decilson is made regarding the acceptance or rejection of a particular lot based upon the attributes associated with that lot.

Food safety and quality service officials do conduct onsite reviews in order to assess the adequacy of foreign quality control and inspection programs. There is no doubt that onsite monitoring is needed to determine the effectiveness of control mechanisms that cannot be assessed by point-of-entry inspection. However, again, this activity emphasizes a plant-by-plant approach as opposed to an overall evaluation of the control systems available within the entire country.

Individual plant assessment tends to weaken foreign controls, in that it lessens the need for a complete systems analysis of inspection programs by foreign countries. On the other hand, countrywide import monitoring would enable food safety and quality service to determine the overall reliability of foreign quality control. Countrywide performance histories would provide greater assurance of product safety, wholesomeness, and quality than is now available from lot-by-lot, plant-by-plant compliance histories. Food safety and quality service relies heavily upon a foreign government's regulation of its meat and poultry industry. The Agency must therefore review each country's inspection system to determine if:

The regulatory system has the capability to control risks at levels acceptable in the United States; and the system is being effectively enforced.

In addition to strengthening our residue monitoring program, we need to assure that other meat and poultry product risks are adequately controlled. Obtaining such assurance requires the assessment of each risk on a country-by-country, product-by-product basis. As noted earlier, it would be necessary to examine the manner in which foreign governments enforce inspection requirements designed to control risks and determine the effectiveness of these controls. In addition, these assessments would include special consideration of the individual factors that are most relevant to a specific risk. A brief description of these factors follows:

DISEASE

First. The prevalence of disease conditions in a foreign country.

Second. The inspection methods used by a country to detect disease conditions.

Third. The procedures for control and disposition of diseased animals and parts.

MISUSE OF FOOD ADDITIVES

First. The additives that might be placed in a specific product and that cannot be detected by point-of-entry testing.

Second. A country's domestic standards regarding these additives.

GROSS CONTAMINATION

First. The products that have the most potential for gross contamination.

Second. A foreign country's program for regulating the type, condition, and sanitation of facilities and equipment used in the preparation of product.

Third. The inspection controls utilized to preclude industrial accidents and the safeguards used to prevent product exposed to such accidents from being exported to the United States.

MICROSCOPIC CONTAMINATION

First. The products that are most susceptible to microscopic contamination.

Second. A foreign country's program for controlling and testing for microscopic contamination.

ECONOMIC FRAUD

First. The products that are most susceptible to specific types of fraud.

Second. The exact nature of deceptive practices.

Third. A foreign country's program to control consumer fraud.

With specific risk categorization based on these factors, food safety and quality service management would be able to concentrate inspection resources in areas where potential hazards are greatest. In addition, disproportionate effort would not be directed toward areas in which risk is minimal. Risk categorizations for each exporting country by type of product exported should be developed.

Finally, this amendment requires species identification and absence of harmful residues by random sampling and testing here in the United States when the foreign beef is imported into the United States. It is intended to tighten up our inspection here in the United States to back up the thorough inspections required of the approved foreign plants.

Mr. President, the amendment is designed to tighten up the inspection processes that we have on imported meat and includes a very significant point in that we would require that species verification be required.

We have just gone through the episode a few weeks ago when horse meat from Australia was imported as beef and at the same plant kangaroo meat was imported as beef and so labeled fictitiously and falsely as beef.

None of us wants to envision meat coming to this country that is supposed to be beef and then ending up in a fast food chain or in hamburger that is presented in our retail stores and actually it is not even of that quality or that species.

Beyond that, the amendment seeks to tighten up the procedures to identify harmful residues or animal drugs or medicated needs which might be banned here in this country but nevertheless are used in other countries and leave a harmful residue in the meat.

All of the processes that we do to assure that we have good wholesome meat products in this country should be followed. It is our law. If another country wishes to export meat to this country we require that they meet our standards.

The amendment in itself is a tightening up of that process. It does require that the Secretary review the present procedures to institute some housekeeping steps and to develop a little tighter inspection program than what we have currently existing.

I believe the amendment is not only sound but I wish to specify that it represents, I think, the feeling and the belief not only of the producers of meat in this country but also the consumers of meat.

Mr. BENTSEN. Mr. President, I am pleased to join with my distinguished colleague the Senator from Montana in offering this amendment to protect consumers of meat from unknowingly being sold meat that is not up to the high quality standards that we demand and expect to get in this country. At the same time, this amendment will protect the reputation for high-quality products which the American cattleman has built over the years with major investments of time, effort, and hard-earned money.

The need for this legislation in underscored dramatically by the recent discovery by the U.S. Department of Agriculture that meat from two foreign plants that was being imported as beef was in fact not beef, but contained horse meat and kangaroo meat.

Secretary of Agriculture Block is to be commended for his decision to impound and test all Australian meat in this country and to halt all meat imports from these plants. Further testing of meat from plants in the state of Victoria, the location of the two problem plants, is now underway. I hope that there will be a thorough and complete investigation of this incident and that decisive action will be taken to prevent it from happening again.

Mr. President, consumer acceptance is vital to the cattle industry. U.S. produc-

ers have invested years of effort and millions of dollars in promoting beef as a healthy and nutritious product. They have succeeded, and U.S. beef is renowned as the finest in the world. U.S. producers are not resting on their laurels—they are still working hard to produce a top-quality product and to maintain that reputation. Texas beef producers within the last few months have set up a statewide voluntary checkoff program and are contributing 25 cents per head on all cattle sold in the State. These funds are being used to promote beef consumption.

The Texas cattle industry is not taking this money out of its profits. In most cases these contributions are merely adding to losses. These ranchers are making very real sacrifices for the good of their industry, yet their efforts are threatened by scandals such as this one.

Why should years of effort on the part of American ranchers be wiped out by a small group of criminals in a foreign country? There is simply no justification for allowing this.

Mr. President, these problems have been known for too long. It is past time to do something about them, to tighten up our inspection standards so that the U.S. consumer can be assured of the quality and wholesomeness of all the food products sold in this country.

This issue is not new to the Senate, and it is not new to the Senator from Texas. I have introduced legislation in the past, and I have cosponsored legislation in the past, to achieve these same goals. I now hope that the time has come for this legislation. We have had a dramatic focusing of public attention on the problems of our meat inspection system, and I hope that those who in the past have dismissed these problems will take a second look now.

I hope that this bill will be recognized for what it is. This is a consumer protection bill. This is a consumer interest, a consumer concern, and it is not limited at all to cattle producers. I hope that my colleagues will recognize the pressing need to maintain our high food quality standards and will join me in supporting this legislation.

Mr. MELCHER. Mr. President, I ask unanimous consent that Senator BENTSEN, Senator HEFLIN, Senator ANDREWS, and Senator BURDICK be added as cosponsors on the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. Mr. President, I do not believe there is any objection to this amendment. I have nothing further to add unless I can answer some questions.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ARMSTRONG. Mr. President, while the committee considers action on the pending amendment, I ask unanimous consent that I may be permitted to speak briefly on another matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOIL EROSION AMENDMENT NO. 543

Mr. ARMSTRONG. Mr. President, America is losing its topsoil because of wind and water erosion. Observers of the Mississippi River at Memphis, Tenn., can measure 40,000 tons floating by each hour. Hour after hour, day after day, year after year.

The USDA's Soil Conservation Service estimates that this Nation loses 5 billion tons of its topsoil each year. Nature replaces some of it, conservation practices slow or stop some of it, but the net loss grows—and its impact on our agricultural system is profound.

A single farmer can lose up to 6 tons of topsoil per acre each year to erosion. The result is that in the arid Western States, an area as big as the original 13 States—225 million acres—are undergoing severe desertification—that is, the loss of groundwater and high erosion that eventually make the land unsuitable for cultivation.

The current farm bill contains several provisions which address this growing national concern and the committee should be commended for showing the foresight to include them. The bill contains special loans, matching grants for land repair, a volunteer worker program, and places the emphasis on the most affected areas. All of these programs are badly needed and all will help alleviate this problem to some extent.

But, Mr. President, the time has come to look more closely at the cause of the problem. The potential exists for the creation of a dust bowl beside which that of the 1930's would pale by comparison—and Government programs are largely responsible.

The erosion situation is aggravated by excessive land disturbances during the cultivation process, the use of erosion-prone marginal land for farming, and insufficient crop rotation. But the bottom line is that we give farmers an incentive for continuing to plow up marginal lands in the West.

The land most suitable for farming in the arid West was long ago plowed out of the native sod. The grasslands, now being broken, often by foreign investors, are the most fragile and most susceptible to wind erosion. Farming is a business that requires huge capital investments, but returns very small profits to farmers.

When Government target prices and similar commodity programs yield a higher price to farmers than the market, and when market prices are depressed by huge Government-owned surpluses, farmers are given little choice in maintaining their financial position but to plow up more land and produce more crops.

And then, Mr. President, if the crops do not pan out, or if the erosion problem is severe, the Government helps farmers reseed the land.

So, in effect, we are providing incentives to plow up more land—marginal land that borders on desert and when plowed, destroys native coverings of sod that required centuries to develop—and then the taxpayers pay to retire the land again after permanent damage has been done. The result is the steady erosion of our Nation's most precious resource—its land.

This is erosion we can no longer afford to ignore. Agriculture is the country's largest industry, by far, employing directly and indirectly nearly 24 million people.

Agricultural commodities account for 20 percent of the gross national product, and are among the few things we produce in this country that effectively compete in foreign markets.

In fact, at a time when Americans pay enormous prices for energy obtained from foreign edge, we are fortunate that agriculture provides a viable industry second to none, and the world's most abundant, low-cost food supply.

But the increase in world demand, as well as the Government incentives I mentioned earlier, give our farmers every reason to continue current practices, while we give little incentive for conservation. To continue providing the peacemeal measures contained in this bill—important and helpful though they may be—while ignoring the fact that Government is largely responsible for the problem, is like throwing buckets of water at the Chicago fire.

We must stop paying farmers to destroy our Nation's soil. The USDA has been working for months on plans to reverse these erosion incentives. But Congress must strengthen the Secretary's hand in dealing with this problem.

Statutory authority to deny Federal subsidies to crops produced on newly-plowed land has never been specifically granted, this amendment would do just that.

The amendment simply provides that the Government price support program cannot be used to subsidize crops grown on land that has not been cultivated for the previous 10 years. The provision applies only to arid lands west of the 100th meridian—west of Dodge City, Kans.

Mr. President, I ask unanimous consent that my amendment No. 543 be printed in the RECORD.

The amendment was ordered to be printed in the RECORD as follows:

AMENDMENT NO. 543

On page 224, between lines 4 and 5, insert the following new sections:

"AUTHORITY OF THE SECRETARY OF AGRICULTURE TO REQUIRE BENEFIT RECIPIENTS TO CARRY OUT CERTAIN CONSERVATION PRACTICES

"SEC. 1102. The Secretary of Agriculture shall require, as a condition to the making, insuring, or guaranteeing of any farm ownership loan or farm operating loan authorized under any program administered by the Secretary, that the recipient of such loan agree to carry out, on the farm in connection with which such loan is made, such minimum conservation practices as the Secretary determines are necessary to protect such farm from wind and water erosion.

"PROHIBITION ON LOANS AND PAYMENTS IN THE CASE OF CROPS PRODUCED ON CERTAIN LANDS

"SEC. 1103. (a) Notwithstanding any other provision of law, no producer shall be eligible for any price support assistance under title III, IV, or V of this Act on any crop produced on any land located west of the one hundredth meridian if such land has not been

used for the production of an agricultural crop at any time during the ten crop years immediately preceding the crop year in which this Act is enacted, nor shall any such producer be eligible for a farm storage facility loan under section 1004 if such loan is to be used for the construction of a storage facility to store an agricultural commodity produced on any such land.

"(b) The prohibitions contained in subsection (a) shall not apply in the case of the owner or operator of any land referred to in such subsection if such owner or operator has entered into a long-term agreement with the Secretary of Agriculture to carry out on such land such conservation practices as the Secretary determines are necessary to protect the soil resources of such land from destruction by wind and water erosion.".

Renumber sections 1102 through 1109 of the Act as sections 1104 through 1111, respectively.

Mr. ARMSTRONG. Mr. President, I do not call up the amendment for consideration by the Senate at this time nor is it my intention to do so. I simply wished to explain that in brief this amendment would have withheld Federal subsidies for crops which were grown on land which was put into cultivation for the first time after this date.

This amendment addresses itself to the very serious problem of plowing Western grasslands in areas that are too arid to really be productively used to growing crops like wheat.

People get to the point where they do that. The result is tremendous erosion problems and the loss of topsoil and generally a decline rather than an improvement in the natural environment.

So both for environmental reasons and economic reasons it makes little sense for the Federal Government to subsidize and thereby encourage this unsound practice.

The point of my amendment is simply to say that with respect to land located west of the 100th meridian that farm loans and subsidies would not be available for crops grown on those lands unless there had been crops grown there in the prior 10 years.

This seems to me a reasonable approach and those with whom we have discussed it for the most part agree that it is a reasonable approach to a serious problem because millions of acres of Western land have already been torn up, erosion has been severe, and the threat of future cultivation and erosion is proportionately great.

Mr. President, I am not going to offer this amendment today for the simple reason that we have not done enough ground work to assure widespread understanding of the problem and of the consequences of our proposed solution.

I did wish to have in the record a discussion of the issue which my statement provides and the text of the amendment and at the right time I shall ask my friends on the Committee on Agriculture to consider this and perhaps to raise it as an amendment to another bill.

Mr. President, I thank the Senator and yield the floor.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Mr. President, I have an amendment I wish to call up but I do not know if it is proper procedure since the other amendment has not been acted upon.

Has the other one been acted upon?

UP AMENDMENT NO. 365

The PRESIDING OFFICER. There is an amendment pending.

Mr. HELMS. Mr. President, if the Senator's description is an accurate and comprehensive summary of this resolution, then, I believe I shall support it as I too am an advocate of the Secretary utilizing all his available authority to promote the sale of U.S. agricultural products in exports markets for the betterment of farmers, the American people, and the Government of the United States.

Mr. President, I have examined the amendment of the distinguished Senator from Montana and find myself in agreement with it and in support of it.

Mr. MELCHER. I thank the chairman.

Mr. HELMS. Mr. President, I am informed that the other side now feels likewise about that amendment.

I ask the Senator if I am correct in my understanding that he has discussed this with Secretary Lyng and he also has agreed with the thrust of it?

Mr. MELCHER. Mr. President, we have discussed it with Secretary Lyng, and he himself and speaking for the Department agrees with the thrust of it. I do not know whether they would change any language.

Mr. HELMS. That is my understanding.

Mr. President, we accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana.

The amendment (UP No. 365) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MELCHER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 499

(Purpose: To provide for a Soybean Research Advisory Institute)

Mr. HEFLIN. Mr. President, I call up printed amendment No. 499 to the farm bill and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alabama (Mr. HEFLIN) proposes an amendment numbered 499.

Mr. HEFLIN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 312, between lines 9 and 10, insert the following new section:

SOYBEAN RESEARCH ADVISORY INSTITUTE

SEC. 1437. (a) (1) There is established within the Department of Agriculture a temporary advisory body to be known as the Soybean Research Advisory Institute (hereinafter in this section referred to as the "Advisory Institute").

(2) The Advisory Institute shall be composed of eleven members appointed by the Secretary of Agriculture (hereinafter in this section referred to as the "Secretary"). Members appointed to the Advisory Institute shall be individuals who are recognized soybean research experts and shall represent the interest of soybean producers, soybean processors, land grant colleges and universities, Federal research agencies, and private industry. The Secretary shall, to the maximum extent practicable balance the membership of the Advisory Institute geographically on the basis of the soybean producing areas of the United States.

(3) The Secretary shall designate a representative of the soybean producers to serve as Chairman of the Advisory Institute.

(b) It shall be the function of the Advisory Institute to—

(1) assess the effectiveness of the ongoing soybean research programs in the United States;

(2) assess the impediments to increased United States soybean production, including the soybean cyst nematode, and consider the most effective means of removing such impediments;

(3) evaluate the available means and the potential for increasing soybean production in the United States;

(4) estimate the amount of funds required to carry out a coordinated program of national soybean research to develop means of of effectively increasing the overall United States soybean production and profitability; and

(5) develop plans for and sponsor an international conference on soybean research for the purpose of comparing and sharing current information on the production and utilization of soybeans.

(c) The Advisory Institute shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives not later than March 1, 1983, a comprehensive report on the findings of the Advisory Institute regarding research on soybean production and utilization. The Advisory Institute shall also include in such report its recommendations of the actions that should be taken to ensure that an effective soybean research program is carried out in the United States.

(d) Members shall receive no compensation for service on the Advisory Institute but may be paid, while in the performance of their duties away from their homes or regular places of business, travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in Government service.

(e) The Advisory Institute shall cease to exist on the day on which it submits its report to the committees referred to in subsection (c).

Mr. HEFLIN. Mr. President, on behalf of the distinguished junior Senator from Arkansas (Mr. PRYOR) and myself, I offer an amendment to S. 884 to establish a task force whose mission will be to devise the course of action needed to increase soybean yields. This group will be known as the Soybean Advisory Research Institute.

The amendment I offer today is a revised version of S. 1295, a bill I introduced earlier this year. On June 19, 1981, the Senate Subcommittee on Agricultural Research and General Legislation under the chairmanship of the distinguished senior Senator from Indiana (Mr. LUGAR) conducted a hearing on S. 1295. I am most grateful to Senator LUGAR for holding this hearing so that all interested parties could be heard and

have a full opportunity to express their views on the proposal. I think the hearing was excellent and, in fact, many of the thoughts and suggestions propounded at the hearing have been incorporated into the amendment.

Mr. President, the soybean is a high-protein commodity and has many varied uses. It is indeed a remarkable, if not a miracle, legume. In fact, the soybean has become the economic superstar of American agriculture. In addition to being the No. 1 cash crop of our Nation, soybeans are also the No. 1 cash export of the United States which is quite a feat in and of itself when one realizes that our Nation dominates grain exports in the world market. Approximately 60 percent of the total world exports of grain originates in the United States. Last year approximately $8.6 billion in U.S. produced soybeans and soybean products has greatly contributed to our balance of payments. As I stated earlier in the discussion on S. 884, it is widely recognized that our foreign trade debt would be a total shambles if it were not for U.S. agricultural sales abroad.

Yet, the record will clearly show that the tremendous rise in soybean production in America has not resulted from increased yields, but from expanded acreage. Testimony before our Senate Committee on Agriculture, Nutrition, and Forestry in connection with the farm bill revealed that in the past decade soybean acreage has grown from 42 million acres to 70 million acres. On the other hand, when contrasted with other agricultural commodities such as corn, whose yield per acre has increased from 26 bushels per acre in 1929 to approximately 110 bushels per acre today, average soybean yields have increased only about one-third bushel per acre annually over the last quarter of a century.

To my way of thinking, Mr. President, this points up the vital need to find the means to increase soybean yields through expanded research efforts and through grower education. Our record of soybean research is not laudable and, in fact, is miniscule relative outlays for corn and cotton research. Giving credence to the importance of developing the knowledge and technology to insure yields in the soybean was the reply of the Director of Science and Education, U.S. Department of Agriculture, Dr. Anson R. Bertrand at the June 19 hearing when asked about soybean yields. Dr. Bertrand said:

> Our records indicate the average annual increased nationwide is about one-third bushel per acre. It has been a very gradual increase. We have not had major breakthroughs. . . . There is no question, Senator Heflin, but that we have made strides much more slowly with soybeans than most of our crops.

A little later on in his testimony, Dr. Bertrand gave the following response when asked about the inadequacy of soybean research support:

> We do need more effort across the board in research for food and agriculture. . . . We do need to give additional emphasis to soybeans, as we do to several areas in food and agriculture.

Speaking further about the failure to provide funding for soybean research in spite of expanding demands for the commodity, Dr. Bertrand said:

> In looking at our inhouse program, and in keeping about the same balance that we have right now, it seems to me we could use at least a 50 percent infusion of funds.

A primary thrust of the Soybean Research Advisory Institute to be established by this amendment will be to "assess the effectiveness of the on-going soybean research programs in the United States." The Advisory Institute will be composed of 11 members appointed by the Secretary of Agriculture and the membership of the Advisory Institute will be composed of representatives from soybean growers, soybean processors, land grant colleges and universities, and the other disciplines having a direct interest in the soybean industry, including Federal research agencies and the private sector. Further, all soybean producing areas of the Nation would be represented and the chairman of the Advisory Institute would be a representative of our soybean producers.

Other functions of the Advisory Institute would be to assess all impediments and barriers to increased soybean yields, such as needed, disease and parasite control methods and to determine the amount of funds needed to launch a comprehensive program to bring about higher soybean production and better use of the soybean plant itself. The amendment also contemplates "an international conference on soybean research for the purpose of comparing and sharing current information on the production and utilization of soybeans."

Upon the completion of its assigned missions the Advisory Institute will submit a comprehensive report to the Agriculture Committees of both Chambers of the Congress. The report shall contain the findings and recommendations of the commitment which should be made and undertaken to expand soybean research. This report must be submitted no later than March 1, 1983, and upon the day the report is received by the Agriculture Committees of the Senate and House of Representatives the advisory shall cease to exist.

It is estimated that in the 1982 fiscal year $50,000 to $60,000 will be required to fund the activities of the Institute, assuming an agenda of two meetings a year. In the 1983 fiscal year, the estimated cost is $25,000 to $30,000. The funding to develop and sponsor the international conference called for under the amendment would approximate $200,000.

Mr. President, this amendment does not in any way encroach upon the freedom of soybean producers and their representative organizations. I am proud of the independence demonstrated and exercised by our soybean farmers which has, in large measure, made soybeans the top crop in the United States. This amendment, incidentally, is supported by the American Soybean Association and at the conclusion of my remarks, I ask unanimous consent to insert a letter by the Washington program manager of the association, Mr. John Baize, wherein he endorses the amendment on behalf of the association.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ASA WASHINGTON OFFICE,
*Washington, D.C., July 10, 1981.*

Hon. HOWELL HEFLIN,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR HEFLIN: It is our understanding that it is your intention to offer your proposal to establish a Soybean Research Advisory Institute as an amendment to the 1981 general farm bill (S. 884) when that bill is considered on the Senate floor. I take this opportunity to offer the American Soybean Association's support for your amendment and urge its adoption by the Senate.

U.S. soybean producers recognize the critical importance of ongoing research aimed at improving soybean productivity, post-harvest utilization, and soybean pest and disease control. We have not experienced increases in soybean yields comparable to those that have occurred in corn, cotton and wheat. Yet, we believe such a yield breakthrough is achievable provided we embark on aggressive genetic research programs. We also believe that pests inhibiting soybean productivity such as the cyst nematode can be controlled provided we have expanded research to find effective control methods.

We believe the Soybean Research Advisory Institute you propose will enhance the opportunity for achieving the soybean industry's research objectives. We, therefore, urge its inclusion in the 1981 farm bill.

Sincerely,

JOHN BAIZE,
*Washington Program Manager.*

Mr. HEFLIN. Mr. President, all of us want what is best for our farmers, our consumers, our taxpayers and our Nation. I strongly feel that this amendment meets these objectives.

Mr. President, the amendment I have sent to the desk, which has been printed and called up, is an extremely important amendment to the farm bill, in my judgment. This deals with a soybean research institute.

Senator THAD COCHRAN on numerous occasions in the many deliberations we have had on the farm bill in the Senate Agriculture Committee has reminded on many occasions that the world's population is growing at the rate of 70 million per year, and that in a matter of 7 years we will have nearly a half billion additional people in this world.

Agriculture, in its efforts to feed the world, has really only one crop that you can label a miracle crop, and that crop is soybeans.

Soybeans have the highest protein content of any crop, and have a great future toward feeding the millions of people on Earth. Yet we look at what research has accomplished dealing with soybeans, and we find there has been very little.

Some 10 years ago a parasite called the cyst nematode cropped up in the continental limits of the United States, and since that time has had a devastating effect upon the production of soybeans.

This parasite has to be conquered. Thus far the research has not come up with an answer for this parasite.

Forty years ago an acre of land on any specific farm yielded a certain number of bushels of soybeans per acre. In many instances that same piece of land 40

years ago produced 25 bushels of soybeans to the acre. Today it is producing just about the same amount, a slight increase, but for all practical purposes, it is producing 25 bushels per acre regardless of the irrigation, regardless of the fertilizer, regardless of the weed control, so there has been very little increase in the yield per acre in soybeans.

We had a professor from the school of agriculture at Auburn University testify about the cyst nematode. He testified that within 10 years, if we do not do anything about it, that soybean production in this country on the present acreage would be reduced 40 percent.

The amendment that I have introduced calls for a soybean research institute gathering together leaders from industry, from farms, from educational institutions, and from Government in which they will come together as a task force and recommend a plan of action as to what is necessary to bring about a research plan, a plan that is greatly needed, to improve soybean production in this country.

This amendment could well be the most important part of the farm legislation. We have had hearings on it. The American Soybean Institute supports it. I know of no opposition to it.

I have discussed this with the chairman of the committee and the ranking minority member and their staffs and, therefore, Mr. President, I move at this time the adoption of this amendment.

The PRESIDING OFFICER (Mr. QUAYLE). The Senator from North Carolina.

Mr. HELMS. Mr. President, during committee markup of the farm bill, Senator HEFLIN offered an amendment to establish a soybean research institute. Because legislation of this nature had not been considered during the farm bill hearings, I asked the Senator to withdraw his amendment with my assurance that hearings would be held prior to Senate action on the farm bill.

Subsequently, Senator HEFLIN introduced S. 1295, a bill to establish a soybean research institute for the purpose of coordinating and conducting research programs, encouraging soybean exports, and providing the leadership for a national soybean policy.

On June 19, Senator LUGAR, chairman of the Subcommittee on Agricultural Research and General Legislation, held a hearing on S. 1295. All witnesses agreed that additional research to increase soybean productivity was imperative. However, representatives of the U.S. Department of Agriculture and the soybean industry expressed reservations regarding S. 1295 as introduced. The USDA representative cited current research and market development efforts in USDA and in the private sector as meeting the intent of the proposed legislation. Nevertheless, in response to Senator HEFLIN, the USDA representative stated that dramatic discoveries are necessary to break the soybean yield barrier, especially since the protein rich soybean will play an increasingly important nutritional role as the world population grows.

On July 18, Senator HEFLIN submitted amendment No. 499, to provide for a soybean research advisory institute, with a fivefold purpose to:

First, assess the effectiveness of the ongoing soybean research programs in the United States;

Second, assess the impediments to increased U.S. soybean production, including the soybean cyst nematode, and consider the most effective means of removing such impediments;

Third, evaluate the available means and the potential for increasing soybean production in the United States;

Fourth, estimate the amount of funds required to carry out a coordinated program of national soybean research to develop means of effectively increasing the overall U.S. soybean production and profitability; and

Fifth, develop plans for and sponsor an international conference on soybean research for the purpose of comparing and sharing current information on the production and utilization of soybeans.

The advisory institute would be required to submit a report of its findings to the House and Senate Agriculture Committees by March 1, 1983, and the advisory institute would be terminated at that point.

Mr. President, this amendment has been submitted for review to the U.S. Department of Agriculture and the soybean industry. The industry endorses this amendment, and it is my understanding that USDA has no objections. The costs of implementing amendment No. 499 would be minimal, and I urge that it be adopted by the Senate.

I agree to accept it. I am informed the minority does likewise.

● Mr. PRYOR. Mr. President, I am privileged to rise today in support of the amendment sponsored by my colleague from Alabama, Senator HEFLIN, to establish a soybean research task force that will lead to essential research in this area. And in joining Senator HEFLIN I am also pleased to say that I am lending full support and encouragement to soybean farmers throughout the United States.

In my native State of Arkansas, soybeans are not merely a primary crop, they are a major staple of the State's economy. More than 4 million acres are involved in soybean production, and the State yields annually about 5.4 percent of the total U.S. production. This year alone we will harvest about 113 million bushels. So crucial is this product to the State of Arkansas, in fact, that soybeans have long been known there as the "princess crop of the prairie."

Soybeans are the No. 1 cash crop in the United States, and the No. 1 cash export as well. In 1979 more than $0.79 billion worth of U.S. soybeans was exported. Many economists predict that growth in world population will double soybean demand in the next decade.

Yet the increase in soybean production throughout the country has not resulted from increased yields. It has come about simply from expanded acreage. The average soybean yield has increased only about one-fourth bushel per acre each year, while corn has increased 85 bushels an acre over the last 50 years.

This comparatively low yield demonstrates the crucial need for research and development in soybean production. It has been documented that investment in agricultural research pays major dividends, generating an average return of 35 to 50 percent for each dollar invested. Yet there has not been the investment in soybean research needed by the American farmer.

An aggressive program is needed to learn more about biochemical relationships of plant stress, insect tolerance, and disease resistance. We need to investigate soil conservation methods, nematode control, genetic improvement of crops, and weed and insect control. There should also be assurance to the farmer that he will have access to university research and cooperative extension programs.

Senator HEFLIN'S amendment would in no way encroach upon the freedom of soybean producers and their representative organizations. It would, however, provide a means for bringing together the soybean industry, the Federal Government, and others interested in achieving the full potential of this crop.

Action of the kind intended by this amendment is absolutely necessary for the full production of future soybean crops. Mr. President, the 1979 crop was the largest in history, exceeding 2.3 billion bushels, and even with the 1980 drought soybeans still ranked second highest in the Nation. Some 67 million acres will be harvested in the United States this year.

We must assure producers that they will be given access to the most recent and sophisticated research capabilities this Nation has to offer. That's why I am pleased and privileged to join Senator HEFLIN in this effort.●

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama.

The amendment (No. 499) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEFLIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Is the Senator from North Dakota seeking recognition?

Mr. ANDREWS. Yes.

UP AMENDMENT NO. 366

(Purpose: To provide for an adequate supply of malting barley in the event that the Secretary imposes an acreage reduction program for feed barley)

Mr. ANDREWS. I have an unprinted amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota (Mr. ANDREWS) proposes an unprinted amendment numbered 366:

On page 160, line 6, strike the period and insert in lieu thereof a colon and the following:

"*Provided*, That the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for feed grain loans, purchases and payments to comply with an acreage limitation established under this subsection if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest, and meets such other conditions as the Secretary may prescribe."

Mr. ANDREWS. Mr. President, the purpose of my amendment is to allow the Secretary of Agriculture to delete from the overall classes of the several feed grains that subsection on barley, subclass of barley, known as malting barley.

If, in fact, there is a surplus of feed grains in the country, and the Secretary enacts a 20-percent setaside across-the-board on feed grains, yet there might well be a shortage of malting barley, a variety that is not used for livestock feed, this would give the Secretary of Agriculture the ability to recognize that and not require the same cutback in malting barley that they would in the other feed grains.

I have discussed this amendment with the chairman of the committee, with the Secretary of Agriculture, and with the Senators on the other side of the aisle and there is no objection to the amendment. I ask for its adoption.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, this amendment merely provides some flexibility for the Secretary of Agriculture to implement an acreage reduction for barley. This is discretionary and will allow Government programs to take into account the actual market and supply differences between barley grown for feed and barley grown for malting purposes.

Mr. President, the Senator is correct. We do accept the amendment. The amendment is acceptable to the administration and I am advised that the minority also accepts it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota (Mr. ANDREWS).

The amendment (UP No. 366) was agreed to.

Mr. HELMS. I move to reconsider the vote by which the amendment was agreed to.

Mr. ANDREWS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. Mr. President, I yield to the Senator from Alabama.

Mr. HEFLIN. Mr. President, I yield to the Senator. Does the Senator seek recognition?

Mr. PRESSLER. Mr. President, I wish to call up an amendment at this point.

Mr. HEFLIN. I have a couple more, also. I yield to the Senator.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

AMENDMENT NO. 423

(Purpose: To provide for a special shelterbelt program)

Mr. PRESSLER. Mr. President, I have an amendment at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from South Dakota (Mr. PRESSLER) proposes amendment numbered 423:

On page 235, between lines 17 and 18, insert the following new section:

SPECIAL SHELTERBELT PROGRAM

SEC. 1112. (a) The Congress finds that it is in the public interest to establish and maintain where necessary shelterbelts throughout the Nation, and, thereby, reduce soil blowing; control snow deposition; conserve moisture; protect crops, orchards, and livestock; provide food and cover for wildlife; provide energy conservation; and increase the natural beauty of the landscape.

(b) The Secretary of Agriculture (hereinafter in this section referred to as the "Secretary") is authorized and directed to formulate and carry out a program to establish and maintain shelterbelts. Such program shall begin on October 1, 1981.

(c)(1) In effectuating the shelterbelt program authorized by this section the Secretary is authorized to enter into agreements with landowners and operators to establish and maintain shelterbelts identified in a conservation plan of the entire operating unit, developed in cooperation with the soil and water conservation district in which the lands are located, under such rules and regulations as the Secretary may prescribe. Such agreements shall be entered into for a period of five years.

(2) As used in this section, the term "shelterbelt" means a vegetative barrier with a linear configuration composed of trees and shrubs and other approved perennial vegetation.

(d) In the agreement between the Secretary and landowner or operator, the landowner or operator shall agree—

(1) to conserve plan covering the entire operating unit developed in cooperation with and approved by the soil and water conservation district and to carry out the plan or an approved modification thereof for the period of the agreement;

(2) to place in the shelterbelt program for the period of the agreement all land subject to wind erosion. Other land may be included that would benefit from establishing and maintaining shelterbelts;

(3) not to adopt any practice specified by the Secretary in the agreement as a practice which would tend to defeat the purposes of the agreement;

(4) to forfeit all rights to further payments or grants under the agreement and refund to the United States all payments or grants received thereunder upon his violation of the agreement at any stage during the time he has control of the land subject to the agreement if the Secretary determines that such violation is of such a nature as to warrant termination of the agreement, or to make refunds or accept such payment adjustments as the Secretary may deem appropriate if he determines that the violation by the owner or operator does not warrant termination of the agreement;

(5) upon transfer of his right and interest in the land subject to the agreement during the agreement period, to forfeit all rights to further payments or grants under the agreement and refund to the United States all payments or grants received thereunder during the year of the transfer unless the transferee of any such land agrees with the Secretary to assume all obligations of the agreement; and

(6) to such additional provisions as the Secretary determines are desirable and includes in the agreement to effectuate the purposes of the program or to facilitate its administration.

(e) In return for the agreement of the landowner or operator, the Secretary shall (1) make an annual payment to the landowner or operator for the period of the agreement at such rate or rates as the Secretary determines to be fair and reasonable in consideration of the obligations undertaken by the owner or operator; and (2) bear such part of the cost of establishing and maintaining shelterbelts as the Secretary determines to be appropriate. The Secretary shall annually reexamine the compensation provided in light of current land and crop values. In making his determination, the Secretary shall also consider, among other things, the rate of compensation necessary to encourage owners or operators to participate in the shelterbelt program.

(f) The Secretary may terminate any agreement by mutual agreement with the owner or operator if the Secretary determines that such termination would be in the public interest, and may agree to such modification of agreements as he may determine to be desirable to carry out the purposes of the program or facilitate its administration.

(g) This section shall be applicable to the several States, Puerto Rico, and the Virgin Islands.

(h) The Secretary shall prescribe such regulations as he determines necessary and desirable to carry out the provisions of this section.

(i) There are authorized to be appropriated such sums as may be necessary to carry out the program authorized by this section.

Mr. PRESSLER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HEFLIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEFLIN. Mr. President, I have another amendment that I would like to bring up at this time.

The PRESIDING OFFICER. The Chair would inform the Senator that it would take a unanimous-consent request to set aside the amendment of the Senator from South Dakota. Is that what the Senator from Alabama is requesting?

Mr. HEFLIN. Yes. I ask unanimous consent that the amendment of the Senator from South Dakota be temporarily laid aside.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from South Dakota is laid aside temporarily. The Senator from Alabama is recognized.

UP AMENDMENT NO. 367

(Purpose: To provide grants to the 1890 land-grant colleges, including Tuskegee Institute, for the purpose of assisting these institutions in the purchase of equipment and land, and the planning, construction, alteration, or renovation of buildings to

strengthen their capacity for research in the food and agricultural sciences)

Mr. HEFLIN. Mr. President, I call up my amendment to S. 884 to authorize the appropriation of funds to the colleges eligible to receive funding under the act of August 30, 1890, including Tuskegee Institute. I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Alabama (Mr. HEFLIN) proposes an unprinted amendment numbered 367.

Mr. HEFLIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 283, between lines 4 and 5, insert a new section as follows:

"AUTHORITY TO AWARD GRANTS TO UPGRADE 1890 LAND-GRANT COLLEGE RESEARCH FACILITIES

"SEC. 1426. (a) It is hereby cleared to be the intent of the Congress to assist the institutions eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321–326 and 328), including Tuskegee Institute (hereinafter referred to in this section as "eligible institutions"), in the acquisition and improvement of research facilities and equipment so that eligible institutions may participate fully with the State agricultural experiment stations in a balanced attack on the research needs of the people of their States.

"(b) There are hereby authorized to be appropriated to the Secretary of Agriculture for the purpose of carrying out the provisions of this section $10,000,000 for each of the fiscal years 1982 through 1986, such sums to remain available until expended.

"(c) Four per centum of the sums appropriated pursuant to this section shall be available to the Secretary for administration of this grants program. The remaining funds shall be available for grants to the eligible institutions for the purpose of assisting them in the purchase of equipment and land, and the planning, construction, alteration, or renovation of buildings to strengthen their capacity to conduct research in the food and agricultural sciences.

"(d) Grants awarded pursuant to this section shall be made in such amounts and under such terms and conditions as the Secretary shall determine necessary for carrying out the purposes of this section.

"(e) Federal funds provided under this section may not be utilized for the payment of any overhead costs of the eligible institutions.

"(f) The Secretary may promulgate such rules and regulations as the Secretary may deem necessary to carry out the provisions of this section.".

Beginning on page 283, redesignate sections 1426 through 1436 as sections 1427 through 1437, respectively.

Mr. HEFLIN. Mr. President, this amendment, in essence, contain the provisions of a bill introduced by me earlier this year, namely S. 1237. A similar bill was introduced in the other Chamber in this Congress by the distinguished chairman of the House Committee on Agriculture (Mr. DE LA GARZA). This measure which may be identified as H.R. 1309 was unanimously passed by the House of Representatives on July 13 of this year.

It had been my original intention to offer the provisions of S. 1237 to be a part of S. 884 when we were marking up the farm bill this spring. At that time, however, we had not received the comments of the Department of Agriculture relative to the administration's position with respect to the legislation and, therefore, I felt that the proposal should not be considered by our committee during markup; notwithstanding the fact that we had received some very outstanding testimony concerning the legislation during hearings on the new farm bill.

Happily, Mr. President, on July 9, 1981, Secretary of Agriculture Block directed a letter to the distinguished chairman of our Senate Committee on Agriculture, Nutrition and Forestry (Mr. HELMS) endorsing S. 1237 on behalf of the administration, including, I should like to add, the Office of Management and Budget. I ask unanimous consent, Mr. President, that Secretary Block's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
*Washington, D.C., July 9, 1981.*

Hon. JESSE HELMS,
*Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in response to your request for a report on S. 1237, a bill "To provide grants to the 1890 landgrant colleges, including Tuskegee Institute, for the purpose of assisting these institutions in the purchase of equipment and land, and the planning, construction, alteration, or renovation of buildings to strengthen their capacity for research in the food and agricultural sciences."

The Department would not object to enactment of the bill if it is amended to delete subsection (b) in Section 4. Such a "report and wait" requirement is unnecessarily restrictive to the administration of this program.

The bill, if enacted, would authorize grants to the 1890 institutions, including Tuskegee Institute, for funding of food and agricultural research facilities. It would be a five-year authorization for no-year-end monies.

The bill authorizes appropriations for fiscal years 1981 through 1985 in the amount of $10 million per year. Four percent of the funds to be appropriated will be utilized by the Department for administration.

The research capability of these institutions is not comparable to that of the 1862 land-grant institutions. The 1890 institutions have received limited State construction funds for research facilities. Furthermore, they were not eligible to participate in the modest Federal facilities program provided in the late 1960's and early 1970's for the 1862 land-grant institutions under the Research Facilities Act of 1963.

The lack of sufficient research facilities has forced the institutions to use the space provided for resident instruction and other campus programs to accommodate the staff required for research supported by the grant funds available under Public Law 95–113. In some institutions, scientists are conducting research in classrooms during the hours that those rooms are not used for student instruction.

The lack of facilities has forced these institutions into very limited agricultural research programs, which have been developed by "making do" under unfavorable circumstances. They have been unable either to develop research programs that could provide expertise to complement and enhance their instruction and extension program needs, or to participate with the 1862 landgrant institutions in a balanced attack on the agricultural research problems of the people in their States.

Enactment of the bill would have no significant effect upon the quality of the human environment.

The Office of Management and Budget advises that there is no objection to the presentation of this legislative report from the standpoint of the President's program.

Sincerely,

JOHN R. BLOCK,
*Secretary.*

Mr. HEFLIN. Mr. President, as evidenced by the first paragraph of Secretary Block's letter, the purpose of this amendment is to provide funds to the 1890 landgrant colleges, including Tuskegee Institute to assist these institutions of higher education in the purchase of equipment and land, and the planning, construction, alteration, or renovation of buildings to strengthen their capacity for research in the food and agricultural sciences. In other words, the amendment is a bricks and mortar proposal. It is designed to provide a portion of the capital needed by the eligible institutions in their quest to improve and develop agricultural research centers of excellence.

This amendment would compliment and, in fact, become an integral part of the action taken by the Congress in the 1977 farm bill when it included the research and extension work of the 1890 land-grant colleges, including Tuskegee Institute, in the regular Federal funding processes enjoyed by the 1862 land-grant colleges. In making the eligibility of the 1890 land-grant institutions comparable to their 1862 counterparts, however, the 1977 farm law did not extend this concept to physical facilities. This amendment will go a long way toward fulfilling the intent of the 95th Congress to make the 1890 land-grant colleges, including Tuskegee Institute, full partners in the agricultural research and extension communities.

Greater emphasis on agricultural research is one of our principal long-term needs. If we are to be able to continue our expected mission of feeding and clothing the citizens of this Nation and hundreds of millions more throughout the world as well, agricultural research will play a more important role than in the past in the development of knowledge that must be used by our farmers. Already we see the need to hasten progress to improve the efficiency and increase the production of American agriculture. All of our land-grant universities and colleges, including experiment stations, must participate in this mission. Each institution obviously has the potential for providing the many breakthroughs we are seeking and must have.

Mr. President, the 1890 land-grant colleges and Tuskegee Institute have agricultural research shortcomings that need to be remedied if they are to participate in the development of knowledge needed to generate the food and fiber requirements of the future. These institutions have carried on important work for nearly a century and adoption

of this amendment will mean much in facilitating their dedicated research efforts.

Mr. President, I believe there is no objection to this amendment.

Mr. HELMS. Mr. President, I am prepared to accept the amendment of the distinguished Senator from Alabama. I am informed that the distinguished ranking minority member is also prepared to accept the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (UP No. 367) was agreed to.

Mr. HEFLIN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HELMS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## VISIT TO THE SENATE BY MEMBERS OF THE BRITISH PARLIAMENT

Mr. HELMS. Mr. President, we are honored at this time to have 10 members of the British Parliament in the Chamber visiting us, plus a lady who, I understand, is the equivalent of our Secretary of the Interior.

RECESS

Mr. HELMS. Mr. President, I ask unanimous consent that the Senate stand in recess for 5 minutes so that Senators may express their welcome to this fine group of visitors.

There being no objection, the Senate, at 3:25 p m., recessed until 3:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. QUAYLE).

## AGRICULTURE AND FOOD ACT OF 1981

The Senate continued with the consideration of the bill.

AMENDMENT NO. 423, AS MODIFIED

(Purpose: To provide for a special shelterbelt program)

Mr. PRESSLER. Mr. President, I send to the desk a modified version of my amendment No. 423 and ask for its immediate consideration.

The PRESIDING OFFICER. The Senator has the right to modify his amendment. The amendment will be so modified.

The amendment, as modified, will be stated.

The assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. PRESSLER) proposes an amendment numbered 423, as modified.

Mr. PRESSLER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, reads as follows:

At the appropriate place in the bill, insert the following:

SPECIAL SHELTERBELT PROGRAM

SEC. 1112. (a) The Congress finds that it is in the public interest to establish and maintain where necessary shelterbelts throughout the Nation, and, thereby, reduce soil blowing; control snow deposition; conserve moisture; protect crops, orchards, and livestock; provide food and cover for wildlife; provide energy conservation; and increase the natural beauty of the landscape.

(b) The Secretary of Agriculture (hereinafter in this section referred to as the "Secretary") is authorized to formulate and carry out a program to establish and maintain shelterbelts. Such program shall begin on October 1, 1981.

(c)(1) In effectuating the shelterbelt program authorized by this section, the Secretary is authorized to enter into agreements with landowners and operators to establish and maintain shelterbelts identified in a conservation plan of the entire operating unit, developed in cooperation with the soil and water conservation district in which the lands are located, under such rules and regulations as the Secretary may prescribe. Such agreements shall be entered into for a period of five years.

(2) As used in this section, the term "shelterbelt" means a vegetative barrier with a linear configuration composed of trees and shrubs and other approved perennial vegetation.

(d) In the agreement between the Secretary and landowner or operator, the landowner or operator shall agree—

(1) to conservation plan covering the entire operating unit developed in cooperation with and approved by the soil and water conservation district and to carry out the plan or an approved modification thereof for the period of the agreement;

(2) to place in the shelterbelt program for the period of the agreement all land subject to wind erosion. Other land may be included that would benefit from establishing and maintaining shelterbelts;

(3) not to adopt any practice specified by the Secretary in the agreement as a practice which would tend to defeat the purposes of the agreement;

(4) to forfeit all rights to further payments or grants under the agreement and refund to the United States all payments or grants received thereunder upon his violation of the agreement at any stage during the time he has control of the land subject to the agreement if the Secretary determines that such violation is of such a nature as to warrant termination of the agreement, or to make refunds or accept such payment adjustments as the Secretary may deem appropriate if he determines that the violation by the owner or operator does not warrant termination of the agreement;

(5) upon transfer of his right and interest in the land subject to the agreement during the agreement period, to forfeit all rights to further payments or grants under the agreement and refund to the United States all payments or grants received thereunder during the year of the transfer unless the transferee of any such land agrees with the Secretary to assume all obligations of the agreement; and

(6) to such additional provisions as the Secretary determines are desirable and includes in the agreement to effectuate the purposes of the program or to facilitate its administration.

(e) In return for the agreement of the landowner or operator, the Secretary shall (1) make an annual payment to the landowner or operator for the period of the agreement at such rate or rates as the Secretary determines to be fair and reasonable in consideration of the obligations undertaken by the owner or operator; and (2) bear such part of the cost of establishing and maintaining shelterbelts as the Secretary determines to be appropriate. The Secretary shall annually reexamine the compensation provided in light of current land and crop values. In making his determination, the Secretary shall also consider, among other things, the rate of compensation necessary to encourage owners or operators to participate in the shelterbelt program.

(f) The Secretary may terminate any agreement by mutual agreement with the owner or operator if the Secretary determines that such termination would be in the public interest, and may agree to such modification of agreements as he may determine to be desirable to carry out the purposes of the program or facilitate its administration.

(g) This section shall be applicable to the several States, Puerto Rico, and the Virgin Islands.

(h) The Secretary shall prescribe such regulations as he determines necessary and desirable to carry out the provisions of this section.

(i) There are authorized to be appropriated such sums as may be necessary to carry out the program authorized by this section.

Mr. PRESSLER. Mr. President, today I am calling up for consideration an amendment No. 423, as modified, to S. 884, to promote the establishment of shelterbelts, that I introduced in July. My shelterbelt amendment would promote the preservation, restoration, improvement and establishment of shelterbelts to protect cropland from soil loss due to wind erosion. In addition to reducing wind erosion, shelterbelts control snow deposition, conserve moisture, protect crops, orchards and livestock; provide food and cover for wildlife; conserve energy and increase the natural beauty of the landscape.

The most valuable reward of increasing the Nation's shelterbelts is the saving of precious topsoils.

Recent studies by the Department of Agriculture have shown that wind damaged nearly two and one half times as much land in the Great Plains from November 1980 through May 1981, as it did during the same period a year earlier. The number of acres damaged by wind increased from 5,134,000 in 1980 to 12,488,000 in 1981. This increase demonstrates that steps have to be taken to encourage our farmers to protect their land against the loss of valuable topsoils. When farmers moved into the Great Plains, there was 30 inches of topsoils; now in 1981, there are about 5 inches. If the remaining 5 inches are lost, farmers will be forced to plant on the subsoils which are not as productive as the upper topsoils.

When we consider our Nation's top soil, it is important to note that 19 percent of all U.S. exports are agricultural products. The U.S. agricultural trade surplus grew from $2 billion in 1970 to $24 billion in 1980. This equals more than a third of the Nation's expenditures on imported oil. Such exports and surpluses cannot be maintained without fertile topsoils; 65 percent of all agricultural exports are grains, which rely on healthy topsoils. As we continue to lose topsoils, our productivity will continue to suffer. This is particularly concerning because agricultural trade surpluses help to counteract this Nation's trade deficit.

Much of this loss of productivity and valuable topsoil can be avoided if this Senate and the Government acts toward offering farmers incentives to establish and restore shelterbelts. It is imperative

that the Nation's awareness be raised concerning this loss of one of our country's most valuable resources. If not, we may be dealing with shortages of agricultural products rather than surpluses.

With a burdensome dependence on foreign oil and limited domestic supplies of fuel oil, it is important to take note of the energy savings which shelterbelts have to offer.

Studies have shown that a well designed farmstead windbreak can reduce winter fuel consumption by 10 to 30 percent. If windbreaks could be planted around the 760,000 unprotected rural dwellings in the Great Plains, the potential energy savings would be 15.2 trillion Btu's per year, or the equivalent of 109 million gallons of fuel oil. The energy savings the shelterbelt offers will lessen this country's dependence on foreign oil and conserve a valuable resource.

It should also be noted that shelterbelts increase the quality and quantity of our Nation's beef and orchards. The Montana experiment station in Harve found that a herd of cattle protected by windbreaks gained 35 pounds more each during a mild winter and lost 10½ pounds less during a severe winter than an unprotected herd. Orchards also need shelter against high winds, especially during pollination and when the fruit is ripening. Fruit is often blown off the trees in unprotected orchards or is bruised or scarred. Windbreak protected orchards produce both high yields and higher quality fruit.

It is important that farmers be given assistance in restoring and establishing shelterbelts. Farmers are unable to undertake the restoration and establishment of shelterbelts on their own because of high interest rates and inflation. In addition, increases in land prices make it profitable for farmers to plow up shelterbelts and increase the value of the land. Therefore, it is necessary for the Government to take steps to aid the farmers in restoring shelterbelts. Shelterbelts are a common heritage which benefit the country as a whole, not just the farmers. Without more Government involvement and public awareness, topsoil will continue to be lost and as a consequence, this Nation's productivity will suffer.

This amendment would authorize the Secretary of Agriculture to enter into agreements with landowners and operators to establish and maintain shelterbelts in cooperation with the soil and water conservation district under the regulations prescribed by the Secretary. The agreement would be for a period of 5 years, in which, in return for establishing a shelterbelt and maintaining it within the prescribed regulations, the Secretary of Agriculture shall make an annual payment to the landowner or operator and bear such costs of establishing and maintaining shelterbelts as the Secretary determines appropriate.

Mr. President, I urge my colleagues to join me in supporting the shelterbelt amendment.

Mr. DOLE. Mr. President, will the Senator yield for a question?

Mr. PRESSLER. I yield.

Mr. DOLE As I understand, the Senator from South Dakota has taken out the mandatory portion of the amendment so that it authorizes the Secretary and then, in the event he does proceed, there are certain prescribed guidelines he must pursue. Is that correct?

Mr. PRESSLER. That is correct. The slight change in the legislation authorizes the Secretary to carry this out. I think it is very important that we adopt this amendment in the farm bill to highlight our concern for our topsoil and to authorize the Secretary to carry out such activities.

Mr. DOLE. If the Senator will yield further, I think with the change and modification, in the view of this Senator, it is a good amendment. I hope it might be acceptable on the basis of its modification. Until such a program is implemented or, at least, designed, I cannot see that it can cause any problem from a budgetary standpoint.

Mr. HELMS. Mr. President, I commend my colleague from South Dakota on his amendment to authorize a shelterbelt program under the direction of the Soil Conservation Service.

The committee considered a broad package of legislative ideas for the 1981 farm bill pertaining to soil conservation. We would like to think that those measures that were adopted reflect a balanced mix of needed legislation. However, we did not include a shelterbelt provision.

There is not presently a specific shelterbelt program; however, current law does authorize the Secretary to provide landowners and operators with financial cost-sharing assistance to carry out conservation measures, including, among other things, the establishment of shelterbelts where needed. Both the Great Plains conservation program and the agricultural conservation program have provisions which specifically provide for the establishment of shelterbelts. The problem is that these authorities do not deal with the specific problem of developing needed shelterbelts.

Like the Senator from South Dakota, I am greatly concerned with the serious loss of topsoil from the precious farmland of this Nation. I am glad to support this amendment.

Mr. President, this amendment is acceptable to both sides. I urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment (UP 423, as modified) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote.

Mr. PRESSLER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 368

(Purpose: To amend the Bankruptcy Act regarding farm produce storage facilities, and for other purposes)

Mr. DOLE. Mr. President, I send an amendment to the desk for myself, the Senator from Missouri (Mr. DANFORTH), and the Senator from South Dakota (Mr. PRESSLER) and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE), for himself, Mr. DANFORTH, and Mr. PRESSLER, proposes an unprinted amendment numbered 368.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 235, after line 17, insert the following:

SEC. 1112. Section 101 of title 11, United States Code, is amended—

(1) by adding after paragraph (18), the following:

"(19) 'farm produce' means the product of a person engaged in a farming operation, including crops, poultry, livestock, or dairy products in an unmanufactured state;

"(20) 'farm produce storage facility' means any business enterprise operated by any person for the purpose of (A) providing facilities for the temporary storage of farm produce; or (B) purchasing farm produce from persons engaged in farming operations in bulk quantities; however, such term shall not be construed to include any retail grocery business operation;";

(2) by renumbering paragraphs (19) through (40) as paragraphs (21) through (42), respectively; and

(3) by adding after paragraph (42) as renumbered by this section, the following new paragraph

"(43) 'storage facility receipt' means any document of the type routinely issued by a debtor operating a farm produce storage facility for the purpose of establishing a record of ownership of a quantity of farm produce which is stored with such facility by any person upon a contract of bailmen. Such term shall include a warehouse receipt or a scale ticket, provided identification of the owner of the produce represented thereby is clearly noted upon the face of such document.".

SEC. 1113. Section 109 of title 11, United States Code, is amended in subsection (e) by inserting after "commodity broker," the following "or a person engaged in the business of operating a farm produce storage facility (with respect to the debts of that business),".

SEC. 1114. Section 502 (1) of title 11, United States Code, is amended by striking out "507 (a) (6)" and inserting in lieu thereof "507(a) (7)".

SEC. 1115. Section 503(b) (1) (B) of title 11, United States Code, is amended by striking out "507(a) (6)" and inserting in lieu thereof "507(a) (7)".

SEC. 1116. Section 507(a) is amended—

(1) by adding after paragraph (4) the following:

"(5) Fifth, allowed unsecured claims of farmers or other persons engaged in farming operations arising from the sale or conversion of farm produce to or by a debtor engaged in the business of operating a farm produce storage facility—

"(A) where such sale or conversion occurred within 180 days before the date of the filing of the petition or before the cessation of the debtor's business, whichever occurs first, but only

"(B) to the extent of $2,000 for each such individual.";

(2) by striking out "(5) Fifth" and inserting in lieu thereof "(6) Sixth"; and

(3) by striking out "(6) Sixth" and inserting in lieu thereof "(7) Seventh".

SEC. 1117. Title 11, United States Code, is amended by adding after section 554 the following:

"§ 555. Expedited abandonment of farm produce

"(a) Notwithstanding any other provision of this title, in a case filed under such title by, or with respect to, a person engaged in the business of operating a farm produce storage facility, the court shall follow the procedures herein stated, unless otherwise indicated.

"(1) Within ten days after the filing of the petition, the court shall direct the trustee who has been appointed to supervise liquidation and management of the estate to conduct an examination of the debtor, and of the debtor's books, records, and accounts to determine the identity of persons—

"(A) who either have or may claim to have an ownership interest in farm produce delivered over to the trustee by the debtor by virtue of having—

"(i) retained title to farm produce stored with the debtor upon a contract of bailment;

"(ii) purchased produce from the debtor which was then, in turn, bailed to the debtor for storage purposes;

"(iii) taken assignment of, or title by judgment to, the debtor's ownership interests in produce owned by the debtor; or

"(iv) taken assignment of the ownership interest of any such parties; and

"(B) who claim status as secured creditors of the debtor arising out of a security interest in any farm produce which is delivered over to the trustee by the debtor, which farm produce is property of the debtor's estate.

"(2) Within thirty days after the filing of the petition, the trustee shall conduct an examination of the debtor and his records and, if necessary, shall conduct an audit of the physical assets of all farm produce storage facilities operated by the debtor for the purpose of determining the quantity, quality, and type of farm produce, if any, which has been delivered over to the trustee by the debtor. The trustee shall then sell such farm produce for its then current fair market value, and place the proceeds of such sale on deposit in an interest-bearing account of a type which will obtain the maximum return on such proceeds as may be practical.

"(3) (A) Within sixty days after the filing of the petition, the court shall, after notice to interested parties (including those persons identified by the trustee as having or claiming a direct ownership interest in farm produce delivered to the trustee, or a secured interest therein) conduct a hearing, at which all requests for abandonment of the proceeds of farm produce held by the trustee brought pursuant to the provisions of section 554 of this title shall be heard and determined. No request for abandonment of farm produce proceeds shall be considered which is not filed by a claimant with the the court at least five days before the commencement of the hearing: *Provided*, That the court may grant leave for the filing of a request after such time period upon a finding by the court of excusable neglect justifying delay. No such request may be considered by the court after the distribution of farm produce proceeds by the trustee which is provided for herein commences, except in cases where notice or actual knowledge of the pendency of the proceedings was not provided to a claimant due to fraud, negligence of the trustee, or other cause beyond the control of the claimant. The court shall order abandonment of the proceeds of farm produce held by the trustee, in the manner specified below, with respect to each claim of an affected creditor or other party in interest who establishes, to the court's satisfaction, that—

"(i) a quantity of farm produce sold by the trustee was held by the debtor as bailee only, without benefit of legal or equitable title, and that title to such produce was vested in the claimant; or

"(ii) a quantity of farm produce sold by the trustee which was determined to be part of the debtor's estate is (at the time of the hearing) of inconsequential value or is burdensome to the estate in consideration of a valid security interest existing therein in favor of the claimant.

"(B) Any claimant's production to the court of a valid storage facility receipt held by that claimant as evidence of ownership of a quantity of farm produce sold by the trustee shall be sufficient to establish a right to possession in such claimant of a share of the proceeds equal in value to the quantity, quality, and type of farm produce specified in such document. In any case where a claimant has placed the original of such document on deposit with any party as collateral for a loan, without assigning ownership interests in the farm produce over to such party, an affidavit from such party verifying ownership of such receipt by the claimant shall be sufficient to establish a prima facie claim of right to possession of proceeds in such claimant.

"(4) Within ninety days after the filing of the petition, the court shall direct the trustee to effect abandonment of the farm produce proceeds found to be subject thereto in accordance with subsection (a)(3) of this section, in the following manner:

"(A) With respect to claimants who have established to the court's satisfaction that the trustee sold farm produce as to which title lies in the claimant, the trustee shall apportion to each claimant out of the whole sum of farm produce proceeds held by the trustee that claimant's pro rata share (in comparison to the shares of like claimants) of the proceeds held by the trustee which are equivalent in value to the quantity, quality, and type of commodities which were originally delivered by such claimant, or the claimant's predecessor in title, to the debtor upon the contract of bailment. The value of such produce shall be calculated by reference to the price obtained for it at the time of sale. Distribution shall take place with respect to each of such claimants only after the deduction from such claimant's share of the proceeds of any commercially reasonable storage charge then due the debtor's estate from the particular claimant, plus any commercially reasonable charge for the expense of removing the particular claimant's farm produce from the storage facility.

"(B) With respect to claimants who have established to the court's satisfaction that the estate's interest in quantities of farm produce which (i) are part of the debtor's estate, and (ii) are subject to a security interest existing in favor of such claimants, is of inconsequential value or is burdensome to the estate by virtue of such security interest, the trustee shall next distribute from the remaining proceeds of the liquidation of farm produce required by subsection (a)(2) of this section, a share of such proceeds to each of such claimants according to the value of their secured interests in the farm produce sold, as the same may be entitled to under law. Distribution shall take place with respect to each of such claimants only after the deduction from such claimant's share of any commercially reasonable charge for the expense of removing the farm produce represented by the proceeds distributed to that claimant.

"(C) Distribution of farm produce proceeds which are ordered abandoned by the court, shall commence within twenty days of the entry of the orders of abandonment.

"(D) Expenses and compensation of the court or trustee incurred pursuant to the liquidation and abandonment of farm produce and proceeds thereof shall be paid, in conformity to the provisions of section 330 of this title, in the following manner:

"(i) first, out of the funds retained by the trustee for storage charges and produce delivery charges, to the extent feasible;

"(ii) second, out of accrued interest on farm produce proceeds, to the extent feasible; and

"(iii) third, out of the whole quantity of farm produce proceeds held by the trustee prior to distribution of such proceeds.

No other expenses of the court or trustees shall be deducted from farm produce proceeds.

"(E)(i) If, after satisfaction of the claims of those persons entitled to abandonment of the proceeds of farm produce held by the trustee, there be any remaining proceeds of farm produce held by the trustee, such unclaimed proceeds shall be retained by the court in an interest bearing account, for the benefit of any persons who may present an untimely claim of right to abandonment in accordance with subsection (a)(3)(A) of this section, for a period of one year from the date of the entry of the orders of abandonment. At the expiration of such period, such funds shall be distributed in accordance with section 726 of this title.

"(ii) The trustee may conduct such examination of the debtor or other persons as may be necessary for the purpose of determining the identity of any persons to whom have been assigned the rights of ownership to farm produce, legal or equital title to which does not exist in the debtor, as reflected by the books and records of such debtor and for which no claim has been made; and shall provide notice of the pendency of the action to any person who is so identified.

"(b) This section shall be applied by the court solely for the purpose of effectuating abandonment of farm produce which is not property of the estate, or is of inconsequential value to the estate, and shall not be construed to limit the right of any party to seek abandonment of any other property delivered over to the trustee in accordance with section 554 of this title.

"(c) Distribution of farm produce ordered abandoned by the court pursuant to this section shall not be delayed due to the pendency of any appeal from the orders of abandonment, except that a stay of orders entered pursuant to this section may be entered by the bankruptcy court under the following circumstances:

"(1) the party filing the request for stay, except for the United States, shall post a bond or other security in an amount equal to the amount of farm produce proceeds, distribution of which is affected by the requested stay; and

"(2) the parties entitled to distribution of farm produce proceeds under the terms of the abandonment orders affected by the stay shall, if successful in defending the appeal, be awarded their pro rata share of the proceeds of the liquidation; plus a sum equal to the difference in value between the awarded share and the highest intermediate value (between the date of the entry of the order of stay and the date of final distribution) of the produce sold which was owned by, or secured to, such parties; plus interest on the amount of the original award at the prevailing rate allowed by law upon judgments, with interest to accrue from the date of the entry of the order of stay. The interest payment, and differential payment, provided for herein shall both be satisfied out of the bond posted by the party requesting the stay, to the extent feasible. In the case of an appeal by the United States, it shall be satisfied out of accrued interest on the proceeds on deposit, to the extent feasible. The party or parties requesting such stay and prosecuting such appeal shall, if succesful on appeal, be entitled to interest at the prevailing rate allowed by law upon judgments upon any sum which the court may ultimately award, such interest to be calculated

from the date of the entry of the original order of abandonment appealed from.

"(d) Any order of stay entered by the bankruptcy court pursuant to subsection (c) of this section shall be immediately appealable as of right by any aggrieved party, to the district court for the division and district wherein the bankruptcy court exercises its jurisdiction; or, to a panel of bankruptcy judges as provided by section 405(c)(1) of title 28, United States Code, if the same has been ordered by the circuit council pursuant to such section. The appeal shall be perfected in accordance with the rules applicable to the prosecution of appeals under this title. The district court (or bankruptcy panel) shall rule upon the issue of whether or not the order of stay so entered is appropriate, in consideration of the provisions of rule 62 of the Federal Rules of Civil Procedure and the law applicable thereunder, within thirty days after the docketing of the appeal.

"(e) In any action brought pursuant to chapter 11 of this title, the provisions of this section shall govern the abandonment of farm produce held by the trustee or debtor in possession of a farm produce storage facility business for which reorganization is sought, which farm produce is not property of the debtor's estate but is held by the debtor upon a contract of bailment only. The abandonment of any quantity of such produce shall take place only upon the request of the owner thereof, and shall be done regardless of its effect upon any existing or proposed plan of reorganization.

"(f) The time limits set forth in this section may be extended by the court for good causes shown; however, the distribution of farm produce ordered abandoned by the court shall not be deferred beyond one hundred and forty days after the date of the filing of the petition, unless the court finds that—

"(1) the interests of justice so require in light of the complexity of the case; and

"(2) the interests of those claimants entitled to distribution upon their claims will not be materially injured by such additional delay.

"(g) In actions filed under this title in any State wherein an agency exists which operates under the supervision of that State's government, and which is charged with the responsibility for presiding over the liquidation of an insolvent farm produce storage facility licensed under the laws of such State, the bankruptcy court shall appoint the director of such State agency to act as co-trustee together with the private trustee, if any, appointed under this title; and such party shall perform the duties required of the trustee under this section until the completion of the distribution of the proceeds of farm produce required by this section: *Provided,* That such co-trustee shall not be relieved of its responsibilities before the orders of abandonment required to be entered under this section are made. Said co-trustee shall perform all duties required of the trustee under this section, but shall not be required to perform any duties of the trustee mandated by any other provisions of this title. Said co-trustee shall not recover any compensation out of the assets of the estate for the services performed under this section.

"(h) In actions filed under this title by a debtor in the business of operating a farm produce storage facility licensed under the United States Warehouse Act, the bankruptcy court shall appoint the Administrator of the Agricultural Marketing Service of the United States Department of Agriculture to act as co-trustee together with the private trustee, if any, appointed under this title; and such party shall perform the duties required of the trustee under this section until the completion of the distribution of the proceeds of farm produce required by this section: *Provided,* That such co-trustee shall not be relieved of its responsibilities before the orders of abandonment required to be entered under this section are made. Said co-trustee shall perform all duties required of the trustee under this section, but shall not be required to perform any duties of the trustee mandated by any other provisions of this title. Such co-trustee shall not recover any compensation out of the assets of the estate for the services performed under this section.".

SEC. 1118. (a) Chapter 10 of title 7, section 255, of the United States Code, is amended by inserting a comma after the word "storage", and by inserting the following language between the words "storage" and "in" thereof:

"marketing, handling, shipping, or other disposition"; such that the section, as amended, shall read as follows: "Any person who deposits agricultural products for storage, marketing, handling, shipping, or other disposition in a warehouse licensed under this chapter shall be deemed to have deposited the same subject to the terms of this chapter and the rules and regulations prescribed thereunder.".

(b) Chapter 10 of title 7, United States Code, is amended by adding after section 262 thereof the following:

"§ 262a. Statutory lien, pending payment for agricultural products sold to a warehouseman

"Any farmer (as defined in title 11, U.S.C. 101) who, having delivered agricultural products to a warehouseman licensed under this chapter upon a contract for sale, or having sold to such warehouseman products previously delivered upon a contract for storage, and who has not received the consideration agreed upon for the sale of said products from the warehouseman, shall have a lien against like products in the licensed facility in excess of that required to satisfy receipted or other storage obligations; against like products in transit for which payment has not been made to the warehouseman; and against unencumbered products held in other locations for the account of the warehouseman, or the proceeds from any of the foregoing, to the extent of the consideration agreed upon for the purchase of the product sold. Such lien shall attach at the time of the formation of the contract for sale and shall continue until the obligations of the warehouseman to the seller of the products are satisfied, or the expiration of sixty days, whichever is earlier.".

SEC. 1119. Section 1123 (a) (1) of title 11, United States Code, is amended by striking out "or 507(a)(6)" and inserting in lieu thereof "507(a)(5) or 507(a)(7)".

SEC. 1120. Section 1129(a)(9)(B) of title 11, United States Code, is amended by striking out "or 507(a)(5)" and inserting in lieu thereof "507(a)(5), or 507(a)(6)".

SEC. 1121. Section 1129(a)(9)(C) of title 11, United States Code, is amended by striking out "507(a)(6)" and inserting in lieu thereof "507(a)(7)".

SEC. 1122. Section 545 (2) is amended by striking the semicolon following the word "exists" and adding the following: ", except that this section shall not apply to a lien interest arising by virtue of the provisions of section 262a of title 7, United States Code;".

Mr. DOLE. Mr. President, let me state very briefly what this amendment does. It is an amendment that, as far as this Senator knows, is noncontroversial. At the same time, it is a very important amendment. What it does, Mr. President, is expedite the timetable for distribution of crops in the case of elevator bankruptcy. It has a statutory limit for farmers who have sold crops and have not received a payment for 60 days from date of sale.

Mr. President, my proposed amendment to S. 884 deals with farm produce storage facility bankruptcies. This amendment is drawn directly from the text of S. 1365, my bill designed to effect certain changes in bankruptcy law and procedure to alleviate the hardships created for farm producers, elevator financiers, and other segments of the agribusiness community by storage facility bankruptcies. The measures which are contained within this amendment are ones that I feel are essential to the continued economic security of the farm producers of this Nation, as farm communities throughout the Nation have been experiencing an increasing frequency of elevator failures.

S. 1365, from which this amendment is drawn, was the result of the inquiry of the Judiciary Subcommittee on the Courts into problems posed for the agricultural communities of our Nation by farm produce storage facility bankruptcies. Over the past few years, in a number of States of the central midwestern and southeastern parts of the United States, there has been a steady annual increase in the number of crop elevator insolvencies. Perhaps the most serious result of these bankruptcies has been that farm producers have, in most cases, been unable to obtain quick distribution of the crop assets they hold in storage in those defunct elevators. Farmers in Missouri, Kansas, Indiana, Iowa, Nebraska, Illinois, and Arkansas have seen thousands of bushels of grain, soybeans, and other cash crops tied up in bankruptcy courts under circumstances making it difficult, if not impossible, for those farmers to recover the crops, owned by them, which had been deposited with those elevators on storage contracts.

In response to this problem, hearings were held before the Subcommittee on Courts of the Judiciary Committee with the objective of examining what changes might be made in current bankruptcy law and procedure to expediate the abandonment of crops which are not part of the estate of a bankrupt elevator operator, as well as those secured to the extent of their market value, which have no equity value for the estate. Two days of hearings, at which abundant written and oral testimony was presented, and the research of judiciary committee staff elected the need for the changes in law and procedure which are embodied in S. 1365.

We had a number of witnesses, including the Secretary of Agriculture.

I suggest, Mr. President, that I believe that this amendment incorporates all of the provisions of S. 1365, the original bill I introduced. It has been modified by certain amendments to the language of that bill, which were requested by the Department of Agriculture and the Department of Justice.

Mr. President, the Senator from Kansas will not take the time now to detail the provisions of the amendment. A complete statement detailing the circumstances surrounding this legislation, the events that gave it impetus, and the various provisions and their effect on existing law and practice will be inserted in

the RECORD at the conclusion of my remarks.

In essence, the bill provides for an expedited abandonment procedure for crop assets held by an insolvent elevator operator; it provides for the granting of a statutory lien to farm producers on crops delivered to a federally licensed warehouse upon a sales contact for which the producer has not been paid; and it grants a priority position to farm producers in any distribution of assets to unsecured creditors, where those producers have, even after distribution, still suffered a loss due to shortage of crop assets on hand. It would also bring the State and Federal agencies who have statutory responsibility for supervising the liquidation of insolvent elevators into bankruptcy proceedings to act as cotrustee in directing the liquidation of farm produce and distribution of assets, thus ending conflicts in jurisdiction between bankruptcy courts and those agencies.

The amendment I offer today incorporates all of the provisions of S. 1365, as modified by certain amendments to the language of that bill which were requested by the Departments of Agriculture and Justice. Those changes which have been made from the original text of the bill are primarily technical in nature, clarifying ambiguous language and correcting cross-sectional references. The thrust and impact of the legislation has not changed, and the incorporation of this amendment into the body of S. 884 would be a solid statement of support in the U.S. Senate for the farmers of this Nation.

This legislation has received strong backing from many segments of the agribusiness community who see it as fundamentally important to the economic health of farm producers in our society who are adversely affected by an elevator insolvency. The list of organizations which stand behind it include the National Governor's Conference, the Grange, the American Farm Bureau, the Mid-Continent Farmers Association, the U.S. Department of Agriculture, and State departments of agriculture from throughout the Midwest—Iowa, Illinois, Nebraska, Kansas, Missouri, and I think a number of others I have not had time to contact.

Thus, I have no qualms in stating that the passage of this amendment by the Senate would be welcomed by a broad spectrum of the agribusiness community as well as those governmental agencies at the national and State level who must struggle with the problems created by elevator failures.

Mr. President, the only concerns which have been expressed to me about the content of our final legislation as contained in this amendment relate to, first, the statutory lien created for farmers; and second, the requirement in this legislation that the trustee in bankruptcy liquidate crop assets and distribute the proceeds of those assets to the farmers and other owners of grain. With respect to the first matter, I call attention to the final language of the statutory lien section, which limits that lien to a period of 60 days from the date the contract for sale is formed.

This limitation was placed upon the lien after suggestions received by banking groups that there be a time limitation imposed. Some have expressed concern that this provision might inhibit the financing flexibility of smaller elevators; however, I am of the opinion, after exploring this issue with a number of persons who are directly involved in the elevator-financing end of the business, that it will result in a more careful analysis, by the lending institutions in the field, of the financial stability of local elevators.

Further, the fact that the lien is for a limited duration means that a financing bank need only conduct an examination of the books of the elevator to determine the amount of produce purchases for the preceding 60 days and discount any loan by an equivalent amount to protect its position.

On the matter of liquidation, I note that every agency with which my staff has had discussions concerning the problems of distribution has emphasized the importance—and efficiency—of following the practice of straight liquidation of farm produce and distribution of the proceeds thereof, rather than attempting to distribute crops in kind.

Some farmers insist that they ought to go back and just get their crop, but after considerable discussions and hearings, we believe it is much better to distribute the proceeds rather than the corp itself.

There are four reasons for this: First, the problems of shrinkage and spoilage would require that an insolvent elevator be emptied and reloaded to accurately assess the quantity and quality of produce on hand; second, the inevitable administrative problems that will result when some owners request distribution in kind, while others request distribution in cash; third, the problem of protecting the security and quality of produce which is held by the trustee pending any appeal of abandonment orders. That is because most of the elevators are defunct and there is not much security; and fourth, the increased administrative costs which result from these problems.

Mr. President, my legislation avoids all of these problems by requiring liquidation of the crop assets at the outset of any bankruptcy proceedings. And there are advantages for the farm producer: First, the value of his produce is not diminished by spoilage or theft, as is often the case under present procedure, where the produce sits untended in a warehouse for months or years on end; second, in the event of an unsuccessful appeal of abandonment orders—where a stay on distribution of proceeds is ordered by the bankruptcy court—the owner of grain who is entitled to distribution gets his share with interest, plus the difference between his original share value as liquidated, and any higher intermediate price which that share would have obtained on the open market during the pendency of the appeal.

Under the procedure incorporated in my amendment, the farmer can take his cash distribution and—within a day of final distribution—repurchase his position in the crop if he believes market conditions warrant it.

For these reasons, Mr. President, I submit that this legislation is more than adequate to protect the interests of grain owners caught in the web of an elevator bankruptcy.

It seems to me, Mr. President, these are matters, that should be addressed. I think we have satisfied the concerns, hopefully, of not only the farm community, but also, the banking community and others who have raised questions about this legislation. It is my hope that this amendment might be accepted by the chairman.

Mr. President, I ask unanimous consent to have printed in the RECORD a detailed section-by-section analysis of the amendment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

III. PROVISIONS OF S. 1365: SUMMARY AND SECTIONAL ANALYSIS

A. SUMMARY

The bill reported by the Committee contains provisions which respond to the problems identified by witnesses as areas of primary concern in six principal ways, as detailed below:

(1) The bill creates a statutorily mandated timetable to govern abandonment of farm produce in a bankruptcy filed by a debtor operating a farm produce storage facility, which timetable would require abandonment of bailed grain and grain secured to the extent of its market value within 110 days of the filing of the bankruptcy petition (except in cases posing unusually complex issues);

(2) The bill creates a two-tiered method of distribution of crop assets required to be abandoned under provisions of the bankruptcy code which is designed to protect persons who have delivered crop assets to the debtor upon a bailment contract from having their property interest diminished for the benefit of creditors holding a security interest in crop assets owned by the debtor;

(3) The bill contains measures requiring the appointment of state or federal agencies charged with the responsibility of liquidating farm produce storage facilities as interim trustee to supervise the liquidation of crops on hand in a bankrupt storage facility;

(4) The bill contains measures requiring the bankruptcy court to accept valid warehouse receipts and scale tickets (designated as storage facility receipts in the bill reported) as proof of ownership of crop assets possessed by the debtor upon contracts of bailment;

(5) The bill creates a statutory lien in favor of farm producers who have sold farm produce to a bankruptcy facility but who have not received payment for such produce, which lien extends from the date of the contract for sale for a period of sixty days under the bill as reported;

(6) The bill incorporates measures which would act to prohibit an involuntary bailment of crop assets owned by third parties to a farm produce storage facility which is the subject of reorganization proceedings under Chapter 11 of title 11, U.S.C.; and

(7) The bill grants farm producers a priority position in the distribution of assets of the bankrupt to general, unsecured creditors when those farm producers have suffered a loss as a result of sale or conversion of farm produce to or by a debtor operating a storage facility, after trustee and court expenses, wages of employees, and pension plan payments.

The bill contains additional sections which are designed to inhibit frivolous appeals of abandonment orders, and eliminate the possibility of a debtor engaged in the business of operating a storage facility seeking adjustment of the debts of that business in wage-earner proceedings under Chapter 13 of Title

11, U.S.C.; as well as certain definitional and technical amendments.

B. SECTIONAL ANALYSIS

The amendments contained in sections one through six, and eight through ten of this bill are amendments to Title I of the Bankruptcy Reform Act of 1978, public law 95–598 (Title II, U.S.C.). In these sections, all section and subsection references are to title I the Reform Act, unless otherwise indicated.

Section seven of this bill amends Chapter 10 of Title 7 of the U.S. Code, 39 Stat. 488 et seq.

Section 1. Provides for definition of terms used in this bill, by addition of definitional sections to S. 101 of Title 11.

Subs. (1)(19). Defines "farm produce" to include all crops (from whatever source), poultry, livestock, and dairy products in an "unmanufactured state." The term "unmanufactured state" is intended to be broadly construed so as to encompass produce which, although initially subjected to a refinement process of some type by the producer thereof for such purposes as preservation, elimination of impurities, or similar processing steps necessary to the preparation of the produce for sale or storage, nevertheless retains its character as the result of the production effort in bulk form. The term is intended to include such items as milk, cheese, honey, and fruit produce.

Subs. (1)(20). Defines "farm produce storage facility" to include business entities which either store farm produce on bailment contracts, and/or purchase it in bulk quantities from persons engaged in farming operations.

Subs. (2) Technical amendment, renumbering affected sections.

Subs. (3)(43). Defines "storage facility receipt" to include any document of the type routinely issued by the operator of a farm produce storage facility as evidence of ownership of farm produce stored in a bankrupt facility. The term includes, but is not limited to, documents known as "warehouse receipts", "scale tickets", or other similar designations provided they are issued for the purpose indicated. It is intended that resolution of the question of the purpose for which the document was issued be accomplished by reference to state or federal law (whichever is applicable), usages of trade, and the nature of the contract between the parties. It is intended only that the identity of the original bailor be required to be recorded on the face of the document, so as to facilitate verification.

Section 2. Amends title 11, U.S.C. S. 109(e) to prohibit a debtor operating a farm produce storage facility from seeking to schedule the debts of that business in a Chapter 13 wage-earner proceeding under Title 11. The intent is to confine relief for a debtor operating a farm produce storage facility to that available under the provisions of Chapters 7 and 11, so as to avoid unnecessary disruption to agricultural communities occasioned by unduly lenient wage-earner plans.

Section 3. Technical amendment, renumbering affected sections.

Section 4. Technical amendment, renumbering affected sections.

Section 5(1). Amends S. 507(a)(5) of Title II to substitute new language for the section. The new language creates a priority in the distribution of assets to general, unsecured creditors, in favor of farm producers who suffer loss pursuant to the sale or conversion of farm produce to or by a debtor engaged in the business of operating a farm produce storage facility. Together with the amendments made by S. 5(2) and (3) of the bill, this section restructures the distribution of assets to such creditors so as to allow farm producers to participate in priority distribution after those distributions made from trustee and court expenses, wages and pension plans, and before distributions made to individuals on account of the deposit of money in connection with the purchase, lease, or rental of property or the purchase of services not delivered or provided. Thus, the priorities contained in the present sections 507(a)(5) and (a)(6) are subordinated to the new priority, and the present section 507(a)(5) and (a)(6) are renumbered as (a)(6) and (a)(7) by sections 5(2) and 5(3) of the reported bill.

The priority so created is a new one which is designed to enhance the other protections afforded under this bill to farm producers in an effort to cushion them from the threat posed to their economic viability by a farm produce storage facility bankruptcy. The farmer is viewed as a unique producer, whose financial security is threatened by such a bankruptcy in the same manner that a wage-earner is threatened by the unexpected bankruptcy of his employer, in that the farmer's main source of income—the cash crop—is jeopardized. In this respect, the rationale for the priority created by section 5(1) is analogous to that supporting the priority in favor of wage-earners.

Subsection (2) Technical amendment, renumbering affected section as detailed above.

Subsection (3) Technical amendment, renumbering affected section as detailed above.

Section 6. Amends Title II to add a new section 555, styled "Expedited Abandonment of Farm Produce". The provisions of the new section are detailed below:

Section 555, subsection (a). This section directs the Court to apply the procedures set forth in section 555 to govern abandonment of farm produce deposited with a debtor operating a produce storage facility, the assets of which are the subject of bankruptcy proceedings.

Subsection (a)(1)(A). This section requires that the Court, within ten days after the filing of the petition in bankruptcy, direct the trustee to conduct an examination of the debtor and the debtor's records to determine those individuals who claim or may claim ownership of farm produce delivered to the trustee by the debtor upon any of the following bases:

(1) Having retained title to produce stored with the debtor upon bailment contracts;

(2) Having purchased produce owned by the debtor which is then bailed to the debtor for storage purposes;

(3) Having taken assignment of, or title by judgment to, the debtor's interest in produce owned by the debtor;

(4) Having taken assignment of the ownership interests of any of these parties.

Subs. (a)(1)(B). This section requires the trustee to identify those creditors of the debtor who hold a security interest in farm produce owned by the debtor and delivered over to the trustee.

Sub. (a)(2). This section requires the trustee to conduct an audit of the physical assets of the farm produce storage facility within thirty days of the filing of the petition in bankruptcy in order to determine the exact quantity, quality, and type of farm produce delivered to the trustee. The trustee must then sell the farm produce for its then current fair market value, and deposit the proceeds in an interest bearing account. The liquidation mandated herein is analogous to that permitted by section 363(f) of the bankruptcy code, when ownership of property which is arguably part of the bankruptcy estate is disputed. This section is intended to be a grant of authority to the bankruptcy court to liquidate such property.

Subs. (a)(3)(A). This section requires that within 60 days of the filing of the petition in bankruptcy, and after appropriate notice, the Court must conduct a hearing, at which all requests for abandonment brought pursuant to the provisions of S. 554 of Title 11 shall be ruled upon. Requests must be filed at least five days before the commencement of abandonment hearings. Provision is made for extension of this time limit in cases where actual or constructive notice is not provided. At the conclusion of the hearings, the court must then abandon that portion of the proceeds of liquidated farm produce which represent produce that was 1) not property of the estate, or 2) although property of the estate, was of inconsequential value to the estate due to the existence of outstanding liens against it.

Subs. (a)(3)(B). This section requires the Court to accept valid storage facility receipts (as defined by section 1) held by a claimant as evidence of ownership of a quantity of farm produce delivered over to the trustee as conclusive proof of entitlement in that claimant to receive that quantity of proceeds which represent the quantity, quality, and type of farm produce specified in the receipt as having been held by the debtor upon a contract of bailment. It is intended that the determination of whether or not the documents in question are held as "evidence of ownership" be made with reference to state or federal law (whichver is applicable), usages of trade, and the nature of the contract between the parties.

This section also provides for proof of ownership in cases where the storage facility receipt has been placed by the owner on deposit with a creditor as security for a loan without assignment of the ownership interests therein.

It is intended, that where the original owner of produce has assigned documents of ownership to a third party as collateral for a loan, with the intent to transfer title and possession thereto, that that third party take part in the abandonment proceedings in place of the original bailor.

Subs. (a)(4). This section requires that the Court order abandonment of proceeds found to be subject thereto within ninety days of the filing of the petition in bankruptcy, in accordance with the requirements of the following sections.

Subs. (a)(4)(A). Provides for pro rata distribution of proceeds among claimants asserting ownership interests in farm produce delivered by the debtor to the trustee. The value of each claimant's share of the proceeds is to be determined by reference to the price obtained for the produce owned by that claimant at the time of liquidation. Storage charges, out-elevator charges, and trustee expenses assessed in accordance with section (a)(4)(D) are to be deducted first. It is intended that distribution of all proceeds to those claiming ownership interests take place if such distribution is necessary to satisfy such claims.

Subs. (a)(4)(B). Provides for pro rata distribution of remaining proceeds to creditors holding a security interest in farm produce owned by the debtor, in like manner as the distribution to claimants asserting ownership interests.

Subs. (a)(4)(C). This section requires the abandonment of farm produce proceeds to commence in accord with the orders of the Court within twenty days from the date of the issuance of the abandonment orders.

Subs. (a)(4)(D). Provides for the satisfaction of trustee expenses of the liquidation of farm produce in a manner designed to minimize diminishment of the distribution shares in abandonment. Expenses are to be taken, first, out of storage and out-elevator charges assessed against the individual shares; second, out of accumulated interest on the proceeds; and third, out of the whole sum of remaining proceeds to be distributed, prior to the distribution. It is intended, and specifically mandated in this section, that no other Court or trustee expenses are to be deducted from produce proceeds,

save those of the liquidation and distribution process itself.

Subs. (a)(4)(E). This section requires the trustee to hold any unclaimed produce proceeds in trust for a period of one year for the satisfaction of such untimely claims as may be allowed.

Subs. (b). Clarifying amendment. This section expresses Congressional intent that the new Section 555 is not intended to infringe upon any party's right to abandonment of other property of the estate pursuant to section 554 of the Bankruptcy Code.

Subs. (c). This section is intended to discourage frivolous appeal of abandonment orders and resultant stays by requiring the posting of an appeal bond in an amount equal to the amount of proceeds affected by a requested stay, and by providing for award of interest, plus a sum representing the difference between the sale price of the produce (proceeds of which are affected by the stay) at the time of liquidation and the highest intermediate value of that produce (between the date of the stay and the date of ultimate distribution) to a party successfully defending an appeal of bankruptcy orders.

Subs. (d). This section provides that orders of stay are immediately appealable by an aggrieved party, with a threshold determination to be made by the appropriate District Court as to likelihood of the appellant's prevailing upon the merits where a stay of abandonment orders has been entered by the bankruptcy court. If such showing is not made to the satisfaction of the District Court, the orders of stay are to be vacated, although the appeal may continue.

Subs. (e). This section delimits the scope of section 555 in reorganization proceedings under Chapter 11. In such a case, the section shall be applied to effect abandonment of farm produce owned by a third party and held by the debtor upon a contract of bailment. Such abandonment shall take place only upon the request of the owner thereof, but shall be done thereon regardless of its effect upon any proposed or existent plan of reorganization. The purpose of this section is to prevent an involuntary bailment from occurring during the pendency of any plan under Chapter 11.

Subs. (f). This section provides for expansion of the time limits set in section 555 if the Court makes certain findings with respect to necessity for the extension and lack of material injury to the interests of claimants. It is intended that this section be narrowly construed and applied so as to discourage extensions of the time limits mandated in section 555 except where absolutely necessary to afford equity to claimants.

Subs. (g) and (h). These sections provide for the appointment of the federal and state regulatory entities specified as interim trustee in cases involving their jurisdiction. It is intended that the agency, if any, so appointed will perform all functions of the trustee during the pendency of the interim trusteeship. No fees or expenses shall be allowed to such trustee for services performed incident to the liquidation and distribution of farm produce proceeds; however, it is contemplated that the interim trustee may apply to the court for expenses and fees incurred pursuant to representing the estate in other matters. The purpose of the section is to reconcile the problem of conflicting jurisdiction which has arisen in certain cases between the federal bankruptcy court and the state regulatory agencies which are charged under state law with the responsibility of supervising the liquidation of an insolvent farm produce storage facility, as well as to bring the liquidation expertise of the federal and state agencies into the bankruptcy proceedings in order that the abandonment of farm produce proceeds be conducted as rapidly and efficaciously as possible.

It is further intended that the court will appoint the Administrator of the Agriculture Marketing Service to act as interim trustee in any case involving a federally licensed storage facility, even though the facility be located in a state that maintains a local regulatory agency which has responsibility for liquidations.

Section 7.

Sub. (a). Amens 7 U.S.C. s. 255 (Chapter 10 of the U.S. Warehouse Act) to clarify the authority of the Secretary of Agriculture to require that all federally licensed warehouse operations be conducted in accordance with, and subject to, U.S. law and regulations. The section provides that any party who deposits agricultural products for storage, marketing, handling, shipping, or other disposition in a federally licensed warehouse is deemed to have deposited the same subject to the terms of the chapter and any rules and regulations prescribed thereunder.

Subs. (b). This section creates a statutory lien in favor of farm producers who sell produce to a facility but have not received payment therefor, to extend for a maximum period of 60 days from the date of the contract of sale. The purpose of this section is to provide farm producers (as defined in Title 11) with secured creditor status for a limited period after sale of produce to a storage facility, so that they may share in the distribution of produce assets as a secured creditor if the facility files a petition in bankruptcy before the farm producer has had opportunity to secure his position through alternative arrangements, such as a third party guarantee (in the case of deferred pricing or payment contracts) or before he has received the immediate payment agreed upon due to insufficient funds available to the debtor prior to bankruptcy.

Sections 8, 9, 10: These sections are minor, technical amendments renumbering cross references within Title 11.

GRAIN WAREHOUSE BANKRUPTCY AMENDMENT

● Mr. DANFORTH. Mr. President, ruinous hardship can result from a grain elevator bankruptcy.

The farmer who has faced down the escalating costs of seed, fertilizer, machinery, and other supplies; who has survived the uncertainty of weather and market prices; who has invested in the harvest and transport of his crop to storage; who depends on the sale of his product to finance the next season's production—this farmer should not have to see his crop tied up for years in litigation or, worse yet, sold to satisfy other creditors if the warehouse in which it is stored goes bankrupt.

Yet, under present bankruptcy law, the farmer can find himself in precisely this fix: Deprived of the fruits of his labor, through no fault of his own, at the very moment that his need for cash is most pressing.

Missourians are all too familiar with the troubles that can occur under current law. The colossal failure of the Ristine elevator near New Madrid threw a harsh spotlight on its shortcomings.

Although very few grain elevators ever go bankrupt, I am advised that in Missouri alone more than $7 million in unsettled claims remain on the books; some of these claims date from 1975.

This amendment would address the shortcomings of current law. When introduced as S. 1365, this measure represented a revision of the measure amending the Bankruptcy Act introduced by Senator DOLE and myself on March 31. On July 27, the measure was favorably reported by the Judiciary Committee.

In its essence, our amendment would accomplish three things. First, it would enable producers with crops in storage to establish title to the grain quickly, thus giving them a position from which to protect their assets. Second, the measure would establish strict timetables and methods for the distribution of assets. Finally, farmers would be in a more favorable position to secure their share of the assets than provided under present law.

I commend Senator DOLE for his hard work in fashioning the necessarily complex provisions of this amendment and for his able handling of the bill in the Judiciary Committee.

I strongly urge the passage of this grain warehouse bankruptcy measure. There are too many farmers in Missouri and other States who have been forced—through no fault of their own—to learn that justice delayed can be justice denied.●

Mr. GORTON. Mr. President, will the Senator from Kansas yield for a question?

Mr. DOLE. Yes, Mr. President.

Mr. GORTON. This sounds very much like the bill which he asked this Senator to cosponsor. First, does this amendment apply to grain owned by the CCC as well as grain owned by individuals?

Mr. DOLE. It does.

Mr. GORTON. Next, does it apply where a warehouse has filed for, say, a chapter 11 reorganization as opposed to liquidation?

Mr. DOLE. It does, yes.

Mr. GORTON. Third, how does this amendment relate to the amendment which has been circulated in this body proposed by Senator EAGLETON?

Mr. DOLE. As I understand, Senator EAGLETON has a different approach. I am not certain how it relates. But we believe this addresses the problem.

I am now reminded that the Eagleton provision would permit the Secretary to buy out the proceeds and make a distribution. That amendment is not supported by the administration. We believe this amendment will address the concerns farmers have.

Mr. GORTON. So, in one sense, the Senator regards this as a superior alternative to Senator Eagleton's proposal?

Mr. DOLE. Yes; I certainly share the concern of the Senator from Missouri (Mr. EAGLETON). This problem has arisen recently in the State of Missouri. It is being addressed by a number of Members in the House. The problem there is that the Judiciary Committee has not been indicating any interest in the legislation. It is our hope that if we can make it part of the farm bill, it will be better understood by the House Agriculture Committee. We believe that what I am offering today will be supported by the House Agriculture Committee and by the House itself.

Mr. GORTON. I thank the Senator.

Mr. PRESSLER. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. PRESSLER. I thank the Senator from Kansas.

Mr. President, I have testified at hearings with respect to this measure and I have been a cosponsor from day 1. It

is a necessary reform in our part of the Nation, and the case for it has been well made by the Senator from Kansas.

The problem is that there are occasions when farmers are caught without being able to receive payment for their grain, through no fault of their own, and this measure will help protect those farmers.

A few years ago, we had a similar situation with certain payments regarding livestock purchased in many of our States, and the Federal Government took care of that matter with legislation.

I am happy to be an original cosponsor of this measure as my remarks on this matter before Senator DOLE's committee indicate. I commend the Senator from Kansas for his leadership in this area.

Mr. DOLE. Mr. President, there are a number of cosponsors of the original bill who should be added to this amendment, unless they object: The Senator from Washington (Mr. GORTON), both Senators from Iowa (Mr. GRASSLEY and Mr. JEPSEN), the Senator from Missouri (Mr. DANFORTH), the Senator from Kansas (Mrs. KASSEBAUM). Senator PRESSLER has been added as a cosponsor.

Mr. GRASSLEY. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. GRASSLEY. I thank the Senator from Kansas for making this move at this time.

I am sure the Senator from Kansas regrets, as I would if I were in his position, that this should have to be tacked onto this measure, but it is such an important measure that it should ride along with the farm bill, particularly considering the fact that the other body is not willing to give it the consideration the economic conditions dictate it should have.

I say to those who sometimes might question the need for this sort of procedure, particularly considering the fact that we have a farm bill and we are concerned about maintaining the income levels of people, that it is one thing to be concerned about the income levels when prices are low or high, but it is another thing when you have worked hard and expect a profit and do not get anything from your crop because of the way the judges interpret our bankruptcy laws.

The farmers are entitled to this minimum protection so that they do get some return on their investments. This will go a long way toward guaranteeing that.

Mr. President, I have studied the amendment that Senator DOLE has submitted to revise the bankruptcy law with respect to the treatment of farmers who have grain tied up in insolvent grain elevators. I have further examined the amendments to the original bill and find that they will, indeed, facilitate the distribution of grain in an equitable fashion. I commend the Senator from Kansas on his persistence and dedication in resolving this burden on the farm sector.

I am particularly interested in section 7 which would grant a statutory lien on bankrupt elevators. This section would correct an inadequacy in the present Federal Warehouse Act by protecting farmers who have sold their grain to an elevator but had not been paid in full prior to its bankruptcy.

One change offered by the revised grain elevator bankruptcy bill which should be noted, is that the class of parties who would share in the first-tier distribution of farm produce proceeds has been expanded to include all owners of grain in the bankrupt elevator. Parties who possess a security interest only in grain assets of the elevator would still have their claims subordinated to the actual owners of the grain. This revised provision injects an increased sense of confidence in the collateral banking scheme. Banks have heretofore been wary of looking upon stored grain as collateral, lest some intervening factor extinguish what was never even regarded as a secured lien. Section 7 of this bill remedies that omission.

The grain in a bankrupt elevator is generally the sole marketable asset of the farmer's operation. By tying up this asset, the entire farm operation is jeopardized. At a time when a depressed farm economy is nothing new, we must do what we can to make certain that outside forces, beyond the control of the farmer, do not force him off the farm.

Mr. President, we must mitigate the effect of elevator bankruptcies on farmers. I am pleased to add my vote in support of an amendment that eliminates some of the great instability in the farm sector.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. RANDOLPH. Mr. President, I am interested in the amendment offered by the Senator from Kansas (Mr. DOLE). I understand its validity, and I feel that the growing number of crop elevator bankruptcies may eventually cause a disruption in food crop processing. I have not entered into the debate in connection with the subject matter, except to say that there are certain protections which we must never forget, which are in the best interests of all the people of the United States, if we think in terms of those who produce the products of the farm, which go into the strength not only of bodies—of the workers of this country and men and women generally—but also that segment of our society which in some ways has had a deterioration for many reasons throughout recent years.

"The doctor heals and the lawyer pleads and the miner follows precious leads. But this or that, what-e'er befall, the farmer, he must feed them all."

We must remember that. For that reason, although I am not asked to be a cosponsor of the amendment, I am continuously concerned about the problems that the agribusiness community are confronted with. I wish to be included as a cosponsor of the amendment.

I thank the distinguished Senator from Kansas for yielding.

Mr. DOLE. I thank the distinguished Senator. I am honored to have the Senator as a cosponsor because of the concern he has just stated. I believe it is a sound piece of legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, this amendment would alter the present bankruptcy laws to provide explicit mechanisms for handling grain elevator bankruptcies. Legislation on this matter (S. 1365) was initially introduced by my distinguished colleague, Senator DOLE, and referred to the Senate Judiciary Committee.

The Subcommittee on Courts of the Senate Judiciary Committee held hearings on this matter. During the course of these hearings, the committee discovered that substantial delays occurred in the release of farmers' stored grain from bankrupt elevators. The committee also learned that substantial jurisdictional conflicts were occurring between the Federal bankruptcy courts and the State authorities charged with the liquidation of insolvent grain storage facilities. Further, the committee discovered that some bankruptcy courts were reluctant to accept warehouse receipts and scale tickets as sufficient proof of ownership.

This amendment will clarify these and other issues for the benefit of all concerned. I am informed that S. 1365 has the support of USDA and the unanimous support of the members of the Senate Judiciary Committee.

Mr. President, I feel this amendment, will be beneficial to farmers and to the general public. Therefore, I am willing to accept the amendment and urge its adoption.

Mr. President, I make this inquiry of the distinguished Senator from Kentucky, the able ranking member of the committee: I note that Senator EAGLETON has an amendment addressing the same subject. Would he wish to delay a vote on this question?

Mr. HUDDLESTON. I ask that the Senator delay action on this matter until Senator EAGLETON has had an opportunity to come to the floor, inasmuch as he does have an amendment addressing this problem. It may be that they can be worked together.

I see that the Senator is in the Chamber now, and I will give him an opportunity to address the issue.

Mr. EAGLETON. I thank Senator HUDDLESTON, Senator HELMS, and Senator DOLE.

Mr. President, I do have an amendment which is on the same general topic. Senator DOLE, however, is not in full accord with my amendment; so I suggest that after the Dole amendment is disposed of, I call up my amendment and we dispose then of my amendment one way or the other.

Senator DOLE is not willing to accept my amendment because he has a genuine disagreement on it, and that is fully understandable. So why do we not dispose of the Dole amendment? Then I will call up my amendment. Will that be permissible?

Mr. DOLE. May I first offer another amendment which I believe will be accepted?

Mr. EAGLETON. Yes.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Kansas.

The amendment (UP No. 368) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUDDLESTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Kansas.

UP AMENDMENT NO. 369

(Purpose: To repeal provisions of law relating to wheat certificate requirements for processors and exporters)

Mr. DOLE. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an unprinted amendment numbered 369.

Mr. DOLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 150, strike out line 9 and insert in lieu thereof the following: "REPEAL OF WHEAT CERTIFICATE PROVISIONS".

On page 150, beginning with "shall" in line 13, strike out all down through line 15 and insert in lieu thereof the following: "are repealed.".

Mr. DOLE. Mr. President, this is a technical amendment to repeal the wheat certificate tax which has been suspended since 1973.

Mr. President, sections 379D, 379E, 379F, 379G, 379H, 379I, and 379J of the Agricultural Adjustment Act of 1938 dealing with the wheat certificate tax serve only to complicate permanent legislation and should be repealed.

Section 379D defines conditions under which marketing certificates can be transferred and establishes who is required to purchase them and how they are to be used.

Section 379E authorizes the CCC to administer the program and sets certificate price levels.

Section 379F authorizes the Secretary to establish conversion factors for wheat used in food products.

Section 379G provides authorities to help the Secretary facilitate transition to the program.

Section 397H authorizes the Secretary to require reports from processors.

Section 379I establishes penalties for violations of these provisions.

Section 379J authorizes the Secretary to issue regulations as may be necessary to implement the program.

On the wake of the largest tax cut in our Nation's history, now is a particularly appropriate time to strike this antiquated tax from permanent legislation.

The wheat certificate tax was established in 1964 as a means of financing the Government's wheat support program. Processors were assessed a 75-cent-per-bushel tax on wheat for domestic use and export. The revenue received, in turn, was forwarded to farmers in the form of a domestic price support.

Mr. President, at the time this tax was implemented the Federal Government was directly involved in farmers' planting and marketing decisions. Rigid marketing quotas, allotments, and certificates were the order of the day.

Today, the farm policies are designed with the intention that farmers will be able to sell their products on the world market for a fair price.

Clearly, a policy which taxes processors as a means of financing producer price supports has no place in today's market-oriented farm policies.

Further, Mr. President, this amendment will complement Agriculture Secretary Block's efforts to simplify our agricultural programs. Although permanent agricultural legislation is necessarily complicated, the continual proliferation of new statutes without repealing those which were once useful, and are now archaic, has unduly resulted in a largely indecipherable melange of current and obsolete policies. Detangling this dizzying legislative labyrinth is clearly a worthy and necessary effort.

The amendment I am offering today eliminates only the wheat certificate tax; it does not disrupt the wheat certificate program. It is useful to retain the certificate program's authorizing legislation, should future needs dictate its reimplementation.

However, the time for the wheat certificate tax has passed by the wayside, permanently. I cannot conceive any possible chain of events which would prompt Congress to implement a policy that requires processors to serve as Government agents and collect a Government price support fee which increases their production costs.

Mr. President, it is time that we moved to simplify permanent agricultural legislation and repeal this tax from a bygone era.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I ask unanimous consent that the pending amendment be laid aside temporarily while we handle an amendment to be proposed by the distinguished Senator from Montana.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Kansas will be temporarily set aside.

The Senator from Montana is now recognized.

UP AMENDMENT NO. 370

(Purpose: To make it unlawful to offer for sale or advertise protected seed when it is not certified by a State agency)

Mr. MELCHER. Mr. President, I have an amendment at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER) proposes an unprinted amendment numbered 370.

Mr. MELCHER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 235, after line 17, add a new section as follows:

Section 501 of the Federal Seed Act is amended to read as follows:

"SEC. 501. It shall be unlawful in the United States or in interstate or foreign commerce, to sell or offer for sale or advertise by variety name, seed not certified by an official seed certifying agency, when it is a variety for which a certificate of plant variety protection, under the Plant Variety Protection Act specifies sale only as a class of certified seed: *Provided*, That seed from a certified lot may be labeled as to variety name when used in a mixture by, or with the approval of, the owners of the variety."

Mr. MELCHER. Mr. President, this is an amendment to the Federal Seed Act.

Plant variety protection provides the owner of a variety of a sexually produced plant with patent rights on that variety in order to provide the owners an economic return for research and development costs.

"Certified seed" means seed which has been determined by an official seed certifying agency to conform to standards of genetic purity and identity as to variety. These standards have been approved by the U.S. Department of Agriculture. The primary purpose of seed certification is to maintain genetic purity and varietal identity.

The owner of a variety protected under the Plant Variety Protection Act has the option of having his plant variety and protection certificate specify that his variety can be sold only as a class of certified seed.

Seed which has been certified in this manner has the status of "quality seed." Many small seed companies exercise this option because the certification label of quality helps sell their product. In many States, as much as 70 percent of the seed sold is certified.

Currently, section 5 of the Federal Seed Act makes it an unlawful act to sell protected seed when it is not certified by a State agency. My amendment would also make it unlawful to offer for sale or advertise such seed. It is very difficult for a State seed control official to be present when a sale is made, but he can monitor what is offered for sale, and those products that are advertised. My amendment would assure that seed of protected varieties would be marketed in a more orderly manner.

I point out to the Senate that I do not believe there is any objection at all whatsoever to this amendment. I hope it can be adopted.

Mr. HELMS. Mr. President, I am pleased to see that the Senator from Montana is offering this amendment.

I believe it is a noncontroversial proposal, and would simply help make the

marketing of certified seed a more orderly process. Current law prohibits the sale by variety name of noncertified seed if it is a variety for which a certificate of plant variety protection specifies sale only as a class of certified seed. This amendment merely extends that restriction to cover offering for sale and advertising noncertified seed by a variety name.

I understand that the Department has no problems with this amendment, though it may wish in the future to make more substantial revisions in the Federal Seed Act and Plant Variety Protection Act. Until such time as the Department develops those revisions, the amendment Senator MELCHER is now offering should be of assistance to those involved in the production and sale of certified seed.

Mr. President, I am certainly willing to accept this amendment.

Mr. HUDDLESTON. We have no objection on this side of the aisle.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana.

The amendment (UP No. 370) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MELCHER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 369

The PRESIDING OFFICER. The question reoccurs on the amendment of the Senator from Kansas.

Mr. DOLE. Mr. President, while we are in the process of discussing that amendment some have raised some questions about the amendment. I ask that the amendment be withdrawn.

The PRESIDING OFFICER. The amendment is withdrawn.

AMENDMENT NO. 105

(Purpose: To establish a section 22 quota on the importation of casein products into the United States)

Mr. PRESSLER. Mr. President, I call up amendment No. 105 on behalf of myself and the Senator from Wisconsin (Mr. KASTEN).

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. PRESSLER), for himself and Mr. Kasten, proposes an amendment numbered 105.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

IMPORT LIMITATION ON CASEIN PRODUCTS

SEC. 1112. (a) Congress finds that milk protein products, including but not limited to casein, caseinates, lactalbumin, and whey protein concentrates or mixtures containing 5 per centum or more of these products, are being imported into the United States in such quantities as to render or tend to render ineffective, or materially interfere with, the dairy price support program conducted by the Secretary of Agriculture under the Agricultural Act of 1949.

(b) To ensure that the entry into the United States of milk protein products will not render or tend to render ineffective, or materially interfere with, the dairy price support program conducted by the Secretary of Agriculture under the Agricultural Act of 1949, the President shall by proclamation impose, under the authority of section 22 of the Agricultural Adjustment Act (7 U.S.C. 624), a quota limiting the amount of milk protein products, including but not limited to casein, caseinates, lactalbumin, and whey protein concentrates or mixtures containing 5 per centum or more of such products, that may enter the customs territory of the United States in any calendar year after 1981. The quota so proclaimed by the President shall be in an amount equal to 50 per centum of the average of the total imports of such milk protein products into the United States during the five-year period 1977 through 1981. The proclamation shall be considered a proclamation issued by the President under section 22 of the Agricultural Adjustment Act (7 U.S.C. 624) meeting the requirements of that section.

Mr. PRESSLER. Mr. President, I shall be very brief. We do seek a rollcall vote on this amendment. So, Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? Apparently there is a sufficient second.

The yeas and nays were ordered.

Mr. PRESSLER. Mr. President, we have discussed casein at length in this body, and I shall not be lengthy.

Today I am calling up for consideration for myself Senator KASTEN and Senator PROXMIRE an amendment No. 105, to S. 884, which would place a 50-percent quota on casein imports. The reason most often given for wanting to restrict casein imports is that it interferes with the operations of the USDA dairy price support program by displacing nonfat dry milk. This is in the most part due to the rapid rise in the cost of the dairy price support program and the rise in the amount of casein imports in recent years. This year the commodity credit corporation net expenditures will rise to $2.1 billion. These large purchases also create a large problem in storage space and cost.

My amendment would both help reduce the cost of the dairy price support program and also the large surplus of Government-held dairy products. A recent USDA study completed on U.S. casein and lactalbumin imports estimated that the 152.2 million pounds of casein imported in 1980 displaced 333 million pounds of nonfat dry milk. The 333 million pounds of displaced nonfat dry milk cost the U.S. Government approximately $300 million to purchase. My amendment would restrict these imports by approximately 50 percent, thus reducing the amount of nonfat dry milk that must be purchased and reduce the cost to the Federal Government by as much as $150 million. This would substantially reduce the cost of the dairy price support program to the U.S. Government.

There are several other factors in the casein trade that also need to be addressed. The United States imports a large portion of our casein needs from countries in the European Economic Community (EEC) where casein production is subsidized. The EEC practices a policy of subsidizing exports to maintain control over domestic supplies. The EEC pays a direct subsidy to the processor for manufacture of casein products and also places an ad valorem tariff ranging from 2 to 14 percent, depending on the type of casein imported. The initiation EEC subsidy program has had a dramatic increase in exports to the United States. EEC casein exports to the United States have risen from 8 percent in 1978 to 24 percent in 1980.

The cost of milk production and casein production in the EEC and United States are nearly the same, but the EEC, through export subsidies, disposes of its excess casein and milk production in the United States. Australia and New Zealand, the other two major exporters of casein, also subsidize their dairy industry to make their products more competitive on the world market. My amendment would help to reduce the incentive for these countries to subsidize their casein exports.

My amendment would require the President to impose a section 22 quota limiting the amount of milk protein products, including casein, that can be imported by 50 percent of the average of the imports during the last 5-year period, 1977 to 1981.

Mr. President, I urge my colleagues to join me in supporting this legislation which is long overdue and which is much needed by dairy farmers and consumers of this country.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. Mr. President, I support this amendment to impose a 50-percent import quota on casein and other milk protein products.

In March, during the Senate's consideration of S. 509, the administration's bill to eliminate the April 1 price adjustment, I cosponsored an amendment to limit casein imports. It seemed to me then, and still seems to me today, that it is grossly unfair to decry the size and cost of U.S. dairy surpluses while at the same time permitting the importation of subsidized foreign milk products that assisted greatly in the creation of those surpluses in the first place.

Despite substantial support in the Senate, the amendment was rejected, with many Senators citing the need to wait for the results of a Department of Agriculture study on the impact of casein on the dairy support program.

Well, the USDA's report has been completed and it shows that casein imports do indeed interfere with the dairy program. In fact, the report claims that the Government would save $9.3 million a year if casein imports were reduced by 50 percent. Clearly, these substantial findings point to the need to take serious action to reduce the negative effects of casein imports on our dairy program.

Now the President has asked the International Trade Commission to investigate whether casein imports should be curbed. I am happy that President

Reagan has requested this study, but Mr. President, the time for study is past, the time for action is now. The experts have studied the issue, their findings are clear—there is an impact on the dairy price support program. It is now incumbent upon the Congress to take action and order the President to impose a quota on the casein imports.

Let us review a few of the facts related to casein imports.

In 1980, the United States imported approximately 150 million pounds of casein and casein mixtures—for the period 1977 through 1980 we imported over 512 million pounds, 13,500,000 of which came from the Soviet Union—virtually all of which are used in the production of human foods and animal feeds. Despite what others may argue, in most instances a domestic milk product could be used instead of the casein.

What does this mean in practical terms?

If domestic milk products had been used—for instance, nonfat dry milk, in 1980, instead of the imported casein, the Federal Government could have saved almost one-third of a billion dollars ($329,000,000), since the Commodity Credit Corporation (CCC) pays a support price of around 94 cents a pound for nonfat milk—third of a billion dollars on this assumption.

A lot has been said on this floor during the debate on the farm bill about fairness. Fairness for this commodity, fairness for that program, and so forth. Well, what has happened to the dairy farmers of this country has not been fair. With an affirmative vote on this amendment we can take a positive step, not a negative one, to help the dairy industry and at the same time help reduce Federal spending by holding down CCC payments for nonfat dry milk.

I urge your support for this amendment.

● Mr. ROTH. Mr. President, I rise in opposition to the amendment offered by my colleague, Senator PRESSLER.

In June, following expressions of congressional concern, the U.S. Department of Agriculture completed its study of the effect of casein imports on the domestic dairy price support program. As stated by Agriculture Secretary Block, USDA found there was reason to believe that casein and lactalbumin are being imported under such conditions and in such quantities as to materially interfere with the price support program for milk. Based on this finding, President Reagan formally requested that the U.S. International Trade Commission undertake an investigation under section 22 of the Agricultural Adjustment Act to determine the facts of the case and recommend action, if necessary.

In light of this ongoing Trade Commission investigation, any action taken by Congress to restrict casein imports at this time would be highly precipitous and unnecessarily costly. I believe we should allow the International Trade Commission to complete its inquiry and report its findings before judging so complex an import issue.●

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The Senator from North Carolina.

Mr. HELMS. Mr. President, this amendment is quite similar to an amendment to S. 509 of last March, which is related to the semiannual price adjustment legislation. The amendment at that time was not agreed to. The vote, as I recall, was something like 60 to 38. The margin. I am confident, was predicated on the administration's promise to take action on the issue by initiating an investigation by the International Trade Commission.

President Reagan made that request on August 11, and the study is now underway.

(Mr. CHAFEE assumed the chair.)

Mr. HELMS. I think I should mention that in 1979 the ITC study on this issue requested by the House Ways and Means Committee found there was virtually no relationship between casein imports and purchases under the dairy price support program.

However, in 1981 the Department of Agriculture study noted that with a 50-percent quota on casein imports 3 million pounds of casein would be replaced by domestic skim milk solid equivalent to about 10 million pounds of nonfat dry milk. This 10 million pound increase in commercial demand for nonfat dry milk would replace CCC purchases valued at $9.3 million. Consumer expenditures would increase by almost $115 million due to this quota.

On its face, Mr. President, frankly speaking, this amendment sounds reasonable and sensible. But I think the question we must consider is can it really stand scrutiny? For my part I think we are obliged to defer, under the circumstances, to the International Trade Commission for its study and results, and I reiterate that the President has made such a request pursuant to his promise last year. The President made his request of the ITC on August 11.

Mr. President, there is absolutely no casein produced in the United States, because U.S. milk producers can get more money for their skimmed milk if they convert it into nonfat dry milk and sell it to the Government than they could if it went for casein purposes. Obviously, then, imported casein is coming into this country because U.S. producers have no demonstrable interest in the domestic casein market; or, if you want to put it a little more accurately, the Federal Government has hired them away through the price support levels for milk, at least that is the contention.

It is a little bit interesting that it is dairy interests which hope for relief from the result of their constant quest for high support levels. Casein is not produced in this country simply because the price support levels are at the level that they are.

An alternative to closing our doors to casein imports could be to make the dairy industry more competitive and responsive to consumer needs. And there are some who feel that S. 884 attempts to do this by moderating the steady increase of price support levels.

The bottom line, if I may use that cliche, Mr. President, is that this Congress ought to hear from the study requested by President Reagan on August 11 before making a final decision on this matter. The International Trade Commission will report within the next few weeks and all of us should anticipate their conclusions. But, in the meantime, this Senator believes that the amendment of my friend from South Dakota is premature.

Mr. President, I am advised that Senator DOLE wishes to address himself on this subject. He is on his way to the Chamber. To permit him an opportunity to do that, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mrs. KASSEBAUM). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PRESSLER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRESSLER. Madam President, I ask unanimous consent that Senator PROXMIRE be added as a cosponsor to this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRESSLER. Madam President, I also wish to commend Senator PROXMIRE for his outstanding work in the area of reducing casein imports.

Mr. MELCHER. Madam President, will the Senator yield?

Mr. PRESSLER. Yes.

Mr. MELCHER. Madam President, I ask unanimous consent that I be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRESSLER. I thank the Senator.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CHAFEE). Without objection, it is so ordered.

Mr. DOLE. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the amendment of the Senator from South Dakota.

Mr. DOLE. Mr. President, I am sorry to have been absent during the explanation of the amendment. Could I ask the Senator from South Dakota what the amendment does, just briefly? As I understand it, it is in reference to casein.

Mr. PRESSLER. Yes; it limits the importation of casein. It is amendment No. 105 which places a 50-percent quota on milk protein product imports, including casein, based on the average of the total imports of such milk protein products into the United States during the 5-year period of 1977 through 1981. Thereby limiting casein imports to about 139 million pounds. Myself and Senator KASTEN from Wisconsin have made statements to that effect. I have a copy of my state-

ment going into more detail if you would like.

Mr. DOLE. Mr. President, I thank the Senator from South Dakota.

I think maybe, under different circumstances, the Senator from Kansas might be supportive of the amendment, but I would say to the distinguished Senator from South Dakota that this matter was raised back in April, as I recall, by the distinguished Senator from Montana. As a result of the efforts of the Senator from Montana and the Senator from South Dakota and other Senators from milk producing States, this Senator personally asked the President to request an investigation by the International Trade Commission. That investigation is now underway.

It would seem to me that, notwithstanding the probable merit of the amendment, we might be, in effect, sending a wrong signal to the International Trade Commission, depending on what the vote was, when they are in the process now of making that determination of whether casein imports do, in fact, adversely impact production in this country on dairy prices, or whatever.

I would hope that the Senator from South Dakota, in view of the action recommended by the Secretary of Agriculture, Secretary Block and taken by the President and in that we do have the USTC now investigating this, I would hope that we might discuss the amendment but not pursue it to a vote.

I just had an opportunity to learn that some of those who represent milk producers feel that at this time such an amendment would not be in their best interests. What they really sought in the first instance was a U.S. ITC investigation. That has now been accommodated, that has been accomplished, it is underway. It is underway because of the efforts of the Senator from South Dakota, Senator PRESSLER; the Senator from Montana, Senator MELCHER, and others, and because of the efforts made on this floor by the distinguished majority leader, Senator BAKER, the Senator from Kansas, and others.

I know how strongly the Senator from South Dakota feels about the problem, but I would hope that we might work out something other than having another vote on this during the consideration of the merits by the International Trade Commission. Is there any possibility of working that out?

Mr. PRESSLER. Mr. President, there have been two studies on this matter already. The evidence that I have indicates quite clearly that we could save money by placing this restriction on the importation of casein.

The Department of Agriculture study indicated that casein imports displace 333 million pounds of domestically produced nonfat dry milk.

In my remarks, which I will supply to the Senator from Kansas, I pointed out that much of our competition comes from the European Economic Community, which subsidizes casein production. The United States is a good guy on the international trade bloc, but in no area is this more evident than in the international trade of dairy products. We are particularly generous to Europe. Casein is being imported into our country as a heavily subsidized product and we are importing it at a cost, in terms of what it costs to purchase and store surplus dairy products in our own country.

The European Economic Community pays a direct subsidy to the processor for the manufacture of casein products, and also places an ad valorem tariff ranging from 2 to 14 percent, depending upon the type of casein imported. Their subsidy program has caused a dramatic increase in exports to the United States. EEC exports to the United States rose from 8 percent in 1978 to 24 percent in 1980.

The cost of milk production and casein production in the EEC and the United States are nearly the same, but the European community, through export subsidies, disposes of its excess casein and milk production in the United States. Australia and New Zealand, the other two major exporters of casein also subsidize their dairy industry to make their products more competitive on the world market.

I agree, we need additional studies and believe they will support my point, but we also need action. I think this body should take action on this matter.

Mr. DOLE. Will the Senator yield at that point? I know the distinguished majority leader is here. I want to make one more point before yielding to him.

I have not checked, but the International Trade Commission is now in the process of the investigation. There are going to be hearings between now and November, I think. They are going to report their findings in January. It would seem to me that the best course to follow would be for those of us who are concerned about the casein problem to appear before the International Trade Commission whatever evidence or testimony we might want to provide and make the case that the Senator from South Dakota so strongly urges here today to the International Trade Commission.

Again, I repeat it was the persuasion, I think, of the majority leader, the President, and others to ask for this investigation, and it is in progress right now.

Mr. BAKER. Mr. President, if the Senator will yield to me, I think the Senator from South Dakota has already done a great deal in this field and indeed was directly responsible for the situation which the Senator from Kansas has described. I remember very vividly that as he offered this amendment, or a similar amendment on a previous occasion, I took the opportunity to leave the floor of the Senate and to talk directly with the White House about the possibility of an ITC inquiry, which had not then been supported by the Department of Agriculture. That position was reversed. Indeed, the President authorized me to say, which I did say on the floor of the Senate. that the administration would support and ask for an ITC inquiry.

The Senator from Kansas correctly recites that that inquiry is presently underway. The Senator from South Dakota is directly responsible for that, primarily responsible for it, virtually entirely responsible for it. But I would hope that the Senator from South Dakota would consider permitting that inquiry to run its course before the Senate is asked to again turn its attention to this issue.

The Senator from South Dakota, of course, is entitled to ask for a yea and nay vote on his amendment, but I would ask him to consider that it would have the effect of predetermining that issue while the proceedings that he is responsible for, in large measure, are continuing to completion.

Could I inquire of the Senator from South Dakota if he wishes to pursue the matter to a rollcall vote or if he would be willing to forego that at this time and wait for the results of the ITC proceedings?

Mr. PRESSLER. First, let me thank the majority leader and the Senator from Kansas for their kind comments. I appreciate the courtesies.

The ITC study would be completed in January and any action they recommend may not become effective for several months. Certainly, we do not know the outcome of that study but all indications are that the outcome would sustain the USDA findings. If the study indicates otherwise, we can certainly revise our actions here today.

I have three cosponsors on the amendment, the two Senators from Wisconsin and my colleague from Montana, and I have obtained the yeas and nays. It is my present intention to go forward with a rollcall vote. I fully understand your feelings, but at this point I intend to go forward with a rollcall vote.

Mr. BAKER. Mr. President, the Senator from Kansas had the floor and I ask him to yield to me so I can propound a unanimous-consent request, not in respect to this amendment but with regard to further business.

Mr. DOLE. Can I ask the Senator from South Dakota if he would be willing to set aside his amendment temporarily and permit us to go to other amendments which may be acceptable? Then I would be happy to yield.

Mr. PRESSLER. I thank my colleague from Kansas. However, I do have cosponsors on this amendment and we are determined to go forward with a rollcall vote.

Mr. DOLE. I yield to the majority leader.

REQUEST FOR TIME LIMITATION AGREEMENT

Mr. BAKER. Mr. President, earlier today I indicated that later in the afternoon I would like to propound a unanimous-consent request to try to establish a time certain for final passage on this bill and limit debate on amendments.

I have an agreement that I would like to pose at this time. I must say in all candor that I am not at all certain that it will be agreed to, but I would like to ask the Senate to give serious consideration to this agreement which appears to represent the best composite request that can be presented at this time with any chance of succeeding.

I observe that the minority leader is on the floor, the managers for both sides of the bill are on the floor, and those who have special interests in certain

amendments are represented here. I believe this is a good time to make the request.

Mr. President, I ask unanimous consent that at not later than 12 midnight this evening the Senate proceed to a vote on final passage of S. 884; that debate on the bill be limited to 2 hours to be equally divided; that the debate on a Hatfield amendment dealing with tobacco be limited to 1 hour equally divided; that debate on Eagleton unprinted amendments similar to those numbered 528 and 529, also dealing with tobacco, be limited to 1 hour equally divided each; that debate on the Lugar amendment dealing with target prices be limited to 1 hour equally divided; that debate on all other first- and second-degree amendments be limited to 30 minutes equally divided, and debate on any debatable motion, point of order or appeal, if submitted, be limited to 10 minutes equally divided.

I further ask unanimous consent that this agreement be in the usual form as to germaneness and the allocation of time.

The PRESIDING OFFICER. Are there objections?

Mr. MELCHER. I object.

Mr. GRASSLEY. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The objection is heard.

Mr. BAKER. Mr. President, before an objection is lodged against the amendment, I wonder if the Senator will withhold that objection, at least until we can gather up some ideas on what further conditions might be addressed and how we might improve the chances of doing this on a subsequent request.

Mr. President, I said at the beginning that I am not certain by any means that we would get this one, but I really did not plan to have my neck cut off that quickly. I wonder if the Senator would withhold his objection until some other Members may be reached on this.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Reserving the right to object, Mr. President, the distinguished majority leader has a very difficult task. I know it is very difficult for him to approach us at quarter to 5 and say, "Can we vote in 7¼ hours on passage?"

My concern with this request at this time is that I understand the tobacco debate and I understand the need for us to have sufficient time for that debate to evolve. Going beyond that, there are a number of points in the bill that deal with commodities other than tobacco that have not been clearly outlined as to what might be the final package. We do not know, for instance, whether Senator LUGAR has another amendment that will knock out the target prices on wheat. We do not know what Secretary Block and Secretary Lyng might be proposing as another little nickle-and-dime amendment in the final package. So, while I hope that a time agreement can be arrived at, I think we need some clarification on what the final package will be in terms of other commodities. I do not think that is very clear, right at this particular time, this afternoon.

Mr. BAKER. Mr. President, I thank the Senator. I make this inquiry of my colleague and friend, the minority leader.

Mr. President, a number of items have been identified by the distinguished Senator. I do not know any way to approach that except to try to take an inventory of amendments that still remain. I am prepared to do that on my side of the aisle. I do not wish to take the time of the Senate for debate to do it on the floor.

I wonder if the distinguished minority leader would be inclined to try to get a similiar list from Members on his side and then we could go amendment by amendment to see if we can get some kind of time arrangement.

Mr. ROBERT C. BYRD. Mr. President, we shall endeavor on this side of the aisle to ascertain the number of amendments, the identity thereof, and the content thereof, and have that back to the majority leader.

Mr. BAKER. I am most grateful to the minority leader, Mr. President. I shall do that on this side. Then approximately at 6, maybe we can present another unanimous-consent request. At this time, since it is clear that there will be an objection from either Senator MELCHER or other Senators, there will be no particular purpose in offering that request at this time, so I withdraw it.

I thank the Senator from Kansas for yielding at this time.

AMENDMENT NO. 105

Mr. HUDDLESTON. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the amendment of the Senator from South Dakota.

Mr. HUDDLESTON. Mr. President, I have been one who has supported the general thrust of the amendment by the distinguished Senator from South Dakota on previous occasions. I believe very strongly that it is an area which needs to be addressed. Certainly, in view of action that has been taken relating to the dairy program in the country, the urgency may be even greater now than in the past. However, I am constrained to agree with my distinguished chairman of the committee and with the Senator from Kansas that this just does not seem to be the right time to make this particular move. I think that prudence dictates that we do delay this action until the proper time. It can be addressed then.

I think there is some serious question within the industry itself as to whether or not this ought to be done at this particular time. Therefore, Mr. President, I move to lay on the table the amendment of the Senator from South Dakota. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from South Dakota.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Alaska (Mr. MURKOWSKI), the Senator from Vermont (Mr. STAFFORD), and the Senator from Texas (Mr. TOWER), are necessarily absent.

I further announce that, if present and voting, the Senator from Vermont (Mr. STAFFORD), would vote "nay."

Mr. ROBERT C. BYRD. I announce that the Senator from New Jersey (Mr. BRADLEY) and the Senator from California (Mr. CRANSTON), are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 60, nays 35, as follows:

[Rollcall Vote No. 261 Leg.]

YEAS—60

| | | |
|---|---|---|
| Armstrong | Gorton | Moynihan |
| Baker | Hatch | Nickles |
| Bentsen | Hatfield | Nunn |
| Biden | Hawkins | Packwood |
| Byrd, Harry F., Jr. | Hayakawa | Pell |
| Chafee | Heinz | Percy |
| Chiles | Helms | Quayle |
| Cochran | Hollings | Roth |
| Cohen | Huddleston | Rudman |
| Danforth | Humphrey | Schmitt |
| DeConcini | Inouye | Simpson |
| Denton | Jepsen | Stennis |
| Dixon | Johnston | Stevens |
| Dole | Kassebaum | Thurmond |
| Domenici | Kennedy | Tsongas |
| East | Laxalt | Wallop |
| Ford | Long | Warner |
| Garn | Lugar | Weicker |
| Glenn | Mathias | Williams |
| Goldwater | Matsunaga | |
| | Mattingly | |

NAYS—35

| | | |
|---|---|---|
| Abdnor | Eagleton | Mitchell |
| Andrews | Exon | Pressler |
| Baucus | Grassley | Proxmire |
| Boren | Hart | Pryor |
| Boschwitz | Heflin | Randolph |
| Bumpers | Jackson | Riegle |
| Burdick | Kasten | Sarbanes |
| Byrd, Robert C. | Leahy | Sasser |
| Cannon | Levin | Specter |
| D'Amato | McClure | Symms |
| Dodd | Melcher | Zorinsky |
| Durenberger | Metzenbaum | |

NOT VOTING—5

| | | |
|---|---|---|
| Bradley | Murkowski | Tower |
| Cranston | Stafford | |

So the motion to lay on the table was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I yield to the Senator from Idaho.

## ANTITRUST EXEMPTION IN ENERGY LEGISLATION

Mr. McCLURE. Mr. President, I thank the Senator for yielding to me.

The Senator from Ohio (Mr. METZENBAUM) and I have been in discussion, along with the distinguished chairman of the Judiciary Committee, Senator THURMOND, with respect to the consideration of the extension of the antitrust exemption in energy legislation.

The legislation pending would extend that period, that exemption, for 4 years.

The Senator from Ohio and I have agreed that we would have a limited extension until the end of March of 1982 in order that the Committee on Energy and Natural Resources could consider the matter further.

The antitrust jurisdiction, of course, lies in the Judiciary Committee, but the primary jurisdiction of the matter of the International Energy Agency lies with the Committee on Energy and Natural Resources.

Mr. METZENBAUM. Mr. President, may we have order? I cannot hear the Senator from Idaho.

The PRESIDING OFFICER (Mr. JEPSEN). The Senate will be in order.

Mr. METZENBAUM. I thank the Chair.

Mr. McCLURE. It is not my intention as the chairman of the Energy and Natural Resources Committee, nor is it my understanding that the Senator from South Carolina, the chairman of the Judiciary Committee desires at this time to settle the jurisdictional question with respect to the antitrust exemption.

The matter has been within the Energy and Natural Resources Committee, and it is our expectation that if this accommodation can be reached now, that without settling that jurisdictional question the matter would be subject to the primary jurisdiction of the Energy and Natural Resources Committee next spring on the further extension, but we would agree to a sequential referral of the matter for a short period of time to the Committee on the Judiciary for their consideration of the antitrust implications.

In that way we can extend that period, which otherwise would expire at the end of this month, and let the matter be disposed of in perhaps a more extended and a little less contentious manner with respect to jurisdiction, just simply by agreement of the parties involved.

I ask the Senator from Ohio if I have stated that correctly, and if it has his agreement?

Mr. METZENBAUM. I am quite certain the Senator from Idaho has. Let me, however, be certain in order to clarify my own mind. The pending measure, when it is brought up, will be an extension only until April 1, 1982?

Mr. McCLURE. The Senator is correct.

Mr. METZENBAUM. Two, at the earliest possible date, and as promptly as possible, there will be hearings in the Energy and Natural Resources Committee concerning the efficacy of U.S. participation in the IEA?

Mr. McCLURE. The Senator is correct.

Mr. METZENBAUM. Three, at the very earliest possible date the Senator from Idaho will offer more permanent legislation that the administration and he desire, and that that would not be offered at the very last minute prior to April 1, 1982, but would be offered early and that there would be adequate time for referral to the Judiciary Committee so that it might have a number of days in which to consider the antitrust aspects of the legislation?

I think we have covered the point that the Energy and Natural Resources Committee will promptly hold oversight hearings on this subject, that being within the next several weeks or months.

Mr. McCLURE. That is correct. It is my intention to do that, and it would be my expectation, with this understanding and agreement, that we could then proceed to the temporary extension within the next few days here on the floor of the Senate.

Mr. METZENBAUM. That is my understanding, but I would like to be certain that the chairman of the Judiciary Committee would be satisfied with the arrangement, since I know that it is the view of the chairman of the Judiciary Committee that the antitrust aspect of this legislation properly belongs to the jurisdiction of the Judiciary Committee, and I ask the chairman of the Judiciary Committee if he cares to respond.

Mr. THURMOND. Mr. President, I think it is clear that the bill, which has been referred to, has its primary jurisdiction in the Energy and Natural Resources Committee.

I think it is also clear that if it does have antitrust implications, and that being the case, it would be subject to a sequential referral to the Judiciary Committee for a reasonable time. I think the arrangement worked out here is reasonable. I do want to say this though: I think some Members of the Senate have the opinion that wherever a bill goes primarily, where the jurisdiction is to a certain committee primarily, that it is not necessary then to refer it if it has antitrust implications to the Judiciary Committee.

I want to make it clear that the Judiciary Committee has a responsibility to protect the people of this country in matters of that nature. We have imposed upon us the responsibility to look out for the public, and I shall not hesitate, and I put Senators on notice, to request the Judiciary Committee to hear certain matters where antitrust questions are involved that deeply concern the public.

This bill, I think, has been handled in a very nice way. I commend the able Senator from Idaho and the distinguished Senator from Ohio for the arrangement here which they are willing to make and, as chairman of the Judiciary Committee, it meets my approval.

Mr. METZENBAUM. Under those circumstances, it would be my understanding that at some mutually convenient time the bill will be scheduled, probably for next Tuesday. Is that the understanding of the Senator?

Mr. BAKER. It is clear to me. It is the intention of the leadership on this side to attempt to lay this matter before the Senate next Tuesday. Of course, I am sure both sides would want to go through their clearance process in advance, but it would be my present intention to try to proceed to this matter on Tuesday of next week.

Mr. METZENBAUM. I think that would be a satisfactory procedure. The Senator from Ohio does expect to address the issue, but not in an effort to defeat the measure. Rather it is to raise some of the concerns I have. I guess I might need as much as a half hour for that purpose.

Mr. BAKER. Mr. President, I would propose then either tomorrow or Monday to see if we can arrange a time agreement, a generous allocation of time available to the Senator from Ohio and, perhaps, for a time certain to take up the bill on Tuesday. I hope my friend, the minority leader, will explore that possibility and, perhaps, tomorrow we can finalize that arrangement.

Mr. METZENBAUM. I might also advise the majority leader that although I intend to address the issue, I do not intend to ask for a rollcall vote, it being my opinion that there probably will be very few negative votes on this measure. I do not intend to vote against it.

Mr. McCLURE. I thank the Senator from Ohio and the distinguished chairman of the Judiciary Committee.

The issue of joint or sequential referrals is always a troublesome matter, and I hope we can always accommodate it by mutual agreement, as we have in this instance, and without necessarily getting ourselves put into the straitjacket in future years on similar matters.

I thank the Senator from North Carolina for yielding.

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## AGRICULTURE AND FOOD ACT OF 1981

The Senate continued with the consideration of the bill (S. 884).

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the Chair. The distinguished Senator from Missouri has an item which he feels can be handled in short order, and I yield to him.

The PRESIDING OFFICER. The Chair asks the Senator from North Carolina to defer for a second. The Chair would like to list the Senators in the order in which they have asked for recognition, and if there is no objection to it, is that all right with the Senator from North Carolina?

Mr. HELMS. That is all right. We are just trying to get noncontroversial matters out of the way.

The PRESIDING OFFICER. The Chair understands that the Chair will recognize the following Senators in this order: Senator EAGLETON from Missouri, Senator KASSEBAUM from Kansas, Senator ABDNOR from South Dakota, Senator KASTEN from Wisconsin, Senator DOMENICI from New Mexico, and Senator HATFIELD from Oregon, in that order.

Mr. ROBERT C. BYRD. Mr. President, what is the Chair doing, may I respectfully ask?

The PRESIDING OFFICER. Trying to help out the Senator.

Mr. ROBERT C. BYRD. What is the Chair doing to help out, may I respectfully ask?

The PRESIDING OFFICER. The chairman was given a list of names by the former occupant of the chair when he took over, and he said that this is the list of names in the order which has been asked for by way of recognition.

Mr. ROBERT C. BYRD. Mr. President, I will have to interpose an objection to this kind of procedure. Under the rule, the first Senator seeking recognition by the Chair is to be recognized. Of course,

we all know it is within the Chair's discretion as to whether or not to recognize a Senator against another Senator, and there is no appeal from the decision of the Chair in that respect.

But I strongly protest the use of a list as a means by the Chair to recognize Senators. This has been done from time to time, but I have always protested this, and I hope the Chair will follow the rules.

The PRESIDING OFFICER. The Chair thanks the distinguished Senator for his advice and counsel. It is always sage, and the Senator, in his third year in the Senate, has learned much in the last 3 seconds.

There was no agreement, and the Senator is correct, and now I will recognize the Senator from Missouri, Senator Eagleton.

Mr. BAKER. Mr. President, will the Senator from Missouri yield for just a moment?

Mr. EAGLETON. Yes.

Mr. BAKER. Mr. President, I do not mean to turn this into a major issue, but in defense of the Chair I would point out, and the distinguished minority leader would agree, I am sure, that over the years it has been the practice, if certainly not the rule nor even the precedent, official precedent, but it has been the informal practice of occupants of the Chair to keep a list of Senators who wish to be recognized in some sort of a loose sequence. So I expect that the list that the Senator found on the desk when he occupied the Chair was a continuation of that informal practice.

I agree with the minority leader that the rules clearly provide that the occupant of the Chair is bound to recognize the first Senator seeking recognition and such an informal list is simply an aid of the Chair's obligation to try to do equity among Members of the Senate.

The only reason I rise to say that is because I have great confidence in the occupant of the Chair and in his innate fairness and would point out that I am sure he was following what has been an informal practice of the Senate for many years. But I would say to the distinguished Presiding Officer that it is appropriate to recognize Senators as they present themselves for recognition and not on the basis of some hard-and-fast list that may be compiled. I thank the Senator for his effort in this respect.

Mr. ROBERT C. BYRD. Mr. President, I thank the Chair for clarifying the matter. I think he is quite correct in his clarification.

The PRESIDING OFFICER. The Chair now recognizes the Senator from Missouri.

Mr. EAGLETON. I thank the Chair.

UP AMENDMENT NO. 371

(Purpose: To authorize the Secretary of Agriculture to purchase from producers, under certain circumstances, commodities stored in bankrupt warehouses)

Mr. EAGLETON. Mr. President, I have an unprinted amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Missouri (Mr. EAGLETON) proposes an unprinted amendment numbered 371.

Mr. EAGLETON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 235, between lines 17 and 18, insert the following new section:

BANKRUPT WAREHOUSES: AUTHORITY OF THE SECRETARY OF AGRICULTURE TO PURCHASE STORED COMMODITIES FROM PRODUCERS UNDER CERTAIN CIRCUMSTANCES

SEC. . (a) In any case in which a warehouse licensed under the United States Warehouse Act (7 U.S.C. 241 et seq.), or licensed under a State law comparable to such Act, as determined by the Secretary of Agriculture—

(1) has filed a voluntary petition in bankruptcy,

(2) has had an involuntary petition in bankruptcy filed against it, or

(3) is unable to release commodities in the possession of such warehouse because such warehouse has instituted, or has had instituted against it, under a State law proceedings relating to financial insolvency,

the Secretary of Agriculture is authorized, at the request of a producer, to purchase from such producer the quantity of any agricultural commodity stored by such producer in such warehouse if such commodity was produced by such producer and such producer has a valid warehouse receipt (or other valid document of title or ownership defined in regulations prescribed by the Secretary) for such commodity.

(b) The price which the Secretary of Agriculture shall pay any producer under subsection (a) for any agricultural commodity shall be based upon the prevailing market price for the commodity on the day on which the petition in bankruptcy referred to in subsection (a) was filed or the day on which proceedings were instituted under State law, as the case may be, minus applicable storage charges.

(c) In any case in which the Secretary of Agriculture purchases, pursuant to the authority of this section, any quantity of an agricultural commodity stored in a warehouse referred to in subsection (a) by a producer described in such subsection, the United States shall be subrogated to any right or claim that such producer or such producer's personal representative, successor, dependents, or survivors may have against such warehouse with respect to the commodity purchased by the Secretary.

(d) The Secretary of Agriculture may carry out the provisions of this section through the Commodity Credit Corporation.

(e) The Secretary of Agriculture shall issue regulations providing for the administration of this section not later than ninety days after the date of the enactment of this Act.

Mr. EAGLETON. Mr. President, the amendment before the Senate is aimed at correcting a very specific problem—a problem which has, thankfully, not plagued the whole of agriculture, but a problem, nevertheless, which has drastically affected individual farmers who are caught up in a grain warehouse bankruptcy.

The amendment I have introduced provides the Secretary of Agriculture the authority needed to use the Commodity Credit Corporation to protect farmers from economic calamity when their source of income, their grain, is removed from their control by a bankruptcy action.

The problem quite simply is this. The vast majority of our Nation's farmers do not have adequate storage facilities on their farms to handle the bulk of their production. As a result, they must take their grain to the local warehouse and contract with the warehousemen for storage space. The farmer maintains total control over the grain and, under normal circumstances, he will keep his grain in the warehouse while paying storage fees until such time as the market attains an advantageous price or, as is the case most often, until such time as he needs the cash to pay his household and business expenses.

At that point in time, when he actually sells his grain and at no other time, the ownership of and control over that grain passes from the farmer's hand. As I stated before, this is the case under normal circumstances. But, as farmers in my State learned last August and as farmers in about 23 other States have learned over the past few years, should the warehouse in which they are storing their grain go bankrupt, the farmers' free access to their grain, to their private property, to their source of income, is instantly eliminated.

Because grain is not stored in easily identifiable lots and because in some bankruptcies claims against the grain exceed the amount of grain actually held in the warehouse, the bankruptcy court will take control over all of the grain until such time as the court can make a determination as to the extent of the claims as well as to the ownership of the grain. As my colleagues might imagine, this process can last anywhere from several months to several years.

Mr. President, I firmly believe that of all those involved in such situations, the individual farmer is the most harmed. And, unfortunately, the farmer, in the vast majority of the cases, is the one individual who can least afford to be harmed.

My proposal, which would be purely discretionary authority, would, at the request of the farmer, allow the Commodity Credit Corporation to purchase a farmer's grain which is stored in a bankrupt warehouse. The price paid to the farmer would be the prevailing price which existed the day the bankruptcy action was filed. Farmers would then either keep the cash or purchase replacement grain.

Only grain stored in federally licensed and inspected warehouses or in warehouses licensed and inspected under comparable State laws would be eligible for purchase by the CCC. This would assure the quality of the warehouses in which we were providing protection.

My proposal, if implemented by the Secretary, would cost the Government very little because, as titleholder to the grain, the Government would receive payment under whatever settlement is finally achieved by the bankruptcy courts. The critical problem really is the time element—the 6-month to several-year time period during which a farmer has no access to income from his grain. A delay of any unreasonable period of time will undoubtedly cause farmers severe economic stress and might very well bankrupt the farmers involved. My amendment simply authorizes the Government to do the waiting instead of the farmer.

The USDA grain elevator task force is-

sued a report last month which proposed administrative and legislative changes that would aid farmers in warehouse bankruptcies. One of the recommendations proposed that the USDA become directly involved in the bankruptcy legal action "by the Secretary (of Agriculture) acting as trustee for the affected parties." This is precisely what my amendment will do.

Let me close my remarks by reminding my colleagues that the Senate in the reconciliation bill took action to require that the Federal warehouse licensing and inspection program be supported via a fee system rather than by appropriated funds. As I hope all of my colleagues realize, that action will clearly mean that our Nation's farmers, through higher storage payments, will be paying for a system of inspection and licensing which is clearly intended to protect producers who store their agricultural products in approved warehouses.

The farmers are paying for protection. This amendment will assure farmers that even if the inspection system fails, some semblance of protection will remain.

Mr. DOLE. Will the Senator yield?

Mr. EAGLETON. I yield to my colleague from Kansas.

Mr. DOLE. Mr. President, let me say to my colleague from Missouri that I know, as I have indicated in my previous statement, that that is where the most recent controversy has developed in new modernized grain elevators. I appreciate very much the Senator's assistance. We had our hearings before the subcommittee of the Judiciary. I have taken the liberty to add the Senator from Missouri of our amendment. I appreciate his cooperation and his willingness to help us solve the real problem, or help the farmers solve the real problem.

Mr. EAGLETON. I thank my colleague for his remarks. I know that he has given full and complete attention to this problem which affects not only the problems in Missouri but affects the problems in other States, as well, and he will continue in his various assigned duties in the Senate to give attention to this same situation.

Mr. President, I ask unanimous consent to be added as a cosponsor of the earlier Dole amendment (UP No. 368) which was agreed to, just in case the RECORD does not so show.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I might further say to the Senator from Missouri that his amendment, as I understand it, would come to the Agriculture Committee. I would be certainly willing to do whatever I can do to make certain we have explored every possibility, including the Senator's amendment.

Mr. EAGLETON. I thank my colleague.

Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The Senator has a right to withdraw his amendment. The amendment is withdrawn.

The Chair recognizes the Senator from Kansas.

UP AMENDMENT NO. 372

(Purpose: To establish a National Agricultural Cost of Production Standards Review Board and to give the Secretary of Agriculture greater flexibility in calculating production cost inputs)

Mrs. KASSEBAUM. Mr. President, I send to the desk an unprinted amendment on behalf of myself and Senator DOLE and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Kansas (Mrs. KASSEBAUM) for herself and Mr. DOLE proposes an unprinted amendment numbered 372.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 344, between lines 3 and 4 insert a new title XVI reading as follows:

TITLE XVI—NATIONAL AGRICULTURAL COST OF PRODUCTION STANDARDS REVIEW BOARD

ESTABLISHMENT OF BOARD

SEC. 1601. There is hereby established an advisory board to be known as the National Agricultural Cost of Production Standards Review Board (hereinafter in this title referred to as the "Board").

MEMBERSHIP OF BOARD

SEC. 1602(a). The Board shall be composed of eleven members appointed by the Secretary of Agriculture (hereinafter in this title referred to as the "Secretary"). The composition of the Board shall be as follows:

(1) A total of seven members shall be appointed who are engaged in the commercial production of one or more of the various major agricultural commodities produced in the United States. The Secretary shall assure that the major geographical production areas of the major agricultural commodities are represented.

Mrs. KASSEBAUM. Mr. President, my amendment has been agreed to by the distinguished chairman of the Agriculture Committee. I think that we would all feel that a Cost of Production Standards Review Board, which this establishes, of producers will be a valuable input to the Department of Agriculture. This also gives the Secretary of Agriculture greater flexibility in calculating production costs.

It certainly would not be the purpose of this 11 member board of producers to in any way hamper the functions of the Department of Agriculture, but, really, to assist and enhance its efforts. I believe that it will be one way which the producers can feel a followthrough with the statistics that have been traditionally gathered from the farm community.

I ask for favorable consideration of this amendment.

Mr. DOLE. Mr. President, will my colleague yield briefly?

Mrs. KASSEBAUM. I am happy to yield.

Mr. DOLE. Mr. President, I say to the most distinguished Senator from Kansas that I will hopefully be a conferee on this legislation. I have discussed this legislation with Senator KASSEBAUM and also with Congressman PAT ROBERTS, who represents probably the largest wheat producing district in America. We believe it will satisfy a need and it will provide some farmer input. I believe Senator KASSEBAUM pointed out the one area that was objectionable has been modified. I think it is now supported by the Department or not objected to, put it that way.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Carolina.

Mr. HELMS. Mr. President, it is important that the Government be able to have an indication of what is the actual cost of producing a particular crop. It is important to farmers so that they may better be in a position to plan their planting and marketing strategies.

But it is even more important for farm policy makers. The methods used by policy makers in the Department of Agriculture and in the Congress must be consistent and they must be based on real world economic facts.

As I understand this amendment, the proposed Board would have as its essential purpose the study of methods for calculating any given cost of production estimate developed by and for policy makers. The Board would not be commissioned to establish specific estimates on a particular crop at a specific time, but would help assure a realistic and consistent methodology.

Of course, those who best know what it costs to produce a crop will be the farmers themselves. This amendment assures their input into the process in a very positive and effective way. In addition, it provides additional flexibility for USDA to make the studies they now provide.

There is always a great difficulty in establishing a precise cost of production figure, and many experts warn us that there is no such thing as a specific cost of production for a particular crop. Each farmer's efficiencies—and hence his true or real costs—will be slightly different. But this amendment seeks to establish a consistent set of ground rules, and that seems essential to this Senator.

Mr. President, I am prepared to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas (Mrs. KASSEBAUM).

The amendment (UP No. 372) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Dakota, Senator ABDNOR.

Mr. LEAHY. Mr. President, will the Senator from South Dakota be willing to yield for 1 minute to allow me to put in an amendment on behalf of myself and Senator JEPSEN, which I understand will be accepted?

Mr. HELMS. Mr. President, I can vouch that it will take only a minute.

Mr. ABDNOR. I yield to the Senator from Vermont.

UP AMENDMENT NO. 373

(Purpose: To authorize the Secretary of Agriculture to establish criteria in cooperation with Federal agencies and departments for the purpose of protecting prime and unique farmlands from adverse effects resulting from Federal programs)

Mr. LEAHY. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Vermont (Mr. LEAHY), for himself and Mr. JEPSEN, proposes an unprinted amendment numbered 373.

Mr. LEAHY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 337, line 20, strike out "Agricultural Land" and insert in lieu thereof "Farmland".

On page 337, strike out lines 22 and 23, and insert in lieu thereof the following:

"SEC. 1535. This subtitle may be cited as the 'Farmland Protection Policy Act'.".

On page 338, beginning on line 1, through page 339, line 8, strike out the words "agricultural land" wherever they appear and insert in lieu thereof the word "farmland".

On page 339, strike out line 9 and all that follows through line 19, and insert in lieu thereof the following:

"(b) The purpose of this subtitle is to minimize the extent to which Federal programs contribute to the unnecessary and irreversible conversion of farmland to nonagricultural uses, and to assure that Federal programs are administered in a manner that, to the extent practicable, will be compatible with State, unit of local government, and private programs and policies to protect farmland.

"(c) As used in this subtitle—

"(1) the term 'farmland' includes all land defined as follows:

"(i) Prime Farmland. Prime farmland is land that has the best combination of physical and chemical characteristics for producing food, feed, fiber, forage, oilseed, and other agricultural crops with minimum inputs of fuel, fertilizer, pesticides, and labor, and without intolerable soil erosion, as determined by the Secretary of Agriculture. Prime farmland includes land that possesses the above characteristics but is being used currently to produce livestock and timber. It does not include land already in or committed to urban development or water storage;

"(ii) Unique Farmland. Unique farmland is land other than prime farmland that is used for production of specific high-value food and fiber crops, as determined by the Secretary of Agriculture. It has the special combination of soil quality, location, growing season, and moisture supply needed to economically produce sustained high quality or high yields of specific crops when treated and managed according to acceptable farming methods. Examples of such crops include citrus, tree nuts, olives, cranberries, fruits, and vegetables; and

"(iii) Other Farmland. Farmland, other than prime or unique farmland, that is of statewide or local importance for the production of food, feed, fiber, forage, or oilseed or unit of local government agency or agencies, and that the Secretary of Agriculture determines should be considered as farmland crops, as determined by the appropriate State for the purposes of this subtitle.".

On page 339, line 24, strike out "and".

On page 340, line 7, strike out "plans." and insert in lieu thereof "plans; and".

On page 340, between lines 7 and 8, insert the following new paragraph:

"(4) the term 'Federal program' means those activities or responsibilities of a department, agency, independent commission, or other unit of the Federal Government that involve (i) undertaking, financing, or assisting construction or improvement projects; or (ii) acquiring, managing, or disposing of Federal lands and facilities. The term 'Federal program' does not include construction or improvement projects that on the effective date of this subtitle are beyond the planning stage and are in either the active design or construction stage.".

On page 340, strike out line 8 and all that follows through page 341, line 2, and insert in lieu thereof the following:

"FARMLAND PROTECTION POLICY

"SEC. 1537. (a) The Department of Agriculture, in cooperation with other departments, agencies, independent commissions, and other units of the Federal Government, shall develop criteria for identifying the effects of Federal programs on the conversion of farmland to nonagricultural uses.

"(b) Departments, agencies, independent commissions, and other units of the Federal Government shall use the criteria established under subsection (a) of this section to identify and take into account the adverse effects of Federal programs on the preservation of farmland; consider alternative actions, as appropriate, that could lessen such adverse effects; and assure that such Federal programs, to the extent practicable, are compatible with State, units of local government, and private programs and policies to protect farmland.".

On page 341, beginning on line 7, through pare 343, line 3, strike out the words "agricultural land" wherever they appear and insert in lieu thereof the word "farmland".

In the table of contents strike out "SEC. 1537. AGRICULTURAL LAND PROTECTION POLICY." and insert in lieu thereof "SEC. 1537. FARMLAND PROTECTION POLICY.".

Mr. LEAHY. Mr. President, I ask unanimous consent that Senator JEPSEN be shown as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, America is losing 3 million acres of agricultural land each year. One million acres of those lost are prime farmland, the remainder being range land, pasture land and forest land. The problem is equally serious in virtually every region of the country. My own State of Vermont loses 22,000 acres of agricultural land annually.

America has a large agricultural land base. But future trends in American agriculture portend substantial increases in the loss of agriculture land which threaten this vast natural resource.

I am pleased that my amendment to address this problem of farmland protection was incorporated into the 1981 farm bill. While this amendment is a beginning, it sets a direction and reflects congressional concern for this vital national resource.

The amendment I offer today provides minor adjustments in this provision which respond to suggestions made by the administration and others to clarify the intent and scope of this measure. I do want it known that my interest in this issue is broadly shared in the Senate on a bipartisan basis and in this regard I am especially pleased to have the able assistance of Senator JEPSEN who has been active in all areas of conservation. Farmland protection is important to all of us and I intend to follow up this effort with a continuing vigilance to protect and preserve America's farmland.

Mr. President, I yield back the remainder of my time.

Mr. HELMS. Mr. President, the amendment to the agricultural land protection subtitle is specifically tailored to address certain concerns within the administration that some of the provisions of S. 884 pertaining to agricultural land conversion are overly broad. On August 25, 1981, Secretary Block wrote me to express these concerns. I ask unanimous consent that a copy of his letter be printed in the RECORD. This amendment has been reviewed by committee staff and several of the Senators on tne committee—among them Senator DIXON, Senator JEPSEN, Senator LEAHY, and myself—and there is general agreement that it should be adopted.

In brief, the amendment would clarify that the thrust of the provision is to protect land that is actually being used for farming or is reasonably capable of such use. This is accomplished by substituting the word "farmland" for "agricultural land" and by defining farmland to include only prime and unique farmland plus certain other farmland of statewide or local importance that the Secretary determines should be brought within the scope of these provisions. One benefit of making this change is that the terms "prime" and "unique" farmland are already defined by the Department's regulations and are thus familiar terms to many people.

In addition, the amendment provides for the Department of Agriculture to establish "criteria" for other Federal agencies to use in evaluating whether the programs they undertake will unnecessarily cause the conversion of farmland to nonagriculutral purposes. S. 884 presently provides for the establishment of "procedures" which suggest the creation of more regulations at a time when the administration is working to reduce the number of regulations.

Finally, the amendment defines Federal programs to include those activities, such as construction projects or the disposition of Federal land, that reasonably can be expected to have an impact on the conversion of farmland. At the present time, S. 884 refers to all Federal actions, which clearly is unnecessarily broad.

All in all, Mr. President, I believe that this amendment clearly improves S. 884 and may be instrumental in assuring that the subtitle on agricultural land conversion becomes an effective tool in developing Federal programs rather than than a mere proliferation of unnecessary paperwork. For these reasons, I favor adoption of this amendment.

The PRESIDING OFFICER. The ques-

tion is on agreeing to the amendment of the Senator from Vermont (Mr. LEAHY).

The amendment (UP No. 373) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Dakota (Mr. ABDNOR).

UP AMENDMENT NO. 374

(Purpose: To require a study of the adverse impact of the foreign trade policies of foreign governments on the export sales of United States agricultural commodities and products thereof)

Mr. ABDNOR. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from South Dakota (Mr. ABDNOR), for himself and Mr. DURENBERGER proposes an unprinted amendment numbered 374.

Mr. ABDNOR. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 245, between lines 2 and 3, insert the following new section:

STUDY OF THE TRADE POLICIES AND PRACTICES OF FOREIGN GOVERNMENTS WITH RESPECT TO UNITED STATES AGRICULTURAL COMMODITIES

SEC. 1205. The Secretary of Agriculture shall conduct a study of the policies and practices of foreign governments, including governments of the European Economic Community, which adversely and unfairly affect export sales of United States agricultural commodities and products thereof. The Secretary shall submit a written report to the Congress, within 180 days after the date of the enactment of this Act, on the results of such study together with such recommendations for legislative and other actions as he considers necessary to protect and increase the export sales of United States agricultural commodities and products thereof and to otherwise protect the agricultural trade interests of the United States.

Mr. ABDNOR. Mr. President, I would also like to have the record show that Senator DURENBERGER is a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABDNOR. Mr. President, I have discussed this amendment with Members on both sides of the aisle, and I believe they have found it quite acceptable. It is a needed amendment.

It calls for the Secretary of Agriculture to conduct a study of the policies and practices of foreign governments, including governments of the European Economic Community, which adversely and unfairly affect export sales of U.S. agricultural commodities and products thereof.

The Secretary shall submit a written report to the Congress on the study with recommendations for legislative and other actions within 180 days after enactment of this act.

Mr. President, I, for one, am not convinced that this present piece of legislation which we are working on is going to be part of a great program for American agriculture, but we all know that the real answer to the cost-price squeeze farmers find themselves in today, is emphasis on exports. The beneficiaries of those sales are not only the farmers of America, but also the economy of the entire country.

Mr. President, the farmers want the opportunity to work in a free market, but they are hindered by unfair trade practices abroad. Mr. President, my amendment will not correct the inequities which exist in world trade today, but it will give us a firm basis upon which to base future decisions with respect to actions needed to protect our national interest.

Mr. President, I move adoption of the amendment.

Mr. HELMS. Mr. President, this is a good amendment and I commend the Senator for it. I am glad to accept it.

Mr. HUDDLESTON. We accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 374) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ABDNOR. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wisconsin.

AMENDMENT NO. 534

(Purpose: To amend section 403(b) of Public Law 480 of the 83d Congress to allow for flexibility in determining the amount of reimbursement due the Commodity Credit Corporation)

Mr. KASTEN. Mr. President, I call up my amendment No. 534 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wisconsin (Mr. KASTEN) proposes amendment numbered 534.

Mr. KASTEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

On page 249, between lines 15 and 16, insert the following new section:

SEC. 1313. Section 403(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting "a price not greater than" before "the export market price".

Mr. KASTEN. Mr. President, I ask unanimous consent that Senators PROXMIRE, PRESSLER, and DURENBERGER be added as cosponsors to this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KASTEN. Mr. President, my amendment is a simple one. It will give to the Secretary of Agriculture the discretionary authority to set the value of a commodity acquired under a domestic price support program at less than the export market price currently mandated by law when used in the Public Law 480 program.

When a commodity is drawn from the Commodity Credit Corporation inventory for use in the Public Law 480, title I or title II programs, the Corporation is reimbursed for the costs of that particular commodity.

While it is difficult to assess all of the implications of this amendment, since the quantities and types of commodities held by the Corporation vary, the following cost/price relationship for nonfat dry milk may shed some light on the cost implication. The Corporation has large stocks of nonfat dry milk. At present CCC-owned milk is being distributed through the title II donations program under Public Law 480. Currently, the title II account reimburses the Corporation at a rate of 19 cents per pound; the cost of the milk to the Corporation is 95 cents per pound. The proposed fiscal year 1982 budget for title II includes 245 million pounds of milk.

Therefore, under current provisions this milk costs the title II budget $47 million. Lower rates, allowed by my amendment, would reduce the cost of this milk to the title II budget. For example, a price of 10 cents a pound would reduce the $47 million to $25 million, a saving in title II terms of $22 million. Milk is not currently programed under the title I concessional sales portion of Public Law 480; however, this is being considered and I would expect this amendment to reduce costs for any such programing in the title I budget.

Mr. President, there are countries under title I that have expressed an interest in purchasing nonfat dry milk, but have not done so because of the high purchase price relative to other commodities available. Passage of this amendment will encourage the purchase of more milk abroad.

Likewise, movement of nonfat dry milk from CCC inventory will help ease the storage burden and the associated costs. Storage costs for nonfat dry milk are currently running approximately $500 million per month and are expected to go up.

So, Mr. President, the adoption of this amendment means reducing the budget while at the same time getting nutritious milk to the people in countries that so desperately need it.

I urge the amendment be adopted.

Mr. President, I have discussed this amendment with the chairman of the committee and his staff, and it is my understanding there is no objection to the amendment.

Mr. HELMS. Mr. President, may I ask the distinguished Senator if he alluded to the budget impact of this amendment? I could not hear because of the noise in the Chamber.

Mr. KASTEN. Mr. President, there is no budgetary impact from this amendment. What it will do is to make it possible for us to export more milk, but there is no budgetary impact.

Mr. HELMS. Has the Senator discussed this with the Department of Agriculture?

Mr. KASTEN. This amendment has been discussed with a number of people in the Department of Agriculture. It is at their suggestion that I offer the amendment.

Mr. HELMS. Mr. President, I have no objection to the amendment, and I urge its adoption.

Mr. HUDDLESTON. Mr. President, we have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 534) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KASTEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

AMENDMENT NO. 524, AS MODIFIED

(Purpose: To repeal Federal provisions of law establishing agricultural programs concerning the marketing of and price support for tobacco; to prohibit compacts among States for regulating tobacco production and commerce; to amend the Tobacco Inspection Act and the United States Warehouse Act to provide for the assessment of certain fees to cover the costs of inspection, licensing, and other activities carried out under those Acts; and to amend the Internal Revenue Code of 1954 to increase the tax on cigars and cigarettes)

Mr. HATFIELD. Mr. President, I call up my amendment No. 524.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oregon (Mr. HATFIELD) proposes amendment numbered 524.

Mr. HATFIELD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I modify my amendment beginning on page 9, line 11, under the subtitle Increased Tax on Cigars and Cigarettes. I modify to strike that beginning on line 11 through the remaining of the amendment on page 10. I modify my amendment to remove from it the tax provision which I think will now remove it from the point of order or charge. I send the modification to the desk.

The PRESIDING OFFICER. The Senator has the right to modify his amendment. The modification will be stated.

The legislative clerk read as follows:

On page 9, beginning on line 11, strike all through line 16 on page 10.

The amendment, as modified, reads as follows:

On page 235, between lines 17 and 18, insert the following new sections:

"REPEAL OF PROGRAMS CONCERNING PRICE SUPPORT FOR AND THE MARKETING OF TOBACCO

"SEC. 1112. (a)(1) Section 101 of the Agricultural Act of 1949 is amended—

"(A) in the matter preceding subsection (a), by striking out 'subsections (a) to (c)' and inserting in lieu thereof 'subsections (a) and (b)';

"(B) in subsection (a), by striking out 'tobacco (except as otherwise provided herein), corn,' and inserting in lieu thereof 'corn'; and

"(C) in subsection (d)(3), by striking out ', except tobacco,' and all that follows the first semicolon.

"(2) Sections 101(c) and 106 of such Act are repealed.

"(3) Section 408(c) of such Act is amended by striking out 'tobacco,'.

"(b)(1) Section 2 of the Agricultural Adjustment Act of 1938 is amended by striking out 'tobacco,'.

"(2) Section 301(b) of such Act is amended—

"(A) by striking out 'tobacco,' in paragraph (6)(A);

"(B) by striking out the following in paragraph (7):

"'Tobacco (flue-cured), July 1–June 30;

"'Tobacco (other than flue-cured), October 1–September 30;';

"(C) by striking out 'and tobacco' in paragraph (11)(B); and

"(D) by striking out 'tobacco,' in paragraph (12).

"(3) Section 303 of such Act is amended by striking out 'rice, or tobacco,' and inserting in lieu thereof 'or rice,'.

"(4) Section 361 of such Act is amended by striking out 'tobacco,'.

"(5) The first sentence of subsection (a) and the first sentence of subsection (b) of section 371 of such Act are amended by striking out 'peanuts, or tobacco' in each sentence and inserting in lieu thereof 'or peanuts'.

"(6) Section 373 of such Act is amended—

"(A) by striking out 'peanuts, or tobacco, and' in subsection (a) and inserting in lieu thereof 'or peanuts, and';

"(B) by striking out 'peanuts, or tobacco from' in subsection (a) and inserting in lieu thereof 'or peanuts from';

"(C) by striking out 'all persons engaged in the business of redrying, prizing, or stemming tobacco for producers,' in subsection (a);

"(D) by striking out '$500;' and all that follows in the last sentence of subsection (a) and inserting in lieu thereof '$500.'; and

"(E) by striking out 'peanuts, or tobacco' in subsection (b) and inserting in lieu thereof 'or peanuts'.

"(7) Section 375(a) of such Act is amended by striking out 'peanuts, or tobacco' and inserting in lieu thereof 'or peanuts'.

"(8) The following provisions of such Act are repealed:

"(A) section 301(b)(3)(C);

"(B) section 301(b)(10)(B);

"(C) section 301(b)(14)(B);

"(D) section 301(b)(15);

"(E) section 301(b)(16)(B);

"(F) sections 311 through 314 and 316 through 320; and

"(G) section 378(f).

"(c) The following provisions of law are repealed:

"(1) The Act entitled 'An Act relating to burley tobacco farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended', approved July 12, 1952.

"(2) Section 703 of the Food and Agriculture Act of 1965.

"(3) Section 4 of the Act entitled 'An Act to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes', approved April 16, 1965.

"(d) Section 5 of the Commodity Credit Corporation Charter Act is amended by adding the following undesignated paragraph at the end thereof:

"'Notwithstanding any other provision of law, the Corporation may not exercise any of the powers specified in this section or in any other provision of this Act with respect to tobacco.'.

"(e) Section 8c(2) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, is amended—

"(1) by striking out 'tobacco,' in clause (A);

"(2) by inserting 'tobacco' after 'except honey,' in clause (B); and

"(3) by adding the following new sentence at the end thereof: 'Notwithstanding any other provision of law, no order concerning tobacco may be issued or enforced under this Act.'.

"(f) The amendments made by this section shall apply to the 1982 and subsequent crops of tobacco.

"WITHDRAWAL OF CONSENT RELATING TO COMPACTS AMONG STATES FOR REGULATING TOBACCO PRODUCTION AND COMMERCE

"SEC. 1113. Effective January 1, 1982—

"(1) the Act entitled 'An Act relating to compacts and agreements among States in which tobacco is produced providing for the control of production of, or commerce in, tobacco in such States, and for other purposes', approved April 25, 1936 is repealed; and

"(2) the Congress withdraws its consent to any compact or agreement entered into pursuant to the Act referred to in paragraph (1).

"TOBACCO INSPECTION AND RELATED SERVICES

"SEC. 1114. (a) Section 5 of the Tobacco Inspection Act is amended by striking out the last two sentences thereof and inserting in lieu thereof the following: 'The Secretary shall impose and collect fees and charges for inspection or certification and other services under this section at designated auction markets and for the establishment of standards under section 3 of this Act. The fees and charges authorized by this section shall, as nearly as practicable, cover the costs of the services, including administrative and supervisory costs. Such fees and charges, when collected, shall be credited to the current appropriation that incurs the costs and shall be available without fiscal year limitation for the expenses of the Secretary incident to providing services under this Act. Fees and charges assessed under the provisions of sections 5 and 6 of this Act shall be collected from warehouse operators or persons financially interested in the tobacco, except that fees and charges for inspecting or certifying tobacco and performing other services at auction warehouses in designated markets shall be assessed against warehouse operators irrespective of ownership or interest in the tobacco, and such inspection and related services shall be suspended or denied at any such warehouse if the warehouseman fails to pay fees and charges assessed. Tobacco inspection or certification services for tobacco sold at auction shall be provided only at markets designated pursuant to this section. Tobacco inspection or certification services provided to such auction markets shall take precedence over such services, other than reinspection, requested pursuant to the authority contained in section 6 of this Act or any other provision of law.'.

"(b) The first sentence of the second paragraph of section 6 of the Tobacco Inspection Act is amended to read as follows: 'The Secretary shall fix and collect such fees or charges as will cover, as nearly as practicable, the costs of the services provided under this section, including administrative and supervisory costs. Such fees and charges shall be credited to the account referred to in section 5.'.

"(c) The provisions of subsections (a) and (b) shall become effective July 1, 1981.

"WAREHOUSE EXAMINATION, INSPECTION, AND LICENSING

"SEC. 1115. (a) Section 10 of the United States Warehouse Act is amended to read as follows:

"'SEC. 10. (a) The Secretary of Agriculture, or his designated representative, shall charge, assess, and cause to be collected a reasonable fee for—

"'(1) each examination or inspection of a warehouse (including the physical facilities and records thereof and the agricultural products therein) under this Act.

"'(2) each license issued to any person to classify, inspect, grade, sample, or weigh, agricultural products stored or to be stored under this Act;

"'(3) each warehouse license issued to a warehouseman to conduct a warehouse under this Act; and

"'(4) each warehouse license amended, modified, extended, or reinstated under this Act.

"'(b) Fees under subsection (a)—

"'(1) shall cover, as nearly as practicable, the costs of providing the services described in such subsection, including the administrative and supervisory costs incident thereto; and

"'(2) shall be credited to the current appropriation made to pay for services provided under such subsection and shall be available without fiscal year limitation for the expenses of the Secretary incident to providing services under the Act.'.

"'(b) Section 31 of the United States Warehouse Act is amended to read as follows:

"'SEC. 31. There are thereby authorized to be appropriated such sums as are necessary to carry out the provisions of this Act. Such appropriated funds may be used by the Secretary to employ qualified persons not regularly in the service of the United States for temporary assistance in carrying out the provisions of this Act.'.

"(c) The provisions of subsections (a) and (b) shall become effective October 1, 1982."

Mr. HATFIELD. Mr. President, this is basically the amendment dealing with the tobacco subsidy. I am offering an amendment which would effectively remove Federal participation in tobacco price support activities. I urge my colleagues to support this legislation in an effort to increase our fiscal and social responsibility and to preserve our credibility with respect to budget reduction efforts of the administration and the Congress.

I think my record of voting today on the various and sundry subsidy programs would be consistent with what I am asking now to apply to the commodity of tobacco.

Since 1938, the Federal Government has been participating in support of tobacco while at the same time, because of the associated health problems to the consumer, spending millions of dollars to discourage the use of tobacco products, I find this to be an offensive paradox, a tragic comedy of moral and fiscal irresponsibility. It is time to reevaluate our policy toward this commodity.

My amendment would eliminate the feudalistic allotment system which requires the producer to have an acreage allotment before planting any tobacco. It would remove the Commodity Credit Corporation's participation from the loan program for tobacco. The tobacco lobby and my good friends from tobacco-growing States would say that there is no tobacco subsidy; however, any time a farmer receives a reduced interest rate or a direct payment to grow any commodity, it is indeed a subsidy. The tobacco loan program has cost the taxpayers $56 million in direct losses since its inception, along with $600 million in interest subsidies, not to mention other costs, including research, grading, marketing, and inspection. I quote from the Des Moines Register, August 24, 1981:

Studies by officials of the U.S. Department of Agriculture's Commodity Credit Corporation, the agency that funnels the federal money to tobacco producers, indicate that since the mid-1950's the program has cost the government almost $600 million. The entire cost of the program dating back to the early 1930's may be as high as $850 million, although this is an estimate because records date back only to 1953.

At the same time, the USDA officially lists the total cost of the tobacco program since 1933, the year of its inception, as $56.7 million.

This figure ignores the cost of interest that the CCC pays the U.S. Treasury for money it borrows to lend to commodity producers.

Much of this interest has been lost because the CCC has charged producers a lower rate than it has had to pay. Also, in selling the tobacco it gets as part of its price support program, the CCC seldom recovers interest cost.

For example, the CCC late in 1979 and early in 1980 sold some tobacco from its stocks, and reported that the government had just about broken even on the deal, recovering most of its costs. However, if the cost of interest had been included, those sales would have shown a loss of $11.6 million.

Some USDA analysts have reported privately that the program could cost up to another $1 billion through 1985.

No matter how the cost of the tobacco program is figured, it still represents only a small percentage of the federal government's total outlays for support of agricultural commodities.

I am aware, Mr. President, that the Secretary has directed CCC to charge the true cost of borrowing to the loan participant as of January 1981, but this does not mitigate continuing costs in other areas. Of even greater concern is the impact of imports on the tobacco industry. The USDA testified in hearings before the International Trade Commission that the CCC stood to lose at least $96 million for 1975–80, and $123 million for 1981–85 over the next 5 years. Imports have increased over 300 percent in the last 15 years, while our world market share of tobacco has dropped from 60 percent in the late 1950's to 2 percent today. The American cigarette in 1965 contained 11 percent imported tobacco; in 1981, a full 30 percent of our cigarette blend is foreign tobacco. Most experts agree that one of the major causes of this import/export imbalance is the artificially high fixed price of tobacco. The Secretary of Agriculture has virtually no discretion to adjust the tobacco program. His only authority under current law is to reduce the national quota for acreage. This is the only program that limtis this discretion so severely.

Mr. President, I understand that the tobacco price support system does not cost a great deal in relation to other loan and subsidy programs; however, the fact that we are spending any money on this nonedible commodity defies reason. I think it is important to point out at this juncture that the tobacco price support system is the only commodity program that guarantees a profit to the farmer. In a 1981 study by the Department of Agriculture, 1,033 tobacco farms were surveyed and it was found that the average cost to produce 1 pound of tobacco was $1.41. The average price support level for tobacco in this marketing year is $1.59, or a full 18 cents preferential in favor of the farmer. Any farmer in this country—wheat, corn, soybeans, dairy or feed grains—would love to have this assured return under their programs. This is not an income security program, but an outright guarantee of profit, Mr. President.

The Federal Government now restricts tobacco acreage through its allotment system. This system requires the farmer to hold an allotment before he can plant for harvest a crop of tobacco, and furthermore provides for criminal penalties for producing non-quota tobacco. The tremendous anomaly in this system is that you may be an allotment holder without actually being a farmer. The farmer may have to rent or lease the allotment from another individual, which raises the cost of production without increasing the return to the farmer, and the allotment holder receives an income from the land without turning a spade of soil. My office received a phone call on Monday from a family in Georgia who owns an allotment, and lease it each year. Even so, they felt that it was a wrong policy to continue this system, and offered their congratulations and assistance in my efforts.

This is a strong indication of the type of support this proposal generates. It is estimated that the current value of these allotments is close to $300 to $400 million per year, including at least $225 million for flue-cured tobacco. The average farmer has a farm of 130 acres, of which 7 is planted in tobacco. The allotments range in size from 1 to 3¼ acres, but the farmer, if he does not own his own allotments, must pay a cash rent of between $800 and $1,000 per acre for the right to grow. Only 16 percent of tobacco farmers farm only their allotment. Paying this monopoly rent adds to the cost of production and reduces net income to the small farmer.

Mr. President, this legislation is not intended to reduce the actual quantity of tobacco grown in this country, or to directly hurt the small farmer, but to reduce the Federal Government involvement in this process. Proponents of the support program are concerned that the price and supply will be set by the six largest manufacturers and the world export demand. They are worried that the farmer will not receive a fair price or will be pushed out of production. They believe the price support is the only way to avoid this eventuality, but this is not in keeping with the administration's philosophy of a free-market economy. The price for a nonfood commodity should be set by world demand for the product, not an artificial price set by the Secretary of Agriculture.

In discussions with the flue-cured stabilization representatives and members of the tobacco lobby in North Carolina—I might say I sent a staff person to the State of North Carolina to meet with these people on the scene. The question was asked, "Could tobacco production continue under private marketing and

financing?" The answer was a hesitant yes.

The multi-billion-dollar nature of this program clearly allows the industry to work within the financial community to obtain the financing necessary to assure continuing production at levels necessary to produce the quantity and quality of good tobacco products. In a recent meeting, the officials from the U.S. Department of Agriculture Agricultural Stabilization and Conservation Service made it quite clear that there would be some changes in the structure of tobacco farms in the United States. They felt this change in the program would likely displace some marginal producers, and that the trend would be toward larger, mechanized tobacco farms.

But tobacco is a strong cash crop, and most small producers should survive and actually prosper under this deregulation. After visiting with North Carolina tobacco producers, one of the major problems faced by all producers, large or small, was the lack of available labor.

With the trend toward larger tobacco farms, those marginal producers that are displaced from tobacco production could work at a substantial wage on these extended large farms. This does not take away those other crops they would continue to grow on their own land, or remove them from the farm sector. This change in labor pattern should assure a steady, decent income to the farmer, and produce a much more efficient and effective tobacco industry; hardly the "doomsday" predictions opponents of my amendment might suggest. There should not be any substantial loss of revenue with the adoption of this amendment, because the quantity of tobacco grown should continue to be relatively inelastic.

Beyond these monetary considerations are the social implications of the continued support of tobacco. The link between certain forms of cancer and lung disease and tobacco consumption is well-documented, with other problems currently under study, including birth defects, abortifaciency (which is spontaneous miscarriage), and other forms of cancer not previously associated with tobacco use. Research and education programs directly related to tobacco use cost between $5 billion and $8 billion each year, with federally supported smoking education totaling approximately $13 million per year, about equal to the administrative cost of the tobacco price support program. Despite attractive implications, this amendment is not specifically designed to reduce or discourage tobacco consumption, but to stop the support of a commodity that directly affects the health of Americans.

In this era of fiscal restraint, it is a travesty to slash away at food and social programs, while allowing the tobacco support activities to go not only untouched, but unevaluated because of the nonrecurring nature of the program. We have sustained significant cuts in nutrition, school lunch programs, and food stamps, and have entertained reductions in other human services without proper consideration toward reducing tobacco price supports. In the Reconciliation Act alone, we cut $13.4 billion in human service entitlement programs, including $1.7 billion in food stamps, $1.5 billion in child nutrition programs, $1.2 billion in aid to families with dependent children and child-support enforcement, among other cuts.

It is not that I disagree with attempts to cut Federal spending, especially considering the condition of the economy at this point. Indeed, I support it and worked toward passage of the Omnibus Reconciliation Act. I believe that it is time now to look to other areas for cuts to meet our goal of a balanced budget.

Mr. President, I have just come today from a meeting with the staff of the Appropriations Committee of the Senate, where I instructed them now to begin to pare and to cut away approximately another $9 billion in appropriated funds from fiscal year 1982 budgets.

We have called a halt to the whole appropriations process in the U.S. Senate, a process that was underway to meet the deadline of September 30, the end of the fiscal year, in order to make new adjustments for further reductions offered and asked for by the administration. These will have to be made in human programs. These will have to be made in natural resource programs that are multipliers. These will have to be made in housing, in transportation, in food nutrition, in water projects, in transportation projects, in space programs. In all the nondefense programs, we will have to make at least $7 billion more in outlay costs, and perhaps even more, in order to balance the budget.

Mr. President, as I said to those who came to us from the accountant's office in the OMB, "You are dealing with figures, and we are dealing with human lives." I wish that all those who find it so easy to recompute and to refigure the dollar sign and the dollars in these programs—those in the OMB and other offices—would come here to a markup session of the Appropriations Committee and would see, in the halls and the surrounding tables where these cuts are being made, the halt, the lame, the blind, the cancer victims, the children, and all the other people whose hopes are being cut down as we cut figures, and then ask the question, "Why would we then permit this kind of unconscionable investment in Federal tax dollars to continue for tobacco subsidy?"

Are we placing more importance on a product that destroys life than we are on a concern to support lives and the needs for nutrition and health? If we are not moved by a humanitarian call to duty in this matter, then, for goodness sake, let us be aware. The health of these people is as important a component of our national security as is our military hardware.

As the distinguished chairman of the Senate Agriculture Committee stated in his opening remarks on this bill, it is time to return to a market-oriented farm system. This is exactly what I am proposing with this amendment. If the market cannot effectively allocate resources for this commodity, why should we expect the Federal Government to do it. It is time this stopped.

It is time we got the Government off the back of the enterprise system of this Nation. It is time we reduce regulations and control. It is time we reduce the dependency cycle upon the Federal Government, which started under the philosophy of the New Deal, when it was expressed, "Let the Federal Government take care of the problems. Let the Federal Government provide the subsidy. Let the Federal Government provide the direction. Let the Federal Government provide the support."

It is time we let people stand on their own feet, recognizing the genius of the American public, as we have asked them to do in matters relating to food and nutrition and welfare and education and all the other programs that the Federal Government today is subsidizing, which somehow represents the wrong philosophy for building a new America, a strong America, where people stand on their own.

Let the tobacco farmer stand on his own feet, as we are asking the welfare recipients and the poor and the needy and the minorities and all the others in America because we are prone to cut the programs upon which they depend.

I suggest that many people, including myself, find it unconscionable to allow Americans to go hungry, while supporting an inedible and unhealthy crop like tobacco.

We can no longer substantiate the necessity of continuing this program. Any arguments based on the premise that this deregulation amendment would signal the demise of tobacco production in this country are absolutely erroneous and fallacious. Tobacco is a very lucrative cash crop, able to survive in the private market.

We spend billions to discourage smoking, and yet continue to assist the growing of tobacco. This must end. We let millions of Americans suffer nutritionally while exempting tobacco in the budget-cutting process. This is a grievous oversight.

Mr. President, this amendment has not gone unnoticed by the American Lung Association, the American Cancer Society, the National Taxpayers' Union, the American Medical Association, and millions of Americans looking for fiscal responsibility from its leaders. I certainly hope that it does not go unnoticed by the U.S. Senate.

Mr. President, I ask unanimous consent to have printed in the RECORD various documents in connection with this matter.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

N.C. CENTER FOR PUBLIC POLICY RESEARCH

The North Carolina Center is an independent research and educational institution formed to study state government policies and practices without partisan bias or political intent. Its purpose is to enrich the dialogue between private citizens and public officials, and its constituency is the people of this state. The Center's broad institutional goal is the stimulation of greater interest in public affairs and a better understanding of the profound impact state government has each day on everyone in North Carolina.

A non-profit, non-partisan organization, the Center was formed in 1977 by a diverse group of private citizens "for the purposes of gathering, analyzing and disseminating information concerning North Carolina's institutions of government." It is guided by a self-electing Board of Directors, and has some 600 individual and corporate members across the state. The Center's staff of associate directors, fellows, and interns includes various scholars, students, journalists, and professionals from around the state. Several advisory boards provide members of the staff with expert guidance in specific fields such as education, publications, and fund raising. The Center is forbidden by law from lobbying or otherwise attempting to influence directly the passage of legislation.

Center projects include the issuance of special reports on major policy questions; the publication of a periodic magazine called N.C. Insight; the production of forums, seminars, and television documentaries; the maintenance of a speakers bureau; and the regular participation of members of the staff and the board in public affairs programs around the state. An attempt is made in the various projects undertaken by the Center to synthesize the integrity of scholarly research with the readability of good journalism. Each Center publication represents an effort to amplify conflicting views on the subject under study and to reach conclusions based on a sound rationalization of these competing ideas. Whenever possible, Center publications advance recommendations for changes in governmental policies and practices that would seem, based on our research, to hold promise for the improvement of government service to the people of North Carolina.

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[From the N.C. Insight]

VEGETABLE AND FRUIT CROPS—VIABLE ALTERNATIVES FOR TOBACCO FARMERS

(By Frank Adams)

Hundreds of North Carolina's family farmers are quietly searching for profitable alternatives to tobacco, a crop many of them learned about at the knees of fathers or grandfathers, and a crop which is as much a way of life as a source of income. That way of life and of producing income has changed dramatically in recent decades. Tobacco operations have increased in size, requiring large capital investments. Bulk curing barns and mechanical harvesters are transforming tobacco production from a labor-intensive to a capital-intensive enterprise.

As a result, today fewer farmers than in years past can afford to grow tobacco. In 1972, according to the U.S. Department of Agriculture (USDA), there were about 40,500 flue-cured operations in the major growing regions of Virginia, North Carolina, South Carolina, and Georgia; by 1979 the number had fallen to 29,000 a 28 percent decline in seven years.[1]

The director of the N.C. Agricultural Extension Service, T. C. Blalock, sums it up: "Tobacco farmers are either going big and mechanized or they are leasing [their allotments]. . . . Thousands of farmers who used to be full time have now taken a job in industry." This is especially true for tobacco farmers who haven't the capital to invest in mechanized systems, for small allotment-holders who can make more money leasing than growing, and for sharecroppers who have had the allotments they used to grow leased away to large-scale operations.

[1] Grise, Verner N., "Flue-Cured Tobacco Farming: Structural Characteristics, Labor Use, and Mechanization," paper presented at the 29th Tobacco Workers Conference, Lexington, Ky., January 21, 1981, Economics and Statistics Service, USDA.

Farmers with small tobacco operations seem to have three options: (1) they can continue to borrow money and invest in their tobacco operations, hoping to be one of the shrinking number of survivors; (2) they can take an off-farm job (and perhaps grow a little corn, hay, or other pasture crop part-time); or (3) they can try to change to crops other than tobacco and remain on the farm. This article addresses prospects and problems of the third option.

Tobacco farmers have grown accustomed to guaranteed market outlets and sales price levels, both of which are assured through the federal support system. Coping with new crop systems can be a difficult challenge for a tobacco farmer, especially at the marketing end. "Yes, there are alternatives to tobacco," says J. E. Legate, dean of North Carolina State University's School of Agriculture. but he adds, "No other crop for which we have a stable market can provide the per-acre return that is realized from tobacco."

For those who determine agricultural policy in tobacco-belt states, the quest for suitable substitutes to tobacco and a regular market for those substitutes looms large in economic and political importance. Finding ways to keep people on their farms and out of unemployment lines and cities lowers the monetary and social costs of displacement out of tobacco. Keeping people on farms relieves the pressure that industrial recruiters face to provide jobs in rural areas for farmers forced off their land. Most importantly, alternative crops and new market mechanisms can help farmers continue what they want to do and know how to do: farm.

A LACK OF GOVERNMENT SUPPORT

Displaced tobacco farmers cannot make a transition to soybeans, corn, wheat, or some other grain. All these crops require large acreage units for a profit. In 1979, soybeans netted about $72 per acre in North Carolina; wheat, $33; corn, $106; and even fresh market corn, $250. Meanwhile, the state's flue cured tobacco crop brought about $1,200 profit per acre.

Various fruit and vegetable crops, however, are viable alternatives for tobacco farmers. Strawberries, for example, netted over $3,000 an acre in North Carolina in 1979. Trellis tomatoes, peaches, and apples also topped the per acre return of flue-cured tobacco; blueberries, cucumbers, and sweet potatoes weren't far behind. Moreover, all these crops can be grown on small acreage units, similar to the old-style, three-to-five acre tobacco farm.

To switch to these crops, tobacco farmers need a great deal of technical advice and support. They face large, sometimes insurmountable hurdles. Many of them have large investments in modern curing and harvesting equipment; some lack the practical skills needed for growing unfamiliar crops. And the biggest constraint is the lack of a guaranteed market.

If strawberries, trellis tomatoes, apples, and other high-income yielding crops had guaranteed markets and sales prices, many now reluctant farmers might see their way clear to diversifying their operations into vegetables or fruits. In a state like North Carolina, the agricultural support systems are geared to those crops—like tobacco—where federal programs are already functioning, rather than to crops for which backup systems have yet to be developed. Research in Washington and in field stations, farm bulletins and surveys, and extension projects all have the funding and momentum of the tobacco program behind them. Alternative crops do not receive the same research or attention from the government support systems, such as the land-grant universities and the farmer loan agencies, that tobacco gets.

The N.C. Agricultural Extension Service, for example, has assisted in seeking alternative crops for tobacco farmers in only isolated instances. In the western counties, the Extension Service did assist in expanding the trellis tomato industry, which has helped some burley farmers. But it has not mounted any type of intensive effort to help tobacco farmers throughout the state adapt their operations to other crops. Its research efforts have also been limited. In 1978, when the Governor's office expressed concern regarding possible modification or loss of the tobacco program, the state extension office at North Carolina State University made a study of alternative gross farm incomes that might be generated in case of some catastrophic drop in tobacco income. The study put far greater hopes in beef cattle, poultry, swine, dairying, and horticulture than in a minor category called agronomy (new crops).[2] In addition, any initiatives toward finding new ways to adapt tobacco farms to fruit and vegetable operations do not appear likely. "We have not done any overall study since that report," says Extension Director [illegible]lock.

The experiences of [illegible]hil Wood, a tobacco farmer in Fuquay-Varina, N.C., illustrate another limitation of government support for alternatives to tobacco. In 1980, Wood grew 55 acres of flue-cured tobacco, but even a farm that big wasn't enough. "Expenses were so high that I had to start borrowing for the winter," Wood says. "I just broke even, didn't make a thing." For the 1981 season, Wood wanted to grow 20 acres of peppers and 40 acres of cotton, but he ran into another kind of money problem. Farmers borrow large sums each year to get their crop in the ground, and Wood went to the usual lending source, Production Credit Association. But

[2] Letter from T. C. Blalock, director of the Agricultural Extension Service, to W. D. Lewis, agricultural policy advisor to North Carolina Governor James Hunt, July 7, 1978, which said, in part:

"In view of the apprehension from the Governor's office regarding the possible modification or loss of the tobacco support program, I have asked our commodity-oriented departments to estimate the additional annual gross cash farm income that might be generated through accelerated efforts on the part of producers and processors working with the Agricultural Extension Service if a substantial drop in tobacco income were to occur. A summary of these estimates is attached. . . .

| Commodity category | Present estimated annual gross farm income | Future estimated annual gross farm income |
|---|---|---|
| Christmas trees | $5,400,000 | $21,000,000 |
| Beef cattle | 94,600,000 | 253,900,000 |
| Horses | 110,000,000 | 300,000,000 |
| Dairying | 171,130,000 | 214,378,932 |
| Horticulture | 246,200,000 | 432,900,000 |
| Poultry | 606,205,000 | 893,471,743 |
| Swine | 314,000,000 | 450,000,000 |
| Agronomy (new crops) | 671,000 | 2,240,000 |

"These estimates are not considered additive because they were developed independently and do not reflect competition for the same resources of production. However, if all this expansion could occur under the most favorable circumstances, even so we could not replace all the income normally resulting from tobacco production. This optimistic pattern of increased production of alternatives to tobacco would require about as much land as is required for tobacco. Depending upon the degree of mechanization adopted, the alternatives to tobacco could require almost as much labor as for tobacco. Some of these enterprises would require substantial amounts of investment capital."

Production Credit, which was willing to lend Wood money to grow tobacco, would not take a risk on peppers or cotton. "I'm in a trap right now," Wood said in January, 1981, still deciding what to plant in the spring. "Production Credit won't loan me money so I can diversify and Farmers Home [Association] won't loan me any money unless Production Credit refuses [to give] me [money]." Since Production Credit is willing to loan Wood money for tobacco, he's stuck. "I can't diversify now because funds aren't available to me."

HOW TO SURVIVE THE CONSTRAINTS TO SWITCHING

In Wadesboro, N.C., a private, nonprofit research farm is working to provide models for small farmers to continue living and working on the land. A project of the 45-year-old National Sharecroppers Fund, the Frank Porter Graham Center has been training small farmers and conducting crop and livestock experimentation for almost 10 years. The bottom line for any commodity tested at the Graham Center is profits; the central concern is what the net income yield per acre will be. The farm's staff also examine closely possible constraints farmers face in growing particular crops, especially on three-to-five acre operations—the size of a small tobacco farm. The Graham Center has found that most of the crops listed on page 19 can be grown profitably on a small farm operation. Moreover, few carry with them technical or investment problems that cannot be overcome. Some possible constraints and ways to overcome them are:

Irrigation.—Vegetables and berry crops require more water than tobacco, and irrigation would be necessary during especially dry years. Graham Center staff member Mark Epp says the cost of an irrigation system is not insurmountable to small farmers. An irrigation system for a 10-to-15 acre vegetable operation can be installed for $10,000–$15,000 by using a pond dug on the farm, says Epp. And the Farmers Home Administration will loan money for irrigation systems. "Though it's expensive, it's no more expensive than a lot of machinery and energy used in grains and tobacco," Epp explains.

Start-up time.—Farmers interested in orchards as a livelihood are often deterred by the long wait for fruit trees to mature. Peach trees require a three-year start-up time; apple trees need five years before producing the first crop. The Graham Center suggests planting row-crops, such as sweet potatoes, sorghum cane, peanuts, or watermelons between the rows of young trees while they are maturing, thus alleviating an income dormancy during this period.

Machinery and Labor.—Many tobacco farmers have sizable investments in curing barns and other equipment associated exclusively with tobacco, and they naturally fear the loss of their investments if they switch to alternate crops. In addition, one initial reason for purchasing tobacco production technology was probably the farmer's difficulty in finding and affording seasonal labor. So, another obstacle to growing crops other than tobacco is the farmer's fear of a renewed, increased need for hand labor.

Farmers who own one-row planting and tilling equipment require little capital investment when starting alternative crop farming, aside from irrigation costs already mentioned. The tobacco transplanter can be used to set out sweet potatoes or tomato plants, and bulk barns might be used for sweet potato curing or peanut drying. Farmers might have to sell automatic tobacco harvesters since only one-row machinery transfers to vegetable crops, but many smaller tobacco farmers have not yet invested in that costly piece of machinery.

Labor used to produce flue-cured tobacco averaged about 172 hours per acre in 1979, with over two-thirds of that labor used to harvest and prepare the tobacco for market, according to the USDA. Most crops studied at the Graham Center to date require a similar amount of labor for production and harvest. If some alternate crops do require more hand labor than tobacco, the savings in capital costs and fuel bills may soften that particular blow.

Energy—Tobacco is an energy-intensive crop, particularly as the harvest and curing becomes more mechanized. Flue-cured tobacco accounts for over 60 percent of North Carolina's energy uses in agriculture. Approximately 316 gallons of fuel are needed on an average acre.[3] Nationally, tobacco grows on only 0.03 percent of the available cropland but consumes only 15 percent less energy than what is used to raise all the vegetables in the United States. Many farm chemicals are oil-based, and one USDA study found a higher percentage of tobacco acres sprayed with insecticides than any other major crop.[4] Alternative crops tested at the Graham Center pose no greater pest or disease threat than tobacco and historically have required less fuel and oil-based chemicals.

Soil and climate—There is nothing unique about the soil which supports the successful growth of tobacco. It can be raised on a great variety of soils in all climates from southern Canada to tropical areas. Tobacco production was frozen in its present location by the federal tobacco program enacted in 1933. Most crops tested at the Graham Center would grow well in all the major tobacco belts.

In sum, then, other than the cost of irrigation for berries and some vegetable crops, changing over to any of the alternatives as profitable as tobacco does not present multiple hurdles. None would require additional machinery or labor; dependency on fuel and pesticides would probably decrease for tobacco farmers who switch; and soil and climate conditions offer no obstacles. But alternative crops grown widely would require a dependable and accessible market, plus additional organizational means for distribution.

MARKETING—THE BIGGEST DETERRENT

The key deterrent to tobacco farmers interested in growing alternative crops is the lack of a stable market and distribution system. Only tobacco has a guaranteed market. Warehouses are located in dozens of hamlets, and, due to the support price and quota system, tobacco prices do not fluctuate according to supply and demand. Prices for many other crops do fluctuate, rendering growers' incomes uncertain from year to year.

It is ironic that North Carolina, with its bountiful fields and many miles of as yet undeveloped land, imports more than three-fourths of the vegetables its residents consume. In the central Piedmont alone, there are more than two million consumers who, conceivably, could buy local produce if farmers chose to grow it and if it were made accessible. But because of established marketing and distribution systems, getting large quantities of locally grown vegetables into consumers' grocery bags is no easy enterprise.

If enough vegetable-farmers pool their individual harvests into an adequate quantity, it is possible to make the links to establish bulk buyers—jobbers, wholesalers, and processors—who sell in large population centers and through supermarket chains. One such cooperative effort underway may handily serve Piedmont vegetable growers someday, and, if successful, will serve as a much needed marketing model for farmers in other areas.

In the Piedmont, where small-size tobacco operations are steadily dwindling in number, a group of farmers has been working to establish the Piedmont Vegetable Marketing Cooperative, Inc. The Co-op has its roots among a small group of Chatham County farmers who quickly discovered that a key step toward obtaining start-up capital from traditional lending institutions is a USDA feasibility study. The USDA ascertains the need for a marketing co-op, ensures that a sufficient number of farmers wish to take part, and finds the probable buyers for the co-op's supply of produce. In 1978, the farmers wrote USDA requesting the feasibility study, which USDA does for free. Two USDA agricultural economists surveyed 131 farmers in six Piedmont counties to learn about their current crop production and their interest in a vegetable co-op warehouse in their area. During this time, the North Carolina Land Trustees, a nonprofit group based in Durham, was providing technical assistance to the Co-op and holding meetings in the six counties to generate interest in the idea.

The economists found that 66 percent of those surveyed farmed full time, raising tobacco, soybeans, hogs, beef, and vegetables. They planted a total of 815 acres in vegetables, an average of about six acres each. (See table for a description of the types of vegetables grown and their yields). Twenty-two farmers sold their vegetables on consignment, and four sold on contract. Fifteen relied on door-to-door sales. The economists multiplied the farmers' reported yields by the 1978 N.C. average seasonal price and determined their total gross revenue was $858,857.97 (see table). Nearly to a man, the 131 farmers told the economists that if a market were established, they would be willing to expand their vegetable production.

The feasibility study sought to determine the demand for home-grown produce, the prices farmers could expect, the location of the markets, and any requisite quality standards. In gathering data the USDA contacted packing sheds, wholesale shippers, processors, retailers, and a few consumer food cooperatives. Each operation was questioned about grading and packing preferences, minimum volume requirements, contractual arrangements, and pricing patterns. The USDA report suggested three marketing strategies for the Piedmont vegetable growers: 1) that the farmers form a cooperative based initially on sweet potatoes, cucumbers, and green peppers; 2) that the co-op find a warehouse where produce could be assembled, cleaned, graded, and packed on a large-scale basis; and 3) that the co-op hire a full-time manager.

With this blueprint in mind, the fledgling Piedmont Co-op set out to gather the membership and raise the equity necessary to lease warehouse space, to furnish it with loading docks and refrigerated storage, and to hire a manager. On July 15, 1980, farmers from six Piedmont counties voted to create a co-op for shipping green peas, cucumbers, summer squash, okra, and sweet potatoes to local markets and to Washington and Baltimore. In September, the Co-op formally organized and incorporated itself with about 50 members. Next came the critical step: generating the start-up capital.

[3] "1979 Tobacco Information," North Carolina State University Extension Service, p. 62.

[4] "Agriculture and Energy," edited by William Lockeretz, Academic Press, 1977, p. 704.

USDA FEASIBILITY SURVEY RESULTS FOR GROWERS IN 6 PIEDMONT COUNTIES

| Crop (unit) | Acres harvested | Yield per acre | Price per unit | Total yield | Total revenue |
|---|---|---|---|---|---|
| Cabbage (pounds) | 36.65 | 18,000 | $0.08 | 659,700 | $52,776.00 |
| Cucumbers (bushels) | 155.40 | 188 | 3.07 | 29,215 | 89,690.64 |
| Okra (pounds) | 15.20 | 9,800 | .20 | 148,960 | 29,792.00 |
| Peppers (bushels) | 57.50 | 338 | 6.09 | 19,435 | 118,359.15 |
| Pole beans (bushels) | 29.90 | 225 | 6.00 | 6,728 | 40,365.00 |
| Snap beans (pounds) | 37.15 | 3,000 | .07 | 111,450 | 7,801.50 |
| Summer squash (bushels) | 23.50 | 225 | 7.00 | 5,288 | 37,012.50 |
| Sweet corn (crates) | 135.45 | 187 | 3.50 | 29,329 | 88,652.03 |
| Sweet potatoes (bushels) | 86.20 | 337 | 3.50 | 29,049 | 101,672.90 |
| White potatoes (pounds) | 25.30 | 15,000 | .11 | 379,500 | 41,745.00 |
| Tomatoes (pounds) | 30.80 | 22,500 | .15 | 693,000 | 103,950.00 |
| Watermelons (pounds) | 64.95 | 16,875 | .04 | 1,096,031 | 43,841.25 |
| Cantaloupes (pounds) | 68.80 | 6,000 | .25 | 412,800 | 103,200.00 |
| Total [1] | 766.80 | | | | 858,857.97 |

[1] The figure for total acres harvested does not take into account that growers allocated 48.2 acres to the production of crops such as grapes, peas, collards, etc. The total acreage of all vegetables harvested thus becomes 815 acres.

Source: Preliminary Report, U.S. Department of Agriculture Economics, Statistics, and Cooperative Service, Washington, D.C. 20250. "Vegetable Growers Cooperative, Piedmont Area of North Carolina," n.d.

To be a member, a farmer has to buy one share in the Co-op ($30). The feasibility study indicated that at least 650 acres of produce were needed as commitment from members before the Co-op's success could be assured. Lending institutions look closely at the portion of start-up capital invested by the Co-op members. The Co-op board decided that for the project to be on solid footing, the members would have to contribute 30 to 50 percent of the start-up capital needed. Depending upon inflation, grant applications, and other factors, the board thinks each member might have to invest up to $300 per acre for each acre of vegetables he plans to sell through the warehouse. If this equity could be raised from members, the rest of the financing necessary—some $150,000 to $200,000—could be secured more easily than if adequate member equity is lacking.

While farmers can sometimes get low interest loans from Production Credit or Farmers Home Administration for investing in a co-op, making such an investment commitment has been difficult for many farmers, especially after a poor 1980 crop. Consequently, the Co-op did not reach its goal of a 650-acre commitment from members in time for the 1981 season. "It's a chicken and egg problem," says Arnie Katz, a Land Trustees staff member who works with the Co-op. "There's no doubt several hundred farmers would join in a year once they saw it going." Katz has talked to many tobacco farmers who either want to diversify or leave tobacco altogether. An uncertain market remains a severe initial deterrent. The Piedmont Co-op's board of directors is continuing efforts to build interest—and equity—in their venture, and will coordinate a smaller, pilot operation during the 1981 marketing season.

CONCLUSION

These private endeavors to rearrange economic relations on a small scale provide policymakers with valuable practical examples of how new economic institutions can be forged for the benefit of family farmers. The Graham Center's work reaffirms the viability of small farms; the efforts of farmers to establish their own marketing mechanism show that the will to continue their traditional way of making a living is as strong as ever. The problems enterprising small farmers face—and their reluctance to put their money and efforts into new ventures before they see some strong assurance of success—should point the way toward redirected government efforts as well, both in the administration of state-level agriculture programs and at the land-grant university centers such as North Carolina State University. Meaningful policies could result from public discussion about why family farmers are searching for alternatives to tobacco. Solid research and technical assistance is needed on ways to improve marketing and distribution systems for small farmers' potentially valuable contribution: food crops.

Tobacco farmers generally have had an edge over other kinds of farmers for many years because of their guaranteed market and support program. But small operators lack the capital to keep up with intensive mechanization trends. Tobacco farmers have to find new ways to survive on the land or join the hundreds of thousands who must search for non-farm employment. Tobacco farmers who wish to grow alternative crops, such as vegetables, have some advantages from the start: much of their equipment will transfer to their revamped operations; in most cases, they will save on energy costs; many of the alternative crops could provide them even better profits than does tobacco; and they can stay on the farm. In marketing their produce, though, they will need assistance, and that is the challenge that private and public interests must meet, cooperatively.

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CONSEQUENCES OF ELIMINATING THE TOBACCO PROGRAM

If the current tobacco program were abolished and no government provisions were adopted to replace it, the following consequences could be expected:

(1) Total production would likely fluctuate from year to year but might increase moderately over the long run. Current producers who have been willing to pay substantial quota rents have, in effect, signaled a willingness to expand output. Also, farmers who previously were not allowed to produce because they did not own land with a quota would have freedom to try to produce tobacco.

(2) Leaf prices might generally drop by an amount equal to the average lease cost per pound now paid for quota. In addition, prices would likely be very unstable because of variations in production and the lack of assurance of minimum prices.

(3) The resale value of many farms now having quotas attached to the land would drop drastically. By rendering the quota worthless, the equity position of current allotment holders would be impaired unless there were some program to compensate for the loss of quota value.

(4) Income would be reduced for persons who have typically received rental income from tobacco quotas.

(5) Some geographical shift in production to more efficient areas would occur.

(6) The reduction in the number of farms would be accelerated. The smaller number of farmers who continue tobacco production might expand and mechanize their individual operations, since they would be no longer constrained by quotas. One factor which might slightly limit the degree of enlargement and consolidation of tobacco farms would be the increase in risk perceived from loss of the program. Other farmers might shift from tobacco to less labor-intensive enterprises by attempting to consolidate farms into larger acreages in order to earn a comparable income.

(7) With no program, the government would have no obligation to advance loan funds or to absorb losses on price support operations.

(8) The volume of U.S. exports could increase modestly with lower prices.

(9) Reduced tobacco prices at the farm level might result in a small decrease in consumer price for tobacco products. But the farm value of leaf is only eight percent of the average retail cost of a pack of cigarettes. A one-third reduction in farm price of raw tobacco would be required to reduce cigarette costs by one cent per pack. The level of cigarette taxes is a greater determinant of consumer costs than farm-level tobacco prices.

(10) Dropping government production controls and price supports would not within itself induce less smoking even though it is the smoking-and-health controversy that has prompted much of the discussion about less government involvement in the farm program for tobacco.

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AMERICAN LUNG ASSOCIATION,
*Washington, D.C., September 11, 1981.*

DEAR SENATOR: The American Lung Association urges you to support the tobacco deregulation amendment that is being offered in the next few days by Senator Hatfield to the Omnibus Farm Bill. This amendment, number 524, would effectively remove federal participation in tobacco support activities and is also in bill form, S. 1515—the Tobacco Deregulation Act of 1981.

Our voluntary health association, which represents citizens concerned with the prevention of lung disease, believes that the action proposed by Senator Hatfield is long overdue. In May, the ALA Board of Directors unanimously reaffirmed its long-standing opposition to continuation of the federal subsidy for tobacco. The Board stated that there should be no tax subsidy for any phase of the tobacco industry and that it is totally inconsistent for one government agency to support the growth and manufacture of tobacco while other government agencies or programs pay for the deleterious health effects sustained by the smoker. While there may be justification for a gradual phaseout and assistance toward a change in crops grown by the tobacco farmer, federal government expenditures should be directed toward curtailing rather than maintaining the growth and production of tobacco.

Volunteers from all walks of life have written to ask why tobacco subsidies continue to enjoy immunity when other federal programs are being cut. They also want to know why federal excise taxes for cigarettes have not been raised since 1951 despite acute need for additional tax revenues. The Senate can provide a positive answer to these questions by adopting the Hatfield amendment.

Thank you for your interest.

Sincerely,

JAMES A. SWOMLEY,
*Managing Director.*

AMERICAN LUNG ASSOCIATION,
*New York, N.Y., August 12, 1981.*

Hon. MARK O. HATFIELD,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR HATFIELD: We wish to congratulate you on your introduction of S. 1515. Our organization believes that this may be a propitious time for such legislation to be considered.

In 1976, the Board of Directors of the American Lung Association went on record in opposition to continuation of the federal subsidy for tobacco, acknowledging that assistance to the tobacco farmer might be necessary in a gradual phase out of the subsidy. In May 1981, ALA reaffirmed its policy in opposition to the subsidy.

A large proportion of ALA's resources is devoted to helping people realize the health consequences of smoking and to helping them do something about it of their own volition. Our most recent effort, developed at considerable expense to our organization, is the enclosed self help program for persons who are trying to "kick the habit".

Mr. Robert Weymuller is director of the ALA Government Relations Office at 1629 K Street, N.W., Suite 401, Washington, D.C. 20006. He can be reached at 659-4940. Mr. Weymuller will be happy to work with your staff in any way possible in obtaining support for S. 1515 from lung associations.

Sincerely,

EDMUND C. CASEY, M.D.,
*President.*

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AMERICAN CANCER SOCIETY, INC.,
*New York, N.Y., September 9, 1981.*

Hon. MARK O. HATFIELD,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR HATFIELD: The American Cancer Society supports the thrust of H.R. 3998, the Tobacco Deregulation Act of 1981, and is watching with interest the progress this bill makes.

We commend you for your foresight and initiative in introducing this important measure.

The Society has devoted its substance over the years exclusively to health measures and as a matter of policy does not analyze taxation legislation.

Regarding deregulation, there is every reason to believe that your measure arrives at a most propitious time. Our view of the mood of the Nation and the Nation's elected officials is that the time has come for definitive action in the area your bill addresses.

We think that some such legislation will pass in the foreseeable future.

In 1979, the American Cancer Society Board of Directors resolved, in part, "Continued Government support of tobacco cultivation poses a serious moral dilemma, especially in view of the commendable increases of anti-smoking activity proposed in the President's budget." The American Cancer Society will continue to advocate the gradual phasing out of tobacco production, seeking maximum protection for the economic interests of the farmers.

One thing which might improve the chances of enactment of H.R. 3998 is amending it to soften its immediate economic impact at the producer level.

I am sure that you will receive many responses and comments on your proposals and that you will be giving attention to many points of view as the bill moves through legislative channels. The American Cancer Society is looking forward to hearing from you as legislative developments occur.

Sincerely yours,

JOSEPH D. YOUNG,
*Co-Chairman, Public Issues Committee.*

[From the Des Moines Register, Aug. 24, 1981]

TOBACCO PROGRAM HAS COST $600 MILLION, STUDIES FIND

(By George Anthan)

WASHINGTON, D.C.—The federal government's controversial tobacco program, which has been defended as being virtually cost-free, has cost American taxpayers $600 million to $850 million and promises to cost millions more over the next few years.

Studies by officials of the U.S. Department of Agriculture's Commodity Credit Crop., the agency that funnels the federal money to tobacco producers, indicate that since the mid-1950s the program has cost the government almost $600 million. The entire cost of the program dating back to the early 1930s may be as high as $850 million, although this is an estimate because records date back only to about 1953.

At the same time, the USDA officially lists the total cost of the tobacco program since 1933, the year of its inception, as $56.7 million.

This figure ignores the cost of interest that the CCC pays the U.S. Treasury for money it borrows to lend to commodity producers.

LOWER RATE

Much of this interest has been lost because the CCC has charged producers a lower rate than it has had to pay. Also, in selling the tobacco it gets as part of its price support program, the CCC seldom recovers interest cost.

For example, the CCC late in 1979 and early in 1980 sold some tobacco from its stocks, and reported that the government had just about broken even on the deal, recovering most of its costs. However, if the cost of interest had been included, those sales would have shown a loss of $11.6 million.

Some USDA analysts have reported privately that the program could cost up to another $1 billion through 1985.

No matter how the cost of the tobacco program is figured, it still represents only a small percentage of the federal government's total outlays for support of agricultural commodities.

The big farm price support programs—wheat, corn, rice and cotton—annually account for expenditures of billions of dollars. The CCC officially disregards the cost of interest in reporting the net cost of these programs to the taxpayers, too.

THE DEBATE

However, the cost of these major farm support programs seldom has figured in the debate on whether they should be continued. There has been wide and bipartisan agreement over the last quarter-century that the United States must promote adequate production of basic supplies of food and fiber commodities considered essential to the nation's well being and even its survival.

Tobacco has become increasingly more controversial, especially since 1974 when the surgeon general officially linked cigarette smoking with health problems. Opponents of the government's tobacco subsidy program consistently have pointed to the fact that some federal agencies spend money to discourage tobacco use while others help finance its production.

However, influential members of Congress from tobacco-producing states and most secretaries of agriculture in recent decades have based much of their pro-tobacco arguments on the USDA's statistics showing the program costs relatively little.

LOBBYING

Earlier this year, when Reagan administration budget-cutters began indicating that there might be some cutbacks in the tobacco program, officials at Tobacco Inc., a Washington industry lobbying organization, noted that the program had lost only a total of about $50 million in 47 years and that in recent years it had broken even.

Agriculture Secretary John Block, an Illinois farmer, has used these figures to defend the tobacco program, but he also has raised serious questions about continuing the program in its present form, and quietly has been in favor of modifications that would greatly reduce the CCC's costs.

The tobacco program this year faces perhaps its most severe challenge, and the expected congressional battle over its continued existence even threatens to delay passage of the multibillion-dollar, four-year farm bill.

This is because some Southern legislators, including Senator Jesse Helms (Rep., N.C.), chairman of the Senate Agriculture Committee, have issued veiled threats that if there is even minor tampering with the tobacco program, the entire farm bill will be withdrawn from consideration by the full Senate and allowed to languish in his committee.

Actually, Helms himself has become a key issue in the tobacco controversy, with some of his political opponents in Congress focusing on moves against the support program as a way of retaliating against Helms for his conservative attacks on various social programs.

BACKLASH

The possibility of an anti-Helms backlash against tobacco has been raised by the Raleigh (N.C.) News and Observer, which recently quoted Representative Fred Richmond (Dem., N.Y.), chairman of the House nutrition subcommittee, as saying, "Helms has been so vicious and unbending toward social programs, and he has so antagonized members of Congress that they want to get back at him through the tobacco program." Richmond added, "Helms is the worst liability you have in the state of North Carolina."

The federal tobacco program is designed to provide a system for maintaining minimum prices through production controls and through government loans. The supply of domestic tobacco is controlled through marketing quotas, issued at the beginning of each year by the USDA. Each tobacco farmer is given a production allotment, and he can't exceed the limit. However, these allotments are handed out annually not only to actual producers, but to those who produced tobacco in the past and since have gotten out of the business.

Since farmers can't expand their production without additional allotments, these are considered valuable, and can be rented by non-producing holders to actual tobacco farmers.

The renting of these federal tobacco allotments has become big business in the Southeast, with total fees being paid by producers to non-farm holders last year totaling almost $280 million. Among the holders of these federal permits to grow tobacco is Dorothy Helms, wife of the senator.

Under the loan portion of the government's tobacco support program, the CCC lends money to producers, then takes the commodity as collateral. Eventually, this collateral tobacco is sold at auction, the CCC is reimbursed for its loan advances and any profits are distributed to farmers.

Supporters of the program have emphasized that it has been largely responsible for helping thousands of small Southeastern farmers stay on their land because the income from only a few acres of tobacco is enough to maintain a family.

USDA officials, including Block, have noted that abolishing the program would result in shifting most tobacco production from small

farms to much bigger operations. Block said studies indicate that the price of tobacco actually would fall without a federal support program and that the resulting cheaper cigarettes might promote more smoking. Also, he has acknowledged that the industry annually provides billions of dollars in tax payments to the state and federal governments, and that tobacco exports earn hundreds of millions of dollars in much-needed foreign exchange.

But several senators, including some Republicans, are pushing various bills that would modify the program by restricting tobacco allotments to actual producers and gradually reduce the federal price support level, making it less expensive and allowing American tobacco to be more competitive in world markets. This approach is supported by Block.

ABOLISH

Some other senators, including Republican Mark Hatfield of Oregon and Democrat Howard Metzenbaum of Ohio, are backing legislation that would abolish the program.

Helms and Senator John East (Rep., N.C.) have responded with a pointed letter to their colleagues. Destruction of the tobacco program, they stated, "would create chaos in a farming sector where stability has prevailed." They added, "The issue is really much broader than tobacco.... It goes to the heart of all commodity programs in your state as well."

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[From the Washington Post, Apr. 3, 1980]

PRICE SUPPORT FOR TOBACCO FEEDS SACRED SENATE COW

(By Helen Dewar)

It bowed at the altar of austerity, but the Senate Budget Committee drew the line yesterday at sacrificing sacred cows.

High priest of the ceremony was Sen. Ernest F. Hollings (D-S.C.), whose zeal for domestic spending restraint, formidable as it may be, suddenly faded when it was suggested that tobacco price supports be scrapped in the cause of fighting inflation.

Eliminating the $200 million the government pays annually in tobacco price supports would "destroy the agricultural backbone of 16 states," claimed Hollings, who is up for reelection this year in one of them.

"The tobacco industry," he said with some passion, "is supporting the government."

Hollings' problem—and the committee's—started Tuesday when, largely at his behest, the senators voted to raise defense spending $5.8 billion more than President Carter has requested.

Then the committee added an extra $300 million for water projects, at the behest of various western senators, many of whom are counted among the committee's leading budget-cutters on other issues.

These two actions jeopardized Chairman Edmund S. Muskie's plan to balance the budget—even have a little surplus for the first time in 12 years—and still have some money left over for a tax cut next fiscal year.

As the committee worked late into last night, it began cutting into social programs, deepening Muskie's recommended cuts by $200 million for urban grants, $600 million for public-service jobs and $550 million for various income security programs. It also approved annual, rather than semi-annual, cost-of-living increases for federal retirees, which would save $500 million.

The committee also agreed to cut the $836 million Postal Service subsidy by $600 million, which could end Saturday mail delivery.

Tuesday's ride on the budget seesaw—upping the totals for defense and some projects—gave Muskie a jolt. At one point, he boiled over at Sen. Orrin Hatch (R-Utah), who very much likes to think of himself as a fiscal conservative, but is also prodefense.

Hatch accused Muskie's staff of incompetence in producing misleading charts on his relative strength of NATO and Warsaw Pact preparedness, and Muskie responded that Hatch was expressing a "paranoid, conspiratorial view." A committee staffer said the other members "just sat there and ducked."

By the time senators regrouped yesterday, Sen. Howard Metzenbaum (D-Ohio) sensed that it was going to be another pet-project day. So he facetiously proposed an increase in funds for urban parks, which is one of his pet projects, so he could demonstrate self-restraint by voting against the increase. The committee obliged by voting against the urban park money, prompting Metzenbaum to "thank the committee for [its] confidence."

With that out of the way, the committee got down to the business of scrutinizing money for environmental protection, a pet cause of Muskie.

At this point, Hollings pounced on $6 billion in unobligated grants for water cleanup projects as a worthy target for cuts—an idea that Muskie called "ridiculous" and "nuts."

Sen. Daniel P. Moynihan (D-N.Y.) chimed in, admonishing the committee to be "a little more mature" in carrying out its anti-pollution commitments.

Hollings complained that he was tired of being called "immature or nuts or ridiculous" for trying to hold the line on spending without jeopardizing national defense.

Muskie responded that Hollings was "dumping responsibility" on him to make up for the Pentagon budget overrun. "As he pursues his [causes], I pursue mine," said Muskie, insisting that he yields to no one in pushing for spending restraint.

Minutes after the committee rejected Hollings' proposed cutbacks in water and sewer grants, he found the budget battle erupting in his own backyard as Sen. Henry Bellmon (R-Okla.), later joined by Sen. Gary Hart (D-Colo.) and Metzenbaum, proposed terminating tobacco price supports.

Bellmon complained that the government was fighting lung cancer with one hand while encouraging tobacco production with the other. Hollings responded that "there was no conclusive proof" that the two are related.

What is important, he said, is that "146,000 small farms" depend on price supports to encourage production that returns much more to the government in taxes and other revenues than it takes out in subsidies. Price supports for farmers are preferable, he added, to having to "send them food stamps or build them an urban park."

Why, Hollings asserted, there is even talk around Congress of banning tobacco and legalizing marijuana. If there are any price supports for growing marijuana, Bellmon deadpanned, he would move to scrap them too.

Hollings eventually prevailed in a 5-to-9 vote against Bellmon's no-supports proposal, which Muskie quietly supported.

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[From The Washington Post, Apr. 18, 1981]

TOBACCO ALLOTMENT CLUB FEELING THE HEAT OF SUBSIDY OPPONENTS

(By Ward Sinclair)

Question from a smoke-filled room:

What does Dorothy Helms, the wife of the U.S. senator, have in common with Duke University, the North Carolina National Bank, the Roman Catholic diocese of Raleigh, Christ Unlimited of Apex, the Goodhope Baptist Church and the Southall Swim Club?

The answer is that they have a tobacco habit, of sorts.

They, along with thousands of other nonfarmers and institutions in North Carolina, have a vital financial stake in the federal tobacco price support program, the most controversial chunk of U.S. farm policy.

By inheritance, purchase or gift, they hold allotments—exclusive permits, in effect, granted in the 1930s to growers then—that allow them to grow tobacco and receive federal price supports. Or, as is increasingly the case in North Carolina, they rent their federally bestowed allotments to farmers who then grow the tobacco that is the main component of cigarettes.

The allotment, by most definitions, is a subsidy. Using U.S. Department of Agriculture production and price averages, one may calculate that farmers in the flue-cured tobacco belt of the Southeast last year paid allotment owners $279 million for the privilege of growing tobacco on their allotments.

The $279 million figured in the price of raw tobacco, the price of cigarettes and the cost of Uncle Sam's support program, which was set up in the 1930s to bolster farmers' incomes and regulate supply. The rental fees add to the farmers' production costs, which in turn pushes up the federal price support, which in turn pushes up market prices and which, most industry experts agree, is forcing the federal government deeper into hock as buyers turn to cheaper imported tobacco.

Again this year, as Congress considers a new farm bill and the Reagan administration presses its war against subsidies, tobacco is controversial—so much so that Mrs. Helms' husband, Senate Agriculture Committee Chairman Jesse A. Helms, is handing out information kits to callers who are confused about the federal subsidy to tobacco.

In his speeches and in his kit, Helms assures there is no federal tobacco subsidy and that of all the farm-support programs, tobacco comes closer to paying its own way and produces more tax revenue than any other major commodity.

That, however, is only part of the story.

Even though tobacco will not be a part of the 1981 farm bill (thanks to the power of past southern legislators, it has its own authorizing legislation), it is once more in the spotlight, and there are signs that the program may be in more trouble than its most zealous supporters realize.

The flap over the links between smoking and health continues, but there are new elements in the debate this year. Government stocks of tobacco are growing, with added costs to taxpayers. Cheaper imports are flooding into the country. Farmers, particularly in North Carolina, are openly questioning the system that adds to their costs and gives allotment holders a windfall. Burley tobacco, the milder type grown principally in Kentucky, is not experiencing problems of oversupply.

Despite their avowed animosity toward farm subsidy and their promotion of "free market" agriculture, Reagan and Agriculture Secretary John R. Block have carefully avoided singling out tobacco for reform. Block's view is that with the farm bill and other policy issues, the administration is dealing with all that it can handle for now.

But within the industry, there are growing signs that without some prompt and major changes tobacco is headed for hard times—increasing resistance on Capitol Hill to the support system and unacceptable new costs to the government.

Recent editorials and articles in The Flue-Cured Tobacco Farmer, a growers' publication in North Carolina, suggest that many of the state's quarter-million leaf producers are in near-revolt against the allotment leasing procedures that force up their costs.

"The benefits of the support program appear to be migrating largely into the bank accounts of the non-producing quota [allotment] owners, with you, the actual producer, profiting at approximately the level you could be expected to without any program at all," editor Chris Bickers wrote last month.

Various studies by industry officials and agriculture academicians concur. In a January speech to tobacco workers, USDA economist Robert H. Miller warned of major troubles ahead for the industry, attributing a large part of the problem to leasing costs.

Joseph A. Kinney, a tobacco expert at the National Governors Association, echoes three views: "Tobacco is a vital agricultural commodity in the southeastern United States. The original goal of the program was to keep the family on the farm and to keep supply in line with demand. People who represent growers at all levels of government should be concerned that the program is consistent with original goals and, if it is not, then we should reevaluate it."

Although it has avoided a sticky confrontation with tobacco-state legislators, the Reagan administration is on record against the allotment system. In its farm bill, the administration proposes ending peanut allotments, which are almost identical to tobacco allotments. At least 70 percent of peanut-allotment holders rent growing rights to farmers, which, of course, pushes up production costs.

Helms and other peanut-state legislators are not happy with that proposal. They are even less enamored of the idea of tampering with tobacco allotments. The most popular approach they talk about is further regulation of cheaper flue-cured imports, which increasingly go into American cigarettes. Fifteen years ago American cigarettes contained about 11 percent foreign leaf; today it's about 30 percent.

Just before he left office, President Carter, at the urging of North Carolina Gov. James B. Hunt Jr., directed the International Trade Commission to investigate the import situation to determine if the U.S. support program is in danger. Some high-level USDA officials warned against such a probe, saying that import limits might provoke retaliation against other U.S. farm products, but the ITC investigation has gone ahead.

On the other side, largely because of its higher price, American flue-cured tobacco's share of world markets is plummeting. Fifteen years ago, U.S. leaf had 60 percent of the world market; today it has 28 percent.

One result of these dramatic changes is that more and more U.S.-grown flue-cured tobacco goes into the stockpile operated for the government's Commodity Credit Corp. by a grower-owned Flue-Cured Tobacco Stabilization Cooperative based in Raleigh. CCC money, borrowed from the Treasury, provides the support loans received by farmers.

If farmers don't get at least a penny per pound more than the support price at market, their tobacco goes into the Stabilization on loan at the support price. The tobacco is sold later by Stabilization and profits, if any after the loan is repaid, go to the farmer.

Since 1975, the Stabilization's stocks have grown as poorer grades of U.S. tobacco fail to sell. Inventories are now around 600 million pounds, which represent principal, interest and insurance costs to the government of some $981 million—a potentially staggering loss if the tobacco can't be sold. Until recent years, the CCC has done relatively well in getting back its money, a point that Helms and others note repeatedly. Overall losses since the program began in the 1930s have been about $277 million, far less than any other major commodity supported by the government.

Those figures, however, do not reflect another government/taxpayer loss—or subsidy, if you will—to the tobacco interests. According to CCC comptroller Lester W. LeCompte, at least $591 million or as much as $845 million (no one knows for sure) has been lost to the Treasury over the life of the program.

Those amounts are the difference between the rate at which CCC has borrowed money from the United States and the rate at which it has made tobacco loans to farmers, money that will not be recovered. Under a new policy announced last month by Block, that subsidy will end. Farmers now will have to repay their loans at the true cost of CCC money.

"The new policy applies to all commodities, not just tobacco," LeCompte said. "The loan rates will be subject to readjustment on April 1 and Oct. 1, but we have no idea in this office what the change will mean in the way the tobacco program operates."

A growing thought among growers is that more costly government loans will mean higher prices and, in all likelihood, manufacturers turning to more imports and Stabilization stocks mounting. Because more than 80 percent of the flue-cured allotments used by farmers pay rentals that average about $1,000 per acre nationally, the permits are certain to get increasing attention.

The allotments—more than 500,000 of them—are regulated by poundage quotas established in the 1960s to put a rein on production. USDA says the average lease fee paid by farmers is 50 cents a pound.

Computer prints at USDA indicate that Mrs. Helms, for example, has a relatively small quota of 2,599 pounds. At average rates, she could lease her allotment to a farmer for $1,299.50 per year. How does she use it? The senator's aides said they were unaware that Mrs. Helms had an allotment, and the Helmses, on vacation, have been out of reach.

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[From the Chicago Tribune, Mar. 4, 1978]

KICKING TOBACCO

Many critics have noted that the Reagan administration's planned budget cuts conspicuously omitted one indefensible federal subsidy—the tobacco price support program. The program's defenders, chiefly the Tobacco Institute, object to the characterization of the program as a subsidy. It is in fact a loan program, which in its 43 years of existence has cost the Agriculture Department only $54 million in unrepaid loans. The industry has a point: eliminating the few direct subsidies given to tobacco farmers would save little or no money from the 1982 budget. But the tobacco program would deserve abolition even if it were free.

For the record, the program is considerably more expensive than the tobacco industry acknowledges. The cost of defaulted loans is not the only expense incurred by the federal government. Just administering the program cost $13 million in fiscal year 1979, money which naturally would not be needed if there were no loan program to administer. If this were the only cost, the price supports would be too expensive.

But there are other costs as well. To understand them one has to understand how commodity loan programs work. The USDA sets a price support level. If the market price is higher, the farmer sells his product on the market. If the market price is lower, he puts his crop in a government storage silo and takes a loan equivalent to the support price. If the market price rises, he takes the crop out of storage sells it, and repays the loan with interest. If it stays down, he defaults and lets the government keep the crop.

As it happens, the market price has been higher than the support price for most of the time the tobacco program has existed. Consequently farmers can usually sell on the open market and repay any loans needed during periods of low prices. Hence, by the Tobacco Institute's reasoning, there is no subsidy.

But there are actually two subsidies involved in the tobacco program, though only one of them comes out of the federal budget. The first is the low interest rate paid by tobacco farmers on their loans—currently 11.5 per cent, with the prime rate set at 19.5. The expense to the federal government is the difference between what it gets on its commodity loans and what it pays to borrow the money. The subsidy to farmers is the difference between what they pay for USDA loans and what they would pay at a bank.

The second subsidy doesn't come out of the taxpayer's pocket, but it still imposes a burden on the economy. Thanks to the price supports and the acreage restrictions that go along with them, tobacco prices are higher than they otherwise would be. The subsidy here is paid by smokers, who may deserve little sympathy. But the higher prices still serve to enrich tobacco growers.

The federal government's help to the tobacco industry goes well beyond its efforts to prop up prices. It also provides a host of free services that most industries have to pay for. The Agriculture Department grades and inspects tobacco at no charge, though the President reportedly will propose making growers pay fees for these services. It does extensive research that benefits tobacco farmers and cigarette manufacturers. And it sometimes purchases tobacco for Food for Peace, a foreign aid program ostensibly intended to improve nutrition in poor countries. One anti-smoking group, Action on Smoking and Health, estimates that if all the favors were ended, the federal government would save from $60 to $80 million a year.

This help might be excused if the tobacco industry were providing a valuable product that somehow improves the quality of life. But all the tobacco industry does is provide a means for people to endanger their health, at great economic and social expense. If people want to continue buying tobacco, that's their right. But the survival of the industry should not depend on government help.

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[From the Washington Post, May 27, 1981]

PROBE OF TOBACCO IMPORTS THREATENS TO RUN AWAY WITH ITS BACKERS

(By Ward Sinclair)

Two days before he left office, President Carter did a favor for a political friend from North Carolina who was having trouble with the state's Republican senator, Jesse Helms.

At the behest of his pay, Gov. James B. Hunt Jr., and against the advice of trade experts at the Department of Agriculture, Carter asked the International Trade Commission (ITC) to look at the tobacco import situation.

Six months later, the Hunt-Helms byplay has expanded into what no one on Tobacco Road apparently really wanted or counted on—a full-dress review by the ITC of the federal price support program for tobacco.

The ITC probe could tangle the Reagan administration in a sticky flap with nervous U.S. trading partners, who already are whispering of retaliation if the United States curbs tobacco imports.

Back in January, it seemed like a clever bit of political one-upmanship. Helms had been hacking away at Carter, Hunt and then-Sen. Robert Morgan, blaming them for what he regarded as improperly low tariffs placed on tobacco imports by the U.S. Customs Service.

Thus Carter's request for an ITC probe could somewhat dull the edge of Helms' complaints, and allow Democrat Hunt, regarded by many as a challenger to Helms in 1984, to score points with North Carolina tobacco growers disgruntled with imports.

North Carolina is the largest producer of flue-cured tobacco, the principal component of cigarettes. The state's crop produces cash receipts of more than $1 billion yearly.

Helms, now chairman of the Senate Agriculture Committee, has not let up the pressure. He reportedly has reiterated his views on tobacco tariffs to the administration and has left a clear impression that he will closely review names of Treasury appointees who will be in a position to make tariff decisions.

George Dunlop, the senator's chief tobacco adviser, said he has "visited" recently with possible Reagan nominees to head the Customs Service, seeking to push the case for higher duties on foreign leaf.

Key Treasury officials will be the customs commissioner—not yet named—and the as-

sistant secretary for enforcement. The White House choice for that job is New York attorney John M. Walker Jr., a first cousin of Vice President Bush.

Walker's selection was announced May 13 after weeks of delay resulting from questions raised by the National Rifle Association. Walker declined to discuss his nomination, but said no one had ever suggested he should have a predetermined position on the tobacco tariff question.

As this goes on, the ITC is preparing to begin hearings here June 24, as part of its Carter-requested investigation, to determine if imports are impairing the controversial price-support program.

The ITC could hold that there is no harm to the program. Or it could recommend limits on imports, a move that could put the free-trade politics of Reagan to a quick test. The president could support or reject the ITC findings.

The proceedings hold the potential for giving critics of the price-support program a rare chance to spotlight the system of federally backed acreage allotments and market controls they find so objectionable.

Agriculture Secretary John R. Block, in a February letter to Hunt, outlined the peril to tobacco advocates if they continued to push for the ITC investigation, asking if the governor was prepared to bear the possible consequences.

He noted that Helms, too, had supported an ITC probe of imports and had discussed the question "on many occasions" with Reagan.

"Are you confident that public hearings . . . would not result in legislative reaction that would be adverse to the interests of tobacco producers in your and other states?" Block asked Hunt. The governor never responded to Block's letter.

Helms, sensitive to a political ambush, now says he supports the ITC investigation only because his state's farmers, principally the North Carolina Farm Bureau, want it.

Helms and other tobacco-state legislators over the years have successfully thwarted challenges to the support program, although their strength may be waning. A recent effort by Sen. Howard M. Metzenbaum (D-Ohio) to cut federal tobacco outlays drew 42 supporters and could have succeeded with a change in eight votes.

So at a time when the critics seem to be picking up ground, the ITC forum gives them an unusual new opportunity. To determine the impact of imports, the ITC will have to examine closely the price-support program.

The program has had problems for a variety of reasons in the last several years, with increasing amounts of low-grade flue-cured tobacco finding their way into government warehouses because of poor marketability. Increasing government stocks have given rise to a fear that the program soon may find itself in serious economic difficulty.

The quick reaction among growers has been to blame lower-priced imports and tariffs—which Helms and others say are unreasonably low—for their problem.

But others in the industry contend that the problem is the price-support program itself, which automatically pushes up domestic prices and encourages farmers to grow poorer grades of tobacco that cannot compete with the imported leaf.

"The problem is not imports," said an official of the Leaf Exporters Association in Raleigh. "The major problem is that certain U.S. tobacco is overpriced and the quality is deteriorating."

U.S. farmers' costs are increased by a feature of the program that allows nonfarmers to hold tobacco-growing allotments, which they in turn lease to farmers at any average of about 50 cents a pound. Fewer than 20 percent of the allotment holders actually are growers, according to the Department of Agriculture. By some estimates, these lease fees add at least $279 million a year to farmers' production costs—forcing the federal price support to increase and making U.S. leaf less competitive.

Even in that situation, exports help keep the U.S. tobacco farmer afloat. Exports of leaf and cigarettes bring in about $2.5 billion a year; imports cost only $500 million.

"What's happening is that the politicians have miscalculated," said an industry official. "If the ITC vetoes a limit on imports, the administration and farmers are going to have to face up to changes in the support program because its problems are going to be in full public view."

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[From the Washington Post, June 12, 1981]

AMA, IN REVERSAL, URGES HALT TO TOBACCO SUBSIDIES

(By Philip J. Hilts)

CHICAGO.—The American Medical Association passed a resolution today calling for a halt to federal subsidies to the tobacco industry, reversing an AMA policy going back about 15 years.

Delegates representing about 40 percent of the nation's doctors at the AMA's annual convention voted to "support the elimination of the federal price support program for tobacco." The action will pit the strong doctors' lobby in Washington against tobacco subsidies.

Though the AMA has declared smoking a health hazard and refused to accept tobacco advertising in its publications, in the past the association always refused to support an end to tobacco subsidies.

But today the 283 delegates went with a resolution pushed by medical students and young residents. They said smoking is the number one preventable cause of death in the country, costing the lives of 320,000 annually from smoking-related illnesses.

The students found today's vote somewhat contradictory to yesterday's action in which the AMA refused to divest itself of its stock in tobacco companies. AMA has $1.4 million in tobacco stocks out of $113 million in the retirement fund.

Objections to the vote on federal subsidies came from the Kentucky delegation. "The price support has no applicability to smoking," said Dr. Harold Haller of Kentucky. "It's a farm issue. . . . We hate smoking, too. But the AMA has no right to challenge the small farmer." He said the price support program limits the poundage of tobacco a farmer can produce and thus prevents large growers from crowding smaller farmers out of the market.

Ronald Davis, a third-year medical student from Chicago who introduced the resolution in the House of Delegates, said, "This is a significant action, let me tell you. We've tried to pass five resolutions like this in the past 14 years, but each time they've been watered down."

Davis said the price support program costs $60 million to $80 million a year. According to an aide to Sen. Walter H. Huddleston (D-Ky.), the cost is closer to $12 million annually.

In other action, the delegates rejected a committee recommendation supporting stronger federal gun control laws. With little debate, the doctors voted to table the issue indefinitely.

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OREGON LUNG ASSOCIATION, INC.,
*Portland, Oreg., July 27, 1981.*

Hon. MARK HATFIELD,
*Russell Senate Office Building,*
*Washington, D.C.*

DEAR SENATOR HATFIELD: I want you to know how much we at the Oregon Lung Association support your Bill S. 1515.

It is about time a strong stand was taken against this absurd situation where we spend millions of dollars supporting a crop whose economic consequences are disastrous.

Sincerely,

JOE WELLER,
*Regional Director.*

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[From the Eugene (Oreg.) Register-Guard, Aug. 11, 1981]

IT'S HATFIELD VS. THE TOBACCO LOBBY

While one federal agency tries to keep people from smoking, another subsidizes the growing of tobacco. This is not the only contradiction in government policy. But it is one of the most embarrassing.

Oregon's Sen. Mark Hatfield has introduced legislation to eliminate the subsidy. Artfully borrowing a current buzzword, Hatfield calls his bill the "Tobacco Deregulation Act of 1981."

It would abolish both the price-support system—under which the government guarantees growers a base price and buys what can't be sold on the private market—and the acreage allotments that limit the amount of land that can be put into production.

An additional 2-cents-a-pack federal excise tax would be placed on cigarettes, with the estimated $700 million revenue used for research into smoking-related diseases.

The moral argument in Hatfield's favor is strong and obvious: The government shouldn't subsidize a product so destructive of good health.

The fiscal argument is not so strong now, but may become so. Over the 38 years that tobacco price supports have been in effect, the net cost to the government, after reselling its purchases, has come to only $56 million.

But cheaper tobacco product imports are on the rise as other nations develop their tobacco industries. So the price-support program could become much more expensive. Hatfield's office cites an International Trade Commission study predicting that costs will rise to between $96 million and $1 billion over the next four years.

That's a broad range, indicating uncertainty. But if experience runs toward the high figure there should be increased interest in freeing the government from this expense.

Eliminating the government program would probably lower the price of tobacco products. More acreage would be planted, with more competition among growers. This might be seen as encouraging smoking.

But cigarette purchases are not much affected by price changes. Smokers don't smoke less when prices go up or more when they go down. Any stimulus from lower prices could be more than offset anyway if the govenrment used some of its new cigarette-tax money to beef up the campaign to discourage smoking, especially among the young. The budget for that today is only about $13 million.

In urging governmental withdrawal from the tobacco fields, Hatfield is up against powerful political foes. Tobacco is important to the economies of several Southern states. The conservative politicians from those states exert power disproportionate to their numbers in Congress. Democrats and Republicans alike, they also are thick right now with the Reagan administration.

Yet Hatfield can use Reagan's own arguments in support of his bill. The administration wants to cut government spending; this program should not be sacrosanct. The administration wants to reduce government regulation of industry; much of the tobacco program is regulatory. The administration favors vigorous competition in a free market; the tobacco program is designed to suppress competition.

Hatfield's own interest in this subject undoubtedly stems from moral conviction and

his personal opposition to smoking. It is only fair to concede, of course, that Oregon is not a tobacco state.

There is an interesting theological sidelight in the potential conflict over Hatfield's bill. His most prominent opponent in the Senate probably will be Jesse Helms, that champion of the Moral Majority from North Carolina.

Although Hatfield is deeply religious, he has spoken out consistently against the kind of injection of religion into politics that Helms finds so appealing.

On both tobacco subsidies and the role of religion in politics, we vote with the senator from Oregon.

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[Report No. 81-55 ENR]

TOBACCO PROGRAMS OF THE U.S. DEPARTMENT OF AGRICULTURE: THEIR OPERATION AND COST

(By Jasper Womach)

ABSTRACT

The U.S. Department of Agriculture administers several programs related to tobacco production and marketing. These programs are designed to stabilize the market and raise tobacco prices in order to increase producer income. The tobacco price support program is often singled out by critics as the "subsidy" to tobacco producers. The price support program operates through nonrecourse loans and marketing quotas.

Nonrecourse loans provide producers with operating funds and guarantee them a price at least equal to the support rate. Over $5 billion has been loaned to tobacco producers since the program was initiated in the late 1930's. Loan losses are created when tobacco being held as collateral is sold for less than the value of the loan. The cumulative loss on loans amounts to $56.7 million, 1 percent of the loan volume. In recent years, recoveries, in the form of loan service fees, have exceeded loan charge-offs. So, tobacco loan operations have shown net gains rather than losses. The exception is fiscal 1979 when a warehouse fire destroyed $5.4 million in collateral tobacco stocks. And in fiscal 1980 there was a nearly negligable net loss of $36,000 from price support loan operations.

The marketing quota provisions of the price support program create mandatory limits on production. It is through supply control that the long run price for tobacco is held above the loan rate so as to minimize losses to the Government. The cost of administering the price support program, including loans and marketing quotas, was $13.9 million in FY 1980.

Other programs that benefit tobacco producers, and their cost in 1980 include: (a) tobacco inspection and grading, $6.2 million; (b) market new services, $0.5 million; and (c) research and extension, $8.1 million. Tobacco exports are financed under two programs but outlays for credit sales are recovered as borrowers repay their debt. Long term credit sales through the P.L. 480 program amounted to $2.7 million in FY 1980. The extension of short term credit on commercial export sales amounted to $31.4 million in FY 1980.

INTRODUCTION

Since the 1930's the Federal Government has operated programs to support and stabilize tobacco prices. This has meant substantially higher incomes to allotment holders and growers than would otherwise have been the case. Prices are supported by means of Department of Agriculture (USDA) administered marketing quotas and nonrecourse loans to farmers. Additional tobacco production and marketing assistance is provided through USDA financed inspection and grading services, market news reporting, research and extension activities, and export promotion. Simultaneously, Federal funds are being spent to discourage smoking, to investigate the health effects of smoking, and to provide medical care for people suffering from smoking related illnesses. This apparent contradiction in Federal policies has caused conflict between executive agencies as well as debate within Congress over the possibility of eliminating programs that assist the production and marketing of tobacco.

One argument commonly used against the tobacco price support program is its cost to the government and taxpayers. This report explains the several tobacco related programs of the USDA and presents detailed expenditure data.

THE PRICE SUPPORT PROGRAM

*Legislative history*

Early efforts to stabilize and boost market prices for tobacco were attempted by producer associations. Failure was the common theme because the voluntary nature of the pooling and withholding efforts resulted in nonparticipants also receiving benefits from higher prices. This changed when the Federal Government authorized production controls for tobacco (and other specified basis commodities) during the depression of the 1930's. Penalties on nonparticipants assured full cooperation. Production restrictions and cash payments to participating producers were initially authorized in the Agricultural Adjustment Act of 1933. This legislation was supplemented by the Kerr-Smith Act in 1934. Complicated by constitutional difficulties, these earliest legal authorities were finally replaced by the Agriculture Adjustment Act of 1938, which, with subsequent amendments, provides the current authority for marketing quotas to control the production of tobacco. Justification for Federal assistance in controlling the production of tobacco is stated in the Act (Sec. 311.(a)):

"The farmers producing [tobacco] . . . are subject in their operations to uncontrollable natural causes, are widely scattered throughout the Nation, in many cases such farmers carry on their farming operations on borrowed money or leased land, and are not so situated as to be able to organize effectively, as can labor and industry through unions and corporations enjoying government protection and sanction. For these reasons, among others, the farmers are unable without Federal assistance to control effectively the orderly marketing of such commodity with the result that abnormally excessive supplies thereof are produced and dumped indiscriminately on the nationwide market."

Later, the Agricultural Act of 1949 made it mandatory for the Secretary of Agriculture to provide price support for tobacco if producers have not disapproved marketing quotas.

Financial resources for carrying out price support operations are provided through the Commodity Credit Corporation (CCC), with administrative support coming from the Agricultural Stabilization and Conservation Service (ASCS).

*Marketing quotas and nonrecourse loans*

The two techniques, supply control through marketing quotas and price support through nonrecourse loans, constitute the basic elements of the Federal price support program for tobacco. Marketing quotas are mandatory on the growers of each class or kind [1] of tobacco, but only after having been approved in a referendum vote by a two-thirds majority of the producers.

The exact level of the national marketing quota for each kind of tobacco is determined administratively, prior to each growing season. The national quota is a projection of the production needed to meet domestic and export demand (at or above the price support level) and to provide for reasonable carryover stocks. This national quota is the tool for supply control; it effectively functions as a price raising mechanism.

The marketing quota is translated into a national allotment. Except for flue-cured and burley tobacco, the quota is an acreage allotment. So, the farm marketing quota is the quantity produced on the acreage allotment of each farm. For flue-cured tobacco, an acreage-poundage program was initiated in 1965. Burley tobacco producers are under a poundage program that was authorized by legislation in 1971. Table 1 shows national tobacco allotments, by kind of tobacco, for 1980.

Each tobacco farm, based on its historical production, is given a pro rata share of the national allotment. The historical basis for allotments restricts the entry of new tobacco producers, unless they inherit or purchase land with an allotment. Existing allotment holders can only expand their tobacco acreage by the lease-and-transfer of quotas within the same county. A farm can market up to 10 percent more than its allotment, but the excess is deducted from next year's quota. If less than the quota is marketed in any year, the difference is added to the farm's quota for the following year. Marketings above the 10 percent allowable excess are subject to penalty charges. The penalty is equal to 75 percent of the average market price for the previous year, a rate which effectively discourages excess production.

TABLE 1.—NATIONAL TOBACCO ALLOTMENT AND AVERAGE PRICE SUPPORT LOAN RATE, BY KIND OF TOBACCO 1980

| Kind (types) [1] | Acreage allotment (acres) | Poundage allotment (pounds) | Price support level (cents per pound) |
|---|---|---|---|
| Flue-cured (11-14) [2] | 523,785 | 1,186,493,000 | 141.5 |
| Burley (31) | | 786,909,000 | 145.9 |
| Fire-cured (21) | 9,703 | | 98.9 |
| Fire-cured (22-23) | 27,793 | | 98.9 |
| Dark air-cured (35-36) | 13,344 | | 88.0 |
| Sun-cured (37) | 1,874 | | 88.0 |
| Cigar binder (51-52) | 3,657 | | 101.0 |
| Cigar filler and binder (42-44, 53-55) | 19,250 | | 72.9 |
| Puerto Rican (46) [3] | | | 75.7 |

[1] Producers have traditionally disapproved marketing quotas for Pennsylvania cigar filler (41) and Maryland tobacco (32). Other kinds and types of tobacco produced in small quantities n the United States are not included in the quota and price support program.

[2] The acreage poundage allotment assumes a national yield goal of 1,902 lb per acre.

[3] Quotas and allotments have hever been proclaimed for Puerto Rican filler (46) but price support is provided.

Source: U.S. Department of Agriculture, news releases.

If tobacco producers vote to adopt marketing quotas, then the government is required to provide price support. Conversely, if marketing quotas are not approved then price support is not provided. The national level of price support is calculated according to a formula specified in the law. Individual support rates are assigned to each grade of tobacco in order to reach the legal average price support level. Tobacco price support levels for 1980 are shown in Table 1. Each year the support level is adjusted to reflect

[1] Tobacco leaves have differing characteristics that are important in the manufacture of tobacco products. These differences have been systematically classified by the USDA. There are six major classes of tobacco produced in the U.S. with the differences arising from variations in soils and climate, in cultural practices, and in curing methods. The classes are flue-cured, fire-cured, air-cured, cigar-filler, cigar-binder, cigar-wrapper, and miscellaneous domestic. Classes are further divided into types, of which there are 26 different categories. The major tobacco produced in the U.S. is flue-cured, raised largely in North Carolina. Second in importance is burley (type 31 in the air-cured class), raised primarily in Kentucky.

recent changes in prices paid by farmers for production and living expenses. The 1980 support prices are about 9 percent higher than those of the previous year.

The method of price support is nonrecourse loans from CCC, with the tobacco held as collateral. There are no direct CCC payments to growers. Rather, CCC loans are made available through producer associations (cooperatives) that are under contract with CCC to handle all operations connected with making loan advances to producers, arranging for receiving, redrying, packing, storing, and eventually selling the tobacco under loan.

When tobacco is sold at auction, producers deliver tobacco to an auction warehouse where it is weighed and displayed on the auction floor. A government inspector grades the tobacco. Each lot is auctioned to the highest bidder, except that if the high bid does not exceed the support rate (and the tobacco complies with marketing quota requirements), it is consigned to the association. Producers are paid at the loan rate for tobacco consigned to the association. The association in turn has all the consigned tobacco redried and packaged for storage. Over time, the association sells the tobacco placed under loan at prices approved by CCC.

After the tobacco is sold by the producer association, proceeds are used to reimburse CCC, with interest, for its loan advances. All excess receipts are distributed to the producers and any losses are charged to CCC. Administrative expenses of the associations, to the extent service charges on producers are not adequate, are also financed by CCC.

*Loan volume and losses to CCC*

Tobacco quality and market conditions determine the annual quantity of tobacco placed under government loan. Use of the loan program varies greatly between years. The annual quantity of flue-cured placed under loan over the past ten years has ranged from 2 percent to 21 percent of total marketings. Burley loan placements have ranged from zero to 27 percent of annual marketings. Since 1933, CCC has loaned about $5 billion through producer associations. Annual loan activity is summarized in Table 2 for fiscal years 1960 through 1980. At the end of fiscal year 1980 outstanding loans totaled $814.9 million.

TABLE 2.—TOBACCO LOAN PROGRAM OPERATIONS, BY FISCAL YEAR, 1960–80

[Dollar amounts in millions]

| Fiscal year | New loans made | Repayments | Loans canceled | Loans charged off | Additions (deductions) | End of year: Value | End of year: Quantity (million pounds) |
|---|---|---|---|---|---|---|---|
| 1960 | $56.2 | $198.8 | $18.7 | $1.2 | $9162.5 | $417.7 | 668 |
| 1961 | 50.4 | 54.0 | 25.0 | 1.2 | (29.8) | 387.9 | 610 |
| 1962 | 70.2 | 102.3 | 41.5 | 9.7 | (83.2) | 304.7 | 451 |
| 1963 | 209.1 | 44.1 | 15.8 | 16.4 | 132.7 | 437.4 | 610 |
| 1964 | 304.9 | 52.4 | 10.8 | 12.2 | 229.5 | 669.9 | 942 |
| 1965 | 262.4 | 73.4 | 28.4 | 1.1 | 159.4 | 826.3 | 1,149 |
| 1966 | 96.9 | 92.1 | 68.6 | 1.3 | (65.1) | 761.1 | 1,018 |
| 1967 | 111.3 | 154.4 | 31.6 | 7.6 | (82.3) | 678.8 | 921 |
| 1968 | 246.1 | 158.8 | 8.3 | 1.8 | 77.2 | 756.0 | 1,035 |
| 1969 | 137.8 | 113.2 | 14.5 | 4.9 | 5.1 | 761.1 | 1,049 |
| 1970 | 217.5 | 127.8 | 4.9 | .7 | 84.2 | 845.3 | 1,112 |
| 1971 | 163.1 | 123.7 | .2 | .1 | 39.4 | 884.7 | 1,136 |
| 1972 | 59.5 | 272.3 | 0 | .3 | (212.8) | 671.5 | 870 |
| 1973 | 51.4 | 241.8 | 0 | .1 | (190.4) | 481.1 | 636 |
| 1974 | 37.6 | 269.1 | 0 | (1) | (231.5) | 249.6 | 393 |
| 1975 | 30.1 | 161.0 | 0 | .2 | (131.1) | 118.5 | 193 |
| 1976 | 315.8 | 81.7 | 0 | (1) | 234.1 | 352.6 | 338 |
| Transition quarter | 150.4 | 11.5 | 0 | (1) | 138.8 | 491.4 | 152 |
| 1977 | 285.2 | 124.0 | 0 | .2 | 161.0 | 652.4 | 556 |
| 1978 | 282.9 | 184.1 | 0 | (1) | 98.8 | 751.2 | 605 |
| 1979 | 228.7 | 71.4 | 0 | 5.4 | 152.0 | 903.2 | 691 |
| 1980 | 172.0 | 260.1 | 0 | .7 | (88.8) | 814.4 | 647 |

[1] Less than $50,000.

Source: Compiled from Commodity Credit Corporation, Report of Financial Conditions and Operations, annual issues.

The cumulative loss on tobacco loans from 1933 through fiscal year 1980 amounts to $56,719,000. This loss is about 1 percent of the total tobacco loan volume. A detailed display of annual loan losses since 1960 is shown in Table 3. For purposes of comparison, the cumulative financial loss on the tobacco loan program represents 0.3 percent of CCC's total cumulative loss of $19.1 billion on all commodity loan inventory operations. The supply control feature of the tobacco program effectively helps maintain prices above the support level, thus minimizing loan charge-offs and losses for CCC. In recent years, service charges have actually exceeded loan charge-offs, so the cumulative loss figure decreased between 1972 and 1978. During fiscal year 1979, CCC suffered a large loan loss of $5.4 million due almost entirely to a fire which destroyed a warehouse in Kentucky. CCC self-insures the tobacco it holds as collateral so such fire losses are charged off against the loan program. The current cumulative loss of $56.7 million is a new peak level for the price support program.

EXPORT ASSISTANCE

Since the time of the earliest colonial settlements in Virginia through the present, tobacco has been an important export product. In recent years, tobacco leaf and product exports have taken about four-tenths of the U.S. tobacco crop. The value of tobacco and tobacco product exports in 1980 was about $2.4 billion. Exports were partially offset by $487 million in imports of primarily oriental tobacco, used in blends with domestic tobacco. So the tobacco trade picture for 1980 shows a favorable balance of about $1.9 billion.

TABLE 3.—TOBACCO PRICE-SUPPORT PROGRAM COST, BY FISCAL YEAR SINCE 1960 AND CUMULATIVE SINCE 1933

[Dollar amounts in thousands]

| Fiscal year | Loans charged off | Other costs [1] (recoveries) | Net loss (gain) on price-support activities | Cumulative loss on price-support activities (since 1933) |
|---|---|---|---|---|
| 1960 | $1,235 | ($1,409) | ($174) | $1,404 |
| 1961 | 1,239 | (597) | 643 | 2,047 |
| 1962 | 9,654 | (390) | 9,264 | 11,311 |
| 1963 | 16,404 | (334) | 16,070 | 27,381 |
| 1964 | 12,220 | (703) | 11,517 | 38,898 |
| 1965 | 1,133 | (760) | 373 | 39,271 |
| 1966 | 1,298 | (965) | 333 | 39,604 |
| 1967 | 7,630 | (2) | 7,630 | 47,234 |
| 1968 | 1,830 | 6 | 1,836 | 49,070 |
| 1969 | 4,929 | 2 | 4,932 | 54,002 |
| 1970 | 659 | 397 | 1,056 | 55,058 |
| 1971 | 103 | (3) | 100 | 55,158 |
| 1972 | 340 | (131) | 209 | 55,367 |
| 1973 | 145 | (360) | (216) | 55,151 |
| 1974 | 25 | 9 | 35 | 55,168 |
| 1975 | 170 | (1,316) | (1,146) | 54,040 |
| 1976 | 1 | (829) | (828) | 53,212 |
| Transition quarter | 1 | (807) | (806) | 52,407 |
| 1977 | 182 | (450) | (267) | 52,140 |
| 1978 | 11 | (837) | (827) | 51,313 |
| 1979 | [3] 5,362 | 8 | 5,370 | 56,683 |
| 1980 | 71 | (35) | 36 | 56,719 |

[1] Recoveries are primarily loan service charges or "collateral fees."
[2] Less than $500.
[3] The large charge-off is due primarily to the fire loss of $5,360,760 worth of 1976 and 1977 crop burley tobacco in a Springfield, Ky., warehouse. Only $1,048 was lost on the sale of tobacco out of loan stocks.

Source: Compiled from Commodity Credit Corporation, Report of Financial Conditions and Operations, annual issues.

The Federal Government has provided export assistance for tobacco much as it has for other agricultural commodities. Beginning in 1954, tobacco was eligible for sale under Title I of the Agricultural Trade, Development and Food Assistance Act (commonly referred to as P.L. 480 or Food for Peace). An export payments program was initiated in 1966 and lasted until 1973. Tobacco sales have been financed under the CCC short term credit program since 1967. Finally, the USDA supplemented advertising expenditures of trade associations in a cooperative program to encourage the use of U.S. tobacco in foreign manufacturers' blends. This effort was discontinued after 1975.

PUBLIC LAW 480

The Agricultural Trade Development and Food Assistance Act was passed to achieve the specific goals of developing new markets for farm products, disposing of surplus agricultural commodities, combating hunger and malnutrition, encouraging economic development in developing nations, and promoting the foreign policy of the United States. The original Act as passed in 1954 authorized the sale of agricultural commodities for local currency, the donation of surplus commodities, and the barter of agricultural commodities for strategic materials. In 1959, a new provision was added to authorize dollar sales under long-term credit.

In 1966, Congress revised and reorganized the Food for Peace legislation. The major emphasis of the program shifted from surplus disposal to market development and humanitarian assistance. Commodity sales activities were consolidated under Title I. Credit sales under Title I are referred to as concessional

sales because of the long payment period (up to 40 years) and the low interest charges (about 2 or 3 percent). Dollar credit sales have completely replaced sales for foreign currencies and barter transactions. Commodities purchased by developing countries are resold by the local government to generate public funds that can be used for development purposes. The recipient nation begins repaying the United States in dollars at the end of a specified grace period. In addition, up to 20 percent of the debt obligation may be forgiven if the recipient nation uses funds for approved development purposes. Table 4 shows annual data on the concessional sales and barter of tobacco under P.L. 480. Credit buyers are typically prompt in making payments under terms of the sales agreements and arrears are minimal. However, data are not available on a commodity basis to show the outstanding debt for tobacco sales.

Legislation passed in 1977 requires the Secretary of Agriculture to give priority to the programming of food and fiber commodities in Title I sales. This legislative restriction did not cause a change in the program since tobacco had never constituted a large share of the concessional sales. Typically, tobacco has amounted to about 2 percent of the total value of annual Title I shipments.

Even though P.L. 480 contains provisions for the donation of agricultural products (Title II), tobacco has never been included as a donated commodity. Prior to 1966 it was merely a USDA policy to exclude tobacco. Then, in the legislative revisions of 1966, tobacco was expressly prohibited from donation.

TABLE 4.—CCC FINANCED TOBACCO SALES UNDER PUBLIC LAW 480, BY FISCAL YEAR 1955–80

[Dollar amounts in thousands]

| Fiscal year | Concessional sales: Local currency | Concessional sales: Dollar credit | Concessional sales: Barter exchanges | Concessional sales: Total |
|---|---|---|---|---|
| 1955 | $3,942 | 0 | 0 | $3,942 |
| 1956 | 39,655 | 0 | 0 | 39,655 |
| 1957 | 54,167 | 0 | 0 | 54,167 |
| 1958 | 28,019 | 0 | $422 | 28,441 |
| 1959 | 29,324 | 0 | 1,029 | 30,353 |
| 1960 | 33,634 | 0 | 19,154 | 52,788 |
| 1961 | 29,571 | 0 | 25,618 | 55,189 |
| 1962 | 19,928 | 0 | 42,502 | 62,430 |
| 1963 | 23,296 | $1,607 | 16,228 | 41,131 |
| 1964 | 24,357 | 2,928 | 11,024 | 38,309 |
| 1965 | 15,357 | 4,658 | 29,093 | 49,108 |
| 1966 | 30,061 | 1,027 | 69,370 | 100,458 |
| 1967 | 16,678 | 4,539 | 31,592 | 52,809 |
| 1968 | 22,466 | 8,656 | 8,281 | 39,403 |
| 1969 | 18,271 | 12,992 | 14,462 | 45,725 |
| 1970 | 8,318 | 14,219 | 4,871 | 27,408 |
| 1971 | 15,796 | 10,121 | 185 | 26,102 |
| 1972 | 18,925 | 5,415 | 0 | 24,340 |
| 1973 | 0 | 29,601 | 0 | 29,601 |
| 1974 | 0 | 30,908 | 0 | 30,908 |
| 1975 | 0 | 17,679 | 0 | 17,679 |
| 1976 | 0 | 14,995 | 0 | 14,995 |
| Transition quarter | 0 | 3,023 | 0 | 3,023 |
| 1977 | 0 | 50,222 | 0 | 50,222 |
| 1978 | 0 | 4,522 | 0 | 4,522 |
| 1979 | 0 | 7,348 | 0 | 7,348 |
| 1980 | 0 | 2,692 | 0 | 2,692 |
| Total | 427,825 | 227,153 | 273,831 | 932,748 |

Source: Compiled from Commodity Credit Corporation, Report of Financial Conditions and Operations, annual issues.

Through 1966, P.L. 480 shipments were an important share of total tobacco exports from the U.S. From 10 to 20 percent of total tobacco exports were accounted for by the concessional sales program. Since then the program has played a diminishing role in the export market. During the past ten years less than 5 percent of total tobacco exports have been financed through P.L. 480. Table 4 shows value of P.L. 480 sales by fiscal year. During fiscal 1980 long term dollar credit sales amounted to $2.7 million.

*Export payments*

Beginning in 1966, under CCC Charter Act authority, the USDA made export payments on tobacco. The oldest crops in storage qualified for a 10 cent per pound payment while the more recent crops qualified for 5 cents per pound. These payments to exporters were initiated in response to a decline in the U.S. share of the world market at the same time loan stocks were building to unacceptably high levels. The export payments program was intended to make U.S. tobacco more competitive with foreign grown tobacco sold at lower prices because of subsidies, preferential duties, bilateral trading arrangements, and cheaper foreign labor and land. Export subsidies were terminated for tobacco, as well as other agricultural commodities, after the 1972 crop. The termination came at a time when there was a general decrease in commodity stocks and farm prices were reaching record highs. Total cost to the Federal Government for seven years of export subsidies on tobacco was about $220 million. Table 5 shows export payments for tobacco by fiscal year.

TABLE 5.—*Export payments for tobacco by fiscal year, 1966–1980*

[In millions of dollars]

| Fiscal year: | *Export payments* [a] |
|---|---|
| 1966 | [b] |
| 1967 | 33.1 |
| 1968 | 28.4 |
| 1969 | 27.9 |
| 1970 | 29.5 |
| 1971 | 29.1 |
| 1972 | 26.7 |
| 1973 | 27.8 |
| 1974 | 13.7 |
| 1975 | 3.1 |
| 1976 | .8 |
| Transition quarter | .1 |
| 1977 | .1 |
| 1978 | [b] |
| 1979 | 0 |
| 1980 | 0 |
| Total | [c] 220.2 |

[a] The program originated in 1966 and was terminated in 1973. All payments made following termination are for prior obligations.

[b] Less than $50,000.

[c] Total differs from sum due to rounding error.

SOURCE: Compiled from Commodity Credit Corporation. Report of Financial Conditions and Operations, annual issues.

*Short term export credit*

The CCC Export Credit Sales Program was established in 1966 as a method of encouraging private exporters to expand overseas markets for U.S. agricultural products as well as to maintain the U.S. in a competitive position among other sellers. Approved sales are financed by CCC for periods from 6 months to 36 months. The program is not intended to displace cash sales. Only selected commodities with supplies in excess of domestic and normal export requirements are eligible, and the sale must be to new markets or in excess of normal markets volume.

Each month the USDA announces the interest rate to be charged and the commodities eligible for credit sale to foreign buyers. Private exporters then apply for approval and registration of qualifying sales. After an acceptable letter of credit in favor of CCC has been received from an approved bank, and the exporter provides the needed documentation, CCC purchases the account receivable from the U.S. exporter. As payments fall due, the CCC draws under the letter of credit for the amount financed plus accrued interest.

Since initiation of Commercial Export Credit Sales in 1967, through fiscal year 1980, CCC has financed $9,296.1 million in agricultural product sales. Tobacco has been an important export item for the program, amounting to $634.6 million or 7 percent of total financing. Table 6 shows annual export credit financing for tobacco. Most tobacco sales are made under credit terms of 12 or 18 months, so CCC quickly recovers its outlays. Data are not available to show the exact amount of outstanding debt on tobacco credit sales, but it is approximately equal to the amount of sales during the previous 18 months.

TABLE 6.—*CCC export credit sales of tobacco, by fiscal year, 1967–80*

[In millions of dollars]

| Fiscal year: | *Export credit sales* |
|---|---|
| 1967 | 27.6 |
| 1968 | 14.1 |
| 1969 | 12.6 |
| 1970 | 46.7 |
| 1971 | 76.3 |
| 1972 | 41.9 |
| 1973 | 34.3 |
| 1974 | 3.3 |
| 1975 | 61.6 |
| 1976 | 81.0 |
| Transition quarter | 21.7 |
| 1977 | 66.9 |
| 1978 | 46.1 |
| 1979 | 69.2 |
| 1980 | 34.4 |
| Total | [1] 634.6 |

[1] Total differs from sum due to rounding error.

Source: Compiled from Commodity Credit Corporation, Report of Financial Conditions and Operations, annual issues.

OTHER TOBACCO RELATED ACTIVITIES

The focus upon tobacco programs and Federal expenditures has to this point been limited to data on financial transfers between the government and the private sector. Not discussed until now are services provided to the tobacco industry by the Federal Government. For example, there are the administrative services related to operating the price support program. Additional services that benefit the tobacco industry are the inspection and grading of tobacco at auction markets, reporting prices and volume during the trading season through a market news service, and conducting research and extension programs aimed at improving tobacco production and marketing techniques. The fiscal year cost, since 1977, of each of these service activities is shown in table 7.

*Administration of the price support program*

A portion of the office staff in some 600 Agricultural Stabilization and Conservation Service county offices, as well as part of the headquarters staff time, is devoted to administering the marketing quota and loan provisions of the tobacco price support program. In fiscal 1980, some $13.9 million was spent for salaries and related expenses of ASCS personnel working on the tobacco program.

TABLE 7.—EXPENDITURES FOR SELECTED TOBACCO RELATED ACTIVITIES BY FISCAL YEAR, 1977–80

[In millions of dollars]

| Activity | Fiscal year— | | | |
|---|---|---|---|---|
| | 1977 | 1978 | 1979 | 1980 |
| Administration of price support program | 15.9 | 10.3 | 12.8 | 13.9 |
| Inspection and grading | 6.3 | 6.2 | 6.1 | 6.2 |
| Market news reporting | .5 | .4 | .5 | .5 |
| Research and extension | 7.3 | 7.2 | 7.4 | 8.1 |
| Miscellaneous | .5 | .9 | .6 | .6 |

Source: Compiled from records of the Office of Management and Finance, U.S. Department of Agriculture.

*Tobacco inspection and grading and market news services*

The Tabocco Inspection Act of 1935 provides that the USDA will furnish, without charge, inspection and grading services at tobacco auction markets. The absence of fees for tobacco inspection and grading has been rationalized by the fact that the Federal government collects a great deal of revenue from tobacco excise taxes. Federal tobacco tax collections amounted to $2.6 billion in fiscal 1980. The establishment of uniform standards of quality, with grading by unbiased experts, assures that auction markets perform efficiently and fairly. Federal grading also provides an assurance of quality for tobacco held as collateral for CCC price support loans. In fiscal 1980, $6.2 million was spent for salaries, expenses, and support for seasonal tobacco inspectors employed by the USDA's Agricultural Marketing Service (AMS).

Along with inspection and grading, AMS provides a market news service for sellers and buyers of tobacco. Daily reports of grades, prices and sales volume at the auction markets are distributed throughout the tobacco industry. The cost of the tobacco news service in fiscal 1980 was $0.5 million. Similar market news services are provided for practically all agricultural commodities. Market news services are designed to provide farmers with timely, accurate, and unbiased information on market conditions. This enables the farmers to better make decisions on where and when to sell, and at what price.

*Tobacco research and extension*

The USDA has long funded production and economic research related to tobacco as well as other agricultural crops. Research results are disseminated to the industry through the Extension Service. Following the Surgeon General's report on "Smoking and Health" in 1964, the USDA initiated research to develop a tobacco that would be safer to the health of smokers. USDA expenditures on research and extension related to tobacco production and marketing amounted to $8.1 million in fiscal 1980. The health related portion of the research budget amounted to $3.7 million.

SUMMARY

Current U.S. Department of Agriculture programs related to tobacco production and marketing include: (1) a price support program utilizing marketing quotas and nonrecourse loans, (2) long term credit sales under P.L. 480, (3) short term export credit financing, (4) inspection and grading, (5) market news services, plus (6) research and extension.

Critics of tobacco and smoking often single out the price support program from the several tobacco related activities of the USDA and refer to it as the "government subsidy" for tobacco growers. There are two basic elements to the price support program, nonrecourse loans and marketing quotas. Under the loan provisions of the program, farmers are given advances on tobacco that is accepted as collateral by the Commodity Credit Corporation. This happens when tobacco does not sell at auction above the specified loan rate.

Producer associations act as agents for CCC by making advances to producers; redrying, packing and storing the tobacco held as collateral; and finally selling the tobacco and paying off the loans from CCC with interest. If tobacco is sold below the loan rate then CCC accepts the loss, known as a loan charge-off. On the other hand, proceeds from sales in excess of outstanding loans are distributed to producers. So the loan program guarantees tobacco producers a specified minimum price and provides them any benefit from higher market prices. In addition markets are stabilized by the presence of loan stocks that are available to private buyers.

CCC records show that since 1933 over $5 billion has been loaned to tobacco growers. The amount of loans outstanding at the end of fiscal 1980 was $815 million. While loan charge-offs have now reached a cumulative total of $56.7 million, the loss had diminished over the last few years because of annual recoveries in excess of charge-offs. The recoveries are actually service charges or collateral fees that accompany loan repayments. But, in fiscal 1979 there was a large net loss of $5.4 million on tobacco price support loan operations due primarily to a fire at a Kentucky warehouse holding collateral tobacco. In fiscal 1980 there was a small net loss of $36,000.

The other aspect of the price support program is marketing quotas. The national marketing quota is the amount of tobacco production (with allowance for stocks) needed to satisfy domestic and foreign demand at or above a loan rate price. The national quota is divided among tobacco producers who must then restrict production to a farm allotment level. So the marketing quota provisions of the price support program serve to limit supplies and thereby raise market prices above the loan rate. This supply control feature explains why the tobacco taken as loan collateral is eventually sold with little or no loss to the government. The only government cost associated with marketing quotas is the cost of administration. In fiscal 1980 the administrative cost of managing the entire price support program was $13.9 million.

Two different USDA programs provide credit to foreign buyers of U.S. tobacco. These indirectly benefit tobacco producers by helping to expand the export market. Under P.L. 480 (Food for Peace), long term dollar credit sales are made to developing nations. In fiscal 1980, long term credit sales of tobacco amounted amounted to $2.7 million. Short term credit financing from CCC for commercial sales is the more important market expansion activity. Short term credit tobacco sales amounted to $31.4 million in fiscal 1980. Both the long term and short term credit financing are recoverable outlays. Data are not available on the exact amount of outstanding debt owed the CCC for credit sales of tobacco.

Other tobacco related activities of the USDA include: (1) the inspection and grading of tobacco at auction markets with no charge to sellers or buyers, (2) market news reports on auction sales activity, and (3) research and extension on tobacco production and marketing. Table 8 shows annual costs for each of the separate USDA tobacco activities for the past four years and estimates for 1981. During fiscal 1980, nonrecoverable expenditures by the USDA for tobacco related activities amount to $29.3 million. Additional outlays were made under various loan programs but these will be recovered, with interest, as the borrowers repay their debts.

TABLE 8.—OUTLAYS FOR CURRENT TOBACCO RELATED ACTIVITIES OF THE U.S. DEPARTMENT OF AGRICULTURE, BY FISCAL YEAR, 1977–80, 1981 ESTIMATE

[In millions of dollars]

| | Fiscal year— | | | | |
|---|---|---|---|---|---|
| | 1977 | 1978 | 1979 | 1980 | [1] 1981 |
| Nonrecoverable expenses: | | | | | |
| Net loss (gain) on price support loan operations[2] | (0.3) | (0.8) | 5.4 | (3) | 0.7 |
| Administration of the price support program | 15.9 | 10.3 | 12.8 | 13.9 | 15.1 |
| Inspection and grading | 6.3 | 6.2 | 6.1 | 6.2 | 7.4 |
| Market news services | .5 | .4 | .5 | .5 | .6 |
| Research and extension | 7.0 | 7.2 | 7.4 | 8.1 | 8.2 |
| Miscellaneous | .8 | .9 | .6 | .6 | .6 |
| Total | 30.2 | 24.2 | 32.8 | 29.3 | 32.6 |
| Recoverable loan outlays: | | | | | |
| Additions (deductions) to outstanding price support loans | 161.0 | 98.8 | 152.0 | (88.8) | 20.5 |
| Long-term credit sales | 55.6 | 1.1 | 7.1 | 2.7 | 0 |
| Short-term credit sales | 66.9 | 46.1 | 69.2 | 31.4 | [4] 0 |

[1] Estimated.
[2] The cumulative net loss on tobacco price support loan operations since 1933 is $56,700,000.
[3] Less than $50,000. These data are gross loan outlays with no adjustment for loan recoveries. Data are not available on a commodity basis for loan recoveries.
[4] All-risk loan guarantee provisions where introduced in fiscal 1981. The change from direct loans to loan guarantees eliminates all outlays except in the case of any default.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, I have had the pleasure of working with the distinguished Senator from Oregon on committees on which we have served. I know him to be a man of great sincerity, certainly of absolutely impeccable integrity, and dedicated to improving the lot of all Americans in his work in the U.S. Senate.

In this particular case, I must suggest to my distinguished colleague, in all deference, that he is not fully cognizant of what the effects would be of the amendment he is offering.

He and perhaps other Members of this body are not aware of the not only economic impact of the abolition of the tobacco program but also of the social impact, of what it really means to farming in those States, and they are indeed few in number in which tobacco has become known as the cash crop, the money crop.

I certainly agree with the Senator from Oregon that the abolition of this program, as his amendment suggests, would not decrease the amount of tobacco produced in the United States, but it would certainly rearrange in numbers and individuals who are now in the production of that valuable crop.

We have 124,000 farmers in Kentucky producing tobacco. We are the largest burley State. We are not the largest tobacco producing State. We will hear from that State, I am certain, as this discussion progresses. But as most Senators understand, there is a so-called flue-

cured area of tobacco production and a burley area of tobacco production. Kentucky leads in burley. There are 124,000-plus farmers. The average allotment to those farmers is about 1.3 acres. The average production is just over 2 acres.

What happens if this program is abolished?

Obviously the companies will want to continue to receive tobacco to produce their products. They will, in all likelihood, seek out those farmers who produce in large amounts and can produce in large acreage, contract for their production, get it at a lower rate, and thousands and thousands of farmers who are now able to stay on the farm just because of the cash income from that little plot of tobacco will not only be out of tobacco production but many of them without any question will be out of production, period, and will be off the farm and that land, some of it, will be diverted to other purposes.

So, we are not just talking about this crop. There is no doubt in my mind it would have an impact on the amount of other crops that are produced and that, in turn, could have an impact upon the supply of agricultural products in this land.

My colleague from Kentucky is going to have a great deal to say about individual families and how they deal with this question of tobacco.

We have initiated certain programs to help, for instance, youngsters go to college. I venture to say that more Kentuckians have received a college education because of the tobacco program and by no other reason than by all the Federal programs we have in the State to help educate young people, and it has not cost the Government a penny. It is that cash income that comes in Kentucky at the end of the year, November and December, and the beginning of the new year, January and February, that has been the mainstay of thousands and thousands of farms in our State.

Mr. President, for what purpose are we willing to eliminate this program? I am conscious of the difficulties we face. I serve on the Appropriations Committee with the distinguished Senator from Oregon. I have been through these agonizing sessions where we have cut back on child nutrition programs, help for the elderly, help for our cities and towns, employment programs, and whatever. I know what we are faced with. So if there were a great budget impact I would look with somewhat more favor upon this possibility. By the distinguished Senator's own figures, this program has cost $57 million, and that is in 48 years.

We think sometimes of a program in the $50 million category as not being too expensive nationwide. That is in the history of the program less than three-tenths of 1 percent of what the agricultural program has cost in this country has gone to this particular program.

We have been worried about the cost of the farm bill that we are dealing with now.

The Federal tax on tobacco, the Federal tax on this one product is more every year than the cost of this entire farm bill that we are trying to get passed right now to help the farmers of this country—one product. And that is just the Federal tax. If we add the local, if we add the State tax, we triple that, and the tax revenue off of tobacco is three times what the grower out there gets for growing the product. So it is a pretty good bargain.

For 276,000 farmers in 22 States tobacco is the principal cash crop.

The program just provides market stability. It is not a subsidy. The Government gets its money back. Some of these 43 years this program has been in effect the Government has made a profit and will in the future in some of the years.

The tobacco program benefits producers on small farms. The size of the average allotment for burley and flue-cured tobacco is 1 acre for burley and 3¼ acres for flue-cured, respectively.

The cash income that producers on small farms receive from tobacco allotments enables them to produce other commodities.

What happens if all of these small farmers or if very many of them have to leave the farm? Where is the city in the United States that has excess jobs available to take care of these farm families, the youngsters, the parents, who cannot stay on the farm and continue to make a living because all tobacco production goes to the bigger farms, and it is not scattered across these 22 States as it is now through the allotment system? There is no place for them to go.

There is the question, that is troublesome to me as an individual and it is troublesome to all those in the tobacco industry, and it has been alluded to by the distinguished Senator from Oregon, relating to smoking and health.

Those who have been most adamantly concerned about the smoking and health issue have concluded that the elimination of this program would not in any sense enhance the effort to discourage the use of tobacco products. Joseph Califano, former Secretary of Health, Education, and Welfare, and if there is a more vigorous antitobacco individual than he is I do not know who it would be, concluded that the issues are separate, that eliminating this program will not in any way advance the cause that he advocates.

And many others have come to the same conclusion. Some actually believe that it would do just the opposite. With production centered in the big producing areas, with the companies able to contract out for direct purchases, eliminating the whole warehouse industry, which is another industry that would be severely affected, tobacco would be cheaper, cigarettes may be cheaper, and young people may be more encouraged to smoke. So it could have the very opposite effect than of what those who have a great concern about that issue might expect.

The tobacco program is working well. There is no question. It is the best, most efficient, least costly program that has ever been devised to assist in the agricultural production of this country.

And one of the strengths of the program is that it has been flexible. It has been changed a number of times throughout the years to meet various situations that develop.

A few years ago we changed from the acreage allotment to the poundage allotment because farmers became so efficient they could produce so much on an acre that there was little control left. So they were willing to accept a poundage instead of an acreage allotment.

But numerous times down through the years changes have been made at the appropriate time to deal with situations that have developed. If we have a surplus in one particular grade, if there is a potential exposure to the Federal Treasury because of the way the program is working at one time, then changes have been made to correct those situations, and that is why it has not been costly.

Changes are still apt to be made. But the way to do it is through the hearing process, determining what the problem is and what the correct solutions are, and not to try to rewrite a program or eliminate it here on the Senate floor.

It should be pointed out there is no complaint that I am aware of, there is no complaint about the allotment system. We do not have people clamoring to grow tobacco who say they are closed out because of the allotment system in our State, because people understand that to make the system work there has to be a control of production.

What better way to establish the beginning except through the traditional growing patterns? That is the way the allotment system was set up in the beginning. There is each year some acreage, some poundage, available for new growers, and it is allotted. The growers themselves by referendum vote on what kind of a program they are going to have, and it has been democratic, it has been effective, and it has produced a steady supply of tobacco for domestic consumption and for export, and it has done so with virtually no cost to the Federal Government, and it has done so in such a way that it has kept income coming for thousands and thousands of smaller farmers who otherwise would be closed out from this particular source of income.

So, Mr. President, I urge that the Senate take into account this program as it is. We have faced this issue a number of times since I have been here. Tobacco has been controversial since the day Columbus approached the shores of this country, stopped on an island, and was presented certain dried leaves, as he reported, that they really did not know what to do with at the time, threw them away.

Later they learned what they were for, and we have been using them ever since. It was the first export crop from the United States.

Thomas Jefferson decided that the West ought to be settled, and sent Lewis and Clark out there, and he gave them instructions to seek out places where tobacco could be raised, to send back to the capital that crop.

Down through the years it has been

important. I know there are those who would say nobody ought to use it. There are people who do not eat meat, people who are vegetarians. But we believe in this society that a person ought to have the right to determine what his tastes are and how he discharges them, and until such time as we are ready to say that the product is totally banned and cannot be used, then we ought to continue to have an orderly system that benefits the most possible people, costs the Government the least possible cost. We have that kind of program now.

I urge that the Senate reject the amendment offered by the Senator from Oregon.

I yield to the Senator from North Carolina.

The PRESIDING OFFICER (Mr. D'AMATO). The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

Mr. President, sitting here trying to think of a Senator for whom I have greater respect or affection than my friend from Oregon, I fail to recall a name.

I wish he had not offered this amendment. I knew some weeks ago that he was contemplating it, and my opposition to his amendment certainly is not personal, as he knows.

Nonetheless, as I listen to my friend, it came to mind an observation by maybe it was Mr. Dooley and Will Rogers, who said that "the trouble with a lot of folks is that they know so much that ain't so."

I noticed my friend referred to the tobacco subsidy. There is no tobacco subsidy. I noticed my friend paralleled the tobacco program with the reductions in some of the welfare programs.

I will say to my friend that if he really wants to see a lollapalooza of a welfare program, let him be successful in destroying the program and then he will see people on welfare who are now making a living productively; he will see young people not going to college who are going to college now, thanks to the incomes of their parents who operate small family farms.

Senator HUDDLESTON is absolutely correct, the tobacco industry is America's oldest industry. It dates back to John Rolfe's first export crop from Jamestown in 1613.

You know, a strange thing, Mr. President, not until 1978, about 3 years ago, did anybody get around to examining the economic effects of the tobacco program. But one was made, a survey was made, of the direct and indirect contribution to the economy by the Wharton Applied Research Center of the University of Pennsylvania in 1978. Now that research center has extended its research to determine not only the economic effect of tobacco nationally in 1979 but its contributions as well.

Needless to say, I am interested in the contributions to my State of North Carolina, but I am also interested in the contributions of this program to the Nation as a whole.

Mr. President, do you realize that the tobacco industry provides 2 million jobs? The tobacco industry produces $30 billion in wages and earnings annually, $30 billion? Do you realize it represents $15.5 billion in capital investment?

Every year this much-maligned industry produces for this Government and for State governments and local governments $22 billion in taxes. So the simple arithmetic, Mr. President, is who is doing what to whom when efforts are made to destroy this program?

Fifty-eight billion dollars are added to America's GNP every year. That is 2.4 percent of the total. And yet I hear constantly "tobacco subsidies."

There is no such thing, Mr. President, as a tobacco subsidy. I wish we had a hundred programs like the tobacco program, because we would not have to collect any income tax from anyone.

There is no tobacco subsidy. It is the other way around. If you want to find a hard situation in terms of providing enough money for these entitlement programs, just kill this program, that tobacco program. You remove the billions of dollars that this program produces for this Federal Government which we so readily appropriate year after year.

Of every dollar's worth of goods and services rendered to and by Americans in 1979, 2½ cents were generated by tobacco; 2.4 percent of the gross national product was produced by this industry, which is maligned day after day, misrepresented day after day, not by people who are insincere but people who are sincerely wrong or people who are sincerely uninformed.

In North Carolina—and we are interested in the flue cured as well as the burley, I say to my friend from Kentucky—the Wharton Applied Research Center of the University of Pennsylvania estimates that cultivating 243,000 acres of leaf on 43,000 farms in 82 of our 100 counties, and these are figures for the year 1979, produced the equivalent of 36,900 year-round jobs.

Now do you wonder, Mr. President, why I am on my feet defending this program? I do not know how many of those 36,900 jobs would be transferred to the welfare rolls.

I was talking to a distinguished Congressman from a non-tobacco-producing State. He said, "You know, I used to be totally opposed to the tobacco program because I didn't know anything about it. Then my brother," he said, "who is the president of a large corporation with plants all over the country, straightened me out."

He said, "Don't you be against the tobacco program, because, in those plants in the tobacco producing States, we have the majority of employees who are able to send their children to college simply because they are able, on the side, to earn a little money on this cash crop."

In my State, the work force related to tobacco adds up to 224,210 people at harvest time. And that is the equivalent of the combined population of the cities of Raleigh and Durham.

There were 70,000 jobs, full time, in the industry involving people working between the seedbed and the sales counter and almost 2,600 more North Carolina jobs are in industries supporting the manufacture of tobacco; 72,300 jobs, or 3.3 percent of the State's private workers.

But let us go back to the taxes. Tobacco is already the most heavily taxed of any consumer product. Federal, State and local governments collected $6.3 billion in direct taxes on tobacco on products in the fiscal year 1979. Cigarette taxes alone represented 98.8 percent of that, or $6.2 billion.

As my friend from Kentucky has said, that is a contribution to the gross national product 2½ times the net U.S. spending.

Well, Mr. President, I have no intention of prolonging the debate, certainly none of monopolizing this floor because there are other Senators who want to discuss this matter.

But I just want to say, over and over again, there is no tobacco subsidy. The tobacco program does not detract or subtract from any entitlement program, whether it be food stamps or nutrition program or whatever. It is the other way around. We would really be having a tough time trying to make ends meet were it not for the tobacco program.

I yield to the majority leader.

Mr. BAKER. I thank the Senator from North Carolina for yielding.

TIME LIMITATION AGREEMENTS ON CERTAIN AMENDMENTS

Mr. BAKER. Mr. President, earlier I indicated that I would try a unanimous-consent agreement later in the day and also that the distinguished minority leader and I would try to work up a list of amendments that we know of that are to be offered by Members. I have such a list and I submitted the list to the minority leader and he has such a list and has submitted the list to me.

I would like to put the unanimous-consent request that I hope the Senate will consider. Once again, I have no real expectation that it will be agreed to, but let me put this request. Then I want to move on, if there is an objection, to the list of amendments that we have compiled.

Mr. President, first I ask unanimous consent that, at no later than 12 midnight this evening, the Senate proceed to vote on final passage of S. 884 and that debate on the bill be limited to 2 hours and the debate on any debatable motion, point of order, or appeal be limited to 10 minutes each and that the only amendments in order shall be those on the following list, with the specified restrictions as to time for debate as noted thereon.

I further ask unanimous consent that this agreement be in the usual form as to the allocation of division of time.

The list, Mr. President, consists of the following:

The Tower-Heflin amendment on cotton, with a 30-minute time limitation; a Grassley amendment on export embargo, No. 531, 30 minutes, equally divided; a Grassley amendment on a CCC loan interest reduction, amendment No. 533, 30 minutes, equally divided; a Grassley amendment on conservation tillage, amendment No. 539, 30 minutes, equally divided; a Grassley amendment for payments for farm lands conservation, amendment No. 532, 30 minutes, equally

divided; a Lugar amendment on target price package, 1 hour, equally divided; a Domenici amendment on agriculture export credit, 20 minutes, equally divided; a Durenberger amendment, loan marriage preference, 10 minutes, equally divided; a Hayakawa amendment, floral checkoff, 15 minutes, equally divided; a Hayakawa amendment, on plant pest, 15 minutes, equally divided; a Humphrey amendment, No. 550, on sugar, 30 minutes, equally divided; a Helms amendment on export subsidy, to delete GATT provisions, 10 minutes, equally divided; a Helms amendment on entitlements, 10 minutes, equally divided; a Helms technical amendment; a Gorton cigarette amendment, 30 minutes equally divided; a Zorinsky amendment on wheat, corn, cotton, rice, and milk target pricing, 1½ hours equally divided; a Levin amendment to reduce the amounts of deficiency payments from $50,000 to $25,000, 20 minutes equally divided; a Levin amendment to prevent State-owned farms from participating in efficiency programs, 20 minutes equally divided; two Eagleton amendments dealing with tobacco, one similar to amendment No. 528 and one similar to amendment No. 529, 30 minutes equally divided on each of the two amendments; a Baucus amendment on loan rates for wheat, 20 minutes equally divided; a Baucus amendment on study of meat imports, 10 minutes equally divided; a Baucus amendment on study of potential protein byproducts, 10 minutes equally divided; 10 minutes equally divided on a Melcher amendment dealing with casein; 10 minutes equally divided on a Melcher amendment dealing with agriculture experiment stations; 20 minutes equally divided on a Melcher amendment on distribution of surplus commodities with a Dole perfecting amendment; a Melcher amendment on interest rates, another Melcher amendment, and perhaps three other amendments as yet unspecified.

Mr. President, that is the list. The request that I now make I have just stated, that is, that no other amendments be in order; that the times noted on this list be the times allocated for debate, and that final passage on the bill occur not later than 12 midnight tonight.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Will the Chair recognize the Senator from Nebraska?

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, reserving my right to object, and I may object, I would like to ask the majority leader, under the time agreement he is seeking, what would be the time for amendments to any of the amendments listed, or is he precluding any amendments to these amendments?

Mr. BAKER. The order does not provide for second-degree amendments or a time for second-degree amendments, but I am prepared to include that if the Senator wishes.

Mr. EXON. I am sorry, I could not hear.

Mr. BAKER. Mr. President, I wish to say to the Senator from Nebraska that the unanimous-consent request I propounded would exclude second-degree amendments in that it makes no provision for such. But I am perfectly willing to amend the request for the agreement to include a reasonable time for debate on second-degree amendments.

Mr. EXON. On any of the amendments hereunder?

Mr. BAKER. Yes.

Mr. EXON. I am not sure at this time, I wish to advise the majority leader, that I will have an amendment, but as the distinguished majority leader knows, I am most upset about the overall procedures that led up to and the actions that have thus far been taken on the farm bill. Therefore, I must at this time object to any amendments that might be offered at a later time by the Senator from Nebraska.

Mr. BAKER. Mr. President, let me thank the Senator from Nebraska. I understand his concern. As I indicated earlier, I really had only the smallest hope that we could have a comprehensive agreement of this sort. I withdraw that request, Mr. President. Let me put another request.

Mr. President, I ask unanimous consent that on the following amendments there be time limitations on debate as follows, and I will take them one at a time so that if there is an objection, it may be dealt with individually.

The Tower-Heflin amendment on cotton, 30 minutes equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, there is one matter that I think should be resolved now. That is as to whether or not an amendment in the second degree will be permitted, and, if so, the time to be allotted thereto, and also if such other amendment has to be germane to the amendment in the first degree.

Mr. BAKER. Mr. President, I did not hear the Senator. Would he repeat his statement?

Mr. ROBERT C. BYRD. Yes; without specifying the time for a second-degree amendment, this would mean that the second-degree amendment could be offered and it would also mean that there would be no time for debate. It would also mean that it could be germane or not germane. I am just raising the question so that the distinguished majority leader can take whatever course he wishes to take as to whether or not such amendments should be excluded; whether or not there should be time on any such amendments, and whether or not they should be germane.

Mr. BAKER. Mr. President, my first inclination and, indeed, the way I put the request was that no second-degree amendments would be in order. But I think under the circumstances, based on the inquiry by the Senator from Nebraska and other Senators, it would be generally desirable to provide for second-degree amendments.

Mr. President, I ask unanimous consent that as and when times are provided for debate on amendments as they will follow in subsequent requests, that one-half of the time allotted may be available for debate on any second degree amendment; that a second-degree amendment must be germane, and that there be a time of 10 minutes equally divided on any point of order or appeal if the same is submitted. Now I renew the request, Mr. President, for the time limitation on the Tower-Heflin cotton amendment.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object.

Mr. BAKER. Mr. President, let me repeat the request I wish to put to the Senate, if I may have the attention of the Chair. I wish to include the so-called boilerplate language with respect to the time allocated for second degree amendments and the requirement for germaneness of second degree amendments, and, by the way, that it must be germane to the amendment, and the times for appeals and points of order submitted shall apply to each of the time requests I made in this list of amendments.

Again, Mr. President, I renew the request for 30 minutes equally divided on the Tower-Heflin amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent on the same basis for a Grassley amendment No. 531, 30 minutes equally divided, on export embargo.

The PRESIDING OFFICER. Is there obejction? Without objection, it is so ordered.

Mr. BAKER. On a Grassley amendment No. 533, the CCC loan interest reduction, 30 minutes equally divided.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. On a Grassley amendment, conservation tillage, amendment No. 539, 30 minutes equally divided.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. On a Grassley amendment, payments for farmland conversion, amendment No. 532, 30 minutes equally divided.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I do not have the time specified on my list.

Mr. BAKER. The request I had, Mr. President, is for 30 minutes equally divided. I shall be nappy to withhold that request if the minority leader wishes to check it.

Mr. ROBERT C. BYRD. Mr. President, the minority leader would.

Mr. BAKER. Mr. President, I withdraw that for the time being.

On the Lugar amendment, on the target price package, 1 hour equally divided.

Mr. DOLE. Mr. President, reserving the right to object, on that one, I think I must object.

Mr. BAKER. Mr. President, I understand there is an objection to the time limitation on the Lugar amendment.

The PRESIDING OFFICER. The objection is heard.

Mr. BAKER. Mr. President, the next amendment is the Domenici amendment,

agriculture export credit revolving fund; 20 minutes equally divided.

Mr. ROBERT C. BYRD. Mr. President, I shall have to ask the majority leader to withhold this request because there is no time limit indicated in this list.

Mr. BAKER. Mr. President, I withhold that one as well for the time being.

I now ask, Mr. President, for a time limitation of 10 minutes equally divided on the Durenberger amendment on the loan marriage preference.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. A Hayakawa amendment on the floral checkoff, 15 minutes equally divided.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. A Hayakawa amendment on plant pests, 15 minutes, equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. A Humphrey amendment No. 550 dealing with sugar, 30 minutes equally divided.

Mr. ROBERT C. BYRD. Mr. President, I am constrained to object on the part of other Senators.

The PRESIDING OFFICER. Objection is heard.

Mr. BAKER. A Helms amendment on export subsidy program to delete GATT provisions. Ten minutes equally divided.

Mr. ROBERT C. BYRD. On both of the Helms amendments listed here, Mr. President, I have no time indicated, so I ask the majority leader to withhold.

Mr. BAKER. I withhold both Helms amendments for the time being, Mr. President.

On the Hatfield amendment dealing with the tobacco program repeal. I believe that is the amendment now pending, is it not, amendment No. 524?

The PRESIDING OFFICER. As modified, that is correct.

Mr. GOLDWATER. Mr. President, may I ask a question? I have no objection at all, but mentally, I am coming out with about 8 hours. I do not see how we can get out of here by midnight with that much time, especially if we are going to have rollcalls.

Mr. ROBERT C. BYRD. Mr. President, could the Senator be heard on this side of the aisle?

Mr. BAKER. Mr. President, the query put by the distinguished Senator from Arizona is how in the world are we going to fit in all these things between now and midnight? The answer is, as far as I am concerned, that hope springs eternal.

Mr. President, I should like to go ahead with these requests. I am afraid I must tell my friend from Arizona that even by our best efforts, I frankly doubt that we shall get a 12 o'clock completion time or agreement for time to complete consideration of this bill at midnight. But I think, notwithstanding, we are going to have to keep going tonight, perhaps until midnight, to burn up as much time as possible.

As I counted it, we have 8-plus hours of time allocated under this list of amendments and that does not count time for rollcall votes. If we do not finish tonight, we are going to have to work tomorrow. If we not finish tomorrow, we shall have to finish as best we can. But let me continue with the list. Then I shall address once more the question of the further schedule of the Senate.

Mr. President, on the amendment now pending, I inquire if there is agreement for a time limitation at this time? I am prepared to make one if the principals wish or to forgo that for the moment.

Mr. President, I shall temporarily withhold a request in respect to the amendment now pending.

Mr. President, the next one on my list is a Helms technical amendment. There is no time limitation involved. I shall not put a request in that respect, since we are not limiting amendments to only those on the list.

The next is a Gorton amendment on cigarettes, Mr. President, 30 minutes equally divided.

Mr. ROBERT C. BYRD. Mr. President, I shall have to object on behalf of a Senator.

The PRESIDING OFFICER. Objection is heard.

Mr. BAKER. I thank the Senator.

Mr. President, I have a list now supplied me by the minority leader. I shall put that question now, if I may.

An hour and a half equally divided on a Zorinsky amendment on wheat, corn, cotton, rice, milk target prices.

Mr. DOLE. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BAKER. Mr. President, a 20-minute time limitation on a Levin amendment to reduce the amount of deficiency payments from $50,000 to $25,000.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. A Levin amendment, 20 minutes equally divided, to prevent State-owned farms from participating in the deficiency program.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, two Eagleton amendments on tobacco similar to amendments No. 528 and No. 529, 30 minutes equally divided on each of those amendments.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object.

Mr. President, I withdraw my reservation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, now, I am told there is a wish to consider that matter further. I temporarily withdraw my request for a time limitation on the two Eagleton amendments.

The PRESIDING OFFICER. The request is withdrawn.

Mr. BAKER. Twenty minutes, equally divided, on a Baucus amendment dealing with loan rates for wheat.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BAKER. Mr. President, 10 minutes equally divided on a Baucus amendment to study meat imports.

Mr. ROBERT C. BYRD. Mr. President, I am advised by Mr. BAUCUS that that amendment will probably not be offered.

Mr. BAKER. I thank the distinguished minority leader.

Mr. President, 10 minutes equally divided——

The PRESIDING OFFICER. Does the Senator withdraw the request?

Mr. BAKER. I withdraw the request, Mr. President.

Ten minutes equally divided on a Baucus amendment to study the potential of protein byproducts.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Ten minutes equally divided on a Melcher amendment dealing with casein.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. How much time?

Mr. BAKER. Ten minutes.

Mr. DOLE. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, 10 minutes equally divided on an amendment dealing with agricultural experiment stations by Mr. MELCHER.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. A Melcher amendment, 20 minutes equally divided, on distribution of surplus commodities with a Dole perfecting amendment.

Mr. MELCHER. Reserving the right to object, Mr. President, I do not think we have done enough groundwork and spadework on that amendment. I therefore object to a time limitation at this time.

The PRESIDING OFFICER. Objection is heard.

Mr. BAKER. A Melcher amendment, Mr. President, with no time limitation. I shall not submit that at this time.

Mr. President, that completes my list of amendments on which Members have agreed to time limitations. I inquire of the minority leader if he has any further amendments that we might shop for time limitations.

Mr. ROBERT C. BYRD. Yes, Mr. President, will the distinguished majority leader yield?

Mr. BAKER. Yes, I yield.

Mr. ROBERT C. BYRD. So that the record may be clear, Mr. President, as I understood the majority leader's request on the amendments that were enumerated and those with respect to which time limitations were agreed to, is it not correct, I ask the majority leader, that the agreement to the enumerated amendments does not preclude the offering of other amendments, either in the first degree or the second degree, to those amendments?

Let me say it a little differently: It does not preclude the offering of other amendments.

Mr. BAKER. The minority leader is correct. I have not now requested that the enumerated amendments be the only amendments in order. Any Member would have the right to offer other amendments.

The form of the request I made, however, does include that any second-degree-amendment to any amendment on which there is a time limitation must be germane to the first-degree amendment and that time for debate on that amendment will be one-half of the time on the first-degree amendment, to be equally divided, and 10 minutes equally divided on any point of order or appeal if the same is submitted.

Mr. ROBERT C. BYRD. Does not the majority leader also include in his request that as to the division and allocation of time on the second-degree amendments, such division and allocation would be in accordance with the usual form?

Mr. BAKER. Yes. Mr. President, that is part of the understanding, and I include that in the request.

Mr. ROBERT C. BYRD. I thank the distinguished majority leader.

Mr. BAKER. Mr. President, I continue to hope that we can make better progress on this bill. Sometime around 8:30 or 9 o'clock, I am going to take stock again and see where we are on this list, and I hope that at that time we can get a better reading of where we are on final passage.

It may be only a glint in my eye, but I still hope we can finish this bill tonight. I still ask the Senate to stay in late tonight to try to do that.

Mr. DOLE. It is late now.

Mr. BAKER. The Senator from Kansas points out that it is late now, but it ain't nearly as late as it is going to get. [Laughter.]

However, if we do finish tonight—and I do not say this as an idle inducement—at whatever hour, it would not be my intention to ask the Senate to come in tomorrow, but to go over until Monday.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

UP AMENDMENT NO. 375

(Purpose: To impose a Federal tax on the sale of cigarettes in lieu of State taxes on such sales)

Mr. GORTON. Mr. President, I have a second-degree amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated:

The legislative clerk read as follows:

The Senator from Washington (Mr. GORTON) proposes an unprinted amendment numbered 375 to amendment 524, as modified.

Mr. GORTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the pending amendment (No. 524, as modified) insert the following:

FEDERAL CIGARETTE SALES TAX

SEC. . (a)(1) Subsection (b) of section 5701 of the Internal Revenue Code of 1954 (relating to rate of tax) is amended to read as follows:

"(b) CIGARETTES.—

"(1) MANUFACTURE OR IMPORTATION.—On cigarettes, manufactured in or imported into the United States, there shall be imposed the following taxes:

"(A) SMALL CIGARETTES.—On cigarettes, weighing not more than 3 pounds per thousand, $4 per thousand.

"(B) LARGE CIGARETTES.—On cigarettes, weighing more than 3 pounds per thousand, $8.40 per thousand; except that, if more than 6½ inches in length, they shall be taxable at the rate prescribed for cigarettes weighing not more than 3 pounds per thousand, counting each 2¾ inches, or fraction thereof, of the length of each as one cigarette.

"(2) RETAIL SALE.—On cigarettes sold by a cigarette retailer, there shall be imposed a tax of $10.50 per thousand.".

(2) Section 5702 of such Code (relating to definitions) is amended by adding at the end thereof the following new subsection:

"(n) CIGARETTE RETAILER.—'Cigarette retailer' means any person who sells cigarettes to another person for use or consumption by such other person.".

(3) Paragraph (1) of section 5703(a) of such code (relating to original liability) is amended to read as follows:

"(1) ORIGINAL LIABILITY.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the manufacturer or importer of tobacco products and cigarette papers and tubes shall be liable for the taxes imposed thereon by section 5701.

"(B) TAX ON RETAIL SALES.—The cigarette retailer shall be liable for the tax imposed by section 5701(b)(2) on any cigarette sold by such retailer.".

(4) Subsection (b) of section 5703 of such Code is amended—

(A) by striking out "section 5701" and inserting in lieu thereof "section 5701 (other than by section 5701(b)(2))", and

(B) by striking out "Such taxes" and inserting in lieu thereof "All taxes imposed by section 5701".

(5)(A) Subchapter B of chapter 52 of such Code (relating to qualification requirements for manufacturers of tobacco products, etc.) is amended—

(i) by adding at the end thereof the following new section:

"SEC. 5714. REGISTRATION OF CIGARETTE RETAILERS.

"Any person who is a cigarette retailer shall register with the Secretary before incurring any liability under section 5701(b)(2).", and

(ii) by striking out the heading thereof and inserting in lieu thereof:

"Subchapter B—Qualification Requirements".

(B) The table of sections of subchapter B of such chapter is amended by adding at the end thereof the following item:

"Sec. 5714. Registration of cigarette retailers.".

(C) The table of contents of chapter 52 of such Code is amended by striking out the item relating to subchapter B and inserting in lieu thereof the following:

"SUBCHAPTER B. QUALIFICATION REQUIREMENTS.".

(6) Section 5741 of such Code is amended by inserting "every cigarette retailer," after "every importer,".

(7) Subsection (a) of section 5702 of such Code (relating to definitions) is amended by striking out "subsection (b)(2)" and inserting in lieu thereof "subsection (b)(1)(B)".

(b)(1)(A) There is established in the Treasury of the United States a trust fund to be known as the "Cigarette Tax Trust Fund" (hereinafter in this subsection referred to as the "Trust Fund") consisting of such amounts as are transferred to the Trust Fund under paragraph (2). The Trust Fund shall remain available without fiscal year limitation and the amounts in the Trust Fund may be used only for payments to the States under paragraph (4).

(B) The Secretary of the Treasury shall be the trustee of the Trust Fund and shall report to the Congress not later than March 1 of each year on the operation and status of the Trust Fund during the preceding fiscal year.

(2) The Secretary of the Treasury shall transfer from the general fund of the Treasury to the Trust Fund all revenues from the tax imposed by section 5701(b)(2) of the Internal Revenue Code of 1954. Such revenues shall be so transferred at least quarterly on the basis of estimates made by the Secretary of the Treasury. Proper adjustments shall be made in any amounts subsequently transferred to the extent prior estimates were in excess of or less than the actual revenues from such tax for preceding quarters.

(3) The Secretary is authorized and directed to pay out of the Trust Fund to each State government for fiscal year 1984, and for each fiscal year thereafter, a total amount equal to the allocation of such State government under paragraph (4) for such fiscal year. Such payments shall be made in quarterly installments based on estimates. Proper adjustment shall be made in the amount of any payment to a State government to the extent that the payments previously made to such State government under this subsection were in excess of, or less than, the amount of the allocation to which such State government was entitled under paragraph (4).

(4) There shall be allocated to each State out of amounts transferred to the Trust Fund under paragraph (2) for a fiscal year, an amount which bears the same relationship to such amounts transferred as the amount of revenues from the tax imposed by section 5701(b)(2) of such Code with respect to sales of cigarettes occurring within such State during such fiscal year bears to the total revenues from the tax imposed by such section for such fiscal year.

(c)(1) The amendments made by subsection (a) shall apply to cigarettes sold by a cigarette retailer (within the meaning of section 5702(n) of such Code) after September 29, 1983.

(2) Subsection (b) shall take effect on October 1, 1983.

Mr. FORD. Mr. President, will the distinguished Senator from Washington yield to the Senator from Kentucky for a question?

Mr. GORTON. I yield.

Mr. FORD. Is this the 4- or 5-page unprinted amendment at the desk that relates to State taxes and taxing cigarettes based on length or weight?

Mr. GORTON. It is.

Mr. FORD. Do I correctly understand that the Senator wishes to discuss it on the floor and then intends to withdraw it?

Mr. GORTON. The Senator is correct.

Mr. FORD. I thank the Senator.

Mr. GORTON. Mr. President, the distinguished Senator from Oregon has offered an amendment with an importance which goes far beyond its fiscal impact. It does, of course, have economic consequences. It has various significant social consequences, and obviously it has a great impact on health consequences for the people of the United States.

The present system of marketing and taxing cigarettes in the United States has considerable fiscal consequences, as pointed out by persons on both sides of

this debate, and, at the same time, law enforcement consequences which have not been discussed to this point.

The proposal which is before the Senate at this point reflects upon the fact that tobacco products, especially cigarettes, have been treated as commodities for which considerable tax revenues are used for tax purposes by most of the States of the United States, but are used in a way which is so disproportionate between States as to have created a very serious problem of bootlegging which is taken advantage of by organized crime, causing great losses to those States which have particularly high taxes on cigarettes.

It is that problem and an attempt to improve not only the law enforcement climate of the United States but also the fiscal condition, not simply those States such as that of the President pro tempore of the Senate, which has very high cigarette taxes, but also those that have low cigarette taxes, at which this amendment is aimed.

Contrary to popular belief, cigarette bootlegging is not a minor or a victimless crime in a number of States. Cigarette smuggling is a major source of revenue for organized crime groups, and this revenue is used to finance a number of other illegal operations.

As recently as 5 or 6 years ago, the estimated loss to relatively high cigarette tax States was almost $400 million. Almost certainly, it is more than that at the present time. It is a serious problem in more than a dozen States in the United States and is a problem of some significance in a number of others as well.

The majority of States lose cigarette tax revenues because of bootlegging activities, and revenue losses in those States are considerably larger than revenue gains in States from which much of the bootlegging takes place. So that even when those gains are taken into account—5 or 6 years ago—net losses to the former States are well over $300 million per year.

It has often been suggested that this problem could be solved by a more uniform set of cigarette tax rates on the part of the States, but that is unlikely, if not impossible, of attainment without a very strong Federal encouragement in that area. The high-tax States have increased present revenue needs, and those States are unlikely to lower their cigarette tax rates. In fact, this year, a number of them have increased the tax, while the cigarette producing States do not have the same type of gains and are not favorably disposed to increasing the tax on the cigarettes they produce.

Although States attempt to curtail smuggling, by the very nature of the item, by the ease with which this smuggling can take place, those efforts simply are not effective and are unlikely to be effective in the future.

We simply are not likely to get the resources devoted to preventing this type of crime which are commensurate with the crime itself because of that difficulty and because of the use of cigarette taxes for revenue producing purposes.

Cigarette bootlegging has not only hurt State tax collections. It has hurt legitimate businesses in all high-tax States. Many jobs have been lost at both the wholesale and retail levels. Many others have been removed from the above-ground economy to the underground economy, into the hands of organized crime. Many people who would like to deal honestly in the cigarette businesses have been forced out of the business or into dealing with that type of crime itself.

The best example, of course, is the State of New York. In the decade between 1967 and 1977, the city and the State of New York lost more than $600 million in tax revenues due to cigarette bootlegging.

The cigarette industry itself, the legitimate industry, lost perhaps $2.5 billion in legitimate sales, and roughly half of the employees of wholesalers and vendors were thrown out of work.

Other States have suffered almost identical loss in revenue and loss in legitimate jobs—at least, on a per capita basis.

At the same time, in the same decade, bootleggers on the eastern seaboard alone made an untaxed profit of perhaps $750 million.

These figures are difficult to come by, but almost without exception they result in additional revenue losses not only to the States but also to the Federal Government in income taxes which would otherwise have been paid by legitimate businesses.

This proposal attempts to get at the heart of the matter by creating, in all probability, in place of legal and State cigarette taxes, a Federal tax at roughly the level of the highest State tax on cigarettes at the present time, 21 cents per pack at the retail level.

This, however, is not an attempt to balance the Federal budget. That tax would be rebated to each of the 50 States of the United States in proportion to their share of the sales of cigarettes within the boundaries of those States.

As a result, I believe that every single State in the United States of America would have a revenue gain, something which almost all of them need at the present time, simply because the low tax States obviously on the basis of their sales would receive more money from this tax distribution than they do at the present time. States like New York, Pennsylvania, and other relatively high tax States would receive more simply because they would receive a tax on all cigarettes sold and not the now relatively small percentage which are sold legitimately to which the State taxes attach.

The problem would be, of course, that we might well face the proposition that States would continue to impose taxes on top of this Federal tax and thus render it self-defeating.

This is prohibited effectively by the provisions of this amendment simply by saying that for every 1 cent per pack which a State attempts to tax over and above this Federal tax, it will lose an equal amount of money from the Federal tax distribution which would then remain in the Federal Treasury itself.

It would be impossible, it seems to me, under that set of circumstances that any State could even consider to continue the type of taxes which it has at the present time because they would simply be self-defeating. There is no way that a State could have a net gain as a result.

As a result there would be increased revenues for a large number if not all 50 States in the United States. There would be increased revenues to the Federal Government for all taxes which were not returned to the States and if any State were foolish enough to impose a tax thereafter and, in any event, a return to the Federal Government through more of the cigarette business being above ground and thus subject to normal business taxes and normal income taxes than is the case at the present time.

Most importantly, this would result in a totally uniform tax rate and thus would cut the ground out from under what has been described as perhaps the second most important source of income after narcotics for organized crime in large parts of this country. That result alone is the greatest single reason to adopt something which only the Federal Government can adopt, to cut out a source of income for organized crime which can only, as a practical matter, be accomplished by the Federal Government without the loss of revenues, in fact with a gain of revenues for State and for local governments.

Mr. President, I recognize at this point in some respects this may even be an inappropriate vehicle on which to attach an idea of this sort. I have in proposing it solicited the views on this approach from the distinguished Senator from North Carolina and the distinguished Senator from Kentucky, as I think it is important, and I have discussed the matter with the Senator from Kansas (Mr. DOLE) in connection with the Finance Committee's second proposed tax bill.

As the Senator from Kansas has indicated that any new tax cuts must, of course, be balanced by gains in revenue, it seems to me that, while this is not a primary aim at gaining more revenue for the Federal Government, it nonetheless is a very important subject for the Finance Committee and will do more to work effectively against organized crime than most of the approaches which have been presented in this body for some time.

When I have received a response from whichever Member of the body wishes to speak against this proposal on its merits or to raise whatever objections there are on its merits, as I said in my answer to the distinguished Senator from Kentucky, I intend at this point to withdraw the amendment with the firm hope that the Senator from Kansas will consider this or some similar proposal in connection with his future work on the second tax bill.

Mr. DOLE. Mr. President, will the Senator from Washington yield?

Mr. GORTON. I yield.

Mr. DOLE. Mr. President, let me state that the Senator from Washington is correct, that we certainly will consider this. In fact, the Senator from Washington handed me a copy of the amendment

I think a few days ago. I have already asked my staff to study it carefully.

Frankly, it is a novel idea as far as this Senator is concerned. I know what problem it seeks to address, and he may have mentioned in his statement, that I think there was a network program pointing up some of the abuses under the present system a year or two ago.

Mr. GORTON. There was.

Mr. DOLE. I believe it was on 60 Minutes.

In any event, we are still in the process of the second tax bill. I know no one has worked so hard as the distinguished Senator from South Carolina. We are thinking about the second tax bill. But we will be looking for some revenue raisers to take care of any revenue losers there will be in that bill.

We will study it carefully and look forward to working with the Senator from Washington.

Mr. GORTON. Mr. President, at this point I yield to whichever Senator wishes to speak.

Mr. HOLLINGS. Mr. President, I rise to say to the distinguished Senator from Washington that I prefer if he is going to withdraw the amendment that he go ahead so I can talk on Senator HATFIELD'S amendment. I would be delighted if he withdrew it.

Is the Senator from Washington prepared to withdraw the amendment?

Mr. GORTON. Mr. President, I understand that the distinguished Senator from South Carolina (Mr. THURMOND) is on his way to the body to speak on this issue and wishes to do so before it is withdrawn.

At this point, however, I am prepared to yield the floor to anyone else who wishes to speak on it.

Mr. HOLLINGS. Mr. President, I will not comment on the amendment of the distinguished Senator from Washington in that I understand he is prepared to withdraw it and the chairman of the Finance Committee is ready to try to work with him on the bootleg problem.

I hope that we do not set any kind of Federal policies that more or less preempt the States in their own taxing practices.

Here is an administration that is going to give block grants, going to give more authority, and everything else. I hate to see us go in the other direction with the little remaining tax authority left with the States, trying to take on these new responsibilities by preempting the States.

But enough said on that.

Mr. HOLLINGS. Mr. President, with regard to the amendment by the Senator from Oregon relative to the tobacco price support program, of course the rationale relative to cancer and advertising and everything else as that, were the Senator's amendment to be adopted immediately and unanimously there would not be one less cigarette smoked or one less case of cancer experienced. I am convinced of that. Anyone who has looked at the problem is convinced of it.

The price support program has nothing to do with increasing production or increasing cancer. We found tobacco when we first came here tens of years ago. The Indians were smoking it, and we are trying to sort of maintain its production and the livelihood it provides to thousands of Americans and their families.

We did not like the way people were getting liquor at one time, so Congress passed the Volstead Act and thought we could control it, but that did not work. It was a miserable failure. That did not stop people from drinking. And it undermined many of this Nation's institutions.

Just to stop the price support programs that go into the evils like sugar—we voted almost overwhelmingly a moment ago for a support program for sugar. That is a very terrible thing for diabetes and alcoholism. There is all the rye, the corn, and the barley support programs, and we go right ahead.

We should be commonsensible enough and mature enough at this particular point to realize there is no connection between the social practices and the actual diseases and ailments that are caused thereby.

The fact of the matter is if we could prove it, we would feel very good about it.

Hubie Blake, the noted and very gifted performer, the other day at 96 years of age fell out of bed and broke his hip, and they lifted him back up and put him in bed, and he reached for and lit up a cigarette and puffed away. He has been smoking since 8 years of age.

I hope I last to 96 like old Hubie so I can fall out of bed and break my hip and light up another one.

But I cannot control that, and we do have these small family farms over 276,000, with an average of 3 acres of tobacco. Senators have heard it and all, ad infinitum, the different statistical material. The facts are compeling and very persuasive.

What the Senator is going to break are the small family farms and the agribusiness. Six big companies will go in there and take over. This amendment is going to destroy the very valuable and beneficial tobacco export program, and we are going to get in all the stems and stalks and the cheaper tobaccos. There is political support for this particular commodity. We have a fine agricultural small family, and not rich family farms, in this particular program with around the average, as I say, of 3 acres. A family can provide for itself under this program. Termination of this program will seriously effect these farms and cause widespread economic problems not only to producers but to the small communities that dot the tobacco belt.

The amendment would destroy that $2 billion export program; it would destroy that family farm system by going after something under the emotion of cancer.

I have headed enough cancer drives, and the Senator from Oregon has headed enough cancer drives, and I have gone along with the Appropriations Committee to get it up to $1 billion in research. We have tried immunization, we have tried the singular approach, the general science approach, and I will try any approach you can think of to get some kind of cure for this dastardly disease.

But you are not helping yourself at all, and you are emotionally working people up on something that is fundamental to the economy and to the family life that was here long before this Nation was founded.

Again, Mr. President, we are confronted with an illogical and unwise attack on the tobacco price support program. The opponents of this program continue to erroneously label it as a subsidy for tobacco. We have debated the merits of this program many times in the Budget Committee and before the Senate. By now there should be a clear understanding of the program. Efforts to terminate it or seriously revise it are an indication that it is very misunderstood, and therefore, Mr. President, I would like to make some comments that will bring the tobacco price support program into focus.

The tobacco price support program, Mr. President, is the most effective and least expensive of all of our agriculture programs. I wish we had more of them. The program works very well and contributes much to the economies of many States and the Nation as well.

The attack on the program is based on a limited perspective that fails to recognize the very important contribution our tobacco producers make. I am confident, Mr. President, that the Senate will reject this attack handily, when the facts are presented and the case is made. Let me state that case and voice the concerns raised by this attack.

First, the long-term costs of the tobacco price support program are low since nearly all price support loans are repaid. Repaid with interest I might add. Based upon an administrative decision by the Secretary of Agriculture, the loan rate for the Commodity Credit Corporation (CCC) tobacco price support program was increased to 14.5 percent, April 1, 1981, and could be recalculated as high as 16.5 percent on October 1, 1981. Clearly, loans made at this rate cannot, cannot Mr. President, be called subsidies.

Since 1933, approximately $5 billion has been loaned under the tobacco price support program with a loss rate of only 1 percent, and CCC net realized losses due to the tobacco program are expected to average below $1 million per year for the next 5 years. A loss rate that I might emphasize, Mr. President, is the lowest of any major commodity. The tobacco program is successful, it works much better than the rest, but my colleagues inappropriately single it out for elimination or unwise and completely unnecessary revision.

At this point, Mr. President, I ask unanimous consent to include a table that further emphasizes the success of the tobacco price support program in comparison to all other commodity programs.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

NET BUDGET OUTLAYS 1970–80

[In millions of dollars; minus sign represents receipt]

| Year | Commodity | | | | | | |
|---|---|---|---|---|---|---|---|
| | Feed grains | Wheat | Rice | Wool and mohair | Dairy | Tobacco | Cotton |
| 1970 | 1,439.5 | 795.5 | 167.6 | 56.3 | 87.1 | 114.7 | 891.4 |
| 1971 | 1,069.3 | 467.6 | 41.6 | 75.4 | 217.5 | 68.6 | 603.2 |
| 1972 | 1,722.1 | 866.9 | 5.4 | 116.6 | 174.2 | −186.2 | 760.4 |
| 1973 | 1,215.9 | 73.0 | 21.6 | 74.0 | 116.6 | −162.9 | 824.0 |
| 1974 | 552.6 | 241.6 | 14.7 | 7.8 | 46.0 | −217.8 | 724.6 |
| 1975 | 200.3 | 21.7 | (1) | 18.9 | 424.4 | −129.2 | 232.8 |
| 1976 | 124.3 | 68.5 | 166.6 | 45.5 | 40.1 | 234.0 | 8.2 |
| 1977 | 659.2 | 1,899.3 | 144.6 | 10.4 | 469.1 | 160.9 | 104.3 |
| 1978 | 2,288.3 | 844.3 | −66.1 | 33.0 | 240.1 | 98.0 | 223.8 |
| 1979 | 1,143.8 | 308.4 | 49.5 | 39.4 | 23.8 | 157.3 | 141.2 |
| 1980 | 1,286.0 | 878.6 | −75.8 | 34.5 | 1,011.1 | −87.8 | 64.3 |
| Net total expenditure | 11,701.3 | 6,465.4 | 469.7 | 511.8 | 2,849.9 | 49.6 | 4,578.2 |

[1] Less than $50,000.

Mr. HOLLINGS. Based on U.S. Department of Agriculture statistics, the "Summary of Net Outlays, 1970–80, by Commodity" indicates that tobacco has cost far less than the other commodity programs. The cost for tobacco for this period is $49.6 million or 0.27 of 1 percent of the total for all commodities.

*Summary of net outlays, 1970–80, by commodity*

[In millions of dollars]

| | Total | Percent |
|---|---|---|
| Commodity: | | |
| Feed grains | 11,701.30 | 44 |
| Wheat | 6,465.40 | 24 |
| Cotton | 4,578.20 | 17 |
| Dairy | 2,849.90 | 11 |
| Wool and mohair | 511.80 | 2 |
| Rice | 470.00 | 2 |
| Tobacco | 49.60 | 0.27 |
| Total | 26,626.20 | *100 |

* Percentage totals slightly more than 100 due to rounding.

A second concern raised by this attack on the tobacco price support program, Mr. President, is the serious employment effects it would have if successful. Tobacco is by far the most labor intensive agricultural crop grown in the United States. Tobacco production uses about 250 hours of labor per harvested acre, compared to 21 hours for cotton and 3 hours for food and feed grains.

According to the Census of Agriculture, 50,000 tobacco farms reported employing an average 10 workers per farm, usually at harvest time. These seasonal workers have very few outside employment opportunities because of their low skill level, lack of proximity to urban employment, and the minimum wage requirements of off-farm work.

The production of tobacco, because of its labor intensity, offers many jobs to young people and makes a significant impact on the youth employment problem.

And, at this time of disgrace in high unemployment level among our young people, particularly blacks, it is truly ironic that some would terminate or greatly reduce the opportunity for young people in tobacco production or tobacco related jobs.

Mr. President, at this point I ask unanimous consent that an article printed in Parade Magazine entitled "Among America's Poor," that gives an excellent view of the life of a tobacco farmer be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AMONG AMERICA'S POOR

(NOTE.—Three years ago, a young economist at Stanford wrote a book entitled "Welfare" in which he declared: "The 'war on poverty' that began in 1964 has been won. The growth of jobs and income in the private economy, combined with an explosive increase in government spending for welfare and income transfer programs, has virtually eliminated poverty in the United States." Today, that young man—Martin Anderson—is President Reagon's principal adviser on domestic policy.

(Welfare statistics tell us one part of the present-day poverty picture. The nation is spending more for welfare than ever before in history. But what of the "poor" who are not a part of these dismal statistics?

(Parade asked John Ehrlichman—who held Anderson's job during the Nixon Administration and who himself later came to understand the sting of public embarrassment and extraordinary personal loss—to travel among America's poor, to discover the best qualities among those who seem to have the least. His odyssey took him to the homes of four families whose spirit believes the term "poor." Here is his account of his walk along the poverty line.)

THE PRICE FAMILY, BIG PINE, N.C.

To find Diane and Leonard Price, I drove far, far back into the Appalachian Mountains or North Carolina, across the French Broad River and up one of its tributaries called Big Pine—"not "Big Pine Creek" or "Big Pine Run," just Big Pine. It winds through the bottom of a lush and green hollow. Small frame houses and crossroads churches are separated by freshly plowed fields. In spite of a light rain, the people of this valley were in their fields, "setting out" tobacco seedlings in straight rows. It was the first week of the growing season.

At a small lumber mill, an angular woodsman pointed up a hillside to where the Prices were working in a field they sharecropped. When they came down the steep trail, Diane held an old brown coat over her head. The coat and the man's fedora hat she wore were soaked through, and she and her husband were streaked with the red mud of the field.

At first glance, Leonard Price looks short and thin, but after a few minutes of talk he reveals himself to be a man of great strength. Diane is a natural beauty. We drove up the valley together to a small house perched above the road and the Big Pine with a corn and vegetable garden out behind it.

Inside, we talked while they attended to their children: Christy, 7, Richie, 3, and Rebecca, 10 months. As they told me about their life—how it parallels the nine-month farming cycle that produces a crop of Burley tobacco—their children, their work, their two horses, such a joie de vivre illuminated their faces and animated their voices that I had to smile. I was in the presence of people who genuinely loved how they were living. In what sense are they "poor"?

All his life, Leonard Price has wanted to be a tobacco farmer. When he was 15, he traveled 20 miles every day to the high school in Marshall, N.C., the county seat. He grew his first tobacco crop on eight-tenths of an acre after school and on weekends. Nine months of hard work yielded enough money to buy his first car. Within a year, he had dropped out of high school to become a full-time farmer at 17.

When he turned 21, Leonard married Diana Roberts, 18, who was from across one of the Appalachian mountains. Diana—most folks call her Diane—dropped out of school in the 10th grade to marry Leonard and help him farm.

Leonard works one day a week in the stockyards in Asheville. He had tried a full-time job for wages, "but I just didn't like a boss-man over my head," he says.

Leonard and Diane have never had enough money to buy farm land, but around Big Pine a person can rent land "on shares." The Prices buy their own seed, fertilizer and pesticides, then plant, grow, harvest and cure the tobacco. They pay the landowner a third of the money they receive for their crop. In their best year, farming four fields, they grossed about $8,000—a sum that included Leonard's wages from the stockyards.

Like other Burley tobacco growers in Appalachia, the Prices have gone through two years of partial crop failure—the result of a blight—when their yearly gross income fell to about $5500. Several years ago, they tried to grow tomatoes, but that crop was blighted, too, and they lost their modest savings.

Diane miscarried twice, early in their marriage. Several years ago, the Prices opened their arms to foster children who needed a home. "I heard about those kids who had been throwed down by their parents," Diane says, "any that really hurt me."

The first foster child was a 12-year-old boy who was soon returned to his mother. "That hurt, too, when he left," Diane recalls, "but pretty soon the social worker sent us a little baby boy and his big sister—Richie and Christy—and it's been good ever since."

Last year, the Prices decided to adopt Richie and Christy. Soon after that, Diane had a successful pregnancy, and Rebecca was born.

Now the Prices subsist on about half the annual income designated by the government as "poverty" for a family of five ($9830).

Not long ago, Leonard bought a mobile home—$500 down—to house his growing family. He added on a storeroom in which to keep the vegetables and fruit he grew with his father. Both Leonard and Diane have kinfolk who live in the valley.

But one cold night last January, the Prices lost everything they had. A fire destroyed their home and the material accumulation of seven years of marriage—clothes, the children's toys, all of Diane's preserves

and canning—everything except three pieces of furniture.

Yet even as they stood with their children in the freezing night watching their home burn, their family and neighbors brought coats, boots and blankets. The next day, a neighbor went door-to-door up and down the valley collecting food. No one in the hollow has much, "but when one has a problem, everyone helps," Diane told me. When she was pregnant and dared not work in the fields, neighbors took her place helping Leonard. After the fire, a neighbor offered them a small house rent-free. A cousin brought them a wood stove. Others brought clothes, utensils and bedding.

Leonard hopes to have a good Burley crop this year. He's treated the fields with expensive pesticides to avoid blight. He manages the family money with a firm hand and intends to save enough to make a down payment on some land. Perhaps he can get some help from the Farm Home Administration—depending on what the federal government appropriates for loans to people like the Prices.

"When the fire wiped you out, did you ask the county for welfare or other help?" I asked.

"No, sir," Leonard said, "I think that kind of thing is meant for people who can't work. We could still work."

Diane manages to feed her husband and three children on less than $40 a week. On "grocery day," she takes the children to town for a treat, but she and Leonard seldom go to a restaurant. "That kind of thing doesn't make any difference to me," she says. "We have a horse we bought after we were married. Three years later, we got another. For fun, we'd rather go riding of an evening."

What do Leonard and Diane Price want for the future?

"I'd like for the kids to go to college, but already Richie says he wants to be a farmer like Leonard," Diane says.

"I want them to pick what they'll do," Leonard adds,

"It doesn't really matter," Diane says. "I grew up real poor, but I've been real happy. Being poor is a frame of mind, you know."

Some day, Leonard would like to own five or six horses, a few head of cattle and a farm of about 100 acres.

Diane has an unfulfilled desire, too. She gets serious when she talks about it. Her dark eyes widen. "I've always wanted to see the ocean," she says.

THE CERVANTES FAMILY WATSONVILLE, CALIF.

"I'm too old," Lorenzo Cervantes said to me solemnly, looking down at the floor. He is 66 years old—a tall, shambling, broad-shouldered man with the gnarled hands of a ranch worker. He had lived his whole life out of doors, working in apple orchards, but now they tell him he's too old to work full time. He spends most of his time in the small house he rents for his family in downtown Watsonville in northern California.

The house is spotless. When I was there, Lorenzo was repainting the kitchen and dining room. He and his wife, Guadalupe, have worked hard on their home, and he was proud of their accomplishment. He showed me the rooms his wife had fixed up for their young boys, Hector, 7, and Homero, 3.

The ranching years were good for Lorenzo. "But my shoulder and leg are hurt," he says, "and I can't work on the apples like I used to. I worked on one ranch for 26 years, but now I only work part-time for the California Fruit Company."

"He worked too hard all those years," Guadalupe adds. Lorenzo shrugged. When a man comes to the United States from Mexico, he expects to work hard.

Lorenzo first came to Watsonville as a bracero (a legally admitted contract worker) in 1945. The youngest in a family of 14 children, he had followed an older brother to the lush farms and ranches around Monterey, south of San Francisco, to work the lettuce and apples. When the bracero program ended in 1964, Lorenzo, at 49, went back to Mexico then came back illegally for six years. Finally, he was able to obtain a visa.

Illegal and legal, he worked on the same ranch for 26 years, tending the apple trees, foreman of as many as 40 other workers. In a good year, he could send as much as $2000 to his elderly parents in Mexico. As the youngest child, it was his duty to remain unmarried and support his mother and father until they died. At their deaths, his father was 90, his mother 96—and Lorenzo was 56.

He returned to the family village in Mexico to find a wife. There he courted Guadalupe, the daughter of a well-to-do farmer. She was 16 years younger than Lorenzo, but he persuaded her to emigrate with him to the United States.

Guadalupe was no provincial farm girl. She had attended schools in Mexico City and had won prizes for her stylized floral arrangements and dried flower displays. She is a handsome, smiling woman and a hard-working homemaker. "I married her twice," Lorenzo says proudly, "in the village, for the Church, and here, for the law."

Lorenzo and Guadalupe settled into his cabin on the ranch where he had worked since his bracero days. But in 1974—the year his first son, Hector, was born—Lorenzo Cervantes, at 59, found himself replaced by a younger foreman. Lorenzo concedes that his injuries had slowed him down some, but it was nevertheless a cruel realization that his old employer considered him unable to do his job. Lorenzo's pride would not permit him to stay on the ranch doing menial part-time work. So the Cervantes moved to town.

Guadalupe made floral arrangements to sell, and for three years she took care of other people's children to augment what Lorenzo earned in part-time ranch work. When their second son, Homero, was born, it was clear that Lorenzo's income would never be enough to support his family. He want to La Coalicion, a Hispanic community action agency, where they helped him to apply for Social Security. Soon he began receiving monthly checks for each member of his family. They total about $8000 a year—$500 below the government's poverty line for a family of four.

"It's not enough money for living," Lorenzo says. "Heat and light keep going up. To eat and pay the rent I have to work when I can, and so does the wife."

Just this spring, Guadalupe Cervantes finally found a job as a guaderia—a teacher's aide—in a day-care center. She earns $4 an hour helping a teacher to supervise 50 Spanish-speaking children from 11 a.m. to 7 p.m. "I work for the future for my sons," she says. "They will not be farmers. Maybe a doctor or a lawyer."

Lorenzo shakes his head. "Fathers and mothers can't choose what the children will be. But I am not worried so much about their futures. They will have easier jobs than me."

The Cervantes grow much of their food in a vegetable garden behind their house. They are saving money in every way they can to raise $600 for their eldest son's annual tuition at a parochial school. "The public school where he goes now is 99 percent Mexican, you see," Guadalupe says. "I want Hector to learn to speak good English."

Guadalupe will sell her floral arrangements and work in the day-care center. Lorenzo will work all he can in the orchards. "We pay our bills," he says. "We pay some of them ahead. We have a little saved. Hector will take his entrance examination soon. It will be done."

THE JENKINS FAMILY, HOTEVILLA, ARIZONA

The people of the Hopi tribe live on three mesas—great stone formations that rise steeply from the Arizona desert. The average per capita income of the Hopi—less than $2000 a year—is far below the poverty line. From 30 to nearly 50 percent of the Hopi who live on their reservation are unemployed and heavily dependent on federal largesse.

Marshall and Polly Jenkins live on Third Mesa, in the village of Hotevilla. They are better off than the average Hopi, although Marshall's disability pension and sporadic Social Security payments total substantially less than $600 a month.

Marshall—whose Hopi name means Rain Walking Across the Earth—is a short, grizzled man whose robust appearance masks the injury and illness he's suffered in the past 20 years. He believes he is 62 or 63 years old; his wife is 60. Though he limps, he does not advertise his infirmities. His nature is a mixture of the stoic Hopi way and a fundamental Christianity he learned from his mother and from the Mennonite missionaries who have been active on the Hopi reservation for years.

World War II took young Marshall off the reservation and the Army taught him that he could hold his own with the white man: "The 'outside' was opened up to me. White people were just like me! I got over the fear of white men."

After the war the GI Bill afforded Marshall a chance to learn heavy equipment operation. As a Veterans Administration trainee, he worked on a bulldozer for several years, building roads on the reservation and eventually landed a civil service job "outside," at a Flagstaff, Ariz., ordnance depot. He moved his family away from the reservation and soon won recognition as a valued employee. He began to contemplate working for a contractor—private-sector wages were better than civil service pay—but in 1958, before he could make his move, Marshall suffered a back injury and was retired on a $140-a-month pension.

During the years as a trainee and at Flagstaff, Marshall and Polly had put their extra money into building a house on tribal land in Hotevilla. That home, the pension and a car were their only major assets when they returned to the reservation. Marshall's two young sons helped him prepare a dry farm plot below the mesa to grow corn and beans.

Government doctors took a spinal tap and warned Marshall that a back operation might permanently paralyze him. That diagnostic tap has been the source of much of his subsequent illness, he says. "I could hardly walk, even with a cane," he recalls. "The nerves in my head bothered me. But I decided I would work my way out of the sickness."

Subsistence farming was his rehabilitation. Marshall believes, and it was a good thing for his sons too: "Today, young Hopi men don't take responsibility. They are in transition to the white man's way—only money is on their minds. Parents don't train their young boys. Why are Indians in poverty? Because it takes a punishing, learning experience for a young man to decide to fight this poverty and go ahead."

But his back still bothered him. "I wanted to challenge this ailment," Marshall says, so he became a sheepherder, walking after Polly's family flock. 'I did it so my legs would get stronger."

In 1968, Marshall felt he was well enough "for a new experience" as a school bus driver for the Hotevilla Head Start program. "Being a shepherd was preparation for caring for little children." Marshall says with a smile. "The sheep were always going astray. I soon learned that a shepherd can't be mean to his sheep: they respond to tender care."

Marshall showed me an engraved plaque the school awarded him when severe diabetes forced him to retire for good after six years with the children.

Like most Indians, Marshall Jenkins has had his troubles with the United States government over the years. The Civil Service Commission held up his small pension for a while because someone suspected he hadn't really hurt his back on the job at the depot,

and a small veteran's pension was revoked. His problems with Social Security remain unresolved.

Meanwhile, the civil service pension has increased somewhat. "It hasn't kept up with inflation," Marshall is certain, "but I have a partner—my wife—who is very wise. She doesn't spend money unless it is necessary. So our income is enough, whatever it is. We farm beans and corn, and that stretches our money."

Both their daughters are registered nurses, and one son is assistant director of the Hopi Health Department. Their other son is an executive with Hughes Aircraft Company. "Their mother talked to them when they were young," Marshall says. "She said: 'You can sit here and loaf, or you can become educated and be something. You choose.'"

Polly and Marshall are sustained by deeply rooted values. "My beliefs are the structure of my life," says Marshall, "the Hopi way and my belief in God. In Hopi we say tak-an-a-way." A man's heart can endure anything.' Now we are facing hard times here. The government is slashing fundings for the reservations. I know there is no use just sitting around here. The Hopi must get out and compete. I proved that an Indian can be just as capable as the next person. That recognition ignites something in you. You say: 'I'm as good as anyone else.' It's up to the individual then. You have it inside."

THE THOMPSON FAMILY, CHICAGO, ILLINOIS

About 150 blocks south of the Chicago Loop, the Dixie Highway cuts through the suburb of Harvey, Ill. As I crossed that busy street, a gang of young black people were gathered around a large cassette player in an empty parking lot, dipping and turning to the music.

The kids were a lively contrast to the vacant and boarded buildings behind them. A faded sign says "Dixie Center," recalling a shopping center that once boasted 20 or 30 businesses. Grass grows along the curbs and in front of the deteriorating facades. A Ford dealership across the highway is boarded up. "Too much vandalism and not enough business," my cabdriver explained.

Not far away is a block of shabby, brick-faced, two-story apartments. Patricia Thompson lives here with her two children, upstairs at the back. Mrs. Thompson, 29, is an intelligent and outspoken woman typical of the "working poor"—those who prefer work to welfare but don't make enough money to break through the government's poverty line. Patricia moved to this apartment because the rent is only $180 a month.

When your take-home pay is $580 a month, $180 for rent is 31 percent of your income. Add another $40 a week for food and $25 weekly for day-care for your two kids, and 76 percent of your paycheck is gone before you can even begin to think about the cost of utilities, medical care, clothes or other demands of urban life.

Technically, Patricia Thompson makes $61 a month too much to be classified as "poor" by the U.S. Department of Labor, but that technicality is very little solace. She works long hours in the accounting department of a bank—sometimes nine or 10 hours a day—to support her daughter Kenya, 7, and son Robert, 4.

Life has changed dramatically for Patricia since she was divorced last year. Her ex-husband—a man "who believes that when a marriage is over, it is over"—has refused to support his children, she says, in spite of a court order requiring him to provide $50 a week. "I'm bitter about that," she admits, "and I'm unhappy with lawyers and courts. My ex-husband makes good money as a machinist. He should help with the kids." But legal matters move slowly in and around Chicago, the lawyers tell Patricia. Meanwhile, she feels she has no choice but to work hard and "make do."

"My stepmother raised us—my brother and sister and me—to be independent," Patricia says. "The welfare would pay me more if I 'went on aid,' but I couldn't sit around all day watching soap operas on TV. That would slow me down so I wouldn't ever be good for anything again. I've had some education and some experience, so I'm out there to work."

Patricia was raised on the near-west side of Chicago in a racially mixed area. "I always wanted to better myself, so after junior college I worked for a while, then took courses at Illinois Medical Center. I was going to be a medical technician."

Then Kenya was born, and Patricia became a full-time homemaker. When her marriage failed, she found the accounting job at the bank, located daycare for Robert and went to work again. On her bank salary ($650 a month, gross), Patricia no longer could afford to operate an automobile. In addition, rents were too high in the mostly white neighborhood where the Thompsons had been living. Their present apartment is in the all-black part of Harvey, where the schools are also all-black.

"Kenya's new school is not the best, and it's not the worst," Patricia says. "She's doing pretty well, but she never brings homework. That worries me. I'd love to be able to put her in private school—that's my goal—but for now I'd like to get her back in a school that's about half-black and half-white. It affects the quality of the education when a school is predominantly black, you know. Kenya was learning more in the other school."

Patricia is determined to make it on her own, but she finds one federal aid program irresistible. "There is that [HUD] Section Eight rent subsidy that will pay half my rent," she says with animation, "and that would mean we could move into a house with a yard in a different neighborhood near the other school. I would do that. I would do anything to make life better for my children."

Patricia wondered if the Reagan Administration would cut out the rent-subsidy program: "I don't want to badmouth Reagan, but it's not good to cut some of those federal programs. There are a lot of people worse off than me who can't work or can't afford a babysitter. Poverty is the biggest problem we've got in this country today, I think. There are a lot of very poor people. I know plenty of them. I agree that everyone who can should work, but you've got to have enough jobs, and the job has to pay enough for a person to live. The government should help with that."

Patricia's take-home pay has not kept up with inflation. "I know I'm falling behind every month now," she says. "I shop for all the special sales, but even so, I have to rob Peter to pay Paul. I pay all my bills, but every month it's close. I have no charge accounts—I pay cash."

She believes life will be harder for her children than it has been for her, so she is determined to raise them in a good neighborhood with good schools. "The suburbs are best for them," she says. "I personally prefer the bright lights and the big city, but there are fewer riff-raff kids in the suburbs."

She'd like her daughter and son to be professional people, but "whatever makes them happy" will be all right with her. "I believe a person should be happy at her job," she says.

Patricia Thompson clearly feels the effects of long workdays, long evenings caring for her children and weekends spent doing housekeeping chores. But she has a determination, a street-tough drive that makes you believe that she and her kids are going to be all right.

"Things will get better," she says. "I know." She nods toward Robert, who has fallen asleep beside her. "There are these little kids, you see. Their lives are in my hands."

Mr. HOLLINGS. Third, tobacco production is stabilized through the price support program. This aspect of the program enhances U.S. tobacco exports by increasing the reliability of U.S. supplies.

Approximately $2.1 billion worth of tobacco products will be exported in fiscal year 1981. This ranks tobacco fifth among our agricultural exports, Mr. President.

Needless to say this has a tremendous and very beneficial impact on our balance of payments. These exports strengthen the value of the dollar abroad and fight inflation at home by reducing prices on imported products.

Fourth, Mr. President, termination or revision of the tobacco price support program would be particularly detrimental to small-scale family farms. Tobacco growers represent 276,000 farm families in 22 States who depend totally or in part upon tobacco for their livelihood. The average productive tobacco acreage per farm is only 3 acres. Tobacco is unique in that it allows small family farms to support themselves. It preserves the family farm. But, Mr. President, those who attack the program would call an end to this.

Fifth, smokers more than pay for the cost of the tobacco support program. The USDA program is estimated to cost about $200 million in fiscal year 1981—less than one penny for each pack of cigarettes sold.

Also, the Federal excise tax on cigarettes which is 8 cents per pack amounts to about $2.6 billion in revenue per year. State and local taxes in turn generate about $3.5 billion annually while other tax revenues, such as corporate income tax, account for an additional $3 billion.

Total estimated revenue for tax collections from the tobacco industry, therefore Mr. President, is in the vicinity of $9 billion annually. The tobacco program is the basis for this revenue base. The tobacco program is economically sound and a significant money maker that I, for one, Mr. President, wish we had a few more of around here.

With a few more contributors to our economic system along the lines of tobacco we would not have the economic problems that presently exist in our Nation. Success such as this should be promoted, not destroyed.

Finally, let me point out as strongly as I can, Mr. President, despite the critic's contention the tobacco price support program is a subsidy; it is nothing of the kind. Usually there is no expense with the support program and generally the program generates revenues for the Treasury.

I have placed in the RECORD a table which supports my contentions. It is interesting to point out, Mr. President, that in 5 out of the 11 years indicated on the chart tobacco returned money to the U.S. Treasury. That draws attention to the fact that by and large the program pays for itself.

The tobacco price support program does not encourage increased tobacco production or smoking. The program in-

sures orderly marketing and stabilizes tobacco production. It is a sound and strong contributor to the Nation's economy, Mr. President, and for the reasons I have outlined I urge that the attempts to terminate or revise the tobacco price support program be defeated.

In conclusion, Mr. President, since there seems to be so much confusion and false information about how the tobacco price support program works, I ask unanimous consent, Mr. President, to insert in the RECORD an article appearing in The Greensboro Record, Monday, February 23, 1981. It makes a clear and cogent statement on the workings of the program and the events expressed could apply to any portion of the tobacco belt.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Greensboro (S.C.) Record, Feb. 23, 1981]

TOBACCO RESALE SUPPORTS PROGRAM

(By Jim Schlosser)

With eyebrows lifted, network TV commentators told the nation last week that President Ronald Reagan had slashed price supports to dairy farmers but was leaving tobacco price supports untouched.

What the newsmen failed to point out was that there's nothing to cut from the tobacco price support program. The millions the government spends on the program each year—last year's amount was $182 million—are recouped through the eventual resale of surplus tobacco purchased from the farmers.

Every year since 1961, the program has either made a profit for the federal government or broken even, according to Fred Bond, executive director of the Raleigh-based Flue-Cured Tobacco Cooperative Stabilization Corp. It administers the program in five Southern states.

More than 3,000 farmers in Guilford County operate under the program.

Each year, a tobacco farmer hauls his harvest to a privately owned tobacco warehouse, such as the one on Old Burlington Road in Greensboro. There, buyers from the big tobacco companies—such as Reynolds, Lorillard, Phillip Morris, American—move along the rows of stacked leaf and give their bids to a fast-talking auctioneer.

When the farmer enters the warehouse he knows he is going to get a minimum price for his crop—the government guarantees it. Last year's average minimum was $1.41 cents a pound.

But the private buyers usually bid more than the minimum and the farmer returns home with a nice check.

However, if the private companies are not interested in the farmer's tobacco—perhaps the quality is not up to par—the government will step in and buy the leaf and store in warehouses like one in Fuquay-Varina.

Tobacco quality usually improves with age. After a stay in the warehouse, the government-bought tobacco is put back on the market. And this time, private companies usually buy it, often for prices higher than what the government paid for it.

From the sale proceeds, the government deducts administrative and storage costs. If any money is left over, it goes to the farmer from whom the tobacco was purchased in the first place.

"Many times a tobacco farmer ends up getting an extra check he didn't expect," says Max Sockwell of Greensboro, executive director of the Department of Agriculture's Stabilization and Conservation office here. The office administers the price support program locally.

Despite the program's profit through the years, Sockwell was worried whether the program would survive Reagan's war on federal programs.

"We had been a little concerned because of the unpopularity of tobacco in Washington," said Sockwell, referring to some representatives and Senators who argue that the government should not encourage the growing of a commodity that may cause cancer.

But the program may not be out of jeopardy. Budget Director David Stockman said Sunday that the program is still subject to review. However, Secretary of Agriculture John Block was quoted Friday as saying he favors a hands off approach to tobacco. Max Sockwell says the Reagan administration may have concluded that if the price support program were eliminated the result might be more tobacco on the market, not less. He explained that one of the main purposes of the program is to control leaf production. Before 1933, farmers were flooding the market with tobacco. Companies weren't buying it all; consequently, some farmers were losing money. It was that year the government came up with the idea of a price support program to help make supply equal demand.

The government promised farmers a minimum price for their crop if they would agree to limit annual production. Each farmer was assigned an acreage allotment.

The program was not shoved down the farmers' throats. They went to polls set up at country stores and other rural locations and voted to accept it. But the program was not an instant success, and in 1939 farmers voted to abolish it. Within a year, the market was overwhelmed with tobacco. Farmers suffered heavy losses. They then promptly voted the program back in, and have done so in elections held every three years since then. The next vote is scheduled in December 1982.

According to Fred Bond of the Flue Cured Tobacco Cooperative Stabilization Corp., in Raleigh, the program lost millions during the 1950s, but has been in the black for the past 20 years.

Sockwell says the market would be chaotic without the price support program, and would force some small farmers out of business. "This would really cost the government money because a lot of the tobacco farmers would be forced to go on welfare and receive food stamps."

Otis Green, who raises 150 acres of tobacco on his farm in the Brown Summit-Monticello area, said, "I couldn't survive without the price support program. The cost of producing tobacco is so high. I borrow $150,000 to $200,000 each year to get the crop going. Without the price support system we just wouldn't have the guarantee that we need before we can make such an investment."

He estimates that 95 percent of his crop usually is purchased by tobacco companies, with the rest bought by the government. The year before last he received an unexpected check for $1,500 from the co-op—profits from the resale of the small amount of his crop the government had purchased the year before.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. HOLLINGS. I will be happy to yield to the distinguished Senator from Arizona.

Mr. GOLDWATER. I want to speak for just a moment in support of the arguments my friend has been making.

I have listened to the arguments made by the distinguished Senator from Oregon, and I find myself in complete sympathy with him.

I have never smoked in my life. I nearly lost my wife from smoking. I have lost many friends from smoking, but I never considered myself a Carrie Nation as against the tobacco industry.

People have been smoking as long as men have been around, and women, too, and I agree with my friend from South Carolina that no matter what we do people will continue to smoke. They will grow the little patch out in the backyard and roll it up and smoke it.

I lived through prohibition, which was a wonderful idea, but that generation turned out more drunks than any generation in the history of the United States. Unfortunately, that was my generation.

I would hate to see the same efforts being made against the liquid we drink that cheers us up and saddens us and makes the world a worthy place to live in.

I am afraid it might succeed, and once again we will have to go back to the old days of the 1920's and 1930's.

So while I have, frankly, no use for tobacco, I think it is dangerous, I think the people of the United States know it is dangerous, and so is liquor, so is marihuana, but you are not going to stop people from doing what they want to do merely by passing laws.

So I am going to stick with my tobacco-growing friends even though I have a personal dislike for the practice. I have a regard for the great industry this has established in the South, an industry that I do not think has ever done a really good job in promoting or telling the American people how much it amounts to. So you can count on me.

Mr. HOLLINGS. The distinguished Senator from Arizona is so right.

I will conclude by saying that moneywise, budgetwise, this program is a very big winner where we have garnered some $9 billion annually at various governmental levels. It has only been a net cost to the Federal Government, from 1970 to 1980 for example, of $49 million, less than $5 million a year. Governments, municipalities, States, all levels of government rely upon taxes on tobacco products for essential revenues. New York City has a particularly high tax that contributes much to its revenue base. A tax base that will need much expansion, in every State, city, town, et cetera, with our Nation's newly enacted tax policies.

But, be that as it may, let us not talk about the tobacco price support program as an economic cost to Government. This Government is the biggest economic winner, and tobacco more than pays its way.

Mr. GORTON. Mr. President, will the Senator yield?

Mr. HOLLINGS. Yes.

Mr. GORTON. In just a moment the Senator from South Carolina wishes to speak on my amendment. I cannot remain on the floor. I ask unanimous consent after the remarks of the Senator from South Carolina (Mr. THURMOND) that the Senator from North Carolina be allowed to withdraw my amendment for me.

The PRESIDING OFFICER (Mr. BOSCHWITZ). Is there objection? The Chair hears none, and it is so ordered.

Mr. HOLLINGS. I am glad to yield to the Senator from Oregon.

Mr. HATFIELD. Mr. President, I would be glad to clarify the record for

my good friend from South Carolina and my good friend from Arizona, because I think if they had listened very carefully to my remarks, I was very specific. I was in no way trying to diminish smoking by this amendment. That is not the intent of my amendment. I do not compare it to the Volstead Act, and I was against the Volstead Act, because I agree that you cannot legislate people's habits in this particular way.

This was simply an amendment in which I said we ought to be more consistent in our fiscal policy. We are spending over $13 billion of the taxpayers' money a year on an educational program to try to get people to stop smoking, while, at the same time, since the enactment of this act we have subsidized—and the word is "subsidized"—over $600 million of taxpayers' money in the matter of the difference paid for the money loaned to these people in this act.

So all I am saying is let us get out of the business of doing two things that are mutually contradictory, supporting a crop we are trying to get people through an educational program to stop using.

So it is not a question of whether we are going to regulate people's habits. It is purely a question of trying to get on to a logical budgetary position. That is the only purpose of the amendment.

Mr. HOLLINGS. I yield the floor.

Several Senators addressed the Chair.

Mr. FORD. Mr. President, I thank the Chair for the opportunity to take a moment. I do this with the deepest respect for my distinguished friend from the State of Oregon, but I want to bring a couple of points here to the attention of my colleagues. Most of them have been made, and I will not belabor the points because of the lateness of the hour.

Much has been said here about habits, passing legislation to prevent the smoking of cigarettes. If that is the intent of the distinguished Senator from Oregon to get out of the business, let me just say this to him: If the Senator's amendment is agreed to, it would be my judgment and the judgment of those from other tobacco States that the price of equipment will not come down, labor costs will not come down, the cost of fertilizers and so forth that are necessary to raise this crop will not be reduced. But the price of that product will.

So it behooves then that smaller farmer, if he can, to double up and raise more tobacco in order to reach that financial level or plateau to continue to pay for the machinery and labor within this industry. That creates a reduction in price, and the price of cigarettes is going to decline. When the price of cigarettes declines, you have got additional people buying cigarettes.

Today you have a decline in the number of smokers. That is a fact. If your associations that are supporting your position will look at the fact, I think they will substantiate that. So, in essence, in your amendment, if it passes, you will be flying in the face of what those associations that are supporting your position want to do. That is a fact. I do not believe that can be refuted.

We talk about freedom of choice, and the marketplace itself in the tobacco industry is adjusting to the desires of the marketplace. You can get anything you want today as it relates to low-tar nicotine to the harsh ones. The amendment that will be withdrawn in a few moments on taxes is based on length of cigarettes, weight of cigarettes, preemption of States getting back into the tobacco industry.

So what we are finding here now is that it does not make any difference if you have a low-tar and low-nicotine cigarette, you still want to tax it based on length; where it is short it is $3, where it is long, $4 per 100 cigarettes. So we get into the marketplace now offering what you want, and it gives you the freedom of choice.

I was amazed to remember—and I am getting a little older and my memory is not as good—but the distinguished Senator from South Carolina (Mr. HOLLINGS) was making a statement 2 or 3 years ago about what these folks are trying to do to the poor folks in this country. He said:

> Why, the rich folks have yachts and they can go out and remove the cares of the day. Why, they can have psychiatrists because they can afford to hire them or go visit one, lay on their couches because they have the money to do it. But the only thing the poor folks have are cigarettes and a rocking chair, and now they are trying to take the cigarettes away from them.

And I just do not believe that is the intent here.

Mr. President, if the amendment of the distinguished Senator from Oregon is approved by this body and ultimately becomes law, the State of Kentucky's economy would be demolished. You will be creating 105,000 farm families that will not have cash income that they now have—think about that—under a program that over the last 40 years has produced $100 billion in taxes at a cost of $57 million to the Federal Government. Now that is a figure that is going to be hard to refute because it is there and I have got it.

Now, there is a smoking problem. We are trying to answer that question in our own way without asking the Federal Government to do a thing, Kentucky.

We have taxed every pack of cigarettes sold in Kentucky and all that money goes into research. We are trying to answer all the problems. We are not asking the Federal Government to give us a handout. We are trying to solve it ourselves in our own way. And that is an industry; it is a way of life.

I want to show you what a way of life means, where sons come back and take their vacation. It was in the Sunday paper in my State. They take their vacations and come back and help dad harvest his crop. It is a way of life. It is all they have. It is a family. And so here it is, a small family coming together to harvest a crop, to have those things you and I have without raising tobacco. And I think that is important.

If you read the Washington magazine in the Washington Post this last Sunday and you read the stories on poverty, there is a family by the name of Price in there. They could not have children and went out and adopted two children. A family of four, they are $1,900 under the poverty level.

Do you know that man's source of income? Raising tobacco and one day in town working. And tobacco provides him with a living and keeps him off the dole of the Federal Government, hoping to lay aside some of that money to buy land in order that he might have something for himself. And tobacco is bringing him out of the poverty area.

More people, as Senator HUDDLESTON said, and young people in my State have gone to school because of tobacco than any other program, anything else. And if you read the hearings that I sent to you and you read on page 152 the statement there by a young college student that said if it had not been for tobacco he would not be at Western Kentucky University, he would not be there getting an education because his dad gave him a share of the allotment of tobacco on the farm and he was able to work through the season, a 13-month job, but he was able, because he had tobacco, to go to school.

What we are trying to do here is continue a system, continue a system that has been extremely good.

We are now in the other areas of research in tobacco. Fraction one, it is coming on. It is over at the University of Maryland. Protein is going to come from tobacco. It will be an important product.

Maybe one of these days you will find out that we want to raise more of it than less. And at that day, maybe we will have other ideas and we will have an ability to change because you let the farmer decide for himself what is in the best interest of the farming community rather than for us to come up here and pass laws and wipe him out. And that is exactly what is going to happen.

So I just say to the distinguished Senator and my distinguished colleagues, if you want to devastate the small farmer in 22 States, then I think you ought to vote for the amendment of the Senator from Oregon. But if you want to save that farm family, that small farm family, then you ought to oppose the amendment and let us save that 4 percent.

Just to give you an example: Does anybody in here believe tobacco is grown in Wisconsin? Think about that a minute. Twenty-five million pounds and about $35 million went to the State of Wisconsin last year. And in the State of Oregon, almost 3 percent of the total employment in the State of Oregon is a direct result of tobacco. Think about it.

Here we are saying to an industry that has developed from hard work and sweat, that has been a way of life, that we want to eliminate it. I just think that it is wrong. It is wrong for the people, and it is wrong for us to say to them that you no longer can be a family; no longer will your sons need to take a vacation in August or early September to come home and help dad harvest his crop, to help him make a living; no longer will the Price family living in poverty be able to have an opportunity through tobacco to make a living, and to pull themselves up to have those better things of life with two children they have adopted and to give them a life.

Mr. LONG. Will the Senator yield?

Mr. FORD. Yes, sir.

Mr. LONG. May I say to the Senator I personally quit smoking and I voted to say that you could not advertise cigarettes on television when I had the opportunity to do that and that is the law today. But as long as Americans are going to smoke, I do not see why people in Kentucky should not have the opportunity to produce some tobacco.

And it seems to me, I say to the Senator, that farmers are farmers. I do not want a farmer to lose everything he has in life in Kentucky just like I do not want to see one in Louisiana lose his station in life. And as long as people are going to smoke cigarettes—and they do whether you advertise it or you do not advertise it—it seems to me we ought to wish that all farmers would do well in this country. And if they are going to smoke it, why should not our farmers produce it rather than somebody else's farmers?

Mr. FORD. I thank the Senator for his remarks. And I make the point that it is a stable program. It is attempting to make adjustments in the marketplace. It is giving the individual, if he wants to smoke, a choice, giving that choice without bootlegging and going behind the barn and smoking, that sort of thing. And it does give the small farmer an opportunity.

I just hope that my colleagues will give us the opportunity to continue. And when people like Kentuckians are willing to say here—I think somewhere around $5 million to $6 million a year the State is putting into research as it relates to tobacco—that we are doing things that are necessary, to leave the program alone is in the best interest not only of the farming community but I think of the country as it relates to taxes.

Let me say this: If we continue on the route we are going, we are going to find in a very short period of time that we have devastated and demolished the farm program in the country. There is only 4 percent of those people out there feeding all Americans and most of the world. If we are going to make it harsh and hard on them, then we are not representing the people properly.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, the distinguished President pro tempore of the Senate has informed me that he does not desire to speak on the pending amendment, that is to say the Gorton amendment. In view of that, pursuant to the unanimous-consent request agreed to, I withdraw the Gorton amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. HELMS. I yield to the distinguished Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise today in opposition to the amendment offered by Senator HATFIELD, which purports to abolish the Federal tobacco price support program. I firmly oppose any amendment that would eliminate or restrict this program, which has been a model of cost effectiveness and which has brought about economic stability in the tobacco agricultural sector.

Mr. President, for those who are not familiar with the tobacco program, I believe it would be useful to briefly clarify the mechanics of this price support and stabilization program. Fundamentally, it is essential to understand that there is no tobacco "subsidy" in the sense this word is loosely and incorrectly employed. There is, instead, a Government program to stabilize tobacco prices and to control production of this crop.

The tobacco program limits the amount of tobacco grown domestically, and insures farmers a fair return on their investments. Under this program, when prices offered for a particular grade and lot of tobacco are below the support price level, the Commodity Credit Corporation (CCC) purchases the tobacco at the support price, and advances loans to farmers through their cooperative associations, with the tobacco as collateral. The cooperatives process and store the tobacco until it is sold, repaying the loans with interest. For the 1980 crop, the interest rate on the loans from the CCC was 11.5 percent.

A quick review of the history of the tobacco support program proves that it is the most successful of all farm commodity programs. Since its inception in 1933, the program has incurred a net cost of only $56.7 million to the American taxpayer. This amounts to 0.1 percent of the total cost for all 13 farm commodity price support programs.

On the other hand, revenues collected by the Federal Government from the tobacco industry are substantial. During the life of the program, about $130 billion—I repeat, $130 billion—has been collected by Federal and State governments in cigarette excise taxes alone.

In 1980, the Federal Government received more than $2.6 billion, while State treasuries collected $3.8 billion in revenues from tobacco sales.

These figures alone, however, do not adequately describe the importance of the tobacco industry in the U.S. economy. Some 1.6 million persons are employed in all phases of this industry, generating substantial corporate and personal income tax, social security, and other tax revenue.

Additionally, the tobacco industry has contributed favorably to our international balance of trade. In the past fiscal year, $2.4 billion of U.S. tobacco was exported, while only $487 million of foreign tobacco was imported, netting the United States nearly $2 billion in foreign exchange for 1980 alone.

Mr. President, it should be apparent that the elimination of this successful program could have harsh economic reverberations on the entire Nation at a time when we are trying to revive a sagging economy. In my home State of South Carolina, where tobacco is the leading money crop, loss of this program would be devastating.

In terms of net farm income, tobacco has, year in and year out, been the lifeblood of the economy in the Pee Dee region of my State. The tobacco industry includes over 6,000 farmers in South Carolina, many of whom operate very small, family-type tobacco farms. These are the people who would suffer the most due to the termination of the program.

With regard to the issue of tobacco price supports and health, the foes of the tobacco program often assert that it is contradictory and wrong for the Federal Government, on the one hand, to support a campaign against cigarette smoking, and at the same time, encourage tobacco production with a support program. The fallacy in this argument is that the tobacco support program does not encourage increased production of this commodity; rather, it limits production. To qualify for participation in the program, a grower must agree not to produce more than specific acreage and poundage allotments which he owns or leases. Since the production of this commodity is limited, the price for the end product, usually cigarettes, is probably higher than it would be in a market without such grower restrictions.

Thus, Mr. President, as logic indicates, doing away with the price support program might well lead to greater domestic tobacco production, albeit by many fewer farmers, and/or increased tobacco imports. The result would be cheaper cigarettes and a probable increase in cigarette consumption. Regardless of the relationship between the tobacco price support program and the amount of cigarette smoking, it is my firm belief that it is not the responsibility of the Federal Government to forcefully dictate personal habits to our citizens. We need only to review the dark days of alcohol prohibition to realize what a grave mistake Government intervention can be.

In summary, Mr. President, I hope my colleagues in the Senate will stand firmly behind the Flue-Cured tobacco program—a program which makes a vital contribution to the economic health of our economy; a program that enables approximately 276,000 farmers in at least 20 States, involved in tobacco production, to continue their chosen lifestyle on a family farm at virtually no cost to other taxpayers. For these reasons, this amendment should be defeated.

Mr. President, the South Carolina State House of Representatives recently passed a resolution concerning Federal legislation that would jeopardize the continued success of the tobacco price support program. This resolution is both timely and appropriate, considering the current Senate debate. In order to share it with my Senate colleagues, and other readers of the CONGRESSIONAL RECORD, I ask unanimous consent that a copy of this resolution be placed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas, there is now pending in the Congress legislation sponsored by Senator Mark Hatfield of Oregon and Congressman Thomas Petri of Wisconsin aimed at the destruction of the historically successful and cost effective tobacco loan and acreage allotment programs, coupled with a substantial retail tax

on cigarettes and perhaps other tobacco products; and

Whereas, the purpose of the loan program is to stabilize the tobacco economy which has worked extremely well for forty years to insure adequate prices to enable farmers to stay in business and provide an adequate supply of tobacco in bad crop years for domestic and foreign markets; and

Whereas, the acreage allotment program has further contributed to this stability by avoiding overproduction and requiring a quality product from the tobacco farmer who wishes to compete successfully in the marketplace; and

Whereas, the tobacco farmer and the tobacco industry rather than being subsidized return a substantial profit to government producing at least six billion dollars of revenue in return for the relatively modest costs of administering the above programs; and

Whereas, tobacco is the nation's fifth leading money crop and first in South Carolina where sixty thousand people find employment on the farm and in the industry and the importance of maintaining such an industry in a stable condition is obvious; and

Whereas, the well-intended comment of the sponsors of this destructive legislation which implies that the "deregulation" of tobacco would work an advantage to farmers was certainly not based on consultation with those farmers whose principal income is based on continued operation of the present system; and

Whereas, the tobacco farmers, industry and various local and national groups associated with the industry have worked diligently and effectively to "keep their house in order" and have substantially reduced their reliance on federal regulation and assistance; and

Whereas, it would indeed be tragic to destroy a program that has worked so well and so economically when such destruction would result in no benefit to and even possible chaos in the tobacco industry. Now, therefore, be it

*Resolved* by the House of Representatives of the State of South Carolina:

That by this resolution the Congress of the United States is memorialized to oppose pending legislation to destroy the federal tobacco loan and acreage allotment programs and the retail tax increase proposed as part of such legislation.

*Be it further resolved* that copies of this resolution be forwarded to the President of the United States, the Vice-President, Speaker of the House of Representatives, the Chairmen of the House and Senate Agriculture Committees, the Chairman of the Tobacco Advisory Commission and the members of the South Carolina Congressional Delegation, all in Washington, D.C.

Mr. THURMOND. Mr. President, Mr. Bill Davis, a member of the Flue-Cured Tobacco Stabilization Cooperative's board of directors, at a meeting sometime ago made this statement:

In 47 years only once has the program failed to make money for the federal government and before it came in there was chaos in the marketplace and on the farm. Every two years the farmers vote overwhelmingly to keep the program and the government quotas on just how much tobacco can be produced. The system works.

These do-gooders in Washington never have an answer for that.

Clemson agricultural economist, Dr. Max Loyd said that ending the price support system would create a "vicious cycle" of lean and good years with growers having to gamble on how much to grow and the buying companies in complete control of the marketplace.

In the long-run our situation would be one of instability and unreliable supply. That would lead to imports of tobacco much higher than it is now and very little exportation.

Mr. President, this is Dr. Loyd, a professor at Clemson University speaking. He has no interest in this program one way or the other. He is merely stating the facts. Mr. President, he goes on to say:

Our exports contribute heavily to our favorable balance of international payments . . . about $1.7 billion per year, he said.

Loyd supports Davis on the point that the program more than pays its way. The net loss in 47 years, he said, has been $56.7 million, which came from one bad year in the mid-1950's. However, the government has collected $72 billion from direct taxes on cigarettes alone.

A very strong free enterprise economist might see some good in dropping the program, he said. He would argue that the market would better direct production than the government.

But farming is a big enough gamble as it is. Unless the farmer got a guaranteed production contract from a buying company he wouldn't know how much to plant. And if production varied just 10 percent up or down the price would vary as much as 50 percent.

The consumer really wouldn't benefit because the farmer only gets about a nickle on a pack of cigarettes now. There's not much more to trim from that and still have the farmer earning any money, Loyd said.

He also noted that the loss of the tobacco allotments (which determine how much leaf can be planted) would cause a sizable loss of investment to the holders who paid for them.

More important is the fact that the farmer would be in a bind to get bank loans to plant his crop without a stabilized market, Loyd said. About 7,000 farmer firms of various sizes plant the flue-cured leaf in South Carolina. Some could get financing but many of the smaller family farms could not.

Mr. President, how are these farmers going to finance themselves? Those who want to repeal this program say we shall get along just as well without it.

Let me tell you what a banker said down in Horry County, a county that produces more tobacco than any county in my State.

Horry County banker Luke Benson said the cost of financing makes it vital that the program be continued.

"The farmer as well as us must have some assurance that there be a constant factor in the market. We just could not risk our depositors' money without such a system," he warned.

John Monroe Holliday of Pee Dee Farms in Galivants Ferry is said to have the largest tobacco producing farm in the world. He says the allotments are "just like having stock in General Motors. People paid for them and they help make the system work. Without the program half the farmers here would be broke in one season."

Mr. President, I want to repeat this: Here is a tobacco farmer saying that without the program, half the farmers would be bankrupt in one season.

The big corporations would take over tobacco growing and a fellow might, just might, get a chance once a year to help crop it on land he used to own. Land that had been in his family when South Carolina was still a Crown Colony, he said.

Mr. President, is that the situation we want to produce here? Do we want to put these small farmers in such a position that they will go out of business, that they will lose their land? Do we want to put them at the mercy of the big tobacco companies? That is what we are going to do if this amendment is adopted.

Mr. President, this tobacco program, I repeat, has cost this Government very little. I want to say, in summary that, first, the tobacco price support is not a subsidy. It is a loan which the farmer repays with interest.

Second, this tobacco price support program has been one of the most successful of all commodity price support programs. The realized cost of the program since its beginning in 1933 has been almost nothing—one-tenth of 1 percent of the cost of all 13 farm commodity price support programs. There have been no losses at all in more than a decade. In fact, in most years, the program produces a profit for the Government.

In 1980, the Federal Government received more than $2.6 billion in excise taxes on tobacco products. State treasuries were benefited by $3.8 billion in revenues from tobacco. Tobacco also contributed favorably to our balance of payments, as I said, netting nearly $2 billion in foreign trade in 1980.

Over $2.4 billion of U.S. tobacco was exported last year, while only $487 million of foreign leaf was imported.

Mr. President, the destruction of this successful program would create chaos in a farming sector where stability has prevailed. The ultimate victims would be thousands of small family farmers, many of whom are blacks and need this assurance to borrow money to farm, who depend on income from tobacco for a substantial portion of their livelihoods. It would reduce revenues to the Federal and State treasuries and adversely affect our trade balance.

Mr. President, 276,000 families in 20 States would be affected. If this program has not cost our Government hardly anything—less than a million dollars a year—how can we afford to abolish it when it has done so much good, provided so much for the economy, and has enabled these little farmers—little growers—to stay in business and make a living farming?

I hope the Senate will carefully consider this matter and not destroy this program. If we do destroy it, I can tell you what is going to happen: These small farmers are going to go out of business and lose their land. We are going to have more tobacco produced because there will be no allotments, but there will be far fewer farmers growing it. They will all produce all they can. Then we are going to have, as a result of that, more tobacco consumed and the little farmer down there, who has lost his land, will have to try to exist, if he can. If not, then he will have to go on welfare or try to secure some other way of living.

Mr. President, I have a letter here from the USDA on this subject. This is written to Congressman JOHN NAPIER:

DEAR CONGRESSMAN NAPIER: Thank you for expressing your concern on behalf of the

tobacco price support program. The USDA is opposed to any legislative attempts to alter the tobacco program at this time. As you know, various amendments have been proposed in the Congress that would either eliminate the current allotment and price support program altogether, or would modify it by redistributing allotments now held by non-tobacco producers to farmers who now grow tobacco under leasing arrangements.

However, the tobacco program does not expire with the 1977 Agricultural Act, and consequently does not have to be addressed at this time. It has also cost taxpayers very little since it began in the 1930's. So USDA's position is to favor *no change* in the program in the 1981 farm bills now before the Congress.

Sincerely,

EVERETT RANK,
*Administrator.*

Mr. President, how can Congress repeal a program that is costing so little and reaping such benefits to the economy, allowing small farmers to exist on the farm and make a living and allowing them to continue to support their families? What is going to happen to them?

I hope and plead with the Senate not to destroy this program, which has been the most successful farm program of all price support programs. As I said, it has cost only on-tenth of 1 percent of all farm programs.

Mr. President, when the Senate votes on this matter, I hope they will consider every facet of this question and cast this vote in favor of retaining this tobacco program.

Mr. EAST. Mr. President, I want to take a minute or two to speak in opposition to the amendment offered by the distinguished and able Senator from Oregon. Just to try to put this in perspective for my colleagues, I should like to point out that with the commodity programs that are currently under review, we have a series of programs that have been in operation in this country for nearly 40 years.

That does not mean, Mr. President, there is not time or place for modification, strengthening, improving, or whatever. But it is imperative to keep in mind that these programs were set in operation and people have acted in reliance upon them. They have become a part of the economic and political and social fabric of the area. That is true of this program.

It is difficult, sitting here in this Chamber, to appreciate what the elimination of this program would mean to thousands, hundreds and thousands, of people in the affected areas. This amendment, with all due respect to the distinguished Senator, is a frontal assault upon this vital program.

I remind Members of both political parties that farmers today are looking for leadership here in Washington; and to the extent that we bring out the wrecking ball and destroy the very essentials of these fundamental programs, we do a great disservice not only to them but also to the economies of the affected areas and to the overall farm economy in the United States.

These programs, including the tobacco program, represent a very delicately balanced combination of private and public sector working together. The Agriculture Committee has tried in many ways to keep that delicate balance in order.

If the Senate and Congress should adopt an amendment eliminating this program totally, which this amendment would do, or any other, I repeat, and I cannot emphasize too strongly, the incredible economic and political implications it would have.

I remind Members of both political parties that for either political party to be known as the enemy of the American farmer will place a heavy political burden on that party in the future, and rightly so.

We can say, fortunately, that we have friends of the American farmer on both sides of the aisle in the U.S. Senate, and among the strongest supporters are some who come from the Democratic side, and we want to acknowledge that.

I caution my colleagues on the Republican side—and I know that our distinguished friends on the Democratic side have cautioned their colleagues—that to come in and destroy a fundamental, basic program of this kind, I repeat, is not only an unbelievable economic disaster, but also, the political implications are enormous.

As we began this new administration and this new Congress, some positive things have been done for the American farmer. For one thing, the embargo was eliminated. The inheritance tax has now been changed so that the family farm can be preserved. The next task we have is to get inflation down and get interest rates down so that the American farmer can continue to produce domestically and in foreign commerce.

The last thing we need to do, Republicans and Democrats, is to come out and destroy these fundamental programs. That is what this would do.

I appeal to each and every one—I have tried to do it personally, and I do it here on the floor—to think very seriously about what they are doing.

Mr. DOLE. Mr. President, I will take about 2 minutes. The issue has been well debated, and it is well understood, and the debate has been interesting. There has been a little smoke but a lot of light.

I speak from the standpoint of Kansas, where we do not raise tobacco. We had one allotment the last time I checked. But we are in the process of putting together a farm bill. Some may not realize that, but this is how the process works. It takes a great deal of time to work out farm legislation, because there are different interests, different geographical areas, different philosophic interests from time to time.

I believe the Senator from Kansas can safely say—and others can answer the question better than I—that if we start to demolish any program, whether it is a wheat program, a tobacco program, or a sugar program, we are not going to have a farm bill. I do not say that as any kind of veiled threat or gesture, but it is a fact of life.

Commodities in my State are important to me—the ones we raise. Commodities in North Carolina and Kentucky, tobacco or whatever they are, are important to the people in that State. I assume that we have an obligation to represent the people who send us here—even those who try not to send us here.

It seems to me that we have just about made the case. We believe that sometime tomorrow we can finish work on this bill. But if we were to adopt the amendment of the distinguished Senator from Oregon—and many may agree with some of the sentiments, but I am speaking as one who is a part of this very loose coalition. It is so loose that it is hard to locate, but it is somewhere around here. We hope that when we finally vote, 51 Senators in the coalition will vote for passage of the farm bill. That will include all of the commodities we have discussed.

For that reason, I hope that if there is a motion to table the amendment, the motion will be adopted.

Mr. BAKER. Mr. President, I should like to add my comments to statements which have been made in support of the existing tobacco program. This program provides a livelihood for hundreds of thousands of one-family farms in this country. A number of these farms are in the State of Tennessee. Without the existance of this program, many of these small farms would lose substantial portions of needed revenues.

Let me briefly outline my objections to the Senator from Oregon's amendment and its adverse impact on tobacco farmers in the State of Tennessee and the Nation.

The tobacco program is an on going program and does not expire with the Agriculture Act of 1977.

All other major commodity programs do expire with the Agriculture Act of 1977 and the Department needs to place its major emphasis on an Agriculture Act of 1981 dealing with those commodities that expire with the act of 1977.

The tobacco program has operated with reasonable effectiveness and with a low percentage of cost. Price support loans for the last 45 years have amounted to only about $57 million or a loss of only about 1 percent of the more than $5 billion in loans. Tobacco cost has only been about one-tenth of 1 percent for all commodities.

In the 16 major tobacco producing States there are about 276,000 one-family farms that depend largely on the income from tobacco for a livelihood. Annual gross farm receipts from tobacco currently are about $2.2 billion.

Effective with the 1982 crop, this amendment would remove tobacco from the provisions of agricultural commodity legislation pertaining to price support and marketing quotas. As an example of the financial impact upon small farms which have traditionally produced tobacco, Federal land bank, PCA and other lending institutions in the tobacco growing area have traditionally placed a value of $5,000 per acre allotment on any given farm. Therefore, a 100-acre farm assigned a loan value of approximately $120,000 without tobacco allotments would be increased to $170,000 with a 10-acre tobacco allotment.

Most lending institutions in the area would normally come up to 80 percent of

the assigned loan value, in this case approximately $135,000. If tobacco allotments were eliminated, a higher percentage of small family farms would not have sufficient collateral to justify their loans presently made by lending institutions including Farmers Home Administration. Many small family farms would undoubtedly be sold.

The amendment would cause tobacco to be removed from various agricultural commodities being sold under export credit sales programs, therefore, probably significantly reducing the $1.9 billion a year favorable balance of trade position.

Because of the limited number of buyers of farm stock tobacco, reasonable returns to producers would not be assured in the absense of some type of price support program.

Mr. President, this is not the bill and this is not the time to eliminate what I believe has been a successful program.

I agree with the Senator from Kansas that if we do not go forward with this bill and without the Hatfield amendment, it will call into jeopardy the entire coalition of matters that have been welded together to try to produce a measure that will be agreeable to the majority of the Senate.

● Mr. MITCHELL. Mr. President, I rise in support of the Hatfield amendment that will eliminate the tobacco program and deregulate the industry.

Senator HATFIELD's amendment is long overdue.

It will eliminate the feudal tobacco allotment system, which allows only those persons who own or rent allotments to market the product. The vast majority of tobacco farmers must pay rental fees to allotment owners for the use of their land.

It has been estimated that farmers in the flue-cured tobacco belt of the Southeast paid allotment owners $279 million for the use of their land in 1980 alone. Allotment rent fees add to the farmer's production costs, which increase Federal price supports, which in turn raise market prices. Increased market prices often result in buyers turning to cheaper imported tobacco, which ultimately leaves the Federal Government with an ever-increasing surplus stock.

At a time when growers are finding that their export markets are being seriously challenged by foreign produced tobacco, the value of the allotment system is even harder to justify. Many tobacco growers, those people that this program was designed to help, perceive that the present system only increases their costs, while the profits of the allotment owners continue to grow.

Higher domestic prices have also caused a sharp decrease in the American share of the world market. In 1966, the United States held 60 percent of the world market; today it holds 28 percent.

The Hatfield amendment will allow the price of tobacco to be set by world demand, and not by the current artificial price set by the Agriculture Secretary.

We have heard claims that eliminating the program will reduce thousands of farmers to abject poverty. But the fact is that tobacco is a highly lucrative cash crop; flue-cured tobacco is a billion dollar annual industry in North Carolina alone. The fact is that growers could sell all the tobacco they could produce, if their production costs were free market production costs. The fact is there are no signs of the industry's imminent decline should the program be eliminated. But there are signs that deregulation will see tobacco producers prospering further in the future.

The current system may well be the least costly commodity program. I will not deny this. But at a time when budget cuts are making us ask school children to treat ketchup as a "vegetable" in their school lunches, even lower cost programs have to go. Tobacco allotments and price supports are a luxury we can no longer afford. It would be a travesty for the Senate to support deep cuts in the nutrition, school lunch, and food stamp programs while continuing to support millions of dollars yearly in Government subsidies for the production of an inedible, unhealthy crop.

When this body first questioned Government support of the tobacco industry, health concerns were said to be the sole argument of tobacco opponents. Budget realities have now intensified the issue, and elimination of the tobacco program has now gathered steam. But the significant social implications of Government support of the tobacco industry are still in the center of this controversy. There is a direct link between the use of tobacco and lung disease, birth disease, and forms of cancer not previously associated with tobacco use. But there is no rational link between tobacco and Government support of its production.

A sad paradox in the direction of Federal funds has existed since the public realization of the hazards associated with cigarette smoking in the 1960's. Since that time, our Government has encouraged the production of tobacco while another hand of Government has spent millions of dollars to discourage its use. The Hatfield amendment would eliminate this contradiction in the use of the taxpayers' dollars.

We have heard much discussion recently of free market economics and deregulation. We have heard of consistency, of denying the excesses of regional politics, of political courage. This amendment provides a test on these ideals. For if we are to support the free market system, if we are truly in favor of deregulation, if we are to deny the wasteful programs of one specific region, we have no choice but to vote for this amendment. And if we are truly concerned about the health of our citizens, and if we are to have the courage to strike down Government support of a product which imperils that health, we must vote to eliminate the tobacco program.●

● Mr. LEVIN. Mr. President, it is with some reluctance and a good deal of surprise that I find myself compelled to vote against the amendment of the distinguished Senator from Oregon. My reluctance springs from the fact that I agree with so much of what he had to say. I too think that the support programs we have developed for tobacco are inconsistent with what we know about the health effects of smoking. And I also believe that the almost feudal system of allotments is fundamentally wrong; its anticompetitive and it generally works against the interests of the small farmer.

Given those general views, I must confess that I was surprised to find myself persuaded by some of the arguments advanced by those who oppose the amendment. While I believe we should immediately end the allotment system for tobacco—just as I voted to end the allotment system for peanuts—I do not believe we should in the same breath immediately eliminate the loan support program. As the opponents of this amendment have indicated, the sudden ending of the loan support program would work a very real and very significant hardship on a large number of small family farmers.

Thus, while I support the immediate ending of the allotment system, the cost of achieving that goal through the mechanism of this amendment is simply too great involving, as it does, the sudden elimination of the loan support program. If this amendment had combined an end of the allotment program with a phaseout of the loan program, then I could gladly support it. Unfortunately, it did not.

But fortunately, there is another amendment which the Senate will consider later this evening which comes closer to meeting my twin goals of treating our farmers fairly and minimizing the noncompetitive and inflationary strains which too many of our farm programs have injected into our economy. The amendment that the Senator from Missouri intends to offer later this evening seems to me to be a more reasonable, though still not totally satisfactory, solution.●

THE TOBACCO PRICE SUPPORT PROGRAM

Mr. HUDDLESTON. Mr. President, I strongly oppose the amendment offered by the Senator from Oregon, Mr. HATFIELD.

This amendment will throw into disorder the tobacco production and marketing system that has functioned effectively for over 40 years, a system that today provides 276,000 farmers market stability and a fair price for their crops.

It could subject the world tobacco market to boom or bust cycles, or substantially weaken tobacco prices—lower tobacco prices will not benefit tenant farmers or others who the amendment may be intended to benefit.

In fact, the amendment may lead to greater concentration in tobacco production, which could mean the demise of thousands of small family farms. It will leave determination of tobacco prices at harvest up to the six major tobacco companies, two of which buy over 60 percent of the domestic crop. This will in time promote the production of tobacco in large units, most likely under contract with the tobacco companies.

The amendment will force farmers wanting to remain in production to expand their acreage of tobacco, and to do so with a greater price risk in the market and with increased production costs—of $2,000 or more per acre.

It will immediately destabilize the economy of the Commonwealth of Kentucky and of the other States and regions where tobacco is produced. It will adversely affect businesses and credit institutions that serve agriculture and that are already suffering from the effects of the worst net farm income position agriculture has experienced since the Great Depression.

It will take from retired farmers a source of income. And it will lower the net worth of farmers who purchased their farms with an allotment and those who have, in the settlement of estates, been given land in lieu of other items.

It will likely add to outlays in the Federal budget as small farmers' incomes are reduced and they become eligible for Federal assistance programs.

And, this amendment will kill a producer-supported program that has been effective and efficient in achieving the agricultural market objectives supported by Congress for over 40 years.

IMPORTANCE OF TOBACCO TO KENTUCKY AND OTHER STATES

Too frequently, Mr. President, the impression has been given that tobacco is important only in the flue-cured area and the leading flue-cured tobacco State, North Carolina. But, I wish to assure my colleagues who may consider supporting this amendment that this is not the case.

Kentucky is the leading burley tobacco State. Seventy-three percent of the farms in Kentucky produce tobacco. And of those farms, over 75 percent of the burley tobacco farms contain less than 50 acres. Over two-thirds of the producers grow less than 2 acres of tobacco. While many burley farm households received some off-farm income, one-third receive no nonfarm income or less than $2,500 from nonfarm sources.

Only 3 of Kentucky's 120 counties are untouched by the farming, auctioning, manufacturing, or wholesaling sectors of the State's tobacco industry. One of every 14 jobs in the Commonwealth, either directly or indirectly, is tobacco related. The farm value of Kentucky's burley tobacco crop in 1980 was $674 million.

Clearly there is not a crop alternative that can, at this time, replace tobacco in the economy of Kentucky or other States where tobacco is produced.

While produced on only three-tenths of 1 percent of the Nation's cropland, tobacco is consistently the fourth or fifth most valuable crop, accounting for approximately 4 percent of cash receipts from all crops grown in the United States.

ORDERLY MARKETING NEEDED

The contribution of tobacco to our agricultural economy has long been recognized, as has the need for orderly marketing in the tobacco industry.

Congress, in the Agricultural Adjustment Act of 1938, declared that it is in the national public interest—and I quote:

To assist in the marketing of agricultural commodities for domestic consumption and for export, and to regulate interstate and foreign commerce in cotton, wheat, corn, tobacco, and rice, to the extent necessary to provide an orderly, adequate, and balanced flow of such commodities in interstate and foreign commerce.

Following the passage of the 1938 act, cooperative tobacco marketing associations were established, and have been maintained, to serve as agents for the Commodity Credit Corporation and take under loan quantities of tobacco that would depress farm prices and farm income, and to offer those stocks to the market when production shortfalls occur. Similar loan and support operations have been provided for other commodities.

For 40 years, the tobacco program has assured fair prices for the thousands of tobacco farmers who sell their crops to the six major tobacco companies. It has provided tobacco companies with quality tobacco and a reserve supply of domestic tobacco when production shortfalls have occurred.

During its 40 years of operation, the Burley Tobacco Growers Cooperative Association, located in Lexington, Ky., has received and resold 1¾ billion pounds of tobacco. This equals 3 years' production. Had this amount of tobacco directly entered the market, it would have depressed farm prices and reduced farm income for tobacco producers.

To take surplus tobacco under loan, and process and resale it, the association has borrowed money from the Commondity Credit Corporation. The association has paid back the loans, however; and the loan paybacks, including interest and fees, have totaled $1.28 billion. Also, the association has distributed to its members net gains of $23.4 million. When settlement is made on recent crops, the net gain to growers is expected to total $32.3 million.

TOBACCO PROGRAM IS SOUND

Without question, the tobacco program has been effective, remains fiscally sound, and is needed.

In findings provided President Reagan on August 21, the U.S. International Trade Commission, following a 5-month investigation into the effects of imports of Flue-cured tobacco on support operations conducted by the Department of Agriculture, ruled that the tobacco program is sound.

In the case of burley tobacco, all commissioners and the Department of Agriculture conceded the program is in excellent shape. In the opinions of three of the four commissioners, the Flue-cured tobacco is healthy.

With respect to the Flue-cured program, the majority of the commissioners said, and I quote:

Loan stocks of flue-cured tobacco have been steadily declining since 1978 and are now at their lowest level since 1977. The amount of tobacco placed under loan each year has been significantly lower since 1978 than during 1974–77.

In addition, we have found that the cost to the Government of operating the program quite plainly has not been increasing relative to past years. In light of recently developed information, USDA estimates of financial losses on the 1975 crop and on subsequent crops appear to be exaggerated. While there was a slight loss of $5.6 million on the 1974 crop and there may be a loss of about $11 million on the 1975 crop, these losses are not comparable to the average losses experienced in the period 1950–70. They simply are not of a magnitude to suggest material interference or ineffectiveness of the program. Moreover, in stark contrast to USA estimates, the flue-cured stabilization cooperative projects that substantial profits will be made on sales from crop years 1976–80.

With respect to the prospective impact of imports on the programs, there is no evidence to demonstrate that imports are tending to render the program ineffective or that they are practically certain to be imported so as to cause future harm. While the best estimates do indicate a long term growth in imports, such an event is too protracted to be a basis for concluding imminent harm. Moreover, information on the current crop is that because of its high quality, auction prices are high, loan placements are down sharply over prior years, and processors are dipping into loan stocks to obtain lower grade tobacco. While USDA is alarmed by the apparent long-term decline in U.S. competitiveness vis-a-vis other tobacco producing countries, the facts before us do not suggest that harm is imminent.

Finally, the purposes of the tobacco programs, including assuring adequate income to farmers and fair prices to consumers, maintaining a balanced supply, and providing a balanced flow of tobacco in interstate and foreign commerce, are currently being achieved.

Mr. President, while modified legislatively and administratively during its history, the tobacco program has been supported, repeatedly and overwhelmingly, by farmers voting in regularly scheduled referendums.

TOBACCO SUPPORT NOT A PUBLIC HEALTH ISSUE

Perhaps the most frequent misrepresentation regarding the tobacco price support program, administered by the Department of Agriculture, has been the assertion that it is inconsistent with programs administered by the Department of Health and Human Services to discourage smoking. As clearly shown by statements issued from the then Office of the Secretary, and the Office of Smoking and Health in the Department of Health, Education, and Welfare, there is not an inconsistency.

In an April 15, 1980, letter to me from Mr. William B. Welsh, then Assistant Secretary for Legislation, Office of the Secretary, Department of Health, Education and Welfare, Mr. Welsh stated, and I quote:

The Department has long held that the price support program of the Department of Agriculture is not a public health issue.

The purpose of the program is to protect the price the farmer gets for his tobacco, not to encourage or uphold cigarette smoking. Presumably, if the program were removed the price would drop, which would mean either more profit for the cigarette manufacturer or lower prices for the person who buys cigarettes. This might actually increase consumption.

Similarly, Mr. Robert Hutchins, Associte Director, Office of Smoking and Health, and an ardent antismoking advocate, stated with regard to the tobacco price support program, and I quote:

If the Government's price support program for the tobacco farmer has any effect at all on public health, it is favorable. The purpose of the program is to stabilize tobacco production, and, thus, assure fair prices to the farmer. If the program were to be withdrawn, tobacco prices would fall, and cigarettes would become less expensive, possibly encouraging more young people to smoke.

President Reagan and Secretary of Agriculture Block have indicated support for the tobacco price support program.

Former Secretary of Agriculture Bergland indicated that it makes no sense to dismantle the tobacco price support program, and suggested that the issues of smoking and health and the tobacco support program be separated. I agree.

It is my hope that others will realize, as has Joseph Califano, the former Secretary of Health, Education, and Welfare, that abolition of the tobacco price support program will not result in one less cigarette being smoked.

TOBACCO PROGRAM IS NOT COSTLY

Further, the tobacco program is not costly. It has been effective and has been the least costly farm commodity price support program administered by the USDA during the 40-year history of commodity programs.

During the 1970's net outlays for feed grains, wheat, cotton, dairy, rice, and wool totalled $11.7 billion, $6.5 billion, $4.6 billion, $2.9 billion, $.5 billion, and $.5 billion, respectively. Within the same period, net outlays for tobacco were less than $50 million. In fact, the cumulative loss on the tobacco program represents less than three-tenths of 1 percent of CCC's total loss of about $18 billion on all commodity loan inventory operations since 1933.

The elimination of the tobacco program or modifications that would significantly reduce domestic production would lead to increased imports of tobacco and tobacco products. This could erase the net trade balance in tobacco of $2 billion that the U.S. economy benefited from last year.

Also, interest rates on CCC tobacco support loans are set at a level equal to the cost of money to the Government.

Further, tobacco farmers must pay user fees to cover the $8 million in annual costs to maintain the tobacco grading and inspection service—an essential marketing function that has been covered many times over by tax revenue produced by tobacco products.

And, to assert that tobacco is a drain on the Federal Treasury, one would have to ignore the $2.4 billion in Federal excise taxes collected annually on tobacco. If State, county, and local government taxes of $4 billion are added, the total tax revenue is $6.4 billion.

TOBACCO PROGRAM PROTECTS SMALL FARMERS

If this amendment becomes law, hundreds of thousands of small tobacco farmers in my State, and others, will be devastated economically.

There is no way that small farmers in my State would be able to continue to produce tobacco, considering the increased capital requirements and the market uncertainty that would exist if there were no tobacco program.

As I previously indicated, tobacco farmers in Kentucky are not large nor well capitalized farmers. They are small operators who could not continue farming under the boom and bust conditions that would prevail in the absence of the tobacco program.

CONCLUSION

Elimination of the program would adversely affect tobacco farmers, rural communities, and the national economy. Losses would be reflected in the revenue and expense lines of Federal, State, and local budgets.

With low farm income already a major national concern, a high farm debt loan, and interest rates unabated, there is little doubt that cancellation of this program would make worse the already severe problems facing the Nation's farm sector.

I urge the Senate to defeat this amendment and permit the tobacco price support and production control program to continue.

Mr. SASSER. Mr. President, I rise in opposition to the Hatfield amendment which would eliminate the tobacco price support program.

The tobacco program has been one of this Nation's agricultural success stories for a long time now. It was fashioned to insure a stable, high quality, and reasonably priced supply of tobacco and at the same time to provide for an acceptable return to tobacco growers.

This was a tall order Mr. President. To meet these requirements, any program would have to be extremely well conceived and executed. The tobacco program, as we know it, has met all of the original goals. Furthermore, it has not been a drain on the Treasury.

In 1979, tobacco contributed mightily to the Nation's economy. It was responsible for 2 million jobs, $30 billion in wages and earnings, $15.5 billion in capital investment, $22 billion in taxes, and $58 billion to the gross national product. In short, for every dollar's worth of goods and services in the American economy, tobacco was responsible for roughly 2½ cents.

In the approximately 40 years the program has been in effect, the cost per year has been less than $1 million and in many of these years the Treasury has realized a profit. The cumulative financial loss on the tobacco loan program represents less than 0.3 of 1 percent of the Commodity Credit Corporation's total loss on all commodity loan inventory operations since 1923.

In my own State of Tennessee, Mr. President, 1 out of every 32 jobs, or over 3 percent, exist because of tobacco. Two-thirds of these 49,000 jobs are created in nontobacco industries and services by the spillover effects of the industry. There are jobs in every one of Tennessee's 95 counties that exist because of tobacco, and Tennesseans earned almost $614 million in 1979 from these jobs.

The tax revenues generated by tobacco are also important to Tennessee. In 1979, the State's 13-cent cigarette tax alone yielded $72.5 million. Sales and corporate income taxes accounted for another $15.4 million.

Mr. President, with farm income already a major national concern, there is little doubt that damage to the tobacto industry would only contribute to this problem.

The thousands of small tobacco farmers in my State would be unable to continue to produce in the face of the uncertainty that would exist without the tobacco program. The tobacco farmers in Tennessee are not large, well capitalized farmers. They are small operators who could not continue farming under the volatile conditions that would result from damage to this program. The elimination of tobacco, which has been my State's first or second most valuable cash crop over the last 15 years, has serious implications for the income of Tennessee farmers.

I ask my colleagues to keep the many contributions of this cost effective program in mind as they consider this amendment. Its value to the economies of the Nation and of every State is too great to be rejected.

Mr. HATFIELD. Mr. President, I have been almost 15 years in the U.S. Senate, and I have been treated tonight to one of the most extraordinary discussions on a subject that I have ever experienced.

I do not believe I have heard as many hallelujahs and hosannas sung to any subject since the last Easter sunrise service I attended. [Laughter.]

I have listened to the discussion tonight, and I am mindful that if I took it seriously, every bit of all the claims as to what the tobacco industry has done for this Nation, I would feel ashamed for having brought up the issue. I would feel great contrition in my heart, and I would beg forgiveness for even having thought of such a horrible idea.

To think that I am about ready to destroy one of the greatest welders of family units we have. How it brings the family together and gives them occupation together and develops the family unit. How I have set up a proposition here that might destroy one of the greatest supporters of higher education in the South.

It is fantastic. I am utterly amazed how much higher education is provided by the tobacco industry.

I think that perhaps we should review the higher education subsidy from the Federal Government toward the tobacco States. If they are getting so much higher education out of these little farm allotments already, I am not so sure we should be spending my dollars coming into the Federal Treasury from Oregon for higher education programs that are so beautifully financed now by the tobacco industry.

I also listened to how much money is produced for the Federal Treasury.

Mr. President, we should be about the business of spreading the tobacco industry into all the 50 States for all the wonderful revenues that it produces.

I also have heard the same arguments given on behalf of establishing lotteries. I have also heard the same arguments used on behalf of legalization of marijuana, that people are going to smoke it anyway, so we may as well get some tax out of it.

I also remember trying to get the Turkish farmers to stop producing opi-

um poppies that they send into America as part of the drug traffic. The argument was, "We have a Nation of small farmers that we will throw out of work if we start restricting the drug traffic coming into the United States."

I am terribly sorry that I even created the illusion that I am somehow about the business of destroying small farmers.

Mr. President, we are confusing tonight in this debate the tobacco industry with the tobacco producers or the tobacco program.

I am only about the business of trying to remove the tobacco program. The tobacco industry will continue. There is no question about it.

I was hooked for 10 years. I still miss it. I quit smoking since 1954.

So we will still have the habit. We will still have the cigarettes. We will still have the chewing tobacco which I have been offered tonight in the Chamber, and a few other things, to tempt my resolve to stop smoking and stop chewing.

I want to say, as far as the small farmer is concerned, Mr. President, I am not about the business of destroying the small farmer, but let me also remind you 16 percent of the producers today in the South, only 16 percent have their total farm ownership but the others are depending on allotments that they are having to rent at $800 to $1,000 an acre.

That is under this program. Remove that from their back. That is part of getting Government off the the back of the people so they can stand in a free marketplace as free Americans, the good old individualism that all of us are now supporting.

Mr. President, all I say in closing is that this is in no way attempting to reregulate people's habits.

We heard the Volstead Act raised tonight as an analogy. It is no analogy at all.

I said in my opening statement that people will continue to smoke. It will not reduce the smoking habits of people, I am sure, and we will continue to produce tobacco.

I also, as a history buff, was very pleased to be treated tonight to this great rich heritage that we have as the first export product from America and how the early history of this Nation was formed around the tobacco industry.

Again, I am just utterly amazed at the significant role the tobacco industry has played in the heritage of this Nation, in the marvelous taxes that it produces, all of these things, the educational benefits, all the other things that have been alluded to.

Mr. President, let me say that we have the chip-o-logger in my State. After World War II there were literally hundreds of them. They had to face the marketplace. They did not have a support program. I tell the Senate that the chip-o-logger was the one man with a chain saw who had a little stand of timber that he was out there producing.

Therefore, I can understand what the impact of the support program is and where the free marketplace plays a part.

But I know in fact, also, that many of the small farmers in the South who are producing farmers would like to be in a free market where they did not have to pay the $800 to $1,000 fee for an allocation. So it is not all that rosy for the small farmer even today.

One would be surprised. We had small farmers contact our office and tell us that this was a handicap for their opportunity to be in the marketplace to begin with.

I am not saying that they are united on one side or the other on this issue.

Again, I wish to just close by saying that this is not a matter of trying to destroy an industry. The industry will continue.

I appreciate these Senators from tobacco States. If there were a timber issue, forestry issue, I would be on my feet, believe me. I would be defending the right of the timber industry to produce and to contribute.

But I must say when I look at the health side of the factor the forestry industry is not contributing to the difficulties of human life as we have been able to prove in a scientific way tobacco is, so we are in a situation where we have to make decisions.

We cut 1 million people off of food stamps and make 22 million people more ineligible because we believe that they should stand on their own and we should not provide them with this kind of support.

All I am saying is that we are making the decision here about nutrition programs and we are going to make further decisions of cutting more people off of life-supporting programs of the Federal Government. Yet we are going to continue to subsidize, and let me underscore the word "subsidize" tobacco. A rose by any other name is still a subsidy, when there is a differential of $600 million that has been paid between what the Government had to pay for the money in order to give the low-interest rate loans to the producer, even though we now begin as of January 1 to have the same rate paid by the producer that the money is costing the Government, except in this case it is 16.5 percent, and I do not think you and I could go in the marketplace and get 16.5 percent money today with 20 percent prime, so even in that sense, there is still a benefit that flows here that does not flow to other people.

Mr. President, I have come to one conclusion after listening again, and I say this good naturedly, about the benefits of tobacco to this Nation, that I have almost come to the conclusion that tobacco must be better than sex.

Mr. HELMS. I say to the Senator I do not remember. [Laughter.]

Mr. President, on behalf of the distinguished Senator from Kentucky I move to lay on the table the pending amendment, and ask for the yeas and nays.

The PRESIDING OFFICER (Mr. DENTON). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Oregon.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. MATHIAS), the Senator from Alaska (Mr. MURKOWSKI), and the Senator from Vermont (Mr. STAFFORD) are necessarily absent.

I further announce that, if present and voting, the Senator from Vermont (Mr. STAFFORD) would vote "nay."

Mr. ROBERT C. BYRD. I announce that the Senator from New Jersey (Mr. BRADLEY) and the Senator from California (Mr. CRANSTON) are necessarily absent.

I further announce that, if present and voting, the Senator from New Jersey (Mr. BRADLEY) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators wishing to vote or change their vote?

The result was announced—yeas 53, nays 42, as follows:

[Rollcall Vote No. 262 Leg.]

YEAS—53

| | | |
|---|---|---|
| Abdnor | Glenn | Lugar |
| Andrews | Goldwater | Matsunaga |
| Baker | Grassley | Mattingly |
| Baucus | Hart | McClure |
| Boren | Hawkins | Melcher |
| Burdick | Hayakawa | Nunn |
| Byrd, Harry F., Jr. | Heflin | Pryor |
| | Helms | Quayle |
| Byrd, Robert C. | Hollings | Randolph |
| Chiles | Huddleston | Sarbanes |
| Cochran | Inouye | Sasser |
| Denton | Jepsen | Stennis |
| Dixon | Johnston | Stevens |
| Dole | Kassebaum | Symms |
| Domenici | Laxalt | Thurmond |
| East | Leahy | Tower |
| Exon | Levin | Warner |
| Ford | Long | Zorinsky |

NAYS—42

| | | |
|---|---|---|
| Armstrong | Garn | Pell |
| Bentsen | Gorton | Percy |
| Biden | Hatch | Pressler |
| Boschwitz | Hatfield | Proxmire |
| Bumpers | Heinz | Riegle |
| Cannon | Humphrey | Roth |
| Chafee | Jackson | Rudman |
| Cohen | Kasten | Schmitt |
| D'Amato | Kennedy | Simpson |
| Danforth | Metzenbaum | Specter |
| DeConcini | Mitchell | Tsongas |
| Dodd | Moynihan | Wallop |
| Durenberger | Nickles | Weicker |
| Eagleton | Packwood | Williams |

NOT VOTING—5

| | | |
|---|---|---|
| Bradley | Mathias | Stafford |
| Cranston | Murkowski | |

So the motion to lay on the table amendment No. 524, as modified, was agreed to.

Mr. HUDDLESTON. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader has the floor.

Mr. BAKER. Mr. President, who was seeking recognition?

The PRESIDING OFFICER. Several Senators.

Mr. EAGLETON. I was.

Mr. BAKER. Mr. President, let me have the attention of the Senate just for a brief moment and then I will be prepared to yield the floor.

Mr. President, I have four other amendments on which time limitations have been agreed. I make the following request under the same conditions as the previous request in respect to second-degree amendments, in respect to the control of time, in respect to points of order, appeals, and other material included in the request made earlier in the evening, and germaneness as it relates to the germaneness of second-degree amendments to first-degree amendments.

Mr. President, I ask unanimous consent that on the Grassley amendment dealing with payments for farmland conversion, there be a time limitation of 30 minutes to be equally divided.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. On the Domenici amendment dealing with agriculture export credit revolving fund, 20 minutes equally divided.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. On a Helms amendment dealing with the export subsidy program, 10 minutes equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. On a Helms amendment dealing with research title amendments, 10 minutes equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, it is now 8:30, and we have addressed many, I would hope most, of the major issues that we must deal with in this bill. It is the intention of the leadership to ask the Senate to remain in session for a good while yet. I still have some hope that we will be able to complete this bill tonight. I reiterate, if we cannot, we will be in tomorrow and attempt then to complete the bill tomorrow. But may I urge Senators to accept even shorter limitations of time if they possibly can, to forbear offering their amendments, if that is possible to do, perhaps even to consolidate amendments, if feasible.

I think it is distinctly preferable that we stay tonight and try to finish. I would urge Senators to give their attention to that and to make every effort to accommodate that purpose.

I would expect that we will be in at least 2½ or 3 hours and perhaps longer than that in an effort to finish the bill tonight.

Mr. RIEGLE. Will the majority leader yield?

Mr. BAKER. I yield to the Senator from Michigan.

Mr. RIEGLE. I thank the Senator for yielding. I hope we will be successful in finishing the bill tonight, but as the leader points out we may or may not. I am concerned if we do not finish it tonight but go over until tomorrow. There is a ceremony taking place in my State for President Ford, in which a number of Senators, myself included, are participating. I think the majority leader is also participating in that program. I wonder if we find ourselves in a situation where it is necessary to be in tomorrow if perhaps an effort could be made to try to stack votes so that those of us who have to go out for that program and turn around and come right back can still have the opportunity to make the votes, if times could be set so that votes could be stacked in a fair and reasonable fashion so that we would have that chance to attend the ceremony.

Mr. BAKER. I thank the Senator for his inquiry. The Senator from Michigan and a number of other Senators mentioned to me the possibility of stacking votes on tomorrow afternoon. I find that is not feasible. I find by the same token a number of Senators want to get away tomorrow afternoon. I am afraid we will run into an objection. I will be glad to examine that further.

Indeed, as the Senator pointed out, I planned to be at that ceremony, too. I think the minority leader would agree with me that neither of us have asked the Senate to accommodate our schedule and I will not in this instance. Since there are a number of Senators attending that, I will be glad to examine those prospects and see if it is possible. I do not think it is possible, however.

Mr. ZORINSKY. Will the majority leader yield for a question?

Mr. BAKER. Yes, I am happy to yield.

Mr. ZORINSKY. The majority leader mentioned that all major amendments had been taken care of. I have one which is minor. It relates to commodity programs. I offered a time agreement which was not accepted. Is it the opinion of the majority leader that this is still pending but there is no time agreement? I offered an hour and a half equally divided but I was turned down.

Mr. BAKER. Mr. President, I do not recall now from which side of the aisle that objection came, but I will be glad to try to get agreement on the measure, if the Senator will permit me to try.

Mr. ZORINSKY. Certainly.

Mr. BAKER. Mr. President, there is one mistake, apparently, in the request I made previously. I am told now that the Senator from Iowa wished to make sure, at least, that the amendment that was qualified for him as to 30 minutes was amendment No. 539. Might I inquire of the distinguished Senator from Iowa, is that correct?

Mr. GRASSLEY. That is correct.

Mr. BAKER. I wish the RECORD to show, if there is no objection, that the amendment identified by the Senator from Iowa is an amendment No. 539. I will inquire of the minority leader if that makes any difference as to the clearance he had given to the amendment previously.

Mr. ROBERT C. BYRD. That was the amendment identified as the conservation tillage amendment, might I ask?

Mr. BAKER. Yes.

Mr. ROBERT C. BYRD. That is agreeable.

Mr. BAKER. I thank the Chair. I thank the minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I will inquire, is there some agreement on scheduling of the amendments on which there are time agreements, or am I in order to offer mine?

The PRESIDING OFFICER. There is no schedule.

UP AMENDMENT NO. 376

(Purpose: Proposed amendment to agriculture export credit revolving fund)

Mr. DOMENICI. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI) proposes an unprinted amendment numbered 376:

On page 238, strike line 20 and insert in lieu thereof: "sion of law.

"(8) The authority provided by this subsection to incur obligations to make loans shall be effective only to the extent that such obligations do not exceed annual limitations on new direct loan obligations which shall be provided in annual appropriations Acts.".

Mr. DOMENICI. Mr. President, I yield myself 1 minute.

The amendment I offer today is a minor one primarily technical in nature but one that is critical to our congressional process of carrying out our fiscal responsibilities.

The amendment affects the agricultural export credit program authorized by this bill and requires that Congress determine the appropriate annual level of loans through the appropriations process. This provision is consistent with the manner in which other Federal credit programs are treated. The provision is also consistent with the intent stated by the Senate in the first budget resolution that all credit programs be subject to annual limitations through the appropriations process.

In other words, the export credit program will be subject to a limit as to the amount of loans available in the appropriations process. That process would set the limit.

Mr. President, experience has taught us that Government assistance in the form of credit programs can be effective and useful, but experience has also demonstrated that fiscal prudence and the

right of congressional input requires annual review of such programs.

I urge swift adoption of the amendment.

Mr. HELMS. Mr. President, I support the amendment offered by my distinguished colleague. Because of the importance of exports to the Nation's farmers and to the entire Nation, the Committee on Agriculture, Nutrition, and Forestry included a provision in S. 884 establishing an agricultural export credit revolving fund. This fund would be used to finance the export of U.S. agricultural commodities. It had broad support from U.S. agricultural commodity groups throughout this country.

As I understand it, the amendment is a very simple one. It merely provides that the authority to incur obligations to make loans out of the revolving fund would be effective only to the extent that such obligations do not exceed annual limitations on new direct loan obligations which are provided in annual appropriation acts. In a nutshell the amendment makes the amount of loans made out of the fund subject to limitations set in appropriation acts.

Mr. President, this is in line with the President's desire to control the amount of new credit by making loan programs subject to the appropriation process. This is not revolutionary. Many of the credit programs of the Department of Agriculture now have annual limitations established in appropriation acts. These include the current export credit guarantee program and the lending programs of the Farmers Home Administration. Since, under the committee bill the fund is funded by appropriations, I am willing to accept the amendment and I urge its adoption.

Mr. DOLE. Mr. President, I am authorized by the distinguished chairman of the committee to indicate, as indicated by the Senator from New Mexico, that the amendment is acceptable to the majority.

I understand it is also acceptable to the distinguished Senator from Kentucky, Senator HUDDLESTON.

Mr. DOMENICI. Mr. President, before we vote, I yield myself 2 minutes on the amendment.

Let me begin by commending Senator HELMS and Senator HUDDLESTON, the distinguished chairman and ranking minority member, and the other members of the Agriculture Committee for the fiscal restraint they have shown in the farm bill. After 3 weeks of almost continuous meeting in markup sessions, the committee reported a bill last May that was estimated to be within $0.1 billion of the first budget resolution targets for fiscal years 1982–84. After accounting for the amendments adopted yesterday, the bill would be at the fiscal year 1982 targets in the first budget resolution.

With this bill and other legislation enacted in this session, the Agriculture Committee will have achieved $1.7 billion in outlay savings for direct spending programs under the committee's jurisdiction. I ask unanimous consent that a table showing the relationship of this bill to the first budget resolution be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOMENICI. The policy changes necessary to achieve the level of savings, proposed or enacted, in farm programs this year are a clear movement away from Government interference in agricultural markets. Given the uncertainty inherent in estimating the costs of the farm programs due to changes in weather or exports, these programmatic changes represent a commendable effort in meeting the guidelines of the congressional budget.

I appreciate the great difficulty that the committee had in reducing the costs of the farm programs. Farmers are facing continued high production costs along with declining prices for many of their commodities. These circumstances certainly make cutting farm programs difficult.

However, the prospects for farmers are now, more than ever, tied to the health and vitality of the American economy. The health of the economy cannot be restored without restraint in all Government programs.

During the August recess, most of us listened to our farmer constituents complain of the high interest rates and their impact on the costs of producing farm commodities. These interest rates also put downward pressure on farm prices. Food processors cannot afford to purchase farm products for inventory. Our commodity export markets also decline with the rising value of the dollar overseas which is, in part, a result of our high interest rates. Thus, the American farmer has a tremendous stake in our efforts to reduce Federal spending and borrowing and will be among the first to reap the benefits of a stronger economy, if we are successful.

Since May we have been blessed with very favorable weather for growing crops with the prospect for record or near-record harvests of wheat, corn, and cotton. This bodes well for food price inflation but, unfortunately, budget costs for farm programs will go up, perhaps by as much as 50 percent over earlier estimates.

I am aware of the efforts of the Agriculture Committee, the administration, and individual Senators to reexamine the provisions of this bill and to propose changes to assure that nonessential spending is eliminated. In light of our current undertakings in the areas of defense and other spending reductions, and the reestimated costs of this bill, I strongly support the efforts to decrease the costs of this bill. If we are to reach our goal of a balanced budget by 1984, we must make every reasonable attempt to reduce spending in all ongoing programs. As long as these efforts produce a final version of the bill which is consistent with the overall congressional response to further spending restraint, I will do all that I can as chairman of the Budget Committee to assure that the full costs of the bill will be accommodated in the second budget resolution.

EXHIBIT 1

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

[$ billions]

| | Fiscal year 1982 | |
|---|---|---|
| | BA | O |
| Permanent and Enacted in Prior Years: | | |
| Commodity Credit Corporation | --- | 3.4 |
| Other | 1.1 | 1.7 |
| Total | 1.1 | 5.1 |
| Enacted this Session: | | |
| PL 97-6: Elimination of semi-annual adjustments for dairy price supports | --- | −0.1 |
| PL 97-24: Grain reserve interest waiver elimination | --- | −0.2 |
| PL 97-35: Omnibus Reconciliation Act | −0.2 | −1.0 |
| Total Enacted to Date | 0.9 | 3.9 |
| S. 884—Agriculture and Food Act of 1981 as reported | --- | −0.4 |
| Total | 0.9 | 3.5 |
| Committee crosswalk 302(b) allocation under First Budget Resolution | 0.9 | 3.4 |
| Possible overage | (*) | +0.1 |

Mr. DOMENICI. Mr. President, I yield back the remainder of my time.

Mr. DOLE. Mr. President, I understand the distinguished Senator from Kentucky has no objection to this amendment.

Mr. HUDDLESTON. I have no objection.

Mr. DOLE. I yield back time on this side, Mr. President.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment (UP No. 376) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. EAGLETON addressed the Chair.

Mr. HAYAKAWA addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from California.

UP AMENDMENT NO. 377

(To provide greater protection against the introduction and dissemination of plant pests)

Mr. HAYAKAWA. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from California (Mr. HAYAKAWA), for himself, Mr. THURMOND, Mr. TOWER, and Mrs. HAWKINS, proposes an unprinted amendment numbered 377.

Mr. HAYAKAWA. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following:

That the Federal Plant Pest Act (71 Stat. 31; 7 U.S.C. 150aa) is amended—

(a) in section 105 by renumbering subsections (b), (c), and (d) as (c), (d), and (e) and adding a new subsection (b) as follows:

"(b) Whereas the existence of a plant pest new to or not therefore known to be widely prevalent or distributed within and throughout the United States on any premises in the United States would constitute a threat to crops, other plant life and plant products of the Nation and thereby seriously burden interstate or foreign commerce, whenever the Secretary determines that an extraordinary emergency exists because of the presence of such plant pests on any premises in the United States, and that the presence of such plant pest anywhere in the United States threatens the crops, other plant life or plant products of the United States, he may (1) seize, quarantine, treat, apply other remedial measures to destroy, or otherwise dispose of, in such manner as he deems appropriate, any product or article of any character whatsoever, or means of conveyance which he has reason to believe is infested or infected by or contains such plant pest; (2) quarantine, treat, or apply other remedial measures to, in such manner as he deems appropriate, any premises, including articles on such premises which he has reason to believe is infested or infected by any such plant pest: *Provided*, That such action shall be taken under this section only if the Secretary finds that adequate measures are not being taken by the State or other jurisdiction. The Secretary shall notify the appropriate official of the State or other jurisdiction before any action is taken in any such State or other jurisdiction pursuant to this section."; and

(b) in section 107 by adding after the second semicolon the following: "to stop and inspect without a warrant any person or means of conveyance moving intrastate upon probable cause to believe that the person or conveyance is carrying any product or article subject to treatment or disposal under the provisions of this Act or the regulations issued thereunder;".

The PRESIDING OFFICER. On this amendment there are 15 minutes equally divided.

Mr. HAYAKAWA. I shall need much less than that, Mr. President.

Mr. President, a policy deficiency which surfaced early in the crisis has to do with the authority of the Secretary of Agriculture to take quick action in the infestation such as we are currently experiencing in California. Rather than having the authority to take action which would have eradicated the pest at an early stage—Secretary Block was limited to threatening a quarantine of host produce if the State did not take action.

The Secretary of Agriculture currently has the authority to move decisively on livestock disease outbreaks. The amendment I am introducing will provide the Secretary with similar authorities in dealing with plant pests. Specifically, the Secretary would be given the power to employ such effective measures as pesticide spraying and product seizure or quarantining. Mindful that the responsibility to deal with plant pests falls first with State officials, this legislation would authorize the Secretary to take action only if adequate measures are not being taken by the State.

All precautions must be taken to guarantee that plant pest crises, like the one we are dealing with in California today, do not occur in the future. This amendment is a necessary step toward insuring that both the Nation's agriculture will be adequately protected and that the Nation's consumers will be able to continue to enjoy a plentiful supply of farm produce.

Mr. President, I believe this amendment is acceptable to both sides. I propose it for myself and for Mr. TOWER, Mr. THURMOND, and Mrs. HAWKINS.

Mr. DOLE. Mr. President, I am again authorized by the chairman of the committee to indicate that there is no objection to this amendment. I have also checked with the distinguished Senator from Kentucky. There is no objection to this amendment.

Mr. HELMS. Mr. President, this amendment would grant to the Secretary of Agriculture the authority to control the intrastate movement of plant pests. The Secretary now has this authority with respect to pests which attack farm animals. The Secretary could exercise this authority only after determining that an extraordinary situation exists which threatens plant life or plant products and after determining that inadequate control measures are being taken by the State or local government. The Secretary would further be required to give notice to the State or local officials prior to taking any action to control the plant pests.

Mr. President, I feel this amendment would be beneficial to our farmers and to the general public. Therefore, I accept it on behalf of the majority and urge its adoption.

Mr. DOLE. Mr. President, I yield back the time on this side.

Mr. HAYAKAWA. Mr. President, I yield back the rest of my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

The amendment (UP No. 377) was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HAYAKAWA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HAYAKAWA. Mr. President, I send an amendment to the desk——

The PRESIDING OFFICER. The Chair has to recognize the first Senator to get my attention. That is the Senator from Montana.

Mr. HAYAKAWA. This is an amendment that can be acted on by voice vote.

Mr. DOLE. The Senator has an amendment that will take about 30 seconds. Will the Senator from Missouri yield?

Mr. EAGLETON. I yield to the Senator from California.

UP AMENDMENT NO. 378

Mr. HAYAKAWA. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from California (Mr. HAYAKAWA), for himself, Mr. SPECTER, and Mrs. HAWKINS, proposes an unprinted amendment numbered 378:

At the end of the bill add the following:

To enable producers and importers of flowers and plants to establish, finance, and carry out a coordinated program of research, producer and consumer information, and promotion to improve, maintain, and develop markets for flowers and plants.

SECTION 1. That this Act shall be known as the "Floral Research and Consumer Information Act".

CONGRESSIONAL FINDINGS AND DECLARATION OF POLICY

SEC. 2. Flowers and plants are an integral part of American life, contributing a natural and beautiful element, especially in urban areas, to what is increasingly a man-made, artificial environment for this country's citizens. Providing comfort and pleasure for many special occasions as well as for everyday living, flowers and plants work against "visual pollution" and, in the case of green plants, generate oxygen within their indoor environment. The flowers and plants to which this Act refers are cut flowers, potted flowering plants and foliage plants. These flowers and plants are produced by many individual producers throughout the United States and, in some cases, in foreign countries. These products move in interstate and foreign commerce, and those which do not move in such channels of commerce directly burden or affect interstate commerce of these products. The maintenance and expansion of existing markets and the development of new or improved markets and uses are vital to the welfare of flower and plant producers, brokers, wholesalers, and retailers throughout the nation. Because the floral industry within the United States is comprised mainly of small and medium-sized businesses, and because the producers are primarily agriculturally oriented companies rather than promotion-oriented companies, the development and implementation of adequate and coordinated programs of research and promotion necessary for the maintenance of markets and the development of new markets have been prevented. Without an effective and coordinated method for assuring cooperative and collective action in providing for and financing such programs, individual flower and plant producers, wholesalers, and retailers are unable to provide, obtain, or implement programs of research, consumer and producer information, and promotion necessary to maintain and improve markets for any or all of these products.

It is widely recognized that it is in the public interest to provide an adequate, steady supply of fresh flowers and plants to the consumers of the nation. The American consumer requires a continuing supply of quality and affordable flowers and plants as an important contributory element to his quality of life.

It is therefore declared to be the policy of the Congress and the purpose of this Act that it is essential and in the public interest, through the exercise of powers provided herein, to authorize and enable the establishment of an orderly procedure for the development and the financing through an adequate assessment of an effective and continuous coordinated program of research, consumer and producer education, and promotion designed to strengthen the floral industry's position in the marketplace, and maintain and expand existing markets, and develop new ones, for flowers, plants, and flowering

plants. Nothing in this Act shall be construed to mean, or provide for, control of production or otherwise limit the right of individual flower and plant producers to produce commercial flowers and plants or dictate quality standards. Nothing in this Act shall be construed to erect a trade barrier to flowers and plants produced in foreign countries. The Act seeks to treat foreign producers equitably in every respect.

DEFINITIONS

SEC. 3. As used in this Act:

(a) The term "Secretary" means the Secretary of Agriculture or any other officer or employee of the Department of Agriculture to whom there has heretofore been delegated, or to whom there may hereafter be delegated, the authority to act in his stead.

(b) The term "person" means any individual, group of individuals, partnership, corporation, association, cooperative, or any other entity.

(c) The term "cut flowers" means all flowers and decorative foliage used as fresh cut flowers, fresh cut decorative foliage, dried, preserved, and processed flowers or dried and preserved decorative foliage, produced either under cover or in field operations.

(d) The term "potted flowering plants" means those plants that normally produce flowers, primarily produced in pots or similar containers, that are primarily used for interior decoration, whether grown under cover or in field operations.

(e) The term "foliage plants" means those plants, normally without flowers, primarily produced in pots or similar containers, that are primarily used for interior decorations, whether grown under cover or in field operations.

(f) The term "propagational material" means any plant material used in the propagation of the three categories included in subsections (c), (d), and (e) of this section, including cuttings, bulbs, and corms, seedlings, canes, liners, plants, cells or tissue cultures, air layers and bublets, rhizomes, and root stocks. This term does not include seeds.

(g) The term "flowers and plants" means all of the items included in subsections (c), (d), (e), and (f) of this section.

(h) The term "United States" means the fifty States of the United States of America, the territories and possessions of the United States of America, and the District of Columbia.

(i) The term "promotion" means any action, including paid advertising, to advance the image or desirability of cut flowers, potted flowering plants, and/or foliage plants.

(j) The term "research" means any type of research to advance the image, desirability, or marketability of cut flowers, potted flowering plants, and/or foliage plants.

(k) The term "consumer education" means any action to provide information on the care and handling of cut flowers, potted flowering plants, and/or foliage plants.

(l) The term "marketing" means the sale or other disposition of commercial cut flowers, potted flowering plants, and/or foliage plants.

(m) Unless otherwise noted, the term "producer" means any person who produces domestically, for sale in commerce, cut flowers, potted flowering plants and/or foliage plants.

(n) The term "Floraboard" means the board that shall be established pursuant to Section 7 of this Act.

(o) The term "importer" means any person who either imports cut flowers, potted flowering plants, and/or foliage plants from outside of the United States or who acts as an agent, broker, or consignee of any person or nation that produces flowers and plants outside of the United States for sale in the United States.

(p) The term "commodity group" means that portion of the flower and plant industry devoted to the production and/or importation of any one of the following: (i) cut flowers; (ii) potted flowering plants; or (iii) foliage plants.

(q) The term "cost of plant material" means the actual price paid by a producer or any propagational material or any other flowers and plants used in the production of flowers and plants. This term does not include the cost of seeds.

FLORAL RESEARCH AND PROMOTION ORDERS

SEC. 4. To effectuate the declared policy of this Act, the Secretary shall, subject to the provisions of this Act, issue and, from time to time, may amend orders applicable to persons engaged in production, sale, importation, and/or handling of flowers and plants. Such orders shall be applicable to all production or marketing areas, or both, in the United States.

NOTICE AND HEARING

SEC. 5. Whenever the Secretary has reason to believe that the issuance of an order will tend to effectuate the declared policy of this Act, he shall give due notice and opportunity for hearing upon a proposed order. Such hearing may be requested and proposal for an order submitted by an organization certified pursuant to Section 16 of this Act, or by any interested person affected by the provisions of this Act, including the Secretary.

FINDING AND ISSUANCE OF AN ORDER

SEC. 6. After notice and opportunity for hearing as provided in Section 5, the Secretary shall issue an order if he finds, and sets forth in such order, upon the evidence introduced at such hearing, that the issuance of such order and all the terms and conditions thereof will tend to effectuate the declared policy of this Act.

REQUIRED TERMS IN ORDERS

SEC. 7. Orders issued pursuant to this Act shall contain the following terms and conditions and except as provided in Section 8, no others:

(a) Providing for the establishment and appointment by the Secretary of a board to be named "Floraboard," which shall consist of not more than seventy-five (75) voting members, and defining its powers and duties, which shall include only the powers (1) to administer such order in accordance with its terms and provisions, (2) to make rules and regulations to effectuate the terms and provisions of such order, (3) to receive, investigate, and report to the Secretary complaints of violations of such order, and (4) to recommend to the Secretary amendments of such order. The term of an appointment to the Floraboard shall be for three years with no member serving more than two consecutive three-year terms; *Provided,* That of the initial appointments, one-third shall be for a term of one year and one-third shall be for a term of two years; *Provided, further,* That the Floraboard shall appoint from its members an executive committee, consisting of not more than fifteen (15) members, whose membership shall, to the maximum extent practicable, reflect the membership composition of the Floraboard, and whose commodity group representation shall be proportional to that of the Floraboard. Such executive committee shall have the authority to employ a staff and conduct routine business within the policies determined by the Floraboard.

(b) Providing that the Floraboard shall be composed of producers and importers appointed by the Secretary from nominations submitted by organizations certified pursuant to Section 16, or if the Secretary determines that a substantial number of producers and/or importers are not members of or their interests are not represented by any such certified organizations, then from nominations made by such producers and/or importers in a manner authorized by the Secretary. Certified organizations shall submit one nomination for each position on the Floraboard. Initially, the Floraboard shall be divided into thirds, each of which shall be composed of producers and importers from each commodity group; *Provided,* That two years after assessment of funds commences pursuant to an order, and periodically thereafter, the Floraboard shall adjust the commodity group representation on the board on the basis of the amount of assessments, less refunds, collected from each commodity group; *Provided, further,* That there shall at all times be more producers representing a particular commodity group on the Floraboard than importers representing that commodity group. In addition to commodity group representation, the periodic adjustment of the membership of the Floraboard shall reflect, to the maximum extent practicable, the proportionate share of assessments, less refunds collected from producers of flowers and plants produced in each of several geographic areas of the United States to be defined by the Secretary and the proportionate share of assessments, less refunds collected from importers of flowers and plants imported into the United States from each country.

(c) Providing that the Floraboard shall, subject to the provisions of subsection (h) of this section, develop and submit to the Secretary for his approval any advertising, sales promotion, consumer education, research and development plans or projects, and that any such plan or project must be approved by the Secretary before becoming effective.

(d) Providing that the Floraboard shall, subject to the provisions of subsection (h) of this Section, submit to the Secretary for his approval budgets on a fiscal period basis of its anticipated expenses and disbursements in the administration of the order, including probable costs of advertising, promotion, consumer education, research, and development projects.

(e) Providing that each producer shall pay for each sale pursuant to procedures to be set forth in the order, an assessment to the Floraboard on any flowers and plants sold in the United States. The assessment shall be based on the dollar value in such sales transaction minus the cost of plant material in a manner to be prescribed by the order. The assessment shall be used for such expenses and expenditures—including provision for a reasonable reserve and those administrative costs incurred by the Department of Agriculture after an order has been promulgated under this Act—as the Secretary finds are reasonable and likely to be incurred by the Floraboard under the order during any period specified by him. For any imported flowers and plants, the importer will pay an assessment on the first stateside sale. The cost of plant material shall not be deducted from the value of imported flowers. If the importer is a retailer, the assessment will be made on the laid-in cost (purchase price). Regarding sales by producers/retailers, the assessment will be based on the then current wholesale value of the flowers and plants less the cost of plant material. In the case of consignment sales, the assessment shall be based on the value of the sale less the sales commission, stateside freight, and the cost of plant material.

(f) Providing that the initial rate of assessment prescribed by the order, which rate shall remain in effect for the first two years after such order shall be approved in referendum, shall not exceed one-half of one percent (½%) of the value of flowers and plants; *Provided,* That the Floraboard may

thereafter increase or decrease the rate of assessment prescribed by the order by no more than one quarter of one percent (¼%) per year; *Provided further*, That in no event shall the rate of assessment exceed one and one-half percent (1½%) of the value of flowers and plants.

(g) Providing that the Floraboard shall maintain such books and records and shall prepare and submit such reports from time to time to the Secretary as he may prescribe, and for appropriate accounting by the Floraboard with respect to the receipt and disbursement of all funds entrusted to it.

(h) Providing that the Floraboard, with the approval of the Secretary, may enter into contracts or agreements for development and carrying out of the activities authorized under the order pursuant to Section 8 (a) and (b) and for the payment of the cost thereof with funds collected pursuant to the order. The Floraboard may contract with industry groups, profit or non-profit companies, private and state colleges and universities, and governmental groups. Any such contract or agreement shall provide that the contractor shall develop and submit to the Floraboard a plan or project together with a budget or budgets which shall show estimated costs to be incurred for such plan or project, and that any such plan or project shall become effective upon the approval of the Secretary, and, further, shall provide that the contracting party shall keep accurate records of all of its transactions and make periodic reports to the Floraboard of activities carried out and accounting for funds received and expended, and such other reports as the Secretary may require.

(i) Providing that the Floraboard may convene from time to time advisory panels drawn from the production, importation, wholesale, and retail segments of the flower and plant industry to assist in the development of marketing and research programs.

(j) Providing that no funds collected by the Floraboard under the order shall in any manner be used for the purpose of influencing governmental policy or action, except as provided by subsection (a) (4) of this section.

(k) Providing the Floraboard members and members of any advisory panels convened shall serve without compensation but shall be reimbursed for their reasonable expenses incurred in performing their duties as members of the Floraboard or advisory panel.

PERMISSIVE TERMS IN ORDERS

SEC. 8. Orders issued pursuant to this Act may contain one or more of the following terms and conditions:

(a) Providing for the establishment, issuance, effectuation, and administration of appropriate plans or projects for advertising, sales promotion, urban beautification, and consumer education with respect to the use of flowers and plants, and for the disbursement of necessary funds for such purposes; *Provided*, That any such plan or project shall be directed toward increasing the general demand for flowers and plants and shall make no reference to a private brand or trade name; *Provided, further*, That no such advertising, consumer education, urban beautification, or sales promotion programs shall make use of unfair or deceptive acts or practices with respect to quality, value, or use of any competing product.

(b) Providing for, establishing, and carrying on research, marketing, and development projects, and studies with respect to sale, distribution, marketing, or utilization of flowers and plants, to the end that the marketing and utilization of flowers and plants may be encouraged, expanded, improved or made more acceptable, and the data collected by such activities may be disseminated and providing for the disbursement of necessary funds for such purposes.

(c) Providing that producers, wholesalers, retailers, and importers of flowers and plants maintain and make available for inspection such books and records as are specified in the order and that such persons file reports at the time, in the manner, and having the content prescribed by the order, to the end that information and data shall be made available to the Floraboard and to the Secretary which is appropriate or necessary to the effectuation, administration, or enforcement of the Act, or any order or regulation issued pursuant to the Act; *Provided*, That all information so obtained shall be kept confidential by employees of the Department of Agriculture and the Floraboard, and only such information as the Secretary deems relevant shall be disclosed by them, and then only in a suit or administrative hearing brought at the direction, or upon the request, of the Secretary, or in a suit or administrative hearing to which he or any officer of the United States is a party, and involving the order with reference to which the information to be disclosed was furnished or acquired. Nothing in this Section shall be deemed to prohibit (1) the issuance of general statements based upon the reports of the number of persons subject to an order, or statistical data collected therefrom, which statements do not identify the information furnished by any person, (2) the publication by the Floraboard of general statements relating to refunds made by the Floraboard during any specific period, including regional information on refunds, (3) the publication by the Floraboard of information on the amount of assessments collected from each commodity group and the rate of refund in each commodity group, or (4) the publication by direction of the Secretary of the name of any person violating any order, together with a statement of the particular provisions of the order violated by such person. Any such person violating the provision of this subsection shall, upon conviction, be subjected to a fine of not more than $1,000 or to imprisonment for not more than one year, or to both, and if an officer or employee of the Floraboard or the Department of Agriculture shall be removed from office; *Provided further*, That no information obtained pursuant to the authority of this Act shall be made available to any agency or officer of the Federal Government for any purpose other than the implementation of this Act and any investigatory or enforcement actions necessary for the implementation of this Act.

(d) Terms and conditions incidental to and not inconsistent with the terms and conditions specified in this Act and necessary to effectuate the other provisions of such order.

REQUIREMENT OF REFERENDUM

SEC. 9. (a) The Secretary shall conduct a referendum among domestic producers and importers not exempt hereunder who, during a representative period determined by the Secretary, have been engaged in the production or importation of flowers and plants for the purpose of ascertaining whether the issuance of an order is approved or favored by such domestic producers and importers. No order issued pursuant to this Act shall be effective unless the Secretary determines that the issuance of such order is approved or favored by not less than two-thirds of the producers and importers voting in such referendum, or by a majority of the producers and importers voting in such referendum if such majority produced and imported not less than two-thirds of the total value of the flowers and plants produced and imported by those producers and importers voting in such referendum during a representative period defined by the Secretary.

(b) The Secretary shall be reimbursed from assessments for any expenses incurred for the conduct of the referendum. For the purpose of this subsection, the term "expenses incurred for the conduct of the referendum" shall include all costs incurred by the government in connection therewith, except for the salaries of government employees.

(c) The Floraboard may reimburse from assessments organizations which sought the adoption of an order in referendum for reasonable and properly-documented expenses incurred in connection therewith. For the purposes of this subsecton, "reasonable and properly-documented expenses" shall include legal fees, travel expenses, and educational expenses incurred in securing industry agreement on the terms of the order that is approved in a referendum of producers.

SUSPENSION AND TERMINATION OF ORDERS

SEC. 10. (a) The Secretary shall, whenever he finds that any order issued under this Act, or any provisions thereof, obstructs or does not tend to effectuate the declared policy of this Act, terminate or suspend the operation of such order or such provisions thereof.

(b) The Secretary may conduct a referendum at any time, and shall hold a referendum on request of 10 per centum or more of the number of producers and importers voting in the referendum approving the order, to determine whether such producers and importers favor the termination or suspension of the order, and he shall suspend or terminate such order six months after he determines that suspension or termination of the order is approved or favored by a majority of the producers and importers voting in such referendum who, during a representative period determined by the Secretary, have been engaged in the production or importation of flowers and plants.

(c) The termination or suspension of any order, or any provision thereof, shall not be considered an order within the meaning of this Act.

PROVISIONS APPLICABLE TO AMENDMENTS

SEC. 11. The provisions of this Act applicable to orders shall be applicable to amendments to orders.

EXEMPTIONS

SEC. 12. Any producer or importer whose total sales of flowers and plants do no exceed $100,000 during a twelve consecutive month period prior to the date an assessment is due and payable shall be exempt from assessments under this Act under such conditions and procedures as may be prescribed in the order or rules and regulations issued thereunder and shall not vote in any referendum under this Act; *Provided*, That the Floraboard shall have the discretion to make annual adjustments in the level of exemption to account for inflation. For the purpose of this section, a producer's or importer's total sales shall include, in those cases where the producer or importer is an individual, sales attributable to his spouse, children, grandchildren and parents; in those cases where the producer or importer is a partnership or a member of a partnership, sales attributable to the other partners; and, in those cases where the producer or importer is a corporation, sales attributable to any corporate subsidiaries of which such corporation owns 50 percent or more of the stock, or if such subsidiaries are not corporations, subsidiaries which are controlled by such corporation. In addition, in determining a producer's or importer's total sales, the sales of any corpora-

tion in which such producer or importer owns 50 percent or more of the stock shall be attributed to such producer or importer. For these purposes stock in the same corporation which is owned by such producer's or importer's spouse, children, grandchildren, parents, partners and any corporation 50 percent or more of whose stock is owned by the producer or importer shall be treated as owned by the producer or importer.

PRODUCER OR IMPORTER REFUND

SEC. 13. Notwithstanding any other provisions of this Act, any producer or importer who pays an assessment shall have the right to demand and receive from the Floraboard a refund of such assessment; *Provided*, That such demand shall be made by such producer or importer in accordance with regulations and on a form and within a time period prescribed by the Floraboard and approved by the Secretary, but in no event more than 60 days after the end of the month in which the assessment was paid. No later than 60 days after submission of proof satisfactory to the Floraboard that the producer or importer paid the assessment for which refund is sought such refund shall be made.

PETITION AND REVIEW

SEC. 14. (a) Any person subject to any order may file a written petition with the Secretary, stating that any such order or any provisions of such order or any obligations imposed in connection therewith is not in accordance with law and praying for a modification thereof or to be exempted therefrom. He shall thereupon be given an opportunity for a hearing upon such petition, in accordance with regulations made by the Secretary. After such hearing, the Secretary shall make a ruling upon the prayer of such petition which shall be final, if in accordance with law.

(b) The district courts of the United States in any district in which such person is an inhabitant, or has his principal place of business, are hereby vested with jurisdiction to review such ruling, provided a complaint for that purpose is filed within twenty days from the date of the entry of such ruling. Service of process in such proceedings may be had upon the Secretary by delivering to him a copy of the complaint. If the court determines that such ruling is not in accordance with law, it shall remand such proceedings to the Secretary with directions either (1) to make such ruling as the court shall determine to be in accordance with law, or (2) to take such further proceedings as, in its opinion, the law requires. The pendency of proceedings instituted pursuant to subsection (a) of this Section shall not impede, hinder, or delay the United States or the Secretary from obtaining relief pursuant to Section 15(a).

ENFORCEMENT OF THE ACT

SEC. 15. (a) The several district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, any plan or regulation made or issued pursuant to this Act. Any civil action authorized to be brought under this subsection shall be referred to the Attorney General for appropriate action: *Provided*, That nothing in this Act shall be construed as requiring the Secretary to refer to the Attorney General violations of this Act whenever he believes that the administration and enforcement of the program would be adequately served by administrative action pursuant to paragraph (b) of this Section or suitable written notice or warning to any person committing such violations.

(b)(1) Any person who violates any provisions of any order or regulation issued by the Secretary pursuant to this Act, or who fails or refuses to pay, collect, or remit any assessment or fee duly required of him thereunder, may be assessed a civil penalty by the Secretary of not less than $500 or more than $5,000 for each such violation. Each violation shall be a separate offense. In addition to or in lieu of such civil penalty the Secretary may issue an order requiring such person to cease and desist from continuing such violation or violations. No penalty shall be assessed or cease and desist order issued unless such person is given notice and opportunity for a hearing before the Secretary with respect to such violation, and the order of the Secretary assessing a penalty or imposing a cease and desist order shall be final and conclusive unless the affected person files an appeal from the Secretary's order with the appropriate United States court of appeals.

(2) Any person against whom a violation is found and a civil penalty assessed or cease and desist order issued under paragraph (b)(1) of this Section may obtain review in the court of appeals of the United States for the circuit in which such person resides or has his place of business or in the United States Court of Appeals for the District of Columbia Circuit by filing a notice of appeal in such court within thirty days from the date of such order and by simultaneously sending a copy of such notice by certified mail to the Secretary. The Secretary shall promptly file in such court a certified copy of the record upon which such violation was found. The findings of the Secretary shall be set aside only if found to be unsupported by substantial evidence.

(3) Any person who fails to obey a cease and desist order after it has become final and unappealable, or after the appropriate court of appeals has entered final judgment in favor of the Secretary, shall be subject to a civil penalty assessed by the Secretary, after opportunity for a hearing and for judicial review pursuant to the procedures specified in paragraphs (b)(1) and (2) of this Section, of not more than $500 for each offense, and each day during which such failure continues shall be deemed a separate offense.

(4) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate court of appeals has entered final judgment in favor of the Secretary, the Secretary shall refer to the matter to the Attorney General who shall recover the amount assessed in any appropriate district court of the United States. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

CERTIFICATION OF ORGANIZATIONS

SEC. 16. The eligibility of any organization to represent (i) commercial producers of flowers and plants of any producing area of the United States or (ii) importers of flowers and plants as defined in Section 3(n) of this Act, for purposes of requesting the issuance of an order under Section 5 or making nominations under Section 8(b), shall be certified by the Secretary. Certification shall be based, in addition to other available information, upon a factual report submitted by the organization which shall contain information deemed relevant and specified by the Secretary for the making of such determination, including, but not limited to, the following:

(a) Geographic territory covered by the organization's active membership,

(b) Nature and size of the organization's active membership, the proportion of such active membership accounted for by producers and/or importers, and information as to the volume of production by state or the volume of importation by country accounted for by the organization's producer and/or importer members.

(c) The extent to which the producer and/or importer membership of such organization is represented in setting the organization's policies,

(d) Evidence of stability and permanency of the organization,

(e) Sources from which the organization's operating funds are derived,

(f) Functions of the organization,

(g) Whether the majority of the governing board of the organization is composed of producer and/or importers, and

(h) The organization's ability and willingness to further the aims and objectives of this Act; *Provided*, that the primary consideration in determining the eligibility of any organization shall be whether its producer and importer membership consists of a substantial number of producers and importers who produce and/or import a substantial volume of flowers and plants. The Secretary shall certify any organization which he finds to be eligible under this Section and his determination as to eligibility shall be final. Where more than one organization is certified in any geographic area, such organizations may caucus to determine the area's nominations under Section 7(b).

REGULATIONS

SEC. 17. The Secretary is authorized to make regulations with force and effect of law, as may be necessary to carry out the provisions of this Act and the powers vested in him by this Act.

INVESTIGATIONS; POWER TO SUBPOENA AND TAKE OATHS AND AFFIRMATIONS; AID OF COURTS

SEC. 18. The Secretary may make such investigations as he deems necessary for the effective carrying out of his responsibilities under this Act or to determine whether a producer, importer, wholesaler, retailer, or other seller of flowers and plants, or any other person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provisions of this Act, or of any order, or rule or regulation issued under this Act. For the purpose of such investigation, the Secretary is empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, and documents which are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States. In case of contumacy by, or refusal to obey a subpoena to, any person, including a producer of flowers and plants, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, and documents; and such court may issue an order requiring such person to appear before the Secretary, there to produce records, if so ordered, or to give testimony touching the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof. All processes in any such cases may be served in the judicial district whereof such person is an inhabitant or wherever he may be found.

SEPARABILITY

SEC. 19. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the validity of

the remainder of the Act and of the application of such provision to other persons and circumstances shall not be affected thereby.

AUTHORIZATION

SEC. 20. There is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated such funds as are necessary to carry out the provisions of this Act. The funds so appropriated shall not be available for payment of the expenses or expenditures of the Floraboard in administering any provisions of any order issued pursuant to the terms of this Act.

EFFECTIVE DATE

SEC. 21. This Act shall take effect upon enactment.

Mr. HAYAKAWA. Mr. President, this amendment would allow the floral industry to establish a promotion, research, consumer education, and marketing program. I do this with the hope that American growers will be allowed to decide if they wish to follow in the direction of other agricultural groups which have successfully utilized similar research and promotion programs.

Known as the "Floral Research and Consumer Information Act," or "Floraboard," my amendment comes from the need of the industry to stimulate consumer demand for floral products. While floricultural production capability and product quality have both steadily increased, our domestic flower and plant industry continues to fall short of its potential in the marketplace. In fact, demand for flowers has remainder constant for the past 6 years.

Yet other agricultural commodity groups have had similar problems. The egg, wheat, wool, cotton, and potato industries all faced trends of declining demand for their products. For these industries, research and promotion programs have been instrumental in reversing these trends.

I believe that my amendment will likewise provide the necessary assistance to the many small- and medium-sized businesses that make up our domestic flower industry—at no cost to the taxpayer.

Mr. President, I yield back the remainder of my time. I think this has been agreed upon on both sides of the aisle.

Mr. DOLE. Mr. President, I am authorized by the Senator from North Carolina to accept this. I have not yet checked with the Senator from Kentucky on this amendment. I understand there may be no opposition to the amendment but there is some concern because hearings have not been held on the Senate side. It is my understanding that hearings were held on the House side, but I suggest to those who have concerns, they may be expressed between now and the time this bill goes to conference.

As I understand it, the chairman has no objection to taking the amendment on that basis. Has the Senator from California cleared this with the Senator from Kentucky?

Mr. HAYAKAWA. I have not, Mr. President. I understand that there has been one question raised, why this does not include retail florists as well as flower growers. The reason is very simple: Flower growers pay an assessment; the retail florist shops do not. This is an association of growers to promote the flower industry.

Mr. DOLE. The Senator from Kansas, among others, was contacted by the FTD. I have indicated their concern to the Senator from California. I understand if there is a real problem that should be addressed, it can be addressed between now and the time this bill goes to conference.

Mr. HAYAKAWA. Mr. President, I inform the distinguished Senator from Kansas that the FTD testified today in the House that they have reservations but they seemed to support floraboard.

Mr. DOLE. Mr. President, I suggest the absence of a quorum while we check with Senator HUDDLESTON.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, may we lay this amendment aside while we talk with the Senator from Kentucky?

Mr. HAYAKAWA. Mr. President, it is my understanding that it has been cleared with him by a member of my staff.

Mr. DOLE. I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—AMENDMENT NO. 550

Mr. BAKER. Mr. President, I understand that the principals now are in agreement on the time limitation on an amendment to be offered by the distinguished Senator from New Hampshire (Mr. HUMPHREY), amendment No. 550. I ask unanimous consent, on the same terms and conditions as the previous request in respect to other matters, that there be a time limitation of 20 minutes equally divided on the amendment to be offered by the Senator from New Hampshire (Mr. HUMPHREY), numbered 550.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. I thank all Senators.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MELCHER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. Mr. President, I inquire of the distinguished Senator from Kansas whether he would like to set aside the amendment temporarily and take up a couple of amendments previously agreed to.

Mr. DOLE. First of all, it has been agreed to recognize the Senator from Missouri. There may be a couple of noncontroversial amendments, but I do not know that the Senator from Montana has anything like that. [Laughter.]

Mr. EAGLETON. Mr. President, if there are other amendments to be disposed of in an expeditious way, that is acceptable.

Mr. MELCHER. I advise the Senator from Kansas that these are not controversial.

Mr. DOLE. Maybe the Senator can offer them en bloc.

Mr. MELCHER. I would like to.

UP AMENDMENT NO. 379

(Purpose: To memorialize the International Trade Commission)

Mr. MELCHER. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. Without objection, the pending amendment will be set aside.

The amendment offered by the Senator from Montana will be stated.

The legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER), for himself and Mr. DURENBERGER, proposes an unprinted amendment numbered 379.

Mr. MELCHER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 136, between lines 9 and 10, insert the following new section 107:

"CONGRESSIONAL FINDINGS

"SEC. 107. (a) The Agricultural Act of 1949 (7 U.S.C. 1446) directs the Secretary of Agriculture to support the price of milk so as to assure the domestic production of an adequate supply of pure and wholesome milk to meet current needs, reflect changes in the cost of production, and assure a level of farm income adequate to maintain productive capacity sufficient to meet future anticipated needs.

"(b) Section 22 of the Agricultural Adjustment Act (7 U.S.C. 634) provides that whenever the Secretary of Agriculture has reason to believe that imports of any product render or tend to render ineffective or materially interfere with the effective operation of a price support or similar program of the United States Department of Agriculture or that such imports reduce substantially the amount of any product processed in the United States from any agricultural commodity for which such price support or similar program is in effect, he shall so advise the President who shall, if he agrees there is reason for such belief, cause an immediate investigation by the United States International Trade Commission to determine the facts, he shall impose fees not to exceed 50 percent ad valorem or quantitative limita-

tions of not less than 50 percent of the quantity entered during a representative period on such imported products.

"(c) United States Department of Agriculture investigations have documented the fact that imports of milk protein products increased the cost of the Dairy Support Program conducted by the Secretary of Agriculture by $300 million during 1980 and that such added costs under the program will rise in the future.

"(d) On the basis of these findings, the Secretary of Agriculture has advised the President that the import of milk protein products into the United States causes material interference with the Department of Agriculture's price support program for milk and the President has directed an investigation by the United States International Trade Commission as provided for under Section 22 of the Agricultural Adjustment Act.

"(e) Congress finds that the $300 million added cost of the Dairy Price Support Program resulting from these imports does represent material interference with the Dairy Price Support Program and that the prospect of additional future costs will further interfere with achievement of the purpose and intent of the program.

"(f) To relieve such interference, the Congress further finds that limitations on the import of milk protein products, including but not limited to casein, mixtures of casein, latalbumin, and whey protein concentrates or mixtures containing 5 percent or more of these products that may enter the customs territory of the United States in any calendar year should be established in accordance with Section 22 of the Agriculture Adjustment Act. Such annual limitation should be no more than the average of such imports into the United States during the five-year period preceding 1981.

"(g) It is directed that the Secretary of the Senate transmit these findings to the Chairman of the United States International Trade Commission with the request that it be made part of the record of the investigation now being conducted by the said Commission on the import of such milk protein products."

Mr. MELCHER. Mr. President, this is a measure with respect to imported casein. It has been discussed with the chairman of the committee and with others. It would direct the Secretary of Agriculture to look at whether or not the policy we have on imported casein is good. We are looking at it right now. The President is doing that under section 22 of the Agriculture Adjustment Act, directing an international trade commission investigation.

I am gratified that the President has acted under the terms of section 22 of the Agricultural Adjustment Act directing an International Trade Commission investigation into the impact of the import of milk protein products on the dairy price support program.

Earlier this year, the Senate discussed this issue in some detail. Concern was expressed at that time that action to limit imports of milk protein products might be premature.

The Department of Agriculture was in the midst of a study aimed at determining the impact of these imports on the dairy price support program.

Concerns were expressed that legislative actions dictating such import restraints might be construed as a violation of U.S. international trade agreements. It was also argued that the law itself, section 22, set forth specific procedures to be followed in the development and establishment of such limitations.

We are now at a point where these concerns are answered or can be answered.

The Department of Agriculture has completed its examination of the issue. In its report, "U.S. Casein and Lactalbumin Imports: An Economic and Policy Perspective," USDA has concluded that imports of these products reduced the use of domestic milk solids by the equivalent of 333 million pounds of nonfat dry milk in 1980.

Noting this, the report states:

Thus, Government purchases of nonfat dry milk would be 333 million pounds lower, saving about $300 million in Commodity Credit Corporation (CCC) outlays.

The further conclusion is drawn that if nothing is done to restrain imports, the added costs to the price support program will continue and increase.

The National Milk Producers Federation has made a thorough review of it.

Acting on this information, the Secretary of Agriculture did, in late June, advise the President that there is reason to believe that unrestrained imports of these products are interfering with the effective operation of the dairy price support program. At the same time, it was recommended that the President direct the U.S. International Trade Commission to undertake an investigation of the situation for the purpose of providing a report to the President as required by the provisions of section 22. That investigation has now been ordered.

Thus, the concerns of early spring are behind us. The procedures have been set in motion that will lead to establishment of the needed import restraints.

Or does that prejudge the issue?

Section 22 of the Agricultural Adjustment Act has been approved by the Congress for the specific purpose of providing a means of preventing unneeded and unnecessary imports of products from interfering with the effective operation of a domestic price support or similar program.

The $300 million added program costs as the result of imports represents interference on a massive scale.

Over the past several months, we have been deeply involved in actions to reduce Federal spending. The budget resolution and the reconciliation bill approved by the Senate have brought the reality of the effort to each of us.

In the development of other legislation, the legislative committees have labored under the most rigorous type of restraint as the result of this budget process.

The bill before us at this time, the Agriculture and Food Act of 1981, is a shadow of what is actually needed by the American farmers. It is purely a product of the budget process. In the Agriculture Committee, we took two sets of actions. First, the committee developed a bill that it felt would meet the needs of producers and consumers. Then, when that set of programs failed to fit within the constraints of the budget process, we rewrote the programs.

We have done much in the name of budget cutting. But there are other steps that can be taken. The amendment I have proposed expresses the view of the Congress that the $300 million added cost to the dairy price support program determined to be a result of these imports, and the prospect of increased additional costs in the future does represent material interference with the dairy price support program.

Further, as a means of relieving this interference, the amendment expresses the view that import restraints, under the authority provided in section 22 of the Agricultural Adjustment Act, should be established on the import of milk protein products, including but not limited to casein, mixtures of casein, lactalbumin and whey protein concentrates or mixtures containing 5 percent or more of these products at a level of no more than the average of such imports into the United States during the past 5 years,

Frankly, import restraints of that magnitude are very mild. For casein, for example, this would mean an annual limitation of 139.3 million pounds. According to the USDA study, imports of casein in 1980 totaled 152.2 million pounds. However, only 128.1 pounds of that total was used for products consumed last year. The balance was used in products that were later exported from the United States—1 million pounds—or went into inventory—23.1 million pounds.

Thus, a limitation of this magnitude would be applying a brake to the process that is now piling up added Government costs, eroding the market for domestic milk, and reducing the effectiveness of the dairy price support program.

The dairy price support program does face serious challenges. The expansion of milk production over the past 2 years and reduced consumption due to a lower level of general economic activity have resulted in greatly increased purchases of dairy products by the Commodity Credit Corporation.

Dairy farmers have recognized this fact and have initiated programs seeking to reduce milk production. They have recognized it in their recommendations to the Congress in connection with this legislation.

The program has been the target of major effort by the administration in its budget cutting operations. The first piece of legislation dealing with budget reduction to come before the Congress was a measure to set aside the scheduled April 1, 1981 semiannual adjustment of the dairy price support level.

It was argued that such action would reduce Government costs by $149 million. Passage of that legislation by a vote of 88 to 5 indicated the depth of support for budget reduction in the Senate.

In the legislation before us at this time, further major reductions are proposed for the dairy price support program. We have told and are telling the dairy farmers of the country that the level of price assurance afforded under the program will be lower than it has been. It is said that this is necessary to restore soundness to the price-support program. It is said this is necessary to restore a more normal supply-demand balance to the dairy industry.

In recent weeks, the Secretary of Agriculture has stated that action must be taken to cut back the dairy price support program or the farm bill will face a Presidential veto. In S. 884, we have cut the program back substantially.

But other steps can be taken that will help to achieve these goals.

According to USDA, 333 million pounds of the nonfat dry milk purchased by the Commodity Credit Corporation was produced from skim milk that had been displaced by imported milk protein, $300 million of the dairy price support program outlays were forced on the Government by this displacement.

This represents interference with the dairy price support program on a massive scale.

It represents lost commercial markets for domestic dairy products.

It represents an added burden to the American taxpayer.

The process to bring this drain under control has now been put in motion. In keeping with the thrust of congressional efforts to reduce and control Government expenditures and as an expression of support for the actions of the Secretary of Agriculture and the President, this amendment will provide direction to the efforts of the International Trade Commission in their investigation.

I urge its adoption.

Mr. DOLE. Mr. President, I have spoken to the chairman of the committee with respect to this amendment. I understand that it is not controversial, and he will accept it. I understand that there is no objection by the Senator from Kentucky.

I am prepared to yield back the remainder of my time.

Mr. MELCHER. I thank the distinguished Senator.

I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 379) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BOSCHWITZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from California.

Mr. DOLE. Mr. President, I again ask that that amendment be temporarily set aside, so that we may consider "noncontroversial" amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Iowa is recognized.

AMENDMENT NO. 539

(Purpose: To express the sense of the Senate that the Secretary of Agriculture should draw attention to the benefits of, and conduct additional research on, conservation tillage)

Mr. GRASSLEY. Mr. President, I call up amendment No. 539, and ask unanimous consent that the name of the Senator from South Dakota (Mr. PRESSLER) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Iowa (Mr. GRASSLEY), for himself and Mr. PRESSLER, proposes amendment numbered 539.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Wtihout objection, it is so ordered.

The amendment is as follows:

On page 235, between lines 17 and 18, insert the following new section:

CONSERVATION TILLAGE

SEC. 112. (a) The Congress finds that—

(1) domestic and international demand for agricultural products from the United States is great and is expected to significantly increase over the next twenty years;

(2) the ability of the United States to provide agricultural products to meet that demand is seriously impaired by the annual loss of five billion tons of soil due to wind and water erosion;

(3) the battle against soil erosion is being lost despite the annual expenditure of millions of dollars by the Federal Government on research, technical assistance, and conservation incentives to control soil erosion;

(4) conservation tillage practices are estimated to reduce soil erosion by 50 to 90 per centum over conventional farming practices; and

(5) conservation tillage may result in better yields, greater land use flexibility, decreased fuel use, decreased labor and equipment costs, increased retention of soil moisture, and more productive land than that provided by conventional farming practices and may be adaptable to a broad range of soil types and slopes throughout the country.

(b) It is the sense of the Congress that the Secretary of Agriculture should, and is hereby urged and requested to—

(1) direct the attention of our Nation's farmers to the costs and benefits of conservation tillage as a means of controlling soil erosion and improving profitability; and

(2) conduct a program of research designed to resolve any unanswered questions regarding the advantages and disadvantages of conservation tillage over other soil conservation practices.

The PRESIDING OFFICER. On this amendment there are 30 minutes, equally divided.

Mr. GRASSLEY. Mr. President, the purpose of this amendment is to draw the attention of our Nation's farmers to conservation tillage—an available, yet underutilized conservation practice that can significantly curb soil erosion, as well as enhance our farmers' incomes. Despite the amendments simplicity, its potential benefit should not be underestimated.

The resolution requests the Secretary of Agriculture to direct the attention of our Nation's farmers to the costs and benefits of conservation tillage as a means of controlling soil erosion and improving profitability. It also requests that the Secretary conduct a program of research designed to resolve any unanswered questions regarding the advantages and disadvantages of conservation tillage over other soil conservation practices.

It is clear that soil erosion has become a major national problem. Consequently, it should be the role of Congress to provide help and exhibit leadership in fighting soil erosion. One way Congress can help out is by passing laws authorizing soil conservation programs and offering incentives.

In this light, I am very pleased that the Senate Agriculture Committee wisely chose to include, for the first time, soil conservation provisions in the farm bill. Moreover, I believe additional soil conservation legislation should be passed once the administration completes its Resource Conservation Act study and once the Senate Finance Committee completes work on conservation tax incentive proposals.

But beyond this, there is another role Congress can play in this fight—and that is by simply exhibiting leadership by drawing attention to conservation practices that have built-in incentives and benefits. Conservation tillage is one of these practices.

Conservation tillage may be a new term to many of my colleagues, but as a practice, it has been around for several years. During the early 1960's, about 4 million acres were under conservation tillage; by 1980, about 60 million acres benefited from this practice.

Briefly, conservation tillage is a comprehensive system for planting and cultivating crops which is aimed at: Minimizing the cost and time required to plant a crop, thus increasing net farm income and reducing soil erosion and preserving soil moisture in order to maintain or increase crop yields. Other names for this practice include reduced tillage, minimum tillage, and no-till farming.

Instead of going into a lot of detail, I ask unanimous consent to have printed in the RECORD, at the conclusion of my remarks, a report on conservation tillage that was recently completed for me by the Library of Congress. This report analyzes the costs and benefits of using conservation tillage as opposed to conventional farming practices. I urge my colleagues to study this report and relay its contents to the farmers from their home States.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GRASSLEY. Mr. President, my request for this report. and my subse-

quent offer of this resolution, was prompted by increasing interest exhibited by my constituents for the promotion of conservation tillage. They pointed out to me that, despite the benefits of this practice, far too few farmers have converted to this system of farming.

This fact could not be better illustrated than by the present situation in my home State of Iowa. Iowa has the misfortune of leading the Nation in soil erosion. During 1980, only 9 million acres out of Iowa's approximately 26 million acres of cropland, received sufficient conservation treatment.

In fact, during this same year, 4.3 million acres suffered erosion levels higher than 10 tons of soil lost per acre during the month of June alone.

In no way can this dismal record be attributed to lack of effort—Iowa has available to it over 30 Federal programs that assist soil conservation efforts by providing loans, cost-sharing funds, research, and educational and technical assistance, which were utilized by over 170,000 land users. Furthermore, over $14 million from State, local, and private contributions were directed toward conservation work—an effort exceeded by no other State in the country.

What very well may have been the missing ingredient in this effort, was the failure to more widely utilize conservation tillage. The report that I have submitted for the RECORD reveals that conservation tillage could reduce soil erosion by 50 to 90 percent over conventional farming.

During 1980, fewer than half of Iowa's farmland was conventionally plowed; however, only a little over 111,000 acres received strictly no-till farming. It was recently reported that almost every acre of row and small-grain crops in Iowa could be placed under conservation tillage. I believe the implications are clear.

Consequently, I believe it is in our national interest to do all we can to direct the attention of our farmers to this practice. I believe there is much to be gained by doing so, and I urge Senators to support my amendment.

Mr. President, I have cleared this matter with the minority manager of the bill as well as the majority manager, and I do not believe there are any questions.

EXHIBIT 1

ABSTRACT

Conservation tillage is a concept or set of criteria for farm production practices, rather than a particular set of tillage practices.

Conservation tillage practices are undertaken primarily for two reasons: (1) to minimize cost and time required to plant a crop, thereby increasing net farm income; and (2) to reduce soil erosion and preserve soil moisture in order to maintain or increase crop yield. These objectives are generally accomplished by shifting from conventional plowing and cultivating to production practices that involve reducing or minimizing soil tillage. In turn, reduced tillage farms become increasingly reliant on chemicals to control weeds and insects.

The crops that offer the greatest potential for conversion to conservation tillage are corn, sorghum, soybeans, and other small grains. It is estimated that in 1979 between 55 and 80 million acres, or one-fourth of all cropland harvested in the United States, was in conservation tillage. Scientists and researchers predict that by the year 2000, an additional 50 to 100 million acres of cropland, or almost 50 percent of U.S. cropland harvested, will be in conservation tillage. Much of the gain is expected to be in corn and soybean acreage in the southern corn belt.

Presently, data conflict or are not precise enough to compare costs of alternative tillage practices. The U.S. Department of Agriculture, other Federal agencies, and private research analysts suggest that labor, fuel, and possibly equipment costs can be reduced with conservation tillage. However, chemical costs increase because of extra pesticides needed to control weeds, insects, and plant diseases. Conservation tillage would also increase the use of fertilizer.

CONSERVATION TILLAGE

*Introduction*

Conservation tillage is a concept or set of criteria for farm production practices, rather than a particular set of tillage practices.[1] Conservation tillage is a comprehensive system for planting and cultivating crops to achieve two purposes: (1) to minimize the cost and time required to plant a crop, thereby increasing net farm income; and (2) to reduce soil erosion and preserve soil moisture in order to maintain or increase crop yield. This involves reducing or eliminating tillage, or leaving crop residues on the soil surface; it may include crop rotation, alternate-row planting, double cropping, or multicropping.

*Conventional and conservation tillage farming defined*

In conventional farming operations, typically 100 percent of the soil surface is plowed, mixed, or inverted, to incorporate crop residue and control weeds. Conservation tillage does not include the use of a moldboard plow, but rather uses implements that leave enough residue on the surface to significantly reduce erosion, relying more on herbicides and less on cultivation to control weeds. The term "conservation tillage" is often used synonymously with reduced tillage, minimum tillage, and no-till farming. Reduced tillage implies a reduction in the number of times the field is tilled.[2] Minimum tillage is the least amount of tillage required to germinate the seed, provide an adequate stand, and produce a satisfactory yield. Often the entire surface area is worked, but top soil is not necessarily inverted or mixed by plows or other equipment. In no-tillage farming, the immediate seed zone is prepared without tillage, or with only sufficient tillage (generally less than 25 percent of the surface area), to plant and cover the seed. Usually no further cultivation is done before harvesting.

*Land in conservation tillage*

Crops offering greatest potential for conversion to conservation tillage are corn, sorghum, soybeans, and other small grains. Estimates of land under conservation tillage in the United States vary. (See table below.)

TABLE 1.—ESTIMATES OF LAND IN CONSERVATION TILLAGE IN THE UNITED STATES, 1973-79

| Year | USDA estimates of conservation tillage | | No-till Farmer estimates of conservation tillage | Magazine |
|---|---|---|---|---|
| | Millions of acres | Percent of cropland harvested | Millions of acres | Percent of cropland harvested |
| 1973 | 29.5 | 9.3 | 44.0 | 13.9 |
| 1975 | 35.8 | 10.8 | 56.2 | 17.0 |
| 1976 | 39.2 | 11.8 | 59.6 | 18.0 |
| 1977 | 47.5 | 14.1 | 70.0 | 20.7 |
| 1978 | [1] 51.7 | 15.6 | 74.8 | 22.6 |
| 1979 | [1] 55.0 | 16.1 | 79.2 | 23.2 |

[1] Estimates. Since 1977, data have not been collected by SCS on specific conservation practices, including conservation tillage.

Source: Pierre Crosson, senior fellow, Resources for the Future, prepublication draft on conservation tillage, 1981.

Footnotes at end of article.

*Why farmers convert from conventional to conservation tillage*

A farmer's decision to convert to a reduced, minimum, or no-tillage farming operation depends on a variety of factors. Some of the considerations most frequently mentioned in the literature include: (1) the given availability of resources at hand—land, water, machinery, capital, and labor; (2) expectations about commodity prices, production input prices, and yields; (3) and managerial attitudes toward risk and the stability of income desired. In addition, the type of farming practice selected depends highly on a series of environmental considerations, including previous land use, the size and shape of the land, the amount of moisture in the soil, climate, and the physiological properties and biological needs of the crop being produced. The degree to which each of these factors influences a farmer's decision to crop a particular way varies, of course, with the short- and long-term needs of the individual farmer.

*The costs of converting from conventional to conservation tillage*

Presently, most data conflict or are not precise enough to compare costs of alternative tillage practices. The USDA, other Federal agencies, and private research analysts indicate that labor, fuel, and possibly equipment costs would be reduced if a farmer adopted conservation tillage practices. However, chemical costs would increase because of the increased amount of herbicides, insecticides, nematicides, and fungicides needed to control weeds, insects, and other pests. Fertilizer costs would also increase because a large amount is needed to promote plant growth.

Labor

There is no conclusive evidence, but most analysts agree that labor costs can be significantly reduced if a farmer uses conservation tillage practices rather than conventional practices. Less labor is required in reduced tillage or minimum tillage operations because the farmer makes fewer passes over the field. Thus, the majority of the labor saved is post-harvest which is not likely to be paid labor, but rather that of the farm operator.

Additionally, if the farmer double crops (plants a second crop immediately or at the same time that the previous crop is harvested, within the same season), or multicrops (plants more than two crops at the same time, within the same season), or practices no-till farming, labor is reduced further. Time between plantings is reduced because the second crop is planted immediately after (up to several days), or jointly with the harvest, depending on the farmer's equipment. Reduced time between plantings also means that soil moisture is retained because the land remains under continuous crop cover. The soil structure is maintained, thereby enhancing production of second and third crops. Reduced time between plantings also means that the farmer will more quickly receive a monetary return on the crop produced. The development of new machines to simultaneously plant and harvest will also reduce labor requirements.

Fuel

Agricultural production uses 1 percent of total U.S. energy demand. Energy use would be reduced if farmers converted from conventional to conservation tillage farming operations. Most of this anticipated reduction would be petroleum used in farm tractors.

The amount of fuel used in farming depends on the size, shape, and topography of the land; soil type; equipment used and how well this equipment matches up with the size and shape of the field; what is grown; and the amount of clay in the soil (the more clay, the more energy required).

In an article in Science magazine, the authors provide an estimate of the possible reductions in fuel for corn production if farmers convert from conventional to no-tillage farming.[3] The elimination of plowing and disking, a reduction in trips over the field with machinery, and a reduction in machinery manufacture brought about by the no-tillage system result in an annual energy saving equivalent to about 36.6 liters of diesel fuel per hectare. The extra pesticides needed for the no-tillage system offset this savings by about 2.65 liters. Additional seed, which is usually recommended for no-tillage agriculture, offsets it by another 1 liter per hectare. Thus, the energy saved is equivalent to about 33 liters, or 7 percent of the diesel fuel used in conventional tillage farming operations. For soybean production, there is an energy saving of about 18 percent.

Energy savings on an individual scale will vary and may seem small when expressed on a per-hectare basis. However, if 65 percent (the authors' projection) of corn and soybeans is grown under the no-tillage system by the year 2000, this will equal a saving of 1.5 billion liters of diesel fuel annually.

The USDA is less definite about fuel savings. Its estimates indicate a general saving of 9.5 to 42.56 liters of diesel fuel per hectare.

### Equipment

If a farmer converts from conventional to conservation tillage farming, equipment maintenance costs may decrease, since the farmer will make fewer trips across the field, thereby decreasing equipment use. In a recent study on conservation tillage, Pierre Crosson suggests that the investment cost difference between conventional and conservation tillage is "meager."[4] Crosson adds that the farmer may save money because less use of the tractor may result in less frequent repair.

Additionally, it is often suggested that farmers plow their fields every 4 to 5 years if they engage in conservation tillage. This is needed to work up the soil and add drainage, particularly in poorly drained fields. Plowing at intervals also releases herbicide buildup which otherwise can eventually lead to permanent soil damage. Thus, every 4 to 5 years farmers will have to rent, cost-share with other farmers, or purchase a moldboard or other plow to accomplish this task. Such an expense will somewhat offset the cost savings achieved by any reduction in equipment use.

In a 1-year study of the economic costs of conservation versus conventional tillage, recently completed by USDA and Iowa State University, it was found that conservation tillage—in particular, no-till—required somewhat lower fixed costs than conventional tillage.[5] Total tractor and implement costs per acre for corn and soybeans equaled $47.54 for conventional tillage, $27.68 for reduced tillage, and $17.05 for no-till. Because of an overall cost reduction in most areas, no-till farming showed a $15 greater net return per acre over conventional tillage.

### Chemical

Land is plowed in conventional farming operations to reduce and control weeds, and thereby reduce disease and insect buildup which can occur when crop residues are left on the ground. A reduction in tillage or the elimination of tillage means that chemicals will have to be substituted for the plowing action to control weeds, disease, and insects.

Weeds are controlled primarily through the application of herbicides. Crop residues are left on the ground to help control erosion and retain soil moisture. However, this increase in soil moisture improves conditions for weed germination and growth. Thus, when a particular area of land is in conservation tillage for a period of time, the soil becomes more moist and weed growth increases. Herbicide applications over time will need to be more frequent and more concentrated to remain effective in reducing weed growth; therefore, herbicide costs will rise.

In addition, herbicides cling to soil particles. Crop residues have the effect of keeping the soil particles in place, which controls erosion. However, this creates a buildup of herbicides on soil particles, which in the long run may become toxic, thereby making the cropland unproductive for certain crops.

Pest populations may also increase because soil compaction is reduced. Some analysts suggest this reduction in soil compaction can lead to healthier plants that may be able to withstand more disease and insect pressures. Advances in genetic engineering could produce new crop strains that are even stronger and better able to sustain repeated exposure to herbicides.

Insects, disease, and other pests are controlled primarily through the application of insecticides, fungicides, nematicides, and rodenticides. Some analysts suggest that environmental laws currently regulating the application of these chemicals may have to be relaxed to facilitate conservation tillage.

There are other chemical costs associated with an increase in fertilizer application. The increased soil moisture caused by crop residues that cover the soil lead to a decrease in soil temperature, which slows down the mineralization of nitrogen, and promotes denitrification. This means that to achieve optimum yields, farmers will have to apply more nitrogen fertilizers to the soil.

Costs associated with increased pesticide application can be environmental as well as economic. Environmental costs include damage to air and water from concentrated chemical applications. For example, many pesticides are not water soluble, and are strongly attached to soil particles. To the extent that conservation tillage reduces erosion and chemical runoff, it will reduce the amount of pesticides in water. However, over 95 percent of the Nation's river basins are now affected by nonpoint-source pollution from agricultural runoff. Because nonpoint-source pollution is not easily controlled, it is possible that improper conservation tillage practices, in combination with a heavier pesticide and fertilizer load, could lead to even more serious pollution. But the opposite is expected: As conservation tillage increases, soil erosion will be reduced and moisture retention improved, keeping both pesticides and fertilizer in place where they biodegrade or are used by growing plants.

### Soil Productivity

There is a general consensus that conservation tillage farming practices reduce soil erosion from 50 to 90 percent over conventional farming practices. There is also a consensus, however, that a farmer's decision to convert from conventional to conservation tillage is not necessarily based on the erosion factor. Instead, the overriding factors are economic, generally based on expectations of production costs and yields. However, the relationship between soil productivity and erosion is not well defined. Until there is better understanding, it will be difficult to persuade farmers to give up traditional and proven tillage methods for a system of conservation tillage. Furthermore, there is no clear short-term yield advantage between conservation tillage and conventional farming. Conservation tillage results in less erosion than conventional tillage; however, where erosion is not a problem, the erosion factor will not affect a farmer's decision to convert to conservation tillage methods. Moreover, as worldwide export demand increases, and the incentive for farmers to produce more increases, farmers will increasingly crop marginal lands. Erosion is difficult to control on marginal lands, even with conservation tillage.

Although it is difficult to quantify the soil productivity gains of conservation tillage, some researchers have completed preliminary analyses.[6] McGregor, et al., found that on highly erodable soils in Mississippi, erosion was reduced to 17.5 metric tons per hectare to about 1.8 metric tons per hectare when no-till farming was used. Triplett, et al., found that no-till farming reduced erosion by 50 percent. Langdale, et al., found in Georgia, on land with a 6 percent slope, that no-tillage system reduced soil loss from about 40 tons to about 0.2 tons per hectare, in a simulated rain experiment.

### *Regional adaptation of conservation tillage practices*

Conservation tillage can be and has been adapted to a broad range of soil types and slopes over much of the country. The table below, showing the extent of conservation tillage by region, is followed by a region-by-region discussion of current conservation tillage application, and of the research needs that must be met to achieve broader acceptance and success of conservation tillage.

TABLE 2.—*Conservation Tillage by Region, 1979*

| Region | Millions of acres | Percent of cropland harvested |
|---|---|---|
| Northeast | 2.40 | 18.2 |
| Lake States | 6.93 | 17.9 |
| Corn Belt | 21.73 | 28.7 |
| Northern Plains | 25.01 | 33.3 |
| Appalachia | 5.83 | 30.7 |
| Southeast | 5.09 | 33.5 |
| Delta | 1.36 | 7.0 |
| Southern Plains | 1.08 | 6.1 |
| Mountain States | 6.43 | 24.8 |
| Pacific | 2.35 | 13.5 |
| U.S. total | 79.11 | 23.1 |

Source: Pierre Crosson, Senior Fellow, Resources for the Future, pre-publication draft on conservation tillage, 1981.

### Northeast[7]

Row crops in the Northeast are traditionally produced under clean cultivation: moldboard plowing and disking for seedbed preparation, with several tillage operations after planting. Since row crop production is easily adaptable to conservation tillage farming, it is not surprising that northeastern farmers have been experimenting with conservation tillage methods since the 1940s.

Among the more common conservation tillage planting practices for corn in the Northeast are: planting corn after corn with no-till; planting corn in sod and no-till corn planting in legumes; and double cropping with no-till soybeans after barley or wheat.

Research and development needs for conservation tillage in the Northeast include: information on the effect of fertilizer in no-till crop production; development of crop strains resistant to repeated applications of herbicides; development of herbicides that are more effective against resistant weeds; and information on soil moisture and its effect on plant growth, particularly as new crop strains are developed.

### Southeast[8]

Although the concept is relatively new to

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the area, conservation tillage systems may contribute more to cultivated production in the Southeast than in any other region in the United States. Conservation tillage practices are particularly attractive for controlling erosion in the upper Coastal Plain and in the Piedmont and Appalachian uplands. Such practices also conserve soil moisture, which is crucial because the area suffers from occasional periods of drought.

Conservation tillage practices have been widely accepted in corn and soybean production throughout the areas. No-till production of soybeans, and double cropping small grains with soybeans have escalated in Kentucky, Virginia, and Tennessee, and in the Piedmont and lower Coastal Plains of South Carolina.

Research and development needed to promote conservation tillage in the Southeast include: establishment of a quantitative relationship of soil and climate properties to crop responses; development of herbicides for double-cropping systems that involve soybeans; improvement in disease and insect control, particularly the long-term effectiveness of pesticides for use in no-till soybeans, corn, and cotton production.

Eastern Corn Belt [9]

Conservation tillage offers great potential for reducing severe erosion problems in the eastern Corn Belt States of Illinois, Indiana, Ohio, Michigan, and Wisconsin. In addition, the use of conservation tillage in double cropping is especially important, since much of the wheat acreage in the eastern Corn Belt is on highly erosive land. The no-till yield potential for double cropping is at least as good as with conventional tillage, and better in dry seasons. And, no-till planting is well adapted to the rolling soils in the southern half of the eastern Corn Belt and to the well-drained loams and coarser-texture soils in the northern half of the region, if pests are controlled.

A survey of available research information and farmer experience with conservation tillage systems indicates that the following items clearly need further study if conservation tillage is to be more extensively adopted throughout the area: better methods of controlling perennial and herbicide-resistant weeds with no-till practices; effects of soil compaction on crop yields, and the remedial effects of conservation tillage; rodent control in sod-planted corn; and toxic effects (if any) of decaying corn residues on corn root growth.

Western Corn Belt [10]

Prudent land resource use is essential if the western Corn Belt States—Iowa, Missouri, Minnesota, Nebraska, and South Dakota—are expected to continue to meet domestic and world agricultural needs. For more than 40 years, researchers in the western Corn Belt States have been studying the relationship between tillage practices and soil and water conservation. Conservation tillage has been adapted to a broad range of soil types and slopes over much of the area, and is viewed by many as possibly the most effective and least costly means of reducing severe erosion problems in the area. However, despite their many advantages, conservation tillage practices have not been adopted on a wide scale.

Scientists include the following among the most important conservation tillage research needs for the area: refinement of cropping and management coefficients in the universal soil loss equation that are more representative of various conservation alternatives; determination of critical soil and topographic limits of various conservation tillage systems; development of pest management systems compatible with conservation tillage; determination of conservation tillage systems appropriate to different farm sizes; and calculation of threshold levels of weed infestation relative to economic and environmental impacts of herbicide use.

Southern Plains [11]

Wind and water erosion and low soil moisture caused by erratic rainfall and diminishing ground water supplies are dominant problems in the southern Great Plains States—Kansas, New Mexico, Oklahoma, and Texas. Conservation tillage practices can help alleviate these conditions. Among the systems that show promise are: wheat-sorghum-fallow rotations in Kansas and Texas under dry-land and irrigated conditions; alternate reduced tillage and no-till for irrigated continuous winter wheat; and no-till grain sorghum double cropped after winter wheat.

Areas in need of immediate research attention to make conservation tillage practices more applicable in the Southern Plains States are: development of more effective and specific herbicides that are compatible with subsequent crops; development of improved application techniques for controlling weeds in close-grown crops; determination of fertilizer rates and application techniques for most efficient use; and equipment which can be operated without difficulty in anchored and loosened surface residues.

Northern Plains [12]

Conservation tillage practices can aid in controlling water and wind erosion in the Northern Great Plains States—Montana, Wyoming, South Dakota, North Dakota, and Nebraska. One of the most common practices in the area is stubble-mulch farming, with a 2-year-cycle system of small grain and fallow. However, increased weed problems and the difficulty of operating tillage and plant equipment in crop residues has slowed the progress of conservation tillage practices in the Northern Plains area.

Some suggested research needs for conservation tillage are: improved methods of weed control; information concerning the effects of plant residues on the physical, chemical, and biological properties of the soil; and guidelines on conservation tillage methods, and on planting dates and rates by crop.

Pacific Northwest [13]

Despite years of research and development, tillage practices to conserve soil and water have not completely achieved the goals of efficient water use and soil protection in the Pacific Northwest. Precipitation and irrigation water runoff, and soil losses remain among the highest in the country, particularly in the Palouse region. Farmers have had problems with weed control and with inadequate equipment for tillage and for planting in surface residues: and as a result, have suffered low crop yields. In addition, the highly diverse environment of the Pacific Northwest limits the transferability of tillage and planting methods from one location to another.

Areas in which research can aid in the development of more promising approaches to conservation tillage are: improved herbicide-tillage combinations and development of no-till planting for crop rotation; for the higher elevation areas, winter wheat planting in surface residue, followed by a spring crop; and for the intermediate and lower-precipitation zones, intensified spring cropping, improved residue management, and early fall planting.

*Advantages and disadvantages in conservation tillage as compared with conventional farming*

Conservation tillage can be adopted to a broad range of soil types and slopes over much of the country. The preceding section reflected on some of the problems in need of further study for specific regions of the country. However, some generalizations about the advantages and disadvantages of conservation tillage in comparison with conventional farming practices can be drawn.

Advantages of Conservation Tillage

(1) Conservation tillage helps reduce wind and water erosion because crop residues are left on the soil to provide a vegetative cover that reduces soil shifts. Studies by the USDA and others indicate that the Nation is losing 5 billion tons of soil each year because of wind and water erosion. This is continuing despite the fact that the Federal Government is spending millions of dollars annually in research, technical assistance, and conservation incentives to control erosion. Conservation tillage practices are estimated to reduce erosion anywhere from 50 to 90 percent over conventional farming practices. Crop residues on the field form a natural barrier that controls erosion without additional money or the need to construct physical barriers.

(2) Yields usually equal and sometimes surpass those of conventional farming practices. Moreover, the time saved between planting, and the increasing popularity of double and multicropping operations facilitate the farmer's efforts to earn more in one season.

(3) Soil moisture is retained because the crop residues prevent rapid evaporation. Preserving soil moisture means that farms in the West would require less irrigation water; and farms in the Midwest, the Great Plains, the Northeast, and the Southern Coastal Plains would produce higher and possibly better yields than they ordinarily would during periods of drought.

(4) Greater flexibility in land use is possible with conservation tillage practices because steep lands can be cropped without severe erosion problems. Because domestic and worldwide demand for U.S. agricultural products is expected to rise significantly within the next 20 years, cropping steep lands could help farmers meet this anticipated challenge.

(5) Conservation tillage may be more economical than conventional farming practices. Increasing energy costs alone may force farmers to reduce fuel use, which is higher under conventional farming operations. In addition, the decrease in labor and equipment costs may make conservation tillage methods more practical, particularly in the long run. Moreover, because the quality of the land base is maintained and even improved, farmers can crop more intensively, on a continuous basis, and hence, earn more.

Disadvantages of Conservation Tillage

Most of the disadvantages associated with conservation tillage operations are environmental.

(1) Chemical use increases because concentrated amounts of pesticides are needed to control weeds, disease, and insects, which multiply when crop residues are left in the field. In addition, chemical costs increase because of the additional amounts needed.

(2) Air and water pollution could increase because of this increase in chemical use. Since nonpoint source pollution from agricultural runoff affects 95 percent of the Nation's river basins, an increase in pesticide use could exacerbate this situation. However, proper application of conservation tillage systems should reduce erosion and thereby prevent the chemicals from reaching waterways.

(3) Concentrated use of herbicides and

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the reduction in particulate movement increase amounts of herbicides left in place on the soil surface. The effect of this is twofold: Weeds become herbicide resistant, and a residual buildup of herbicides in the soil would permanently damage soil chemistry and the ability to produce subsequent crops.

(4) When marginal lands are brought into production, land in forest, range, pasture, and wetlands is reduced. An increase in conservation tillage and shifts in land use have several effects: Timber supplies that would otherwise be available on these lands are reduced; fish and wildlife may be displaced; recreational uses of woodlots and wetlands may be eliminated; and soil quality may diminish, and erosion may be exacerbated by cropping marginal lands.

(5) Greater management ability is required for success of conservation tillage because there are fewer alternatives for correcting management errors. Conservation tillage methods are often tailored to the individual farm because of the differences in soil structure and type, and other topographical and geological characteristics that are unique to the farming area.

*Incentives for conservation tillage*

It is evident from the discussion on regional adaptations of conservation tillage that additional research is needed; reliable data must be collected on the success rate of different tillage methods; new crop strains should be developed; and data on biological and toxic effects of increased chemical use must be gathered. In addition, because conservation tillage as a farming system involves a variety of practices, data is needed on which methods work best on particular soil types in the various regions of the country. Furthermore, farmers may need assistance in adopting this alternative technology because conservation tillage systems are often complex and difficult to implement.

However, it is possible that increasing energy costs alone could induce farmers to convert to some form of conservation tillage. Thus, the economic marketability of the technology may prompt farmers to substitute conservation tillage practices for conventional farming operations—a change that might give farmers an advantage anyway, with or without Federal assistance.

In addition to providing funds for research, Federal assistance options include:

Developing pilot programs to demonstrate the effectiveness of the various practices, particularly in areas of the country where erosion is most severe;

Providing cost-sharing assistance through the Rural Clean Water Program to farmers who experiment with various practices;

Increasing the technical assistance provided by the SCS to include planning for and applying conservation tillage technology;

Providing additional cost-sharing assistance for conservation tillage through existing conservation programs, and targeting it only to areas that have severe erosion problems; and

Providing incentives to farm equipment manufacturers to research and design the appropriate tools and equipment necessary for conservation tillage farming.

FOOTNOTES

[1] U.S. Department of Agriculture. Minimum tillage: a preliminary technology assessment. Office of Planning and Evaluation, May 1976.

[2] Pierre Crosson, prepublication draft on conservation tillage to be published by the Soil Conservation Society of America.

[3] Phillips, Ronald E., Robert L. Blevins, Grant W. Thomas, Wilbur W. Frye, and Shirley H. Phillips. No-tillage agriculture. Science, vol. 208, p. 1108–1113, June 6, 1980.

[4] Crosson, op. cit.

[5] Shuttle, LuAnn. No-till shows profit edge. Farm journal, vol. 105, No. 9, June–July 1981, p. E–4.

[6] Science, June 1980.

[7] Bennett, et al. Conservation tillage in the Northeast. Journal of soil and water conservation, vol. 32, No. 1, Jan.–Feb. 1977, p. 9–12.

[8] Reicosky, et al. Conservation tillage in the Southeast. Journal of soil and water conservation. (See footnote 7) p. 13–19.

[9] Griffith, et al. Conservation tillage in the eastern Corn Belt. Journal of soil and water conservation. (See footnote 7) p. 20–28.

[10] Minoru Amemiya. Conservation tillage in the western Corn Belt. Journal of soil and water conservation. (See footnote 7) p. 29–36.

[11] Unger, et al. Conservation tillage in the Southern Plains. Journal of soil and water conservation. (See footnote 7) p. 43–48.

[12] Fenster, C. R. Conservation tillage in the Northern Plains. Journal of soil and water conservation. (See footnote 7) p. 37–42.

[13] Papendick and Miller. Conservation tillage in the Pacific Northwest. Journal of soil and water conservation. (See footnote 7) p. 49–56.

Mr. HELMS. Mr. President, my friend from Iowa has raised an important issue with this proposed amendment on conservation tillage. Every Senator here, I am sure, realizes that this Nation is faced with increasing problems in the area of soil conservation. Particularly in difficult economic times, as these are, farmers are less able to institute more traditional conservation measures, often requiring capital expenditures that do not realize any short-term gains.

However, the benefits of conservation tillage bring immediate results and can, given the right conditions, actually mean a decrease in costs for many farmers.

There are two major forces preventing the successful utilization of conservation tillage methods. One, is the economic disincentive. Farmers who practice other tillage methods, usually have a sizable investment in farm equipment that is designed to perform those methods. Making the switch to conservation tillage methods requires the use of different equipment, which is expensive. As in any business, existing equipment must usually serve out its useful economic life before new equipment can be justified. Economics alone dictates that there will not be an overnight adoption of conservation tillage.

But the other major force resisting the use of conservation tillage has nothing to do with economics. It has everything to do with education and demonstration that conservation tillage methods work. Everyone knows that each and everyone of us is resistant to change. We all know this, and accept it—in ourselves and in others. History is full of examples where someone found a better way to do something, but the resulting change to the new method took many years. The concept of conservation tillage is one such idea.

The Senator from Iowa has asked that the Senate go on record as favoring the practice of conservation tillage where applicable. I would support that idea and believe that this amendment would accomplish that result.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. GRASSLEY. I yield.

Mr. DOLE. Mr. President, this is a good amendment. I have made a radio spot about the progress made in the State of Iowa with this technique, so far as conservation is concerned.

The chairman of the committee supports this amendment, and I understand there is no objection by the distinguished Senator from Kentucky.

Mr. GRASSLEY. Mr. President, I yield back the remainder of my time.

Mr. DOLE. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 539) was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BOSCHWITZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 378

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from California.

Mr. DOLE. Mr. President, the Senator from Kansas has been advised by the Senator from Kentucky that there is no objection to the floral checkoff amendment, the pending amendment.

The question is on agreeing to the amendment.

The amendment (UP No. 378) was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HAYAKAWA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ELDERLY CSFP PILOT PROGRAM

Mr. BOSCHWITZ. Mr. President, I am not going to offer an amendment. I would have offered it if I thought the Senate would accept it and not engage in extended debate.

I have had a colloquy with the chairman of our committee regarding extending the commodity supplemental feeding program to low-income elderly who are nutritional risks. The commodity supplemental feeding program is not new, but it now serves only pregnant and breast-feeding women and children up to the age of 6.

The amendment I would have offered would have extended the commodity supplemental feeding program to the low-income elderly who are at nutritional risk.

At the outset, I must say I realize a few eyebrows may be raised at the suggestion of expanding a program in these days of budget cutting. As a member of the Budget Committee I have been a stanch supporter of this administration's goal of reduced Federal deficits.

But, as the Government reduces the growth of some of its programs, we must

be looking for alternative, cost-effective means to help those who are truly needy.

Again, the CSFP is a program already in place, but it does not include elderly Americans. Of particular interest is this program's extensive reliance on volunteers. Public service organizations operate the programs on a largely volunteer basis. There are few paid staff in the programs; rather the majority of the work is done by volunteers—doctors, drivers, dock loaders, et cetera. This program depends for its livelihood upon the commitment and involvement of the private sector.

Public service organizations contract with the Department of Agriculture to receive commodities—juice, canned vegetables and meat, cheese, dried milk, and so forth—and set up an establishment like a grocery store in a warehouse or similar building. The CSFP then provides packages of USDA commodities to pregnant mothers and their children under the age of 6 who are food stamp eligible—130 percent of poverty and asset test—and at a nutritional risk. Those pregnant mothers in the area who meet the food stamp income test and who have been examined by a health professional who has documented that they are at nutritional risk can participate in the program. Doctors who volunteer their time for these examinations, prepare a food prescription. The participant takes this prescription to a food center and receives a food package based upon the participant's nutritional needs.

The commodity supplemental feeding program has been one of the most cost effective nutrition programs because of the involvement of volunteers and the private sector and because administrative costs are limited, by law, to 15 percent of the value of the commodities. Compare this program with the women, infants, and children (WIC) nutrition program. The WIC program is widely recognized as one of our most effective nutrition programs and that program costs the Government about $27.49 per food package, according to the USDA. A similar package in the commodity supplemental feeding program costs the Government $17.50. Compare this also with the food stamp program, which in 1980 had an average monthly cost of $34.35 per person and in June 1981 was over $41.

In my estimation, the two most determinative factors in the cost effectiveness of the commodity supplemental feeding program are the use of commodities rather than retail goods as in the food stamp program and the heavy reliance of this program on volunteers and the private sector.

Again, it is well known that the elderly do not participate in existing programs nearly to the extent of the rest of the population. In November of 1979 there were 19.1 million people eligible for the food stamp program, of those eligible 17.2 million participated and 90 percent of the total population participated. During that same month, according to the USDA, however, only 1.8 million of the 3.6 million eligible elderly participated in the food stamp program. Only 50 percent of the eligible elderly participated as compared with 90 percent of the eligible total population.

What causes so little representation? According to the USDA, the two principal reasons for lack of participation by the elderly are welfare stigma and lack of transportation. The commodity supplemental feeding program would alleviate these problems. The visit to the doctor and the food prescription help eliminate the welfare stigma. The transportation problem is solved through the use of volunteers to deliver the commodities to the homes of the participants and take the participants to their semiannual doctor visits.

The one feature that distinguishes this program from any other elderly nutrition program is that it will specifically serve those elderly people who have nutritional need. It will serve these elderly people through a program that is already in place, and operating most effectively.

Finally, I stress that this program, unlike any other, would serve only those elderly people who are found to be at nutritional risk. There is a population of low-income elderly that is not being reached through existing nutrition programs for the elderly and these people need, and certainly deserve, a program such as this.

Mr. President, if I may have the attention of the acting majority manager of the bill, Senator DOLE, I have agreed with the distinguished chairman of our committee that we will hold hearings on the extension of the commodity supplemental feeding program, to include low-income elderly as a nutritional risk.

While the matter is to be included in the House bill, and perhaps we can include it by conference, I hope our conferees will do so. In the event that does not happen, I have agreed that hearings should be held.

If I went into greater detail on this matter, I know that the distinguished acting majority manager of the bill would make a radio spot on this matter as well.

Mr. DOLE. If it has merit, I would. We are fairly selective.

I say to the distinguished Senator from Minnesota that I understand the chairman's position, and he has indicated an interest in having appropriate hearings.

Mr. EAGLETON. Mr. President, I will be pleased to yield a minute to the Senator from Minnesota; and if the Senator from New Hampshire wants a minute or two, I will be pleased to yield to him.

Mr. DURENBERGER. I have an amendment.

Mr. EAGLETON. I ask unanimous consent that my amendment be temporarily laid aside, to consider the Durenberger amendment, and that my amendment then be in order, on the completion of that amendment.

The PRESIDING OFFICER. The amendment of the Senator from Missouri has not been called up yet.

Mr. BAKER. Mr. President, reserving the right to object, the Senator from Missouri has been very patient. If the Senator will yield to me, I ask unanimous consent that the Senator from Missouri be recognized after the recognition of the Senator from Minnesota for the purpose of offering an amendment.

Mr. EAGLETON. If the Senator from New Hampshire has a brief amendment, it is all right.

Mr. BAKER. I believe it will take a few minutes.

Mr. HUMPHREY. I would appreciate it if the majority leader would include my amendment in the unanimous-consent request.

Mr. BAKER. I ask unanimous consent that the Senator from New Hampshire be recognized after the disposition of the amendment to be offered by the Senator from Missouri.

Mr. HUMPHREY. I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Minnesota.

UP AMENDMENT NO. 380

(Purpose: To equalize access to credit for widows, and other single parents)

Mr. DURENBERGER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Minnesota (Mr. DURENBERGER) proposes an unprinted amendment numbered 380:

At the appropriate place, insert the following language: "The second sentence of section 303(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1923(a)) is amended by striking out 'are married or'."

Mr. DURENBERGER. Mr. President, this amendment—which is based on section 404 of the Economic Equity Act (S. 888)—reforms a section of the Consolidated Farm and Rural Development Act that has proven to be an unintended barrier to widows and widowers seeking to preserve their stakehold in family farms.

That law contains a two-pronged credit preference test. Preference is based on the number of dependents, and on whether the applicant is married or unmarried. It is certainly rational to grant a credit preference based on the number of dependents in a family unit. But when the number of dependents is equal, present law gives a preference to those who are married over those who are widowed or divorced. This provision has had a particularly bitter impact on farm widows, as well as separated or divorced women and men seeking to preserve the existence of their farm investment.

The amendment I offer this evening retains the preference based on the number of dependents, but eliminates the distinction between dependents of a married couple and dependents of a widow or other single parent. It does not compel the program's administrators to grant preference to either group. It gives the administrators the ability

to weigh the equities of each case, and make their own judgment on which party has the best claim on the program's limited resources. It recognizes the fact a widow with the same number of dependents as a married couple can have at least as strong, if not a stronger claim. And it leaves the administrator free to exercise his or her discretion on a case-by-case basis.

The administration has no opposition to this amendment and I ask unanimous consent that a letter from Under Secretary of Agriculture Frank W. Naylor, Jr. be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
*Washington, D.C., Aug. 19, 1981.*

Hon. DAVID DURENBERGER
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR DURENBERGER: Secretary Block has asked me to respond to your recent letter regarding an amendment you intend to propose to the Agriculture Act of 1981 when that legislation is considered by the Senate.

I understand that you propose to eliminate from Section 303(a) of the Consolidated Farm and Rural Development Act (U.S.C. 1923), the preference to persons who "are married" in receiving preference for farm ownership loans made through the Farmers Home Administration (FmHA). The expressed intent of your amendment would be to eliminate the distinction between dependents of married persons and dependents of a single parent, such as a widow or widower.

The Department and FmHA would not oppose such an amendment as long as it would leave intact the established preference for persons who have dependent families. In other words, if your amendment proposed only to strike the words, "are married or," from Section 303(a), this condition would be met, in our opinion.

I hope this information will prove useful to you, and that you will not hesitate to contact me should you have further questions.

Sincerely,

FRANK W. NAYLOR, Jr.,
*Under Secretary for*
*Small Community and Rural Development.*

Mr. DURENBERGER. Mr. President, I move the adoption of this amendment.

Mr. HELMS. Mr. President, the intent of this amendment is to end the preference in granting farm ownership loans to "persons who are married" while retaining the preference for persons with dependent children, regardles of marital status.

It is my understanding that the present statute gives equal preference to both married couples and persons with dependent children. This amendment would simply end the special consideration of marital status while reserving this preference for applicants who have dependent children.

Although I feel that S. 884 should not be encumbered with a multitude of amendments which would hinder expeditious consideration of it, I have no objection to this language. I understand that the Department of Agriculture has no problem with this amendment and therefore I will accept it on behalf of the majority.

Mr. HUDDLESTON. Mr. President, I support the amendment to drop the preference given to FmHA borrowers who are married.

Priority will still be given to individuals who have dependent families—that accomplishes the objective of assisting family farmers. The amendment recognizes that many farm families today are headed by one adult.

Mr. DURENBERGER. Mr. President, I yield back the remainder of my time.

Mr. DOLE. Mr. President, I yield back the remaining time on behalf of the floor managers.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

The amendment (UP No. 380) was agreed to.

Mr. EAGLETON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DURENBERGER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. By the previous order, the Senator from Missouri is recognized.

UP AMENDMENT NO. 381

(Purpose: To authorize adjustments in the price support levels for different kinds of tobacco in order to make such kinds more competitive in the world markets)

Mr. EAGLETON. Mr. President, I have an unprinted amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Missouri (Mr. EAGLETON) proposes an unprinted amendment numbered 381.

Mr. EAGLETON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 235, between lines 17 and 18, insert the following new section:

AUTHORITY OF SECRETARY OF AGRICULTURE TO ADJUST THE PRICE SUPPORT OF CERTAIN KINDS AND TYPES OF TOBACCO

SEC. 1112. The Agricultural Act of 1949 is amended by adding after section 106 the following new section:

"SEC. 106A. Notwithstanding any other provision of law, whenever the Secretary determines that a kind of tobacco or a grade of such kind of tobacco for which marketing quotas are in effect or have not been disapproved by producers will be in excess domestic supply or will be noncompetitive in the world market, the Secretary may establish the price support level for such kind of tobacco at such level as the Secretary determines will encourage the exportation of such kind or grades of such kind of tobacco and not encourage excessive domestic supplies after taking into consideration the cost of production, supply and demand conditions, and world prices except that the Secretary may not establish an average price support level under this section for any crop of any kind of tobacco below the level of the adjusted cost of production. The adjusted cost of production shall be determined on the basis of such information as the Secretary finds necessary or appropriate for the purpose and shall not include (1) costs of purchasing or leasing land, (2) costs of leasing marketing quotas, or (3) management costs."

Mr. EAGLETON. Mr. President, the amendment I offer tonight does not eliminate the tobacco price support program. It is quite modest. It is a middle ground, which I believe those who want to end the tobacco price support program can accept in order to avoid the economic hardship such action would bring the tobacco-producing States, and which I hope those who defend the program can support in order to bring about needed reform without which the program will increase in cost to the taxpayers and to the tobacco producers. This amendment will simply provide the Secretary of Agriculture with the authority to adjust price supports on kinds, types, or grades of tobacco that are noncompetitive in the world market.

Farmers must bear the burden in the status quo because of the way the program is structured. Unfortunately, the authors of the Agricultural Act of 1938, the basic authorizing statute for the price support program, did not envision the circumstances that exist today. The New Deal liberals that wrote the tobacco program believed that production and exports would increase over the years to the benefit of all American people. What they wanted was a program that was social and economic in orientation, a program that kept supply in line with demand and families on the farm.

For better or worse, the world has changed a great deal in the past 43 years.

First, tobacco consumed domestically has dropped sharply, especially since the Surgeon General's report was issued in 1964.

Second, our share of the world market is declining sharply. In 1960, the U.S. share of the world market was 60 percent. Today, the market share is somewhere in the magnitude of 28 percent and dropping. This development is particularly astonishing in view of the rapid increase in the market share of commodities such as corn, soybeans, wheat, and cotton.

Third, imports of foreign tobacco have continued to accelerate. In 1969, we imported 159.1 million pounds of tobacco. In 1979, that figure had grown to 313.6 million pounds—nearly double in just one decade. The result is that domestic manufacturers have increased the percentage of foreign tobacco in U.S. cigarettes from 11 percent in 1965 to 30 percent in 1980.

Fourth, our stocks of flue-cured tobacco are growing. In 1975, we had 136.3 million pounds of tobacco on hand. By the end of 1980, that had grown to 595.1 million pounds. Since then, our stocks have been depleted by over 100 million pounds, largely because of a drought in tobacco-producing areas of China, the world's leading producer of leaf tobacco. However, stocks are still triple the level of just 5 years ago.

Mr. President, these facts reflect serious structural problems with the tobacco price support program, problems that we must address if the Members of this body believe in serious public policymaking. If we choose to ignore these facts, both producers and the American people will suffer.

The problems that we have today with tobacco come as a consequence of what clearly is the least discretionary of the price support programs administered by the Secretary of Agriculture.

Current law has the hands of the Secretary of Agriculture tied. He must continue to increase the price support level for tobacco based upon a specific formula. His only option is to reduce production to keep supply and demand in line. Let me quote what former Secretary of Agriculture Bob Bergland had to say about this matter. This clearly illustrates what the problem is:

> Under the Agricultural Act of 1949, support prices for flue-cured tobacco are based on a formula which I have no discretion to alter. These support levels are relatively high compared to prices of foreign produced tobacco. As the support price of flue-cured tobacco has risen in line with the legislated formula, imports have risen, stocks under loan have risen, and reductions in the national marketing quota have been necessary to bring supplies more in line with demand.

Let me quote as well from a letter I received from Everett Rank, Administrator of the Agricultural Stabilization and Conservation Service:

> U.S. prices to a large extent are determined by the legislated support formula. So long as U.S. tobacco remains out of line price-wise with foreign tobacco of comparable quality, our share of world exports can be expected to continue to decline and pressure from imports to increase.

Now let us examine what my amendment would change. My amendment would simply provide the Secretary of Agriculture with authority to adjust price support for grades or kinds of tobacco that are in excess supply.

This amendment would not provide total discretion to the Secretary. Rather, it would not permit the Secretary to reduce the price support below the adjusted cost of production.

The intent of this approach is clear—we need to discourage the production of grades or kinds of tobacco that are in surplus. By doing so, the producers of tobacco would receive a number of corresponding benefits—stocks would be reduced, imports would decline, exports would increase, and supply would fall in line with demand.

It may be that the tobacco price support program was the first of the so-called indexed programs. Since 1938, farmers of tobacco have had a good deal—their prices have been guaranteed to rise in line with inflation. And, it is clear that the average farmer has been guaranteed a profit, an equally good deal. This is especially generous in view of the fact that actual market prices generally have been 2 to 3 cents a pound over the support levels in recent years, assuring still further profits.

This arrangement would not be bad except that it no longer accommodates changing world realities. We are no longer holding our share of the world or domestic markets. The result is that the producer and the taxpayer suffer, the producer because his quota is reduced and the taxpayer because more money is committed to the stocks program.

Mr. President, I have several tables that I would like to have included in the RECORD exploring the situation regarding loan stocks, exports, imports, and market share. These tables graphically illustrate the problems that I have articulated here today. I have offered this amendment as a response to the problems of the program with the hope that constructive change will result in a better program for all of our citizens.

I urge the adoption of my amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. WARNER). Does the Senator make inquiry to have those tables included in the RECORD as part of the Senator's statement?

Mr. EAGLETON. I beg the Chair's pardon. I ask unanimous consent that the tables previously referred to be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 1.—FEDERAL EXPOSURE FOR FLUE-CURED TOBACCO STABILIZATION CORPORATION [1]

| Year | Dry weight [2] | Principle | Interest and insurance | Total |
|---|---|---|---|---|
| 1975 | 136,276,098 | $153,259,470 | $72,485,665 | $225,745,135 |
| 1976 | 111,684,265 | 118,132,352 | 53,995,309 | 172,127,659 |
| 1977 | 142,186,028 | 181,071,234 | 40,081,098 | 221,152,332 |
| 1978 | 33,476,985 | 45,116,643 | 11,148,099 | 56,264,742 |
| 1979 | 50,676,516 | 83,023,674 | 12,066,381 | 95,030,055 |
| 1980 | 120,769,118 | 205,446,829 | [3] 6,066,514 | 211,513,343 |
| Total | 595,069,010 | 786,050,200 | 191,783,066 | 981,833,266 |

[1] Data as of Dec. 31, 1980.
[2] In pounds.
[3] Interest as of Dec. 31, 1980

TABLE 4.—U.S. IMPORTS OF UNMANUFACTURED TOBACCO FOR CONSUMPTION, AND GENERAL, PRINCIPAL CATEGORIES

[In millions of pounds]

| | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Cigarette tobacco: | | | | | | | | | | | |
| Flue Cured | | | | | | | | | 5.2 | 5.2 | 1 |
| Burley | | | | | | | | | 18.5 | 13.7 | 1 |
| Flue Cured and Burley | 4.5 | 7.8 | 4.4 | 6.7 | 6.2 | 22.1 | 36.4 | 30.2 | | | |
| Other | | | | | | | | | | 4.9 | |
| Subtotal | 4.5 | 7.8 | 4.4 | 6.7 | 6.2 | 22.1 | 36.4 | 30.2 | 23.7 | 23.8 | 2 |
| Subtotal (including Oriental) | 147.8 | 149.6 | 168.3 | 164.0 | 174.1 | 188.0 | 211.9 | 204.8 | 194.1 | 197.2 | 19 |
| Scrap | 11.4 | 14.9 | 18.2 | 12.9 | 24.2 | 34.9 | 23.8 | 25.1 | [1] 54.5 | 88.3 | 12 |
| Total | 159.1 | 164.4 | 185.6 | 177.0 | 198.3 | 222.9 | 235.7 | 229.9 | 248.6 | 285.5 | 31 |

[1] Revised; classification change in January 1977 shifted most imports from cigar tobacco to other tobacco category affecting scrap category.

Source: "Tobacco Situation," March 1970 through March 1980.

TABLE 5.—EXPORTS AND U.S. MARKET SHARE OF UNMANUFACTURED TOBACCO, FLUE CURED

[In million of pounds]

| | World total | United States | United States as percent of total |
|---|---|---|---|
| Average: | | | |
| 1955–59 | 683 | 413 | 60 |
| 1960–64 | 772 | 397 | 52 |
| 1966 | 710 | 423 | 60 |
| 1967 | 750 | 427 | 57 |
| 1968 | 800 | 444 | 56 |
| 1969 | 845 | 430 | 51 |
| 1970 | 797 | 368 | 46 |
| 1971 | 831 | 342 | 41 |
| 1972 | 1,046 | 425 | 41 |
| 1973 | 1,088 | 418 | 38 |
| 1974 | 1,232 | 441 | 36 |
| 1975 | 1,199 | 391 | 33 |
| 1976 | 1,198 | 379 | 32 |
| 1977 | 1,229 | 412 | 34 |
| 1978 | 1,399 | 455 | 35 |
| 1979 | 1,306 | 371 | 28 |

Source: U.S. Department of Agriculture.

Mr. HUDDLESTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, there has already been spoken on this floor tonight a substantial volume about the tobacco program, its value, its need, and the desirability of continuing it substantially in effect as it is.

I mentioned during my remarks earlier that one of the strengths of the tobacco program has been throughout the years the flexibility of it, the ability to adjust it to meet conditions that occur because of unusual marketing years or unusual growing years or any other changes that may occur, and this has, in essence, kept the program in balance as far as supply and demand are concerned, and as far as costs to the Federal Government are concerned.

But the way to bring about those kinds of changes, to adjust it to meet the needs, is through the usual process, in my judgment, and not to try to rewrite a complicated program here on the Senate floor.

Looking over the amendment of the Senator from Missouri—he does detail some statistics that indicate some problems that may be developing as far as the program is concerned—and they should be addressed in the proper way and at the proper time.

But I find in the amendment such things as "will be in excess of domestic supply or will be noncompetitive in the world market."

These are pretty vague terms not eas-

ily defined. It says: "The Secretary then may establish a price support level for such kinds of tobacco at such a level as the Secretary determines will encourage the exportation of such kinds or grades."

It seems pretty vague language to me to be able to develop a sound policy and one that provides a certain amount of, a certain degree of, stability and certainty as to just what the policy will be.

So I think for these reasons and others this amendment should be rejected tonight.

Mr. HELMS. Mr. President, this amendment authorizes the Secretary of Agriculture to establish the price support level for any kind, type, or grade of tobacco at his discretion whenever he determines that such tobacco will be in excess in domestic supply or will be noncompetitive in the world trade. He will not be permitted to reduce the price support level below a formula for the cost of production of the crop.

The amendment is offered as a remedy for a problem that it cannot solve. The price support for tobacco has very little relationship either to domestic supply or to the world trade.

The domestic supply is a function of the poundage quota established each year by USDA in accordance with the allotment aspects of the tobacco program.

These production control mechanisms are the result of tobacco farmers agreeing in referendum to accept annual adjustments in the poundage quota. Tobacco farmers are proud of the fact that their program is operated at virtually no cost to the Government, and they have accepted the controls on production as a means to assure that their program will never likely be a burden on the taxpayers. The domestic supply is controlled in this fashion so as to be independent of the price fluctuations which would otherwise result.

There is no question that U.S. produced tobacco is now and will probably always remain competitive in the world trade. The unique characteristics of U.S.-produced tobacco make it highly desirable in quality cigarette blends. It is so highly desirable, in fact, that most observers readily agree that price is not as significant a competitive factor as continued high quality.

The price support formula now in effect assures farmers of the ability to continue to produce the highest quality—and therefore most highly competitive—tobacco grown anywhere.

Now, U.S. tobacco farmers have been plagued with competition for certain grades of tobacco, but the extent to which the impact has been adverse has been more of a function of improper and unfair application of U.S. tariff laws than price.

As regards the tariff issue as it relates to tobacco, the first problem our farmers face is that U.S. tariffs have traditionally been levied on a "specific" basis—that is, a certain dollar amount. The tariff schedules of our competition and our trading partners generally have been based on an "ad valorem"—to the value—valuation. That means that as inflation increases worldwide, U.S. tariffs actually decrease, while those of our trading partners remain constant in real terms.

Then, in 1976 and 1977 very large quantities of foreign tobacco began to enter the United States under the Customs Service classification of "scrap," paying a duty of 16½ cents per pound rather than the then 45 cents per pound required by law.

In 1979 the U.S. Comptroller General found that the Customs Service was improperly misclassifying these so-called scrap tobaccos. When the previous administration refused to take action to rectify the problem, tobacco farmer interests pressed for an investigation of the matter by the International Trade Commission.

At the subsequent ITC hearings a number of tobacco representatives—including myself—contended that these imports were causing harm to the tobacco price support program.

Those interests who favored a continuation of the importation of foreign tobaccos at the improper and lowest duty rate argued that our problems with foreign tobacco do not stem from improper tariffs, but with price.

On August 4, 1981, the ITC ruled that the tobacco price support program is not harmed by tobacco imports at this time, and that any action to impose quotas or to impose higher tariffs is not appropriate at this time.

No doubt, part of the reason for that ruling is the fact that the domestic supplies of tobacco previously thought to be in dangerous surplus have been reduced significantly in recent months.

First of all, U.S. tobacco farmers agreed to a 7½-percent reduction in their poundage quota for the 1981 crop year. This is the kind of action taken to keep the potential taxpayer exposure to a minimum. It demonstrates how effective the tobacco program is.

Second, the Flue-Cured Tobacco Stabilization Cooperative has had tremendous success in reducing its stocks—stocks for which the CCC has extended price support loans to farmers.

At this time last year stabilization held some $800 million in tobacco; today that figure is about $600 million. A year ago stocks were some 515 million pounds; now they are about 400 million pounds. Stabilization has sold 192 million pounds in 9 months this year, compared to just 88 million pounds for all of calendar year 1980.

So, any purported purpose in this amendment is significantly brought into question. It would be extremely unwise for the Senate to adopt this amendment at this time.

U.S. tobacco farmers produce a crop worth some $2.5 billion in foreign exchange to the United States—with a net favorable balance of trade in tobacco at just a little over $2 billion. That represents fully 10 percent of our entire agricultural balance of trade.

In addition, tobacco farming provides a livelihood to more than 276,000 farm families and to some 80,000 tobacco manufacturing employees.

There is just too much at stake here for the Senate to decide to alter the price support formula on a crop that means so much to so many people and to the entire Nation.

In addition, Mr. President, the amendment contemplated here would create more problems than it would resolve. If the price support levels are reduced substantially, there is no question that we could find ourselves in a situation where the stabilization cooperative would have to compete for its sales of tobacco against tobacco not under loan. That is, stabilization could find itself encumbered with stocks of tobacco for which it made loans to farmers at a rate greater than the new support price. Stabilization would be extremely hard pressed to ever dispose of those stocks without a loss—a loss which would be borne by the taxpayers.

Now, there are a number of tobacco specialists who are concerned that some grades of tobacco may be carrying price support levels which are too high to be competitive. Most often these grades are identified as the "four-letter" grades, which represent unripe or improperly cured tobacco. The problem is not serious, but there is some thinking that some limited authority to adjust those rates may be desirable.

But those same specialists are adamantly opposed to the extensive revision of the price support levels contemplated by this amendment.

This is such a delicate and complicated issue that the Senate would be well advised to take carefully considered testimony from specialists and experts in tobacco trading and marketing.

Frankly, it would be irresponsible for the Senate to adopt this kind of legislation without such an opportunity. It is beyond the scope of reason for Senators to really think otherwise. If we are going to be conscientious legislators, we simply must adhere to sound legislative practice which includes a thorough hearing process.

Mr. DOLE. I think for all the arguments made earlier, this amendment ought to meet the same fate as the last tobacco amendment not because it may not have some merit but because, as this Senator views it from a nontobacco State, we are in the process of getting nearer and nearer the end of a successful piece of farm legislation.

This Senator is also convinced that if such amendment is adopted, it could threaten the entire package of commodities, whether they be tobacco, rice, sugar, wheat, or whatever.

Mr. President, I hope—I am not certain what the distinguished Senator from Kentucky and the Senator from North Carolina have in mind—but not knowing that I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Carolina.

Mr. EAST. Mr. President, I have a few remarks I would like to make in regard to the amendment of the distinguished Senator from Missouri. I had earlier made a floor statement regarding Senator HATFIELD's amendment. I have a statement on the amendment of the distinguished Senator from Missouri, just to make a brief comment or two on his proposed amendment and why we find, those of us who are intimately involved in this matter, why we find it is simply an unacceptable approach to this problem.

As the distinguished Senator from Kentucky (Mr. HUDDLESTON) has pointed out just a moment ago, this commodity program has been a part of the economic fabric of our areas for a long time. People have bought and acted in reliance upon it. It is an integral part of our economy. It is complex; it is delicate. This simply is just not the forum for sorting out through whatever problems one might perceive in it.

This is not to say, as the Senator from Kentucky has already indicated, that we cannot and should not—indeed, we must—keep abreast of the weaknesses in it, as we must in any commodity program. We are willing to do that and expect to do that and, indeed, I wish to point out that the tobacco people in my State are fully aware of some of the problems that the Senator raises.

For example, if too much tobacco goes into stabilization, the excess builds up, and that is a negative thing. It is negative economically and it is negative politically.

There is not a lack of awareness on the part of the tobacco farmers of this country that their job is to raise a high quality leaf at a competitive price for the domestic and foreign market. They understand that. Their task is not to raise tobacco to be taken by the Government under loan and to be held for an indefinite period of time.

Whatever changes, then, that would be made in this program, I respectfully ask Senators on both sides of the aisle, because this is a bipartisan effort, are to be made, those changes must be made after hearings and reflection, lest we do something dramatic and cannot see through its implications.

This amendment, with all due respect to it, would strike at the very essence of the program and the amount of damage it would do economically and, quite candidly, politically, in all areas is incalculable at this point.

I appeal, as I did earlier, to the bipartisan spirit of this body to appreciate that this is one of the vital commodity programs of our farm community. The farm community is one of the great productive sectors of our economy, one we look at with great pride. They have many pressing problems, including inflation and interest rates. Fortunately, we have removed the embargo. They are going to have a continuing series of problems that we are going to have to try to help with within the limitations that we have.

But we would do a great disservice to them and their economic well-being and, thereby, do a great disservice to the farm economy of this country if we casually come in with amendments, without hearings, without understanding their far-reaching implications and begin dismantling a program that has been in operation for nearly half of a century.

I am simply counseling, ultimately, Mr. President, prudence and restraint and appreciation of what this sort of thing would do in the areas that are affected.

I repeat, the impact, economically and politically, would be tremendous and far-reaching. I only ask that people consider the impact of what this would be and join with us in defeating this amendment.

With all due respect to the distinguished Senator from Missouri and the points that he raises, I am contending, along with the distinguished Senator from Kentucky (Mr. HUDDLESTON), that these matters are more appropriately addressed in other forums and we are happy to address them and consider them and weigh them. Every program, including this one, can undergo examination. Our farmers are willing to do that. But we cannot, in good conscience, knowing the realities of our situation economically, accept this amendment as it is presented.

Mr. President, I respectfully urge my colleagues to vote against the amendment of the distinguished Senator from Missouri.

Mr. President, I support the tobacco price support system and the hundreds of thousands of small farm families who depend on this program for their very existence.

A great deal of misinformation abounds concerning the tobacco program. Discussions center on the myth of a tobacco subsidy and other misconceptions.

I would like to take this time to set the record straight, and hopefully lay to rest these misconceptions about the tobacco program, which is the most effective and least expensive of all our commodity loan programs.

I will begin by attempting to enlighten you as to how the tobacco program works. There are many different major classifications of tobacco. Among these are fluecured, burley, Maryland, and others. For the purpose of my discussion, I will group all these types under the general heading of tobacco.

Tobacco is grown all over the world, with the United States producing about 15.5 percent of the total. We are currently the leading producer, but other countries, notably China, India, and Brazil, are gaining rapidly in production.

Tobacco is a principal cash crop on 276,000 farms in 22 States. The 1980 farm value of tobacco grown in this country was $2.7 billion with 17 States producing more than $1 million worth of tobacco each. This points out the fact that tobacco production is not confined to just three or four States. North Carolina does share favorably in this production though, with a 1981 crop income predicted to exceed $1.1 billion. Now you see why I am so vitally interested in a healthy tobacco program.

But tobacco not only enhances North Carolina's income—it adds greatly to the overall economy of the Nation. Almost $21 billion annually is spent on tobacco products, which is equal to approximately 10 percent of all food expenditures for the same period.

A survey of direct and indirect contributions to the national economy was conducted by the Wharton Applied Research Center at the University of Pennsylvania.

They determined that tobacco contributd to all 50 States in 1979 the following; 2 million jobs of all kinds; $30 billion in wages and earnings; $15.5 billion in capital investment; $22 billion in taxes; and $58 billion, or 2.4 percent, to America's gross national product.

In short, of every dollar's worth of goods and services rendered to, and by Americans in 1979, roughly 2½ pennies were generated by tobacco.

Governments also receive in the form of direct excise taxes three times the revenue received by farmers. In 1980, the Federal Government received $2.4 billion in direct excise taxes, and State, county, and local governments collected almost $4 billion more. U.S. farmers received about $2 billion on this same crop.

So, the government is not supporting tobacco farmers—tobacco farmers are supporting the Government.

Tobacco also contributes favorably nearly $2 billion annually to the U.S. balance-of-payments. Net tobacco exports account for slightly more than 8 percent of our total net agriculture exports.

These economic facts alone make it inconceivable to me that there are those who would like to devastate this commodity loan program.

This tobacco program has worked exceedingly well for more than four decades. Tobacco was first included in the Agriculture Adjustment Act of 1938. Then in 1949, the program was structured as we know it today—based on price support and supply control. This is the same foundation used for many of our commodity programs. And it has proven highly effective in the orderly production and marketing of this crop.

The supply control mechanism uses marketing quotas and acreage allotments. Marketing quotas limit the amount of pounds a farmer can sell under the program. And the acreage allotment system limits the number of acres on which tobacco can be grown.

Incidentally, an HEW report some time back said that if the tobacco program has any effect on the health issue, it is probably a positive one—because it limits the amount of tobacco that can be grown and keeps the price relatively high.

I think it is safe to say also, that since the use of tobacco is older than this country, doing away with a highly effective tobacco commodity loan program is not going to mean people will stop smoking tobacco or growing it.

In return for limiting production—and

I might add that farmers have voted overwhelmingly in referendum for these self-imposed limitations—the Government has offered price supports in the form of Commodity Credit Corporation nonrecourse loans.

These loans come about this way:

When a farmer brings his tobacco to an auction warehouse for sale, if his crop does not bring a bid of at least 1 cent per pound above the support price, the tobacco goes under government loan.

These loans are made from CCC funds to producer cooperatives. And these producer cooperatives pay interest on the loans. The current interest rate is 14.5 percent—and will now be adjusted semiannually to keep the interest rate in line with the cost of money.

This past year, new loans totaling $172 million were made through CCC to the tobacco cooperative. Repayments from the sale of past crops under loan last year totaled $260.1 million. The net result was a plus factor for the Federal Government of $88 million.

At the end of 1980, the value of tobacco under loan was $815 million, representing 647 million pounds. Tobacco companies have purchased sizeable amounts of this tobacco, and stocks have dropped to 406 million pounds. This reduces outstanding loan volume—which has been subject to criticism from some of the enemies of tobacco.

Over the 45-year life of the tobacco program, the cumulative net loss realized by Commodity Credit Corporation is only $56.7 million—and much of this loss can be attributed to a devastating warehouse fire and two bad growing seasons.

These losses represent less than one tenth of 1 percent of all losses on the 13 commodities covered under CCC loan programs. No other commodity program can even approach tobacco's record.

If you add the annual administrative costs of the program, you are only talking about another $29.3 million, and more than $8 million of this projected cost for upcoming seasons will be eliminated under new provisions that call for producers to pay for the inspection and grading.

I think these figures demonstrate dramatically the cost-effectiveness of the Government's investment in a commodity that adds substantially to the livelihood of thousands of small family farmers.

The program has resulted in price stability—higher return on the farmers' investment—and has helped maintain the small family farm at a competitive level with the larger corporate farm. I point out that while the average tobacco farmer may grow other crops on his land, he only cultivates 6.5 acres of tobacco. From the small acreage, though, he derives a substantial portion of his annual income.

Tobacco is a very labor-intensive crop. It takes approximately 250 hours of labor to grow and harvest an acre of tobacco, compared to 21 hours for cotton and 3 hours for food and feed grains. This need for labor had provided thousands of jobs in the tobacco-growing States, and has reduced outmigration.

If this program were eliminated, there would be wide fluctuations in production—and price. This would make it difficult for farmers to make long-range plans, and even to stay in business.

The distinguished Senator from Missouri has introduced legislation that he claims will make American tobacco more competitive on the world market and get the allotments into the hands of the producers. This probably sounds good on the radio and television, and in the newspapers. The general intent of these amendments may be appealing to the nonfarmer, to the outsider, or to the misinformed.

But for the tobacco farmer and the tobacco program, these amendments are a "trojan horse." If you let this legislation in, it will wind up actually killing any program you have left by creating gross inequities and an administrative nightmare.

Senator EAGLETON'S first amendment would provide the Secretary of Agriculture with the authority to adjust price supports on grades of tobacco that are noncompetitive in the world market. This move could, and probably would, subject the tobacco price support program to a game of partisan politics. The Secretary of Agriculture is not given this much power or free hand in determining the price support levels on other commodities. It would create an air of uncertainty and unpredictability for the farmers, warehousemen, and buying companies. The amendment also fails to give specific enough guidelines for determining the cost of production.

The second amendment seeks to return the allotments now controlled by the nonfarmer to the tobacco producers who are currently leasing the land from nonfarmers.

One argument behind the need for this amendment is that major corporations own a substantial amount of farmland with tobacco allotments on them. This is hardly the case, since less than 2 percent of the tobacco acreage in North Carolina is owned by nonfarm corporations. Serious damage would be inflicted upon the small family farmer, while the newspaper headlines would read "Allotment Taken From Corporations."

There would be complicated problems resulting out of the reassignment of these allotments from the nonproducers to the producers. This legislation fails to take into consideration the property rights of the current allotment holders. The great majority of these people have either purchased this land at a much higher price because an allotment was included; or they have inherited the land and allotment, and have paid greater estate and property taxes on land valued higher due to allotments. Why should these owners have to give their property to another party without just compensation?

Some of the producers receiving allotments under this provision have a history of growing leased allotment on rented land, and own no land themselves. Where would they plant this new allotment? In the past the allotment has always been considered an integral part of the land.

This amendment would assign the allotment to the last producer who leased it. No consideration would be given to the other producer who had leased it for 10 years in a row, but did not lease it this past year. This windfall allocation of allotments would also be unfair to the producer who was unlucky enough to lease from quota owners who did not lose their allotments.

The planting requirement for nonfarmers is retroactive. The amendment states that they must plant such allotment in two of any three consecutive crop years beginning with the 1980 crop year. The 1980 and 1981 crop years are over, and there is no way a nonfarmer can protect his allotment if he did not plant during one of those 2 years. If a planting requirement was deemed necessary, it should at least be applied to future crop years. Then some allotment owners might choose to resume planting their tobacco to protect their allotments.

The administrative nightmare I mentioned earlier would best be created by the income test. The provision requiring allotment owners to derive at least one-half of their income from farming in order to keep the allotment would be very difficult to administer properly, and would also do a great injustice to the small family farmer. Many of these such people find it necessary to supplement their farm income by finding employment elsewhere, and they should be awarded—not penalized.

I hold my distinguished colleague, Senator EAGLETON, in the highest personal regard, for he has served his State and country with such grace and distinction. We seem to have a difference of opinion on the merits of his proposal, but I look forward to working with him in the future.

We have today a program that has proven its effectiveness, its worthiness, and its efficiency over more than four decades. Let us not destroy something that works so well for so many.

I urge my colleagues to oppose these amendments and any other attempts to end this successful program.

The PRESIDING OFFICER. Who seeks recognition?

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PRYOR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## MISS AMERICA—ARKANSAS' ELIZABETH WARD

Mr. PRYOR. Mr. President, the poet Keats once declared that "A thing of beauty is a joy forever," and seldom has the State of Arkansas produced greater beauty and poise and talent than Elizabeth Ward of Russellville.

Miss Ward was crowned, last weekend, in Atlantic City, as the 55th Miss America.

Pictures of the much photographed Liz Ward show a classic brunette, a gracious stature, a dazzling smile. And those in

my home State who know her, who helped raise her from childhood, who taught her in public schools, and who nourished her talent and ability, claim that she is a natural and spiritual beauty as well. She brings to the reign of Miss America a dimension of concern for people, for State, and country, and for self-reliance as an American adult. She commented, shortly after receiving her honor, that her goal is "to be the best Miss America I can, and to represent the young people of this country."

Mr. President, I am proud of Miss Elizabeth Ward, and I know that I speak for all Arkansans in expressing both my congratulations to a fine young lady and my encouragement that she continue to set an example for others in this country. Certainly she has maintained not only her looks, but her wits as well. And she demonstrates for us all another basic point of fact from the poet Keats: That beauty is truth, and truth beauty.

I ask unanimous consent that a recent article in the Arkansas Democrat be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ARKANSAN HEADS FOR NYC—MISS AMERICA VOWS TO DO HER BEST

Elizabeth Ward of Russellville took off from Atlantic City, N.J., bound for New York City on Sunday to begin her reign as Miss America 1982, vowing to be "the best Miss America I can."

Miss Ward, 5-foot, 9-inch brunette, was crowned the 55th Miss America Saturday night during ceremonies in the Atlantic City Convention Hall. Asked what she would be doing in New York City, she said, "I don't know, they haven't told me yet."

In a telephone interview Sunday, Miss Ward said the position of Miss America, "means a lot to me . . . so much more than the ($20,000) scholarship. I will have the chance to meet people, including those who can help me in my future career."

Miss Ward said she would not return to Arkansas until sometime in October. She added that "there is no way" she can return to her junior-level accounting studies at Arkansas Tech University in Russellville during the next year. She said she does intend to pursue her goal of becoming a corporate lawyer once her reign ends.

She said her goal as the reigning queen will be "to be the best Miss America I can and represent the young people of this country."

The new Miss America is a teetotaling, born-again Christian who doesn't smoke or curse and who will make her nation proud of her, her friends and relatives said.

Jim Ward of Russellville said his phone was "ringing off the wall" since his daughter won the title. "We're all very elated and very proud of her," he said during a telephone interview Sunday. "She's a beautiful girl and she's done a wonderful job," he said.

Ward said he and about 40 neighborhood guests watched the pageant on television at his home. When Miss Ward was proclaimed the winner, "the top of the house blew off," he said. "The excitement was so great around the area, he said, his family fell into bed about 4 a.m. and arose around 6 a.m. when the phone congratulations began pouring in again.

Mrs. Mary Ward of Booneville, Miss Ward's grandmother, said Sunday she "hadn't done anything but answer the phones."

"Everyone is real proud and happy," Mrs. Ward said. "Everyone has been so nice."

Miss Ward's mother, Patricia Hampe, traveled to Atlantic City for the event.

Mrs. Hampe said later Sunday that her daughter would appear this morning on NBC's "Today" from New York City.

Miss Ward's parents divorced when Elizabeth was in about the fifth grade. Mrs. Hampe said Sunday that she thought her daughter had coped with the divorce as well as any child could have.

"We all went through a terrible time, but that's normal. You have to go through the normal pain," Mrs. Hampe said.

Mrs. Hampe described her daughter as a conscientious student who's never cheated on a test to Mrs. Hampe's knowledge.

"She believes in doing things honest and right," Mrs. Hampe said.

Miss Ward was the runner-up during the 1980 Miss Arkansas contest. She worked in Dallas as a model. In addition, she was voted Miss National Sweetheart in 1981.

A cheerleader and honor student, Miss Ward studied piano for nine years.

Runners-up in the Miss America pageant were Miss Illinois, Sandra Truitt, 25, of Evanston; Miss Georgia, Kristi Anne Evans, 21, of Atlanta; Miss Indiana, Pamela Carlberg, 21, of Bourbon; and Miss Texas, Sheri Ryman, 20, of Texas City.

Miss Ward is the second Miss Arkansas to win the Miss America title. Donna Axum won the pageant in 1964.

Meanwhile, Miss Ward's boyfriend, Jon Birmingham, 23, of Russellville, said she called him about 2 a.m. Sunday. The two have dated about three years, said Birmingham, who's about to begin work on a master's degree in business at Arkansas Tech University.

Birmingham said he first met the new beauty queen when he was running a sound system while she sang in a high school talent show.

"It was her voice. That was the first thing I heard," he said.

Miss Ward's voice played a part in attracting the attention of the pageant judges, too. Her talent competition was a bouncy rendition of the 1920s ballad, "After You've Gone."

Daniel Raines, Miss Ward's speech and drama teacher at Russellville High School, said Saturday night that the beauty queen had roles in a school play, "Arsenic and Old Lace" as well as in a musical, "Hello Dolly."

But Raines said Miss Ward's talent wasn't that outstanding. "She was very pretty, and I thought she had some potential," he said.

When she began entering beauty pageants several years ago, Raines said, her personality didn't change. "She seemed to achieve more poise. But whenever we meet her out in town, she is unfailingly pleasant. She's still Liz."

Mr. HUDDLESTON. Mr. President, the Senator from Arkansas was very eloquent, but he might have done us a much greater favor if he had just sent Miss Ward and spared us the oration. [Laughter.]

## ORDER OF BUSINESS

(The following occurred earlier:)

Mr. HEFLIN. Mr. President, I yield to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I appreciate the courtesy of the able Senator from Alabama in permitting me to comment on another subject and to have my remarks in an appropriate place in today's proceedings.

## THE 194TH BIRTHDAY ANNIVERSARY OF THE CONSTITUTION

Mr. RANDOLPH. Mr. President, I call our attention to the 194th birthday of the Constitution of the United States.

It was on this date almost 2 centuries ago, when those who were active in the Declaration of Independence formulated this document which has withstood the test of time. It has been expanded and contracted, but the body of that document is intact. Twenty-six amendments have been added to the basic Constitution.

Often we fail to pause, as we should, to express our thanks and admiration for the Founders, both men and women, who worked in that early period of the beginning, the awakening, of this Republic.

This morning a very unique and memorable breakfast, on Capitol Hill, was held, 194 candles were lighted in the Caucus Room of the Russell Office Building to commemorate the anniversary of the Constitution and to express tribute to the Founders of our Nation.

There were remarks by young men and young women from the college campuses of America who expressed their deep feeling and the hoped-for part they will have in a reawakening of the commitment of Americans of all ages to the giants of this country who wrought so beautifully and well for us, as emphasized in the language, the heritage, and the vision set forth in the Constitution of the United States.

It was my privilege to join Senator HATCH in hosting this event. Several of our colleagues participated: Senators THURMOND, BURDICK, MATHIAS, and GRASSLEY.

The Archivist of the United States, Robert Warner, was also present.

Mr. Boris Feinman, chairman and founder of Convention II, the sponsoring organization for this anniversary ceremony, chaired the program and welcomed the 125 participants.

Timothy Leighton, president and chief executive officer of Convention II, emphasized the importance of understanding our heritage and charged the young students present to become more involved in the political process.

He stressed:

Citizenship education in school has tended to focus on government and voting, which are very important but are not the totality of citizenship. Our educational institutions need to include the joys and challenges of real political activity, of the give-and-take vital process which are also citizenship.

We need to appreciate where we've come from to be able to proceed intelligently. Convention II, the national model constitutional convention of high school students, for whom I serve as president, believes that the Constitution of the United States is one of the greatest inventions in the history of man. Our program fosters an understanding of and appreciation for much of the process and politics undergirding our system by inviting challenges to that very system in a recognized forum. Let history inspire fierce appreciation for our heritage while understanding its problems.

After talking with the Convention II delegates and some 100,000 other young Americans, I leave with you the following thoughts. Ultimately the responsibility for our future rests on our shoulders and requires our working to insure our abilities. We shall progress farther than you simply because we shall stand upon your shoulders and your accomplishments while attempting to avoid your mistakes. Yet there is not and should not be a dramatic line of demarcation between your turn and ours. Although we may lack the experience which years might provide, we are

coincidentally not burdened with prejudices. Though our idealism may need to be tempered, through experience and through an enhanced citizenship education, our vitality is a key resource for this Nation to tap. Let the leaders of today and the leaders of tomorrow merge our energies.

Bernard Friedman, president, College Democrats of America, and Jack Abramoff, chairman, College Republican National Committee, assessed the failure of young people to participate and vote in elections at all levels of government. They underscored the need for this segment of our population to exercise our "franchise of freedom"—the ballot.

Mr. Friedman declared:

The human deprivation that I witnessed behind the iron curtain that year has had a lasting impact on me—and has served as an impetus for my political involvement. I know that we truly live in the greatest nation on earth, for no other country can offer so much freedom and so many opportunities to its citizens.

But, unfortunately, most young people in this nation do not appreciate their freedom, and, even worse, choose not to participate in our democracy. This morning I would like to address the major problem which college Democrats face throughout the entire nation, the indifferent and non-voting young American. In 1980, the voter turnout of those between the ages of 18 and 30 years was below 30 percent. We need to ask ourselves not only why so few young people vote, but more important, why the youth of this nation feel alienated from the political system.

College Democrats today face the same "trials and tribulations" that our founders did twenty-two years ago. Whether due to ignorance or indifference the fact remains that today, as in 1959, the vast majority of young people in this nation chose not to vote. Whether Democrat or Republican, liberal or conservative, we must all seek to combat the embarrassingly low level of political participation amongst America's youth.

This is why what we are doing today is so important. College Republicans and college Democrats may not agree on every issue, such as cuts in student loans, but we do agree that it is essential that our two organizations reach out and support nonpartisan groups such as "Convention II," which educate young people on the realities of our political system. College Republicans and college Democrats are determined to join Convention II's efforts to combat the apathy and indifference among American students.

Yet despite the good programs and high enthusiasm of convention II, college Democrats and college Republicans have a difficult road ahead of us. We need the support of every Senator and Representative in Congress, and all officials within each party if we are to activate America's youth. We must attract millions of young people if we are to increase participation within our democracy. After all, the first three words of our beloved Constitution, the foundation of our great Nation, are "we the people." These three words best explain the goals of our three organizations. We each seek to have America's youth join the mainstream of the Nation in using the knowledge and skills of their education to revitalize the ideals of our Founding Fathers. If we are to be successful, we need your help. I hope that you will join our efforts.

Mr. Abramoff pleaded:

I talk about voter apathy, why it occurs, and what we can do to counter it. As chairman of the college Republicans I feel I have a different perspective on the low voter turnout of recent elections.

When 18-year-olds were granted the right to vote in 1972, the world's most basic right became a possession of a new segment of America and everyone thought that the vote of the college age group would be substantial.

Well, it hasn't worked out that way. In the three Federal elections in which they have participated, the 18 to 20 year age group has proved, as Senator Randolph has indicated, to be the worst in voter turnout.

What happened? Why did young people, brimming with ideals and energy abandon the citizen's most cherished right and duty?

I think the answer lies hidden somewhere in the pile of Government red tape. I think that college students feel that, like the inflated economy which weakens a student's dollar, the runaway Government bureaucracy has weakened the student's vote. It has eroded the power of the officials the voter seeks to elect.

One in every 14 Americans is in the business of telling the rest of us what we can and cannot do. And percentagewise, very, very few of these are elected officials.

Unfortunately, we can't vote bureaucrats out of office. Often, the courts have given them as much power in some areas as elected officials. And until you, the Members of Congress, dismantle the bureaucracy, there's not much a voter can do with his one vote.

Now, I'm not so naive as to think that students or others consider the reasons why they fail to register and vote. All they know is that their one vote doesn't matter. They often don't care about which candidate wins, because they feel that, quote, one man can't make a difference, end quote. And by not voting for Senators, Congressmen, State and local officials, the message they send us is that in general elected officials collectively can't make a difference, is that what you, members of the United States Senate, believe?

I know people still care. Students care. They'll vote and participate more often, but only if the Government gives their vote the value it was meant to have by Madison, Jefferson, and our other Constitutional forefathers. We can defeat voter apathy by guaranteeing the voter the rights he/she were guaranteed in the Constitution.

Mr. President, the discussions at our ceremony on the 197th anniversary of the Constitution focused attention on the vital issue of voter participation which should be a concern of all citizens. Government will only be as good as "we the people" work to make it so. Voting is the basic decision process through which this objective can be achieved.

Mr. President, I ask unanimous consent that the program for the 194th birthday of the Constitution be inserted in the RECORD.

There being no objection, the program was ordered to be printed in the RECORD, as follows:

PARTIAL GUEST LIST FOR 194TH BIRTHDAY OF THE CONSTITUTION

Senatorial Hosts: Orrin Hatch and Jennings Randolph.

Breakfast Hosts: Convention II—Boris Feinman, Chairman, Timothy Leighton, President. Co-hosts: College Republican National Committee—Jack Abramoff, Chairman; College Democrats of America—Bernard Friedman, President.

Senators: Orrin Hatch, Jennings Randolph, Quentin Burdick, Charles Mc Mathias, John Warner, Strom Thurmon, Charles E. Grassley.

Senator Historian: Richard Baker.

Senate Rules Committee: Mrs. William Oberle, Helen Kane.

United Sttes Supreme Court: Dr. Mark Cannon, Administrative Assistant to Chief Justice; Ron Collins, John Yoder.

The President's Assistant for Legislative Liaison: Powell Moore.

Bicentennial Council of the Original 13 States: Board of Directors—A. K. Johnson, Chairman; W. Robert Higgins.

Project '87: Prof. Richard Morris, Chairman.

American Bar Association: Marna Tucker.

Hudson Leftwich and Davenport: Ronald Jessamy, Partner.

And Guests:

Bicentennial Council of the Original Thirteen States: The Members of the Board, ADA Youth Caucus, Graydon Forrer.

Center for Citizenship Education: Mary Ann Kirk, Harry Hogan, Dr. James Addy.

College Democrats of America: Jonathan Slade.

College Republican National Committee: Grover Norquist, Paul Erricson.

American Association of School Administrators: Garry Marks.

American Bar Association: Lillian Gaskin.

Baltimore City Public Schools: Dr. Samuel Banks.

Baltimore County Public Schools: Dr. Paul Rivera.

Maryland Council on Economic Education: Dr. Saul Barr.

Convention II: Debra Boyle, Adam Rothman, Tim Mullaney, Peter Deschamps, Robert Friant, Jaki Brown.

Charles County (Md) Board of Education: James Forcum.

Calvert County Board of Education: Eugene Uhlan.

Future Homemakers of America: Mildred Reel.

Girl Scouts Council: Paul Poffenberger.

Kettering/Fairmont West High School, Ohio: Kathaleen Herdman.

Georgia University, College of Education: Dr. Mary Hepburn.

Institute for Political and Legal Education: John Khanlian.

League of Women Voters: Marilyn Cohen.

Johns Hopkins University: Dr. Margaret Murphy.

National Council of Negro Women: Dorothy Height.

National Governors Association: Jim Martin.

National PTA: Patricia Morris.

National School Volunteer Program: Terry Nagle.

National Council for Social Studies: Elizabeth Scott.

National Association of Secondary School Principals: Scott Thomson.

YWCA: Jo Missler, Esther Van Waggener Tufty, Lt. Col. Dorothy Manning, Evelyn Foley, Jeniffer Edson.

Mr. HEFLIN. Mr. President, I would like to join with the Senator from West Virginia in his remarks. I concur in them.

## ANNOUNCEMENT OF POSITION ON CERTAIN VOTES

● Mr. ARMSTRONG. Mr. President, earlier today I was absent from the Chamber at the time of three rollcall votes.

Although my vote would not have been determinative of the outcome, I would like to state my position for the record.

On the Helms motion to table the Quayle-Tsongas amendment, I would have voted aye.

On the Helms motion to table the Eagleton amendment, I would have voted no.

On the Inouye motion to table the Humphrey amendment, I would have voted aye.●

## AGRICULTURE AND FOOD ACT OF 1981

UP AMENDMENT NO. 381

The PRESIDING OFFICER. The Senate will now return to S. 884.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The pending amendment is unprinted amendment numbered 381. The Chair recognizes the distinguished chairman, the Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the Chair. I would inquire if any other Senator has any comments he would like to make.

● Mr. WARNER. Mr. President, we have debated at length today just how the tobacco program is one of the few Federal programs which pays its own way, and I will not repeat those explanations. That is a fact that is accepted by even its most severe critics.

Over the past 10 years, loan repayments have come within $24 million of equaling new loans that were made. There were large differences from year to year, but over the long run, repayments and loan outlays have approximately balanced.

It is the loan program that absorbs some of the shock of production variations due to weather. Without stocks of tobacco under loan, the supply shocks would produce greater market price variations. The loan program works to stabilize the tobacco market. In fact the Government has lost only $166,000 a year over the last decade because of the program.

Tobacco is the principal cash crop on 276,000 farms in 22 States and the program assists those farmers. The average tobacco allotment is 4.4 acres—so we're talking about relatively small farmers benefitting most from the program.

There are adjustments that need to be made to assist farmers and help to reduce Government cost even further, but those adjustments can't be done here on the Senate floor as amendments to the farm bill. These adjustments need studying and the changes recommended by the Agriculture Committee in an orderly manner.

For these reasons, Mr. President, I urge all Senators to reject the amendments proposed by the Senator from Missouri, as I did in connection with the amendment offered by the Senator from Oregon.●

Mr. FORD. May I take 1 minute?

Mr. HELMS. Certainly.

Mr. FORD. I thank the distinguished Senator from North Carolina.

May I just say to my colleagues that this amendment now being presented to us is almost identically the same thing as the amendment of the Senator from Oregon. This amendment will complicate the procedure of a stable industry so much, attempting to try to get so many people to cooperate, that it will be devastating to try to figure it out.

If this amendment is agreed to, we will have one individual make decisions. Now the farmers of this great country have the opportunity to vote for what is good for them. I think this procedure has worked well in the past. We do not have to complicate a program and extinguish a program by virtue of this amendment. I hope my colleagues will follow the same procedure as with the previous amendment.

Mr. HELMS. Mr. President I see no Senators arriving to continue this debate. On behalf of the distinguished Senator from Kentucky, the ranking minority member of the committee, and myself, I move to table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Missouri (Mr. EAGLETON). The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Maryland (Mr. MATHIAS), the Senator from Alaska (Mr. MURKOWSKI), and the Senator from Vermont (Mr. STAFFORD) are necessarily absent.

Mr. ROBERT C. BYRD. I announce that the Senator from New Jersey (Mr. BRADLEY), the Senator from California (Mr. CRANSTON), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I further announce that, if present and voting, the Senator from New Jersey (Mr. BRADLEY) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 48, nays 45, as follows:

[Rollcall Vote No. 263 Leg.]

YEAS—48

| | | |
|---|---|---|
| Abdnor | Goldwater | Melcher |
| Andrews | Grassley | Nunn |
| Baker | Hawkins | Pryor |
| Bentsen | Hayakawa | Randolph |
| Boren | Heflin | Sarbanes |
| Burdick | Helms | Sasser |
| Byrd, Harry F., Jr. | Hollings | Schmitt |
| Chiles | Huddleston | Stennis |
| Cochran | Inouye | Stevens |
| Cohen | Jepsen | Symms |
| Denton | Johnston | Thurmond |
| Dole | Laxalt | Tower |
| Domenici | Long | Wallop |
| East | Lugar | Warner |
| Exon | Matsunaga | Zorinsky |
| Ford | Mattingly | |
| | McClure | |

NAYS—45

| | | |
|---|---|---|
| Baucus | Glenn | Nickles |
| Biden | Gorton | Packwood |
| Boschwitz | Hart | Pell |
| Bumpers | Hatch | Percy |
| Byrd, Robert C. | Hatfield | Pressler |
| Cannon | Heinz | Proxmire |
| Chafee | Humphrey | Quayle |
| D'Amato | Jackson | Riegle |
| Danforth | Kassebaum | Roth |
| DeConcini | Kasten | Rudman |
| Dixon | Leahy | Simpson |
| Dodd | Levin | Specter |
| Durenberger | Metzenbaum | Tsongas |
| Eagleton | Mitchell | Weicker |
| Garn | Moynihan | Williams |

NOT VOTING—7

| | | |
|---|---|---|
| Armstrong | Kennedy | Murkowski |
| Bradley | Mathias | Stafford |
| Cranston | | |

So the motion to lay on the table Mr. EAGLETON's amendment (UP No. 381) was agreed to.

Mr. HELMS. I move to reconsider the vote by which the motion was agreed to.

Mr. HUDDLESTON. I move to lay that motion on the table.

The motion to lay on the able was agreed to.

Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. The Chair is unable to determine who is speaking.

The Senator from New Hampshire.

AMENDMENT NO. 550

(Purpose: To modify the price support provisions applicable to sugar)

Mr. HUMPHREY. Mr. President, I call up amendment 550 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Hampshire (Mr. HUMPHREY) proposes an amendment numbered 550.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 901 of the bill, relating to sugar, strike out all of the new subsection (h) added by clause (2) of such section and insert in lieu thereof the following:

(h)(1) The price of each of the 1982 through 1985 crops of sugar beets and sugar cane, respectively, shall be supported through loans or purchases made with respect to the processed products thereof.

(2) The level of the loans or purchases which shall be made available with respect to the processed products of sugar cane under this subsection shall not be less than 16.5 cents per pound of raw sugar.

(3) Loans or purchases shall be made available with respect to the processed products of sugar beets under this subsection at such level as the Secretary determines is fair and reasonable in relation to the level of the loans or purchases made available with respect to the processed products of sugar cane.

(4) Loans made under the authority of this subsection shall mature no later than September 15 of the fiscal year in which such loans are made.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, may we have order?

The PRESIDING OFFICER. The Senator from New Hampshire is aware that under the previous order, there are 20 minutes on this amendment, equally divided.

Mr. HUMPHREY. I thank the Chair. Will the Chair restore order, please?

The PRESIDING OFFICER. The point of the Senator from New Hampshire is well taken. The Senate is not in order. The Senate will be in order so that the Senator may be heard.

Mr. HUMPHREY. Mr. President, I wish to stress that there is a distinct difference between this amendment which is being offered to the sugar provision and that which was tabled earlier in the day. The earlier amendment was an all or nothing proposition to eliminate

completely the sugar loan program. This amendment would not do that at all. It would make a modest reduction in the loan rate.

I do not intend to take a great deal of time. I believe the arguments have been made on both sides.

The amendment explicitly reduces the loan rate from the 18 cents per pound, which is presently in the bill, which of course increases over the years to 19½ cents. It reduces that language to 16½ cents for all the years of the authorization. So it is a modest reduction.

Further, Mr. President, with regard to the 16½-cent rate, several weeks ago the administration was proposing this very rate. I am not criticizing the administration for changing its position. I realize that some give and take is necessary in this process. But it was a figure very carefully arrived at by some experts in the Agriculture Department.

Mr. President, in the last few hours, a number of Senators have asked me to offer this amendment. Apparently, a number wish to make some modest reduction in this program, even though they voted earlier in the day to table the amendment which would have eliminated the program altogether. So I am happy to offer a chance to my colleagues to embrace this modest reduction, to take a position somewhat different from the one they took earlier in the day and one which is very reasonable, in my opinion.

I am not disposed to debate the issue fully, but I reserve the remainder of my time, pending the option of the Senators on the other side.

The PRESIDING OFFICER. Who yields time?

Mr. ANDREWS addressed the Chair.

The PRESIDING OFFICER. There are 20 minutes on this amendment, equally divided, and the Chair is trying to determine who yields time.

Mr. ANDREWS. Mr. President, will the chairman of the Agriculture Committee yield to me? I assume he is on the other side.

Mr. MATSUNAGA. I yield to the Senator.

The PRESIDING OFFICER. The Senator from Hawaii yields from the time under his control.

Mr. ANDREWS. Mr. President, I wish to point out two or three things.

The 18-cent price that was arrived at was very carefully thought through. We held rather exhaustive hearings on this matter before a subcommittee of the Senate Agriculture Committee, which I was privileged to chair.

During those hearings, we heard testimony from producers and from consumers.

The price of 18 cents, as set in this measure, is 44 percent of parity. That compares with the price that is set in this bill for wheat and feed grains at 50 percent of parity and the lower price arrived at for milk of 70 percent of parity.

So, Mr. President, I strongly suggest that the Senate go along with the price of 18 cents, which, at that level, is even a little below the price set for other commodities.

I also point out that this is not just for the producers of sugar. It is also for the consumers of sugar.

Between the earlier debate this morning and this evening, I went back to my office and picked up the transcript of those public hearings, and I should like to share with my colleagues the comments of the Sugar Users Group, as expressed by their individual, Mr. Tipton. He said this:

> The Sugar Users Group has consistently favored a free and unfettered sugar and sweetener market, in principle. However, we recognize that the world market situation is such that it cannot be relied upon to sustain the domestic industry. In the past, the combined effects of national policies and program around the world and the internal dynamics of the world sugar production system have resulted in occasional periods of substantial over-supply. Therefore, we favor a domestic program designed to protect U.S. growers and processors from unrealistically low prices at such times.

Mr. President, during that testimony it was developed that the cost of production of sugar in the United States, with respect to the Hawaiian Islands, the cane areas in the South, and the beet areas in the Midwest, averaged in the neighborhood of 22 to 23 cents. Some areas were higher than that.

I suggest that the 18-cent figure is a minimally low figure, and to lower it beyond that would destroy the program totally.

I yield to my colleague from the great State of Louisiana.

Mr. JOHNSTON. Mr. President, first of all, if this amendment is agreed to, it will put sugar at 42.1 percent of parity. That is not fair. We are giving corn 50 percent. We are giving wheat 50 percent. We are giving dairy 70 percent. It is below the cost of production. It will put a sick industry out of business.

In my State, we have only 24 sugar mills remaining. That is down from 36 mills in 1975. In 1973, we had 1,300 farmers. Today, we have about half that many, only 853 farmers.

We have 25 percent less production than we had just a few years ago.

Mr. President, this is a very personnel-intensive business. There are about five times as many employees per dollar of production than for other kinds of crops. That means, if we put the sugar mills out of business, the farms go out of business, and the employees are unemployed.

This is a relatively small business. These are small farms. In my State they average 200 acres. Two hundred acres is the minimal size considering the investment in equipment.

Mr. President, I plead with my colleagues. This amendment will be the death knell of sugar in my State and elsewhere in the country. It is just not there. It is not good economics to kill an industry that is greatly needed by this country.

Let us learn from the lesson of OPEC. Let us not destroy a domestic industry while we still have a chance to save it.

I thank my colleagues.

Mr. ANDREWS. Mr. President, I yield to the distinguished senior Senator from Hawaii.

Mr. INOUYE. Mr. President, this amendment is not just a modest reduction. It will literally gut the program.

This program is not to reward inefficiency. In fact, the sugar producers in the United States are the most efficient in the world.

This program will provide an opportunity for our industry to be competitive with the international sugar market.

I am certain all of us know that the United States is the only place where sugar is not supported by the Government. All other sugar in the world has some sort of subsidy.

This most importantly will provide our consumers with a stable price schedule.

If we want to gut the industry and as my distinguished friend from Louisiana suggests to repeat an OPEC-type situation here then vote for the amendment.

But if we want to be at least halfway independent in sugar, then I will say we have to vote down this amendment.

I hope that the Senate will vote this down with a resounding vote.

I thank the Chair very much.

Mr. MATSUNAGA. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Hawaii has 4 minutes and 4 seconds remaining.

Mr. MATSUNAGA. Mr. President, the offeror of the amendment has stated that his is a moderate amendment, that his is different from the amendment which was earlier defeated by an overwhelming vote of 61 to 33.

But his amendment will have the same effect. It would simply destroy the sugar industry in the United States, which would mean the loss of 100,000 jobs in America, 30,000 of which would be in Hawaii.

As responsible and responsive Members of the Senate, we are making every effort to create new jobs even by spending hundreds of millions of dollars; yet we are being asked by the Humphrey amendment to bankrupt a viable sugar industry and add 100,000 American workers to the unemployment rolls, by eliminating a program which will not cost the taxpayer a penny.

How foolish can the Senate be by voting for an amendment such as this? So I ask for the same vote which was cast to defeat the earlier amendment, offered by the Senator from Massachusetts (Mr. TSONGAS) and the Senator from Indiana (Mr. QUAYLE).

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. HUMPHREY. Mr. President, I wish to address a number of points that have been raised.

First and foremost is the point just made by my friend from Hawaii that the program as it now stands will not cost the consumer anything. Quite the contrary. That is the whole point. It is going to cost the consumer a good deal more than would otherwise be the case. For

each 1-cent increase in the loan rate an additional $300 million would be borne by the consumers whom we represent.

It has also been stated that this program as it now stands will result in stable prices. That may be true, but they will be stable at a level higher than would normally be justified.

It has been stated that all sorts of tragedies will result in the sugar industry. I wish to point out that all kinds of tragedies are resulting in other industries which do not enjoy the protection of programs such as this, industries such as automobile dealerships and homebuilders who are suffering terribly today. Yet they have no similar socialistic underpinning offered them by the Federal Government.

The question of fairness has come up. Is it fair to sugar processors? I suggest we consider the fairness to consumers. It is patently unfair to them.

It has been asserted further or implied that the sugar processors are unanimous in their support for this sugar provision in this bill as it now stands. That is not true at all.

In fact, the chairman of the U.S. Cane Sugar Refiners Association, Mr. Nicholas Kominus, testified before the Agriculture Committee and among other things respectfully urged that the committee not include the sugar provision in the farm bill.

So there is disagreement even within the association of sugar producers.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from New Hampshire has 5 minutes and 45 seconds remaining.

Mr. HUMPHREY. Mr. President, I think the argument has been well made. The Senate is anxious to get on with other business. I am willing to yield back the remainder of my time if the manager on the other side is also willing.

Mr. INOUYE. Let us vote and yield back the time.

Mr. MATSUNAGA. Mr. President, I yield to the Senator from Minnesota.

Mr. DURENBERGER. Mr. President, the issue raised by this amendment is a simple one: Should the Federal Government provide the same price protection for domestic sugar beet and sugar cane producers that it provides for every other agricultural commodity? I believe the only response to the question is "Yes."

This country imports approximately 50 percent of its domestic sugar needs, a distressingly high figure. These imports, primarily from Latin American and Caribbean countries, have had an adverse impact on Minnesota's sugar beet growers in the past, and without the price protection of the sugar program in this farm bill, I have every reason to believe that a large segment of our domestic sugar producers will cease to exist. Should this be allowed to occur, this country will be held hostage to developments in the world's other sugar producing countries, a development feared by consumers and commercial users alike.

Most sugar moving in world trade is covered under contracts between importing and exporting countries. When a sugar-exporting country's annual production exceeds its contractual obligations it seeks to dump its surplus on other sugar-deficit countries. Unfortunately for U.S. sugar producers, this country is virtually the only one in the world which welcomes these imports with open arms. While I know sugar exports are key to the economic health of many LDC's, it would be sheer folly to allow foreign imports to displace our domestic producers.

The most equitable position this body can take is to offer domestic sugar producers the same price supports as are offered to every other agricultural producer. The 18-cent loan rate contained in this bill is approximately 40 percent of parity. Given the loan rates provided for other commodities in this bill, this figure is relatively low. The amendment before us would strike even this meager assistance.

Every Senator considering this amendment should remember these simple facts:

The U.S. sugar-producing industry is important to the general welfare of the Nation and makes substantial economic contributions to the several States and many communities in which it operates;

Sugar is a major crop. It ranks 10th in terms of acreage and will rank 6th or 7th in dollars to the farmer for the 1980 sugar-producing year;

Nearly 100,000 Americans are directly dependent on the domestic sugar industry for their livelihood. In many rural areas or small towns in which the bulk of the industry operates, alternative job opportunities are just not available; and

When fluctuations in world sugar prices force cutbacks in American production, they also force the closure of American refineries. Refineries are capital intensive, and cannot be easily reopened. A price support level sufficient to protect our refining capacity is essential to protect the existence of the domestic sugar industry.

Minnesota is second only to North Dakota in sugar beet production, and sugar is the key to the economic livelihood to cities such as Renville, Crookston, Ortonville, East Grand Forks, and dozens like them. The Renville sugar beet processing plant is among the most sophisticated in the Nation, and anyone who has seen the facility can understand its economic importance to the region. In short, these plants represent a tremendous investment, both in human and economic terms, and passage of this amendment would mean the end to its operations and similar ones along the Red River Valley. That result is not in the interest of Minnesota or the Nation, and I urge all of my colleagues to reject this amendment.

The PRESIDING OFFICER. The Senator from New Hampshire yields back all time

Does the Senator from Hawaii yield back his time?

Mr. MATSUNAGA. Mr. President, I yield back all time remaining.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from New Hampshire.

Mr. INOUYE. Mr. President, I move to lay that amendment on the table.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from New Hampshire.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Alaska (Mr. MURKOWSKI), and the Senator from Vermont (Mr. STAFFORD) are necessarily absent.

Mr. ROBERT C. BYRD. I announce that the Senator from New Jersey (Mr. BRADLEY), the Senator from California (Mr. CRANSTON), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 64, nays 30, as follows:

[Rollcall Vote No. 264 Leg.]

YEAS—64

| | | |
|---|---|---|
| Abdnor | Glenn | Matsunaga |
| Andrews | Goldwater | McClure |
| Baker | Gorton | Melcher |
| Baucus | Grassley | Mitchell |
| Bentsen | Hart | Nunn |
| Boren | Hatch | Pressler |
| Boschwitz | Hawkins | Pryor |
| Bumpers | Hayakawa | Randolph |
| Burdick | Heflin | Riegle |
| Byrd, Robert C. | Helms | Sasser |
| Cannon | Hollings | Simpson |
| Chiles | Huddleston | Stennis |
| Cochran | Inouye | Stevens |
| Cohen | Jackson | Symms |
| DeConcini | Jepsen | Thurmond |
| Denton | Johnston | Tower |
| Dole | Kassebaum | Wallop |
| Durenberger | Laxalt | Warner |
| East | Leahy | Weicker |
| Exon | Levin | Zorinsky |
| Ford | Long | |
| Garn | Mathias | |

NAYS—30

| | | |
|---|---|---|
| Biden | Heinz | Proxmire |
| Byrd, Harry F., Jr. | Humphrey | Quayle |
| Chafee | Kasten | Roth |
| D'Amato | Lugar | Rudman |
| Danforth | Mattingly | Sarbanes |
| Dixon | Metzenbaum | Schmitt |
| Dodd | Moynihan | Specter |
| Domenici | Nickles | Tsongas |
| Eagleton | Packwood | Williams |
| Hatfield | Pell | |
| | Percy | |

NOT VOTING—6

| | | |
|---|---|---|
| Armstrong | Cranston | Murkowski |
| Bradley | Kennedy | Stafford |

So the motion to lay on the table amendment No. 550 was agreed to.

Mr. INOUYE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. MATSUNAGA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, may I have the attention of the Senate for a moment?

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, If I could have the attention of the Senate

for a moment, I think we have an arrangement on an amendment that will expedite the progress of the Senate.

I may say, by the way, that we intend to continue for a while tonight. We are not finished. I would expect another hour or perhaps longer, before we can call it a night.

I must confess now that I do not see any realistic prospect that we are going to finish this evening, which means we will be in tomorrow. I regret that it is necessary to stay in longer, but we still have a great number of amendments to deal with.

Mr. President, I understand that on the amendment to be offered by the distinguished Senator from Nebraska dealing with target pricing there is an agreement on both sides that here will be a time limitation of 2 hours. Might I inquire of the Senator from Nebraska if that is correct?

Mr. ZORINSKY. There was no agreement for time as of yet.

Mr. BAKER. I was misinformed or I misunderstood. Would the Senator be agreeable to a time limit of 2 hours, equally divided?

Mr. ZORINSKY. I want to get a parliamentary question answered before I respond.

Mr. BAKER. Mr. President, let me say, before I yield, that what I thought we had arranged was that the Senator from Nebraska would call up his target pricing amendment, that there would be a 2-hour time limitation on the same arrangement that we had on other amendments, that the amendment would be laid down and made the pending business and then temporarily set aside to become the amendment to be dealt with when we resume consideration of this bill tomorrow. That would permit the Senate, then, to go on to other amendments tonight on a shorter time limitation and Senators would be prepared to deal with this amendment when we resume consideration of the farm bill on Friday.

Mr. DOLE. Will the majority leader yield?

Mr. BAKER. Yes, I yield to the Senator from Kansas.

Mr. DOLE. Mr. President, the Senator from Kansas does not have any problem with the time agreement. It may not take 2 hours.

Mr. ZORINSKY. Would it be possible to structure the time agreement on a second-degree amendment?

Mr. BAKER. Under the agreements that we have so far, with the 2-hour limitation, it automatically would be a 1-hour limitation on the second-degree amendment, with the requirement that the second-degree amendment be germane to the first-degree amendment. There would also be a 10-minute limitation on any point of order or appeal, if the same is submitted to the Senate. That is the boilerplate language that we have used on amendments so far and I would propose for this amendment.

Mr. ZORINSKY. Mr. President, I ask the majority leader, if I were to add a perfecting amendment to my amendment, would the time agreement pertain to the perfecting amendment or the original amendment?

Mr. BAKER. Mr. President, let me yield to the minority leader.

Mr. ROBERT C. BYRD. Mr. President, I would suggest to the distinguished Senator that he cannot offer an amendment to his amendment unless the yeas and nays have been ordered on the amendment in the first degree.

Mr. BAKER. Does the Senator intend to modify his amendment?

Mr. ZORINSKY. Yes.

Mr. BAKER. He may do that, of course, at any time before the yeas and nays are ordered, simply on application.

Mr. ROBERT C. BYRD. Not if there has been a time agreement entered on his amendment, without unanimous consent.

Mr. ZORINSKY. I was desirous of amending my amendment in the second degree, not modifying it.

Mr. BAKER. The minority leader, of course, is right, that if we have agreed to this time limitation, it would require unanimous consent to modify the amendment. But as I understand, the Senator from Nebraska now intends to offer a second-degree amendment to his first-degree amendment?

Mr. ZORINSKY. Yes. I do not want to take additional time. I just want to make sure that the time allotment is for the proper amendment.

Mr. BAKER. Under the time agreement that has been offered, any Senator would have the right to offer a second-degree amendment if it is germane to the first amendment, as I understand it. Does that answer the Senator's question?

Mr. ZORINSKY. Yes.

Mr. BAKER. Mr. President, I yield to the Senator from Kansas.

Mr. DOLE. Mr. President, this is one of the very substantial amendments. There are two or three left which will take considerable time. It may not take 2 hours. I hate to object to a time agreement except that it takes away certain options we have in the event the amendment of the Senator from Nebraska would carry. I do not know what the amendment contains precisely, but it is to go back to the original package, the original Senate bill, which would raise the cost of the program $1 billion or more. I doubt that it would prevail. But even if it did, it would mean that we would have to revise whatever strategy we might be able to develop by that time.

I have discussed this with the Senator from Nebraska. We do not have any problem moving very quickly on the amendment, unless there is just some deep desire to lock us into an agreement. I think we can probably dispose of it in less time than that and still not lose our options. Of course, if he prevails, it might take a little longer, a day or two.

Mr. BAKER. Mr. President, I think what I have done is to make matters more complicated rather than simpler.

Mr. ZORINSKY. Will the majority leader yield one additional moment?

Mr. BAKER. Yes.

Mr. ZORINSKY. This does not require the time that we are requesting. The Senator from Kansas and I have an understanding. If we do not have a time agreement, I can assure this body that it will not take in excess of the time I originally offered.

Mr. BAKER. Sometimes a time agreement would hurt and sometimes it would not. I will withdraw my suggestion. Before I do that, could I inquire, does the distinguished Senator from Nebraska still wish to call up his amendment this evening?

Mr. ZORINSKY. If at all possible.

Mr. BAKER. Does the Senator wish to debate the matter this evening or put it over, as originally contemplated?

Mr. ZORINSKY. I will leave that to the option of the majority leader.

Mr. BAKER. Mr. President, if the Chair will indulge us for just a moment, I will have an answer for the Senator from Nebraska.

Mr. ZORINSKY. The majority leader has indicated on numerous occasions that he intends to be in until midnight this evening. I can either lay it down and withhold it until tomorrow, at his direction, or debate it this evening. Whatever suits the majority leader.

Mr. BAKER. The Senator is very considerate and cooperative. Perhaps he can give us a few more minutes.

Mr. DOLE. I suggest we go ahead and dispose of the amendment, if we can. We can go ahead and debate it. We are not precluded from offering a motion to table.

Mr. BAKER. Mr. President, I think the Senator from Kansas is right. I think if we try to pin this in at this hour, we will be in trouble. I will recommend, if I may be privileged to do so, that the Senator seek recognition and offer his amendment and we will just proceed to debate it. There will be no time limitation.

Mr. DECONCINI. will the majority leader yield?

Mr. BAKER. Yes.

Mr. DECONCINI. Is there a possibility that we might come back at a more sane hour and finish this, like Monday or tomorrow?

Mr. BAKER. I can assure the Senator from Arizona when we come back it will be tomorrow, not Monday. I regret to say that.

Mr. DECONCINI. But it is after 10:30.

Mr. BAKER. I would like to accommodate the Senator, but I feel that after so many Senators have invested so much time in this matter, we ought to stay and do as much as we reasonably can. It is with regret that I say to the Senator I am not in a position to agree with his request. I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska.

UP AMENDMENT NO. 382

(Purpose: To revise the provisions relating to commodity programs)

Mr. ZORINSKY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

Mr. STENNIS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senator from Mississippi has requested that order be restored to the Chamber. Until such time as order has been restored, the clerk will refrain from reading the

amendment of the Senator from Nebraska.

The amendment will be stated.

The assistant legislative clerk read as follows.

The Senator from Nebraska (Mr. ZORINSKY) proposes an unprinted amendment No. 382.

Mr. ZORINSKY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 139, lines 13 through 15, of the Committee amendment, as modified, strike out "$4.10", "$4.30", "$4.50", and "$4.70", and insert in lieu thereof "$4.20", "$4.40", "$4.60", and "$4.80", respectively.

On page 153, lines 5 through 7, of the Committee amendment, as modified, strike out "$2.75", "$2.90", "$3.05", and "$3.20", and insert in lieu thereof "$2.80", "$2.95", "$3.10", and "$3.25", respectively.

On page 170, line 5, of the Committee amendment, as modified, strike out "$0.83" and "$0.89", and insert in lieu thereof "$0.85" and "$0.93", respectively.

On page 183, lines 22 through 25, strike out "$10.98", "$11.63", "$12,28", and "$12.93", and insert in lieu thereof "$11.23", "$12.14", "$12.70", and "$13.50", respectively.

On pages 134 and 135 of the Committee amendment, as modified, strike out section 103, and insert in lieu:

"MILK PRICE SUPPORT

"SEC. 103. (a) Section 201(c) of the Agricultural Act of 1949 is amended by striking out the second sentence and inserting in lieu thereof the following: 'Notwithstanding the foregoing, effective for each of the fiscal years during the period beginning October 2, 1981, and ending October 1, 1985, whenever the Secretary estimates that the net cost of Government price support purchases of milk or the products of milk will exceed $500,000,000 or that net Government price support purchases of milk or the products of milk will exceed 3.52 billion pounds (milk equivalent) during any fiscal year, the price of milk beginning on October 2 of such fiscal year shall be supported at such level, as determined by the Secretary, not less than 70 per centum of the parity price therefor: *Provided*, That the support price shall in no case be less than $13.10 per hundredweight of milk containing 3.67 per centum butterfat: *Provided further*, That the level of support for milk for the remainder of the marketing year beginning October 2, 1981, may be adjusted in accordance with the foregoing if the level of support for such year has been established prior to the effective date hereof.'.".

Notwithstanding any other section in this bill, the provisions in this amendment shall become effective October 2, 1981.

Mr. ZORINSKY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

UP AMENDMENT NO. 383

(Purpose: To revise the provisions relating to commodity programs)

Mr. ZORINSKY. Mr. President, I send a perfecting amendment to my amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the perfecting amendment.

The assistant legislative clerk read as follows:

The Senator from Nebraska (Mr. ZORINSKY) proposes an unprinted amendment No. 383 as a substitute for UP amendment No. 382.

Mr. ZORINSKY. Mr. President, I ask unanimous consent to dispense with further reading of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out the text of amendment No. ——, and insert in lieu thereof the following:

On page 139, lines 13 through 15, of the Committee amendment, as modified, strike out "$4.10", "$4.30", "$4.50", and "$4.70", and insert in lieu thereof "$4.20", $4.40", $4.60", and "$4.80", respectively.

On page 153, lines 5 through 7, of the Committee amendment, as modified, strike out "$2.75", "$2.90", "$3.05", and "$3.20", and insert in lieu thereof "$2.80", "$2.95", "$3.10", and "$3.25", respectively.

On page 170, line 5, of the Committee amendment, as modified, strike out "$0.83" and "$0.89", and insert in lieu thereof "$0.85" and "$0.93", respectively.

On page 183, lines 22 through 25, strike out "$10.98", "$11.63", "$12.28", and "$12.93", and insert in lieu thereof "$11.23", "$12.14", "$12.70", and "$13.50", respectively.

On pages 134 and 135 of the committee amendments, as modified, strike out section 103 and insert in lieu:

"MILK PRICE SUPPORT

"SEC. 103. (a) Section 201(c) of the Agricultural Act of 1949 is amended by striking out the second sentence and inserting in lieu thereof the following: 'Notwithstanding the foregoing, effective for each of the fiscal years during the period beginning October 1, 1981, and ending September 30, 1985, whenever the Secretary estimates that the net cost of Government price support purchases of milk or the products of milk will exceed $500,000,000 or that net Government price support purchases of milk or the products of milk will exceed 3.52 billion pounds (milk equivalent) during any fiscal year, the price of milk beginning on October 1 of such fiscal year shall be supported at such level, as determined by the Secretary, not less than 70 per centum of the parity price therefor: *Provided*, That the support price shall in no case be less than $13.10 per hundredweight of milk containing 3.67 per centum butterfat: *Provided further*, That the level of support for milk for the remainder of the marketing year beginning October 1, 1981, may be adjusted in accordance with the foregoing if the level of support for such year has been established prior to the effective date hereof.'.".

Notwithstanding any other section in this bill, the provisions in this amendment shall become effective October 1, 1981.

Mr. ZORINSKY. Mr. President, I ask for the yeas and nays on the perfecting amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ZORINSKY. Mr. President, I recently supported S. 884 as reported out of the Agriculture Committee. I felt that even though it compromised sound farm policy for the next 4 years, it was the best we could do under the extreme budget constraints we faced.

However, late last week I was appalled by the Reagan administration's 11th hour attempt to submit a substitute agricultural farm bill to the Senate Agriculture Committee.

It was inconceivable to me that 3 days before the farm bill was to be taken up on the Senate floor that the administration would come in with a substitute.

Mr. President, I reaffirm my support of the committee's report on S. 884. The bill proposes farm programs at funding levels that are realistic in terms of spending restraints and the needs of America's agricultural producers. The bill is a compromise which took weeks of committee hearings and hours of painstaking discussion to develop.

I reluctantly agreed with the 1981 farm bill as reported. While the bill does not contain all of the provisions and levels of income support measures that U.S. farmers need, I was convinced that it was the best package of price support legislation possible under the budget constraints initially imposed by the Reagan administration. For the administration to come back for even more cuts to be felt directly by our Nation's farmers is outrageous.

Mr. President, I refuse to sell our Nation's farmers out back there, regardless of what songs the sirens of the Reagan administration sing. They have come to the agricultural well one time too often, at a time when there may not be any people left to save in that well. That farm bill took the Senate Agricultural Committee 5½ months to complete. It is a bipartisan bill in nature, Republican and Democrat, the Senate Committee on Agriculture evolved it, and Mr. Stockman once again missed his target on balanced budgets and now is attempting to have agriculture be the one carrying the bailout pail.

During the Agriculture Committee discussions last spring, the committee's final action on target prices was lower than I had fought for. Now to compromise at an even lower level is unconscionable.

Mr. President, my amendment would set the 1982 target price for wheat at the original level agreed to by the Senate Agriculture Committee—$4.20 with minimum increments of 20 cents per year for crop years 1983, 1984, and 1985. Farmers would thus have the assurance that their incomes for each of these years would be 10 cents per bushel above the compromise package.

My amendment would also set the 1982 target price for feed grains at the original level agreed to by the committee—$2.80, with minimum increments of 15 cents per year for crop years 1983, 1984, and 1985.

My amendment makes similar adjustments for the target prices of upland cotton and rice to restore the target price levels contained in the original committee reported bill.

This assurance can be made without additional cost to the Government. The Senate Agriculture Committee's bill gives the Secretary the programs he needs and the discretion he sought to use them to manage grain inventories to keep a stock buildup from depressing market prices. He can stimulate exports, implement acreage reduction programs, and conduct effective loan and grain reserve programs to achieve market prices which are hopefully well above the target price levels in this proposal. Higher prices mean no prospects for payments. It is that simple.

Mr. President, we should also take note of the fact that the Secretary has announced his intention to conduct an acreage reduction program for wheat in 1982 at the same time he is seeking farm bill changes which eliminate the incentive for producers to use this option to control acreage and reduce supplies. A target like that contained in S. 884 is essential to an effective acreage reduction program, and the effect of an inadequate program will be a further buildup in stocks and a continuation of market prices averaging at bankruptcy levels.

I feel that it is vital to the well-being of the Nation's farm economy that this Congress endorse a program that will help put a stop to the downward spiral of farm prices, and the target program the committee originally agreed to is the minimum that can be done to achieve this goal.

Mr. President, the amendment would also revise the provisions of the dairy price support section of S. 884 by substituting the basic section approved by the Committee on Agricutlure for the Jepsen amendment. It would, however, delete the semiannual adjustment provision originally contained in the committee approved bill.

Mr. President, the target retention in the original Senate agriculture bill has been said to be, by the Congressional Budget Office, an addition of about $530 million. Certainly, in the area of the dairy price support portion of this amendment, taking Secretary of Agriculture John Block at his word that the support price shall be in no case no less than $13.20 per hundredweight of milk containing 3.67 percent butterfat, this would merely lock in the 70 percent of the parity price thereof.

Mr. President, I think it is vitally important that people who, for a long, long time, have been looked at as a mere 4 percent of the population of our Nation, who have produced the food and fiber which serves our country, feeds our country and much of the rest of the world, have not gotten a fair shake from the Congress of this Nation.

Bills that are passed in this Hall work adversely to the best interests of agriculture, always have, and continue to do so. Mr. President, I think that with the high interest rates that exist today, we must create an economy on behalf of the family farm so the farmers can stay in business. People say, "How are farmers staying in business?" It is pure and simple, Mr. President: They all have other jobs or have, by necessity, to have other means of income in order to maintain their livelihood to pay for those encumbrances that they have created.

Mr. President, I yield to the Senator from Oklahoma at this time.

Mr. BOREN. Mr. President, I thank my colleague from Nebraska. I am glad to join with him, and I commend him for coming forward with a farm proposal that will be at least, at the minimum, worthy of the title.

As I said on the floor 2 days ago, we are in the process of watering down this bill to the point that we should perhaps consider changing the title of it from "the farm bill" to the "Farm Liquidation Act of 1981." I hope that the Members of this body will seriously consider the situation that we face in agriculture and will ponder whether it is wise to allow the so-called farm bill to be written by the Office of Management and Budget as opposed to the Secretary of Agriculture and members of the Committee on Agriculture of this body.

S. 884, as reported by the committee, was the product of many hours of work, over 25 markup sessions of the Senate committee. It represents an attempt to work under budgetary constraints, but still to come forward with a bill that would at least be marginally beneficial to American agriculture, to retain some stability in the agricultural sector. Mr. President, we should seriously consider what we are on the verge of allowing to happen to agriculture in this country. It can be demonstrated, if we will but pause to think about one statistic.

Thirty years ago—that is not a very long time ago—total farm debt in this country and annual net farm income were roughly equal. Annual net farm income was $12 billion. Total farm debt was roughly the same amount.

This year, net farm income is $20 billion. By the way, Mr. President, when adjusted for inflation and considering purchasing power, the net farm income for the farmer is lower than at any other time since 1934. Today, net farm income of about $20 billion is measured against total farm debt of $200 billion.

In other words, 30 years ago annual farm income and total farm debt were roughly equal. Today, farm debt is 10 times as large as annual farm income. Commodity prices are below the cost of production.

I am told by those in the financial community who are experts in the field of agricultural credit that there are vast numbers of farmers in this country who on the brink of not being able to make payments on their mortgages of their farmland.

The only thing that has preserved individual ownership and family ownership of farms in this country has been the appreciation of land values, so that the farmer could borrow against that appreciated value in order to stay in operation.

Mr. President, we are on the verge of people no longer being able to make those interest payments, with interest rates at 20 percent and such a heavy burden of debt. This will have the effect, if we do not enact adequate farm legislation, of forcing land onto the market. It has the potential effect of forcing such amount of land onto the market that the appreciation of land values not only will be halted, but also, will sharply decline. When that happens, the small margin that has allowed the individual American farmer to stay in business will be wiped out.

Individual and family farm operations simply cannot stay in existence year after year with an inadequate cash flow and going deeper and deeper into debt. Large corporations that are diversified can afford such operations. A large, diversified corporation can afford to engage in agriculture if, over a 10- or 20-year period, they have a net profit for the entire period, even if 7 or 8 years in a row they lose money. Individuals cannot do that.

We must seriously ponder what is going to happen to the structure of agriculture in this country. We are fast approaching the point at which it will be absolutely impossible to continue individual and family ownership of agricultural units in this country.

I wonder, Mr. President, if those of us in the so-called farm belt are the only ones who will be affected by this massive change in the structure of agriculture. I wonder when those who represent the great metropolitan areas of this country will wake up to the fact that the citizens who live in those cities go to the supermarket to buy food and will be facing a very different kind of pricing structure once we lose individual and family farm ownership and see it supplanted by diversified, corporate ownership of the means of agricultural production in this country.

I wonder when they will wake up to the fact that American agriculture, the most productive single segment of our economy, at a time when we have been harping on the need for increased productivity, will no longer be able to make the contribution to our balance of payments, to our competitive economic situation in the world, when we lose the individual and the family farmer who have made it as productive as it is now because they have personal management and a personal interest to see to it that they operate their own farms in a most productive possible fashion.

Perhaps, then, every Member of this body, from urban or rural areas, from parts of the country that produce great agricultural commodities or form parts of the country where little is produced, will all stand up together and say, "What has happened? What has happened to the good old days, when we could buy food at reasonable prices in the supermarket? What has happened to the good old days, when the American farmer set the standard for economic productivity unparalleled in the world?"

I believe they will trace it back to this particular period of time when we—too many of us in this body and in the Chamber on the other side of the Capitol—were asleep at the switch, not realizing that we were presiding over the liquidation of American agriculture as we have known it in the past.

I am as serious as I possibly can be when I say that I believe we are approaching that point, and the very least we can do is to return to the provisions of the bill as originally reported by the Senate Agriculture Committee. That bill in itself was inadequate to really meet the needs, but at least it had enough provisions in it that would be of help to the farmer, that might give us a little more time to deal with the underlying problems before the basic structural change in agriculture takes place.

One of the members of our committee, as we were deliberating about this bill, stopped in the middle of the discussion and said, "We could write a farm bill that would not cost the Treasury of the United States one penny." We could do

that, Mr. President. But it also would be a farm bill that would not be of any assistance to the farmer.

As we listen to these deliberations, I believe we are approaching the point at which we are engaged in the writing of a piece of legislation, and we are going to call it a farm bill; we are going to label it. I am glad we are not subject to actions for false labeling, because I believe a suit could be brought by parties in the country who observe this legislation in the process of writing a bill that will not help the farmer, will not help keep the farmer in business, and, in the long run, certainly will not help the American consumer.

So I appeal to Senators to consider seriously the amendment of the Senator from Nebraska and the others who have joined him, not to regard it as a maneuver or a symbolic gesture, but to consider seriously the impact on the structure of American agriculture if we do not act.

Again, I compliment my colleague from Nebraska for drafting the amendment, and I am proud to join him. I yield to the Senator from Nebraska.

Mr. ZORINSKY. Mr. President, I yield to my junior colleague from Nebraska, Senator EXON.

Mr. EXON. I thank my friend and colleague from Nebraska.

I ask the Senator to enumerate at this time the bipartisan cosponsors of this amendment. I do not believe that has been brought before the Senate.

Mr. ZORINSKY. No; it has not.

The cosponsors of this amendment are Senator PRESSLER, Senator BOREN, Senator MELCHER, Senator BAUCUS, Senator KASTEN, Senator HART, and Senator LEAHY.

Mr. EXON. Have they been added already as cosponsors of the amendment?

Mr. ZORINSKY. They will be added as original cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, before I make my remarks, I inquire of the Chair as to what is planned for the Senate for the remainder of the evening. I can talk for a long time, but I have assumed that we might want to adjourn and take up this bill in the morning.

What is the pleasure of the managers of this bill on the Senate floor?

The PRESIDING OFFICER. The Chair is not in a position to respond to the Senator's request.

Mr. EXON. I have inquired of the managers of the bill, and I see my distinguished friend from Kansas about to take the microphone.

Mr. DOLE. Mr. President, I am the assistant manager.

Mr. EXON. I will be glad to talk with the assistant manager about it.

Mr. DOLE. I wish to dispose of it in the next 5 minutes.

Mr. EXON. I think that will not be possible.

Mr. DOLE. Ten minutes?

Mr. EXON. I think that will not be possible.

Mr. DOLE. What did the Senator from Nebraska have in mind?

Mr. EXON. I had better continue with my talk, Mr. President.

Mr. DOLE. I just say the Senator from Kansas certainly understands the seriousness of this as far as the sponsors are concerned, and I indicated to the majority leader that a time agreement would not be necessary, but if it is going to be a protracted debate then this Senator would just as soon start again in the morning.

We might think of something between now and then that would be helpful.

Mr. EXON. That is very encouraging news.

We have what, 45 minutes on this measure?

Mr. DOLE. No. There is no time agreement. The Senator has all night long if he wishes.

Mr. EXON. If there is no time agreement and if it is the will of the assistant manager of the bill, I am suggesting it might be well to accommodate our colleagues on both sides of the aisle and on both sides of this issue to resume this debate in the morning. If that is not acceptable, if the Senator wishes to use up time, then I am prepared to talk.

Mr. STENNIS. Mr. President, will the Senator yield to me briefly?

Mr. EXON. I am glad to yield to my friend from Mississippi.

Mr. STENNIS. Mr. President, I will be quick to try to accommodate any Senator, including the Senator from Nebraska.

But those of us here, though, have stayed around with the hope, and we are not threatening to leave either, there might be a chance to finish this bill tonight. That has been held out to us as a possibility in good faith. I wish to continue to cling to that hope.

I put nothing ahead of duties here, but Senators do have conditions they have to meet elsewhere.

I understood one group wanted to go to a ceremonial for the morning hours and another group for tomorrow afternoon. I did not know whether anything had been worked out along that line.

But just to accommodate Members, there are quite a few in those two groups. I am not in that group, but I still think if we could keep going with the spirit of things here all day almost, if we could finish the bill tonight, we should try, try hard. If we could finish the bill tonight in the spirit of which today's debate has gone, let us make every effort along that line anyway.

Mr. DOLE. Mr. President, will the Senator from Nebraska yield?

Mr. EXON. I yield.

Mr. DOLE. Mr. President, it is my understanding we probably cannot finish the bill tonight. There are still a dozen or more amendments and a couple of those will take considerable time, but it was hoped we might dispose or complete action on this amendment tonight.

The Senator from Kansas had planned on going to Grand Rapids tomorrow but about the time I arrive we will be taking up the wheat section, so I think I will stay here.

Mr. EXON. Mr. President, if I could regain my right to the floor, I apologize to my colleagues. I had a misunderstanding. I understood that this bill was going to be laid down earlier and we were going to take it up in the morning. The plans were changed without my knowledge. So let us move ahead.

I do not intend to talk at great length on this. I just wish to congratulate my colleague from Nebraska for offering this amendment because I think it gets to the heart of the situation that we are discussing here.

I have been listening with great interest during the debate on this farm bill, and I have been in the Chamber on many, many occasions. I think I have made myself quite clear that the basic farm bill that was reported out by the Agriculture Committee was a bill that was not, in my opinion, a fair or satisfactory bill to report out as a farm bill and certainly not pass in this Chamber.

But I agreed to accept that because I thought it was the best that we could get under the circumstances, and then suddenly out of the blue we find ourselves in a position where a bare majority of the Agriculture Committee changes horses on us in the middle of the stream. They come in with what is called a compromise bill that does great injustice, in my opinion, to the family-sized farmer in Nebraska.

I have listened with great interest to the pleas that have been made in behalf of the sugar producers, the pleas that have been made on behalf of the tobacco producers, and I say to my friends from the tobacco-producing States, who just won a key vote in this body by three votes, that they better take a look around and see from whence came those key votes for their program that they thought was so precious and so important to the producers in their States.

I say in all sincerity that the amendment offered by my friend from Nebraska basically does five things, but four of those things were done after careful consideration by the Agriculture Committee and all that the amendment offered by my colleague from Nebraska is doing is to restore to the levels reported out after many months of hearings by the Agriculture Committee the target prices on corn, wheat, rice, and cotton.

In addition thereto, it addresses once again this problem that we have had two previous votes on in this body with regard to dairy price supports.

The amendment that is a part of the amendment being offered by my colleague from Nebraska basically establishes at 70 percent of parity the dairy price support program.

Basically, it is not much different from the last amendment in this regard offered by Senator BOSCHWITZ, the Senator from Minnesota, except that it spells out once and for all that we will have once a year instead of twice a year adjustments on dairy price support commodities.

I am sure that when the other side takes over and argues against this they are going to start talking about cost. The facts of the matter are that no one knows for sure what the costs are going to be to this or any other bill.

If Senators do not believe that, look at the costs that were estimated by the administration in March of this year on the cost of borrowing to the Federal Government.

In March, the administration estimated that those costs would average 8.9 percent for all of fiscal 1981 and all of fiscal 1982.

Most of us knew and recognized that that was an unreasonable figure at the time.

In July, just shortly before we left for our August recess, the administration 'fessed up in its costs and it cost an additional $17.1 billion just for the false estimates of the administration on the cost of borrowing.

If we can make a minor error of $17.1 billion from March until August by the administration, I do not think we are going to get all hung up here over $500 million or $1 billion cost on fundamental farm programs.

I hope that those who have fought very hard for what they believe in in this Chamber, minimum price support for tobacco, minimum price support for peanuts, and minimum price support for sugar, will recognize and realize that to those of us who are concerned about cotton, rice, corn, wheat, and basic 70 percent of parity, which is the lowest price support that we have ever had for dairy farmers in this country, this is all that we can accept. I hope that they will all recognize and realize that many of us who supported them on what they thought their minimum needs were are now asking for their support in return to put back the coalition hopefully that has historically put together a workable farm program for this Nation.

It has been alluded to by others. I want to emphasize once again that about the only thing we do well in the United States of America anymore from a production standpoint is to produce food, and if we do not protect the basic integrity of our food plant in these United States of America we are going to rue the day when we did not.

I heard a great deal today, Mr. President, about "Let us return to the free open market in agriculture." I have stood on this floor before and talked about that. It is a folly.

I hear time and time again people say that under this administration we are going to turn to a free and open market. There is no such thing in the world today in food, and you had better all understand it. The Common Market countries subsidize their agricultural producers far more than we do ours.

We certainly know what has happened in the past several years with our trading partner, the Japanese. There is not a food product that is produced by our food producers that is not multiplied twofold or threefold before it is pumped into the Japanese economy. For what reason: For the reason openly stated by the Japanese Government that they feel that agricultural production in Japan is fundamentally necessary to their long-term survival. Yet I find all too often in the United States of America that we take a shortsighted approach.

This is not a giveaway program. This is a program that might, just might—and I am not sure it will—help to guarantee our farmers, if they agree to control their production, and that is a key matter that has not been brought up, if they agree to control their production, that they might be able to get somewhere near the cost of production without any profit under this minuscule program we are offering them.

So, my friends and colleagues in the U.S. Senate, I hope you will join with us who are simply saying that we think it is important to treat these people fairly.

The bill that was originally reported from the Senate Committee on Agriculture might not be a fair bill in some people's estimation, but certainly that bill is far better than the "compromise" that was foisted on this body by the Reagan administration. I hope we can garner the votes to pass this modest amendment.

I yield the floor.

Mr. DOLE. Mr. President, I am going to take just a moment or two. Before I do that, are there any other speakers on that side?

Mr. ZORINSKY. Are there any other speakers on this side who wish to speak on this? No.

Mr. DOLE. Mr. President, I do not have any quarrel with those who offer the amendment, and I am reminded again of Senator Talmadge who used to shepherd farm bills through this body, who would say to us privately as well as for the record, "Do you want a farm bill or do you want a veto?"

I am not threatening anyone but just suggesting this is going to add $2 billion to the cost of the bill.

This was a bill reported from the Senate committee. This Senator is on the committee and voted for it. But we now understand that, if we do not understand now we are going to understand by next Tuesday night that, we have not even started to cut the budget enough to bring down inflation and interest rates and the things that really affect farmers.

There is not enough money in the country to bail out every farmer with the farm program. What the farmer wants are lower interest rates and lower inflation and fewer regulations and, above all, a sound economy.

He understands, at least most farmers understand, they are going to have to make sacrifices or contributions, call it what you will, as well as the rest of the economy.

Having been on both sides of the debate on farm bills over the years, I certainly sympathize with those who would like to do more for the farmer. What they really want to add is about $600 million for wheat, $610 million for rice, $740 million for dairy, and about $60 million for feed grains.

Two billion dollars is not a lot of money, I guess, if we had any in the Treasury, if we were not faced with a big, big deficit next year. We are trying to keep it down to $42.5 billion, and this is not a way we should start.

This Senator would hope that what we are doing after 3 or 4 days of debate, going back and trying to put everything back in a package, days we spent trying to get out of the package, trying to get some sanity in the bill—farmers must recognize, and most farmers do recognize, that they have to make, as I have indicated, some contribution to this economic problem we have, too, and I would suggest that the President is committed to turning this country around and turning the economy around, and the best thing we can do with the American farmer is to stop inflation, control interest rates.

I do not care how much we appropriate or how much we authorize. That is not going to solve the problem. It is going to worsen the problem.

I know some people have different views on farm programs. Some farmers like farm payments, others like to make it in the marketplace. I believe we have the market-oriented approach. I believe that is the approach most of us in this Chamber, regardless of which side of the aisle we are on, have. So I hope that if, in fact, we are serious about a farm bill—some would rather have an issue, some of us would rather have a farm bill—there would be a strong bipartisan vote to table this amendment.

I certainly have the greatest respect for everyone who has spoken, both Senators from Nebraska, the Senator from Oklahoma, they all come from very important farm States with a farm economy. But I would suggest that if we divide up the wheat money, $600 million, among all the producing States, and $600 million with all the corn-producing States, it might mean $200 or $300 for all of the families of Nebraska or Kansas, and that is not enough.

The answer, in my view, is to try to do what we can to hold down spending, including agriculture, if we are really concerned about the future of the American farmer and the family farm and all the other things we are talking about.

Yes, we did report this from our committee. We reported a lot of farm bills out of committees in the past. That did not mean the administration had to agree with it or we did not change those bills when they came to the floor or in conference.

I am willing to say to the Senate if we can get this farm bill back in the bottle, get the genie back in the bottle, within the figures recommended by the administration, that they are going to pledge to keep that position through the conference, and to me that means we are going to have a farm bill.

So without any disrespect to anyone who has talked on the floor, I move to table the first-degree amendment, the so-called underlying amendment, UP amendment No. 382.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the underlying amendment. The yeas and nays have been ordered.

Mr. DOLE. I would be glad to withhold that for the moment.

Mr. ZORINSKY. I would just like to briefly make a comment to my esteemed colleague from Kansas whom I respect very highly.

He has been on the Agriculture Committee with me when we have many times attempted to find what the real cost of production of a bushel of wheat or a bushel of corn was, and I do not think he or I ever did receive an answer to that question.

The point I am trying to make is these

people who throw figures around that it is going to cost $500 million here and $200 million there I feel do not have the valid numbers to begin with.

I have a Congressional Budget Office figure here effective September 17, and it says the cost will be between what came out of the Senate Agriculture Committee and what was the compromise on the compromise that was arrived at with the administration on wheat will cost $430 million; on feed grains it will cost $11 million; on cotton it will cost nothing; and on rice it will cost $120 million, and this is somewhere in the vicinity of $561 million on the restoration of the target prices. This is a figure by the Congressional Budget Office on the cost estimates.

When I read accounts in the paper about wind tunnel facilities being built in Arkansas for the Defense Department and an error is made in construction where they cannot get the compressors and piping into the building, and now it is going to cost $138 million to correct that mistake, it leads me to believe that this is a pretty good investment to save agriculture in the United States of America.

The other is an architectural or engineering error which can be covered up by throwing more tax money at it, and nothing else will be said. No one will go to jail and the taxpayers by next month will not even remember it happened. Many of them today do not even know what happened. But I guarantee there are a lot of farmers out there who know what is happening in this Chamber tonight.

So I would say this to my colleague from Kansas: I agree that there is an additional cost burden on the budget.

But I think, comparatively speaking, the costs versus the benefits—and that is what we talk about in this Chamber, the cost-benefit ratio to the taxpayer, what does the taxpayer get for their dollar—I think it is well worth spending.

As a matter of fact, some members of the Agriculture Committee told me that had this gone to the administration before we went on our August recess, this would have been a bill in law right now. But, unfortunately, it did not; it waited until we came back from the August recess. It was discovered that we need to make deeper cuts, a few billion dollars additionally, and the farmers, once again, having been caught in the grain embargo, are now caught in another fiasco.

So I would hope my colleagues will support my amendment.

I say to the Senator from Kansas, you have not requested the yeas and nays on the tabling motion.

Mr. DOLE. I intend to do that.

I wanted to say, very briefly, again, that I have great respect for both Senators from Nebraska and the Senator from Oklahoma. I do think we are suffering from an embargo that was not imposed by this President, President Reagan. But, again, we could argue that and try to point the finger of blame.

But what we are faced with, what brought it to my attention, I guess, was the statement on the HUD appropriation bill. I discussed this with the distinguished Senator from Utah. He has different figures—we all have different figures, depending on what our point of view is. He says that maybe the bill should not be vetoed because it is only $90 million over the budget. But I am convinced that if we are going to send a bill down that is $2 billion or a billion dollars or $100 million, the President is going to veto it. Maybe he should not, but I think he will, and I think the American people will appreciate it if he does.

I say to all Senators that we have taken care of tobacco, we have taken care of sugar, we have taken care of peanuts. They are all in this little thing we are putting together and this could undo it all. I would say to all of those who have been suffering through this all week to support our motion to table and we might even finish this bill tomorrow or next week sometime.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The Chair wishes to advise Senators that, in view of the resumption of debate, any previous efforts to lodge a motion have been curtailed. The Chair will now entertain the motion from the Senator from Kansas.

Mr. DOLE. Mr. President, I move to table the first-degree amendment, unprinted amendment No. 382. That is the underlying amendment?

The PRESIDING OFFICER. That is the underlying amendment.

Mr. DOLE. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. KASTEN. Mr. President, I support this amendment to bring the dairy price support program more in line with what the Senate Agriculture Committee originally proposed.

The word around town is that the dairy price support program is too high; that the President has threatened a veto of the farm bill if the Congress does not pass his proposal. It doesn't seem quite fair, does it—to single out one program among the many contained in this bill to threaten a veto?

But, Mr. President, I want to read to the chairman of the Agriculture Committee, and the other Members of the Senate, just a few lines from the testimony of one of his constituents who testified before his committee in March. I quote:

> Recently, I have been reading about the price support program costing the government quite a bit of money because of heavy purchases of surplus dairy products. In my judgment, these surpluses are not because milk prices are too high. First of all if they were too high, dairy farmers wouldn't be quitting. Twenty years ago there were over 3,000 dairy farmers in North Carolina. Today, there are only 1,291. Of course, those of us remaining are much bigger than 20 years ago. We have more capital invested and also get more from our cows per hour of labor.

Mr. President, that was a dairy farmer speaking. It probably says it all. Farmers have been getting out of the dairy business in large numbers. There are currently about 170,000 U.S. dairy farms, down 35 percent since 1969.

The dairy farmers in Wisconsin alone lost about $5,850 a year because of the elimination of the April 1 adjustment. Dairy farmers were singled out by the administration early this year, and now it appears they will "take their licks again"—I hope not.

Everyone knows about the price increases dairy farmers received this past year. The price farmers received increased 8 percent. But, on the other hand, the cost to farmers of commodities, interest, taxes, and labor advanced by 12 percent between December 1979 and 1980.

The sale of milk from U.S. farms in 1980 totaled about $16 billion and nearly $2 billion of these dollars went to Wisconsin farmers. At retail prices, the Wisconsin dairy industry will contribute approximately $6.5 million to the State's economy.

The level of milk prices over the years has maintained the family farm. In Wisconsin, 60 percent of farmland is owned by operators. In Illinois this figure is 40 percent and in Indiana, operators own only 37 percent. The dairy farmer has the resilience to stay in business because his labor and capital are principally the operator's. Thus, he could survive as a viable economic unit in an economic recession.

The dairy economy in Wisconsin provides a sound dollar base for the State's rural communities. The communities provide the services for the dairy farmers. The tax base is sound, thus adequate schools, roads, and public services.

Mr. President, I hope that my colleagues will see the value and wisdom of supporting this amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion.

Mr. BAKER. Mr. President, before the vote starts, there will be no more rollcall votes tonight after this one.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kansas (Mr. DOLE) to table the amendment of the Senator from Nebraska (Mr. ZORINSKY). The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEVENS. I announce that the Senator from Alaska (Mr. MURKOWSKI) and the Senator from Vermont (Mr. STAFFORD) are necessarily absent.

Mr. ROBERT C. BYRD. I announce that the Senator from New Jersey (Mr. BRADLEY), the Senator from California (Mr. CRANSTON), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 60, nays 35, as follows:

[Rollcall Vote No. 265 Leg.]

YEAS—60

| | | |
|---|---|---|
| Armstrong | Gorton | Packwood |
| Baker | Grassley | Pell |
| Biden | Hatch | Percy |
| Byrd, Harry F., Jr. | Hatfield | Quayle |
| Byrd, Robert C. | Hawkins | Roth |
| Cannon | Hayakawa | Rudman |
| Chafee | Heinz | Schmitt |
| Chiles | Helms | Simpson |
| Cochran | Huddleston | Specter |
| Cohen | Humphrey | Stennis |
| D'Amato | Jepsen | Stevens |
| Danforth | Kassebaum | Symms |
| Denton | Laxalt | Thurmond |
| Dixon | Long | Tower |
| Dole | Lugar | Tsongas |
| Domenici | Mathias | Wallop |
| East | Mattingly | Warner |
| Garn | McClure | Weicker |
| Glenn | Mitchell | Williams |
| Goldwater | Moynihan | |
| | Nickles | |

NAYS—35

| | | |
|---|---|---|
| Abdnor | Exon | Melcher |
| Andrews | Ford | Metzenbaum |
| Baucus | Hart | Nunn |
| Bentsen | Heflin | Pressler |
| Boren | Hollings | Proxmire |
| Boschwitz | Inouye | Pryor |
| Bumpers | Jackson | Randolph |
| Burdick | Johnston | Riegle |
| DeConcini | Kasten | Sarbanes |
| Dodd | Leahy | Sasser |
| Durenberger | Levin | Zorinsky |
| Eagleton | Matsunaga | |

NOT VOTING—5

| | | |
|---|---|---|
| Bradley | Kennedy | Stafford |
| Cranston | Murkowski | |

So the motion to lay on the table UP amendment No. 382 was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. JEPSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 384

(Purpose: To direct the Secretary of Agriculture to review the procedures for determining quality differences in the cotton loan program and to revise such procedures to more accurately reflect actual market value)

Mr. TOWER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Texas (Mr. TOWER) for himself and Mr. BENTSEN, Mr. DOMENICI, Mr. SCHMITT, Mr. NICKLES, and Mr. BOREN, proposes an unprinted amendment numbered 384.

Mr. TOWER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 182, after the first period in line 24, insert the following: "Notwithstanding the foregoing sentence, the Secretary may, prior to the announcement of loan rate differences on the 1982 crop of upland cotton, review the procedures and criteria, including those provided for in the preceding sentence, used for determining quality differences for the loan program for upland cotton and, on the basis of such review, revise such procedures and criteria to accurately reflect the actual market value of upland cotton.".

Mr. TOWER. Mr. President, I am very disturbed because the current provisions contained in S. 884 regarding the premiums and discounts for grade, staple and micronaire of upland cotton are unfair to producers of short-staple cotton.

Establishing quality differences for the loan program whereby the United States Department of Agriculture gives equal weight to: First, loan differences for the proceeding crop and second, the market differences for such crop in the nine designated United States spot markets does not allow for market fluctuations as handled in the past.

Annual State-by-State quality statistics published by the USDA clearly demonstrate that an almost minuscule volume of low micronaire, short staple cotton is traded in the Greenville, Augusta, Montgomery, Memphis, Greenwood, Phoenix, and Fresno markets. Price quotations from those markets, therefore, are nominal quotations made without the factual trading information necessary to the furnishing of legitimate price information.

Discounts quoted in non-Texas markets on the small volume of cotton traded therein are applied to longer staple, higher-grade cottons being bought for use in combed yarns for dress shirts, sheets, blouses and other fabrics in which the neeping and dyeing problems associated with the short staple, low micronaire cotton are very serious if not intolerable.

Dallas and Lubbock discounts apply almost exclusively to the shorter staple cottons grown on the Texas Plains, New Mexico, and Oklahoma and used in carded yarns for coarser fabrics in which occasional neps and/or imperfect dyeability are of much less consequence.

Over 3,800,000 bales of the 1979 U.S. crop had micronaire reading below the 3.5 minimum tenderable level, while only about 800,000 bales of the 1980 crop fell in the low micronaire category. Quality differences and unusual market situations must be considered in order to prevent undesirable year-to-year fluctuations in the loan differences for upland cotton.

Mr. President, the Department of Agriculture has written to me stating their opposition to the provision offered by my distinguished friend from Alabama (Mr. HEFLIN) and the committee because it reduces the Department's flexibility in setting loan differentials.

I ask unanimous consent that that letter be made part of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
*Washington, D.C., June 1, 1981.*

Hon. JOHN TOWER,
*U.S. Senate, Washington, D.C.*

DEAR SENATOR TOWER: This letter is to follow up the conversations between our staffs concerning an amendment added to the omnibus farm bill (S. 884) by Senator Heflin relating to cotton loan program premiums and discounts for grade, staple and micronaire.

The Administration opposed this amendment during the committee mark-up because it would remove the discretionary authority that the Department now has in setting cotton loan program differentials. Beginning with the 1982 crop the amendment would require that equal weight be given to loan differences for the preceding crop and to the market differences for such crop in the nine designated U.S. spot markets. This would prevent taking unusual market situations into account and would result in undesirable year-to-year fluctuations in the loan differences. Also, it would result in larger discounts for short staple, low micronaire cotton, most of which is produced in west Texas.

We believe the Heflin Amendment reduces the Department's flexibility in setting loan differentials and, therefore, we do not support its adoption.

Sincerely,

RICHARD E. LYNG,
*Deputy Secretary.*

Mr. TOWER. Mr. President, my amendment would allow the Department of Agriculture to make a determination that I consider equitable to all cotton producers but not at the expense of short-staple cotton producers in Texas, Oklahoma, and New Mexico. I am joined in this effort by Senators BENTSEN, BOREN, NICKLES, DOMENICI, and SCHMITT.

Mr. JEPSEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. JEPSEN. I yield to the Senator from Alabama.

Mr. HEFLIN. Mr. President, the Senator from Texas wishes to make a statement before I do.

Mr. BENTSEN. Mr. President, first, let me thank the distinguished Senator from Alabama.

I commend the Senator from Alabama for his understanding in working out this solution to a most vexing problem. The Senator from Alabama is a great friend and champion of the American farmer. I know that his true interest lies, as does mine, in assuring that our Government farm program will work as smoothly and effectively as possible to aid the farmer in getting a fair price for his products in the marketplace.

The Senator from Alabama has recognized, as I have, that our current system of computing discounts and premiums for the cotton loan program does not work as effectively as it should. The Senator from Alabama addressed this problem during the committee markup of this bill by adding section 507 to S. 884.

Unfortunately, the cotton marketing system is much different in the short staple cotton growing areas of Texas, Oklahoma, and New Mexico than it is in the long staple cotton growing area of Alabama.

Because of this, section 507 of the bill as currently written will not work for all farmers as it was intended to work.

Because cotton farmers in the short-staple growing areas of west Texas, Oklahoma, and New Mexico use a cotton marketing system which is unique to that area—a system in which settlement procedures for both cash and contract sales of cotton are based upon the discounts

specified for the Government loan program—this provision, unmodified, would have wreaked havoc with the cotton marketing system in these areas.

The Senator from Alabama is a great champion of the farmer, and I know that it was not his intention to do this harm to the farmers of Texas, Oklahoma, and New Mexico.

Section 507 of the bill appears at first glance to be a change toward a more market-oriented system, an objective with which I agree. Unfortunately, however, no hearings were held on this issue and there was no opportunity for the Senator from Texas to point out the hidden pitfall in this proposal until after it had been adopted by the Senate Agriculture Committee.

The Senator from Alabama has been a great champion of the American farmer throughout his time in the Senate. He is well known for having the best interest of the farmer at heart. I commend him for his willingness to reach this compromise in order to keep the cotton farmers of my home area from being subjected to a radical change in the cotton marketing system which would have resulted in a windfall loss to the farmer which could have amounted to millions of dollars.

Mr. President, the only objective of the cotton farmers of Texas, and of the Senator from Texas, in this issue is a system of discounts and premiums for the cotton loan program which accurately reflects the actual market value of the various types and qualities of cotton. Indeed, because of the unique dependency of their marketing system upon the accuracy of these discounts and premiums they have a greater and more immediate stake than does any other cotton growing area in assuring that this system does accurately reflect the true market value of these various types and qualities of cotton.

Mr. President, the importance and the impact of this issue is well illustrated by a letter from Mr. Calvin L. Brints, a cotton merchant from Lubbock, Tex. Cotton buyers in the Lubbock area recognize the harm that could be done to the entire cotton marketing system of the region, a system which is depended on by both buyers and sellers of cotton. I ask unanimous consent that a copy of Mr. Brint's letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BRINTS COTTON MARKETING, INC.,
*Lubbock, Tex., July 24, 1981.*

Hon. LLOYD BENTSEN,
*Russell Senate Office Building,*
*Washington, D.C.*

DEAR SENATOR BENTSEN: My company sells cotton worldwide. We have handled cotton from most all the major growth areas in the United States.

The purpose for this letter is to express our opinion concerning the methods used in calculating the CCC loan differences on cotton and how the Lubbock area is effected. For illustration purposes the August USDA published quotes from three market areas are listed below for three of the most heavily produced qualities of cotton in the Lubbock area.

| Market | Grade and staple | | Price discount |
|---|---|---|---|
| Montgomery, Ala | 41 | 31 | −2181 |
| Lubbock, Tex | 41 | 31 | −678 |
| Dallas, Tex | 41 | 31 | −1083 |
| Montgomery, Ala | 42 | 32 | −2058 |
| Lubbock, Tex | 42 | 32 | −397 |
| Dallas, Tex | 42 | 32 | −912 |
| Montgomery, Ala | 42 | 31 | −2358 |
| Lubbock, Tex | 42 | 31 | −797 |
| Dallas, Tex | 42 | 31 | −1178 |

My point is this: Lubbock is the cotton market in which at least 95 percent of the above qualities are produced and traded. Therefore, to use cash price quotes from markets such as Memphis, TN, Montgomery, AL, or Dallas, TX to compute CCC loan differences is obviously improper. This is true for several reasons:

1. The above cited example qualities are not produced or traded in other than the Lubbock market except in minute quantities. I question whether price quotations on actual trades of these qualities can be found except in rare instances in these other markets, whereas cash trades can be quoted virtually daily in the Lubbock area.

2. The Lubbock market is the only market where cash prices are tied directly to the CCC loan value, hence its prices are effected more by changes in the CCC loan rate than any other market.

3. If there were indeed any of the above described cotton available in these other markets, I could gladly buy these qualities in these other markets at the quoted discount prices, ship the cotton to Lubbock for sale and ship it back to the southeastern United States and realize terrific profits.

We also strongly oppose the possible use of the 1 to 1 ratio in these calculations. The shorter the time period used in the calculation, the more drastic will be the fluctuations in the CCC loan discounts and therefore in Lubbock area prices. This price variation interrupts the orderly marketing of Lubbock cotton by preventing sound business decisions on forward crop contracts until after the CCC loan differences are created and published. If any ratio is to be used, a 5 to 1 or longer period should be used.

The above comments center around the CCC loan differences for grade and staple. The very same points apply to cotton which has micronaire values of less than 3.2.

If I may furnish further information to assist in correcting this inequitable situation, please contact me.

Sincerely,

CALVIN L. BRINTS,
*President.*

Mr. BENTSEN. Mr. President, this section of the farm bill, as amended, will direct the Secretary of Agriculture to review and revise, as necessary, the procedures used to determine the quality differences for the cotton loan program in time for the announcement of the 1982 cotton program.

However, this section does not tie the hands of the Secretary of Agriculture in this matter. It merely highlights the need for improvement in the system and gives the Secretary the discretion and flexibility necessary to see that any recommended changes are in the best interest of all cotton farmers.

The amendment added by the Senator from Alabama will set up a 10 member study commission to advise the Secretary of Agriculture with regard to this issue. I must emphasize, however, that this section makes clear that the actions taken by the Secretary are not contingent on the recommendations of the study commission.

The only requirement of this section is that the Secretary complete this review in time for the 1982 program announcement.

I must emphasize the importance of meeting this tight time schedule. Hopefully, the recommendations of this study commission will be received by the Secretary in a timely fashion.

However, the Secretary is neither required nor expected to wait for a report from this commission if such a delay will jeopardize the requirement that the Secretary make any needed changes in time for the 1982 program announcement.

Mr. President, this compromise gives the Secretary of Agriculture the discretion he needs to see that the 1982 cotton loan program meets the needs of the farmers of this country. I urge him to use this discretionary authority to make a review of the procedures and policies of all the cotton programs which bear on this issue both in the Agricultural Marketing Service and in the Agricultural Stabilization and Conservation Service as well as in other parts of the Department which may be involved.

This amendment removes the requirement that would result in great harm being done to the cotton farmers of west Texas and leaves it to the Secretary of Agriculture to come up with an equitable solution which will take into account the needs of all of the various cotton growing areas of this country. I urge its adoption by the Senate.

Mr. BAKER. Mr. President, if the Senator from Alabama will yield to me, I should like to make an announcement and then propound a unanimous-consent request with respect to the schedule of the Senate.

Mr. HEFLIN. I yield.

## ORDER FOR RECESS UNTIL 10 A.M. FRIDAY

Mr. BAKER. Mr. President, I have discussed this with the minority leader and the managers of the bill on both sides.

I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 a.m., tomorrow, Friday.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ORDER FOR RECOGNITION OF CERTAIN SENATORS FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that on tomorrow, after the recognition of the two leaders under the standing order, there be special orders in favors of the Senator from West Virginia (Mr. ROBERT C. BYRD), for not to exceed 10 minutes, and the

Senator from Texas (Mr. BENTSEN), for not to exceed 15 minutes; that following that, there be a period for the transaction of routine morning business, not to extend beyond 11 a.m., and that Senators may be permitted to speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF S. 884

Mr. BAKER. Mr. President, I ask unanimous consent that upon the close of morning business tomorrow, as herein provided for, the Senate resume consideration of the farm bill, S. 884.

The PRESIDING OFFICER. Without objection, it is so ordered.

## UNANIMOUS-CONSENT AGREEMENT—ORDER OF PROCEDURE ON MONDAY AND TUESDAY NEXT

Mr. BAKER. Mr. President, I ask unanimous consent that on Monday, September 21, upon the completion of the voting on the nominations ordered for that day, the Senate return to legislative session and thereafter recess at the close of business; that if S. 884 has not been disposed of at the close of business on tomorrow, it be set aside until 10 a.m. on Tuesday, September 22, and that the Senate convene on Tuesday, September 22, at 9:30 a.m.

Before the Chair rules, I might say that the Senate will recall that on Monday, according to the order previously entered, the time to convene is 9:30 a.m. There is an order for the Senate to go into executive session at 10 a.m. on Monday and for the votes on certain nominations, including the nomination of Judge O'Connor to be Associate Justice of the Supreme Court, which begin at 6 p.m. on Monday.

The request I have just made will provide, in effect, that we will be in session tomorrow, beginning at 10 o'clock. We will be on this bill at 11 o'clock. I expect the Senate will continue in session, with the hope that we can complete action on this bill tomorrow, and that we will be in session for that purpose until perhaps 6 o'clock. If we have not finished this bill tomorrow by around 6 o'clock, this bill will be temporarily laid aside until Tuesday, so that we can complete the requirements of the order entered for the consideration of certain nominations on Monday.

I put that request at this time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President. will the distinguished majority leader yield?

Mr. BAKER. I yield.

Mr. President, is there an order for the recess of the Senate from Friday, at the close of business, until Monday at 9:30 a.m.? I believe there is an order for the Senate to convene at 9:30 a.m. on Monday. Is that correct?

The PRESIDING OFFICER. The majority leader is advised that there is such an order.

Mr. BAKER. Just to make doubly sure that we have no missed a stitch, I ask unanimous consent that when the Senate completes its business on Friday, it stand in recess, in accordance with the order previously entered, until 9:30 a.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

## AGRICULTURE AND FOOD ACT OF 1981

The Senate continued with the consideration of S. 884.

UP AMENDMENT NO. 385

(Purpose: To provide for a study committee to study alternative methods of establishing values of premiums and discounts for grade, staple, and micronaire for the upland cotton loan program)

Mr. HEFLIN. Mr. President, I send to the desk a substitute for the amendment offered by the distinguished Senator from Texas (Mr. TOWER), which was joined in by Senator BENTSEN and other cosponsors.

My proposal, in essence, makes no substantive change in the proposal of the distinguished Senator from Texas with one exception—under my proposal there would be established a study committee whose mission shall be to study alternative methods of establishing the cotton loan rate by fair and equitable methods of computation and procedure.

As evidenced by the action of our Senate Agriculture Committee in formulating S. 884 it spoke with one voice in opposing a loan level which creates inequalities between various cotton producing areas. As stated in my proposal the study committee "shall study alternative methods of establishing values of premiums and discounts for grade, staple, and micronaire for the upland cotton loan program that will accurately represent true relative market values and reflect actual market demand for upland cotton produced in the United States."

The findings and recommendations of the committee will be submitted to the Secretary of Agriculture for use by him in announcing the loan rate differences for the 1982 crop of upland cotton.

This proposal, Mr. President, has been discussed with the various growers and I understand that there is general acceptance of it. I should like to add that our committee will monitor the actions of the study group closely as well as the subsequent actions of the Secretary. My Alabama cotton producers strongly feel, and I strongly agree with them that the time is now for the permanent establishment and administration of an equitable and consistent market-oriented cotton loan program.

The establishment of more accurate price support differentials for differences in grade, staple, and micronaire for upland cotton will provide better stability to the cotton program and will allow these differentials to more accurately reflect their true relationship to actual market value.

Cotton is merchandised in the United States and world markets on the basis of quality, in the terms grade, staple length and micronaire. To facilitate orderly marketing, loan differentials for the various grades, staples and micronaire groups are established. In establishing the differentials, fair and objective criteria must be utilized in placing unbiased loan values on the more desirable types and discounts on the less desirable types. Properly established differentials will foster normal movement of cotton into market channels and discourage production of the less desirable qualities.

Current legislation is premised on market principles, and if production is to properly respond to market stimuli, then, the loan differences must reflect market demand. This condition does not now exist for the following reasons:

First. The USDA arbitrarily discriminates against the majority of cotton farmers who produce good quality cotton and benefits those who raise poor qualities.

Second. The loan value assigned by USDA bears no relationship to the actual market value.

Third. When these cottons are placed in the loan with falsely inflated values the CCC has insufficient collateral. If the cotton is taken over by CCC and sold, the price realized will reflect actual market values resulting in substantial losses to CCC.

Fourth. Through artificial loan premiums and discounts the USDA arbitrarily establishes a false criteria for determining the actual market value of short staple cotton produced in west Texas, thus rendering this cotton less competitive in the world market.

This is the only U.S. market which utilizes as a basis for price the criteria so much over the loan. By artificially inflating the loan value the USDA is stepping into the market place and increasing the price. Thus there is no free market in West Texas.

Fifth. The cotton program is a national program and the loan determinations should be made utilizing the entire U.S. production and price discovery system. As presently administered by USDA the cotton program is not based upon the free market principles inherent in the 1977 act.

The table appended to my remarks illustrates the USDA loan differences and the actual spot market differences for staple length and micronaire from 1975 through February 1981. This data clearly illustrates that there continues to be a wider discrepancy between actual spot market differences and the USDA loan differences for the lower grade, shorter staple, and lower micronaire cottons.

I say again, the time is now for the permanent establishment and administration of an equitable and consistent market oriented loan program. The schedule of loan differences must apply equally to all areas of the cotton belt.

Section 507 will assure the establishment of accurate price support differentials for differences in grade, staple, and micronaire for upland cotton. This policy will more closely reflect current mar-

ket conditions, and provide continuing stability to the program by giving the identical weight to the previous year's loan differentials.

I reemphasize that such action will result in the proper adjustment of national average loan rates and allow the differentials to accurately reflect their true relationship to actual market value.

Mr. President, I ask unanimous consent to have printed in the RECORD the table to which I have referred.

There being no objection, the table was ordered to be printed in the RECORD as follows:

TABLE 1.—GOVERNMENT LOAN DIFFERENCES AND ACTUAL SPOT MARKET DIFFERENCES FOR STAPLE LENGTH AND MICRONAIRE, 1975–80

| | Staple length (SLM) | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 13/16–29/32" | | 15/16" | | 31/32" | | 1" | | 1 1/32" | | 1 1/16" | | 1 3/32" | | 1 1/8" | | 5/32" and up | |
| Years | Market | Loan | Market | Loan | Market | Loan | Market | Loan | Market | Loan | Market | Loan | Market | Loan | Market | Loan | Market | Loan |
| 1975 | −712 | −600 | −590 | −525 | −485 | −440 | −337 | −345 | −147 | −150 | 57.99 | 36.12 | +21 | +30 | | +65 | | +110 |
| 1976 | −752 | −605 | −633 | −520 | −554 | −435 | −421 | −335 | −154 | −150 | 70.88 | 38.92 | +20 | +30 | | +65 | | +125 |
| 1977 | −589 | −635 | −484 | −545 | −433 | −460 | −370 | −355 | −155 | −150 | 52.74 | 44.63 | +19 | +30 | | +65 | | +135 |
| 1978 | −744 | −620 | −650 | −525 | −571 | −445 | −470 | −345 | −166 | −150 | 61.58 | 48.00 | +31 | +30 | | +65 | | +145 |
| 1979 | −1,008 | −640 | −908 | −545 | −754 | −465 | −620 | −365 | −195 | −150 | 71.48 | 50.23 | +39 | +30 | | +70 | | +155 |
| 1980[1] | −1,505 | −695 | −1,278 | −600 | −893 | −510 | −748 | −405 | −204 | −165 | 85.94 | 48.00 | +40 | +35 | | +75 | | +165 |

| | Micronaire | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 5.3 and up | | 5.0–5.2 | | 3.5–4.9 | | 3.3–3.4 | | 3.0–3.2 | | 2.7–2.9 | | 2.6 and below | |
| | Market | Loan | Market | Loan | Market | Loan | Market | Loan | Market | Loan | Market | Loan | Market | Loan |
| 1975 | −110 | −110 | −50 | −50 | 0 | 0 | −184 | −75 | −489 | −200 | −779 | −350 | −1,170 | −550 |
| 1976 | −115 | −105 | −51 | −45 | 0 | 0 | −132 | −85 | −410 | −230 | −711 | −400 | −1,046 | 630 |
| 1977 | −128 | −110 | −59 | −45 | 0 | 0 | −103 | −65 | −346 | −200 | −578 | −390 | −865 | −600 |
| 1978 | −179 | −130 | −92 | −60 | 0 | 0 | −109 | −60 | −363 | −195 | −590 | −360 | −851 | −555 |
| 1979 | −182 | −135 | −77 | −65 | 0 | 0 | −378 | −65 | −838 | −225 | −1,416 | −400 | −1,949 | −605 |
| 1980[1] | −174 | −145 | −80 | −70 | 0 | 0 | −321 | −95 | −783 | −285 | −1,312 | −490 | −1,838 | −720 |

[1] August 1980 to February 1981 spot market average.

Note: Formula to calculate loan differences: Take preceding year loan differences weighted X times against 1st 6 or 7 mo of current season actual market differences weighted 1 time. (Example—5:1 ratio for weighting.) To bring differences closer into line would need to have 1:1 type of weighing system.

Mr. HEFLIN. Mr. President, I thank the Senators from Texas for their efforts to reach an amicable settlement of this matter.

Senator BENTSEN came to me first, several months ago, after this came out of the committee, and discussed this with me. I indicated that we might work it out with the staff of Senator TOWER. Senator TOWER's conversations with me have been most cooperative, and I am delighted that this matter can be resolved amicably. I thank both Senators from Texas for their fine cooperation in this connection.

Mr. TOWER. I thank the Senator for his remarks.

Mr. COCHRAN. Mr. President, will the Senator yield?

Mr. TOWER. I yield to the Senator from Mississippi.

Mr. COCHRAN. I thank the Senator for yielding.

Mr. President, I congratulate the distinguished Senators from Texas and Alabama for working out this difference of opinion about how these discounts and premiums and schedules will be calculated.

Cotton farmers in the Southeast have been concerned for some time about the schedule of premiums and discounts used by USDA for establishing loan rates.

The premiums and discounts are determined by using various weights between the market price and the previous year's loan rate differences for grade and staple—that is color, trash and length of fiberand micronaire—that is fiber fineness.

The previous year's loan rate differences have been weighted as high as five times greater than the market price.

For the 1981 loan rates, USDA used 1 to 1 ratio for grade and staple but 5 to 1 for micronaire, with the weight of 5 given to the previous year's loan differentials.

The provision contained in the bill would require USDA to weigh the previous year's loan rate differences equally with market prices differences.

I support moving toward market determination of loan rates. I believe this compromise does that, and I congratulate Senators HEFLIN and TOWER for working out this very controversial provision.

Mr. TOWER. Mr. President, I yield to my colleague from Texas.

Mr. BENTSEN. Mr. President, I again express my appreciation to the two Senators concerning their efforts in this regard. I believe it is an excellent resolution of a difficult problem, and it requires no additional expense on the part of the Treasury.

Mr. TOWER. Mr. President, I yield back the remainder of my time, so that the substitute amendment will be in order.

The PRESIDING OFFICER. All time having been yielded back on both sides, the Chair will now entertain the amendment in the second degree by the Senator from Alabama.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alabama (Mr. HEFLIN) proposes an unprinted amendment numbered 385 to Mr. TOWER's unprinted amendment numbered 384.

Mr. HEFLIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the language to be inserted by UP-384 insert the following:

On page 182, line 24, strike out the quotation marks and the second period and insert in lieu thereof the following: "The Secretary shall establish a study committee of ten members, eight of whom shall be representative of cotton producers, selected to equally represent each of the four major geographic regions which produce and market upland cotton, and one of whom shall be a representative of cotton merchants and one of whom shall be a representative of the textile manufacturers. The committee shall study alernative methods of establishing values of premiums and discounts for grade, staple, and micronaire for the upland cotton loan program that will accurately represent true relative market values and reflect actual market demand for upland cotton produced in the United States. The committee shall submit the results of such study to the Secretary at the earliest practicable date together with such recommendations as the committee considers appropriate. The Secretary may, prior to the announcement of loan rate differences for the 1982 crop of upland cotton, review the procedures and criteria, including the recommendations made by the study committee and the formula provided for in the fifth sentence of this section, used for determining quality differences, including the loan differentials for grade staples, and micronaire for the upland cotton loan program and, on the basis of such review, revise such procedures and criteria to accurately reflect the actual market value of upland cotton produced in the United States."

Mr. TOWER. Mr. President, will the Senator yield?

Mr. HEFLIN. I yield.

Mr. TOWER. Mr. President, I am prepared to accept the substitute offered by the Senator from Alabama. I would, of course, prefer the Bentsen-Tower - Schmitt - Domenici - Nickles-Boren amendment in its original form. However, I recognize the facts of life.

Therefore, I express my thanks to the distinguished Senator from Alabama for his consideration in working out a very difficult problem among those of us who represent the respective cotton States. I offer my thanks to him, and I am prepared to accept the substitute.

Mr. JEPSEN. Mr. President, on behalf of the chairman of the Committee on Agriculture, Senator HELMS, I am pleased to support the compromise reached by the parties. I have been advised that Senator HUDDLESTON has no objection, and we are ready to vote.

The PRESIDING OFFICER. Is all time yielded back on the second degree amendment?

Mr. HEFLIN. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the second degree amendment of the Senator from Alabama.

The amendment (UP No. 385) was agreed to.

Mr. HEFLIN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JEPSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS. Mr. President, I wish to state that as chairman of the Senate Committee on Agriculture, Nutrition, and Forestry and speaking for the committee and as the bill's manager, that I am ready to accept an amendment which constitutes a compromise between section 507 of S. 884, cotton loan calculation, and the amendment sponsored by the distinguished Senator from Texas. While originally we thought that our markup process had addressed all the outstanding issues related to the cotton loan calculation, new information brought forward by the Texas delegation contested that interpretation.

Therefore, Mr. President, I am pleased to support the compromise reached by the different parties involved regarding this issue and wish to state for the record that this compromise is a fine example of the legislative process at work and proof that Senate members are committed to conduct their affairs within a spirit of compromise.

The PRESIDING OFFICER. The question now recurs on the amendment of the Senator from Texas.

The amendment (UP No. 384) was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JEPSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 386

(Purpose: To authorize the Secretary of Agriculture to release bee germ plasm to the public)

Mr. BOREN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BOREN) proposes an unprinted amendment numbered 384.

Mr. BOREN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 235, between lines 17 and 18, insert a new section as follows:

"AUTHORITY TO RELEASE BEE GERM PLASM

"SEC. 1112. Section 103 of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 283) is amended by adding immediately before the period 'and may release bee germ plasm to the public'.".

[The following proceedings occurred after 12 o'clock midnight.]

Mr. BOREN. Mr. President, my amendment to the Agriculture and Food Act of 1981 would authorize the Secretary of Agriculture to release bee germ plasm to the public.

Research has been underway since the mid-1930's to develop a strain of bees that could be used by beekeepers to increase honey production and crop pollination. The U.S. Department of Agriculture is now preparing to release honey bee germ plasm—virgin or inseminated queens and sperm—to the beekeeping public. These bees are exceptionally gentle, highly productive, and winter well in northern climates. However, the Secretary must be given the authority to release the germ plasm to the public.

Beekeepers all around the country are anxious to use the germ plasm to improve their crops. I therefore urge my colleagues to support my amendment.

Mr. President, it is my understanding that this amendment, which has no financial impact, is simply an authorization to the Department to release the product of the research by the Department over the years and has no budgetary impact. It is my understanding it has been cleared by the administration and by both managers of the bill.

Mr. JEPSEN. Mr. President, this amendment would explicitly grant authority to the Secretary of Agriculture to release bee germ plasm to members of the public. It is my understanding that the Department has developed this germ plasm and now seeks explicit authority for its release to the public. The Secretary has similar authority to release seeds and plants developed by the Department to members of the public (7 U.S.C. 2201).

Mr. President, I feel this amendment would be beneficial to beekeepers and farmers and the general public. Consequently, I would be willing to accept it and urge its adoption.

Mr. BOREN. Mr. President, if there be no further comment on the amendment I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma.

The amendment (UP No. 386) was agreed to.

Mr. BOREN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JEPSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 387

(Purpose: To provide for the development of an effective plan to deal with the adverse impact of suspensions on export sales of agricultural commodities)

Mr. GRASSLEY. Mr. President, I send to the desk an unprinted amendment on behalf of my self, Senator BOSCHWITZ, and Senator JEPSEN, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Iowa (Mr. GRASSLEY), for himself, Mr. BOSCHWITZ, and Mr. JEPSEN, proposes an unprinted amendment numbered 387.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 245, between lines 2 and 3, insert the following new section:

DEVELOPMENT OF PLANS TO ALLEVIATE ADVERSE IMPACT OF EXPORT EMBARGOES ON AGRICULTURAL COMMODITIES

SEC. 1205. (a) In order to alleviate, to the maximum extent possible, the adverse impact on farmers, elevator operators, common carriers, and exporters of agricultural commodities when the President or other member of the executive branch of the Federal Government causes the export of any agricultural commodity to any country or area of the world to be suspended or restricted, the Secretary of Agriculture shall—

(1) develop a comprehensive contingency plan that includes—

(A) an assessment of existing farm programs with a view to determining whether such programs are sufficiently flexible to the Secretary to efficiently and effectively offset the adverse impact of such a suspension or restriction on farmers, elevator operators, common carriers, and exporters of commodities provided for under such programs.

(B) an evaluation of the kinds and availability of information needed to determine, on an emergency basis, the extent and severity of the impact of such a suspension or restriction on producers, elevator operators, common carriers, and exporters; and

(C) the development of criteria for determining the extent, if any, to which the impact of such a suspension or restriction should be offset in the case of each of the sectors referred to in subclause (B);

(2) for any embargo for which compensation is not provided under section 1204 of this bill, develop and submit to the Congress such recommendations for changes in existing agricultural programs, or for new programs, as the Secretary considers necessary to handle effectively; efficiently, economically, and fairly the impact of any such suspension or restriction; and

(3) for any embargo for which compensation is provided under section 1204 of this bill, develop and submit to the Congress a plan for implementing and administering section 1204;

(4) require the Commodity Credit Corporation, before such corporation purchases any contracts for the purpose of offsetting the impact of a commodity suspension or restriction, to—

(A) prepare an economic justification for each commodity involved in the suspension to determine if such a purchase is necessary;

(B) estimate any suspension-related benefits and detrimental effect to the exporters, and use both estimates in determining the extent, if any, Federal assistance is needed; and

(C) require the Commodity Credit Corporation to limit its purchases to only those types and grades of commodities suspended from shipment and to make such purchases at prices at or near the current market prices.

Mr. GRASSLEY. Mr. President, this amendment has been cleared by both sides of the aisle.

I commend the Agriculture Committee for its fine work in developing its

embargo protection provision. It is a clear reflection of the committee's insight and sensitivity to how terribly wrong selective embargoes against agriculture products can be.

Some may argue that this provision is too restrictive, that it would cost too much. These people simply miss the point. The principle reason for this provision is to make it highly unlikely that another irresponsible selective embargo against agriculture products will ever be imposed again.

If at some future date an embargo of exports is viewed to be necessary and is in our national interest, then there is no reason on Earth why it should not be imposed against all exports. There is absolutely no legitimate reason to single out our farmers to carry the burden of our foreign policy.

It may be a politically easy decision to single out farmers, since they make up only about 3 percent of our population, but that, as you all know, is a pretty poor reason.

If, on the other hand, agriculture products are proven to be an effective foreign policy tool—a highly questionable proposition in light of the dismal failure of the Soviet embargo—but if it is decided for some reason food and fiber should be utilized as a major foreign policy tool, then all Americans, not just farmers, should be willing to pay for this tool.

In summary, I see no evidence that embargo protection provision is out of line and I urge defeat of any amendment that is aimed at watering it down.

I am offering an amendment, however, that I think will nicely compliment the present provision. This amendment adopts various recommendations from a recent General Accounting Office report that I received during the latter part of July. This report, which resulted from a request of several of my colleagues and myself when I was a Member of the House last year, centers upon the Department of Agriculture's efforts to offset the impact of the Soviet grain embargo.

It should be an understatement to say that I am disturbed by what I have learned from this report. It is clear that the embargo was imposed in such haste that the USDA nad insufficient time to adequately analyze the effects and impact of the embargo on our agricultural community and to develop an effective plan to mitigate this impact. This haste led to mistakes, very questionable purchase agreements, with exporters, and inefficient administration that resulted in unnecessary cost to the Federal Government and exasperated the already tremendous burden that was forced upon the American farmer.

I am submitting the digest of this GAO report into the RECORD. I urge everyone to take a look at it. This report clearly points out the need for the USDA to develop a contingency plan to help insure that the effects of any future suspensions are offset in a more efficient and timely manner. This plan should include an assessment of existing farm programs to determine if they are flexible enough to effectively offset the impact of an embargo; an evaluation of the types and availability of necessary information to determine the extent and severity of the embargo, not only on farmers, but also elevator operators, common carriers, and exporters; and the extent to which the impact of the embargo should be offset.

Furthermore, the Secretary should develop and submit to Congress recommendations for program changes or new programs that will help with the mitigation of the impact of embargoes. My amendment requires the Commodity Credit Corporation to handle more responsibly future purchases of contracts aimed at mitigating the impact of embargoes.

Let me make it clear now, that in no way is it my intention that this amendment in any way to replace any portion of the present embargo protection provision of the farm bill. On the contrary, this amendment will help more efficiently and effectively implement the present provision. Furthermore, my amendment requires planning to cover all embargoes, whether they are selective or across the board.

I strongly urge your support for this amendment.

I ask unanimous consent that the GAO report to which I made reference be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

GAO REPORT

On January 4, 1980, the President announced that for foreign policy and national security reasons, the Federal Government was suspending the shipment of about 18 million metric tons of agricultural commodities—primarily wheat and corn—to the Soviet Union. The President directed the Department of Agriculture to take actions to offset the suspension's impact on farmers.

These offsetting actions, most of which were concerned with stabilizing market prices, included:

Removing the suspended grain from the market by increasing the wheat and corn price-support loan rates, adjusting the farmer-owned reserve program, and purchasing grain directly from farmers and country grain elevators, and

Purchasing exporters' undeliverable grain contracts with the Soviet Union.

This was the first time that the Federal Government had attempted to offset a suspension's impact on the U.S. agricultural sector. In April and May 1980 eight Members of Congress asked GAO to investigate and report on various Federal actions concerning the suspension.

Lack of time to adequately plan offsetting actions:

Because of the short time between the decision to suspend shipments and the suspension's announcement, Agriculture was not able to thoroughly analyze the suspension's potential impact and develop a comprehensive plan of offsetting actions.

The planning caused Agriculture to (1) erroneously anticipate that the farmer-owned reserve would efficiently remove the undeliverable grain, (2) purchase the exporters' Soviet contracts valued at about $2.4 billion with little documentation that such purchase was necessary, and (3) inefficiently implement the offsetting actions. It took Agriculture almost 6 months to complete these actions.

Under the Export Administration Act of 1979, any administration may suspend the export of agricultural commodities. Such action may have severe effects on the grain production and marketing industries. Accordingly, it is important that the potential effects of the various actions or combination of actions that could be taken to most efficiently offset the potential impact of any future suspensions be identified and analyzed.

Implementation of offsetting actions increased costs and losses:

Agriculture's purchase and resale of the exporters' Soviet contracts and its purchase of corn and wheat from farmers were two major actions taken to offset the supension's impact. Agriculture implemented these actions in a manner which led to Federal losses or increased Federal costs.

Agriculture's Commodity Credit Corporation purchased a total of 202 exporters' contracts involving 14.4 million metric tons of corn, wheat, soybeans, and soybean products valued at about $2.4 billion. The Corporation and exporters agreed to deductions from the contract prices for exporters' profits and short-inventory positions, if applicable. These deductions are to be made at final settlement.

The contracts called for delivery between January and August 1980; however, Agriculture negotiated delayed delivery dates with the exporters for most contracts at an additional cost of about $163 million. Between March 27 and August 7, 1980, the Corporation resold these contracts, mostly to the same exporters, for about $2.1 billion, resulting in a provisional loss to the Government of about $475 million pending final settlement.

The Corporation could have decreased this loss by about $75.5 million if it had not made a questionable purchase of soybean and soybean product contracts.

The Corporation required that an amount be deducted from the contract purchase price if an exporter had not yet purchased grain to fully cover its Soviet sales. However, this deduction does not cover the exporters' presuspension sales to countries other than the Soviet Union for which the exporters had not yet purchased grain. Because of the lower grain prices caused by the suspension, the exporters may have realized greater profits than they anticipated on these sales. In determining action to offset the suspension's impact, the Corporation should have considered all potential profits caused by the suspension.

The Corporation also entered into 43,929 separate contracts with farmers and grain elevators to purchase 4.1 million metric tons of corn and 4.2 million metric tons of wheat at a cost of about $978 million. If the Corporation continues to own much of this grain until the end of fiscal year 1981, it will spend about $141 million to store, handle, and transport the purchased grain.

The Corporation purchased grain at prices substantially above market prices, purchased some low-quality grain at high prices, and purchased wheat varieties not involved in the suspension. These actions unduly increased Federal purchase costs. It is not possible to determine if the grain purchase will result in a net gain or loss until the Corporation sells the grain.

Agriculture also experienced problems in administering the purchase program. For example, Agriculture's State and county offices could not answer farmers' questions because of the untimely dissemination of purchase instructions. Officials in most of the 4 State and 15 county offices GAO visited stressed the purchase program's administrative problems.

Recommendations to the Secretary of Agriculture:

To help ensure that the effects of any future suspensions are offset in a more orderly, systematic, and timely manner, the Secre-

tary should develop and keep current a contingency plan that would include:

An assessment of existing farm programs to determine if they are flexible enough to efficiently and effectively offset the impact of a grain sales suspension on farmers;

An evaluation of the types and availability of data needed to determine on short notice the extent and severity of a suspension's impact on farmers, grain elevators, grain transporters, and exporters; and

An analysis of the extent, if any, to which the impact on each of the agricultural sectors should be offset.

After assessing existing farm programs, the Secretary should develop and submit to the Congress any legislative recommendations for modifying the existing programs or instituting new programs that the Secretary finds are necessary in developing a contingency plan.

If the Corporation again considers purchasing exporters' contracts to offset the impact of future suspensions, the Secretary should direct it to:

Prepare an economic justification for each commodity involved in the suspension to determine if such purchase is necessary; and

Estimate any suspension-related benefits and detrimental effects to the exporters, and use both estimates in determining the extent of Federal assistance needed.

If the Corporation again considers open market purchases as an offsetting action, the Secretary should direct it to purchase only the types and grades of commodities suspended from shipment and to make such purchases at prices at or near the existing market prices.

Mr. GRASSLEY. Mr. President, in short explanation, I say that this amendment complements the existing provisions of embargo protection that are in the bill and it is an outgrowth of a report by the General Accounting Office that suggested that in the future it would be wise for the Department of Agriculture to have a contingency plan if there ever be a future embargo, and this amendment would direct the Secretary of Agriculture to do that.

The PRESIDING OFFICER. The Chair recognizes the senior Senator from Iowa.

Mr. JEPSEN. Mr. President, Senator GRASSLEY's amendment on embargo protection which stems from the recently released GAO report titled "Lessons to be Learned From Offsetting the Impact of the Soviet Grain Sales Suspension," I believe has a great deal of merit. The amendment requires the Secretary to develop a contingency plan for remedial action to be taken upon embargo promulgation. Such plan would include an assessment of existing farm programs, an evaluation of available information and the development of criteria in order to determine the extent of offset needed to protect the interest of producers, elevator operators, common carriers, and exporters. In addition, the Secretary would be required to submit to Congress recommendations for changes in existing agricultural programs to more effectively handle the impact of an embargo. Finally, the Department's Commodity Credit Corporation would have to justify any purchase of contracts prior to taking the action.

Aware of the importance that Senator GRASSLEY attaches to this amendment and my assessment that it provides a useful complement to the provisions of the bill, I endorse its inclusion into S. 884.

We have no objection.

Mr. HUDDLESTON. Mr. President, we have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the junior Senator from Iowa.

The amendment (UP No. 387) was agreed to.

Mr. JEPSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CRANSTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 388

(Purpose: To provide assistance to a farmer who removes his land from production for the purpose of installing permanent conservation measures)

Mr. GRASSLEY. Mr. President, I send to the desk a second unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Iowa (Mr. GRASSLEY) for himself and Mr. JEPSEN proposes unprinted amendment No. 388.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 344, between lines 3 and 4, insert the following:

PAYMENTS FOR LAND REMOVED FROM PRODUCTION FOR CONSERVATION PURPOSES

SEC. 1545. The Secretary of Agriculture (referred to in this section as the "Secretary") is authorized to enter into contracts to provide financial assistance in the form of payments to owners and operators of cropland located in counties where the soil normally freezes to a depth of at least four inches annually who remove such land from agricultural production for a period not to exceed one year for the purpose of installing enduring conservation measures which involve excavation of the soil. The payments under such contracts shall be in such amounts equal to the number of acres of cropland removed from agricultural production for such purpose multiplied in an amount not to exceed 50 per centum of the typical annual rent paid for similar land in the county. Financial assistance may not be provided under this subtitle with respect to any conservation measure without approval of the soil and water conservation district board for the district in which the land is located, and may not, in the aggregate, be provided in any year with respect to more than one-half of 1 per centum of the cropland in any county.

Mr. GRASSLEY. Mr. President, this amendment is also cosponsored by my senior Senator from Iowa (Mr. JEPSEN).

This amendment provides that the Secretary of Agriculture should have discretionary authority.

Mr. JEPSEN. Mr. President, will the Senator yield?

Mr. GRASSLEY. I yield.

Mr. JEPSEN. Is this amendment No. 532? What was the number again?

Mr. GRASSLEY. Since we made the changes this would be an unprinted amendment.

The PRESIDING OFFICER. The clerk advised that this is unprinted amendment No. 388.

Mr. JEPSEN. Is this the substitute for it? Did the Senator modify amendment 532?

Mr. GRASSLEY. Yes; we did modify it.

Mr. JEPSEN. Is that now UP amendment No. 388?

Mr. GRASSLEY. I am sorry. I do not have the number for it. We made the changes.

Mr. JEPSEN. We have a printed amendment.

The PRESIDING OFFICER. The Senator from Iowa is correct. Printed amendment 532, I am so advised, deals with the same subject matter.

Mr. GRASSLEY. It is a modified amendment 532.

Mr. JEPSEN. Mr. President, for our edification will the clerk please read the modification?

The only thing we have in our hands is amendment No. 532.

Mr. BAKER. Ask the clerk to state the amendment as modified.

The PRESIDING OFFICER. The Senator will withhold for a moment. The amendment is momentarily out of the Chamber being duplicated.

The clerk will now state the amendment.

The assistant legislative clerk read the amendment.

Mr. GRASSLEY. Mr. President, this amendment is to provide assistance to a farmer who removes his land from production for the purpose of installing permanent conservation measures. Payments would be made to farmers, up to, but not above one-half the average annual rental rate, for land taken out of production during the year that the conservation structures are installed.

This amendment authorizes the Secretary to provide payments to farmers, in counties where the soil normally freezes to a depth of not less than 4 inches annually, who removes his land from production to construct permanent conservation measures.

The level of the payments would be at the discretion of the Secretary—whatever he views as necessary to carry out the program; however, the payment cannot exceed one-half the average annual rental rate for similar land in the county. Furthermore, no more than one-half of 1 percent of the land in any county may be covered under this program in any year.

Assistance would require the approval of the soil and water conservation district board for the district in which the land is located.

In the past, set-aside or land diversion programs were utilized quite frequently. It was common for farmers to take land out of production that needed conservation structures. The structures could be built during the growing season as a result of these programs.

However, in recent years, set-asides and land deversion programs have been implemented less frequently. Consequently, the opportunity to do major conservation work that requires movement of soil is diminished in areas that experience heavy freezes during the winter. There are only a few short weeks following harvest and before planting that could be used in these areas for this type of conservation work, therefore, these farmers will generally have to remove land from production for the entire year if they construct these conservation structures. This limitation, unshared by Southern area farmers, has retarded the progress of soil conservation efforts in many parts of the country.

I urge support for this needed and useful amendment.

Mr. JEPSEN. Mr. President, we feel this is a good amendment.

Mr. President, I ask unanimous consent that I be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, we have no objection.

Mr. JEPSEN. There is no objection on the other side and we are ready to vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the junior Senator from Iowa.

The amendment (UP No. 388) was agreed to.

Mr. GRASSLEY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JEPSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 389

(Purpose: To prohibit the making of deficiency payments to States and their subdivisions under the programs for wheat, feed grains, upland cotton, and rice)

Mr. LEVIN. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Michigan (Mr. LEVIN) proposes an unprinted amendment numbered 339.

Mr. LEVIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 223, beginning with line 24, strike out all down through line 4 on page 224 and insert in lieu thereof the following:

(6) No payment (excluding disaster payments) may be made under any of the annual programs established under the Agricultural Act of 1949 for wheat, feed grains, upland cotton, and rice to any State or to any political subdivision or agency of any State.

Mr. LEVIN. Mr. President, I will be very brief. This is a relatively simple amendment and one which would close what would appear to be a loophole in the bill.

Under existing law, the States which run prison farms and county farms are eligible to receive deficiency payments. Payments totaling about $1.7 million—I say million—were received in 1978, which was the last year that such payments were made.

But this program was not intended to benefit States. It is not a revenue-sharing program.

The program of deficiency payments is intended to benefit farmers and I, therefore, in this amendment would close that loophole and make States and their subdivisions ineligible to receive these payments.

Again the amount of money is small. I am even a little bit reluctant at this hour, and having heard so much about billions today, to offer an amendment which simply saves $1.7 million. But, perhaps, if we put enough of these amendments together, we can get up into the billion-dollar range.

In any event, Mr. President, the average loss to about 30 States would be about $60,000, and I believe the amendment is acceptable to the manager of the bill and to the minority, ranking minority, member as well.

This simple amendment would correct what seems to me to be a loophole in the farm bill. Under present law, State governments are eligible to receive deficiency payments. S. 884 does not change the law and therefore would allow States and counties to continue to receive these payments.

Deficiency payments were devised to supplement farm income in bad years without raising commodity prices. Presumably, such payments give farmers the capital necessary to continue their operations, in hopes of better prices the next year.

This is not a revenue-sharing measure and I do not believe that State and local governments should be participating in this program. I was surprised to find that they are and I cannot believe that it was intended that they should qualify for payments.

Many of the payments are going to State departments of corrections and county governments. My amendment would prevent such operations from receiving deficiency payments.

My amendment is drafted, however, so that if an individual farmer leases land from a State or local unit of government that that farmer would be eligible for deficiency payments, so as to not discriminate between owners and tenants.

I believe that this is a fairly noncontroversial amendment and I hope my colleagues will join me in closing this small loophole in S. 884.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. JEPSEN. Payments to State institutions have not been large. No payments were made in 1980, payments were only $182,000 in 1979 and no payments were made in 1978.

I wonder if any payments were appropriate. Deficiency payments are a hand extended by the Government to help farmers over a difficult year. I frankly believe a State institution is in a better position to weather a poor year than a small farmer. We should not be in a position of underwriting a State operation.

I am willing to accept the Senator's amendment. This body accepted language similiar to this in the last Congress.

I believe it is acceptable now.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan (putting the question).

The amendment (UP No. 389) was agreed to.

Mr. JEPSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEVIN. I thank the Senator from Iowa.

There is a second amendment which I am scheduled to offer. I am going to withhold that at this time. Whether I offer it tomorrow will depend in large measure on whether I am here tomorrow.

The PRESIDING OFFICER. The Chair extends special gratitude for withholding the amendment tonight.

Who seeks recognition?

Mr. JEPSEN. Mr. President, will the Senator from Michigan yield for a question?

Mr. LEVIN. I would be happy to.

Mr. JEPSEN. Should the Senator decide not to offer it will we be notified by phone or mail or what?

Mr. LEVIN. We will do it the quick way. We will do it by mail. [Laughter.]

I thank my friend from Iowa for suggesting that. The first thing in the morning my office will notify the Senator as to whether or not I am here or not.

The PRESIDING OFFICER. The majority leader is recognized.

## ROUTINE MORNING BUSINESS

(The following routine morning business was transacted during the day:)

## MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

## EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

## MESSAGES FROM THE HOUSE

At 10:50 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, with amendments, in which it requests the concurrence of the Senate:

S. 1181. An act to amend titles 10 and 37, United States Code, to increase the pay and allowances and benefits of members of the uniformed services and certain dependents, and for other purposes.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 4241. An act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1982, and for other purposes.

At 11:21 a.m., a message from the House of Representatives, delivered by Mr. Gregory, announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 325. Joint resolution making continuing appropriations for the fiscal year 1982, and for other purposes.

## HOUSE MEASURES REFERRED

The following bill and joint resolution were read twice by unanimous consent, and referred as indicated:

H.R. 4241. An act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1982, and for other purposes; to the Committee on Appropriations.

H.J. Res. 325. Joint resolution making continuing appropriations for the fiscal year 1982, and for other purposes; to the Committee on Appropriations.

## EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1944. A communication from the Clerk of the United States Court of Claims, transmitting pursuant to law, a report on the decision of the Court in the case of The Nez Perce Tribe of Idaho v. The United States, No. 179A; to the Committee on Appropriations.

EC–1945. A communication from the Chairman of the United States Metric Board, transmitting, pursuant to law, a report on an issue related to the voluntary metric conversion process; to the Committee on Commerce, Science, and Transportation.

EC–1946. A communication from the Secretary of the Interior, transmitting, pursuant to law, an application for repayment of excess royalty payments by Ocean Production Company; to the Committee on Energy and Natural Resources.

EC–1947. A communication from the Secretary of the Interior, transmitting, pursuant to law, an application for repayment of excess royalty payments by Shell Oil Company; to the Committee on Energy and Natural Resources.

EC–1948. A communication from the Secretary of the Interior, transmitting, pursuant to law, an application for repayment of excess royalty payments by Texaco, Incorporated; to the Committee on Energy and Natural Resources.

EC–1949. A communication from the Secretary of the Interior, transmitting, pursuant to law, an application for repayment of excess royalty payments by Shell Oil Company; to the Committee on Energy and Natural Resources.

EC–1950. A communication from the Acting Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty day period prior to September 10, 1981; to the Committee on Foreign Relations.

EC–1951. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Greater Use of Exemplary Education Programs Could Improve Education For Disadvantaged Children"; to the Committee on Labor and Human Resources.

## PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–417. A petition from a citizen of Mission, Texas, urging congressional cooperation with the efforts of the Reagan Administration to strengthen the Nation's military; to the Committee on Armed Services.

POM–418. A resolution adopted by the National Association of the Deaf, relating to telephone equipment for persons who wear hearing aids; to the Committee on Commerce, Science, and Transportation.

POM–419. A concurrent resolution adopted by the Legislature of the State of Mississippi; to the Committee on Energy and Natural Resources:

"SENATE CONCURRENT RESOLUTION No. 502

"Whereas, the people of the State of Mississippi have always been leaders in supporting matters involving the national interest; and

"Whereas, the people of the State of Mississippi continue to support well-documented matters of national interest; and

"Whereas, there has been much discussion regarding the storage of high-level nuclear waste from other states at sites within Mississippi; and

"Whereas, no one knows what the long-range effect of such storage will be; and

"Whereas, the Mississippi Legislature opposes the use of salt domes in Mississippi for storage of high-level radioactive waste; and

"Whereas, the Mississippi Energy and Transportation Board has been charged with the responsibility of coordinating, developing, and reviewing all high-level nuclear waste activities in the State of Mississippi; and

"Whereas, the Energy and Transportation Board has coordinated the efforts of other agencies of the state, as well as the state's institutions of higher learning, in assessing previous program efforts, including studies and subsequent reports of the Department of Energy and/or its contractors; and

"Whereas, the State of Mississippi's assessment of the studies that have been conducted to date has stated that the studies have not been totally objective, inadequate regard for sociological issues is in evidence, critical geotechnical issues have not been adequately addressed, and the published Site Peformance Criteria have not been equitably applied at critical decision points leading to subsequent plans of study; and

"Whereas, the state, through its several agencies, has been asked to concur in a plan of study which it considers inadequate to properly address in a technologically conservative time frame, critical geotechnical, environmental, and/or socio-economic issues; and

"Whereas, Mississippi endorses development of an environmentally sound, technologically conservative, and socially acceptable, comprehensive high-level nuclear waste management policy by the Congress of the United States; and

"Whereas, the United States Department of Energy is investigating geologic media in many of the contiguous states of the United States for their suitability as potential high-level nuclear waste repositories; and

"Whereas, the State of Mississippi endorses involvement of its technical community as a reviewer of any plans and as an overseer of any activities developed or conducted by the United States Department of Energy, any successor agency thereto, or any contractors thereof in the evaluation and tests of any geologic media as a potential high-level nuclear waste repository, temporary high-level radioactive waste storage facility, or facility for technological testing and evaluation; and

"Whereas, the State of Mississippi is opposed to the use of its state port facilities, highways and air transportation facilities in the transportation, receipt and delivery of nuclear and high-level radioactive waste; and

"Whereas, the State of Mississippi, through its constitutional right, reserves that right to reasonable objection for sociological, economic, environmental, technological, or institutional purposes:

*"Now, therefore, be it resolved by the Senate of the State of Mississippi, the House of Representatives concurring therein,* That the Legislature of the State of Mississippi, being unalterably opposed to the storage of high-level nuclear waste in this state and the use of our air, land and seagoing transportation facilities for the transportation of high-level radioactive waste, hereby memorializes the Congress of the United States to:

"(a) Develop and cause to be implemented a comprehensive, technologically conservative, national high-level radioactive waste management policy;

"(b) Provide, through legislation, consultation and concurrence processes to be adhered to by the United States Department of Energy, or any successor agency thereto, and any state in which the federal government is conducting or intends to conduct studies of the geologic media for their suitability as a potential high-level nuclear waste repository or a test and evaluation facility;

"(c) Authorize the involved states and the federal government to enter into consultation and concurrence agreements, such agreements containing provisions for conflict resolution;

"(d) Allow any affected state to voice reasonable objection to decisions regarding sociological, or institutional issues;

"(e) Provide for a two-house congressional override of any reasonable objection raised by an affected state;

"(f) Provide reasonable financial assistance as necessary to any state in which area characterization or subsequent phases of study are initiated; and

"(g) Provide a mechanism whereby a state,

through legally constituted authority, can oversee any activity of the Department of Energy, any successor agency thereof, or any contractor or subcontractor thereto and participate in the development of any plans regarding the National Waste Terminal Storage Program.

*"Be it further resolved*, That the Congress is hereby memorialized to adopt legislation which will treat all states equally, and if any state is granted veto power over location of a high level nuclear waste facility then all states should be granted an equal privilege.

*"Be it further resolved*, That copies of this resolution be sent to the President of the United States Senate, the Speaker of the United States House of Representatives, the members of Mississippi Congressional Delegation, Governor William Winter, and to members of the Capitol Press Corps."

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POM–420. A joint resolution adopted by the Legislature of the State of California; to the Committee on Finance:

"RESOLUTION CHAPTER—

"Assembly Joint Resolution No. 7—Relative to Social Security recipients.

"LEGISLATIVE COUNSEL'S DIGEST

"AJR 7, N. Waters. Social security recipients.

"This measure would memorialize the President and Congress to investigate alternatives to the imposition of an earnings ceiling for social security beneficiaries 65 years of age and older.

"Whereas, There are over 2 million persons 65 years of age or over in California; and

"Whereas, Most of these senior citizens have paid into the social security system during their working lives, and are now receiving social security benefits; and

"Whereas, The existing Social Security Act establishes an earnings ceiling, which when reached, is deducted from the monthly benefit amount; and

"Whereas, In this period of high inflation, seniors often find it necessary to continue work or return to work to afford the bare necessities of life; and

"Whereas, This earnings ceiling is discouraging to seniors who wish to continue work or who must work; now, therefore, be it

*"Resolved by the Assembly and Senate of the State of California, jointly*, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to investigate alternatives to the imposition of an earnings ceiling for all social security beneficiaries aged 65 and older; and be it further

*"Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

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POM–421. A joint resolution adopted by the Legislature of the State of California; to the Committee on Foreign Relations:

"RESOLUTION CHAPTER —

"Assembly Joint Resolution No. 20—Relative to the sale of naval vessels.

"LEGISLATIVE COUNSEL'S DIGEST

"AJR 20, Felando. Naval vessels: destroyers: sale to foreign countries.

"This measure would memorialize the Congress of the United States to discontinue the sale of destroyers to any country which uses its fleet to seize and harass United States fishing boats.

"Whereas, During 1980, the countries of Costa Rica, Ecuador, Mexico, and Peru seized 22 United States flag tuna vessels, and the cost of the fines and other direct charges paid by the tuna fishermen as a condition for the release of the vessels and crews totaled $9.6 million; and

"Whereas, Another 16 vessels were harassed and detained, and the cost of charges incidental to the seizures and harassment connected with port charges, fuel, travel, and loss of fishing is estimated to exceed $2.5 million; now, therefore, be it

*"Resolved by the Assembly and Senate of the State of California, jointly*, That the Legislature of the State of California respectfully memorializes the Congress of the United States to discontinue the sale of United States destroyers to any country which uses its fleet to seize and harass United States fishing boats; and be it further

*"Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Secretary of Defense, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM–422. A resolution adopted by the Cape May, New Jersey Chamber of Commerce, urging action to account for and return our missing servicemen and fellow Americans in Vietnam; to the Committee on Foreign Relations.

POM–423. A resolution adopted by the Episcopal Urban Caucus of Maryland, opposing the immediate decontrol of natural gas prices; to the Committee on Energy and Natural Resources.

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## EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PERCY, from the Committee on Foreign Relations:

W. Kenneth Davis, of California, to be the Representative of the United States to the 25th Session of the General Conference of the International Atomic Energy Agency; and

The following-named persons to be Alternate Representatives of the United States to the 25th Session of the General Conference of the International Atomic Energy Agency:

Richard T. Kennedy, of the District of Columbia, Roger Kirk, of the District of Columbia, and Thomas M. Roberts, of Tennessee.

(The above nominations were reported from the Committee on Foreign Relations with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

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## INTRODUCTION OF BILLS AND JOINT RESOLLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. THURMOND (for himself, Mr. BIDEN, Mr. HATCH, Mr. KENNEDY, Mr. DENTON, Mr. DECONCINI, Mr. DOLE, Mr. EAST, Mr. SIMPSON, Mr. SPECTER, and Mr. LAXALT):

S. 1630. A bill to codify, revise, and reform title 18 of the United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. SPECTER:

S. 1631. A bill to establish a Presidential Commission on the Bicentennial of the U.S. Constitution; to the Committee on the Judiciary.

By Mrs. HAWKINS:

S. 1632. A bill to amend the Internal Revenue Code of 1954 to allow certain partnerships and partners to continue to report income on the cash method; to the Committee on Finance.

S. 1633. A bill to prohibit the issuance of phosphate mining leases in Osceola National Forest, Fla.; to the Committee on Energy and Natural Resources.

By Mr. COCHRAN (for himself and Mr. DOLE):

S. 1634. A bill to incorporate the National Federation of Music Clubs; to the Committee on the Judiciary.

By Mr. WEICKER (for himself, Mr. DURENBERGER, Mr. STEVENS, Mr. COHEN, Mr. D'AMATO, Mr. DIXON, Mr. DODD, Mr. PRESSLER, Mr. TSONGAS, and Mr. WARNER):

S. 1635. A bill to delay the application of Revenue Ruling 81–216 until January 1, 1983; to the Committee on Finance.

By Mr. MATHIAS:

S. 1636. A bill for the relief of Hae Ok Chung; to the Committee on the Judiciary.

By Mr. D'AMATO:

S. 1637. A bill to establish a Federal annuity program to compensate participants in private pension plans which terminated before July 1, 1974, for nonforfeitable pensions benefits which were lost by reason of the termination, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. MOYNIHAN:

S. 1638. A bill to establish a national memorial to Franklin Delano Roosevelt, and for other purposes; to the Committee on Rules and Administration.

By Mr. KENNEDY:

S.J. Res. 109. A joint resolution to designate August 30, 1982, as "Roy Wilkins Day"; to the Committee on the Judiciary.

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## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. THURMOND (for himself, Mr. BIDEN, Mr. HATCH, Mr. KENNEDY, Mr. DENTON, Mr. DECONCINI, Mr. DOLE, Mr. EAST, Mr. SIMPSON, Mr. SPECTER, and Mr. LAXALT):

S. 1630. A bill to codify, revise, and reform title 18 of the United States Code; and for other purposes; to the Committee on the Judiciary.

(The remarks of Mr. THURMOND and Mr. BIDEN appear earlier in today's RECORD.)

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By Mr. SPECTER:

S. 1631. A bill to establish a Presidential Commission on the Bicentennial of the U.S. Constitution; to the Committee on the Judiciary.

PRESIDENTIAL COMMISSION ON THE BICENTENNIAL OF THE UNITED STATES CONSTITUTION

Mr. SPECTER. Mr. President, I rise today to introduce a bill to establish a Presidential Commission on the Bicentennial of the U.S. Constitution. Six years from now, America will celebrate the 200th anniversary of the framing of

the U.S. Constitution. This remarkable document has served us well; it has not only defined the power and authority of Government, it has confined and limited these powers. It has protected our civil rights. It has endured through war and peace, drought and flood, good times and bad. With the single exception of the Civil War, no constitutional crisis has ever threatened its foundation.

Our Constitution has well survived the transformation of this remarkable Nation from a country of small communities with sparse population into a country of enormous complexity and diversity, which is the envy of the nations and people of the world. Our Nation's Constitution has often been copied but never equaled.

The bill I introduce today, to create a Presidential Commission on the Bicentennial of the U.S. Constitution, provides the framework for orderly planning, research, and preparing for an appropriate commemoration of all the people of this Nation in 1987, the 200th anniversary of the writing of our great Constitution. It provides for scholarly studies, convocations, seminars, and other programs to promote understanding of the contribution of the Constitution to the American political system and our entire society.

I urge early consideration and passage of this bill.

Mr. President, I ask unanimous consent to have the bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1631

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That there is established the President's Commission on the Bicentennial of the United States Constitution (hereinafter referred to as the "Commission").

MEMBERSHIP OF THE COMMISSION

SEC. 2. (a) The Commission shall be composed of seventeen members appointed by the President. No more than nine members may be identified with the same political party. Such members shall be chosen to represent the broad spectrum of the Nation's people, and one member shall be designated as the Chairman by the President.

(b) Nine members of the Commission shall constitute a quorum. Six members shall be sufficient to hold hearings.

(c) The members of the Commission shall receive no compensation for their services. Members of the Commission shall be reimbursed for all expenses incurred by them in the performance of their duties as members.

(d) Any vacancy on the Commission shall not affect its powers. Vacancies shall be filled in the same manner in which the original appointments were made.

DUTIES OF THE COMMISSION

SEC. 3. (a) The Commission shall—

(1) investigate and evaluate ways of commemorating the 200th anniversary of the framing of the Constitution of the United States;

(2) plan and coordinate observances and activities commemorating the events culminating in the framing of the Constitution, particularly in communities and locations closely associated with such events;

(3) encourage and provide educational programs to increase public understanding of the issues, problems, debates, and individuals involved in framing the Constitution; and

(4) promote through scholarly studies and other means understanding of the contributions of the Constitutional convention and the Constitution to the American political system, both as a source of governmental authority and as a limit on such authority, through study of the papers of James Madison, Alexander Hamilton and other persons involved in the framing of the Constitution.

(b) In fulfilling its responsibilities, the Commission is authorized and directed to consult, cooperate with, and seek advice and assistance from, appropriate Federal departments and agencies, State and local public bodies, learned societies, and historical, patriotic, philanthropic, civic, professional, and related organizations. Such Federal departments and agencies shall cooperate with the Commission in planning, encouraging, developing, and coordinating appropriate commemorative activities.

DIRECTOR AND PERSONNEL OF THE COMMISSION

SEC. 4. (a) The Commission shall have a Director appointed by the Commission without regard to section 5311(b) of title 5, United States Code. The Director shall be paid at a rate not to exceed the rate of basic pay in effect from time to time for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) The Commission may appoint, without regard to section 5311(b) of title 5, United States Code, personnel the Commission deems to be appropriate. Such personnel may be paid at a rate not to exceed the rate of basic pay in effect from time to time for grade GS–15 of the General Schedule under section 5332 of title 5, United States Code.

(c) Except as provided in subsection (a) and subsection (b), the Director of the Commission and any personnel of the Commission shall be appointed by the Commission without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

(d) The Commission may procure temporary or intermittent services under section 3109(b) of title 5, United States Code, at a rate of pay not to exceed the rate of basic pay in effect from time to time for grade GS–15 of the General Schedule under section 5332 of title 5, United States Code.

(e) Section 311 of the Civil Service Reform Act of 1978 shall not apply with respect to the employment of individuals by the Commission.

POWERS OF THE COMMISSION

SEC. 5. (a) The Commission or, on the authorization of the Commission, any member thereof, may, for the purpose of carrying out the provisions of this Act take such action as is authorized by the Act.

(b) The Commission may accept, use, and dispose of donations of property or services.

(c) The Commission may procure supplies, services, and property, and make contracts.

(d) For purposes of transmitting official mail, members of the Commission shall be deemed to be officers of the United States.

(e) The Administrator of General Services shall provide to the Commission, on a reimbursable basis, such administrative support services as the Commission may request.

REPORT AND TERMINATION OF THE COMMISSION

SEC. 6. (a) Not later than two years after the date of enactment of this Act, the Commission shall submit to the President and to each House of Congress a comprehensive report incorporating a plan for commemorating the framing of the Constitution and related events. This report may recommend—

(1) the production, publication, and distribution of books, pamphlets, films, and other educational materials focusing on the history, culture, and political thought of the period of the United States Constitution;

(2) bibliographical and documentary projects and publications;

(3) conferences, convocations, lectures, seminars, and other programs;

(4) the development of libraries, museums, historic sites, and exhibits, including mobile exhibits;

(5) ceremonies and celebrations commemorating specific events;

(6) programs and activities focusing on the national and international significance of the United States Constitution, and its implications for present and future generations;

(7) the issuance of commemorative coins, medals, certificates of recognition, and stamps; and

(8) any other programs and activities appropriate to the achievement of the objectives set forth in subsection (a) of section 3.

(b) The Commission shall terminate thirty days after the submission of the report required by subsection (a).

AUTHORIZATION

SEC. 7. There are authorized to be appropriated without fiscal year limitations $1,000,000 to carry out the purposes of this Act.

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By Mrs. HAWKINS:

S. 1632. A bill to amend the Internal Revenue Code of 1954 to allow certain partnerships and partners to continue to report import on the cash method; to the Committee on Finance.

RELIEF FOR FARM PARTNERSHIPS

● Mrs. HAWKINS. Mr. President, I am introducing today a bill to provide relief from some burdens unnecessarily imposed on citrus-grove and other farm partnerships by the Internal Revenue Code. This bill amends a section of the tax code which currently creates inequities among individual partners engaged in farming and which may encourage some partners who own citrus groves to sell the groves to condominium or other developers.

Most citrus-grove and other farm partnerships are permitted to and do use a cash method of accounting. However, section 447 provides that any farm partnership that happens to have among its partners a certain type of corporate partner, must use an accrual method. A partnership could be forced to convert from a cash to an accrual method if a corporate partner's gross receipts increase above a certain level, if a corporate partner loses its status as a small business corporation because of the death of a shareholder or an internal dispute, or if a corporate partner is no longer owned by a family because of the death of a family member. These are changes over which individual farmers who are also members of the farm partnership have no control, yet these individuals suffer the consequences of a change in method of accounting.

The conversion to an accrual method

results in an acceleration of income and a deferral of deductions. This creates an added tax burden for each partner, distorts cash flow, and may make participation in the farm partnership no longer an economically worthwhile venture. The partners may force the partnership to sell its land to condominium or other developers. This is of great concern to us in Florida.

Even if the partnership does not sell its land, its partners are at a disadvantage with respect to partners in partnerships that have no corporate partners. That is a form of unfair discrimination.

The bill that I propose today would rectify these problems. First, this bill allows a partnership to continue to use the cash method, provided the corporate partner disposes of its partnership interest within a grace period. Second, the legislation does not require individual partners to convert to an accrual method following a change in a corporate partner's status; instead, the corporate partner reports its share of income determined on the accrual basis while the individual partners continue to report their shares of income determined on the cash basis.

This legislation provides a fair solution to a problem that inflation or death may bring upon citrus-grove and other farm partnerships. Moreover, the legislation rectifies the problem without disturbing any of the rationale underlying the enactment of section 447 of the Internal Revenue Code.

I invite the support of my colleagues on this legislation, and ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1632

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. GRACE-PERIOD RULE.

Section 447 of the Internal Revenue Code of 1954 (relating to method of accounting for corporations engaged in farming) is amended by adding after subsection (h) the following new subsection:

"(i) EXCEPTION FOR CERTAIN PARTNERSHIPS.—Subsection (a) shall not apply to a partnership if—

"(1) on October 4, 1976, and at all times thereafter, the partnership was engaged in the trade or business of farming;

"(2) subsection (a) did not apply to the partnership for its first taxable year beginning after December 31, 1976; and

"(3) prior to the end of the first taxable year of the partnership which begins on or after the end of the first taxable year of a corporate partner in which such corporate partner is no longer described in subsection (c), the corporate partner transfers its full partnership interest to one or more persons other than corporations (except for corporations which are described in subsection (c)). For purposes of the preceding sentence, such transfer shall include a transfer to a corporation whose stock is distributed in a transaction qualifying under section 355."

SEC. 2. DOUBLE METHOD OF ACCOUNTING.

Section 447 of the Internal Revenue Code of 1954 (relating to method of accounting for corporations engaged in farming) is amended by adding after subsection (i) (as added by section 1 of this Act) the following new subsection:

"(j) SPECIAL RULE FOR ELECTING PARTNERSHIPS.—

"(1) ELIGIBILITY FOR ELECTION.—A partnership shall be permitted to make an election under this subsection only if—

"(A) on October 4, 1976, and at all times thereafter, the partnership was engaged in the trade or business of farming; and

"(B) subsection (a) would apply (but for this subsection) solely because a corporation which was a partner on October 4, 1976, and at that time was described in subsection (c), is no longer so described.

"(2) TIME FOR ELECTION.—A partnership must make the election under this subsection on or before the return date for the first taxable year of the partnership which begins on or after the end of the first taxable year of the corporate partner in which it is no longer described in section (c).

"(3) METHOD OF MAKING ELECTION.—A partnership shall make an election under this subsection using a method prescribed by the Secretary in regulations.

"(4) ELECTION.—A partnership may elect to compute its income under both the method specified in subsection (a) and the method used in the year preceding the year when subsection (a) became applicable. An electing partnership shall file returns reporting income under each method and shall keep such records as the Secretary may prescribe. If a partnership makes an election under this subsection—

"(A) a partner which is a corporation which is not described in subsection (c) shall report its distributive share of income and credits (including the distributive share of any section 481 adjustments resulting from a change in accounting method) based upon the partnership computation of income under the method specified in subsection (a), and

"(B) the remaining partners shall report their distributive shares of income and credits based upon the partnership computation of income under the method used in the year preceding the year when subsection (a) became applicable."

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall apply to taxable years ending after December 31, 1980.●

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By Mrs. HAWKINS:

S. 1633. A bill to prohibit the issuance of phosphate mining leases in Osceola National Forest, Florida; to the Committee on Energy and Natural Resources.

OSCEOLA NATIONAL FOREST

● Mrs. HAWKINS. Mr. President, I am today introducing legislation to settle a controversy over mining activities in the Osceola National Forest. It is a controversy that has gone on for over 10 years, and one that should be settled now. There is no reason for it to drag on longer.

At issue are preference right lease applications filed by four companies under the 1920 Mineral Leasing Act in the Osceola National Forest. Although the lease applications were filed as far back as 1969, no leases have been issued by the Department of Interior. The State of Florida and the Florida public expressed opposition to mining within the boundaries of the forest, and this has delayed the issuance of the leases.

Since 1969, the National Environmental Policy Act was enacted; accordingly, the Department of Interior revised its rules for the issuance of leases. Although the Department still has the lease applications under review, passage of the act has reduced the likelihood that the companies will get the leases for which they applied when less extensive requirements were in effect.

I would like to emphasize, Mr. President, that I am not at this time taking a position on the environmental issues raised by this dispute. The companies claim that the mineral deposits, mostly phosphate and coal, can be developed without damage to the environment. Environmentalist groups contend otherwise, and I do not know that the question will ever be settled.

It is legal to mine in national forests under the Mineral Leasing Act, and four companies have invested considerable money in locating the minerals and filing lease applications. It is my position that their efforts have earned them property rights in the lease applications, rights that can be satisfied only by either issuing the leases, or by compensating the companies in some way. It is the purpose of my legislation to provide a mechanism for compensation.

It may well be asked why my legislation does not clarify the right of the companies to the leases for which they applied. The answer is twofold: I am not convinced that the resource is unique. There are, I believe, other deposits of phosphate that could be developed before there is any need to consider the question of development of the Osceola deposits. The same can be said for coal.

The second part of the answer is the degree of opposition to mining within the forest. There is a strong move afoot to have the forest designated wilderness, which would prohibit all mining. Legislation creating the Osceola wilderness passed the House of Representatives last year. That legislation would not extinguish the claims of the companies with lease applications, but it does indicate the intensity of the opposition to mining, at least on the part of some individuals.

It is evident that any move to issue the actual leases and permit the start of mineral development would be met with dogged resistance in the courts, costing the public and the companies millions of dollars, and not resulting in any immediate action. Under the circumstances, it seemed better to me to seek a mechanism for compensation that was acceptable on all sides. That is what my legislation would do.

Now as to the actual provisions of my bill. To begin with, my bill does not create a wilderness in the Osceola. My bill does prohibit mining in the forest. It also prohibits any prospecting permits from being issued and invalidates all permits issued after September 29, 1967. These prohibitions being statutory, they can be changed by later statute, and that fact is stated in the bill.

The most important provision deals with the exchange of lands. The lease applications in question are specified,

and the Secretary of the Interior is given 3 years to exchange the lease applications for leases covering other minerals under the Mineral Leasing Act. These leases are to be of substantially equal value, and the details of the negotiation and exchange are to be submitted to the relevant committees of Congress for 120 days before they become final.

In the event that an exchange cannot be negotiated that is satisfactory to all parties, the Secretary of Interior is authorized to acquire the preference right lease applications by purchase or condemnation.

Two questions need to be addressed, Mr. President. The first is the use of an exchange mechanism rather than direct purchase. There are two reasons. One is that the budget is tight now, and we do not need any further drain on the Treasury. The second is that it is imperative that the Federal Government get used to using land exchange mechanisms if we are ever to be able to settle some of the questions of land use in our Western States. This Florida exchange can be used to give us practice and smooth out the procedures.

It is the second question, smoothing out exchange procedures, that is of national significance. My bill uses the word "substantially" to describe the value of exchanged assets. The bill does not say that the exchange of preference right lease applications has to be for leases of "equal value," but for leases of "substantially equal value."

The reason for the use of this word, Mr. President, is an effort to find a way to break the impasse over Federal land exchanges. It is impossible to ascertain equal value, and the inability to do so is one of the stumbling blocks to a comprehensive exchange of Federal lands throughout the United States that would allow for the consolidation of scattered State school sections, the establishment of logical mining units, and a number of other desirable developments. The Federal Land Planning and Management Act of 1976, or FLPMA, permits the equalization of exchanges through money payments, but it does nothing to help us determine when values are equal or not equal.

In studying this question, Mr. President, I noticed that, in early versions of the bill that eventually became FLPMA, Senator JACKSON from Washington, then chairman of the Senate Energy Committee, used the word "approximately" equal in value. He apparently realized the difficulty in measuring values of land which has not always been thoroughly explored, and sought a way out of the impasse that then existed. The word "approximately" was dropped from later versions of the bill, and it is not in the present law. I would like to return to his concept, using the word "substantially."

It is important to note that the Secretary of Interior is not left entirely free to make decisions on "substantially equal value" unchecked. Any agreement he negotiates will have to be submitted to the Senate Energy Committee, the House Committee on the Interior and Insular Affairs, and the House Agriculture Committee. It will rest with those committees for 120 days before becoming final. That will give the committees ample time to take action overturning the Secretary's action.

It is possible that companies will get out of this procedure a lease that is slightly better than the ones which they had on application in the Osceola. I say "slightly" because that is what I mean. I have no reason whatever to think that somebody is going to get an enormous windfall. I feel that we have to worry less about the possibility that some individual will make some money somewhere than we do about where we are going to get the mineral and energy base upon which this country depends. It is not only those companies that are going to benefit.

The American people will benefit by having a more assured supply of needed minerals. The delays in getting minerals out of the ground while we worry about who is going to make how much have contributed significantly to our unfortunate dependence on foreign oil and strategic minerals. The American people have an interest in rational, orderly, and expeditious development of the Nation's mineral resources. That is what an exchange provision geared to "substantially equal values" is designed to give them.

Mr. President, there have been other bills introduced dealing with mining in the Osceola, and hearings have been requested. I urge the Energy Committee to move ahead on this legislation and stand ready to help in any way I can.●

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By Mr. COCHRAN (for himself and Mr. DOLE):

S. 1634. A bill to incorporate the National Federation of Music Clubs; to the Committee on the Judiciary.

NATIONAL FEDERATION OF MUSIC CLUBS

● Mr. COCHRAN. Mr. President, today, Senator DOLE and I are introducing legislation to grant to the National Federation of Music Clubs a congressional charter. This organization has made many valuable contributions to the development and appreciation of American music and to the musical education of our citizens. Its influence has been felt not only in this country but internationally as well.

The National Federation of Music Clubs was founded in 1898 and has grown into the largest philanthropical musical organization in the world, with 600,000 members. Approximately 6,000 organizations, including the Music Teachers National Association, the American Symphony Orchestra League, and the National Association of Schools of Music, are affiliated with the National Federation of Music Clubs.

The purposes of the federation include the support and encouragement of music education, the promotion of American musicians, and the enhancement of the public's knowledge and appreciation of the arts. The federation views as its primary objective the promotion of American music—composers and performers. The federation awards scholarships to young artists, veterans, and blind musicians.

Approximately 15,000 awards have been made to member organizations and the communications media in recognition of their efforts to promote American music. Through the federation, the American Society of Composers, Authors, and Publishers makes available cash awards to educational institutions, summer music festivals and centers, and music clubs.

In support of symphony orchestras, the National Federation of Music Clubs sponsors string groups, supplies instruments, and awards scholarships through its crusade for strings program.

The national federation is also dedicated to the promotion of international music appreciation through its International Music Relations Department. When the Athens, Greece, symphony needed money to replace strings which had rusted on their instruments when hidden in caves from the Nazis, the National Federation of Music Clubs purchased and delivered $1,500 worth of replacement parts to the Greek Minister of Information.

Other projects include the promotion of dance, the music in hospitals program, and the sacred music program.

Among advisers to the American Music Department have been such well known musicians as John Tasker Howard, Douglas Moore, and Samuel Barber. Internationally acclaimed soprano Beverly Sills serves as the adviser to the opera department. National Federation of Music Club winners who have achieved international fame include Van Cliburn, Shirley Verrett, Donald Gramm, Martha Lipton, and Carol Glenn. Composers who have won national federation prizes include Deems Taylor, Paul Creston, Peter Mennin, and Horatio Parker.

For its leadership in making music an important part of our national and international life and for encouraging excellence in all fields of music, the National Federation of Music Clubs should be recognized. Passage of this legislation to grant a congressional charter will honor those many individuals who have dedicated their time and talents unceasingly so that all can enjoy the beauty of music.

Please join with Senator DOLE and me in paying tribute to this worthy organization.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1634

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Congress finds and declares that—

(1) the influence of the National Federation of Music Clubs is felt throughout the United States and throughout the world;

(2) the National Federation of Music Clubs has provided leadership in making the fine arts an important part of our national and international life; and

(3) the National Federation of Music Clubs is devoted to encouraging excellence in all fields of music.

SEC. 2. Mrs. Jack C. Ward, Mrs. Dwight D. Robinson, Mrs. Clifford Allison, Mrs. William Millard, Mrs. R. E. L. Freeman, Mrs. Alan W. Trorey, Mrs. Joe Ince, Miss Mary Heininger, and Mrs. Maurice Honigman; and their successors, are hereby created and declared to be a body corporate by the name of the National Federation of Music Clubs (hereinafter referred to as the "corporation"), and by such name shall be known and have perpetual successsion, and the powers, limitations, and restrictions herein contained.

SEC. 3. The persons named in section 2 of this Act shall be the incorporators of the corporation and a majority of such persons are authorized to complete the organization of the corporation by the selection of officers and employees, the adoption of the constitution and bylaws, not inconsistent with this Act, and the doing of such other acts as may be necessary for such purpose.

SEC. 4. This corporation is formed for fraternal, patriotic, historical, and educational purposes; to bring into working relations with one another, music clubs and other musical organizations and individuals directly or indirectly associated with musical activity for the purpose of developing and maintaining high musical standards; to aid and encourage musical education; and to promote American music and American artists throughout the United States of America and other nations.

SEC. 5. The corporation shall have power—

(1) to sue and be sued, complain, and defend in any court of competent jurisdiction;

(2) to adopt, alter, and use a corporate seal;

(3) to appoint and fix the compensation of such officers, employees, managers, and agents, as its business may require, and define their authority and duties;

(4) to adopt, amend, and alter bylaws and regulations not inconsistent with the laws of the United States or any State, or the District of Columbia, in which such corporation is to operate, for the management of its property and the regulation of its affairs;

(5) to make and carry out contracts;

(6) to charge and collect membership dues, subscription fees, and receive contributions or grants of money to be devoted to the carrying out of its purposes;

(7) to take and hold by lease, gift, purchase, grant, devise, or bequest any property, real, personal, or mixed, necessary for attaining the objects and carrying into effect the purposes of the corporation, subject, however, to applicable provisions of law of any State or the District of Columbia (A) governing the amount or kind of real and personal property which may be held by or (B) otherwise limiting or controlling the ownership of real and personal property by, a corporation operating in such State, or the District of Columbia;

(8) to transfer, convey, lease, sublease, mortgage, encumber, and otherwise alienate real, personal, or mixed property;

(9) to borrow money for the purpose of the corporation, issue bonds or other evidences of indebtedness therefor, and secure the same by mortgage, deed of trust, pledge, or otherwise, subject in every case to all applicable provisions of the Federal and State laws or of the laws of the District of Columbia; and

(10) to do any and all lawful acts and things necessary and proper to carry out the objects and purposes of the corporation.

SEC. 6. Eligibility for membership in the corporation and the rights and privileges of members shall, except as provided in this Act, be determined as the constitution and bylaws of the corporation may provide.

SEC. 7. (a) Upon the enactment of this Act and for not more than one year thereafter, the membership of the initial board of directors of the corporation shall consist of those persons named in section 2 of this Act.

(b) Thereafter, the board of directors of the corporation shall consist of such number, shall be selected in such manner, and shall serve for such term as may be prescribed in the constitution and bylaws of the corporation.

(c) The board of directors shall be the governing board of the corporation, and shall be responsible for the general policies and program of the corporation and for the control of all funds of the corporation.

(d) The board of directors may establish an executive committee and other committees to exercise such power as may be prescribed in the bylaws.

SEC. 8. The officers of the corporation shall be those provided in its bylaws. Such officers shall be elected in such manner, for such term, and with such duties, as may be prescribed in such bylaws.

SEC. 9. (a) The principal office of the corporation shall be located at 1336 North Delaware Street, Indianapolis, Indiana 46202, or in such other place as may later be determined by the board of directors, but the activities of the corporation shall not be confined to that place but may be conducted throughout the United States and each territory, possession, and dependency of the United States.

(b) The corporation shall maintain at all times in the District of Columbia a designated agent authorized to accept service of process for the corporation, and notice to or service upon such agent, or mailed to the business address of such agent, shall be deemed notice to, or service upon, the corporation.

SEC. 10. (a) No part of the income or assets of the corporation shall insure to any member, officer, employee, or member of the board of directors, executive board, or committees, or be distributable to any such person during the life of the corporation or upon its dissolution or final liquidation. Nothing in this subsection, however, shall be construed to prevent the payment of reasonable compensation to officers of the corporation or reimbursement for actual expenses in amounts approved by the corporation's board of directors.

(b) The corporation shall not make loans to its members, officers, employees, or members of the board of directors, executive board, or committees. Any member of the board of directors who votes for or assents to the making of such loan, and any officer who participates in the making of a loan, shall be jointly and severally liable to the corporation for the amount of such a loan until the repayment thereof.

SEC. 11. The corporation shall be liable for the acts of its officers, agents, managers, and employees when acting within the scope of their authority or employment.

SEC. 12. The corporation and its officers and members of the board of directors as such shall not contribute to or otherwise support or assist any political party or candidate for office.

SEC. 13. The corporation shall have no power to issue any shares of stock nor to declare or pay any dividends.

SEC. 14. The corporation shall keep correct and complete books and records of account. It shall also keep minutes of the proceedings of its members and board of directors and executive board and committee authorized by the board of directors. The corporation shall keep at its principal office a record of the names and addresses of its members entitled to vote. All books and records of the corporation may be inspected by any member, or his agent or attorney, for any proper purpose, at any reasonable time.

SEC. 15. Upon dissolution or final liquidation of the corporation, after discharge or satisfaction of all outstanding obligations and liabilities, the remaining assets of the corporation may be distributed in accordance with the determination of the board of directors of the corporation and in compliance with this Act, the bylaws of the corporation, and all other Federal and State laws of the District of Columbia applicable thereto.

SEC. 16. The corporation shall have the sole and exclusive right to use and allow or refuse to others the use of the name "National Federation of Music Clubs", and to have and to use such distinctive insignia, emblems, seals, and badges, descriptive or designating marks, and words or phrases as may be required to carry out the purpose of the corporation. No powers or privileges hereby granted shall, however, interfere or conflict with established or vested rights.

SEC. 17. The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved Augst 30, 1964 (78 Stat. 635; 36 U.S.C. 1101), is amended by adding at the end thereof the following:

"(49) National Federation of Music Clubs".

SEC. 18. The right to alter, amend, or repeal this Act is hereby expressly reserved to the Congress.●

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By Mr. WEICKER (for himself, Mr. DURENBERGER, Mr. STEVENS, Mr. ANDREWS, Mr. COHEN, Mr. D'AMATO, Mr. DIXON, Mr. DODD, Mr. PRESSLER, Mr. PRYOR, Mr. TSONGAS, and Mr. WARNER):

S. 1635. A bill to delay the application of Revenue Ruling 81–216 until January 3, 1983; to the Committee on Finance.

APPLICATION OF REVENUE RULING 81–216

● Mr. WEICKER. Mr. President, I am sending to the desk legislation to postpone the effective date of Revenue Ruling 81–216 until January 1, 1983. I am pleased to be joined on this bill by my colleagues, Senators DURENBERGER, STEVENS, ANDREWS, COHEN, D'AMATO, DIXON, DODD, PRESSLER, PRYOR, TSONGAS, and WARNER.

This precipitate ruling by the IRS has eliminated an important source of funding for small businesses and farms, and in so doing, has threatened their very survival. Indeed, it is one of the most counterproductive, wrongheaded, and illtimed revenue rulings I have seen in my tenure as a U.S. Senator.

On August 24, 1981, the Internal Revenue Service issued, and made effective immediately, their decision on Revenue Ruling 81–216, which denies tax exemption for multiple lots of bonds of $1 million or less that are pooled and issued as one bond. This ruling reverses a long standing practice and revokes three previous revenue rulings allowing States to run so-called "umbrella" bond programs.

A number of States have established agencies which issue "umbrella" bonds

that have assisted farmers and owners of small businesses. For example, my State, through the Connecticut Development Authority (CDA), has operated an umbrella bond program specifically to help healthy small businesses to expand.

In Connecticut, this program has been responsible for making loans totaling more than $195 million to growing small businesses since 1973. Those bonds went to over 518 companies and created 9,400 new jobs. In addition, they allowed another 19,500 jobs to be retained. Needless to say, this program has been very important to Connecticut's economy and has been an enormous source of Federal tax revenues.

Since the IRS issued Revenue Ruling 81–216, CDA has had to close its doors to small businesses. And Connecticut is not alone. Other State programs—more than 20 of them—that used these small issue, tax-exempt, industrial or agricultural bonds to run productive programs must also be closed down.

Without the State authority's assistance, individual farmers and small business owners aided by these programs will be deprived of a valuable source of affordable credit. The rule of thumb for most small businesses today is that they are offered conventional financing at two points over prime. Under the umbrella bond program, CDA has been able to make loans to small businesses at approximately 60 percent of prime.

Mr. President, this ruling could not have been more ill-timed. Interest rates right now are at an all-time high, conventional small business and farm development assistance programs are being cut back, and more and more responsibility for local economic development is being placed on State governments. Let us make no mistake: Small businesses and farmers are the frontline troops in the anti-inflation battle. They are already bearing the brunt of our economic programs. This ruling will only make matters worse.

As I mentioned, this ruling reverses a 9-year practice and revokes three previous revenue rulings allowing States to issue these agricultural and industrial bonds. A policy change of this magnitude ought to be considered and decided by the Congress.

Although they had not specifically addressed this issue members of the House Ways and Means Committee are expected to continue their consideration of the use of small industrial development bonds. This ruling completely prejudges congressional determination, and is prejudiced against small enterprises. Furthermore, it preempts and may very well foreclose Congress' opportunity to take contrary action.

Finally, by overturning the long standing practice, the IRS has caught States that relied on previous rulings with commitments in the pipeline.

In Connecticut, these commitments amounted to $88 million, due to be distributed to some 222 small firms. Recognizing that many of these businesses had already begun building in anticipation of the money, the IRS this week granted an exemption for my State, in effect "grandfathering" these loans so the expansion can take place as planned.

This action removes the very serious, immediate problem that faced my State, and I am pleased about that. However, it does nothing to address the long-term consequences of this counterproductive ruling.

In Connecticut, and in at least 20 other States, the very valuable and needed programs that administered these loans will be closing their doors unless something is done to halt this IRS ruling.

I think it is also important to point out that one of the central themes of this administration has been the need to return decisionmaking to the local and State level. This action by the IRS takes away an important tool used by States to promote local economic development. In so doing, it is contradictory to the principles espoused over the past several month.

Mr. President, my colleagues and I today sent a letter to Treasury Secretary Regan urging him to postpone this ruling on his own initiative.

Farmers will lose, small businesses will lose, and in the end, we all will lose if this ruling is allowed to stand.

I urge my colleagues to adopt this legislation to postpone the effective date of this ruling until January 1, 1983, to allow Congress an opportunity to decide this issue.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1635

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That with respect to obligations issued after August 24, 1981, and before January 1, 1983, section 103 of the Internal Revenue Code of 1954 shall be applied without regard to Revenue Ruling 81–216 (and without regard to any other regulation, ruling, or decision reaching the same result as, or a result similar to, the result set forth in such Revenue Ruling).●

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By Mr. D'AMATO:

S. 1637. A bill to establish a Federal annuity program to compensate participants in private pension plans which terminated before July 1, 1974, for nonforfeitable pension benefits which were lost by reason of the terminations, and for other purposes; to the Committee on Labor and Human Resources.

TERMINATED PENSIONERS' SURVIVAL ACT

● Mr. D'AMATO. Mr. President, a man or woman who has worked throughout an entire lifetime should retire with dignity. A man or a woman who has been promised and may have contributed to a retirement plan should not spend his or her retired life unable to afford the necessities of life.

I come before you today to speak on behalf of those hardworking Americans who through no fault of their own have retired or will retire pensionless. I would like to read a letter from one "pension loser," Mr. Michael Fletutor of Hudson, N.Y., whose situation is by no means unique:

> I worked for Gifford-Wood Inc. from October 1, 1940 until 1972, or for 32 years. I had vested rights, but received nothing . . . I belonged to the United Steel Workers Union, Local 3487 of Hudson, New York.
>
> The Gifford-Wood Company Inc. of Hudson, New York was used as an example for the United States Congress—the pension law was passed, but we were not included in the plan.
>
> If you can help us, "God Bless You." Thank you. Please respond. Any help you can offer would be much appreciated.

Mr. Fletutor is not alone. There are over 60,000 whose lives have been shattered by lost pensions. They built their hopes and dreams for a decent retirement on the promise of a pension—a pension which they had earned. That promise was broken. I am shocked that this situation has been implicitly sanctioned by the Federal Government.

Congress saw the need to protect pensioners from the plight which these Americans have suffered when it enacted the Employee Retirement Income Security Act of 1974 (ERISA). However, the pension insurance program under ERISA does not apply to these people. It is indeed astounding that these same Americans who exposed the flagrant injustices of the pension system as it existed prior to 1974 were not covered by the act.

Today I am introducing legislation which will help these older Americans make ends meet. This legislation, the Terminated Pensioners' Survival Act will will give these workers who built America hope. It will help them pay the food, gas, and electric bills. In short, it will help them survive. This bill will provide annually $75 for every year a "pension loser" worked toward his or her pension which was later terminated. For example, a person who worked 20 years for one company would receive $1,500 a year. The payments which they will receive are small in comparison to the amounts which these individuals contributed to their plans and what these plans would have paid out had they remained solvent.

This important piece of legislation provides compensation to those Americans who gave their blood and sweat to their employers and country, only to be told that they could not have what rightfully belonged to them. Similar legislation has been introduced in the House by Congressman WOLPE. This is not a partisan issue. Republicans and Democrats alike can support this legislation knowing full well that there are "pension losers" in every State who are leading meager existences.

The U.S. Department of Labor has estimated that over 13,000 pension plans terminated between the years of 1942 and 1974 without paying out promised benefits. The companies associated with these plans include Art Metal (New York), Studebaker-Packard (Michigan and Indiana), Hazel Atlas Glass (West

Virginia and Pennsylvania), Black, Sivalls, and Bryson Steel (Oklahoma), and SCOA Industries (Wisconsin). There are many, many more.

This proposal takes into account the current Federal budget. Unlike much legislation, the Terminated Pensioners' Survival Act has built-in limitations both as to the number of recipients and the size of Federal expenditures. The qualified beneficiaries are a finite group which can only decrease with time. The annual cost of benefits paid out through this program will be, at its highest point, approximately $33 million at the end of the century.

Mr. President, I am shocked that these older Americans have been stripped of what they had earned. I am shocked that these older American workers are being treated like second-class citizens. I am shocked that we have allowed this situation to continue. I implore my colleagues to take action on this vital bill. Because of the advanced age of many of the "pension losers" we must take immediate action. Many of these people are desperate. Each day we delay prolongs their misery. This legislation offers them the hope that, at last Congress will recognize and rectify this past injustice.

I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1637

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SHORT TITLE

SECTION 1. This Act may be cited as the "Terminated Pensioners' Survival Act."

DEFINITIONS

SEC. 2. For purposes of this Act—

(1) The terms "State" and "United States" have the meanings set forth for such terms in paragraph (10) of section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002).

(2) The terms "participant", "beneficiary", "nonforfeitable", and "defined benefit plan" have the meanings set forth in paragraphs (7), (8), (19), and (35), respectively, of section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002).

(3) The term "early terminated plan" means a defined benefit plan—

(A) which is described in subsection (a) of section 4 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1003) and is not described in subsection (b) of that section, and

(B) the termination date of which (as determined by Secretary of Labor) was before July 1, 1974.

(4) The term "qualified participant" means an individual who—

(A) was a participant in an early terminated plan,

(B) had immediately before the termination a nonforfeitable benefit under the plan, and

(C) has not received payment in full of such benefit by reason of the termination of the plan.

(5) The term "qualified spouse" means an individual who is the widow (within the meaning of section 216(c) of the Social Security Act (42 U.S.C. 416(c)) or the widower (within the meaning of section 216(g) of such Act (42 U.S.C. 416(g)) of a qualified participant.

ENTITLEMENT TO ANNUITY

SEC. 3. (a) A qualified participant who is alive on the effective date set forth in section 13 is entitled, subject to subsection (d), and upon approval under this Act of a claim therefor, to an annuity computed under section 4(a).

(b) A qualified spouse who is alive on the effective date set forth in section 13 is entitled, subject to subsection (d), and upon approval under this Act of a claim therefor, to an annuity computed under section 4(b).

(c)(1)(A) The annuity of a qualified participant commences on the day after the later of—

(i) the effective date set forth in section 13, or

(ii) the date on which the qualified participant attains sixty-five years of age.

(B) The annuity of a qualified participant and the right thereto terminate at the end of the last calendar month preceding the day on which the qualified participant dies.

(2)(A) The annuity of a qualified spouse of a qualified participant commences on the latest of—

(i) the effective date set forth in section 13,

(ii) the first day of the month in which the qualified participant dies, or

(iii) if the qualified participant dies before attaining 65 years of age, the first day of the month in which the qualified participant would have attained such age but for the qualified participant's death.

(B) The annuity of a qualified spouse and the right thereto terminate at the end of the last calendar month preceding the day on which the qualified spouse dies.

(d) Entitlements to annuities under this section shall take effect only to such extent or in such amounts as are provided in advance in appropriation Acts.

COMPUTATION OF ANNUITY

SEC. 4. (a) The annuity computed under this subsection (relating to a qualified participant) in connection with any early terminated plan is equal to—

(1) the product of $75 and the number of years of service of the qualified participant under the plan, reduced by

(2) the amount of nonforfeitable pension benefits under the plan (if any)—

(A) to which the qualified participant is entitled, and

(B) which remain payable as of the effective date set forth in section 13 or any later date.

(b) The annuity computed under this subsection (relating to the qualified spouse of a qualified participant) in connection with an early terminated plan is equal to the greater of—

(1) 50 percent of the amount determined under paragraph (1) of subsection (a) in connection with such qualified participant, reduced by

(2) the amount of nonforfeitable pension benefits under the plan (if any)—

(A) to which the qualified spouse is entitled, and

(B) which remain payable as of such date or any later date.

CLAIM REQUIREMENTS

SEC. 5. (a) Claims for annuities under this Act shall be in such form as the Secretary of Labor shall by regulation prescribe.

(b) Claim forms shall be made available to the public by the Social Security Administration in local offices of the Administration, and completed claim forms may be filed at such local offices. The Administration shall promptly forward any such completed claim forms to the Secretary of Labor. The Secretary of Labor shall provide the Administration with claim forms necessary to carry out this subsection.

(c)(1) Claims for annuities under this Act which meet the requirements of subsection (a) and of paragraph (2) of this subsection shall be approved by the Secretary.

(2)(A) A claim meets the requirements of this paragraph if the claim includes evidence sufficient to establish that the claimant is a qualified participant or qualified spouse.

(B) Evidence which may be relevant for purposes of subparagraph (A) includes, but is not limited to—

(i) employment and payroll records of the applicable employer who, alone or together with others, maintained the early terminated plan,

(ii) documents and records of the early terminated plan,

(iii) relevant correspondence, and

(iv) affidavits.

(C) In considering claims for annuities under this Act, the Secretary of Labor shall consider, on the request of a claimant or the claimant's representative, in addition to any other relevant evidence—

(i) a comparison of employment and payroll records which were maintained under chapter 21 of the Internal Revenue Code of 1954 (relating to Federal Insurance Contributions Act) or under the Social Security Act (42 U.S.C. 301 et seq.) with records maintained by the Internal Revenue Service relating to the qualifications status of trusts forming part of a stock bonus, pension, or profit-sharing plan under part I of subchapter D of chapter 1 of the Internal Revenue Code of 1954 (relating to pension, profit-sharing, stock bonus plant, etc.), and

(ii) records maintained under the Welfare and Pension Plans Disclosure Act of 1958.

ADMINISTRATIVE APPEALS

SEC. 6. (a)(1) The Secretary of Labor shall send any individual whose claim under this Act is denied by the Secretary a written notice of the denial. Such notice shall include the reason for the denial and shall set forth the procedures required to be followed in order to obtain review under this Act.

(2) Any such individual whose claim is denied is entitled to—

(A) a reasonable time, but not less than thirty days after receipt of the written notice of denial described in paragraph (1), to request a review and to furnish affidavits and other documentary evidence in support of the request;

(B) be represented by an attorney or other representative; and

(C) unless a hearing is undertaken under subsection (b), a written decision and the specific reasons therefor at the earliest practicable date.

(b)(1) The Secretary may, and, upon the request (made within fifteen days after receipt of the notice referred to in subsection (a)(1)) of any individual entitled to such notice, shall, provide by regulation for a hearing which shall be before an administrative law judge appointed under section 3105 of title 5, United States Code, or any other employee of the Department of Labor designated by the Secretary (hereinafter in this subsection referred to as the "presiding official") and which may be in lieu of or in addition to the review requested under subsection (a). Any such hearing shall be conducted in accordance with the requirements of this subsection and sections 554 and 555 of title 5, United States Code.

(2) The presiding official shall, on the basis of evidence presented at the hearing, affirm, modify, or reverse any earlier applicable findings of fact and decision under this Act.

(3) In the course of any such hearing, the presiding official may administer oaths and affirmations, examine witnesses, and receive evidence. Evidence may be received at any such hearing even though inadmissible under rules of evidence applicable to court procedure.

(4)(A) For the purpose of any such hearing, the presiding official may issue subpenas requiring the attendance and testimony of witnesses and the production of any evidence which relates to any matter under investigation or in question before such official.

(B) The attendance of witnesses and production of evidence at the designated place of the hearing may be required from any place in the United States or in any territory or possession thereof.

(C) Subpenas issued by the presiding official shall be served by anyone authorized by such official—

(i) by deliving a copy thereof to the individual named therein, or

(ii) by registered mail or by certified mail addressed to such individual or at such individual's last dwelling place or principal place of business.

(D) A verified return by the individual so serving the subpena setting forth the manner of service or, in the case of service by registered mail or by certified mail, the return post office receipt therefor signed by the individual so served shall be proof of service.

(E) Witnesses so subpenaed shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States.

(5) In the case of contumacy by, or refusal to obey a subpena duly served upon, any person, any district court of the United States for the judicial district in which the person charged with contumacy or refusal to obey is found or resides or transacts business, upon application by the Secretary, shall have jurisdiction to issue an order requiring the person to appear and give testimony, or to appear and produce evidence, or both. Any failure to obey such order of the court may be punished by the court as contempt thereof.

(c)(1) The findings and decisions of the presiding official under subsection (a) or (b) shall be binding upon all individuals involved.

(2) No finding of fact or decision of the presiding official shall be reviewed by any person, tribunal, or governmental agency except as provided in section 7.

(3) No action against the United States, the Secretary of Labor, or any officer or employee thereof shall be brought under section 1331 or 1346 of title 28, United States Code, to recover on any claim arising under this Act.

JUDICIAL REVIEW

SEC. 7. (a) Any individual, after any final decision made after a hearing under section 6(b), irrespective of the amount in controversy, may obtain a review of the decision by a civil action commenced within sixty days after the mailing to the individual of notice of such decision or within such further time as the Secretary of Labor may allow.

(b) Any action commenced under this section shall be brought in—

(1) the district court of the United States for the judicial district in which the plaintiff resides, or in the judicial district in which is located the plaintiff's principal place of business, or

(2) if the plaintiff does not reside within any such judicial district and the plaintiff's principal place of business is not located in any such district, in the United States District Court for the District of Columbia.

(c) As part of any answer by the Secretary of Labor, the Secretary shall file a certified copy of the transcript of the record, including the evidence upon which the findings and decision complained of are based.

(d) The court shall enter, upon the pleading and transcript of the record a judgment affirming, modifying, or reversing the decision, with or without remanding the case for a rehearing.

(e) The findings under section 6(b) as to any fact, if supported by substantial evidence, shall be conclusive. In any case in which a claim has been denied because of failure of the claimant to submit proof in conformity with any regulation prescribed under section 4, the court shall review only the question of conformity with such regulations and the validity of the regulations.

(f)(1) The court shall, on the motion of the Secretary made before the Secretary files the Secretary's answer, remand the case to the Secretary for further action by the Secretary. The court may, at any time, on good cause shown, order additional evidence to be taken before the Secretary.

(2) The Secretary shall, after the case is remanded, and after hearing such additional evidence if so ordered—

(A) modify or affirm the earlier findings of fact or decision, or both, under section 6(b), and

(B) file with the court any such additional and modified findings of fact and decision, and a transcript of the additional record and testimony upon which the Secretary's action in modifying or affirming was based.

(3) Any such additional or modified finding of fact or decision shall be reviewable only to the extent provided for review of the original finding of fact or decision.

(g) The judgment of the court shall be final except that it shall be subject to review in the same manner as a judgment in other civil actions.

(h) Any action instituted in accordance with this section shall survive notwithstanding any change in the person occupying the office of Secretary or any vacancy in such office.

PAYMENT OF ANNUITIES

SEC. 8. (a)(1) Each annuity is stated as an annual amount, one-twelfth of which, fixed to the nearest dollar, constitutes the monthly rate payable during the month after the month or other period for which it had accrued.

(2) Any individual whose claim for an annuity under this Act is approved after the date on which the annuity commences under paragraph (1)(A) or (2)(A) of section 3(c) shall be paid the total amount of the annuity payments for months before the date on which the claim is approved in the form of a lump-sum payment.

(b) Upon a final decision under section 6, or upon the final judgment of any court of competent jurisdiction under section 7, that any individual is entitled to one or more annuity payments under this Act—

(1) The Secretary of Labor shall certify to the Secretary of the Treasury—

(A) the name, address, and social security account number of the individual so entitled to receive such payments,

(B) the amount of such payments, and

(C) the time at which such payments should be made, and

(2) the Secretary of the Treasury, through the Division of Disbursement of the Department of the Treasury, shall make such payments—

(A) in accordance with the certification of the Secretary of Labor, and

(B) to the extent practicable, together with any payments of benefits made to the individual under the Social Security Act through such Division.

(c)(1) The Secretary of the Treasury shall promptly notify the Secretary of Labor of each annuity under this Act which terminates.

(2) The Secretary of the Treasury shall transmit quarterly to the Secretary of Labor a report setting forth the following information in connection with the last quarter:

(A) the number of annuities in pay status as of the end of the last quarter;

(B) the number of annuities which terminated during the last quarter; and

(C) the total amount paid as annuity payments under this Act during the last quarter.

(d)(1) Payment due an individual mentally incompetent or under other legal disability may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of the claimant or is otherwise legally vested with the care of the claimant or the claimant's estate. If a guardian or other fiduciary of the individual under legal disability has not been appointed under the law of the State of residence of the claimant, payment may be made to any person who is responsible for the care of the claimant, and the payment bars recovery by any other person.

(2) Determinations under paragraph (1) shall be made by the Secretary of Labor and certified to the Secretary of the Treasury.

(e)(1) Payments under this Act which would otherwise be made to a person under this Act shall be made (in whole or in part) to another person if and to the extent expressly provided for in the terms of any court decree of divorce, annulment, or legal separation, or the terms of any court order or court-approved property settlement agreement incident to any court decree of divorce, annulment, or legal separation. Any payment under this paragraph to a person bars recovery by any other person.

(2) Paragraph (1) shall only apply to payments made by the Secretary of the Treasury under this Act after the date of receipt by both the Secretary of the Treasury and the Secretary of Labor of written notice of such decree, order, or agreement, and such additional information and documentation as the Secretary of Labor may prescribe.

(3) As used in this subsection, the term "court" means any court of any State.

(f)(1) Amounts payable under this Act are not assignable, either in law or equity, or subject to execution, levy, attachment, garnishment, or other legal process, except as otherwise may be provided by Federal law.

(2) Recovery of payments under this Act may not be made from an individual in any case in which the Secretary of Labor determines that the individual is without fault and recovery would be against equity and good conscience.

INTERAGENCY COORDINATION AND COOPERATION

SEC. 9. (a) The Secretary of Labor may make such arrangements or agreements with other departments, agencies, or establishments of the United States for cooperation or mutual assistance in the performance of their respective functions under this Act as are necessary and appropriate to avoid unnecessary expense and duplication of functions.

(b) The Secretary of Labor may use, as appropriate, on a reimbursable or other basis, the facilities or services of any department, agency, or establishment of the United States or of any State or political subdivision thereof, including the services of any of its employees, with the lawful consent of such department, agency, or establishment.

(c)(1) Each department, agency, or establishment of the United States shall co-

operate with the Secretary of Labor and, to the extent necessary and appropriate, provide such information and facilities as the Secretary may request for his assistance in the performance of the Secretary's functions under this Act.

(2) The Secretary of Health and Human Services shall provide the Secretary of Labor with such records, determined by the Secretary of Labor to be necessary to carry out the purposes of this Act, as the Secretary of Labor may request.

(3) Section 6103(j) of the Internal Revenue Code of 1954 (relating to statistical use of returns and return information) is amended—

(A) by redesignating paragraph (4) as paragraph (5); and

(B) by inserting after paragraph (3) the following new paragraph:

"(4) DEPARTMENT OF LABOR.—Returns and return information shall be open to inspection by or disclosure to officers and employees of the Department of Labor whose official duties require such inspection or disclosure for the purpose of, but only to the extent necessary in, considering such returns and return information pursuant to section 5(c)(2)(C) of the Terminated Employee Pension Restoration Act of 1980. Such inspection or disclosure shall be permitted only upon written request which sets forth the specific reason or reasons why such inspection or disclosure is necessary and which is signed by the head of the bureau or office of the Department of Labor requesting the inspection or disclosure.".

DELEGATION OF POWERS AND DUTIES

SEC. 10. The Secretary of Labor may delegate to any officer or employee of the Department of Labor designated by the Secretary any of the powers and duties conferred upon the Secretary by this Act to the extent necessary to effectively carry out the purposes of this Act.

REGULATIONS

SEC. 11. The Secretary of Labor shall, before the effective date set forth in section 13, prescribe the initial regulations necessary to carry out the provisions of this Act. Regulations under this Act shall be prescribed by the Secretary of Labor in consultation, as appropriate, with the Secretary of the Treasury and the Secretary of Health and Human Services.

AUTHORIZATION OF APPROPRIATIONS

SEC. 12. (a) There is authorized to be appropriated for the fiscal year beginning October 1, 1981, to the Department of Labor such sums as are necessary for the purpose of carrying out its functions under this Act (including reimbursable expenses incurred by any other department, agency, or instrumentality of the United States or of any State or political subdivision thereof).

(b) There are authorized to be appropriated to the Department of the Treasury for the purpose of making annuity payments under this Act such sums as are necessary to make such payments beginning with the fiscal year beginning on October 1, 1981, and continuing until the last such payment is made.

EFFECTIVE DATE

SEC. 13. The preceding provisions of this Act (other than sections 11 and 12) shall take effect 180 days after the date of the enactment of the Act.●

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By Mr. MOYNIHAN:

S. 1638. A bill to establish a national memorial to Franklin Delano Roosevelt, and for other purposes; to the Committee on Rules and Administration.

FRANKLIN D. ROOSEVELT MEMORIAL ACT

● Mr. MOYNIHAN. Mr. President, I am reintroducing today a bill to establish a national memorial to Franklin D. Roosevelt. The memorial would be built on Roosevelt Island in the city of New York according to the plans for a Roosevelt Memorial on that site prepared by the late, preeminent American architect, Louis I. Kahn.

January 30, 1982, will mark the 100th anniversary of the birth of Franklin Delano Roosevelt. Unless we act this year, by that date this Nation will not even have begun work on a fitting memorial to one of our greatest Presidents. Since 1955, when Congress first authorized study of a memorial to F.D.R., plans have been proposed, criticized, and discarded for a memorial in Washington, D.C. In its latest version, the Washington memorial to F.D.R. would cost about $23 million and would appropriate several acres of public parkland between the Jefferson and Lincoln Memorials.

This inordinate delay is an extreme disservice to the memory of a man who led this Nation decisively and steadfastly in his campaigns against destitution at home and tyranny abroad. In 100 days he carried through a plan to rescue our society; in 25 years we have been unable to plan a memorial to his achievements.

A memorial in New York is fitting and proper. Franklin Roosevelt was a great New Yorker before he lent his greatness to the Nation. He served his State as State senator and Governor. Many of his achievements in the State presaged his accomplishments in Washington. For example, under his administration, New York established its first programs providing relief of the unemployed and pensions for the elderly.

The memorial design by Louis Kahn is focused on the realization of one of Franklin D. Roosevelt's greatest dreams—the dream of peaceful world order, embodied in the United Nations headquarters building in Manhattan. The memorial incorporates a formal garden, tree-shaded lanes, sculpture, and a columned court at the southern tip of Roosevelt Island, an island transformed into a residential community. From the court, enclosed on three sides by granite columns inscribed with statements by or about F. D. R., visitors view the nearby U.N. buildings or look beyond them to the open sea.

Franklin D. Roosevelt would have approved of this location and design. It reflects his concern for decent housing, his love of the sea, and his penchant for great architecture. The legislation I am introducing would require that the memorial be made accessible to handicapped persons, for whom the life of Franklin Roosevelt is an inspiration.

This bill would authorize the Secretary of the Interior to execute the design for this memorial and would authorize the Secretary to accept private and public contributions. The Four Freedoms Foundation in New York City, a private foundation established in the memory of F. D. R., is prepared to assist in soliciting contributions so that the memorial may truly reflect the continuing devotion of Americans and others to the memory of Franklin D. Roosevelt.

I urge my colleagues to pass this legislation expeditiously and decisively, in the spirit of the man whose birth centenary would go unmarked to our shame.

I ask unanimous consent that a copy of the bill be inserted in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1638

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Franklin D. Roosevelt Memorial Act."

SEC. 2. The Congress hereby finds and declares that—

Franklin Delano Roosevelt, thirty-second President of the United States, was one of the nation's greatest presidents;

Franklin Delano Roosevelt led the nation with vision, forthrightness, courage, and dignity through perilous times both of economic depression and world war;

Franklin Delano Roosevelt was stricken in his adult years with a crippling illness that caused him to be physically handicapped such that his career serves as an example to handicapped people everywhere;

There exists no national memorial appropriately symbolizing the gratitude, devotion, and everlasting respect of the American people for the life and memory of Franklin Delano Roosevelt.

SEC. 3. (a) The Secretary of the Interior is authorized and directed to acquire a site, design, construct, and maintain as a National Memorial, a memorial to Franklin Delano Roosevelt, on the southern end of Franklin D. Roosevelt Island in the City and State of New York.

(b) The memorial designed and constructed pursuant to subsection (a) of this section shall, to the maximum extent possible, conform to the plan for a memorial to Franklin D. Roosevelt prepared by the late American architect Louis I. Kahn; said memorial shall include such improvements to the land and buildings surrounding the memorial as the Secretary of the Interior may deem appropriate and shall be fully accessible to handicapped persons.

(c) In carrying out the provisions of this section, the Secretary of the Interior shall consult with the New York State Urban Development Corporation, a public benefit corporation organized under the laws of New York State.

SEC. 4. The Secretary of the Interior is authorized, out of funds available to him in any fiscal year, the sum of fifteen million dollars to be available until expended, to acquire a site and to design and construct the memorial described in section 3 of this Act.

SEC. 5. The Secretary of the Interior is authorized to accept, and is authorized and directed to expend for the purposes of section 3 of this Act, gifts, bequests, devices of money and securities or other property from any person or non-governmental entity, and contributions of money or property from state, local, and foreign governments.

SEC. 6. (a) The maintenance and care of the memorial authorized under section 3 of this Act shall be the responsibility of the Secretary of the Interior.

(b) There are authorized to be appropriated for the fiscal year beginning on October 1, 1981, and each fiscal year thereafter, such sums as may be necessary to carry out the provisions of subsection (a) of this section.●

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By Mr. KENNEDY:

S.J. Res. 109. Joint resolution designating August 30, 1982, as "Roy Wilkins Day"; to the Committee on the Judiciary.

ROY WILKINS DAY

● Mr. KENNEDY. Mr. President, I send to the desk a joint resolution to honor Roy Wilkins by designating August 30, 1982, as "Roy Wilkins Day."

With the death of Roy Wilkins last week, America lost one of its greatest leaders in the struggle to overcome the prejudice of the past and the discrimination that still blights our present day. The patient, persistent prodding of our national conscience by Roy Wilkins led us far on the road toward equal justice under law for all our people. President Kennedy looked to Roy Wilkins for leadership during the civil rights struggle of the 1960's. In my own life Roy Wilkins has been a trusted adviser, a voice of hope, and a steadfast colleague in countless battles for equality.

Those in our society who are poor or disadvantaged or victims of discrimination have lost a strong advocate with the death of Roy Wilkins. But in a larger sense, all Americans will feel the loss of his voice and the stilling of this powerful force for reason and human dignity.

Mr. President, I ask unanimous consent that the text of the joint resolution designating next August 30 as "Roy Wilkins Day" may be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 109

Whereas Roy Wilkins was one of the outstanding leaders of the Civil Rights Movement in the United States during the 1960's, serving as an inspiration to Black America to continue the struggle for equality as citizens;

Whereas Roy Wilkins was a key supporter and organizer of the March on Washington on August 28, 1963, which dramatized the responsibility of this country, by virtue of the Constitution, to recognize all American citizens with equal status;

Whereas Roy Wilkins was one of the political forces behind the successful passage of the 1964 Civil Rights Act, which made voting rights, equal employment, and equal access to public accommodations a matter of Federal law;

Whereas Roy Wilkins was Administrator for the National Association for the Advancement of Colored People in 1954 when that organization won the historic Brown v. Board of Education decision in which the Supreme Court struck down the "separate but equal" doctrine, which had justified the existence of racially segregated schools; and

Whereas Roy Wilkins was born in St. Louis, Missouri, on August 30, 1901: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That August 30, 1982, is designated as "Roy Wilkins Day" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.●

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## ADDITIONAL COSPONSORS

S. 290

At the request of Mr. MELCHER, the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from Minnesota (Mr. BOSCHWITZ) were added as cosponsors of S. 290, a bill entitled the "Reye's Syndrome Act of 1981."

S. 498

At the request of Mr. HART, the Senator from Connecticut (Mr. DODD), the Senator from New Hampshire (Mr. RUDMAN), the Senator from Washington (Mr. GORTON), the Senator from Connecticut (Mr. WEICKER), and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of S. 498, a bill to amend the Internal Revenue Code of 1954 to provide a tax credit to homebuilders for the construction of residences incorporating certain solar energy utilization characteristics.

S. 888

At the request of Mr. DURENBERGER, the Senator from Maine (Mr. MITCHELL) was added as a cosponsor to S. 888, a bill to provide effective programs to assure equality of economic opportunities for women and men, and for other purposes.

S. 1025

At the request of Mr. GRASSLEY, the Senator from Hawaii (Mr. INOUYE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Wyoming (Mr. SIMPSON), the Senator from Pennsylvania (Mr. HEINZ), and the Senator from West Virginia (Mr. RANDOLPH) were added as cosponsors to S. 1025, a bill to provide for penalties for persons who obtain or attempt to obtain narcotics or other controlled substances from any pharmacist by terror, force, or violence, and for other purposes.

S. 1215

At the request of Mr. PROXMIRE, the Senator from New Hampshire (Mr. HUMPHREY) was added as a cosponsor of S. 1215, a bill to clarify the circumstances under which territorial provisions in licenses to distribute and sell trademarked malt beverage products are lawful under the antitrust laws.

S. 1229

At the request of Mr. MOYNIHAN, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 1229, a bill to continue through December 31, 1982, the existing prohibition on the issuance of fringe benefit regulations.

S. 1310

At the request of Mr. BOSCHWITZ, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 1310, a bill to amend the Internal Revenue Code of 1954 to provide certain community development, employment, and tax incentives for individuals and businesses in depressed areas.

S. 1422

At the request of Mr. GRASSLEY, the Senator from Mississippi (Mr. COCHRAN), the Senator from New Mexico (Mr. DOMENICI), the Senator from New York (Mr. MOYNIHAN), the Senator from Washington (Mr. JACKSON), and the Senator from Washington (Mr. GORTON) were added as cosponsors of S. 1422, a bill to authorize the donation of surplus property to any State for the construction and modernization of criminal justice facilities.

S. 1451

At the request of Mr. CANNON, the Senator from Nebraska (Mr. EXON) was added as a cosponsor of S. 1451, a bill to amend the Internal Revenue Code of 1954 with respect to the exemption from tax of veterans' organizations.

S. 1564

At the request of Mr. WEICKER, the Senator from Maine (Mr. MITCHELL), the Senator from Maine (Mr. COHEN), and the Senator from New York (Mr. D'AMATO) were added as cosponsors of S. 1564, a bill entitled the "American Tuna Protection Act."

S. 1607

At the request of Mr. D'AMATO, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 1607, a bill to amend the Internal Revenue Code of 1954 to provide a minimum interest and dividend exclusion of $200 for each individual.

SENATE JOINT RESOLUTION 107

At the request of Mr. ROBERT C. BYRD, the Senator from Arkansas (Mr. BUMPERS), the Senator from North Dakota (Mr. BURDICK), the Senator from Maine (Mr. COHEN), the Senator from New Mexico (Mr. DOMENICI), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Mississippi (Mr. COCHRAN), the Senator from Illinois (Mr. DIXON), the Senator from Massachusetts (Mr. TSONGAS), the Senator from South Carolina (Mr. HOLLINGS), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Texas (Mr. BENTSEN), the Senator from Montana (Mr. MELCHER), the Senator from Georgia (Mr. NUNN), and the Senator from South Dakota (Mr. ABDNOR) were added as cosponsors of Senate Joint Resolution 107, a joint resolution to designate the 7th day of October, 1981, as "National Guard Day."

SENATE RESOLUTION 175

At the request of Mr. BOREN, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of Senate Resolution 175, a resolution to congratulate the State of Oklahoma on the celebration of its "Diamond Jubilee."

SENATE RESOLUTION 211

At the request of Mr. BENTSEN, the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Missouri (Mr. DANFORTH) were added as cosponsors of Senate Resolution 211, a resolution calling on the Governors of the Federal Reserve System to encourage banks to make loans available for productive uses while eliminating loans for speculative and unproductive uses.

AMENDMENT NO. 105

At the request of Mr. KASTEN, his name was added as a cosponsor of amendment No. 105 proposed to S. 884, a bill to revise and extend programs to provide price support and production incentives for farmers to assure an abundance of food and fiber, and for other purposes.

AMENDMENT NO. 534

At the request of Mr. KASTEN, the Senator from South Dakota (Mr. PRESSLER), the Senator from Minnesota (Mr. DURENBERGER), and the Senator from Wisconsin (Mr. PROXMIRE) were added as cosponsors of amendment No. 534 proposed to S. 884, a bill to revise and extend programs to provide price support and production incentives for farmers to assure an abundance of food and fiber, and for other purposes.

AMENDMENT NO. 539

At the request of Mr. GRASSLEY, the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of amendment No. 539 proposed to S. 884, a bill to revise and extend programs to provide price support and production incentives for farmers to assure an abundance of food and fiber, and for other purposes.

AMENDMENT NO. 542

At the request of Mr. ARMSTRONG, the Senator from Minnesota (Mr. DURENBERGER), the Senator from Nevada (Mr. CANNON), the Senator from North Dakota (Mr. BURDICK), the Senator from South Dakota (Mr. PRESSLER), and the Senator from Minnesota (Mr. BOSCHWITZ) were added as cosponsors of amendment No. 542 proposed to S. 884, a bill to revise and extend programs to provide price support and production incentives for farmers to assure an abundance of food and fiber, and for other purposes.

## SENATE CONCURRENT RESOLUTION 34—CONCURRENT RESOLUTION RELATING TO SOCIAL SECURITY COST-OF-LIVING INCREASES

Mr. SASSER submitted the following concurrent resolution; which was referred to the Committee on Finance:

S. CON. RES. 34

Whereas, 36 million Americans depend on a stable and equitable Social Security System for their basic retirement and disability benefits;

Whereas, it is imperative that the real value of Social Security benefits not be eroded by rising inflation;

Whereas, present and future Social Security recipients have a solemn contract with the Federal Government to provide equitable Social Security benefits that are derived from the Social Security taxes paid by American workers and business; and

Whereas, the Reagan Administration has repeatedly indicated that it will not alter the basic benefits of Social Security recipients: Now, therefore be it

*Resolved by the Senate (the House of Representatives concurring) that—*

(1) The President should refrain from transmitting to Congress any budgetary or legislative proposal which would delay the cost of living increases for Social Security recipients; and

(2) the Congress in its consideration of any future proposals to revise Social Security financing not approve any Social Security legislation which provides for delays in cost of living increases for Social Security recipients.

## SENATE CONCURRENT RESOLUTION 35—CONCURRENT RESOLUTION OF DISAPPROVAL OF CERTAIN DEFENSE ARTICLES

Mr. PACKWOOD (for himself, Mr. JACKSON, Mr. CRANSTON, Mr. JEPSEN, Mr. BOSCHWITZ, Mr. PRYOR, Mr. BRADLEY, Mr. DANFORTH, Mr. ROTH, Mr. BIDEN, Mr. INOUYE, Mr. D'AMATO, Mr. ANDREWS, Mr. BAUCUS, Mr. BENTSEN, Mr. BURDICK, Mr. CANNON, Mr. CHILES, Mr. COHEN, Mr. DECONCINI, Mr. DIXON, Mr. DODD, Mr. DURENBERGER, Mr. EAGLETON, Mr. FORD, Mr. GORTON, Mr. HART, Mr. HATCH, Mrs. HAWKINS, Mr. HEFLIN, Mr. HEINZ, Mr. KASTEN, Mr. KENNEDY, Mr. LEVIN, Mr. MATSUNAGA, Mr. MITCHELL, Mr. METZENBAUM, Mr. MOYNIHAN, Mr. PELL, Mr. PRESSLER, Mr. PROXMIRE, Mr. RIEGLE, Mr. SARBANES, Mr. SASSER, Mr. SIMPSON, Mr. SPECTER, Mr. TSONGAS, Mr. WEICKER, Mr. WILLIAMS, and Mr. ZORINSKY), submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations.

S. CON. RES. 35

*Resolved by the Senate (the House of Representatives concurring)*, That, pursuant to section 36(b) of the Arms Export Control Act, the Congress objects to the proposed sale (the numbered certifications with respect to which were transmitted by the President to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate on , 1981) to the Kingdom of Saudi Arabia of the following defense articles, together with associated spare parts and equipment and related defense services:

(1) Five E-3A Airborne Warning and Control System (AWACS) aircraft (advance notification transmittal number 81-CU; certification transmittal number 81- ).

(2) 101 ship sets of conformal fuel tanks (advance notification transmittal number 81-CQ; certification transmittal number 81- ).

(3) 1,177 AIM-9L Sidewinder air-to-air missiles (advance notification transmittal number 81-CT; certification transmittal number 81- ).

(4) Eight KC-707 aerial refueling aircraft (advance notification transmittal number 81-CV; certification transmittal number 81- ).

DISAPPROVAL OF ARMS SALES TO SAUDI ARABIA

Mr. PACKWOOD. Mr. President, today I am submitting a concurrent resolution of disapproval regarding the sales of the F-15 enhancement/AWACS package to Saudi Arabia.

The purpose of this concurrent resolution is very simple. It is my belief, and that of many of my colleagues from both sides of the aisle, that this armaments sale is not in the interest of this country's national security.

In 1978, after extensive debate on the floor of this body, the Senate agreed to President Carter's request to sell Saudi Arabia the F-15 airplanes. We were told this sale would demonstrate our willingness to solidify our friendship to Saudi Arabia. In exchange, it was my hope, and that of many of my colleagues, that Saudi Arabia would provide a moderate balance in the Middle East. We hoped that if we sold them the planes we might have some leverage to encourage them to further the peace process and the stability of the Middle East.

It is now 1981, some 3 years later, and we know now what I felt deep in my own heart in 1978. Saudi Arabia had no interest in furthering the Middle East peace process and, in fact, would do everything possible to undermine the peace process.

Since 1978, Saudi Arabia has:

Condemned the Israeli-Egypt peace treaty;

Opposed Israeli ships in the Suez Canal;

Led the Arab political and economic boycott of Egypt;

Broken relations with Egpyt;

Financed the PLO;

Called for a holy war against Israel;

Refused to negotiate for peace with Israel; and

Increased its price of oil from $12 to $30 a barrel.

Even though the Saudis assured us in 1978 that all they wanted were the F-15's, we are now being told by this administration that the Saudis now need the F-15 enhancement package and, more importantly, the AWACS, our most sophisticated technology. But, I emphasize to my colleagues, the Saudis have not said what they are going to give the United States in return. In fact, the administration has been unusually quiet on the subject.

Mr. President, the issue before us goes beyond my concern over the selling of AWACS to Saudi Arabia. On April 2, 1981, 12 F-15 pilots sent a letter to Congressman LANTOS of California expressing their objection to the sale of the AIM-9L sidewinder air-to-air missiles. Their objection is based on the fact that the AIM-9L missile thrusts the American fighter pilot a very large step ahead in air combat over any other military force. Mr. President, I ask unanimous consent that the text of the letter from the F-15 pilots to Congressman LANTOS be printed in full at the end of my remarks.

Mr. President, there are many more issues that I could raise, arguments against this sale. Instead, however, I will wait until the current resolution of disapproval comes before the Senate for a vote. At that time, I intend to present further arguments that should convince those of my colleagues who are undecided on this issue.

The final point, Mr. President, that I would like to make is this: We as Ameri-

cans must realize sooner rather than later, that we cannot trade integrity and national security for Arabian oil. America has the ability and the resources to develop alternate energy sources, and it is our responsibility to pursue that path—not the path of Arabian blackmail.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 2, 1981.

Representative TOM LANTOS,
*House of Representatives,*
*Washington, D.C.*

DEAR REPRESENTATIVE LANTOS: We are writing this letter to strongly object to the sale of the AIM 9L Supersidewinder air-to-air missile to Saudi Arabia. We primarily object to this sale because it compromises the classified AIM 9L construction. The unstable political situation in Iran and throughout the Middle East led to the compromising of our F-14 aircraft, Phoenix air-to-air missile, and our Hawk surface-to-air missile. We do not want the technology of the AIM 9L to leak to the Soviets through lack of security in Saudi Arabia or through some closed door bargaining session. We at the user level can attest that the AIM 9L thrusts the American Fighter Pilot a very large step ahead in air combat over any other military force. The AIM 9L is superior because it is a point and shoot weapon with excellent probabilities of success. The AIM 9L is so superior that it gives the American Fighter Pilot a believable chance of survival when confronted with the overwhelming numbers of Soviet aircraft we must face.

If we, as a military force, are to maintain a credible deterrent defensive posture with a minimum of dollars, why give our technological edge away? Certainly, we as pilots cannot be expected to fight against the overwhelming numbers of Soviet aircraft equipped with a compromised version of our AIM 9L when we know how effective the missile is. We object to the sale of the AIM 9L to Saudi Arabia.

RESOLUTION OF DISAPPROVAL FOR ARMS SALES TO SAUDI ARABIA

Mr. KENNEDY. Mr. President, I am proud to join in submitting a concurrent resolution of disapproval to the administration's proposed $8.5 billion arms package for Saudi Arabia. I strongly urge my Senate colleagues to cosponsor this concurrent resolution, which is in our best national interests. In my judgment, this is one of the worst and most dangerous arms sales ever proposed. It is bad for the United States, bad for Israel, and bad for the Middle East.

In 1978, I voted against the sale of 62 sophisticated F-15 fighter aircraft to Saudi Arabia because they would endanger the security of Israel, America's surest friend and strongest ally in the Middle East. In fact, that sale generated so much concern that the Carter administration promised to draw the line there—and never to increase the offensive capability of the Saudi aircraft.

In proposing this arms package for Saudi Arabia, the Reagan administration is repudiating the solemn obligations of the United States. We are not talking about some mere technical enhancement of the F-15. We are talking about advanced Sidewinder missiles, modern aircraft fuel tankers and sophisticated AWACS planes that will give Saudi Arabia an air command platform to guide attacks against the territory of Israel.

The Reagan administration claims to America's allies that it is a firm and reliable partner. Yet if this administration truly looked out for the security of its friends, It would not repudiate the obligations of its predecessor, and it would never give the Saudis or any other nation the power to overwhelm Israel's air defenses.

The Reagan administration claims that this arms sale is an important component of its Middle East policy. If the administration wants peace in the Middle East, then let them stop selling offensive arms to Saudi Arabia, which considers Israel to be its primary enemy, which has called for a holy war against Israel, and which fiercely opposes the Camp David path to peace. Moreover, Saudi Arabia spends nearly $400 million a year to finance the PLO, which remains dedicated to the destruction of the State of Israel.

Any American policy directed to the Middle East which fails to recognize these realities is a recipe for disaster.

I also fail to see how providing a government of questionable stability with sophisticated American technology is in the interest of either the United States or that government. I remind my colleagues of the past congressional debate about providing Iran with AWACS. How secure would the United States—and our NATO allies who will depend on AWACS to enhance their security—feel if we had accepted the special pleading of the previous administration and sold AWACS aircraft to Iran only to find them in hostile hands today? In considering the Reagan administration's proposed Saudi arms package, the Congress should take a good long look at the great risks for future United States and NATO security that providing Saudi Arabia with AWACS could raise.

Even at this late stage, I call upon the Reagan administration to withdraw this proposed arms sale. A majority of the House and the Senate believe it is wrong. Instead of promoting an arms race and increasing the risks of war in the Middle East, the United States should be a force for lasting peace and true security in this strife-torn region of the world.

Mr. President, since the earliest indications of the proposal to sell AWACS planes and advanced military equipment to the Saudi Government, I am proud to have expressed my strongest opposition and to have urged the Congress and the American people to oppose this dangerous arms sale. Today, I reaffirm my opposition and my commitment to vote and speak and work against the administration's proposed Saudi arms package. Only by defeating this shortsighted and dangerous arms sale can the American people be assured that our Nation's security is guaranteed and our Nation's interest in peace and stability in the Middle East is preserved.

THE F-15 ENHANCEMENT/AWACS PACKAGE SALE TO SAUDI ARABIA

Mr. CHILES. Mr. President, I join in sponsoring the proposed concurrent resolution of disapproval of the F-15 enhancement/AWACS package sale to Saudi Arabia. I believe the Senate has a clear and pressing responsibility to reject this ill-advised arms sale. The proposed sale is not in the best interests of the United States, the continued security of Israel, or the cause of peace in the Middle East. The Congress has an important oversight role in the case of major arms sales and in this instance we must exercise that role by turning down the administration package.

This sale must be viewed from several different perspectives. The initial question must be whether the proposal would serve to advance the foreign policy and national security interests of the United States. The administration maintains that this sale will make a substantial contribution to the security of U.S. interests in the Middle East. I cannot agree.

I do not believe that our national security interests would be advanced by the sale of the sophisticated AWACS aircraft to any nation and in particular to Saudi Arabia. The introduction of this highly advanced technology into the volatile Middle East threatens to jeopardize the security of the vital technical data associated with the airborne warning and command aircraft. One only has to look at the Iranian experience to appreciate that this risk is very real. It would be a devastating blow to our defense posture if the AWACS technology were to fall into unfriendly hands.

The administration points out the seriousness of the Soviet threat in the Middle East and I fully agree that this threat should be a primary concern for the United States. I also agree that we want to help friendly nations in their ability to counter hostile moves in the region. However, the AWACS planes with their sensitive and secret equipment are not essential to Saudi Arabia's air defense efforts.

If anything, Saudi oilfields are much more vulnerable to ground attack or sabotage than an air strike. It makes little sense to provide the Saudis with this complex equipment, which is of marginal usefulness in terms of the most likely threats to Saudi Arabia, and run the very real risk of compromising AWACS technology which is essential to both American security and the defense of Western Europe. From the standpoint of U.S. security interests, the control and protection of AWACS must remain in U.S. hands.

The F-15 enhancement/AWACS package sale is an equally wrongheaded policy from the perspective of our longstanding commitment to the security of Israel. Israeli defense problems will be compounded by the sale of AWACS aircraft and aerial tankers to Saudi Arabia and by the sale of conformal fuel tanks and AIM-9L Sidewinder missiles for the Saudi F-15's. It must be remembered that while Saudi Arabia has entered into a cooperative relationship with the United States, it is no friend of Israel and remains committed to the destruction of the State of Israel.

The United States would in effect renege on its commitment to Israel by strengthening the offensive military capability of Saudi Arabia. The introduction of AWACS alone in the Middle East would dramatically alter the present balance of power. By giving the Saudis the ability to monitor Israeli defenses we

would be laying naked the entire air defense system of Israel.

The F–15 enhancement items must also be seen as posing a potential threat to Israel. In 1978, the administration proposed to the Congress the sale of 62 F–15 planes to Saudi Arabia. These planes were to be equipped with the AIM–7 Sparrow missile and the AIM–9P3 Sidewinder missile, all alleged to be defensive weapons. At that time, the then Secretary of Defense, Harold Brown, affirmed that Saudi Arabia would not seek to upgrade these planes, nor did the United States intend to sell them anything in the future to improve their range or capabilities. After heated debate and in the hope that this action might plant a seed toward better United States-Saudi relations, and therefore a move to the peace table, the Senate approved the sale.

I opposed the F–15 sale in 1978. I was doubtful they would remain defensive weapons. However, I never expected that it would be the United States proposing to give the Saudi F–15's an offensive capability. I feel this represents the breaking of a solemn promise, not only to the U.S. Senate, but to the Government and people of Israel. Our friends deserve better treatment.

Mr. President, it is not often that the Senate feels compelled to differ with the President in his formulation of American foreign policy. I believe that the President does have the primary role in the development and implementation of our relationships with other nations. If at all possible, I believe we should support the President in his conduct of foreign affairs. In this particular instance, it is not possible.

The Congress itself has the responsibility and authority to review major arms sales and it would abrogate that responsibility if we agreed to a proposal that is not in the best interests of the United States. The fact that a majority of the Senate has sponsored this resolution of disapproval points to the compelling nature of the arguments against this sale and the concern it has engendered on the part of so many Senators. I hope and expect that the Senate will live up to its responsibility and adopt the concurrent resolution of disapproval.

MILITARY SALES TO SAUDI ARABIA

● Mr. TOWER. Mr. President, consideration of the administration's decision to sell the aircraft warning and control system and other military equipment to Saudi Arabia is of vital importance to U.S. interests.

My distinguished colleague from South Carolina, Senator THURMOND, has articulately expressed his support for this proposal.

Mr. President, I respectfully request that the text of the Senator's statement be printed in the RECORD.

The statement follows:

STATEMENT OF SENATOR THURMOND

My decision to support the sale of the AWACS aircraft is based upon a number of reasons, but the bottom line is that this sale to Saudi Arabia is vital to the national security interests of the United States and to the securtiy of Israel.

To properly evaluate this issue, it must be understood by the American public that AWACS is a defensive system. It is not an offensive weapon system. It is not a spy plane. It cannot see anything on the ground. It is an airborne, early warning system which would detect an air attack against Saudi Arabia.

Primary among my reasons for supporting this sale are the following three points:

1. The key reason is that if the United States does not sell AWACS to Saudi Arabia, the Saudis can buy similar aircraft elsewhere. In that event, the U.S. would have no control over their use. If we sell to them, we can exercise some control and thereby help protect Israel.

2. Saudi Arabia is one of the largest suppliers of oil to the United States and the Free World. Our economy would be wrecked if this and other oil from the Middle East would fall under the control of the Soviet Union or be subject to political concessions. We must help the Saudis protect their nation. By so doing we would greatly enhance our ties of friendship, provide a United States military presence through Air Force and contractor support of AWACS, and thereby create a base to insure greater stability in this crucial part of the world.

3. Saudi Arabia has invested billions of its dollars in American securities and there is a strong prospect of additional purchases. This support for our financial system will strengthen our economic recovery program, help enable us to lower interest rates, control inflation and generally improve the health of our economy.

Over the years I have consistently supported aid to Israel. I believe this sale will enhance the security of Israel because in supporting AWACS the U.S. will exercise some control over its use. In addition, we will enhance Israel's security by maintaining our friendship with a key Arab nation in the Middle East and thus help prevent a shift in the world balance of power in that vital region. Such a shift would pose unacceptable security risks to the United States, Israel and the Free World.●

## AMENDMENTS SUBMITTED FOR PRINTING

### INTERNATIONAL DEVELOPMENT AND SECURITY COOPERATION ACT OF 1981

AMENDMENT NO. 551

(Ordered to be printed and to lie on the table.)

Mr. PROXMIRE submitted an amendment intended to be proposed by him to the bill (S. 1196) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize appropriations for development and security assistance programs for the fiscal year 1982, to authorize appropriations for the Peace Corps for the fiscal year 1982, to provide authorities for the Overseas Private Investment Corporation, and for other purposes.

## NOTICES OF HEARINGS

COMMITTEE ON THE BUDGET

Mr. DOMENICI. Mr. President, the Senate Budget Committee will hold 2 days of hearings on Tuesday, September 22 and Thursday, September 24. On Tuesday, the committee will meet in executive session with Secretary of Defense Caspar Weinberger to discuss the fiscal year 1982–84 defense budget. The session will convene at 10 a.m. in room 6202 of the Dirksen Senate Office Building.

On Thursday, the committee will meet in open session with OMB Director David Stockman to discuss matters relating to the second concurrent budget resolution for fiscal year 1982. The meeting will begin at 2 p.m. in room 6202 of the Dirksen Senate Office Building.

For further information, contact Lynn Pearson of the Senate Budget Committee staff at 224–0544.

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I would like to announce for the information of the Senate and the public that the hearings being held by the Senate Small Business Committee on "interest rates and business credit needs" on September 23 and 24, 1981, have been rescheduled to convene at 9 a.m. in room 424 Russell Senate Office Building.

For additional information please contact Jim O'Connell of the committee staff at 224–5175.

SUBCOMMITTEE ON ENERGY CONSERVATION AND SUPPLY

Mr. WEICKER. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Subcommittee on Energy Conservation and Supply to consider the Department of Interior's proposed 5-year plan for oil and gas development in the Outer Continental Shelf. This oversight hearing will be held on Tuesday, October 6, beginning at 8:30 a.m. in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, Subcommittee on Energy Conservation and Supply, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding this hearing you may wish to contact Mr. Gary Barbour of the subcommittee staff at 224–0613.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, for the information of the Senate and the public, I would like to announce the scheduling of a public hearing before the Committee on Energy and Natural Resources to consider the nomination of Henry E. Thomas IV, of Virginia, to be an Assistant Secretary of Energy for International Affairs. The hearing will be held on Thursday, September 24, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, room 3104 Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding this hearing you may wish to contact Mr. Charles Trabandt of the committee staff at 224–7141.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. ROTH. Mr. President, I would like to announce for the information of the

Senate and the public that the Committee on Governmental Affairs will hold a hearing on the nominations of Charles M. Girard of Virginia to be Associate Director for Resource Management and Administration of the Federal Emergency Management Agency, and of Bruce Chapman of Washington to be Director of the Bureau of the Census. The hearing will be held on Tuesday, September 22, 1981, at 2 p.m. in room 3302 of the Dirksen Senate Office Building.

For further information please contact Margaret Hecht at 224–4751.

Mr. President, the Committee on Governmental Affairs will hold a hearing on S. 1417, the Presidential Protection Commission Act of 1981, on Tuesday, September 22, 1981, at 10 a.m. in room 3302 of the Dirksen Senate Office Building. For further information, please contact Darryl Fountain at 224–4751.

## AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate today, September 17, at 2 p.m., to hold a hearing on the nomination of John Bohn to be U.S. Director of the Asian Development Bank, and Nyle Brady to be Assistant Administrator of Science and Technology at AID.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ADDITIONAL STATEMENTS

### I BELIEVE IN AMERICA

● Mr. DURENBERGER. Mr. President, it cannot be often enough that we take the time to think about why we are so special and so privileged to live in the United States of America; what it is that makes us in this country different and more fortunate than so many others.

I had the opportunity to meet with a very special Minnesotan who was in Washington recently because she won a trip for an essay she wrote for a contest. In her essay, "I Believe in America," Linda Hill Norway expressed so eloquently the privilege and responsibility that is ours as citizens of this great country.

Mr. President, I submit for the RECORD the words of Miss Norway so that I may share them with my colleagues.

WHY I BELIEVE IN AMERICA—
AMERICA SPEAKS

I believe in America because I am America. I am black, white, yellow, and red. I am a grocery clerk, an accountant, a housewife, and a soldier. I am German, Swedish, Norwegian, Polish and Indian. I am Jewish, Catholic, Protestant, and Muslim. I'm liberal, conservative, Republican, Democrat, and Independent.

Above all, I'm optimistic. I have fought wars of words and might, in order to keep my people free, and I have withstood internal strife fierce enough to crush lesser nations.

My people have disagreed with each other about politics and ideals, but they respected each other's opinions.

I am a country which holds respect for the ideals of "life, liberty, and the pursuit of happiness." My citizens have the right and the responsibility to let me know when they're either dissatisfied or supportive.

My people can, without fear of retribution or harassment, disagree or chastise their Government through a free election system or by single protest. I am a nation of independent thought. Even through my verbal and military confrontations, my people have stood together as the United States of America. They have demonstrated the Nation's character with honor, dignity, pride, and regard for the basic rights of all persons, regardless of their race, color or national origin.

I am a country to be proud of and I believe in America.

LINDA E. HILL NORWAY.●

## EDITORIAL REACTION TO THE ADMINISTRATION'S CLEAN AIR PROPOSAL

● Mr. HART. Mr. President, I wish to share with my colleagues recent editorials from newspapers around the country commenting on the administration's position on the upcoming revision of the Clean Air Act.

These 18 editorials demonstrate convincingly that the American people continue to want strong, effective Federal clean air legislation. Unfortunately, as the editorials point out, the administration's position goes far beyond the updating and moderate streamlining of the act which is appropriate. Instead, the 11 principles approved by the President would undercut the decade of air quality improvement which has occurred under a strong bipartisan commitment to clean, healthful air.

I ask that the editorials be printed in the RECORD.

The editorials are as follows:

[From the Austin American Statesman, Aug. 10, 1981]

NOT-SO-CLEAN AIR

The Reagan administration has backed off a smidgeon on its proposal to change the Clean Air Act, but the latest version still raises questions.

For example, the administration declares that by easing the standards for auto emissions, American automakers will be helped. But Environmental Protection Agency Administrator Anne Gorsuch admitted the cost savings would be a mere $100 per car. That isn't going to help the automakers compete against the foreign manufacturers, as all will adjust to meet less strict standards.

What would suffer would be human lungs. Surely most Americans would rather cough up $100 rather than cough, and cough, and cough.

The administration says easing of auto emission standards won't result in dirty air, but when pressed, Gorsuch said progress toward clean air would come "at a more reasoned pace," meaning, in plain American, it will be longer before the air gets as clean as it ought to be.

It is consistent with the administration's views on big government to recommend giving more responsibility for clean air to the states. But air moves around without regard to state borders, or national borders for that matter. It's a national problem.

The congressional committees now working on bills to reauthorize the Clean Air Act have been interested in fine-tuning the law, not drastically altering it. The Reagan proposal should meet swift opposition.

[From the Boise Statesman, Aug. 10, 1981]

BETTER, BUT NOT GOOD

The Reagan administration's recommendations for renewal of the Clean Air Act have gotten better, but they still include proposals that would slow the struggle to clean up the nation's air.

First the good: In a draft proposal circulated in Washington earlier this summer, the administration suggested that the states be allowed to set their own standards on air quality. That's gone, and good riddance. The country depended on state standards before the Clean Air Act was passed in 1970, and that experience showed most states will not set tough standards, particularly for industry, when they cannot be assured that other states will do the same thing.

Also, the administration has dropped a proposal pushed by presidential advisers who wanted to quit basing pollution standards on their effect upon human health. Their idea was to give more weight to the argument that achieving those health standards might not be worth the cost.

That stance may sound reasonable, but it's not. The costs of cleaning up the air may be great, but studies have shown that the costs of unhealthy air are far greater, even if all you consider is the price of medical care and not human suffering.

Now the bad: The administration wants to lower the standard for coal-fired power plants. The principle it espouses is called "uniformity" of standards. The idea is that new power plants ought to be approved if they could use low-sulfur coal to achieve the same air quality that plants burning high-sulfur coal achieve through technology.

Congress considered this concept several years ago and rejected it, reasoning that if plants burning low-sulfur coal could use technology to make their emissions that much cleaner, then so much the better.

We agree. The country should not settle for second best, particularly when there is compelling evidence that coal-fired plants are the big contributors of not only sulfur oxides, but also nitrous oxides that create acid rain, a severe problem to which the Reagan administration is giving only lip service.

The administration also suggests that air pollution controls should not be so strict in areas where the air is already cleaner than required by health standards. There is legitimate debate about the complexity of regulations governing such areas. For that reason the regulations should be examined with an eye toward more efficient administration, but not toward weakening them.

Finally, though, the most worrisome part of the administration's clean air proposals is the general attitude they reflect. Environmental Protection Agency Director Anne M. Gorsuch expressed that attitude when she admitted to reporters that the Reagan proposal would mean improvement of air would continue "at a more reasoned pace." Translate that as slower.

Such an approach is not only wrong, but it also goes against the will of the people. A recent Harris poll showed that 86 percent of those interviewed opposed relaxing the Clean Air Act. We hope Congress gets that message and not Reagan's.

[From the Chicago Sun-Times, Aug. 9, 1981]

TAKE CARE ON CLEAN AIR ACT

The Reagan administration is well aware that there's widespread support for the Clean Air Act among the public and in Congress. So it has cloaked in positive terms its "broad proposals" to change the law. But beware.

The words are reassuring but vague: "The air will continue to improve under the broad principles that we have adopted." And behind them lie some worrisome hard facts:

The administration failed to meet its self-imposed June 30 deadline to reveal what changes it wants in the law that expires Sept. 30. Some environmentalists fear a last-minute blitz in Congress that would preclude a full, careful debate on revising the act.

One major amendment to the act being pushed by a pro-administration House member would drastically weaken the law.

The administration's most specific "broad principle" would loosen clean air standards for autos to save consumers $100 on each new car. That's in keeping with Reagan's interest in reducing federal regulations and tying standards to cost-benefit concepts.

But that won't do in this issue.

Sen. Gary Hart (D-Colo.), chairman of the National Commission on Air Quality, is right: Concern for cost should be a factor in deciding when and how to meet clean air standards, "but not in setting the standards."

In other words, anti-pollution standards should be set at levels needed to protect health. Costs are to be considered, as Hart rightly says, in setting timetables and in devising controls to meet those standards.

(That was done, for instance, in June when Congress gave steelmakers three more years to meet pollution cleanup deadlines.)

Environmental Protection Administrator Anne M. Gorsuch said last week that Reagan's plans call for keeping health-based standards. But there's no hard evidence so far.

That's why the League of Women Voters, the Lake Michigan Federation, the Illinois Coalition Against Reagan Economics and others warned here last week that gutting the law would sharply increase health risks. Even the Illinois Coal Association protested an administration call to drop a requirement for "scrubbing" devices on new coal-fired plants.

The 1970 Clean Air Act is our oldest and most successful environmental law. A Harris poll found 86 percent of the public supports it. And Congress has regularly blocked moves to weaken it—with good reason. It works.

Red tape can and should be cut. And other shortcomings, such as needless delays, can be removed. But the act is basically sound. Extend it until next year when there can be full debate. Then fine-tune it, don't gut it.

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[From the Chicago Tribune, Aug. 11, 1981]

MR. REAGAN VS. CLEAN AIR

The best thing that can be said about the changes in the 1970 Clean Air Act just proposed by Environmental Protection Agency Director Anne Gorsuch is that they are not as bad as everyone expected.

The Reagan administration did not ask, as had been feared, that the clean air standards for allowable concentrations of sulphur dioxide, nitrogen oxide, carbon monoxide, and other nasty pollutants be set by the states instead of the federal government.

It did not, as feared, try to remove the cut-off of federal funds as a weapon in controlling new sources of industrial pollution. It did not attempt to remove the special margin of safety for people with asthma and other respiratory ailments as a factor in setting clean air standards. Hooray.

Otherwise, the Reagan administration is proposing an assault on clean air.

Claiming that the phenomenon of acid rain is insufficiently understood the administration calls for intensified research instead of intensified action. Our neighbors in Canada, where some 4,000 lakes can no longer support life because of acid rain inundation, understand the phenomenon perfectly, as do people in the afflicted areas of our own country. They want government to reduce the levels of acid in the air—most of it coming from auto exhausts and coal burning. Yet, while Reagan, would accelerate research, his Secretary of the Interior, James Watt, is clamoring for more and more coal mining and burning.

Under the plan announced by Mrs. Gorsuch, the government would postpone the deadline from 1985 to 1987 for improved pollution control in troubled areas like Los Angeles. The administration would weaken the requirements for coal plant scrubbing devices. It is reluctant to enforce standards keeping state and national park lands pollution free.

As regards automobile exhaust, the administration is being positively idiotic.

Under its plan, the amount of nitrogen oxide and carbon monoxide auto pollution now allowed under 1981 standards would be doubled, for what the Reagan administration claims would be a $1 billion savings to the auto industry or some $100 in the average price of a car.

Though the $1 billion figure sounds nice for propaganda purposes, new car sales have been far below 10 million a year. And, with the price of mid-size cars now running at $8,000 or more, the $100 savings is not going to be a significant sales factor.

Not when there's another price to pay. Nitrogen oxide and carbon monoxide from auto exhaust are the principal causes of acid rain and killer smog. The auto manufacturers are already meeting today's pollution control standards. Why on earth relax them? Mrs. Gorsuch said the administration's plan still seeks cleaner air, but at "a reasoned pace."

The pace may be reasoned, but the direction is backward.

Mrs. Gorsuch seems to have been recruited for her job largely on the basis of the stridency of her opposition to toxic waste control legislation as a member of the Colorado legislature.

Her sponsor and mentor, James Watt, has been called an archfiend by many environmentalists, and justly so. But the time has come to point out that Mr. Watt and Mrs. Gorsuch are not the true villains of this piece: That role is being played by the man who sought them out and hired them, and hundreds like them; the man who stated for the record that ocean oil slicks are good for your health and that trees cause more pollution than man; the man who never uses the word "environmentalist" without adding "extremist."

For an otherwise adept politician, President Reagan has been missing a lot of signals lately. Poll after post-election poll has shown that the overwhelming majority of Americans, by margins as large as 80 per cent, do not want environmental protection laws relaxed or weakened.

Similar polls show that the largest post-election drop in Mr. Reagan's popularity has been in the environmentally sensitive West. The Republican chairman in California says his state party is now in serious trouble because of Mr. Reagan's environmental policies. The National Wildlife Federation, a predominantly Republican and conservative organization composed mostly of hunters, has come out strongly against Mr. Watt.

Mr. Reagan's style has been winning, and many of the things he's trying to do to improve our defense posture and restore fiscal and administrative sanity to federal government deserve support. But as far as the environment is concerned, Mr. Reagan is a menace.

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[From the Gary (Ind.) Post-Tribune, Aug. 14, 1981]

LET'S NOT FOG THE ISSUE OF CLEANING UP THE AIR

This country indicated its intent to clean up its air and keep it clean when Congress passed the Clean Air Act 10 years ago. Now there is a move to dilute that intent.

Last week the Reagan administration announced plans to relax portions of the Clean Air Act that deal with auto emissions, coal-burning utilities and urban industries. The proposed changes were carefully wrapped in a promise to clean the nation's air "at a more reasoned pace."

This was met with glee by the world of industry, but called a "sugar-coated prescription for dirty, unhealthy air" by the National Clean Air Coalition, which represents about a dozen environmental groups.

Neither reaction was surprising. Barring innate divergent interests of the two groups, it seems that the country's official position now weakens its commitment on clean air.

That's not to say that any given act shouldn't be evaluated periodically. The many obsolete laws floating around indicate the wisdom in updating when necessary. Some people say that certain provisions in the Clean Air Act have contributed more to paperwork than to improving the air. Changes that would cut red tape, ease delays in meeting Environmental Protection Agency regulations and eliminate the confusion about regulations would be welcome. And given the present economic climate, cost reductions must be considered.

But nothing should interfere with retaining high standards for air quality.

Among general guidelines that President Reagan endorsed was that the basic standard for clean air should be health and should not include cost-benefit analysis. Yet he also endorsed raising allowable levels for nitrogen oxides and carbon monoxides from auto exhausts and making the standards the same for coal-fired plants in both the East and the West, which are not comparable since western coal is much cleaner burning than eastern.

When and how to meet clean air standards, not the standards themselves, seems to be the place to attack cost factors. Even environmental groups went along with the steel industry on a bill passed by Congress in June and signed by Reagan July 17 which gives steelmakers three more years to meet pollution cleanup deadlines.

All such reasonable requests should be considered. But even this has a hazardous pitfall. It is human nature to need a deadline to get anything done.

The people of Northwest Indiana, of all places, should value the effort to clean up the air. How many jokes have you heard this week on the "dirty air" in the area? How many people do you know who ran first chance they got to find some fresh clean air? Yet how many people do you know who deliberately sabotaged their car's anti-pollution equipment? And how many complaints have been made about prices rising because of pollution controls?

It's obviously a job that requires cooperation at all levels. That's why it's good to hear that the Northwest Indiana Clean Air Coalition is back in existence. The group plans to keep tabs on what's happening with the Clean Air Act, offering information for those interested, and to lobby against any proposals it feels would weaken the act.

Some people like to point out that the air is "cleaner today than it was 30 years ago." That is well and good, but not much consolation to today's children. Cleaning up the air isn't something that can stop when it gets better; it must be a continual process.

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[From the Hartford Courant, Aug. 14, 1981]

KEEP AIR STANDARDS HIGH . . .

The specifics of the administration's proposed revision of the Clean Air Act are not yet known but its general direction is toward a relaxation of air quality rules for business and industry.

The administration's approach, outlined last week by Anne M. Gorsuch, administrator of the Environmental Protection Agency, could have been literally prepared by the

U.S. auto industry or the National Association of Manufacturers.

Ms. Gorsuch, for example, said the administration would probably recommend raising emission standards for autos from 3.4 to 7 grams per mile of carbon monoxide, and from 1 to 2 grams per mile of nitrogen oxides.

Those are precisely the levels recommended by the Big Three automakers before a Senate committee in June.

She said the administration also would give more say to the states in setting air pollution rules, ease the rules for new coal-fired plants and weaken protection for clean air outside national parklands—all of which are in line with recommendations made by the manufacturers' association.

It could have been worse. The administration could have pressed for application of a "cost-benefit" test to national air quality standards, rather than basing them strictly on public health considerations. But it was apparently deterred by expected congressional opposition.

The administration has argued that the Clean Air Act needs to be "simplified" and "streamlined," which it does need. But why does that always translate to making it easier, rather than more difficult, to pollute?

The Clean Air Act, the nation's principal means to control air pollution, has had some astounding successes over the past decade.

According to the Council on Environmental Quality, the air has become increasingly clean, with the total number of days in which the air was unhealthful or worse decreasing each year. Further, 93 percent of industry is now in compliance with air quality regulations.

But there are still substantial problems. The air quality levels in the New York and Los Angeles areas, where about 8 percent of the nation's population lives, are unhealthy more than two-thirds of the year.

In Connecticut, the air was declared "unhealthful" or "very unhealthful" in at least one monitoring site on 50 days between April 15 and Sept. 15 of last year. There are also a number of air quality problems, such as acid rain and many toxic air pollutants that are not addressed at all in the act.

By all means, Congress should streamline and simplify the act, which nearly everyone will admit is sometimes overly complicated and onerous.

But it should not retard the pace of cleaning up the air, nor ignore new and vexing pollution problems. Reauthorization of the Clean Air Act should be an opportunity to recommit the nation to make itself a better place in which to breathe.

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[From the Huntington Beach, Calif. Pilot, Aug. 9, 1981]

FEDERAL CLEAN AIR ACT SHOULD NOT BE RELAXED

Orange County Supervisor Bruce Nestande assures us the Reagan Administration's proposed modifications of the 1977 federal Clean Air Act will have no detrimental effect in California because we'll still be permitted to write our own strict anti-pollution rules without interference from the federal government.

Indeed, says Nestande, the trend to balance envronmental controls with needed economic development will be a blessing for the whole nation.

The supervisor, who served in the Reagan administration in Sacramento, also is a director of the South Coast Air Quality Management District and in that role appeared before a Senate committee hearing on renewal of the Clean Air Act.

Reagan appointee Anne Gorsuch, new head of the Environmental Protection Agency, insists the administration remains committed to "steady progress toward clean air." But California Rep. Henry Waxman calls the administration's 11-point program to modify the act "nothing less than a blueprint for the destruction of our clean air law."

The program would greatly relax federal environmental controls, leaving them largely up to the states so that statutes could be formed in keeping with local needs—stricter in heavily polluted urban centers, lighter in now-clean rural areas.

Contrary to earlier fears, it still would place health benefit considerations ahead of cost considerations, but with the requirement that solid scientific data be used to determine where air quality carries health risks.

It would substantially relax auto emission control standards, eliminate requirements that polluted areas show steady progress toward meeting national air quality standards and eliminate provisions designed to protect air quality in areas not yet polluted.

The only areas in which preventive restrictions would be retained would be in the national parks and wilderness areas. (Could this have something to do with Reagan's campaign assertion that trees are among the worst polluters?)

Supervisor Nestande is convinced California will be just fine so long as we keep our own rules strict enough. How the state Legislature could be persuaded to do that in the face of substantially relaxed national rules is open to question.

We hope Nestande is right. But the nature of recent appointments to the federal Environmental Protection Agency stirs some niggling doubts. They include, for example, former lobbyists for the paper, auto, oil and coal industries. In their former posts their task was to lobby against environmental rules that would involve too much expense for their industries. Now they're using their expertise to help write the new rule book.

What's that about setting the foxes to watch the chicken coop?

The unfortunate fact about cleaning up pollution and keeping it cleaned up—as many other nations have discovered—is that it takes so long to get effective rules in place and see that they are enforced so that the results are visible. In many areas we haven't yet arrived at that point. But once the rules are relaxed it could take still more years to undo the damage. Congress should not be too easily swayed on these proposals.

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[From the Philadelphia Inquirer, Aug. 9, 1981]

CLEARING THE AIR ON CLEAN AIR ACT

With the tax and budget bills out of the way, the Reagan administration and conservative members of the Congress are now able to move on to another item on their agenda: revisions in the federal Clean Air Act. During the presidential campaign last year, Mr. Reagan frequently cited the act as a major factor in the nation's poor economic and industrial growth, despite data to the contrary.

Last week, the administration released its recommendations for changes in the Clean Air Act, six weeks after they had been promised. That delay, according to knowledgeable insiders, was due to sharp disagreements among administration officials about the form the changes should take. It's still not clear where the administration stands.

The package made public by Anne M. Gorsuch, administrator of the Environmental Protection Agency, surprised some people in Washington. The administration at the last minute opted to issue a broad list of principles it would like to see included in the act, as opposed to specific legislative changes. In the words of Sen. Robert Stafford (R., Vt.), the administration's tactic represented a "shrewd political move" which will give the White House considerable latitude in its public and private lobbying efforts.

The Clean Air Act expires on Sept. 30 unless the Congress reauthorizes it. The reauthorization process is expected to be a bitter fight, pitting supporters of the environmental community against those of the business community. At stake is a law which the vast majority of Americans do not want to see weakened, but which business and industry vigorously oppose.

Mrs. Gorsuch outlined a plan that called for drastically relaxing automobile emission standards, eliminating most of the program designed to prevent deterioration of air-quality in areas with little or no pollution now and extending clean-air goal deadlines by as much as eight years. She declared that the administration's proposals would continue the national effort toward achieving cleaner air but "at a more reasoned pace."

It wasn't what the administration publicly proposed as much as what it didn't propose that should worry those who want a strong, effective Clean Air Act. Early versions of the administration's position leaked out and those revisions effectively gutted the act, stripping away about 70 of its most crucial elements. That list of changes still exists in the White House, and many supporters of the act express concern that it will be this document, not the broad principles outlined by Mrs. Gorsuch, that will be the basis for the administration's lobbying campaign on Capitol Hill. "We really fear a private and a public Clean Air Act campaign from this administration," said one environmental lobbyist. "And the American people won't know that they've been sold out."

Hearings are to begin next month. Chairing them will be Sen. Stafford, who has promised a "15-round political prizefight" if the administration attempts to gut the act, and Rep. Henry A. Waxman (D., Calif.), also a strong supporter of the act. At that time, the administration must make clear its specific intentions.

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[From the Philadelphia News, Aug. 8, 1981]

SMOKE SCREENS

President Reagan is careful how he appears to us. He is an emperor wearing only the finest clothes, a master of the smile. Grace radiates from his presence.

Reagan treats bad publicity like a spraying match with a skunk. Sometimes he makes sure to perfume the air first—like the way he's sending new standards for the Clean Air Act to Capitol Hill.

Unlike the time Reagan came out swinging on Social Security and wound up on his tail, he is playing this one mildly. After all, granting a huge break to industry at the expense of American lungs is not the stuff of the conservative mandate. People, unlike barons of industry don't relish the sight of stacks belching smoke.

So when Anne Gorsuch, administrator of the Environmental Protection Agency, appeared on Capitol Hill, she brought "guidelines" for reform of the Clean Air Act. Nothing to rattle the voters: no specifics about how much more sulfur Reagan wants in our spacious skies or which restrictions will be lifted from factories near federal parklands.

There is no mystery about what Reagan intends. The Clean Air Act, while making the air a whole lot more healthy for us, hurts businessmen who are forced to clean up their wastes before emitting them. The guild of self-made millionaires in which Reagan travels gets to breathe those ocean breezes off the Pacific anyway.

Behind the sweet-smelling "framework" Reagan sent to Capitol Hill the other day is a sophisticated agenda for the poisoning of our oxygen.

Behind the sweet smile with which the president has won the public is a calculating, and cynical, estimation of what we're worth.

[From the Portsmouth, (N.H.) Herald, Aug. 10, 1981]

CLEAN AIR ATTACK

Now it's clean air that's under attack by the Reagan Administration.

The Reaganites want to loosen the Clear Air Act for auto emissions, so we can all save $100 per car, or so goes the sales pitch.

That sounds wonderful but we can't help being suspicious, and would bet a bottom dollar the proposal will really benefit the car manufacturers far more than us car buyers.

EPA Administrator Ann M. Gorsuch introduced the administration's "broad proposals" for amending the law, and that, too, worries us precisely because of the word "broad."

She admitted the plan contains few specifics, so we can't help feeling the environmentalists are right in viewing the vague proposals as dangerous.

One Republican politician said the very vagueness of the plan is a "shrewd political move." Maybe that is true, but we don't want to wind up choking on the emissions.

The new proposals would also give individual states more say in setting pollution standards. That sounds all right at first glance, but really in this mobile age are state boundaries any barrier to pollution transmission?

Perhaps there is room for some modification, but we hope the Congress studies the proposals with utmost care, and makes sure of the specifics, when and if there are specifics.

Certainly no one is against removing unnecessary restrictions, but the definition of unnecessary by the Reaganites may be too elastic.

There is also concern that if the clean air act is to be amended at all, it shouldn't be done on a piecemeal basis and merely on monetary considerations, but should be accomplished after thorough review of all aspects, because it isn't a simple act at all.

Concern has been expressed by a number of people over a proposed amendment to put a one-year moratorium on the auto inspection provision of the act, which seems wrong.

Although we love our automobiles, we all of us know that auto emissions contribute heavily to smog. One auto pollutant, sulfur dioxide, contributes to the real problem of acid rain, which is hurting New Hampshire and Maine and most of the Northeast.

There should be a really tough study of this subject, and Congress should not be stampeded into rash action that could be harmful to the health of all of us.

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[From the Little Rock Gazette, Aug. 14, 1981]

KEEPING CLEAN AIR CLEAN

This was supposed to be the year that Congress would review the Clean Air Act of 1970 and decide whether to change some of its provisions in the process of re-enactment. Two committees have held some hearings and would like to get along with the assignment, but their progress has been hampered by the Reagan administration's failure to submit a proposed bill.

Considering the quality of the informal proposals that were leaked in some detail earlier this summer, the administration's hesitancy may have been a hidden blessing. The outline of "principles"—not a formal bill—that the administration presented last week indicates an attitude not quite as radical as that reflected in the earlier version, but if accepted whole they would seriously weaken the Clean Air Act.

There is no good reason, in any case, why the Senate Environment and Public Works Committee and a House Energy and Commerce subcommittee cannot push ahead on their own considerable momentum when Congress reconvenes next month.

The impression persists, even after Anne M. Gorsuch, administrator of the Environmental Protection Agency, presented the "principles," that administration ideologues would like nothing better than to destroy the effectiveness of the Clean Air Act if they thought they could get by with the foul deed. A spokesman for the National Clean Air Coalition calls the principles "a sugar-coated prescription for dirty, unhealthy air" and his summation seems to be squarely on the mark. The administration, it should be noted, already has guided through to enactment an amendment giving the steel industry three more years to meet clean air standards. Perhaps steel does present a special case, but the administration, in its principles, reflects a similar soft spot for the automobile industry as well.

Motor vehicle emission standards would be substantially relaxed under the administration's plans, a point that has not been missed by Representative Henry Waxman, chairman of the House subcommittee reviewing the Clean Air Act, who says: "I have reason to disbelieve the administration's commitment to steady progress toward cleaner air when it is still persisting in turning back the clock on auto pollution standards by actually allowing cars in the future to poison the air more than many of those today."

All of the implications of the technical principles presented by the administration are not immediately apparent, awaiting full-scale hearings, but already it is fair enough to reach several general conclusions about the administration plan. It would generally weaken public health protection, virtually eliminate air quality standards outside national park and wilderness areas, relax pollution controls on new coal-fired power plants and allow existing acid rain damage to continue unabated.

These are general attacks on clean air that the American public is not likely to accept, once the attacks are explained for what they are. It is one thing to "fine-tune" the Clean Air Act by reshaping some provisions requiring onerous administration. Even environmental organizations have felt that some revision in mechanics of the act is in order. Their reasonableness, however, is not matched by the attitudes of many in certain basic industries. Their rigidity is apparent in the administration's principles.

Those in Congress and the administration that feel in need of guidance could well heed the results of a Harris Survey in June showing that 86 per cent of the American public opposes weakening the Clean Air Act. The American people made a fundamental commitment to clean air in the late '60s and early '70s and there is no reason to believe that they have changed their minds, regardless of who occupies the White House.

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[From the Louisville Courier-Journal, Aug 8, 1981]

VAGUE CLEAN-AIR "PRINCIPLES" IMPERIL POLLUTION PROGRESS

The "principles" that Environmental Protection Agency administrator Anne Gorsuch announced Wednesday as guidelines for amending the federal Clean Air Act were about as obscure as the view of downtown Louisville that same day. But the idea of breathing as a high-risk activity loomed large in the haze.

One major concession is designed to head off congressional opposition to weakening the law. The administration claims to have abandoned the patently impossible notion of applying rigid cost-benefit tests to all pollution standards. So any new ones, at least in theory, would be based on health considerations, instead. But at the same time, there's talk of a "risk-assessment" factor that may be used to water down protection for those most vulnerable to air pollution—children, the elderly, and those with heart and respiratory ailments.

Yet the "New Federalism" notion of dividing the U.S. into 50 semi-independent principalities may be the most disturbing part of the picture. The administration, says Mrs. Gorsuch, won't eliminate national standards for pollution. But she questions the idea of sanctions against non-complying states.

ENFORCEMENT IS IMPERATIVE

With non-enforcement, of course, all states would face powerful arguments from their own industries against pollution rules. Companies would say they couldn't afford to meet standards higher than those for competitors across the state line. Often, they'd be right. The nation will have national standards or meaningless ones.

The "principles" also indicate a weakening, rather than strengthening, of the fight against acid rain produced by generating plants and industrial smokestacks. Acid rain already has decimated aquatic life in hundreds of American and Canadian lakes, and has damaged water quality and crops in many parts of the country.

Some utility interests, defying most scientific opinion, claim that nitrous oxides from automobiles contribute heavily to acid rain. But acid rain would win there, too. The administration proposes to double the amount of nitrous oxides that cars may emit. The proposed answer to the acid rain problem, it seems, will be more research while irreversible damage goes on.

(Not quite incidentally, leniency toward acid rain also threatens the Eastern coal industry. New power plants wouldn't have to use scrubbers to clean their stack gases if they used low-sulfur coal. Many would find it cheaper to burn Western coal than to burn higher-sulfur Eastern coal safely.)

Meantime, the administration proposes to more than double the allowable standards for carbon monoxide from auto tailpipes. Future cars would emit more pollution than new ones now sold in President Reagan's home state of California, and more than about one-third of those sold elsewhere. Mrs. Gorsuch is unlikely to find much agreement that this wouldn't affect air-quality goals.

Announcement of the "principles" seems to be a trial balloon to see how much the public—and congressional partisans of clean air—will stand for. The specifics of the administration's long-awaited package of dirty-air legislation aren't expected until September.

FEW WANT WEAKER LAWS

Admittedly, there is room for improvement in the present Clean Air Act and how it's interpreted. But the EPA has been showing encouraging flexibility on some issues. There's really nothing urgent about amending the Clean Air Act right away.

The bottom line, as the latest Harris Survey shows, is that only 12 percent of the public wants weaker pollution standards. That's not surprising, since more than 170 million Americans breathe unhealthful air much of the time. But the Reagan administration's "principles" could reverse the progress that has been made, especially if enforcement is curtailed.

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[From the Memphis Commercial-Appeal, Aug. 7, 1981]

NEW FEDERALISM'S BOUNDARY

If there were cheers from business quarters and cries from environmental groups when the Reagan administration finally issued its "broad proposals" on the Clean Air Act, no one should breathe much easier because of these suggestions.

They are sufficiently vague to leave Con-

gress considerable latitude in cleaning up the law. Where they get specific is where they get in trouble.

Take, for example, the proposal to ease federal auto emission standards. This, says Environmental Protection Administrator Anne M. Gorsuch, will save Americans as much as $100 on each new car purchased and save the car companies, as well.

It almost goes without saying that prospective car buyers will be skeptical of her promise. Consumers know only too well that prices can be "sticky" for cars or anything else, and they've seen just how responsive the car makers can be. When the public isn't buying because the prices are too high, the auto manufacturers respond by raising the price again.

As for the car companies, themselves, the savings likewise could be elusive when another Reagan proposal is cranked in. The administration wants to turn over more responsibility to the states by giving them more say in setting air pollution standards and by removing strict rules on clean-air areas outside the national parks.

What happens then? Will all states do what California did and adopt their own emission standards? If they do, how will it save the car makers to face 50 sets of rules and regulations instead of one nationwide test? How will their foreign competitors react?

If the states do nothing at all, what happens to the quality of their air, not to mention their quality of life?

And that is the basic problem. Air, like water, doesn't abide by state lines or national boundaries, for that matter. What one neighbor does affects another, as Canada has made plain on controlling acid rain, which is causing problems for the nation to our north and for us, as well. The rain's damage to lakes and land and buildings is also being felt along our East Coast and as far south as Tennessee.

However much Washington's new conservatives may preach power to the states, they must recognize that clean air isn't a proper test of faith for the new federalism. Clean air is a national concern, not a matter of states' rights. The states and everyone else are wronged when told otherwise.

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[From the Salt Lake City Tribune, Aug. 16, 1981]

IMPRECISE CLEAN AIR "PRINCIPLES" DEMANDS GO-SLOW APPROACH

It has been frequently noted that many of life's pleasures are little ones.

Evidence supporting that is the chance to stand almost anywhere on the east side of the Salt Lake Valley in the relatively early hours of the morning, when the sun has just topped the Wasatch Mountains, and look toward the west and the Oquirrh Mountains.

Today a person can pick out roads winding up the range's east slopes, easily locate the television transmission towers and revel in the sharply outlined ridgeline of the range's crest.

It hasn't always been that way. For that matter, it has been in just the past two or three years that a person could see the distant details of the Oguirrhs so clearly.

What has made all this possible? The Clean Air Act and its various amendments. If it hadn't been for the Clean Air Act the major air polluter of the west side of the valley, Kennecott Corp., would still be producing the haze of pollutants that perpetually obscured the details of the Oquirrh Mountains.

Aesthetics aside, and recognizing the definitive "numbers" aren't yet available, the fact that East Bench viewers now have a better view of the mountain range to the west nevertheless means also that health conditions in the Salt Lake Valley are vastly better than they were a relatively short time ago.

This is the reason the Reagan administration's presentation of its 11 "principles" for revising the Clean Air Act create a certain uneasiness, namely because the Salt Lake Valley is still a "nonattainment" area, according to current standards. A "nonattainment" area, essentially, is one where the level of pollutants exceeds healthy minimums.

The basic reason for this "nonattainment" status is now attributable to the automobile. And that is why the Reagan administration's "principles" for readjustment of the Clean Air Act are worrisome.

Prominent among the "principles" is one that would relax the current standard for automobile emissions for carbon monoxide and nitrogen oxide from 1 gram per driven mile to 2 grams. Strictly on the basis of arithmetic that would mean a doubling of the permissible emissions of those pollutants.

This suggests that the air in the Salt Lake Valley, if the administration's "principles" are eventually written into the statute, will continue to be unhealthy for some indefinite time into the future.

Many persons, particularly representatives of industry, have argued with a certain validity that the current provisions of the Clean Air Act are needlessly restrictive and overly burdensome; that they are not cost-beneficial, from either the standpoint of the ledger sheet or the health benefits they produce. Those arguments are, to a degree, persuasive.

One notable one is the provision demanding "best available technology" be used in providing pollution control equipment on coal-fired electrical generating plants. That means the installation of needlessly expensive scrubbers, even if the plants are burning very low sulfur coal.

Under the Reagan "principles" this provision would be modified. In a parochial sense, this a potential boon to Utah and its low-sulfur coal producing industry. It also bodes well for electrical power consumers in the state, which now have to bear the cost of those scrubbers.

This study in opposites in the Reagan "principles" demands a very careful and slow approach to any revision of the Clean Air Act. There may be need for a "mid course correction," but it had better be one that is going to get the ship of clean air into port with everyone on board well and healthy.

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[From the San Diego Tribune, Aug. 8, 1981]

NO TIME FOR TRUCE IN SMOG FIGHT

The U.S. Clean Air Act expires next month.

The Reagan administration, through the Environmental Protection Agency, has proposed that Congress reauthorize the historic act along 11 new guidelines—one of which lessens auto emission standards.

We commend the president's support for extension of the Clean Air Act, but question some of the proposed guidelines.

The administration pledges to make steady progress toward cleaner air, and to maintain the health-based standard of compliance. This commitment is vital to America, which has breathed better in the 1970s.

The facts are clear. A study by the Council on Environmental Quality shows car emissions have dropped 50 percent since 1968. Unhealthful days, as measured by the standard pollution index quoted in weather reports, decreased 18 percent in 23 urban areas over a five-year period. The national average concentration of carbon monoxide, sulfur dioxide and particulates dropped between 1973 and 1978. Fewer than 5 percent of reporting counties had 10 or more days over the standard pollution index.

But for San Diego, which suffered an average of 52 days a year of unhealthful air during the three years, the facts reveal that the Clean Air Act has not done enough. Although our air pollution is not nearly as serious as our northern neighbor, Los Angeles, which suffered 242 bad air days during the same period, it is worse than more than half the U.S. urban areas measured in the Council study.

That is why our representatives in Congress must oppose any weakening of auto smog standards.

As a plum to Detroit, the Reagan proposals would weaken carbon dioxide standards for auto emissions, raising the allowable level from 2 units to 7, on a scale which reached 87 in the exhaust-polluted days before the Clean Air Act. That would be progress in the wrong direction. We see no reason to aid U.S. automakers at the expense of the health of the American people, especially when Detroit's foreign competitors would also relax their standards.

The Reagan proposals come down hard on administrative abuses of the Clean Air Act—construction delays lasting years because of deferred air pollution rulings, bureaucratic inconsistencies, and technicalities. To reverse this process, the president proposes making uniform air pollution standards for new industries constructed in developed areas.

Good, but the generality of the guidelines may leave room for construction of polluting industries, at the expense of health.

San Diego, like America, walks a tightrope between pollution and economic stagnation. The Reagan proposals for the Clean Air Act add balance in the direction of economic development. We too want a country that is forging ahead economically. But we ask for more specific proposals to insure that, in the name of progress, we don't suffer the undeniable health hazards of dirty air.

Time is short. Positive action has been postponed too long. Now Congress must move quickly to renew the act and to keep it strong.

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[From the San Jose (Calif.) Mercury, Aug. 7, 1981]

A BREATH OF FOULED AIR

The Reagan administration, after long delay and many premonitory rumblings, has finally emitted its proposals for revising the Clean Air Act. Environmentalists feel like a man who was expecting a life prison sentence and got 99 years instead: Things could be worse, but they're bad enough.

The 11 general proposals for "reforming" the act which were released by EPA Wednesday with the administration's imprimatur aren't as horrendous as the preliminary draft that Rep. Henry Waxman of California got hold of and began circulating last spring.

There's no recommendation to scrap secondary air quality standards (those designed to protect things like agriculture, wildlife and buildings, rather than human life) or to substitute cost-benefit analysis for the principle that health effects should be the sole criterion in determining primary standards. The administration also wants to retain the present system for preventing significant deterioration of air quality in national parks and wilderness, and to increase the regulatory offensive against toxic emissions.

Still, there's plenty in the EPA package to alarm and dismay the environmentalists—or, for that matter, all of us who have gotten into the habit of breathing.

Most dismaying is the proposal that automobile emissions standards "should be adjusted to more reasonable levels." Pressed to explain what "more reasonable" meant, EPA Administrator Anne Gorsuch said the administration was, in effect, proposing to cut emissions standards in half. It would like to see Congress roll back the 1983 standard for carbon monoxide emissions, 3.4 grams per mile, to the 1981 level of 7 grams a mile, and relax the present 1-gram-per-mile limit on nitrogen oxide to 2 grams per mile.

Such a change would have no immediate effect on California, which has its own, tougher emissions standards. But it would widen the gap between California and federal requirements, thereby making it harder for car makers to supply the California market and no doubt increasing the pressure on this state to relax its standards.

The White House also wants to be more "reasonable" toward pollution from coal-fired power plants. EPA proposed that all such plants should be subject to "uniform emissions standards" regardless of the type of coal they use. This evidently means that plants burning high-sulfur coal would no longer have to install costly special emissions control equipment. The effect, according to Richard Ayres of the Clean Air Coalition, would be to pump 3 million more tons a year of sulfur compounds into the air and greatly exacerbate the "acid rain" problem that is killing aquatic life and vegetation in the Northeastern United States and Canada.

Reaction to the EPA's proposals was completely predictable. The Clean Air Coalition and other environmental types deplored while the National Association of Manufacturers, the Business Roundtable, the National Coal Association and (surprise, surprise) General Motors applauded.

Gorsuch carefully emphasized that the EPA-proposed changes would save car-buyers $1 billion a year, or a walloping $100 on the purchase price of a new car. The sum to be saved by the manufacturers and power utilities was not specified, but the cheering from the industrial sector indicates that it is not inconsiderable.

Breathing twice as much air pollution—and running the attendant risk of lung, circulatory and heaven knows what other health problems—in order to save $100 on a car every few years and maybe trim a couple of cents off the monthly electric bill may look like a good deal to the administration and its Big Business mentors, but to those who will have to do the breathing the cost-benefit ratio looks distinctly unappetizing. We hope Congress will support genuine clean air reforms instead of the administration's blueprint for clean air destruction.

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[From the Seattle Post-Intelligencer, Aug. 7, 1981]

NO COMPROMISE ON CLEAN AIR ACT

The notion that the dollar is the only way to measure cost seems to be at the root of the Reagan administration's plans to gut the Clean Air Act, a benign piece of legislation which will emit its last gasp Sept. 30, if it isn't renewed before then by Congress.

Air pollution still exists in the United States but significant improvements have resulted because of the Clean Air Act. Studies in 23 urban areas show that overall the number of days in violation of the National Ambient Air Quality Standards decreased by 18 percent between 1974 and 1978. Even if progress continued at this pace—which isn't likely—it would take more than 20 years to achieve minimum air quality in this country on a fulltime basis.

Apparently that's too soon for the Reagan administration. Before Congress moves to renew the Clean Air Act, the administration would like to make some sweeping changes. Specifics aren't spelled out yet but indications are that the most controversial of these would:

Eliminate any federal requirement to show progress toward meeting national air quality standards (states would judge their own progress).

Relax auto pollution control standards by increasing the legal amount of carbon monoxide and nitrogen oxide permitted in auto exhausts.

Eliminate most provisions designed to protect air quality in areas that are not yet polluted (pollution in these areas would be allowed to increase to national standards.)

Allow the cost of pollution controls to be weighed against health risks in a no-contest confrontation between your lungs and someone else's factory.

The intent of these changes is clearly to remove the teeth from the Clean Air Act, particularly those sections which conflict with corporate profit statements. But if industry isn't required to pay for removing the pollutants it broadcasts, that doesn't mean the bill won't fall due.

And it will be paid. The currency will take the form of cancers, respiratory illnesses, acid rains and thus, ironically, long-term economic and political damage compared to which, investments now in pollution control might seem inexpensive indeed.

Already Canada is threatening severely strained relations with the U.S. if the problem isn't addressed. Thanks to weather patterns and prevailing wind currents, our neighbors to the north fall heir to much of our pollution in the form of acid rain. Deputy environmental minister Blair Seaborn, Canada's top environmental civil servant, recently spoke before the 36th annual meeting of the Soil Conservation Society of America. He said more than half the acid rain in Eastern Canada—which kills lakes, erodes buildings and damages soils and forests—comes from the sulfur dioxide and nitrogen emissions of U.S. industry.

"It is essential," he said, "that Canada and the U.S. develop an effective mechanism to deal with the long-range transport of . . . airborne pollutants. We are moving on this problem now and we expect you to do the same. Failure to come to grips with this problem will, I assure you, place a (severe strain) on overall relations between our two countries."

It is unfortunate that the health and well being of its citizens may not be sufficient motivation for our government to ensure clean air. If it isn't, those of us who still find breathing necessary must point to the threat of drastic political and economic consequences by our closest neighbor—and our most prominent trading partner—to demonstrate to the Reagan administration where its best interests truly lie.

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[From the St. Louis Post-Dispatch, Aug. 9, 1981]

GUIDELINES FOR DIRTY AIR

In an apparent effort to blunt criticism of its objective of weakening the 1970 Clean Air Act, the Reagan administration has announced guidelines for revising the law rather than a set of specific legislative proposals. But the guidelines have already prompted deserved denunciation by clean air supporters, as did some administration draft proposals that were made public in June.

Richard Ayres, chairman of the National Clean Air Coalition—representing environmental, health and civic groups—said the guidelines are a "sugar-coated prescription for dirty, unhealthy air." A spokesman for the National Association of Manufacturers applauded the guidelines. The guidelines call for, among other things, relaxing standards for vehicle emissions, making it easier for utilities to burn more coal in their plants, abolishing requirements that polluted areas show progress in meeting national air quality standards, leaving more enforcement to the states.

The administration's support for what it calls "a more reasoned pace" in achieving cleaner air largely ignores the social and dollar costs of dirty air in order to reduce costs for polluting industries. The Federal Interagency Toxic Substances Strategy Committee reported last year that, of "all urban dwellers, one in five—more than 35 million people—are at special risk from such illnesses as emphysema and bronchitis as a result of exposure to air pollution." The President's Council on Environmental Quality said last year that in 1978 the benefits—in reduced damage to health, crops, forests, vegetation and property—of air pollution control amounted to about $21.4 billion, $5 billion more than the cost of complying with the law.

If the Reagan administration shuns such findings, it will be ignoring the wishes of the American people, who have shown repeatedly in polls that they strongly support the Clean Air Act.●

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## GEOPOLITICS OF OIL: ANOTHER WARNING

● Mr. JACKSON. Mr. President, the spotlight of the first 8 months of the Reagan administration has been focused almost entirely on the budget. The headlines and painful discussions of the last few months have all but obscured other problems.

The energy crisis, which stared at us for weeks and months in every newspaper, on every radio station, and on every television station, has vanished from the public eye. One might think that we have solved the energy crisis simply because it appears to have gone away. The old adage, "Out of sight, out of mind," is unfortunately particularly apt in this instance.

We read about a world oil surplus. The OPEC nations are in disarray; they cannot agree on a uniform price policy. It is tempting to sit by complacently and to ignore the fundamental problem lurking just beneath the surface.

There is, however, a fundamental problem that is not getting the attention it so richly deserves. That problem was aptly summarized recently by one of the world's leading petroleum analysts, Walter J. Levy. As he put it:

In sum, although it now appears that conservation and alternate energy supplies will combine to make oil demand a significantly smaller percentage of total energy use than it has been in the past two decades, the projections still indicate a major oil requirement and continued substantial dependence on OPEC oil. Even if the total oil demand should fall by 1990 substantially below that projected by Exxon, there is no realistic prospect that either the major industrialized countries or the LDCs can become anywhere near self-sufficient or reliant on non-OPEC sources.

With this cautionary note in mind, the author discusses some thought-provoking ideas about the consequences of our dependence on the Persian Gulf producers, and what we might do about it. I commend the article to my colleagues and suggest it be made mandatory reading for anyone who thinks we can afford to ignore the problem posed by the free world's dependence on a few nations for this most basic commodity.

Mr. President, I ask that Dr. Levy's article from the summer 1981, issue of Foreign Affairs, be printed in the RECORD.

The article follows:

OIL: AN AGENDA FOR THE 1980's

(By Walter J. Levy)

A year ago, in reviewing the problems of oil supplies and Western security, I focused on the deplorable developments that had occurred during 1979, and emphasized the grave dangers involved if most of the oil-consuming nations remained dependent on oil from

the Organization of Petroleum Exporting Countries, and were unable to achieve effective international coordination of their energy policies.[1] It now appears appropriate to examine how circumstances have changed—or remained unchanged—during the intervening year, and to suggest lines of action, for both the short and medium term, that should be pursued vigorously.

Events since the spring of 1980 continue to make apparent the inherent dangers for the non-communist world of dependence on insecure sources of oil supplies. Despite generally abundant oil availability, OPEC nations raised official crude oil prices from an average of $20 per barrel in September 1979 to $32 per barrel by August 1980. In the following month came yet another major oil supply disruption, this time the result of the outbreak of war between two OPEC nations, Iraq and Iran. This war, which still continues, brought about a sudden reduction of approximately four million barrels daily (b/d) in available world oil supplies, and for a while threatened an upheaval of the same magnitude as followed the 1978–79 Iranian Revolution.

However, this time the major oil-consuming nations and their oil companies were in a considerably stronger position. Very substantial oil inventories had been accumulated in response to events of the previous year. Through the availability of these stocks, weak oil demand, and the prompt Saudi Arabian action of increasing its production to partially offset lost Iranian and Iraqi oil exports, the importing nations managed to avoid the disastrous spot-market competition which had done so much to cause the price explosion of 1979. Nevertheless, in December 1980 the OPEC nations imposed still further price increases, bringing the level of permitted "maximum" official sales prices up to $41 per barrel. And, by January 1981, the average of official OPEC sales prices had risen to $35 per barrel.

The ensuing world oil glut and accompanying price weakness served to highlight the crucial role of Saudi Arabia within OPEC. The Saudi decision to increase its production from a "normal" level of 8.5 to 10.2 million b/d and to maintain its "marker" crude price at $32 per barrel represented a determined effort to persuade other OPEC nations to moderate their price increases. These Saudi actions helped the major oil-consuming countries to fare much better than might have been expected in the face of the Iraqi and Iranian supply reductions.

Meanwhile, the combination of three factors—economic recession in the industrialized nations, the progressive removal of price controls on oil produced in the United States, and the response of international oil markets in general to substantially higher oil prices—began to have a major impact on oil demand. Oil consumption dropped significantly in Western Europe, Japan and especially the United States—where the required level of oil imports declined to 6.5 million b/d in the first quarter of 1981 from 7.9 million b/d over the same period a year earlier. It began to appear that improved energy conservation together with the expansion of non-oil energy sources might lead to a situation where future requirements for OPEC oil would be very substantially lower than had been generally forecast prior to 1981.

At the same time, the position of OPEC countries was beginning to show signs of fundamental change. The Iranian Revolution had brought home to all of them the grave dangers of forced-draft economic development, with all its difficult political and social implications. Most of these nations also were concerned about the drastic impact of worldwide inflation on the value of investments they were continuing to make in the industrialized world. Thus, many OPEC nations increasingly emphasized the desirability of limiting output, so as to produce only the amounts of revenue needed for their national economic needs. Moreover, they increasingly realized that if in fact they limited production and exports, they could in many circumstances expect to see substantial price rises in the resulting tight oil market. And they might be able to cover their revenue needs even with lower levels of production.

In contrast, other OPEC members, Saudi Arabia in particular, demonstrated an acute awareness of the potential damage that would be inflicted on both major industrialized nations and less developed countries by a policy of limiting output in order to raise real (inflation-discounted) oil prices. The Saudis also realized that such higher prices, by accelerating the pace of conservation and production of oil and non-oil energy substitutes outside OPEC countries, could seriously restrict current, and even more so future, levels of demand for OPEC oil. But, with the first group of OPEC countries strongly resisting the Saudi policy of price moderation, the Saudis have been unable to achieve their goal of a unified pricing structure for OPEC. The OPEC meeting at Geneva in May 1981 again failed to reach agreement, with both sides maintaining their price positions, stabilizing prices for the time being, possibly for the rest of 1981, the majority of the participants agreeing on a ten percent reduction in output, but the Saudis adhering to their present production level of 10.2 million b/d. The continuing conflict within OPEC underscores how difficult and complex a task it remains for consuming nations to reach any meaningful accord with OPEC on long-term pricing and supply policies.

These latest developments, following the major structural changes of the international oil industry from the early 1970s, raise questions which must be addressed from a long-term perspective. In the following analysis, I will review the problems posed for the world oil economy during the 1980s—a period for which the strategic economic and physical preconditions are, to a substantial degree, already apparent. The main thrust of this analysis will be directed toward the issues posed in achieving a balanced accommodation between the vital interests of oil importers and exporters, and the consequences that might ensure if such efforts should unfortunately fail.

First we must consider the outlook for oil in the non-communist world. Do the circumstances of the present oil glut indicate that the world's oil importers will cease to be perilously dependent on OPEC oil exports?

Second, how can the oil-consuming nations better marshal their existing and potential energy resources in an effort to ease the extent and consequences of continued dependence on imported oil? This has to do not only with massive production and conservation efforts but with much more effective coordination of policies to deal with potential disruptions of oil supplies.

Third, assuming that the oil-importing countries are able to achieve comprehensive energy policies, how might such policies assist in moving toward an essential accommodation with the oil-exporting countries, and what are the realistic prospects for such an accommodation?

And finally, what actions are needed to contain and possibly deter contingencies which could disrupt the vital flow of oil from the OPEC countries, esptcially those in the Persian Gulf? In this regard, what must be considered are not only the dangers of Soviet actions, but also intraregional conflicts, political turbulence or changes of regime in individual producing countries, and the threats that might be posed by drastic changes in the oil policy of one or more producing countries.

The experience of the past 18 months is clearly reflected in the latest authoritative projections of world energy balances in the 1980s. Taking acconut both of the sharp decline of oil demand that has already taken place and of the continued stimulus of higher real oil prices on energy conservation and production of oil and non-oil energy resources outside OPEC, most forecasts now generally anticipate only slight, if any, expansion in non-communist world oil demand over the decade. In contrast, forecasts made as recently as the late 1970s, although projecting only a moderate rate of oil demand growth, nevertheless typically projected a substantial increase in the volume of oil required.

Thus, the latest comprehensive projection by Exxon concludes that oil demand in the non-communist world, excluding OPEC countries, will remain approximately unchanged at 50 million barrels per day through the decade, with the demand of OPEC countries themselves raising the overall total from 53 to 56 million b/d by 1990.[2]

These Exxon projections are predicated on only moderate real growth of the non-communist world's gross national product, (GNP)—three percent per year versus five percent over the 1960s, but roughly comparable to the economically troubled 1970s—and on very substantial further improvements in the efficiency of energy utilization. (In the case of the United States, for instance, there would be a projected decline of energy required per thousand dollars of GNP from 5.9 barrels per day of oil equivalent in 1979 to 4.8 barrels by 1990—in terms of constant 1979 dollars.) On these assumptions, but taking account of substantial increases in consumption among the less developed countries (LDCS), total non-communist world energy consumption would increase from 98 to 125 million barrels per day of oil equivalent (b/doe) over this period, or an average annual rate of growth of 2.2 percent.

Exxon anticipates massive development of non-oil energy resources between 1979 and 1990. Total non-oil energy supplies would increase from 45 to 69 million b/doe and their share in meeting non-communist world energy demand would increase from 46 percent in 1979 to 55 percent by 1990. For example:

Gas supply would rise from 18 to 23 million b/doe despite the effects of sharply declining production from current sources of supply.

Coal output would advance from 17 to 26 million b/doe even excluding expanding volumes of coal used in the production of synthetic oil and gas.

The combined contribution of nuclear, hydro, geothermal, solar, gasohol, and other miscellaneous sources of commercial energy would rise from ten to just under million b/doe, acconuting for the large part of the non-communist world's incremental energy supply.

Reflecting the increased incentives provided by higher real oil prices on efforts for exploration and development of new sources of oil supply, total oil production outside OPEC is forecast to advance from 21 million b/d in 1979 to 26 million in 1990. This increase would include a rapid commercial expansion of synthetic liquids production (from such sources as shale oil, tar sands and coal), which would rise from current fractional amounts to upwards of two million b/d. To meet the non-communist world's oil needs of 56 million b/d, the level of OPEC production required would still be 30 million b/d, less than the 32 million b/d OPEC produced in 1979 but five million b/d above the currently depressed OPEC production level of approximately 25 million b/d.

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The Exxon projections also indicate that during the present decade annual non-communist world oil production will exceed new discoveries, and accordingly, the reserves-to-production ratio will decline from 29 years to about 24 years by 1990. This is predicated on the assumption that OPEC countries maintain their oil output at levels that accommodate the future needs of the oil-importing countries and do not restrict production in order to stretch the life of their reserves.

In sum, although it now appears that conservation and alternate energy supplies will combine to make oil demand a significantly smaller percentage of total energy use than it has been in the past two decades, the projections still indicate a major oil requirement and continued substantial dependence on OPEC oil. Even if the total oil demand should fall by 1990 substantially below that projected by Exxon, there is no realistic prospect that either the major industrialized countries or the LDCS can become anywhere near self-sufficient or reliant on non-OPEC sources.

Moreover, as the current world oil surplus well illustrates, the world remains enormously dependent on the production policies followed by one key OPEC country, Saudi Arabia. However, the Saudi policy of maintaining its oil production well in excess of market requirements and at prices well below the general OPEC level provides no realistic basis for anticipating long-term oil market weakness. In an interview on U.S. television, Saudi Oil Minister Yamani bluntly described the 1981 oil situation as a glut that "we engineered . . . in order to stabilize the price of oil." Sheikh Yamani also indicated that the Saudis could "live happily" by reducing their production from over ten million b/d to as little as six million b/d if such a reduction were required to support a unified OPEC pricing policy.

If world oil demand should remain depressed and if surplus production should continue (reflecting either a continuation of current Saudi production policies or the effects of possible restoration of Iranian and Iraqi production, or both), real oil prices will tend to decline as long as such conditions prevail. However, it is extremely unlikely that the Saudis would continue their present policy if oil prices were to tumble below the current Saudi level. Moreover, protracted oil market weakness and declining real oil prices would inevitably retard energy conservation, slow the pace of development of non-OPEC energy resources and thereby detract from efforts by oil importers to decrease dependence on OPEC oil.

Up to now we have focused our review of prospects for world energy balances on the distribution of oil supply and demand for oil-importing countries as a whole, rather than for individual countries. There are, however, widely divergent degrees of dependence on imported oil as between the United States (37 percent of oil supply in 1980), Western Europe (81 percent) and Japan (virtually 100 percent). But all of us have become so interdependent in our political, economic and strategic exposure that there is no individual salvation for any one country. If the United States, for instance, were able to achieve a substantial degree of energy independence, it would of course be an extremely welcome development. However, the less fortunate circumstances of our allies would, nevertheless, still dangerously impinge upon us.

Moreover, even if oil-importing countries do their utmost to reduce their import dependency, and OPEC countries maintain levels of oil production as needed by oil importers and establish a pricing and development policy which (at least from their viewpoint) might be described as moderate, the potential financial effects on the overall well-being of the oil-importing world could still be grievous. For the poorer industrialized and less developed countries, it could be even crushing.

In addition to the continuing economic vulnerability of the importers, the events of the past 18 months have again underscored the variety and depth of the political and strategic problems which affect the Persian Gulf. These could, at practically any time and any place, interrupt oil production and thus supplies to importing countries—as they have now done three separate times in the past eight years. Contingencies could arise from the Soviet threat, regional fighting, internal upheavals, terrorism, the festering Arab-Israeli issue, or a sudden shift in the production and pricing policy of one or more OPEC countries. It is nearly certain that we will have to cope with one or even several of these contingencies in the years ahead.

The overriding conclusion is thus inevitable. Even in the short-to-medium term no firm reliance can safely be placed on the future availability of the required volumes of Middle East oil at manageable prices. If nothing else, the experience of the 1970s should have taught us this. In spite of the present world oil glut, the outlook for most of the 1980s still looks to be highly precarious, and, accordingly, it would be extremely imprudent if oil importers were to base their planning for the future on current market conditions.

III

In facing the prospects of long-term dependence on imported oil and uncertain oil balances, the consumer nations must redouble their efforts toward instituting a comprehensive, coordinated energy policy. The consumer nations must deal with two types of problems which require close cooperation—improving their energy resources position and coping with oil supply contingencies. It would be the height of folly if efforts to cope with these problems were relaxed because of current easing of world oil balances. These issues should be confronted now in the calm of loose world oil balances rather than later in the storm of some future crisis.

Once in place, a coordinated policy is essential for an effective accommodation between importers and exporters. Except during the present phase of a supply glut, individual importing countries and their oil companies have in the past acquiesced in practically any demand by OPEC countries regarding the volume and price of oil supply and even certain political terms as well. They have been inclined to do so out of fear that refusal to submit to the stipulated terms and conditions might jeopardize their ongoing oil supply position. It is not surprising that oil producers have acquired an unrealistic sense of their own power. Unfortunately, they have thus acted as if they could afford to ignore the real degree of interdependence between the political, economic and strategic welfare of the importing and producing countries.

During the 1970s, the essential failure of oil importers to achieve effective cooperation among themselves can be traced, to a considerable extent, to the major shortcomings of U.S. energy policy and the consequent inability of the United States to provide world leadership. After the 1973–74 oil price shock, artifically low oil prices and a rapid buildup of oil imports made it extremely difficult for the United States to assume a constructive role vis-a-vis the rest of the oil-importing world in the coordination of international energy policy initiatives. However, as a result of decontrol of oil prices, sharply declining oil imports, and a revived commitment to building the Strategic Petroleum Reserve, the United States is now in a much stronger position to induce, if not insist on, cooperation among consumer nations.

A comprehensive resources policy on the part of consumer nations must deal with a number of complex issues. Concerted endeavors are vital on the following fronts:

An optimum energy conservation effort must be pursued through the operation of the price mechanism, tax incentives and other suitable measures. It should be noted, however, that there are obvious limits to how far conservation can successfully be carried before the cost of achieving additional energy savings would exceed the benefits to be derived. Equally, economic vulnerability to any future supply shortfall would increase as conservation progresses because there would be that much less "conservation fat" left.

A sustained program for oil and gas exploration and development must be put into place, supported by the necessary price and tax incentives. Wherever possible, the creation of a surge productive capacity that would only be available during supply emergencies should be encouraged. In addition, technological and financial assistance for oil projects of LDCS should be extended.

A policy to replace oil and gas by coal, wherever feasible, should be pursued through investment, tax and other incentives. But if this should prove to be insufficient, direct government involvement may be required; mere market forces may not in all instances be effective, as in the case where electric utilities are able automatically to pass on higher oil costs to their customers. Additionally, an internationally coordinated research effort should be undertaken to cope with the environmental hazards of expanded coal use such as air pollution, acid rain, and the problems that might be posed by the possible "greenhouse effect" (i.e., a warming of the earth's atmosphere with a potentially dangerous rise in the level of ocean waters, bringing possible detrimental consequences for coastal areas and also for agriculture).

The production of synthetic oil and gas should be established and expanded as a matter of highest priority. In addition to a multinational cooperative effort on synthetic fuels research, joint efforts may also be necessary for the commercial development of new productive facilities because of the concentration of coal, shale oil, tar sands and very heavy crude oil in relatively few countries. In this respect, curtailment of the operations of the newly created U.S. Synthetic Fuels Corporation may well prove to be counterproductive. Because of unresolved technological problems, the huge financial cost involved, and the long-deferred and uncertain payout from investment, it is highly questionable whether private industry will launch as massive an effort in this field as is required without substantial government support.

International cooperation in nuclear research and development is essential, with the problems of waste disposal, nuclear proliferation and plant safety deserving particular attention. In light of the uncertain nature of future energy balances, a large contribution of nuclear energy would be most helpful, if not essential, especially for the many oil-importing countries with a small or virtually non-existent national energy resource base. Accordingly, the development of atomic energy should only be curtailed if the reasons for doing so, after the most exhaustive inquiry, are overwhelming. And even then, international efforts to curtail nuclear energy would probably fail, not only because the Soviet Union would be unlikely to subscribe to such an effort, but also because many of the energy-starved countries might not agree.

Finally, a major research effort on a coordinated international basis is warranted for the development of energy from so-called exotic sources (e.g., solar, wind and tidal water power) despite the very limited early contribution to energy supplies that can be

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expected. There is always the chance of a technological breakthrough that could change future prospects.

In addition to establishing a mutually cooperative and progressive energy resources policy, consumer nations must move to develop more effective means of coping with oil supply disruptions. The absence of effective oil importer coordination greatly contributed to the 1973–74 and 1979 oil price explosions. A responsible policy for energy coordination among oil importers must reflect the underlying likelihood of future supply emergencies.

First, the major importing countries should continue to pursue aggressive stockpiling of substantial oil reserves that would be available for use during future crises. The management of oil stocks must be made subject to a joint or coordinated policy as agreed upon by the relevant oil-importing countries. Past experience has demonstrated that the actions of individual nations or companies can easily run counter to the common good. For instance, the special interests of countries or companies in assuring their future supply availability, or in benefiting from an appreciation of the value of their oil stocks as a result of crisis, might induce them to add to rather than withdraw from their reserves during an emergency. Such a course of action would increase the severity of the crisis and contribute to the upward pressure on prices, as occurred during the Iranian upheaval in 1979.

Second, the oil-importing countries and their companies must agree not to purchase oil at above OPEC official sales prices during a crisis period, or at least be penalized if they should do so. This is necessary because importing countries and their companies are tempted to purchase oil at excessive spot-market prices during periods of actual or even feared future supply shortages. Such transactions do not increase total oil supplies but only serve to redistribute such supplies among importers, forcing countries that are thereby deprived of imports into the spot market at ever-escalating prices. In due course, such higher prices tend to establish a new official level of prices as established by OPEC. All of this has occurred in the past and will continue to do so if there is no policy in place for pre-crisis and crisis cooperation.

Third, there is a need for a policy of equitable sharing of oil supplies among the various importing countries during periods of actual shortages. As presently constituted, the International Energy Agency's oil sharing mechanism is only triggered by a seven percent shortfall. This is clearly inadequate inasmuch as an oil price explosion can occur well before the trigger-level is reached. The terms of reference for the IEA should thus be revised to permit an earlier response to an oil supply crisis. An effective policy for the international sharing of supplies would also tend to reduce the pressure on importing countries and oil companies to obtain their requirements on the spot market at whatever cost.

Since the dismal 1979 experience, which pointed up the need for further oil-importer coordination, the IEA Secretariat has been endeavoring to obtain approval from member countries for more responsive crisis management policies. Unfortunately, some of the important IEA countries have continued to resist such changes. It would be most unfortunate for all concerend if such disagreements could not be resolved before the world is confronted by a new supply emergency.

In addition to the energy problems facing oil-importing countries, there are also massive difficulties that confront oil exporters. Oil importers can ignore these only at their own peril. Cooperation, however, can provide a basis for an effective reconciliation of their diverse interests.

To assess the main lines of action for potential importer-exporter accommodation, I will draw upon the underlying assumptions, pricing proposals and policy suggestions contained in the thoughtful report prepared by OPEC's Long-Term Strategy Committee. This committee of OPEC specialists (under the chairmanship of Saudi Oil Minister Yamani since its inception in 1978) presented its recommendations at a special conference of OPEC ministers in May 1980. Although it has become increasingly uncertain whether these specific proposals will be implemented (Sheikh Yamani himself now indicates that some of the committee's proposals may be inappropriate because of changed oil market conditions), the Strategy Report still provides an excellent basis for consideration of issues which must be addressed in order for oil importers and exporters to reach a realistic understanding.[3]

In its outlook for future world oil balances, the Strategy Report cited the growing reluctance of producing countries to produce oil at rates higher than needed for internal development. Fundamentally, this reflects OPEC's preference, if completely uninhibited, to produce only as much oil as needed for its local demand plus a level of exports that would provide for its revenue requirements. Producing countries would, obviously, be very much interested in extending the life of their reserves and the time span during which they could count on substantial oil revenues. With the nagging doubts about the success of efforts to build up viable national economies (not primarily dependent on oil revenues) and concerns about the many economic and social problems that rapid and forced industrial development pose, many OPEC officials would consider a lower rate of oil production and economic development as more responsive to their national welfare and interest. The maintenance by OPEC of higher levels of output than their national economies require thus imposes distinct obligations on the oil-importing world which it cannot afford to ignore—provided that importing countries, in turn, are able to secure adequate suppliers of OPEC oil at prices they can afford to pay.

Steps by oil importers to assist OPEC in achieving its long-term objectives for industrialization must cover a wider range of issues. Oil-importing countries must not consider OPEC purchases mainly as a means for recouping as fast as possible their petrodollar outlays. While it might be difficult to discourage some OPEC countries from engaging in uneconomic or otherwise unsound projects, it should at least be tried, especially where the ultimate futility of such expenditures is only too obvious. However, as long as importing countries and companies compete among themselves for lucrative OPEC contracts without any coordination, each one would feel that if it did not get the order, some competing firm would. Similar consideration should apply to the sales of military equipment which can either not effectively be used by the oil-exporting country, or which might lead to overmilitarization, and provoke adventurism and regional conflict. Such self-restraint by Western suppliers can obviously not be achieved easily—if at all—especially as individual OPEC countries may be determined to proceed with certain industrial or military purchases. But a coordinated effort to establish a rational approach to this problem must at least be attempted.

Importing countries must also be prepared to accept the output of new OPEC industrial facilities without discrimination. Admittedly, this might present problems when such output would replace production from existing facilities within the oil-importing world, or when, as is frequently the case, such output is subsidized by non-commercial local supply of energy or feedstock for, say, petrochemical production, or is financed by non-commercial loans. In the latter type of situation, depending on the circumstances, the imposition of some countervailing duties may have to be considered. Nevertheless, to reach a mutual accommodation of long-term economic interests for both sides, constructive and determined efforts must be made to deal with these issues.

Oil exporters must also be provided non-discriminatory access to investment opportunities for their surplus funds within importer countries. This would lead to an increase of OPEC ownership in the importers' domestic means of production, including equity interest in corporations, real estate and so on. Where exclusion from such ownership are necessary for security or other essential national interests, they must be applied only on a non-discriminatory basis. Moreover, consideration might also be given by appropriate international institutions to make available to producing countries non-transferable, no- or low-interest bearing bonds that are indexed against inflation.[4]

A closely related area requiring exporter-importer cooperation is the establishment of effective mechanisms to provide financing for oil-related deficits of the weaker oil-importing countries. Private financial institutions which up to now have handled a substantial part of this transfer may over a period of time not be able to continue at the levels that would be required. Also, there may be a need for arranging for a lender of last resort to supplement, or perhaps even to replace, a sizable part of the private recycling flows.

In dealing with the oil-related financial problems of the less developed oil-importing nations, the OPEC strategy document proposed that an international aid program be set up to provide LDCS with financial assistance through loans or grants for balance-of-payments and development purposes. To accomplish this objective, OPEC suggested that a new international organization be established jointly by OPEC and industrialized countries to provide financial aid and technical expertise for the development of the LDCS' energy resources.[5]

OPEC countries with large financial accumulations must be brought increasingly into the international financial support network. Since their own prospects for economic development depend on the solvency of their oil customers, it is obviously very much in their own interests that OPEC countries increasingly cooperate with the financially strong oil-importing countries and international financial institutions. In this way a financing and transfer program could be established that would extend over a number of years, rather than operate on an uncoordinated short-term or ad hoc basis. The implementation of such a financial assistance program, however, would pose many negotiating problems such as that of respective OPEC–OECD financial contributions. In this connection, it should also be noted that the World Bank last year proposed to set up an energy affiliate, to be jointly financed by OPEC, the OECD and the Bank. This effort, it was hoped, would lead to a doubling of energy production by the oil-importing LDCS from the current 7.8 million b/d oil equivalent to over 15 million b/d by 1990, resulting in gross foreign exchange savings at present prices of about $90 billion. It is to be regretted that the United States recently announced that it will neither support the creation of such an organization nor participate in it; I hope this decision will be reconsidered.

The pivotal issue of oil pricing must also be directly confronted as part of the framework for eventual exporter-importer accommodation. OPEC's Strategy Report suggested that oil prices should increase in line with

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the impact of inflation on international trade and with changes in certain currencies. There also would be a gradual rise in real oil prices—related to the real growth of GNP in OECD countries.[6]

The Strategy Report's pricing position, however, does not answer the key question of what oil price level would provide a reasonable and acceptable base for future escalation under a long-term pricing formula. During the period between 1978 and May 1980, when the OPEC committee prepared its strategy document, crude oil prices rose from about $13 per barrel to some $30 per barrel—a rate of increase far in excess of the committee's own pricing policy proposal. Moreover, OPEC itself stated that "oil prices should in the long-term approximate the cost level of alternative energy supply" and, as Sheikh Yamani explained, this ultimate level should be attained "gradually, not all at once."

Present OPEC prices have even as of now substantially reached the estimated cost of some alternative supplies.[7] Moreover, any realistic approach to oil pricing must provide for a decline as well as for an increase of the real and also the nominal price of OPEC oil when circumstances warrant it. At this time, there is clearly no valid reason for an advance in the real price of OPEC oil. Rather—in line with the Report's own stated policy goals—real oil prices should decline, as it will take many years before substantial quantities of alternative energy can become available. This issue is a proper subject for review by OPEC countries and the importing nations.

In dealing with the problems posed by oil shortages, the OPEC strategy document made a number of recommendations. For the financially weak less developed oil-importing nations, the Report advocated, as a general policy, preferential treatment for the security of oil supplies on the basis of an internal agreement among all OPEC members.[8] The Report also suggested that some price restraint may be called for during shortages because the "bulk of crude and demand for petroleum products is influenced more by the policies of producing and consuming governments than by a free market equilibrium." Once a shortage is over, it considerd the possibility of two options—either freezing prices in real terms until the floor price catches up or, alternatively, establishing a new floor price and moving forward from there.

This suggestion for price restraint during future supply disruptions—if it could be implemented—is most constructive. What OPEC countries need for this purpose is the ability to draw on a substantial reserve productive capacity for dampening price increases during a period of oil shortage. Such a reserve could also provide for an unexpected surge in demand so as to make certain that it can be covered without discontinuities. Experience has shown that a mere supply/demand balance is not enough to eliminate upward pressure on prices. With a very uncertain future, maximum availability of oil should at least exceed world demand by several million b/d; otherwise the markets will get nervous. As asserted by the Report, "all risks in supply forecasts are on the downside." Accordingly, the industrialized countries would require an OPEC assurance of secure oil supplies at manageable prices. Only then will it be possible to establish the confidence of importers in future oil availability.

Finally, how then to establish workable arrangements for future oil exporter/importer dialogues? The OPEC paper recommended starting with informal talks on selected issues with experts from a few countries on each side, to be followed, if successful, by formal OPEC-OECD discussions. This would appear to represent a realistic approach that should be acceptable to the importing countries. It is especially welcome that the strategy paper does not insist that oil discussions must also include all the outstanding issues between the industrialized world and the LDCs.

In practice, initial discussions should include those countries in the two groupings that would in fact have substantial capability to carry out the decisions reached, and would also possess sufficient influence to ensure that such decisions would be implemented by at least most of the other relevant members of their group. This might involve, as lead nations, Saudi Arabia, Kuwait, Venezuela, and, perhaps, Iraq on the side of OPEC; and the United States, Great Britain, Germany, France, Japan, and possibly Italy on the side of OECD.

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Despite efforts to reach a balanced accommodation with the oil exporters and despite efforts to cope more effectively with oil supply disruptions, the oil-importing countries may nevertheless be confronted by contingencies that could endanger at any time the oil fields and transport routes to the importing countries. Even with Iraqi and Iranian production cut back to a very low level as a result of the war between the two countries, perhaps as much as 15 million b/d or about two-thirds of OPEC's current exports would potentially be at risk. The threat to Persian Gulf oil supplies can come, as we have already noted, not only from Soviet overt or covert operations, but also from the Arab-Israeli conflict, intraregional disputes, internal upheavals or revolutions in major producing countries, and terrorist attacks on oil facilities.

Indeed, the ultimate political, economic and strategic destiny of the importing countries is held hostage in the Persian Gulf, particularly in Saudi Arabia. U.S. Secretary of State Alexander Haig has warned that a potential disruption of access to Persian Gulf oil "would constitute a grave threat to the vital national interest. That must be dealt with, and that does not exclude the use of force if that is necessary."

To keep the threats to oil supply under some measure of control, the diplomatic and economic policies of the major importing countries must be carefully balanced and coordinated. It will not be easy to reconcile the diverse interests and positions of the various members of the Western alliance, including Japan, but the underlying common concern in assuring secure access to Persian Gulf oil on manageable terms is overwhelming. What is at issue is the survival of NATO and the whole alliance as an effective and cohesive world power group. Because the stakes are of such magnitude, it should be possible to reach an agreement on a coordinated policy aimed at containing potential threats to the continued availability of Persian Gulf oil.

Such a coordinated policy should include not only the necessary measures for continuing close consultation, but contingent agreement on a limited direct or indirect military contribution by U.S. allies. But the major responsibility for any potential response by force by oil-importing nations falls on the United States because no other Western power can match U.S. military resources. Moreover, no other Western country has the means to check Russia, which would certainly be sorely tempted to interfere in any confrontation affecting oil-importing and producing countries. It is self-evident that a struggle over oil might easily trigger hostilities between the two superpowers. But if the United States is prepared, as it must be, to intercede against a Soviet move into the oil-producing areas of the Persian Gulf, it must equally be prepared to respond to a non-Soviet event, or one not traceable to the Soviets, which threatens the essential flow of oil.

There are many problems which stand in the way of gaining effective regional support for U.S. efforts to defend the Persian Gulf. Even though the Sauds and other producing countries must be aware that they would need protection against hostile Soviet moves, they somehow hope not to be drawn into any East-West conflict. Nearly all of the Persian Gulf nations desire to keep our military power at best at an "over the horizon" distance, and for it to be at their call only when they have become directly involved. They thus ignore that when help finally arrives, it may be too late to save them. They apparently fear that a U.S. military presence in their countries would threaten their internal and external security rather than enhance it.

The likelihood that Saudi Arabia or other relevant Middle East countries will give the United States substantial military-related facilities is remote. Such Western facilities, as Prince Saud, the Saudi Foreign Minister, has put it, would be like "lightning rods" that would provoke the Soviets to ask for the same rights. In the meantime, the United States is confronted by the hostility of Iran, Syria, Libya and others in the general area. Colonel Muammar Qaddafi, Chief of the State of Libya, only recently advocated an escalation of Pan-Arab activity in order to launch a strategic counteroffensive against U.S. imperialism in the Middle East.

Under these conditions, the military potential of the United States in the area must necessarily depend on rapid deployment forces and limited base or supply facilities in Oman, Bahrain, Somalia, Kenya and the Indian Ocean island of Diego Garcia. Even a limited military presence in the area could well have the character of a tripwire.

In countries where our supply facilities are located, we would apparently be prepared to strengthen their internal security forces. In many instances, the entrance fee for obtaining access to facilities would involve supplying military hardware to the country concerned. While this can provide only very limited, if any, capabilities for these countries to resist Soviet incursion, it might well strengthen their position against internal opposition—but it might also tempt them to engage in military adventures against their neighbors to settle old debts. As a matter of fact, the United States may have to contend with a host of problems in those nations where it has been able to obtain facility or supply rights. These problems could affect not only the security and dependability of U.S. tenure, but draw the United States into these nations' internal and external problems—with many potentially difficult and unpredictable consequences.

The recently formed Gulf Cooperation Council may improve some aspects of Persian Gulf security, but it certainly lacks the ability to cope with Soviet incursions. The Council (whose members are Saudi Arabia, Kuwait, Qatar, the United Arab Emirates, Bahrain and Oman) aims to promote economic harmonization, and perhaps very gradual political integration and eventually cooperation on defense and internal security. Apparently, as indicated by the UAE Minister of Petroleum, the group also plans to improve and coordinate the land, sea and air defense of oil fields and terminals. However, many of the member states of the Gulf Cooperation Council lack critical elements of the necessary political, military, educational and human assets. None of them possesses more than a symbolic navy and small land and air forces—which even in the case of Saudi Arabia depend on massive foreign assistance.

In case of a terrorist attack or of regional fighting that would endanger oil installations, an effective joint oil defense and a rapid repair capacity for oil facilities, if and when implemented, could prove to be invaluable. There remain, however, some nagging doubts about the staying power and operating capability of regional organizations. Past experience has not been too com-

Footnotes at end of article.

forting in the light of national jealousies and fears.

It is noteworthy that the new organization does not include Iraq. While one of the reasons for this omission might be Iraq's war with Iran, there probably is also a substantial amount of distrust and fear about potential Iraqi ambitions for hegemony over Arab Gulf states.

Meanwhile, the Iraq-Iran War continues to pose a wide array of problems which could severely endanger the security of oil supply. The longer the war lasts, and the more remote the chances for a settlement that restores Iranian sovereignty to the thalweg line of the Shatt al Arab, the more likely is the risk of the distintegration of Iran. Iran is threatened by separatist efforts by is large Arab, Kurdish, Azerbaijani and Baluchi minorities and by conflicts between moderates and radicals in the political as well as religious arena.

Clearly, the distintegration of Iran would be a disaster both for the region and for Western interests. It could involve a danger of confrontation with the Soviet Union, a breakdown of the country into various ethnic units, or a takover by a radical faction, such as the communist Tudeh Party. Any Iraqi takeover of or control over the oil-producing Arab populated area of Khuzistan would not only strengthen the Iraqi goal of hegemony over Persian Gulf countries but would also leave the remaining parts of Iran without oil production. They would in fact become international basket cases that would be up for grabs by the Soviet Union or by other neighbors. A takover of the government by the Tudeh Party would put the western shore of the Persian Gulf under communist control.

If, on the other hand, Iraq should be unable to achieve the main objectives that caused it to enter the war, its government might be in jeopardy, with an extremely uncertain outcome for its own political future. In any case, as of now, Iran is trying its best to unseat the present Iraqi government by inciting its Shita majority against the ruling Sunni minority.

If the war should continue indefinitely into the future, the possibility cannot be excluded that Iranian and Iraqi oil facilities would again become targets for attack. Worse still, as a desperate and last gesture, the country threatened with defeat might also try to destroy other oil facilities in the region or attempt to sabotage the flow of oil through the Strait of Hormuz.

In light of these contingencies, what can or should be done? There are at this stage of the game very few options available. But the deep concern of the United States and its allies about the possible consequences of the war must be made clear to all parties concerned, and especially to the Soviet Union. In particular, we should state that we would not acquiesce in any spreading of the war to other areas; nor would we recognize a takeover of the Iranian government by the minority Soviet-inspired or perhaps even Soviet-directed Tudeh Party.

We must, of course, be prepared to face Soviet opposition to such a policy. This is a risk we may have to take, because the consequences of doing nothing might be even worse. The basis for any actions that may have to be taken would be the actual or implied prohibition against aggression under international law or under the U.N. Charter.

The present situation concerning Iran and Iraq illustrates the dangers that may arise either from a regional war or from an internal insurrection. The most obvious justification for Western intervention in either case would be a request for assistance by an involved party.[9] In the case of an insurrection, it would be easiest if the existing government were to ask for help. But even without such a request, intervention would most likely be considered if the revolutionaries receive military or other support from outside hostile forces such as the Soviet Union or any of its proxies. Such outside support would tend to transform the internal struggle into an external one.

If the revolutionaries do not receive any open foreign help, and the threatened government has not been able to ask for Western support, we would still have to consider how best to protect our vital interests if revolutionaries, once in power, cut off essential oil exports. If we are prepared to act in the event of an internal upheaval which jeopardizes our security and is supported by some Soviet assistance, we might equally not be able to afford to remain passive if a link to the Soviets is not self-evident. The basis for action would be the inherent right of every nation of self-preservation.

In addition, there remains the possibility of a nonviolent event that drastically reduces the supply of oil from the Persian Gulf. Even a peaceful change of government or an abrupt shift in the oil policy of major producers could disastrously interfere with the flow of oil if this were to result in a sudden substantial cutback in oil exports or a massive price increase that importers are just not able to pay. As Sheikh Yamani put it, "Saudi Arabia . . . alone is in a position to inflict very severe damage on the world economy as a whole or a selected group of nations. . . . If the Saudis simply cut production to the level needed to meet their own development plans there would be a depression in the United States in which the rate of unemployment would at least double, the price of oil would double again and the inflation rate would rise."

It should be stressed, however, that as of now major producing countries in general and Saudi Arabia in particular have not been pursuing policies that would confront the importing countries with such stark issues. Saudi Arabia especially has, wherever possible, followed a course of moderation and has exercised its influence to temper the policies of the more radical oil-exporting countries. There is reason to hope that this moderation will continue inasmuch as oil-producing countries must be aware that an unlimited capacity to destroy cannot be safely used without also incurring the risk of being destroyed. Over the past eight years the major oil-importing nations have accepted very great increases in the price of oil; they have responded fully to the economic and financial demands of OPEC nations and are now well along on programs for conservation and alternate energy production that are enabling the OPEC nations to limit their production and to stretch out the period in which their oil resources will be of enormous importance for the long-term development of the OPEC nations. What they cannot accept is any abrupt change of policy, by one or more major OPEC countries, that would have the effect of reducing production or increasing prices beyond bearable limits.

Clearly, forceful intervention can only be the absolutely last recourse after everything possible to achieve a peaceful settlement has failed, and force should only be used when the most vital interests of the importing countries are in jeopardy. From a realistic point of view, for any military intervention to be acceptable or, at least, to be tolerated by the international community, the case for self-preservation must be obvious and self-evident. Such a response must not give the appearance of being merely the brutal or frivolous application of overwhelming power. It is also important that any intervention quickly succeed, not only to retain public support, but to ensure the effective protection of the jeopardized oil resource.

Obviously, any decision on foreign intervention must take account of all military possibilities, especially since such intervention could trigger a preemptive strike on oil facilities by any one of the warring parties or others. Moreover, it is quite possible that during the 1980s there might be a cluster of small nuclear powers in the volatile Middle East-Indian Ocean area, including perhaps Israel, Iraq, Pakistan and India. Contingency planning must certainly address itself to all of these risks. We must also entertain no illusions about the difficulties of maintaining the flow of oil production and exports in war-torn areas in the face of a possible hostile population, or so to speak, of producing oil while sitting on bayonets.

The issues posed here are as serious in their implications for world peace and stability as are those involved in the ultimate nuclear responsibility of the United States for the defense of the Free World. But it is important that everybody concerned be on notice that under extreme conditions, and after all possibilities to resolve a crisis peacefully have been exhausted, the application of power cannot be excluded. No nation can be expected to accept its demise without counteractions.

Whether or not a military response could effectively reestablish access to oil is in many instances by no means certain. However, the willingness, if necessary, to make use of one's deterrent capabilities is the major guarantee, or at least hope, that these capabilities will not have to be tested. The awareness that there exists a risk of a serious confrontation is an essential if unspoken element in establishing bargaining limits between oil exporters and importers.

In this article I have tried to face up frankly to issues that are sometimes put to one side, or discussed only in the internal policy councils of the major nations concerned. I do so in the belief that an honest presentation of positions that would be virtually inevitable in the event of crisis can help to mitigate the chances of any such crisis arising. The importance to the world economy of assured supplies of oil at bearable prices is so great—so essentially unique—that I believe it best to discuss the issues now, at a time when a supply emergency may not appear imminent.

But the main thrust of the article is on the constructive possibilities of the present decade. The world does remain heavily dependent on OPEC oil, and especially on oil from the Persian Gulf. For at least the next ten years that dependence will persist even if the importing nations continue—as they must—to take massive action to conserve energy and use it more efficiently and to expand the production of oil outside OPEC and the production of non-oil energy sources. What has happened to oil prices in the last decade should be ample incentive to maintain and increase these efforts.

Given such policies, and the other actions outlined in this article, however, the way could be open for a realistic long-term accommodation between the interests of oil-producing countries and those of all oil-importing countries. Both in terms of world economic progress and world peace, such a goal is worthy of the greatest possible effort by all concerned.

FOOTNOTES

[1] See Walter J. Levy, "Oil and the Decline of the West," Foreign Affairs. Summer 1980, pp. 999–1015.

[2] Exxon, "World Energy Outlook," December 1980.

[3] Although the text of the report has not been officially released, its key recommendations have been widely summarized both in trade and general publications. My specific point of reference is the summary contained in a special supplement to Platt's Oilgram, May 6, 1980. It is noteworthy that the May

1981 Geneva meeting of OPEC directed the Committee to conduct a "further review of OPEC's long-term strategy and present a report to the conference as soon as possible." New York Times, May 27, 1981, page D13.

[4] For further details, see my "Recycling Surplus Petrodollars via Internationally Issued Indexed Energy Bonds," *Middle East Economic Survey*, April 7, 1980, and *The Institutional Investor*, July 1980.

[5] According to the strategy paper, OPEC's contribution would be based on the cost to LDCs of future oil price increases, put at $3.4 billion per year; and that of the industrialized countries would be related to the rate of inflation of goods exported by them to the LDCs, estimated by OPEC at $9.3 billion annually.

[6] According to OPEC's tentative estimates, the inflation adjustment might be six to nine percent a year, and if the GNP of OECD countries were to advance on the average by three percent per annum, this would result in an average floor price increase of some ten percent a year. In nominal terms, prices would thus double every seven years. If this kind of adjustment had been applied between 1974 and 1980, OPEC prices would have risen from $10.84 to $24.26 per barrel. In fact, prices now are some 50 percent above this level, largely because during the 1979 oil supply crisis spot prices increased wildly, followed by a substantial jump in OPEC prices.

[7] For example, one major oil company recently stated that shale oil and intermediate Btu gas from coal appear to be competitive with oil at current prices.

[8] As LDC oil demand (as also OPEC's own domestic requirements) is expanding much more rapidly than that of the industrialized world, the satisfaction of LDC consumption would require an ever-increasing proportion of total oil availabilities.

[9] See "Joining in Other People's Wars," *The Economist*, March 7, 1981.●

## RE-USE OF ATOM FUEL

● Mr. HART. Mr. President, last Friday, the New York Times published an article describing a plan, under consideration by the Department of Energy, to reprocess spent nuclear fuel from commercial nuclear powerplants to obtain plutonium for manufacturing nuclear weapons. This plan, if implemented, would represent a drastic departure from current U.S. policy of strictly separating the commercial and military applications of nuclear energy technology. Indeed, the statement attributed to Mr. Paul Leventhal of the Nuclear Club is precisely on point: Such a plan would break down the final barrier between atoms for peace and atoms for war.

Because this plan raises such disturbing questions about the effectiveness of the U.S. nuclear nonproliferation policy and the future of the commercial nuclear power program, I submit for printing in the RECORD both the New York Times article and a letter I have written to Secretary of Energy Edwards in response to it.

The material follows:

[From the New York Times, Sept. 11, 1981]

U.S. SAID TO PLAN ATOM FUEL RE-USE

(By Robert D. Hershey, Jr.)

WASHINGTON.—The Reagan Administration is devising a plan under which the Government would reprocess spent fuel from nuclear power plants for its own use, including making weapons, Administration sources and other officials said today.

Such a move would relieve utilities of the growing problem of storing this material and would give the Government a new source of plutonium, which it has said may be in short supply later in the decade.

The plan, however, was portrayed by a Department of Energy official as merely the revival of an idea that has been raised periodically, and it is apparently not part of the formal statement of nuclear policy that is expected in the next several weeks.

"What I would call it would be contingency planning," declared Benard C. Rusche, special assistant to Energy Secretary James B. Edwards.

"It's one of a dozen things to consider," Mr. Rusche added, but "it's not tomorrow or this year."

PLAN OPPOSED FROM 2 SIDES

Nonetheless, even tentative consideration of using commercial nuclear material for military purposes brought a quick denunciation both from critics of nuclear weapons and from the industry itself.

"Any move by the Federal Government to use commercial nuclear power spent fuel for making nuclear weapons would break down the final barrier between atoms for peace and atoms for war," said Paul Leventhal, president of the Nuclear Club, a new organization opposing the spread of nuclear weapons.

"It would set a dangerous example for other nations to follow, especially non-weapons states like India who we're trying to persuade against this very type of action," Mr. Leventhal said.

An official of the American Nuclear Energy Council, a lobbying group, said that the industry "would prefer that the Government not rely," on commercial fuel.

Supporters of nuclear power generally believe in keeping the programs separate on the tactical ground that combining them involves utilities in unnecessary controversies.

REPORTS OF PROPOSED PLAN

It is understood that the plan being developed calls for the Department of Energy to take spent fuel directly from utility plants and to send it to a Government plant for reprocessing.

One of these is in South Carolina along the Savannah River, where work is said to be under way on a new device using lasers that would produce weapons-grade plutonium from fuel used in utility reactors.

President Carter ordered commercial reprocessing halted in 1977 because he feared the plutonium would find its way into the hands of nonnuclear powers or terrorists.

The Reagan Administration, however, has said it wants to lift this ban as part of its strategy to revive the nuclear power industry.

If the Energy Department put the "contingency" plan into effect it would in effect supersede the authority of the Nuclear Regulatory Commission, which, along with the Department of Transportation, now governs the shipment of nuclear materials.

THEY HAVE NOT HEARD OF PLAN

Neither Victor Gilinsky nor Peter A. Bradford, commissioners of the regulatory agency, were aware of the Administration's proposal, they said.

It was also believed that plutonium the Government could get from utility fuel would be used for initial loadings of the proposed Clinch River breeder reactor, which is to be built in Tennessee. Breeders are designed to produce more fuel than they consume.

Mr. Rusche, in response to questions, noted that military planners had recently told Congress of a looming shortage of plutonium, essential for weapons, but said he could not specify when this might come.

He also noted that there are "rather well defined" international agreements to control the spread of nuclear weapons but that "our national security" must take priority. As for the barrier between commercial and military uses of atomic energy, he added, "that separation may be more psychological than real."

U.S. SENATE,
*Washington, D.C., September 17, 1981.*

Hon. JAMES B. EDWARDS,
*James Forrestal Building,*
*Washington, D.C.*

DEAR MR. SECRETARY: In an article appearing Friday, September 11, 1981, the New York Times reported that the Administration is devising a plan under which the Federal government would reprocess spent fuel from commercial nuclear powerplants for its own use, including the manufacture of nuclear weapons. Such a proposal raises disturbing implications for both the United States' nuclear proliferation policy and the continued viability of the commercial nuclear power program.

First, the very consideration of such a plan undermines the historic basic assumption of the Atoms for Peace program: that a clear distinction exists between the military and commercial applications of nuclear energy technology.

Second, implementation of this plan would set an example that could render virtually ineffective any efforts of the United States to discourage nonweapons countries from using their commercial nuclear power programs to develop a nuclear weapons capability.

Finally, this plan, if implemented, raises an additional question about the Administration's determination to promote commercial nuclear power to a far greater degree than alternative energy technologies.

I would appreciate a clarification of the Department of Energy's policy on the reprocessing of spent nuclear fuel as well as available information on the plan your department is reportedly preparing. In particular, I would appreciate your views on the following issues:

(1) How will the DOE plan affect the United States' nonproliferation policy of discouraging other countries from using commercial nuclear technology, particularly spent fuel reprocessing, for weapons purposes?

(2) Given the quantities and hazards to public health and safety of the high-level liquid radioactive wastes that will result from spent fuel reprocessing, how does this plan help solve the problem of disposing of commercial nuclear wastes in a safe, technologically sound manner?

(3) Would the plutonium separated under this plan be available for use in the Clinch River Breeder Reactor or any other nuclear reactor?

(4) How much plutonium has been set aside or procured for use in the Clinch River Breeder Reactor? Please specify the source(s) of the plutonium. Is this plutonium still designated for use in the Clinch River Breeder Reactor?

(5) What, if any, shortfall exists in the amount of plutonium currently needed by the Federal government for producing new nuclear weapons? If a shortfall does exists, how does the Department plan to meet its plutonium needs?

(6) Is the Federal government currently using its plutonium production and separation facilities to full capacity, particularly at the Hanford Reservation? If not, please explain.

Thank you for your attention to this matter.

Sincerely.

GARY HART.●

## SOCIAL SECURITY CUTS

● Mr. MOYNIHAN. Mr. President, headlines in newspapers across America yes-

terday read in a manner starkly similar to the one which appeared on the front page of the Washington Post—"Reagan Rules Out Social Security Cut To Reduce Deficit."

But a close reading of all the stories which appeared beneath those headlines indicates that the President has only said that he will not propose cuts in benefits greater than those he has already advocated. That is, Mr. President, greater than $280.1 billion. That is the level of cuts this administration has proposed for the period 1981–90. And that is too much.

Mr. President, this point was made brilliantly on the floor of the House of Representatives this morning by the distinguished chairman of the House Subcommittee on Social Security, J. J. PICKLE. No Member of Congress has more experience in this matter than Chairman PICKLE. We can all benefit from his thoughts and therefore I ask that a copy of his remarks this morning be made part of our RECORD.

The remarks follow:

THE PRESIDENT'S FURTHER SOCIAL SECURITY CUTS

Mr. Speaker, I realize that the President has said he will not cut social security benefits further than what he has already proposed. I think that this ought to be pointed out, because what he has already proposed are cuts in social security amounting to $280.1 billion between now and 1990.

Through the Gramm-Latta II budget reconciliation, based almost entirely on the President's recommendations, we have cut some $4 billion out of social security in 1982—and some $90 billion out of social security between now and 1990. But in addition, the President has already sent to the Congress proposals for further cuts in social security benefits amounting to an additional $4.8 billion in 1982—and at least $190.1 billion between now and 1990. He has not backed off these proposals for cutbacks, which include severe penalties for early retirement and which eliminate approximately one-third of the entire disability program.

I think it should be clear that when the President says he is not proposing more cuts in social security, he means no more than the $280.1 billion he has already proposed. This is how he proposes to make social security solvent and this is how he proposes to balance his budget.

I have proposed instead that we recognize the fact that we will not make these enormous cuts in social security and that we go ahead and recognize we must guarantee social security payments over the short-run with some general revenues directly or indirectly. This is not a decision I came to easily, but I am not afraid of that decision either. Our choices are simple. We can hope that the economy has no downturns for the rest of the decade and we can therefore scrape by with little more than we have done now. We can enact deep cuts either all together or piece by piece through the budget process as each year the fund is in trouble once again. Or we can go ahead and shore up the social security reserves with general funds and let the public have some piece of mind on this issue.

I hope the members will consider this carefully as they decide what to do on this issue in the coming months.

Mr. MOYNIHAN. So, Mr. President, as Chairman PICKLE notes, this administration hopes to make social security solvent by cutting $280.1 billion in benefits. But today we wake up only to find that even those $280.1 billion in cuts will apparently not be enough since the administration is now, for the first time, confirming the point many of us have argued all along which is that this administration now wishes to make further cuts in social security benefits in order to balance the budget. They are desperate to find some way to pay for their ill-conceived endorsement of the enormous tax cut and to pay the bill for the auction of the Treasury and orgy of special interest concessions in which they indulged as they sought to get the tax bill passed.

Mr. President, the New York Times this morning carries a story entitled "Reagan Weighing New Benefit Cuts." Now that alone is surprising given the headlines from Wednesday, but the most interesting part of today's tale is found buried in that paragraph where aides to President Reagan say that the President has become convinced that he cannot meet his new budget-cutting goals without reducing benefits in the so-called entitlement programs. Later a White House official, unnamed, is quoted directly saying:

It's hard for most of us here to figure out how we can find the dollars we need without looking at entitlements.

I ask that the text of this article, from the New York Times of September 17, 1981, be printed in the RECORD.

The article follows:

REAGAN WEIGHING NEW BENEFITS CUTS

DELAY IN SOCIAL SECURITY RAISES FOR 1982 IS RECONSIDERED

(By Martin Tolchin)

WASHINGTON, Sept. 16.—President Reagan is considering proposals for new cuts in Federal benefit programs, including a one-time, three-month postponement of cost-of-living raises for recipients of Social Security beginning Oct. 1, 1982, Administration officials said today.

The officials said Mr. Reagan was also considering a similar three-month deferral of cost-of-living raises in civilian and military pay, food stamps, pensions and some other automatic benefit programs. These and other steps would be aimed at saving "several billion dollars" in the fiscal years 1983 and 1984, and would also slightly reduce the surging Federal budget deficit in 1982, an official said.

Aides to Mr. Reagan said the President had opposed making changes now in Social Security or other benefit programs for fear of provoking new fights in Congress. But the aides said today that the President had become convinced that he could not meet his new budget-cutting goals without reducing benefits in the so-called entitlement programs.

Those are programs in which recipients receive benefits, such as Medicare or food stamps, on the basis of meeting certain qualifications, rather than by virtue of a specific authorization by the Congress.

Meanwhile, the House of Representatives, in a holding action, today approved by a vote of 281 to 107 a one-month extension in Government funding, giving the Administration additional time to press for a new round of budget cuts for the fiscal year 1982, which begins Oct. 1.

The action was needed to keep the Government operating beyond Sept. 30, when the current fiscal year expires, because not one of the 13 individual appropriations bills for the next fiscal year has been approved by both houses of Congress.

"We ought to have things kind of on hold up here until we see what the White House sends up," said Representative Robert H. Michel of Illinois, the Republican leader, after the vote. The White House has said it would seek an additional $9 billion to $16 billion beyond the $35 billion trimmed by Congress earlier this year.

It was a day of intensive negotiations between Republican leaders in Congress and Administration officials, who trooped to Capitol Hill for meetings. The visitors included David A. Stockman, director of the Office of Management and Budget and chief architect of the budget cuts; Treasury Secretary Donald T. Regan; James H. Baker, 3d, the White House chief of staff, and Max Friedersdorf, the White House assistant for Congressional liaison.

Mr. Stockman told a group of Republican Senators that the White House would not object it they took the initiative in proposing deeper cuts in military spending. The Administration has proposed a $2 billion reduction from the $188.8 billion proposed in the 1982 budget. The Senators had urged an additional $2 billion to $3 billion in trims.

DEFICIT COULD RISE SHARPLY

The entitlement programs are now being closely looked at by the Administration because of projections that the budget deficit for 1982, projected at $12.5 billion by Mr. Reagan in July, could soar to as high as $80 billion if additional cuts are not made.

"It's hard for most of us here to figure out how we can find the dollars we need without looking at entitlements," said a White House official, echoing the point made in recent days by the Senate Republican leaders.

Additional reductions is entitlements were opposed by the Administration because, after last summer's bruising budget battles, it was reluctant to return to Congress to ask for additional changes in existing laws to restrict eligibility and reduce benefits.

One possible way to circumvent the need for such legislation would be to postpone for three months a cost-of-living increase for Social Security recipients. This would produce a savings of $2.8 billion, according to White House officials. Although Mr. Reagan has said that he would not propose new cuts in Social Security, the proposal for a three-month delay was one that he had already sent to Congress.

DIFFERENCES IN VOTING APPROACH

In addition to differing with the White House on where the cuts should be made, Republican legislators also disagree on the legislative vehicle. The White House had actively considered placing the new budget cuts in an omnibus appropriations bill, which would allow for an all-or-nothing vote. This strategy, similar to the one used to obtain passage of the budget and tax-cutting packages earlier this year, would free the legislators from pressures by single-issue constituents.

Republican leaders in Congress, however, regarded that strategy as a circumvention of the appropriations committees in both houses and a threat to Congress as an institution. They urged that the White House seek to make the cuts in the 13 separate appropriations bills for 1982. While the budget set spending ceilings, the appropriations bills provide departments or agencies the actual funds.

Representative Michel said that yesterday's close vote on the appropriation bill for Housing and Urban Development funds meant that the Democrats lacked the votes to override a threatened Presidential veto. Mr. Reagan has said he would veto appropriations bills that he felt were out of line with his ideas on spending.

"That vote yesterday was a pretty good bellwether," Mr. Michel said. I don't want warfare between the White House and in-

dividual members of the Appropriations Committee."

Mr. MOYNIHAN. Mr. President, can this veiled assault on entitlement programs be anything but an attack on social security? Officials in the administration knew since May 12 when cuts in social security were proposed what they were after—a budget balanced at the expense of the elderly. They certainly knew that such massive cuts were not designed to save the social security system. I remind the Senate that on March 5, 1981, the President's Budget Director, David Stockman, testified before the House Banking Committee that the near-term solvency of social security could be assured. Mr. Stockman said at that hearing:

In the short run, though, I would suggest to you that for the next 3 or 4 years, a combination of improved real economic growth, the kind of inflation reductions that are radical but that we foresee, and some interfund transfers of existing tax revenues that can avert any near-term solvency problem.

Cuts of $280.1 billion in social security benefits are quite apart from this moderate path toward near-term solvency for the system. Mr. Stockman agreed that a combination of economic factors with some interfund transfers of existing tax revenues could avert the short-run financial problem.

Nothing about social security's finances has changed since Mr. Stockman's statement on March 5. In fact, in a booklet published this week by the Senate Finance Committee, under the direction of our esteemed chairman, the distinguished Senator from Kansas (Mr. DOLE), we find that between 1980 and 1986, the reserves in the three social security funds from which benefits are paid actually increase by $75 billion. Projected assets at the beginning of each of the years between 1980 and 1990 never fall below the percentage needed to cover benefits.

Mr. President, I ask that the relevant portion of this enlightening document, entitled "Staff Data and Materials Relating to Social Security Financing" and printed for the use of the Committee on Finance, be printed in the RECORD.

The material follows:

TABLE 10.—ESTIMATED OPERATIONS OF THE OASI, DI, AND HI TRUST FUNDS AS MODIFIED BY THE "OMNIBUS BUDGET RECONCILIATION ACT OF 1981," CBO ECONOMIC ASSUMPTIONS, 1980-90

| Assets at beginning of year as a percentage of outgo during year | | | | |
|---|---|---|---|---|
| OASI | DI | OASDI | HI | Total |
| 23 | 35 | 25 | 52 | 29 |
| 18 | 20 | 18 | 46 | 23 |
| 13 | 13 | 13 | 55 | 21 |
| 5 | 29 | 8 | 60 | 18 |
| −3 | 55 | 4 | 62 | 15 |
| −10 | 85 | 1 | 60 | 13 |
| −12 | 136 | 4 | 57 | 14 |
| −20 | 190 | 3 | 57 | 14 |
| −23 | 246 | 6 | 52 | 16 |
| −27 | 300 | 8 | 43 | 16 |
| −33 | 353 | 8 | 29 | 13 |

Source: "Staff Data and Materials Related to Social Security Financing, Committee on Finance, U.S. Senate, September 1981. Committee Print 97-8.

TABLE 7.—ESTIMATED OPERATIONS OF THE OASI, DI, AND HI TRUST FUNDS AS MODIFIED BY THE "OMNIBUS BUDGET RECONCILIATION ACT OF 1981," MID-SESSION REVIEW ASSUMPTIONS, 1980-86

[Amounts in billions]

| Funds at end of year | | | | | Assets at beginning of year as a percentage of outgo during year | | | | |
|---|---|---|---|---|---|---|---|---|---|
| OASI | DI | OASDI | HI | Total | OASI | DI | OASDI | HI | Total |
| $22.8 | $3.6 | $26.5 | $13.7 | $40.2 | 23 | 35 | 25 | 52 | 29 |
| 19.7 | 2.7 | 22.4 | 19.6 | 42.0 | 18 | 20 | 18 | 47 | 23 |
| 12.3 | 7.6 | 19.9 | 26.5 | 46.4 | 14 | 14 | 14 | 58 | 22 |
| 4.8 | 15.3 | 20.1 | 33.2 | 53.3 | 8 | 38 | 11 | 69 | 22 |
| −2.1 | 25.4 | 23.3 | 39.1 | 62.4 | 3 | 73 | 11 | 75 | 23 |
| −2.2 | 42.6 | 40.4 | 45.2 | 85.6 | −1 | 115 | 11 | 77 | 24 |
| .4 | 63.4 | 63.7 | 53.4 | 117.1 | −1 | 183 | 18 | 78 | 31 |

Mr. MOYNIHAN. And so, Mr. President, nothing has changed since Mr. Stockman's statement of March 5 as far as the financial condition of the social security system is concerned. What has changed is that this Congress had passed the Reagan-Kemp-Roth tax plan, loaded with a vast array of special interest giveaways, and as a result of this excess the bond market has neared collapse and the stock market plummeted.

Mr. President, Chairman DOLE has informed us that he intends to have the Finance Committee begin marking up a social security bill next week. I know that he and the other members of the committee will keep in mind that it would be folly to embark on a course of financing the tax cut by slashing the benefits of social security recipients.

Further, I call on the President to stop telling us what he wants to do with social security through newspaper stories in which policy decisions are attributed to his aides. He should send us a bill and send it to us before we start our markup next week. And he should do so before the discrepancies between his public statements and his aides' off-the-record pronouncements become something of a scandal and before the faith Americans have in their social security system, and, indeed, Government itself is further shaken.●

## THE AWACS SALE

● Mr. HART. Mr. President, the AWACS resolution of disapproval introduced today and signed by 46 Senators underscores the burden the administration now has to explain in a more precise and specific way its arguments in behalf of the sale and the numerous contradictions that have emerged in the administration's case so far. The strength of the opposition alone indicates that if the administration goes on to wage an all out effort to gain congressional approval it will be done only at a very high price.

The administration has still not satisfactorily addressed the fundamental question posed by those of us who strongly oppose the AWACS sale: In what specific ways does the proposed arms package serve the interests of either the United States, Saudi Arabia, or our most important strategic ally in the Middle East, Israel?

The contradictions which have emerged in the administration's arguments seriously undermine its own proposal. For example, although the State Department argues that the proposed sale would strengthen our hand in the Persian Gulf relative to the Soviet Union, we offer the Soviets a potential windfall in military intelligence through the potential compromise of the AWACS technology that we risk by entrusting such sophisticated equipment to a government whose principal concerns for stability arise domestically, not from across Transcaucasia.

The administration's intention of preparing the Saudi Government to defend against external threats will be frustrated by the AWACS sale, which prepares the Saudis for the wrong threat. The most likely threats to Saudi Arabia are internal disorder or rebellion and guerrilla warfare, encouraged and supported by its neighbors. The Saudis do not need AWACS nearly as much as they need other forms of military equipment and training.

The real question now is what price the administration is willing to pay to secure congressional approval of this sale. If the proposed sale goes through as originally described with complete transfer to the Saudis of our most sophisticated military equipment we will clearly damage relations with our most important ally in the Middle East, Israel. If on the other hand the proposed sale is modified to reduce the threat to Israel and the dangers of exposing American technology to other governments, the sale will become less attractive to Saudi Arabia and that Government will become increasingly alienated over the manner in which the sale was handled.

In addition, it is unlikely that the bargaining engaged in and the commitments made in exchange for the last few votes to secure approval will be in the public interest. This is the dilemma facing the administration if it proceeds to force this issue to a vote.●

## PENSION BENEFITS IN DIVORCE PROPERTY SETTLEMENTS

● Mr. PACKWOOD. Mr. President, on June 26, the Supreme Court ruled in McCarty against McCarty, that pension

benefits may not become part of a divorce property settlement.

For many military families the service member's pension is the single largest economic asset. This Supreme Court decision places a significant limit on the financial rights of divorced spouses of military personnel—the overwhelming majority of whom are women.

But in this decision, as in the Supreme Court's previous ruling in Hisquierdo against Hisquierdo on Railroad Retirement Act benefits, the Court left open the topic for final resolution by Congress.

The Durenberger-Packwood-Hatfield Economic Equity Act (S. 888), is one piece of legislation which addresses this important issue.

Congress began to address the issue in 1977 by providing that a wife is entitled to a portion of her husband's social security benefit if the couple is married 10 years or more. Congress extended this provision in 1980 to include spouses of Foreign Service personnel.

The Economic Equity Act would extend to courts the right to view military and civil service pensions as a valid property right in divorce settlements. However, the courts would still have the final say in settling divorce cases.

In a recent Newsweek article, Jane Bryant Quinn commented on the Supreme Court decisions and what they may mean if Congress does not take action. I believe her thoughtful comments will be of interest to my colleagues.

I ask that the article be printed in the RECORD.

The article follows:

[From Newsweek, Sept. 14, 1981]

A HOUSEWIFE'S LOT

(By Jane Bryant Quinn)

When husbands and wives approach divorce, the thing they argue most about is property. And the most troublesome property before the courts is pensions.

Is a divorced wife entitled to a piece of the pension that her husband accumulated during the marriage, or is she not?

Most state courts say that she is, and state law supposedly rules. But in the only pension cases to reach the U.S. Supreme Court—one on railroad retirement, one on military pensions—the Court overrode traditional state supremacy in family law. It held that Federal law took precedence, and the main body of Federal law reserves pensions solely for the worker who earned them.

Cut Out: These two decisions cut only military and railroad wives out of their husbands' pensions. States continue to divide other, private-company pensions as they see fit, and that's where most of the money is. But for housewives demanding economic recognition, these rulings are a bad precedent. If the Supreme Court ever extends them to private pensions, marriage—for women—will become an even risker choice of career.

The importance of pensions to housewives cannot be overestimated. Divorce, in most states, is easy to get, even if one partner opposes the split. Alimony, when awarded at all, may last only a few years, until the housewife learns to support herself. All she can expect to take away from her failed marriage is a share of the property accumulated while she and her husband were together.

In the recent past, there was no legal concept of mutual accumulation, except in the eight community-property states. But most states have evolved an economic-partnership theory of marriage, under which a wife who cooks, cleans and raises the children is "earning" a share in the marital assets as a matter of right. And what the law creates in the way of property rights, no man shall put asunder.

When a marriage crumbles, all the marital property is put into a kitty and divided up. A few states, like California, split the assets 50–50. Others split them according to such guidelines as how long the marriage lasted and how much each partner contributed with housework counted as a contribution.

To a wife who works outside the home, and who has established a pension of her own, a share in her husband's pension may not matter very much. But a housewife is more vulnerable. In many marriages, the husband's pension is the major asset. If it is taken out of the marital kitty, there isn't much property left to divide.

In the view of most state courts, dividing the pension amounts to simple economic justice. But the Supreme Court's decisions cast marital law back to the days when a husband's money was all his and a housewife's work wasn't worth a dime.

A deciding clause in the Railroad Retirement Act says that a third party cannot normally be assigned any right to the worker's pension. Most state courts say that that clause applies only to outside creditors who are suing for a judgment. But the Supreme Court held that it also cuts out any property rights claimed by a spouse. (All private pensions insured by the Employee Retirement Income Security Act are covered by that same, spouse-denying clause.)

In the military case, the court said that the wife is entitled to part of the pension only if Congress specifically grants it.

Special Cases: Howard Lipsey, chairman of the family-law section of the Association of Trial Lawyers, thinks that these two decisions will not spread to private pensions. "These are special cases," he argues. The military-pension decision, for example, was linked to Congress' right to regulate armies. But Doris Freed, who heads the research committee of the American Bar Association's family-law section, disagrees, calling the decisions "a clear and present danger" to the equitable property division established by state law.

Bills introduced in Congress would guarantee wives the pension rights called into question by the Supreme Court. (Congress permits civil-service and foreign-service pensions to be divided in divorce.) But Rep. Pat Schroeder says the bills face tough going, "partly because some opponents have been through bitter divorces and can't look at the issue objectively."

If Congress and the courts deny a wife her stake in what was expected to be the couple's pension, the message is clear; a housewife is not worthy of her hire. Given the high divorce rate, her only security may lie in quitting full-time housework and finding another occupation.●

## FOCUS ON PHOTOVOLTAICS: AN OPTIMISTIC VIEW FROM MAYCOCK AND STIREWALT

● Mr. HART. Mr. President, I want to commend to my colleagues an important new book entitled "Photovoltaics—Sunlight to Electricity in One Step." The book's writing is straightforward and its theme is simple, well-documented and, to this Senator, persuasive: Photovoltaics, which are solid-state solar cells made from silicon, offer the promise of clean, renewable, efficient, and affordable electricity. Implicit in that promise is an exciting, and what should be an engaging prospect; it is a prospect we can ill-afford to ignore.

The prospect to which I refer is no panacea for any problem domestic or foreign, though its implications are potentially far-reaching. Its compelling quality is to make our inexorably linked problems of economic stagflation, health- and environmentally-threatening pollution and national security threats somewhat more manageable. It is the prospect of minimizing the need for so-called tradeoffs—fundamentally, no-win tradeoffs—which some purveyors of the conventional wisdom would have us make all too quickly. In short, it is the prospect of promoting both a stronger economy and a safer environment—which, after all, are really twin essentials for a healthy, stable, and secure society.

Mr. President, photovoltaic cells can be produced using a variety of materials in ready supply, but most often are made from cheap, plentiful silicon, a major constituent of sand. As solid-state devices, they have no moving parts, are silent in operation, can function unattended for years, and produce only electricity. They are not, in and of themselves, very glamorous. Yet, as Maycock and Stirewalt, the authors of "Photovoltaics," point out, from the standpoint of the benefits they offer humanity, they are elegant.

Set forth in "Photovoltaics," are the many benefits associated with this form of solar energy. Chief among these are security of supply, evolving scale economies of production, increasing efficiency in operation, and growing price competitiveness with electricity supplied by oil, gas, coal, and nuclear powerplants. Also notable are the contributions an emerging photovoltaics industry can make to job creation and to international trade and development. Of course, a very significant benefit is that photovoltaic systems consume no fuel—other than sunlight—and, as a result, create no pollution.

To those familiar with the space program, photovoltaics are nothing new, having helped power our space satellites since the early 1960's. Fortunately, due to rapid advances in the state of the art, photovoltaics is a technology on the doorstep of widespread application. By the latter part of this decade, as Maycock and Stirewalt predict, photovoltaics will be an affordable way for many Americans to both heat and cool their homes, stores, and offices.

Mr. President, one especially interesting issue addressed in "Photovoltaics" is the potential for electric automobiles. We have known for some time that electric cars are technically feasible, and that the benefits—both in terms of reducing city smog and the amount of oil we consume—would be substantial. One factor inhibiting their introduction in large numbers has been the need to conserve electric energy. While we would do well to increase our energy efficiency—finding ways to do more with less—the technology of electric cars, with the advent of photovoltaics and the renewable electricity they will provide, can be allowed to develop free from the straitjacket of conservation.

Herein lies the beauty of "Photovoltaics." The book provides a rich ex-

amination of this one among many of the options we as a nation can elect so that related national policies—policies on economic development, on resource conservation, on energy production, on environmental protection—are reconciled, rather than at cross-purposes. Commonsense dictates that we give due consideration to any such alternative; "Photovoltaics" contains more than sufficient information to provide a basis for reasoned conclusions regarding the uses and limitations of this technology.

Mr. President, I urge my colleagues to read this book, and I congratulate Paul Maycock and Edward Stirewalt for their research.●

## BUDGET STATUS REPORT

● Mr. DOMENICI. Mr. President, I hereby submit to the Senate a status report on the budget for fiscal year 1981 pursuant to section 311 of the Congressional Budget Act. Since my last report the Congress has cleared for the President's signature H.R. 4416, permitting the Secretary of Agriculture to assist on an emergency basis in the eradication of plant pests. This action increases outlay estimates by $6 million.

[Report No. 81–7 to the President of the U.S. Senate from the Committee on the Budget]

STATUS OF THE FY 1981 CONGRESSIONAL BUDGET ADOPTED IN HOUSE CONCURRENT RESOLUTION 115, REFLECTING COMPLETED ACTION AS OF SEPTEMBER 11, 1981

[In millions of dollars]

| | Budget authority | Outlays | Revenues |
|---|---|---|---|
| Revised Second Budget Resolution level | 717,500 | 661,350 | 603,300 |
| Current level | 715,461 | 661,217 | 610,335 |
| Amount remaining | 2,039 | 133 | 7,035 |

BUDGET AUTHORITY

Any measure providing budget or entitlement authority which is not included in the current level estimate and which exceeds $2,039 million for fiscal year 1981, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in H. Con. Res. 115 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate and which would result in outlays exceeding $133 million for fiscal year 1981, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in H. Con. Res. 115 to be exceeded.

REVENUES

Any measure that would result in revenue loss exceeding $7,035 million for fiscal year 1981, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in H. Con. Res. 115.●

## ECONOMIC POLICIES

● Mr. HARRY F. BYRD, JR. Mr. President, the September 14 edition of Washington Report, published by the U.S. Chamber of Commerce, includes an excellent editorial entitled "Defeatist Attitude," which addresses itself to criticism now being voiced of the Reagan administration's economic policies.

The editorial correctly points out that there has not yet been a test of the Reagan program.

Not a single tax reduction takes effect until October 1, and the full measure of tax cuts will not be effective for 33 months.

Only relatively small reductions were made in the budget for the current fiscal year, so we are essentially now in an environment created by the policies of the Carter administration.

On October 1, a number of significant budget cuts will be implemented, but their full impact is many months away.

There is widespread concern about the continued high level of interest rates, and certainly this is a matter of legitimate concern. But to pronounce the Reagan program a failure, and to blame the interest rates on that program, is to speak without any foundation in the facts.

I ask that the text of the editorial "Defeatist Attitude" be printed at this point in the RECORD.

The editorial follows:

[From the Washington Report, Sept. 14, 1981]

DEFEATIST ATTITUDE

President Reagan signed the Economic Recovery Tax Act of 1981 only a month ago yesterday. But too many people already appear to have forgotten why that historic measure was passed and what it is intended to achieve.

There are allegations that the Reagan economic program is failing and that continuing high interest rates and the prospect of a higher-than-anticipated deficit next fiscal year portend serious economic difficulties, not recovery.

We submit that much of the hostility that has flared up against the Reagan fiscal policies is unwarranted and even defeatist.

This view does not ignore current interest levels and the havoc they have caused in financial, housing and other markets. Of course, they are serious problems.

But they are certainly not grounds for claiming that the Reagan economic program, which won in those grim battles on Capitol Hill this summer, has failed.

That program is still to be tested.

Today's defeatists must remember that the first increment of the individual tax relief provided in the Reagan plan does not take effect until Oct. 1. The full relief will not be felt for 33 months.

Those parts of the plan designed to stimulate savings and investment will also be felt gradually. In this process, supply-side economists point out, the level of increased savings becomes a more significant figure than the federal deficit.

Those savings will move into financial markets, providing the capital for homes, new plants, new equipment and new jobs.

And the administration is moving ahead on further budget cuts designed to hold down the deficit and the federal government's claim on capital markets.

In the meantime, there are highly welcome signs that interest rates are at or near their peak and that the problem will soon be contained. The various savings incentives provided in the Reagan tax plan will begin increasing the supply of funds available for lending, thereby sending interest rates down in a classic supply-and-demand cycle.

The problems that have erupted on Wall Street and elsewhere this summer are a further demonstration of how badly the new economic policies are needed.●

## JUST LIKE RICHMOND

● Mr. HARRY F. BYRD, JR. Mr. President, a recent editorial in the Richmond Times-Dispatch noted that the city of New York, where primary elections for municipal officers were to be held September 10, has sadly run afoul of the Voting Rights Act of 1964.

Following a protest filed under that act, a special three-judge Federal court held that no elections may be held until the U.S. Department of Justice has approved a city redistricting plan.

The Times-Dispatch noted the understandable outrage expressed by New York officials, who contend that the court-imposed cancellations represent a "mass disenfranchisement" of city voters.

And even the New York Times, which has not been too sympathetic to complaints about the effects of the Voting Rights Act on certain other jurisdictions, such as Richmond, joined the chorus of complaints.

The fact is, Mr. President, that Federal interference in local elections is as unwarranted and unfair in New York as it is in Richmond. I ask that the Times-Dispatch editorial, entitled "Just Like Richmond," be printed in the RECORD.

The editorial follows:

[From the Richmond (Va.) Times-Dispatch, Sept. 11, 1981]

JUST LIKE RICHMOND

There is this community that was supposed to have held primary elections for a number of municipal offices, including city council, on Thursday. But lawyers representing blacks and Hispanics went into federal court to prevent the elections on grounds that the city's councilmanic redistricting plan discriminates against minorities and is therefore invalid. They filed the protest under the federal Voting Rights Act of 1965, which effectively gives the federal government a veto over certain political jurisdictions' actions that might adversely affect the voting power or rights of minorities. This particular city's councilmanic redistricting plan had not been approved by federal authorities.

Well, a special three-judge federal court ruled that the primary elections could not be held; and the United States Supreme Court supported that ruling. Many of the city's officials were incensed. The city's leading morning newspaper sputtered its indignation in an editorial that accused the federal courts of interfering in the city's electoral process to an extreme and unjustified degree.

Can you name the city? Richmond? Jackson, Mississippi? Selma, Alabama? No, the city is New York, a bastion of racial enlightment from which has flowed in recent years much criticism of the wicked South's racial attitudes. The outraged newspaper is The New York Times, a pious oracle when it comes to advising the South on the Proper Treatment of Minorities.

You see, certain sections of New York City, notably the boroughs of Manhattan, Brooklyn and the Bronx, were brought under the Voting Rights Act by the formula that the act's architects originally concocted to snare mainly the South. This means that the city's new councilmanic redistricting plan, a plan that was required by population changes revealed by the 1980 census, is subject to review and approval by the United States Department of Justice. But the city proceeded with preparations for the primary elections before the Justice Department had completed its examination of the redistricting

plan. Uh-uh, said the three-judge court. Until the Justice Department has acted, there can be no primaries. The judges canceled not only the councilmanic contests but the elections for mayor, city comptroller and all other offices as well.

The city's official position is that the court's ruling constitutes an appalling "mass disenfranchisement" of city voters. The Times complained that the court went too far in canceling primaries for those offices—such as mayor—that were not involved in the minorities' complaint. And, moreover, it expressed deep resentment about New York City's being treated as if it were "Birmingham 20 years ago."

Let us try to enlighten the Times. New York is not being treated as if it were Birmingham 20 years ago; it is being treated as if it were Richmond today. The Voting Right Act was used, unjustifiably we think, to disenfranchise Richmond voters 10 years ago. Richmonders can now vote in municipal elections, but only on terms the federal government dictates. Citizens of this city have in effect lost the right of local self-government that most other cities in the United States enjoy.

New York City, and The New York Times, now know that the Voting Rights Act can be absurdly applied. Will that knowledge inspire them to support those of us who believe the law should either be repealed or be made fairer and more sensible? We won't hold our breath until they do.●

## OUR UNCONTROLLED IMMIGRATION POLICY

● Mr. CHILES. Mr. President, earlier this week 176 Haitians landed on the shores of Florida bringing to 19,307 the number who have arrived since last October. The processing center where Haitians and other aliens are sent to await their deportation hearings is an old missile site on the edge of the Everglades called Krome North. The design capacity of the site is 524, and I learned this morning that there are presently 1,068 at the facility.

The overcrowding at Krome has created serious health problems. Malfunctioning water and sewer systems have resulted in extremely unsanitary conditions and are a public health hazard to the Haitian population, the staff, as well as to the general south Florida community. After repeated pleadings to the President and the Attorney General, Governor Bob Graham filed a lawsuit on July 17 against the Federal Government that the water, sewer, and related infrastructures at Krome meet Dade County and State of Florida health standards. The lawsuit is still in court, and recommendations made to improve the water and sewer systems have not been implemented.

As the overcrowding continues, strain is also placed on INS personnel and resources. There are 15 detention officers at Krome who have been detailed from their normal duties at the Miami INS office, and an additional 10 to 12 detailed from other INS offices across the country. Twenty security guards have been hired to assist the overworked INS personnel.

While Florida continues to bear the brunt of illegal immigration from the Caribbean, our uncontrolled immigration policy affects every State in the Union. It has been 6 weeks since the administration presented its proposals for coping with our country's immigration crisis, yet Congress has yet to receive the legislative package or request for money to back up those proposals. The frustration among INS personnel is evidenced in every INS office across the country.

The Christian Science Monitor of September 16 contains a commentary from three concerned INS officials in Boston. The article expresses very well the need for immediate action to regain control of our country's borders, and what steps can and should be taken to do that. I ask that the article be placed in the RECORD.

The article follows:

THE IMMIGRATION CRISIS: AN INSIDE VIEW

(By Joel Dorfman, Gerard Casale, and Charles Pappas)

"We have lost control of our borders. We have pursued unrealistic policies. We have failed to enforce our law effectively."—Attorney General William French Smith.

Unfortunately, the administration's prescription for this problem is a palliative, apparently designed to placate the 91 percent of Americans wanting an all-out effort to stop illegal immigration and the 80 percent favoring lower legal quotas, without fundamentally altering the status quo.

Over 800,000 legal immigrants and "refugees" were permitted to enter the United States in 1980, a rate which may exceed the record decade 1901–10. In 1979, 1,076,418 deportable aliens were located, yet the attorney general estimates that the ranks of the three million to six million still at large are increasing. Meanwhile, aliens submit over two million applications per year. Political asylum claims alone have zoomed from 3,800 in 1978 to over 60,000 in 1981.

Facing this onslaught is the tiny US Immigration and Naturalization Service (INS). The 1980 government outlay of over $2 billion for refugee expenses was seven times greater than the entire INS budget. The service is everywhere short of personnel and logistical support. Most of its offices lack even detention facilities to hold illegals.

Once past the airports or land borders, illegal aliens are virtually immune from detection, since INS has only 700 investigators nationwide. Its present cumbersome appeal procedures guarantee that few illegals who are apprehended will be ultimately removed. Little wonder that last year only 150 were deported from a district covering Massachusetts, New Hampshire, and Rhode Island.

As working immigration officers, we are discouraged because we are denied the resources to enforce the law and are being officially induced to finesse it (admitting "refugees" and "asylees" who do not meet legal definitions, overlooking visa fraud and perjury, granting residence on the basis of dubious marriages and "paper families," etc.) in a cynical pursuit of "approval statistics" to appease special interests.

As concerned citizens, we cannot fathom how, in an era of scarcity, unemployment, persistent domestic poverty, and an incipient cultural and linguistic crisis between Spanish and English speakers, such huge legal and illegal immigration can be tolerated. We believe the administration's proposals must be purged of some major flaws.

1. Presently the Reagan plan includes no overall cap on the total number of legal immigrants and refugees. Immigrant visas are not free goods; they have budgetary and societal costs to be weighed against the benefits. We suggest that the annual "immigration budget" of 350,000 proposed in Sen. Walter Huddleston's bill (S–776) would retain America's position as the world's most generous receiver of immigrants, while returning legal immigration to manageable levels.

2. A complicated conditional amnesty would be unworkable for INS, an invitation for fraud and further illegal influxes, and a demographic bombshell. If three million aliens are "legalized" and each asserts his right to confer residence on only three to five foreign relatives, this "multiplier effect" will push nine million to 15 million extra people into the US immigration system.

We already grant de facto amnesty to tens of thousands within the existing immigration act. Under Section 245, for example, contracting marriage to a lawful resident expunges nearly all immigration violations.

3. "Guestworkers" have been a proven failure in Europe and during the US "bracero program" of 1942–64. The workers, who cannot be effectively monitored, tend to stay and bring their families, seek "middle class" jobs, and attract more migrants. The importation of such a foreign "underclass" distorts the economy by inhibiting modernization, a true valuation of goods and services, and fair wages to domestic workers. What major industrial nation is planning to ride into the 21st century on the backs of unskilled laborers? Is the hidden agenda merely to "legalize" illegals for the benefit of certain employers—the traditional exploiters?

4. Employer sanctions won't be effective unless (a) a means of identifying legal workers is created; (b) investigators and prosecutors are specifically assigned; and (c) violators are actually prosecuted.

5. If the President is serious about reforming our immigration system, he must overcome years of neglect by staffing, funding and modernizing the INS. It is essential that the commissioner's post, vacant for two years, be filled by an outstanding nominee, dedicated to enforcement and protected from political interference.

It is time to act, for a nation which cannot control the number or character of aliens within its borders and has sacrificed a good measure of its sovereignty and command of its future.

## AMERICAN TUNA PROTECTION ACT

● Mr. MITCHELL. Mr. President, today I am pleased to cosponsor legislation (S. 1564), introduced recently by Senator WEICKER, which would bring "highly migratory species" under the jurisdiction of the Magnuson Fisheries Conservation and Management Act (MFCMA). The MFCMA, known in Maine as the "Two Hundred Mile Limit Act," was passed in 1976 and went into effect in early 1977. It established a fisheries management and conservation structure which enables our Federal Government to regulate the harvesting of marine resources in an exclusively American maritime economic zone which extends 200 miles from our coasts.

When the MFCMA was enacted, highly migratory species of fish, such as Atlantic bluefin tuna, were exempt from its coverage. The reason for this exemption was that fishermen—primarily on the west coast—feared that coverage of highly migratory species would invite similar action by nations off whose shores American vessels have traditionally fished.

The Congress recognized this concern in drafting the MFCMA and its members believed at the time that other nations contemplating the establishment of "200

mile limits" would write similar exemptions into their enabling legislation.

This occurred in a few instances but not in all. Now, Canada, Mexico, and a sizable number of Central and South American states have asserted their jurisdiction over fisheries resources for 200 miles, and do not exempt highly migratory species.

This situation has endangered the Atlantic bluefin tuna which migrate from spawning grounds in the Gulf of Mexico to North Atlantic waters off New England and the maritime provinces of Canada.

The threat to bluefin are longline fishermen from Japan who, between 1975 and 1978, each year took over 800 fish. Japanese vessels operate off our coasts because they are strictly regulated when they operate off the coasts of Mexico and Canada.

Despite promises to reduce the size of their bluefin catch, the Japanese longliners continue to deplete the stock. Recreational and commercial tuna fishermen in northern New England are particularly concerned about this situation because they have witnessed a substantial drop in the number of bluefin reaching New England waters each summer.

The Weicker bill, by eliminating the exemption for highly migratory species, would remedy the bluefin tuna problem. Once enacted, regional fishery management councils established under the MFCMA could devise a fishery management plan under which the species could be preserved and its maximum potential realized by American recreational and commercial fishermen.●

## GOV. MICHAEL V. DiSALLE

● Mr. KENNEDY. Mr. President, I was deeply saddened to learn of the death of former Gov. Michael DiSalle of Ohio. He died Tuesday while visiting Italy, from where his immigrant parents came at the turn of the century.

Ohio has lost one of its most distinguished citizens and public servants. From being the energetic mayor of Toledo, to National Director of the Office of Price Stabilization in the Korean war, he was elected Governor of Ohio in 1958.

Mike DiSalle always mixed his hard work and 16-hour days with humor and a wonderfully contagious laugh. His political opinions were proudly and firmly held, even as his manner was easy and unpretentious.

My family came to know him during my brother's campaign for the Presidency, when he threw his strong support and that of the Ohio delegation behind President Kennedy at the 1960 convention. Through the years we have stayed in close touch, and I deeply valued his counsel and support.

Mr. President, a great man and a fine Governor has passed from us, and I extend my deep sympathy to his family.●

## DEPUTY ASSISTANT ATTORNEY GENERAL ROBERT J. D'AGOSTINO

● Mr. LEVIN. Mr. President, I wanted to take a brief moment to call to the attention of my colleagues one of those anomalies that occasionally arise, anomalies that in their own curious way may explain what sometimes seems inexplicable.

A week ago today there appeared in the Washington Post an article that quoted from a memorandum by Robert J. D'Agostino, the Deputy Assistant Attorney General in the Civil Rights Division. Mr. D'Agostino, according to the Post article, disputed a Government claim that blacks had been "improperly classified as emotionally disturbed," saying that blacks as a group are more disruptive on the average and would benefit from programs for the emotionally disturbed.

Today, Mr. President, there appeared another article in the Washington Post. Again I quote from the Post:

A top Justice Department civil rights official hit a law school secretary in the head three years ago after an argument, then paid the woman's medical expenses in return for her agreement not to press criminal charges, according to the woman and school officials.

The official, Deputy Assistant Attorney General Robert J. D'Agostino, was at the time a law professor at Delaware Law School of Widener University in Wilmington. The school's dean at the time, Arthur A. Weeks, investigated the incident and determined that D'Agostino had no cause for hitting the woman, according to a letter Weeks wrote to the woman.

I think, Mr. President, the articles require no additional comment from me. I ask that they be printed in the RECORD.

The articles follow:

[From the Washington Post, Sept. 10, 1981]

JUSTICE OFFICIAL'S MEMO ON YONKERS BIAS SUIT STIRS CONTROVERSY

(By Charles R. Babcock)

A top Justice Department civil rights official has recommended that his department drop a landmark school-housing discrimination suit against Yonkers, N.Y.

The Yonkers suit was filed last December. It was the first to combine challenges to a city's school and housing practices.

In a July 21 memo that some department lawyers consider insensitive, if not racist, Robert J. D'Agostino, deputy assistant attorney general in the Civil Rights Division, criticized previous department statements about the case.

At one point in the memo to William Bradford, head of the Civil Rights Division, D'Agostino disputed a government claim that blacks had been "improperly classified as emotionally disturbed."

"Why improperly?" he asked. He went on to say that "blacks, because of their family, cultural and economic background, are more disruptive in the classroom on the average. It seems they would benefit" from programs for the emotionally disturbed.

At another point he questioned the Justice contention that a "disproportionate number" of minority students were steered to vocational programs and then general high school programs. "Disproportionate to their school achievement?" D'Agostino wrote. "Disproportionate to their needs?"

He attacked the case generally as "the end result of a mind-set in the educational area and one of the opening shots in a new attempt to remake America through coerced residential integration."

D'Agostino also said the suit found segregative intent in virtualy any act that didn't lead "to the ultimate good as defined by the Justice Department, racial mixing."

The memo has been circulating in the Civil Rights Division in recent days, and is viewed by several attorneys as the latest sign of the Reagan administration's shift in civil rights enforcement.

One attorney who has read it said, "The general tone of the memo is an insult to black people worldwide." Another called it "outrageous and appalling." A third said D'Agostino's comments "are not appropriate characterizations for someone who does civil rights work."

D'Agostino, 38, a former dean at the Delaware law school and a Reagan campaign aide, defended his memo. "I write a lot of provocative memos," he said in a telephone interview yesterday. "It's one of my jobs around here to get people to take fresh looks at things. . . . One of the reasons Ronald Reagan was elected was that people wanted a fresh look at things."

D'Agostino denied that the memo was racist, although he said he understood how some people might consider it insensitive. He said his academic specialty was bankruptcy law. He has found Civil Rights Division lawyers competent but "committed to a certain point of view," he said. "I think they're wrong on some of those views. I want them to stop and question what they're doing."

The Yonkers case is one of three filed in the final months of the Carter administration that Reynolds is reviewing to determine whether they should be continued. No decision has been reached on the Yonkers case.

Yonkers, north of New York City in Westchester County, has a population of about 200,000. Its school system has approximately 23,000 students, 32 percent of whom are black or Hispanic.

The Justice suit said the local school board, city officials and the local community development agency discriminated against minorities by a pattern of school construction and closings, alteration of attendance lines, assignment of teachers and selection of sites for subsidized housing in heavily minority areas.

D'Agostino criticized the department's housing allegations by noting that Yonkers had built subsidized housing on sites approved by the Department of Housing and Urban Development. "What is the nature of Yonkers' violation? They were stupid enough or altruistic enough to voluntarily participate . . .," he said.

D'Agostino concluded his memo by saying, "I see absolutely no reason to pursue this case in its present form. If it is the Reagan administration's position to attempt to create law that will mandate the building of low-income housing projects when communities do not want such projects, then we should proceed; otherwise we should not."

[From the Washington Post, Sept. 17, 1981]

JUSTICE DEPT. OFFICIAL HIT SECRETARY IN '78

(By Benjamin Weiser)

A top Justice Department civil rights official hit a law school secretary in the head three years ago after an argument, then paid the woman's medical expenses in return for her agreement not to press criminal charges, according to the woman and school officials.

The official, Deputy Assistant Attorney General Robert J. D'Agostino, was at the time a law professor at Delaware Law School of Widener University in Wilmington. The school's dean at the time, Arthur A. Weeks, investigated the incident and determined that D'Agostino had no cause for hitting the woman, according to a letter Weeks wrote to the woman.

"I have told Professor D'Agostino that he did not have sufficient provocation to justify even the loud shouting at you much less striking you," Weeks wrote to Shirley M. Endicott. "In my reprimand I am emphasizing to him that it is expected that the faculty will set the tone for high professional conduct in this institution."

The 38-year-old D'Agostino, whose duties include reviewing civil rights laws involving sex discrimination, said in an interview yes-

terday that he hit Endicott in self-defense after she attacked him "fingernails first."

"I defensively swung my arms," D'Agostino said, striking Endicott "below the ear" with four fingers of his open hand. "I just don't duck. One should duck obviously when you have a woman going after you. You should duck [but] your reflexes are not to duck.

"I'm telling you I don't know for sure if she meant to rip my eyes out, [her] fingernails were in front of my face. When that happens suddenly, what do you do? If my reach were two inches less, I wouldn't come near her neck."

Endicott, now a secretary at Drexel University, said D'Agostino had asked her to type for him while she was typing for another professor. "I explained to him that I was in the midst of this job. . . . He continued to shout at me, and I said, "With that attitude,' or words to that effect, 'I do refuse to do it.' I ripped it up and threw it into the corner. . . . He swung at me from across my desk . . . hit me, and knocked me against the file cabinet."

Weeks' letter to Endicott, who was 48 years old at the time, was verified for The Post by the present Delaware Law School dean, J. Kirkland Grant, who declined further comment.

D'Agostino later wrote Endicott expressing regret that the incident occurred, and paid her about $150 to cover her medical and legal expenses. He said yesterday that he did not consider that letter to be an apology, and denied that he had ever been reprimanded. Weeks, in an interview yesterday, said he could not recall whether he reprimanded D'Agostino and said he considered the incident "overblown."

A Justice Department official said yesterday that the department was unaware of the incident. Loren Smith, a member of President Reagan's transition team and also a Delaware law professor, said that he knew of the incident when he recommended D'Agostino for the job and considered it insignificant.●

## MYRNA LOY

● Mr. METZENBAUM. Mr. President, it is not common to find an actress or actor who is a true classic—someone who excels in each and every role and who is able to conquer the fickleness of the movie fans.

Myrna Loy, however, is one of those classics. Ms. Loy, who perhaps is best known for her portrayal of the aristocratic wife of detective Nick Charles in "The Thin Man" series, says her method of acting is simple: "To be as real as possible." Anyone who has seen Ms. Loy in one of her many roles knows she carries that methodology to the limit. The sensitivity she injects into her characters is tremendous. Most recently, Ms. Loy appears with Henry Fonda in the made-for-TV movie, "Summer Solstice."

But beyond Ms. Loy's talent as an actress, Mr. President, I believe she is a remarkable woman. She is thoughtful and intelligent; she is a woman who has the courage to stand up for her convictions, and she is a woman whose energy is awe-inspiring—she fights for her political causes, she continues her acting career.

Mr. President, I ask your permission to submit in the RECORD the following story that appeared in the magazine "W" and which I believe captures the essence of Ms. Loy's unflappable spirit.

The article follows:

MYRNA LOY: BEYOND "THE THIN MAN"

(By Ron Cohen)

NEW YORK.—"I've led a fascinating life, in case you didn't know it," said Myrna Loy with an infectiously teasing laugh, explaining why she decided to embark on her memoirs, "I've done something besides 'The Thin Man.' "

It has been almost 35 years since the last of the six "Thin Man" films was made, with William Powell and Myrna Loy playing urbane detective Nick Charles and his debutante wife, Nora. But the image is indelible, and Loy—with only some of those years evident under the straw cloche and short red hair—seems ready to exchange again all that spirited repartee with the underworld denizens and upper-crust socialites who inhabited Nick and Nora's world.

Marking her 76th birthday this month, Loy remains incredibly active, working on her memoirs, which she expects will be out in a year; continuing her career as an actress, after more than 100 films and numerous stage and television roles, and maintaining her long involvement with politics.

"Montana, where I was born, has a small population, and you were supposed to be interested in your government," Loy noted, over a midsummer lunch of cold salmon and hot tea at La Cote Basque, as she talked about past and present with equal vigor.

Holding to her reputation as a liberal Democrat, Loy has little admiration for the administration of former actor Ronald Reagan. "He has lived up to my expectations, which were not very great. He did tell us everything he was going to do before he got elected.

"Can you imagine how all of us, who worked all those years with Mrs. Roosevelt for her social programs, feel now to see those programs wiped off the map?"

She is reserving judgment, though, on Reagan's nominee to the Supreme Court, Sandra Day O'Connor. "I haven't heard what she's really for," said Loy, who once played a judge in the 1947 comedy "The Bachelor and the Bobby-Soxer." "I think it's marvelous that he's finally nominated a woman. And I certainly would like her to be intelligent enough to be for abortion and for ERA."

Whatever O'Connor's feelings are on the Equal Rights Amendment, however, Loy has doubts that it will ever make it to the Constitution. "When you see people like Phyllis Schlafly emerge, you begin to realize the kind of forces that are against you."

As for the controversy surrounding O'Connor's stand on abortion. Loy doubts whether the conservative forces would have made it an issue at all if O'Connor weren't a woman. "They just must be shocked that Reagan actually nominated a woman. So, they have to start making noise about something. They just don't trust women."

Loy also is more than uneasy about the Moral Majority—"I think it's terrifying"—and she has joined the counter group, "People for the American Way," established by television producer Norman Lear.

"It's not political," Loy explained. "He's basing it on protecting our liberty, the American way of life."

Outside the political arena, Loy joined those who met with hotel developer John Portman to oppose his threatened destruction of two venerable New York theaters, the Morosco and the Helen Hayes. Broadway needs these smaller theaters, Loy pointed out. "The new theaters are too big. You can't play a play in them. And everything is miked. You don't hear a human voice anymore."

She recalled an incident when she was in a 1973 revival on Broadway of "The Women." "I asked what the noise was I kept hearing. I was told: 'That's your voice coming back to you from the mike.' Oh, great."

Loy's latest performance is in a television movie, "Summer Solstice," in which she co-stars with Henry Fonda. It was made by the ABC affiliate television station in Boston and has been bought by ABC for the forth coming season.

This marks the first time she has worked with Fonda. "Politically, we're great friends. He's one of the stalwarts. Whenever I would ask him to do anything, he would do it.

"But never having worked with him, I was scared. I think he was, too. But it was as easy as falling off a log. I think we both have the same approach to acting . . . to be as real as possible, which he certainly is."

Loy and Fonda portray a married couple, celebrating 50 years together with an annual picnic on Cape Cod. Loy wears a snow white wig. It's a role in the tradition of her long-time screen image as the "perfect wife," fostered not only by her many films with William Powell, but also by those with other leading men, such as Cary Grant, Fredric March and Clifton Webb.

"I don't know how it started," she said of the "perfect wife" label, "but I saved more marriages than you can imagine. I was a fantasy, but I was never really around, never a real threat."

Off-screen, Loy has had four marriages—to film producer Arthur Hornblow Jr.; John Hertz Jr. of the auto rental family; producer Gene Markey, and Howland Sargeant, who was a State Department official. She dismisses any thought of marrying again. "I don't want to put up with anyone else. I wasn't very good at it when I was younger, but now . . . No, I'll go to bed alone with my hair in curlers and plugs in my ears."

Loy is working on her memoirs with writer James Kotsilibas-Davis, who, about four years ago, turned out a biography of Maurice Barrymore, father of John, Ethel and Lionel. "It was one of the most marvelous biographies I ever read, because it was so filled with details. That's the way I want my book to be. I don't want one of those bed-to-bed things, thank you very much."

She noted that while she hasn't been reading much of the recent crop of Hollywood biographies, she has heard about them. "And so much of it is lies, but there doesn't seem to be much anyone can do about it.

"The Crawford book is just awful," she added, referring to "Mommie Dearest," the book about Joan Crawford. "I read bits and pieces of it, enough to know it's really scandalous."

Davis is working with 50 hours of tape of Loy alone, and they recently returned from a six-week trip to the West Coast, where others were interviewed for the Loy book.

"Hollywood's kind of sad to me now," Loy mused, "but of course I saw Bill—Bill Powell." Powell, now 89 years old, lives in Palm Springs with his wife, former actress Diana Lewis, Loy noted.

"I see him about once a year, whenever I'm out there. He's still a wonderfully funny man. I asked him: 'How you doin', honey?' He said: 'I'm doing pretty well for a 100-year-old man.' It was wonderful, and I knew he still had his sense of humor."

While on the West Coast, Loy was given a luncheon at the commissary of MGM, where she was one of the reigning stars in the Thirties and early Forties. "I was very reassured to see MGM. I hadn't wanted to go back before, for fear it would be a mess. But it looked pretty good."

Recalling her parting with MGM in the mid-Forties, she related: "They released me. I asked them for it, because I had a feeling they were going to start giving me inferior things. They were making a fuss over that English redhead—Greer Garson. L. B. Mayer said I shouldn't leave, but I did and made 'Best Years of Our Lives,' and that really made them all mad."

That celebrated drama of World War II veterans coming home—produced by Samuel Goldwyn—continues to move Loy deeply. She told of having seen it not long ago at a revival movie house. "I was supposed to

speak after it. But I cried so much I was just a mess. All I could do was wave a wet handkerchief."

Loy continues to live in the New York penthouse—"it's two rooms"—that she has rented for about 20 years and says she has no inclination to live again in Hollywood. She enjoys a circle of young friends here and also is close to her stepson and his family. He is a neurologist in Hartford, Conn., and the son of Arthur Hornblow Jr., who was Loy's first husband.

As for clothes, Loy said she is happy to be able to find again what she calls "lady clothes." Her luncheon dress is a black-on-spice two-piece silk print, which carries the Jack Mulqueen label. As for shopping, "I go to Lord & Taylor, where I can get lady clothes."

She also shops at Bloomingdale's "for a lot of things I need, such as cosmetics." And, with the lunch over, she got into a cab alone, still undecided as to whether she would head home or to Bloomingdale's.

And it's conceivable, too, somewhere uptown, Nick Charles awaits with a new set of clues and a shakerful of late-afternoon cocktails.●

## DEATH OF HAL DAVIES

Mr. BURDICK. Mr. President, I take a few moments to bring to the attention of the Senate the passing of a great American, Hal Davies, of Minot, N. Dak.

Calling someone a "great American" may be using an overworked phrase, but Hal Davies truly deserved the title. For decades he was chairman of the board and wrote for the Minot Daily News. His pen provided factual, interesting, and provocative news to the people of North Dakota. He was of the tough, old-fashioned school of journalism, one who sought the truth and stated what he found with bold determination. He was a community leader who was proud to serve and continued his service to the end of his days. A devoted admirer of Theodore Roosevelt, he worked tirelessly to develop the Theodore Roosevelt National Memorial Park in western North Dakota.

I am sure the entire Senate will join me in expressing sympathy to the Davies family. Those who loved him must take comfort in knowing that although he was old in years, he was always young in his outlook, attitudes, and actions. Hal Davies was a great American, and I salute him.

## TENNESSEE LOSES A GREAT LEADER

Mr. SASSER. Mr. President, 2 days ago the people of Tennessee lost a very good friend and citizen—Matt Lynch.

Matt Lynch was born in Tennessee in 1912. His grandfather came from New England where he was an early organizer for the shoe workers. So Matt, from his early years, had a special understanding and compassion for working men and women. He became a member of the Amalgamated Clothing and Textile Workers in 1932—when he was 19 years old. Although he received an education as a lawyer, he spent his years right out of law school—and up until his death—fighting for the rights of Tennessee workers.

He became a symbol of organized labor in Tennessee. His life was dedicated to the working people and because of his dedication, great progress has been achieved. So firmly did he hold his convictions that he withstood beatings, assaults, gunshots, and jailings. But he refused to back away from his beliefs.

Matt was an active leader in the progress made by working men and women. He defended the rights of all workers—regardless of race or social standing. He left a legacy which will, I believe, provide a strong foundation for continued growth and progress in the labor movement. In short, Matt Lynch will be sorely missed.

Mr. President I ask unanimous consent that two editorials and an article on Matt Lynch's passing be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Tennessean, Sept. 16, 1981]

MR. LYNCH: CITIZEN, LABOR LEADER

Mr. Matt Lynch, for many years the driving force of organized labor in Tennessee, is dead at the age of 68.

A veteran of many a labor battle in the formative years of unionism in the state, Mr. Lynch was president of the Tennessee State Labor Council from 1946 to 1979 when he becamo president-emeritus to permit the election of Mr. James Neely as president.

During his 33 years at the helm of the council, Mr. Lynch was highly popular with the rank and file union members and with most of the state's political leaders of that period. His advice was widely sought by office holders and office seekers and his influence was deeply felt on most legislative matters which in any way involved the well being of working people.

However, he had not always been so welcome. As a young union organizer in the textile towns of East Tennessee during the 1930s he was often subjected to ill treatment. He had been physically attacked, shot at, kidnaped, jailed numerous times and threatened with death. But he survived and went on to become known as the guardian of unionism in Tennessee.

Mr. Lynch was a loyal, devoted citizen, as well as labor leader. He was interested in all aspects of civic and political life and not just those that affected his immediate area of expertise.

He trained as a lawyer but switched careers to fight the battles of the working men and women of the state. The state can be thankful that he did. His gentle, dignified manner added class and respect to the union movement as he did more perhaps than any other labor leader has done to break down the barriers between employers and employees.

His service in the cause of unionism and justice for the laboring person will long be remembered in Tennessee.

[From the Nashville Banner, Sept. 16, 1981]

MATT LYNCH, TRUE SYMBOL OF LABOR

Matthew Lynch, who died yesterday at the age of 68, was truly symbolic of organized labor in Tennessee throughout the almost half a century in which he served as its prime mover.

It could be said that Matt Lynch and organized labor in Tennessee literally grew up together. During the early years there were rough battles and Mr. Lynch was in the thick of them. As the labor movement matured and became more circumspect, so did Matt Lynch.

Through it all, Mr. Lynch was a man of courage and of honor, respected no less by his foes than by his most loyal followers.

When Mr. Lynch retired as president of the Tennessee Labor Council in 1979—after 33 years in that position—it wasn't because the old firehorse was ready to quit. A battle was brewing with other, younger leaders and the venerable "Mr. Labor" himself, in a tear-filled address, told delegates to the council's convention that he was doing so in the interest of labor unity.

Ironically, the election from which he withdrew took place just two years ago tomorrow—Sept. 17, 1979.

Matt Lynch got his first union card at the age of 19, joining the textile workers union while working in a Chattanooga hosiery mill. It was the Depression year of 1932.

During the intervening years, he saw the character of labor change from the traditional hardline division that separated the backshop from the front office. And he saw the labor movement nationally peak at 19 million members in the early 1950s and fall to some 16 million members in later years.

But his deep faith in the cause of organized labor never wavered and he saw the future of labor and the sometimes uphill nature of its cause as nothing more than a challenge that men and women of his ability and determination could successfully meet.

During his years of leadership he championed such causes as repeal of the poll tax and simplification of voter registration, and he fought consistently for higher minimum wages and elimination of the state's right-to-work law.

There are many in Tennessee who differed with Matt Lynch's philosophy but no one ever accused him of being anything but a fair fighter, a worthy opponent and a gentleman. The entire state of Tennessee will miss Matt Lynch.

[From the Tennessean, Sept. 16, 1981]

SERVICES TOMORROW FOR MATT LYNCH

(By Frank Ritter)

Fly casting from a boat on Center Hill Lake, Matt Lynch used to entertain his fishing buddies for hours with stories about the early days of the labor movement in Tennessee.

With a prodigious memory for names and places and dates, he would weave a story by building suspense and then use his wry Irish wit to break the tension. He often would conclude with a philosophical comment from, say, Karl Marx about the endless struggle between the workers and the boss.

When the conversation lagged, Lynch would bring out his battery-powered radio and tune it to a station playing classical music.

His buddies might be drinking beer or complaining that the fish weren't biting. But Lynch, his long, lanky legs hanging over the side of the boat, would be silently planning strategy for his newest political protege, or the next step in his latest labor campaign.

Matt Lynch, 68, a symbol of organized labor in Tennessee by virtue of more than half a century as union organizer, lobbyist and potent political force in the Democratic Party, died yesterday morning in St. Thomas Hospital.

Services will be at noon tomorrow at St. Joseph's Church on Gallatin Road in Madison. The Rev. Michael Sweeney will officiate. Burial will be in National Cemetery. The body is at Phillipe-Robinson Funeral Home where a rosary will be recited at 7:30 tonight.

"Matt's productive life has left a legacy that benefits all," said Mayor Richard Fulton, one of those who got their political start through Lynch's efforts. "His understanding, concern and compassion for people—young and old, white and black, poor and prosperous—made him a great person.

"He was my friend, my teacher and my adviser. No one can ever take his place."

Fulton, who served in Congress before becoming mayor of Nashville, was among those fishing buddies who often accom-

panied Lynch to places like Center Hill Lake. And the mayor said they used to spend a lot of time remembering their rough-and-tumble early days together—the days when Lynch headed the most powerful labor organization in Tennessee and Fulton was an aspiring politician with considerable ambition and little else.

"In those days, Matt wrote most of my speeches for me," Fulton recalled. "He would stay up all night working and I slept on the floor."

Others from both sides of the labor-management fence, recall Lynch in equally fond terms.

"Organized labor has lost a friend," said Jim Neely, the man who succeeded Lynch in 1979 as president of the Tennessee State Labor Council. "It is a sad day for the working man in Tennessee."

Neely, recalling the 1930s when Lynch was beaten repeatedly, shot at, jailed and even kidnapped by anti-union thugs, said things have improved for organized labor since then "primarily because of those giants of labor like Matt Lynch."

"The working man has things a little easier today because of the sacrifices that Matt Lynch made," Neely said. "Not many people would have done—not many could have done—the things he did. We will miss him a lot."

Sen. Jim Sasser, who said he first met Lynch in 1961 at a meeting in Memphis on a civil rights issue, said it was typical of Lynch to work for the improvement of all mankind.

"His life was dedicated to the working people and because of his dedication great progress has been achieved. His legacy provides a strong foundation for continued progress in the labor movement.

"He was not only a symbol of organized labor in Tennessee, but an active leader in the progress made by working men and women in Tennessee," Sasser said.

Gov. Lamar Alexander said Lynch "understood Tennessee's working men and women and worked hard to improve their lives. He was both tough and kind, and we will miss him."

Lynch, president emeritus of the state Labor Council, had been in ill health for several years, suffering from emphysema. He became critically ill Sunday night with respiratory failure and had been kept alive largely by machines until his heart gave out early yesterday morning.

A tall man with a rugged Irish face and a ready chuckle, Lynch devoted his life to the labor movement. He was involved in a lot of activities—politics being foremost among them—but his efforts always were aimed at one objective; improving the lot of the working man.

"He fought all his life for labor," his wife, Maude Lynch, recalled yesterday. "He did so, many times, at the expense of neglecting his own affairs."

A native of Chattanooga, Lynch was born Sept. 30, 1912, the son of Francis Michael and Pearl Childress Lynch. His grandfather was an early organizer of the shoe workers in New England and Lynch grew up with strong liberal beliefs.

He graduated from Notre Dame High School in Chattanooga and earned a degree from the Chattanooga College of Law. Asked why he decided to become a union organizer instead of a high-priced attorney, he once said:

"Economically, you can't figure it. The wages didn't amount to much for an organizer. And in those days, there was a pretty good chance you'd get the hell knocked out of you."

Lynch, in the early days, frequently got the hell knocked out of him.

Once, on a deserted mountain road in Roane County in 1936, three thugs kidnapped him one night and beat on him for hours in an effort—unsuccessful as it turned out—to convince him to change his pro-union ways.

Then, in Loudon County, Lynch once made the mistake of stepping out of a lighted doorway while on an organizing mission. Someone shot at him from the darkness, the bullet passing between his legs before richocheting into the night.

One day he was riding down a mountain road when rifle bullets slammed into his automobile. He ducked his head, floorboarded the accelerator and put distance between himself and the rifleman.

"There have been some long, hard times," he said recently, in an understatement. "There were beatings, insults, people spitting in your face. I was in jail over 60 times. But it's been worth it."

Lynch started his career in the Chattanooga textile factories in the early 1930s while still in high school, and joined the Amalgamated Clothing and Textile Workers union. Later, he joined the hosiery workers union there.

He spent the next decade organizing plants in the hostile atmosphere of the times and rose in the ranks to head the Tennessee State Labor Council as the uncontested top labor man in Tennessee.

From that position, Lynch worked tirelessly—publicly and behind the scenes—to advance the cause of labor and the Democratic Party. A number of people who credit Lynch with helping them get started in their careers is large. People like Nashville Labor lawyer George Barrett, who said yesterday:

"He meant a great deal to me personally because he urged me to go to law school and to practice labor law. To the community, he meant a great deal more than that. His contributions not only to the labor movement but also to civil rights and civil liberties have made Nashville and Tennessee a better place to live."

"Matt was everybody's father-confessor," said Joey Ellis, a long-time friend. "He was a friend to everybody who sought him out—from young people on up."

Since his retirement, Lynch maintained his interest in several civic organizations. A veteran of the Navy in World War II, he was honorary commander of the Disabled American Veterans, having served for many years as state adjutant treasurer.

He also was on the board of the Hank Snow Foundation, an organization which combats child abuse, and he was a volunteer for the Muscular Dystrophy Telethon for many years.

And, of course, he kept up his friendships during the last months of his life, ready to talk to anyone who came by his home at 1108 Sunnymeade Drive.

Survivors in addition to his wife, whom he married in 1939, include two daughters, Misses Virginia and Mary Lynch; four sons, Kendall, Joseph and Thomas Lynch, all of Nashville, and Patrick Lynch, Tullahoma and a brother, John Lynch, Chattanooga.

Active pallbearers will be Fulton, Greer Wiggins, Linton O'Brien, Charles Ray, C. T. Friar, Barrett, Victor Ellis, and Mickey Krietner.

Memorial contributions in lieu of flowers may be sent to the Hank Snow Foundation for Child Abuse in Madison.

## TAIWAN'S UNITED DAILY NEWS CELEBRATES ITS 30TH ANNIVERSARY

Mr. MATSUNAGA. Mr. President, it has been said by wiser men than I that a free press is an indispensable ingredient of a democratic society. It is most heartening, therefore, to note that the United Daily News, Taiwan's largest independent newspaper is today celebrating its 30th anniversary of its publication. It is with extreme pleasure that I rise to extend heartiest congratulations and best wishes for continued success to my dear friend, Mr. Tih-wu Wang, founder of the newspaper and chairman of the board of United Daily News, Ltd., and to his dedicated staff.

Since its first edition was published on September 16, 1951, the United Daily News has pursued an editorial policy which promotes democracy, national unity, and social progress. Its daily circulation now exceeds 1 million and its staff has increased from 120 in 1951 to 1,427 today. In 1967, Mr. Wang launched a sister publication, the Economic Daily News, and in 1976, he published the first edition of the World Journal in New York City. With a daily circulation of 50,000, the World Journal is the largest Chinese-language newspaper in America.

The United Daily News and its sister publications are highly respected throughout Taiwan and abroad for objective reporting, progressive editorial policies, and service to the community. The incredible success which they have enjoyed is also due in part to the progressive employment policies implemented from the very beginning by Mr. Wang.

One-fourth of the United Daily News stock is owned by employees who have worked for the newspaper for 4 years or longer. Employees have always been rewarded for increases in circulation and advertising and, in 1976, this bonus program was expanded and improved. One-fourth of the monthly profits of the United Daily News are set aside for employee bonuses. An employees welfare fund provides special grants for weddings, funerals, hospitalization, children's education, retirement, and other special needs and, since 1974, employees of the United Daily News have been covered by labor insurance. Finally, the United Daily News has responded vigorously to technological advances. It has the best equipped teletype wire facilities in Taiwan, receiving news on a 24-hour basis from the Associated Press (AP), United Press International (UPI), and Reuters. The installation of two new Harris 1660 presses earlier this year brought its total printing capacity up to 7.2 million pages per hour.

Mr. President, I am sure that all of my colleagues will join me in extending congratulations to an enlightened publisher, Mr. Wang, and his excellent staff of journalists as they celebrate the 30th anniversary of the United Daily News. Together they have done what we wish we could do.

## AGRICULTURE AND FOOD ACT OF 1981 (S. 884)

Mr. BAKER. I would like to ask whether there are other amendments that Senators wish to bring up this evening? If not, I will yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. BAKER. Mr. President, I gather there are no other amendments that managers may wish to present tonight.

Before we recess over I think it might be of interest to Senators to know that so far on this bill we have disposed of, according to my count, 43 amendments, 37 of those amendments today. Twenty-nine hours have been consumed in consideration and debate on this measure, on this bill, and there remain 16 amendments on which there are time agreements that have not yet been disposed of.

I think it is clear, Mr. President, that if we proceed diligently and with some luck that this bill can be finished tomorrow, and I really sincerely hope the Senate will dispose of this measure by final passage during the course of the legislative session on tomorrow.

I take this opportunity, Mr. President, to commend the distinguished managers of the bill on both sides of the aisle and all the members of the committee who participated so diligently.

I especially wish to express my appreciation to the Senator from North Carolina (Mr. HELMS) and the Senator from Kentucky (Mr. HUDDLESTON) for their unfailing attention to the management of this bill during a very long day indeed.

## RECESS UNTIL 10 A.M. TOMORROW

Mr. BAKER. It is now 12:14 a.m. on Friday, and I am prepared, Mr. President, at this point, unless there is other business to transact, to move that the Senate go into recess. I have consulted with the minority leader, and I believe he is agreeable to that, and as I see no other Senator rising to seek recognition, I move now, Mr. President, in accordance with the order previously entered, that the Senate stand in recess until the hour of 10 a.m. on this day.

The motion was agreed to; and at 12:15 a.m., the Senate recessed until Friday, September 18, 1981, at 10 a.m.

## NOMINATIONS

Executive nominations received by the Senate September 17, 1981:

THE JUDICIARY

William L. Garwood, of Texas, to be U.S. circuit judge for the fifth circuit vice a new position created by Public Law 95-486 approved October 20, 1978.

Hayden Wilson Head, Jr., of Texas, to be U.S. district judge for the southern district of Texas vice Owen D. Cox, retired.

James R. Nowlin, of Texas, to be U.S. district judge for the western district of Texas vice Jack Roberts, retired.

DEPARTMENT OF JUSTICE

William H. Kennedy, of California, to be U.S. attorney for the southern district of California for the term of 4 years vice Michael H. Walsh, resigned.

Guy Gordon Hurlbutt, of Idaho, to be U.S. attorney for the district of Idaho for the term of 4 years vice M. Karl Shurtliff, resigned.

Jim J. Marquez, of Kansas, to be U.S. attorney for the district of Kansas for the term of 4 years vice James P. Buchele, resigned.

John A. Smietanka, of Michigan, to be U.S. attorney for the western district of Michigan for the term of 4 years vice James S. Brady, resigned.

Kenneth W. McAllister, of North Carolina, to be U.S. attorney for the middle district of North Carolina for the term of 4 years vice Henry M. Michaux, Jr., resigned.

Samuel T. Currin, of North Carolina, to be U.S. attorney for the eastern district of North Carolina for the term of 4 years vice George M. Anderson, resigned.

Rodney Scott Webb, of North Dakota, to be U.S. attorney for the district of North Dakota for the term of 4 years, vice James R. Briton, resigned.

Brent D. Ward, of Utah, to be U.S. attorney for the district of Utah for the term of 4 years, vice Ronald L. Rencher, resigned.

George W. F. Cook, of Vermont, to be U.S. attorney for the district of Vermont for the term of 4 years, vice William B. Gray, resigned.

Thomas C. Greene, of Alabama, to be U.S. Marshal for the northern district of Alabama for the term of 4 years, vice Ralph C. Bishop.

Melvin E. Jones, of Alabama, to be U.S. Marshal for the middle district of Alabama for the term of 4 years, vice Rufus A. Lewis, resigning.

P. A. Mangini, of Connecticut, to be U.S. Marshal for the district of Connecticut for the term of 4 years, vice Anthony G. Dirienzo, resigned.

Lynn H. Duncan, of Georgia, to be U.S. Marshal for the northern district of Georgia for the term of 4 years, vice Ronald E. Angel, resigned.

Ralph D. Morgan, of Indiana, to be U.S. Marshal for the southern district of Indiana for the term of 4 years, vice Frank J. Anderson, resigning.

IN THE ARMY

The following officer for appointment as a Reserve Commissioned Officer in the Adjutant General's Corps, Army National Guard of the United States, Reserve of the Army, under the provisions of title 10, United States Code, section 593(a) and 3392:

*To be major general*

Brig. Gen. Harold L. Gwatney, 431-38-7814.

# EXTENSIONS OF REMARKS

## NATIONAL PRO-LIFE POLITICAL ACTION COMMITTEE—A STUDY IN INTEGRITY

HON. LARRY McDONALD
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. McDONALD. Mr. Speaker, on September 11, 1981, Rev. Charles Fiore, O.P., testified before the Judiciary Committee of the U.S. Senate in opposition to the nomination of Judge Sandra Day O'Connor to the U.S. Supreme Court. Father Fiore is chairman of the National Pro-Life Political Action Committee (PAC), a role that he and his Washington representative, Peter Gemma, have filled with integrity and honor.

I have been, and will continue to be, privileged to serve on that organization's advisory board. It was not too long ago that this organization faced a storm of protest because they had targeted proabortion advocates for defeat, irregardless of political party affiliation. The heat was on in the kitchen, but this organization stuck to its guns. My own position with regard to this "storm" could only be, both as a physician and a Member of this body, that where the murder of the unborn is concerned—it is just that—murder—and politics goes out the window.

Although Judge O'Connor will probably be confirmed, the National Pro-Life PAC once again took the position of honor and integrity. That is why, for all to know, that I take this opportunity to share Father Fiore's testimony with my colleagues. Testimony follows:

TESTIMONY OF THE REV. CHARLES FIORE, O.P., CHAIRMAN, NATIONAL PRO-LIFE POLITICAL ACTION COMMITTEE

Mr. Chairman and Members of the Committee: I thank you for this opportunity to appear before you as founder and Chairman of the National Pro-Life Political Action Committee, and on behalf of tens of thousands of our supporters in all states and right-to-lifers everywhere, who oppose the nomination of Judge Sandra Day O'Connor to the U.S. Supreme Court.

Mrs. O'Connor's nomination by President Reagan has been the occasion of virtually unanimous disappointment on the part of rank-and-file pro-lifers, because it represents a breach of the 1980 Republican Platform on which he ran (and which he more than once privately and publicly affirmed as a candidate), and on the basis of which he convinced millions of blue-collar, traditionally Democratic voters—ethnic Catholics and fundamentalist-evangelical Protestants—to switch parties and vote for him.

As a result, in the first six months of his incumbency, President Reagan may have seriously alienated major portions of the "social issues conservatives" who comprised the pro-life/pro-family coalition that helped elect him last November. Those same voters are intently watching these hearings, and will long remember and note well the final "ayes" and "nays" as the full Senate determines Judge O'Connor's qualifications to sit with the Court. As voters they perceive the members of the House and Senate not as party functionaries, but as their representatives first of all; just as they also perceive party platforms and election pledges not as "litmus tests," but as implied contracts to be fulfilled by those elected.

I say these things at the outset, not because they have bearing on Mrs. O'Connor's qualifications, but because they have very much to do with the larger processes of representative government, which are also at stake in these hearings.

The facts of Judge O'Connor's legislative and judicial careers are matters of public record, even though it appears that the Administration paid scant attention to them when evaluating her qualifications for the Supreme Court, even as late as the now-infamous Starr Justice Department memorandum hurriedly complied a day or so before the nomination was made.

Briefly, as they pertain to the abortion issue, the facts are:

1. As a State Senator in 1970, Mrs. O'Connor twice voted for HB 20, to repeal Arizona's existing abortion statutes—three years before the U.S. Supreme Court legalized abortion-on-demand, throughout the nine months of pregnancy, in all 50 states.

2. In 1973, Senator O'Connor co-sponsored a so-called "family planning" Act (SB 1190) which would have allowed abortions for minors without the consent of parents or guardians. The bill was considered by all observers in Arizona to be an abortion measure, and the Arizona Republic (3/5/73) editorialized, "The bill appears gratuitous—unless energetic promotion of abortion is the eventual goal."

3. In 1974, Senator O'Connor voted against a bill (HCM 2002) to "memorialize" Congress on behalf of passage of a Human Life Amendment to the Constitution protecting the unborn.

4. In 1974, she voted against an amendment to a University of Arizona funding bill that prohibited use of tax-funds for abortions at University hospital, because Mrs. O'Connor claimed it was "non germane" and thus violated the state constitution. However, the bill passed with the amendment, and its constitutionality was upheld by the State Supreme Court.

It seems rather peculiar to us that Mrs. O'Connor, in discussing her legislative record on abortion with Mr. Starr of the Justice Department, could not remember her position on the first three votes, since they all represented dramatic departures from the existing laws and aroused national media attention. Yet she was apparently able to recall the far less significant fourth vote and her precise reason for it. Stranger still, was her attempt in the Starr memorandum to portray herself as a friend and intimate of Dr. Carolyn Gerster, M.D., Phoenix, titular head of the state right-to-life organization, when Dr. Gerster says it was well-know that she and Mrs. O'Connor had long been in heated opposition on these very votes.

The question looms large over Mrs. O'Connor's qualifications to sit as a member of the Supreme Court: Did she deliberately seek to mislead investigators for the Justice Department and/or the President as to the facts of her legislative record on this vital issue; did she give false or selective information in an attempt to portray her clearly pro-abortion legislative record as something else?

And if she did, what does that say about her ambition to accede to the high Court . . . and her moral strengths once part of it? What price glory?

I raise these blunt and impolite questions because the matter of the right to life of the unborn is fundamental and critical to the health of our society. "The right to life," as also the rights to "liberty and the pursuit of happiness" are *not* "minor" or peripheral issues in our political process. Nor are they "private" any more than homicide is a "private" act if the unborn are human, as indeed every medico-scientific test affirms.

Because of the complicated and sensitive issues involved, at the very least we expect you to fully explore her philosophy and opinions on this issue of life versus death. If this judge be not guilty of the pro-abortion charge, let her proclaim her innocense loudly and clearly. Indeed, if she has changed her views, National Pro-Life PAC would be first in line to reconsider our opposition to this nomination.

As Professor William Bentley Ball, former Chairman of the Federal Bar Association's Committee on Constitutional Law, and one who has argued a number of religious liberty cases before the U.S. Supreme Court, recently wrote apropos of Mrs. O'Connor's nomination:

*"Some zealous supporters of the O'Connor nomination • • • have made the astonishing statement that, on the Supreme Court of the United States, ideology doesn't count. They say . . . that it would be of no significance that a candidate would have an actual and proved record of having voted or acted on behalf of racism or anti-Semitism or any other philosophic point of view profoundly opposed by million of Americans. These concerns are not dispelled by a recital that the candidate is 'personally' opposed to such a point of view. Why the qualifying adverb? Does that not imply that, while the candidate may harbor private disgust over certain practices, he or she does not intend to forgo support of those practices?*

*"Philosophy is everything in dealing with the spacious provisions of the First Amendment, the due process clauses, equal protection, and much else in the Constitution. It is perfect nonsense to praise a candidate as a 'strict constructionist' when, in these vital areas of the Constitution, there is really very little language to 'strictly' construe • • •*

*"It is likewise meaningless to advance a given candidate as a 'conservative' (or as a 'liberal'). In the matter of Mrs. O'Connor, the label 'conservative' has unfortunately been so employed as to obfuscate a very real issue. The scenario goes like this:*

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

*"Comment: 'Mrs. O'Connor is said to be pro-abortion.'*

*Response: 'Really? But she is a staunch conservative.'*

*"Just as meaningful would be:*

*Comment: 'John Smith is said to be a mathematician.'*

*Response: 'Really? But he is from Chicago.'*

*"Whether Mrs. O'Connor is labeled a 'conservative' is irrelevant to the question respecting her views on abortion. So would it be on any other subject."* (Emphasis added. Cf. Appendix for complete text, "The O'Connor Supreme Court Nomination: A Constitutional Lawyer Comments," from THE WANDERER, St. Paul, MN, Vol. 114, No. 31; July 30, 1981).

"Philosophy is everything . . ." says Professor Ball. And we concur. With these facts of her record in mind, and in the light of President Reagan's pro-life promises before, during and after the campaign, logically only three conclusions can be drawn:

1. Either Sandra Day O'Connor has changed her views, and is no longer a pro-abortion advocate ("personal opposition" does not necessarily translate into "public" opposition to abortion), or

2. President Reagan appointed Mrs. O'Connor without full knowledge about her public record, or

3. President Reagan was fully informed about Mrs. O'Connor's public record as pro-abortion, but chose to disregard it and the solemn pro-life promises he had made.

If, as it appears, Judge O'Connor and some of her supporters have attempted to cloud over or to minimize the importance of her pro-abortion record for the sake of these hearings, what does that say about her record? More, what does it say about her probity and candor?

Far from being unimportant, these questions are absolutely essential in judging the qualifications of one nominated to the Supreme Court of our land.

Mrs. O'Connor, although she has already testified and submitted herself to your queries, technically is still before this Committee, and may be recalled for further questioning by yourselves or other Senators.

She must be asked directly if she has changed her views on abortion since her votes in the Arizona State Senate. She must be asked specifically about each of those votes. She must be asked about *Roe vs. Wade* and *Doe vs. Bolton*, about parental consent to medical procedures on minors, and the other excellent questions Professor Ball raises in his article (*op. cit.*).

Should this Committee and the Senate fail to raise these questions with Judge O'Connor now, as previous Judiciary Committees did not hesitate to question Judges Hanesworth and Carswell on their records and philosophies, her nomination if confirmed will always be tainted, and history will record that the Senate rushed to confirm her for specious reasons and not her legitimate qualifications for the job.

Mr. Chairman and Members of the Committee, we see no evidence of a change of heart or mind on the part of Judge O'Connor from the pro-abortion stance that dominates her public record. We do not know what questions President Reagan asked Mrs. O'Connor in his private meeting with her, and so we do not know the practical value, if any, of her newfound "personal opposition" to abortion. On the contrary, we find evidence that one week after her conversation with the President (and before her nomination) she gave partial and misleading information on these very issues as they arise in her record, to an investigator for the Attorney General of the United States, at a time when she knew full well that she was being considered among the finalists for this nomination.

I understand Mrs. O'Connor's ambition and desire to become the first woman Justice of the Supreme Court of the United States.

I find her philosophy as exemplified in her record as a legislator and leader in the State Senate of Arizona clearly pro-abortion and so, on the basis of criteria set forth by the Platform of the majority party in the Senate, and by the President who nominated her, she is unqualified.

But all of us in public life must realize at times like these that our judgments are subject to re-examination, first of all by the public record which follows, and ultimately by the one Judge who alone is just, and to whom all of us must finally submit our thoughts, hopes, our words, our deeds, our very lives—all of which and each part of which will be "germane."

Quite simply, gentlemen, abortion goes beyond partisan platforms and political promises—it is morally unjustifiable. For that fundamental reason, we urge all of you—Democrats and Republicans alike—to vote against the nomination of Sandra Day O'Connor to the U.S. Supreme Court.

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[From the Wanderer, July 30, 1981]

THE O'CONNOR SUPREME COURT NOMINATION: A CONSTITUTIONAL LAWYER COMMENTS

(By William Bentley Ball)

As one whose practice is in the field of constitutional law, one thing stands out supremely when a vacancy on the Supreme Court occurs: the replacement should be deliberate, not impulsive. The public interest is not served by a fait accompli, however politically brilliant. The most careful probing and the most measured deliberations are what are called for. Confirm in haste, and we may repent at leisure.

Unhappily, the atmosphere surrounding the nomination of Sandra Day O'Connor to the Supreme Court is one almost of panic. Considering that the liberties of the American people can ride on a single vote in the Supreme Court, any politically or ideologically motivated impatience should be thrust aside and time taken to do the job right. Plainly, there is no need for instananeous confirmation hearings, and the most painstaking effort should be made to fully know the qualifications—including philosophy—of the candidate. My first plea would be, therefore: Don't rush this nomination through.

My second relates indeed to the matter of "philosophy." Some zealous supporters of the O'Connor nomination (who themselves have notoriety as ideologues) have made the astonishing statement that, on the Supreme Court of the United States, ideology doesn't count. They say, in other words, that it would be of no significance that a candidate would have an actual and proved record of having voted or acted on behalf of racism or anti-Semitism or any other philosophic point of view profoundly opposed by millions of Americans. These concerns are not dispelled by a recital that the candidate is "personally" opposed to such a point of view. Why the qualifying adverb? Does that not imply that, while the candidate may harbor private disgust over certain practices, he or she does not intend to forego support of those practices?

Philosophy is everything in dealing with the spacious provisions of the First Amendment, the due process clauses, equal protection, and much else in the Consititution. It is perfect nonsense to praise a candidate as a "strict constructionist" when, in these vital areas of the Constitution, there is really very little language to "strictly" construe. As to other areas of the Constitution (e.g., Article I, Sect. 4—"The Congress shall assemble at least once in every year . . ."), to speak of "strict construction" is also absurd, since everything is already "constructed."

It is likewise meaningless to advance a given candidate as a "conservative" (or as a "liberal"). In the matter of Mrs. O'Connor, the label "conservative" has unfortunately been so employed as to obfuscate a very real issue. The scenario goes like this:

Comment: "Mrs. O'Connor is said to be pro-abortion."

Response: "Really? But she is a staunch conservative." Just as meaningful would be:

Comment: "John Smith is said to be a mathematician."

Response: "Really? But he is from Chicage."

Whether Mrs. O'Connor is labeled a "conservative" is irrelevant to the question respecting her views on abortion. So would it be on many another subject.

The New York Times editorialized July 12th on "What To Ask Judge O'Connor." The four questions it posed (all "philosophical," by the way) were good. To these many another question need be added. For example:

What are the candidate's views on:

The proper role of administrative agencies and the assumption by them of powers not clearly delegated?

The use by IRS of the tax power in order to mold social views and practices?

The allowable reach of governmental control respecting family life?

Busing for desegregation?

The proper role of government with respect to non-tax-supported private religious schools?

Sex differentiation in private employment?

Freedom of religion and church-state separation?

Broad and bland answers could of course by given to each of these questions, but lack of knowledge or lack of specificity in answers would obviously be useful indices of the capabilities or candor of the candiate. Fair, too—and important—would be questions to the candidate calling for agreement with, disagreement with, and discussion of, major prior decisions of the Supreme Court. Not the slightest impropriety would be involved in, and much could be gained by, public exposition of the candidate's fund of information on these cases, interest in the problems they have posed, and reaction to the judgments made.

Even these few considerations make it clear that the Senate's next job is not to confirm Mrs. O'Connor but instead to find out who she really is—that is, what convictions she possesses on great issues. I thus return to my theme that deliberativeness, not haste, should be the watchword respecting the confirmation inquiry. The fact that a woman is the present candidate must not (as Justice Stewart indicated) be dispositive of choice. It should certainly not jackknife basic and normal processes of selection. At this point, no prejudgment—either way—is thinkable.

Other vacancies may soon arise. The precedent of lightning-fast decisions in the

matter of choosing our Supreme Court Justices would be a bad precedent indeed.

Responses of Mrs. O'Connor to questions posed to her very recently give rise to additional concerns: (a) re Mrs. O'Connor's views concerning overruling of prior decisions, (b) her candor.

As to (a): She takes what appears like a "conservative" position of saying that she would not vote to disturb prior decisions of the court (including the abortion decisions). If it is a fixed principle with her, that prior decisions may not be overruled, then she should be asked whether she would have voted in Brown v. Board of Education, to overturn the "separate but equal" doctrine of Plessy v. Ferguson (or, as far as that goes, the Dred Scott decision). If her answer is "yes," then she does not have the above fixed principle. Then she should be asked: "Since you do not, after all, have any real principle against overruling prior decisions, then would you not vote to overrule Roe v. Wade (the abortion decision) since you say you are opposed to abortion?"

If her answer is "no," she is plainly not qualified to go on the court because no one should be a Justice of the Supreme Court (as contrasted with lower courts) who would declare himself absolutely bound to follow old prior Supreme Court decisions however bad they may have been.

As to (b): Mrs. O'Connor has seemed to perform, in her Washington interviews, with somewhat less than the candor which the public deserves when it is choosing a Supreme Court Justice. Understandably she should not be asked to commit, in advance, her vote on a particular hypothetical or actual case. But where a candidate for the bench has already taken a public position on an issue of great significance nationally, it is plainly the public's right to know whether the candidate continues to hold that view. If, for example, Mrs. O'Connor had several times voted, in Arizona, in favor of racial segregation, would it be deemed improper to require her to say whether she does, or does not, today repudiate that position? (Not with quibbling about "personally" being opposed to segregation.)

There should be no sense of inevitability about the O'Connor nomination. The nation is not bankrupt in men—or women—of qualifications for the Supreme Court. There are many candidates with unimpeachable qualifications in the United States—with better legal experience, far superior judicial qualifications, and with no blemish on their records of having even remotely supported violations of rights to liberty or to life. This is especially the case when we consider that the lifetime appointment may mean that the appointee will be on the bench for decades.

Finally, a note of mystery on the O'Connor matter. Let us suppose that President Reagan had nominated a person who had had relatively limited law practice experience, had never argued a case before the Supreme Court of the United States, had not in fact ever handled a case of significance, had no heavy trial experience, had no high scholarly qualifications, had a few years as one of a multitude of politicians holding a seat in a state senate, and a few years as a judge (not even on a state supreme court but in a state intermediate appellate court, where political hacks abound) and had never written a noteworthy opinion as such. Would anyone venture to say that here was Supreme Court material? In this case, the media have acclaimed just such a candidate—and one must wonder why. Suppose that, instead of having had a record indicating acceptance of abortion, such a candidate had a record the other way around—was known as a Moral Majority type? Would the mediocrity—indeed the poverty—of legal background then have been ignored by the media?●

## HONORING LOS ANGELES BICENTENNIAL

### HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. DE LA GARZA. Mr. Speaker, I speak today to honor the 200th anniversary of the founding of the great city of Los Angeles, Calif. The city, originally named "El Pueblo de la Reina de los Angeles"—the pueblo of the Queen of Angels—has come a long way since it was first settled on September 4, 1781, by a band of 44 travelers who spent over 7 months in journey from Mexico. Originally a part of a Spanish colony, and then of Mexico, the city was a Mexican provincial capital, then a frontier boom town, and now the U.S. major commercial center on the west coast.

The city of Los Angeles is truly an international city providing opportunity to Asians, Hispanics of many nationalities, and persons from virtually every part of the globe. Today, as we concern ourselves with the future of our country's immigration policy, it is worthwhile to consider that many of the oldest families in Los Angeles can trace their lineage, as I can, to a time before the West was part of the United States.

A visitor to Los Angeles cannot escape the cultural diversity of the city and its heritage, from the Spanish architecture, and red tile roofs, to the many languages heard on the streets. One need only travel from Olvera Street, famous for its Mexican restaurants and shops, to Century City, a sparkling shopping and office complex of glass, steel, and concrete in order to appreciate the variety.

Los Angeles has not only drawn people from all over the world, but from all over the United States as well, yet they all share the common heritage of looking for greater opportunity. Whether they be actors, engineers, businessmen, electronics specialists, seeking political asylum due to political upheavals, or simply looking for a better life for their children, Los Angeles has offered opportunity to all.

Two hundred years after it was first founded, it is still a young city, willing to try new things and new ways of doing them. We should all raise our sombreros to the people of Los Angeles, for through them we can learn to prosper from cultural diversity. Where else can one buy a kosher burrito from a street stand run by a Korean immigrant.●

## MARITIME DRY BULK TRADE ACT

### HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. SNYDER. Mr. Speaker, today I am introducing a bill to be known as the Maritime Dry Bulk Trade Act.

The purpose of this bill is to promote the U.S.-flag, dry-bulk fleet. Currently, U.S.-flag vessels carry only 1.2 percent of this country's import-export dry-bulk commodities. There are only 19 U.S.-flag, dry-bulk vessels in our fleet. Most of these vessels are over 30 years old. The United States cannot afford to rely totally upon foreign sources to provide the transportation services needed to maintain the flow of such essential dry bulk imports and exports

The bill directs the Secretary of Transportation to take immediate and positive actions to promote the orderly and rapid growth of the U.S.-flag, dry-bulk fleet in order to transport 40 percent of our dry-bulk imports and exports within 10 years.

The attainment of this 40-percent goal is to be accomplished by directing the Secretary to negotiate bilateral shipping agreements with our trading partners. Included within such agreements will be a requirement that a certain percentage of such cargo, for example 40 percent, must be carried in U.S.-built, U.S.-flag vessels, 40 percent in vessels designated by the trading partner and the remaining 20 percent may be carried by vessels registered in any other country. The Secretary may negotiate a percentage above or below 40 percent, so long as it does not fall below 33⅓ percent. The 40-40-20 cargo allocation scheme envisioned in this bill is the same as the formula currently being promoted by the United Nations Conference on Trade and Development [UNCTAD]. Whether we like it or not, the rest of the world practices cargo preference. If the interests of this Nation's maritime fleet are to be protected, then some positive action must be taken immediately.

I believe that the bill I am introducing today attempts to promote the U.S.-flag fleet in a reasonable manner. Under my proposal, waivers may be granted during the first 10 years of an agreement so as to allow cross-traders to carry a percentage in excess of their allocated share if the fleets of the trading partners are not yet able to carry their portion of the cargo.

I have also included within this bill the requirement that in order to qualify as a U.S.-flag vessel, the vessel

must not be built or operated with Government subsidy. Although such a requirement may not be popular with some segments of the industry, I believe that the subsidy system has clearly failed to adequately promote our merchant marine and that Congress should not be asked to act favorably upon this legislation without requiring that the industry give something up in exchange.●

## SMALL BUSINESS HURT MOST BY GOVERNMENT SLOW PAY PRACTICES

### HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. IRELAND. Mr. Speaker, as chairman of the Small Business Subcommittee on Export Opportunities and Special Small Business Problems, one of the most frequent complaints I have heard from small businessmen in my district and around the country is that the Federal Government does not pay its bills on time. Small firms are often forced to wait 90 to 120 days or more for payment of goods and services delivered to Federal agencies. This causes severe cash flow problems for firms already struggling in our current economic climate. It is for this reason that I am cosponsoring H.R. 2036, a bill introduced by my distinguished colleague from California, Representative ROBERT LAGOMARSINO, to correct this important problem.

The basic goal of H.R. 2036 is to require the Federal Government to pay its bills within 30 days after receipt of invoice. If an agency fails to do this, interest charges would be assessed on the amount past due. For meat, groceries and other perishables, payment would be due in less than 30 days as is common practice in those industries. The legislation, therefore, merely requires the Government to do what is standard practice in the private sector. It is important to note that these firms are not looking for additional revenue through the payment of interest. They want their invoices paid on time, and the threat of interest charges is the "stick" that will force Federal money managers to do this.

The need for such legislation has been clearly established. A 1978 report by the General Accounting Office found that the Government paid 39 percent of its bills late. The average delay ran 74 days. While large business firms may be able to carry the Government for this length of time, most small firms cannot. Stories abound of small businessmen and women forced to borrow money to pay their bills to meet their payrolls while owed thousands by the Feds. It is little wonder that many of these firms ultimately conclude that it is just not worth it to sell to the Federal Government. In the end, it is the Government and the taxpayers who will end up the loser through reduced competition.

Mr. Speaker, the time has come to reverse this trend in irresponsible payment practices on the part of the Federal agencies. I believe that H.R. 2036 and similar bills introduced in the House and Senate will do this. It will also send a loud and clear message to small businessmen and women across the Nation that this Congress is responsive to their concerns. I strongly urge my colleagues who have not already done so to support H.R. 2036 and work for its speedy enactment.

Also, I would like to share with my colleagues a recent initiative from Jim Boren. As usual, in his own satiric way, Mr. Boren hits the nail on the head.

[From Jim Boren's Mumblepeg: The Voice of the Bureaucrat]

FEDSLOPPP: A FEDERAL SLOW-PAYMENT PENALTY PLAN

Federal Float, the orbital movement of past-due bills in the federal government, is a matter of major concern to small businesses throughout the country, and Mumblepeg has a suggestion for bringing an end to the problem. It is Fedsloppp, a Federal Slow-Payment Penalty Plan. It could be tagged with the slogan, "Stop FedFloat with Fedsloppp."

Agencies of the United States Government now owe small businesses many billions of dollars for goods and services provided in good faith and in a timely and proper manner. According to one study, 39 percent of federal bills are paid late, and the average late bill is 74 days past due. The Bureau of Indian Affairs has been floating one small company's bill for five years. In another case a company faced a long delay because the federal agency had simply changed its name but would not respond to billings made out in the agency's old name.

Why are the payments so slow? The fault is not with the payment centers—many of whom can turn out checks within twenty-four hours of receiving authorization. It is for a wide variety of reasons: "Our offices were moved . . .", "The computer was down . . .", "The clearance people were on leave . . .", "Payment authority has been delegated to another office. . . ." The file's been lost. Can you resubmit all the documents?"

Mumblepeg finds such a wide application of its principles of creative nonresponsiveness that it is having difficulty in determining who might best merit the Inataprobu Order of the Bird, its not-so-coveted sculpture of a potbellied featherless bird. While Inataprobu's Twenty-Nine Coordinating Committees are studying the problem of Federal Float, Mumblepeg is proposing the immediate establishment of Fedsloppp (Federal Slow-Payment Penalty Plan).

Under Fedsloppp, small business would bow to sloppy bill handling by federal agencies for a period of thirty days. After a bill is past due for thirty days, however, the slow-payment penalty plan would go into effect. Bills past due for thirty to sixty days would automatically be increased by "Ten Per Cent Plus Prime". Prime would be based on the established prime rate on the day the check was finally written. Bills sixty to 180 days past due would be increased each thirty days at the same "Ten Per Cent Plus Prime." When a bill was past due for 180 days, a letter of reprimand would be placed in the personnel file of all persons in the chain of command from the first payment office to and including the head of the agency. Upon receiving the third reprimand, the person would be transferred to a reduced in grade and transferred to some other type of work if such were available.

Mumblepeg may wish to refine its proposal as more research is completed, but it believes that Fedsloppp for sloppy bill handling is at least a timid beginning.●

## OPPOSE THE AWACS SALE

### HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. FLORIO. Mr. Speaker, the proposed sale of the F-15 enhancement and AWACS package to Saudi Arabia is contrary to the best interests of the United States and represents a dangerous threat to the Middle East peace process. As I have stated before, the arguments against the sale are compelling.

I would like to share with my colleagues the following address by Patrick Cosgrave. Dr. Cosgrave was the former special adviser to Margaret Thatcher. His observation that "Israel cannot afford to lose a war" has profound implications, and must be considered during the congressional review of the proposed arms sale to the Saudis:

THE WEST CONFUSES ISRAEL'S INTERESTS WITH ITS OWN DESIRES

(By Patrick Cosgrave)

Before 1967 a great many people in this country perceived Israel as a weak, small, and very vulnerable power. It held the sympathy of the American people because of the Holocaust that led to its creation, and our admiration as well for maintaining a fight as a Jewish David against an Arab Goliath. American support for Israel, therefore, was based almost entirely on sentimental, emotional, and even moral reasons.

But after Israel's stunning victory in the 1967 war, we no longer felt toward Israel in the same warm way, with the same feelings of paternalism. this development, perhaps even more so than the later 1973 Arab oil embargo, marked the decline of the West's feelings of intimacy with Israel.

This perception has significantly colored American and European reactions to the actions of the Menachem Begin government in recent months. But it is my fear that in criticizing Israel, we are often confusing two entirely different things: The logic, or perhaps lack of logic, of the policy Israel follows—from its own perspective, and the interests of the Atlantic alliance. We see this, for example, when a Western politician speaks out against the Israeli attack on South Lebanon or on the nuclear reactor in Iraq.

Israel has highly mobilized, standing military forces, and the Arabs know Israel as a country to be a highly effective and highly efficient fighting force. But as one arguing

Israel's case, I would like to emphasize the sheer enormity of the fire power assembled against them, even discounting the military capability of Egypt.

In almost every category—manpower, armored divisions, mechanized infantry divisions, tanks and combat aircraft—the firepower assembled on or near Israel's Eastern border is more or less equivalent to the power that is assembled in the Western European theater.

Israel cannot lose a war. If Britain had lost World War II to Germany, there would still be a Britain—Britain under German domination, but a Britain whose citizens could imagine that in the foreseeable future, an uprising might restore their independence. Moral and power considerations aside, we cannot deny that after the fall of France, there remained a France of sorts. Even if Germany had won the war, the Vichy government might have negotiated with its conquerors for the restoration of France, and France very much limited in power but still culturally, racially, religiously and identifiably a unit.

But to an Israeli, the loss of a single battle would mean The End—the end of the state, with no further possibility of resuscitation. And more than likely, it would also mean the death of practically every one of its Jewish inhabitants.

I remember talking to Prime Minister Begin just after Sadat's visit to Jerusalem in 1977, and Begin was irritated by the fact that all the praise in the Western newspapers was for Sadat. Begin said in effect that all Sadat risked when he came there was his life. "So what? Any man would risk his life for his country. But in any decision I make about concessions with Sadat, I risk the country."

The Israelis have a very different geopolitical perspective of the world than those of us in London or Washington because their lives are so much more closely on the line. That is why I think it is very dangerous to push Israel too far.

I think it's worth observing that no single one of the Arab-Israeli wars materially affected the interests of the West and the Middle East. They have in their different ways affected the balance of power locally, and of course that balance is of considerable interest and concern to the rest of the world. But none of the wars altered the situation in the Arab world in the way that the fall of the Shah of Iran did.

It seems to me that when we look at recent developments in the Middle East—the war between Iran and Iraq, the fall of the Shah, the transformation of Yemen into a Soviet fortress, and other events which have almost nothing to do with the West Bank—solving the Palestinian problem becomes comparatively less important. Moreover, we see in fact that the only element in the Middle East which is inherently stable is Israel itself.

Therefore any weakening of Israel that does not produce a very definite and tangible return to the West is dangerous—pressing the Israelis to agree with the Egyptians on the West Bank issue, for example.

We complain when Israel strikes pre-emptively, but a country in its strategic situation has no chance of survival unless it strikes pre-emptively.

Take the Iraqi nuclear reactor. The uranium the French provided for that reactor was 93 percent enriched—the fissile material for making bombs. The chemical facilities the Italians provided were exactly the facilities required to turn that into the plutonium required to make bombs.

The United Nations and the British Foreign Office both told the Israelis that the Iraqis were not, as the Israelis thought they were, on the verge of making a bomb. They said that a United Nations inspectorate had been there and studied it and knew that it was a "peaceful" reactor. You simply cannot expect the Israelis to believe that, though. This is the same United Nations which provided an interim force in Lebanon that is a front for the Palestinian Liberation Organization.

Israel will always strike pre-emptively because it cannot risk the first battle. And that is even more true now, since 1973, when Israel had to bear the brunt of the first battle.

So when Israel attacks a nuclear reactor in Iraq or attacks Beirut, it is simply illogical to not take into account the strategic and tactical reasoning behind it, before making value judgments. Israel is not the United States, and we should stop confusing Israel's best interest with our own.

What I fear above all is that in attempting to bring about solutions that are not available and not achievable in the Middle East, we will either weaken Israel to an extent that is profoundly dangerous for our own interests, or secondly, that we will foster excessive optimism in Arab states as Western sympathy for Israel declines. The Arabs could either launch another attack on Israel of its own volition, or the despair created in Israel by a Western-forced withdrawal could prompt her to start a war pre-emptively. Such a war could being down the entire Middle East.●

## TRIBUTE TO DR. JAMES APPEL

### HON. ROBERT S. WALKER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. WALKER. Mr. Speaker, I rise today to pay tribute to the late Dr. James Ziegler Appel, an internationally esteemed physician, past president of the American Medical Association and family doctor to many of my constituents in Pennsylvania's 16th Congressional District. On September 7, Dr. Appel passed away after a long and distinguished career that spanned nearly 50 years. At the time of his death he still maintained his medical office at the address where he joined his father's practice in 1933.

His life and career were dedicated to the idea that physicians owe more to their community than good medical care. Dr. Appel's community was the world.

During his term as president of the American Medical Association in the mid-1960's, Dr. Appel conferred with President Johnson about the medicare program, which went into effect a few days after his term ended. Dr. Appel was a firm believer that medical treatment should not be denied to those who cannot afford it. In his hometown he ministered to many elderly and indigent, free of charge.

He reported to President Johnson on health care in Southeast Asia after traveling to Vietnam during the height of the crisis. While serving in a leadership role in the World Health Organization he participated in efforts to wipe out smallpox around the world.

Mr. Speaker, Dr. Appel was a leader in his profession who was respected by his colleagues both locally and nationally. He will be missed, but he will not be forgotten. From his inaugural address before the American Medical Association in 1965 he left us with these words:

We cannot have happiness or a fruitful life, and we cannot have freedom unless we pay the price. The price is the acceptance of responsibility.

Sue joins me in expressing our deepest sympathies to his wife and family.●

## FORGIVE AND FORGET—LIBERAL STYLE

### HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. ASHBROOK. Mr. Speaker, liberals in the Senate have for a long time played a peculiar form of forgive and forget with their constituents. Once they were elected to the Senate, liberals would forget their constituents for 5½ years. They would then come home for a 6-months' campaign and persuade their constituents to forgive them. Then those same liberals would come back to Washington to work for the Washington liberal establishment for another 5½ years.

After each election, each liberal Senator would vote for more taxes on his constituents, more regulation of their lives, and more bureaucrats to enforce them. Then they would go back to their constituents, and spend 6 months telling them how much they hated rising taxes, bureaucratic and judicial tyranny, and all the rest. Above all, they would promise that, the next 6 years, they would stop supporting the establishment, and start fighting it. Once again, the voters would forgive them their past errors and send them back to Washington.

This year, a large number of liberals discovered the game was over: The people refused to forgive, because they refused to be forgotten again. In 1980, the American people said that they will no longer forgive a Senator who forgets them.

But some Senators are still playing the same old liberal game. The Cleveland school system is being ruled by a judicial tyrant, Judge Battisti, who is enforcing a busing program opposed by every segment of that city's population and this Congress. The Justice Department has been using taxpayers' money to support and extend Judge Battisti's tyranny. But on November

13, when the Senate voted to deny funds to the Justice Department to push busing, the roll was called and many in the other body voted against the people. They voted for Judge Battisti, and against Cleveland. Fortunately, the Senate witnessed 61 votes to break the probusing filibuster. The people won yesterday.

The lesson of the 1980 landslide was simple: You can no longer vote against the people while serving here in Congress and expect them to vote for you at election time. I was embarrassed to note that it was not only Democrats who ignored this lesson in the November 13 vote. The leader of the probusing forces was a liberal Republican, who insisted that to oppose busing was somehow a violation of the 1964 Civil Rights Act, which specifically condemns busing.

In every State in the Union, the overwhelming majority opposes busing. These gentlemen have chosen to forget that. It will be interesting to see, over the next few years, whether the voters choose to forgive them again.●

## PERSONAL ANNOUNCEMENT

### HON. DAN MARRIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. MARRIOTT. Mr. Speaker, I was unable to be present on the floor of the House of Representatives yesterday for rollcall Nos. 206 and 207. Had I been present I would have voted "yea" on both H.J. Res. 325, continuing appropriations for fiscal year 1982, and H.R. 4241, military construction appropriations for fiscal year 1982.●

## NATIONAL HOME HEALTH CARE WEEK

### HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. PANETTA. Mr. Speaker, today I am introducing a resolution along with Representative BARBER CONABLE, to designate the week beginning October 4, 1981, as "National Home Health Care Week." The home health industry has become a vital and important element in our Nation's health care system, and I think this resolution is an appropriate way to recognize the contributions and encourage further development of home health care.

I am sure that my colleagues are aware that we face a crisis with respect to developing cost-effective, humane, long-term care for our older citizens. This need has never been greater. The 65-and-over population continues to grow faster than the younger population, and by the year 2000, there will be almost 32 million elderly, and from then on the numbers and proportion of the elderly will rise sharply as the baby-boom population matures. In addressing the health care needs of the elderly population, home health care has been recognized far and wide as an effective and economical alternative to unnecessary institutionalization. At present, there are approximately 5 percent or about 1.2 million persons 65 years of age and older that reside in various types of institutions. These statistics represent an estimated $10 million being spent in each year for institutionalization, and reports by the General Accounting Office have supported the opinions of many health care authorities that approximately 25 percent of the patient population is treated in facilities excessive to their need. The current economic realities make it imperative that we maximize the utilization of scarce Federal resources. This situation points to the need to avoid the expending of Federal resources for unnecessary institutionalization.

Oddly enough, in view of the budget reductions that we in Congress have enacted over the past few years, provisions have been enacted which expand Federal benefits for home health care. I think this is a positive sign, and I believe Congress is realizing that home health care can be a cost-effective approach in meeting the health care needs of older Americans.

Since the passage of Federal programs which allowed for patients to receive health care in-home, home health care agencies have increased from less than 500 to more than 3,000. Studies have been initiated to try and obtain data to indicate the cost savings attributed to in-home care, but no hard statistics are available. Surely, though, the desire to remain at home is a choice that many elderly persons in need of health care will choose. I applaud those home health care agencies that are making the choice of home health care an available option. I urge your support of this resolution.

H.J. RES. 332 —

Whereas organized home health care services to the elderly and disabled have existed in this country since the last quarter of the 18th century;

Whereas home health care is recognized as an effective and economical alternative to unnecessary institutionalization;

Whereas caring for the ill and disabled in their homes places emphasis on the dignity and independence of the individual receiving these services;

Whereas since the enactment of the Medicare program including skilled nursing services, physical therapy, speech therapy, social services, occupational therapy, and home health aide services, the number of home health agencies providing these services has increased from less than 500 to more than 3,000; and

Whereas many private and charitable organizations provide these and similar services to millions of patients each year preventing, postponing and limiting the need for institutionalization: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the week beginning October 4, 1981, hereby is designated "National Home Health Care Week", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.●

## TURKEY IS MAKING A CONTRIBUTION TO PEACE

### HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. SOLARZ. Mr. Speaker, I would like to call to the attention of my colleagues a brief but important article which recently appeared in the New York Times entitled "Turkish Leader in Plea for Peace with Greece." In a speech delivered last week at a Liberation Day celebration in Izmir, Gen. Kenan Evren, the chief of the National Security Council and the head of state, stated that Turkey "does not claim an inch of its neighbors' land." He stressed his desire for peace with Greece, and expressed his hope that the Aegean Sea "not * * * be a sea of enmity but a sea of peace, which approaches and binds us to each other."

This conciliatory statement is just the latest in a series of positive actions that Turkey has taken in the past few months to promote stability in the eastern Mediterranean. Turkey agreed to arrangements that allowed Greece to return to NATO's military command. Turkey has also strongly encouraged the Turkish Cypriots to be forthcoming in the ongoing intercommunal talks in Cyprus. Only last month, the Turkish Cypriots came forward with an important new proposal that could prove to be the basis for resolving the differences between the Greek and Turkish Cypriot communities.

Within Turkey itself, the Evren government has taken strong and effective measures to eliminate the senseless violence and terrorism that had taken thousands of lives and caused havoc in the economy. In the more stable climate that now prevails, Turkey has made substantial progress, including reducing its inflation rate from over 100 percent to an estimated level of 40 to 50 percent. Clearly, the stronger Turkey is economically, the more able it will be to play its essential role within NATO.

Finally, I would be remiss If I did not point out the Turkish Government's commitment to democracy. General Evren and other senior Turk-

ish officials have repeatedly indicated their intention to return Turkey to civilian rule as soon as possible.

In view of all of these encouraging developments, I believe it is entirely appropriate that the administration has requested a substantial increase in aid to Turkey. Whereas the United States provided a total of $450 million in aid to Turkey in fiscal year 1981—$250 million in military aid and $200 million in economic support fund assistance—the administration has proposed that this amount be increased to $700 million in fiscal year 1982, including $400 million in military aid and $300 million in economic support fund assistance. The United States certainly has an important interest in assisting Turkey's economic recovery, and I therefore urge my colleagues to support these higher aid levels when they vote on the foreign aid bill later this month:

[From the New York Times, Thursday, Sept. 10, 1981]

TURKISH LEADER IN PLEA FOR PEACE WITH GREECE

ANKARA, Sept. 9.—Gen. Kenan Evren, the chief of state, declared today that Turkey "does not claim an inch of its neighbors' land" and wants to live in peace with Greece.

Speaking at Izmir, during Liberation Day celebrations, marking the 59th anniversary of the defeat of the Greek forces by Kemal Ataturk, General Evren said: "We would like this Aegean Sea before us, and where the two countries have common interests, not to be a sea of enmity but a sea of peace, which approaches and binds us to each other."

His speech appeared to be a signal of support for Greece's governing New Democracy Party and a warning to the Socialist opposition party, known as Pasok, in advance of Greek general elections on Oct. 18.

General Evren said that "foreign powers" and "some internal forces, even some politicians acting parallel, with the foreign powers," were responsible for actions aimed at promoting hostility between Greece and Turkey. In Turkey, the term "foreign powers" is generally a euphemism for the Communist bloc or the Soviet Union itself.●

## THE PLIGHT OF VIKTOR AND BATSHEVA YELISTRATOV

### HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. PARRIS. Mr. Speaker, I am honored today to participate in the Congressional Vigil for Soviet Jews this year in an effort that I hope will assist families and individuals who wish to emigrate from the Soviet Union to the country of their choice.

I call the attention of my colleagues to the plight of Viktor and Batsheva Yelistratov. The Yelistratovs first applied for exist visas in 1972 and were denied by the Soviet Government on the grounds that Viktor held a job with a secret classification. Viktor, consequently, lost his job as a communications engineer and he and Batsheva have been subjected to continued harassment because of their desire to emigrate to the free world.

I have written to Mr. Jack Matlock, Charg d'Affaires at the American Embassy in Moscow and to Anatoly Dobrynin, Ambassador to the United States from the Soviet Union expressing my deep concern about the emigration and political persecution of the Yelistratovs. The State Department is aware of the Yelistratov's situation and they are on their list of persons who have been denied emigration on numerous occasions. I am hopeful that through these efforts and through the efforts of this Congress that families such as the Yelistratovs will be able to emigrate freely to the Western world.

I encourage all of my colleagues to participate in this Congressional Vigil for Soviet Jews in the hope that this vigil will have a positive effect on human rights in the Soviet Union.●

## MONEY MARKET FUNDS

### HON. CARROLL HUBBARD, Jr.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. HUBBARD. Mr. Speaker, in reference to the debate regarding money market mutual funds and whether or not they should be restricted, Mrs. Henry W. Bryan of 618 Kathleen Avenue, Louisville, Ky., has written to me expressing her opposition to two bills which would restrict the use of these funds. With your permission, I would like to insert in the RECORD, Mrs. Bryan's remarks on this issue now facing Members of Congress. The letter follows:

DEAR MR. HUBBARD:

Two bills which will place restrictions on money market funds have recently been introduced in the House of Representatives. They are H.R. 1916, introduced by Congressman Jim Leach, and H.R. 2591, introduced by Congressman Walter Fauntroy.

I consider these two bills anti-competitive and contrary to the American system of free enterprise. The funds make important contributions to American investors and our entire economy.

For the first time in our history, Americans of diverse economic backgrounds have equal access to the highest available money market returns. Formerly, only those with a minimum of $100,000 have had that advantage. Isn't this economic discrimination?

The funds are a great incentive to save money and are inflation fighters, especially for widows with modest estates such as I. Over $100 billion invested in money market funds contributes to meeting America's capital needs. Why take this away?

I do not have a lobby as do the banks and saving and loan associations. But, I am one of the approximate 6 million Americans who are angry and frustrated by the influence of the powerful lobbies in Washington.

Please use your influence to prevent these proposed bills from being adopted.

Sincerely,

(MRS. HENRY W.) FRANCES S. BRYAN.●

## USDA KIDDIE CUISINE

### HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. FORD of Michigan. Mr. Speaker, the budget reconciliation process forced us to make some very difficult choices. One of the most far-reaching of those was carried out by the House Committee on Education and Labor in slashing the authorizations of many of the child nutrition programs. The summer cuts have brought about accelerating costs forcing local schools to charge as much as $1.20 per lunch. Now, to bring about still more "savings," the administration is proposing a regulatory plan of reduced portion sizes and diminished dietary standards. While I can support a child nutrition plan which gives local school districts more flexibility, I do not think it should be instituted at the expense of our children's health.

I am looking forward to participating in the debate now before the Subcommittee on Elementary, Secondary, and Vocational Education on these meal pattern changes. It is my hope that the administration will be willing to accept the subcommittee's recommendations on the regulations which are worth keeping and those which would merely swap economic advantage for sound nutritional standards.

Ellen Goodman outlines very well the dilemma we face in our review of these proposed standards. Her article appeared in the Washington Post on Tuesday, September 15, 1981, and it appears below.

REAGAN'S NOUVELLE CUISINE FOR KIDS

(By Ellen Goodman)

BOSTON.—The luncheon was arranged rather neatly. A discreet hamburger sat on half a roll. Six longish French fries lay beside it. Nine green grapes lolled nearby. To the side stood half a glass of milk.

It sounded to me like some forlorn menu for overweight executives. But it wasn't. It was, rather, a prototype of a school lunch, or what may remain of it, after the budget cuts.

We are about to see the full-fledged Nouvelle Reagan Cuisine for Kiddies. Higher costs and smaller portions. No stars, please.

As you may have heard, dinner with the Reagans in the White House has definitely improved these days. When the Reagans dine with the Anwar Sadats on the federal tab, they eat smoked fillet of mountain trout, a roast supreme of duckling a l'orange, a touch of wild rice with raisins, a bit of Brie and chevre, followed by the palate-cleansing melon glacé and fresh raspberries.

But under Reagan, lunch in the school cafeteria is quite another affair: an ounce-and-a-half of meat or meat alternatives, a

half-cup of fruit and vegetables, one serving of bread, six ounces of milk. Yummy in the empty tummy.

FRAC, the Food Research and Action Centers, cooked up the lean-and-hungry lunch described above, by carefully following the new proposals that have come out of the Department of Agriculture.

According to FRAC's Nancy Amidei, the Agriculture people were assigned the task of cutting fat from the budget "without impairing the nutritional value of the meals." But they ended up cutting food.

Under the old requirements, more food was served to older grammar-school kids than younger ones. But under the proposed new rules, the 11-year-olds will get the same amount of meat and vegetables as the 5-year-olds. Even the bread and milk are cut, from eight pieces a week to five, from eight ounces a day to six.

The other changes in rules are even more curious. Ketchup and pickles now qualify as vegetables; tofu (try that on your second grader) now qualifies as a meat; and any school can put its eggs in a cake instead of on a plate.

According to Amidei, the lunches would supply less than one-third of the daily nutritional value and only 17 percent of the calories needed. "We feel this is compromising children's health," she says flatly.

The motto of the Nouvelle Reagan Cuisine—"Eat Light and Like It"—would be fine for the statesmen passing up the Brie. But the Department of Agriculture's own study shows that poor kids get anywhere from one-third to one-half of all their daily nutrients from school lunch.

Of the 27 million children who eat school lunches, 12.6 million get a free or reduced rate. If the meal shrinks just when food stamps are being cut and food prices are on the rise, these kids can't make up the difference at home.

There is also a social effect of the Nouvelle Reagan Cuisine, Middle-class parents, who pay the full amount for lunch, are going to balk at paying more for a snack. As a 10-year-old visitor to FRAC said when she spied the prototype meal, "Yuk! Where's the rest of it?"

In our house, after the price went up last week, the brown bags came back. But if these proposals are approved, there could be a national two-track lunchroom, with only the poorest students going through a highly stigmatized free-lunch line. The end result of that is higher costs, fewer schools in the system, and a program goes on the skids.

There is the taste of irony sprinkled over all this food talk. The lunch program started back in 1946 because of the military. During World War II, the draft board had to reject an enormous number of men suffering from poor nutrition. When the School Lunch Act was passed in 1946, they wrote: "It is declared to be the policy of Congress as a measure of national security to safeguard the health and well-being of the nation's children."

Today we have another administration that is worried about the Army, worried that an Army of illiterates will end up operating sophisticated multi-billion dollar military equipment. But as Amidei notes, "At this rate we'll have an Army of anemic illiterates."

If the Reagans will pass me a glass of their Domaine Chandon Blanc de Noir, I'll drink to that.●

## HONORING THE LOS ANGELES BICENTENNIAL

### HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. MOORHEAD. Mr. Speaker, I want to thank the gentleman from California for calling this special order on behalf of the city of Los Angeles and its residents as the celebration of the city's 200th birthday comes to an end.

As a native son of the area, I have a great affection for the city and an active interest in its continued growth and prosperity. Los Angeles is a grand community with a history as festive and colorful as the city is today. No metropolis in the Nation can boast of the qualities that make Los Angeles so special.

The city of Angels is unique in its people, in its industry, in its geography, in its climate and in its lifestyle. Throughout its life, this unique mixture of traits has made it a romatic and magic place.

I believe as we look toward the beginning of the city's third century, we should commit again to working together in a spirit of charity and optimism for the future well-being of the city and its residents. Failure to do so would be to abandon those virtues of the past that made the city what it is today.

Again, I want to thank the gentleman from California, Mr. DIXON, for inviting me to participate in this special order honoring the Los Angeles Bicentennial.●

## DIABLO CANYON

### HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. SHUMWAY. Mr. Speaker, the current attempt to occupy Diablo Canyon reflects the well-meaning but misguided concern of certain environmentalists and other antinuclear residents. The time has come to distinguish between emotional reaction and logical facts.

As the nuclear energy debate drags on—and the energy crunch continues—California faces a potential dilemma. On the one hand, we have our insatiable energy needs which, if not addressed in timely fashion, will affect our economic well-being. On the other hand, our concerns for the environment and human life have led us to demand that every justifiable safety precaution be taken before allowing a nuclear reactor to operate. Have these sometimes competing considerations been resolved correctly in the case of Diablo Canyon? I think so.

As we examine the issues responsible for this dilemma, let us first address the safety factor. The NRC has reviewed almost every conceivable aspect of the plant during its 8-year review. Before approving the plant, the Commission conducted numerous studies and public hearings on the effect of the nearby Hosgri Fault. Incredibly exhaustive records and inquires have been made regarding earthquake activity over the past million years, and the plant has been built to withstand the greatest possible quake. The hearing record alone on this plant is over 100,000 pages.

The need for this plant is apparent upon an examination of the economic issues involved. Consumers in California already pay electrical bills 30 percent higher than the national average, primarily because of our heavy dependence on oil. The operation of the two Diablo Canyon units would eliminate the use of 57,000 barrels daily and would reduce consumers' electric bills $5 billion in the next 5 years alone.

Further delays, as we examine what undoubtedly would be a series of unending questions raised by those who are opposed philosophically to the use of nuclear power, could have serious adverse consequences.

The Department of Energy estimates that electrical reserve margins will be extremely low throughout the West for the remainder of the decade. Even with Diablo Canyon, a drought which affects our hydroelectric capacity could very well mean that our lights will not work. This possibility already has made industry extremely skittish about settling in California. Those companies already here, especially in the Santa Clara Valley and bay area, are expressing increasing concerns over the availability of adequate electrical supplies in the future. If something is not done to alleviate these concerns, we could be facing an economic and social disaster.

When we recognize that the safety issues have been thoroughly examined by leading authorities and contemplate, if we can, the consequences of inadequate electrical supplies, we cannot allow a small group of antinuclear activists to thwart illegally the operation of a plant which is necessary for the greater good.

Diablo Canyon is in compliance with the current rigidly high safety standards and it can save us huge sums each year. Let's get on with it.●

## DANGER OF OPPOSING SOUTH AFRICA'S RUGBY TEAM

### HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. McDONALD. Mr. Speaker, the campaign of protest against sporting events that involve South African athletes demonstrates the depth to which South Africa's enemies stoop. Do we really expect to promote peaceful change and true progress in a friendly country by taking aim at its rugby football players? Those who support the campaigns to isolate South Africa are not supporting true progress; they are supporting knowingly or unknowingly, the foreign policy goals of the Soviet Union.

Therefore, I oppose this motion to condemn the rugby tour and would draw your attention to the fact that the campaign against the American appearances of the Springbok team is being coordinated by some of the most active support groups for the Soviet-trained revolutionary terrorists in South Africa.●

## SUPPORT FOR HAIG'S TOUGH STANCE

### HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. LAGOMARSINO. Mr. Speaker, a recent editorial in the Lompoc Record, a respected newspaper in my district, expresses its support for the tough stance Secretary of State Haig adopted for United States-Soviet relations. As the editorial points out, Secretary Haig laid out a specific, and meaningful, approach for improving relations between our two countries. As the Lompoc Record states, it is "A policy of reason."

A POLICY OF REASON

Only supporters of the concept of "Soviet hegemony" can rationally take issue with Secretary of State Alexander Haig's program for improving relations between the United States and the Soviet Union. That does not mean that there will not be many who attack it. There is seldom much rationality these days in foreign affairs. Too often such emotions as fear, greed and pride prevent rational thought.

General Haig offered the Soviet Union four "incentives" which would result from changes in its international wheeling and dealing. The incentives include a reduction in world tensions, a benefit to all nations; diplomatic alternatives to the pursuit of violent change; fair and balanced agreement on arms control; and the possibility of western trade and technology.

From the Kremlin, he said, the U.S. wants "greater Soviet restraint on the use of force . . . greater Soviet respect for the independence of others . . . the Soviets to abide by their reciprocal obligations, such as those undertaken in the Helsinki accord."

"These are no more than we demand of any state," Gen. Haig pointed out, "and these are no less than required by the United Nations Charter and international law."

He also pointed out that "the most persistent troubles in U.S.-Soviet relations arise from Soviet intervention in regional conflicts, aggravating tensions and hampering the search for peaceful solutions. Unless we can come to grips with this dimension of Soviet behavior, everything else in our bilateral relationship will be undermined . . ."

Although our Secretary of State adopted a tough stance in his speech, which had been reviewed prior to delivery by both the White House and the Department of Defense, he called no names and made no unsupported charges. In the long run and after finding face-saving ways to appear to the world, the realists in the Kremlin can live with the foreign policy announced for the U.S. Let's hope that there are still realists there.●

## REVENUE RULING 81-216

### HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. DOWNEY. Mr. Speaker, today I am introducing a bill which will delay the implementation of IRS Revenue Ruling 81-216 which severally limits the use of multiple lots of small issue revenue bonds of less than $1,000,000. Issues structured in this manner are used in my State and others to provide loans for small- and medium-sized businesses. This translates to more jobs. With interest rates as high as they are, I do not want to cut off any mechanism which may help these businesses.

I want to make it clear, however, that this bill is being introduced to provide time for wider discussion of the issue. I want to preserve the good programs but I do not want to protect abusive ones. I know of successful programs in New York State, New Jersey, Connecticut, and Missouri. These would be disallowed under the ruling.

My intent is to provide an opportunity for Members to enter the debate, to find out what programs exist in their States, and for Congress to discuss the issue further with the Internal Revenue Service before valuable jobs programs are eliminated.

The IRS has drawn the ruling too widely. During the moratorium period prescribed by this bill, I am sure we will be able to work out a more equitable rule which will protect public purpose issues and curb those motivated only by greed for they may indeed exist.

I look forward to receiving cosponsors from the many States affected by this unwise revenue ruling.●

## ROULHAC HAMILTON

### HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. WYLIE. Mr. Speaker, the death of Roulhac Hamilton was noted in the Washington Post today, which reminded me that I want to express publicly my personal feeling of loss on the passing of a good friend and my former, very valued employee.

Roulhac Hamilton was one of the truly great newspaper writers I have ever known. He could take what would otherwise be a very routine news story and make it seem exciting, momentous, and informative. One such story comes to mind when our daughter Jackie represented Ohio as its Cherry Blossom Princess. His colorful reporting of the various events including the selection of the Ohio float as the best in the parade that year was creative and meaningful, especially to our family.

After Roulhac's retirement from the Columbus Dispatch in 1976, I asked him to come to work for me as my press aide. It was a rare privilege to work with a man as talented as Roulhac and one who was certainly skilled in his profession.

Following his graduation from the University of North Carolina in 1932, Roulhac worked as a reporter for the Raleigh, N.C., News and Observer and for the Charleston, S.C., News and Courier. With the outbreak of World War II, he enlisted in the Marines and became a combat correspondent, filing stories from such noted battle sites as Guam and Iwo Jima before being transferred to Tientsen, China.

At the conclusion of World War II, Roulhac came to Washington, D.C., where he worked as a correspondent for a number of out-of-town newspapers and radio stations. In Washington, he established Hamilton-Means Associates, an independent news service. When the Columbus Dispatch set up a Washington bureau, Roulhac was hired as bureau chief and chief correspondent.

Following his retirement from the Dispatch in 1976, Roulhac agreed to join my staff. He displayed a remarkable writing ability and acute insight into congressional affairs. Roulhac worked for me until deteriorating health made it impossible for him to continue his duties in May of this year. He died on Friday, September 11 in the National Orthopaedic Hospital in Arlington, Va.

Roulhac and his wife, Lillian, became good friends of my wife, Marjorie, and me. Roulhac will be missed by us. We extend our heartfelt sympathy and condolences to his lovely wife, Lillian, and to his daughter, Fay Hamil-

ton Gwynn of Decatur, Ga.; his brother, Dr. Alfred T. Hamilton of Raleigh, N.C.; his grandchildren, John H. and Stacy Ann Gwynn; and his several nieces and nephews.●

## CONDOMINIUM CONVERSION FUELS INFLATION

### HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. ROSENTHAL. Mr. Speaker, I rise to bring to my colleagues' attention another example of how the proliferation of condominium conversion contributes to the inflationary cycle in the housing market.

On September 16, 1981, the Washington Post reported on the effects of a Virginia State law which mandates that real estate be assessed, for property tax purposes, according to its highest and best use. Thus, under this law a rental apartment complex would be assessed at its higher market value as a condominium, rather than as a rental building.

This law, in effect, provides new incentive for building owners to convert rental buildings as well as to increase the cost of converted units and continue the displacement of those persons who do not have either the financial means or the inclination to purchase a condominium apartment. Alternatively, if the owner refuses the temptation to convert his building, his only recourse is to increase his tenants' rents to cover the higher tax assessments. Either way, consumers lose out to escalating inflation.

The disastrous effects of this particular State law illustrates the absolute necessity for Federal regulation of the conversion fever now spreading throughout the country. I urge each of my colleagues to closely examine the two bills I recently introduced to remedy the national crisis caused by condominium-cooperative conversions: H.R. 3840 and H.R. 3841.

The Washington Post article follows:

[From the Washington Post, Sept. 16, 1981]

APARTMENT TAXES SOAR TO CONDO RATES IN ARLINGTON

(By Celestine Bohlen)

Arlington has become the first Washington area municipality to tax most rental apartment complexes at higher condominium values, making it still more costly for landlords to resist the profits of condominium conversion.

The change, which is mandated by state law, has increased assessments on some Arlington rental apartments between 30 and 47 percent, compared with an average 18 percent rise in county assessments this year. Some landlords said they will take the county assessor to court, while county politicians who said they are powerless to stop the trend are considering going to the state legislature for special tax breaks for apartment owners.

The condominium craze that has swept Washington and its suburbs in recent years has created a serious housing problem in many communities, as elderly and moderate-income tenants find themselves forced out of their apartments. Maryland, Montgomery County in particular, has enacted legislation to protect tenants. But in Virginia the power of local government is limited, and relatively few restrictions are placed on condominium developers. In Arlington, which has so far lost 20 percent of its rental stock to condos, the new higher assessments come at a particularly difficult time.

"It's causing a serious problem," said County Board Chairman Stephen Detwiler. "It can only encourage landlords to sell to condo converters. It may not be the only factor, but it is one more contributing factor."

"We feel that those projects that wish to continue renting are being penalized," said Elliott Burka, manager of the Fillmore Gardens, where the assessed value jumped from $7.9 million to $11.2 million.

"They either have to pass it on to the tenants and raise rents or convert," said Hugh Cregger, attorney for the Fillmore. "It's Catch-22."

The sudden assessment increases came about this year after the Arlington assessor began to appraise apartment complexes on the basis of prices paid in recent years for buildings bought for condominium conversion. The traditional method of valuing rental property relies on the income produced by rents.

By relying on recent sales data, the assessor's office insisted it is conforming to a state law requiring that property be assessed according to its "highest and best use." And if a market is created that directly tests the value of a property—such as a concentration of building sales for condominium conversions—then the assessor is obligated to follow the market trends. The apartment assessments are based on the market value of a comparable building about to be sold to a condominium developer.

So far, the phenomenon of skyrocketing increases in apartment values is limited to Arlington. Other assessors in Washington and its suburbs said they still rely on the income-producing method of calculating the value of rental apartments. "It's our policy to value on current zoning and use, not what it could be," said Robert L. Rudnik, state supervisor of assessments in Montgomery County.

But several assessors said they might be forced to appraise apartments by comparable sales if their communities experience the same rush of condominium conversions seen in Arlington. "If apartment buildings in my region are being gobbled up for condominiums, then that's going to be my market," said Fred Byrne, senior appraiser in the Alexandria assessor's office, where already some smaller apartment buildings are valued according to recent sales.

"It's a disastrous course to take," said John O'Neill, vice president of the local Apartment and Office Building Association. "What [the Arlington assessor] has done is open the door, and sooner or later all assessors are going to pass through the same door."

Attorneys for the landlords oppose Arlington's approach, arguing that rental properties are not actually comparable to buildings sold for condominium conversion. They point out that not all apartments are legally or economically ready for conversion.

"In treating every apartment house as a condo [the assessor], is forgetting that if everyone of these properties came on the market at the same time then you couldn't get any price for them at all," said Gilbert Hahn, Jr., attorney for Charles E. Smith, the developer of Crystal City and a major Arlington landowner who is appealing the new assessments on seven large buildings.

But the more serious question—apparently out of the hands of assessors and local government—is the question of penalizing landlords who have not converted their buildings to condominiums, particularly those who now provide the remaining moderate-income apartments.

"This has a tendency to encourage just the thing that a government oughtn't to encourage," Hahn said, "If people have to pay real estate taxes as though they were condominiums, then there's a tendency to say, 'Fine, let's make them condominiums.'"

For most of the landlords hit by high assessments, the actual dollar increase in the tax bill this year is low, cushioned in part by a drop this year in the county tax rate from $1.12 to $.96 per $100 valuation.

For tenants, the higher tax bills have meant only small rent increases. For example, the higher taxes were responsible for about $3.10 of an average $50 rent increase at the 1,318-unit Barcroft Apartments, according to the tax assessor's calculations. Although Barcroft president Thomas DeLashmutt said the added tax burden will not be the deciding factor on the future of the complex, it doesn't help.

"I understand the assessor's position. They're just following the law," said DeLashmutt, "but what concerns me is what happens next year—when they look at the prices apartments are going for this year."

The dilemma posed by taxing rental apartments at condominium prices is comparable to the problem of taxing farmland around high development areas. In the early 1970s, Virginia and other states moved to protect farmland from higher assessments by allowing farmers to pay lower taxes, provided they agreed not to develop the land.

Arlington is not looking at similar remedies for apartments that agree to stay in the rental market. "We all recognize that garden apartments are facing a squeeze," said County board member John Milliken. "We would like to find any way we can to encourage their retention as garden apartments."

"We have a community goal of preserving moderate-income housing," said County Board member Ellen Bozman, "That has to be highest on our list."●

## GARY HYMEL

### HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. HORTON. Mr. Speaker, it is a pleasure to join my colleague from Louisiana, Congresswoman BOGGS in paying tribute to one of the House's most dedicated and effective staff members, Gary Hymel.

Keeping the wheels of Government oiled, and maintaining the steady and predictable flow of legislation is a task virtually beyond the ability of any one

single individual. Having said that, I think we can all agree that Gary came very close indeed to accomplishing this in his many years of service. As a key member of the majority whip's office, the majority leader's office and finally the Speaker's office, Gary Hymel demonstrated an uncanny ability to make this institution run "relatively" smoothly. It was with regret that we heard of his decision to leave the Hill. Nevertheless, I join my many colleagues in wishing Gary well.●

## IN MEMORY OF FORMER CONGRESSWOMAN CATHERINE NORRELL

### HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. LONG of Louisiana. Mr. Speaker, I want to join the numbers of my distinguished colleagues in commemorating the truly remarkable life of Catherine Dorris Norrell.

It was in her capacity as Deputy Assistant Secretary of State for Cultural Affairs under President Kennedy that my wife, Cathy, and I first had the pleasure of meeting Catherine Norrell. It was a privilege and a delight to know her. The gift for valuing others runs in the Norrell family, and our friendship with Catherine's daughter, Judy, a lawyer of distinction, has grown stronger over time.

What a bouquet of talents Catherine Norrell was. It is inspiring just to look over the long list of her accomplishments. She was not only a former Member of Congress from Arkansas, she was a musician, a teacher, a college administrator, and a high-ranking official of the State Department. She was a past Worthy Grand Matron of the Order of the Eastern Star in Arkansas, and a member of the Honolulu board of directors of the Salvation Army. She was active in the Baptist Church, the Women's National Democratic Club, the Business and Professional Women's Club, the Foreign Service Officers Association, the Democratic Wives Forum, the Former Members of Congress Club, the Soroptimist Club, and was president, at the time of her husband's death, of the Congressional Club.

William Frank Norrell was a Member of Congress from Arkansas from 1939 to his death in February 1961. During this 22-year period, Catherine served in her husband's office as his staff assistant. When a special election was called after his death, Catherine Norrell's experience, enthusiasm, and capabilities won her the right to sit in her husband's seat in Congress by a hands-down, 2-to-1 margin of votes.

Congresswoman Norrell put herself solidly behind the equal rights amendment by becoming one of its earliest cosponsors. She also served on the House Post Office and Civil Service Committee.

She decided not to seek reelection in 1962. The House's loss was President Kennedy's gain, for in 1963 he appointed her Deputy Assistant Secretary of State for Cultural Affairs. The country she loved would continue to benefit from Catherine Norrell's unique combination of gifts.

In 1969 she retired as director of the State Department Reception in Honolulu, a post she had been appointed to by President Johnson. While there, she gained another distinction by being elected the first woman deacon in the Baptist Church in Hawaii. The last portion of her rich working life was devoted to chairing the music department at Arkansas A. & M. College.

Catherine Norrell's long and illustrious life could serve as a model for all of us, men and women. When someone we love and admire dies, as Thornton Wilder has written, the highest tribute we can by them "is not grief but gratitude."●

## INTEREST RATES

### HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. RAHALL. Mr. Speaker, yesterday, we witnessed another episode in what seems to be the never-ending game of economnic hot potato, as Federal Reserve Board Chairman Paul Volker said, that high interest rates have stayed at near record levels because the financial markets are reacting to the harsh reality of continuing inflation and large Federal budget deficits.

While the wizards of Wall Street and the Reagan administration take turns at blaming each other for this current economic crisis, every segment of American society is facing hardships due to the pressures of high interest rates.

In the first 9 months of this year, over 10,000 businesses have failed and closed their doors, the automobile industry has shown few signs of recovery, and activity in the housing industry is far below normal.

It is no surprise that the business community foresees problems for the Reagan economic program, because their share to the Federal revenue base is declining.

In 1950, 30.5 percent of Federal revenue came from corporate income taxes. It fell to 16 percent in 1970, and 12.4 percent this year. By 1986, it will drop to 8.1 percent, due to the administration's tax cut plan.

The promises of lower inflation, higher defense spending, and reduced taxes do not equal economic prosperity, instead they equal high interest rates and further economic hardship for the American people.

It is time for the administration, the Federal Reserve Board, and the business community to stop this game of economic hot potato. The American people will not be fooled by this ploy, and they are seeing proof that the arithmetic of Reaganomics just does not add up.●

## ROLE OF GOVERNMENT IN SOCIETY

### HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. DANIEL B. CRANE. Mr. Speaker, I recently received the following letter from the Reverend Jerry L. Klug, pastor of Grace Lutheran Church, Paris, Ill. At a time of controversy over budget cuts and the role of the Federal Government in society, his comments cut through the rhetoric and express what I have found to be the overwhelming sentiment of the residents of Illinois' 22d Congressional District (and, I suspect, most Americans).

I urge my colleagues to turn a moment from the professional pressure groups and special interest lobbies to listen to a man who speaks for millions:

GRACE LUTHERAN CHURCH,
*Paris, Ill., July 13, 1981.*

DEAR CONGRESSMAN CRANE: For a long time I have felt that the debate over cutting the budget versus a responsible social program is futile. It has become obvious that we can no longer afford free government programs. What I mean is that people quite naturally feel that government grants to help with local projects, and government aid for the needy are funds which reduce the amount we would have to spend on a local level. The truth is that when our tax money goes from the local to the federal through the levels of government and back to the local it costs us more than we can afford for the free program.

May I suggest that some thought be given to establishing local government units (perhaps by counties) to take over whatever federal programs that would be feasible. Instead of a tax cut, allow us to send a portion of our taxes directly to the local unit.

The advantages of such a system would be the continuation of needed social programs with less framework, more flexibility, and less abuse. The result would be less cost. We can no longer afford "free" federal aid, but we can afford to do these jobs ourselves. More responsibility will make better citizens.

Thank you,

JERRY L. KLUG.●

## AMERICAN LIBERALS CAN TAKE CREDIT FOR ELIMINATION OF HUMAN RIGHTS IN NICARAGUA

HON. JOHN M. ASHBROOK
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. ASHBROOK. Mr. Speaker, I can well remember the criticism launched at the Somoza government in Nicaragua by some of my liberal friends in this body. Those critical voices are strangely silent now that the Marxist Sandinistas have seized control of the Nicaraguan Government. Have all of those human rights violations ceased since the Marxist takeover? Does freedom now reign in Nicaragua? Hardly.

My good friend, columnist M. Stanton Evans, brings us up to date on the human rights situation in Nicaragua in an excellent article published last week in the national conservative weekly Human Events. He recalls those days during the administration of President Carter when liberal leaders in this Congress were fighting relentlessly to hand over $75 million in American tax dollars to the new Marxist regime. I can remember those days, too. I was one of those Members—a minority at that time—who opposed that emergency aid. I did not believe, nor do I believe today, that the American taxpayers should be forced to subsidize Marxist dictatorships. Mr. Evans writes:

While all this was going on, we now know the Sandinistas were systematically slaughtering prisoners, extinguishing freedom of the press, setting up brainwashing centers manned by Cubans, and locking up thousands of political opponents. That all of this occurred is now denied by virtually no one, including Karen de Young of the Post—by all odds the Sandinistas' chief promoter in the major media.

Mr. Evans points out that systematic violations of human rights continue to occur in Nicaragua and that Cuban Communist influence remains very strong. Since my liberal colleagues were so quick to point out the faults of the pro-American Somoza government which preceded the Sandinista takeover, I think it only appropriate that they take the time to read Mr. Evans' excellent article.

The article follows:

[From Human Events, Sept. 12, 1981]

SANDINISTAS DESTROY "RIGHTS" IN NICARAGUA

(By M. Stanton Evans)

Whatever happened to "human rights" in Nicaragua?

In the days of Anastasio Somoza, there was a continuing uproar in the American government and media about his asserted violations of basic liberties. Because of this alleged repression, the Carter Administration cut off aid to the regime, making no concessions for the fact that it was fighting tooth and nail against a Castro-supported Marxist revolution.

Thanks largely to that cutoff, the Marxists came to power, installing the present Sandinista government. And, immediately, the subject of "human rights" in Nicaragua was no longer fashionable. The Washington Post and others who had backed the Sandinista takeover told us "democracy" was being restored in Nicaragua, while the Carter Administration and its congressional supporters moved to give the Sandinistas $75 million of U.S. money.

While all this was going on, we now know, the Sandinistas were systematically slaughtering prisoners, extinguishing freedom of the press, setting up brainwashing centers manned by Cubans, and locking up thousands of political opponents. That all of this occurred is now denied by virtually no one, including Karen de Young of the Post—by all odds the Sandinistas' chief promoter in the major media.

In a recent write-up of an OAS report on human rights in Nicaragua, Miss de Young was compelled to note the organization's finding of "summary executions" by the Sandinistas, though burying this deep in her story and otherwise trying to downplay its meaning. Her lead managed to attribute "summary executions" not to the incumbent Sandinistas but to the departed Somoza, and she hastened to alibi the Sandinistas' killing with OAS assertion that they occurred in a period of turmoil when the government wasn't to be held accountable.

Miss de Young would have us believe the Sandinista violations weren't too bad and that, if they were, have gotten better. Other authorities, including former officials of the Sandinista government, have a different version. One such is Jose Francisco Cardenal, former vice chairman of the National Legislative Council under the revolutionary government. He escaped from Nicaragua last year because, he says, he could no longer stomach the openly communistic nature of the regime, its suppression of press freedom, or its denial of basic human rights. (See Mr. Cardenal's comments in the August 29 Human Events.)

Contrary to the view that killings and repression were mere aberrations in the Sandinista past and that things nowadays have greatly improved, Cardenal charges that torture, imprisonment and political killing in Nicaragua continue unabated. At a recent seminar sponsored on Capitol Hill by the Council on Inter-American Security, he stated that more than 100 political prisoners were slaughtered in Nicaragua as recently as this June, and that the killers were publicly lauded by the commmander of the army.

Similar testimony has come from Nevardo Arguello, another former Sandinista offical who served in the Nicaraguan Department of Justice and escaped from the country in February. He told the CIS publication West Watch that torture is widely practiced in Nicaraguan prisons, that there are thousands of political prisoners, that the country has become a Communist despotism run by the agents of Fidel Castro.

Asked if there were torture under the Sandinistas, Arguello answered:

"Torture? Yes, there is torture. The Human Rights Commission verified the practice of torture in Nicaragua, and I have personal knowledge of it. Torture takes place in camps and in prisons. I talked to many prisoners, because one of my duties at the ministry was to visit prisons. I have witnessed torture, but I will not mention the names of persons who were tortured, because it might cause the authorities to abuse them even more."

"Repression and torture" have also been charged to the Sandinista account by Jose Esteban Gonzalez, who heads the Nicaraguan Commission on Human Rights referred to by Arguello. Gonzalez says there are 8,000 political prisoners in the country, 800 people who have disappeared, and hundreds of cases of killing and torture. He disputes the Sandinista alibi that the executions occurred because of postrevolutionary turmoil. "These executions were not a product of popular fury," he said, "but rather were carried out in prisons whose chiefs are perfectly identifiable."

For making these statements, Gonzalez was imprisoned by the Sandinista government and released only after he allegedly signed a letter retracting the charges and "recognizing his errors." (Gonzalez, however, denies that he has retracted anything.) From all of which it would appear that human rights in Nicaragua are a little less secure today under the Sandinistas than Miss de Young and others of her ilk would have us think.●

## NEED FOR NURSES

HON. BARBARA A. MIKULSKI
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Ms. MIKULSKI. Mr. Speaker, at a time when national indicators point toward a critical nursing shortage and a growing demand for adequate health care services, nurse educators, and their colleagues are striving to increase the numbers of registered nurses to meet anticipated needs, to maintain quality in a tight economy, and to prepare their graduates for employment in increasingly complex and professionally rigorous practice settings.

Associate degree nursing programs in the Nation's 50 States, trusts, and territories, produce the largest number of new nursing graduates. This year, 1981, marks the 30th academic year of associate degree nursing programs in the United States. To celebrate the event, the Association of Community and Junior Colleges and the National League for Nursing's Council of Associate Degree Programs have undertaken a nationwide project. The project, funded in part by a grant from the W. K. Kellogg Foundation, focuses on recurring issues which will have an impact on the future of the Nation's health care delivery system. I welcome this opportunity to call attention to the project and to extend my best wishes to all associate degree nurses working to improve the delivery of bedside nursing care.●

## SOLIDARITY DAY

### HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. DICKINSON. Mr. Speaker, with Saturday marking the advent of AFL-CIO President Lane Kirkland's so-called Solidarity Day, this seems an appropriate occasion to comment on the issue of compulsory union dues used for partisan political purposes.

The news media reports the union has monopolized most of the private chartered buses in the Northeast to bring rally goers into Washington. Once in the city, the marchers will be able to ride free of charge on Washington's Metro System, which was leased for $65,000 by the AFL-CIO. If the AFL-CIO's several months of planning for this 1-day event is any indication of the time and resources union officials use to make their political statements, think of the moneys they pour into election campaigns.

No doubt largely underwritten by forced union dues, the September 19 rally is supposed to demonstrate widespread union member opposition to the administration's budget—despite the fact union rank and file were almost evenly split in their choice for President last November. Lost amidst Mr. Kirkland's antiadministration rhetoric is the reality that millions of the AFL-CIO's members staunchly support this administration and its economic program.

Every year millions of American workers are forced to support political candidates and causes which they might otherwise oppose. They are compulsory union members—workers who would be fired from their jobs if they did not pay forced dues or fees. Nonetheless, according to a March 1980, survey by the highly respected Opinion Research Corp., 71.5 percent of the American public, including 64.7 percent of union members, oppose forced dues politicking.

Legislation recently introduced in the Senate by JESSE HELMS (S. 1550) and which I introduced in the House (H.R. 4351) would respond to this mandate by prohibiting the use of compulsory union dues for political purposes. These bills would close the current loophole in the Federal Election Campaign Act which allows union officials to use compulsory dues for "in-kind" political services such as mass mailings, phone banks, precinct visits, and get-out-the-vote drives. Of all private organizations in our country, only labor unions can take advantage of this special privilege. That is why I urge my colleagues to give their active support to S. 1550 and H.R. 4351 by cosponsoring the bills. Enactment of legislation to prohibit the use of compulsory dues to subsidize union officials' pet candidates and ideological causes is a logical step in responding to the wishes of union members and the American public, and insuring the voluntary nature of each person's participation in the political process.●

## H.R. 3300—LEGISLATION TO REFORM EXISTING FEDERAL FIREARMS LAWS

### HON. HAROLD L. VOLKMER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. VOLKMER. Mr. Speaker, earlier this year I introduced H.R. 3300, a bill intended to reform some of the most abused aspects of the Gun Control Act of 1968. Since that time over 160 Members of the House have chosen to join as cosponsors; the Senate version of this legislation, S. 1030, has been cosponsored by well over half the Members of that body.

Last week, the gentleman from Illinois inserted in the Extensions of Remarks a memorandum critical of this legislation, drafted by two junior associates at the firm of Wilmer, Cutler & Pickering. The analysis showed little comprehension either of the history of the Gun Control Act, the abuses which necessitate this bill, or the practices at which it is aimed.

Before demonstrating that the memorandum's criticisms are simply invalid, I would briefly point out the activities which provide the basis. The Gun Control Act of 1968 was hurriedly drafted and enacted as three pieces of legislation on two different dates. It contains no small number of idiosyncracies which have let it be used to oppress honest and legitimate citizens, and which are of no assistance against the real criminal. For instance, a person can be convicted on the most technical charge, for an honest mistake, and be subject to 5 years' imprisonment, plus convicted felon status. A private citizen can sell a firearm to a criminal, but not to his brother, with a clean record, who lives in a neighboring State. Persons may be prohibited possession of a firearm but not be prohibited to buy it; while a State conviction on a felony removes the right to own a firearm, a full pardon does not restore any such rights.

These legislative slips have harmed our citizens gravely. Three Senate hearings and one House hearing have documented the severity of the abuses. Enforcing agents, empowered to charge honest, nonviolent citizens for technical violations, have done so with abandon, ignoring the harder cases against dangerous felons. Barely 10 percent of Federal gun arrests are on charges of felon in illegal gun possession, or knowing sale to a felon. The average value of confiscated guns is $116—and agents have refused to return seized collectors' items even after the owner was found not guilty of all charges. It is time we stopped these abuses, and that is precisely what my bill is intended to do.

Against these very real abuses, so carefully documented, the memorandum repeatedly poses what law students hear described as "fantasy hypotheticals." These may be suited for demonstrations of wit and sophestry, but hold little weight in the real world.

I. THIS BILL WOULD FOCUS ENFORCEMENT EFFORTS ON ILLEGAL, NOT LEGAL, FIREARM TRANSFERS

The Gun Control Act's sections dealing with interstate sales were intended to prevent persons from purchasing firearms across State lines in a way that circumvented gun laws in their State of residence. All early drafts of this law would have outlawed such transfers where the transfer would have broken the laws of the purchaser's place to residence. All early drafts of this law would have outlawed such transfers where the transfer would have broken the laws of the purchaser's place of residence. This was a rational use of Federal power to assist local law enforcement. Very late in the history of the 1968 law, either in haste or because suitable language could not be agreed upon, this was shifted to a general ban on all purchases from out of State—even where the sale would violate no State law. This made little sense; at most, 10 States had purchase requirements which could be circumvented, yet all 50 States were put under the ban. A hodgepodge of exceptions were provided—some guns could be bought, only if the State of sale was physically contiguous to that of purchase, for instance. My legislation replaces that with a simple and concise rule: No one may purchase a gun from a resident of another State unless the transfer would violate neither the laws of the State where the sale occurs and those of the State in which the purchaser resides. If the transfer would violate the laws of either the place of sale or the place to which the gun is to be taken, it remains a Federal felony.

The memorandum raises two objections. First, it claims permitting such transfers is unworkable since the seller cannot be expected to know the law of the other jurisdiction. The authors are apparently unaware that the Secretary of the Treasury, pursuant to a mandate contained in the Gun Control Act, compiles such laws into a volume entitled "Your Guide to Firearms Laws," a copy of which is provided every licensed dealer and updated annually.

Second, the memorandum argues that enforcement of bans on sales to "prohibited persons" will be more dif-

ficult. Its argument here is not capable of rational analysis. The authors apparently agree that a dealer making such sales could still be prosecuted. Indeed, H.R. 3300 would retain current provisions of law here. But then they seem to argue that it would be hard to prosecute private persons who make such a sale, were my bill passed, since they might not know they were dealing with a prohibited person. Perhaps the authors of the memorandum are not aware that it is no crime right now for a private person to sell to a prohibited buyer, with the exception of a nonresident. My bill will insert such a prohibition into the law, making enforcement of such a ban possible for the first time. It cannot make prosecution of such sales harder than they would be under current law, since they cannot be persecuted under current law, period.

Additionally, the memorandum objects that allowing loan of firearms to nonresidents, "for lawful purposes" would somehow be offensive. Plainly, if the loan is in violation of the law of the place where it is made, it is not for lawful purposes and would not be permitted. The memorandum raises the strange image of "allowing an otherwise unlawful loan of a gun to a person who intends to roam the streets of New York City" for the "lawful purpose of protecting himself and his fellow citizens." I am tempted to respond that under the laws of New York City, protecting oneself from crime seems to be a crime in itself and thus no "lawful purpose," could exist and that perpetuating laws of this type seems quite agreeable to the philosophy of this memorandum. However, on a more serious level, as we all know, traveling the streets of New York with a firearm for self-protection is in most cases, a crime, unless one has political connections enough to obtain the permit. Without a permit, carrying such would not be use "for a lawful purpose." This may, incidentally, be one reason New York has the highest robbery rate and the second highest overall violent crime rate of American cities with a population over 500,000. (The only city exceeding it in overall violence is Boston, home of the Bartley-Fox mandatory sentence for carrying a firearm without a permit.)

II. THIS BILL WOULD NOT INTERFERE WITH ANY LEGITIMATE STATE INTEREST IN CONTROLLING INTRASTATE FIREARMS ACQUISITION AND USE

My bill would amend current law to provide that State laws which prohibit transportation of a firearm or ammunition through that State shall be null and void so long as the transportation is in interstate commerce through such State, when such firearm is unloaded and not readily accessible. This is designed to protect legitimate hunters and sportsmen who occasionally must pass through a restrictive gun law State in order to get to another State. On occasion their vehicles have been subjected to local law, even though they had carefully stored their firearms under lock and key and such were unloaded. Against these very unrealistic abuses the memorandum poses a horrible hypothetical involving terrorists who are traveling about the countryside with unloaded and inaccessible firearms. We might observe at the outset that no cases of terrorists traveling about with unloaded, inaccessible firearms have come to light to date, nor are likely to in the future. In the event that any such case should arise, the incipient terrorists would be prosecuted for violation of the neutrality acts, or of 18 U.S.C. 924(b), which provides 10 years' imprisonment for anyone transporting or receiving a firearm in interstate commerce with intent to commit a felony or knowledge that it may be used for such a commission, or conspiracy to commit any of the acts which the group plans. In brief, should this unlikely hypothetical situation ever come to pass, a State misdemeanor gun charge would be the least worry that the perpetrators would have. The problem can be handled quite expeditiously by concrete legislation aimed at particular abuses or intent to abuse, rather than by a general dragnet law which ropes in enormous quantities of the innocent in the unlikely hope that some day one of the guilty may be caught also.

III. THIS BILL WOULD INCREASE, NOT REDUCE, PENALTIES FOR GENUINE GUN-USING CRIMINALS

This memorandum next claims that this bill would reduce penalties for firearm law violators. This section most clearly demonstrates the memorandum's failure to take into account practice in the real world. When the Gun Control Act of 1968 was being debated, a true mandatory minimum sentence for use of firearms in Federal felonies was at first proposed. This would have prevented the granting of probation or parole to any violator who used a firemarm in commission of a Federal felony. Before passage, however, the provision was so watered down as to become almost totally useless. In theory, it now provides that whoever uses a firearm to commit a Federal felony or carries a firearm unlawfully during this commission shall receive imprisonment from 1 to 10 years on first offense and 2 to 25 on second offense. But since the 1968 act only restricts of the giving of probation on second offense (and even then does not restrict the granting of parole) it has no real effect. A judge who feels that a serious offense should be punished by 6 months imprisonment would simply give 6-months-plus probation on the underlying charge, plus probation on this second, supposedly mandatory, term of imprisonment.

Under my bill, whoever uses any firearm or destructive device against the person of another to commit a felony over which the Federal courts have original and exclusive jurisdiction shall receive 1 to 10 years for a first offense and 2 to 25 for a second, and under neither of these shall be eligible for probation, suspended sentence, parole, or furlough before completing the minimum. As an additional guarantee that the law will be used only against genuine hardcore violators who deserve the prison time despite the sympathy of the judge, the bill provides that the mandatory sentence shall not apply if the use of the firearm was to protect his person or property or that of another from commission of a felony.

The memorandum complains initially that existing law makes this sentence consecutive to the sentence on the underlying charge, whereas this bill would permit it to be given concurrently. Presumably the conclusion is that this bill would lessen the impact on the violator. The argument ignores the practical consequences of legislation in the real world. As discussed earlier, making the sentence theoretically consecutive does absolutely nothing since a judge who decides to give probation can still give it. Accordingly, the provision is meaningless. We provide a genuine mandatory sentence for firearm misuse in crime, and whether it comes consecutively or concurrently makes no real difference in terms of its impact upon criminals.

Next the memorandum complains that this would not apply to firearm felonies that are "not within the exclusive jurisdiction of the Federal courts." This, we assume, would refer to the bill's specification of felonies over which Federal courts "have original and exclusive jurisdiction." The writers of the memorandum apparently have not examined title 18, United States Code, for a definition of what constitutes original and exclusive jurisdiction. 18 U.S.C. § 3231 provides that,

> The district courts of the United States shall have the original jurisdiction, exclusive of the courts of the states, of all offenses against the laws of the United States.

In short, of all Federal offenses. Accordingly, this bill makes no real change in the substance of that portion of the law but only brings it into accord with the language of the jurisdictional statute. A bank robbery within the District of Columbia, for instance, would come within the original and exclusive jurisdiction of the Federal courts both as a robbery within the special maritime and territorial jurisdiction of the United States (18 U.S.C. § 2111) and as a robbery of a bank (18 U.S.C. § 2113).

The memorandum's final criticism of the bill in this area is that the mandatory sentence would not apply to use of a firearm in self-protection. In

particular, the memorandum's drafters seem worried about the provision denying its application to use in defense of property. It would seem that use of a firearm in defense of property would rarely constitute a Federal felony, but the drafters of the memorandum, with their traditional ingenuity, create the image of a hypothetical situation in which a person shoots at someone stealing his mail.

It is apparent upon even a slight examination that this would not come within the mandatory sentence in any event. The person stealing the mail is, it is true, committing a Federal crime; but the individual who fires at him violates no Federal law, as there are no Federal statutes giving special protection to mail thieves. He could accordingly be prosecuted under State and local law, but under no circumstances would ever come within the scope of this mandatory sentence in any event.●

## EXPORTS OF FARM PRODUCTS

### HON. COOPER EVANS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. EVANS of Iowa. Mr. Speaker, I am today introducing, along with several cosponsors, legislation requiring the Export-Import Bank to make loans available to purchasers of American agricultural products.

Farmers throughout the country face prospects of a bin-busting harvest leading to a surplus of grain which is severely depressing prices. The best means of reducing that surplus is to export it at a profit to our farmers. But, we face fierce competition in the agricultural export market from foreign nations who provide low-interest loans for buyers of the agricultural products.

The Export-Import Bank has in the past provided attractive financing to purchasers of American farm products. But, during the past administration, the Export-Import Bank was prohibited from making loans for agricultural sales. Loans, however, did and do continue for the sale of manufactured products.

The legislation I am introducing today will require that the Export-Import Bank make loans available for agricultural export in the same ratio that our agricultural exports bear to our total exports. Exceptions to this requirement would be made when the bank determines and reports to Congress that demand for such loans is not high enough to equal or exceed the ratio required or when the Secretary of Agriculture determines that the level of agricultural exports is or will be adequate without such credit.

Increasing our exports of farm products will not only help our farmers, but will also provide a significant improvement in our balance-of-payments situation.

Without an increased effort to export our farm products, the farm economy faces a disastrous financial situation because it has done its job too well.

We must reduce the surplus and the best method is to sell it. But, to do that we must provide attractive financing to potential buyers who will turn to the competition if the funding is not available from us. We provide such financing to help our industrial producers compete and it seems only reasonable that the same treatment be accorded our agricultural producers.●

## WATER: AN INCREASINGLY IMPORTANT CONCERN

### HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. SIMON. Mr. Speaker, one of the issues that is going to be more and more dominant on the national horizon is that of water.

I am taking the liberty of inserting a speech that was made by our colleague, WES WATKINS, about the rural water situation which I recommend to our colleagues.

I am also inserting a column I wrote for the media in my district which touches on the water situation.

We will be hearing a great deal more about water in the future and, obviously, one of those who is going to be leading the way in such endeavors will be our colleague, WES WATKINS, for whom we all have a high regard.

The speech follows:

WES WATKINS' OPENING SPEECH

Thanks very much Marvin, I'm very happy to be here. I hope I am among friends.

As a member of the Appropriations Committee, I serve on the Agricultural and Rural Development Subcommittee and also on the Subcommittee on Energy and Water. One of the members from California turned to me the other day and said, "You know what, I'm just going to give you a new nickname." My new nickname in the United States Congress is "The Rural Radical." I think we've needed a rural radical around here for a long time.

When I talk about Rural America, I'm talking about more than just agriculture. As Marvin knows, my roots are deep in agriculture. I served as Oklahoma state president of the Future Farmers of America. FFA is probably one of the big motivating factors in my life. I lost everything in the drought of '56 in Oklahoma including the peanut crop I left in the field and some old "banger" cows I ended up selling. But I still love the rural elements and agriculture so much that I was stupid enough to go off and major in agriculture in college. But I do love the climate, surroundings and environment and I cherish my upbringing in the rural community.

I grew up in a little town with about 200 people. I live in Ada, Oklahoma, a town with about 15,000 people. My district spreads about 300 miles along the Red River in Southern Oklahoma from the Texarkana area on the east all the way Marvin's house, which is right below Lawton in the Walters-Randlett area. The largest town has about 22,000 people, so we are considerably spread out there. The Federal government considers any city or town below 50,000 rural. That makes my district all rural and I'm proud of it. When the Legislature began redistricting the Congressional districts, I only asked them to do one thing—don't put me in Tulsa or Oklahoma City. They can spread me out anywhere else in the state but don't get me into those large cities.

I cherish, as I mentioned, the rural element, and yes, I'm calling attention to the cause for rural people. We've been second-class citizens too long. When John Steinbeck wrote the book, "The Grapes of Wrath," he portrayed my family in some respects because four different times my family went to California and back in search of jobs during World War II. My mom worked a shipyard there and I cut grapes, picked cotton and everything else going to California and coming back. We finally came home and settled down south of a little community, Bennington, Oklahoma, where I grew up.

That era John Steinbeck reported marked the largest movement of people ever recorded in the history of our country. In the late forties our country, and probably rightly so, saw fit to write the Marshall Plan to rebuild the economic face of Europe. Twenty years later our country saw fit to write the massive urban renewal program to save the inner cities of this country. The sad and tragic thing is that our country has never seen fit to write a program to rebuild rural America.

We have the Rural Electrification Administration today and I'm happy. I still remember setting the lamp aside and when I flicked on the first electric light in our house. I tell my REA friends that I should disown them. The only job I ever lost was because of Rural Electrification. I was an ice doodler on an ice truck that went out through the country. I was too little to carry the ice, but I could tip it off and I could slide it to the back of the truck.

Then Rural Electric came to town, no, not to town, came to the country. I sold ice one whole summer because it made better ice tea. Then the last summer I tried to sell ice, people had that thing called a refrigerator. I kid the Rural Electric people but it was one of the greatest things.

The second greatest thing that has happened to rural America is rural water. How many times have we seen new homes sprout up in the countryside and some family wanting to live there or some elderly couple wanting to retire there because of rural water. That's the element of rural America that you've played.

I was a home builder and land developer before I came to Congress. I built mainly through FmHA. Not by choice, but because we didn't have much money in rural America. I do not have one mortgage banker in my district. Out of the 25 counties I serve, we don't have one Federal Housing Administration house per county because we do not have investment capital in rural America.

I'm chairman of the Congressional Rural Caucus. I hope you are members of the Caucus. If not, I'm going to ask you today to become members of the Rural Caucus.

There's less than 4 percent of the population living on farms today. That's a problem, but that means we are going to have to work harder to organize. That's our business coming down here—trying to organize the rural people.

One city mayor has more power than we do. That's our problem. We need to organize, we need to speak up and we must let the people know that, "Hey, we are human beings, too." Congressional Rural Caucus has about 125 members in it, that's about 20 more than we had last year so we made a thrust forward. But here's the potential.

There's around 300 members of Congress that have about 50 percent of their people or more that would be considered rural with populations below 50,000. What does that mean? It takes 218 votes to pass or defeat a piece of legislation in the House. If we can just make 218 of these Congressmen conscious of rural America, we could have real impact on legislation.

I know some of you are wondering if we have a staff. We have one person who's helping on the staff right now. Many of the Congressmen are chipping in trying to do as much as possible. We are having a Congressional Rural Caucus banquet on March 31st and I understand that several of you are helping buy a table to help participate, but we have got to have more help. We've got to have shoe leather put down in this town if we are going to do the job that's got to be done.

Frank Tsutres is our executive director. He works hard, but when you only have one person, that's nearly an impossible task to try to get the job done that needs to be done. I'm devoting my staff as much as I possibly can to a large rural segment.

In fact, I'm building in my legislative file a legislative bible, or a Marshall plan for rural America. I may mention that a little later.

Let me indicate some of the things that we are trying to piecemeal in this effort as the chairman of the Congressional Rural Caucus and some of the things we are trying to do. Number one thing: All I ask the Members of Congress is to give us fairness and equity. Fairness and equity—that's not asking too much. I'm willing to balance the budget, but we have to have fairness and equity.

For example, take educational funds for handicapped children. I think our rural children are just as important as urban children. But the rural schools get only 7% of the handicap funds for education. We deserve close to one third of it because one third of the people of this country live in communities of 50,000 or below. Is that fairness and equity?

Look at FHA we mentioned a while ago. Section 203 provides for single family housing. We get less than 10% of these funds in rural America, and that's insured mortgage money. It's usually a very limited amount for a home. Unfortunately, with little money in the budget, the funds in my district are used up within the first quarter of the year.

Also HUD is the Community Development Block Grant money, which helps develop our community areas and our towns. But only 17 percent of that goes to cities and communities of 50,000 and below. Again, we should get about one third of it. Is that fairness and equity?

Let's look at UDAG—Urban Development Action Grants. Working through the subcommittee I formerly served on, we are able to get 25 percent set aside for rural communities. I couldn't get the 33 percent we deserve. Only two of us on that subcommittee crusaded or even talked about rural America, and when we asked the other members to be fair and equitable, they were not willing to step across just a little further.

We receive only about 20 percent of the SBA program funds out in rural America. Why? Because many times in our community you have a one-loan-officer bank. He may have someone who helps him a little bit but when he leaves the bank, it may as well be closed for the day as far as loan applications are concerned. These loan officers are not able to go to Oklahoma City six times to get the T's crossed and the I's dotted on SBA loans when they can stay home and make a few cattle loans and a few car loans, and put the rest of it in government bonds. Is that equity? Is that fairness?

The EDA program that I support was originally intended to serve the rural, depressed areas of the country. They've revised the minimum standards until 85 percent of the communities in this country are eligible for EDA assistance. I strongly disapprove of this because I know in Oklahoma City they are using the money to build a Myriad garden when I can't even get money for a water and sewer project in a town that doesn't even have a manufacturing job. Is that fairness and equity? I don't think so.

I'd like to bring us to where we are today. Let's look at the President's budget this way. The President said twice in his speech last week that the budget cuts would be evenhanded and that's all I ask, fairness and equity. But it's like the hen and the pig going down the road and all of a sudden they are confronted with a huge, angry, hungry, lion. The pig turned to the hen and said, "Madam hen, what should we do?" The hen said, "Well, pig, I think we should feed him some sausage and eggs." The pig said, "That's a good idea, but that takes just a little effort from you and that's a major sacrifice from me!" Ladies and gentlemen, let me say this. We are going to make a major sacrifice for rural America. If you don't believe it, look at the front page of The Washington Post this morning. The Administration is looking at taking another $2 billion out of agriculture. Most of it will probably come out of Farmer's Home someplace.

I just told you about programs we are getting in Rural America. As I told them at the Oklahoma Press Association the other day, I'm willing to go along with most of the programs we are cutting, but there is virtually no private industry in my area and in most of the rural areas that can put the investment capital in there that's necessary to take up the slack.

We've got to have Farmer's Home type loan programs to provide us the investment capital. We've got to have water and sewer programs. Sewer projects and facilities were cut from $1.1 billion down to $600 million, and the water program itself was cut over half.

So what do we do? I'm not talking about a hockey stadium or anything like that for some big downtown city, I'm talking about trying to get water to some people in my district who still don't have running water.

I'd like to share with you one of the things we are trying to do. I know you are very interested in supplemental appropriations, and I have agreed to help. This would expand training and technical assistance to the rural water associations. I know you utilize these training funds wisely and provide a tremendous assistance. I've got communities that cannot meet the EPA clean water requirements. More than 50 systems in Oklahoma are in violation of the EPA standards. How are we going to resolve that? How are we going to meet those standards in rural America? It's going to be tough.

I was talking to Interior Secretary Watt concerning water programs. The Administration plans to cut water development projects back in rural America. you know why? Because their priority is on projects which affect the most people—the urban and suburban projects.

Some of you may know I'm sponsoring a bill called the National Water Utilities Bank. I think we've got to have such a program because we are not going to receive the money from the Federal level. We have to go into the secondary money market just as we have done with rural electric. The only problem is that Dave Stockman wants to cut out the Federal Financing Bank at a time when we need it most.

We are going to push for that bill because I think it's an absolute necessity. It will provide loans and loan guarantees. Loan guarantees are off budget. I think we can't afford to stop providing things like electricity, sewer and water to the people of rural America. If we are in much trouble economically, then I think we should cut out every program in the major cities in this country.

Rural America has a big role in America's economic recovery. People talk about the crisis of this country. The crisis of this country they're talking about is energy. There's hardly any energy produced in the cities—it's produced in rural America. They're talking about the crisis of world hunger. There's no food produced in the cities—it's produced in rural America. They're talking about the water crisis that's right around the corner. There's no water impounded in the major cities, either—the dams are in the country.

Now you look at the three major crises of this world. The only way we are going to solve them is in rural America and they are exacting a big price from us to do it. I think we are ready to try to meet those problems. I think the least the Administration could give us is evenhandedness, fairness and equity in this program.

Yes, I may be called a "Rural Radical," but I may be called a whole lot worse before it is all over. These programs are good for your people and our people and they are absolutely essential. Marvin, I would like to stop at this point unless you have some questions or inquiries you would like to make.

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WATER: THE NEXT CRISIS

We get so absorbed in today's crisis that we sometimes forget that there are some long-range things we should be working on more aggressively.

One of these, which will bring tremendous changes for the better, is the development of an inexpensive process for converting salt water to fresh water.

When that happens the deserts of the United States will blossom, as they will in North Africa and elsewhere. And in trouble spots like the Middle East tempers can be reduced at least a little, for almost lost in all of the other stories from the Middle East is the reality that part of the tensions there are caused by water problems.

We are headed for some major water problems, particularly in the West, unless this sea water source is developed. Today's

headlines are about oil; 10 years from now the headlines are likely to be about water.

Even in relatively water-rich Southern Illinois, we will see more and more farms irrigating. We have a few doing it now. After every dry year we have, there will be more farms joining the ranks.

There are four basic methods of desalting water, and the United States has put a total of $320 million into one of these processes called distillation. There is a general feeling that this process is too expensive to be practical in most situations, and the other three processes are being examined.

This year two demonstration plants for other methods will start in Alamogordo, New Mexico and Virginia Beach, Virginia. Tentatively a third project is scheduled for Louisiana in 1983.

Desalting, however, is not some vague thing that might or might not work in the future. It is working now, but is too expensive to be practical in most situations. There are over 1500 desalting plants in operation around the world. And that number will grow rapidly if we can improve the desalting process.

That takes research. And research costs money, unfortunately.

Within the United States we now produce 100 million costly gallons of fresh water a day out of salt water. But we consume many billions of gallons of water each day.

All nations have a stake in making progress. The United States is working with Mexico and with Israel on specific projects. And many other nations are doing research.

When the day arrives that somewhere a breakthrough is achieved and an inexpensive process is developed for converting salt water to fresh water, it will be one of the most important stories of this century—yet it will probably not be on the front page of most newspapers.

Seventy percent of the earth's surface is covered by water, most of it salt water. It is a tremendous resource which some day will be appreciated much more. We should be hastening that day.●

## HALF A CENTURY

### HON. JOHN L. NAPIER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. NAPIER. Mr. Speaker, although we daily stand in awe of the massive fourth estate operation which exists in Washington, I tend to watch more carefully and respond more rapidly to the news I obtain through that great network of grass roots America called the hometown newspaper.

South Carolina's Sixth Congressional District has a journalistic fraternity, while not as massive and slick as the major metropolitan press, compares with the best when carrying the banner of the First Amendment.

One of the priorities in my Washington and district offices is to closely monitor the daily and weekly newspapers, for they guard the front lines of life in rural and suburban America.

I am especially proud of my own hometown newspaper, the Marlboro Herald-Advocate, a true family-owned, operated, written, and distributed journal. Recently celebrating 50 years of reporting the news of Bennettsville, S.C., and the surrounding Marlboro County, the William L. Kinney family was the object of an interesting column written by the State news editor of the Florence Morning News, Thom Anderson, an astute member of the media who has long observed life in journalism circles in the Sixth District.

Mr. Anderson's article details the history of the Kinney family, which passed the torch of journalism from one generation to another, while maintaining the highest standards of the profession.

It is with pride that I offer this article for the information of my colleagues in Congress:

HALF A CENTURY

(By Thom Anderson)

It was just over 50 years ago that Mr. and Mrs. William L. Kinney started a newspaper in Bennettsville, one that became the present Marlboro Herald-Advocate.

They turned the paper over to their son, William L. Kinney Jr., 10 years ago, but they have remained active around the paper, and they put out a special section of the Sept. 3 issue to look back over some good years in Bennettsville.

It was sort of an ill-timed blow that caused Kinney and his bride to launch the Marlboro County Herald, which published for the first time on Sept. 1, 1931.

He had graduated from college in 1925, and in 1926 became bookkeeper of the Pee Dee Advocate, a Bennettsville weekly. A few weeks later, the editor left, and Kinney took over that job, too, serving in both capacities.

In 1932, he was to marry on June 18 in Ninety-Six. The paper was sold, but the new owner told Kinney he would be retained. The day before the wedding, just before Kinney was to leave for the wedding the new owner hit town and greeted him with the news that he would not be needed.

This was quite a blow, but the wedding went on anyway, and they went on a honeymoon to the mountains as scheduled, returning to Bennettsville on July 1.

He picked up a temporary job helping close an estate, and the two decided to start their own paper. With $500 "reluctantly" loaned to Kinney, they started the Marlboro County Herald, a weekly.

The lead story of the first issue of the Marlboro Herald, dated Sept. 1, 1931, carried as lead story an item about Gov. Irba Blackwood holding a meeting in Bennettsville with Marlboro County farmers who favored a possible special session of the Legislature.

There were no pictures on the front, as often was the case then. Other items told of a team called the Tigers edging the Athletics for the local softball title, plans to pave S.C. 9 from Bennettsville to U.S. 1 near Cheraw, election of L. L. Gaddy to the city council. Tom Lewis selling the county's first bale of cotton for the year and F. Gray Craven being the first subscriber to the Herald.

It was printed out of town at first, and they had their troubles, including a wreck in which both were badly injured, but by 1937, they were able to put in their own printing equipment.

Among the people who worked in the back shop, Kinney recalls, was Fletcher Stubbs, who went into the Army when war broke out and became the first Marlboro County serviceman killed in World War II.

In 1948, the Herald went to twice weekly publication.

And in 1951, there must have been delicious irony in it for the Kinneys as they bought the Pee Dee Advocate, the paper that had fired Kinney at such an inopportune time 20 years earlier.

They combined the papers and continued twice-weekly publication as the Marlboro Herald-Advocate. In 1952 they bought the McColl Messenger.

In 1971, they sold their interest to their son who still publishes the Herald-Advocate, and supposedly retired, something Mrs. Kinney calls "the joke of the last 10 years." They are still around the paper regularly doing what ever is needed.

Kinney looks back with a lot of gratitude and justified pride at the development of his paper. He has served as president of the South Carolina Press Association and the paper has won a lot of awards over the years.

"I trust that I have been able to contribute something along the way and over the years that has made life better for someone who has been a reader of our publications." Kinney wrote.●

## AFFIRMATIVE ACTION HARMS THE DISADVANTAGED

### HON. ROBERT S. WALKER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. WALKER. Mr. Speaker, throughout the course of our discussions in this body of affirmative action programs, a topic which is too seldom addressed is the impact of racial quotas and other instruments of preferential treatment on those they are purported to aid, minorities. I wish to insert the following article by Dr. Thomas Sowell, black economist and senior fellow at the Hoover Institute, in the RECORD. This is one of several recent articles by Dr. Sowell in which he brings to bear his extensive research on minority groups in America in exposing the fallacy that affirmative action programs are capable of bringing minorities into the mainstream of our economy.

The article follows:

AFFIRMATIVE ACTION HARMS THE DISADVANTAGED

(By Thomas Sowell)

The supreme irony of "affirmative action" is that it demands hard statistical results from others but has none to offer itself. This is the tenth year of numerical "goals and timetables" in employment—quotas, for those who prefer plain English. Yet the actual results of a decade of this controversial program are seldom mentioned.

Before "goals and timetables" were mandated by federal guidelines in 1971, Puerto Rican family income was 60% of the national average. Today it is 50%. Black family income, as a percentage of white family income, has never in the past decade ex-

ceeded the level reached in 1969. Usually, it has been lower.

No doubt there are many factors behind these numbers. But imagine an employer with similar statistical trends trying to explain to EEOC or the courts that it was all due to other circumstances beyond his control. Yet that is what affirmative action proponents are reduced to. The results simply are not there to justify this bitterly divisive program.

Progress has not stopped completely for disadvantaged racial and ethnic groups. But the rate of progress is not as rapid as it was in the equal opportunity phase of the 1960s that preceded affirmative action quotas in the 1970s. Indeed, some proponents of affirmative action cite the slowing down of progress as a reason that this program is needed more than ever.

There are economic as well as statistical reasons for considering affirmative action counterproductive. The incentives created by quota pressures seem to increase the demand for "representatives" of the various groups designated by the government for special consideration. But at the very same time, these pressures make it more dangerous to have such people on the payroll.

Their future pay, promotion, and discharge patterns can easily land the employer in costly legal proceedings, even if he ends up completely vindicated. But the plight of employers is not the central issue. The real problem is that disadvantaged groups can be damaged by the way employers seek to protect themselves.

One way out of the employer's dilemma is to hire minority applicants who are sufficiently above average that their future pay, promotions and discharge patterns are unlikely to be worse than those of the other employes. But while the demand for these unusually well-qualified individuals tends to be increased by affirmative action pressures, the demand is decreased for minority or female applicants who are below average, or who do not have enough of a track record for an employer to take a chance.

Some recently published data on black males illustrates the point. Between 1967 and 1978, the income of college-educated black males rose dramatically, both absolutely and relative to the income of college-educated white males. In 1967, college-educated black males who were in the labor force a few years earned 74 percent of the annual income of their white counterparts. By 1978, this was 98 percent.

But over exactly the same span of time, black males with less education were falling further behind white males with less education. For example, black males who were in the labor force a few years, but who had less than 12 years of schooling, earned 79 percent of the annual income of white males of the same description in 1967. By 1978, that was down to 69 percent.

One may try to explain over-all black/white ratio changes by general economic conditions in the 1970s, rather than by affirmative action. But it is hard to explain diametrically opposite trends among blacks this way.

A more narrowly focused study of 50,000 academics showed a very similar pattern. Those black faculty members who had completed their Ph.D.s in highly ranked departments and who had published were earning more than whites of the same high qualifications. But those black faculty members who had not yet completed their doctorates and had not yet published earned less than their white counterparts. Again, the demand seems to have been artificially increased for the highly qualified black and artifically decreased for the more average black or the black who had not yet made a track record.

A number of responsible people have said off the record that they are reluctant to take on risks, with either minority or female applicants, because of the time and money that can be lost in legal proceedings if they later have to be discharged or even promoted more slowly. One black woman in a high position, when informed of this reasoning, replied that that was how she herself operated in considering applicants. "I have no time to spend at EEOC or in the courts," she said.

Affirmative action harms disadvantaged groups in other ways. The number of groups covered by this program has successively expanded to the point where it now includes a majority of the American people. George Gilder in his best seller "Wealth and Poverty" estimates the coverage at 70 percent of the population, controlling 75 percent of the country's wealth.

This means that blacks, for example, are lost in a sea of other people. Moreover by requiring employment decisions to be justifiable to third parties, affirmative action increases the importance of paper credentials—which are disproportionately lacking among disadvantaged minority individuals, even when they are perfectly capable of doing the work.

Like many other public policies, affirmative action needs to be judged by what it actually does, not by what it intends or hopes to accomplish. The crucial question is what incentives and constraints it creates—what it rewards and penalizes. We all know what road is paved with good intentions.

Even the supporters of affirmative action seem to sense its bankruptcy. They generally steer discussions as far away as possible from hard facts about the actual results achieved. They talk instead about history, as if this policy were going to be applied to the past instead of to the future. They impugn the motives of those who criticize their efforts, in a manner reminiscent of Sen. Joe McCarthy. In short, anything to evade the grim facts.

Quotas and preferences have been tried in a number of countries. Nowhere has any racial or ethnic group risen from poverty to prosperity by these methods, though many have done so by all sorts of other methods. The Chinese in Southeast Asia, Italians in Argentina, Germans in Brazil, Japanese in the United States, and Jews in various European countries have begun in poverty and ended in affluence, while avoiding politics. Where preferential treatment has been tried, it has not merely failed to achieve its object but has torn countries apart with internal strife. India, Indonesia, Malaysia and Guyana are just some of the places where such efforts have led to bloodshed in the streets.

After 10 years, it is time to ask what affirmative action has achieved for the disadvantaged, and what it has done to this country.●

## STATE DEPARTMENT DECISION TO REFUSE ENTRANCE VISAS TO CUBAN OFFICIALS

### HON. THOMAS J. BLILEY, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. BLILEY. Mr. Speaker, I want to take this opportunity to express my pleasure with the State Department's decision to refuse entrance visas to Cuban officials who were to participate in the Center for Cuban Studies symposium "The U.S. and Cuba: Prospects for Dialogue."

Yesterday's Washington Post quoted Fidel Castro attacking the Reagan administration as "fascist," "genocidal," and "covered in blood." Today Castro's troops are engaging in battles in Angola, Ethiopia, and other countries in Africa and Latin America.

It would be inconsistent and counterproductive to admit these officials to participate in a pro-Cuba propaganda session in the U.S. Capital. This would have been the wrong signal to send to Havana and to those allies we expect to take a tough stand against Cuban adventurism. More importantly, it would have been misinterpreted by many as a back-door normalization of relations with the Western Hemisphere's most repressive government.

The Reagan administration is to be commended for this wise decision.●

## THE TEDDY GLEASON NYSA-ILA SCHOLARSHIP FUND AND AWARDS CEREMONY

### HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. KEMP. Mr. Speaker, it gives me great pleasure to report that the first annual Teddy Gleason scholarship program has this month named its recipients. A product of the combined efforts of the International Longshoremen's Association and the New York Shipping Association, this program has just granted eight college scholarships to the children of longshoremen from New York and New Jersey: Salvatore Avitabile, John A. Caputo, Christine Kirwan, Lina Liberatore, Thomas A. Moroney, Jr., Hermond E. Palmer, Adrianna M. Rubinic, and Robin Tavares. My congratulations to these outstanding students and their families and it was indeed an honor to participate in the luncheon and meet these outstanding young Americans.

The joint venture that made these scholarships possible represents an important step forward in labor-management cooperation in the maritime industry. Above all, this scholarship pro-

gram is a testimony to the leadership, vision, and imagination of the man after whom it is named: my good friend Teddy Gleason, distinguished president of the International Longshoremen's Association. He worked closely with the New York Shipping Association, led by James Dickman, to create the NYSA-ILA scholarship fund, which provides the wherewithal for the scholarships. When fully implemented in 1984, it will help 32 students, annually, to work toward their college degrees. Mr. Gleason's achievement is typical of his deep and abiding commitment to creating new avenues of opportunity for ILA members and their children. I commend the following account of these scholarship awards to the attention of my colleagues and also want to praise the management association for their progressive attitude toward this program.

PORT LABOR FUND AWARDS FIRST SCHOLARSHIPS TO LONGSHOREMEN DEPENDENTS; ACTION MARKS OPENING OF $128,000 PROGRAM TO AID 32 STUDENTS ANNUALLY

A newly created labor-management fund that finances four-year college scholarships for dependents of union longshoremen in the Port of New York and New Jersey today announced that the first group of eight students has been selected for its $4,000 annual awards. They include residents of Northern New Jersey, New York City and Suffolk County on Long Island.

The action by the Teddy Gleason Scholarship Program of the NYSA-ILA Scholarship Fund marks that initial grant by the waterfront industry plan. It was developed under the present three-year collective bargaining agreement between the International Longshoremen's Association, AFL-CIO and employers represented here by New York Shipping Association, Inc. and is the only one of its kind in the port industry.

When fully implemented in 1984, the fund will annually assist a total of 32 children of ILA members from the bi-state port region in achieving a college level education at a total outlay of $128,000 with eight new high school graduates becoming eligible for each of the $4,000 awards yearly.

Announcement of the winning student candidates was made jointly by the two leading spokesmen for labor and management who helped negotiate the program in contract talks last year. They are ILA President Thomas W. (Teddy) Gleason, for whom the program was named, and James J. Dickman, President of the management association, which represents ship industry employers in the harbor.

The eight students selected for the initial awards by the College Scholarship Service based in Princeton, New Jersey, include the following:

Salvatore Avitabile, son of Mr. and Mrs. Felix Avitabile of 155 Seeley Street, Brooklyn. His father is a member of ILA Local 1 and works as a checker at the Red Hook Terminal in Brooklyn.

John A. Caputo, son of Mr. and Mrs. Frank Caputo, of 162 Hylan Boulevard, Staten Island. Frank Caputo is a member of ILA Local 1 and is employed as a checker at Howland Hook Marine Terminal on Staten Island.

Christine Kirwan, daughter of Mr. and Mrs. Thomas Kirwan of 70 Signs Road, Staten Island, Thomas Kirwan is a member of ILA Local 1804-1 and is employed at the Consolidated Passenger Ship Terminal on the North River in Manhattan.

Lina Liberatore, daughter of Mr. and Mrs. Giacomo Liberatore of 2556 East 23 Street, Brooklyn. Her father is a member of ILA Local 920 and works as a longshoreman at Howland Hook Marine Terminal on Staten Island.

Thomas A. Moroney, Jr., son of Mr. and Mrs. Thomas A. Moroney of Rocky Point, N.Y. The elder Mr. Moroney is a member of ILA Local 1 and is now retired.

Hermond E. Palmer, son of Mrs. Phyllis Palmer and the late Herman Palmer, of 1730 Clinton Place, Teaneck, N.J. His father had been a member of ILA Local 1814 in Brooklyn.

Adrianna M. Rubinic, daughter of Mr. and Mrs. John Rubinic of 41-42 Cpl Kennedy Street, Bayside, Queens, N.Y. Her father is a member of ILA Local 1804-1 and is employed on Pier 36, East River, Manhattan.

Robin Tavares, daughter of Mr. and Mrs. John Tavares of 1508 Vauxhall Road, Union, N.J. John Tavares is a member of ILA Local 1235 and is employed as a longshoreman at the Sea-Land Service terminal in Elizabeth.

The award of scholarships by a fund supported by industry contributions and negotiated through a labor contract is a pioneering event in longshore employer-union relations in the port here. However, it's a program that is a likely forerunner for similar development in other Atlantic and Gulf Coast harbors in later years, according to labor and management sources.

Open to dependents of more than 10,000 ILA members in the New York port area on the basis of academic performance and aptitude tests among other determinations, it is available to qualified applicants who wish to continue education in undergraduate, apprentice or training programs in accredited colleges, universities and other institutions.

The union is the largest waterfront organization in the United States. In addition to members in the Port of New York and New Jersey, ILA represents some 40,000 longshoremen in other ports from Canada to Mexico, and upwards of 50,000 additional waterfront workers in the U.S. Great Lakes, eastern Canada and Puerto Rico.

New York Shipping Association is also the largest waterfront management organization in the United States. It represents approximately 135 companies including many of the largest ocean carriers and stevedoring and marine terminal operating companies in the nation.

The activities of the union and NYSA in the bi-state Port of New York and New Jersey involve handling by workers and employers of more than 24 million tons of high value general cargo yearly through company operated facilities. The port is the nation's largest harbor and the 10,000 active longshoremen in the work force here is the largest such group by far in any American port.

The bi-state port covers pier areas Brooklyn, Manhattan and Staten Island within the five boroughs of New York City, and the New Jersey waterfront communities of Newark, Elizabeth, Jersey City, Hoboken, Bayonne, Weehawken and Perth Amboy.●

## THE HONORABLE MARIO BIAGGI OF NEW YORK REMARKS DURING SPECIAL ORDER FOR GARY HYMEL

### HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. BIAGGI. Mr. Speaker, as one who has benefited from knowing Gary Hymel, I rise to join my colleagues in paying tribute to this great man. True—Gary is leaving the House—but what he leaves behind is one of the most impressive records of service ever accumulated.

For 15 years, Gary Hymel has dedicated himself to the improvement of the House. He has worked for the office of the majority whip, majority leader, and now the Speaker. Gary has made friends on both sides of the aisle by applying the same standards to everyone—be cordial—be cooperative and be fair.

Gary knows this House as well as anyone. His advice was the best around. While we regret it—we do understand his decision to return to private life. However, his departure leaves us with a void that will be hard to fill. Staff people ofttimes do not get the proper recognition for their work, so today I am pleased that we are taking this opportunity to give credit where credit is due. Gary—good luck—good health—and thanks for everything.●

## "NATIONAL AUTO POLICY—UNFINISHED BUSINESS"—PART III

### HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. PEASE. Mr. Speaker, the final portion of UAW President Doug Fraser's address to the Sixth Annual Automotive News World Congress focuses upon one possible remedy for equalizing international auto trade policies. Domestic content laws are already in effect in virtually all other auto-producing countries. The time may have arrived when we ought to at least air the pros and cons of content legislation as a means of signaling our resolve toward both free trade and fair trade policies.

FINAL PORTION OF UAW DOUG FRASER'S ADDRESS

A local content requirement is needed to preserve employment and shore up the nation's sagging industrial base.

Such content legislation should require that, by 1985, auto companies with yearly sales in excess of 200,000 units have at least 75 percent North American content in their fleet; and that companies with 500,000 units

or more have 90 percent North American content in their fleet.

Local content requirements tied to sales volume should be phased in beginning with the 1983 model year. Credit would be given for exports of parts or vehicles, to allow manufacturers flexibility to rationalize production.

A "manufacturer" for this purpose should be defined by the locus of majority control. For example, Chrysler and Mitsubishi would be counted as two separate companies, since Chrysler does not control Mitsubishi Motors.

The UAW believes that each company has an obligation to generate employment in those countries in which it has substantial sales volume. Sales in North America by VW, Toyota, Nissan, and Honda have long since reached a level at which full-scale assembly can be efficiently accomplished here.

Indeed, by 1980 both Toyota and Nissan had U.S. sales that approached Chrysler's.

Substantial local content cannot be implemented overnight. But the timetable carried out by Volkswagen over the last few years can serve as a clear example for others.

VW began U.S. production in 1978. Now, in addition to its assembly plant in Pennsylvania, it has a stamping plant in West Virginia and a new multi-plant complex in Texas. It is about to open a second assembly plant in Sterling Heights, Michigan. Currently, the North American content of VW Rabbits is approaching 70 percent.

Some may object that our content proposal runs counter to the principles of "free trade." We have long recognized the benefits to humanity that flow from expanded world commerce. The vital role of world trade in fueling postwar economic growth is widely known.

Nor have we forgotten the tragic lessons of the thirties, when a round robin of misguided beggar-thy-neighbor protectionist polices worsened the Great Depression.

But the world has changed a great deal since then. When it comes to autos, with the significant exception, until recently, of the U.S., there is no major nation of the world that practices "free trade" and there has not been for some time. Every major nation bent on industrialization and economic growth has singled out auto as a sector to develop.

Every multinational wishing to do business in the major markets of the world has found it to be a political necessity to set up shop in those markets, to contribute investments and employment in return for access to those markets.

The U.S. can no longer afford to be the world's leading exception, accepting whatever others wish to sell here without expecting any contribution to our depleted economy in return.

If other nations' policies prevent auto trade from becoming a two-way street, our country cannot afford a one-way traffic jam of the unemployed. The fact is, our content proposal would not be significantly disruptive of world commerce; rather, it would assure that other nations trade responsibly.

Our minimum vehicle threshold, before application of any content provision, would permit foreign automakers who sell here in moderate volumes, such as BMW or Fiat, to continue to do so without interference.

The phase-in period contained in our proposal would permit companies to increase domestic content in an orderly and achievable way, on a timetable roughly like the one VW has followed voluntarily.

Moreover, with content set at no more than 90 percent even for the highest volume sellers, the automakers would still be permitted a substantial amount of foreign sourcing; consumers could still derive substantial benefits from further internationalization of production.

Domestic content requirements are already part of two laws that affect U.S. auto companies. First, the Corporate Average Fuel Economy (CAFE) requirements of the 1975 Energy Policy and Conservation Act include such a provision.

For CAFE standards, models sold in the U.S. with less than 75 percent North American value-added must be averaged separately from those with more than 75 percent content.

This has served in the past to reduce the incentive for U.S. auto companies to ship more small cars and parts here from their overseas operations, and has brought about faster domestic conversion to production of more fuel-efficient vehicles.

Second, the Automotive Products Trade Act of 1965 also contains a content provision. It permits zero tariffs on vehicles, parts, and materials when at least 50 percent of their value is derived from domestic production.

As a result of this provision, products merely assembled in Canada from non-North American parts would be charged a tariff when they enter the U.S. Japan has imposed local content requirements for its aerospace purchases. As a condition of its purchase of billions of dollars worth of fighters and patrol planes from Lockheed and McDonnell Douglas, Japan will produce at least 40 percent of their value.

The Boeing Company has also reported that foreign production has become widely required to make sales abroad. To help clinch major sales to Japanese airlines, Boeing made guarantees to source in Japan 15 percent of the multi-billion dollar production value of their new 767 series sold worldwide.

The Japanese government, according to its official sources, negotiated arrangements for three Japanese companies to participate with Boeing and provided a subsidy of almost $100 million.

A local content law is clearly superior to long term measures which simply limit imports.

The competition among the world's auto companies to provide the American consumer with a wide variety of innovative products built with the most efficient technologies available would be retained. The U.S. producers would continue to be pressured by the discipline of the design and engineering innovations of foreign-based manufacturers.

Local content requirements would, however, lead to increased investment in our country and prevent further disastrous loss of jobs. Such jobs would be not only in motor vehicle assembly, but in the many firms and industries which supply the auto industry.

Many of you in this audience represent companies that supply the auto industry with parts and components. I'd like to ask you to set aside for a moment the natural tendency to see corporations on one side of the table and the UAW on the other.

No doubt we have strong disagreements on certain issues, but on the question of content legislation I think we have a great deal in common.

The idea of content legislation does have support in both labor and business circles. My union advocates content, yet so does Business Week—hardly a radical publication. Automotive News, which most of you read, endorsed the idea of imposing a content requirement as well.

Today I began sending letters to more than 1,000 parts and supplier companies in the auto industry. In those letters, I'm asking their officers to consider joining with us in the legislative fight on behalf of content legislation.

On this issue, the parts sector and trade unions should have common cause. When General Motors threatens workers with statements it intends to buy or build more components "offshore," your companies may very well be victims as well. When Ford talks about out-sourcing parts overseas, it's your firms as well as our workers who are being blackmailed.

Content legislation not only will address the savaging of the American economy by the Japanese. It will also confront the exporting of American jobs and capital by General Motors and Ford. For years, those companies—whatever their other sins—did do what we're asking of the Japanese.

After World War II, instead of building cars in North America and shipping them to Europe, for example, GM and Ford produced where their market was. They built plants and produced vehicles in Europe for the European market. It would be the height of irresponsibility today for them to reverse that policy and begin producing more vehicle content overseas for the North American market.

The UAW has no intention of allowing them to do so. Nor will the American public tolerate GM or Ford abandoning our shores at the same time those companies seek help from taxpayers and consumers.

Last night you heard Donald Petersen of Ford Motor Company. Like Phil Caldwell, Mr. Petersen has repeatedly threatened to export our jobs unless the UAW reopens the agreement Ford signed committing itself through next September.

You've all probably seen the long row of flags in front of the Glass House at Ford World Headquarters. Now Ford threatens to lower the American flag and raise the colors of countries that distinguish themselves by paying their workers so little they can't afford to buy the products they make. Roger Smith of GM can't seem to get through a speech without making similar threats.

We have no intention of reopening those agreements. Yet, let me make it clear that the UAW fully intends to approach 1982 bargaining in a responsible manner. We are realists. We understand that bargaining doesn't go on in a vacuum—you have to face the economic realities that exist when you go to the table.

I'm hopeful we can work out whatever differences we have with the companies, as we have in past negotiations. The UAW is committed to new approaches at the bargaining table. There is some indication that may well be true of the Big Two as well.

Yet the issue before us today is what can be done now to restore the North American industry to health. There are a number of needed steps, but content legislation is most important. It addresses both the failure of the Japanese to trade responsibly and the threat of GM and Ford to out-source irresponsibly.

The content legislation would be constructed in such a way that companies could rationalize production on an international basis.

We're not urging that every single component that goes into a car sold here be built here. GM, Ford and other multinationals could still have some large volume plants in other countries which would produce parts for cars sold here. In fact, under the legislation we advocate, the U.S. companies currently would meet the content requirements even though they currently import some parts and components for the domestic market.

What the law would do, basically, would prevent domestic manufacturers from launching major efforts to significantly lower domestic content by exporting North American jobs. Who would benefit from content legislation? Just about everyone, in our view.

Consumers would have a wide variety of vehicles to choose from, rather than facing limits with restraints or tariffs or quotas. The consumer also would gain in that American automakers would face the discipline that foreign companies provide in terms of price, design, and product innovation.

Obviously, we believe workers would benefit. Content legislation means jobs—jobs in Detroit and Pittsburgh and Phoenix and Atlanta and all across this country.

Not only would autoworkers benefit, but so would steelworkers, glass workers, electrical workers, rubber workers, etc.

Our towns and cities would benefit from content legislation. Go to Westmoreland, Pennsylvania, and talk to the local merchants about Volkswagen. The union wage VW workers earn gets spent at the local A&P and the hardware store and the coffee shops. The school districts benefit from the tax base as do other units of government there.

Parts suppliers would benefit from content, as I've noted. Their gains, and those of their workers, would not be limited to new vehicle sales, but also would accrue in the replacement market.

Finally, I believe GM and Ford would benefit as well from content legislation, despite the limits it would impose on notions they have about offshore production. They would benefit because the Nissans and Toyotas would have to compete with them on the basis of quality, design, efficiency, price and product innovation, but not on who can pay their workers the least.

Currently, Japan is a country with high productivity in auto, yet it pays its autoworkers as if they worked in an industry with productivity well below Spain, or Italy. High productivity doesn't earn autoworkers decent purchasing power in Japan.

If labor costs are the key factor in international competition, the Japanese will probably experience in auto what occurred in the shipbuilding industry. Other less developed countries exist that are willing to exploit their workers even more.

The Japanese shipbuilding industry has lost market share in a shrinking market because the low-paying shipyards of Korea and Brazil took their markets. Unless a work order can develop that takes wages out of competition by paying workers based on productivity, the unemployment lines of Toledo will have their counterpart in Tokyo, while they work overtime in Taipei.

While the UAW intends to press the fight for content legislation, we are hopeful that representatives of all these groups that would benefit will join us. A coalition of workers, consumers, local governmental officials, parts and supplier firms, and even the auto companies would present a powerful political force on this issue.

In the past few months, my union has received many invitations to "come to the party" from various companies seeking our help. Where it was justified, we did. Now, on an issue which is also justified and which will mean increased investment and job creation here, we're asking them to "come to the party."

Winning content legislation will not be easy. Nor will convincing Washington that we need a coherent auto policy based in part on that legislation.

Other elements of that national economic policy should include the rejection of high interest rates and monetarism; imposition of wage/price restraints to slow inflation; targeted tax and capital formation programs; greater democratization from the shop floor to the corporate boardroom, and expansion rather than cutbacks in job retraining and relocation programs for workers and communities affected by economic dislocations.

There are numerous other initiatives which would help get our depressed industry back on track. I've outlined a program for you tonight that, if implemented, would mean that when you meet next summer at this same World Congress the auto outlook would begin to be brighter.

As a realist, I know some elements of the auto policy I've outlined will not be embraced by the Reagan Administration and the Congress, let alone the automakers themselves.

Winning the content legislation I've proposed tonight will take a very difficult fight. But it's one we can and should make together. If we do, and if we succeed, there probably still will be problems that will keep the champagne corks from popping in the hotel suites at next year's Auto News gathering.

But at least we all won't be crying in our beer over the 39th straight month of depression as all but those of you working for the Japanese automakers probably will do after the session tonight.

Thank you for hearing out my proposals and giving them your consideration.●

## MAKING IT MORE SECURE

### HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following thoughtfully written editorial from the Ventura County Star Free Press on the difficult minimum social security payment issue.

MAKING IT MORE SECURE

Now that the budget and tax bills are in the corral, President Reagan is attempting to lasso a critter with even more political spunk: Social Security.

The president's original proposal was apparently to wipe out the minimum benefit of $122 a month—which, being paid to everyone who has the required Social Security work record but did not earn enough to be entitled to that amount, is now a sort of "floor" figure. The idea was to save about a billion dollars a year by paying each person with a work record exactly what past earnings entitled—even if it was less than $122 a month.

For people to whom that would be a real hardship, Mr. Reagan proposed that they be picked up by the Supplemental Security Income plan—the "gold check" program, a successor to the former old age security plan, which is based on age and need. SSI funding comes from general revenues, not from Social Security tax receipts, so the strain on Social Security would be eased.

The administration's real target is people who held government jobs not covered by Social Security, and who managed a bit of moonlighting in jobs that were covered by Social Security. Some of them now enjoy relatively good government pensions and also get $122 a month. Others who enjoy the minimum payment are retired, well-to-do people who have a minimal earnings record under Social Security, because their income has been primarily from investments; to them, the $122 is plain, tax-exempt gravy. The current Washington slang for these two classes is "double-dippers and coupon clippers," and neither of them is a hardship case.

But for many Americans, a minimum Social Security payment is a necessity. A congressional study shows that some 300,000 people, many of them widows, need that money for bare subsistence. These include people who can't qualify for SSI, in part because SSI has a rigid means test which would exclude a widow who happened to have more than $1,500 in bank deposits or other liquid assets. For these 300,000, who would "fall between the cracks" if the minimum were removed, Mr. Reagan promises compassionate attention, and he should get solid congressional support.

The double-dippers and coupon clippers may not like it, but the Social Security program was designed from the beginnning to provide a modest, minimum amount for those who need it. Saving a billion dollars a year, by limiting minimum payments to those in need, would be one essential step toward making the whole Social Security system a bit more secure.●

## REMARKS OF REPRESENTATIVE WILLIAM L. DICKINSON

### HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. DICKINSON. Mr. Speaker, in developing a China policy, it is essential that the Reagan administration take into account Taiwan's very strategic location. It must be remembered that Taiwan guards two of the most important waterways in Asia—the Taiwan Straits and the Bashi Channel—and that whoever controls Taiwan controls the gateways to Southeast Asia.

In the article, "Taiwan's Strategic Importance" which appeared in Security, Prof. Chin Sheng-pao states that in order to contain Soviet expansion, it is imperative that Taiwan remain in strong friendly hands. Mr. Chin writes that:

Russia, since its estrangement with China, has been trying to break through U.S. encirclement and, in turn, encircle Communist China. The entrenched presence of Afghanistan and Pakistan in the Soviet camp, Laos'

recent severing of treaties with Peking, and the existence of large, vocal pro-Soviet forces in India and Iran are conclusive evidence that Russia is succeeding in its endeavor.

The professor's arguments are supported by such distinguished leaders as Leonard Unger, the last American Ambassador to the Republic of China, who wrote that:

A hostile government on Taiwan could threaten American friends and allies in North, East, and Southeast Asia. Over time, this could encourage policy shifts in those countries contrary to U.S. interests and diminish American influence in the area.

At this time, I insert Professor Chin's article in the RECORD for my colleagues to peruse at their leisure.

TAIWAN'S STRATEGIC IMPORTANCE

(By Chin Sheng-pao)

(Chin Sheng-pao received his LL.B. and LL.M. from National Cheng Chi University. He was also awarded an M.S. in area studies by the University of London. Chin, who specializes in national security issues, is presently an associate professor of international politics at National Cheng Chi University.)

The United States' decision to abrogate its Mutual Defense Treaty with the Republic of China and recognize Peking provokes the asking of two questions. One, why did the U.S. change its China policy after thirty years; has Taiwan's strategic importance to the U.S. changed so drastically? And two, how does this change in policy affect the security arrangements and strategic balance in the Western Pacific?

These two questions can perhaps best be answered by examining U.S. foreign policy vis-a-vis Russia since WWII and Taiwan's strategic importance after the 1949 Communist takeover of Mainland China.

George Kennan in 1947 published an article entitled "The Sources of Soviet Conduct" in the Foreign Affairs Quarterly stating that Russia can maintain internal stability only by external expansion. To bring about the internal collapse or at least changes in the nature of the Soviet regime, the U.S. must prevent Russia from expanding its sphere of influence.

This containment policy was adopted by Washington, and a series of alliance systems and mutual defense treaties was drawn up and signed to encircle Russia. The result was NATO, CENTO, SEATO, and the mutual defense pacts in the Western Pacific region with Japan, South Korea, and the Philippines.

The U.S.-ROC Mutual Defense Treaty was not signed until 1954. The Korean War brought the Americans and the Chinese Communists into direct conflict, and led to Washington's decision to contain what it saw as Peking's aggression. So instead of revising its China policy after the Communist takeover of the Mainland, Washington simply expanded its sphere of encirclement to include Communist China as well as Russia. By joining forces with the Nationalist Chinese on Taiwan, the U.S. closed up its last gap in the island defense chain in the Western Pacific.

The thinking in Washington at the time was that Communist China, like Russia, must expand externally if it were to maintain internal stability. Mainland China, however, was bordered on the east by the Pacific, the west by the Himalayas, the south by Southeast Asia, and the north by Russia.

Geographical elements alone, especially with Taiwan blocking Communist Chinese access to the Pacific, would make it impossible for Peking to expand east or westward. As for the north and south, if the U.S., armed with SEATO, could prevent Peking from expanding into Southeast Asia, the Communist Chinese would necessarily have to turn toward the north where they would come in direct conflict with Russia.

In the 1960s, a number of scholars including Harvard's John Fairbank came up with another theory. They felt the strong nationalistic feelings in Southeast Asia and the presence of so many overseas Chinese there would deter Peking from expandng southward, especially if American military presence were removed from the area. So if the U.S. withdrew its forces from Southeast Asia, Peking might feel free to move the bulk of its southern divisions north against Russia.

Carrying this thinking one step further, the scholars theorized that if Washington joined forces with Peking in its fight against Russia, it would make containment of Russia even more effective.

This theory gained much support in the United States, especially after the Vietnam debacle in the late '60s when the American people began calling for the withdrawal of U.S. forces from Southeast Asia. The theory was later adopted by President Nixon and became the basis of his Nixon Doctrine.

The change in U.S. foreign policy was also influenced by the many new developments in weapons technology. As the U.S. lost its military supremacy over Russia, it chose to substitute quality for quantity in its design and selection of weapons systems. The belief was that in the atomic age, genuine protection could be achieved only by a threat of retaliation on a scale such that it would deter the enemy from initiating an attack.

The introduction of inter-continental ballistic missiles, surface-to-air missiles, and nuclear submarines made obsolete the need to use Taiwan as a refueling station for U.S. long-range bombers or as a base from which U.S. conventional armed forces could launch military support activities.

Thus in view of U.S. rapprochement with Peking, which moved the frontiers of U.S. encirclement of Russia up to Mongolia, Taiwan was no longer needed to contain Communist China. The ROC as a result lost its strategic significance to Washington.

But is this really true? Is Taiwan then strategically unimportant?

Geopolitically speaking, all one has to do is look at a map to know this is not so. Taiwan forms one of the most vital links in the Pacific chain of defense, which stretches from South Korea, through Japan, Okinawa, Taiwan, to the Philippines.

But even more important is the fact that Taiwan guards two of the most important waterways in Asia—the Taiwan Straits and the Bashi Channel. Whoever controls Taiwan thus controls the gateways to Southeast Asia.

This is extremely significant in that U.S. encirclement of Russia is not the only containment system in Asia. Russia, since its estrangement with China after the 1950s, has been trying to break through U.S. encirclement, and in turn encircle Communist China. The entrenched presence of Afghanistan and Pakistan in the Soviet camp, Laos' recent severing of treaties with Peking, and the existence of large, vocal pro-Soviet forces in India and Iran are conclusive evidence that Russia is succeeding in its endeavor.

The friendship treaty of November, 1978, between Russia and Vietnam is also significant in that it is Russia's first major foothold in Southeast Asia. But for Russia to be an effective ally in this region, it must be able to deploy its Pacific fleet to support Vietnam in the event of a crisis, as was the case in February, 1979, when Communist Chinese forces invaded Vietnam.

At present, Russian control of the Kurile Islands off Japan allows it to move its Pacific fleet out of Vladivostok, However, to get to Southeast Asia, Vietnam specifically, it must pass through the Taiwan Straits or the Bashi Channel. Without access to these two waterways, the Russian fleet would have to circle around Australia and New Zealand to reach Southeast Asia. Russia's interest in ensuring that these two waterways remain open and that Taiwan does not fall into hostile, i.e. Communist Chinese, hands is thus quite understandable.

Taiwan's so-called "non-importance" is thus valid only in terms of U.S. assessment. And even this is true only insofar as Taiwan remains in friendly, i.e. not Russian, hands, and the U.S. 7th Fleet is allowed to patrol the area.

In fact, Washington would like to see a solution to the two-China problem, so that the safety of the Straits would be guaranteed. As long as Taiwan is separated from China, there is always a chance that something might happen to alter Taiwan's pro-American policy. Until a unification takes place, Washington will abide by the present status quo.

The U.S. and Russian conflict in this area can perhaps be explained as that of a sea power versus a land power, with the U.S. being the sea power and Russia the land power. For the U.S. to gain the upper hand, it must move ashore on to the Asian continent, thereby tightening the noose around Russia. Likewise, the Soviets must break out of U.S. encirclement and move out to sea. All strategic moves made by these two powers are directed toward attaining these ends. They are like two go players trying to outmaneuver and surround each other.

The U.S. in normalizing its relations with Peking has pushed its sphere of influence inland to the Sino-Russian border. America's coup, however, is countered by the growing presence of the Russian navy not only in the Western Pacific, but also in the South China Sea. Russian reconnaissance planes have also been making regular flights into the region since February this year. This is the first time in history that Russian planes have ventured this far south in the Pacific.

Taiwan's importance to both the U.S. and Russia lies in the fact that it is situated on the rim land, where the Asian continent meets the ocean. The island is thus a stepping stone from which the U.S. can launch its moves inland, and conversely where Russia can expand out into the ocean. The U.S. has succeeded in moving inland. This is why they consider Taiwan strategically unimportant.

As far as Communist China, the third major power in the region, is concerned, Taiwan is simply part of China, and a unification of Taiwan with the Mainland must be effected in the not too distant future. Peking is not likely to contemplate an immediate takeover, however, since it does not at present have the power to do so.

A successful invasion would require a blitzkrieg, which could be concluded before Russia or any other country would have time to react or interfere. This would mean

not only a large enough amphibious force to implement the invasion, but air supremacy over the Straits as well. Communist China has neither capability at the moment.

So unless they are assured of a successful invasion, and if nothing happens to aggravate such an attack, the Chinese Communists are quite prepared to accept the status quo. Taiwan, though not in their hands, is at least free from Russian domination.

A Taiwan swayed by Russia, the Communist Chinese fear, would not only allow the Russian fleet to patrol the Chinese Seas, but might even close off the Straits to Peking. This last move would split the Communist Chinese navy in two—one trapped in the South China Sea, the other in the East China and Yellow Seas.

The Taiwan issue is balanced so delicately now, any slight or unexpected change may make the situation explosive. This is why Japan, South Korea, Singapore, Hong Kong, and the Philippines are so concerned that the U.S. make an alternative defense arrangement with the ROC so as to safeguard the security and stability of the area after the 1954 Mutual Defense Treaty is terminated.

This is perhaps also why Russia till now has made no overtures to Taiwan, for fear that any action it might take would set off a chain reaction. As stated by Ralph Clough in his book Island China, one of the three things which would provoke Peking to move ahead its unification timetable and thus ignite the Taiwan powder keg would be a move by Russia to invade or ally itself with the ROC.

A second possible provocation, according to Clough, would be Taiwan's development of the nuclear bomb. President Chiang, however, has repeatedly stated that the Nationalist government has no intention of doing so.

The third and potentially most volatile circumstance would be a declaration of independence by Taiwan. Peking would never abide any move to separate Taiwan from China. As long as the government in Taiwan insists that Taiwan is part of China, and as long as the Mainland's military capabilities are not fully developed, the Communist Chinese will do nothing to disturb the status quo.

If something does happen to upset the delicate balance of powers, the change will most probably be to Russia's advantage, since the Russians have the least to lose. The U.S. and Communist China are unlikely to make any moves which will result in such an advantage for the Russians.

Thus, at least for the moment, Taiwan need not fear an outright attack. What it must guard against however is internal subversion instigated by foreign agents. Only in this manner will Peking and Washington achieve what they want without risking Russian interference.

As Leonard Unger, the last American ambassador to the ROC, wrote recently in the Foreign Policy Quarterly, Taiwan, far from being strategically insignficant,

". . . occupies a key position in the Western Pacific-East Asian security system. It lies along important shipping and air lanes that link Japan and Korea to their major oil and commercial connections in Southeast Asia, the Middle East, and Europe. Taiwan in unfriendly hands would represent a potential threat to those links. . . .

"So even though U.S. military experts have concluded that access to Taiwan is not essential to immediate U.S. security interests in the Western Pacific, a hostile government on Taiwan could threaten American friends and allies in North, East, and Southeast Asia. Over time, this could encourage policy shifts in those countries contrary to U.S. interests and diminish American influence in the area."●

## HUD-INDEPENDENT AGENCIES

### HON. W. G. (BILL) HEFNER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. HEFNER. Mr. Speaker, I rise in strong support of the conference agreement on H.R. 4034, the HUD-independent agencies appropriations for fiscal year 1982.

As a member of the Appropriations Committee, I know the difficult circumstances under which these agreements are reached and, given the economic situation we now face, the problems of resolving differences on money bills are more complex than ever. Certainly, all of us are happy that the conference agreement is approximately $2 billion below the amount which recently passed the House. As the very able chairman of the subcommittee has pointed out, the conference agreement is more than $2.5 billion below the budget request. The bill is within the allocation to the Subcommittee on HUD-Independent Agencies based on the targets contained in the first concurrent budget resolution. According to the chairman, it meets the test of the Omnibus Reconciliation Act. In essence, Mr. Speaker, the conferees have done everything they could possibly do in keeping the bill within the spending limits set by the House as contained in the first concurrent budget resolution. I want to commend the distinguished gentleman from Massachusetts, the subcommittee chairman, Mr. BOLAND, and the very able ranking minority member, Mr. GREEN of New York, not only for doing such an excellent job in bringing to us a reasonable compromise with the other body, but for the expeditious way in which they have proceeded to get this appropriation bill to the President. This is the first appropriation bill that has gone all the way through conference. I hope it is adopted so that the Senate can move with it expeditiously.

Mr. Speaker, I am extremely pleased with the level of appropriations provided for in this conference agreement for our Nation's veterans and their dependents. My colleagues will recall that on March 10 of this year the administration submitted a formal request to the Congress that veterans' benefits and services be reduced by more than $800 million in outlays during the next fiscal year. Drastic cuts were proposed for the hospital and health care programs for veterans. The proposed cuts in medical accounts totaled more than $300 million. Most of the cuts would have involved a reduction of some 5,000 personnel in the hospital and health care system. As Chairman BOLAND has said, anyone who takes the time to visit a VA hospital knows full well the agency can ill afford to take such cuts.

At the time the proposed reductions were submitted to Congress, veterans' leaders throughout the country contacted me and, as a member of the Budget Committee, I offered an amendment during the consideration of the first concurrent budget resolution to restore approximately $600 million of the cuts proposed by the President for veterans' programs. I received overwhelming support, Mr. Speaker, in committee and, finally, the administration agreed to the restoration of these funds in the so-called Gramm-Latta substitute on the budget.

Mr. Speaker, I am pleased to state that this conference agreement reflects generally the level of benefits and services for veterans that the Committee on Veterans' Affairs and the Budget Committee proposed to the House. There is no question that the funding levels contained in this agreement will provide adequate monetary benefits to all veterans and, in addition, will assure all veterans, both service-connected and nonservice-connected, that their health care needs will be met in fiscal year 1982. The agreement restores $330 million and 5,181 staff-years proposed to be cut by the President. It will provide more funds for veterans to be treated in community nursing homes, a program, Mr. Speaker, that is very cost effective. Four million dollars has been included to implement the so-called Roberts' scholarship program, a program designed to bring more skilled nurses into our VA hospitals. There is an acute nursing shortage throughout the Nation and this program, when implemented, will allow the VA to begin to recruit more nurses who will be obligated to serve 1 year as a VA nurse for each year he or she receives a scholarship to attend nursing school. We expect to recruit 500 nurses the first year.

On balance, Mr. Speaker, this is an excellent bill, and I am delighted to support it.

It has been suggested that the President may have to veto this bill because some officials in the administration have advised him that the bill is over in outlays from what the President had proposed. I shall not go into the differences between the administration's estimates and those given to the Appropriations Committee by the Congressional Budget Office, but it is obvious to me that most of the outlays we are talking about are those we are enthusiastically supporting for veter-

ans. We thought it had been agreed to downtown. I understand the White House now has indicated that although the President is not opposed to the amount contained in the agreement for veterans' benefits and services, the restoration of these funds for veterans must come at the expense of a reduction in other departments or agencies. This, in my view, places the Appropriations Committee in an impossible situation. I would agree with Mr. BOLAND when he stated that to our knowledge neither Mr. Stockman nor anyone else in the administration has asked us to offset any amount for veterans' benefits and services. We thought this issue was resolved when we passed the so-called Gramm-Latta substitute to the budget resolution, and I hope the administration will live with the agreement that was reached at that time.

It would be a tragic loss for our veterans for the President to veto this bill. If he should do so, I am sure the veterans of our Nation will be asking the administration some critical questions as to where it really stands on veterans' programs for which we are told there is a strong commitment.

Mr. Speaker, I urge the adoption of the conference agreement. I hope the Senate will act on it promptly so it can be submitted to the President in order that he may sign it. If the President does veto the bill, Mr. Speaker, I would urge the chairman to bring it quickly before the House so we can consider a vote to override such veto.●

## BLACK COLLEGES FACE SEVERE PROBLEMS

### HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. SIMON. Mr. Speaker, the Wall Street Journal carried an article on the effect student aid reductions would have on historically black colleges and universities. Despite the President's "safety net" assurances to the presidents of these institutions, the administration's budget and legislative proposals have the potential of significantly undermining the Federal student assistance programs which provide access to college for low- and middle-income students. As the August 4, 1981 Journal indicates, any diminution in Pell grant assistance will have a severe effect on low-income black students attending historically black institutions because the student is unable to make up lost Federal aid from other sources, and the colleges themselves are extremely dependent on the aid their students receive.

Black colleges and universities play a unique and important role within the higher education community. That role can only be maintained if Federal student aid, especially Pell grants and the campus-based programs, are not reduced. I hope my colleagues will read this article and keep it in mind when the fiscal year 1982 appropriations bill for education reaches the House floor. Maintaining at least an $1,800 maximum Pell grant and $2.65 billion in funding are important as higher education opportunities for a great many Americans.

The article follows:

BLACK COLLEGES GIRD FOR CASH CRISIS FROM REAGAN'S CUTS IN STUDENT AID

(By Anthony Ramirez)

HOLLY SPRINGS, MISS.—William A. McMillan is waiting for the shock wave from Washington to hit. As president of Rust College, a small black institution in this quiet town near the Tennessee border. Mr. McMillan is wondering whether federal cuts in student aid will mean fewer young blacks will enroll here this fall.

"We are hoping for the best," he says, "and preparing for the worst."

For Rust College, the question is far from academic: 100% of the student body receives financial aid.

Rust, which had more than 725 students last year, is similar in its federal dependency to many other black schools. Among the 41 member colleges of the United Negro College Fund, the money-raising agency for many black private institutions, 28 have student bodies in which 90% or more of the students receive aid.

NEEDY SCHOOLS

How federal cuts in education programs will affect black private colleges, almost all of which are in the South, has been largely overlooked in the public and congressional debate. These colleges already have been hurt by years of high inflation, scant endowments, low faculty salaries, critical maintenance long deferred and little state and local government aid.

"These places are running on a shoestring," says Humphrey Doermann, president of a private foundation that has helped raise funds for black colleges. "There isn't much slack left in them, if you start taking dollars out."

Black institutions larger than Rust College also will be hurt, says Elias Blake Jr., president of Atlanta's Clark College, which has an enrollment of about 1,800. "We're all crossing our fingers," he says.

Earlier this year, Congress approved reductions in several aid programs, the most important of which for black private schools is the Pell grant program. It provides flat annual awards to needy students. (Federal loans are less important to students at black colleges because many are from rural areas, where banks usually don't participate in federally subsidized low-interest loans.)

SCRAPING ALONG

For the 1981-82 academic year, which starts in the fall, Congress cut the maximum Pell grant to $1,670 from $1,750 a year. Although the $80 seemingly could be made up elsewhere, black educators fear that summer jobs are so scarce that many students coming from low-income families won't be able to scrape up the extra funds. "They're trying to hold together their education with Scotch tape and baling wire now," says Mr. Blake, who says that sums as small as $50 can keep some students out of college.

Moreover, Congress may be readying even deeper cuts in future years, although a rise in total program funds is slated for the 1982-83 academic year. That's because an increasing number of eligible students and more government money to cover high-interest costs for federal loan programs may mean Congress will award students steadily dwindling aid over their college careers.

Meantime, Congress decided late last month to authorize a maximum of $2.65 billion for 1982-83 Pell grants, up about 13% from the year-earlier appropriation of $2.35 billion. Actual appropriations for the 1982-83 year and the maximum Pell grant award haven't been set yet.

Certain technical changes also are likely to hurt. Congress eliminated, for example, the $10-per-student administrative allowance to pay for clerical staff at colleges.

At Rust, founded in 1866 and one of the oldest black schools in the U.S., these cuts could cause enrollment to drop 15% or more, Mr. McMillan says. That would deprive the school of much indirect federal money for its $4.7 million operating budget.

Mr. McMillan says he may have to phase out several small academic departments, cut book-purchase money for the 60,000-volume library to $100,000 from $150,000, close down "some" buildings (out of seven major buildings) to save on winter heating bills, and reduce by as much as a third the college's 35 faculty positions.

Students already enrolled at Rust are likely to feel the effects of federal cuts. Jason Jackson, a 19-year-old freshman from Collierville, Tenn., who is majoring in music, is the son of a Memphis, Tenn., sanitation worker and the first in his family of 10 to go to college. He is on 100% financial aid, except for pocket money of $132 he earned last summer packing eggs at a poultry farm.

"I don't know what I'll do if my aid is cut," he says.

About 80 percent of the student body comes from families with incomes of less than $9,000, according to Fannie Lampley, the financial aid director. Almost all of the students, she says, receive the maximum $3,609 award for tuition, room and board, books, and miscellaneous costs—including the Pell grants. Pocket money and other costs bring a student budget to about $4,000, she estimates. (Some students say they get by with as little as $100 pocket money in a school year.)

Like other black schools, Rust's faculty and staff salaries are low. Pay for a full professor, according to the administration, is about $19,000 annually, but one faculty member, who doesn't want to be identified, says the actual top pay is $14,000.

Faculty and staff are discouraged from attending too many out-of-town conferences—and banned from going by airplane. They are strongly "encouraged" to travel by car or bus. (Staff automobiles are purchased for about $200 each from Army surplus.) They also are encouraged to stay with friends rather than at hotels.

Rust College's 120-acre campus is attractive; the McCoy administrative building overlooks lawns with a gazebo. There is a new $1.3 million cafeteria and media complex, and a $180,000 faculty-staff apartment complex. But several dormitories and other buildings badly need repairs. At Wiff, a women's dormitory, one shower hasn't worked for almost a year. Indeed, bad plumbing has acquainted most students with cold showers. In the school auditorium,

a leaky roof plops water onto the first few rows of seats.

The chemistry laboratories often lack essential—but expensive—equipment and chemicals. In some classes, students have to triple up on books. A freshman English class recently complained that many of their class materials, being photocopies, were hard to read. And many texts are paperbacks, which fall apart faster than hardbound volumes.

Rust's endowment is small, about $3.2 million, and there is little in the way of private contributions that might replace federal money. Mr. Doermann, who is president of the Bush Foundation, in St. Paul, Minn., estimates that for every $2 provided by corporations and foundations for education and other purposes, the federal government spends $100.

"We're outgunned," he says.

HARD-LUCK STORIES

David L. Beckley, Rust's chief fundraiser, says private giving has been flat for the last few years. Giving totaled $1.6 million last year—including the usual $560,000 or so annually from the Methodists, founders of the college—and it isn't expected to rise this year. Taking inflation into account, that means a drop in purchasing power.

"A lot of corporations are telling us that their stock portfolios aren't performing well," Mr. Beckley says. "I expect to be hearing that a lot."

To be sure, the Reagan administration has expressed support for black colleges. It helped increase technical assistance earmarked for black colleges to about $120 million in the 1981-82 academic year from $110 million a year earlier.

But the Department of Education, which implements federal policy, apparently has given little thought to black colleges. "If there is a policy, you let me know," says Anita F. Allen, a top official in the Office of Student Financial Assistance.

If federal education cuts dissuade young blacks from black colleges, they may not be able to get into white schools. Many black freshmen come from inferior high schools and are thus educational "salvage operations" requiring much remedial education, says Christopher F. Edley, executive director of the United Negro College Fund. Yet 30 percent of the graduates of black private colleges go on to graduate school, he says.

White institutions probably wouldn't give so much remedial education to blacks, Mr. Edley says. "After all, if blacks don't have a strong regard for the education of black youth," he asks, "who will?"●

## SOVIET-VIETNAMESE USE OF BIOLOGICAL-CHEMICAL WEAPONS IN ASIA

### HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. BROOMFIELD. Mr. Speaker, once again the true nature of the Soviet and Vietnamese regimes has been revealed by this inhumane use of biological-chemical weapons in Southeast Asia. The administration's evidence that lethal toxins have been savagely used against non-Communist resistance forces will no doubt be elaborated upon in the coming days. Those of us who have followed the Soviet biological-chemical buildup over the last few years, accompanied by the enhanced ability of Soviet troops to fight under integrated battlefield conditions, are nevertheless shocked that the Soviets continue to use banned weapons in contempt of the 1972 Biological Weapons Convention and the 1925 Geneva protocol against their use.

This is not a new problem concerning use of biological-chemical weapons. The United Nations has already started an investigation into Soviet abuse in this area. Prior Soviet violations have been reported in Afghanistan and by either Soviet or Vietnamese troops in Cambodia and Laos. Additionally, there is the suspect Sverdlovsk incident in which it is alleged that 1,000 Soviet civilians were accidentally killed by an explosion at a Soviet biological-chemical warfare plant. We have heard many firsthand accounts of Soviet attacks with these weapons, although technical/medical analyses have been difficult to undertake for a variety of reasons. Now, however, we have preliminary evidence which confirms our worst suspicions.

I recommend that this new information be turned over to the United Nations for assistance in their ongoing investigation. Furthermore, I recommend that the House Foreign Affairs Committee hold hearings on the Soviet/Vietnamese use of biological-chemical weapons in Asia. These hearings would emphasize the new information developed since our last hearing on the subject on April 24, 1980.●

## PROPOSED SALE OF FIVE AWACS TO SAUDI ARABIA

### HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. LONG of Maryland. Mr. Speaker, in the coming weeks, it is likely we shall be voting on the largest single arms sale package in U.S. history—the proposed sale to Saudi Arabia of five AWACS and enhancement equipment for the F-15 fighter costing $8.5 billion.

I recently held a hearing on this ill-conceived proposal in my Subcommittee on Foreign Operations, and would like to take this opportunity to share with my colleagues my opening statement from that hearing.

STATEMENT BY CHAIRMAN CLARENCE D. LONG

Good Morning. We are today holding an educational hearing on the largest single arms sale package in U.S. history—the proposed sale of five AWACS and enhancement equipment for the F-15 fighter costing $8.3 billion—to Saudi Arabia. We have assembled some of the most respected experts on both sides to inform the Subcommittee on all aspects of this proposal.

The Administration, invited to defend the sale before this Subcommittee has declined to state its case publicly until prenotification period is over. Such reticence following its own publicity damages the credibility of the Administration and the Congress.

In an effort to convince the Administration to withdraw the proposed sale, on April 27th, I, along with Representative Norm Lent (R-N.Y.) introduced a bipartisan Resolution of Disapproval of the sale because I felt, as I do today, that this sale is contrary to the national interest of the United States. Two hundred fifty three Members—35 more than a majority, have cosponsored the Long-Lent Resolution of Disapproval (H. Con. Res. 118).

I. COMPROMISE

This proposal can neither ensure stable and secure access to regional oil, prevent the spread of Soviet influence, insure the security of friendly states in the region or in any way enhance our credibility in supporting regional security. The sale would expose our most sophisticated technology to capture by the Soviet Union either through bribery, defection, or accident, as did our sales of F-14s to Iran before its downfall. Indeed, this nation had agreed to sell this very AWACS technology to Iran for largely the same reasons now cited by the Administration for the sale to Saudi Arabia. Fortunately, the delivery date came after the revolution. This time we may not be so lucky. Just two months ago, two 707s—the same aircraft which carries the AWACS equipment—were hijacked from Iran, one carrying former President Bani Sadr to France. Some of the American weapons systems compromised in the Iranian Revolution include the F-14 fighter, the Phoenix missile, the Hawk surface-to-air missile, and the TOW antitank missile.

II. COST TO TAXPAYERS

Second, this sale is against U.S. interests because it represents a giant increase in the arms spiral in the Middle East, a spiral funded largely with American dollars. The American taxpayer would ultimately foot the bill as we would be forced to provide additional aid to the Middle East straining our already overburdened foreign aid budget. Foreign military sales credits to Egypt for example, have already increased from 0 in fiscal year 1980 to a proposed $900 million in fiscal year 1982. Out of the Administration's request of $4.054 billion for foreign military sales credits in fiscal year 1982, 62.7 percent would go to the Near East (Egypt, Israel, Jordan, Lebanon, Oman, Yemen, Morocco and Tunisia).

III. ARMS RACE

This sale will result in a substantial increase in Saudi offensive potential, resulting in a step up in the arms race all over the Middle East. Saudi Arabia, armed with the AWACS and F-15 technology, will be inexorably pulled into a future Middle East war with potentially devastating results.

This huge step up in the arms race has the potential to kindle World War III.

IV. OFFENSIVE POTENTIAL OF AWACS

The Administration has stated that the AWACS, "help Saudi Arabia to defend itself against regional threats but will not measurably increase Saudi offensive potential." According to Senator John Glenn, however, "even the introduction of a crude airborne command center over North Vietnam multiplied our aircraft kill ratio by a factor of six." In a major exercise conducted at Nellis Air Force Base in Nevada, two AWACS were

able to coordinate 134 friendly aircraft and stand off 274 enemy planes. All attempts to attack the AWACS failed.

V. RECORD OF SAUDI COOPERATION

The Saudis have been made out to be a great friend of the United States, yet Saudi Arabia is the major financial supporter of the PLO, has condemned the Camp David agreements, and has opposed the American rescue attempt of the hostages in Iran and even the American response to the Libyan attack recently. The Saudis have refused us basing facilities. The price of their oil has risen from $2.59 per barrel in January 1973 to $34 per barrel in January 1981, hardly a moderate increase.

With this sale we are lighting matches over the most explosive area in the world today. If World War III should break out with all its horror, this is the area which could set it off, and the U.S. taxpayer will be paying to induce his own disaster.●

## BEST WISHES TO GARY HYMEL

### HON. JAMES H. (JIMMY) QUILLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. QUILLEN. Mr. Speaker, I am pleased to join my colleagues in extending my best wishes to Gary Hymel as he begins his new career.

It's been a real pleasure working with Gary over the years. Gary was a great asset to the Speaker's staff and was also held in high regard by Members on both sides of the aisle.

I always found Gary fair and helpful while at the same time dedicated and loyal to the Speaker. Gary held a difficult and responsible position and he carried out his duties with skill and good judgment.

Again, I congratulate Gary on his fine service to the House and its Members, and extend to him my best wishes for his continued success.●

## ACID RAIN: AN AMERICAN TRAGEDY

### HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. LaFALCE. Mr. Speaker, I commend to the attention of all of our colleagues an article penned by Robert H. Boyle for the September 21, 1981, issue of Sports Illustrated. In "An American Tragedy," Mr. Boyle likens acid rain to a "chemical leprosy • • • eating away at the face of the U.S."

Mr. Speaker, the article is but another source of evidence detailing for all who choose to read it that acid rain is not a problem confined to the Northeast, that acid rain is not the new cause celebre around which the descendants of Sun Day rally to protect the environmental movement for its own sake, and that acid rain is not a problem that can only be resolved by pitting no-growth enthusiasts against economic revitalization and expansion. What acid rain is, Mr. Speaker, is a continually worsening problem that threatens our environment, our health, our economic health, and our good relations with our Canadian neighbors. We must meet this threat today, Mr. Speaker, for our failure to do so will make tomorrow's victory harder to achieve and filled with spoils.

For the benefit of our colleagues, I am inserting in the RECORD one small part of the article detailing on a State-by-State basis the very real costs that we pay today. From the Northeast to the Southwest, and from the Northwest to the Southeast, our rivers, streams, wildlife, plantlife water supplies, buildings, industry, and our health are daily threatened by the poisons that fall from our skies.

The article follows:

A CONTINENT HEADED FOR DISASTER

Maine: Native brook trout have ceased reproducing in all small lakes over 2,000 feet in altitude. The pH in these lakes is 5 (pHs of less than 5.6 are hazardous to aquatic life). The headwater tributaries of at least five Atlantic salmon rivers are sufficiently acid to jeopardize the lives of young fish.

New Hampshire: "The usual picture of acid-pickled lakes is beginning to emerge," says Ronald Towne, chief water pollution biologist of the state's Water Supply and Pollution Control Commission. "We have lakes with low pH, low alkalinities, no fish or missing year-classes, high aluminum." So far, Towne has found that seven high-altitude lakes he has been able to reach by car are "bad," but he hasn't been able to get funds for a helicopter needed to sample remote waters.

Vermont: Several lakes in the Brooks Wilderness Area of the Green Mountain National Forest have a pH of 4, and two tributaries of the West River, Ball Mountain Brook and Wardsboro Brook have been acidified.

Massachusetts: Acid precipitation is pelting the state—this summer, the pH of a rainstorm in Lawrence was 2.9—and Massachusetts' fisheries and drinking-water supplies are both threatened by disaster. The Quabbin Reservoir, which supplies the Boston area, often registers surface water pH values in the 5s and 4s, according to Alan VanArsdale, head of the Massachusetts Department of Environmental Quality Engineering's Acid Deposition Assessment Program. Other bodies of water that have lost their buffering capacity include the headwaters of the Westfield, Deerfield and Swift rivers; the Wachusett Reservoir, Atkins Reservoir, North Watuppa Pond, the reservoir for Fall River; a series of high-elevation (1,200 to 2,000 feet) ponds and reservoirs in the Berkshires; and the drinking-water ponds in Plymouth County. VanArsdale isn't optimistic about getting the EPA funds needed to investigate or improve the situation. "They're not going beyond step one to start funding activities in the Northeast," he says. "They're waiting till we scream bloody murder."

Rhode Island: Officials are keeping a watch on the Scituate Reservoir system, which serves as the drinking-water supply for nearly half of Rhode Island. The total alkalinity of the reservoir is low, ranging from three to seven parts per million. The average pH of rain this summer was 3.5.

Connecticut: A dozen lakes have a total alkalinity of less than five parts per million, but Charles Fredette of the state's Department of Environmental Protection terms acid precipitation a "long-range" concern. "We don't have high-altitude lakes like New York or New Hampshire," says Fredette, "and we have relatively good buffering capacity."

New York: It has been documented that 212 Adirondacks lakes and ponds totaling some 10,460 acres are acidified and incapable of supporting fish life. What is infrequently pointed out is that this figure is derived from tests made on only a third of the lakes and ponds. From the same limited sample, another 256 lakes and ponds totaling 63,000 acres were judged to be in danger of losing their fish. The headwaters of the Hudson have been acidified in part. Other sensitive areas in the state include the Tug Hill Plateau to the west of the Adirondacks, the Catskill Mountains, the Shawangunk Mountains, the Hudson Highlands, the Palisades area and Long Island.

New Jersey: Research is just getting under way, but there are "some waters in the northwestern part of the state that show some signs of acidification," says Dr. Dean Arnold of the U.S. Fish and Wildlife Service. According to A. H. Johnson of the University of Pennsylvania, headwaters of streams in the Pine Barrens show signs of acidification from precipitation.

Pennsylvania: "At present many of our mountain steams can no longer support rainbow trout, and some of our first- and second-order streams can't even support the more tolerant brown trout," says Fred Johnson, Water Resources Coordinator of the Pennsylvania Fish Commission."There are also streams that we can't stock before the trout season begins because of the acidity of the snowmelt. The situation is very serious." A portion of Pennsylvania extending through the central and northern sections of the state routinely has the most acidic rainfall of any large area in the country. The average in the summer is pH 3.8.

West Virginia: A dozen trout streams are too acid to support fish. Moreover, 150 miles of the state's total of 550 miles of native brooktrout streams are considered "threatened," says Don Gasper of the Department of Natural Resources. "The average pH of this 150 miles of streams is 5.5," he says. "In the springtime it dips down to 4.8 or 5 and then climbs up to 6 in September. If the stream pH were to decline a half a pH unit, there would be no more fish. West Virginia is a stream state, and we're talking about losing one-quarter of our heritage," concludes Gasper. "What's coming down is very, very bad. We're really very worried." In addition, stocked streams are also being affected. Gasper says that about 150 miles of these are too acid in the spring to be stocked.

Kentucky: In Cumberland State Park, located in the southern part of the state, acid deposition is leaching heavy metals into watersheds. Lake Nevin in the Bernheim Forest, which is close to the Kentucky-Indiana border, has detectable levels of lead.

North Carolina-Tennessee: The Great Smoky Mountains National Park, which covers 509,000 acres in both states, is taking a battering. The beautiful blue haze that comes from lacquers and oils liberated from the forest canopy is rarely seen. Instead, visibility has been greatly reduced, obscured by an ugly gray haze composed of man-

made particulates, mostly aluminum sulfates. After the Los Angeles basin, the western slope of the southern Appalachians, from Georgia north to Kentucky, has the highest frequency of air stagnation in the U.S.

The average pH of precipitation in the park has gone from 5.3 in 1955 to 4.4 in 1973 and 4.2 in 1980. In the spring, stream pH levels drop to as low as 4.3, and aluminum leaching is ongoing. In Beech Flats Creek zinc and aluminum have reached nearly toxic levels for fish, and rainbow trout in the park contained more than the permissible amount of mercury allowed for human consumption until the Food and Drug Administration raised the level from 0.5 parts per million to 1 in 1979. In lakes lying just outside the park boundary in North Carolina, smallmouth bass have abnormal backbones, generally associated with aluminum toxicity. Amphibians, particularly salamanders, are also threatened. The park contains the greatest diversity of salamanders in the world, including the Plethodontidae, the lungless salamanders that probably evolved in the region.

Georgia: Northeastern Georgia, extending from Raymond County to Pickens County, has low buffering capacity, according to state environmental officials. There have been reports of skeletal deformities in smallmouth bass in Lake Chatuga, a northern reservoir, and officials say there's some indication that these might be the effects of low pH.

Florida: Acid precipitation threatens poorly buffered lakes in the sandy central highlands region that runs the length of the peninsula. According to Dr. P. L. Brezonik, water resources specialist formerly of the University of Florida and now at the University of Minnesota, the acidity of Florida rainfall has increased markedly in the last 25 years. The most acidic rains—with a pH of less than 4.7—fall on the northern two-thirds of the state.

Michigan: Some 16,000 lakes of more than 10 acres each are considered susceptible to acid precipitation. More than half the 8,000 lakes and ponds in the Upper Peninsula have an alkalinity of only about 10 parts per million. The Keeweenaw Peninsula on Lake Superior receives one of the heaviest snowfalls in the U.S., averaging about 12 to 13 feet annually, and the median pH for snowfalls in the winter of 1977-78 was 4.5.

Wisconsin: Twenty-six hundred lakes of more than 20 acres in size are considered very susceptible to acidification because they have a pH of 6 or less and little alkalinity.

Minnesota: The northern part of the state, particularly the Boundary Waters Canoe Area Wilderness, is susceptible to acidification. In fact, the "Transboundary Air Pollution Interim Report," prepared last February by a group of American and Canadian scientists, noted that "Atmosphere load near the BWCAW is at levels associated with the onset of lake acidification in Scandinavian countries."

Colorado: Acid precipitation is falling on the Rockies northwest of Denver. Drs. William M. Lewis Jr. and Michael C. Grant, environmental biologists at the University of Colorado, accidentally discovered this in 1975 while they were working in the university's mountain research station, 9,000 feet up at Como Creek, adjacent to the Indian Peaks Wilderness Area. In the four years from 1974 to '78 the pH of precipitation dropped at a rapid rate, from 5.4 to 5.0, to 4.8, to 4.7. Then, in August, Dr. John Harte of the Rocky Mountain Biological Laboratory reported that small lakes and streams in the Elk Mountains near Crested Butte in western Colorado have very high levels of acid. Harte said that the pH of rain and snow in the area had sunk as low as 3.6 in some storms.

Wyoming: The average pH of precipitation falling at Yellowstone National Park was 5.2 in 1980.

Montana: The pH average for precipitation in Glacier National Park was 4.9.

Idaho: The 1980-81 pH average at Craters of the Moon National Monument was 4.8. All these Rocky Mountain averages are for wet deposition only.

New Mexico: Acid precipitation with a pH often in the 4s and occasionally in the 3s has been reported for the Teseque Watersheds in the Santa Fe National Forest.

Arizona: The 1980 pH average for Tombstone was 5.2.

Washington: Twenty-four of 68 lakes sampled in the Olympic Mountains and the Cascades by Drs. Eugene B. Welch and William H. Chamberlain, of the University of Washington, had a pH of less than 6. Seven lakes had a pH of less than 5.5; they all were located in the Alpine Lakes Wilderness, due east of Seattle. In a report submitted to the National Park Service, Welch and Chamberlain noted that 70% of the rainfall monitored in Seattle ranged in pH from 5.2 to 4.2.

California: Dr. Doug Lawson, a researcher for the state Air Resources Board, says, "The state has levels of acid precipitation as high as or higher than any place in the country, and we do have areas that are very susceptible in the Sierra Nevada and around Los Angeles where there are exposed granitic surfaces." The pH of drizzle measured by Dr. James Morgan of Cal Tech in 1978 was 2.9. Recently, when scientists flew through smog over Los Angeles, they were unable to conduct tests because acids had corroded their instruments.●

## THE IDEA OF A UNIVERSITY

### HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. CRANE of Illinois. Mr. Speaker, our universities are disappearing. The noted scholar and teacher, Prof. Thomas Molnar, added to his formidable reputation as one of the most perceptive thinkers of our time by observing more than 20 years ago that universities were "becoming subcultural and mass-cultural supermarkets where the citizens enroll to receive a document, a kind of identification card, authorizing them to circulate in a bureaucratic society, or, if older, to earn promotion and wage increases."

This prediction has become a reality. For all practical purposes, the university, as it has been understood for over 700 years, no longer exists. This is of profound importance to the Western world, and I highly recommend Professor Molnar's essay to the attention of my colleagues and the American people. It was published in the spring, 1981 edition of the University Bookman.

UNIVERSITIES: AMERICAN, EUROPEAN, THIRD WORLD

(By Thomas Molnar)

The literature and documentation of our educational decline have grown enormously in the last quarter-century, but we have now reached the moment when we may see education in perspective. Perspective in this case means the retrospective and prospective glance—but also a sideways look—to see what happens in other countries and contineents where the initial situation was different from ours.

I have been helped in my assessment of the state of education by two factors. One is the awareness that the Sodom-and-Gomorrah morality and public spirit which permeate our existence are due largely to what has been going on in our schools and universities. We always knew it, but since 1968-70 the realization has kept hitting us with a particular force. The other element of my perspective on education is derived from various sojourns in other lands where, in developed as well as so-called underdeveloped countries, I could observe at first hand—while teaching and lecturing—the mentalities, programs, and educational policies.

Next to economic development and growth, education is the most universal demand today, and we may legitimately argue that the two are connected. The industrial revolution and the rise of democracy made universal compulsory schooling necessary, and vice versa: the schooled man asked for well-remunerated work and for the right to share in the political process. After a country's economic and political regime, education has become the third most important measuring rod of progress. Thus it was inevitable for American education to topple from the pedestal where Cardinal Newman had positioned it. In America, together with industry and democracy, education was regarded as part of the secular trinity. It became also inevitable that the masses of candidates for schooling would debase the high ideals of scholarship and culture, and insist on lowering standards until all could reach them. To the student masses, masses of teachers and professors were added, the majority of them with no ideals higher than those of their pupils and students: a job and a life easier than that of their average fellow citizens.

Since the damage done in schools—to minds, to the moral sense, to the cultural patrimony—is not so easy and rapid to detect as in industry, engineering, or medicine, several decades had to pass before we could be fully aware that education attained its two-centuries-old goal, that of educating everybody in the name of identical presuppositions. The failure to recognize what had happened was hidden by the tumultuous character of our democratic industrial civilization: so many channels exist for the education (actually informing) of the citizen that the school proper no longer seemed to be the most important and privileged one. All sort of silly things could be required of the classroom, from driver education to courses in dating, and for a while the explanation was that culture and knowledge may be also, or better, communicated through television, the press, field trips, discussion groups, or simple living. Those who spoke thus obviously had a view of culture dictated by ideology. Following Dewey, they believed that the classroom is not a place for learning but a laboratory for reshaping society, together with other such "laboratories." In modern times, the argument con-

tinued, there is no need for culture which, being a rehash of old events and values, instills in the recipient's mind antidemocratic prejudices.

Roughly a dozen years ago it became evident that education for "living," for the "whole child," for "democracy," for a "better world," etc., had resulted not only in crass ignorance but also in the annihilation of the very values on which this idea was based. After the teaching of history was replaced by "current events," the students lost all curiosity even in the latter. After elective courses were allowed to obliterate the "core curriculum" students and professors began arguing that the liberal arts core was not advantageous for the handicapped and that it did not leave enough room for electives. When students were authorized to "evaluate" their professor, they gave highest rank not to the best teachers but to the rabble-rousers and third-world revolutionaries. When the university opened its doors to all applicants with high-school diplomas (themselves worthless), the demand arose for a further lowering of standards to accommodate the illiterate and the idiot.

I do not think I astonish anybody by citing a few examples of the present level of students and professors. A friend reports from a respectable Catholic university that his students do not understand why B.C. dates decrease and A.D. dates increase. At a prestigious college I met Ph. D's. who had never attended a course in ancient history (perhaps TV serials were trusted to instill the requisite knowledge of "great civilizations"). At the college where I teach, modern languages are no longer required, although a colleague on the highest curriculum committee said she would vote for requiring them if "computer language" were also required.

These are some of the antecedents and symptoms. Let us enlarge now our scope and examine the relationship of education and scholarship. Here we witness an enormous paradox. In the past, the two hardly ever proceeded hand in hand, but their link was solid and unbreakable. For example, when late scholastic disciplines and methods were still being taught in universities, even in medical schools, between the fifteenth and eighteenth centuries, science, philosophy, medicine, and law were detaching themselves from the official current and experimenting with new concepts and processes. Yet the Aristotelians at universities remained frères ennemis with the moderns—the Gassendis, the Harveys, the Mersennes, the Bacons, and the Cartesians. Their debates were not only meaningful; they were mutually enriching. Earlier, the Hellenistic-Roman vogue of Stoicism (practically an official teaching) could enter into dialogue with the emerging Christian scholarship; the neo-Platonic Plotinus had Christian masters and co-disciples, and he in turn influenced Christian mysticism for centuries. In my own school days, the highest scholarship was distilled into high school textbooks, although with some natural delay, since the tasks of schools is not to stand at the frontline of knowledge but to bring up the rearguard.

This relationship, evident at all periods, did not go without deep conflicts, as is illustrated in the first centuries or in the seventeenth, to choose examples at random. Budding Christianity realized that it could not acquire genuine respectability until it had established contact (even if partly antagonistic) with prevailing versions of Greek philosophy and scholarship. Justin and Tertullian created the links, St. Augustine later the synthesis. In the seventeenth century the overly sensationalized drama of Galileo merely obscures the elaboration of a synthesis in which the academic doctrine and the new science were to be participants for nearly two more centuries.

Today, scholarship, culture, and the schools are so fragmented that the exponents of each meet only by chance and have nothing to say to one another. Education has become a frivolous yet routine exercise, with curricula decided on the grounds of fashion, economics, and political expediency. Courses in female liberation, various racisms, black, hispanic, Judaic, and other "studies" resist successfully timid attempts, here and there, to maintain a liberal arts core curriculum. Culture is mostly counterculture, a series of faddish clouds floating above the populace, serving the snobbism of the jet set, of international juries, and of big executives who need the culture tag as an apology for their capitalistic wealth.

Yet, all this does not affect real scholarship, its sturdiness and originality. In all periods there are men with inquisitive minds loyally committed to the scholar's life. Such men have always been a very small minority, and it has never made any difference whether they were located among the elite or in some other rank of society. They collaborated even if their lives were spent in relative isolation. Only in modern times has their status changed vis-a-vis society: there arose a class of educated people, aristocratic and bourgeois mostly, knowledgeable enough to serve as recipients of high scholarship in the form of the reading public. Between the sixteenth and nineteenth centuries, hundreds of scholars, philosophers, scientists, and artists were engaged in fruitful correspondence with "lay" individuals, from the middle and artisan classes, with whom ideas could be exchanged and taste discussed simply because they were cultured, educated, or self-educated, and insatiably curious. When Diderot launched the *Encyclopedia*, a costly as well as politically risky business, two thousand subscribers registered immediately and paid their subscription fees in advance.

This is how scholarly reputations grew and spread beyond small circles, and, incidentally, this is how the general optimism grew that by schooling everybody would become learned and acquire the moral quasi-asceticism and singleness of purpose needed for scholarly studies and interests. The idea was to embrace the entire nineteenth century, although by then there were a number of lucid minds, from Goethe to Burckhardt and Matthew Arnold, who realized that the more culture and scholarship spread, the more semi-educated people would crowd the corridors of academies, newspaper offices, lecture halls, and publishing houses. Nonetheless, the scholar and the artist had by then become accustomed to a large public, the so-called "educated layman" listening to their lectures, discussing their theses, and admiring as well as buying their "products." When the phenomenon of the mass-university appeared first in the United States, then planetwide, the "educated public" grew to its broadest extension, becoming an "official public." The millions in high schools and universities had to take liberal arts courses and had to read thousands of pages of Homer, Plato, Augustine, Descartes, Shakespeare, and Marx. This was the brief honeymoon time between scholars and masses, the time when the scholars and their middlemen, the professors and the publishers, still had enough authority to impose their cultural and scholarly ideals on the masses of students and on the so-called public.

The drastic change came in the late Sixties and early Seventies. The student masses, by now a distinct sociological and political category, with their enormous weight as a pressure group, rebelled against their leaders in culture and scholarships, the professors and the curriculum planners, whom they perceived now as oppressors in the Marxist sense of the term. Education, in their view, must not be subordinated to something as vague and reactionary as culture and scholarship, which the students interpreted as the manipulative devices used by the bourgeoisie to control the masses of students through cultural selection. In the true spirit of the Enlightenment and nineteenth-century liberalism, they claimed that "education should be for the masses," but this slogan no longer had anything to do with the watchword from d'Alembert to Trotsky. D'Alembert, it will be recalled, had demanded knowledge for all, and Trotsky believed that in the Communist society the average man would have the genius of Aristotle and Goethe.

Since 1968 the student masses have abandoned even the pretense of high culture, and a decade later, now, we are witnessing the consequences: the self-liquidation of the "educated lay-public," mostly former students. One need only visit some prestigious New York bookstores to become aware of the change. Where there used to be long shelves of philosophy, religion, history, etc., in paperback editions, there is now a small corner devoted to books on the occult, on gardening, on party fun, popular science, and sexual perversions. The unsuspecting browser and buyer are no longer exposed to intellectual challenge; they are fed the kind of mush that, in a parallel process, the college students are made to ingurgitate in their classes under the pretext of education. The paperback editions of scholarly works are forced into the background because even fewer professors require, or dare require, them as compulsory reading. The publishers follow the trend and in part anticipate it. Years ago, on the threshold of decline, they at least insisted that the manuscript submitted to them should be written in a clear style, for the "educated public." Later, this label tended to disappear, and the request by publishers was for books that colleges would order in large quantities. Nowadays, college courses require no "large quantities," and the publishers frankly ask for books for mass circulation and "bestsellers."

All this indicates the coming divorce between education and scholarship. More than twenty years ago I observed in The Future of Education that universities were becoming subcultural and mass-cultural supermarkets where the citizens enroll to receive a document, a kind of identification card, authorizing them to circulate in a bureaucratic society, or, if older, to earn promotion and wage increases. I wrote further that serious scholars will find "refuge" in hidden corners of the academy, sought out by members of a future "clandestine elite," where they may work undisturbed. The prediction has become reality, although the scholar, spoiled and often corrupted by five centuries of social and political prominence and influence, lionized by the powerful and the profane, has not yet understood how his status is changing. He will take perhaps decades to realize that the divorce is consum-

mated between him and the public; then he will re-learn to write again for his peers, a kind of secret society, while the public will happily settle for the mediocrities to which it was traditionally attracted. At fairs in the Middle Ages and much later, too, the literature bought by the curious consisted of almanacs, dream interpretations, wondrous travels, famous love stories, great heroes, and how to . . . books about anything from agriculture to love potions. Serious books circulated only among a small elite, the clerks, the erudite, the monks, the humanists. How would today's and tomorrow's Mr. Public know about scholarly books when he visits bookstores or reads popular magazines that do not inform him? Besides, culturally emasculated during his college years, he will not even be interested.

The scholar, on the other hand, never had it so good. To his beneficial isolation from the public and political involvement are added all the modern conveniences; superb libraries, jet flights to international congresses, technical improvements in methods of research and production of material. True, it will be hard for him to give up contact with the public, the residual effect of which will be that his politics and his ideology will be of no interest for the ideamarket. But not hearing Einstein on world peace, Bertrand Russell on communism, or Sartre on everything from homosexuality to Bach's music may be quite a good thing for all concerned.

It has been argued in The University Bookman and more recently on French television that the schools have ceased teaching history at a time when the general public's interest in the subject is on the rise. Two observations. There is no such rise of interest but rather a retro-induced nostalgia for old objects. I note every day my students' absolute lack of sense of time, from language structure to historical dates, not because they are young but because this civilization, hedonistic to the core, is entirely now oriented. One can ascertain it even in the case of institutions like the Catholic Church, which has abandoned Latin, large segments of the liturgy, and traditional ways of dressing and behaving. Noted theologians like Karl Rahner (Catholic) or Rudolf Bultmann (Protestant), and unclassifiable but influential ideologues like Teilhard write of the future as the privileged dimension, and engage in the philosophical groundwork of removing the past from man's scope. The vogue of such charlatanisms as futurology and prospectivism also suggests the direction of semi-educated interest.

The second observation is that whatever interest in history might be sporadically manifested by some sectors of the public is overwhelmed, neutralized, and crushed by the educational establishment, not only in America but also in Europe, which apes us in a grotesquely servile fashion. On the previously mentioned television debate in Paris, politicians, writers, outstanding historians (P. Goubert, Le Roy Ladurie, F. Braudel) argued that a) history is the collective memory of a nation; b) patriotism cannot be preserved without teaching history; and c) the growing person needs a knowledge of history at all levels of this development—yet the ministers of education and their semi-clandestine staff of decisionmakers continue marginalizing history (and geography). Alas, the debaters failed to understand that an agent far more more powerful than any they imagined has been at work against history: the ideology of Western society, the naïve but now dominant belief that a new man is born whose inner life will respond to psychological manipulation and whose outer life will be sociologically manipulated work and leisure. Call it the hedonistic man, the robot man, or any other strange monster—it is the ideal figure of our civilization's coryphees who shape it every day with their myriad decisions and committee meetings, whether in academic, cultural, or business life.

Otherwise, how could one account for the fact that history (I choose this example, but I could have chosen philosophy, religion, literature, etc.) is not marginalized in France alone, with her centralized instructional system, but also in America with its plethora of private, independent, even religiously orientated high schools and colleges? This is what I read in a brochure published by the New York Times as an advertising supplement of "Why Go to College?" There are the following chapter heads in the order listed: a) you'll be prepared for a career; b) you'll have a better chance of getting a job; c) you'll have a better chance of getting a good job; d) you'll have a better chance of earning more; e) you'll be better prepared for a fulfilling life. This last rubric is subdivided into ability to learn on your own, self-discovery, self-confidence, family success, richer leisure, better health, ability to cope, alert citizenship, participation in culture. I leave unmentioned the details of the sugary, publicity-type language of the whole repulsive money-catching device, the therapy-orientation, the cheap style.

Thus at all levels the separation of education from scholarship and culture (other than mass culture and counterculture) has been accomplished by the first superficial hedonistic civilization in history and by the educational bureaucracy with its ideological doctrine that past and permanence must be banned from the new man's purview. The new man is a work-and-leisure directed robot whose existence is divided between the crowded subway, the television set, and the sandy beach two weeks in August.

So far as the scholar and the creator of culture are concerned, we must declare their new fate in many respects superior to the recent one. Nolens volens, they are being detached from servitude to the public at large, and from the engagement in matters not only diversionary but temptingly dishonest. There will be fewer occasions for la trahison des clercs. At the same time, and this should be regretted, the scholar, the artist, the litterateur will be deprived of their hinterland, the intelligent reader, whose contribution was to channel their ideas and forms, responding to them in a mutually advantageous way.

It is outside the scope of this essay to try to comprehend the full consequences and long-range effects of these phenomena, but they doubtless represent a major turning point in the educational panorama of the Western world. For the first time, masses of people will be schooled with hardly any contact between them and the true achievements of the life of the mind. This is worse than the mass illiteracy of the past because that was compatible with the lesson of things and with natural wisdom, la sagesse des nations. Today's and tomorrow's school masses will float in an urbanized utopia, a culturally homogenized nihil. Nobody can tell me the opposite; my students are advanced specimens of the new race of new men.

Can relief from the educational process be expected anywhere? Since the task of answering this question would be too vast if we included lower grades, we shall concentrate on universities. In Europe, while curricula and methods may vary from one country to another, phenomena similar to those in the United States become increasingly apparent, even if they are not yet the rule. European man still finds himself between two civilizations: the traditional and the robotized. He is still not overwhelmed by the media, perhaps because he sees through technology's deadly tricks and has a healthy skepticism about official, or simply public, proclamations and programs.

On the other hand, the unified educational bureaucracy, now increasingly deprived of the erstwhile deeply cultured educational official (for example the French inspecteurs with philosophical dimensions), is more single-minded in its ambition to enforce ideological objectives. It also readily yields to overseas influence: permissive methods, emphasis on applied science, elimination of such "old" disciplines as Latin, history, and philosophy. And far more intensively than in this country, Marxist indoctrination, or at least Marxist coloration of political, sociological, and literary matters is widespread.

Yet the separation of education from scholarship and culture has not been consummated in the European curriculum, primarily because of the prestige surrounding the "great man"—the architect and writer, the philosopher and sage (Wissenschaftler, savant). In countries where the government or the head of state decides on major-scale urban planning or important aspects of cultural policy, the prestige of intellectual achievement remains high, even at school level. However, the traditionally strong relationship, one may even call it a fusion, between school and scholarship is slowly eroding because the high standard of living persuades the powers that be that its preservation depends on the shaping of the consumer, hence on a new culture, on a new curriculum. In Europe, the process that began in the general postwar moral weakening decisively accelerated after 1968 with the creation of universities where ideology and anarchy have reigned ever since.

The situation is somewhat clearer, although not more reassuring, in the universities of the Third World. Clearer because large numbers of grade and high schools are maintained and directed by Christian churches and missionaries, who, in addition to religious education, instill community values in the children, as well as subjects attentive to Western and local realities. Their graduates are generally more respectful of the education they have received than are their Western counterparts. Third World children, in contrast, are aware that education is a great good thing that happens to them, and they put teachers in the same category as ancestral scribes and wisemen, as a source of authority. The situation is clearer also because Third World universities, in theory at least, teach and train such vitally needed personnel as engineers, doctors, agronomists, and public servants. Insofar as they do, they become, quite naturally, technical and vocational schools, nothing more. Insofar as they do not, they are imitation-Western: the courses are heavily politicized, with only a minimum of scholarly content. This condition obtains because the teaching staff consists of locals with diplomas from Western or Communist universities—antagonistic to the West—and of expatriates from the West, mostly young enthusiasts who regard themselves as missionaries

of an ideological cause. The student graduated from such universities acquires only a smattering of serious subjects or of technical preparation. What he mostly acquires is a few crude notions about recent Western cultural fads like existentialism, Third World studies, or "socialism with a human face."

The new elite thus prepared in Asia, Africa, and most of South America, is then hardly competent to carry out tasks in technical and administrative fields and inadequate as well to deal in depth with the tradition of his homeland. Students therefore are neither rooted in the cultural soil of their nation nor capable of helping bring about the necessary modernization. The superficial notions they derive from questionable Western books and other sources only enervate them, supplying them with unrealistic dreams. They have a choice: join the traditional upper class, which is usually corrupt and interested only in preserving its privileges, or become rebels, usually of some Marxist variety. The third choice is to emigrate; hence there are legions of doctors and other professionals from India and South America at Western institutions.

The university staff is no help in this problem. In the course of my last trip through Africa, Asia, and some islands in the Pacific, I was prompted to coin the term "BA in Unemployment" as I was confronted with hordes of students educated for nothing in particular. In a very poor Egypt, the idle young study the Koran at the Al Azhar mosque and law at the national university, both dead-end streets of achievement. In India, the graduates swell the millions of half-employed and the other millions of petty functionaries who shift papers at ministries and banks for eight hours a day. The more ambitious emigrate and never return. In Papua-New Guinea, the teaching staff at the national university at Port Moresby is entirely Australian, ultra-leftist, inciting the native students, who are nominally learning civil administration or medicine, to turn against their government, a "puppet of multi-national companies" and of the "Neocolonialists in Canberra."

Such is, in rough outlines, the state of what used to be called "higher education." Newman's idea of a university is lightyears away in the past. For all intents and purposes the university has ceased to exist; its traditional functions, performed from the twelfth century until about the first third of the twentieth, are no longer recognizable. The conclusion I now reach is not different from what it was in 1961 when The Future of Education appeared. Let me briefly recapitulate it. Institutions come into existence, reach their acme, and decay. After some eight centuries, the Western university, later exported planetwide, has closed its doors. What survives is, amidst the rags of glory, a melange of utilitarian recipes and ideological prescriptions; their ingurgitation is a requisite for anyone wishing to qualify for jobs in the huge work-and-leisure market that our societies have become. Their cultural and scholarly value is nil.

But since scholarship and culture are never extinguished, they are now migrating to other as yet undefined corners of our tolerant and prosperous society. Their adepts, not distinguishable from other graduates by an external sign, are the boat-people of scholarship and culture, refugees held together by the invisible bonds of loyalty to high things. It is among them, and in what I called earlier "lay monasteries," that the great achievements of truth and beauty may again mature.●

## ESTATE TAXES

### HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. SMITH of New Jersey. Mr. Speaker, estate taxes, more appropriately known as death taxes that penalize widows and orphans, have been a severe obstacle to economic mobility and family participation in the small business community.

Fortunately, the recent passage of the Conable-Hance tax bill will go a long way toward eliminating this burdensome tax. By 1987, estates valued at up to $600,000 will be exempt from Federal estate tax.

While I am very pleased about the enactment of this legislation, I believe that death taxes should be abolished. For this reason, I have introduced H.R. 4238 which would phase out death taxes by 1984. I invite my colleagues to join in cosponsoring this legislation.

In the following column Wilson S. Johnson, president of the National Federation of Independent Business, discusses the impact of present estate tax law on labor-intensive small businesses. Mr. Wilson's eloquent statement in favor of repealing this tax should be of interest to everyone who is concerned about the well-being of the small business community.

SMALL-BUSINESS ANGLE

(By Wilson S. Johnson)

DEATH KNELL FOR DEATH TAXES

A small-business man I know spends 20 percent of his profits for life insurance to be certain there will be enough cash for his survivors to pay estate taxes and still hold on to the family lumber mill.

Another man who owns a soap manufacturing plant in a small, eastern city says his heirs would have to sell out if he didn't spend thousands for insurance now. The soap plant is the major source of employment for the town, and if another company bought it, the plant would probably be closed and the business consolidated elsewhere.

One of the dreams of any person who has built a successful business during his or her lifetime is to pass that business along to other members of the family—a spouse or surviving children and grandchildren. A business is a legacy.

Today federal government policy is forcing the liquidation of hundreds of successful, privately-owned businesses because of the negative impact of estate or "death" taxes. To many people, estate taxes are perceived as a means of forcing the redistribution of enormous amounts of money when wealthy people die. But the truly wealthy have sophisticated ways of estate planning which help them avoid estate taxes. The law hits squarely the small, family business when government policy ought to be to encourage the continuation of a strong, competitive independent business sector.

A recent survey of urban areas conducted by the National Federation of Independent Business (NFIB) revealed that a substantial number of business people responding—particularly in the northeastern part of the country—either inherited or purchased the company from a member of the family. Urban areas, such as those in the northeast, are already facing severe drains on resources and the negative impact of death taxes on small, independent businesses will add to the problems there and elsewhere in the country.

Analysis of the revenues raised by estate taxes and the economic harm being done to the labor-intensive small-business community suggests that the death tax should be abolished and the relative small number of tax dollars lost be raised by alternate means.●

## BELLMAWR, N.J., VFW POST 7410 CELEBRATES 35TH ANNIVERSARY

### HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. FLORIO. Mr. Speaker, a very special anniversary will take place in my congressional district. I wish to share with my colleagues this special event.

The Veterans of Foreign Wars, Bellmawr Post 7410 will be celebrating their 35th anniversary. This post is one of which their membership can be very proud. They have actively served their community in these past years and when called upon have willingly supported any civic activity.

I am certain that my colleagues will join in my tribute to this outstanding post and its members, and wish them all a very happy anniversary.●

## * * * AND SOME DON'T

### HON. DENNIS E. ECKART

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. ECKART. Mr. Speaker, I would like to cite an example of the type of unnecessary Pentagon spending which could be cut. It is a disgusting contrast which finds us in the Congress supporting spending like that described in the Cleveland Plain Dealer editorial, while at the same time we reduce our Government-subsidized school lunch program to 1½ ounces of meat per day. While one Government subsidy supports the expensive dining of generals at the Pentagon, another subsidy for our children is too small for more that a paltry snack. The editorial follows:

[From the Cleveland Plain Dealer]

If you belong to the "in" crowd, you can get a good steak dinner at the Pentagon for a bit under $3.

There are five dining rooms at the Pentagon, some more exclusive than others. If you're Secretary of Defense Caspar Weinberger, for instance, you're eligible for the

steak and you can eat it in the Chairman's Dining Room, operated for the Joint Chiefs of Staff. The secretary's salary is $69,630 a year. Does he need to eat subsidized steak?

Prices in the Pentagon's dining rooms reflect only the price of the food; enlisted personnel cook it, serve it and clean up afterward. The taxpayers pay their salaries.

High-level Pentagon officials make a convincing case for having a private dining room or two. They host foreign dignitaries, and private, secure facilities are necessary. But why five dining rooms? And why, exactly, does that mean the food should be cheap?

The very least the Pentagon should do is raise the prices to the level of other restaurants. Better still, the officials could hire civilian personnel, freeing the soldiers for more important (and less admiral-pampering) work. Other civilians are employed at the Pentagon, many in high-security positions. There is no good reason why civilians couldn't also serve food.

The other reason officials cite for using military personnel is that they are available for after-hours duty. Many restaurants are open day and night, too, so that's a weak argument at best.

There's no princely sum by Pentagon standards involved here—it only costs taxpayers $1 million or so a year to feed generals and their friends and associates so cheaply. But a million is a million is a million * * * how many more wasted millions are hidden in the defense budget? It's time to get out the sharpest ax in Washington, and use it judiciously but decisively. And the first chop should come down on the generals' breadline.●

## THE BALANCED BUDGET AMENDMENT: NEEDED NOW MORE THAN EVER

### HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. DASCHLE. Mr. Speaker, the September edition of Dollars & Sense, the monthly periodical of the National Taxpayers Union, featured an excellent article entitled, "The Balanced Budget Amendment: Needed Now More Than Ever," authored by the respected chairman of the National Taxpayers Union, James Dale Davidson. I recommend this article to each Member of the House and particularly to those who have not yet given their support to the balanced budget amendment effort.

As Mr. Davidson indicates, the effort to gain congressional approval of a balanced budget constitutional amendment is apparently languishing. There are many factors contributing to this apparent waning of interest in a balanced budget amendment including the administration's public pledge of a balanced budget in fiscal year 1984 and the enactment of the Omnibus Budget Reconciliation Act of 1981 which reduced projected Federal spending by $37.1 billion.

Now, however, is not the time to relax efforts to secure full congressional approval of a balanced budget amendment. The Federal deficit this year will be more than $60 billion and the deficit may be more than $60 billion next year as well. The public debt is increasing constantly and will soon be more than $1 trillion. Additionally, record high real interest rates, the result of massive Federal credit demands produced by continuing deficit spending and restrictive monetary policy, are destroying the basic fabric of the Nation's economy and forcing thousands upon thousands of businessmen and farmers to stare economic failure in the face.

James Dale Davidson is right. The balanced budget amendment is needed now more than ever.

Mr. Speaker, I ask unanimous consent, "The Balanced Budget Amendment: Needed Now More Than Ever," be printed in the RECORD at this point.

THE BALANCED BUDGET AMENDMENT: NEEDED NOW MORE THAN EVER

(By James Dale Davidson)

A few months ago, I had the good fortune to attend an anniversary celebration of William F. Buckley's "Firing Line" program.

It wasn't an exclusive party; every former guest was invited. Among those who turned up was California Governor Jerry Brown, erstwhile supporter of the Balanced Budget Amendment and sometime presidential candidate. Governor Brown was in an expansive mood and wanted to talk about the current status of the amendment drive. Although he didn't say so directly, I got the strong impression that he had lost interest in following the effort himself. After I spent a few minutes detailing our frustrations in trying to get additional states to call for a limited constitutional convention, Brown said, "Well, Davidson, you've got a tough job. Nobody's interested in the Balanced Budget Amendment."

Governor Brown went off to sample the barbequed shrimp, and I was left to think about his comment. I didn't like it. But the more I have thought of it since, the more I can understand why a politician would feel that way. When you get right down to it, a Balanced Budget Amendment is something which is good for the society as whole. And not that many people feel passionately about what is everyone's business. As the old adage puts it, "Everybody's business is nobody's business."

At times it has seemed as though nobody outside a few NTU members really cared whether we achieve a Balanced Budget Amendment or not. It has proven gruesomely difficult to raise the relatively piddling sums required to make our program succeed. Meanwhile, vast amounts are being raised and spent on projects to install second-rate ballet companies in small towns, or to build another tier of seats in a university stadium—efforts which won't make one iota of difference to the long term survival of our economy.

The Balanced Budget Amendment does make a difference. It matters now, more than ever. Without an amendment, it is quite unlikely that President Reagan, with all the political prowess he brings to the job, will be able to balance the budget by the end of his term. And if Reagan can't do it, who could? The answer is that it is not a matter to be left on the shoulders of one man. We need a sound fiscal policy and a sound economy, no matter who is in the White House. A balanced budget amendment would not guarantee it. However, it would make it much more likely.

Very few people today really believe that the budget is likely to be balanced in the future. Just look at the level of current interest rates. If investors at home and abroad were convinced that federal borrowing was going to be dramatically curtailed in the future, they would be rushing to buy federal securities now, and thus lock in a high real rate of return. They are not. In spite of several false rallies in the bond markets, we are some distance away from anything which could be considered "low" interest rates. Rates on 91-day Treasury bills averaged 14.9 percent in July. They averaged 15.46 percent in the first two August sales. The Administration had predicted that rates would average 12.55 percent.

Unnecessarily high interest rates now make future budget balancing more difficult, for two reasons. High rates discourage investment and economic growth. High interest rates keep stock prices low, and shrivel the capital value of almost every productive asset. Other things being equal, a business which is worth $1,000,000 when interest rates are at 10 percent will be worth only $500,000 when interest rates move to 20 percent on a longterm basis. This dramatically changes incentives. Interest rates which cut capital gains in half are as stunting in their effects as tax rates which confiscate half of what investors would otherwise have made. In other words, many of the incentive effects of President Reagan's much-needed tax cuts might evaporate if interest rates remain high.

According to the Administration's projections, the economy will grow by 3.4 percent in real terms next year. Each one-percentage point overstatement in this projection will widen the budget deficit by $8 billion. The current federal borrowing requirement is already in the neighborhood of $100 billion—an amount approximately equal to the total addition to private savings. Rational investors who project even higher borrowing requirements will insist on high rates to purchase long-term government obligations.

This brings us to the second reason why high interest rates now make future budget balancing more difficult. They increase the carrying charge on our massive national debt. The explicit debt is now about one trillion dollars. Luckily for taxpayers, some of this debt bears long maturities, at low interest rates of years ago. But most of the debt turns over every three to four years. Every one-percentage-point of interest rate raises the carrying cost of the national debt by up to $10 billion, depending on the mix between short and long-term obligations. In any event, the difference between financing a trillion dollar debt at 15 percent and financing the same debt at 7.5 percent is enormous and obvious. Great budget savings could be achieved if interest rates fell.

What is the best way to make interest rates fall? Assure the world that the budget will be balanced in the future. The best (and perhaps the only way) to do so is to pass a Balanced Budget Amendment. Such an amendment, if it were approved by the Congress today, could not be ratified for at least two years. Even in the best of circumstances it would take the states that long to act. But markets would not wait two years to respond. Shrewd and even not-so-shrewd investors would react immediately to the prospect of lower federal borrowing in the future by purchasing long-term federal debt

today. Bond prices would rise. Not only the federal government, but other borrowers would benefit from lower interest rates. The incentive to invest would spurt upward as the cost of money fell, and the capital value of any given income went up (the $500,000 business might be worth $1,000,000 again). This would increase the prospect for meeting optimistic growth targets for the economy. It would reduce the federal budget—automatically—and at low political cost.

Such a development would be good for everyone. It's a matter which I still think is worth getting excited about. I hope you feel that way too.●

## REBECCA H. SINGER, A WOMAN OF VISION AND VIRTUE

### HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. SOLARZ. Mr. Speaker, I rise in the House today to pay tribute to the memory of a remarkable woman, Rebbitzin Rebecca H. Singer, who passed away on June 29.

For 30 years, Rebbitzin Rebecca H. Singer had assisted her husband, Rabbi Dr. Joseph I. Singer, in serving the congregation of the Manhattan Beach Jewish Center. Their work together, inspired by their strong faith, devotion, and love, bore rich fruits in the community.

Devoted to her husband and family, Mrs. Singer raised two wonderful children, Alexander T. Singer and Vivian Susan Singer, in our community. But she also found the time to work tirelessly, not only for her family, but for the good causes to which she was devoted throughout her life.

As the daughter of one of the most learned and renowned Rabbis and scholars of our era, Rabbi Dr. Chaim Heller, Mrs. Singer was well versed in the law and tradition of Judaism. She was known for her scholarly knowledge and also for her gentle wisdom, and her interest in helping anyone in need. During her three decades of service in Brooklyn, the energy, kindness, and devotion which marked all her activities gained her the respect and love of the Jewish community.

As the Rebbitzin she served as adviser to the center's sisterhood. Mrs. Singer recognized the importance of this organization in providing the women of the congregation with religious, educational, and social opportunities that would foster their sense of belonging to a community of shared interests and mutual support.

Mrs. Singer was an ardent supporter of Israel who inspired others to join her and her husband in their efforts to insure the existence and survival of the State of Israel, and to promote the growth of Israel's philanthropic and educational institutions.

During my years representing Manhattan Beach in the New York State Assembly and then in the Congress, I had the good fortune to come to know Mrs. Singer well. Being invited to dinner in her home was an opportunity to experience the real warmth and strength of a model Jewish home. For Mrs. Singer epitomized, to me, the ideal of the Jewish wife and mother. She was the "Valiant Woman" described in the Scriptures;

"For her worth is far above rubies.
The heart of her husband trusteth in her . . .
She will render him good, and not evil all the days of her life . . .
She hath opened her hand to the needy, and stretched out her hand to the poor . . .
She hath opened her mouth to wisdom, and the law of clemency is on her tongue. . .
Her children rose up, and called her blessed: her husband, and he praised her. . .
The woman that feareth the Lord, she shall be praised."

Mr. Speaker, with the death of Mrs. Singer, I have lost a valued friend, a woman of vision and virtue.●

## THE POTENTIAL OF WIND ENERGY

### HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. HEFTEL. Mr. Speaker, It has been more than a year since the Wind Energy Systems Act was enacted by the 96th Congress. Though budget cuts have forced a reassessment of many of the more ambitious goals in the act, the wind program at the Department of Energy has made significant progress in advancing the state of the art. A number of successful wind turbine demonstration projects are now in operation in Hawaii, Washington State, and California, for example. A national wind resource assessment program is collecting data and analyzing sites for future demonstrations and commercial wind farms. Finally, a growing number of electric utilities throughout the Nation are making plans to integrate wind energy into their systems. I am encouraged by this progress and confident that wind energy will make an important contribution to America's energy future.

This past week, the Washington Post published an article which assesses the problems and potential of wind energy systems from a local and national perspective. I have had the article reprinted for our colleagues and hope that they will find it of interest. I believe strongly in the future of wind power and hope that continued progress will be made in developing its enormous potential in the coming months and years.

The article follows:

[From the Washington Post, Sept. 8, 1981]

WINDMILLS AND UTILITY BILLS

(By Phil McCombs)

Walter F. Szymczewski proudly showed off the windmill he recently built for $7,000 in the back yard of his Maryland home. It was a hot, muggy afternoon and the windmill was not turning because there was no wind. There had not been any for some days.

This did not bother Szymczewski. He built the four-blade, 30-foot-high machine for fun as an experiment—"took the gamble to find out what it would actually do." In fact, it has shaved a little off his electricity bill already, even though summer is the worst possible season in the Washington area for wind and windmills.

"This cloudy, rainy weather is bad. All you get is these up and down drafts, these little spotty currents," Szymczewski said. "That won't drive a windmill. You need a whole [weather] front movement. Usually that begins in late September, and the wind is steadier all through the winter."

Over the course of a year, Szymczewski hopes, the wind will provide one-third to one-half the electric power used in his modest house in Severn, Md.

To the west of Washington in Clarksburg, Md., Montgomery County police officer Karl W. Plitt, 34, installed a sleek, white Enertech windmill on a 50-foot telephone pole in his back yard, Results so far: a $90 saving on his electricity bill in two months.

Small-time windmill experimenters like these are sprinkled throughout the Washington area, and some energy experts believe they are in the vanguard of what will become a significant national effort to reap the wind.

A new study by Worldwatch Institute, a Washington think tank, estimates that wind power could supply 20-to-30 percent of the electricity in many countries by the early part of the next century. The study said that there are 3.8 million homes and 370,000 farms in areas of the United States where the wind is strong and steady enough to make wind-powered electric generation feasible.

In some of those areas, utility companies are taking an early interest in wind power. Southern California Edison, for example, has set a corporate goal of generating 30 percent of its electricity from such sources as sun and wind, according to Douglas C. Bauer, senior vice president of the Edison Electric Institute, which represents utility companies.

Bauer said other companies are examining the potential of wind power, but are concerned about its reliability as a new technology fueled by sometimes fickle winds.

While man has used windmills for grinding corn and drawing water for hundreds of years, electricity-generating windmills that utility companies plan to use in groups on "windfalls" are so huge that they present new technological problems.

Operations at a huge U.S. Department of Energy experimental windmill in North Carolina, for example, had to be curtailed after nearby residents complained that the 200-foot blades on the 2,000-kilowatt machine made an annoying swishing noise.

The winds in Washington generally are not steady and strong enough to justify installing a windmill, according to Energy Department spokesman Jay Vivari.

"The most important thing is to find an area with a high annual mean wind speed," he said. "Chicago, the windy city, is lousy.

The wind blows like mad but it's not good on an annual basis. All through the Appalachians is good . . . all the way up through New England . . . A dynamite area is the Texas panhandle, western Kansas, central Wyoming."

Vivari said that as a rule of thumb you need an annual average wind speed of 10 knots (roughly 11.5 m.p.h.) for a windmill to be a good investment. The highest such wind speed in Maryland listed in "The Wind Power Book," by Jack Park, is 9.6 knots at Baltimore-Washington International Airport. The figure at Fort Meade, which is near Szymczewski's house, is only 4.4 knots. The highest figure listed in Virginia is 8.8 knots at Norfolk, and in the District of Columbia, 7.5 knots at Bolling Air Force Base.

To encourage the development of alternative energy sources, Congress authorized a 40 percent tax credit for the purchase and installation of windmills—in Szymczewski's case, worth $2,800, which he is able to take over two tax years.

It is not clear, however, how much longer that will last. Reagan administration economists are thinking of trying to eliminate the credit in order to increase tax revenues. They are also seeking to slash DOE outlays on wind energy promotion and development, although the Energy Department will continue to do research in the area, according to Vivari.

The Reagan theory is that if wind power is economically feasible, the private sector will develop it with little aid from government.

In another earlier effort to encourage the development of wind power, Congress in 1978 mandated that utility companies must allow individual home owners and other small wind-power originators to hook into their power grids and must pay them a fair rate for any extra electricity generated. Public service commissions in the Washington area and most other parts of the country are still deciding the terms under which these transactions will take place.

So far, four big electric utilities in the Washington-Baltimore area report only six of their millions of customers have installed windmills and wired them into the utility company power grids since the 1978 congressional action.

Potomac Edison Co.'s Donald Whipp said: "It's in the experimental stage. It's too early to make any assumptions on the ultimate impact."

Szymczewski is not one of the six. His house is wired to receive electricity from Baltimore Gas & Electric Co., or he can shut off that power source and use his own windmill-generated power, which he stores in more than 200 batteries. Because his windmill is not wired into the BG&E power grid, Szymczewski cannot use the two sources simultaneously, nor can he sell his excess power to the company.

It was the simultaneous use and buyback that the 1978 congressional legislation made possible. The idea was to eliminate the need for expensive storage batteries, which were needed to make home owner windmill systems run smoothly but the cost of which was prohibitive.

Szymczewski, 66, a retired precision sheetmetal worker, was lucky and bought his batteries cheap when the telephone company got rid of them. New, they would have cost him more than $40,000.

Plitt, the Montgomery County police officer, does have his windmill wired into the Potomac Edison power grid. This means that when his windmill is working and delivering power to the house, Plitt's Potomac Edison electric meter runs slower. If a storm drove the windmill furiously at night when Plitt's house was using little power, the electric meter might actually run backward, although this has not happened yet.

Plitt bought his house in a subdivision in rural Clarksburg with wind power in mind. The modern, comfortable house is situated near the top of a high ridge at the end of a long valley—"an ideal wind site."

The Plitts paid $10,000 for their sleek machine, which is perched atop a 50-foot telephone pole in their back yard, and for a solar hot-water system that complements it. After the tax credit, the total bill came to only $6,000 for the two systems, and a study of their first electricity bill indicates that they saved about $90 already—or half what the two-month bill would have been.

The house has electric heating, which in the past cost $300 every two months during the winter. Now they hope these bills will be under $100 since winter is a time when the wind across their ridge blows strong and steady.

The Plitts' machine was manufactured by Enertech, a Vermont firm that has sold more than 700 windmills to become the country's largest manufacturer of electricity-generating windmills.

Enertech board chairman Ned Coffin said a 1.8 kilowatt machine like the Plitts' should provide 200-to-500 kilowatt hours of electricity a month at a good wind site. The average American home uses about 1,000 kilowatt hours a month.

Coffin said Bendix Corp. recently bought a 30 percent share of the fledgling windmill company.

Plitt discovered one disturbing aspect of his new relationship with the power company: because of safety requirements, he cannot use his windmill when the power company system fails in a storm or for some other reason. This is to prevent the windmill from "backfeeding" power into the company system and electrocuting line repairmen.

It is a problem for Plitt because having a backup system for power outages was one thought behind his getting a windmill in the first place. With some expensive rewiring that will prevent backfeeding, Plitt thinks he can solve the problem to the company's satisfaction.

All the big Washington-area electric utilities—Potomac Electric Power Co., Virginia Electric and Power Co., Potomac Edison and BG&E—have this same safety requirement.

The desire for energy independence goes beyond windmills for both Plitt and Szymczewski. They both have wood stoves and Szymczewski has not paid a cent for heating oil in five years. He gathers his firewood for free.

"This country is in trouble, that's why I had to do this," he said. "I was priced out of the heating market. There's nothing new about wind generators . . . You just have to have an interest in wanting to better your environment, living conditions. A hundred years ago, every man had to feed his family off the land."●

## DEFENSE DOLLARS: STRAIGHT TO YOUR WAIST

### HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. PEASE. Mr. Speaker, I recently wrote to Secretary of Defense Weinberger, urging him to convert the personnel in the Department of Defense executive dining rooms from military to civilian and to more nearly reflect the cost of the meals. By doing this, American tax dollars would be more accurately aimed at their target: the defense of the United States.

I believe that a change in personnel policy at all restaurant facilities in the Department of Defense is not only feasible, but necessary. As the chairman of the Armed Services Committee, Hon. Melvin Price said:

To provide the kind of improvements in defense that we both desire will require a sustained effort over an extended period of years, and we will only be able to retain public support for that sustained effort if we can show that the funds are spent wisely and managed prudently.

The Cleveland Plain Dealer recently editorialized this issue in the following article:

AND SOME DON'T

If you belong to the "in" crowd, you can get a good steak dinner at the Pentagon for a bit under $3.

There are five dining rooms at the Pentagon, some more exclusive than others. If you're Secretary of Defense Casper Weinberger, for instance, you're eligible for the steak and you can eat it in the Chairman's Dining Room, operated for the Joint Chiefs of Staff. The secretary's salary is $69,630 a year. Does he need to eat subsidized steak?

Prices in the Pentagon's dining rooms reflect only the price of the food; enlisted personnel cook it, serve it and clean up afterward. The taxpayers pay their salaries.

High-level Pentagon officials make a convincing case for having a private dining room or two. They host foreign dignitaries, and private, secure facilities are necessary. But why five dining rooms? And why, exactly, does that mean the food should be cheap?

The very least the Pentagon should do is raise prices to the level of other restaurants. Better still, officials could hire civilian personnel, freeing the soldiers for more important (and less admiral-pampering) work. Other civilians are employed at the Pentagon, many in high-security positions. There is no good reason why civilians couldn't also serve food.

The other reason officials cite for using military personnel is that they are available for after-hours duty. Many restaurants are open day and night, too, so that's a weak argument at best.

There's no princely sum by Pentagon standards involved here—it only costs taxpayers $1 million or so a year to feed generals and their friends and associates so cheaply. But a million is a million is a million . . . how many more wasted millions are hidden in the defense budget? It's time to get out the sharpest ax in Washington, and

use it judiciously but decisively. And the first chop should come down on the generals' breadline.●

## A TRIBUTE TO GLORIA AND BOB TAYLOR

### HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. STARK. Mr. Speaker, I have the distinct privilege of representing a district that is not only beautiful to the eye, but is world renowned for one of its products—California wine. Although I share with some of my colleagues many of the larger vineyards and wineries, there are many smaller ones of which I am equally proud. I would like to take a few moments in the next few days to tell you about what is most certainly one of the oldest art forms in the world. I think the people in my district would agree when I say the making of wine is a work of art.

Probably one of the smallest vineyards in my district belongs to Gloria and Bob Taylor of Livermore, Calif. Although they do not operate a full-fledged winery, last year they sold 33 tons of Grey Riesling to the Wente Winery, also of Livermore.

The Taylors moved to a farm outside of Livermore 4 years ago. Since that time they have become the owners and tenders of 10 acres of grape vines that produce the luscious white grape used in the Wente Bros. superb Grey Riesling wine.

Although Bob Taylor works as a geochemist at the Lawrence Livermore National Laboratory, Gloria is a full-time farmer. Up at 6 a.m., she tends the grapes with the help of their two sons, Noah and Aaron. The Taylors are a recent addition to the longstanding tradition of California wine-growers and winemakers.

An article about the Taylors follows:

(By Joan Kinney)

Gloria and Bob Taylor, with their sons Aaron and Noah, moved from town to an old farmhouse on the outskirts of town in June 1977.

The property, the old Connally farm on South Livermore Avenue, a little south of the Livermore Civic Center, consisted of 13 acres with a house and outbuildings.

The house, which had been built back around 1895, had been a rental for six years prior to the Taylors' coming and was in bad shape. They spent their first years there restoring the house. They stripped it down to the studs, siding and floor; numbered all of the woodwork; then rearranged the plumbing, installed insulation, changed some rooms, and put the place back together.

Then the Taylors turned their attention to the land, to making it a working vineyard. Wente Brothers Winery agreed to buy the grapes. The winery did all of the preliminary work, the preparing of the field, the planting, etc. Ten acres of Grey Riesling were planted.

Bob's work at Lawrence Livermore National Laboratory, where he's a geochemist in solar and oil shale research, limited the time he could spend in the vineyard, so Gloria had to do most of this work.

She would rise at 6 a.m. and would prune for more than an hour, vine by vine. "It's really a nice peaceful thing to do," she says. Bob gave her a Sony, and she would listen to a Bach concerto or her French lessons while she pruned. The pruning took two months. "I got good at doing deep knee bends. I developed good legs."

Their first crop was coming along in 1980 when the starlings hit. The Taylors resorted to various devices to fend off the birds, but nothing worked. The starlings consumed the whole grape crop, so it seemed, and one day Gloria gave up.

The next day Ernest and Philip Wente came by. It's time to start picking, they announced. Pick what? There's nothing left, Gloria replied. Oh, yes, there are grapes left, the Wentes said.

The crop amounted to a ton and a half, with two-thirds having been lost to the birds. A ton and a half was far from great, but it was a beginning.

This year, everything went well. One hundred twenty friends helped the Taylors with the picking on August 23. They harvested thirty-three tons. According to the Taylors, a vineyard that produces four to five tons per acre is considered excellent. In light of the fact that this was only the second year of their crop, they regard the thirty-three tons as an exceptional yield.

They give some of the credit to the Wentes. "The Wentes are marvelous to work with," Gloria says. "Whenever we have any question or concern, they come right over to help us." She speaks of them as being not only fine professionals, but fine people. "The Wentes are well liked by their employees. You get the impression that things are run very nicely."

Gloria says, "We toy with the idea of making wine and having a tasting room. Open only to cyclists. We have no plans for a paved parking lot."

Like Bob, who holds a doctorate, Gloria is college-educated, with a degree. The Taylors were active in city politics during the 1960's and early 1970's. They participated in the growth control SAVE Initiative, Gloria as a board member of the organization. They belong to the Sierra Club. Gloria is a professional artist, and she has served on the Livermore Beautification Committee and Livermore Design Review Committee.

"I consider myself now a farmer," Gloria Taylor says.

"To be a farmer was not one of my dreams. It just happened. Fortunately, I love it. A day isn't complete that I don't go out to check the vines, taste a grape, scratch around in the soil.

"One of the things that happens is you become so aware of the weather—what direction the wind is blowing, how warm it is, how this year compares to last. It sharpens your senses."

Noah Taylor, who now is age 18, has written a little essay describing how he felt about moving from town to a farm:

THE FARM

(By Noah Taylor, June 1980)

I always thought my parents were crazy, or at least a little different. But the day they came home and said, "Now we're farmers," I didn't believe them. Stunned momentarily, I regained my head only to hear it again, "We're farmers!"

The farm was four miles out of town, down an old dusty road, near a vineyard. My parents said it was beautiful, but I needed a crystal ball to see through the haze. "What's beautiful?" I asked. "The farm," they both said simultaneously. Farm, I can't see it through all the garbage!

Well, all is good on the farm. The house is great after four months of hard work and slavery. We have a vineyard, red barn, chickens, rabbits, and everything you could ask for to escape suburbia in a suburban town. It's a real feeling of self-accomplishment, and it brought our family closer together.●

## SECRETARY WATT'S ACTIONS CONTRADICT HIS OATH OF OFFICE

### HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. VENTO. Mr. Speaker, I want to call attention to the conduct of Secretary James Watt this past week at the Governors' Conference. Apparently Secretary Watt realizes his policies are faltering and his popularity is plummeting. But rather than change his mistaken policies, he is trying to recoup by giving the States everything they ever wanted regardless of the expense to our environment. His actions crassly contradict the oath of office he took when he became Secretary of the Interior.

I am very concerned about the changing complexion of our Nation's environmental policies. The degradation of our natural resources and environment are too great a price to pay for implementation of the Reagan administration's development policies, especially those affecting land use. The Department of the Interior should defend the National Government's water rights and legitimate environmental interests, not place them on the auction block. It does not take much talent or fortitude to cave in to "State's rights" claims, as Mr. Watt has done. It is time the administration stepped back from Secretary Watt's policies and reviewed them dispassionately.

I was disappointed to hear President Reagan remark during a recent press gathering that he thought Secretary Watt was doing a good job in the face of attacks from environmental extremists.

Now what bothers me about the President's statement is not the fact that he supports James Watt. This is to be expected because Secretary Watt is the ball carrier for the administration's environmental policies. What really bothers me is the fact that our President has fallen into the trap of using the loaded phrase "environmental extremists." Those who oppose the policies of Secretary Watt, and I am

one of them, are now labeled environmental extremists not just by Secretary Watt but by the President as well.

Characterizing someone as an extremist is a convenient way to brush off criticism and make it appear that only a few are in opposition, which obviously isn't the case.

Many Members of Congress and vast numbers of Americans oppose Secretary Watt's policies. To dismiss our concerns as "extremism" is both irresponsible and a disservice to many concerned Americans.●

## PHARMACIST OF THE YEAR AWARD

### HON. KENT HANCE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. HANCE. Mr. Speaker, it is with great pleasure and pride that I take this opportunity to congratulate Lonnie F. Hollingsworth, Sr., R.Ph., of my district in Lubbock, Tex., for having been selected as the Texas "Pharmacist of the Year" for 1981. Lonnie is well deserving of this prestigious award as evidenced in the following article which appeared in Texas Pharmacy (July 1981), "Meet TPA's 1981 Pharmacist of the Year":

When one considers the attributes that the "Pharmacist of the Year" should have, many ideas flash through the mind. Although devotion to pharmacy is of primary importance, the person's willingness to serve community, state and country must also be considered, along with a deep and abiding devotion to service of fellowman.

The 1981 Texas "Pharmacist of the Year" began his education in Wellington, Texas, graduating with honors there in 1949. He served in the U.S. Navy from 1950-54 in Korea as Storekeeper First Class. After his honorable discharge, he attended The University of Texas College of Pharmacy, graduating first in his class with highest honors in 1957. During his student days his activities included Phi Delta Chi, Phi Eta Sigma (Freshman Honor Society) and Rho Chi. He remains an alumni member of Phi Delta Chi and a lifetime member of the Texas Ex-Students Association.

You do not have to talk at length with the 1981 POY recipient before you learn of his love of his community and all of West Texas. Included in the many ways he has served his city are such diverse areas as Lubbock City Councilman 1968-72 and Lubbock Mayor Pro-Tem 1972-74, City Council representative to the Lubbock Drug Abuse Council 1969-70, Planning and Zoning Commissioner 1967-68, director of the Texas Municipal League 1968-69, and chairman of the Lubbock Power and Light Electric Utility Board. He has also served his community by working with the Multiple Sclerosis Society, Boy Scouts, his church, the Shriners, Lions Club and Elks, just to name a few.

The recipient has served his fellow pharmacists by being a tireless, enthusiastic participant in many phases of the profession. He is currently secretary-treasurer of West Texas Pharmaceutical Association, member of the Executive Committee of the Texas Pharmaceutical Education and Research Foundation and member of the Executive Committee of National Association of Retail Druggists. He has been a member of Texas Pharmaceutical Association for 22 years, has chaired several committees and held many offices in his professional organizations, including the presidency of TPA, WTPA and Lubbock Area Pharmaceutical Association.

The diversity of his business interests and his hobbies shows that he is a well-rounded individual. He is president of L&H Pharmacies, Inc., a member of the Board of the Lubbock Security National Bank, owner of rentals and investment businesses, president of 3 Points Corporation and president of L&H Horseshoe, Inc. His non-business interests include hunting, coin collecting, gun collecting, private aviation and sports.

An extremely important part of the Pharmacist of the Year's life revolves around his lovely wife, Nancy, and their two children, Heather Lea and Lonnie, Jr. Heather is now an actress living in New York City, and Lonnie, Jr., a May graduate of The University of Texas at Austin, will soon be entering law school. May we present to you Texas Pharmaceutical Association's 1981 "Pharmacist of the Year" . . . Lonnie F. Hollingsworth.●

## A CLOUD IN THE ACADEMIC SKY

### HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. SIMON. Mr. Speaker, I want to call the attention of my colleagues to a rather ominous sign on the horizon of higher education. Policy statements developed by the National Governors Association staff and supported by certain State higher education executives would establish a new role in the Federal-postsecondary institution relationship for the States.

State control and review of the Federal student aid allocations, research grants, and discretionary grant funds is unacceptable to the colleges and universities and, I hope, to the Congress. My colleagues should look closely at this issue and its potential harm to higher education. I urge them to read the July 27, 1981, Chicago Tribune editorial, which I am inserting in the RECORD.

A CLOUD IN THE ACADEMIC SKY

One small but ominous cloud in the skies of academia is a policy statement drafted by the staff of the National Governors' Association. This document recommends that state agencies be empowered to review and act on all federal funds coming to public universities and colleges, and to review and comment on federal aid to private schools. The Board of Higher Education and its staff in Springfield would pass on a wide variety of academic funds: student aid, research grants, health education subsidies, etc.

The Reagan administration prides itself on reducing controls in Washington, with its shift of emphasis from categorical to block grants. But universities will find life more rather than less complicated if an array of elected and appointed state officials stand between them and any federal dollars headed their way.

Here in Illinois, neither executive nor legislative officials have wanted control over federal grants to higher education. The General Assembly has repeatedly rejected proposals that it reappropriate all federal moneys coming to state schools. The Board of Higher Education and its staff have not coveted the powers (and problems) that the National Governors' Association draft would push towards them.

The good practice here in Illinois has been that if a university or college succeeds in grantmanship in Washington, it may collect its money without state intervention—with the understanding, of course, that state funds cannot be assumed to be available to carry on after the federal money is spent. That practice avoids the temptation to make federal grants into political footballs at Springfield.

It may not be surprising that some governors and state higher education executives want additional power over federal grants to universities. But it is not in the public interest that they should have it. Higher education does best with a minimum of political interference.●

## EXPORTS OF HAZARDOUS PRODUCTS

### HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. ROSENTHAL. Mr. Speaker, once again the delicate moral and political issue of "reverse dumping" has arisen. The Reagan Commerce Department seems to be trying to eliminate the requirements, built up after many years of study and negotiation, that foreign governments be notified before U.S. companies export hazardous products.

In 1978, the Commerce, Consumer, and Monetary Affairs Subcommittee, which I chair, held hearings on the problems resulting from the export, particularly to Third World countries, of products such as pesticides, birth control devices, pharmaceutical drugs and other products determined to be dangerous to the health or safety of Americans. After careful study, President Carter issued Executive Order 12264 shortly before leaving office requiring that foreign governments be informed that such products were being exported to their country so that they could take whatever steps they deemed appropriate. President Reagan reversed the order shortly after taking office and called for further study. It now seems the Commerce Department wants to effectively eliminate the notice requirement still contained in several statutes. As the Washington Post said in an editorial in the September 12, 1981 issue: "An effective international notification system does not now exist. Until it does * * * America's unilateral con-

trols should be kept in place." I submit for the RECORD an article from the September 9, 1981, Washington Post and the editorial referred to.

The material follows:

[From the Washington Post, Sept. 9, 1981]

EASING OF HAZARDOUS EXPORTS STUDIED

MOST NOTIFICATION RULES MAY BE CANCELED

(By Caroline E. Mayer)

The Reagan administration is drafting plans to ease the way for U.S. companies to export hazardous goods that have been banned or restricted in this country.

In a draft policy statement obtained by The Washington Post, high-ranking officials at the State and Commerce departments are proposing the elimination of almost all rules that now require manufacturers to notify foreign governments before they ship goods abroad that have been deemed too dangerous for widespread use in the United States.

The types of products and materials that may be affected by the new policy range from such tightly regulated chemicals as PCBs (polychlorinated biphenyls) and chlorofluorocarbons to banned pesticides such as DDT, lindane and endrin. Consumer products that also have been banned, such as children's sleepwear treated with the flame-retardant chemical Tris, may also be affected.

According to the draft statement, a policy change is needed because the current preexport notification rules "have placed U.S. exports at a competitive disadvantage."

Noting that the United States is "the only country currently requiring notification of the export of hazardous substances," the draft concludes that such rules should be replaced by a broader information and education campaign.

Instead of notifying foreign governments at least once a year when a shipment of banned or restricted goods is to be exported, the Reagan officials propose simply providing "brief summary information" to either foreign governments or international organizations when U.S. government agencies ban or restrict a product's use, even though that notice may be years before that product is exported to another country.

"In the long run, international information sharing will have more beneficial results for the U.S. than procedures requiring specific export notifications. . . . A unified, international approach will provide a more comprehensive basis for importing nations to make decisions without jeopardizing the competitive position of U.S. exporters."

The proposed policy change may require some amendments to existing, laws, according to the draft report.

State and Commerce Department officials, upset that the draft report had become public, cautioned that the policy is only a draft and could be changed before it is sent to President Reagan. Commerce Department officials said they hope to complete the report within a month.

One official involved in writing the report said there was a great deal of internal debate in both agencies over the proposed policy, with several staff members arguing that it does not protect the public's health and safety and the environment.

The two departments themselves are locked in a dispute over just who should be notified about U.S. regulatory actions to ban a product.

State Department officials argue that they should notify individual governments about each action, while Commerce officials contend that such information should go only to international organizations, such as the United Nations.

Commerce argues that it is not the U.S. government's role to keep all other foreign governments informed about hazardous products; instead, it is up to the United States merely to furnish the information to an agency so any interested government would be able to obtain it.

The policy recommendations on hazardous exports was requested by Reagan last February when he struck down an executive order issued by President Carter just five days before he left office. That order sharply restricted the export of products that either have been banned or whose use has been restricted in this country. Among other things, the order would require anyone exporting such products to obtain an export license from the Commerce Department before such goods were shipped abroad.

Despite the revocation, exporters are still required in many cases to notify U.S. government agencies before they export tightly regulated chemicals, banned products, pesticides that are not registered in the United States and medical devices that do not comply with U.S. standards. In turn, these agencies proceed to notify the officials in the foreign country for which these products are destined, either directly or through the State Department.

"In no case can it be documented under the existing shipment specific notification system that a foreign government has taken specific regulatory action in response to notification of a U.S. export," the draft report says in explaining why the current rules should be dropped.

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[From The Washington Post, Sept, 12, 1981]

EXPORTS ARE ALSO IMPORTS

Yet another leaked draft from inside the administration shows the Commerce and State departments to be at work on a proposal to eliminate the requirement that foreign governments be notified before U.S. companies export hazardous products. Should the plan be forwarded to the president and adopted, it would undo a sensible compromise policy agreed to only a year ago.

There are many who believe that this country should forbid the export of substances—pesticides, drugs, consumer products, chemicals for instance—banned or tightly restricted in this country. This ignores the reality that the risks and benefits involved in a regulatory decision vary greatly among countries. The classic case is DepoProvera, a cheap, long lasting, effective contraceptive banned here because of possible long-term health risks. In many developing countries where skyrocketing population growth has created great hardship, the balancing of risks and benefits yields a different judgment.

A sensible policy not only must accommodate these differences; it also must encompass a number of economic, political and environmental interests that point in conflicting directions. The policy must not interfere too greatly with trade by American companies. But it must recognize that, as the world's dominant economy, this country bears a measure of ethical responsibility. Moreover, unregulated hazardous exports can quickly generate a backlash of hostility and resentment damaging to U.S. foreign policy. This happened a few years ago when American companies tried to export toxic wastes to poor countries in Africa and the Caribbean.

Finally, a good policy must recognize that the earth is much smaller than it seems: banned substances that are exported have an uncanny way of coming home again—via air, water and especially food. For example, residues of banned pesticides—some of them with severe health effects—have found their way back to American kitchens on bananas, sugar, tea, tomatoes, coffee and many other imports.

The compromise eventually agreed to by Jimmy Carter and Congress allows exports of dangerous substances only after the importing country is notified of the risks involved. It is not a perfect solution, but it is the best balancing of these various interests yet put forward. Businesses have complained because of delays and paper work, but these are modest in comparison with the benefits. The draft plan's argument that current controls should be dropped because a "unified, international approach" would be better is a fancy way of saying, let's do nothing. An effective international notification system does not now exist. Until it does—and this country should continue to support its creation—America's unilateral controls should be kept in place.●

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## TRIBUTE TO LUTHER FLECK OF BLACKWOOD, N.J.

### HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. FLORIO. Mr. Speaker, Mr. Luther Fleck of 225 Marshall Avenue in Blackwood, N.J., was the recent recipient of the Silver Lifesaving Medal for heroism. The medal was officially presented to him by Vice Adm. R. I. Price of the U.S. Coast Guard. I believe that Mr. Fleck's lifesaving actions are of interest to my colleagues.

While strolling on the Steel Pier in Atlantic City, Mr. Fleck spotted a man and small child struggling for survival in the cold surf below. With no concern for himself and without the assistance of lifesaving equipment, Mr. Fleck dove into the water, 50 feet below, and held the two above the waves until help arrived.

The results of such valiant efforts were the survival of the man and his son. Unfortunately, Mr. Fleck sustained internal injuries due to the pounding of the waves and the strain of the rescue.

I would like to take this opportunity to personally and publicly commend Mr. Fleck for his unselfish and heroic act. It is indeed the actions of a man like Mr. Fleck which are exemplary of the brotherhood of man.●

## INTELLIGENCE INFORMATION PROTECTION ACT

### HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. SHUMWAY. Mr. Speaker, I am today introducing the Intelligence Information Protection Act. My legislation, which is identical to S. 1235 sponsored in the other body by Senator D'AMATO, would substantially ease the deleterious impact that Freedom of Information Act requirements have had on the CIA.

Although the intelligence community remains our Nation's first line of defense, the effectiveness of the CIA in particular has been severely compromised by materials procured under the Freedom of Information Act. CIA methods have been publicized; CIA operations have been undermined. Perhaps most importantly, the perception now exists among allied intelligence agencies and potential sources alike that identities cannot be protected and information kept secret. This should perhaps come as no surprise, Mr. Speaker, given the fact that, under present law, the CIA recently spent $300,000 to comply with a Freedom of Information Act request from Philip Agee, the notorious former CIA officer whose admitted intent is to destroy the Agency.

Specifically, my bill exempts from the Freedom of Information Act all materials involving personnel selection, training, reorientation, internal operations, office management, and organization of the CIA. Additionally, all materials concerning special activities, clandestine collection, and covert operations are exempted. The right of individuals to obtain personnel files would not be affected, nor would the application of the Privacy Act be altered.

Mr. Speaker, the general issue of Freedom of Information Act reform is currently being debated both in Congress and within the administration. My bill is intended as a contribution to this necessary debate, and as an effort to restore to our intelligence community the ability to effectively carry out its crucial responsibilities. I would therefore welcome the cosponsorship of our colleagues.

At this time, I would like to commend to the attention of the Members of the House, an article by Jack Valenti which underscores the need for the kind of legislation I am proposing:

[From the Washington Star, Mar. 13, 1981]

TOO FREE WITH OUR INFORMATION

(By Jack Valenti)

I spent some time recently in Western Europe chatting with key European officials, including several in the intelligence services of Great Britain and France. They seem persistently nonplussed by peculiarities in the American spirit, centered mostly on our Freedom of Information (FOI) Act and the porous quality it confers on the FBI and the CIA.

As one foreign official put it to me, "I daresay none of my colleagues today would pass on to the Americans sensitive data about the work of our operatives on the Continent—or even hint at anything which would identify agents we have in the field. It would be suicide for our people. It is already deadly to your own."

Another said, "How on earth can you possibly collect and hold intelligence which may slip into foul hands simply because someone you do not know writes in and asks for information? How you can have an intelligence organization that routinely gives away its files passes my understanding."

It isn't enough, they complain, that material extracted from the FBI and CIA with Freedom of Information requests is put through a sifter that supposedly culls out secret material. They point out that people are processing so many requests that human error makes it literally impossible to expunge all that is not designed to be made public. Slippage is inevitable—and when it happens, the irretrievable occurs.

The intent of the FOI Act is laudable. Light thrown on dark crannies of the government usually illuminates a good many practices that should be corrected. But a balance is required, say these Europeans.

CASUAL MADNESS

It is one thing, they point out, to probe the Department of Labor or Transportation for information, but to uncork the files of the FBI and the CIA is a kind of casual, and they hope momentary, madness.

The FBI received some 18,800 requests for information in 1979, and the CIA recorded some 14,000 requests since 1975. No one can be certain how many of the CIA requests come from foreign governments operating through cover names. And there is a difference between sending along a file of newspaper clippings, and parceling out documents with lines blacked out, with no one in the Agency quite certain that all that should be excised has been.

Most people would acknowledge that criminals, both organized and unorganized, are filing requests by the long ton to the FBI to learn what the feds may have on them that might be embarrassing or damaging—and to act on what they learn. Fragments of information are as valuable as the complete dossier.

Unhappily, some past events have convinced a good many people that the FBI and the CIA skulk about doing rude acts not countenanced by our own laws. Public suspicion about two enterprises, without whose vigilance we might be more anxious than we are now about our future security, stirs our unease.

In the war against terrorism in Europe, the intelligence services of the West Europeans find it necessary to foresee violent designs before they are hatched. The only known method to do that is to collect information so that if a design is forming it may be thwarted before it occurs—or at the very least to pick up the spoor of those sponsoring the skulduggery before they kill somebody.

AN INSTITUTIONALIZED LEAK

What the public doesn't know, and probably cannot know until it is too late, is how well our police and intelligence services are prepared to act before some violent deed is done. We have so institutionalized the "leak" in this country that nothing is truly safe from prying eyes. Granted that we may too often stamp Top Secret on a formula for dried milk; granted also that much of what is delivered to someone asking for information is valueless. But it is nonetheless true that in handling literally thousands of requests, brief lapses in scrutiny run throughout the whole costly process.

It is not the cost of handling these requests that should cause us concern. It is the disposition of crucial material, often collected at great risk from sources who believe it is sacrosanct, who suddenly discover to their horror and fear that it is not. All of which causes our colleagues in Europe to shake their heads.

This unease among our friends is not evidence of paranoia. As William Burroughs put it, "A paranoid is a man in possession of all the facts."

The work of the FBI and the CIA is by nature shadowy. But they labor to ensure the security of the nation. Most Americans assume that work is going forward with dispatch, skill and dilgence. But many European friends of this country are queasy not so much about the quality of the labor, but of the impermanence of its safety.

One can only pray that the Congress and its oversight committees can figure out some common-sense balance which places off-limits sensitive information which is now leaked or routinely given away. There is legitimacy in the phrase "national security information."●

## NURSES' DISCONTENT MUST BE ADDRESSED

### HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. BIAGGI. Mr. Speaker, the problem of quality health care in this country continues to plague us in many areas of the country where adequate health care personnel are needed. The problem of nurses is particularly compelling and points directly to the need for greater cooperation between health care advocates in an era of decreasing Federal dollars.

There are currently 1.4 million registered nurses in the United States. Yet, only 400,000 of them choose to work full time in hospitals. In my own city of New York, the problem is even more acute—the current levels of 5,600 RN's must increase by 1,000 in order to continue even a minimal level of patient care.

Dissatisfaction with the low level of pay, grueling hours, and lack of adequate training programs to upgrade job skills have prompted many women to leave the field. At the same time, the number of nursing graduates are decreasing, creating 100,000 nursing vacancies in the United States—or 72 full-time positions in each hospital.

As a member of the House Education and Labor Committee, I have been actively involved in efforts to improve the working conditions of all levels of nursing as well as programs

to upgrade nursing. In New York City, I have spearheaded collective efforts between vocational education, adult education, local school officials, and the Health and Hospitals Corp. which administers municipal hospitals to develop programs to train licensed practical nurses.

Licensed practical nurses, or LPN's as they are known, provide essential support services in hospitals which are vital to any effective health care system. The need for them is well documented. A fall 1980 Bureau of Labor Statistics report notes a current as well as projected scarcity of LPN's to serve the hospitalized. Providing upgraded training within their present employment framework is likely to encourage LPN's to remain in the field and hopefully, encourage training that would upgrade their own professional positions.

The future of our health professions depends upon increased cooperative efforts between the public and private sectors to maximize resources. Adequate funding for nurse training and scholarship programs is essential and I pledge to continue my efforts to combat future attempts to reduce or eliminate these vitally important programs. Nurses deserve our support as much as they do not deserve continued discontent.●

## SOLAR BANK SAVED

### HON. NORMAN E. D'AMOURS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. D'AMOURS. Mr. Speaker, few changes this administration has made have been as marked, or potentially as shortsighted as their energy policy. Choosing to rely exclusively on tax credits, they have thus far refused to issue regulations implementing the Solar Energy and Energy Conservation Bank, and have, in fact, proposed its elimination. Despite the overwhelming congressional support for the bank in the 96th Congress and reports from both the GAO and OTA indicating fully supporting its creation, they have steadfastly blocked it.

Therefore, I am exceptionally pleased that the conference report on H.R. 4034, the HUD-independent agencies appropriations bill, contains $25 million for the Solar Energy and Energy Conservation Bank. Although this sum is very modest, it will most certainly provide funding for pilot projects which should certainly demonstrate once again the need for the bank. Perhaps more importantly, the report contains language directing the Secretary of HUD to issue regulations implementing the bank at the earliest possible date.

Colman McCarthy, the noted Washington Post columnist, recently wrote a column very accurately depicting the Reagan administration's shortsighted attitude toward solar energy. I ask that it be printed in the RECORD at this point and commend it to my colleagues. It is especially appropriate today as we consider legislation that initiates this most important of solar energy proposals, the Solar Energy and Energy Conservation Bank:

THE REAGAN SOLAR ECLIPSE

(By Colman McCarthy)

QUONOCHONTAUG, R.I.—Along Ocean View Lane, from which the view of the Atlantic sparkles with the blue waters and bluer sky of Block Island sound, those looking inland can enjoy scenery of a different but still stirring beauty. On the roof of the corner home of Jim Byrne, a retired insurance man, are two solar collector plates.

They are modest in design and purpose. Ten feet by five feet, their heat absorption pipes lead into the house to a water tank that uses the stored energy when needed.

What's beautiful about this solar device is not only that it is one of many in this remote village and, nationally, one of about 350,000 currently on American homes, but that Jim Byrne is in his 80s. He is an oldtimer who has rejected the tired old wasteful ways of the oil conglomerates and their one-note opposition to renewable energy like solar. Instead, in his 80s, Byrne is going with the future.

Much of the rest of the country appears ready to join him. A Gallup Poll last year reported that solar development was the choice of 31 percent of the public to meet the country's energy needs. Oil and natural gas were the preferred options of only 14 percent, and nuclear power sputtered in last with 8 percent.

Warmed by the sunlight in this popular support, Congress last year raised the residential solar tax credit from 15 to 40 percent. In many states, further credits have been enacted. Offering leadership that was unappreciated at the time, Jimmy Carter announced in a 1979 presidential message—the first ever on solar energy—a national goal of using solar and renewable resources for 20 percent of the nation's energy needs by 2000. The new federal Solar Energy Research Institute had a budget of $100 million and a director, Denis Hayes, who was both a sophisticated scientist and a seasoned advocate.

With this kind of support and attention, solarists had reason to bask a bit. But no sooner had this sunny day begun than the Reagan administration charged in with plans for a partial eclipse—and in many places a total one.

It wanted to eliminate the Solar Energy and Energy Conservation Bank, one of the main parts of the Carter solar program. The bank was to have provided $1 billion worth of subsidies through 1984 to builders and owners of both residential and commercial structures. The administration has yet to kill the bank. Its fate is now in the hands of House and Senate appropriations committees that are about to decide whether to give it $150 million for the next three years. The Solar Lobby, a Washington group, says the bank "is the only federal program to help lower-middle income people in making energy conservation improvements to their homes."

Failing to break the bank, in June the administration fired Denis Hayes and cut the institute's staff from 850 to 580. On his last day, Hayes served the nation well with his candor: "The shifts in the energy budget have been described by administration spokesmen as pure exercises to trim the federal budget. That is a manifest lie." If saving money were the goal, Hayes said, "the nuclear budget would not be increased by 36 percent while the solar budget was slashed 67 percent."

From the evidence, it is hard not to agree with Hayes that this administration "has declared open war on solar energy." If there is any comfort to be taken it is that this will be a war that the president's energy generals can win only in their sunless strategy rooms. They argue, with free enterprise slogans, that the future of solar should be decided in the marketplace: as oil prices rise, consumers will go to the solar equipment companies that provide savings in energy. Solar must compete on its own, without subsidies from energy banks.

This is a tidy theory, except that citizens and businesses are so burdened paying this month's gas and electric bills that they have little or nothing left over for the high capital outlay needed for solar. "You could charge $100 a barrel for oil," said Suzette Tapper of the Solar Lobby, "and that only makes people less able to afford solar." The theory also overlooks the immense sums the government provides to subsidize conventional fuels—one study puts the figure minimally at $220 billion from 1923 to 1978. This is free-ride enterprise.

As solar energy becomes politicized, perhaps President Reagan should climb the roof of the White House. A solar hot water system, like the one on Jim Byrne's house in Quonochontaug, was installed there two years ago. Last week, a White House official said it was working just fine.●

## JEWISH NEW YEAR

### HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. SOLARZ. Mr. Speaker, I would like to take this opportunity to remind my fellow colleagues that beginning with sundown on September 28 through sunset of October 8, the Jews of the world will begin the celebration of the Jewish New Year. These 10 high holy days commencing with Rosh Hashanah mark a period of penitence culminating in Yom Kippur. These holy days, Rosh Hashanah and Yom Kippur, are the most solemn days of the Jewish calendar.

These days involve reflection on the creation of the world, of God's covenant with Israel, and the events of our own lives for the past year.

Rosh Hashanah is the time of remembrance. It challenges one to assess the past and future, and the meaning of all that surrounds us. But it is also a day of hope, for it provides an opportunity to not only repent misdeeds but to renew one's commitment so that by Yom Kippur, the Divine Tribunal will enscribe one's name in the book of life.

As Jews throughout the world gather in their synagogues, we will ex-

perience again the strength of our faith and traditions, and ponder the ancient question: "Who shall live and who shall die?"

We will recall the ancient and modern persecution of our people, particularly the holocaust which claimed 6 million men, women, and children. It will strengthen our determination that never again must such an event be allowed to happen.

We will remember the miraculous birth of the Jewish State in Israel, an oasis of democracy in a sea of dictatorships, a place where the exile has found a home, and where the very desert has been made to bloom.

We will rejoice that thousands of Jews from the Soviet Union and Eastern Europe will worship for the first time in freedom. But we will mourn that tens of thousands of others who remain locked in the gulags of the Soviet Union and Eastern Europe yearning for the freedom of Jerusalem, while the embattled Jewish minority in Syria struggles to survive and wrench from its oppressive Government the right to emigrate.

As we end the holy days with the solemn fasting and prayers of Yom Kippur, let us also renew our commitment to work "to loosen the fetters of wickedness, to undo the bands of the yoke, and to let the oppressed go free."

Mr. Speaker, may I wish to you and to all my colleagues a happy new year of peace, freedom, and justice—and may this be the year of deliverance for the people of Israel throughout the world from all their enemies.●

## THE REAGAN POTENTIAL

**HON. LARRY McDONALD**

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. McDONALD. Mr. Speaker, this year in Washington has been different from any time seen in Washington since Mr. Roosevelt's first term. For the first time since 1932, the cutting of taxes and the reduction of the Federal budget are major topics discussed every day in Government rather than just occasionally. Dan Smoot pointed out recently that President Reagan has this marvelous opportunity to bring our Government back to being the constitutional Republic that was intended by our forefathers. Passage of appropriate legislation to pare down the tyranny of the judiciary and the size of our Government can take place under President Reagan, if he will but seize the opportunity. Dan Smoot's article appeared in the Review of the News for July 8, 1981. I commend it to the attention of my colleagues as a very timely discussion:

THE DAN SMOOT REPORT ON THE REAGAN POTENTIAL

I believe a majority of Americans fear and dislike socialism, but our failure to utilize constitutional remedies has rendered us unable even to slow down the socialist revolution that is smothering our Republic, much less stop it and roll it back.

The Constitution is not law of the land for the people to obey. It is law for government to obey. It specifies powers which the federal government may and may not exercise, and a few powers denied the states—summing up in the last article of the Bill of Rights by saying that all powers not mentioned are reserved to the states or to the people.

Even if the President, all Members of Congress, all judges on the Supreme Court, and every other person living in the United States, want the federal government to take certain action, the government cannot legally do so unless the Constitution makes a grant of power authorizing such action. The only legal way out of the impasse is for Congress and the people to amend the Constitution by due process, giving the federal government whatever additional power the people want it to have.

Some raise doubts about the meaning of key passages in the Constitution, but there should be few real doubts for those who have studied its origin. Inherent in our Constitution is the ancient principle that the intent of the original law-giver is the law. If judges or other government agents can change the Constitution instead of obeying it as is, or can with impunity ignore its provisions, a written constitution is a mockery of the noble ideal of limited constitutional government. With regard to our Constitution, the original law-giver was the Constitutional Convention; with regard to an Amendment, the Congress that proposed it was the law-giver. There are records, made by these law-givers, revealing their intent; and their intent is the law.

In any event, it is a mistake to try to find out what the Constitution means by reading federal court decisions. The courts have perverted the Constitution, burying its original meanings in millions of murky paragraphs that confuse rather than clarify.

The Constitution does not give the Supreme Court the power of final arbiter to determine what the Constitution means. That much power given to the Court would have made it constitutionally what it has unconstitutionally become: a judicial oligarchy that can do to the people and their institutions anything a majority of the justices pleases. The original law-givers, the Founding Fathers, were so afraid of judicial tyranny that they made the Supreme Court the weakest of the three federal branches. It was given very limited, and relatively insignificant, original jurisdiction; no appellate jurisdiction except at the pleasure of Congress; and, no means to enforce its decisions.

All this being obvious, is it not strange that Congress permits federal courts to violate not only the Constitution but also specific laws of Congress?

SOME PROBLEMS AND REMEDIES

The First Amendment prohibits the federal government from interfering with the free exercise of religion. In 1962, the Supreme Court subverted this provision and used it to outlaw the free exercise of religion in public schools. Today, 19 years later, the decision still stands, serving as a precedent for other decisions. From time to time, some Members of Congress suggest a Constitutional Amendment to permit prayer in public schools. Yet this wrongly implies that the Supreme Court was right in the first place, and it would give the federal courts constitutional authority to supervise religious activity in public schools.

During the past 17 years, many Members of Congress have been whining about federal courts violating federal laws to order busing for racial balance in public schools. Some Members have proposed a Constitutional Amendment to prohibit such forced busing. Again, the implications are serious!

There are, of course, other remedies. Congressman Lawrence P. McDonald (D.-Georgia) tried to bring impeachment proceedings against a federal judge in Lousiana who, overturning a state judge's decision, ordered three white girls to be bused miles away from their neighborhood school to attend a mostly Negro school. In Tyler, Texas, a federal judge has recently handed down decisions that will require crushing increases in school taxes, and create other monumental problems, while hurting rather than helping children. Again, impeachment has been suggested.

But there is a better constitutional remedy than impeachment to handle such federal judges who are more destructive of our governmental system than the Communists have ever managed to be. There is little likelihood of an impeachment succeeding. If it did succeed, it would at best remove one undesirable federal judge, and, perhaps, scare others; whereas, there are legions of federal judges who need to be reined in sharply and abruptly. With regard to school matters, prayer or busing, all we need is an Act of Congress saying that federal courts have no appellate jurisdiction in cases involving the operation of schools. That would end the matter and leave it to the states and to the people.

Our failure to utilize proper constitutional remedies has rendered us unable even to slow down the socialist revolution, much less stop it and roll it back. We have now reached a turning point; we are at a crossroads of history. During the Reagan Administration, we will either make a turn upward toward restoring America as a prosperous, independent, constitutional republic, or we will accelerate our speed downward through economic collapse and anarchy toward the degenerate position of servitude in an international socialist dictatorship.

At this juncture, Ronald Reagan has a more glorious opportunity to do what is right for America, and is freer to do it, than any other President in the century. For almost 20 years before being elected, he talked publicly about what the federal government should do; and what he said should be done is what the people voted for when they elected him. Hence, he has the clearest public mandate a President has ever had; and he does not have to worry about re-election. Reagan could go down in history as our greatest President: the one who saved our Republic from oblivion. The people are ready; the time is right; and, the President has the special qualification needed: He is superlative in communicating with the public on television. Since he was shot—because of his manly behavior throughout that experience—he has become a towering personal hero of the kind our nation has needed for a long time.

MR. REAGAN AND THE REPUBLIC

Nonetheless, I do not think any of Reagan's legislative proposals to date will do enough good. The President and his men

talk of trimming waste and dishonesty out of such programs as federal Welfare and Food Stamps, but promise that the government will honor its responsibility to help the genuinely needy and deserving. Argument over who is genuinely needy and deserving has been going on since the days of Franklin D. Roosevelt, but no answers have ever been found. Moreover, the federal government has no responsibility in this problem.

Reagan has begun to yield to the vicious lobbying combine which warns him not to try to take food away from the poor in order to give guns to the military. A President who respects his oath of office to uphold the Constitution should spurn such dishonest impertinence, and waste no time on discussions about how much of the federal Budget should be spent on the military and how much on aid to the poor. Raising and supporting armies to defend the nation is a specific power and a duty that the Constitution puts upon the federal government. But all of the federal income redistribution programs are illegal, because there is no grant of power in the Constitution for them.

The awesome governmental power to take property away from some citizens for redistribution to others is among the many powers not specified in the Constitution, and, therefore, reserved to the states or to the people. Reagan, in promising to reform the income redistribution programs, is saying, in effect, that it is all right for the federal government to operate unconstitutional programs if it administers them honestly and efficiently. Such nullifying of constitutional restraints by ignoring them can be more damaging to the cause of liberty than are waste and malfeasance.

Reagan cannot possibly cut enough fat and corruption out of illegal federal programs fast enough to have any perceptible effect on the raging inferno that is consuming our civilization—the inferno of inflation, together with all of its attendant evils: social disintegration, growing anarchy, and a withering national defense that makes us every day less capable of defending our homeland against burgeoning Soviet military power.

We are so near the abyss that prudent pruning, tactful trimming, and rousing rhetoric will do little good. We must have radical measures—radical, in the sense of getting to the root of the matter. Our failure to utilize constitutional remedies has rendered us unable even to slow down the socialist revolution, much less stop it and roll it back. This will be the essence of Reagan's failure, if he fails. If he hopes to succeed, he must mount a massive offensive, geared not to the old pre-Eisenhower Republican Party's idea of frugal spending, but to the radical ideal of restoring constitutional government in the United States.

In the America of today, the most radical of all political proposals is the proposal to restore American constitutional government. That would mean eliminating hundreds, probably thousands, of federal programs and agencies which are illegal because nothing in the Constitution authorizes their activities.

How and where could Reagan begin? If he had begun in his Inaugural Address, it would have been easier for him; but it is still not too late. He should begin now where he should have begun in January—where the problems are greatest and where success would be the most stimulating to public morale. He should ask Congress to abolish all federal Welfare programs (not including, at the outset, the O.A.S.I. and Medicare portions of Social Security, for which special taxes were levied upon participants).

The Welfare programs should be abolished primarily because they are illegal, there being no constitutional authority for such federal programs; but, in explaining the proposal, the President should include pragmatic reasons for getting the federal government out of Welfare activities. It is easy to make a case against federal Welfare programs. Nixon did it in 1968, pointing out that $250 billion spent on federal Welfare since the 1930s had actually harmed the poor. Nixon promised reforms. But, in office, he proposed reforms that would have tripled Welfare rolls. Hubert Humphrey, Nixon's Democrat opponent in 1968, also condemned federal Welfare and promised reforms. His proposed reforms were worse than Nixon's.

It is easy, for instance, to make a case against the Food Stamp program, which began in 1964 as an illegal program to dispose of agricultural surplus, and became, during the first term of Richard Nixon, a monstrously corrupt and corrupting misuse of public money. It seems apparent that millions of dollars' worth of Food Stamps are used as street money to buy booze, illegal drugs, and the services of prostitutes and perverts; that millions of dollars' worth of Food Stamps are counterfeited; that thousands of individuals racketeer in Food Stamps by getting them under a multiplicity of false identities.

CONSTITUTIONAL SOLUTION FOR REAGAN

In asking Congress to abolish the federal Welfare programs, the President should ask for a simultaneous across-the-board income-tax reduction totaling, per annum, the cost of all the federal programs being eliminated. That would leave in the states more money than the federals have been spending in the states on the programs, because it would save what is now being wasted through inefficiency and corruption, and what is now being spent in Washington on federal administration.

The President should explain to the people that if they want their money spent on Food Stamps, or any other kinds of Welfare, they should make arrangements to do it the way they want it done: privately, or through state or local governments—the federal government having no valid authority to make such decisions.

The President should also ask Congress to abolish a host of other types of unconstitutional operations, such as foreign aid, the Peace Corps, E.P.A., O.S.H.A., C.E.T.A., the Legal Services Corporation, the Department of Energy, the Department of Education, and farm price supports. As each one of these is abolished, the savings should be passed immediately to taxpayers in an across-the-board income-tax reduction; or should be added to appropriations for national defense; or should be used for reducing the National Debt.

After all of that had been accomplished, the country would be in such fine shape and the people in such confident spirits that it would be possible for the President to take the final step toward restoration of constitutional government, by doing something about the illegal Social Security and Medicare programs. The acceptable way out of the Social Security-Medicare morass is to stop its expansion at once with no one else taken into the system. Then retrench, by removing from the system all participants not close to getting retirement benefits: remove them by paying them back, with interest, everything that has ever been paid into their Social Security accounts. Persons already retired or about eligible to retire on Social Security should be left as is until they die.

This would virtually end the Social Security operation in about 25 years—and during those 25 years it could be fully funded to keep its promises to participants because of the hundreds of billions of dollars saved by elimination of all other income redistribution activities.

Though it would not be as quick and easy as I have made it sound, Ronald Reagan could save our Republic by reestablishing constitutional government, if he put all of his prestige, influence, power, and talent to work on the job.●

## IN DEFENSE OF THE DEATH PENALTY

### HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. BIAGGI. Mr. Speaker, recently Beth Fallon, a very fine reporter for the New York Daily News, wrote a column on the need to restore the death penalty. I wish to place this column in the RECORD for the close consideration of my colleagues.

It is important to note that the writer herself was not an advocate of the death penalty—until she realized that our present criminal justice system was not meting out sufficient penalities for those committing heinous crimes, criminals as she points out, like Mark David Chapman and Sirhan Sirhan.

As a sponsor of legislation to restore the death penalty I find myself in full agreement with Ms. Fallon's comment and believe that we must work for speedy enactment of legislation to restore capital punishment for heinous crimes. The urgency is even greater when one considers the sharp 9.4-percent increase in crime during 1980 as accumulated by the FBI.

At this point in the RECORD, I wish to insert the column entitled, "Murder Is Forever—So Should Be Its Punishment":

MURDER IS FOREVER, SO SHOULD BE ITS PUNISHMENT

(By Beth Fallon)

Mark David Chapman read his passage from "The Catcher in the Rye," but I didn't have to listen to it, so I didn't. I watched while the Son of Sam blew the lid off a courtroom for his own amusement, and I am watching with astonishment as Sirhan Sirhan announces his flight plans to Libya, which he says will follow his proposed release by the California parole board in 1984. Some instinct of revulsion kept me from giving Chapman one more body at his moment in the sun, the moment his sick soul killed John Lennon to achieve. So, just this once, I passed.

It probably should get me thrown out of the reporters' union, but I couldn't stomach another courtroom display, another "20 to

life" sentence, another realization that another killer, crazed or sane, may very well walk these streets again in our lifetime. The victim will of course remain in the ground. His is a real death sentence.

This brings us to the death penalty. I have always been against the death penalty for one quite simple reason, and one only: What if you're wrong, and it's the wrong person? That sort of injustice, even in relatively rare cases, is too appalling. Think if it were your life, if you were the one they made the mistake about. And so life imprisonment, real, Birdman-of-Alcatraz life, seems to me a good solution. If you take a life, you give your life on a rock somewhere, not tortured, but caged. Punished. A life for a life.

But today, it appears, there is no real life imprisonment. California speaks of treating Sirhan Sirhan "like any other murderer." If they get out after 17 years with good behavior, he should get out in the same way. New York may do the same with Chapman. I see their logic but would like to attack their premise. Why is any first-degree murderer getting out after 17 years. Is that the permanent trade arrangement? I kill somebody, and give you eight years, or 12 or 17 in exchange?

That is not a good arrangement. John Lennon will still be dead 20 years from now, and may be quite forgotten by everyone but the wife, the grown son, and the little boy now five years old. Some parole board may feel that their loss, and society's loss and outrage, has been sufficiently made recompense by Mark David Chapman. He may have become sane in the meantime, not just legally sane but really sane. He may read even better books than "The Catcher in the Rye." But John Lennon will still be dead.

Bobby Kennedy will still be dead in 1984, and the fate of this nation was changed, perhaps materially, by one bullet to one passionate, contentious brain. And Sirhan Sirhan has flight plans?

The underlying impulse in recent sentencing laws seems to be that the death penalty is too cruel. The Supreme Court attacked it not as too cruel, but as too infrequently and arbitrarily applied in many states, thus a species of the "cruel and unusual punishment" forbidden by the Constitution. Because some states have wished to show mercy to some killers, but not all—and some states have executed a much larger proportion of black killers, for instance, than white killers convicted—the death penalty now is applied quite rarely, never in some states.

But if death is judged too cruel, so is real life imprisonment. Too cruel, people say, to lock up a 21-year-old for 40 or 50 or 60 years. Too cruel. Well, it is cruel, and there is little enough mercy in the world for me to be suggesting that nobody ever get any, but I would like to suggest this.

It is also cruel to pump the body of a man you don't know full of bullets, whether you leave just a family mourning, or a whole nation mourning, or the entire world mourning. It is the ultimate unsocial, impious act—to enlarge yourself by the death of another, whether for money or fame or for safety or for "love." It is a cruelty that lasts forever.

So should be the punishment. If society has not got the means and the guts to imprison people for life in appropriate cases, the death penalty should be restored. There is no possible doubt in Chapman's case, or Sirhan's. A life for a life is not "cruel." It is justice.●

## SOLIDARITY DAY: A RECOMMITMENT TO HUMAN VALUES

### HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. HAWKINS. Mr. Speaker, the meaning of Solidarity Day can best be symbolized by saying it is now time to defend the great strides in social progress which Americans have helped to build, and to move forward toward a society which embraces the ideals of fairness and compassion. I wish to submit to my colleagues an excerpt from a statement by AFL-CIO President Lane Kirkland for Labor Day 1981, which epitomizes the aspirations of America's workers and why Solidarity Day is so important.

LABOR'S "CENTURY OF STRUGGLE" YIELDED GAINS FOR ALL SOCIETY

"We want more of the opportunities to cultivate our better natures."

This was part of Samuel Gompers answer to the question, "what does labor want?"

That was in 1893, twelve years after the founding of the national labor center that became the AFL-CIO, whose 100th anniversary we celebrate this year.

"More of the opportunities to cultivate our better natures." This is still what labor wants on Labor Day 1981.

Looking back on our century of struggle and sacrifice, we take pride in the gains American workers have made through their unions. Those gains have not been restricted to a narrow interest group in our society. In fact, all Americans have benefitted from the higher wages, expanded consumer purchasing power, and improved working conditions that unions have fought for.

Our entire society is better off because of labor's victories in the struggle for free public education, social security, unemployment insurance, civil rights laws, voting rights, and many other milestones in our progress toward a more humane and just society.

Some people don't agree and never have. They think our better natures are best cultivated in the economic jungle. They believe in the survival of the fittest. Unfortunately, people who share that view have captured the White House and have cowed a compliant Congress.

They are suspicious of government programs to feed the hungry, educate the young, secure dignity for the elderly, care for the sick, safeguard the rights of minorities, protect consumers, and defend the environment from plunder.

Their philosophy has been summed up by their budget director, David Stockman: "No one is entitled to anything from the government."

This breathtaking statement is remarkable for its candor. It joins the issue—the fundamental issue confronting the American people. What is the purpose of government? What is the relationship between the government and the people?

The Administration projects a picture of government as an alien force sitting on the backs of the people, holding them down, repressing their productive energies.

At the AFL-CIO, we believe government is, in Abe Lincoln's words, "by, for, and of the people." In a democracy the people have the right to shape their government into an instrument that meets their needs.

Now we are told by the Administration that the people's government is the people's enemy.

We are also told the way to get the government off the backs of the people is to slash the people's programs and give a high tax cut to big corporations and wealthy individuals.

We are told that our government will become more responsive to the people's needs by transferring the people's resources to the rich and powerful. They, in turn, will invest these resources wisely, without government interference, and thereby create new jobs, improve productivity, and ultimately return more tax dollars to the federal treasury.

Presumably, these wealthy and wise men bear no responsibility for our nation's economic problems, and therefore can be trusted to make the right economic decisions for the rest of us—if only we leave them alone and allow the free market to work its magic.

This doctrine has a new name—"supply-side economics." We have always known it by another name—the "trickle-down theory." But while the theory is not really new, this is the first time we have been asked to gamble so much on it. We are asked to risk our jobs, our mortgages, our children's education, our social security, and even our national defense.

This is not a gamble the AFL-CIO is prepared to take. We have too great a stake in the American way of life—which we have helped to build—to put it in jeopardy.

We intend to make ourselves heard. On Sept. 19—which we call Soiidarity Day—tens of thousands of trade unionists and our allies will go to Washington to express our deep concern over the direction in which our nation is headed.

We will protest the Administration's efforts to dismantle the social programs that reflect humane and compassionate government. We will exercise our constitutional right of petition to assert our demands for jobs and justice. We will march in the spirit of the great abolitionist Frederick Douglass, who said:

"If there is no struggle, there is no progress. Those who profess to favor freedom, and yet deprecate agitation, are men who want crops without plowing up the ground. They want the ocean without the awful roar of its many waves."

This Labor Day 1981 is a time for all Americans to reflect on the contributions of working people to the nation's progress. It is also a time to reflect on the stake all of us have in preserving that progress.

Despite the grave challenges we face, we are not discouraged. Looking back on our first one hundred years of achievement, we realize that we have faced harder problems than we face today. We have faced worse odds. But we have survived, and we have overcome.

Today, we have a challenge not only to the nation's achievement since the New Deal, but to the trade union movement itself. We intend to meet that challenge, confident that, in their fundamental decency, the American people will not consent to the destruction of one of their fundamental institutions.●

## CONGRESSIONAL VIGIL FOR SOVIET JEWRY—FINKELSTEIN FAMILY

### HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. DONNELLY. Mr. Speaker, I am honored to take part in the congressional vigil for Soviet Jewry. I commend Congressman BARNES for his leadership role in this vigil, and I welcome the involvement of many of our colleagues in this worthy effort.

I am deeply troubled, in fact angered, by increasing reports that the Jewish cultural movement, and those who seek freer emigration from the Soviet Union are being harassed, arbitrarily imprisoned, and their community forcefully disbanded. I take this opportunity to inform the House of the unjust treatment of the Finkelstein family of Vilnius by Soviet authorities and their agents. Eitan Finkelstein first applied for emigration status for his family in 1971. Since then, Eitan, his wife Alexandra, and their young daughter Miriam, have suffered greatly due to that simple, legal request for exit visas.

Following Eitan's application in 1971, he has encountered tremendous difficulty in gaining employment. Due to the need to provide for his family, he has no alternative but to accept menial, low-paying jobs. Accounts reaching the United States relate that the Finkelstein family faces daily financial hardship. To add to such woes, KGB agents have searched the family's apartment on numerous occasions hoping to suppress the activities of the Jewish Cultural Symposium to which Eitan contributes. For the record, I would like to quote a recent letter from Eitan Finkelstein to a relative in New York.

As a first hand observer of the life of Soviet Jewry for the last 15 years and as a direct participant of many important events in this life, I declare that a cultural genocide of the Jews is being conducted in the Soviet Union.

The severe crackdown on dissident and refusnik activities in recent years lends credence to Eitan Finkelstein's tragic assessment.

Now, more than ever, we in Congress must commit ourselves to defending the right of these brave people to emigrate from tyranny. We must commit ourselves and our Government to protesting, whenever necessary, the Soviets' violation of the most basic human rights. Truly, such action is fully consistent with the best traditions of our Nation.●

## IT IS TIME TO PUT THE PAY CAP ISSUE ON THE FRONT BURNER

### HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. WOLF. Mr. Speaker, the pay cap issue has now reached crisis proportions. The ability of government to function smoothly and effectively is being seriously threatened.

The retirement rate for Federal executives in the 55- to 59-year-old age group was 15.5 percent in March 1978, 28.9 percent in March 1979, 74.6 percent in March 1980, and 94.7 percent in August 1980. I can imagine what the percentage will be next month when we have top managers making no more than the GS-14 subordinate.

According to statistical information documented by the General Accounting Office, the cost of paying a salary pension to a senior executive who retires early, plus the salary of a replacement for the executive amounts to $67,573 per retiree in actual dollar losses for the Government within a 3-year period. Raising executive salaries would actually be cost effective.

Several enlightened editorials have addressed this subject in recent date, and I ask unanimous consent that they be printed at this point in the RECORD.

[From the New York Times, Sept. 4, 1981]

FAIRNESS AND FEDERAL PAY

Congress, in its July budget reconciliation battle, slapped a 4.8 percent ceiling on pay raises for 1.4 million Federal white-collar workers. President Reagan, who issued his recommendation at that level this week, could have suggested a lower figure, or no raises at all. In that sense the recommendation illuminated a larger point: Federal pay schedules have become awesomely confused, complicated and unfair, to the detriment of the nation as well as Government employees.

For example, in 1969 Congress approved the idea of "comparability"—wages and benefits for Federal jobs should match those for similar private jobs. One aim was to establish a survey of wages and benefits in 91 private jobs as a basis for setting pay, thus diminishing the influence of politics.

But Federal pay has not come up to the survey levels for a few years. This year's survey indicated that white-collar employees need an average 15.1 percent raise—far in excess of the President's 4.8 percent recommendation, even taking into consideration that Federal workers get about 4 percent more in fringe benefits and somewhat more job security than private workers.

A ceiling on top salaries in the highest executive category, GS-18, creates another kind of unfairness. In addition to squeezing those executives financially, it compresses the whole pay scale. As a result, with the proposed schedule, there will be about 45,000 Federal employees in grade levels 14, 15, 16 and 17 whose pay will be at the maximum amount allowed, around $51,000. Thus a manager may be making no more than subordinates two or three ranks below him. Consider the effect that would have in a police department, or an electronics company.

Congress could act to raise pay levels and make the system fairer, but doing so would require a Congressional pay raise. Senior executive pay is linked to that of Congress. And for the moment a Congressional pay raise is a back-burner item, since members of Congress fear any such move would generate a storm of public protest.

Yet the twin problems of too little pay and too much compression deserve attention. Government workers face the same food prices, interest rates and college costs as everyone else, and they are losing ground. The best of them, when treated unfairly, do what anyone else would do: they quit.

[From The Washington Post, Sept. 16, 1981]

THAW-TIME FOR TOP FEDERAL PAY

Most Federal white-collar workers were less than giddy a few weeks ago when President Reagan proposed an annual pay raise for them of 4.8 percent. But the news this week that he would like the same raise for senior government executives must be music to the frozen little ears of these employees, who have not seen an extra penny—not one—in four years. After all this time, they deserve a break today.

True, their current salaries may not be the stuff of which poverty is made. But when you freeze everyone's pay at the top for four years, the crowd bumping against the ceiling gets thicker, incentives get thinner and valuable experience and talents vanish into retirement, which at prevailing pension rates can prove more lucrative than staying on the job.

That's hardly the formula for top-flight management in government, which is why Congress should support the administration's recommendation to end the freeze and to offer the same modest rate of increase proposed for all other federal white-collar workers. It is not a matter of "comparability" with whatever a worker's supposed counterpart in private business may be earning, but with whatever others down through the federal ranks may be getting.

Still better, of course, would be a federal pay structure that took into consideration 1) regional differences in costs of living and pay scales and 2)—would you believe?—the value of the work performed by each employee. That may be too much to ask, but then, who is footing the bill, and how much is too much to pay?

PAY CEILING CREATES BRAIN DRAIN AT THE TOP

SENIOR EXECUTIVE SERVICE

(By Douglas B. Feaver)

Top federal personnel officials are becoming increasingly concerned that the ceiling on federal pay is causing too many top career employees to retire and creating serious morale problems for those who stay.

"I'm not sure that the attrition rate is higher than it should be," said George Nesterczuk. "I'm more concerned with the loss of quality. We're losing a lot of corporate memory." Nesterczuk, a Reagan appointee, is the new chief of the Office of Personnel Management's Executive Personnel and Management Group.

At the end of August, 1980, the most recent 12-month period for which OPM has developed statistics, 95 percent of eligible federal employes receiving the maximum

federal salary had retired whether they were GS15s or in the Senior Executive Service. In January, 1979, only 28 percent of people in the same category had retired.

The Senior Executive Service, created by the Carter administration to give status and bonuses to the top federal jobholders, has 6,500 positions. There were 930 retirements from SES from July, 1979, to March, 1981.

Nesterczuk said that the National Aeronautics and Space Administration and the Department of Defense, have been particularly hard hit by the recent retirements of specialists who have found better paying jobs in the private sector.

Pay for federal employes has been frozen at $50,112.50 since Oct. 1, 1979 and before that was capped at $47,500 on Feb. 20, 1977. President Reagan promised a salary increase during the campaign, but the answer to the question of when now seems tied to undefined improvement in the economy.

Another factor in the retirements, according to several federal officials, is that pensions for federal employees are being regularly boosted with cost-of-living increases. Pensions are based on the top salary earned, and if that salary is static there is no reason to delay retirement.

When the Civil Service Reform Act of 1978 set up the SES, up to half its members were supposed to be eligible for annual bonuses for good work. Congress intervened after one year and cut the limit to 25 percent. Then OPM got into the act and cut it to 20 percent and added the requirement that bonuses be distributed throughout all parts of the agencies. The amount of the bonus was supposed to be limited to 20 percent of salary, but has averaged out to about 11 percent.

Senior civil servants throughout the government complain about "the cap" during interviews on any subject. "The feeling of unfairness grows and it's very corrosive," a top aide in the Office of Management and Budget said.

"What makes me angry," said a top official at Treasury, "is that the guy I'm working for and six people working for me are all getting the same salary. Private industry would never tolerate a salary schedule like that."

The pay ceiling for federal employees is tied to the pay ceiling for congressmen and, as Nesterczuk pointed out, it doesn't sell too well in Broken Bow, Okla., when some one making $50,000 a year is voted a taxpayer-financed raise.

FEDERAL EMPLOYES AGED 55–59 RETIRING

| 12-month average ending | January 1979 (percent) | January 1980 (percent) | August 1980 (percent) |
|---|---|---|---|
| Employes at pay ceiling | 28 | 52 | 95 |
| Employes not at pay ceiling | 28 | 35 | 49 |

Source: Office of Personnel Management.

"There are some GS15s or SESers in the field who may be the highest paid people in the community," said Nesterczuk. "They become an issue just because of that, and members of Congress have to be sensitive to that."

At the same time, SES members are learning that the outside world sometimes values them more highly than the taxpayers.

C. William Fischer served at OMB, the Congressional Budget Office, the Office of Economic Opportunity and the Energy Department before concluding his federal career as an assistant secretary in the Education Department.

He had the right to remain in the SES, although he conceded in a telephone interview that "because of my close identification with the Carter administration it was unrealistic to expect I would get an assignment of equal responsibility." But, he said, "if greater rewards financially were there I probably would have stayed."

Instead, he took one of many offers he was made: a job as vice president for budget and finance at the University of Colorado that pays "about $60,000." He gets to teach, which he said he enjoys, and has good fringe benefits and he's only 49.

Nesterczuk said that OPM has done some polling of senior employes and has learned that almost 80 percent of them regard their jobs as "satisfying," but that about the same percentage are contemplating retirement.

That, he said, "is an indication of a severe morale problem."●

## INSTITUTIONAL INVESTORS SUBJECT OF CONCERN

### HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. BEDELL. Mr. Speaker, many of us watched with interest and concern this past summer as various corporate giants battled for control of Conoco, the Nation's ninth largest oil company. On July 21, I wrote a letter to the Acting Chairman of the Federal Trade Commission, David Clanton, expressing my concern over the degree to which certain institutional investors now dominate the ownership of many of our leading energy companies.

Citing the bidding war between Mobil and Du Pont for control of Conoco as a case in point, I noted that 36 institutional investors showed up in the lists of top shareholders at two or more of the three companies involved. In fact, I noted that 20 investors, mostly financial institutions, were listed among the top shareholders of all three companies.

The complete text of my letter to Mr. Clanton appears in the CONGRESSIONAL RECORD of July 23, 1981.

Now it appears I was not the only one concerned about the central role played by institutional investors in the Conoco takeover. According to an article in the September 1981 issue of Dun's Business Month magazine, the chairman of the board of Conoco, Ralph E. Bailey, also is troubled by the impact of large institutional investors.

At this point in the RECORD, Mr. Speaker, I wish to insert the complete text of the article from Dun's.

CONOCO: THE BITTER AND THE SWEET

Chairman Ralph E. Bailey of hotly pursued Conoco, Inc. feels "privileged and excited about participating in the creation of a unique and extraordinary company"—the merging of his firm into du Pont, victor over Seagram Co. and Mobil Corp. in a titanic tender war.

Nevertheless, Bailey blasted current takeover laws, which permit institutional shares to be tendered "whenever the opportunity for a few dollars profit arises." He warned that Washington's "relaxed attitude" toward mergers can only lead to more Conocolike tender offers, with "speculative interests playing on margin."

Noting that 70 percent of Conoco's stock was held by institutions, half of it in the hands of the top twenty institutional buyers, Bailey asserted: "We have more than 70,000 shareholders, but not more than thirty people determined our fate." Under the present system, "the first 51 percent of the stockholders get favorably treated, and the rest get left holding the bag," he complained. Moreover, "majority control can be acquired at a price that doesn't recognize the intrinsic value of the company."

Indeed, paying $7.5 billion for 55% of the nation's ninth-largest oil company and second-largest producer of coal, du Pont had itself quite a buy. For $98 a share, about twice what Conoco stock was selling at when Seagram started the frenetic bidding last June, du Pont corralled Conoco's considerable petroleum, natural gas and coal assets, which analysts valued at $120-to-$150 a share. Now those coveted assets will be melded into du Pont to create a $31-billion oil, coal and chemical colossus and become the country's seventh-largest company, just behind Ford Motor Co.

For du Pont, which has had to pay high prices for the petroleum that goes into 80% of its products, Conoco brings an in-house supply around 420 million barrels of domestic oil reserves. Conoco also has a stake in the North Sea, proven reserves of 5.7 trillion cubic feet of natural gas worldwide and 14.3 billion tons of coal.

Wall Street speculated that du Pont might deal Conoco's coal operations to Seagram in return for the distiller's 20% of du Pont stock, which nearly rivals that of the du Pont family. But Conoco's Bailey called the notion "utter nonsense." At a postmortem press conference, there was one question for which Bailey had no appropriate answer: "How does it feel to be an $18-billion [revenues] subsidiary of a $13-billion company?"●

## LET THEM EAT EGGS, BUTTER, AND CHEESE

### HON. DENNIS E. ECKART

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. ECKART. Mr. Speaker, yesterday I commented in the CONGRESSIONAL RECORD about this administration's attempt to rewrite the lunch program. Today I cite another problem. In June, 20 of our colleagues signed a letter to Secretary of Agriculture John Block urging him to expedite the implementation of the food bank demonstration projects. These projects, which were signed into law last December, are an integral part of the Agriculture Act of 1980.

I was very disappointed to learn that Secretary Block did not choose to maximize the potential of these projects. The law allows for up to seven

food banks to be selected for the demonstration projects. Yet, in spite of mounting surpluses and costly storage, Secretary Block has elected to choose only two or three food banks to participate.

In other countries of the world, people starve to death while animals roam the streets: But this is due in part to religious beliefs. In this country it seems that the Federal Government is willing to buy butter, cheese, and milk at artificially high prices, pay millions upon millions to store it, and then sell it at a discount to foreign countries or allow it to diminish in quality until it is no longer fit for human consumption. Meanwhile, the poor and elderly people of this country are malnourished and, in some cases, literally starving to death.

This situation cannot be blamed on religious beliefs: The only obvious reason here is stupidity. There is no excuse for one senior citizen in this country to go to bed hungry at night. There is no excuse for one child to go to school hungry, unable to learn. We must do everything possible to distribute these surplus commodities to the poor and the needy. Food banks can help. These organizations distribute food to a wide variety of people from runaways and orphans to halfway houses and shelters for the indigent.

The "let them eat cake" attitude that seems to be prevailing in this administration cannot continue. In the case of food bank demonstration projects, let them eat eggs, butter, and cheese.

The Cleveland Plain Dealer recently published the following editorial and I commend it to my colleagues.

SOME GO HUNGRY

Surplus dairy products are piling up in government warehouses. Some spoils. The Department of Agriculture commonly sells some to foreign countries for whatever it can get—half what it paid farmers for the surplus, or less. But can the hungry in American cities and towns stand in the government-subsidized food line? Not yet.

Budget cutbacks or no, the government has obligated itself to purchase many different types of farm surpluses, keeping market prices high so farmers aren't forced to sell their produce at a loss. Price supports are of arguable benefit to the country as a whole, but one easily observable result is that the government winds up owning millions of tons of butter, cheese and other farm products.

Butter, for instance, is selling for a little more than $1 a pound wholesale in the world market. The government paid American farmers $1.50 a pound for 220 million pounds; it froze and stored the butter for two years, then it sold the butter to New Zealand last month for 70 cents a pound. Uncle Sam was out of pocket $160 million for the butter and $8 million in storage costs.

The Agriculture Department has no figures on the amount of food spoilage in its warehouses; "spoiled" is not in its vocabulary. When a stored commodity gets old—it may or may not be chemically "spoiled"—the department "downgrades" it and sells it for animal fodder or, in some instances, just throws it out.

There must be a way to get this food to the needy before it is wasted. Various charities would undoubtedly be happy to distribute it, assuming it weren't festooned with layers of government red tape, and that it came in manageable sizes. One local food distribution charity noted it came by a 60-pound block of surplus butter not too many years ago in a roundabout way, and had innumerable problems just cutting it down to usable size. The Agriculture Department does handle small sizes; it's more a matter of matching the need to the commodity.

Representative Donald J. Pease, D-13, of Oberlin, has pursued the problem of gross waste of both food and money for months now. He reports that, after substantial prodding, the department has begun stirring itself to life on the federal food bank program, which in theory could begin to move some of the surplus commodities into the stomachs of America's poor. Pease should continue the pressure—his cause is a good one.

As the federal budget is cut, as welfare benefits shrink and living costs expand, as women, children and senior citizens fall off the aid wagon and through the holes in President Reagan's safety net, it becomes increasingly important for the government to use those resources it has to help those who need it most. The impractical, wasteful ways of the past must be stopped. The Reagan administration must burn away the red tape and get this food to where it will do the most good—to those who need it to survive.●

## HUMAN RIGHTS

### HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. BONKER. Mr. Speaker, this is day 240 of the Reagan administration and the Office of the Assistant Secretary for Human Rights and Humanitarian Affairs remains vacant. Two months ago, Mr. Stoessel, the Under Secretary for Political Affairs, appeared before the Foreign Affairs Subcommittee on Human Rights and International Organizations.

At that time, I listed the numerous instances where the Reagan administration had circumvented the intent and the spirit of congressionally mandated human rights laws. Since then, the masquerade has continued. For example:

The Reagan administration with great fanfare declared that quiet diplomacy will be the hallmark of its human rights policies. Yet we have had the spectacle of the Vice President of the United States telling Marcos of the Philippines that: "We love your adherence to democratic principles and to the democratic process." This is a statement that appalls anyone with any knowledge of the Philippines. We have the further spectacle of the Ambassador to the United Nations traveling to Latin America, visiting countries that are among the worst violators of human rights in the world and leaving the clear impression that the Reagan administration is more interested in winning the favors of these repressive regimes than in condemning their brutal violations of human rights.

On the question of southern Africa, by voice and vote, the Reagan administration has made it abundantly clear on whose side it is when it comes to the odious policies of the South African Government.

Claiming there have been "improvements" in human rights conditions, the Reagan administration is seeking to sell weapons to Uruguay—a country that has been universally condemned as one of the worst violators of human rights in Latin America.

Again, I urge the administration to follow the letter, intent, and spirit of the human rights laws and not take every opportunity to circumvent those laws.●

## LABOR'S AGENDA UNDER ATTACK

### HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. RATCHFORD. Mr. Speaker, workingmen and workingwomen from throughout Connecticut will join their brothers and sisters in the American labor movement in an historic march on Washington this Saturday. I welcome them to the Nation's Capital, and I stand with them in their efforts to redress the costly, hurtful, and inequitable antiworker attitudes and policies of the Reagan administration.

I am encouraged, Mr. Speaker, by labor's renewed determination to engage our Nation's workers in the tough fights sure to come over this Government's social and economic policies. I know what is at stake; I read the signals from the Labor Department and the other policy centers of this administration, and I know that only a united, informed, and assertive labor movement will be able to achieve success in its inevitable confrontations with a White House unabashedly committed to breaking the hard-won coequal status of unions, to withdrawing Government's assistance for the members of society squeezed by high inflation and spreading joblessness, to weakening protections against unsafe working conditions.

There is much justification for the "solidarity" that will be on display here Saturday, and much promise. In three areas, in particular, Mr. Speaker, I pledge to our visitors and to all workingmen and workingwomen a continued battle against the antilabor policies of this insensitive administration:

(a) Tax and budget proposals pressed by the President have been largely unsympathetic to middle-income workers, burdensome to the working poor, and slanted to give unfair benefit to the wealthy. Budget cuts in student loan and grant programs, the Economic Development Administration, energy assistance, health, housing, and mass transportation support will weaken the working family's ability to cope with continued high inflation. Tax cuts that target their greatest benefits to those in the $50,000-plus income brackets and virtually ignore the average wage earner will only deepen the economic divisions in our country. And a locked-in tax-cutting program that, combined with a massive military spending buildup over the next 4 years, will guarantee substantial budget deficits for the foreseeable future means continued uncertainty on Wall Street, continued upward pressure on interest rates, and a continued squeeze on workers.

(b) Social security was a victory for labor in the years after the Great Depression, and that victory is now under challenge by administration proposals that would strip away roughly one-fourth of the system's earned benefits—far in excess of adjustments needed to insure its long-term solvency. Administration efforts to eliminate the system's $122 "minimum benefit" will, if not stopped by Congress, cut deeply into the monthly payments to at least 2 million retired workers; Reagan plans to abruptly lop 40 percent off the early retirement pension would affect millions more men and women now in their early sixties and late fifties. For the majority of workers who rely on social security for the greatest share of their retirement income, the administration's proposals were unnecessarily severe—and plainly insensitive.

(c) Warning signs of the widening rift between Government and workers have appeared in Reagan administration plans to rewrite—or simply decline to enforce—regulations affecting the health and safety of workers in a variety of occupations. And these signals of unconcern could not come at a worse time; just as efforts have intensified to weaken the Occupational Safety and Health Act, new information has recently been published about the millions of workers exposed to hazardous industrial chemicals over the years, and more and more medical evidence has been gathered linking a variety of illnesses to poor working conditions. One study alone by the National Institute of Occupational Safety and Health and a research unit of the AFL-CIO has just told of the exposure of 1,100 workers in Augusta, Ga., 9 years ago to known cancer-causing agents—an exposure the workers themselves are only now being told about.

There is good sense in some efforts to modify workplace regulations—particularly in areas where commonsense could more efficiently replace burdensome paperwork and retain strong guarantees of public safety and health. But occupational safety rules have saved countless lives of coal miners and assembly line workers over the years; any attempt to streamline those rules must be carried out with care and deliberation, and with certainty that public and worker health will not be compromised.

I will be watching the unfolding of this administration's labor record, Mr. Speaker. I hope that this Saturday's march and the growing awareness of the attitudes this President and his advisers have displayed in recent months will elicit a new understanding in Washington of the problems—and dreams—of our Nation's workers. I share those dreams, Mr. Speaker, and I will continue to fight for their realization in the resolutions of this House and the laws of this great Nation.●

## THE ROLE OF THE SOCIALIST INTERNATIONAL—PART I

### HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. McDONALD. Mr. Speaker, on September 14, here in Washington, Count Hans Huyn of the West German Bundestag delivered an address which sheds valuable light upon the function of the Socialist International in European and world affairs. Count Huyn has a clear understanding based upon his extensive knowledge of key individuals and key events. What he has to say is of particular importance in the wake of recent demonstrations of the strength of the leftist threat in West Germany.

THE ROLE OF THE SOCIALIST INTERNATIONAL—PART I

A few words first on the origins and organization of the Socialist International—the third Socialist International was formed in Frankfurt on July 3, 1951, following on from its two predecessors, as a loose association of socialist and social democratic parties.

According to the statute of 1976, the Socialist International is supposed to strengthen the ties between the member parties and coordinate political ideas and actions. The International includes parties from 47 countries with about 50 million members. The Congress, which is the highest organ of the SI, meets every two years. The SI Bureau meets every two months and calls a party leader conference at least once a year. The current president is Willy Brandt.

To many people, particularly in America, Willy Brandt is mainly known as a symbol of free Berlin. Others remember him as the German Chancellor who initiated the agreements with East Germany and he is currently heard of mainly as the chairman of the German Social Democratic Party, the SPD.

However, the SPD is not Willy Brandt's political home ground. Anyone who knows his history and has followed his political development can say with some certainty that if Willy Brandt were faced with the question of choosing between democratic solidarity and socialist solidarity, he would in all probability decide in favour of the socialists. Willy Brandt led the SPD to the left. His election as president of the Socialist International gave him a new, easily controllable instrument, which can be applied in a variety of ways to efface the boundaries between the social democrats and the communists.

The Karlsbad conference of the European communist parties in April 1967 gave precise instructions to its members on how to infiltrate the socialist and social democratic parties and use cooperation to gain their compliance. The priority objective is to split the Atlantic alliance and to separate Europe from the United States.

The final communiqué from the Karlsbad communist conference, however, is of particular importance for other reasons. The communist parties were enlisted for a new type of popular front politics. This concerns popular front cooperation between communists and socialists of all shades of opinion in Europe but not only in the classical form of a popular front—a communist/socialist government alliance in one country. It really involves cooperation extending beyond frontiers between socialist and communist parties for the attainment of precisely defined objectives. The final communiqué states: "The Karlsbad conference, in full awareness of its great responsibility, appeals to the working class, to the socialist and social democratic parties, to the trade unions, to the believers of all persuasions, to the intellectuals, to the younger generation and all peace loving forces. It appeals to them to unite and develop widespread campaigns and mass activities in every country and at the continental level for collective security in Europe. . . . New and positive tendencies are appearing in the socialist and social democratic movements, which in some countries of Western Europe are openly in favour of international détente and cooperation with the communists. . . . We turn to the socialist and social democratic parties, which have a great influence in the European labour movement and have government responsibilities in a large number of European states. The experience of decades has shown that joint action between communists and socialists gives the working class a decisive influence on political life and gathers around it those of the community who are interested in maintaining peace and in political and social change."

As far as the communists are concerned, the main object of popular front politics is to use alliances with other and related political groups to overcome their own isolation. Their object is to come to power with the help of other socialists. As far back as the 16th February 1957, one of the leading SED officials, Hermann Matern, member of the East Berlin Politburo declared: "The efforts to obtain unity of action serve the main problem, the struggle for power. Unity of action only for unity's sake has no particular importance."

The communist popular front strategy is derived from the Bolshevik demand for a united front, the unity of action of the working class, which was first comprehensively defined in the so-called United Front

Thesis of the Executive Committee of the Communist International on the 18th December 1921. Only a few months later, a conference took place in Berlin in which socialists from Western countries and communists took part. The Belgian socialist Vandervelde declared: "They appeal for the unity of all, they propose effecting a united front but they do not disguise their background intention of embracing us first in order to suffocate or poison us later."

The socialists and communists in France made an alliance in July 1934. A few months later, the French communist party chairman, Maurice Thorez demanded the extension of unity of action from the working class into the bourgeois camp under the concept "popular front". Thorez made no secret of the fact that he understood this as meaning complete subjection to the political objectives of the Soviet Union. In the summer of 1935, at the seventh Congress of the Communist International in Moscow, he declared: "Our views are only shared by a minority of the working class at the moment. However, this minority can and must control the majority of the antifascist people and bring them step by step through their own experience to the point where they recognize that it is necessary to found a Soviet Republic."

At this seventh World Congress of the Communist International, the newly elected General Secretary of the Comintern, Georgi Dimitrov, expressly recognized popular front politics and referred to it as the tactic of the "Trojan horse".

The popular front in Spain was formed on the French model and to meet the requirements of the Communist International. One year later, in 1936, the call for a German popular front was signed in Paris by Wilhelm Pieck, Walter Ulbricht, Herbert Wehner and Willy Brandt.

[It should be noted that, in the period following World War II, Pieck and Ulbricht became Soviet puppet rulers of East Germany, while their companions rose to positions of leadership in West Germany.]

Moscow continued its communist popular front strategy even after 1945. The objective is always the same and can be read even today in the official lectures on the Communist Party of the Soviet Union, published by a group of authors under Professor Afanasyev, member of the Central Committee of the Communist Party of the Soviet: "Part of the tactics of the communist party is to deceive the social democratic forces in the labour movement and other bourgeois elements, to tack with the wind and operate tactics which by these means lead to the victory of communism."

In this way, Moscow ensures its dominance in Eastern Europe. The socialists and social democrats always hold the ladder for the communists. In the Soviet occupied zone of Germany, the Social Democratic and Communist Parties united on the 22nd April 1946 to form the Socialist Unity Party of Germany (SED). In Hungary, the socialists fused with the communists in August 1948 to form the United Hungarian Workers Party. In Czechoslovakia, the social democrats joined with the Communist Party on the 17th April 1949. In Poland, the United Polish Workers Party was formed at the beginning of 1947 from the two socialist parties. All other parties were forbidden, absorbed or remained only as a facade. The communist strategy for taking power was also fixed for the free states of Europe. The Karlsbad Conference of the European Communist Parties in April 1967 showed the way to a new form of popular front cooperation extending beyond frontiers.

On the 24th April 1978 in Helsinki, the chief coordinator of the Western policies of the Communist Party of the Soviet Union, Boris Ponomarev, addressed the Socialist International and in his speech told the "comrades" quite bluntly what he wanted from them: "Our party has supported and continues to support cooperation with social democrats, particularly in questions of peace and détente . . . The struggle against militarism is one of the most characteristic traditions of the International Labour Movement. Communists and social democrats now have sufficient influence to permit them to do a great deal towards preserving peace".

During the visit by a delegation of the Socialist International to Moscow in the Autumn of 1979, the Finnish ex-Prime Minister Kalevi Sorsa clarified the position of the Western socialists relative to "comrade" Brezhnev with these words: "We know your devotion to the politics of peace." They agreed with Moscow's proposal to undertake all the steps necessary to support the "détente process" and to increase their activities in the struggle for disarmament. One of the Soviet demands was that vital NATO reequipment with American Long Range Tactical Nuclear Force missiles should be rejected.●

## REPROGRAMING OF FUNDS EARMARKED FOR CYPRUS

### HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues correspondence I have had with the Department of State regarding the proposed reprograming of economic support fund (ESF) moneys earmarked for Cyprus to help fund the creation of the Sinai Multinational Force and Observers (MFO).

This would have been the second reprograming of funds from the Cyprus account and would have delayed the development of a scholarship program for Cypriot students. In recent years, Cypriot students have had numerous scholarship opportunities in Eastern bloc countries but fewer, and far more expensive, opportunities in Western countries. The scholarship program is to supplement important ongoing humanitarian programs we support on Cyprus. It now appears, however, that the administration will be able to fund the MFO without reprograming funds from Cyprus.

The correspondence follows:

CONGRESS OF THE UNITED STATES,
COMMITTEE ON FOREIGN AFFAIRS,
*Washington, D.C., August 12, 1981.*

Hon. ALEXANDER M. HAIG, Jr.,
*Secretary, Department of State,*
*Washington, D.C.*

DEAR MR. SECRETARY: I am concerned about the recent notification to the Congress of your intention to reprogram $1.5 million from the funds earmarked for Cyprus to help fund the creation of a multinational peacekeeping force for the Sinai. This would be the second reprogramming from the funds earmarked for Cyprus in fiscal year 1981. Earlier, you advised the Congress of a reprogramming of $1 million from Cyprus for use in Liberia

Because of these reprogrammings, an important scholarship program for Cypriots, which both the Executive branch and the Congress supported for funding this year, apparently could not be undertaken. The scholarship program in this case could not begin until sometime in fiscal year 1982, provided funds are available then.

The proposed reprogramming of funds raises some questions which I would like answered:

(1) Given the fact that the Economic Support Fund money for Cyprus over the last several years has been earmarked in legislation, why were these earmarked funds used for reprogramming when other, unearmarked fiscal year 1981 funds were available which could not be used for their originally intended uses in fiscal year 1981?

(2) Why was it not possible to reprogram to the Sinai account some of the Fiscal Year 1981 money that was part of the $28 million which you announced earlier this month would be returned to the Treasury?

(3) what positive impact do you see this action having at a time when Special Ambassador Bartholomew and other officials are seeking to promote serious Cyprus negotiations?

(4) Why is it in the national interest to delay the funding of a scholarship program for Cypriot students at a time when the Soviet Union and its allies are determined to have as many Cypriots as possible receive free education in East Bloc countries?

I fully realize the need for some flexibility in meeting unforeseen circumstances which arise after programs are authorized for a given fiscal year and the need for authority to reprogram from all programs, including earmarked programs. But I believe all available unmarked funds should be considered for reprogramming before tapping, for the second time, a program in the sensitive Eastern Mediterranean region.

I appreciate your consideration of this matter and look forward to hearing from you.

With best regards,

Sincerely,

LEE H. HAMILTON,
*Chairman, Subcommittee on Europe and the Middle East.*

DEPARTMENT OF STATE,
*Washington, D.C., September 2, 1981.*

DEAR MR. CHAIRMAN: The Secretary has asked that I respond to your letter of August 12 expressing concern over our intention to reprogram $1.5 million from funds earmarked for Cyprus to help fund the creation of the Sinai Multinational Force and Observers (MFO).

When we proposed the second reprogramming from Cyprus in July we did so only because there appeared to be no alternative. We were confronted with the need to provide funding during fiscal year 1981 to assure the timely establishment of the MFO, and Economic Support Funds (ESF) were the only feasible source under the Foreign Assistance Act. The amount of unobligated funds available this late in the fiscal year is extremely limited.

In reviewing the potentially available funds it appeared there was some question whether arrangements with the Government of Cyprus for the planned scholarship program could be completed in time to obli-

gate the remaining $1.5 million by the end of the fiscal year. The bulk of the funds for Cyprus, which were designated for the housing program, had already been obligated. It was decided that this $1.5 million, along with other unobligated funds designated for other programs, should be transferred to the Peacekeeping Operations account and made available for the MFO.

Since that decision the Foreign Operations Subcommittee of the House Appropriations Committee has requested that no funds be made available for the MFO until hearings are held in September. Taking into account your strong interest in this matter, we have taken advantage of the time now available to review once again the status of ESF programs worldwide to see if there are changed circumstances in other countries which could obviate the need to transfer Cyprus funds. It now appears that we will be able to fund the MFO without reprogramming from Cyprus. The relevant committees will be advised of the final reprogramming actions through normal channels.

As you note, there is a need for some flexibility in meeting unforeseen circumstances. Moreover, I fully concur that all unmarked funds need to be considered before tapping Cyprus a second time. This was, and is, being done. More generally this issue well illustrates the problems created by reprogramming. There is seldom a way that emergency needs such as the MFO can be met without incurring problems in other country programs. This is one reason we have requested a special requirements fund under the Economic Support Funds account to provide for such situations. We hope we can count on your support for this proposal.

Yours sincerely,

RICHARD FAIRBANKS,
*Assistant Secretary for Congressional Relations.*●

## LUCILLE BANKS ROBINSON MILLER

## HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. FAUNTROY. Mr. Speaker, I rise in this Chamber today to call to the attention of my colleagues the outstanding achievements and contribution to the Nation's Capital rendered by my constituent, Lucille Banks Robinson Miller.

The achievemets of Madam Miller, as she is affectionately known, are worthy of recognition by this body and, indeed, the people of this Nation, as they have been premised on the commandment of our Lord to love thy neighbor as thyself—this Madam Miller has done all her life.

She began her career in the field of gospel music 29 years ago, and became the second female disc jockey in the District of Columbia. Her love of life and neighbor is exhibited through her song—exhibited to such a degree that she has moved hundreds of people to join with her in an effort to assist those in need in our city. The result has been the formation of the Love Club which is administered through WYCB radio where Madam Miller is director of public relations. The only requirement for membership in the club is that you wish to devote time in helping your neighbor. The Love Club under the direction of Lucille Banks Robinson Miller has provided food for the hungry, encouragement for our youth, and an uplifting of spirit for those in the throes of depression and hopelessness.

On Saturday, September 19, Madam Miller will be officially honored by the District's Shaw Community Food Project Committee at a prayer breakfast to be held at the District of Columbia Stadium-Armory Complex. As she has so many times in the past—the count is now over 200 such occasions, including receiving the key to our city—she will receive recognition for her efforts on behalf of our community.

Let me conclude by saying how proud I am to be able to share Madam Miller's work of love with this body; and let me also express my own deep gratitude, and that of all residents of the District of Columbia, for her selfless devotion of time and talent on behalf of the betterment of the lives of those in need in our community.

So that you and the people of this great country may know fully of Mrs. Miller's untiring ministry of love, I am furnishing for inclusion in the RECORD a newspaper article from the "District Weekly" section of today's Washington Post for review.

The article follows:

POPULAR GOSPEL BROADCASTER IS STILL SPREADING HER LOVE

(By Leah Y. Latimer)

For Madame Lucille Banks Robinson Miller, inspiration comes in the middle of the night. "God gives me all of my thoughts at night," declared Miller, the popular hostess on Washington's "inspirational" AM music station WYCB.

And so it happened that the 70-year-old Miller decided to battle drugs and crime around 7th and T Streets NW, having driven past the drug-riddled corner earlier in the day. Miller and 175 listeners marched through the Northwest drug corridor in July, singing and praying for the sinners' salvation. That was several weeks before District police began their latest crackdown on drug trafficking.

Another night, after she heard that a local girls' home needed graduation outfits for five of its students, Miller recalled, "something told me to bring those girls down to the station."

The next day she told listeners: "I'm not begging cause I've got God to help me. But I know there are enough Love Club members to get five dresses, five pairs of stockings and five pairs of shoes." Enough donations were made to buy each girl three outfits.

And it was Saturday night 18 months ago, Miller said, when she awakened with her most fruitful idea.

"I'm organizing the Love Club" she announced that Sunday on her morning program. "There are no dues and no rules. The only requirement is that you love God and your brother."

"The lines lit up," said Miller. She estimates that 10,000 radio listeners have sent in application forms to join the radio club whose goal is helping the needy.

"You can't imagine the hundreds of calls I get from persons who are depressed, or lonely or hungry," said Miller. "They have confidence in me because they know I'm for real."

Miller was born and raised in Washington and, in her life time, she has touched the lives of politicians, ministers, musicians, school administrators, community leaders and youth.

Many know her from her 28 years on Washington airwaves. She was the second female religious broadcaster in Washington when she began her career on WUST. She later became a hostess on WOL before going to WYCB in 1978. She is now on the air Saturday and Sunday inspiring her listeners with traditional gospel music. Her trademark is a soft, slow drawl and perfect pronunciation.

A tall, stately woman who often drapes herself in chiffon and oversized hats, Miller is one of the most visible people among the Washington church-going and religious music-loving community. She taught music and performed with local gospel groups in Washington churches for 40 years. She gained a reputation as Washington's mistress of ceremony, a weekend hostess for church programs, community fundraisers, religious concerts and political prayer breakfasts.

She gave the invocation at Effi Barry's spring luncheon for Nancy Reagan and Barbara Rush. She broadcast the dedication services for Bible Way's $3 million complex earlier this month. On Oct. 3 she'll host a day-long concert fundraiser for the United Planning Organization at Howard University's Cramton Auditorium.

This Saturday, an expected 200 people will pay $15 a ticket to honor the woman affectionately called Madame Miller at the Shaw Community Center's fundraising prayer breakfast at the RFK Stadium clubhouse.

Because of her many fundraising efforts and appearances, Miller has worked closely, at one time or another, with almost every black minister in the city.

"Mrs. Miller has the ability to pull people together and inspire a sense of unity in them," said City Councilman Jerry Moore, pastor of the 19th Street Baptist Church (NW).

Two years ago, Miller was named WYCB's community relations director and in February, the station sponsored a birthday gala for her at the 19th Street Baptist Church. Guests included Moore and Del. Walter Fauntroy. According to Andrew Rowe, who directs the D.C. Choral Ensemble, "It was an extravaganza. Everybody who was anybody was there."

Miller's small Northwest apartment bears the proof of appreciation. Plaques, awards, certificates and photos of Miller with everyone from Mayor Marion Barry to Nancy Reagan adorn the walls' book cases, and furniture. Barry gave her the key to the city in August.

Miller grew up in Northwest Washington and says she married young against her mother's wishes. Her first marriage ended shortly after it began and she worked as a domestic to support herself before the birth of a son. She remarried four times over the years and has two other sons.

During the Depression, she put herself through Howard University's school of music.

"I went to school morning and night, walked in the rain and cold . . . until I finished school. That's why I don't have any sympathy for the young people today."

However, the piano and voice lessons she gave Washington youth taught more than the scales. "Ask any of my students what they learned," she said without modesty.

Rowe, a recording artist and a popular gospel performer, was 5 years old when Miller gave him his first piano lesson. "She also taught morals, discipline, charm and etiquette," Rowe said.

"If someone would come into her class and just sit down, she would make them go back out. They would have to come back in and say, 'Good afternoon, Mrs. Miller and class,'" recalled Shirley Ables of the Joy Gospel Singers, whose three children were taught by Miller. "They couldn't just slump down either. They had to sit with shoulders back."

Miller retired from teaching last year as her public appearances and WYCB responsibilities made life too hectic, she said. But former students and their parents lament the decision.

"If Mrs. Miller would go back to teaching today and she charged $100," said Ables, who works at a Southeast preschool, "I would borrow that and put my daughter back in."●

## TMI: A PLAN THAT DOESN'T WORK

### HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. ERTEL. Mr. Speaker, last week, in Kansas City, the Edison Electric Institute (EEI) announced that it is recommending to its members, investor-owned electric utility companies, that they collectively contribute $192 million, over the next 6 years, to the cleanup at Three Mile Island unit 2. I am pleased that EEI has finally recognized that a resolution of the TMI-2 cleanup funding problem is in the best interests of its members.

As I have pointed out on numerous occasions, the costs to the entire utility industry from failing to make a commitment to assist in the TMI-2 cleanup are far greater than the actual cost of the cleanup. Utilities will save more money by helping to pay for the cleanup than by continuing to ignore it and take the battering of the financial and investment community.

These costs from inaction come in the form of increased "risk premiums" investors attach to the interest rates on the utilities' necessary borrowings. Much of this risk premium has been attributed to TMI; to the prospect that Metropolitan Edison may go bankrupt, to the continuing lack of a TMI-2 cleanup funding solution, and to the seriously underinsured nature of the nuclear utility industry as pointed out by the accident.

These costs are no secret to utility executives. Economic analyses showing the costs of TMI have been prepared. Representatives of Wall Street investment houses have testified before the Congress. The economic self-interest of the utility industry has led chief executive officers to offer financial assistance to the TMI-2 cleanup. However, this fact does not in any way diminish the importance of the utility industry's acknowledgement of this economic self-interest. After 2½ years of waiting, I will be the first to welcome their participation. I will also be among the first to state that their interests demand that they contribute more.

The effectiveness of the utility industry contributions is intimately linked to the TMI-2 cleanup cost-sharing formula espoused by EEI in Kansas City. If this overall cost-sharing formula fails to work; that is, other parts of it are not implemented, the industry will continue to experience negative economic effects from TMI. As such, EEI's recommendation to its members, and it is only a recommendation, must be viewed within the broader context of the plan EEI endorsed.

This plan also calls for participation in the cleanup by the Federal Government, the States of Pennsylvania and New Jersey, and the ratepayers of the General Public Utility Corp. system (GPU), the owners of Three Mile Island. Just like the tires on your car, if you're missing one of them, the whole thing does not go forward. What are the prospects that the parts of the package will come through?

FEDERAL GOVERNMENT CONTRIBUTION

The plan calls for $190 million from the Federal Government over the next 6 years to help pay for the cleanup at TMI-2. This money has been called various things, but it is most often referred to as research and development money from the Department of Energy. I agree that there are R. & D. opportunities present at TMI-2. So does DOE and OMB. They have put a price tag on it: $75 million over 3 years. The administration's fiscal year 1982 request for $37.5 million is part of that 3-year plan.

While it is obvious that there might be requests in the future for greater amounts for TMI R. & D., it is not clear to me that the administration, at a time when it is trying to make additional budget cuts of billions of dollars, will be anxious to increase its R. & D. effort at TMI over 150 percent.

The likelihood of a Federal contribution of $190 million is made even more dubious when it is realized that every dollar spent on TMI research and development only reduces the cost of the cleanup by about 33 cents. Much of what has been identified as R. & D. has nothing to do with the cleanup. This R. & D. program includes conducting waste vitrification experiments, examining the damaged reactor core at laboratories across the country, and generally collecting data. The R. & D. program, by and large, is not directly involved in the TMI-2 cleanup.

If this 3-to-1 ratio were to hold up for any expanded R. & D. program the Federal Government would have to spend $570 million over 6 years to make its $190 million cleanup contribution under the EEI-backed clean-cost-sharing plan. I find it very difficult to believe that this administration and this Congress would feel that this level of expenditure could be justified. Using the analogy of a car's tires as the four parts of this TMI-2 cleanup funding proposal, I would have to say that this tire has a bad leak.

GPU RATEPAYERS

Another tire on the program calls for the ratepayers of the General Public Utility system to pay $245 million toward the cleanup over 6 years. It is obvious to me that for any cost-sharing plan to work, it must include the GPU ratepayers. Even though they are the only innocent victims of the accident at TMI, the hard reality is that if they don't pay part of the cleanup bill, they will be forced to pay it all one way or another. I am afraid, however, that in its present form, the $245 million ratepayer tire of the plan has some broken glass in its path.

Since the accident at TMI in March 1979, the undamaged unit 1 has not been allowed to restart pending a new licensing hearing process. That process is now nearly complete and unit 1 is expected to be back in operation early next year. The cost of purchasing power to replace that which would otherwise have been produced at unit 1 has been much more expensive than unit 1 generated electricity. Consequently, the restart of unit 1 will bring with it less costly power. The cost-sharing plan supported by EEI would take the energy savings from a unit 1 restart and divert it to the unit 2 cleanup. Unfortunately, it's not quite that simple.

First, the Pennsylvania Public Utility Commission (PaPUC) has made clear its intent to reduce rates to GPU customers when unit 1 comes back on line to reflect the lower cost of power to the ratepayer. Obviously the PaPUC could reassess its past position that the ratepayers will not pay for the cost of the cleanup, as I believe it inevitably will, but it would be a mistake to ignore the potential barrier to this part of the cost-sharing formula.

Second, and more damaging, the General Accounting Office has concluded,

The restart of TMI-1 in early 1982 will produce some relief to GPU but is likely to

have little effect on the availability of cleanup funds.

GAO points out a number of competing requirements for the funds generated by a TMI-1 restart—assuming the rates are not reduced—which are necessary for GPU to avoid bankruptcy. This GAO conclusion flies right in the face of the EEI-backed plan. While I believe the ratepayers must ultimately be part of the TMI-2 cleanup funding plan, backers of this particular proposal's method of obtaining ratepayer participation will soon be desperately looking for a tire patching kit.

PENNSYLVANIA AND NEW JERSEY CONTRIBUTION

As the Pennsylvania delegation ad hoc TMI task force earlier pointed out, the States of Pennsylvania and New Jersey have been profiting from the accident at Three Mile Island. This profit has come from a windfall in the gross receipts taxes the States collect in each ratepayer's monthly electric bill. Essentially, the States collect the gross receipts tax as a percentage of the monthly electric bill. Since replacement power is more expensive than that previously generated at TMI, ratepayers' monthly bills have gone up appreciably. Consequently, the fixed percentage of the electric bill levied through the gross receipts tax nets the States more money than they would have received had the accident not occurred.

Legislation has been introduced in Pennsylvania in past sessions to remit these windfall profits to the company or its ratepayers, but has never passed the State Legislature. The EEI plan calls on the State of Pennsylvania to make a $5 million annual contribution, for 6 years, for the cleanup of TMI-2. In addition, New Jersey is to provide a $2.5 million contribution to the cleanup.

It is appropriate that these States at least divert to the cleanup the windfall they have received through the gross receipts tax. The Governor of Pennsylvania has committed to provide help in this. While this commitment still requires positive legislative action by both States' legislatures, this tire of the EEI-backed program may survive.

UTILITY INDUSTRY CONTRIBUTION

Having looked at the other three tires of this cost-sharing package, we need to bring our attention back to the first: EEI's recommendation that its members contribute $192 million over 6 years to the cleanup. As I earlier pointed out, the electric utility industry has every reason to want to assist in the TMI-2 cleanup. But, can the industry provide this money in the manner recommended by its trade association? On closer examination, in its present form, even this tire of the plan is missing some of its tread.

Apparently, the EEI-recommended contribution is totally voluntary. While a formula for allocating the industry's contribution was part of EEI's suggestion, it is up to each individual utility to decide if it wants to send a check to GPU or to some intermediary. Utilities get their money from their ratepayers with the approval of their State regulators. As such, if a utility wants its contribution to come from its customers, it will have to file a rate increase request with its State regulatory body. It is not inconceivable to me that the regulators in some States will not allow the utility's TMI-2 contribution in its rates to its customers. Consequently, the utility will have to decide whether it wants to make its contribution from its earnings before dividends. This would have the effect of diverting money from the stockholders of these utilities to GPU.

At a time when utilities are attempting to raise additional revenue for their own needs by selling millions of new shares of common stock, they may perceive that making a contribution to GPU with dividend money might be counterproductive to their effort to gain more stockholders. On the other hand, if they do divert dividend money in this manner, they will do so with the full understanding that they may be inviting legislation from their stockholders for giving away assets of the utility. Given the totally voluntary nature of the TMI-2 cleanup contributions from utilities, it is possible that some utilities will decide not to follow EEI's suggestion. If this happens, the stockholders of contributing utilities will have even stronger legal and equity arguments as to the disposition of their utilities' assets.

A number of utilities will no doubt do as EEI has recommended. But, under these circumstances, we should also not be surprised if some utilities do not. The greater the number of utilities which opt out of a contribution to TMI-2, the less the industry as a whole will provide for the cleanup. This tire of the overall cost-sharing formula is, therefore, missing some tread at the outset. How long it will run without a problem cannot now be predicted.

If we try to use a spare tire on this wheel by requiring, by legislation, utility contributions without a visible benefit, like insurance for cleanup costs in case of a future accident, we might encounter constitutional problems of a taking of property without due process. CRS has prepared an analysis which questions the constitutionality of this approach. If any such questions arise, this may slow the vehicle down without necessarily puncturing the tire. Meanwhile, the problem at TMI goes unresolved.

SUMMARY

In the final analysis, the condition of any one of the "tires" of the plan is contingent upon each of the others. If one goes flat, the vehicle will not go forward. In looking at the TMI-2 cost-sharing plan endorsed by EEI last week, I am afraid I see one tire already leaking air, one about to go over some glass, and one with very little tread. Consequently, I must conclude that, important as the EEI recommendation is, I would not bet on its getting to its destination as long as it is mounted to the overall plan endorsed by EEI in Kansas City. With this plan, you can not get there from here.●

## U.S. CANE SUGAR REFINERS ASSOCIATION

### HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. PEYSER. Mr. Speaker, before the recess, my colleagues Congresswomen LINDY BOGGS and VIRGINIA SMITH circulated to the Members an analysis by Dr. J. B. Penn of Economic Perspectives, Inc., of the proposed sugar program which was apparently done for the sugar producer industry. I note with great interest a review of the Penn analysis by Schnittker Associates, Washington-based economic consultants, which finds five major defects in this analysis. These defects are:

First, it understates the importance and viability of the world market.

Second, it demonstrates a lack of understanding of how a U.S. program would affect the world market.

Third, it seriously underestimates the exposure of the U.S. Government to budget outlays under S. 884.

Fourth, the assessment of the impact on consumers is simply wrong.

Fifth, the analysis in this report is inconsistent with EPI's August 1981 analysis of the European Community's sugar program.

I would like to call the Schnittker review to the attention of my colleagues. The review follows:

MEMORANDUM FOR U.S. CANE SUGAR REFINERS ASSOCIATION

REVIEW OF EPI SUGAR PROGRAM ANALYSIS

You asked that we review a report published in June by Economic Perspectives, Inc. The report was titled "An Analysis of the Sugar Program Proposal in Senate Bill S. 884." Much of the report is descriptive or historical material on the U.S. sweetener market, the International Sugar Agreement, the USDA Draft Impact Analysis, and S. 884. When the authors proceed beyond description, however, they stumble and fall. We think their analysis has 5 major defects:

1. It understates the importance and viability of the world market.

2. It demonstrates a lack of understanding of how a U.S. program would affect the world market.

3. It seriously underestimates the exposure of the U.S. government to budget outlays under S. 884.

4. The assessment of the impact on consumers is simply wrong.

5. The analysis in this report is inconsistent with EPI's August 1981 analysis of the European Community's Sugar program.

THE WORLD MARKET

EPI's analysis relies in part on resurrection of that tired old hobgoblin—the volatile, unfree, thinly-traded, unstable, world sugar market. In fact, the similarities among the world markets for sugar and other agricultural commodities are more striking than the differences. For example, 1980–81 crop year statistics from F. O. Licht and USDA indicate that total world exports of sugar as a percent of world production are greater than those of wheat or coarse grains (corn, barley, etc.):

*World trade as a percent of world production*

| | |
|---|---|
| Wheat | 22 |
| Coarse grain | 16 |
| Soybeans | 31 |
| Cotton | 35 |
| Sugar | 32 |

World sugar exports in 1980–81 were 28 mmt (million metric tons). Of that amount, trade within the European Community represented 1 mmt, Cuban exports to Comecon countries were 4.5 mmt, and trade under various other special arrangements may have been as much as 4.5 mmt. That left a free market of 18 mmt, more than 20 percent of world production and 65 percent of world trade.

One should not forget that much of world trade in wheat and coarse grains also occurs under special arrangements. World exports of those commodities in 1980–81 were about 215 mmt. The USSR, China, and Mexico alone have trade agreements with exporting countries covering 40 mmt per year or nearly 20 percent of world trade.

Finally, the true definition of "world market" should include any sugar, wheat, etc., that is priced in relation to the world price. This leads to our second point.

EFFECT ON U.S. PROGRAM ON WORLD MARKET

After incorrectly arguing that the world market is chronically unstable because of its small size and residual nature, the EPI analysts proceed to argue that a U.S. program that would further reduce the size of world market would actually "be consistent with efforts to stabilize world prices" (p. 12). Not only is this incorrect, it also flies in the face of established U.S. trade policy for sugar and other commodities.

U.S. posture in most commodity trade negotiations has been to favor widening of international markets. In fact, the principal (i.e., first) objective of the International Sugar Agreement is "to raise the level of international trade in sugar", a point conveniently ignored in EPI's discussion of the ISA.

U.S. policy makers, from the State Department and USDA to the CFTC, have consistently recognized that a large freely traded market with many participants is more likely to be "stable" than a market distorted by preferential trading arrangements, domestic subsidies to consumption and production, and export subsidies. When a sugar producing country holds down domestic prices during a period of high world prices, that subsidy to consumption is destabilizing; supplies have been diverted from the world market and world sugar prices have been increased. Similarly, when a sugar importing country such as the U.S. maintains domestic prices above the world market in order to stimulate home production, imports fall and the size of the world market is reduced. These are destabilizing actions that depress world prices.

EPI's curious conclusion that the domestic program proposed in S. 884 will help stabilize world prices seems to arise from their creative definition of "stability." Early on they make the point that the effects of "price swings in the world market . . . (are) a relatively new development" for U.S. producers. This is true as far as it goes. Since the 1930's U.S. sugar producers have rarely been forced to adjust to declining world prices, but they have always benefited from prices above domestic support levels. The Senate Committee's bill is little different from its predecessors in this regard: producers will be protected from low prices and will reap substantial gains if world prices rise above the domestic support price. In short, "stability" means a floor but no ceiling.

FORFEITURES AND THE BUDGET

Misconceptions about how the world market operates are of little moment, however, when stacked up against EPI's optimistic discussion of the likely budgetary impact of the Senate Committee's bill. The view that the Administration could "use import fees to avoid any incentive to forfeit sugar under loan" (p. 12) leads to the cheery conclusion that "no significant amount of forfeitures would be expected during any year of the FY 1982–FY 1986 period" (p. 12).

EPI analysts arrived at this conclusion by relying on USDA supply, demand and price forecasts that were farfetched when they were published. USDA assumed that world production and consumption in 1981–82 would be in rough balance, and that the season average price in the world market would be over 26 cents per pound. EPI should have sensed that something was amiss since the ISO price had already fallen below 16 cents before their report was published.

This altogether too rosy view of world prices led EPI to the conclusion that loan forfeitures could be limited and budget exposure minimized. There is, however, no guarantee that the Administration will be able to keep the market price high enough to prevent both large forfeitures and large budget outlays. As shown below, the U.S. market price for raw sugar would have to be at least 23.56 cents per pound to prevent loan forfeiture under a program that mandates a 19.6 cent loan rate. Even loan rates of 18.0 cents or 16.5 cents could result in government ownership of sugar, unless crop failures reduce world production. Requiring that processors pay interest on forfeiture would, however, significantly improve the government's chances of avoiding budget outlays at loan levels of 16.5 or 18 cents.

MARKET PRICE FOR RAW SUGAR REQUIRED AT ALTERNATIVE LOAN RATES

[Cents per pound]

| | | | |
|---|---|---|---|
| National average loan rate | 16.50 | 18.00 | 19.60 |
| National average freight cost | 1.00 | 1.00 | 1.00 |
| Interest at 16.5 percent for 11 months | 2.50 | 2.72 | 2.96 |
| Required domestic spot price | 20.00 | 21.72 | 23.56 |

Any of these price objectives could be difficult to achieve continuously. The world spot price for raw sugar is now near 12 cents per pound. If values get as low as 10 cents per pound in the next year or two, the Administration would be unable to attain even a 20 cent price objective because Section 22 import fees cannot exceed 50 percent ad valorem. The calculation is as follows:

[Cents per pound]

| | |
|---|---|
| World price | 10.00 |
| Section 22 import fee | 5.00 |
| Maximum duty | 2.81 |
| Transportation, insurance, and handling (USDA estimate) | 1.77 |
| Total | 19.58 |

This would provide no margin of safety to ensure redemption of the loan.

Even with a higher world price, there could easily be periods when domestic prices were below the objective if the future import fee adjustment mechanism is modeled on that in the proclamation currently in effect. That mechanism allows U.S. prices to get as much as one cent above or below the objective before making a "within quarter adjustment." This approach was chosen because for practical purposes any attempt at greater fine-tuning of the domestic price would disrupt the market.

In light of these facts, it is quite possible that if world market prices were to decline another two cents from current levels in the next two years, and if interest rates remain high, a 16.5 cent loan program of the type we had in the past would probably result in forfeitures of sugar to the government. Quantities are difficult to predict, but it would be reasonable to expect them to be on the same order of magnitude as in the past—200,000–500,000 tons. The first year budget outlay, should 500,000 tons be forfeited, would be $165 million—hardly the insignificant amount forecast by EPI.

CONSUMER COSTS

What does the Senate Committee's bill mean for consumers? EPI points once again to price stability, arguing in essence that prices above world market levels will keep the CPI steady but ignoring completely the salutary impact on the CPI of lower sugar prices (p. 8). This leads them to one last bizarre conclusion: higher domestic sugar prices will "have a beneficial impact on consumer food and sweetener expenditures" (p. 12). Do those words mean beneficial for consumers, as implied, or for products?

HAVING IT BOTH WAYS

Finally, in a subsequent report on European Community sugar policy,[1] EPI takes a different analytical tack. More precisely, EPI tacks in both directions at the same time:

High internal sugar prices are bad in the EC but good in the U.S.;

High internal sugar prices are bad for EC consumers, but good for U.S. consumers;

EC support policies destabilize the world market while a U.S. program would stabilize it; and

EC export subsidies are bad but U.S. export subsidies are good.

One cannot have it both ways. The sugar price support program in S. 884 is qualitatively the same as the EC sugar price support program, except that the latter actually holds down internal sugar prices when the world market rises above the EC support level and the U.S. program would not.●

[1] Impact of European Economic Community Sugar Subsidies on U.S. and World Sugar Markets, August 19, 1981.

## THE MALIGNED MORAL MAJORITY

### HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. McDONALD. Mr. Speaker, Newsweek magazine recently permitted Reverend Falwell to respond to the allegations of the critics of both himself and the Moral Majority, Inc., in its "My Turn," page 17 of the September 21, 1981, issue. In this column, Reverend Falwell strips away all the verbiage and smokescreen that have surrounded the statements of the church and political liberals who are outraged that church fundamentalists and conservatives are now organized and speaking out on the issues. In other words, there is a lot of sour grapes going around. I commend this item to the attention of my colleagues who are really interested in learning the truth about Reverend Falwell and the Moral Majority.

"MY TURN"—JERRY FALWELL

"An unconditional right to say what one pleases about public affairs is what I consider to be the minimum guarantee of the First Amendment." The author of that remark was not a "right-wing, fundamentalist" preacher, but the late Supreme Court Justice Hugo Black.

When liberals first began attacking the Moral Majority, they said we had no right to speak out. When it was pointed out that the liberal agenda was well represented in the 1960s and '70s in the government, in the streets and in liberal churches, the liberals conceded that while we had the right to speak, it was wrong for us to try to "impose" our moral viewpoint on everyone else.

Of course, there was nothing wrong, so far as liberals were concerned, with "imposing" their own views, whether those views had to do with civil rights, the Vietnam War, busing, the eradication of voluntary school prayer or the extermination of unborn babies through abortion. Liberals could impose their views because liberals were right! And they call us arrogant!

Freedom: The Moral Majority was founded in June 1979 to address four basic issues. First, we are pro-life. We believe all human life is valuable and deserving of legal protection, whether it be born or unborn, black or white, rich or poor, handicapped or normal, old or young. Second, we are pro-traditional-family. While homosexuals should be free to live together if they wish, we oppose any law that would grant to homosexual couples the status of "family" or qualify them as a legitimate minority. They are not a legitimate minority because theirs is a chosen life-style. Third, we are pro-morality, meaning that we oppose the illegal-drug traffic and the spread of pornography. Fourth, we are pro-American, and that means we stand for a strong national defense, believing that freedom is the ultimate moral issue. We also support the nation of Israel and Jewish people everywhere. Those who spread the myth that we are anti-Semitic don't know what they are talking about.

To suggest that I am a modern-day Pavlov who, upon ringing my bell, causes millions of Americans to salivate to whatever political tune I am playing is as illogical as it is ludicrous.

The Moral Majority has touched a sensitive nerve in the American people. Many Americans are sick and tired of the way their government has been run. They are tired of being told that their values and beliefs don't matter and that only those values held by government bureaucrats and liberal preachers are worthy of adoption in the area of public policy. Our people are the previously inactive, turned-off voters who believed that who wins an election doesn't matter. The 1980 election showed that people can make a difference.

It is not the religious conservatives in this country who have politicized the Gospel. It is the liberal in the church and in the government who has turned the basic moral values that were the foundation of this country into political issues. Until recently, most people agreed that abortion is murder, that homosexual practice is perversion and that pornography is the exploitation of women and men. Now the liberals tell us these are political issues, not moral ones, and when we oppose their attempts to legislate and adjudicate what they believe, we are called "ayatollahs" who want to line people up against the wall and shoot them. Our goal is to line people up, all right, but at the polls! This is still a nation of majority rule. Although we do and should protect minority rights, we should not do so in a way that renders the majority impotent.

The Moral Majority is not a Christian or a religious organization (however, as a fundamentalist, I personally object to categorizing fundamentalists as bellicose and anti-intellectual). We are made up of fundamentalists, evangelicals, Roman Catholics, conservative Jews, Mormons and even persons of no religious belief who share our concerns about the issues we address.

We believe that people can disagree with us and not be relegated to an "immoral minority." We believe a person can be just as good a Catholic, a fundamentalist, a Jew, a Mormon or whatever, and disagree with us on any or all our issues.

We do not endorse political candidates, nor do we have a "hit list." We do not judge the quality of a person's relationship to God based on his or her voting record.

The Founding Fathers, contrary to what our liberal friends believe, wanted to preserve and encourage the church, not to restrict it or its influence. For them, the separation of church and state was a check on the *government*, not the church. The First Amendment prohibits the government from establishing a church (as had been done in England). It does not prohibit the churches from doing anything, except collecting taxes. Any person who suggests that separation of church and state requires more than this—that it requires churches to remain silent on "political issues" or preachers to be neutral on candidates or religious organizations to pursue only "spiritual goals"—is simply grinding his own ax rather than reading the law.

Rights. Let's remember that all law is the imposition of someone's morality to the exclusion of someone else's morality. We have laws against murder, rape, incest, cannibalism and stealing. No doubt, there are murderers, rapists, practitioners of incest, cannibals and thieves who are upset that their "rights" have been denied. But in order to provide for the common defense and promote the general welfare, it was deemed necessary to pass such laws.

New York Democratic Sen. Daniel Patrick Moynihan has said, "We are a blessed people, but we are not invincibly elect and we must shape our future as we have our past." I can think of no better way to state the outlook and purpose of the Moral Majority.

There is something worse than war, and worse even than speaking out. It is silence! The grossest immorality has been perpetuated not by those who carried it out, but by those who remained silent and did nothing. We may not always be right, but we will never stand accused of doing nothing.●

## CHANGE IN COMMAND BY THE BRITISH IN NORTHERN IRELAND

### HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. BIAGGI. Mr. Speaker, as chairman of the 122-member bipartisan Ad Hoc Congressional Committee on Irish Affairs, I wish to advise my colleagues of a most significant development which occurred yesterday.

Prime Minister Margaret Thatcher, in the course of a major reshuffling of her Cabinet, announced that James Prior, formerly a key official in the Employment Ministry, would assume the all-important position of Secretary of State for Northern Ireland. Mr. Prior replaces Humphrey Atkins who held the position for more than 2 years.

While some press accounts indicate that Mr. Prior took the assignment with some reluctance—other analysts believe that a main reason why he chose to take it was based on assurances that he would be able to exert some degree of independence in his work as the highest British official in the north.

I hope the British Government will use this occasion to begin some long-needed modifications and reforms to their archaic policies in Northern Ireland. Central to these modifications should be a full reevaluation of their policy of direct rule in Northern Ireland. I have advocated as part of an overall political solution in Northern Ireland that the British Government declare its intention to withdraw their entire presence from Northern Ireland, including their 12,000 troops—in a phased and orderly manner. In addition, I still hope that the British Government may bring more flexibility to their policy in dealing with the hunger strike crisis.

I extend my very best wishes to Mr. Prior as he assumes this difficult and challenging position. I stand prepared to work with the new Secretary of State in pursuit of the goals of peace, justice, and freedom for Northern Ireland.●

## EXTENSION OF THE VOTING RIGHTS ACT

### HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. HAWKINS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

This weekend I will attend a seminar in Los Angeles, sponsored by Black Women's Forum, Inc., whereby the discussion will focus on the importance of the extension of the 1965 Voting Rights Act. If we are to unite in one enduring cause this year, certainly the extension of the Voting Rights Act must be one of them.

This act does something special; it affirms the right of minorities to register and vote at the election polls and prevents the evidence of racial discrimination in the process.

Many blacks in this country died to uphold this special right to vote, and thus we must continue to safeguard this constitutional privilege for minorities—which is the cornerstone of all free democracies.

A great man passed away this month by the name of Roy Wilkins. Through his tireless efforts he helped pave the way for greater opportunities for blacks. He pushed for legislative remedies offering blacks an opportunity to break out of the pervasive circle of discrimination so evidenced in this time. I can think of no better tribute to this man, and other great leaders in the civil rights forum, than by supporting congressional approval of the Voting Rights Act.●

## "CELEBRITY ROAST" TO HONOR REV. JOSEPH MALIK

### HON. LYLE WILLIAMS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. WILLIAMS of Ohio. Mr. Speaker, on Sunday, September 20, 1981, a group of my constituents are saluting a man who has served his community and his church well for a number of years. It will be my pleasure to attend a "celebrity roast" for the Reverend Joseph Malik of Warren, Ohio, and to celebrate with his friends his full and useful life.

REV. JOSEPH MALIK, OF WARREN, OHIO, HONORED

Rev. Joseph A. Malik was born November 17, 1926, in Youngstown, Ohio. He attended St. Casimir Grade School, Ursuline High School, Youngstown; John Carroll University, Cleveland, Ohio; St. Mary's College, St. Mary, Kentucky; and St. Mary's Seminary, Cleveland, Ohio. He was ordained by the late Bishop Emmett Walsh on May 30, 1952. Father Malik had four brothers, two of whom are living, and two sisters, one of whom is living.

Father Malik came to St. Mary's Parish in Warren as pastor in 1970 and in 1974 was named dean of Trumbull County Catholic Clergy. Prior to coming to Warren, Father Malik served as assistant at St. Joseph, Ashtabula, Ohio from 1952-1967, as Pastor of St. Andrew, Kingsville, Ohio, from 1967-1970.

Father Malik has served in numerous capacities throughout the Youngstown Diocese: Chaplain of the Trumbull N.C.C.W., L.C.B.A., Catholic Daughters; Honorary Chairman Catholic Social Services of Trumbull County; Catholic Clergy Chairman of the United Fund; Board of Managers, Y.M.C.A.; Children Services Board; Children Rehabilitation Board; Trumbull Hospital Corporation Board, Rotary International, and moderator for the Trumbull County Naim Club. Father Malik has also served on the Diocesan Priest Senate, Liturgy Commission, Diocesan School Board, and the Trumbull County Task Force on Crime.

Sir Knight, Father Malik joined the Knights of Columbus in January 1953, and is a member of Warren Council No. 620. He was exemplified into the Fourth Degree on April 28, 1957, in Youngstown, Ohio, under the direction of the Late Former Master John E. Johnston. He is a member of Bishop McFadden Assembly. Sir Knight, Father Malik, has served as Faithful Friar of the Eastern District of Ohio, Fourth Degree, since September, 1975, and as Chaplain of Warren Council No. 620 since January 1972.●

# HOUSE OF REPRESENTATIVES—*Friday, September 18, 1981*

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. WRIGHT).

## DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
*September 16, 1981.*

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Friday, September 18, 1981.

THOMAS P. O'NEILL, Jr.,
*Speaker of the House of Respresentatives.*

## PRAYER

The SPEAKER pro tempore. Our guest chaplain today is our former colleague, the very distingusished gentleman from Alabama, the Honorable John Buchanan, who will lead in prayer.

The Reverend John H. Buchanan, Jr., Christian Life Commission, Southern Baptist Convention, and former Representative, offered the following prayer:

We thank Thee, O Lord, for this House, and for the men and women who serve our country here. Grant to the Members of the Congress, we pray Thee, the wisdom to know the truth, and the courage to live by it. For it is in Thy holy name we ask it. Amen.

## THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 103. Joint resolution to authorize and request the President of the United States to issue a proclamation designating the 7 calendar days beginning October 4, 1981, as "National Port Week."

## THE SENATE PASSES ANTICONSUMER, AND ANTITAXPAYER SUGAR BILL

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, yesterday the Senate did less than cover itself with glory when it passed the anticonsumer and antitaxpayer sugar bill.

It is hard to believe that this is the same Senate that is now working on President Reagan's program to cut social security benefits for the elderly, because on the one hand they are handing out one of the biggest giveaways to a dozen or more major corporations who grow sugar, and on the other hand they are about to take away from the elderly a substantial amount of social security earnings. It just does not make good sense to me.

I hope the public will equally recognize that it does not make good sense and that this entire program of paying homage to special interests, such as sugar and oil, while going after children and the elderly is not in the best interests of this country.

## HIGH INTEREST RATES CRIPPLING MIDWEST

(Mr. FITHIAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FITHIAN. Mr. Speaker, just a brief report from Indiana.

High interest rates are crippling the housing industry, the auto industry, and the steel industry. They are pushing many farmers, small businessmen and their savings and loan institutions into the red.

A quotation from the mail from a small businessman from Chesterton:

Do something about the interest rates now. Six months from now is too late—another half of the real estate and housing industry will be gone by that time.

Now, Mr. Speaker, it is apparent that the tax bill that we passed in this House at President Reagan's urging put us in that position to where the business interests of this country and the financial interests in this country look at that deficit and realize that we are going to have the deficit and realize that the Government borrowing is going to continue to push interest rates up. It is that that we cannot afford; but neither can we afford to do what the President's people are now arguing that we should do and that is to go into the social programs for an additional round of cuts, rather than to go back and look at the tax program for what it was, a giveaway to special interest in the United States.

I said on the day that that tax cut was on the floor that we would live to regret that program.

## ROLLCALLS LESS EVIDENT IN 1981

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous material.)

Mr. DANIELSON. Mr. Speaker, as you know, I have been making an analysis of rollcall votes taken in the House of Representatives over the past several years so that we can keep in touch with trends and recognize ways in which we can prevent the inordinate waste of time on unnecessary votes that has been our lot in the past.

At this time I am not going to make a full report, but I want to inform our colleagues that we have spent much less time on rollcall votes in 1981 than in any year in recent history.

When we adjourned for the August district work period, on August 4, 1981, our 106th legislative day, there had been only 190 rollcalls. A comparison for similar periods, 106 legislative days, in previous years is as follows: 1978, through July 27, 612 rollcalls; 1979, through September 6, 447 rollcalls; 1980, through August 19, 459 rollcalls; and 1981, through August 4, 190 rollcalls.

It is interesting to note, as well, a substantial reduction in quorum calls, 10 of the 190 rollcalls were quorums, to 5.3 percent so far in 1981 as compared with 11.3 percent being quorums in 1980.

There has been an increase, however, in the number of votes on approving the Journal and on resolving into Committee. Figures on those two types of votes combined are as follows:

Rollcalls on approving the Journal and on resolving into Committee: 1978, 74 of 942—7.9 percent; 1979, 60 of 758—7.9 percent; 1980, 64 of 681—9.4 percent; and 1981, 27 of 190—14.2 percent

I recognize, of course, that votes on approving the Journal are often used in lieu of a quorum call at the opening of the day.

## CONGRESSMAN GONZALEZ INTRODUCES BILL PROVIDING FOR ABOLITION OF SO-CALLED OPEN MARKET COMMITTEE OF FEDERAL RESERVE BOARD

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GONZALEZ. Mr. Speaker, I have introduced today a resolution and a bill. The bill would provide for the abolition of the so-called Open Market Committee of the Federal Reserve Board, which is really not open, but I would call for its abolition. It is long overdue.

The resolution implements a resolution that I introduced in July, before the recess in August, which would provide for the proper committee to look into the impeachment of the Chairman of the Federal Reserve Board, Mr. Volcker.

This resolution implements that one by extending the impeachment process to the Open Market Committee of the Federal Reserve Board, as well as a companion bill that seeks to abolish that Board in the interim.

We have heard a litany of complaints both from Congress as well as from all over the States about high interest rates, their usurious and ruinous impact on business.

Businesses are, as one of my predecessor speakers stated going out like popcorn popping in a machine. This has been true all along, and this is why the Congress needs to focus attention on the conduct of the Federal Reserve and its so-called Open Market Committee

The usurpation by the Open Market Committee's five private member bankers of the power to determine the monetary policy of our country demands its abolition.

## THE PRESIDENT AND SOCIAL SECURITY

(Mr. VENTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VENTO. Mr. Speaker, today I want to call special attention to the "Washington Week That Was" in terms of statements by the White House regarding the social security system.

On Tuesday the administration gave the impression and the appearance and certainly the words that they did not intend to offer any cuts in social security. The media reported the President's stated intention in the Wednesday morning headlines.

But on Thursday morning, the media reported that the President, indeed intended to stand by the recommendations he made in May to cut social security benefits by delaying the cost-of-living adjustment from June until September.

This proposal will decrease the benefits of all those people currently receiving social security who would receive it in the future.

I think that the President is speaking out of both sides of his mouth. He is misleading the American people by telling them he will not cut social security while at the same time proposing fundamental reductions. I am very concerned about this. I think that the President should have the courage of his convictions and be responsible for his proposals. I think this goes to the heart of our democratic form of government.

President Reagan is refusing to accept public responsibility for his actions and for his intentions. The President should not be able to have his cake and eat it, too, Mr. Speaker.

## THE LATE E. MICHAEL ROLL, MAYOR OF DISTRICT HEIGHTS, MD.

(Mr. HOYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOYER. Mr. Speaker, this has been a sad week for me. My dear friend E. Michael Roll succumbed after a long and trying illness on Friday, September 11. It is not often that we can stop and take the time to eulogize a private citizen on the floor of the House of Representatives, but on this occasion the magnitude of the man—his enormous contributions to the people around him; his caring nature; his thoroughness in all things—demands it.

E. Michael Roll was the longtime mayor of a small city in America. For almost a quarter of a century, Mike Roll led the city of District Heights, Md., and in that endeavor he became the guide and friend to thousands of men and women in his community.

In our great county of Prince Georges, municipalities provide a focal point for the life of the community, giving each citizen who lives there a sense of identity and place. The grassroots support so necessary in maintaining effective government at all levels begins in places with strong community identity. And the person most responsible for developing this sense in District Heights was Mayor Mike Roll.

He represented the epitome of what a local official can do for his people and, in turn, for all public officials through developing this strong citizen interest and support. Through his leadership and tireless efforts, he planned, developed, and saw to completion the city's municipal center, which truly became the heart of the community in District Heights.

His keen knowledge of the needs of his constitutents came at a time when our country was expanding, and its people becoming more transient. He knew how important it was to maintain an identity of place in this ever-changing society.

Mr. Speaker, Mayor Roll had a long list of accomplishments in both his business and private life. As a mayor he was active in municipal associations at all levels, and his leadership in the business community and in numerous religious and charitable organizations brought him much acclaim.

But his most outstanding characteristic was his enormous heart. Mike Roll was never too busy for people, never in too much of a hurry to stop and talk to you, to listen to your problems or to a new idea. And although Mike Roll was not a great name in the annals of American politics, he represented the best of what true democratic politics was all about.

As a young man, I would go to his town meetings and see his brand of politics in action—frank, open discussions, hours of work, and in the end always concern for the well-being of his fellow men. He was always ready to discuss the problems of the world and how we, as young people, could go about solving them.

Mike Roll came to the United States from Nusco, Avelino, Italy, with the wave of immigrants that sought out America in the early years of this century. He and his family went to Lamberton, Pa., in 1912 where he spent his formative years. A job as sales representative for Exxon brought Mayor Roll to the Washington area in 1934, and he finally settled in District Heights with his beloved wife Melinda in 1948.

There Mike Roll became active in municipal government and was elected mayor in District Heights in 1957. His interest and talent did not stop there, however. As an active member of the Maryland Municipal League he carried municipal issues to the State and county and was elected president of both the State league and the Prince Georges County Municipal League as a result. He further expanded his role as a 12-time delegate to the National League of Cities.

Mike Roll also played an active part in the development of the governmental processes at the county level. In 1963 and 1964 he served on the County Charter Writing Commission, which was responsible for drawing up a new charter for Prince Georges County. He chaired both the Prince Georges Beautification Commission and the Animal Control Commission, and for the past 12 years served on the advisory board of the Prince Georges Community College.

Not only the public arena felt his concern and impact. Active in the Holy Name Society of Mount Calvary and Holy Rosary Catholic Churches,

and the Saint Pius X Council of the Knights of Columbus, Mayor Roll's involvement and his dedication to his faith was always apparent.

Mr. Speaker, I know of no person more loved or respected in his community than was Mike Roll. He was a source of inspiration to me and to all those with whom he came in contact.

He was much beloved by us all, and we shall miss him.

## A VOTE OF NO CONFIDENCE

(Mr. ZABLOCKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ZABLOCKI. Mr. Speaker, yesterday the House defeated H.R. 3518, a bill to authorize the appropriation of funds for the Department of State, the International Communication Agency, the Board for International Broadcasting, and the Inter-American Foundation. Along with the Defense Department, there is no agency more vital to the security of America than the Department of State.

Mr. Speaker, on that vote on final passage, 131 Republicans voted against this bill. Only 40 voted for it. That legislation was requested by the President.

Mr. Speaker, if the Republican Party cannot, and will not support its own President and Secretary of State, how can we ask others to do so?

Under a parliamentary system of government, defeat of such a bill would be tantamount to a vote of no confidence.

Maybe that is the problem. Maybe the minority party in the House has no confidence in the ability of the President or the Secretary of State to carry out the foreign policy of this country. That is the only conclusion I can draw after the vote of no confidence yesterday.

## MASSIVE PROTEST GATHERINGS OF AMERICANS AGAINST BUDGET AND TAX CUTS

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, tomorrow under the auspices of the American Federation of Labor and Congress of Industrial Organizations, there will be a massive gathering in Washington, D.C., of Americans coming to protest the budget cuts and the tax cuts which have created, and will be creating even more, chaos among our people. That demonstration could not be more timely. It comes on the heels of the President of the United States demanding and getting, a tax cut of some $746 billion over the next 5 years, thereby creating a situation where the budget cannot possibly be balanced. And now, because of the massive deficit which has been projected because of his action, he is coming back and demanding, on top of the $35 billion in cuts in our domestic programs already adopted, an additional $15 to $17 billion this year and $75 billion more in the next 2 years.

□ 1015

Mr. Speaker, the American people will not stand for that, and tomorrow will be the first graphic demonstration of America's opposition to the President's ill-conceived program.

## CORPORATE TAKEOVERS PUSH UP INTEREST RATES

(Mr. JEFFORDS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JEFFORDS. Mr. Speaker, today I am introducing a resolution which urges the Federal Reserve Board of Governors to discourage the establishing of large lines of credit by corporations for merger purposes while interest rates remain high. I am pleased to say that I have 13 original cosponsors, and invite all other Members of the House who want to do something constructive about high interest rates to join us.

The list of recent corporate marriages seems made in Hollywood: Du Pont and Conoco, of course, the most highly publicized, American Express and Shearson Loeb Rhoades, Prudential and Bache, Nabisco and Standard Brands, and Sohio and Kennecott, among others. If the present rate of takeovers persist, U.S. companies could spend $70 billion or more to swallow up more than 2,000 other firms this year alone.

These mergers would not be as disconcerting if this country's economy were vibrant and fully restored to health, but it is not yet. We are in a transition period. The President is in the process of implementing his program for economic recovery, and until it is fully put in place, I think we have to be wary of the effect mergers have on interest rates.

In the bidding war for Conoco, for example, prospective buyers lined up more than $25 billion in standby bank credit. Although some of this financing came from European banks, the heavy demand for credit here contributed to a tight money supply, making it harder for small businesses and farmers to finance new equipment, and for families to borrow for new homes and cars.

Takeovers can also divert money from productive capital investments. Rather than build new plants and create jobs by turning out new and better products, companies are increasingly interested in acquiring existing factories. Says Walter Adams, professor of economics at Michigan State University, "Mergers do not create new factories or add new employment. Oil companies say they need profits to expand in gas and oil. What they really want is to diversify through acquisitions and get into other industries."

So if you are concerned about these show biz mergers and their effect on the economy, give my office a call and we will sign you on to the bill.

Thank you, Mr. Speaker.

## NATIONAL PARK MAINTENANCE LEGISLATION

(Mr. NELLIGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NELLIGAN. Mr. Speaker, there is a growing awareness among all Americans of the seriousness of the maintenance problems now confronting the National Park Service. Recent summer visitors to our parks have experienced firsthand the deterioration of park facilities which was underscored in a 1980 General Accounting Office study.

In response to that GAO study, President Reagan announced in February his intention of making increased funding for national park maintenance a major objective of his administration. Unfortunately, the administration's proposed solution involved using the land and water conservation fund for park maintenance, a plan which ultimately proved unacceptable to Members of Congress who feel that use of the fund should be restricted to acquisition of new parklands.

Today, when the need for improved park maintenance is widely recognized, the question of how to finance new park maintenance efforts needs to be addressed. In this context, I am introducing legislation today which would establish such a funding mechanism.

Before I briefly describe what the bill would do, I want to express my gratitude to Senator BUMPERS of Arkansas, who introduced companion legislation in the Senate on June 10. I am indebted to Senator BUMPERS for the ideas contained in the bill I am introducing today, and hope that simultaneous consideration of this legislation in both the Senate and the House will hasten its passage.

The bill I am introducing is remarkably simple in concept. It would simply establish a fund for park maintenance, by earmarking for that purpose all franchise fees paid by concessioners for the privilege of operating in park units.

I want to emphasize that franchise fees paid by concessioners are distinct from entrance and user fees paid by

visitors to national parks. Only franchise fees would be included in the maintenance fund—not fees paid directly by park visitors.

Currently, franchise fees totaling $4.7 million per year are deposited as miscellaneous receipts in the Federal Treasury. The legislation I am introducing today would funnel franchise fees into a newly created fund for park maintenance. Disbursements from the fund would be subject to the appropriations process.

While the money made available to the maintenance fund from franchise fees would not be enough to solve all the problems in our national parks, it could have a significant effect. Moreover, I believe the bill I am proposing will have another advantage, in that it will provide an incentive to the National Park Service to revise its methods for calculating franchise fees.

Senate hearings in 1979 clearly showed that the franchise fee formulas which have been used by the Park Service since the early 1960's need to be changed. William J. Whalen, the Director of the National Park Service at that time, testified that the methods used to calculate the value of franchises in parks was no longer valid. Mr. Whalen's view was supported by a recent GAO study which concluded that—

> The Park Service should develop a new franchise fee rate system that best reflects the value of the privileges granted under concession contracts and that can be easily understood and properly applied by the concessions management staff.

When concessions were first permitted in our national parks, the majority were operated as small businesses, with few financial resources, and limited prospects for return on investment. The changes which have occurred in the parks within the past two decades have had an inevitable effect on the operation of concessions. Increased park usage by Americans intent on exploring new recreation opportunities has made park concessions more profitable. Increased profitability has encouraged larger corporations to compete for, and secure, concession franchises. Competition for franchises has therefore declined, as profitability has increased.

Unfortunately for the American taxpayer, increased profitability of concessions has not been reflected in increased revenues to the Treasury in the form of higher franchise fees. For 10 years the Park Service has been investigating ways to increase franchise fee rates. Despite several studies and reports, the fee structures of the 1960's remain unchanged.

By specifically earmarking franchise fee revenues for a new maintenance fund, it is my hope that the legislation I am introducing today will provide the necessary incentives to the Park Service for implementing franchise fee schedule changes.

As I have stated, the bill I am introducing today will not solve all of the maintenance problems in our national parks. It can, however, be a responsible first step toward a solution. I urge my colleagues to join me in taking that first step by agreeing to cosponsor this legislation.

## CHEMICAL WARFARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. LEACH) is recognized for 40 minutes.

Mr. LEACH of Iowa. Mr. Speaker, Laotian tribespeople call it medicine from the sky. Falling as yellow or red or white rain, it causes convulsions, nausea, bleeding from the nose and mouth, and death.

Lethal chemical agents, sprayed from planes and helicopters or delivered in rockets which explode above ground releasing clouds of deadly gas or dust, have been used since 1975 by Vietnamese forces against dissident groups in Laos and Kampuchea.

These weapons of modern science make no distinction between civilians and combatants, between men and women, or between children and adults. They have been used indiscriminately against villages and farms, killing civilians and resistance fighters alike, as well as animals such as dogs, chickens, pigs, cattle, and buffalo.

Secretary of State Haig's announcement in Berlin this week that the U.S. Government has conclusively identified the agents used by Communist forces in Indochina demands immediate international attention.

The perversion of science involved in the development and exploitation of chemical weapons is one of the tragedies of the 20th century. First used by the Germans at Ypres, Belgium, in 1914, poison gas caused an estimated 1.3 million casualties during World War I. Until recently, few instances of the further use in combat of lethal chemical agents have been documented. Chemical weapons were employed sporadically by Mussolini's troops against Ethiopia in 1935, by the Japanese in China and Taiwan in the late thirties, and by the Egyptians in Yemen during the midsixties.

Unconfirmed reports also exist that chemical weapons may briefly have been employed by the Ethiopians against Eritrean rebels and that the Vietnamese may have warned the Chinese of their chemical weapon capacities by controlled usage of poison gases during China's border incursion in January 1979. In addition, Afghan freedom fighters—Mujahadin—have reported to me the use of poisonous—zaerdar—bullets and "sleeping sticks" by Soviet troops in their efforts to subjugate an unwilling population. The former cause severe fever and death from even the most minor wound, and the latter, dropped from planes and helicopters, cause everyone in the vicinity to fall into a deep sleep, rendering them vulnerable to capture and likely death in this conflict where few prisoners are taken. The use of poison bullets and sleep-inducing gas represents yet another dramatic escalation in the chemical weapons race.

The effects of chemical warfare have a tendency to be exaggerated by those who have witnessed its use and, paradoxically, to be ignored by civilized people who have difficulty facing up to uncivilized behavior. But it is clear that there is an ominous trend toward legitimization as well as proliferation of chemical weapons usage. Reports, in fact, are beginning to surface of chemical weapons preparation being made by both sides in the Iranian-Iraqi conflict and of recent purchases of chemical weapons by countries as disparate as Syria, Libya, and India. And of direct strategic importance to the United States, the Soviet Union, and its Warsaw Pact allies have substantial stockpiles, as do North Korea and to a lesser extent Cuba.

The Soviet Union possesses the world's largest stockpile of chemical weapons, and Russian military doctrine emphasized chemical warfare as part of a triad of weapons of mass destruction. However, unlike the other two arms of the triad—biological and nuclear—chemical weapons are considered conventional in the sense that their usage implies a lower threshold strategic option.

It is estimated that Soviet forces include 90,000 officers and men trained extensively in chemical weaponry while, by contrast, the United States has perhaps 2,000—and a military doctrine reflecting a substantially lower tolerance for chemical weapons usage.

Human evidence of the use of chemical weapons in Southeast Asia and Afghanistan has been readily available but definitive analysis of the precise substances involved has been lacking. In this international detective story, bodies have been uncovered, but until now the exact weapon has remained a mystery.

Until now, also, most governments of the world, including our own, have given surprisingly little attention to this extraordinary aspect of man's inhumanity to man.

Having heard rumors in the refugee community of the possible employment of chemical weapons in Laos, I visited Nong Khai, a refugee camp in northern Thailand, in January 1979. After personally interviewing H'mong tribespeople who witnessed chemical weapons attacks, I became convinced of the validity of refugee claims and requested that the State Department launch a thorough investigation of the

problem and raise the chemical weapons issue as a high priority item in appropriate international bodies.

Unfortunately, the Carter administration displayed surprising reluctance to investigate systematically the refugee reports and to apply appropriate historical perspective to the issue itself. It refused publicly to confirm that chemical weapons were indeed being used by the Vietnamese and Laotian Communist forces, despite the overwhelming refugee evidence and the corroboratory intelligence information available at the time.

While collection of evidence proceeded, though frequently on a happenstantial basis, the State Department took the position that the U.S. Government had no responsibility under international law to determine the validity of the allegations concerning chemical weapons usage. While legalistically correct, this position could not have been more morally derelict. If civilized countries refuse to acknowledge the evidence and marshal world public opinion against the usage of such weapons, the legal, moral and political sanctions against their use in the future could not help but be weakened.

The reluctance of our Government to confirm the irrefutable was reminiscent of the refusal of Western democratic governments in the late thirties and early forties to accept the startling body of evidence that pointed to Nazi concentration camp gassing of Europe's Jewish population.

In an effort to increase governmental concern for the issue, I introduced and Congress eventually passed legislation to compel the administration to launch broad governmental and diplomatic initiatives aimed at bringing world attention to the issue of poison gas usage in Southeast Asia and to intensify efforts to conclude an international convention prohibiting the development, production, and stockpiling of chemical weapons.

Unfortunately, despite the establishment of a U.N. investigatory group, little international headway has to date been made. Sample after sample of chemical evidence was provided the International Red Cross and our intelligence agencies and one even in an exchange to the Defense Department through my office, but sparse resources and slipshod attention was given by our Government to the analysis process.

This June I wrote Secretary of Defense Caspar Weinberger a letter outlining the shortcomings of our collection and laboratory analysis efforts with recommendations for change. Perhaps because of this prodding, perhaps because of the urging of an energetic scholar, Sterling Seagrave, who has committed substantial personal resources to investigating the issue, the Defense Department finally decided to dedicate greater resources to the scientific dimension of the probe and turned over to a sophisticated private laboratory samples of chemical residues from Kampuchea. The laboratory results proved definitive. Three blood, blister, and vomiting trichothecene toxin were identified, the effects of which on human beings are so revolting that they defy reasonable description.

The surprise aspect of the laboratory discovery and the clear reason Government scientists have been stumped so long in their efforts to identify the agents involved is that the chemical residues remaining on the leaf and stem samples examined did not have the composition of traditional chemical weapons. Instead, the agents have been identified as biologically derived mycotoxins.

With Secretary Haig's speech in Berlin, the U.S. Government for the first time affirmed that chemical weapons have been employed in Indochina. The "smoking gun," the Secretary indicated has been found—with fingerprints.

Despite the reluctance of the State Department to point a direct finger at the Soviet Union, there is no room for question as to whose fingerprints they are. While it is nearly impossible to track the actual transfer of chemical weapons from Soviet stockpiles to Vietnamese combatants, the toxins identified to have been used in Southeast Asia do not occur there naturally. Neither the Vietnamese nor other forces under their influence have the capacity to produce them on the scale that has been witnessed. In addition, massive evidence exists of Soviet support to and monitoring of chemical attacks in Indochina but this evidence is unfortunately still classified.

Without doubt the Soviet Union stands in direct violation of both the Geneva Protocol of 1925 and the 1972 Biological Weapons Convention, which as a junior Foreign Service officer I helped draft and negotiate in Geneva. The Geneva Protocol prohibits the use in war of chemical and biological weapons. The Biological Weapons Convention prohibits the manufacture or retention for nonpeaceful purposes of biological and toxin weapons, as well as their transfer to any other party. Unfortunately, neither the Geneva Protocol nor the Biological Weapons Convention contain provisions for onsite verification or appropriate international sanction in the event violations are discovered. They are treaties which have been helpful in reducing the usage of these terrible instruments of war, but their weaknesses are grave.

The use by Communist forces of exotic mycotoxins which dissipate into the air within hours of dissemination marks the commission of a near-perfect crime. It has taken years of effort to collect the evidence concerning the laboratory-like experiments the Soviets have cynically conducted on some of the poorest and most defenseless people in the world. The use of chemical weapons by Soviet-supported forces has profound racial as well as strategic implications. New modes of weaponry are being battle tested in remote and poverty-stricken areas of the globe with tribal and ethnic minorities serving as guinea pigs. The Communist call for national liberation has come to mean national genocide for Afghan freedom fighters and tribal groups like the H'mong of Laos.

Unfortunately, even though Third World peoples are the current victims of chemical weapons, there does not appear to be great alarm in the Third World concerning their use, partly because Soviet brutality has come to be perceived as a norm, partly because American credibility has been undercut by a foreign policy that appears insensitive to the concerns of developing countries. This problem has been exacerbated in recent months by the administration's stand on a number of issues. Our opposition to the infant formula marketing code and the Law of the Sea Treaty, our failure to join in the condemnation of South Africa in the U.N. and our military involvement in El Salvador are seen by many developing countries as examples of poor judgment and callous insensitivity. In addition, our involvement in Vietnam and introduction of virulent herbicides like agent orange to that conflict has undercut significantly our international stature on the chemical weapons issue.

In the post-World War II era the United States played the dominant role in the U.N. and most other international bodies. Not only did we never veto a Security Council measure, but for 20 years we never voted on the losing side of a U.N. resolution. In recent years, however, we are becoming increasingly isolated as we support the interests of pariah states like South Africa and narrow corporate interests as in the infant formula and Law of the Sea negotiations. Developing nations perceive the United States, rightly or wrongly, as projecting a policy of almost exclusive paranoia against the Soviet Union with no complementary concern for the compassionate needs of the less-advantaged people of the world. Thus when Secretary Haig points with care at a towering international grievance, his comments do not carry the moral force they deserve.

In strategic terms the renewed use of biochemical weapons underlines the possibility that without new international sanctions another enormously expensive and awesomely dangerous arms race may be in the making. Faced with evidence that the Soviets

have not only a capability but also a willingness to use mycotoxin weapons, the United States has only two realistic options. National security requires that we either upgrade significantly our own chemical arsenal or launch negotiations aimed at definitively eliminating biochemical instruments of warfare. Given the training and technological advantage currently enjoyed by the Soviets, strategic as well as humanitarian considerations make arms control from the U.S. perspective vastly preferable to a costly new arms race that in the long run no one can win.

If legitimized through production, stockpiling, and use, chemical and mycotoxin weapons could all too easily become the poor man's weapon of mass destruction. Nuclear arms are beyond the financial and technical capacities of most nations, and bacteriological warfare is generally regarded as too dangerous and uncontrollable. However, countries which are unable or unwilling to produce nuclear and bacteriological weapons can easily produce or obtain some types of deadly chemicals. If the Soviet Union and its surrogates get away with using chemical weapons with impunity, the list of other countries willing and able to do likewise will almost certainly grow.

In this hemisphere, for example, the training of Castro's army in chemical weapons techniques and the glib comment attributed to Castro that he has the capacity to spread hoof and mouth disease in the United States does not bode well for future hemispheric relations. There is no indication Cuba has anything but a very modest stockpile of chemical weapons, but the fact that Castro himself has referenced Cuba's biochemical capacities and alleged U.S. use against Cuba of such weapons is worthy of careful attention. It can sometimes be a mistake not to take a Communist leader at his word.

In the final analysis, from the Soviet Union's perspective, there is real question whether the proliferation of chemical agents may not carry more long-term liabilities than advantages. As long as the Soviet Union is on the side of the forces which exclusively have chemical weapons at their command, the advantages are obvious. But if smaller countries and insurgency groups unsympathetic to Soviet interests obtain these weapons, overwhelming Soviet military power may be offset. In the event of a nationalist rebellion, in Eastern Europe for instance, anti-Soviet forces possessing chemical weapons could provide a devastating disincentive to Soviet intervention.

Now that the flagrant violation of international law by the Soviet Union has been incontrovertibly exposed, the opportunity exists to test the much-discussed concept of linkage. A symbolic and meaningful way of reorienting the direction of arms control talks might well be to bring the issue of chemical weapons to the SALT negotiating table. Such linkage would bring Soviet Third World adventurism to the forefront and serve as well to broaden arms control concerns away from the United States and Soviet preoccupation with bilateral nuclear discussions.

A chemical weapons initiative of this nature might help break the deadlock in current arms control discussions. The Soviets face a choice that might be summed up as "pox" or "pax." If they are not prepared to be forthcoming in negotiating a verifiable ban on chemical weapons, they can have little expectation of meaningful progress in other arms control areas.

President Reagan, for his part, may not be as quick to endorse certain arms control positions as his predecessor, but he probably has the leadership to get any treaty that he might sanction ratified. A reluctant Reagan has the potential to be a more effective arms controller than a too-willing Carter.

## MIKE MICHAELSON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, I rise to extend my best wishes for continued success to Mike Michaelson, the superintendent of the House Radio and TV Gallery, who will resign his post on October 1 to become the executive vice president of the Cable Satellite Public Affairs Network.

As a member of the House Administration Committee, I had the opportunity to get personally acquainted with the fine ability of Mike during the 16 years I have been privileged to serve in the House of Representatives.

It is difficult to find individuals nowadays who will go that extra mile, and, time and time again, Mike was willing to extend that special effort it takes for perfection. I express my appreciation to him for the efficient and dedicated service he has extended to me and my office, and wish him the best as he continues his career in devotion to the highest standards.

Mr. Speaker, an article on Mike Michaelson from the September 17, 1981, edition of the publication Roll Call follows:

[From the Roll Call, Sept. 17, 1981]

MICHAELSON LEAVING HOUSE RADIO-TV GALLERY

(By Rich Burkhardt)

After a career with the House Radio and TV Gallery which has spanned nearly 30 years, Superintendent Mike Michaelson has decided to call it quits Oct. 1. Michaelson, who has been superintendent since the retirement of Robert Menaugh in 1974, will become the Executive Vice-President of the Cable Satellite Public Affairs Network (C-SPAN), the local cable firm which sends televised coverage of daily House sessions across the nation.

Michaelson, 57, said that he originally hadn't planned to leave the Radio and TV Gallery this soon, but that the chance to work with C-SPAN proved to be too good to pass up.

"I was thinking about retirement in another couple of years, but not thinking in terms of going out to pasture," Michaelson said. "I thought for a while that I was going to try going into consulting.

"But then (C-SPAN President) Brian Lamb, approached me and said that he is expanding his operation and wanted someone to take over the managerial duties so he could spend more time marketing C-SPAN and helping it grow." Mike became that someone.

Michaelson's belief that cable TV will be the major force in broadcasting in the future and that C-SPAN is helping to "fill a vacuum that is present in what people can know and learn about government" were his main reasons for deciding to take on the new position.

"Nobody at present but C-SPAN is presenting an unfettered view of government," he said. "They have gavel-to-gavel coverage of the House, and don't editorialize—they just show what is happening as it happens."

"When you watch a network news show, or even something on PBS, you only get part of the picture," he continued. "Network news has to make value judgments on what's news, there is just so much happening around here that you can't get it all into a short time."

Michaelson is also excited by the direction that the expansion of C-SPAN, which has recently moved its offices from Arlington to the Amtrak building at 400 North Capitol St., is taking. He believes that committee coverage will increase, and forsees the possibility that if the Senate eventually decides to televise its sessions, C-SPAN might be able to present coverage of both houses of Congress to the public.

Such coverage, Michaelson believes, is the next step in the media explosion that has taken place on The Hill in recent years.

"When I first came up here in late 1951, you had three networks, UPI film and Hearst Telenews—the big five, and occasionally you'd get a local station," he said. "Little by little it began to grow. Time-Life opened a bureau, and some of the smaller stations began to realize that it was important to have their own people here, that the networks couldn't always give them all that they needed."

The growth of the independent stations and less reliance on networks to cover events for its affiliates has skyrocketed the membership of the Radio and TV Gallery during Michaelson's tenure there.

"When I first came on board, we had about 300 to 400 members," he said, "Now we must have about 1,300 members, and if we're not the largest gallery, we are sure close, because the number of newspapers has decreased since television began to get bigger."

During much of the time Michaelson was here, however, television coverage of Congress was unheard of. Former Speaker Sam Rayburn, who was dissatisfied with television coverage of hearings of the House Un-American Activities Committee in 1954, put a ban on Congressional television coverage that lasted until 1970.

In addition to the TV ban, 1954 was a memorable year for Michaelson for another reason. It was the year that a group of Puerto Ricans fired shots into the House chamber, and Michaelson said that the only reason he is here to tell about it now is because he switched seats just before the shooting started.

"I was in the line of sight, and for some reason, I decided to move down closer," Michaelson said. "It wasn't two minutes after I moved that they started shooting. If I had stayed where I was, I would have been dead—there were bullet holes in the seat where I was sitting."

Throughout his years on The Hill, Michaelson said that he has developed a great respect for both the media and the institution of Congress.

"I love the press—these people have been absolutely super to me and I respect the institution of the media. I've seen it go through tremendous changes through the years," he said.

"By the same token, I love the House of Representatives, and I think I'm the luckiest guy in the world to have worked here for so long," Michaelson continued.

Michaelson, who has served under five different Speakers, said that his major accomplishment has been to keep the gallery in step with the changes that have occurred over the past 30 years.

"When I first took over this job, I was scared," Michaelson said. "I was only the second Superintendent of the Gallery in history. Former Superintendent Robert Menaugh started out with the gallery (in 1939); he knew the Speaker and everybody and I didn't. But I think I've kept the gallery moving forward throughout the years."

Soon Michaelson will be turning the reins over to a new Superintendent, Ruth M. "Tina" Tate, who is currently first assistant superintendent and who will soon be starting her 10th year with the radio and TV gallery.

What will he miss most about leaving The Hill? Like other senior staffers who have recently departed, Michaelson says that he'll miss the people he has known for so many years. In addition he says, he'll miss "the everyday excitement of watching everything that's important in the world go through here."

Michaelson, however, doesn't really see his move as one where he is leaving The Hill.

"By bringing the House floor debates (to the public) and hopefully the Senate in time, I don't feel as though I left The Hill, but simply moved across the street," he said.●

## SUPPORT FOR SOLIDARITY DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. FERRARO) is recognized for 5 minutes.

● Ms. FERRARO. Mr. Speaker, through the first 6 months of this Congress, as the President's economic program was moved through the House and Senate, we have been repeatedly told by the supporters of that program that the President had a mandate from the American people for his program and that the program would bring renewed prosperity for all Americans.

On Saturday, September 19, hundreds of thousands of Americans, including upward of 30,000 from New York City alone, will be coming to Washington, D.C., to express their feelings about the President's economic program. The message they are bringing is not a mandate or an expression of support for Reaganomics, nor are they coming to celebrate a new wave of prosperity that is is sweeping the land.

The people who are coming to Washington September 19, for the Solidarity Day march are coming to protest the President's budget cuts. They are representatives of labor unions, women's groups consumer groups, church groups, and civil rights groups. They are middle class, working class, working poor, and the elderly—the people who will bear the brunt of Reagan's budget cuts.

They are working people concerned about the administration's callousness toward occupational safety and health laws.

They are students and parents concerned about the administration's slashing of the student loan program.

They are young people, potential homeowners, concerned about interest rates that make homeownership a virtually impossible dream.

They are senior citizens concerned about the administration's cuts in social security and in housing programs that threaten their retirement years.

They are Federal employees concerned that the new round of budget cuts will leave them and their families without a source of income and will undermine the effectiveness of their agencies.

That is who these people are.

But let us also consider who they are not.

They are not wealthy land speculators who will benefit from the adminstration's tax proposals which lower the top rate on capital gains.

They are not oil company executives who will reap a bountiful windfall harvest from the administration's tax cuts for that industry.

They are not earners of $200,000 a year for whom the administration's across-the-board tax cut will mean some $14,000 in tax reductions.

By coming to Washington for this march, these Americans hope to bring to President Reagan, and to those of us in Congress, the message that for millions of Americans, opportunity, and compassion, and equality are still important goals. The economic renewal promised by President Reagan's supply-side approach is really nothing more than traditional Republican trickle-down economics. Reagan's version of trickle down is to give a flood of tax relief for the upper income brackets, and a trickle for lower and middle income Americans.

The kind of prosperity sought by the participants in Solidarity Day is the prosperity brought by the New Deal, and the Fair Deal, and the New Frontier, and the Great Society.

The kind of prosperity they seek is based on the idea that growth and wealth come from providing opportunity to the greatest number of Americans—the kind of prosperity that has made this country great over the past half century.

President Reagan's budget cutters, led by Budget Director David Stockman, have acted as though they believe the programs they are cutting were created simply to spend money.

But while no one can deny that there have been inefficiencies and excesses in Government, no one should lose sight of the reasons the programs came into being.

People needed assurances of income in their retirement—and social security was born.

We saw that in this great country, there were some Americans living in substandard housing—and the federally subsidized housing programs were established.

We saw that Americans—and especially children—were malnourished, and the food stamp and school lunch programs were passed.

We realized that education was the key to getting jobs, and the Elementary and Secondary Education Act and the student loan programs were enacted.

The message of Solidarity Day is that America should not abandon its commitment to equality of opportunity and to a prosperity that includes all our people. It is a message we all need to remember.●

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. LEACH of Iowa) and to revise and extend remarks and include extraneous material:)

Mr. LEACH of Iowa, for 40 minutes, today.

(The following Members (at the request of Mr. DANIELSON) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Ms. FERRARO, for 5 minutes, today.

Mr. FORD of Michigan, for 5 minutes, today.

Mr. FRANK, for 60 minutes, on September 21, 1981.

## EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. LEACH of Iowa) and to include extraneous matter:)

Mr. JEFFORDS in two instances.

Mr. CORCORAN.

Mrs. SCHNEIDER.

Mr. DORNAN of California in three instances.

(The following Members (at the request of Mr. DANIELSON) and to include extraneous matter:)

Mr. BARNES in two instances.

Mr. RODINO in two instances.

Mr. ECKART.

Mr. EDWARDS of California.

Mr. STUDDS.

Mr. WEISS.

## SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 103. Joint resolution to authorize and request the President of the United States to issue a proclamation designating the 7 calendar days beginning October 4, 1981, as "National Port Week."

## ADJOURNMENT

Mr. DANIELSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 30 minutes a.m.) under its previous order, the House adjourned until Monday, September 21, 1981, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2207. A letter from the Principal Deputy Assistant Secretary of Defense, transmitting a report on the value of property, supplies, and commodities provided by the Berlin Magistrate, and under the German Offset Agreement for the quarter ended June 30, 1981, pursuant to section 720 of Public Law 96-527; to the Committee on Appropriations.

2208. A letter from the Secretary of the Treasury, transmitting a report on a violation of the Anti-Deficiency Act, pursuant to section 3679(i)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

2209. A letter from the Secretary of Energy, transmitting a report of public comments on the national electric reliability study, pursuant to section 209 of Public Law 95-617; to the Committee on Energy and Commerce.

2210. A letter from the Director, Defense Security Assistance Agency, transmitting addenda to the quarterly report on foreign military sales as of June 30, 1980, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2211. A letter from the Acting Secretary of the Interior, transmitting notice of the proposed refund of $25,409.23 in excess royalties to the Shell Oil Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

2212. A letter from the Acting Secretary of the Interior, transmitting notice of the proposed refund of $20,897.67 in excess royalties to the Shell Oil Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

2213. A letter from the Acting Secretary of the Interior, transmitting notice of the proposed refund of $35,444.89 in excess royalties to the Texaco Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

2214. A letter from the Under Secretary of the Interior, transmitting notice of the leasing systems to be used in oil and gas lease sale No. 66, Gulf of Mexico, to be held on October 20, 1981, pursuant to section 8(a)(8) of the Outer Continental Shelf Lands Act, as amended; to the Committee on Interior and Insular Affairs.

2215. A letter from the Associate Commissioner of Examinations, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

2216. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on the employment of speciality qualified scientific and professional personnel for calendar year 1980, pursuant to 5 U.S.C. 3104(b); to the Committee on Post Office and Civil Service.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H.R. 4523. A bill to amend the Internal Revenue Code of 1954 to defer certain individual and windfall profit tax reductions until the Federal budget is balanced; to the Committee on Ways and Means.

By Mr. BAFALIS:

H.R. 4524. A bill to amend the Internal Revenue Code of 1954 to limit the maximum rate of interest charged on certain deferred payments of estate taxes and certain recapture taxes; to the Committee on Ways and Means.

By Mr. GONZALEZ:

H.R. 4525. A bill to abolish the Federal Open Market Committee; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MATSUI (for himself, Mr. DASCHLE, Mr. STANGELAND, Mr. GLICKMAN, Mr. DORGAN of North Dakota, and Mr. FAZIO):

H.R. 4526. A bill to designate the sunflower as the national flower of the United States; to the Committee on Post Office and Civil Service.

By Mr. NELLIGAN:

H.R. 4527. A bill to amend the act of October 9, 1965; to the Committee on Interior and Insular Affairs.

By Mrs. SMITH of Nebraska:

H.R. 4528. A bill to delay the application of Revenue Ruling 81-216 until January 1, 1983; to the Committee on Ways and Means.

By Mr. GONZALEZ:

H. Res. 226. Resolution providing for the impeachment of Paul A. Volcker, Anthony M. Solomon, Edward G. Boehne, Robert H. Boykin, E. Gerald Corrigan, Lyle E. Gramley, Silas Keehn, J. Charles Partee, Emmett J. Rice, Frederick H. Schultz, Nancy H. Teeters, and Henry C. Wallich, as members of the Federal Open Market Committee; to the Committee on the Judiciary.

By Mr. JEFFORDS (for himself, Mr. LEACH of Iowa, Mrs. HECKLER, Mr. DENARDIS, Mr. PURSELL, Mrs. SNOWE, Mrs. SCHNEIDER, Mr. HOLLENBECK, Mr. BEDELL, Mr. GLICKMAN, Mr. SIMON, Mr. D'AMOURS, Mr. JONES of Tennessee, and Mr. MINETA):

H. Res. 227. Resolution expressing the sense of the House of Representatives that the Board of Governors of the Federal Reserve System should take prompt action to discourage the establishment of large lines of credit which may be used by large corporations for purposes of acquiring other corporations; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PICKLE:

H. Res. 228. Resolution calling on the Governors of the Federal Reserve System to encourage banks to make loans available for productive uses while eliminating loans for speculative and unproductive uses; to the Committee on Banking, Finance and Urban Affairs.

## ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 248: Mr. MARLENEE.

H.R. 660: Mr. GILMAN, Mr. PEPPER, Mr. PEYSER, and Mr. STUDDS.

H.R. 872: Mr. JEFFORDS.

H.R. 1465: Mrs. CHISHOLM, Mr. DERRICK, and Mr. MCEWEN.

H.R. 1663: Mr. DONNELLY, Mr. FRANK, Mr. FAUNTROY, Mr. NAPIER, Mr. DELLUMS, Mr. CLAY, Mr. BINGHAM, Mr. FOGLIETTA, Mr. OBERSTAR, Mr. MOTTL, Mr. HARKIN, Mr. STANGELAND, and Mr. ANDERSON.

H. Res. 196: Mr. MATTOX.

# SENATE—*Friday, September 18, 1981*

*(Legislative day of Wednesday, September 9, 1981)*

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us pray.

Father in heaven, I pray this morning for all who work in the Senate and their families. Our culture teaches us never to wear our feelings on our sleeves. We accept this as good and proper, but carried to the extreme it causes us to wear masks, to pretend everything is OK when the truth is we feel lousy and things are falling apart. In so doing we deprive ourselves of the caring love that friends and colleagues are most willing to give in an hour of need. Forgive us for thinking we have to be strong all the time, for fearing vulnerability.

Thou knowest those among us who are hurting: Personal health, trouble with children, financial burden, unkind and unfounded publicity, alienation from spouse, rejection by friends, thoughtless criticism from constituents, discouragement, disappointment, a nagging sense of failure. Gracious God, we pray for Thy loving, healing touch on each life, each family, each office.

And Lord, help us to defer to each other, to respect and love each other, so that by attitude and action we minister to each others need even when not aware of it. Help us we pray in the name of Him whose love and care for His people has never ceased from Abraham to this present moment. Amen.

## RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

## THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings to date be approved.

The PRESIDENT pro tempore. Without objection, it is so ordered.

## THE EXODUS OF SENIOR FEDERAL EXECUTIVES

Mr. STEVENS. Mr. President, previously I have spoken of the senior Federal executives our executive branch has been losing either to retirement or to the private sector. The cases I mentioned are but a few of an incredible number of losses of Federal executives. I would like to demonstrate the magnitude of these losses on the individual agencies and departments.

The Department of Defense has lost approximately 20 percent of its senior executives during 1980 and again in 1981.

The State Department found that, in any given month, 40–60 percent of their retirees are senior foreign officers. Approximately one-third of these officers are or will be at the pay cap after this year's 4.8-percent pay increase.

The Securities and Exchange Commission has lost 48 percent at the GS–15 and Senior Executive Service levels since October 1978. This represents about 25 percent of the positions at those levels.

The Department of the Treasury has lost 130 SES members since July 1979—95 through retirement and 35 through voluntary resignations. This represents 23 percent of their total SES position allotment. Their concerns result from the fact that between September 30, 1981 and September 30, 1983, 100 more of their SES members will become eligible for voluntary retirement.

The Department of Labor quotes a retirement rate of approximately 14 percent with the pay cap being a definite factor.

The Federal Reserve Board has an attrition rate of more than 20 percent this year with 76 percent of its staff at the cap. I will ask unanimous consent to have printed in the RECORD a letter I received from the Reserve Board in which they illustrate that of 10 officers who have left in 1981, 8 listed pay as the primary reasons for leaving.

The Department of Transportation states that since they started recording reasons for executives leaving earlier this year, every one has indicated that the executive pay cap was a factor influencing their decision.

The Department of Housing and Urban Development has lost 20 career executives this fiscal year with over half of them accepting positions in the private sector. The Department had 107 losses from their Senior Executive Service in 1980.

The National Aeronautics and Space Administration lost 20 percent of their senior executives in 1980.

The Tennessee Valley Authority has lost more than a dozen executive level managers in the last 18 months.

The National Labor Relations Board has lost one-third of its regional directors in the past 2 years. I quote from their letters to me:

> There has never been a mass exodus like this in the history of the agency.

Similar horror stories are heard from other smaller agencies where the loss of even a few executives can be critical. We cannot afford to continue to allow this mass exodus of talent which the Government has spent years and much money to develop.

Lifting the pay cap will not increase total compensation expenditures but will likely help to retain the people we need to run this country.

Mr. President, I ask unanimous consent that the letter from the Federal Reserve System be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,
*Washington, D.C., August 20, 1981.*

Hon. TED STEVENS,
*Chairman, Subcommittee on Civil Service, Post Office and General Services, Committee on Governmental Affairs, U.S. Senate, Washington, D.C.*

DEAR CHAIRMAN STEVENS: Thank you for your letter on the problem of senior executives leaving the Federal Government due to inadequate pay. This is a serious concern for the Federal Reserve, as I am sure it is for other government agencies, and I appreciate the opportunity to comment.

As you know, the Federal Reserve Board is not part of the Federal Government's Senior Executive Service (SES); however, compensation of the Board's official staff parallels very closely the SES pay structure, including the limitation on pay. Our inability to grant salary increases to our top-level people has had a harmful effect on morale and has severely distorted pay relationships. As a result of this problem, salary distinctions are insufficient to reflect accurately differences in levels of responsibility. Due to the pay cap on executives salaries, the Board's officer salary structure is so severely compacted that the salaries of 76 percent of the Board's official staff are currently frozen; after October 1 of this year, assuming retention of the pay cap, that figure will increase to 91 percent. Because of the pay compaction problem, the Board is faced with the problem of promoting employees to higher levels of responsibility with little or no increase in salary.

Within the past year, a number of key officials have resigned from the Board, partly or largely for reasons dealing with inadequate compensation. Most of these employees have accepted employment offers which exceeded their Board salaries by 70 percent and more. (You may be interested in the enclosed listing of officers who left the Board in 1981.) Although Federal salaries cannot match those in the private sector, an increase in salary levels of modest proportions may have averted the exodus of some of these people. Thus far this year, the annualized attrition rate for the Board's official staff is exceeding 20 percent, almost double the rate experienced in 1980 and nearly triple the rate experienced in 1979.

In the past, when pay was more competitive and the attrition rate for our key senior officials was fairly low and stable, most of our vacancies were quickly filled. But with the recent sharp increase in resignations among our key officials, it has become extremely difficult to find replacements with the quality of experience necessary to cover critical areas. Unfortunately, we can no longer rely as heavily on recruiting competent replacements from outside of the Federal Reserve due to the increased gap between our salary levels and those offered in the private sector.

The Federal Reserve has traditionally been staffed at senior levels by people intent on

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

making the Federal Reserve their career. However, to an increasing degree, we now find ourselves training people who after a number of years leave for greater financial rewards. While many dedicated individuals have made sacrifices in the past, today's salary gap is too great for us to expect to be able to retain many of these individuals. I am greatly concerned that further erosion of talent could result in a decline of overall Board effectiveness. I realize that in a period of severe budgeting restraint it is difficult to argue for pay increases for the highest paid government workers. However, I do believe the situation has become sufficiently serious that the only responsible course is to take prompt action to lift the pay cap. Again, thank you for the opportunity to comment.

Sincerely,

PAUL A. VOLCKER.

OFFICERS LEAVING THE BOARD IN 1981 (AS OF JULY 28, 1981)

| | New salary | Reason |
|---|---|---|
| 1. Officer | | Retirement. |
| 2. Officer | $90,000 | Pay. |
| 3. Officer | 61,000 | Pay. |
| 4. Officer | 110,000 | Pay. |
| 5. Officer | 62,000 | Greater opportunity. |
| 6. Officer | 125,000 | Pay. |
| 7. Officer | 90,000 | Pay. |
| 8. Officer | 90,000 | Pay. |
| 9. Officer | 75,000 | Pay. |
| 10. Officer | 70,000 | Pay and greater responsibility. |

Mr. STEVENS. Mr. President, I reserve the remainder of our time for the distinguished President pro tempore when he is out of the chair.

(Mr. COCHRAN assumed the chair.)

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

## S. 1639—EXTRADITION ACT OF 1981

Mr. THURMOND. Mr. President, today I am introducing, along with Senators HATCH, KENNEDY, DENTON, LAXALT, and SPECTER, a bill developed over the past 2 years in close cooperation with the Department of Justice and the Department of State to modernize the extradition laws of the United States.

Mr. President, current extradition provisions have been on the books for over a century without significant change. According to those responsible for administering extradition activities within the United States, these provisions have proven increasingly inadequate in dealing with modern difficulties in the international control of crime.

Moreover, there has been such a marked increase in the number of extradition requests received and made by the United States in recent years that deficiencies that were minor inconveniences in the past have become major problems.

In addition, the United States has negotiated new extradition treaties with many foreign countries in the past few years that cannot be fully implemented under the language of present law, thereby preventing fulfillment by the United States of its international obligations.

I submit it is time to review and modernize U.S. extradition laws to comport with the realities of modern crime control between nations. Some of the principal changes proposed by the bill I am introducing would:

Require the Attorney General to serve as complainant in extradition matters, thereby eliminating the possibility of a foreign government—or someone acting for a foreign government—instituting unjustified extradition proceedings.

Permit an arrest warrant to be issued when the location of the fugitive is not known, thereby facilitating law enforcement authorities' efforts in locating international fugitives, including territories, et cetera.

Permit extradition proceedings to be commenced by means of a summons rather than an arrest warrant where the fugitive's location is known and flight is unlikely.

Set standards and conditions for the release of the alleged fugitive in any stage of the proceeding, not just prior to the extradition hearing.

Place responsibility for deciding whether extradition is sought for a "political offense" in the hands of the Secretary of State, thereby permitting this determination to be made in the same manner as asylum applications.

Permit fugitives to be temporarily extradited to the United States for trial or sentencing.

Authorize the Attorney General to make all arrangements to take custody of fugitives found extraditable to the United States by foreign countries.

Mr. President, to further assist my colleagues in evaluating the merits of this legislation, I ask unanimous consent that the following material be printed in the RECORD following these remarks:

Tables delineating the number and nature of extradition cases;

Letter from the Department of Justice in support of the legislation;

Letter from the Department of State in support of the legislation;

A 35-item list of changes proposed by the bill;

Detailed memorandum explaining provisions; and

The bill as introduced.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXTRADITION: NUMBER OF FUGITIVES REQUESTED

| | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 [1] | 1981 |
|---|---|---|---|---|---|---|---|
| Foreign | 26 | 41 | 44 | 57 | 75 | 86 | 26 |
| United States: | | | | | | | |
| Federal | 73 | 74 | 72 | 43 | 51 | 76 | 29 |
| State | [2] | [2] | [2] | [2] | [2] | 56 | 13 |
| Total fugitives requested | 99 | 115 | 117 | 100 | 126 | 218 | 68 |

NUMBER OF FUGITIVES SURRENDERED [3] EACH YEAR

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Foreign | 16 | 7 | 27 | 20 | 38 | 34 | 16 |
| United States: | | | | | | | |
| Federal | 16 | 23 | 30 | 19 | 24 | 34 | 18 |
| State | [2] | [2] | [2] | [2] | [2] | 14 | 6 |
| Total fugitives surrendered | 32 | 30 | 57 | 39 | 63 | 82 | 40 |

[1] As of Mar. 31, 1981.

[2] Handled by legal adviser, Department of State. No statistics kept. Best estimate is that State requests never exceeded 20 in any year, and were probably less.

[3] Surrender—extradited, waived extradition, deported, returned voluntarily.

EXTRADITION: FUGITIVES REQUESTED BY CATEGORIES OF CRIMES

| Source of request and category of crimes | 1979 Number | 1979 Percent | 1980 Number | 1980 Percent | 1981 Number | 1981 Percent | 1979 1st through quarter 1981 Number | 1979 1st through quarter 1981 Percent |
|---|---|---|---|---|---|---|---|---|
| Foreign: | | | | | | | | |
| Violent [1] | 19 | 25.7 | 26 | 30.2 | 8 | 30.8 | 53 | 28.5 |
| Narcotics | 24 | 32.4 | 22 | 25.6 | 6 | 23.1 | 52 | 28.0 |
| Violent and narcotics | 43 | 58.1 | 48 | 55.8 | 14 | 52.9 | 105 | 56.5 |
| White collar | 29 | 39.2 | 29 | 33.7 | 9 | 34.6 | 67 | 36.0 |
| Other | 2 | 2.7 | 9 | 10.5 | 3 | 11.5 | 14 | 7.5 |
| United States: | | | | | | | | |
| Federal: | | | | | | | | |
| Violent [1] | 7 | 14.0 | 21 | 28.4 | 4 | 18.7 | 32 | 20.9 |
| Narcotics | 28 | 56.0 | 22 | 29.7 | 19 | 65.5 | 69 | 45.1 |
| Violent and narcotics | 35 | 70.0 | 43 | 58.1 | 23 | 79.2 | 101 | 66.0 |
| White collar | 11 | 22.0 | 27 | 36.5 | 5 | 17.2 | 43 | 28.1 |
| Other | 4 | 8.0 | 4 | 5.4 | 1 | 3.4 | 9 | 5.9 |
| State: | | | | | | | | |
| Violent [1] | | | 34 | 60.7 | 6 | 46.2 | 40 | 58.0 |
| Narcotics | | | 5 | 8.9 | 4 | 50.8 | 9 | 13.0 |
| Violent and narcotics | [2] | [2] | 39 | 69.6 | 10 | 77.0 | 49 | 71.0 |
| White collar | | | 13 | 23.2 | 2 | 15.4 | 15 | 21.7 |
| Other | | | 4 | 7.1 | 1 | 7.7 | 5 | 7.3 |
| All: | | | | | | | | |
| Violent [1] | 26 | 21.0 | 81 | 37.5 | 18 | 26.5 | 125 | 30.6 |
| Narcotics | 52 | 41.9 | 49 | 22.7 | 29 | 42.6 | 130 | 31.9 |
| Violent and narcotics | 78 | 62.9 | 130 | 60.2 | 47 | 69.1 | 255 | 62.5 |
| White collar | 40 | 32.3 | 69 | 31.9 | 16 | 23.5 | 125 | 30.6 |
| Other | 6 | 4.8 | 17 | 7.9 | 5 | 7.3 | 28 | 6.9 |

[1] Violent crimes include: homicide, rape, kidnapping, explosives and weapons offenses, terrorist offenses, air piracy, arson, destruction of property, obstruction of justice, extortion, robbery, etc.

[2] Handled by legal adviser, Department of State. No records or statistics kept.

U.S. DEPARTMENT OF JUSTICE,
*Washington, D.C., August 4, 1981.*

HON. STROM THURMOND,
*Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in reference to your letter of July 7, 1981, requesting the views of the Department of Justice on your proposed bill to modernize and improve the United States' laws governing the implementation of our extradition treaties with other countries. As you note, this bill was originally introduced by you, Senator Kennedy and Senator Hatch in the past session of Congress as an amendment to the proposed federal criminal code. It was developed jointly by the staffs of the Committee, the Department of Justice and the Department of State. The Department of Justice strongly supports this bill.

The present provisions of Title 18 of the United States Code governing the implementation of our extradition treaties were originally enacted in the 1840's and 1880's, and have not been materially changed since their enactment. They were designed to deal with transnational criminal activity in an era when the United States was largely geographically insulated from such activity. During that era few requests were ever made by the United States or our treaty partners for the extradition of fugitives. The present provisions are not capable of adequately dealing with extradition problems in the world of intercontinental jet air transport and high-speed telecommunications—a world

in which we are no longer geographically protected from transnational criminal activity. Over the past decade we have witnessed a more than ten-fold increase in the volume of extradition requests made by and to the United States.

The proposed bill also should be helpful in the United States' efforts to curb violent crime, narcotics trafficking and terrorism. In the past two and one-half years almost one-third of the extradition requests made by or to the United States have sought the extradition of persons accused or convicted of crimes of violence. Another third have sought the extradition of persons accused or convicted of narcotics trafficking. A significant number of such requests have related to persons accused of terrorist-related activity.

The substantial improvements made by the proposed bill will greatly enhance the United States' ability to deal with the significant increase in transnational criminal activity. At the same time, it will set forth clearly the procedural safeguards to be afforded fugitives from foreign charges arrested in the United States. The proposed bill will convert our present horse-and-buggy era extradition laws into ones capable of dealing with international fugitives in today's world.

For the above reasons, we believe that it is very important that the proposed bill be enacted.

The Office of Management and Budget has advised that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

ROBERT A. MCCONNELL,
*Assistant Attorney General.*

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THE SECRETARY OF STATE,
*Washington, D.C. August 25, 1981.*

Hon. STROM THURMOND,
*Chairman, Committee on the Judiciary, U.S. Senate.*

DEAR MR. CHAIRMAN: Thank you for your letter of July 7 asking for my views on the proposed "Extradition Act of 1981."

Your letter notes that the proposed legislation was worked out over the last several years by the staffs of your Committee, the Department of Justice, and the Department of State. I understand that these efforts to modernize and improve United States extradition law drew heavily on court decisions, recent treaty developments, and practical experience with the ever-increasing number of extradition cases.

The Department of State is particularly pleased with the provisions of the bill which provide more effective federal control over filing of extradition requests in this country (section 3192); which for the first time permit appeal from a district court's decision on an extradition request (section 3195); and which place in the Secretary of State the determination whether extradition should be refused on political offense grounds (section 3196(a)(3)). Taken together, these provisions should reduce the risk of adverse foreign policy consequences which flow from extradition either improperly initiated or improperly refused. At the same time, every effort has been made to preserve the protection of individual rights.

New legislation of this kind will be tremendously important in enabling the Departments of Justice and State to carry out their increasing treaty responsibilities in this area more effectively, and I therefore endorse it.

Sincerely,

ALEXANDER M. HAIG, JR.

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CHANGES EFFECTED BY PROPOSED EXTRADITION LEGISLATION

1. Limits place for filing complaint for extradition to federal courts.

Under present law complaint can be filed in state court of general jurisdiction. In practice all complaints are presently filed in federal courts.

2. Permits only Attorney General to file extradition complaint.

Under present law complaints can be filed by anyone authorized by foreign government. Proposed change is in accord with the laws of most countries and can prevent significant foreign policy problems. Department of Justice in recent years has taken over handling of virtually all of foreign extradition requests pursuant to either treaty provisions or reciprocal agreements.

3. Empowers Attorney General to file complaint with U.S. District Court for District of Columbia if fugitive's whereabouts in United States not known.

Under present law complaint can be filed only where fugitive may be found. Thus, present law precludes use of NCIC for apprehension of international fugitives in United States where whereabouts not known.

4. Specifically prescribes contents of complaint.

Prescribes contents in line with current practice. Present law silent as to contents of complaint.

5. Specifies documentation necessary to support provisional arrest.

Specified documentation is generally in accord with present practice and case law. Present statute does not deal with provisional arrest.

6. Permits Attorney General to request summons rather than warrant for arrest.

Present law does not provide for flexibility of summons procedure. It is anticipated that summons procedure will be used where there is no apparent flight risk thereby ameliorating codified special circumstances rule applicable to prehearing release of subjects of extradition.

7. Requires arrested person to be taken without unnecessary delay before nearest available federal court for extradition hearing.

Follows policy of Rule 5 F.R. Cr. P. in assuring prompt judicial notification of reasons for arrest and advice of rights. Present law silent.

8. Codifies "special circumstances" rule for release on bail pending extradition hearing.

Codifies rule for release set forth in Supreme Court rulings. Use of summons procedure (#6 above) will provide new flexibility with respect to prehearing release. Present statute silent.

9. Codifies conditions of release pending extradition hearing.

Present statute silent.

10. Resolves ambiguity under present case law for determining commencement and termination of provisional arrest period.

Present statute silent.

11. Establishes procedure for waiver of extradition hearing and consent to removal.

Almost all modern treaties provide for waiver, but do not specify procedure. Proposed law draws upon present practice and analogous prisoner transfer verification procedures. Present law silent.

12. Prohibits courts from asserting jurisdiction to determine merits of charges by foreign state.

In accord with case law. Present statute silent.

13. Prohibits courts from determining whether foreign state is seeking extradition for a political offense or an offense of a political character or for the purpose of punishing person for his political opinions.

For reasons set forth in the detailed memorandum below, this decision should be solely an executive decision akin to the similar decision on political asylum. Presently, case law has divided decision between executive and courts with executive determining motivation of foreign country and court determining the character of offense.

14. Requires extradition hearing to be held as soon as practicable after arrest or issuance of summons.

Present law silent.

15. Establishes right of person sought to representation by counsel.

Codifies present practice. Present law silent.

16. Specifies right of person sought to cross examine witnesses against him and to introduce evidence on own behalf.

Codifies present practice. Present statute silent.

17. Simplifies procedures for authentication of documents for admission at extradition hearings.

Simplification patterned after authentication procedures in treaties and other statutes. Revises present archaic, questionable authentication rule in 18 U.S.C. 3190.

18. Establishes admissibility of State Department affidavit on ex'stence of treaty and its interpretation.

Codifies present practice. Present law silent.

19. Adopts federal probable cause standard where treaty refers to such evidence as would justify ordering a trial if the offense had been committed in the United States.

Old case law applied state committal for trial standards. Newer case law and all modern treaties adopt federal standard. Present law silent.

20. Establishes that extraditability may be determined solely on hearsay and/or documentary evidence.

Codifies case law. Present statute silent.

21. Specifies findings which court must make in finding person extraditable.

Codifies present practice primarily based on treaty language. Present law refers only to sufficiency of evidence to sustain charge under applicable treaty.

22. Incorporates double criminality as necessary finding to extraditability.

Almost all treaties impose this requirement. Present statute silent.

23. Requires court to state specific reasons for its findings and to certify them to Secretary of State.

Present statute does not require specification of reasons.

24. Permits commencement of new extradition action only with concurrence of Secretary of State.

Present law permits indefinite number of new actions to be brought by anyone authorized by foreign state to bring such actions.

25. Permits direct appeal by either party.

Under present law there can be no direct appeal from a court's finding of extraditability or non-extraditability. The person sought may challenge a finding of extraditability only through habeas corpus. The foreign state cannot appeal a finding of non-extraditability, but can institute a new action before a different judge. Proposed bill permits direct appeal while greatly restricting habeas corpus attacks.

26. Establishes criteria for release of person sought while appeal pending.

Present law requires commitment of person found extraditable until surrendered to requesting country. Proposed statute would permit release in such cases upon showing of special circumstances. Such release, of course, is subject to specific conditions.

27. Sets time limits for appeal and stays surrender pending appeal.

Present statute silent.

28. Provides for expedited appeal.

Present statute silent.

29. Permits Secretary of State to set conditions of surrender "to effectuate the purposes of the treaty or the interest of justice."

Codifies present practice to protect person sought beyond letter of treaty. Present statute silent.

30. Expressly authorizes Secretary of State to extradite United States nationals unless surrender is expressly prohibited by applicable treaty.

United States policy is to extradite United States nationals to countries with which we have active treaties. Newer treaties all empower Secretary of State to extradite United States nationals. Older treaties make extradition of United States nationals merely discretionary. Supreme Court held in 1936 that discretionary language insufficient to permit extradition of United States nationals. This provision would reverse effect of that case on most pre-1936 treaties.

31. Imposes notification requirements on Secretary of State of decision to order surrender or deny request for extradition.

Codifies present practice. Present statute silent.

32. Sets time limits for Secretary of State to make decision and on foreign country to remove person found extraditable.

Substitutes specific 45-day period for Secretary to act and 30-day period for foreign country to remove fugitive for ambiguous two calendar month period under present statute.

33. Empowers Attorney General to designate agents to pick up persons sought by United States from foreign country.

Present statute gives this power to President who has delegated it to Secretary of State.

34. Permits temporary extradition to the United States of accused person who is otherwise in custody in foreign country.

Permits disposition of all charges against person in United States and foreign country without requiring person to first complete foreign sentence before being extradited to United States. This provision would only be operative when not barred by treaty or laws of foreign country.

35. Codifies payment of extradition expenses in accordance with present practice.

Changes archaic present statute to conform to present practice developed through specific treaty provisions and informal reciprocal agreements.

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MEMORANDUM ON EXTRADITION LEGISLATION

Chapter 209 of current title 18 of the United States Code (18 U.S.C. 3181–3195) entitled "Extradition" covers both interstate rendition and international extradition. This bill would retain chapter 209 for interstate rendition provisions and create a new chapter 210 for international extradition laws.

International extradition is the process by which a person located in one nation is arrested and turned over to another nation for criminal trial or punishment. The new chapter 210 consists of eight sections. Sections 3191 through 3196 deal primarily with requests made to the United States by foreign governments and set forth the procedure for determining whether a person located in this country should be delivered up to a foreign power. Section 3197 deals with the return of a fugitive extradited to the United States from a foreign nation. Section 3198 contains definitions and a provision on payment of the expenses incident to extradition. The proposed chapter replaces 18 U.S.C. 3181 and 3184–3195.[1]

The provisions of the proposed chapter substantially alter the present statutory law for several reasons.

First, many of the statutes on extradition have been in force without major alteration since 1882. Several have not been significantly changed since 1848. These antiquated provisions have proven increasingly inadequate in dealing with the modern problems in the international control of crime.

Second, there has been a marked increase in the number of extradition requests received and made by the United States in recent years. Those requests have revealed problems in the extradition process. Moreover, these requests have generated a number of published court decisions on constitutional and legal issues involved in international extradition. The judicial interpretation of the law contained in these court decisions fills important gaps in the present statutory law, and should be reflected in any new extradition legislation.

Third, the United States has concluded new extradition treaties with many foreign countries in the past few years. The language of the present law is not adequate to fully implement some of the provisions of the new treaties, and therefore impedes fulfillment by the United States of its international obligations.

PROVISIONS OF THE PROPOSED BILL

Section 3191—Extradition Authority in General:

1. Present Federal law:

18 U.S.C. 3181 states that the present Federal laws authorizing the extradition of persons from the United States shall continue in force only if there is a treaty in force with the foreign nation requesting extradition. 18 U.S.C. 3184 requires that an extradition treaty be in force before any court can conclude that a person may lawfully be extradited to the foreign country involved.[2] These provisions, read together, permit the United States to surrender a person to a foreign country only in accordance with an applicable treaty in force between the United States and the foreign country involved.[3] This principle has become a settled aspect of United States practice in international extradition.

2. Provisions of Section 3191:

Section 3191 of the proposed chapter on extradition carries forward the basic principle of the present law. The provision specifies that the United States may extradite a person in this country pursuant to the chapter only if there is a treaty concerning extradition in force with the country requesting extradition, and only if the request falls within the terms of that treaty. This section refers to a treaty "concerning extradition" rather than an "extradition treaty" because an obligation to extradite a particular class of offenders is sometimes included in international agreements other than extradition treaties.[4] However, the limitation established by this section applies only to the surrender of fugitives pursuant to the chapter, and does not apply to any other legal process which may result in a person facing trial or punishment in another country. Thus, the surrender of a United States serviceman to foreign authorities for trial in accordance with the reciprocal criminal jurisdiction provisions of a Status of Forces Agreement,[5] or the deportation of an alien who happens to face criminal charges abroad,[6] remain governed by the treaty provisions and statutes relating to those processes, and not by this chapter.

Section 3192—Initial Procedure:

This section sets forth the steps to be followed in instituting court proceedings necessary for extradition.

1. Present Federal Law:

Extradition proceedings under 18 U.S.C. 3184 commence when a complaint is filed, under oath, charging that a person has committed, within the jurisdiction of a foreign government, any of the crimes for which extradition is provided under the treaty on extradition in force between the United States and that foreign government. There is no requirement under present law that a formal diplomatic request for extradition be made before the complaint is filed.

18 U.S.C. 3184 permits any federal judge or justice, or duly authorized federal magistrate, or any judge of a state court of record of general jurisdiction to receive complaints and issue warrants of arrest in international extradition matters. In practice, however, such cases are almost invariably filed in the federal courts.

The present statutory scheme does not specify who may file complaints in extradition matters. The rule developed by the courts appears to be that any person acting under the authority of the demanding government may file a complaint for extradition.[7] Thus, international extradition cases have been instituted by foreign diplomatic or consular representatives,[8] foreign police officers,[9] and even private citizens who claim to be acting on behalf of a foreign government.[10] This situation has required the courts to determine, in each case, whether the person filing the complaint is "authorized" to act on behalf of the foreign government.[11] However, in recent years, the United States Department of Justice has become the complainant in the overwhelming majority of extradition cases. The Department of Justice takes this action either pursuant to provisions in the applicable extradition treaty requiring the government of the requested state to provide assistance to the government seeking extradition,[12] or pursuant to an informal international agreement for reciprocal legal representation.

The complaint must be filed in a Federal or State court in whose jurisdiction the fugitive may be found. Unfortunately, in many cases the international fugitive's location in the United States is unknown. Therefore, no complaint can be filed and no arrest warrant can be isued. The ability of United States law enforcement agencies to locate and apprehend international fugitives is greatly hampered by the lack of an outstanding arrest warrant or other judicial process in such cases.[13]

The present statutory scheme contains no provision for the release of an alleged fugitive on bail pending the extradition hearing.[14] However, the courts have claimed the inherent right to release an alleged fugitive on bail pending the extradition hearing in cases where "special circumstances" require such release.[15] The standard for release on bail in extradition cases is more demanding than in ordinary cases, and a clear presumption against bail is recognized.[16]

2. Provisions of Section 3192:

Subsection (a) permits the Attorney General to file a complaint charging that a fugitive is extraditable in the United States district court for the district in which the fugitive may be found. The subsection also permits a complaint to be filed in the United States District Court for the District of Columbia if the fugitive's location is not known. Under this provision, a complaint could be filed, and an arrest warrant issued, when the whereabouts of the fugitive in the United States are still being ascertained, or when it is believed that the fugitive has not yet entered the United States but may be about to do so. The word "found" is intended to have its usual, non-technical meaning, and permits extradition proceedings to be initiated in any district in which the fugitive can be physically apprehended, without regard to the manner in which the fugitive entered the district.[17]

Subsection (b) prescribes the contents of a complaint for extradition. Since all United States extradition treaties specify the documents and quantum of evidence necessary for surrender, paragraph (1) states that an extradition complaint is sufficient if it is accompanied by the evidence specified in the treaty and a copy of the formal request for extradition. Paragraph (2) deals with the documentation necessary to support a "provisional arrest," the process by which a fugitive from justice is arrested to prevent further flight while the foreign government seeking extradition assembles the necessary documents and evidence.[18] Subparagraph (A)

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of paragraph (2) provides that a complaint will support an arrest under subsection (c) if it contains information sufficient to identify the fugitive, explains the circumstances necessitating provisional arrest,[19] and either indicates that a warrant for the fugitive's arrest is outstanding in the foreign state,[20] or outlines the essential facts indicating that an extraditable crime has been committed and that the fugitive committed it. Since many of the extradition treaties contain articles which expressly set out requirements for obtaining the arrest of fugitives,[21] subparagraph (B) of paragraph (2) also permits the complaint to be filed if it contains the information required by the provisions of the applicable treaty.

Subsection (c) obliges the court to issue a warrant for the arrest of the fugitive upon receipt of the complaint unless the Attorney General requests that a summons to appear at the extradition hearing be issued instead. The subsection requires that the warrant of arrest be executed in accordance with Rule 4(d) of the Federal Rules of Criminal Procedure. This means that the warrant may be executed anywhere in the United States in the same manner as an ordinary Federal warrant of arrest. The subsection also requires that the person arrested be taken without unnecessary delay before the nearest available Federal court [22] for an extradition hearing. The language is similar to that of Rule 5 of the Federal Rules of Criminal Procedure, and is intended to insure that the person arrested under this section is speedily informed by a judicial officer of the reason for the arrest and of his rights to counsel, to cross-examine witnesses, and to introduce evidence on his behalf. It is not intended to require the dismissal of extradition proceedings solely on the ground that the fugitive arrested for extradition was taken without unnecessary delay before a judge or magistrate later determined not to be the "nearest" one. There is no requirement that the extradition hearing take place in the State in which the fugitive is found,[23] so long as there has been compliance with the provisions of this chapter.

Subsection (d)(1) provides that a fugitive arrested for extradition may be released on bail pending the extradition hearing only if he can demonstrate that "special circumstances" warrant his release. The provision continues the approach which has been followed by United States courts [24] in setting the standards for release on bail pending an extradition hearing considerably higher than the standards for release on bail pending trial on Federal charges in the United States. This approach is necessary to assure that the United States continues to carry out its treaty obligation to surrender extraditable fugitives. It is anticipated that the courts will find the "special circumstances" test satisfied "only in the most pressing circumstances and only when the requirements of justice are absolutely peremptory." [25] Such special circumstances might be found, for instance, where the incarceration of the fugitive would seriously damage his health,[26] or would endanger the welfare of a third party who is wholly dependent upon the fugitive for care.[27] It is anticipated that these circumstances would rarely be encountered.

Subsection (d)(3) provides that even if special circumstances are found, the release of the fugitive shall be permitted only upon such conditions as will reasonably assure his appearance at future proceedings, and assure the safety of other persons and the community. Such conditions might include surrender by the fugitive of any passport or travel documents, posting of a substantial bond, and the requirement that the fugitive maintain contact with appropriate Federal agencies, such as the United States Marshals Service.

Subsection (d)(2) gives the court the discretion to release the fugitive provisionally arrested pursuant to this section if the evidence or documents required by the applicable treaty are not received within sixty days of the arrest (unless a longer period of detention is specified in the applicable treaty). The subsection resolves an ambiguity perceived by the courts with respect to the commencement and conclusion of the time period for provisional arrest by providing that this period should be calculated from the date on which the fugitive is taken into custody for extradition [28] to the date on which the documents are received by either the court or the Department of State.[29] If the court is notified that the documents have been received by the Department of State before the expiration of the 60-day period, the court is directed to defer release of the fugitive for a reasonable time pending the prompt transmission of the documents to the court by the Department of State. If a court does release the fugitive from custody due to the non-receipt of the documents within the applicable time period, subsection (d)(3) requires that the court frame conditions of release reasonably calculated to assure that person's appearance for future proceedings and the safety of other persons and the community. Release of the fugitive under subsection (d) does not terminate the proceedings, which can resume once appropriate documentation arrives.[30]

This section does not carry forward 18 U.S.C. 3184's little used authorization for extradition proceedings to be commenced before State judges. The section also specifies that extradition proceedings must be initiated by the Attorney General, rather than by a foreign government or one acting on behalf of a foreign government.[31] These changes reflect the fact that international extradition is strictly a function of the Federal Government,[32] and determining when and how to perform that function is properly the business of Federal officials and Federal courts. The United States Government has a sufficient interest in the vigorous enforcement of the laws (including the extradition law and treaties) to justify the participation of its legal counsel, the Department of Justice, in all court proceedings aimed at determining whether extradition can take place. Indeed, this is the approach which has been adopted in most foreign countries, many of which do not permit the United States to argue in court during proceedings in connection with a United States extradition request. In addition, United States courts are freed from any need to determine whether a private person is "authorized" by an "appropriate" foreign authority to initiate extradition proceedings. It should also significantly reduce the likelihood of extradition proceedings being used by private individuals as a tool for harassment, debt collection, or other improper purposes.

Section 3193—Waiver of Extradition Hearing and Consent to Removal:

1. Present Federal Law:

Present Federal law provides no specific procedure by which a person arrested for extradition may waive the formalities and voluntarily return to the foreign country requesting surrender. This is especially unfortunate since a significant number of the fugitives arrested under 18 U.S.C. 3184 choose not to challenge the request for extradition and wish to expedite removal to the foreign country. Moreover, many of the newer extradition treaties to which the United States is a party contain provisions obliging the request state to expedite the return of a fugitive who has waived a hearing or other procedures.[33]

2. Provisions of Section 3193:

Section 3193 of the proposed extradition chapter clarifies the method by which the fugitive who does not contest extradition can expedite his surrender. The provisions of this section are based on Federal statutory provisions governing a closely analogous situation: the verification of a prisoner's voluntary consent to transfer to his country of nationality under treaties on the execution of penal sanctions.[34] The section states that the court which would have handled the extradition proceeding shall verify that the fugitive's consent to be removed to a foreign country has been given voluntarily and with full knowledge of his right to consult with counsel before making a decision in the matter.

Under some circumstances, the foreign government may not be willing to accept custody of a fugitive who has offered to waive extradition.[35] There also may be situations in which the United States government would consider waiver inappropriate.[36] Therefore, the provision does not permit removal of the fugitive if the Attorney General notifies the court that the United States or the foreign state objects to the proposed waiver.

Section 3194—Extradition Hearing:

1. Present Federal Law:

Under 18 U.S.C. 3194, an alleged fugitive is entitled to a hearing at which a judicial officer determines whether extradition is lawful. 18 U.S.C. 3189 specifies that the hearing must be held "on land, publicly, and in a room or office easily accessible to the public".

At the extradition hearing, the judicial officer must determine whether the offense for which extradition is sought falls within the terms of the treaty. He must also determine whether the acts for which the fugitive is sought by the foreign country would constitute a crime had they been committed in this country. This rule, known as "dual criminality" or "double criminality", is generally considered a basic principle of international extradition law,[37] and is expressly required by many of the extradition treaties to which the United States is a party.[38] The courts have held that the double criminality requirement is satisfied whenever the acts which the fugitive is charged with having committed in the foreign country would be punishable under Federal law, the law of the State where the fugitive is found, or the laws of a majority of the States, had those acts been committed in this country.[39]

A judicial officer must also determine whether there is sufficient proof that an extraditable offense in fact has been committed. Most of the treaties to which the United States is a party require that an extradition request be supported by "such evidence of criminality as, according to the laws of the place where the fugitive shall be found, would justify his commitment for trial had the crime or offense been there committed." Many years ago, the courts viewed the words "place where the fugitive shall be found" as requiring the Federal court to determine if the foreign government's evidence is sufficient to justify a trial under the State laws of the State in which the fugitive is apprehended.[40] This approach was a reasonable one eight decades ago, because at that time Federal courts had no uniform rules of criminal procedure and routinely followed the procedural rules of the courts of the State in which they were located. However, the adoption of the Federal Rules of Criminal Procedure has made it generally unnecessary for Federal courts to refer to State law in these matters.[41] Moreover, extradition is a national act,[42] and the quantum of evidence necessary for extradition is precisely the kind of issue which should be determined by uniform national law, rather than by various State laws. For these reasons, all of the more recent extra-

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dition treaties contain language essentially requiring that the Federal law standard of commitment for trial—probable cause—be applied in weighing the sufficiency of the evidence for international extradition.[43]

The Federal Rules of Evidence do not apply in extradition proceedings,[44] where unique rules of wide latitude govern the reception of evidence on behalf of the foreign government.[45] It is settled law that hearsay is admissible, and the foreign government usually presents its case by submitting affidavits, depositions, and other written statements in order to satisfy the requirements of the applicable treaty.[46] 18 U.S.C. 3190 provides that originals or copies of depositions, warrants, or other papers are admissible in evidence at the extradition hearing if authenticated so as to be admissible for similar purposes according to the laws of the requesting country. The statute also provides that the certificate of the principal diplomatic or consular officer of the United States resident in the requesting country shall be proof that the documents are authenticated in the manner required. In essence, the documents need only be genuine and authentic—requirements that are deemed fulfilled once it is shown that under similar circumstances the requesting country's own courts would accept them as authentic. The courts have held that extradition documents bearing a certificate which is couched in the language of 18 U.S.C. 3190, and signed by one of the specified officials, are conclusively admissible.[47] As a result of these decisions, foreign governments routinely submit the documentation in support of extradition requests to the appropriate United States Embassy abroad for certification and transmission to the United States. This practice imposes undesirable burdens on the United States Foreign Service officers who must fill out the certification.[48]

The present statutory scheme offers little guidance with respect to the evidence which can be introduced on behalf of the alleged fugitive in an extradition hearing. Many cases emphasize that whether such evidence should be admitted is a decision for the court, in its discretion, to make.[49] The alleged fugitive is ordinarily permitted to testify on his own behalf [50] or to have witnesses testify for him.[51] However, it is clear from the case law that the alleged fugitive may offer to explain ambiguities in the evidence submitted against him, but may not offer evidence which merely contradicts that submitted by the requesting country, or which poses a question of credibility, or which raises an affirmative defense to conviction on the charges, or which is incompetent by the terms of the extradition treaty under which surrender is sought.[52] This restrictive approach is appropriate because the issue before the court at an extradition hearing is probable cause, not the ultimate guilt or innocence of the accused.

Finally, the judicial officer must determine whether the treaty contains a defense to extradition which would preclude surrender in the case before him. Extradition treaties frequently bar surrender if a statute of limitations has foreclosed prosecution or punishment for the offense in question,[53] or if the fugitive has been tried or punished in the requested state for the same offense,[54] or if any of several other legal considerations are present.

Virtually every extradition treaty contains a provision barring extradition for a political offense, and many treaties also preclude extradition if the requesting country has political motives for seeking the return of the fugitive. Under the present case law, the courts decide whether the crime for which extradition has been requested is a political offense [55] but traditionally have declined to consider whether the requesting country's motives in seeking extradition are political.[56] Since these issues are usually intertwined, the result under current case law has been that the court decides the applicability of the "political offense" exception in some cases, and the Executive branch decides the applicability in other cases.[57] The possibility for inconsistent results is obvious.

If the judicial officer is persuaded that the crime charged falls within the treaty, that the acts involved would constitute an offense in this country, that the evidence submitted is sufficient to sustain the charge under the treaty, and that no legal defense to extradition is applicable, it is his duty to certify these conclusions to the Secretary of State. The judicial officer also must send the Secretary of State a copy of all the oral testimony taken at the hearing. 18 U.S.C. 3184 requires the judicial officer to order the commitment of the accused to jail pending surrender, and there is no provision for release on bail at this stage of the proceedings. If the judicial officer finds that the fugitive is not extraditable, the proceedings are terminated, and the fugitive is released from custody.

2. Provisions of Section 3194:

Section 3194(a) requires that a judicial hearing be held to determine whether the person sought is extraditable (unless such a hearing has been waived under section 3193) and sets out the procedure for the hearing.

Section 3194(a) provides that the court does not have jurisdiction to determine whether extradition is sought for a political offense or because of the person's political beliefs, while section 3196(a)(3) specifies that the Secretary of State has the authority to order surrender of a person if he is persuaded that his extradition is sought for one of these reasons. The provisions together provide that the Secretary of State alone shall have jurisdiction to decide the applicability of the "political offense" exception to extradition contained in most extradition treaties. This approach is a desirable one for several reasons.

First, the most modern United States extradition treaties specify that the executive branch of the requested country shall decide the applicability of the political offense exception.[58] Moreover, under present case law the courts generally shun deciding whether the foreign government's extradition request is politically motivated, preferring to leave that decision to the Executive branch.[59] Thus, the approach adopted in this proposal is not a radical departure from present law. It should be noted that the political offense decisions are made exclusively by the executive branch of government in several foreign countries, including Canada.

Second, the decision to shield a criminal from extradition on the ground that his offense was "political" is not the kind of issue which lends itself to resolution through judicial process. There are few truly objective criteria by which a comprehensive definition of the term "political offense" can be based,[60] and a public court proceeding is not an appropriate or desirable forum for careful analysis of a friendly foreign state's intentions or political system. Rather, a decision on the "political offense" exception is (as the name suggests) inescapably political in nature, and inextricably intertwined with the conduct of foreign relations. It is an issue best left to the Executive branch to decide—much as the decision to offer political asylum is an executive decision.

Third, a decision on the political offense exception can have a devastating impact on United States relations with the requesting country. The potentially crippling effect of such decisions on foreign affairs is particularly great where it could compromise United States efforts to combat international terrorism.[61] The present law exacerbates this situation, because frequently the United States government, through the Departments of State and Justice, must take a position on the applicability of the political offense exception while the case is before the court. Moreover, the government must take this position publicly, before all the evidence and arguments are in, and despite the fact that the court or the Secretary of State may subsequently decide against extradition on other grounds. By contrast, the approach taken by the proposed chapter permits a more informed decision on extradition to be made in a manner less likely to be offensive to the friendly foreign government in the case.

Subsection (b) supplements present law by expressly providing that the fugitive be informed of his right to be represented by counsel at the extradition hearing. Indigent fugitives will be provided with counsel pursuant to the provisions of section 3401 relating to court-appointed counsel. The provision also requires that the fugitive be informed of his right to introduce evidence in his own behalf on matters within the jurisdiction of the court. The subsection thereby leaves intact the extensive case law on this point.[62]

Subsection (c) deals with evidence in an extradition hearing. Paragraph (1) is designed to clarify the circumstances under which documentary evidence will be admissible on behalf of either party in an extradition hearing.

Many treaties specifically set out the manner in which extradition documents must be authenticated,[63] and subparagraph (A) of paragraph (1) provides that documents so authenticated shall be admissible. It also provides that documents authenticated in accordance with the provisions of United States law shall be deemed appropriate. Thus, documents which comply with the requirements of Article IX of the Federal Rules of Evidence would be admissible in extradition proceedings. However, the provision does not require the exclusion from the hearing of evidence which fails to satisfy the Federal Rules of Evidence. Rather, the subsection merely underscores the common sense proposition that evidence which satisfies the high standards set out in the Rules, and which would be admissible in civil or criminal proceedings in this country, should likewise be acceptable in extradition proceedings.

Subparagraph (B) of paragraph (1) is based on 18 U.S.C. 3190 and provides that a document authenticated in accordance with the applicable laws of the foreign country requesting extradition shall be admissible if it is accompanied by an attestation to this effect from a judge, magistrate, or other appropriate officer of the foreign state. The phrase "other appropriate officer" would include an official of the foreign counterpart of the Department of Justice, or any other government official likely to be familiar with legal matters in the foreign country. It further requires that the signature and position of the person so attesting be certified by a diplomatic or consular officer of the United States posted in the foreign country, or by a diplomatic or consular officer of the foreign state assigned to this country.[64] The provision thus brings the essential requirements of 18 U.S.C. 3190 more into line with Rule 902(3) of the Federal Rules of Evidence.

Subparagraph (C) of paragraph (1) permits the court handling an extradition matter to accept as evidence any documents which it is persuaded are in fact authentic, regardless of compliance with either of the previous two provisions. This rule is similar to Rule 901(a) of the Federal Rules of Evidence, and is in accord with established case law permitting the authenticity of documents presented in extradition proceedings to be established by the testimony from expert witnesses or by other evidence.[65]

Paragraph (2) of subsection (c) provides that a certificate or affidavit by an appropri-

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ate State Department official as to the existence or interpretation of a treaty is admissible as evidence of that treaty or its interpretation.

The overwhelming majority of extradition treaties require that the requesting country present such evidence of criminality as would justify commitment for trial had the crime or offense been committed in the place where the fugitive has been found. Under paragraph (2) such a treaty provision may be satisfied by evidence establishing probable cause to believe that a crime was committed and that the person sought committed it. This is the usual standard for commitment for trial in Federal criminal cases.[66] This approach permits the Federal courts to apply the standard for commitment with which they are most familiar, and establishes a single, uniform standard by which the sufficiency of evidence in extradition proceedings may be measured. It is also consistent with the views expressed in several recent court decisions pointing out the advantages of dealing with the quantum of evidence for extradition in a manner consistent with Federal law.[67]

Paragraphs (1), (2), and (3) of subsection (d) carry forward the requirements of 18 U.S.C. 3184 that instruct the court to find the fugitive extraditable if the evidence presented is sufficient to sustain the complaint under the provisions of the applicable treaty and also requires that the court find probable cause that the person before it is the person sought in the foreign state, and that none of the defenses to extradition which the court is empowered to consider are applicable. Paragraph (4) bars extradition unless the acts for which the fugitive's surrender is requested would constitute a crime punishable under State or Federal law in the United States. Finally, the subsection states that the findings required for extradition may be established by hearsay evidence or certified documents alone. This rule is similar to Rule 5.1 of the Federal Rules of Criminal Procedure, which permits a finding of probable cause to commit for trial to be based on hearsay evidence. It is also in accord with recent court decisions which point out that the kind of evidence necessary for extradition is an issue which should be determined by uniform national law.[68]

Subsection (e) details the procedures that the court must follow at the conclusion of the hearing. If the court finds that the fugitive is extraditable, it must state, in writing, its findings and rationale with respect to each of the offenses for which extradition is sought.[69] These findings must be sent to the Secretary of State, together with a transcript of the hearing.[70] If the court finds that the fugitive is not extraditable, the findings required by the subsection may be accompanied by a report rather than a transcript of the hearing.

Section 3195—Appeal:

1. Present Federal Law:

Under present Federal law, there is no direct appeal from a judicial officer's finding in an extradition hearing.[71] A person found extraditable may only seek collateral review of the finding, usually through an application for a writ of habeas corpus.[72] The foreign government that is dissatisfied with the results of the hearing must institute a new request for extradition.[73] The lack of direct appeal in extradition matters adds undesirable delay, expense, and complication to a process which should be simple and expeditious.

2. Provisions of Section 3195:

Section 3195 of the proposed chapter permits either party in an extradition case to appeal directly to the appropriate United States court of appeals from a judge or magistrate's decision. It is anticipated that review on appeal will be very narrow, and that any findings of fact by the lower court will be affirmed unless they are clearly erroneous.

Subsection (a) specifies that the appeal shall be filed within the time limits set out in Rules 3 and 4(b) of the Federal Rules of Appellate Procedure, i.e., 10 days for the person sought and 30 days for the government. These are the same deadlines for filing a notice of appeal in criminal cases, and while an extradition hearing is not a trial,[74] or even strictly a criminal proceeding,[75] these deadlines adequately balance the competing interests of fairness and expedition. It is anticipated that other aspects of the appeal process (such as the preparation and submission of the record, briefing, argument, and decision) will be governed by the applicable provisions of the Federal Rules of Appellate Procedure.

If the fugitive has been found extraditable, subsection (a) requires that surrender to the foreign government be stayed pending determination of the appeal by the court of appeals.[76] This provision prevents the government from mooting the appeal by spiriting the petitioner out of the country while the matter is sub judice. The provision is designed to maintain the status quo with respect to the fugitive's custody pending appeal. It is anticipated that the district court will not ordinarily stay or delay any other element of the extradition process, such as the certification of its findings to the Secretary of State under section 3194(e).

Subsection (b) provides that a person found extraditable must remain in official detention pending the appeal unless the court of appeals finds that special circumstances require release. This is a slight amelioration of present law, which does not permit the lease of a fugitive on bail after he has been found extraditable.[77] The change is desirable because the same kind of pressing, unusual situation which might require that the person sought be released from custody on bail pending the extradition hearing[78] could conceivably arise after the extradition hearing. However, it is anticipated that this authority to release a fugitive on bail will be utilized even more sparingly than the power to grant bail before the exradition hearing, and only after the most thorough and searching examination of the claimed need for release. It is expected that the courts of appeal will keep in mind that "no amount of money could answer the damage that would be sustained by the United States if [the fugitive] were to be released on bond, flee the jurisdiction, and be unavailable to surrender . . .".[79]

If the person was found not extraditable, subsection (b)(2) permits the district court to order that the person be released pending an appeal by the government. Release may not be ordered if the government satisfies the district court that the appellee is likely to flee before the appeal is decided, or endanger the safety of any other person or the community.

A major purpose of section 3195 is to simplify, and thereby expedite, the extradition process by providing for a direct appeal from a contested decision on extradition. The direct appeal provided by this section largely eliminates the present need for habeas corpus proceedings in order to obtain judicial review of the initial finding that a person is extraditable. This purpose would be frustrated if a fugitive bent on dilatory tactics were permitted to pursue an appeal under this section, a petition for certiorari to the Supreme Court, and then begin one or more rounds of habeas corpus proceedings. Such a course of action would lengthen the extradition process rather than shorten it. Therefore, subsection (c) deprives any court of jurisdiction to review a finding that a fugitive is extraditable under this chapter unless the fugitive has exhausted the appellate remedies available to him by right in this section. It also forecloses an appeal, a petition for habeas corpus, or declaratory judgment action if the validity of the fugitive's commitment for extradition has been ruled upon in prior proceedings, unless grounds are offered which could not have been presented previously.

The resolution of challenges to judicial action in international extradition cases must be especially prompt for several reasons. Extradition cases are quasicriminal in nature. Moreover, in such cases our government's timely and ungrudging execution of its solemn treaty obligations to a friendly nation is in question.[80] Therefore, this section requires that courts of appeal decide cases arising under this chapter expeditiously.

Section 3196—Surrender of a Person to a Foreign State:

1. Present Federal Law:

Under 18 U.S.C. 3186, the Secretary of State may order that any person found extraditable by a court under 18 U.S.C. 3184 be delivered to an authorized agent of the government seeking extradition. Although it is generally agreed that the Secretary's decision in this matter is discretionary,[81] present law provides no indication of the parameters of the Secretary's discretion.

18 U.S.C. 3188 states that if a fugitive found extraditable under 18 U.S.C. 3184 is not removed from the United States within "two calendar months" of the court's commitment order, he may be released from custody unless there is "sufficient cause" why release should not be ordered.[82] The courts have held that if the fugitive institutes litigation challenging his extradition, the two-month period commences when the claims are finally adjudicated rather than when the commitment order was issued.[83]

2. Provisions of Section 3196:

Subsection (a) carries forward the essence of 18 U.S.C. 3186 by providing that the Secretary of State shall make the final decision as to extradition. The subsection requires that the Secretary's decision be made in accordance with the chapter and the applicable treaty, and lists the actions that the Secretary may take.

Subsection (a)(1) simply permits the Secretary to order the surrender of a person the court has found to be extraditable to a duly appointed agent of the foreign state.

Subsection (a)(2) permits the Secretary to condition the surrender of a fugitive upon the acceptance by the foreign state of restrictions or conditions he considers necessary in the interest of justice or to effectuate the purposes of the treaty. This provision underscores the Department of State's authority to impose such restrictions where humanitarian concerns[84] or questions concerning trial procedures in the requesting state exist.[85] It would also permit the imposition of restrictions expressly contemplated in the provisions of some newer treaties.[86]

As noted, most extradition treaties preclude extradition for an offense of a political character, and many treaties also bar extradition where the request is motivated by political considerations. Subsection (a)(3) specifies that the Secretary of State may deny extradition where he concludes that a treaty clause of this kind is applicable. The subsection is designed to give the Secretary of State the same broad discretion in addressing this issue which he possesses in determining whether to extend political asylum to refugees. The Secretary's decision in this matter, which frequently involves a question of foreign policy, is discretionary and will not be reviewable by the courts.

The subsection also provides that any evidence or arguments the fugitive wishes to

Footnotes at end of article.

present shall be in writting. The Secretary is not obliged to provide a formal hearing for a fugitive who claims the benefit of the "political offense" exception,[87] but it is expected that the Secretary will utilize the resources of the State Department for gathering evidence and assessing the fugitive's claim.

Subsection (a) expressly authorizes surrender of United States nationals unless surrender is expressly prohibited by the applicable treaty.[88] This subsection is necessary in light of Valentine[89] in which the Supreme Court held that language contained in many of the older extradition treaties to which the United States is a party does not permit the surrender of United States citizens absent explicit statutory authority for such surrender. The result of the Neidecker decision has been to effectively immunize United States citizens from extradition in many cases—a result never intended by the negotiators of the treaties involved. It is the policy of the United States to treat its citizens and aliens within its borders equally in extradition matters,[90] and this subsection permits that policy to operate effectively.

Subsection (b) requires that the Secretary of State notify all interested parties of his decision on extradition.

Subsection (c)(1) provides that the fugitive shall be released from custody if the Secretary of State does not order, or declines to order, the person's surrender within forty-five days after receiving the record of proceedings from the court. Of course, if the Secretary of State decides within forty-five days to refuse to order extradition, the authority for holding the person sought in custody under section 3214(e)(1) immediately expires, and the person should be released from detention at once.

Subsection (c)(2) is based on the provisions of 18 U.S.C. 3188, and provides that when the Secretary of State has ordered a person extradited, the foreign country involved must take custody of the person and remove him from the United States within 30 days. This 30-day time period does not begin until all litigation challenging extradition has been completed. The subsection expressly excludes from consideration the time during which surrender has been stayed pending litigation.

Subsection (c) requires a person found extraditable to give the Secretary of State reasonable notice that he will seek release because of expiration of a time limitation set forth in subsection (c)(1) or (c)(2), and forbids release if good cause is shown for the delay in effecting surrender.

Section 3197—Receipt of a Person From a Foreign State:

1. Present Federal Law:

18 U.S.C. 3192 authorizes the President to "take all necessary measures for the transportation and safekeeping" of a person extradited to the United States from a foreign country. At one time the President relied upon this statute to issue a warrant designating an agent to receive custody of a fugitive from a foreign government. 18 U.S.C. 3193 authorizes such an agent to convey the fugitive directly to the place of trial, and grants to the agent "all the powers of a Marshal of the United States, in the several Federal districts through which it may be necessary for him to pass with [the] prisoner . . .". The authority to issue warrants and appoint agents under these sections has now been delegated to the Secretary of State.[91] However, the Department of State wishes to transfer to the Department of Justice the authority to appoint agents and issue warrants in these matters.

2. Provisions of Section 3197:

Section 3217 of the proposed subchapter carries forward the provisions of 18 U.S.C. 3192 and 3193, with minor modifications reflecting present United States practice.

Subsection (a) authorizes the Attorney General to designate an agent to receive custody of a fugitive surrendered by a foreign government, and permits the agent to convey the fugitive to the place of trial in the United States. The final sentence of the subsection permits the extradited fugitive to be taken directly to the Federal district or State jurisdiction in which charges are outstanding, without removal proceedings under Rule 40 of the Federal Rules of Criminal Procedure or interstate rendition proceedings.

Section 3217(b) is new, and is designed to implement provisions found in some of the most recent United States extradition treaties. The laws in many foreign countries require that extradition be postponed until the person has satisfied any outstanding criminal charges in that country.[92] Frequently, a person sought by the United States has already been tried and convicted of other charges in the requested country and has a sentence to serve there. If the sentence abroad is a long one, the postponement of surrender could compromise the possibility of a speedy and fair trial in this country.[93] Some extradition treaties contain provisions which deal with this problem by permitting "temporary extradition". Under these treaty provisions, a fugitive convicted abroad would be surrendered to the United States solely for the purpose of trial and sentencing here, then returned to the foreign country involved to finish the sentence previously imposed there.[94] This process balances our government's interest in adjudicating the charges while the evidence is fresh with the foreign country's desire to fully enforce its laws. It also works to a fugitive's benefit by enabling him to answer the charges in this country while evidence for his defense is still available, and by creating the possibility that the sentence imposed upon conviction in this country could run concurrently with that the fugitive must serve abroad.

Section 3197(b) provides implementing legislation for treaty provisions of this type. It provides that when a foreign state has delivered a person to the United States on the condition that the person be returned at the conclusion of the criminal trial or sentencing, the Bureau of Prisons shall keep the person in custody until the judicial proceedings are concluded, and thereafter surrender the person to a duly appointed agent of the foreign country. It also provides that the return to the foreign state of the person is not subject to the requirements of the subchapter, such as an extradition hearing or an order of surrender by the Secretary of State.

Section 3198—General Provisions for Chapter 210:

1. In General:

This section contains the definitions and general provisions applicable to the extradition chapter.

2. Present Federal Law:

18 U.S.C. 3198 requires that the foreign government which sought extradition pay all costs and fees resulting from the request. The costs resulting from extradition requests here frequently are so small that it is uneconomical—and diplomatically embarrassing—to attempt to enforce this statute. Moreover, many of the extradition treaties to which the United States is a party contain provisions which modify this statutory rule.[95] Also, the United States has entered into informal arrangements with some countries whereby each counry bears most of the cost of the other's extradition request. In short, the present statute does not adequately reflect government policy in extradition matters.

Present statutory law offers no guidance as to who must pay the costs associated with United States requests to foreign countries for the extradition of fugitives. The Department of State requests extradition on behalf of either the State within the United States in which the fugitive is charged, or, if Federal charges are involved, on behalf of the United States. Therefore, the longstanding policy of the Department of State has been that the State jurisdiction which sought the fugitive's return must pay any expenses incurred in connection with the extradition request, and the Department of Justice must pay the expenses incurred in obtaining the extradition of a fugitive Federal offender.

2. Provisions of Section 3198:

Subsection (a) of section 3198 sets forth definitions for the terms "court", "foreign state", "treaty", and "warrant".

Subsection (b) states that in general a foreign state which has requested the extradition of a fugitive located in the United States must bear all costs and expenses incurred in connection with that request. Since many of the extradition treaties contain provisions specifically dealing with costs in extradition matters, the subsection authorizes the Secretary of State to direct that this matter be handled in accordance with terms of the applicable treaty or agreement. Subsection (b) also requires that all costs and expenses incurred in connection with the execution of a request by a State of the United States for the return of a fugitive located in another country must be paid by that State. When the request for extradition is made to secure the return of a fugitive wanted for a Federal offense, the expenses must be borne by the United States. It is anticipated that when the fugitive involved is sought for both Federal and State offenses, the costs incurred abroad will be allocated accordingly.

FOOTNOTES

[1] Other Federal statutes on extradition, which include 18 U.S.C. 751, 752, and 1502, are not affected by this legislation.

[2] Moreover, 18 U.S.C. 3188 requires that a court find that the person sought is extraditable before the Secretary of State may order surrender to the foreign state.

[3] *Valentine* v. *U.S. ex rel. Neidecker*, 299 U.S. 5 (1936); *Argento* v. *Horn*, 241, F.2d 258, 259 (6th Cir. 1957), *cert. denied* 355 U.S. 818 (1957); *Ivancevic* v. *Artukovic*, 211 F.2d 565, 566 (9th Cir. 1954), *cert. denied*, 348 U.S. 818 (1954); Evans, *Legal Basis for Extradition in the United States*, 16 New York Law Forum 525, 529–530 (1980); 6 Whiteman, Digest of International Law 727 (1968).

[4] See e.g., Art. 14, Amending Protocol to the 1961 Single Convention on Narcotic Drugs, done at Geneva, March 24, 1972, 26 U.S.T. 1439, T.I.A.S. 8118 (entered into force for the United States August 8, 1975); Art. 8, Convention on Suppression of Unlawful Seizures of Aircraft; done at The Hague, December 16, 1970, 22 U.S.T. 1641, T.I.A.S. 7192 (entered into force for the United States October 14, 1971); Art. 8, Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons, Including Diplomatic Agents, done at New York, December 14, 1973, 28 U.S.T. 1975, T.I.A.S. 8532 (entered into force for the United States February 20, 1977).

[5] See, e.g., *Holmes* v. *Laird*, 459 F.2d 1211, 148 U.S. App. D.C. 187 (D.C. Cir. 1972), *cert. denied*, 409 U.S. 869 (1972); *Williams* v. *Rogers*, 449 F.2d 513 (8th Cir. 1971), *cert. denied*, 405 U.S. 926 (1972).

[6] See, e.g., *Kalatijis* v. *Rosenberg*, 305 F.2d 249 (9th Cir. 1962).

[7] 6 Whiteman, *supra* note 3, at 935.

[8] *United States ex rel. Caputo* v. *Kelley*, 92 F. 2d 603 (2nd Cir. 1937), *cert. denied*, 303

U.S. 635 (1938); *Ornelas* v. *Ruiz*, 161 U.S. 502 (1896); *Castro* v. *DeUrierte*, 12 Fed. 250 (S.D. N.Y. 1882). See, generally, 6 Whiteman, *supra* note 3, at 935; Note, *United States Extradition Proceedings*, 16 New York Law Forum 420, 432 (1980).

[9] 1 Moore, A Treatise on Extradition and Interstate Rendition, 410–415, (1891).

[10] See, e.g., *Schoenbrun* v. *Drieband*, 268 F. Supp. 332 (E.D. N.Y. 1967).

[11] See, e.g., *United States ex rel. Caputo* v. *Kelley*, *supra* note 8.

[12] *In re David*, 395 F. Supp. 803, 807 (E.D. Ill. 1975); *United States ex rel. Petrushansky* v. *Marasco*, 215 F. Supp. 953, 957 (E.D. N.Y. 1963) *aff'd* 325 F. 2d 562 (2nd Cir. 1963), *cert. denied*, 376 U.S. 952 (1964).

[13] For example, many Federal, State, and local law enforcement agencies rely on the FBI's National Crime Information Center—"NCIC"—in determining whether an individual is wanted for arrest in another jurisdiction. Since no complaint for extradition can be filed against a fugitive whose location is unknown, there can be no Federal arrest warrant issued, and no information on the person will appear in NCIC. Thus, law enforcement officers may have no way to learn that a particular person is an international fugitive sought for extradition.

[14] In *Wright* v. *Henkel*, 190 U.S. 40 (1903), the Supreme Court reviewed former section 596 of title 18 (now 18 U.S.C. 3141) in conjunction with former section 591 (now 18 U.S.C. 3041), and concluded that there was no statute providing for admission to bail in cases of foreign extradition. The Bail Reform Act (which amended Sections 3041, 3141–3143, and 3568, and enacted 18 U.S.C. 3147–3152) did not alter this result. The Act liberalized access to bail in those cases to which the bail statutes apply, but did not broaden the availability of bail generally. Both the previous sections of the law and the provisions of the Bail Reform Act apply only to "person(s) charged with an offense," and the term "offense" is expressly defined in 18 U.S.C. 3156 as "any federal criminal offense which is in violation of any act of Congress and is triable by a court established by act of Congress . . .". Since fugitives facing extradition to a foreign country are not accused of any federal criminal offense, and will not be tried in any Federal court, the bail statute's provisions do not apply to them. *Cf. Kelley* v. *Springette*, 527 F.2d 1090, 1093 (9th Cir. 1975); *Beaulieu* v. *Comm'r of Massachusetts*, 382 F.2d 290 (1st Cir. 1967).

[15] *United States* v. *Williams*, 611 F.2d 914 (1st Cir. 1979); *Beaulieu* v. *Hartigan*, 554 F.2d 1 (1st Cir. 1977); *Wright* v. *Henkel*, supra note 14.

[16] *Hu Yan-Leung* v. *Soscia*, — F.2d —, No. 80–2356 (2d Cir. May 26, 1981).

[17] See, *In re Chan Kam-Shu*, 477 F.2d 333 (5th Cir. 1973), *cert. denied*, 414 U.S. 847 (1973); *Vardy* v. *United States*, 529 F.2d 404 (5th Cir. 1976), *rehearing denied*, 533 F.2d 310 (5th Cir. 1976); *In re David*, 390 F. Supp. 521 and 395 F. Supp. 903 (E.D. Ill. 1975).

[18] Provisional arrest is a well-recognized aspect of international extradition procedure, and is specifically provided for in most of the extradition treaties to which the United States is a party. See, e.g. Art. 11, Extradition Treaty, United States-Canada, signed Dec. 31, 1971, 27 U.S.T. 983, T.I.A.S. 8237 (entered into force March 27, 1976). See generally, Reuschlein, *Provisional Arrest and Detention in International Extradition*, 23 Georgetown Law Journal 37 (1934); Note, 16 New York Law Forum 420, 429–430 (1970).

[19] E.g., contains an indication that the fugitive is likely to flee the jurisdiction and be unavailable by the time the extradition documents arrive.

[20] See, 6 Whiteman, *supra* note 3, at 931; *Whitely* v. *Warden, Wyoming State Penitentiary*, 401 U.S. 560, 568 (1970); *United States* v. *McCray*, 468 F. 2d 848 (5th Cir. 1967).

[21] See, e.g. *Caligerone* v. *Grant*, 629 F. 2d 730 (2d Cir. 1980).

[22] "Court" is defined in section 3198(a)(1) to mean a United States district court established pursuant to 28 U.S.C. 132, or the District Court of Guam, the Virgin Islands, or the Northern Mariana Islands, or a United States magistrate authorized to conduct an extradition proceeding.

[23] Thus, the section eliminates the arbitrary rule created by the Supreme Court in *Pettit* v. *Walshe*, 194 U.S. 205 (1904). See note 40, *infra*, and accompanying text. This rule is unnecessary in light of proposed section 3194(c)(3).

[24] See notes 15 and 16, *supra*.

[25] *In re Mitchell*, 171 Fed. 289, 290 (S.D. N.Y. 1909).

[26] See, e.g., *In re Kaplan*, Civ. No. 79–2219 RF (C.D. Cal. July 29, 1979).

[27] See, e.g., *In re Itoka*, Misc. No. 79–1536–M (D. N.M. Dec. 17, 1979).

[28] Sec. *In re Chan Kam-Shu*, 477 F. 2d 333, 339–340 (5th Cir. 1973) *cert. denied*, 414 U.S. 847 (1973).

[29] *United States* v. *Clarke*, 470 F. Supp. 979 (D. Vermont 1979).

[30] E.g., Art. 13(2), Extradition Treaty, United States-Norway, signed June 9, 1977, — U.S.T. —, T.I.A.S. 9679 (entered into force March 6, 1980).

[31] It is anticipated that in most cases the Attorney General will act through the United States attorney for the district in which the fugitive is located. If the foreign government involved feels the need to participate in the judicial proceedings, it can retain counsel and seek to enter the case as *amicus curiae*.

[32] *Valentine* v. *United States ex rel. Neidecker*, *supra* note 3, at 5, 8; *United States* v. *Rauscher*, 119 U.S. 407, 414 (1886).

[33] See e.g., Art. 10, Extradition Treaty, United States-Japan, signed March 3, 1978, — U.S.T. —, T.I.A.S. 9625 (entered into force March 25, 1980); Art. 18, Extradition Treaty, United States-Mexico, signed May 4, 1978, — U.S.T. —, T.I.A.S. 9656 (entered into force January 24, 1980).

[34] See 18 U.S.C. 4107–4108.

[35] For example, a fugitive might wish to waive extradition on only one of many outstanding charges against him in the requesting state. Under these circumstances, that foreign state might conceivably prefer to have extraditability determined as to all of the charges.

[36] For example, many extradition treaties permit the requested state to postpone extradition until the person sought has been tried and punished for criminal charges outstanding in that state. A person facing criminal charges or imprisonment in this country might well attempt to expedite his extradition to a foreign country where less serious charges are pending, in order to avoid prosecution or punishment here. In such circumstances, it would not be appropriate for the United States to permit expedited surrender, at least not until the charges in this country have been resolved or the sentence served.

[37] Shearer, Extradition in International Law, 137–141 (1971); 6 Whiteman, *supra* note 3, at 773–779; *Freeman* v. *United States*, 437 F. Supp. 1252, 1263 (N.D. Ga. 1977).

[38] See, e.g., Art. 2(1), Extradition Treaty, United States-Japan, signed March 3, 1978, —U.S.T. —, T.I.A.S. 9625 (entered into force March 25, 1980).

[39] *Cuenzella* v. *Keliilaa*, 638 F. 2d 105 (9th Cir. 1981); *Brauch* v. *Raiche*, 618 F. 2d 843 (1st Cir. 1980); (March 5, 1980); *Freedman* v. *United States*, *supra* note 37, at 1252, 1263.

[40] *Pettit* v. *Walshe*, *supra* note 23; see e.g., *U.S. ex rel. LoPizzo* v. *Mathews*, 36 F.2d 565 (3d Cir. 1929); *U.S. ex rel. Rauch* v. *Stockinger*, 170 F. Supp. 506 (E.D. N.Y. 1959), *aff'd* 269 F.2d 681 (2d Cir. 1959), *cert. denied*, 371 U.S. 913 (1959); *O'Brien* v. *Rozmann*, 554 F.2d 780 (6th Cir. 1977).

[41] *Greci* v. *Birkness*, 527 F.2d 956, 958, at note 3 (1st Cir. 1976; *Application of D'Amico*, 185 F. Supp. 925, 930, at note 6 (S.D.N.Y. 1960), *appeal dismissed*, 286 F.2d 320 (2d Cir. 1960), *cert. denied*, 366 U.S. 963 (1962).

[42] 6 Whiteman, *supra* note 3.

[43] *Greci* v. *Birkness*, *supra* note 41; *Sindona* v. *Grant*, 461 F. Supp. 199 (S.D.N.Y. 1978); *Brauch* v. *Raiche*, *supra* note 39.

[44] *Sayne* v. *Shipley*, 418 F.2d 679, 685 (5th Cir. 1969), *cert. denied*, 390 U.S. 903 (1970).

[45] Rule 1101, Federal Rules of Evidence.

[46] The Supreme Court has indicated that requiring the foreign state to produce live witnesses in extradition hearings would tend to "defeat the whole object of the treaty." *Bingham* v. *Bradley*, 241 U.S. 511, 517 (1916); see also, *Collins* v. *Loisel*, 259 U.S. 309, 317 (1922); *Sayne* v. *Shipley*, *supra* note 44; *In re David*, *supra* note 12; *O'Brien* v. *Rozmann*, *supra*, note 40.

[47] *United States* v. *Galanis*, 429 F.2d 1215, 1225–1229 (D. Conn. 1977), *rev'd on other grounds*, 568 F.2d 234, 240 (2d Cir. 1977); *Shapiro* v. *Ferrandina*, 478 F.2d 894, 903 (2d Cir. 1973); *In re Edmonson, et al.* 352 F. Supp. 22, 24 (D. Minn. 1978).

[48] Frequently, the consular and diplomatic officer who must sign the certificate are not lawyers, and it is difficult for them to know whether the documents presented to them are in fact acceptable "for similar purposes" in the courts of the requesting state.

[49] *Freedman* v. *United States*, *supra* note 37; *U.S. ex rel. Petrushansky* v. *Marasco*, *supra* note 12.

[50] Coppelman, *Extradition and Rendition: History-Law-Recommendations*, 14 Boston L.R. 591, 614 (1934).

[51] 18 U.S.C. 3191 provides for compulsory process to secure the attendance at extradition hearings of witnesses on behalf of indigent fugitives. However, the statute applies only to witnesses who are resident in the United States. *Merino* v. *United States Marshal*, 326 F.2d 5, 11 (9th Cir. 1964), *cert. denied*, 377 U.S. 997 (1964).

[52] *Matter of Sindona*, 450 F. Supp. 672 (S.D.N.Y. 1978); *Shapiro* v. *Ferrandina*, *supra* note 47; *Freedman* v. *United States*, *supra* note 37; *Sayne* v. *Shipley*, *supra* note 44; *First National City Bank* v. *Aristequieta*, 287 F.2d 219, 226 (2d Cir. 1960); *Desmond* v. *Eggers*, 18 F.2d 503, 505–506 (9th Cir. 1927); *Collins* v. *Loisel*, *supra* note 46; *Charlton* v. *Kelley*, 229 U.S. 447, 458 (1913).

[53] See, generally, 6 Whiteman, *supra* note 3, at 859–865; Note, *Statute of Limitations in International Extradition*, 48 Yale L.J. 701 (1939).

[54] See, e.g., *Galanis* v. *Pallanck*, 568 F.2d 234 (2d Cir. 1978).

[55] *In re Ezeta et al.*, 62 Fed. 972 (N.D. Cal. 1894). Basically, a political offense is one "committed in the course of furthering civil war, insurrection or political commotion." *Id.*; *Karadzole* v. *Artukovic*, 242 F.2d 198 (9th Cir. 1957), *rev'd on other grounds*, 344 U.S. 393 (1957); *United States ex rel. Karadzole* v. *Artukovic*, 170 F. Supp. 383 (S.D. Cal. 1959); *Ramos* v. *Diaz*, 179 F. Supp. 459 (S.D. Fla. 1959).

[56] *In re Lincoln*, 228 Fed. 70 (E.D.N.Y. 1915), *aff'd per curiam*, 241 U.S. 651 (1917); *In re Gonzalez*, 217 F.2d 717, 722 (S.D.N.Y. 1963); *Garcia-Guillerin* v. *United States*, 450 F.2d 1192 (5th Cir. 1971); *In re Locatelli*, 468 F. Supp. 568, 575 (S.D.N.Y. 1979); *Sindona* v. *Grant*, *supra* note 43.

[57] *Zyad Abu Eair* v. *Wilkes*, 641 F.2d 504 (7th Cir. 1981).

[58] See, e.g., Art. 5(1), Extradition Treaty, United States-Mexico, signed May 4, 1978, — U.S.T. —, T.I.A.S. 9656 (entered into force January 25, 1980).

[59] See note 56, *supra*.

[60] Levy, Contemporary International Law: A Concise Introduction, 190 (1979). The courts in various countries differ widely on what kinds of offenses are covered by the term, and legal scholars here and abroad have proposed a host of different—and frequently contradictory—proposals on the topic. See, generally, Carbonneau, *The Political Offense Exception to Extradition and Transnational Terrorists: Old Doctrine Reformulated and New Norms Created*, 1 ASILS International Law Journal 1 (1977).

[61] For instance, in *In re McMullen*, No. 3–78–1099MG (N.D. Cal. May 11, 1979), a federal magistrate in San Francisco barred the extradition to England of an admitted IRA bomber, holding that the fugitive's action (blowing up an army barracks in England) was an offense of a political character. This decision was a considerable setback for United States efforts to control international terrorism, and could make the United States a more attractive refuge for members of the IRA, the PLO, the Baader-Meinhof gang, the Italian Red Brigade, and other terrorists.

[62] See *supra* note, 52, and accompanying text.

[63] See, e.g., Art. 10(6), Extradition Treaty, United States-Mexico, signed May 4, 1978,— U.S.T.—, T.I.A.S. 9656 (entered into force January 25, 1980). The United States will also be a party to the Convention Abolishing the Requirement of Legalization for Foreign Public Documents, done at The Hague, October 26, 1960, 527 U.N.T.S. 189 (ratified by the Senate Nov. 28, 1979). This Convention will eliminate a substantial portion of the authentication requirement with respect to extradition documents submitted by one signatory country to another.

[64] It is anticipated that in most cases the foreign state's diplomatic or consular personnel assigned to the United States will make the certification required by the section, thereby relieving U.S. diplomatic and consular officers abroad of this chore.

[65] See, generally, *United States* v. *Galanis*, *supra* note 54.

[66] See Rule 5.1, Federal Rules of Criminal Procedure.

[67] *Greci* v. *Birkness*, *supra* note 43; *Brauch* v. *Raiche*, *supra* note 39.

[68] *U.S. ex rel. Sakaguchi* v. *Kaulukukui*, 520 F.2d 726, 728 (9th Cir. 1975); *Shapiro* v. *Ferrandina*, *supra* note 47.

[69] This requirement is consistent with the practice followed by the courts today. See *Kaplan* v. *Vokes*, — F.2d —, No. 79–2662 (9th Cir. July 6, 1981); *Shapiro* v. *Ferrandina*, *supra* note 47.

[70] Present law (18 U.S.C. 3184) only requires that the court send the Secretary a transcript of the *testimony* taken at the hearing. By providing the executive branch with a fuller record of the proceedings, the Secretary of State will be more fully informed in making his decision on extradition.

[71] *Collins* v. *Loisel*, *supra* note 46.

[72] See, e.g., *Sindona* v. *Grant*, *supra* note 43.

[73] *Hooker* v. *Klein*, 573 F.2d 1360 (9th Cir. 1978).

[74] *Glucksman* v. *Henkel*, 221 U.S. 508, 512 (1911).

[75] *United States ex rel. Oppenheim* v. *Hecht*, 16 F.2d 955, 956 (2nd Cir. 1927); *United States ex rel. Klein* v. *Mulligan*, 1 F. Supp. 635, 636 (S.D. N.Y. 1922).

[76] The automatic stay of extradition expires when the court of appeals issues its mandate in the matter. Thus, the automatic stay would not ordinarily protect a fugitive seeking further, discretionary review, such as an applicant for a writ of *certiorari* from the Supreme Court. Of course, the fugitive whose case merits further review is free to request that either the court of appeals or the Supreme Court exercise its discretion by staying surrender while *certiorari* or other relief is considered.

[77] In fact, 18 U.S.C. 3184 specifically provides that a person found extraditable must be committed "to the proper jail, there to remain until . . . surrender shall be made".

[78] See *supra* notes 23 and 24, and accompanying text.

[79] *Jimenez* v. *Aristequieta*, 314 F.2d 649 (5th Cir. 1963).

[80] *Magisano* v. *Locke*, 545 F.2d 1228, 1230 (9th Cir. 1976).

[81] See, generally, Note, *Executive Discretion in Extradition*, 62 Columbia Law Review 1313 (1962).

[82] *In re Factor's Extradition*, 75 F.2d 10 (7th Cir. 1934); *In re Normano*, 7 F. Supp. 329 (D. Mass. 1934); 6 Whiteman, *supra* note 3, at 1064–69.

[83] *Jimenez* v. *United States District Court for the Southern District of Florida*, 84 S. Ct. 14, 11 L. Ed. 2nd (1963); *Barrett* v. *United States*, 590 F.2d 624 (6th Cir. 1978).

[84] See, e.g., *Peroff* v. *Hylton*, 542 F.2d 1247, 1249 (4th Cir. 1976), *cert. denied*, 429 U.S. 1062 (1977); *Sindona* v. *Grant*, *supra* note 43, at 199, 207; see Note, Columbia Law Review, *supra* note 81.

[85] For example, the Department of State has frequently conditioned surrender of a fugitive convicted in absentia upon a promise by the foreign country involved to permit a retrial. See 6 Whiteman, *supra*, note 3, at 1051, 1117–1122.

[86] For example, some treaties permit the requested state to condition extradition upon satisfactory assurances that the death penalty will not be imposed. See e.g., Art. 6, Extradition Treaty, Canada-United States, signed December 31, 1971, 27 U.S.T. 983, T.I.A.S. 8237 (entered into force March 27, 1976).

[87] *Peroff* v. *Hylton*, 563 F. 2d 1099, 1102–1103 (4th Cir. 1977).

[88] At present, no extradition treaty to which the United States is a party expressly prohibits surrender of citizens of the requested state.

[89] 299 U.S. 5 (1936), *supra* note 32.

[90] Many foreign countries do not extradite their citizens because those countries can instead prosecute and punish their citizens for crimes committed in another country. As a general rule, the United States has no such ability. *Escobedo and Castillo* v. *Forsch*, 623 F. 2d 1098 (5th Cir. 1980); 6 Whiteman, *supra* note 3, at 876–878.

[91] Executive Order 11517, 35 Fed. Reg. 4937 (1970), reprinted in 1970 U.S. Code Cong. & Ad. News, at 6232.

[92] See, e.g., Extradition Act, R.S.C. 1952, c. 322 (Canada); s. 24, Ley de Extradicion (Dec. 29, 1975), Art. 11 (Mexico).

[93] *United States* v. *Rowbotham*, 430 F. Supp. 1254 (D. Mass. 1977); *United States* v. *Dolack*, 484 F. 2d (7th Cir. 1973).

It is well to remember that both the prosecution and the defense suffer when a criminal trial is delayed too long. Indeed, as the Court of Appeals trenchantly remarked in *United States* v. *Judice*, 457 F.2d 418, 418 (5th Cir. 1972):

". . . all practiced trial lawyers are well aware that attrition from . . . delay is more damaging to the prosecutor's case than to that of the defense. This will be so as long as the prosecution has the burden of proof."

[94] Cf. 6 Whiteman, *supra* note 3, at 1052–1053.

[95] For example, Art. 21, Extradition Treaty, United States-Mexico, signed May 4, 1978, —U.S.T.—, T.I.A.S. 9656 (entered into force January 25, 1980) requires that the requested state bear all of the expenses of extradition except those incurred for the translation of the documents or the transportation of the fugitive.

Extradition treaties are considered self-executing, Bassiouni, International Extradition and World Public Order 30–31 (1976), and supersede the provisions of prior inconsistent federal legislation, Restatement (Second) of Foreign Relations Law of the United States, § 141, Comment (b) at 433 (1965). Therefore, whether 18 U.S.C. 3195 or a differing treaty provision is applicable in a particular extradition case depends on when the treaty entered into force.

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S. 1639

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That this act may be cited as the "Extradition Act of 1981".

SEC. 2. Chapter 209 of title 18, United States Code, is amended as follows:

(a) Section 3181 is deleted.

(b) Section 3182 is redesignated as section "3181".

(c) Section 3183 is redesignated as section "3182" and is amended by striking out "or the Panama Canal Zone" in the first sentence.

(d) A new section 3183 is added as follows:

"§ 3183. Payment of fees and costs.

"All costs or expenses incurred in any interstate rendition proceeding in apprehending, securing, and transmitting a fugitive shall be paid by the demand authority.".

(e) Sections 3184 through 3195 are deleted.

(f) The chapter heading and section analysis are amended to read as follows:

"Chapter 209—INTERSTATE RENDITION

"Sec.
"3181. Fugitives From State or Territory to State, District, or Territory.
"3182. Fugitives from State, Territory or Possession into extraterritorial jurisdiction of the United States.
"3183. Payment of fees and costs.".

SEC. 2. A new chapter 210 of title 18 of the United States Code is added as follows:

"Chapter 210—INTERNATIONAL EXTRADITION

"Sec.
"3191. Extradition authority in general.
"3192. Initial procedure.
"3193. Waiver of extradition hearing and consent to removal.
"3194. Extradition hearing.
"3195. Appeal.
"3196. Surrender of a person to a foreign state.
"3197. Receipt of a person from a foreign state.
"3198. General provisions for chapter.

"§ 3191. Extradition Authority in General

"The United States may extradite a person to a foreign state pursuant to this chapter only if—

"(a) there is a treaty concerning extradition between the United States and the foreign state; and

"(b) the foreign state requests extradition within the terms of the applicable treaty.

"§ 3192. Initial Procedure

"(a) IN GENERAL.—The Attorney General may file a complaint charging that a person is extraditable. The Attorney General shall file the complaint in the United States district court—

"(1) for the district in which the person may be found; or

"(2) for the District of Columbia, if the Attorney General does not know where the person may be found.

"(b) COMPLAINT.—The complaint shall be made under oath or affirmation, and shall specify the offense for which extradition is sought. The complaint—

"(1) shall be accompanied by a copy of the request for extradition and by the evidence and documents required by the applicable treaty; or

"(2) if not accompanied by the materials specified in paragraph (1)—

"(A) shall contain—

"(i) information sufficient to identify the person sought;

"(ii) a statement of the essential facts constituting the offense that the person is believed to have committed, or a statement that an arrest warrant for the person is outstanding in the foreign state; and

"(iii) a description of the circumstances that justify the person's arrest; or

"(B) shall contain such other information as is required by the applicable treaty;

and shall be supplemented before the extradition hearing by the materials specified in paragraph (1).

"(c) ARREST OR SUMMONS.—Upon receipt of a complaint, the court shall issue a warrant for the arrest of the person sought, or, if the Attorney General so requests, a summons to the person to appear at an extradition hearing. The warrant or summons shall be executed in the manner prescribed by rule 4(d) of the Federal Rules of Criminal Procedure. A person arrested pursuant to this section shall be taken without unnecessary delay before the nearest available court for an extradition hearing.

"(d) DETENTION OR RELEASE OF ARRESTED PERSON.—

"(1) The court shall order that a person arrested under this section be held in official detention pending the extradition hearing unless the person establishes to the satisfaction of the court that special circumstances require his release.

"(2) Unless otherwise provided by the applicable treaty, if a person is detained pursuant to paragraph (1) in a proceeding in which the complaint is filed under subsection (b)(2), and if, within sixty days of the person's arrest, the court has not received—

"(A) the evidence or documents required by the applicable treaty; or

"(B) notice that the evidence or documents have been received by the Department of State and will promptly be transmitted to the court;

the court may order that the person be released from official detention pending the extradition hearing.

"(3) If the court orders the release of the person pending the extradition hearing, it shall impose conditions of release that will reasonably assure the appearance of the person as required and the safety of any other person and the community.

"§ 3193. Waiver of Extradition Hearing and Consent to Removal

"(a) INFORMING THE COURT OF WAIVER AND CONSENT.—A person against whom a complaint is filed may waive the requirements of formal extradition proceedings, including an order of surrender, by informing the court that he consents to removal to the foreign state.

"(b) INQUIRY BY THE COURT.—The court, upon being informed of the person's consent to removal, shall—

"(1) inform the person that he has a right to consult with counsel and that, if he is financially unable to obtain counsel, counsel may be appointed to represent him pursuant to section 3006A; and

"(2) address the person to determine whether his consent is—

"(A) voluntary, and not the result of a threat or other improper inducement; and

"(B) given with full knowledge of its consequences, including the fact that it may not be revoked after the court has accepted it.

"(c) FINDING OF CONSENT AND ORDER OF REMOVAL.—If the court finds that the person's consent to removal is voluntary and given with full knowledge of its consequences, it shall, unless the Attorney General notifies the court that the foreign state or the United States objects to such removal, order the surrender of the person to the custody of a duly appointed agent of the foreign state requesting extradition. The court shall order that the person be held in official detention until surrendered.

"(d) LIMITATION ON DETENTION PENDING REMOVAL.—A person whom the court orders surrendered pursuant to subsection (c) may, upon reasonable notice to the Secretary of State, petition the court for release from official detention if, excluding any time during which removal is delayed by judicial proceedings, the person is not removed from the United States within thirty days after the court ordered the person's surrender. The court may grant the petition unless the Secretary of State, through the Attorney General, shows good cause why the petition should not be granted.

"§ 3194. Extradition hearing

"(a) IN GENERAL.—The court shall hold a hearing to determine whether the person against whom a complaint is filed is extraditable, unless the hearing is waived pursuant to section 3193. The purpose of the hearing is limited. The court does not have jurisdiction to determine the merits of the charge against the person by the foreign state or to determine whether the foreign state is seeking the extradition of the person for a political offense, for an offense of a political character, or for the purpose of prosecuting or punishing the person for his political opinions. The hearing shall be held as soon as practicable after the arrest of the person or issuance of the summons.

"(b) RIGHTS OF THE PERSON SOUGHT.—The court shall inform the person of the limited purpose of the hearing, and shall inform him that—

"(1) he has the right to be represented by counsel and that, if he is financially unable to obtain counsel, counsel may be appointed to represent him pursuant to section 3006A; and

"(2) he may cross-examine witnesses who appear against him and may introduce evidence in his own behalf with respect to the matters set forth in subsection (d).

"(c) EVIDENCE.—

"(1) a deposition, warrant, or other document, or a copy thereof, is admissible as evidence in the hearing if—

"(A) it is authenticated in accordance with the provisions of an applicable treaty or law of the United States;

"(B) it is authenticated in accordance with the applicable law of the foreign state, and such authentication may be established conclusively by a showing that—

"(i) a judge, magistrate, or other appropriate officer of the foreign state has signed a certification to that effect; and

"(ii) a diplomatic or consular officer of the United States who is assigned or accredited to the foreign state, or a diplomatic or consular officer of the foreign state who is assigned or accredited to the United States, has certified the signature and position of the judge, magistrate, or other officer; or

"(C) other evidence is sufficient to enable the court to conclude that the document is authentic.

"(2) A certificate or affidavit by an appropriate official of the Department of State is admissible as evidence of the existence of a treaty or its interpretation.

"(3) If the applicable treaty requires that such evidence be presented on behalf of the foreign state as would justify ordering a trial of the person if the offense had been committed in the United States, the requirement is satisfied if the evidence establishes probable cause to believe that an offense was committed and that the person sought committed it.

"(d) FINDINGS.—The court shall find that the person is extraditable if it finds that—

"(1) there is probable cause to believe that the person arrested or summoned to appear is the person sought in the foreign state;

"(2) the evidence presented is sufficient to support the complaint under the provisions of the applicable treaty;

"(3) no defense to extradition specified in the applicable treaty, and within the jurisdiction of the court, exists; and

"(4) the act upon which the request for extradition is based would constitute an offense punishable under the laws of—

"(A) the United States;

"(B) the State where the fugitive is found; or

"(C) a majority of the States.

The court may base a finding that a person is extraditable upon evidence consisting, in whole or in part, of hearsay or of properly certified documents.

"(e) CERTIFICATION OF FINDINGS TO THE SECRETARY OF STATE.—

"(1) If the court finds that the person is extraditable, it shall state the reasons for its findings as to each charge or conviction, and certify its findings, together with a transcript of the proceedings to the Secretary of State. The court shall order that the person be held in official detention until surrendered to a duly appointed agent of the foreign state, or until the Secretary of State declines to order the person's surrender.

"(2) If the court finds that the person is not extraditable, it shall state the reasons for its findings as to each charge or conviction, and certify the findings, together with such report as the court considers appropriate, to the Secretary of State. The Attorney General may commence a new action for extradition of the person only with the agreement of the Secretary of State.

"§ 3195. Appeal

"(a) IN GENERAL.—Either party may appeal to the appropriate United States court of appeals, the findings by the district court on a complaint for extradition. The appeal shall be taken in the manner prescribed by Rules 3 and 4(b) of the Federal Rules of Appellate Procedure, and shall be heard as soon as practicable after the filing of the notice of appeal. Pending determination of the appeal, the district court shall stay the extradition of a person found extraditable.

"(b) DETENTION OR RELEASE PENDING APPEAL.—If the district court found that the person sought is—

"(1) extraditable, it shall order that the person be held in official detention pending determination of the appeal, or pending a finding by the court of appeals that the person has established that special cirumstances require his release;

"(2) not extraditable, it may order that the person be released pending determination of an appeal unless the Attorney General establishes to his satisfaction that the person is likely to flee or to endanger the safety of any other person or the community.

If the court orders the release of a person pending determination of an appeal, it shall impose conditions of release that will reasonably assure the appearance of the person as required and the safety of any other person and the community.

"(c) SUBSEQUENT REVIEW.—No court has jurisdiction to review a finding that a person is extraditable unless the person has exhausted his remedies under subsection (a). If the person files a petition for habeas corpus or for other review, he shall specify whether the finding that he is extraditable has been upheld by a court, and, if so, shall specify the court, the date, and the nature of each such proceeding. A court does not have jurisdiction to entertain a person's petition for habeas corpus or for other review if his commitment has previously been up-

held, unless the court finds that the grounds for the petition or appeal could not previously have been presented.

"§ 3196. Surrender of a Person to a Foreign State

"(a) RESPONSIBILITY OF THE SECRETARY.—If a person is found extraditable pursuant to section 3194, the Secretary of State, upon consideration of the provisions of the applicable treaty and this chapter, may—

"(1) order the surrender of the person to the custody of a duly appointed agent of the foreign state requesting extradition;

"(2) order such surrender of the person contingent on the acceptance by the foreign state of such conditions as the Secretary considers necessary to effectuate the purposes of the treaty or the interest of justice; or

"(3) decline to order the surrender of the person if the Secretary is persuaded, by written evidence and argument submitted to him by the person sought, that the foreign state is seeking the person's extradition for a political offense or an offense of a political character, or for the purpose of prosecuting or punishing the person for his political opinions.

The Secretary may order the surrender of a person who is a national of the United States unless such surrender is expressly forbidden by the applicable treaty or by the laws of the United States.

"(b) NOTICE OF DECISION.—The Secretary of State, upon ordering a person's surrender or denying a request for extradition in whole, or in part, shall notify the person sought, the diplomatic representative of the foreign state, the Attorney General, and the court that found the person extraditable. If the Secretary orders the person's surrender, he also shall notify the diplomatic representative of the foreign state of the time limitation on the person's detention that is provided by subsection (c)(2).

"(c) LIMITATION ON DETENTION PENDING DECISION OR REMOVAL.—A person who is found extraditable pursuant to section 3194 may, upon reasonable notice to the Secretary of State, petition the court for release from official detention if, excluding any time during which removal is delayed by judicial proceedings—

"(1) the Secretary does not order the person's surrender, or decline to order the person's surrender, within forty-five days after his receipt of the court's findings and the transcript of the proceedings; or

"(2) the person is not removed from the United States within thirty days after the Secretary ordered the person's surrender.

The court may grant the petition unless the Secretary of State, through the Attorney General, shows good cause why the petition should not be granted.

"§ 3197. Receipt of a Person From a Foreign State

"(a) APPOINTMENT AND AUTHORITY OF RECEIVING AGENT.—The Attorney General shall appoint an agent to receive, from a foreign state, custody of a person accused of a Federal, State, or local offense. The agent shall have the authority of a United States Marshal. The agent shall convey the person directly to the Federal or State jurisdiction that sought his return.

"(b) TEMPORARY EXTRADITION TO THE UNITED STATES.—If a foreign state delivers custody of a person accused of a Federal, State, or local offense to an agent of the United States on the condition that the person be returned to the foreign state at the conclusion of criminal proceedings in the United States, the Bureau of Prisons shall hold the person in custody pending the conclusion of the proceedings, and shall then surrender the person to a duly appointed agent of the foreign state. The return of the person to the foreign state is not subject to the requirements of this chapter.

"§ 3198. General Provisions for Chapter

"(a) DEFINITIONS.—As used in this chapter—

"(1) 'court' means

"(A) a United States district court established pursuant to 28 U.S.C. 132, the District Court of Guam, the District Court of the Virgin Islands, or the District Court of the Northern Mariana Islands; or

"(B) a United States magistrate authorized to conduct an extradition proceeding;

"(2) 'foreign state', when used in other than a geographic sense, means the government of a foreign state;

"(3) 'foreign state', when used in a geographic sense, includes all territory under the jurisdiction of a foreign state, including a colony, dependency, and constituent part of the state; its air space and territorial waters; and vessels or aircraft registered in the state;

"(4) 'treaty' includes a treaty, convention, or international agreement, bilateral or multilateral, that is in force after advice and consent by the Senate; and

"(5) 'warrant', as used with reference to a foreign state, means any judicial document authorizing the arrest or detention of a person accused or convicted of a crime.

"(b) PAYMENT OF FEES AND COSTS.—Unless otherwise specified by treaty, all transportation costs, subsistence expenses, and translation costs incurred in connection with the extradition or return of a person at the request of—

"(1) a foreign state, shall be borne by the foreign state unless the Secretary of State directs otherwise;

"(2) a State, shall be borne by the State; and

"(3) the United States, shall be borne by the United States.".

SEC. 3. This Act shall take effect on the first day of the first month after enactment, and shall be applicable to extradition and rendition proceedings commenced thereafter.

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## S. 1640—A BILL RELATING TO PROCEDURES FOR INTERCEPTION OF WIRE OR ORAL COMMUNICATIONS

Mr. THURMOND. Mr. President, today I am introducing a bill to establish uniform statutory procedures for the use of surreptitious entries to install court-authorized electronic eavesdropping devices and to provide for emergency interceptions of wire and oral communications in life-endangering situations. These proposals are not new. Similar provisions were considered and reported by the Senate Committee on the Judiciary last Congress as S. 1717 (S. Rept. No. 96-788) and passed by the Senate on June 9, 1981, by voice vote. However, the House failed to act by the end of the last Congress.

This is a bill to continue our efforts to improve and fine tune important legislation as experience is acquired in its operation. The two areas covered by the bill remove language ambiguities in title III of the Omnibus Crime Control and Safe Streets Act of 1968 (18 U.S.C. 2510-2520), the first comprehensive effort to regulate wiretapping and electronic surveillance. First, the measure would require that when a surreptitious entry is necessary for the installation of a court-authorized electronic intercept device, the applicant for the order must so indicate in his application and specify why other means are not feasible to accomplish the objective. The court must then determine whether such an entry is reasonably required to effect the surveillance and, if so, specifically authorize the entry.

Mr. President, I should point out that the Supreme Court in *Dalia* v. *United States*, 441 U.S. (1979), upheld "reasonable" surreptitious entries under the current provisions of title III. There is no doubt about the constitutionality of this type of law enforcement activity. The amendments to current law provisions in this bill, however, improve the eavesdropping situation by enhancing the interest of every citizen in preventing unreasonable and unnecessary violations of individual privacy while promoting law enforcement interests in safeguarding expensive and important investigations from subequent challenge and officials from harassing civil suit.

Finally, the bill would amend 18 U.S.C. 2518 to clearly and unequivocally permit emergency electronic surveillance in life-endangering situations. Inexplicably, the current law does not focus on immediate danger to a person as a basis for an emergency surveillance. As a result, responsible officials have stretched to the limit the scope of the language "conspiratorial activities characteristic of organized crime"—an appropriate basis for an emergency surveillance today—to include life threatening activity. This distortion is unnecessary and an appropriate change should be made. This bill would accomplish that change.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1640

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 2510 of title 18, United States Code, is amended—

(1) in paragraph (10), by striking out "and" at the end thereof;

(2) in paragraph (11), by striking out the period at the end thereof and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following:

"(12) 'surreptitious entry' means a physical entry upon a private place or premises to install, repair, reposition, replace, or remove any electronic, mechanical, or other device, and includes both covert entry and entry effected by means of a ruse or subterfuge.".

SEC. 2. Section 2518(1) of that title is amended—

(1) in paragraph (e), by striking out "and" at the end thereof;

(2) in paragraph (f), by striking out the period at the end thereof and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following:

"(g) a statement whether surreptitious entry is required to effect the interception, and if such surreptitious entry is required, a statement as to why means of effecting the interception other than surreptitious entry reasonably appear, if tried, to be unlikely to succeed, to be too dangerous, or to be impracticable.".

SEC. 3. Section 2518(3) of that title is amended—

(1) in paragraph (d), by striking out the period at the end thereof and inserting in lieu thereof a semicolon and "and"; and

(2) by adding at the end thereof the following:

"(e) where the order is to authorize or approve a surreptitious entry, such surreptitious entry reasonably appears to be required to effect the interception because means of

effecting the interception other than surreptitious entry reasonably appear, if tried, to be unlikely to succeed, to be too dangerous, or to be impracticable.".

SEC. 4. Section 2518(4) of that title is amended—

(1) in paragraph (d), by striking out the "and" at the end thereof;

(2) in paragraph (e), by striking out the period at the end thereof and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following:

"(f) whether surreptitious entry is authorized or approved to effect the interception; and

"(g) in any order which includes authorization of surreptitious entry—

"(i) the identity of the agency authorized to make the surreptitious entry;

"(ii) in any case in which more than one entry is necessary to install the device, or in which reentry is necessary to repair, reposition, replace, or remove the device, the attorney for the government in charge of the investigation shall, when practicable, notify in writing the authorizing judge prior to such reentry of the reasons which necessitate the reentry, and when prior notice is not practicable, such notification is to be made within forty-eight hours after the reentry and is to describe the reasons which necessitated the reentry and why prior notification was not practicable.".

SEC. 5. Section 2518(7) of that title is amended—

(1) by amending paragraph (a) to read as follows:

"(a) an emergency situation exists that involves—

"(i) immediate danger of death or serious physical injury to any person;

"(ii) conspiratorial activities threatening the national security interests; or

"(iii) conspiratorial actvities characteristic of organized crime;

that requires a wire or oral communication to be intercepted before an order authorizing such interception can, with due diligence, be obtained, and"; and

(2) by inserting a comma and "and may make any surreptitious entry required to effect such interception," immediately before "if an application for an order".

SEC. 6. Section 2519(1) of that title is amended—

(1) by inserting immediately after paragraph (e) the following:

"(f) the fact that a surreptitious entry to effect the interception was authorized or approved, the number of such entries made, and the purpose, either to install, repair, reposition, replace, or remove the interception device for each such entry;"; and

(2) by redesignating paragraphs (f) and (g) as paragraphs (g) and (h), respectively.

SEC. 7. Section 2519(2) of that title is amended in paragraph (a) by striking out "(g)" and by inserting in lieu thereof "(h)".

## RECOGNITION OF SENATOR ROBERT C. BYRD

The PRESIDING OFFICER. Under the previous order, the Senator from West Virginia (Mr. ROBERT C. BYRD) is recognized for not to exceed 10 minutes.

## AN ECONOMIC PLAN BASED ON SHIFTING SANDS

Mr. ROBERT C. BYRD. Mr. President, a week ago last Thursday the Congressional Budget Office released its revised economic forecast in its report to Congress entitled "The Economic and Budget Outlook: An Update." We learned some very interesting and very upsetting things from that CBO report.

Although their new economic assumptions are very close to the revised administration figures, the CBO is still a great distance away from the administration's claim of a balanced budget in fiscal year 1984. The CBO estimates that even under this more optimistic economic scenario the budget will be $50 billion in deficit in fiscal year 1984—$50 billion is a far cry from the balanced budget the administration projects.

Mr. President, it would be good for the sake of this country if the President's economic advisers be right. But they do not give us much, if any reason, to believe that their plan will work. How can we have confidence in a plan—so vital to the well-being of this country—that is based on shifting sands?

CBO essentially includes all of the spending assumptions of the administration and arrives at a fiscal year 1982 deficit of $65 billion, not $42.5 billion as the administration forecasts, an increase of almost $22 billion.

The CBO report cautions that the deficits they are projecting could be even greater unless defense spending is scaled back, more cuts are made in nondefense programs, and/or additional revenues are generated. This is not a very secure base on which our economic recovery should depend.

In testimony before the Senate Budget Committee on September 15, CBO's Director, Dr. Alice Rivlin, included the following table. I ask unanimous consent that the table be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 4.—FEDERAL BUDGET OUTLAY ESTIMATES FOR MAJOR PROGRAM CATEGORIES—THE ADMINISTRATION'S JULY ESTIMATES ADJUSTED FOR CBO ECONOMIC ASSUMPTIONS AND ESTIMATING METHODS

[By fiscal year]

| | 1981 | 1982 | 1983 | 1984 |
|---|---|---|---|---|
| | In billions of dollars | | | |
| National defense | 161 | 193 | 226 | 261 |
| Benefit payments for individuals | 316 | 341 | 367 | 393 |
| Net interest | 68 | 81 | 87 | 86 |
| Other Federal operations and grants to State and local governments | 120 | 105 | 103 | 102 |
| Unspecified savings to be proposed by the administration | | | −30 | −44 |
| Additional spending cuts (or revenue increases) to reach administration deficit targets for 1982 to 1984 | | −22 | −32 | −50 |
| Total | 665 | 698 | 721 | 748 |
| | As a percent of GNP | | | |
| National defense | 5.6 | 6.1 | 6.4 | 6.7 |
| Benefit payments for individuals | 11.1 | 10.7 | 10.4 | 10.0 |
| Net interest | 2.4 | 2.6 | 2.5 | 2.2 |
| Other Federal operations and grants to State and local governments | 4.2 | 3.3 | 2.9 | 2.6 |
| Unspecified savings to be proposed by the administration | | | −.8 | −1.1 |
| Additional spending cuts (or revenue increases) to reach administration deficit targets for 1982 to 1984 | | −.7 | −.9 | −1.3 |
| Total | 23.3 | 22.0 | 20.4 | 19.1 |

Mr. ROBERT C. BYRD. I believe the most interesting yet alarming point of this table is that, using CBO's projected fiscal year 1984 deficit, $94 billion would have to be cut in fiscal year 1984 to balance the budget.

If, as the President has previously promised, there would be no more cuts in defense and entitlement programs, there is only $102 billion from which to cut $94 billion in fiscal year 1984. That means no more highways, no more water projects, no more agricultural programs; it means virtually no more of the so-called discretionary programs.

Congress and the American people were told that if the President's economic plan was given a chance, the economy could be turned upright. But the President had to receive his entire package.

Well, the Congress enacted the entire package.

The President asked for drastic cuts in domestic spending. In July Congress passed an Omnibus Reconciliation Act that gave the President the amounts he asked for. While all the cuts were not in the exact programs targeted by Mr. Stockman, the total dollar savings requested from the Congress was achieved.

These cuts were necessary to get control over the budget deficits—to bring the budget into balance. However, while reconciliation was being considered, the need for additional savings began to surface from the administration. I doubt that many of my colleagues were aware that the cuts would not stop with reconciliation.

Additional savings of $15 billion in fiscal year 1982 and $50 billion in fiscal year 1984 were included in the fiscal year 1982 first budget resolution. At that time, $28 billion of the additional cuts in fiscal year 1984 was "unidentified." Now the administration has increased "unidentified cuts" to $44 billion. When does this stop?

The CBO projections include the assumed $44 billion in unidentified cuts in fiscal year 1984 and their projections still forecast a $50 billion deficit in fiscal year 1984. Also, CBO has included the administration's assumed cuts in social security. Although the President may be willing to cut social security, I do not believe the Congress will be willing to break faith with the retirees of this country.

We were told that we had to give the President his tax cut if his economic plan was going to work.

Well, Congress did that. He was given his tax cuts. He was given his budget cuts.

Democrats cautioned that the tax cut was too large. We warned against mortgaging 3 years of the Nation's future without knowing how the economy would respond. But we were outvoted. The Congress gave the President his tax cut.

Now, less than a month since the Pesident signed the bill into law, there is talk of tax increases because the cut is too deep to be sustained and achieve a balanced budget. These concerns are

further complicated by CBO's revenue projections, which are lower than the administration's by about $7 billion in fiscal year 1982 and $11 billion in fiscal year 1984.

A third part of the plan was increased defense spending. We were told that we could have huge increases in our defense spending when we satisfied the spending cuts and tax cut pieces of the plan.

The fiscal year 1982 first budget resolution, which sets congressional spending priorities, provides for the increase in defense spending that we all want. But now the administration has told us we will have to cut the defense budget.

In February and March we were told one thing; in June and July we were told something else; and now in September we are being told something else again. The September changes are taking place on an almost daily basis. Yesterday, we learned that it is very likely that administration promises will be broken again.

On Tuesday, the White House announced there would be no additional cuts to social security. But on Thursday—only 2 days later—we received reports that the White House would recommend that the cost-of-living adjustment for social security and other entitlement programs be deferred. This is a cut in social security. And, it is a cut in entitlement programs.

Not only is it a social security cut, it is a change in the COLA. I have a letter, dated May 6, 1981, from Mr. Stockman and Secretary Regan that explicity states the President was opposed to changing the social security COLA as a budget savings measure. I ask unanimous consent that the letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,

*Washington, D.C., May 6, 1981.*

Hon. ROBERT C. BYRD,
*Democratic Leader,*
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR BYRD: Thank you for the opportunity to provide the Administration's position concerning changes in cost-of-living adjustments (COLA's) for income security programs adopted by the Senate Budget Committee (the Hollings Amendment). These changes would:

Make COLA adjustments on the basis of the lower of the CPI or average wage increases, and

Shift COLA adjustment dates beginning in calendar year 1982 from July to October for OASDI, Railroad Retirement, SSI and Veterans; from April to October for civilian retirement; and March to October for military retirement.

In response to your specific questions we would offer the following guidance:

(1) The President has opposed changing the current CPI-based cost-of-living adjustment formula in Social Security as a budget savings measure. That position has not changed.

(2) The Administration does recognize the impending solvency problems of the Social Security Trust Fund. Significant savings are needed and Secretary Schweiker has promised the relevant Congressional Committees a package of reforms designed to maintain solvency of the Fund. As a practical matter, these changes would reduce current law outlays in the income security function by a magnitude sufficient to achieve the First Concurrent Resolution ceilings.

(3) For these reasons, we believe the outlay totals in the resolution reported by the Senate Budget Committee can be achieved. We would therefore not support amendments causing a net increase in the outlay levels provided in the resolution.

Sincerely,

DAVID A. STOCKMAN,
*Director.*

DONALD T. REGAN,
*Secretary of the Treasury.*

Mr. ROBERT C. BYRD. Why is this necessary?

We have given the President all that he wanted for his economic recovery plan.

We gave him the domestic spending cuts;

We gave him the tax cut;

We gave him the defense spending increase;

We gave him a budget resolution that was essentially based on his economic assumptions; and

We gave him a chance to identify the cuts assumed in his fiscal year 1984 budget.

On several recent occasions—August 13 and September 9—the President has said that the increased Federal deficits were due in large part to his administration not getting totally what he asked for.

It is time the administration stopped trying to find someone or something else to blame. It is now in its eighth month in power and it is time for the administration to take a realistic look at its economic forecast—and that it reexamine its interest rate assumptions. For example, CBO's projected interest rate is 2 percentage points higher than the administration's in fiscal year 1982, and more than 3 percentage points higher in fiscal year 1984. Interest assumptions alone could add about $40 billion to spending estimates over the fiscal year 1982–84 period. These sorts of discrepancies go beyond a tolerable forecasting range.

Mr. President, it does not appear that the budget can be balanced because of the Kemp-Roth tax cut. The administration should concede that it made a mistake with Kemp-Roth.

Mr. President, I yield such time as I have remaining to the distinguished Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. PROXMIRE. Mr. President, how much time do I have?

The PRESIDING OFFICER. There are 10 minutes remaining.

Mr. PROXMIRE. I thank the Chair.

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## FCC PROPOSED REPEAL BY CONGRESS OF EQUAL TIME RULE AND FAIRNESS DOCTRINE MAKES EMINENT SENSE

Mr. PROXMIRE. Mr. President, this morning's Washington Post carries the welcome news that the FCC has asked Congress to repeal the so-called fairness doctrine and equal time rule.

I think that is good news. People say, what is wrong with fairness, what is wrong with the equal time rule?

I applaud that decision. I do so for a host of reasons. Earlier this year, I introduced S. 22, the First Amendment Clarification Act, which would do exactly what the FCC now recommends; namely, abolish the fairness doctrine and the equal time rule.

My bill is similar to a measure I first introduced in 1975 and again in 1977 and 1979.

Mr. President, the preferred source of news for 87 percent of the American people is radio and television. Yet, because of the fairness doctrine, the equal time rule, and other governmental controls, broadcasters are second-class citizens when it comes to first amendment rights.

Anybody who proposed that we require the newspapers to be subject to the fairness doctrine and the equal time rule would get short shrift in this body or anywhere else in the country because it would be such a clear abridgment of first amendment rights.

As I pointed out, radio and television are overwhelmingly the source of news for Americans. This means our first amendment is only about 13-percent effective when it comes to freedom of the press. Obviously, we can and must do better.

What my bill would do and what the FCC now proposes is to end both the equal time rule and the fairness doctrine.

The equal time rule requires that when a candidate for public office is given or sold time, any other candidate for that same office must be given an equal opportunity.

That sounds great. But the equal time rule is an abridgment of the first amendment. It is governmental control over a part of the free press.

The fairness doctrine of the Federal Communications Commission requires that broadcasters afford reasonable opportunities for the presentation of contrasting viewpoints on controversial issues of public importance.

Unlike the equal time requirement, the fairness doctrine does not call for each viewpoint to receive an equal amount of air time, nor does it require that the other viewpoint be given in the same program.

Again, that sounds fine. But the fairness doctrine, like the equal time rule, violates the first amendment. Once more, a segment of the free press is being regulated by the Government.

Why is my legislation necessary and, indeed, crucial? Why should Congress move ahead promptly to repeal the fairness doctrine and equal time rule, as the FCC yesterday recommended?

Mr. President, there are many reasons. Let me cite some of them.

First, these governmental controls on the free press are unconstitutional. They violate the first amendment's guarantee of freedom of the press.

Second, this kind of governmental regulation is unnecessary. Newspapers,

operating without governmental control, have improved vastly in fairness, objectivity, accuracy, and relevance over the years. Broadcasters deserve that same opportunity to be free.

Mr. President, I have made a study of newspapers for the last 30 years as part of a dissertation I never finished for my doctorate at Harvard. There is one thing I am absolutely sure of and that is our newspapers are the best in the world and have enormously improved, largely, I think, because they have been free to do so.

Third, denying broadcasters their first amendment rights is self-defeating. The fairness doctrine, for example, does not stimulate the free expression of diverse ideas. Rather, it promotes the "sameness" of ideas. Stations avoid the airing of controversial issues because they fear a challenge to their license renewal or expensive litigation resulting from a fairness complaint.

Fourth, governmental controls like the fairness doctrine and the equal time rule are dangerous. Letting government be the final arbiter of "fairness," for example, confers immense power. This is especially true when that same government decides on the granting of broadcast licenses.

Finally, those who favor continuing governmental regulation of the broadcasting media rely on an argument that is fast becoming obsolete—the so-called scarcity rationale. In almost every city in America—regardless of size—there are more television signals available than daily newspapers. If radio stations are counted, as they must be, general audience broadcasting stations far outnumber general circulation newspapers. Moreover, economic pressures make it nearly impossible to establish a daily newspaper in a community where one already exists.

To quote this morning's Washington Post article to which I referred at the outset of my remarks, FCC Chairman Mark Fowler "argued that with the growth of radio, the development of cable television, satellites, tapes, and other new media forms, there are far more broadcast outlets in communities around the country than newspapers."

Mr. President, Chairman Fowler is right on target in making that observation.

The Washington Post further reports that, "The opposition of Fowler and the rest of the Commission majority to the laws is based on the fact that the members believe the medium is no longer one bounded by scarce resources."

Mr. President, that statement from the Washington Post article says it all. The fairness doctrine and the equal time rule are outdated relics from an earlier day.

The time is long past due when the Congress should recognize, as the FCC has done, that the fairness doctrine and equal time rule should go.

I salute the FCC for its action yesterday in asking the Congress to repeal both the fairness doctrine and the equal time rule.

I urge my colleagues to move ahead quickly in acting on this FCC recommendation, which will benefit not just broadcasters, but all Americans.

Mr. President, I repeat, freedom of the press is for the benefit of all Americans, not just broadcasters. If television and radio, the most popular disseminators of news and opinion, continue to be tied down by governmental controls like the fairness doctrine and the equal time rule, the people of this Nation will continue to be the losers.

Mr. President, I ask unanimous consent that the article from this morning's Washington Post, discussing the FCC's recommendation that we abolish the fairness doctrine and equal time rule, be placed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FCC PROPOSES REPEAL BY CONGRESS OF EQUAL-TIME, FAIRNESS PROVISIONS

(By Merrill Brown)

The Federal Communications Commission, reflecting the impact of its new Reagan appointees, asked Congress yesterday to repeal the Fairness Doctrine and equal-time rules that govern the nation's broadcasting industry.

The recommendations represent the first time in the 47-year history of the Federal Communications Act that the FCC has sought to end the rules that are the basis for the agency's handling of political fairness and campaign issues. The vote was 4 to 2.

It is uncertain whether Congress will act on the commission recommendations. There was no immediate comment from the Senate's Republican leadership. However, Rep. Timothy Wirth (D-Colo.), chairman of a House telecommunications subcommittee, said the FCC is "wrong" to consider these issues as "simple deregulation measures," adding that the equal-time law and Fairness Doctrine are unlikely to be quickly abolished by Congress.

FCC Chairman Mark Fowler, a lawyer for Ronald Reagan's 1976 and 1980 campaign organizations, said the two provisions were based on "bankrupt concepts." Fowler said the "time has come to eliminate a large burden on freedom of speech."

The broadcasting industry has for many years argued that the laws deny the free-speech rights granted newspapers under the First Amendment. A spokesman for the National Association of Broadcasters hailed yesterday's commission action.

But the action drew sharp criticism from citizen groups and others. The two laws "enhance the First Amendment by giving people holding dissenting or not widely held viewpoints an opportunity to express them," said Andrew Jay Schwartzman, director of the Media Access Project, and a spokesman for a coalition fighting the proposal. The group includes the United Auto Workers, the National Citizens Committee for Broadcasting and the Office of Communications of the United Church of Christ.

Arthur Ginsburg, who left his post as chief of the FCC's Complaints and Compliance Division last year after 20 years with the agency, called the action a "sham and a fraud that plays upon the public's ignorance."

"If you wipe out the Fairness Doctrine, the richest and most powerful organizations will have their say and you'll never hear the other side of a particular issue," said Ginsburg, now a visiting professor of journalism at the University of Texas.

In essence, the issue in the debate is the government's role in regulating the over-the-air content in radio and television. The historic premise of the two laws is the notion of "scarcity," the view that since the broadcast spectrum is limited, the government has a major role to play in insuring that the electronic media carry multiple points of view.

The Fairness Doctrine requires broadcasters to air controversial topics and to present differing viewpoints, and the equal-time law forces licensees who put candidates on the air to grant equal opportunities to other candidates for the office.

In addition, the FCC voted to ask Congress to repeal a provision of the Communications Act that specifically guarantees broadcast time to candidates for federal office, a provision certain to rankle congressional leaders. Further, the commission agreed to recommend that the Justice Department, rather than FCC regulators, investigate obscenity, lottery and fraud charges against broadcasters.

The actions are the clearest statement yet by the leadership of a newly revamped FCC of the intention to combine free-market economics with broadcast deregulation.

"It's right for the country," Fowler said. "I'm proud of this commission . . . ."

The opposition of Fowler and the rest of the commission majority to the law is based on the fact that the members believe the medium is no longer one bounded by scarce resources.

Fowler argued that with the growth of radio, the development of cable television, satellites, tapes, and other new media forms, there are far more broadcast outlets in communities around the country than newspapers.

But Commissioners Joseph Fogarty and Abbott Washburn disagreed. Fogarty noted that his home does not have access to cable or any of the new distribution technologies.

## CAMBODIAN BALLET TROUPE SURVIVES HORROR

Mr. PROXMIRE. Mr. President, I call the Senate's attention to the cultural enrichment added to our Nation's performing arts this year by the Royal Cambodian Ballet. This troupe, which is composed of Cambodian refugees, has brought a unique and beautiful art to our country's stages—that of Cambodian classical ballet. They have given public performances at Wolf Trap Farm Park and at the Library of Congress to share their gifts with their new countrymen.

We are indeed fortunate to be able to enjoy the thousand-year-old ethnic tradition which these refugees offer us. Our Nation's cultural heritage has been created over the centuries through the contributions of many nationalities and ethnic groups. The diversity of our backgrounds is the source of our cultural richness, and we are happy to welcome the art of our newest Americans to our wealth of ethnic tradition.

Yet these refugees were fortunate to escape not only with their art, but also with their lives. As Cambodians educated in their country's classical tradition, their continued survival there was in peril. Disguising their identities, they fled from one of the most horrible bloodbaths mankind has witnessed. Many of the group were executed or starved along the way. Only a few months ago did the survivors reach the safety of the United States.

The story of this Cambodian ballet troupe underscores the need for ratification of the Genocide Convention. Just as our Nation is enriched by each of the peoples it includes, so the world com-

munity is enhanced by the contribution of every group of people, regardless of their ethnic background or religion. The loss of any such group deprives every nation of part of its heritage as a human community.

That is why the Genocide Convention is so very vital. It addresses at an international level a human right which has international ramifications—the right of all peoples to live. Our ratification of that treaty would demonstrate that the United States not only values all human life, but that it will act to defend that right.

We recognize that our interests do not end at our national borders. We must acknowledge that our responsibilities are international as well. I urge my distinguished colleagues to accept those responsibilities and to ratify the Genocide Convention.

## RECOGNITION OF SENATOR BENTSEN

The PRESIDING OFFICER. The Senator from Texas is recognized.

## HIGH INTEREST MORTGAGE RATES

Mr. BENTSEN. Mr. President, a few days ago, I made a trip to Boston to appear before the National Association of Homebuilders. I did it because I am concerned with what is happening to homeowners in this country. It was just a few years ago when we had—it is hard to remember that—a 4-percent rate on home mortgages. Now we have seen the rate go up 4 percent in a year. What has happened is that the dream of homeownership is just eluding the grasp of the average couple starting out today. Today, there are only one out of five young couples who can afford the mortgage on a home.

We have a situation where, I can recall, when I got out of World War II, my wife and I wanted to build a home, and we had something called the GI bill that would help you qualify for a loan. That does not work today. Except the GI does if you are fortunate enough—that means, generous in-laws. If you do not have generous in-laws, you just cannot cut it with this kind of situation.

Mr. President, there is an incredible difference in that monthly payment depending on what that interest rate is. For example, the average-priced home today and take a 30-year mortgage and suppose you had an 8-percent rate or you had a 16-percent rate. It means about $350 a month difference in that payment.

How do these young people decide to buy a home? They do not look so much at the price tag overall on that home, but they decide, "Can I take that monthly payment they are talking about with that mortgage and can I fit it into this paycheck and can I have enough left over to live on?" That is how they decide to buy a home. Today, they just cannot cut it. They cannot make that.

What do we do about it? We have a conflicting problem here. When we talk about trying to get these rates down, we want to be sure that at the same time, we are not causing a substantial increase in inflation. It is awfully easy to criticize the Fed, but in this situation, I think I can do it and offer a reasonable alternative.

Mr. President, we see a situation now where one big company is buying another large company. We see a situation where du Pont is buying Conoco.

See them tie up $7 billion worth of credit in an afternoon. See the syndication put together to do that. See Seagram turn around and decide they are going to buy Conoco, and they get into a bidding contest, and finally they end up in the catbird seat because they own more of du Pont than the du Ponts own now. I am not sure how well alcohol and oil mix. I am not sure how much synergism there is in that. I really doubt that even one barrel of oil will be added to production by that kind of purchase.

I am not faulting them over it. If they want to have a bigger company and get some gratification from that, that is up to them. But it is the wrong time for that. I believe the timing is bad.

Take a situation in which small business cannot borrow money at 22 percent or 23 percent interest, with a compensating deposit and whatever else is tied to it.

The true interest rate will get up to 24 percent or 25 percent. Which small business has that kind of margin or can say to the consumer, "You have to eat that?" They cannot do it. So we are seeing an increase in bankruptcies among small businesses.

We have the problem of a farmer who goes out to buy a tractor which has escalated in cost by an incredible amount. He decides that he has to get along with the old one or get out of the business.

In Dalhart, Tex., which is not a large town, not really a large farming community, more than a hundred farms are now listed for auction this fall. People are selling out. They are getting out of the farming business. One of the biggest problems they have is what is happening to the interest rates.

When large corporations can put together $7 billion in an afternoon or already have commitments of $50 billion to $70 billion for acquisitions or to fend off acquisitions—that is what the reports are now—we are really looking at the tip of the iceberg.

I have sat on the boards of some major corporations in this country. You get into a situation in which the financial officers in all these big companies are looking at all the balance sheets and trying to decide, "We can buy this one. This one is selling below book value, so we can buy this company cheaper than we can buy the new equipment."

Does anyone think that really adds to productivity? No. They are not going to buy the new equipment on that basis. They say, "We can borrow that money, and we can get the New York banks to put together a syndication for us to do it."

I believe it is time the Federal Reserve Board called in the New York banks and said, "Gentlemen, let's cool it. This is not the time to be competing with the small businessman for those funds. This is not the time to be competing with the homebuyer for those funds. This is not the time to be competing with the farmer and the rancher who are hanging on by their fingernails."

Am I proposing something radical, something never tried before? No. That was done back in 1974, when the Federal Reserve Board called in the big banks and said:

> Gentlemen, here are some guidelines, and you had better comply with them. We're not going to have you funding major speculative loans. We're not going to have you funding a situation where a company is trying to buy its own stock. We're not going to have you funding something where, for your own gratification, you want to acquire another company that has no synergism, no increase in productivity. This is not the time for it.

That is just what they did. They held off. So, what did the banks do? It really is not a problem imposed on those banks. They just call in their top customers and say, "Gentlemen, we would like to make this kind of loan, but this is not the time for it. You'll have to put that off. If you want to buy some new equipment, if you want to increase productivity, if you want to do something to stimulate this economy, which will increase productivity—and that is one of the ways you stop inflation—then we will make you those loans. Otherwise, we're going to have more money available for small business and for the farmer and the homeowner, and we're going to try to make the dream come true for these young people who want to buy a home."

The people in the Treasury are not just those from this administration. Some of these people go on from one administration to the other. The Senator from Louisiana (Mr. LONG) calls them "the Lilliputians over there." No matter how big a man you put in as head of the Treasury or some of the other officers, they sort of get their hands tied by this set way of thinking. There are fellows over there who think it is not productive to buy a home, that it is not a productive use of capital.

Well, I believe it is a great social objective for our country. In the last 40 years, we have increased homeownership in this country from 40 percent to 65 percent.

People who own homes do not burn them down. People who own homes are interested in how the schools are working in that area. People who own homes have the kind of stability which results in a concern about the tax structure in that area, and they will try to see that there is fair administration of it and that there is equity.

So I believe that is a great social objective for our country, and we should try to promote it and continue it. That is one of the differences we have with respect to many other countries around the world.

So, Mr. President, here is a positive, affirmative proposal to try to cut back on some of the competition for capital in this country, particularly the competition that is not adding to productivity.

Maybe it allows more accumulation of jets for an executive group. Also, they

now have something called the golden parachute. That is when the executives of a major company who think they are about to be taken over by some other major company get the board together and say, "Fellows, you know, I may lose my job in this field. So what I would like you to do is this. If somebody else gets as much as 25 percent of this company, then I want you to vote me a 5-year contract or a 10-year contract at my present wage. Also, I'd better take care of the fellows around me, so I want you to do that for six vice presidents."

That is a great defense of the stockholders. Those executives do not have themselves in mind. They are really trying to do something that will help their stockholders. That is part of the parcel we are seeing today in some of these acquisitions and mergers.

So, Mr. President, now is the time to cool it. Let us back off from that. We have a situation in which farmers do not have that golden parachute. Farmers are having trouble marketing their crops, getting a reasonable return, and interest rates are adding to that cost.

If you cool that kind of competition for funds, there is nothing inflationary about that. All that means is that capital is going to a more productive use. That is what I urge.

I have submitted a Senate resolution with a number of cosponsors. I wish the Presiding Officer, the Senator from Mississippi (Mr. COCHRAN), would take a look at it, and I wish other Members of this Senate would take a look at it, because it deals with something affirmative and does not simply try to cast aspersions on the operation of everything, without any solution. It is a positive, affirmative action the Federal Reserve Board can take.

I think it will help. I think it is also important that we use it for the purpose of affecting the situation and effecting the situation where the people of this country will understand that we are trying to do something in a very positive manner to help with these burdensome interest rates.

Mr. President, I yield back the remainder of my time.

## ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business.

Mr. BENTSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MATTINGLY). Without objection, it is so ordered.

## EXECUTIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate go into executive session for the purpose of considering the nominations on the calendar commencing with Calendar No. 460, Department of Energy.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object——

Mr. STEVENS. Mr. President, I withdraw that. I ask unanimous consent that we go into executive session for the purpose of considering the nominations on the calendar beginning with Calendar No. 458, Inter-American Development Bank.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I shall not object, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that all nominations on the calendar beginning with Calendar No. 458 on pages 2, 3, 4, 5, and 6, down to and including all the nominations on the Secretary's desk be considered and confirmed en bloc and a motion to reconsider those nominations en bloc be in order.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, those nominations have been cleared on this side of the aisle. There is no objection to the consideration and confirmation of the nominees involved.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

INTER-AMERICAN DEVELOPMENT BANK

Jose Manuel Casanova, of Florida, to be Executive Director.

DEPARTMENT OF ENERGY

Guy W. Fiske, of Missouri, to be Under Secretary of Energy.

William Addison Vaughan, of Michigan, to be an assistant Secretary of Energy (Environmental Protection, Safety and Emergency Preparedness).

Rayburn D. Hanzlik, of California, to be Administrator of the Economic Regulatory Administration.

DEPARTMENT OF THE INTERIOR

Dallas Lynn Peck, of Virginia, to be Director of the Geological Survey.

Robert Carlton Horton, of Colorado, to be Director of the Bureau of Mines.

U.S. AIR FORCE

Lt. Gen. John G. Albert, U.S. Air Force, (age 58), for appointment to the grade indicated pursuant to the provisions of title 10, United States Code, section 8962; to be lieutenant general on the retired list.

The following permanent professor for reappointment to the Active Duty List of the Regular Air Force, in accordance with section 531, title 10, United States Code, in the grade indicated, under the provisions of section 601, title VI, Transition Provisions, Defense Officer Personnel Management Act of 1980.

LINE OF THE AIR FORCE

Badgett, Lee D., [redacted] to be colonel, Regular Air Force.

U.S. ARMY

The following-named officers under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

Maj. Gen. Jack Vincent Mackmull, [redacted] U.S. Army, to be lieutenant general.

Maj. Gen. Donald Edward Rosenblum, [redacted] U.S. Army, to be lieutenant general.

Maj. Gen. Howard Francis Stone, [redacted] Army of the United States (brigadier general, U.S. Army), to be lieutenant general.

Maj. Gen. James Benjamin Vaught, [redacted] U.S. Army, to be lieutenant general.

Lt. Gen. William Rowland Richardson, [redacted] Army of the United States (major general, U.S. Army), to be Senior Army Member of the Military Staff Committee of the United Nations under the provisions of title 10, United States Code, section 711.

The following-named officer under the provisions of title 10, United States Code, sections 3036, 3066, 3284, and 3307 to be assigned as the Surgeon General, U.S. Army, a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

Maj. Gen. Bernhard Theodore Mittemeyer, [redacted] Army of the United States (colonel, U.S. Army, Medical Corps), to be lieutenant general, Army of the United States and major general, U.S. Army.

Maj. Gen. John Nelson Brandenburg, [redacted] U.S. Army, under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade indicated, to be lieutenant general.

Lt. Gen. Charles Calvin Pixley [redacted], (age 57), Medical Corps, Army of the United States (major general, U.S. Army), to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 3962, to be lieutenant general.

U.S. NAVY

The following named reserve captains of the line and staff corps of the Navy for temporary promotion to the grade indicated, subject to qualification therefor as provided by law:

LINE

LeRoy Vincent Isaacson, Vincent Joseph Anzilotti, Jr., Francis Neale Smith, and George Clark Sayer, to be rear admiral.

MEDICAL CORPS

John Peter Connelly, to be rear admiral.

SUPPLY CORPS

Delbert Harry Beumer, to be rear admiral.

INTERNATIONAL ATOMIC ENERGY AGENCY

W. Kenneth Davis, of California, to be the Representative of the United States of America to the 25th Session of the General Conference of the International Atomic Energy Agency.

Richard T. Kennedy, of the District of Columbia, Roger Kirk, of the District of Columbia, and Thomas M. Roberts, of Tennessee, to be an Alternate Representative of the United States of America to the 25th Session of the General Conference of the International Atomic Energy Agency.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, NAVY AND MARINE CORPS

Air Force nominations beginning Jose E. Calzada, to be major, and ending Bobby C. Springer, to be first lieutenant, which nominations were received by the Senate and appeared in the Congressional Record of July 31, 1981.

Air Force nominations beginning George W. Beddingfield, to be colonel, and ending Melvin B. Emmons, to be colonel, which nominations were received by the Senate on August 11, 1981, and appeared in the Congressional Record of September 9, 1981.

Army nominations beginning Ray A. Strawser, to be colonel, and ending Henry S. Maerki, Jr., to be major, which nominations were received by the Senate and appeared in the Congressional Record of July 31, 1981.

Army nominations beginning Marvin G. Back, to be colonel, and ending Joe T. Skidmore, to be lieutenant colonel, which nominations were received by the Senate on August 11, 1981 and appeared in the Congressional Record of September 9, 1981.

Navy nominations beginning Iffat A. Abbasi, to be lieutenant commander, and ending Jeri M. Rigoulot, to be lieutenant commander, which nominations were received by the Senate on August 11, 1981, and appeared in the Congressional Record of September 9, 1981.

Navy nominations beginning John R. Aguilar, to be commander, and ending Craig L. Majkowski, to be lieutenant (j.g.), which nominations were received by the Senate on August 11, 1981, and appeared in the Congressional Record of September 9, 1981.

Navy nominations beginning Robert Waugh Aldinger, to be captain, and ending James Wallace Moor, to be captain, which nominations were received by the Senate on August 11, 1981, and appeared in the Congressional Record of September 9, 1981.

Navy nominations beginning Steven C. Streck, to be lieutenant commander, and ending Jon G. Motter, to be ensign, which nominations were received by the Senate on August 28, 1981, and appeared in the Congressional Record of September 9, 1981.

Navy nominations beginning Billy J. Archer, to be ensign, and ending Zein E. Obagi, to be commander, which nominations were received by the Senate on August 28, 1981, and appeared in the Congressional Record of September 9, 1981.

Marine Corps nominations begining George L. Alvarez, to be lieutenant colonel, and ending Robert A. Zink, to be chief warrant officer, which nominations were received by the Senate and appeared in the Congressional Record on July 31, 1981.

Marine Corps nominations beginning Anthony E. Agrue, to be first lieutenant, and ending John R. Zimmerman, to be first lieutenant, which nominations were received by the Senate on September 4, 1981, and appeared in the Congressional Record of September 9, 1981.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the nominations were confirmed en bloc.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominees.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATIONS OF GUY W. FISKE, WILLIAM A. VAUGHAN, RAYBURN HANZLIK, ROBERT C. HORTON, AND DALLAS L. PECK

● Mr. McCLURE. Mr. President, on September 16, the Committee on Energy and Natural Resources favorably reported the following nominations for positions in the Department of Energy and the Department of the Interior:

Guy W. Fiske, to be Under Secretary, DOE.

William A. Vaughan, to be Assistant Secretary for Environmental Protection, Safety and Emergency Preparedness, DOE.

Rayburn Hanzlik, to be Administrator of the Economic Regulatory Administration, DOE.

Robert C. Horton, to be Director, U.S. Bureau of Mines, DOI.

Dallas L. Peck, to be Director, U.S. Geological Survey, DOI.

The vote on each nominee was 17 to 0. The committee's vote followed a nomination hearing held on September 14.

Mr. President, I am pleased to note that each of the nominees is very well qualified for the position to which he has been nominated. During the hearing on their nominations, the professional qualifications of the nominees were briefly described, as follows:

Guy W. Fiske:

Mr. Fiske has been a business executive for over 30 years. He has served as Executive Vice President and Director of General Dynamics Corporation since 1977. For nine years he was employed by International Telephone and Telegraph Corporation. Mr. Fiske was a Vice President of ITT, and he also served in a number of executive positions in ITT's international operations. From 1949 to 1968, Mr. Fiske was employed by the General Electric Company.

William A. Vaughan:

Since 1970, Mr. Vaughan has been employed by General Motors Corporation. For six years, he served on GM's legal staff, and since 1976 he has held the position of Director, Energy Management, Manufacturing Staff. Prior to joining GM, Mr. Vaughan served for ten years on the faculty of the Virginia Military Institute.

Rayburn Hanzlik:

Mr. Hanzlik is an attorney whose career has been a combination of private law practice and Government service. As an attorney in private practice, he has had extensive experience in a variety of energy-related areas. For example, he has served as legal advisor for an Alaska oil refinery project, and as counsel to the Japanese Government on U.S. nuclear energy policy. Mr. Hanzlik has also had several positions on the White House staff, including Associate Director for Intergovernmental Relations, White House Domestic Council (1976–1977), and Director 1971 White House Conference on Youth.

Robert C. Horton:

Since 1976, Mr. Horton has been employed by Bendix Field Engineering Corporation as the Director of the Geologic Division. For ten years, Mr. Horton has employed by the Nevada Bureau of Mines either as Associate Director or as a mining engineer. He has also served as an officer of two petroleum exploration and drilling companies, and he has been self-employed as both a geologist and a mining consultant.

Dallas L. Peck:

For virtually his entire career, beginning in 1951, Dr. Peck has been a geologist with the U.S. Geological Survey. He has served as Chief Geologist since 1977. Dr. Peck's career with the Geological Survey has consisted of an impressive variety of duties and special asignments. He engaged in geologic exploration in Oregon in the 1950's, in Hawaii in the 1960's, and in California in the 1970's. He has served as a technical advisor to a number of science organizations, including the National Science Foundation and the National Research Council. Dr. Peck has also participated in at least eight international conferences on such subjects as geothermal power and volcano energy.

Mr. President, on behalf of the Committee on Energy and Natural Resources, I am pleased to recommend Senate approval of the Presidential nominations of Guy W. Fiske, William A. Vaughan, Rayburn Hanzlik, Robert C. Horton, and Dallas L. Peck.●

## LEGISLATIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

## SOVIET ACTIVITIES IN AFRICA

Mr. THURMOND. Mr. President, I rise to call to the attention of the Senate the Evans and Novak column in today's issue of the Washington Post newspaper entitled "Moscow's Designs on Africa."

Mr. President, this column brings to the public's attention the increased Soviet effort to bring down South Africa and Namibia. This effort is becoming a major military operation through supply of heavy arms to Angola and the participation of an estimated 6,000 Soviet, East German, and Cuban military advisers. Two Soviet advisers were killed in fighting there in August.

In contrast, little is heard in the United Nations or elsewhere, including the American press, about this high-powered drive to expand Communist control throughout Africa. However, the press seems to overflow with articles when the United States sends a few advisers to El Salvador in an effort to permit the Government there to stabilize the situation and to conduct free elections.

The Senate, the Congress, and the American press should highlight the dangers of Soviet expansionism in Africa. This is a mineral rich continent, and of the 37 minerals regarded as essential in a modern society, America imports more than 50 percent of 23 kinds, most of which come from Africa.

The importance of South Africa to our economic well-being is obvious. A House subcommittee which conducted a study on this subject found that if South Africa's mineral riches fell into Soviet hands "the Western world could be forced to its knees in 6 months."

For instance, South Africa produces 75 percent of the free world's manganese. There is no adequate substitute for manganese in steelmaking and the United States is practically 100 percent import dependent on South Africa's supply.

This area's mineral wealth not only supplies our economy, but many of these minerals are vital to our defense industry. If the United States were to be denied certain key minerals such as South Africa's platinum, chrome, or manganese resources the impact on production of defense weapon systems would be severe.

Mr. President, the Soviets have ample supplies of most of these minerals. It is obvious that their onslaught in Africa is directed at the deprival of precious metals and minerals to the West. They have made significant inroads, as today we have Marxist dominated governments in Angola, Libya, Mozambique, Ethiopia, Zambia, Zimbabwe—formerly Rhodesia—and the Central African Republic.

Mr. President, I urge that my colleagues read this article. We must support our friends in South Africa and elsewhere against Soviet expansionism. It is the right thing to do, and it serves our best interests to do so.

Mr. President, I ask unanimous consent that this article by Mr. Evans and Mr. Novak be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 18, 1981]

MOSCOW'S DESIGNS ON AFRICA

(By Rowland Evans and Robert Novak)

The death of two Russian officers in South Africa's raid against SWAPO military installations in southern Angola last month is evidence that Moscow seeks to transform black Africa guerrilla actions into a conventional war capability against South African-controlled Namibia and eventually South Africa itself.

Moscow has been an arms supplier for several years to guerrilla forces of the South West Africa People's Organization. SWAPO has used these arms from bases in southern Angola to strike against South Africa in the waning days of its rule in Namibia before that former German colony gets its independence.

The forbidding new element in Soviet plans: conventional warfare capability against South Africa by integrating SWAPO's guerrillas and forces of the Soviet-backed regime in Angola.

At the same time, the Russians seek to divert South Africa from its problems in pre-independence Namibia by opening up a second anti-South Africa front from Mozambique. Mozambique borders South Africa on the Indian Ocean, far east of Namibia.

The fact that two Soviet lieutenant colonels—named Kireev and Lamonavich—were killed in last month's South African raid against SWAPO guerrilla installations points to Soviet integration of SWAPO and Angolan forces. Soviet, Cuban and East German "advisers" have long been front-stage actors in the Angolan regime's stalemated civil war for control of all Angola; but they have never before been physically discovered in command posts of Namibia's hit-and-run guerrilla war against South Africa.

Additional evidence made available to us includes photographs showing Sam Nujoma, SWAPO's Soviet-trained "president," consorting with Angolan military leaders and Soviet or East European advisers near the Namibian border.

The Soviet strategy began to emerge two years ago. Confidential directives from Moscow stated that Angola must continue providing bases and aid to SWAPO despite the certainty of destructive South African reprisal raids.

To reach that objective, Moscow promised, and has now delivered, an extraordinary amount of conventional weapons. Three major radar and air-defense bases (destroyed in the raid) had been completed near the Namibian border and armed with SAM-3 and SAM-6 fixed anti-aircraft missiles. These were under the overall command of Soviet advisers, who employed East German regulars to man the missiles.

At least two of these SAM bases were close enough to the border to control air traffic deep into Namibia and threaten operations of the South African air force. They were part of the down payment to Angola's pro-Marxist regime (not recognized by the United States), pledged by Moscow to protect it from South African raids against SWAPO bases.

The down payment is escalating. Ineffective Cuban advisers are being replaced by crack Soviet and East German specialists. They direct SWAPO strategy for Namibia and strengthen the Angolan regime in its long civil war against anti-Marxist forces, headed by Jonas Savimbi and backed by South Africa.

The objective is to integrate anti-Western Soviet policies in Angola and South Africa-Namibia, building a conventional war capability to advance both objectives.

The Russians are now known to have armed the Angolan regime with an estimated 267 tanks, 298 armored cars, 550 artillery pieces and other arms. Weapons now going to Mozambique for use on the second front against South Africa are approaching similar quantities.

The Soviet design is strikingly clear; provide a conventional, not just guerrilla, war capability for its black African allies against white-ruled South Africa in hopes of locking up the greatest mineral storage house in the world and controlling oil traffic around the Horn.

Yet, curiously, all this passes unnoticed at the United Nations, even though Soviet and East German manpower in Angola and Mozambique now totals close to 6,000 military and civilian specialists.

It would tax world diplomacy to find a sharper example of that durable phenomenon known as the double standard. The United States is excoriated, even in Western Europe, for trying to arrange free elections in El Salvador and dispatching two score military advisers to strengthen the government there. The true nature of the Soviet buildup in southern Africa, perceived in the narrow focus of a righteous crusade against South African racism, is ignored. Yet its aim is to upset the world balance of power to the grave detriment of the West.

## CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

## AGRICULTURE AND FOOD ACT OF 1981

The PRESIDING OFFICER. The clerk will state the pending business.

The legislative clerk read as follows:

A bill (S. 884) to revise and extend programs to provide price support and production incentives for farmers to assure an abundance of food and fiber, and for other purposes.

The Senate resumed consideration of the bill.

UP AMENDMENT NO. 390

(Purpose: To make minor changes in the provisions relating to the Joint Council on Food and Agricultural Sciences to enable the Department of Agriculture to better carry out its science and education functions)

Mr. HELMS. Mr. President, I have a largely technical amendment, which will be agreed to. I send a copy of the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS), for himself and Mr. HUDDLESTON, proposes an unprinted amendment numbered 390.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 258, line 5, strike out "and".

On page 258, line 6, change the period to a semicolon and immediately thereafter insert the following: "and other public and private institutions, producers and representatives of the public who are interested in and have a potential to contribute, as determined by the Secretary, to the foundation of national policy in the food and agricultural sciences.".

On page 258, line 7, strike out all after the word "Secretary" through the end of line 8, and insert in lieu thereof a period.

On page 260, line 3, strike out the semicolon and the word "and", and insert in lieu thereof a period.

On page 260, strike out lines 4 and 5.

On page 260, strike out lines 6 through 8 and insert in lieu thereof the following:

"Each such report shall be submitted to the Secretary of Agriculture. Minority views, if timely".

Mr. HELMS. Mr. President, the Department of Agriculture has requested a few minor changes in title XIV of S. 884. These changes will allow the Department to carry out its science and education functions more effectively.

I have no objections to the request. I ask unanimous consent that the text of the letter from Secretary Block be reprinted, in full, in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
*Washington, D.C., September 9, 1981.*

Hon. JESSE HELMS,
*Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: As you are well aware, I am a strong supporter of Agricultural Research and Extension programs which are authorized by Title XIV of the Food and Agriculture Act of 1977. You and your committee are to be commended for recognizing the importance of these programs and for preserving and strengthening them in the revised Title XIV, S. 884.

It is generally recognized that much of the success of our science and education system is dependent on a strong Federal/State partnership, and your committee has recognized that by adding language specifically reaffirming that partnership.

Overall, the changes proposed in S. 884 for Title XIV are in accord with the views of the Department of Agriculture, however, there are a few minor or technical changes that in my view will allow the Department to carry out its science and education functions more effectively.

First, I believe the Secretary should have more flexibility in making appointments to the Joint Council on Food and Agricultural Sciences. The language limits appointment to nominations made by specifically listed organizations and agencies, and I believe the Secretary should have the flexibility to insure the makeup of the Joint Council is such that it can best meet the advisory and coordination needs of the Department and the science and education system. I have recently voiced support for the Joint Council and will insure that its makeup does reflect the various interests in the science and education community.

A second minor change I would suggest is to delete the requirement that the Joint

Council reports be simultaneously submitted to the entities other than the Secretary. That requirement is unnecessary since reports of the Joint Council are available to all of the public and, moreover, the Secretary is required to transmit recommendations of the Joint Council to the Congress as part of the Secretary's annual report.

Finally, I would suggest that the language requiring the Joint Council in its reports to specify the "level of financial and other support needed" is in effect asking the Joint Council to prepare a Federal budget for science and education. This is far too much to ask of the Joint Council and would require more staff resources than would be available to accomplish the requirement. Furthermore, we have a process for developing the Federal budget, and there is ample opportunity for various interest groups to make input and voice their views before the Congress finally settles on an appropriation bill.

In closing, may I reaffirm overall support for Title XIV of S. 884 and reemphasize that the changes suggested are very minor in nature.

Sincerely,

JOHN R. BLOCK,
*Secretary.*

Mr. HELMS. Mr. President, this amendment would modify the provisions of S. 884 relating to the Joint Council to broaden the list of organizations and agencies from which the membership of the Joint Council can be selected to include other public and private institutions, producers, and representatives of the public who the Secretary determines are in a position to contribute to the foundation of national policy in food and agricultural sciences.

In addition, the amendment would delete the restriction in S. 884 that nominations for Council members can only be submitted by the organizations and agencies whose representatives are eligible to serve on the Council. The effect of these changes is to provide the Secretary with increased flexibility in making appointments to the Joint Council to allow for Council membership that can best meet the advisory and coordination needs of the Department and the science and education system.

This amendment would also provide that the annual report of the Joint Council is only required to be submitted to the Secretary of Agriculture. The effect of this change is to delete the requirement that the report also be submitted to Congress and to the constituent organizations of the Joint Council.

Finally, the amendment would delete the requirement that the Joint Council specify the level of financial and other support needed to carry out science and education programs as a feature of its annual report.

Mr. HUDDLESTON. Mr. President, the amendment is acceptable.

Mr. HELMS. Mr. President, I move adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 390) was agreed to.

Mr. HELMS. I move to reconsider the vote by which the amendment was agreed to.

Mr. HUDDLESTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 391

(Purpose: To delete the requirement that actions under the Special Standby Export Subsidies Program be authorized by the dispute settlement procedures of the subsidies code of GATT)

Mr. HELMS. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 391.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 240, strike out line 18 through line 6 on page 241 and insert in lieu thereof the following: "the United States; and

(c) fails to reach a mutually acceptable resolution through consultation with the foreign country or instrumentality concerned."

Mr. HELMS. Mr. President, this is really a technical amendment which the Department of Agriculture requested to strike clause (d) of subsection (b) of section 1203, of S. 884. This provision requires the President to seek authorization under the dispute settlement procedures of the general agreement on tariffs and trade (GATT) before the export subsidy authority could be implemented.

Specifically, section 1203(b)(d) states:

The Secretary shall implement the special standby export subsidy program formulated under subsection (a) of this section only after the President . . . is authorized under the dispute settlement procedures specified in the Agreement of Interpretation and Application of Articles VI, XVI, and XXIII of the General Agreement on Tariffs and Trade to undertake an export subsidy program to counter the export subsidies on agricultural commodities employed by the foreign country or instrumentality concerned: *Provided*, that the United States is obligated by international agreement to receive such authorization before undertaking measures to counter such export subsidies.

Mr. President, the reason that clause (d) was added to this provision of title XII of our bill was to preclude any argument that we might be in conflict with our international obligations as a result of being a member to the GATT, and signatory to the GATT subsidies code.

However, Mr. President, I wish to clarify for the benefit of the Senate that the subsidies code, specifically under article 16, allows subsidies for primary products, and agricultural products are primary products. It is for this reason alone that the Commission of the 10 nation European Economic Community signed the subsidies code. Had the EEC and other nations not been able to insert that language in the subsidies code, their export subsidies program for agricultural products would have been in violation.

Since the U.S. Government does not have a subsidies program but is permitted to both establish and implement one under the GATT subsidies code, then, Mr. President, I see no reason why this country must seek authorization under the GATT. Indeed other countries have not reduced or eliminated subsidy programs for agricultural commodities; nor have they been precluded from establishing them under the GATT subsidies code.

Therefore, Mr. President, I urge adoption of this amendment.

Mr. HUDDLESTON. Mr. President, we support the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 391) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUDDLESTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 392

Mr. LUGAR. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Indiana (Mr. LUGAR) proposes an unprinted amendment numbered 392.

Mr. LUGAR. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 138, beginning with line 1, strike out everything down through line 11 on page 197 and insert in lieu thereof the following:

TITLE III—WHEAT

LOAN RATES, LAND DIVERSION, AND PAYMENT YIELDS FOR THE 1982 THROUGH 1985 CROPS

SEC. 301. Effective only for the 1982 through 1985 crops of wheat, section 107A of the Agricultural Act of 1949 is amended to read as follows:

"SEC. 107A. Notwithstanding any other provision of law—

"(a) The Secretary shall make available to producers loans and purchases for each of the 1982 through 1985 crops of wheat at such level as the Secretary determines to be appropriate taking into consideration the cost of producing wheat, supply and demand conditions, and world prices for wheat.

"(b)(1) The Secretary is authorized to conduct a land diversion program and make land diversion payments to producers of wheat if the Secretary determines that such payments will assist in obtaining necessary adjustments in the total acreage of wheat. If a land diversion program is in effect under this subsection, the Secretary is also authorized to require that producers participate in such program as a condition of eligibility for loans and purchases authorized by subsection (a). Land diversion payments shall be made to a producer on a farm who devotes an acreage of cropland on the farm to conservation uses approved by the Secretary in accordance with a land diversion contract entered into with the Secretary. The amounts payable to a producer under a land diversion contract shall be determined by such means as the Secretary determines appropriate, including the submission of bids for such contracts. In determining the acceptability of a contract offer, the Secretary shall take into

consideration the extent of the diversion to be undertaken by the producer and the productivity of the acreage diverted based upon the farm program payment yield established for the farm. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(2) The farm program payment yield for each crop of wheat for which a land diversion program is in effect shall be the last yield which had been previously established for the farm, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for wheat was previously established for the farm the Secretary is authorized to determine such yield as the Secretary finds fair and equitable. In the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. In the event national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(3) The diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(4) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation no later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(c) In any case in which the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure.

"(d) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(e) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(f) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this subsection.".

NONAPPLICABILITY OF CERTIFICATE REQUIREMENTS

SEC. 302. Sections 379d, 379e, 379f, 379g, 379h, 379i, and 379j of the Agricultural Adjustment Act of 1938 (which deal with marketing certificate requirements for processors and exporters) shall not be applicable to wheat processors or exporters during the period June 1, 1982 through May 31, 1986.

SUSPENSION OF MARKETING QUOTAS AND PRODUCER CERTIFICATE PROVISIONS

SEC. 303. Sections 331, 332, 333, 334, 335, 336, 338, 339, 379b, and 379c of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1982 through 1985 crops of wheat.

SUSPENSION OF QUOTA PROVISIONS

SEC. 304. Public Law 74, Seventy-seventh Congress (55 Stat. 203, as amended) shall not be applicable to the crops of wheat planted for harvest in the calendar years 1982 through 1985.

NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURE ACT OF 1949 TO THE 1982 THROUGH 1985 CROPS OF WHEAT

SEC. 305. Section 107 of the Agriculture Act of 1949 shall not be applicable to the 1982 through 1985 crops of wheat.

## TITLE IV—FEED GRAINS

LOAN RATES, LAND DIVERSION, AND PAYMENT YIELDS FOR THE 1982 THROUGH 1985 CROPS

SEC. 401. Effective only for the 1982 through 1985 crops of feed grains, Section 105A of the Agricultural Act of 1949 is amended to read as follows:

"SEC. 105A. Notwithstanding any other provision of law—

"(a)(1) The Secretary shall make available to producers loans and purchases for each of the 1982 through 1985 crops of corn at such level as the Secretary determines to be appropriate taking into consideration the cost of producing corn, supply and demand conditions, and world market prices for corn.

"(2) The Secretary shall make available to producers loans and purchases on each of the 1982 through 1985 crops of grain sorghums, barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and other factors specified in section 401(b) of this Act.

"(b)(1) The Secretary is authorized to conduct a land diversion program and make land diversion payments to producers of one or more of the crops of corn, barley, oats, rye, and grain sorghums if the Secretary determines that such payments will assist in obtaining necessary adjustments in the total acreage of any of these feed grains. If a land diversion program is in effect for one or more of the crops of corn, barley, oats, rye, and grain sorghums, the Secretary is also authorized to require that producers participate in any such program as a condition of eligibility for loans and purchases authorized by subsection (a). Land diversion payments shall be made to a producer on a farm who devotes an acreage of cropland on the farm to conservation uses approved by the Secretary in accordance with a land diversion contract entered into with the Secretary. The amounts payable to a producer under a land diversion contract shall be determined by such means as the Secretary determines appropriate, including the submission of bids for such contracts. In determining the acceptability of a contract offer, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producer and the productivity of the acreage diverted based upon the farm program payment yield established for the farm. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(2) The farm program payment yield for each crop of corn, barley, oats, rye, and grain sorghums for which a land diversion program is in effect shall be the last yield which had been previously established for the farm, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for any of such feed grains was previously established for the farm, the Secretary is authorized to determine such yields as the Secretary finds fair and equitable. In the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. In the event national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(3) The diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(4) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation no later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(c) In any case in which the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure.

"(d) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(e) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(f) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this subsection.".

NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURE ACT 1949 TO THE 1982 THROUGH 1985 CROPS OF FEED GRAINS

SEC. 102. Section 105 of the Agricultural Act of 1949 shall not be applicable to the 1982 through 1985 crops of feed grains.

## TITLE V—UPLAND COTTON

BASE ACREAGE ALLOTMENTS; SUSPENSION OF MARKETING QUOTAS, AND RELATED PROVISIONS

SEC. 501. Sections 342, 343, 344, 345, 346 and 377 of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1982 through 1985 crops of upland cotton.

LOAN RATES, LAND DIVERSION, AND PAYMENT YIELDS FOR THE 1982 THROUGH 1985 CROPS

SEC. 502. Effective only for the 1982 through 1985 crops of upland cotton, section 103(f) of the Agricultural Act of 1949 is amended to read as follows:

"SEC. 103.(f) Notwithstanding any other provision of law—

"(1) The Secretary shall, upon presentation of warehouse receipts reflecting accrued storage charges of not more than sixty days, make available for the 1982 through 1985 crops of upland cotton to producers nonrecourse loans for a term of ten months from the first day of the month in which the loan is made at such level as will reflect for Strict Low Middling one and one-sixteenth inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States the smaller of (i) 85 per centum of the average price (weighted by market and month) of such quality of cotton as quoted in the designated United States spot markets during the three years of the five-year period ending July 31 in the year in which the loan level is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, or (ii) 90 per centum of the average, for the fifteen-week period beginning July 1 of the year in which the loan level is announced, of the five lowest priced growths of the growths determined for Middling one and three-thirty seconds inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between such average Northern Europe price determination of such quality of cotton and the market quotations in the designated United States spot markets for Strict Low Middling one and one-sixteenth inch cotton (micronaire 3.5 through 4.9)): *Provided*, That in no event shall such loan level be less than 48 cents per pound. If for any crop the average Northern Europe price determined under clause (ii) of the first sentence of this paragraph is less than the average United States spot market price determined under clause (i) of the first sentence of this paragraph, the Secretary may, notwithstanding the foregoing provisions of this paragraph, increase the loan level to such level as the Secretary may deem appropriate not in excess of the average United States spot market price determined under clause (i) of the first sentence of this paragraph. The loan level for any crop of cotton shall be determined and announced by the Secretary not later than November 1 of the calendar year preceding the marketing year for which such loan is to be effective, and such level shall not thereafter be changed. Nonrecourse loans provided for in this subsection shall, upon request of the producer during the tenth month of the loan period for the cotton, be made available for an additional term of eight months: *Provided*, That such request to extend the loan period shall not be approved in a month when the average price of Strict Low Middling one and one-sixteenth inch cotton (micronaire 3.5 through 4.9) in the designated spot markets for the preceding month exceeded 130 per centum of the average price of such quality of cotton in such markets for the preceding thirty-six month period: *Provided, further*, That whenever the Secretary determines that the average price of Strict Low Middling one and one-sixteenth inch cotton (micronaire 3.5 through 4.9) in the designated United States spot markets for such cotton for a month exceeded 130 per centum of the average price of such quality of cotton in such markets for the preceding thirty-six months, notwithstanding any other provision of law, the President shall immediately establish and proclaim a special limited global import quota for upland cotton subject to the following conditions:

"(A) The amount of the special quota shall be equal to twenty-one days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent three months for which data are available;

"(B) If a special quota has been established under this subsection during the preceding twelve months, the amount of the quota next established hereunder shall be the smaller of twenty-one days of domestic mill consumption calculated as set forth in clause (A) of this subsection or the amount required to increase the supply to 130 per centum of the demand;

"(C) As used in clause (B) of this paragraph, the term 'supply' means, using the latest official data of the Bureau of the Census, the United States Department of Agriculture, and the United States Department of the Treasury, the carryover of upland cotton at the beginning of the marketing year (adjusted to four hundred and eighty-pound bales) in which the special quota is established, plus production of the current crop, plus imports to the latest date available during the marketing year, and the term 'demand' means the average seasonally adjusted annual rate of domestic mill consumption in the most recent three months for which data are available, plus the larger of average exports of upland cotton during the preceding six marketing years or cumulative exports of upland cotton, plus outstanding export sales for the marketing year in which the special quota is established; and

"(D) When a special quota is established under the provisions of this subsection, a ninety-day period from the effective date of the proclamation shall be allowed for entering cotton under such quota.

"(2) Notwithstanding the foregoing provisions of this subsection, a special quota period shall not be established that overlaps an existing special quota period.

"(3)(A) The Secretary is authorized to conduct a land diversion program and make land diversion payments to producers of upland cotton if the Secretary determines that such payments will assist in obtaining necessary adjustments in the total acreage of upland cotton. If a land diversion program is in effect under this subsection, the Secretary is also authorized to require that producers participate in such program as a condition of eligibility for loans authorized by subsection (1). Land diversion payments shall be made to a producer on a farm who devotes an acreage of cropland on the farm to conservation uses approved by the Secretary in accordance with a land diversion contract entered into with the Secretary. The amounts payable to a producer under a land diversion contract shall be determined by such means as the Secretary determines appropriate, including the submission of bids for such contracts. In determining the acceptability of a contract offer, the Secretary shall take into consideration the extent of the diversion to be taken by the producer and the productivity of the acreage diverted based upon the farm program payment yield established for the farm. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(B) The farm program payment yield for each crop of upland cotton for which a land diversion program is in effect shall be the last yield which had been previously established for the farm, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for upland cotton was previously established for the farm, the Secretary is authorized to determine such yield as the Secretary finds fair and equitable. In the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. In the event national, State or county program payment yields are established, the farm program payment yields shall balance to the national, State or county program payment yields.

"(C) The diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(D) An operator of a farm desiring to participate in the program conducted under this subsection shall file an agreement with the Secretary providing for such participation no later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producers, terminate or modify any such agreement entered into pursuant to this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to alleviate a shortage in the supply of agricultural commodities.

"(4) In any case in which the failure of a producer to comply fully with the terms and conditions of the program conducted under this subsection precludes the making of loans and payments, the Secretary may, nevertheless, make such loans and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure.

"(5) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this subsection.

"(6) The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

"(7) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this subsection.".

COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS

SEC. 503. Effective only with respect to the period beginning August 1, 1982, and ending July 31, 1986, the tenth sentence of section 407 of the Agricultural Act of 1949 is amended by striking out all of that sentence through the words "110 per centum of the loan rate, and (2)" and inserting in lieu thereof the following: "Notwithstanding any other provision of law, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 115 per centum of the loan rate of Strict Low Middling one and one-sixteenth inch upland cotton (micronaire 3.5 through 4.9) adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges, and (2)".

SKIPROW PRACTICES

SEC. 504. Section 374(a) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out "1981" in the last sentence and inserting in lieu thereof "1985".

MISCELLANEOUS COTTON PROVISION

SEC. 505. Sections 103(a) and 203 of the Agriculture Act of 1949 (7 U.S.C. 1444 and 1446d) shall not be applicable to the 1982 through 1985 crops.

TITLE VI—RICE

LOAN RATES, LAND DIVERSION, AND PAYMENT YIELDS FOR THE 1982 THROUGH 1985 CROPS

SEC. 601. Effective only with respect to the 1982 through 1985 crops of rice, section 101(h) of the Agricultural Act of 1949 is amended to read as follows:

"SEC. 101(h). Notwithstanding any other provision of law,

"(1) The Secretary shall make available to producers loans and purchases for each of the 1982 through 1985 crops of rice at such level as the Secretary determines to be appropriate taking into consideration the cost of producing rice, supply and demand conditions, and world market prices for rice.

"(2)(A) The Secretary is authorized to conduct a land diversion program and make land diversion payments to producers of rice if the Secretary determines that such payments will assist in obtaining necessary adjustments in the total acreage of rice. If a land diversion program is in effect under this subsection, the Secretary is also authorized to require that producers participate in such program as a condition of eligibility for loans and purchases authorized by subsection (1). Land diversion payments shall be made to a producer on a farm who devotes an acreage of cropland on the farm to conservation uses approved by the Secretary in accordance with a land diversion contract entered into with the Secretary. The amounts payable to a producer under a land diversion contract shall be determined by such means as the Secretary determines appropriate, including the submission of bids for such contracts. In determining the acceptability of a contract offer, the Secretary shall take into consideration the extent of the diversions to be undertaken by the producer and the productivity of the acreage diverted based upon the farm program payment yield established for the farm. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(B) The farm program payment yield for each crop of rice for which a land diversion program is in effect shall be the last yield which had been previously established for the farm, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for rice was previously established for the farm, the Secretary is authorized to determine such yield as the Secretary finds fair and equitable. In the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. In the event national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(C) The diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(D) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation no later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disasters or to alleviate a shortage in the supply of agricultural commodities.

"(3) In any case in which the failure of a producer to comply fully with the terms and conditions of the program conducted under this subsection precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure.

"(4) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this subsection.

"(5) The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

"(6) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this subsection.".

SUSPENSION OF MARKETING QUOTAS AND OTHER PROVISIONS

SEC. 602. Sections 351, 352, 353, 354, 355, 356, and 377 of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1982 through 1985 crops of rice.

Mr. LUGAR. Mr. President, the amendment I have sent to the desk covers target prices in each of the four areas this legislation pertains to, specifically wheat, feed grains, rice, and cotton.

I have chosen to construct the amendment in this form in order that the general principle pertaining to the target price situation might be met en bloc. Likewise in the event that in the course of the debate on this amendment, there is further consideration of target prices, that also might be met en bloc, with some equity among the various commodities to be discussed.

Mr. President, the target price debate is an important one. We have talked throughout the debate on the general agricultural legislation about the expense of the bill. We have also talked about security for American farmers and for producers. Clearly the target price concept was constructed and, as a matter of fact, was adopted comprehensively the last time around in farm legislation because it offered a safety net for American farmers.

For the sake of illustration and at least as a short statement on the lay of the land, I want to discuss what target prices are, and why they may impact under some conditions upon the Federal Treasury for substantial outlays.

Target prices were established for wheat, feed grains, and upland cotton by the Agriculture and Consumer Protection Act of 1973, and they were extended by the Rice Protection Act of 1975 to that crop.

The committee's revived bill on this occasion for fiscal years 1982, 1983, 1984, and 1985 establishes minimum target prices for the commodities I have mentioned. The prices that are specified for each year may be adjusted upward but not downward by the Secretary of Agriculture, and that is an important distinction.

Presently, the legislation in front of us, given the modified committee bill, establishes a very specific set of target prices. I shall not review all of those at this point except to say, for example, that in the area of wheat a target price of $4.10 presently is in the bill for the year 1982. That would move 20 cents higher in 1983 to $4.30; 20 cents higher to $4.50 in 1984; and an additional 20 cents in 1985 to $4.70.

The current target price for the crop year we are now in is $3.81. That is a very substantial change over the course of this legislation, and it is not an academic point, Mr. President.

The estimates of the U.S. Department of Agriculture range all the way from $250 million to $500 million of expenditures to be made in this crop year on the basis of a very large wheat crop in our country, and sharply declining prices for wheat presently and, therefore, the $3.81 appears to be well above what the average prices received by wheat prices will be during the 5-month period which we are now in. That means payments are going to be made at the $3.81 level.

I shall have more to say about the extent of those payments, why there are payments being made, but I make the point, now that $3.81 is not an academic figure. It is a figure on which real money is going to be paid by the U.S. Treasury to each and every wheat farmer who applies, who has eligible wheat, and the crop is a very substantial one against which that deficiency payment will lie.

The target price mechanism works as follows: Whenever the national average price for a crop falls below the target price for a specified period a producer of that crop becomes eligible for a deficiency payment equal to his normal production multiplied by the payment rate.

Mr. President, let us take the example of wheat in this year, an actual one on which payments are going to be made. The target price is $3.81. If the market price in the field for wheat in this country over a 5-month period—which is the average of those sales around the country, cash sales at the mills—if that average figure comes to something less than $3.81, for example, let us say—and I certainly hope this will not be the case, and the distinguished Senator from Kansas is trying awfully hard by getting announcements made, and appropriately so, by the President of the United States to get the price up—if somehow or other it gets up over $3.81 we are all home free literally, no payment.

But, if, for example, the average should turn out to be $3.61 over this 5-month period of time, then the so-called

deficiency payment is 20 cents a bushel; $3.81, the target, minus $3.61, the actual 5-month average price, is 20 cents a bushel. That 20 cents a bushel would be paid to every eligible farmer who has had wheat produced this year. It does not make any difference whether the farmer sold the wheat, makes no difference what he sold the wheat for, whether he is storing it or what he is doing with it. If he has a certified field there in which his local committee has said there are $x$ acres of wheat in his normal production and his normal yield is such, he will receive a payment. There is a history there—let us say on my own farm, for example, where we have roughly 22 acres, as I recall, that are qualified. And let us say the average yield there had been 50 bushels. Why, we have 1,100 bushels certified there. And I could apply and receive, if we have a 20-cent payment, 20 cents times 1,100 bushels. And that is mine, regardless of what happened to the crop. I may have sold it already. And I may have sold it for more than $3.61. I may have used the futures market, if I was thoughtful about that, and had gotten well over $4 a long time ago for that crop.

But, Mr. President, the point is that the payments then will be made during the latter part of the fall of this year and, unfortunately, of course, they will impact against the fiscal 1982 budget. So we are dealing with the fiscal 1981 situation. We already have a wheat crop that has been planted, that has been harvested, and payments are about to go after the 5-month period that runs out.

I am tedious about the explanation of this because there are a good number of us who have these terms cast around—deficiency payments, target prices, and loan rates. And the loan rate comes in at this point because there is at least a cap on what the deficiency payment might be. It cannot be larger than the target price, minus the loan rate. That finally squeezes it into some shape.

But, in this particular case, the $3.61 would not be lower than the loan rate and that might be very close to where we end up. In fact, some farmers believe the deficiency payment would be more like 10 cents and some would opt for 15 cents. But we are looking at the totality of the wheat crop in this year—and it was a very sizable crop, about 2¾ billion bushels. So if, at a 10-cent level, you have 10 cents times that and at 20 cents you have 20 times that, and you are talking about real money. And this is how the USDA worked it up to a quarter of a billion to a half a billion on one crop, in one commodity that has already happened in America this year.

The problem, Mr. President, is that the future is not only an unknowable in this respect, but has all of the unpredictable aspects of American agriculture, leaving aside the debate we are having. For instance, the weather. We have no idea what the weather will be in 1983, 1984, or 1985. That probably has more to do with whether we shall have deficiency payments or whether we will have the big crop or not.

Of course, the Secretary of Agriculture is not totally defenseless against this proposition. If we are going to be very frank, the Secretary is saying the trade-off, if you are demanding to have target prices, is that, "As Secretary, I am going to use the authority I have under the law to bring about diversion of acreage from wheat." As a matter of fact, he already has said there will be a set-aside of 15 percent of each of our farms which are producing wheat and will not be able to produce wheat next year on those acres if we still want to qualify for the target prices.

Now, there are many people in American agriculture, who are very thoughtful about the wheat situation alone, that would say that 15 percent set aside—and just to be practical about it, that means, in this actual of the 20-acre field, more or less, that I have for wheat, 3 acres must be put on the shelf. I cannot grow beans on that acreage. I cannot grow corn on that acreage. As a matter of fact, I cannot do anything with it. It is literally put on the shelf.

And the Secretary would say, "Rightly so. We have too many acres planted with wheat. As a Congress, you have already voted that if you produce wheat in overabundance and the price goes down under supply and demand market conditions, you voted yourself so many cents per bushel below a target price. The only way the U.S. Treasury, or the USDA, or the President has a defense against this is to demand that you not produce so much."

Some economists would say 15 percent would not be enough because many of us in the farm business would be inclined to take the worst 15 percent that we have, not the most productive 15 percent. Already, as I have talked to people in the fertilizer business around this country, they are receiving very substantial new orders from farmers who suspect that if we proceed with target prices, we will not only have diversion of acreage in wheat but, very shortly, in feed grains also. Therefore, the prudent farmer will set aside those acres that are least productive and put a lot of fertilizer on what is left. Maybe prudent farmers will come up with almost the same production as they had before in which they used the whole back 40 but did not put so much nitrogen on it at that point.

In essence, we could have the worst of both worlds; that is, American agriculture tied up once again in all the measuring of the fields, the photographing, the flyovers, the haggle over one or two rows that must go in order to meet the local committee's inspection but, at the same time, have a very large crop and a very large liability.

Mr. President, in a nutshell, this is what the dilemma is with the so-called target price concept. The dilemma, I suppose, is compounded because, if a Senator were to ask me: "How do I know that any of these target prices will cost a dime?" Once again, we are dealing with the unknowable. Maybe there will be dilemmas abroad and exports take-off or whether that means we have crop failures in parts of this country, it may be that we shall never ever discuss these target prices again. They may even become irrelevant.

But I do not think we are in that condition, as I take a look at the ones in this bill, unless my amendment is passed. If, in fact, we are going to be making payments with target prices for wheat at $3.81 this year, to the tune of a quarter billion dollars to a half billion dollars, try to use our collective imagination to assess what we shall be doing when the target prices moves to $4.10, $4.30, $4.50, and $4.70 by the time we have come to the end of this particular legislative route.

(Mr. DURENBERGER assumed the chair.)

Mr. LUGAR. Mr. President, it would appear to me, if we had a situation even comparable in the slightest to our current situation in which the rolling average came out to something like $3.60—let us round it off to a dollar. Let us say the average this year comes out to $3.70.

By 1985 the deficiency payment would be $1 a bushel for the whole crop. If it turned out to be 2¾ million bushels, that becomes a very large sum of money for one crop in 1 year.

Mr. President, all of us have listened to debate on this floor in which Senators, in its broadest general terms, have talked about it will not cost this or it will not cost that or we are nibbling off $100 million there and trying for $1 billion here. As I tried to point out in my opening statement, we are dealing with target prices on uncontrollables; they are as uncontrollable as anything in the Federal budget. They are as uncontrollable as the weather, export demand, war and peace. They are ticking time bombs in the fiscal dilemma of the total budget of the U.S. budget, and, unfortunately, they are posed right now in this farm legislation.

When estimates are made about the cost of the original administration bill or S. 884, the vehicle that the Agriculture Committee sends to the floor, or the modified S. 884, or the so-called compromise, or even the figures that Secretary Block brought over to the committee that they apparently had before the committee compromise, the fact is that nobody has any idea as to what the liability is. At best, staff must try to take a ball park estimate, given the weather over many years, averaging out weather conditions, averaging out production conditions, trying to factor in if you do divert acres what that might do, taking into consideration if the wheat crop becomes very, very large that surely the demand for set-aside will be even more intense. In other words, all of the byplay backward and forward is lumped in and averaged out.

After all of that is concerned, essentially the administration comes to an estimate, I am now advised, that if the amendment I am suggesting were adopted approximately $1 billion of the current administration estimate would be lopped out in this bill. I emphasize that is not only a rubbery figure and has all

the problems of any other figure, but it is simply that no one else can come up with a better one. The administration has suggested that in its exposure, given the normal cycle of weather, wheat crops, rice and cotton in this particular amendment, we are talking about $1 billion, more or less, they would say. The administration would say, I believe, that if the administration's final compromise offer to the Agriculture Committee were adopted that might save $350 million as opposed to $1 billion that my amendment would save.

There are some Senators who would say, "Well, that is not a whole lot of money. We are dealing with a $4 billion bill." We started out with one that was the $1 billion, moving to the $2 billion category. But now a big wheat crop and a big corn crop, and other crops, have intervened.

Mr. President, as I tried to indicate in my opening statement, we are not debating this farm bill in a vacuum. The President of the United States during the very week we have been on this floor has met with his Cabinet and has met with the congressional leadership. There are stories about what they have discussed which have been spread over the pages of our Nation's newspapers and over the electronic media. They are talking about very difficult decisions that they have made and that they are going to ask us to make.

At some point, the poignancy of what I am discussing this morning will become only too clear when we begin to get into the defense budget, the budget dealing with human needs, into all of the hypothetical—and they will become actual—cuts in the Federal budget.

Mr. President, we are about to adopt a bill in which there are at least four uncontrollable entitlements moving onward for a 4-year period of time. This seems to me to be a philosophy that is highly dubious, a judgment shared by the administration in the original proposal that the administration submitted to us. It eliminated target prices.

It suggested that security for farmers in this country is very important and could be realized by the Secretary making purchases and offering loans, given the lay of the land of budgetary and economic conditions as he found them. That is the essence of the language and that is replete in this bill in the four places with which I am concerned today.

Second, through farmer-held reserves there is always the possibility for a sophisticated farmer to market what he has at different times and places that are most favorable.

Given the floor of loans that could be obtained by any farmer on his crops, given the futures markets, given farmer-held reserves, the safety net is sound.

Mr. President, I appreciate that for many farmers who have not been involved in farmer-held reserves, who maybe do not understand the loan situation any better than the target price, who have not used the futures markets, the argument will be made by some of my colleagues and others that the target prices paid this year directly to the wheat farmers by the Federal Government are a mighty good idea. As a matter of fact, a good number of people see security and ready income in this route. But I am hopeful that the wisdom of this body will collect itself around the proposition present, that the Secretary, given the power to offer loans, to make purchases, to guarantee the farmer-held reserves, to assist the farmers in their marketing plans, will have a sound safety net which allows our market system to work without excessive exposure of the Federal Treasury to uncontrollables that have now reached very substantial proportions.

Finally, Mr. President, for the sake of the record, I want to review the history of the estimates of the deficiency payments as we now take a look at this subject. These estimates come from the U.S. Department of Agriculture.

They estimate 1982 deficiency payments will be in the range of $615 million to $980 million. That is for the year we have now entered into, a range that is for the four crops we are talking about.

They add an additional $200 million that could be incurred for sorghum and barley if the Department did not open a farmer-owned reserve for feed grains. But they point out that it is very likely that the Department will open such a reserve and that would obviate that situation.

For the moment, the Department is optimistic that no expenditures would be expected for corn since the target price, $2.40, is the same as the loan rate. The price of corn has been moving down markedly, but mercifully it has not gotten into the $2.40 range. There is no deficiency payment until it reaches that situation.

For cotton, the 1982 deficiency payments, based on August crop reports, are estimated at $300 million to $400 million, with $325 million as the most likely estimate.

For wheat, as I have already mentioned, the USDA now sharpens its pencils and says $275 million to $500 million, with $350 million as the most likely estimate.

For rice, the range is $40 million to $80 million, but with the lower part of that range, $40 million, as the most likely.

Mr. President, those are substantial sums in the same 1982 budget that the President of the United States is talking about, that we shall be talking about. Those payments have to be made. They are no longer discretionary. The last farm bill guaranteed that those payments must be made. What I am saying now, Mr. President, is, having made the payments, which USDA now estimates at $615 million to $980 million for this fiscal year we are coming into, we cannot expose the Treasury of the United States to those sorts of uncontrollables for 4 years more.

We know what our experience is going to be this time and we simply have, at this point, to say that there is no compelling reason to offer incentives to produce where there is oversupply. There is no reason to offer a further safety net in target prices when there are loans, purchases, and farmer-held reserves by USDA.

Mr. President, I am very hopeful that Senators will consider this target price situation very carefully. It is, in my judgment, the last material way that we can substantially improve this farm bill and substantially improve its chances of being signed by our President and move into an era in which, clearly, market principles work, the Federal intrusion is lessened, and the uncontrollables, the ticking timebombs in the system, are taken out.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

WHY WE SHOULD KEEP THE TARGET PRICE CONCEPT

Mr. HUDDLESTON. Mr. President, the proposal to eliminate the target price concept from the Agriculture and Food Act is an ill-conceived idea. The target price concept is fundamental to achieving two goals: maintaining a market-oriented farm system and preserving an agricultural production system that can feed U.S. citizens.

The target price concept is not a new idea—it originated in the Agriculture and Consumer Protection Act of 1973, which established this support mechanism for wheat, feed grains, and upland cotton. The Rice Production Act of 1975 adopted the same mechanism for rice. The 1977 Food and Agriculture Act extended the target price programs for 4 years. Under existing law qualifying farmers are provided deficiency payments when national average market prices fall below target price levels. Target prices are set at levels determined by law to be adequate to meet the average cost of production—the target price will not be so high as to guarantee profits for all farmers.

The target price concept was established to accomplish several objectives:

First, moderate the effects of short-term price fluctuations on producers. The market determines the transaction prices for agricultural commodities, but producers are partially protected from ruinous, low prices for their commodities;

Second, free the Commodity Credit Corporation's nonrecourse loan program from its income support role and allow the loan program to serve as a marketing tool for farmers; and

Third, enhance the working of set-aside or diversion programs.

Mr. President, target prices have been effective in supporting and stabilizing farm income in the face of severe price fluctuations without having a significant detrimental impact on markets. The target price mechanism has been effectively substituted for less desirable alternative methods of income support, such as high loan rates, which can become a substitute for market pricing, excessively influence planting decisions, result in large Government-owned stocks, and damage the

competitive position of the United States in the international market.

Target prices, when coupled with acreage diversion during periods of temporary surpluses, provide the Secretary of Agriculture with an equitable method of controlling production and preventing price-depressing surplus stocks. Additionally, because the target price mechanism allows the market to operate without interference from loan levels, which often set a floor-to-market price, it can have a positive effect on the competitive position of the United States in world markets.

In order to receive target price protection, Mr. President, farmers must comply with requirements set by the Secretary of Agriculture to control the supply of farm products. Thus, the target price concept is an effective tool that the Secretary can use to balance commodity supply and demand within any given budget constraint. The Secretary can, in fact, insure against any deficiency payments through effective use of supply management.

We should seriously question whether the abolition of this policy tool is wise if we are serious about controlling inflation and reducing Federal deficits. The notion that target prices "expose the Federal Treasury to extraordinary and completely unpredictable costs" is simply wrong. The Secretary of Agriculture can encourage or discourage production very effectively with the discretionary tools he has.

Also, deficiency payments are not an endless flow from the Treasury. Farmers are limited in the amounts they may receive. In 1979, the maximum payment per farm was $45,000 for wheat, feed grains, and upland cotton, and $50,000 for rice. In 1980 and 1981, the maximum is $50,000 for all crops. In 1979, the average production expense was $50,844 per farm and, in 1981, production expenses per farm may be over $60,000.

Mr. President, I urge my colleagues to reject this amendment to weaken the Secretary's ability to effectively manage the farm programs. And if we should eliminate the concept of target prices, that is exactly what we would do.

Mr. President, I might add that no issue has been given greater consideration by the Committee on Agriculture, Nutrition, and Forestry in the Senate than the question of target prices. The proposal was made when the committee first began to consider the new farm bill, early in the year. It was made then by the administration on the question of eliminating target prices altogether. Through all of the markup sessions that the committee held, it was given serious consideration and the idea was rejected and target prices were maintained in the new bill.

More recently, when we came back after the August recess and began to revise the farm bill on the basis of new economic information that was available to us and new economic conditions throughout the land, when the question of reducing the target price levels and the loan levels and all other costs of the bill was under consideration, we again dealt with the question of target prices and whether or not we should go in a different direction.

But even the administration, Mr. President, which originally presented a proposal eliminating the target prices, did not do so in this case. So the agreement that came from the committee, that was agreed to by at least 10 members of the committee who participated in the discussions, maintains the target price concept.

The modified committee version that is before the Senate at the present time, of course, does maintain the target price concept. So I would say it is an issue that has been given very careful consideration after a series of hearings, a series of markup sessions by the Committee on Agriculture, on two different occasions since the farm bill was first drafted and first evolved early in the year.

It is the opinion of the majority of the Members of the Senate Committee on Agriculture that this concept ought to be maintained, that it is not an undue exposure of Federal expense, that it does provide some stability, that it does give some assurance to the agriculture producers of the country that they will have some fallback position. Not that they will make a profit. There is no guaranteed profit in this proposal or any other that is contained in this bill. There is no way to do that, of which I am aware. But they will be able perhaps to continue to be a productive part of the agriculture segment of our economy.

I believe it would have very drastic effects if we should now abandon the position taken by a majority of the members of the Committee on Agriculture in endorsing and supporting and working for the target price concept.

I urge that the amendment be defeated.

Mr. COCHRAN. Mr. President, I oppose the amendment offered by the distinguished Senator from Indiana (Mr. LUGAR). I do so out of a firm conviction that the inclusion of the target price concept in the bill reported by the Senate Agriculture Committee is an indispensable part of the effort that this Government should make to move farming toward profitability. This concept is necessary not simply to obligate the Government to make deficiency payments to farmers when market prices fall below the target prices set in the bill, but mainly to provide an incentive to insure that the Government recognizes a responsibility to assist in market development, in the use of tools that have been made available to the Department of Agriculture to reduce acreage, and in other alternative efforts that are available only to the Government and totally out of the hands of the farmer, to help stabilize supply and demand, and to help assure that market prices will remain above the target price levels set in the legislation.

This is not a concept that has just been thought up by the Senate Agriculture Committee. In 1973, Congress enacted legislation with the target price concept, together with an acreage reduction program, which were designed to work in harmony, to lessen the likelihood that there would be Government outlays directly to farmers.

We can look at the history of the target price mechanism, the amounts of money that have been required to be paid to farmers as deficiency payments since that time, and obtain a pretty good idea of whether or not the program has been successful. I believe the evidence is overwhelming that it has been a good concept; it has worked; it has not resulted during that period of time in the expenditure of great sums of money to farmers in the form of deficiency payments.

Prior to 1973, there were fewer tools available to the Department and to the Government to help assure that market prices were at reasonable levels that guaranteed adequate supplies, prevented farmers from going bankrupt when they had a bad crop year, and assured stable prices to consumers.

The reason why the target price concept has been successful is that target prices, first of all, provide income protection for farmers. This reduces the pressure to increase loan rates to levels where they interfere with our export markets.

This occurred, as a matter of fact, in the late 1960's, when cotton loans were increased to help improve farm income. Market prices were elevated, but the result was that USDA had to take over large stocks of cotton, which became very expensive to the Government and to consumers and depressed cotton prices for several years thereafter.

Second, target prices are used as an incentive to farmers to participate in an acreage reduction program when supplies become excessive. They are offered target price protection if they agree to reduce production by a specific percentage from last year's level. This is the set-aside program. The advantage of this type of program is that when farmers participate, supply is reduced and prices are thereby strengthened. In most cases, prices will increase above the target price level, so there are no deficiency payments. Thus, the cost to the Government is minimal.

If target prices are removed completely, the only acreage adjustment program would be a paid diversion under the amendment offered by the Senator from Indiana. This is a direct payment to farmers not to produce, and it is made regardless of the improvement in market prices. In other words, under the acreage reduction program with target price protection, Government cost is reduced when prices strengthen.

Third, target price payment exposure puts pressure on the administration to take actions to help strengthen prices when they fall below the target levels. As long as the market prices average above the target price levels, there are no deficiency payments.

When prices become depressed, as they are now, the Secretary will have at his disposal provisions in this legislation which will allow him to expand demand or reduce supply, in an effort to strengthen prices at the market. Therefore, a properly administered program, under the recommendation of our committee, will reduce or eliminate deficiency payments.

In fact, since target prices were included in the farm bill in 1973, there never has been a deficiency payment for cotton. In only 2 years have there been deficiency payments for rice and wheat, and only in 3 years for feedgrains. As has been mentioned, the only times that deficiency payments were made was when inadequate program decisions were made or when very unusual circumstances altered the impact of decisions made by the Department.

From this evidence, it is clear to this Senator that target prices play a very important and indispensable role in the farm program. If the program is administered properly and funds anticipated correctly, deficiency payments will be minimal or eliminated entirely. Traditionally, they have been an efficient way to encourage actions which strengthen market prices when they become depressed.

The Senator, in his statement in support of his amendment, mentioned some shortcomings of the target price system, such as that it exposes the Government to unlimited outlays of money to farmers for deficiency payments. The history of the program, however, has shown that in those few years in which payments have been made in certain commodity programs, the effective use of other methods and tools at the disposal of the Department could have minimized—and in some cases did minimize—those payments.

There is no reason to believe that the effective use of an acreage diversion program could have a dramatic impact to lessen the obligation for the Government to make deficiency payments.

They are only made when the market prices stay below the target price level.

Another argument that is used in support of the amendment pending before this body is that target prices are not an economic adjustment program and that they distort the allocation of resources. Target prices would distort allocation of resources if they were set at levels which guaranteed farmers a profit, but they are not.

The committee took great care after hearing testimony from farm organizations, economists, and citizens who are interested in the farm program, to set these levels below even the cost of production, so that a farmer is not, if he gets a deficiency payment, guaranteed a profit, nor is he even guaranteed his cost of production back. Only a percentage of that is paid.

What happens is that the farmer is provided with some price protection as a safety net, and the level at which these target prices in the legislation are set will not interfere with the ability of the market to allocate resources.

When deficiency payments are in effect the market is simply telling farmers and the Government that a further adjustment needs to be made in production patterns and in acreage reduction programs.

It also is asked, why do we need target prices? We have a grain reserve program and with a paid diversion program there is no need to have that safety net.

The fact of the matter is that only for feed grains and wheat is there a grain reserve program available. Cotton and rice commodities are not under the reserve program. It is not feasible to have them included in a grain reserve program. Rice is a perishable commodity for one thing. We found that it is not in the best interests of farmers for the Government to accumulate large stocks which could result if a loan rate is set too high or if the reserve program holds large quantities of stocks off the market for long periods of time.

What is apparent, though, is that the obligation of the Government to make payments to farmers is sure and certain with a grain reserve program.

There are payments made every year, as a matter of fact, to wheat and feed grain farmers who put their commodities in the reserve.

A look at some of the figures over the last few years indicates how expensive that program can become, but compared with the target price provision of the program it is obvious that the reserve program is more expensive.

Some who propose to do away with target prices never talk about these direct payments associated with grain reserves and the program administered now and included in this bill.

The Government pays 26 cents per bushel per year for grain in the farmer-held reserves. In 1978, $106 million in feed grain storage payments were made, and for wheat that same year $109 million. Payments are made every year.

Another argument that has been brought out is that commodities without reserves will have adequate protection through loans and an acreage reduction program. Of course, the grain reserve program does provide farmers with a loan and paid storage until the market price reaches the cost of production.

But cotton and rice farmers do not have any such program. This would create a major disparity then between the level of market protection provided the major commodities.

The effect actually would be that cotton and rice would be supported at 60 to 65 percent of their production cost, and corn and wheat farmers could enter the reserve program and be assured that they could sell at their full cost of production.

I agree that with proper acreage adjustment programs prices would be adequate, but it is budget exposure from target prices that forces the administration to carry out such programs.

It is worth noting that by proper implementation of acreage adjustment programs, market prices average above target price levels and that there are no deficiency payments.

One other aspect of this amendment troubles me very deeply, and that is the elimination, in effect, of the set-aside program and the substitution in its place, as recommended by the distinguished Senator from Indiana, of only a paid diversion program.

These are just words that describe an alternative available to the Secretary to help adjust the supply of commodities. And one says, "What is the big difference?"

A paid diversion program is a payment by the Government to farmers not to plant. It is a sure expense to the Government. It makes this Senator wonder whether or not the amendment really will, in the long run, save the Government money.

There is a strong and compelling argument that can be made that this amendment, if it is adopted by the Senate, will result, in the long run, in more cost to the Government than will the proposal that has been put together very carefully by the Committee on Agriculture.

One reason is that the set-aside program would be available under the committee recommendation and that it would not be available under the recommendation made by the Senator from Indiana.

The incentive for the farmer to set aside some of his production, his acreage, is the opportunity to have the benefit of the safety net provided by target prices.

There is no direct payment on the front end made to farmers to choose that acreage and set-aside from production to help hold down supplies or to try to bring supplies within the demand so that market prices are stable and more reasonable.

By taking away this mechanism and depriving the Secretary of the opportunity to impose a set-aside at no cost to the Government, serious damage indeed would be suffered by the farm programs that we have.

For those economy minded Senators who are worried about whether this amendment would be more cost effective and would result in these direct costs to the Government, it should be observed that there is a likelihood that in the long run, with the necessity of making paid diversion payments to farmers irrespective of eventual market prices, this amount could cost the Government a lot more money.

There would not be the incentive for the Government to do anything, even have a paid diversion.

Imagine this scenario, Mr. President. You are down there at the Cabinet or you are in there trying to get permission or approval to make a paid diversion in a certain commodity. The budget deficit is looming large. Some are saying it may be $60-plus billion this year instead of $47½ billion, as has previously been forecast. Imagine the opposition from the Director of the Office of Management and Budget, from the White House staff advisers to the President, and from other Cabinet members, to making a payment in the face of a large deficit at a time when a

commitment has been made to the American people to hold down spending.

The inclination, without the incentive for the Government to impose a set-aside or diversion program, would be to do nothing.

The end result could be that what we are exchanging here for the committee proposal that recognizes we need an incentive for the Government to take action under those circumstances is a statement to American farmers "You are on your own."

There are large crops in the forecast for wheat and feed grains. The prospects are that with market prices depressed there could be deficiency payments—there could be, not necessarily will be, but could be—in this crop year.

The incentive is for the Government to do something. Without the target price mechanism the incentive would be to do nothing. I do not think we can justify abandoning this tried and proven method of helping move farming toward profitability, guaranteeing farmers not a profit but the opportunity to make a profit, and guaranteeing them that the Government will be concerned and sensitive and will be obligated to use the power that is reposed only in the Government, that only the Government can use, to mandate a nationwide set-aside program or a paid diversion which will also be available under the bill from the committee to help expand our markets overseas, to help assure that farmers in this country have a chance to make sales overseas, to get rid of surpluses that are caused by overproduction here at home.

Mr. President, I think the evidence and the arguments available to support what the committee is recommending are overwhelming. We began considering the provisions proposed for this legislation several months ago. It is true the administration started off by saying, "We do not want target prices in the bill because it is abhorrent to our philosophy to make payments directly to farmers."

On the other hand, this amendment provides for a paid diversion which is a direct payment to farmers to guarantee that acreage is reduced irrespective of market prices and other factors. That money is gone, it is lost.

A look at the history of the program we now have and that has been refined and improved, in my judgment, by this committee, shows that it is an appropriate protection device, an income protection device, to guarantee that farmers are afforded the benefit of disaster assistance, in effect, not only for weather-related losses, losses to crops caused by disease or other factors such as that, but also to protect the farmer from a marketing disaster, which can be equally devastating.

The farmer does not have any control over what he can sell his commodity for. He does not have any control over market factors, over the international demand situation, but he can be offered some hope that the Government will use its powers to enhance his ability to make those sales of surplus production to help bring prices to a more reasonable and profitable level.

Because of what are, in this Senator's judgment, these compelling items of evidence, Mr. President, I urge the Senate to reject this amendment and to support the mechanism that has been crafted by the committee to try to afford income protection at minimum cost to the Government.

I yield the floor.

The PRESIDING OFFICER (Mr. ANDREWS). The Senator from Montana.

Mr. MELCHER. Mr. President, what we have before us is an effort by the Senator from Indiana to delete the farmer's ability to have paid land diversion, if necessary. It is a concept we have discussed over and over. It has been during the last dozen years—I think it has been—a matter of debate on every bill.

There is another concept, and I think they both should be considered in tandem. If you are not going to have the target price because you want to avoid exposure to the Treasury, then you can look at the other side of the coin. What about loan rates? Why do we not establish loan rates as a mechanism for a floor price for a commodity? I think they ought to go together.

UP AMENDMENT NO. 393

Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER) proposes an unprinted amendment numbered 393 to unprinted amendment numbered 392:

On page 1, line 10, of Lugar amendment UP 392 insert immediately after "world prices for wheat" a colon and the following: "*Provided*, That the level of support for each of the 1982 through 1985 crops shall not be less than $4.00 per bushel".

On page 6, line 11, insert immediately after "world market prices for corn" a colon and the following: "*Provided*, That the level of support for each of the 1982 through 1985 crops shall not be less than $2.80 per bushel".

Mr. MELCHER. Mr. President, I think we can look at this package in these two basic lights: One is that there would not be any target price and that the exposure to the Treasury because of the target price mechanism will be eliminated, as the Senator from Indiana suggests.

The other is a time-tested method we have used in the past of having loan rates at a level that was meaningful; not just leave it up to the discretion of the Secretary to set whatever prices he happened to think were the best, but to have him take into consideration where the loan rates should be, as the Senator from Indiana has drafted in his proposed amendment, and which reflect the administration's viewpoint.

But then, having taken all that into consideration, I suggest that we set a floor price of $4 per bushel for wheat. I suggest the floor price for corn, which triggers the loan price for all other feed grains, should not be less than $2.80. That still gives the Secretary of Agriculture a great deal of discretion.

I point out that the cost of production, as the Department finds, for wheat is substantially above $5 per bushel. I point out that the cost of production, as found by the Secretary of Agriculture, for corn is substantially above $2.80 per bushel. So what we are doing in setting the loan rates at those levels is setting a floor price. I think it is time for us to do that. It is time for us to have a floor price that is a little more meaningful than just relying on the discretion of the Secretary.

What is it going to cost out of the Treasury? There is always this bugaboo argument brought up, "Well, the loan rates would be too high and the Department of Agriculture would accumulate too much in surplus."

I do not think that is going to happen. Our best estimates a few months ago of what the price of wheat would be for 1982, for the 1982 crop, and beyond were substantially above $4. The same was true for corn. The estimates a couple of months ago of what the price in 1982 for the corn crop and beyond that would be were substantially above $2.80.

Well, we have been blessed this year with an abundant harvest, a very bountiful harvest, and now the current prices of wheat and feed grains, including corn, have gone down.

But we should not look at that as being what is going to be happening in 1982. There is a great world demand for both wheat, corn, and other feed grains. It is a demand that is brought about by the reverse of what we have had in the United States. Some other countries, including Russia, have had very big crop failures. If we balance out what the 1981 production is for wheat and feed grains, I think we will find that the world production is not all that much, is not all that bountiful. So I believe it is realistic to think that in 1982—and this is the first year we are dealing with in this proposed bill—we are going to see a substantial improvement in the current prices of wheat and feed grains. If that is true, as has been predicted by the Department as short a time ago as 60 days ago, well then there is no exposure to the Treasury for this amendment that I offer.

It is true that over the past several years 12 to 16 percent of either one of these crops, wheat or corn, has gone into the loan program. And people argue, "Well, that is an exposure to the Treasury." But mind you, it is simply a loan, a loan that is repaid within 9 months. It is repaid with interest. There is no exposure then. There is no permanent cost to the Treasury, no real cost to the Treasury when that happens.

Has it been happening in recent years? It certainly has. In the past several years, loan rates have been paid off. Some will argue that they have not only been paid off, but they have been paid off with a little bit of revenue for the Treasury; that they have actually made a little bit of money off of it.

Now I want to compare what the $4 wheat loan rate means to, say, $3.50, as is in the suggested loan rate for

wheat in the committee's bill. The issues facing our farmers and ranchers do not change very much. They either produce too much or produce too little.

Because our farmers produce in such abundance for domestic consumption, the commodity supply situation has a marginal effect on American consumers and purchasers of our farm commodities overseas, but it always has an enormous impact on the farm families who keep us the best fed Nation in the world.

Let me point out that of the 2.7 billion bushel crop of wheat produced this year in this country, we have to sell about 2 billion bushels abroad. Why? Because we are only going to use 700 million bushels for our domestic needs. That is about where we average year in and year out of what we use domestically here in the United States of the wheat crop that we produce.

As long as we sell abroad at less than the cost of production, we are hurting the wheat producers, the wheat producing States and the entire economy of the United States.

Are we selling too cheaply? Yes, we are. Is it the mechanism to correct that? Yes, the loan rate is a good mechanism to correct that. Why? Because this would become a floor price. The market just will not go below it.

Is that advantageous to everybody? It certainly is. Will it hurt consumers? It certainly will not. You will not find it in the difference in the cost of a loaf of bread. You will not find it in the difference in the cost of flour if the market is $4 as compared to $3.80 or $3.60 or $3.75. It is simply this: that most of the cost for the consumer is in the distribution costs, which includes transportation and the processing costs and the retailing costs.

So who gains on this if we have a slightly higher floor price for wheat? Well, the entire country gains.

What about our trading partners? Is this going to drive them off? No, it will not; not at all. Because in Japan—and we sell wheat to Japan every year—whatever price they pay for the wheat, they set the price to their millers which then is reflected into the cost to the consumers in Japan. The price Japan sets on American wheat, even though it only cost $4.50 a bushel delivered in Tokyo, and a lot of it currently is getting to Tokyo at less than that, even so the Japanese then set the cost to the miller at about $9.50 or $10 per bushel. And they do that to make it relative to the cost of other food commodities in Japan and to protect a very minute amount of wheat that is produced in that country.

Other countries do likewise. The price they pay us is one thing. The price they establish in their own country is another thing and it is always substantially higher.

What about the poor countries, the ones that really are hungry? Will this interfere with Public Law 480? No, it will not interfere with Public Law 480, which is food for peace. They will still have the opportunity to use that. We encourage that and the Congress itself encourages it. The basic farm legislation encourages it. We constantly remind the Secretary of Agriculture that this is one of the goals of this country, to make sure that food for peace is still operative.

The August index of farm prices went down, and that is of concern. That is of concern to me and it should be to every Senator. That means that the basic economy of this country has slipped somewhat. And because agriculture is so important to our basic economy, we better pay attention to it.

The August index of farm prices went down 2.1 percent between July and August, pushing the parity index down to 61 percent. Parity for wheat is $7.11 per bushel, yet the average national price in August was $3.63, only 51 percent of parity. That is very disturbing. We would like to make sure in this amendment that that minimum price is not at $3.63, as was the case in August, the average price, but the minimum price would be $4. That is low enough.

Prices for feedgrains and hay fell 8.2 percent during that month, between July and August, and corn prices dropped 32 cents a bushel. Hay, incidentally, went down $1.98 per ton. Soybean prices were off 47 cents a bushel, and cattle brought $1.40 less per hundredweight than they did in July.

Now there will be those that might want to argue, "Well, one way to help cattle or hog producers or poultry producers is to let feedgrains be low." Well, there are a lot of us around here yet, and a lot of people throughout the country that are in the livestock and poultry business, that believe that in the long run cheap feed means cheap hogs or cheap cattle or cheap poultry.

I would remind all of us that when it gets too cheap, those people go out of business because they cannot make a profit; their costs continue to rise. We still have this problem of high interest rates, which add to their costs.

Prices for every single agriculture commodity are lower right now than they were a year ago. In the space of just 1 month the Department of Agriculture adjusted downward its estimate of farm income by $2 billion; that is, dropping it from $24 billion to $22 billion. The expectation is that farm income will continue to go down.

I think there is a general assumption that farmers and ranchers will continue to produce no matter what the Government or the economy may do. But that could prove to be a false and a very dangerous assumption.

If hard-working people who operate our magnificent agricultural plant cannot make a profit from their labor—no matter how hard they try to maximize production—we cannot assume that they will continue to produce.

For the past several years, inflation has been devastating American agriculture. Since 1972, gross farm income has risen by 58 percent, but production costs have risen 115 percent. As a result, using constant 1967 dollars, net farm income has gone from $25.1 billion in 1971 to $6.7 billion in the first quarter, what we projected for the whole year, based on the first quarter.

During the first quarter of 1981, net farm and ranch income fell $4.2 billion from levels in the fourth quarter of 1980. In comparison, corporate income, because of inflation, rose 2 percent, or $4.2 billion.

The fact is that inflation and the increasing costs are just eating American agriculture alive.

The Department of Agriculture acknowledges that 1980 was not a good year for agricultural prices but they predicted a brighter day in 1981. We are not seeing that sunshine in the numbers for this year at all.

There are those who will contend that the 1980's are not the 1920's, and that is true. We are entering into a period in which the discussion of the world food supplies will not be on surpluses but instead we will be focusing on whether there is enough food to feed the world.

Famine already exists in portions of Africa, and there is a great potential for more hunger to develop in some of the Third World countries.

Notwithstanding this coming shift in world food supplies, in the next 2 years surpluses and depressed farm prices will continue to be a fact of life.

Now particularly with regard to wheat, 1981 and 1982 will be dominated by surpluses and low prices.

Are people eating less?

Of course not. Every year, millions more people are born into this world than die. These new people have to eat.

Using constant 1967 dollars, net farm income is the lowest that it has been in decades.

The Department of Agriculture tells us that in 1982, it will cost a farmer $5.32 to produce a bushel of wheat.

The loan rate for wheat in the committee bill is set at $3.50 for all 4 years of the bill. That is more than $2 below the cost of production.

And what is the fair, parity price going to be for wheat next year—the price that would assure producers of a reasonable return on their labor and investment? The fair price for American wheat next year will be $7.64.

The Department of Agriculture's own figures show that for 1982 through 1985, a 50-cent higher loan rate for wheat would be translated in the marketplace to a price at least 80 cents higher, and would result in an increase in the value of wheat production of up to $1 billion.

The same set of facts and figures apply equally to corn and feed grains.

Let us look at an argument that might be made against having some sort of floor prices for grains.

One might argue that, if that is going to be the case, even despite the fact that we have had such huge crops this year in wheat, corn, and other feed grains, that we do not need to worry about it, the marketplace will take care of it.

That is an argument I would like to believe is true. But even if it is true, we have to demonstrate that for 1982 there is going to be a floor price that reflects the costs that are always increasing.

Farmers and ranchers are no different than any other business or industry in this country. They have to have a line of credit. They have to be able to show to their banker or lending institution, whatever it might be, that there is reason to

believe that their business will be successful in the coming year, the year after, and the year after that.

What we are doing, then, in establishing the floor price for grains, if the world demand is so great that the market will operate much above that, is providing for these producers some optimum and providing for their financial backers, bankers and other lending institutions, that there is going to be a brighter price structure, but that whatever happens the floor price is there as a protection. It is important, it is very important.

Notwithstanding this coming shift in world food supplies, if indeed the predictions are correct that the number of people is increasing, that the world population is increasing, with the amount of grains produced worldwide being rather static we will be able to show that in the next 2 or 3 years surpluses and depressed farm prices will be correcting themselves.

To use a term that was used by President Reagan in addressing some of the basic social security programs and other social programs of this country, this is, in effect, a safety net.

I think it is economically sound to do that. I think it is particularly necessary to show that there will be a type of floor price in operation, though hopefully the markets will be much higher. But the floor price will be at a point where the markets will not fall below.

I do not mean to criticize the current administration, but the current surpluses that we are looking at right now have, realistically, lowered grain prices. Furthermore, because of the increase in the cost of money, it simply means that many countries cannot or will not buy from us. We have to address that problem, too.

We have to be able to assure ourselves that we will continue to sell substantial quantities of grains abroad. The low rates I suggested for the 1982 crops and subsequent crops for the life of this bill after that, will not interfere with world trade. Indeed, it will put us in a solid position. It will establish that we have done something to protect the continuation of producers, the continuation of grain supplies that will be available to our trading partners, and I think that is sound business.

I urge adoption of the amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from California.

Mr. HAYAKAWA. Mr. President, I rise in support of the amendment offered by the Senator from Indiana. The artificially high prices encouraged by the farm bill must be reduced and the target price provisions removed. The elimination of target prices would prevent large deficiency payments and reduce the production of grains not demanded by the marketplace.

We have millions of tons put away in storage simply because the Government has had to buy that grain, because of the mandated loan program. That means production way beyond demand.

As in our previous deliberations on matters of import to our Nation's economic future, we must be cautious, we must be deliberate and we must be dedicated to seeing that our Nation's people benefit from our decisions.

We have made some difficult decisions in reducing Federal outlays. Reduction management is a most difficult task, the very nature of which runs counter to the American nature of building a great country.

We must divorce the innate drive to build a great nation from the expansion of a great-big government. They are not synonymous. Our reauthorization of the farm bill should be viewed as a means of further reducing the size, the role and the cost of Government to the American taxpayer so the Nation can indeed become great.

American agriculture is blessed with a truly competitive marketplace. Farmers in our country are fiercely independent entrepreneurs who have traditionally scorned the entrance of Government into the marketplace. Target prices, which can and do result in farmers receiving checks from the U.S. Treasury have no place in American agriculture. Grain farmers can survive in a free market environment and they must not look to the Federal Government to take the place of the free market.

Indeed, the highly competitive marketplace in which farmers participate can be, at times, brutal on the individual producer. A case can be made for the Government to play a limited, and let me emphasize, severely limited role in protecting farmers from the vagaries of the marketplace.

Remember, farmers are price takers, not price setters. Maintenance of the farmer-owned grain reserve program represents, in my mind, the correct extent to which Government should involve itself with the grain and feedgrain marketplace.

The farm bill which came out of the Agriculture, Nutrition, and Forestry Committee has been criticized as excessive and as having ignored the national priority of economic recovery.

We have long ago recognized that we must reduce, eliminate, and trim Government expenditures and stem the extent of Government intrusion into our lives and private institutions.

Agriculture is not sacred and the temporary pains of change must be felt here.

I would like to praise the American Farm Bureau Federation for their strong support of the President's economic recovery plan. They have been critical of the committee bill based on their convictions of reducing Government spending and keeping the Government out of the marketplace. Robert Delano, president of the Farm Bureau, put our current situation in the proper light when he said:

> It is an incongruous set of circumstances that finds a Washington establishment—obsessed with economic recovery and deregulation—yet willing to wreak havoc on the farm economy by putting the government back into the farming business in the biggest way since the 1950s.

As I previously noted, there exists a limited role for Government-sanctioned activities which provide for stable and orderly markets in the agricultural sector. I would like to briefly note the existence and operation of marketing orders dealing with specialty crops in California which have exerted a positive and constructive force on fruit and nut markets.

Federal marketing orders are authorized by the Agricultural Marketing Agreement Act of 1937 and were established to regulate the handling and marketing of domestically produced fresh vegetables, fresh and dried fruits, and nuts. Marketing orders may govern the quality of commodities, the quantity marketed, standardization of containers, research and development projects, unfair trade practices and statistical programs.

Their purpose is to establish and maintain orderly marketing conditions, to create greater stability in supply and prices, and to protect both the grower and the consumer.

We must keep a close eye on any activity of Government which involves itself with the marketplace and see that the role of Government is a positive force from both the producer and consumer perspectives.

For the most part, it can be said that marketing orders and volume control provisions continue to be an effective means for farmers to solve their own marketing problems.

At the same time, consumers gain the benefit of a stable, orderly supply of produce with fewer fluctuations in price, supply, and quality.

The administration of marketing orders, supported by handler assessments, costs the U.S. Government virtually nothing.

Finally, Mr. President, those specialty crops regulated by marketing orders have not sought the costly assistance of Government in the form of target prices, support prices, loan guarantees or other such programs.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I am going to move to lay the Melcher amendment on the table. Again, I do not believe that $4 a bushel is too much for wheat or that $2.80 is too much for corn or feed grains. I am not certain of the cost; we are trying to figure out what the cost would be. But I am certain that this is not acceptable to the administration.

If we assume a $4 loan rate and even interest at 12 percent, CCC interest, the redemption value at maturity would be $4.36 and you add about 20 cents for storage costs. The break-even price would be $4.66 for wheat.

That is what the farmer will need to obtain in order to cut the CCC loan and accrued interest and storage for 9 months. If the price received by the farmer is below the break-even level, the farmer would not receive the loan and CCC would take the commodity. So I guess if we want all the wheat in the country, this is the way to go about it, and corn, too.

The cash price for corn now is about $2.65. I hope that will increase as exports increase and we recover from the embargo imposed on January 4, 1980. But the problem is still there. I think the cash price for wheat now is about $3.65 or $3.67, somewhere in that neighborhood.

So, Mr. President, though I have no

quarrel with what the distinguished Senator, who is an expert in this area, wants to do, I also believe it would be in complete conflict with what the administration has in mind and we would end up with a lot of wheat in Government hands. We have a lot of wheat now. That is not the thrust of the program, to produce for the Government. That is our problem with the dairy subsidy. That is why they are in deep difficulty.

Mr. President, CBO indicates that $4.43 would be the break-even point and the Commodity Credit Corporation would take in about 300 million bushels from loan forfeitures at lower prices, which would cost about $1.3 billion. That is the Congressional Budget Office price-tag just on wheat. I do not know what it would be for corn.

Mr. President, I move to lay the amendment on the table and ask for the yeas and nays.

Mr. MELCHER. Mr. President, will the Senator withhold his motion for a moment?

Will the Senator yield for a question?

Mr. DOLE. Surely, Mr. President.

Mr. MELCHER. The cost that the Senator mentions, $1.2 billion——

Mr. DOLE. Three.

Mr. MELCHER. The cost, $1.3 billion. Is that CBO figures or Department figures?

Mr. DOLE. Congressional Budget Office figures.

Mr. MELCHER. That is somewhat higher than the Senator indicated might be the case, in his recitation of 12 percent interest and then storage costs.

Mr. DOLE. I am trying to get cost figures from the USDA. The amendment was handwritten and there is no printed amendment, so we have not had time to put together the USDA figures. I assume it is somewhere in the ballpark.

Mr. MELCHER Will the Senator yield for one further question?

Mr. DOLE. Yes.

Mr. MELCHER. How would that compare with what has also been proposed, with a $4.10 target price, in cost of wheat?

Mr. DOLE. I am not certain what the comparison might be on wheat. The cost of wheat, in the modified Senate proposal through 1986, is about $3.4 billion, an average of about $680 million a year. But I am not certain—I do not have the figures on how we would split that off. That would include any loan, any forfeitures, target price. I am not certain target prices are assumed.

I am now informed that the USDA indicates that the Senator's amendment would cost about $1.2 billion for wheat and $675 million for feed grains, or about $1.9 billion.

Mr. MELCHER. Mr. President, I wonder if the Senator would give me about 3 minutes before he makes the motion.

Mr. DOLE. Certainly.

Mr. MELCHER. I think what that demonstrates, Mr. President, is that we are talking about whether or not we go for the loan rates at a higher level or have target prices at some level. Let me point out that the target price concept means that perhaps all of the wheat that is raised, or a good portion of it, would be subject to Treasury exposure to pay whatever the deficiency payment is. The same is true of feed grains.

Does it mean that we have a higher loan rate, that these costs are going to be higher than the target price concept espoused by the Senator from Kansas? I do not think so, Mr. President. The Department has a set of figures, CBO has a set of figures. It is about a wash, one way or the other.

But there is a big difference in approaching it the way I would prefer to approach it, on loan rates. That grain that is sold abroad is sold at a higher price. If the result of the loan rate being higher means that the grain sold abroad, say, sells for 50 cents a bushel higher, that would mean that the economy of the United States would receive an additional $1 billion.

One billion dollars, Mr. President. That would do good for the economy of this country, it would generate tax income, it would help in our balance of payments. That is just on wheat.

If the difference in using the loan rate as a floor price rather than using target prices—as has been, after all, the basic discussion here—on corn sales and other feed grains results in an increase in the floor price and, therefore, the price received by our sales abroad, we are probably talking about another billion dollars generated for the U.S. economy, still holding our export sales at rather modest levels—I mean prices for export grains at rather modest levels. If the market works higher than that, fine, it would help the economy of the United States even more. We shall not sell ourselves out of the market, believe me, at these kinds of figures. We will still be in the world price market. They will still be asking for U.S. grain—corn, wheat, and other feed grains.

I thank the Senator from Kansas for withholding his motion.

Mr. DOLE. I thank the distinguished Senator from Montana. Certainly, in moving to table his amendment, I do it with respect for his interest, concern, and knowledge about the farm programs and his help to all of us on the Committee on Agriculture.

Mr. President, I move to table the Melcher amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The question is on agreeing to the motion to table the amendment of the Senator from Montana. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Alaska (Mr. MURKOWSKI), the Senator from Vermont (Mr. STAFFORD), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

Mr. ROBERT C. BYRD. I announce that the Senator from New Jersey (Mr. BRADLEY), the Senator from California (Mr. CRANSTON), the Senator from Connecticut (Mr. DODD), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Michigan (Mr. LEVIN), and the Senator from Michigan (Mr. RIEGLE) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 65, nays 23, as follows:

[Rollcall Vote No. 266 Leg.]

YEAS—65

| | | |
|---|---|---|
| Armstrong | Goldwater | Moynihan |
| Bentsen | Gorton | Nickles |
| Biden | Grassley | Packwood |
| Boschwitz | Hatch | Pell |
| Byrd, Harry F., Jr. | Hatfield | Percy |
| Byrd, Robert C. | Hawkins | Proxmire |
| Cannon | Hayakawa | Quayle |
| Chafee | Heinz | Roth |
| Chiles | Helms | Rudman |
| Cochran | Humphrey | Sarbanes |
| Cohen | Jepsen | Schmitt |
| D'Amato | Johnston | Simpson |
| Danforth | Kassebaum | Specter |
| DeConcini | Kasten | Stennis |
| Denton | Laxalt | Stevens |
| Dixon | Leahy | Symms |
| Dole | Long | Thurmond |
| Domenici | Lugar | Tower |
| Durenberger | Mathias | Tsongas |
| East | Mattingly | Wallop |
| Garn | McClure | Warner |
| | Mitchell | Williams |

NAYS—23

| | | |
|---|---|---|
| Abdnor | Ford | Metzenbaum |
| Andrews | Glenn | Nunn |
| Baucus | Hart | Pressler |
| Boren | Heflin | Pryor |
| Bumpers | Huddleston | Randolph |
| Burdick | Jackson | Sasser |
| Eagleton | Matsunaga | Zorinsky |
| Exon | Melcher | |

NOT VOTING—12

| | | |
|---|---|---|
| Baker | Hollings | Murkowski |
| Bradley | Inouye | Riegle |
| Cranston | Kennedy | Stafford |
| Dodd | Levin | Weicker |

So the motion to table the amendment (UP amendment No. 393) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 394

Mr. DOLE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an unprinted amendment numbered 394 to unprinted amendment numbered 392.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the language proposed to be inserted by the Lugar UP 392, insert the following:

TITLE III—WHEAT

LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, WHEAT ACREAGE REDUCTION PROGRAM AND LAND DIVERSION FOR THE 1982 THROUGH 1985 CROPS OF WHEAT

SEC. 301. Effective only for the 1982 through 1985 crops of wheat, the Agricul-

tural Act of 1949 is amended by adding after section 107A the following new section:

"SEC. 107B. Notwithstanding any other provision of law—

"(a) The Secretary shall make available to producers loans and purchases for each of the 1982 through 1985 crops of wheat at such level, not less than $3.50 per bushel, as the Secretary determines will maintain the competitive relationship of wheat to other grains in domestic and export markets after taking into consideration the cost of producing wheat, supply and demand conditions, and world prices for wheat.

"(b)(1)(A) In addition, the Secretary shall make available to producers payments for each of the 1982 through 1985 crops of wheat in an amount computed as provided in this subsection. Payments for any such crop of wheat shall be computed by multiplying (i) the payment rate, by (ii) the farm program acreage for the crop, by (iii) the farm program payment yield for the crop. In no event may payments be made under this paragraph for any crop on a greater acreage than the acreage actually planted to wheat.

"(B) The payment rate for wheat shall be the amount by which the higher of—

"(i) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(ii) the loan level determined under subsection (a) of this section for such crop,

is less than the established price per bushel.

"(C) For the 1982 through 1985 crops of wheat, the established price shall not be less than $4.00 per bushel for the 1982 crop, $4.20 per bushel for the 1983 crop, $4.40 per bushel for the 1984 crop, and $4.60 per bushel for the 1985 crop. Any such established price may be adjusted by the Secretary as the Secretary determines to be appropriate to reflect any change in (i) the average cost of production per acre for the two years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years may be determined by the Secretary on the basis of such information as the Secretary finds ncesssary and appropriate for the purpose and may include variable costs, machinery ownership costs, and general arm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

"(D) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2) of this subsection.

"(2)(A) Except as provided in subparagraph (C) of this paragraph, effective with respect to the 1982 through 1985 crops of wheat, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for wheat to wheat or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to wheat for harvest (including any acreage which the producers were prevented from planting to wheat or other nonconserving crop in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to 33⅓ per centum of the established price for the crop.

"(B) Except as provided in subparagraph (C) of this paragraph, effective with respect to the 1982 through 1985 crops of wheat, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of wheat which the producers are able to harvest on any farm is less than the result of multiplying 60 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 per centum of the established price for the crop for the deficiency in production below 60 per centum for the crop.

"(C) With respect to the 1982 through 1985 crops of wheat, producers on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act with respect to their wheat acreage.

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, effective only for the 1982 through 1985 crops of wheat, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

"(i) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting wheat or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency, or no crop insurance covered the loss because of transitional problems attendant to the Federal crop insurance program; and

"(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(c)(1) The Secretary shall proclaim a national program acreage for each of the 1982 through 1985 crops of wheat. The proclamation shall be made not later than August 1 of each calendar year for the crop harvested in the next succeeding calendar year. The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (2) of this subsection if the Secretary determines it necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for wheat shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of wheat are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(2) The Secretary shall determine a program allocation factor for each crop of wheat. The allocation factor for wheat shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop, except that in no event shall the allocation factor for any crop of wheat be more than 100 per centum nor less than 80 per centum.

"(3) The individual farm program acreage for each crop of wheat shall be determined by multiplying the allocation factor by the acreage of wheat planted for harvest on the farms for which individual farm program acreages are required to be determined. The wheat acreage shall not be further reduced by application of the allocation factor if the producers reduce the acreage of wheat planted for harvest on the farm from the previous year by at least the percentage recommended by the Secretary in the proclamation of the national program acreage made not later than August 1 prior to the year in which the crop is harvested. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of wheat planted for harvest is less than for the preceding year, but for which the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for wheat, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(d) The farm program payment yield for each crop of wheat shall be the yield established for the farm for the previous crop year, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for wheat was established for the farm in the previous crop year, the Secretary may determine such yield as the Secretary finds fair and reasonable. Notwithstanding the foregoing provisions of this subsection, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(e)(1) Notwithstanding any other provision of this section, the Secretary may impose a limitation on the acreage planted to wheat if the Secretary determines that the total supply of wheat will, in the absence of such limitation, be excessive, taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. Such limitation shall be achieved by applying a uniform percentage reduction to the wheat acreage base for each wheat-producing farm. Producers on a farm who knowingly produce wheat in excess of the permitted wheat acreage for the farm shall be ineligible for wheat loans, purchases, and payments with respect to that farm. The acreage base for any farm for the purpose of determining any reduction required to be

made for any year as the result of a limitation imposed by the Secretary under this paragraph shall be the acreage planted on the farm to wheat for harvest (including any acreage which the producers were prevented from planting to wheat or other nonconserving crop in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to wheat for harvest in the two crop years immediately preceding the year for which the determination is made. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of acres on the farm determined by dividing (i) the product obtained by multiplying the number of acres required to be withdrawn from the production of wheat times the number of acres actually planted to such commodity, by (ii) the number of acres authorized to be planted to such commodity under the limitation imposed by the Secretary (hereinafter in this subsection referred to as 'reduced acreage') shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, which will assure protection of such acreage from weeds and wind and water erosion. However, the Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the reduced acreage to be devoted to sweet sorghum, hay and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flax-seed, triticale, oats, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

"(2) The Secretary may conduct a land diversion program and make land diversion payments to producers of wheat if the Secretary determines that such payments will assist in obtaining necessary adjustments in the total acreage of wheat. If a land diversion program is in effect under this subsection, the Secretary may also require that producers participate in such program as a condition of eligibility for loans, purchases, and payments authorized by this section. Land diversion payments shall be made to a producer on a farm who devotes an acreage of cropland on the farm to conservation uses approved by the Secretary in accordance with a land diversion contract entered into with the Secretary. The amounts payable to a producer under a land diversion contract shall be determined by such means as the Secretary determines appropriate, including the submission of bids for such contracts. In determining the acceptability of a contract offer, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producer and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(3) The reduced acreage and the diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(4) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation no later than such date as the Secretary may prescribe. The Secretary may by mutual agreement with the producer, terminate or modify any such agreement entered into under this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(f) In any case in which the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not adversely affect the operation of the program.

"(g) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(h) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(i) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this section.

"(j) The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(k) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans, purchases, or payments under this section.".

NONAPPLICABILITY OF CERTIFICATE REQUIREMENTS

SEC. 302. Sections 379d, 379e, 379f, 379g, 379h, 3791, and 379j of the Agricultural Adjustment Act of 1938 (which deal with marketing certificate requirements for processors and exporters) shall not be applicable to wheat processors or exporters during the period June 1, 1982, through May 31, 1986.

SUSPENSION OF MARKETING QUOTAS AND PRODUCER CERTIFICATE PROVISIONS

SEC. 303. Sections 331, 332, 333, 334, 335, 336, 338, 339, 379b, and 379c of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1982 through 1985 crops of wheat.

SUSPENSION OF QUOTA PROVISIONS

SEC. 304. Public Law 74, Seventy-seventh Congress (55 Stat. 203, as amended) shall not be applicable to the crops of wheat planted for harvest in the calendar years 1982 through 1985.

NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURAL ACT OF 1949 TO THE 1982 THROUGH 1985 CROPS OF WHEAT

SEC. 305. Section 107 of the Agricultural Act of 1949 shall not be applicable to the 1982 through 1985 crops of wheat.

## TITLE IV—FEED GRAINS

LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, FEED GRAIN ACREAGE REDUCTION PROGRAM, AND LAND DIVERSION FOR THE 1982 THROUGH 1985 CROPS OF FEED GRAINS

SEC. 401. Effective only for the 1982 through 1985 crops of feed grains, the Agricultural Act of 1949 is amended by adding after section 105A the following new section:

"SEC. 105B. Notwithstanding any other provision of law—

"(a)(1) The Secretary shall make available to producers loans and purchasers for each of the 1982 through 1985 crops of corn at such level, not less than $2.50 per bushel, as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains after taking into consideration the cost of producing corn, supply and demand conditions, and world prices for corn.

"(2) The Secretary shall make available to producers loans and purchases for each of the 1982 through 1985 crops of grain sorghums, barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and other factors specified in section 401(b) of this Act.

"(b)(1)(A) The Secretary shall make available to producers payments for each of the 1982 through 1985 crops of corn, grain sorghums, oats, and, if designated by the Secretary, barley, in an amount computed as provided in this subsection. Payments for any such crop of feed grains shall be computed by multiplying (i) the payment rate, by (ii) the farm program acreage for the crop, by (iii) the farm program payment yield for the crop. In no event may payments be made under this paragraph for any crop on a greater acreage than the acreage actually planted to such feed grains.

"(B) The payment rate for corn shall be the amount by which the higher of—

"(i) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(ii) the loan level determined under subsection (a) of this section for such crop, is less than the established price per bushel.

"(C) For the 1982 through 1985 crops of corn, the established price shall not be less than $2.70 per bushel for the 1982 crop, $2.85 per bushel for the 1983 crop, $3.00 per bushel for the 1984 crop, and $3.15 per bushel for the 1985 crop. Any such established price may be adjusted by the Secretary as the Secretary determines to be appropriate to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years may be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and may include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

"(D) The payment rate for grain sorghums, oats and, if designated by the Secretary, barley, shall be at such rates as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn.

"(E) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2) of this subsection.

"(2)(A) Except as provided in subparagraph (C) of this paragraph, effective only with respect to the 1982 through 1985 crops of feed grains, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for feed grains to feed grains or other nonconserving crops because of drought,

flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to feed grains for harvest (including any acreage which the producers were prevented from planting to feed grains or other nonconserving crop in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to 33⅓ per centum of the established price for the crop.

"(B) Except as provided in subparagraph (C) of this paragraph, effective only with respect to the 1982 through 1985 crops of feed grains, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of feed grains which the producers are able to harvest on any farm is less than the result of multiplying 60 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 per centum of the established price for the crop for the deficiency in production below 60 per centum for the crop.

"(C) With respect to the 1982 through 1985 crops of feed grains, producers on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act with respect to their feed grain acreage.

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, effective only for the 1982 through 1985 crops of feed grains, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

"(i) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting feed grains or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency, or no crop insurance covered the loss because of transitional problems attendant to the Federal crop insurance program; and

"(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(c)(1) The Secretary shall proclaim a national program acreage for each of the 1982 through 1985 crops of feed grains. The proclamation shall be made not later than November 1 of each calendar year for the crop harvested in the next succeeding calendar year. The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (2) of this subsection if the Secretary determines it necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for feed grains shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of feed grains are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(2) The Secretary shall determine a program allocation factor for each crop of feed grains. The allocation factor for feed grains shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop, except that in no event shall the allocation factor for any crop of feed grains be more than 100 per centum nor less than 80 per centum.

"(3) The individual farm program acreage for each crop of feed grains shall be determined by multiplying the allocation factor by the acreage of feed grains planted for harvest on the farms for which individual farm program acreages are required to be determined. The feed grain acreage shall not be further reduced by application of the allocation factor if the producers reduce the acreage of feed grains planted for harvest on the farm from the previous year by at least the percentage recommended by the Secretary in the proclamation of the national program acreage made not later than November 1 prior to the year in which the crop is harvested. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of feed grains planted for harvest is less than for the preceding year, but for which the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for feed grains, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(d) The farm program payment yield for each crop of feed grains shall be the yield established for the farm for the previous crop year, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for feed grains was established for the farm in the previous crop year, the Secretary may determine such yield as the Secretary finds fair and reasonable. Notwithstanding the foregoing provisions of this subsection, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(e)(1) Notwithstanding any other provision of this section, the Secretary may impose a limitation on the acreage planted to feed grains if the Secretary determines that the total supply of feed grains will, in the absence of such limitation, be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. Such limitation shall be achieved by applying a uniform precentage reduction to the feed grain acreage base for each feed grain-producing farm. Producers on a farm who knowingly produce feed grains in excess of the permitted feed grain acreage for the farm shall be ineligible for feed grain loans, purchases, and payments with respect to that farm. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as the result of a limitation imposed by the Secretary under this paragraph shall be the acreage planted on the farm to feed grains for harvest (including any acreage which the producers were prevented from planting to feed grains or other nonconserving crop in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to feed grains for harvest in the two crop years immediately preceding the year for which the determination is made. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of acres on the farm determined by dividing (i) the product obtained by multiplying the number of acres required to be withdrawn from the production of feed grains times the number of acres actually planted to such commodity, by (ii) the number of acres authorized to be planted to such commodity under the limitation imposed by the Secretary (hereinafter in this subsection referred to as 'reduced acreage') shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, which will assure protection of such acreage from weeds and wind and water erosion. However, the Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the reduced acreage to be devoted to sweet sorghum, hay and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, oats, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

"(2) The Secretary may conduct a land diversion program and make land diversion payments to producers of one or more of the crops of corn, barley, oats, and grain sorghums if the Secretary determines that such payments will assist in obtaining necessary adjustments in the total acreage of any of these feed grains. If a land diversion program is in effect for one or more of the crops of corn, barley, oats, and grain sorghums, the Secretary may also require that producers participate in such program as a condition of eligibility for loans, purchases, and payments authorized by this section. Land diversion payments shall be made to a producer on a farm who devotes an acreage of cropland on the farm to conservation uses approved by the Secretary in accordance with a land diversion contract entered into with the Secretary. The amounts payable to a producer under a land diversion contract shall be determined by such means as the Secretary determines appropriate, including the submission of bids for such contracts. In determining the acceptability of a contract offer, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producer and the productivity of the acreage diverted. The Secretary shall limit

the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county of local community.

"(3) The reduced acreage and the diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(4) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation no later than such date as the Secretary may prescribe.

The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into under this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(f) In any case in which the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not adversely affect the operation of the program.

"(g) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(h) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(i) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this section.

"(j) The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(k) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans, purchases, or payments under this section.".

NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURAL ACT OF 1949 TO THE 1982 THROUGH 1985 CROPS OF FEED GRAINS

SEC. 402. Section 105 of the Agricultural Act of 1949 shall not be applicable to the 1982 through 1985 crops of feed grains.

## TITLE V—UPLAND COTTON

BASE ACREAGE ALLOTMENTS; SUSPENSION OF MARKETING QUOTAS AND RELATED PROVISIONS

SEC. 501. Sections 342, 343, 344, 345, 346, and 377 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1342, 1343, 1344, 1345, 1346, and 1377) shall not be applicable to upland cotton of the 1982 through 1985 crops.

LOAN RATES AND TARGET PRICES, DISASTER PAYMENTS, COTTON ACREAGE REDUCTION PROGRAM, AND LAND DIVERSION FOR THE 1982 THROUGH 1985 CROPS OF UPLAND COTTON

SEC. 502. Effective only for the 1982 through 1985 crops of upland cotton, section 103 of the Agricultural Act of 1949 (7 U.S.C. 1444) is amended by adding at the end thereof the following new subsection:

"(g)(1) The Secretary shall, upon presentation of warehouse receipts reflecting accrued storage charges of not more than sixty days, make available for the 1982 through 1985 crops of upland cotton to cooperators nonrecourse loans for a term of ten months from the first day of the month in which the loan is made at such level as will reflect for Strict Low Middling one-and-one-sixteenth-inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States the smaller of (A) 85 per centum of the average price (weighted by market and month) of such quality of cotton as quoted in the designated United States spot markets during three years of the five-year period ending July 31 in the year in which the loan level is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, or (B) 90 per centum of the average, for the fifteen-week period beginning July 1 of the year in which the loan level is announced, of the five lowest priced growths of the growths quoted for Middling one-and-three-thirty-seconds-inch cotton C.I.F. northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between such average northern Europe price quotation of such quality of cotton and the market quotations in the designated United States spot markets for Strict Low Middling one-and-one-sixteenth-inch cotton (micronaire 3.5 through 4.9)). In no event shall such loan level be less than 55 cents per pound. If for any crop the average northern Europe price determined under clause (B) of the first sentence of this paragraph is less than the average United States spot market price determined under clause (A) of the first sentence of this paragraph, the Secretary may, notwithstanding the foregoing provisions of this paragraph, increase the loan level to such level as the Secretary may deem appropriate, not in excess of the average United States spot market price determined under clause (A) of the first sentence of this paragraph. The loan level for any crop of cotton shall be determined and announced by the Secretary not later than November 1 of the calendar year preceding the marketing year for which such loan is to be effective, and such level shall not thereafter be changed. Nonrecourse loans provided for in this subsection shall, upon request of the cooperator during the tenth month of the loan period for the cotton, be made available for an additional term of eight months, except that such request to extend the loan period shall not be approved in a month when the average price of Strict Low Middling one-and-one-sixteenth-inch cotton (micronaire 3.5 through 4.9) in the designated spot markets for the preceding month exceeded 130 per centum of the average price of such quality of cotton in such markets for the preceding thirty-six-month period. Whenever the Secretary determines that the average price of Strict Low Middling one-and-one-sixteenth-inch cotton (micronaire 3.5 through 4.9) in the designated spot markets for a month exceeded 130 per centum of the average price of such quality of cotton in such markets for the preceding thirty-six months, notwithstanding any other provision of law, the President shall immediately establish and proclaim a special limited global import quota for upland cotton subject to the following conditions:

"(i) The amount of the special quota shall be equal to twenty-one days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent three months for which data are available.

"(ii) If a special quota has been established under this paragraph during the preceding twelve months, the amount of the quota next established hereunder shall be the smaller of twenty-one days of domestic mill consumption calculated as set forth in clause (i) of this subsection or the amount required to increase the supply to 130 per centum of the demand.

"(iii) As used in clause (ii) of this paragraph, the term 'supply' means, using the latest official data of the Bureau of the Census, the United States Department of Agriculture, and the United States Department of the Treasury, the carryover of upland cotton at the beginning of the marketing year (adjusted to four-hundred-and-eight-pound bales) in which the special quota is established, plus production of the current crop, plus imports to the latest date available during the marketing year, and the term 'demand' means the average seasonally adjusted annual rate of domestic mill consumption in the most recent three months for which data are available, plus the larger of average exports of upland cotton during the preceding six marketing years or cumulative exports of upland cotton, plus outstanding export sales for the marketing year in which the special quota is established.

"(iv) When a special quota is established under the provisions of this subsection, a ninety-day period from the effective date of the proclamation shall be allowed for entering cotton under such quota.

"(2) Notwithstanding the foregoing provisions of this subsection, a special quota period shall not be established that overlaps an existing special quota period.

"(3) Notwithstanding any other provision of law, any upland cotton described in items 955.01 through 955.03 of part 3 of the appendix to the Tariff Schedules of the United States imported into the United States during the period of time a special quota established under this subsection is in effect shall be deemed to be an import under such special quota until the special quota is filled and any such cotton shall be free of duty.

"(4) Payments shall be made for each crop of upland cotton to the producers on each farm at a rate equal to the amount by which the higher of—

"(A) the average market price received by farmers for upland cotton during the calendar year which includes the first five months of the marketing year for such crops, as determined by the Secretary, or

"(B) the loan level determined under paragraph (1) of this subsection for such crop, is less than the established price per pound times in each case (i) the farm program acreage for cotton, determined in accordance with paragraph (8) of this subsection (but in no event on a greater acreage than the acreage actually planted to cotton for harvest), multiplied by (ii) the farm program payment yield for cotton determined in accordance with paragraph (9) of this subsection. For the 1982 through 1985 crops of upland cotton, the established price shall not be less than $0.71 per pound for the 1982 crop, $0.76 per pound for the 1983 crop, $0.81 per pound for the 1984 crop, and $0.86 per pound for the 1985 crop. Any such established price may be adjusted by the Secretary as the Secretary determines to be appropriate to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years may be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and may include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop. The total quantity on which payments would otherwise be payable to a producer for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (5) of this subsection.

"(5)(A) Except as provided in subparagraph (C) of this paragraph, effective only with respect to the 1982 through 1985 crops of upland cotton, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for cotton to cotton or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to cotton for harvest (including any acreage which the producers were prevented from planting to cotton or other nonconserving crop in lieu of cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to 33⅓ per centum of the established price for the crop.

"(B) Except as provided in subparagraph (C) of this paragraph, effective only with respect to the 1982 through 1985 crops of upland cotton, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of cotton which the producers are able to harvest on any farm is less than the result of multiplying 75 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 33⅓ per centum of the established price for the crop for the deficiency in production below 75 per centum for the crop.

"(C) With respect to the 1982 through 1985 crops of upland cotton, producers on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act with respect to their cotton acreage.

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, effective only for the 1982 through 1985 crops of upland cotton, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

"(i) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting cotton or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency or no crop insurance covered the loss because of transitional problems attendant to the Federal crop insurance program; and

"(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(6) The Secretray shall establish for each of the 1982 through 1985 crops of upland cotton a national program acreage. Such national program acreage shall be announced by the Secretary not later than November 1 of the calendar year preceding the year for which such acreage is established. The Secretary may revise the national program acreage first announced for any crop year for the purpose of determining the allocation factor under paragraph (7) of this subsection if the Secretary determines it necessary based upon the latest information, and the Secretary shall announce such revised national program acreage as soon as it has been made. The national program acreage shall be the number of harvested acres the Secretary determines (on the basis of the estimated weighted national average of the farm program yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. The national program acreage shall be subject to such adjustment as the Secretary determines necessary, taking into consideration the estimated carryover supply, so as to provide for an adequate but not excessive total supply of cotton for the marketing year for the crop for which such national program acreage is established. In no event shall the national program acreage be less than ten million acres.

"(7) The Secretary shall determine a program allocation factor for each crop of upland cotton. The allocation factor (not to exceed 100 per centum) shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop.

"(8) The individual farm program acreage for each crop of upland cotton shall be determined by multiplying the allocation factor by the acreage of cotton planted for harvest on the farms for which individual farm program acreages are required to be determined, except that the cotton acreage on a farm eligible for payments shall not be further reduced by application of the allocation factor if the producers reduce the acreage of cotton planted for harvest on the farm from the previous year by at least the percentage recommended by the Secretary in the announcement of the national program acreage made not later than November 1 of the calendar year preceding the year for which such acreage is established. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of cotton planted for harvest is less than for the preceding year, but the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(9) The farm program payment yield for each crop of upland cotton shall be determined on the basis of the actual yields per harvested acre on the farm for the preceding three years, except that the actual yields shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, or other natural disaster, or other condition beyond the control of the producers. In case farm yield data for one or more years are unavailable or there was no production, the Secretary shall provide for appraisals to be made on the basis of actual yields and program payment yields for similar farms in the area for which data are available. Notwithstanding the foregoing provisions of this paragraph, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this paragraph. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(10)(A) Notwithstanding any other provision of this subsection, the Secretary may impose a limitation on the acreage planted to upland cotton if the Secretary determines that the total supply of upland cotton will, in the absence of such limitation, be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. Such limitation shall be achieved by applying a uniform percentage reduction to the upland cotton acreage base for each cotton producing farm. Producers on a farm who knowingly produce cotton in excess of the permitted cotton acreage for the farm shall be ineligible for cotton loans and payments with respect to that farm. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as the result of a limitation imposed by the Secretary under this subparagraph shall be the acreage planted on the farm to upland cotton for harvest (including any acreage which the producers were prevented from planting to cotton or other nonconserving crop in lieu of cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to upland cotton for harvest in the two crop years immediately preceding the year for which the determination is made. The Secretary may make adjustments to reflect established crop rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of acres on the farm determined by dividing (i) the product obtained by multiplying the number of acres required to be withdrawn from the production of upland cotton times the number of acres actually planted to such commodity, by (ii) the number of acres authorized to be planted to such commodity under the limitation imposed by the Secretary (hereinafter in this subsection referred to as 'reduced acreage') shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, which will assure protection of such acreage from weeds and wind and water erosion. However, the Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the reduced acreage to be devoted to sweet sorghum, hay and grazing, or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, oats, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

"(B) The Secretary may conduct a land diversion program and make land diversion payments to producers of upland cotton if the Secretary determines that such payments will assist in obtaining necessary adjustments in the total acreage of upland cotton. If a land diversion program is in effect under this subsection, the Secretary may also require that producers participate in such program as a condition of eligibility for loans and payments authorized by this subsection. Land diversion payments shall be made to a producer on a farm who devotes an acreage of cropland on the farm to conservation uses approved by the Secretary in

accordance with a land diversion contract entered into with the Secretary. The amounts payable to a producer under a land diversion contract shall be determined by such means as the Secretary determines appropriate, including the submission of bids for such contract. In determining the acceptability of a contract offer, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producer and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community;

"(C) The reduced acreage and the diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(11) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation no later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into under this subsection if the Secretary determines such action necessary because of an emergency credited by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(12) The Secretary shall provide for the sharing of payments made under this subsection for any farm among the producers on the farm on a fair and equitable basis.

"(13) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(14) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this subsection precludes the making of loans and payments, the Secretary may, nevertheless, make such loans and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not adversely affect the operation of the program.

"(15) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this subsection.

"(16) The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

"(17) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this subsection.

"(18) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans or payments under this subsection.

"(19) In order to encourage and assist producers in the orderly ginning and marketing of their cotton production, the Secretary shall make loans available to such producers on seed cotton in accordance with authority vested in the Secretary under the Commodity Credit Corporation Charter Act.".

EXTENSION OF COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS

SEC. 503. Section 603 of the Food and Agriculture Act of 1977 (91 Stat. 939) is amended by striking out "July 31, 1982" and inserting in lieu thereof "July 31, 1986".

MISCELLANEOUS COTTON PROVISIONS

SEC. 504. (a) Section 408(b) of the Agricultural Act of 1949 (7 U.S.C. 1428(b)) is amended by striking out the period at the end of the first sentence and inserting in lieu thereof a colon and the following: "*And provided further*, That for the 1982 through 1985 crops of upland cotton a cooperator shall be a producer on a farm who has limited the acreage planted in accordance with paragraph (10)(A) of section 103(g).".

(b) Sections 103(a) and 203 of the Agricultural Act of 1949 (7 U.S.C. 1444 and 1446d) shall not be applicable to the 1982 through 1985 crops.

SKIPROW PRACTICES

SEC. 505. Section 374(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1974) is amended by striking out "1981" and inserting in lieu thereof "1985".

PRELIMINARY ALLOTMENTS FOR 1986 CROP OF UPLAND COTTON

SEC. 506. Section 606 of the Food and Agriculture Act of 1977 (7 U.S.C. 1342 note) is amended by striking out "1982" and inserting in lieu thereof "1986".

PRICE SUPPORT ADJUSTMENTS

SEC. 507. Section 403 of the Agricultural Act of 1949 (7 U.S.C. 1423) is amended by adding at the end thereof the following: "Beginning with the 1982 crop of upland cotton, the quality differences (premiums and discounts for grade, staple and micronaire) for the loan program shall be established by the Secretary by giving equal weight to (1) loan differences for the preceding crop and (2) the market differences for such crop in the nine designated United States spot markets. The Secretary shall establish a study committee of ten members, eight of whom shall be representatives of cotton producers, selected to equally represent each of the four major geographic regions which produce and market upland coton, and one of whom shall be a representative of cotton merchants and one of whom shall be a representative of the textile manufacturers. The committee shall study alternative methods of establishing values of premiums and discounts for grade, staple, and micronaire for the upland cotton loan program that will accurately represent true relative market values and reflect actual market demand for upland cotton produced in the United States. The committee shall submit the results of such study to the Secretary at the earliest practicable date together with such recommendations as the committee considers appropriate. The Secretary may, prior to the announcement of loan rate differences for the 1982 crop of upland cotton, review the procedures and criteria, including the recommendations made by the study committee and the formula provided for in the fifth sentence of this section, used for determining quality differences, including the loan differentials for grade staples, and micronaire for the upland cotton loan program and, on the basis of such review, revise such procedures and criteria to accurately reflect the actual market value of upland cotton produced in the United States.

## TITLE VI—RICE

REPEAL OF PROVISIONS RELATING TO NATIONAL ACREAGE ALLOTMENTS, ALLOCATIONS, APPORTIONMENT, MARKETING QUOTAS, AND PENALTIES

SEC. 607. (a) Effective beginning with the 1982 crop of rice, sections 352, 353, 354, 355, and 356, of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1352, 1353, 1354, 1355, and 1356,) are repealed.

(b) Effective beginning with the 1982 crop of rice, section 377 of such Act (7 U.S.C. 1377) shall not be applicable to rice acreage.

LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, RICE ACREAGE REDUCTION PROGRAM, AND LAND DIVERSION FOR THE 1982 THROUGH 1985 CROPS OF RICE

SEC. 602. Effective only for the 1982 through 1985 crops of rice, section 101 of the Agricultural Act of 1949 (7 U.S.C. 1441) is amended by adding at the end a new subsection (i) as follows:

"(i) Notwithstanding any other provision of law—

"(1) For the 1982 through 1985 crops of rice, the established price shall not be less than $10.73 per hundredweight for the 1982 crop, $11.23 per hundredweight for the 1983 crop, $11.73 per hundredweight for the 1984 crop, and $12.23 per hundredweight for the 1985 crop. Any such established price may be adjusted by the Secretary as the Secretary determines to be appropriate to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years may be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and may include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

"(2) The Secretary shall make available, to cooperators in the several States of the United States, loans and purchases for each of the 1982 through 1985 crops of rice at a level that bears the same ratio to the loan level for the preceding year's crop as the established price for such crop bears to the established price for the preceding year's crop. If the Secretary determines that loans and purchases at such a level for any of the 1982 through 1985 crops would substantially discourage the exportation of rice and result in excessive stocks of rice in the United States, the Secretary may, notwithstanding the foregoing provisions of this paragraph, establish loans and purchases for any such crop at such level, not less than $8 per hundredweight, as the Secretary determines necessary to avoid such excessive stocks. The loan and purchase level for each of the 1983, 1984, and 1985 crops of rice shall be established on the basis of the loan and purchase level established for the preceding crop year before the application of the preceding sentence. The established price and the loan and purchase level for each crop shall be announced not later than March 1 of each calendar year for the crop harvested in that calendar year.

"(3) The Secretary shall make available to cooperators payments for each of the 1982 through 1985 crops of rice grown in the several States of the United States at a rate equal to the amount by which the established price for the crop of rice exceeds the higher of—

"(A) the national average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(B) the loan level determined under paragraph (2) for such crop.

"(4) The payments for each such crop of rice shall be computed by multiplying (i) the payment rate by (ii) the farm program acreage for the crop by (iii) the yield established for the farm. In no event shall payments be made under this paragraph for any crop on a greater acreage than the acreage actually planted to rice. The yield for the

farm for any year shall be determined on the basis of the actual yields per harvested acre for the three preceding years. The actual yield shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, other natural disaster, or other condition beyond the control of the cooperators.

"(5) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (6) of this subsection.

"(6)(A) Except as provided in subparagraph (C) of this paragraph, effective only with respect to the 1982 through 1985 crops of rice, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for rice to rice or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the cooperators on the number of acres so affected but not to exceed the acreage planted to rice for harvest (including any acreage which the producers were prevented from planting to rice or other nonconserving crop in lieu of rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to 33⅓ per centum of the established price for the crop.

"(B) Except as provided in subparagraph (C) of this paragraph, effective only with respect to the 1982 through 1985 crops of rice, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of rice which the producers are able to harvest on any farm is less than the result of multiplying 75 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to cooperators at a rate equal to 33⅓ per centum of the established price for the crop for the deficiency in production below 75 per centum for the crop.

"(C) With respect to the 1982 through 1985 crops of rice, cooperators on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act with respect to their rice acreage.

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, effective only for the 1982 through 1985 crops of rice, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

"(i) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting rice or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency, or no crop insurance covered the loss because of transitional problems attendant to the Federal crop insurance program; and

"(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers, taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(7)(A) The Secretary shall proclaim a national program acreage for each of the 1982 through 1985 crops of rice. The proclamation shall be made not later than January 31 of each calendar year for the crop harvested in that calendar year. The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under subparagraph (B) of this paragraph if the Secretary determines a revision necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for rice shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm established yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of rice are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(B) The Secretary shall determine a program allocation factor for each crop of rice. The allocation factor for rice shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop. In no event may the allocation factor for any crop of rice be more than 100 per centum nor less than 80 per centum.

"(C) The individual farm program acreage for each crop of rice shall be determined by multiplying the allocation factor by the acreage of rice planted for harvest on the farms for which individual farm program acreages are required to be determined, except that the rice acreage on a farm eligible for payments shall not be further reduced by application of the allocation factor if the producers reduce the acreage of rice planted for harvest on the farm from the previous year by at least the percentage recommended by the Secretary in the annual proclamation of the national program acreage. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of rice planted for harvest is less than for the preceding year, but the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for rice, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(8)(A) Notwithstanding any other provision of this subsection, the Secretary may impose a limitation on the acreage planted to rice if the Secretary determines that the total supply of rice will, in the absence of such limitation, be excessive, taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. Such limitation shall be achieved by applying a uniform percentage reduction to the rice acreage base for each rice-producing farm. Producers on a farm who knowingly produce rice in excess of the permitted rice acreage for the farm shall be ineligible for rice loans, purchases, and payments with respect to that farm. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as the result of a limitation imposed by the Secretary under this subparagraph shall be the acreage planted on the farm to rice for harvest (including any acreage which the producers were prevented from planting to rice or other nonconserving crop in lieu of rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to rice for harvest in the two crop years immediately preceding the year for which the determination is made. In determining the acreage planted to rice in any previous year for purposes of this subparagraph, the Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of acres on the farm determined by dividing (i) the product obtained by multiplying the number of acres required to be withdrawn from the production of rice times the number of acres actually planted to rice, by (ii) the number of acres authorized to be planted to rice under the limitation imposed by the Secretary (hereinafter in this subsection referred to as the 'reduced acreage') shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, which will assure protection of such acreage from weeds and wind and water erosion. However, the Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the reduced acreage to be devoted to sweet sorghum, hay and grazing or the production of guar, sesame, safflower, sunflower, caster beans, mustard seed, crambe, plantago, ovato, flaxseed, triticale, oats, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

"(B) The Secretary may conduct a land diversion program and make land diversion payments to producers of rice if the Secretary determines that such payments will assist in obtaining necessary adjustments in the total acreage of rice. If a land diversion program is in effect under this subsection, the Secretary may also require that producers participate in such program as a condition of eligibility for loans, purchases, and payments authorized by this subsection. Land diversion payments shall be made to a producer on a farm who devotes an acreage of cropland on the farm to conservation uses approved by the Secretary in accordance with a land diversion contract entered into with the Secretary. The amounts payable to a producer under a land diversion contract shall be determined by such means as the Secretary determines appropriate, including the submission of bids for such contracts. In determining the acceptability of a contract offer, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producer and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(C) The reduced acreage and the additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(D) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation no later than such date as the Secretary may prescribe. The Secretary may,

by mutual agreement with the producer, terminate or modify any such agreement entered into under this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(9) The Secretary shall provide for the sharing of payments made under this subsection for any farm among the producers on the farm on a fair and equitable basis.

"(10) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(11) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this subsection precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not adversely affect the operation of the program.

"(12) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this subsection.

"(13) The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

"(14) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this subsection.

"(15) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans, purchases, or payments under this subsection

DEFINITION OF COOPERATOR

SEC. 603. Effective only with respect to the 1982 through 1985 crops of rice, the third proviso in the first sentence of section 408 (b) of the Agricultural Act of 1949 (7 U.S.C. 1428(b)) is amended to read as follows: "*Provided further*, That for the 1982 through 1985 crops of rice, a cooperator shall be a producer on a farm who has reduced the acreage base planted to rice as required under section 101(1)(8) of this Act.".

Mr. DOLE. Mr. President, this amendment to the Lugar amendment is an effort that I hope will succeed to make certain that we are going to have a farm bill rather than passing something that will eventually be vetoed by the President.

In essence, what it does is to reduce the target prices for wheat and rice and a minor change in cotton and corn.

We are not talking about a great deal of money. I might add that there are some who think it is an exercise in futility to worry about $72 million a year or about $360 million over the next 5 years.

I have been urged by my colleagues on both sides to say, "Well, let us go ahead and pass it." In fact, many who have legislative experience, who have been in legislative bodies, say, "We know somebody is always talking about something, that something is going to be vetoed." I do not suggest that that is—this would be a substitute for the Lugar amendment. Let me say to sort of——

Mr. HEFLIN. Mr. President, will the Senator yield?

Mr. DOLE. I would be happy to yield.

Mr. HEFLIN. As I gather this is a rather sweeping amendment and includes a lot of items. The Senator mentioned disaster payments and other features. Is the Senator going to give us a full explanation of what is contained in the amendment?

Mr. DOLE. Yes; I will do the best I can I will say to the distinguished Senator from Alabama.

Let me first set the stage for this amendment. We are faced right now with an amendment that would knock out target prices altogether. I am not certain whether the distinguished Senator from Indiana has 51 votes, I do not know how many are in town today or whatever the majority might be, to knock out target prices. Some have suggested we ought to first try to table the Lugar amendment and then if we fail we offer this amendment.

I would assume Senator LUGAR, if we fail, would not be in a position or not be too willing at that point to try to compromise any differences.

It is my understanding that if, in fact, we can agree on this amendment the distinguished Senator from Indiana would not be totally satisfied, but would feel much better about the target price program, and I will ask him to comment on that later.

It is not a complicated amendment. Let us just take the wheat section. In the so-called modified Senate proposal for fiscal 1982 the cost would be $1.606 billion and the same is true in the amendment I just offered; in fiscal 1983 the difference would be $366 million in cost, and my amendment is $368 million. In the so-called modified Senate amendment the fiscal 1984 cost is the same. The fiscal 1985 cost is an addition of $42 million, the fiscal 1986 costs are an additional $43 million, so the entire period it is only $87 million for wheat.

Now, only $87 million, on the one hand, it seems that we should not be arguing about $87 million. On the other hand, $87 million distributed across to all the wheat producers in this country would not amount to much assistance to any one of those wheat producers.

The point the Senator from Kansas wishes to make is I believe, we can pass a farm bill, and I believe the bill we pass in the Senate will be the farm bill, maybe with some minor exceptions, some of the amendments, not the basic amendments, but some of the amendments which have been added, so I am willing to stand here as one of the conferees on this farm bill and say if we adopt this amendment there is no excuse, there is no reason—in fact we have a pledge from the administration from the top to the bottom, that the bill is going to be signed, even though it is in addition to the original bill submitted by the administration estimates of $1 billion to $1.5 billion.

Having been involved in farm legislation in the House and in the Senate for the past 20 years, and having seen different administrations trying to cope with farm legislation——

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. DOLE. May I finish my statement? I will be around all afternoon, so I will yield.

Mr. MELCHER. If I might just inquire whether the amendment will be available to look at?

Mr. DOLE. It will be available to look at—look at it, but not to read it. [Laughter.] No, we will try to get it. It reads like a novel.

Mr. MELCHER. I thank the Senator.

Mr. DOLE. So, we are talking about the wheat section, which is rather important to the State of Kansas, the Senator might add, of an average annual reduction of $17 million.

Now, $17 million in the wheat section, if it means the difference between a bill and no bill, let us not quarrel about it. Let us satisfy the administration's demands and lower the cost of that program.

I would say to those who say if it is only $17 million why worry about it? Well, if we are going to add about $360 million if we do not adopt this amendment, and again I would take the name of Senator GARN in vain, who is not present, who indicated to me how the administration feels about the HUD authorization bill, which he indicates is maybe $90 million, some say maybe $300 million, over the budget, that the President has made it very clear less than 3 days ago that he is going to veto anything that exceeds the administration's recommendations.

This Senator takes the President at his word. That is why it seems to me to be the best course to follow is to come to the floor in a responsible manner, cut the program back, put the genie back in the bottle, satisfy the budget requirement, satisfy the Secretary of Agriculture, the Office of Management and Budget, and the President of the United States, and get a farm bill.

If it means a loss to the wheat community of $72 million or $87 million over the next number of years, through fiscal 1986, that is just the price we pay for getting a farm bill. It is going to mean a lot more to farmers than if no farm bill is passed.

Let me move on to feed grains. In fiscal year 1982 there is no difference between my amendment and the so-called modified Senate coalition bill. In fiscal 1983 the amenment I have presented would reduce the cost by $71 million; in fiscal 1984 reduce the cost by $57 million; in fiscal 1985 by $12 million; and in fiscal 1986 by $1 million.

So I just suggest that in that case—in fact, I think the total, when you add up the pluses and minuses on feed grains, we are only talking about a $4 million difference. So I would say to the corn and feed grain producers that there is virtually no difference in the two proposals, because in fiscal 1984, the $57 million that my amendment would cost that much more and in fiscal 1985 it would cost $12 million more and in fiscal 1986 it would cost $1 million more, which is $70 million, as opposed to a cost in 1983 of $71 million. So that is the $1 million difference in the corn and feed grain sections. That is not a major sacrifice for

all the corn and feedgrain producers in this country. It will not even be noticed.

What about upland cotton? There is no difference at all between what I propose and the so-called modified Senate position. The only commodity, in addition to wheat, that there really is a difference in is rice. There is no difference in dairy and there is no difference in the other commodities.

In rice, the total difference between my amendment and the so-called modified Senate coalition position is $272 million. I am going to let the rice people address that, because I am not an expert on rice programs. So it is major in the sense that it is a reduction. It is a reduction, overall, of $360 million or, as I said earlier, an average of $72 million a year.

Now, I do not think that that is too great a price to pay to get a farm bill. I think I have stuck with the so-called coalition. As I said, it is so loose it is hard to locate. But I have stuck with the coalition on every vote, as far as this Senator knows.

Mr. JOHNSTON. Will the Senator yield for a question?

Mr. DOLE. Yes.

Mr. JOHNSTON. On rice, what is the percentage difference?

Mr. DOLE. On rice, the difference in what I have proposed and what they propose in fiscal 1982, there is no difference. It would cost an estimated $90 million in the so-called coalition approach and $90 million in my amendment. In fiscal 1983, there is a $35 million difference and in fiscal 1984, a $1 million difference.

Mr. JOHNSTON. That is based on a 25-cent difference?

Mr. DOLE. The 25-cent difference, the target price.

Mr. JOHNSTON. Twenty-five cents less?

Mr. DOLE. It is $10.73 in my amendment versus $10.98 in the so-called modified Senate proposal, a 25-cent difference, as opposed to the reduction in wheat, which started at $4.10 and we dropped it to $4.

I might say that wheat and rice really are the only two commodities that are affected by this amendment. But we believe that, based on what we have been able to do with tobacco, what we have been able to do with sugar and what we have been able to do with all the other programs, that everybody is fairly well satisfied now, except the person who has to sign the bill. I guess we do not have to satisfy the President totally, but when it comes to budget matters and figures, then I believe that we have an obligation to try to meet that request.

Mr. President, I know the Senator from Kentucky wishes to speak on this. I know the Senator from Mississippi, Senator COCHRAN, and perhaps Senator HEFLIN and others wish to speak on this proposal.

Mr. President, I yield the floor for the time being.

Mr. HUDDLESTON addressed the Chair.

The PRESIDING OFFICER (Mr. COHEN). The Senator from Kentucky.

Mr. HUDDLESTON. Let me inform the Senator from Kansas of the predicament that this amendment at this particular time and in this fashion places some of us in who felt we did the best we could possibly do in the Senate committee in arriving at the modified Senate version of the S. 884. We are now faced with the prospect of accepting either the Dole substitute or the Lugar proposal. And it does not seem to me it ought to be that way. We ought to deal with the Lugar question first, the question of whether or not we will continue the target price concept, and then there would be opportunity to deal with the question of what the actual target price levels ought to be.

Now, I know there is always a lot of concern about vetoes and who is going to accept the legislation and who is not. But I think most of us have been around here long enough to know that the threat of veto is not always carried out. There are a lot of things that would have to be taken into consideration, in my judgment, before a bill that comes as close as this one does in the present form to the budget objectives, before it would be vetoed.

First of all, there is the question of dairy price supports and the escalating clause that goes into effect in October. And without any bill at all we go back to the 1949 legislation. It presents some complications in administering it. So there are various considerations that will have to be brought into play, in my judgment. So I do not think we ought to rush to tear up what has been carefully worked out at this particular point.

Now we saw on this floor last night a very substantial effort by Members of various farm States to increase the target levels that are in the modified version of the Senate bill now. It was not successful. But it did indicate a very strong desire on the part of many people to increase those levels, a very strong concern about the levels now prevailing in the modified version.

So now to be faced with the decision of whether or not to even have to reduce those further or to be faced with the decision of eliminating the target price concept altogether is a difficult position for many of the Members to be in.

So I would have preferred that the Senator from Kansas would have allowed us to proceed with the orderly disposition of the Lugar proposals and again reestablish the Senate's belief, as I believe it would be, that we ought to continue with the target price concept and then, if necessary, to address the question of the level of those target prices.

Is there any disposition, I might ask my friend from Kansas, to proceed in that fashion rather than now be confronted with the either/or proposition of Lugar, no target prices, or of a greatly scaled-down target price schedule?

Mr. DOLE. I would say to my friend from Kentucky that we have been trying to determine which would be the best way to proceed. It seemed to me, on the one hand, we are gambling—let us just take wheat, for example, since I understand that better than the other commodities—we are gambling, at least I think there is some gamble, of whether we are going to gamble the whole program for 10 cents a bushel in target prices.

I conferred with the distinguished Senator from Indiana and he indicated that, though he does not like target prices at all, that if, in fact, we were within the recommendation of the administration, he would be—and he has not spoken to this himself, so I should not say anything without Senator LUGAR indicating what his intent would be—but that might satisfy him.

It seems to me that what we are talking about is 25 cents off a target price of rice, which was $10.73, and 10 cents off the target price for wheat, which was $4.10 to $4.

I might say to those wheat producers here that $4 is where we started in the committee in April. On April 28, the Senator from Kansas proposed target prices for wheat at $4, $4.20, $4.40, and $4.60.

Now we later had to raise that target price by 20 cents in order to secure enough votes on the committee to get the wheat section adopted. So I am not so certain we have really moved that far. We sort of moved back to where some of us thought we should have been last April.

If there is some better way to approach it, I will be very happy to discuss it with the Senator from Kentucky, or maybe the Senator from Indiana would like to speak.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. In truth, as the Senator from Kansas has expressed it, I believe that this would be a stronger bill without target prices at all. I think a large number of Americans feel that way and a good number of Senators. I have expressed the reason why—such as the uncontrollable features, and the fact that we are already under very heavy deficiency payments in fiscal 1982 regardless of what we do in the next 4 years. I have suggested $650 million up to $900 million already.

The Senator from Kansas and I have visited about this problem. We have visited with the Secretary of Agriculture about the problem. As a member of the President's Cabinet, he has been giving this a great deal of thought.

My position is, simply stated, that I believe the Senator from Kansas has offered a very constructive suggestion. I understand it will be supported by other members of the Agriculture Committee. They believe it to be a constructive suggestion. It is obviously constructive enough that, as I heard the Secretary of Agriculture, and as the Senator from Kansas said correctly, President Reagan will sign the bill in the event that the target price exposures are scaled down to the areas suggested by the Senator from Kansas.

In the event that occurs, I am prepared to support this legislation.

I would point out that, in the event it does not occur, I think the Senate has the amendment which I offered, which I am certain will satisfy the Secretary of Agriculture and the President.

The predicament is a very good one

because the Senate is going to win either way, American agriculture is going to win either way. It is not an either/or proposition.

My understanding is that if the Dole amendment is agreed to, the bill will get signed. My understanding is that if the Lugar amendment is agreed to, the bill will be signed. The parliamentary sequence is that Dole is a substitute for Lugar. If it is agreed to, that is the end of the ball game and we have a bill that is going to get signed. I appreciate that point, and I commend the Senator from Kansas for the words he has brought forth from the Secretary. I think it is important that at least we appreciate that either way we are going to end up with a bill that will have the approval of the administration.

I am hopeful that Members will listen carefully to all the details. Essentially, the proposal that the Senator from Kansas is making is precisely the proposal the Secretary of Agriculture made about 2 weeks ago, down to the penny. It is a proposal that the administration feels to be within the budgetary constraints, a very important point. I commend it to the attention of my colleagues.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. ABDNOR. I would like to say to my friend from Indiana that I have been a farmer all my life, and I spent several days recently at the South Dakota State Fair talking to farmers. I would say that there is similarity between the amendment of the Senator from Indiana and that of the Senator from Kansas, both will reduce farm income and I can also assure the Senator that the farmers of South Dakota are not a bit happy about S. 884 in the form it is at this time, and they will be extremely unhappy if we cut further with amendments.

The pending amendments leave us little choice. I can assure the Senate that the amendment of the Senator from Kansas is far preferable to the amendment of the Senator from Indiana.

Sometimes I wish I could offer a crash course in farm economics so that more people, including the administration, honestly understood the real economic bind that farmers are in today. I can assure everyone in this Chamber that there are no longer any inefficient operators operating our Nation's farms. They were weeded out long ago.

I heard one of my colleagues say yesterday that we have only 4.5 percent of our people in farming.

There is a new figure that has been out for a while now that shows only 2.6 percent of our population farm today, and they are presently receiving only 1 percent of the total income of this Nation.

Sometimes I think Washington, and I mean the administration, the House, and this body do not realize that in America a smaller portion of one's take-home pay is going for food than anywhere else in the world. We put 15 percent of our take-home pay into our food bill. That is a bargain. Little of that actually gets to the farmer. Most of it is absorbed in processing.

I often wonder if the economists in this country recognize that, because people spend only 15 percent of their take-home pay for food, that remaining income is invested in other areas of the economy. Other countries pay up to 40 percent of their take-home pay, but not so in America because of the great productivity our farmers are able to give to the people of this country. We are getting a bargain.

Mr. President, agriculture in this country is at the crossroads. In the next 10 years, if our farm population leaves at the same rate they are leaving now, farmers will represent possibly 1 percent of this country's population. From 1975 to 1980 we lost almost 182,000 farms in this country. Two thousand farmers per week have gone out of business since 1960. Average farm size increased from 175 acres in 1940 to 450 acres in 1979. Nonfarmers may own as much as 50 percent of the farmland.

We used to have a theory in agriculture that only the bad operators go out of business. They have been eliminated long ago and I submit we have the most efficient industry in the world today. We cannot afford to lose another operation.

Of the people who own ranch and farmland, only 25 percent are classified by the Department of Agriculture (USDA) as farmers. The agriculture system is probably the Nation's top industry with over $999 billion in assets. In 1979, the sale of food and fiber products amounted to $450 billion. USDA is projecting that U.S. agricultural exports will reach $46 billion this year, with a possible trade surplus of $28 billion—$28 billion dollars that goes to pay off our tremendous trade deficit, primarily caused by the import of petroleum products and automobiles. Agriculture exports pay for half of the cost of import oil. Now if you want to talk about agricultural subsidies and their cost to the economy, let us ask who is truly subsidizing whom?

Americans pay 15 percent of their net income for food products—the lowest in the world by far. Countries all over the world pay 2 and 3 times that amount. Again, let us ask who is subsidizing whom?

The agriculture system is probably the country's largest employer, with 10 million people directly or indirectly involved. The Bureau of Labor Statistics states that over the past 20 years:

> The rate of increase in farm workers productivity has averaged 75 percent greater than that of manufacturing workers. Agricultural production itself accounts for only 3.5 percent of the total U.S. gross national product; however, when all food and agricultural support industries are included, the agricultural system component of gross national product is boosted to an estimated 25 percent.

In past years, farmer costs of production ran from the upper 60's to over 90 percent of their gross income; now farmers are not even breaking even because of the tremendous increase in the costs of production, particularly the increased cost of petroleum products.

In 1979, farmers received $131.5 billion for their commodities. They turned right around and paid back to the economy $118.6 billion in production costs alone. According to the General Accounting Office—

> Typically, from 67 to 90 percent of the farmer's gross receipts go for direct production costs. That means that 25 to 35 cents of the farmer's 39 cents share of the consumer's retail food dollar is paid out in costs of production, leaving the farmer between 4 to 14 cents on the food dollar for personal items, income taxes, savings, and reinvestment, as well as retirement of the farm real estate debt.

In the last 10 years the dollar value of U.S. agricultural exports has more than quadrupled. According to USDA, the total domestic effect of agricultural exports on our business activity is about double the value of our export sales themselves.

Thus, exports of $46 billion could generate close to $92 billion in additional business activity here.

For all of this, how is the agricultural industry rewarded? With statements like, "farmers are too heavily subsidized" or "farmers have got it made." People scoff when they hear the words, "farmers are the backbone of the country," but they are the backbone of the country. Where would we be without them?

Mr. President, being a farmer myself, I realize just how bad the situation is on the farm today. My farm State colleagues also realize the seriousness of the situation. Agriculture is at the cross roads. Are we going to stand by and watch the family farm system go by the wayside?

In the Senate Agriculture Committee's report on the 1981 farm bill, we find some interesting statistics. In 1979, farms with gross receipts of $20,000 or less—57 percent of all U.S. farms—obtained only 7 percent of farm receipts. Most of their income came from nonfarm sources; 30 percent of these families had incomes below the poverty line. Farms with sales of $20,000 to $40,000—14 percent of all farms—received 8 percent of farm cash receipts and received 50 percent of their income from nonfarm sources. Farms earning more than $40,000—30 percent of all farms—received 85 percent of farm cash receipts. Of the farms earning over $40,000, those earning over $100,000, about 10 percent of all farms, received 60 percent of the farm receipts in that category.

The committee report points out, "not only has the farmer been put in a profit squeeze, but he is also deeper in debt." The Internal Revenue Service statistics show that in 1945 agriculture's taxable income was under $4 billion, with total assets worth $50 billion. Ten years later assets had doubled while taxable income remained under $4 billion. By 1977, farm assets had grown to $550 billion, yet farm income was about $1 billion less than it had been 22 years earlier. In 1960, real estate debt was $12 billion and nonreal estate debt reached $12.8 billion for a total debt of $24.8 billion. January 1 estimates show farm real estate debt at $92.2 billion, nonreal estate debt at $82.6 billion plus other miscellaneous debt at $5.7 billion for a total of $180.5 billion—a sixfold increase since 1960.

In 1979, net farm income was $31.2

billion. In 1980, however, it is estimated that net farm income will fall to $22 billion and probably further. The trend seems to be continuing in 1981 due to bad weather, soft commodity markets, especially in cattle receipts, and the strength of the U.S. dollar overseas which impacts our agricultural exports.

Mr. President, it is not "subsidies and protection" we are after, but fair and responsible policies in the best interests of a healthy and vibrant agriculture, which can continue to provide Americans and the world with the most wholesome quality food supply at any time in the history of man.

The 1981 farm bill which is before us makes some drastic changes. It will remove the first-year interest waiver on grain entering the farmer-held grain reserve, and the loan rates and target prices will be set at levels that are clearly inadequate.

Mr. President, my colleagues know I favor balancing the budget, but is this bill an overreaction to the need to limit Federal expenditures? Everything is being eliminated at once with no chance for adjustment. The Congressional Budget Office estimates that this farm bill package will cost about $7 billion over the 4-year period. That computes to about $1.75 billion per year. Again, may I remind my colleagues that last year alone, agricultural exports had a trade surplus of $20 billion.

Major cuts have been implemented in certain interest subsidies under FmHA. User fees are being implemented for Federal grain inspection. All of these costs must be picked up by the agricultural producer. At the same time the agriculture commodities are taking a beating at the marketplace. Major cuts are being made in REA and RTA, dairy programs, and disaster programs. We are cutting all these programs and heaping more expense at the same time.

The Office of Management and Budget has done an outstanding job of addressing the urgent need for greater fiscal responsibility, so this great country of ours can see its way through these tough economic times. However, I feel it is dangerous for OMB to dictate agricultural policy when their expertise does not lie in agriculture. These programs have been nickeled and dimed to death in a time when we literally have thousands of farmers in this country hanging on by a thread. We cannot set agricultural policy with dollars only in mind. We should understand the policies we are setting and the consequences of the programs, so we do not end up with unintended or undesired effects.

Mr. President, I do not wish to paint a picture of doom, but the picture is not bright and should not be portrayed to look bright.

The Agriculture Committee has done an admirable job of setting priorities in the farm bill under the tough budgetary restraints, and there are some bright spots in the bill in spite of the budget constraints.

The Soil Conservation Service provisions of the farm bill seem particularly strong, including some positive changes. In the past, any small watershed project costing over $1 million was required to have congressional approval. This bill will make that figure $5 million.

The SCS program will continue to offer technical and cost-sharing assistance to encourage conservation practices. The resource conservation and development program (R.C. & D.) will be extended and USDA will evaluate the program, with a report back to Congress by September 30, 1986. SCS will be authorized to recruit and train volunteers, and the Secretary will be given discretion to formulate a test program to determine the feasibility of reducing excessive sediment in existing reservoirs.

Earlier this year Senator JEPSEN introduced, with my cosponsorship, S. 569, the Soil and Water Conservation Incentives Act of 1981, a strong bill aimed at providing landowners a 10-percent investment tax credit for the expenses they incur in instituting and maintaining conservation measures on their operations. I believe this follows along quite well with the administration's idea of getting away from "direct subsidies" and I hope this measure can be enacted to assist farmers in dealing with our nationally serious soil and water conservation needs.

Wheat loan rates for 1982 are set at $3.50 and are to remain there for the duration of the bill. The target price is set at $4.20 and will go up 20 cents per year through 1985. The loan rate for corn is set at $2.65 and will stay at that level for the duration of the farm bill, while the target price is set at $2.90 for 1982, $3.05 for 1983, $3.20 for 1984, and $3.35 for 1985.

The Secretary will continue to set loans for feed grains in relation to the level set for corn.

Disaster payments will continue to be allowed for farmers who do not have access to Federal crop insurance. These payments can also be made if the Secretary determines that losses create an economic emergency or if Federal crop insurance payments are insufficient to alleviate the economic hardship.

The emergency feed program will be extended, along with authority for the special wheat grazing and haying program.

The committee voted to recapitalize the rural telephone bank for another 10 years at $30 million per year.

Export subsidies have been a major issue of late, and I am very pleased that the committee is recommending positive action on a special standby export subsidy program. This would counteract subsidy programs being used by foreign countries in third country markets. It will help to assure free and open access for our agricultural commodities in world markets and is identical in purpose to legislation I introduced in the House in the 96th Congress.

The agriculture embargo protection provision is a strong measure that there never again should be an embargo of agriculture products alone. In the event an embargo is placed on agriculture products only, loan levels will be raised to 100 percent of parity.

A set-aside program can be put into effect if USDA forecasts show that significant overproduction is imminent. Two other tools of production control are acreage diversion and acreage allotments programs which the Secretary can use at his discretion. At the present time, acreage allotments are used only in the rice program but can be extended to other commodities if the Secretary deems it necessary.

Finally, Mr. President, I would like to praise the Agriculture Committee for their efforts in setting priorities in the farm bill. No committee has ever had to work under more stringent budgetary guidelines. If I may restate something I said earlier, it is not "subsidies" and "protection" we are after, but fair and responsible policies in the best interests of a healthy and vibrant agriculture, which can continue to provide Americans and the world with the most wholesome quality food supply at any time in the history of man.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIXON. Mr. President, I have no illusions about what the probable result of this debate will be, but I would like to make a contribution as a freshman member of the Agriculture Committee and a freshman Member of this body regarding what has transpired throughout this year relative to our work on the farm bill in the Agriculture Committee.

For those Senators who have been paying close attention to what has happened here, it should be understood that the work product of all of this year in the Agriculture Committee was S. 884.

That is not what is before us here because, in the very closing moments before S. 884 came before us in this body, the administration came to us in the Agriculture Committee and said, "S. 884 is not acceptable to the administration."

As a consequence of that, all of us on that committee, Democrats and Republicans, worked earnestly for several days to achieve an accommodation that would be acceptable to the administration. By a loose-knit coalition, we were able to agree upon an amendment to S. 884, which was offered by the chairman and the ranking member here and has been the basic bill, as amended, that we have been discussing. As part of that, Mr. President, one of the things understood was that dairy could not be agreed to at all by the administration. You will recall that we had no provision in the bill on dairy and a number of rollcalls transpired on the second day regarding the question of dairy. That has been resolved in the favor of the administration.

I have no quarrel with that, Mr. President. That is part of the democratic process and the junior Senator from Illinois accepts that process always. But one of the fundamental things that we did was to achieve an accommodation on our differences between the administration and S. 884.

Now, Mr. President, let us examine that. What did S. 884 say on target prices? On wheat, it said $4.20 in 1982. The administration wanted $4. The loose-knit coalition came back with an agreement at $4.10.

On feedgrains, S. 884 said $2.80. The administration wanted $2.70. The agreed compromise was $2.75.

Let me say this, Mr. President: I have no quarrel with the administration's

right to come back at this late date and suggest that we have to have their figures or none. I do quarrel with the suggestion that my good friend, the Senator from Kansas, has the only solution. Let me say this, Mr. President: If we reject the amendment of the Senator from Kansas, we then revert to the amendment of the Senator from Indiana doing away with target prices. If we reject that, as we should, we come back to the basic bill.

The basic bill is substantially below what the Senate Committee on Agriculture did. It is a fair compromise. It was a compromise visited upon us in the first instance in the committee by the administration, which led us to believe that if we let dairy alone and fought it on the floor of the Senate, the rest of the basic commodities would be at least implicitly acceptable to the administration.

That is the point I make, Mr. President. If the administration's purpose were simply to have their bill, why did they not tell us that in the first instance? What was the sense of taking the time of good men and women for days to achieve an honorable compromise if, at the last moment, they were going to come to us in this body and say, it is all or nothing; is it the administration's or no view with respect to this legislation?

Why did this committee suffer all those meetings for months to achieve an agreement and then compromise that agreement downward to accomplish an accommodation with the administration, only to come here in the dying hours of this bill and be told the bottom line is the administration's view or nothing?

I ask my colleagues this: Is there anyone here, really, who believes that this bill will be vetoed? None. The bill will not be vetoed. We know that. Dairy has been resolved in favor of the administration. The administration is satisfied with peanuts. The administration made its deal on sugar and has to live with it.

Whom are we kidding, Mr. President? We are kidding no one. There is no one here who thinks that the administration will veto this bill and go back to the 1949 law, not one single, solitary person here who knows or believes that. My distinguished and beloved friend from Kansas, who makes such a great contribution in all matters, knows that.

This bill is not going to be vetoed, Mr. President. This is the final question of whether the administration has every single continental thing it wants in this bill. Why should it have that? This is an honorable compromise, made between honorable men and women on both sides. It is acceptable, it is fair.

I voted against target prices in the first place when my distinguished friend, the Senator from North Dakota (MARK ANDREWS) offered a higher loan rate. But the compromise was target prices and I lived with that.

When my distinguished friend, the Senator from Nebraska (Mr. ZORINSKY) came in here and wanted S. 884, I voted against it, with my distinguished ranking member from Kentucky, because we had an accommodation.

When my friend, the Senator from Montana, came in and wanted high loan rates, I voted against that, though that is what I would have wanted, because we had an accommodation.

But in the end, Mr. President, we have none.

Let me say to my friends here, this bill will not be vetoed. There is not one single thing the matter with this bill with reference to wheat or with reference to corn or with reference to any other commodity. The administration can live with it and we know it. I say, reject the amendment of my distinguished and honorable friend, the Senator from Kansas. Reject it.

I say then reject the amendment of my friend from Indiana. Reject it and come to the bill—the bill that we wrote, the bill that is fair, the bill that is an honorable compromise, the bill that is a fair accommodation. That is fair, that is justice. It is fair to the farmers. The administration will sign it and it is what we ought to do.

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Mr. President, I have spent literally hundreds of hours trying to reach a farm bill that is fair to the farmer, yet in keeping with the overall philosophy of budget restraints and our quest for economic recovery. I might say that every other member of the Committee on Agriculture has spent a like period of time. I think it is fair to go back and follow the sequence of events, to follow the cooperation or lack of cooperation on the part of the Department of Agriculture in connection with the farm bill.

Originally, the Department of Agriculture came out with a program wherein they stated they were opposed to target prices, but were for increased loan rates. That was the original announcement, really, of a position by the Department of Agriculture, along with some other matters involved here. The Committee on Agriculture, I think, like any committee, has had leadership that has been bipartisan, with a sincere effort to reach an accommodation within budgetary restraints and yet to be fair to their constituents, the farmers, as well as the food and fiber consumers. We conducted extensive public hearings last spring and, as has been stated on this floor several times, there were 24 arduous markup sessions—24 separate sessions by which we were writing the bill.

The Department of Agriculture, during that writeup and markup, was asked to cooperate. They basically took a hands-off attitude in regard to working out a compromise at that stage, although they did respond to inquiries propounded to them during the markup sessions.

After those 24 sessions, about the end of April—I do not remember the exact date, but I would say it was approximately the 25th of April—the work product of the Agriculture Committee was finished and published.

The Department of Agriculture thereafter had ample time to consider and comment upon the work of the committee. If they did not want to take what we had agreed to at that time, they had full opportunity to offer their suggestions; and Senator HELMS and Senator HUDDLESTON, in my judgment, would have seriously considered anything that was stated to them by Department of Agriculture spokesmen.

Instead of doing something in the 3½ months after the committee completed its work on S. 884, we hear about the 1st of September, during the recess, what their position is going to be. Again, under a cooperative, bipartisan leadership approach, the administration position was considered, as every other matter was considered that has ever been asked to be considered by the committee; and I believe there has been outstanding fairness and an outstanding spirit of cooperation and a spirit of "Let's work the thing out within the committee," by the members of the committee. I am proud of the way they have worked together and cooperated with each other in connection with the farm legislation.

We returned here the Wednesday after Labor Day and immediately went into sessions to try to see if we could work out the administration's new and sudden proposals, in a spirit of cooperation and compromise.

We found that there was one major problem. We started, only 3 days before the farm bill was to be brought up, to attempt to work out a compromise. The dairy problem appeared to be the major problem. We saw that there was likely to be no compromise there. Reports came back that, basically, the compromises worked out in the Agriculture Committee, with the exception of dairy, were going to be satisfactory to the administration. Now, today, we find something different. There has been another shift in position by the administration.

The matter of trying to work out a compromise is give and take. There has been no give whatsoever on the part of the Department of Agriculture. They want to write the bill in its entirety. Should we do away with the Agriculture Committee of the U.S. Senate and substitute the executive branch to carry out the mission of the committee? That is what we are being asked to do in this instance and I find this situation to be disturbing.

We came to the floor this past Monday, a coalition had been formed to effect compromise, and as a result, substantial reductions were made in certain fields. We are pretty close to being within the new budgetary restraints that have been thrust upon us.

Now let us take some scenario events. Suppose the Dole substitute, which represents the administration's new position, is not adopted and we go back to the Lugar proposal. What do we find if the Lugar proposal is adopted, with no target prices? Then where is the administration's commitment of higher loan rates? Are you going to establish what those loan rates would be in the waning hours of this day if Senator LUGAR'S no target price amendment is adopted?

If the Lugar amendment is adopted, in my judgment, in order to be orderly and fair—fair to the administration, fair to

the farmers—the farm bill will have to come down, and we will have to move toward trying to find out what equitable loan rates should be.

In a legislative process, where you expect to have a studious approach, to substantive matters if the Lugar approach or the original administration approach, to be more precise, would be that there would be no target prices, we would have to sit down and calculate loan rates for the various commodities; and we have to calculate them in view of market changes, production figures, and other estimates that will need to be made in formulating a responsible farm bill. It cannot be done in the snap of a finger.

So I believe that here we have on one hand a proposition from the administration wherein there is no give, which I hope will be rejected. I hope the Lugar amendment will be rejected so that we may get back to a real, conscientious effort that was made not after 24 sessions of markup but was made after 27 when you include the meetings of last week. Those three additional sessions were after we came back from recess, after the Department of Agriculture held their proposal to their bosom for many, many months.

I believe that in a spirit of letting the legislative process work, letting the committee process work, the committee's position should be supported; and it should sound out that in the future, if the Department of Agriculture wants to have a part in writing a bill, the committee is always available to them and will always work with them, but they must come forth and do something themselves and not wait until the last minute. That, I say again, is the situation we find ourselves in today.

I believe there was an honest effort to have a workable coalition in connection with this bill.

If there is going to be a coalition of farm States in the future, the precedent that is set here today will affect the future of any farm coalition.

I respectfully urge the Members of the Senate to vote down the amendment offered by Senator DOLE and to vote down the amendment offered by Senator LUGAR and to go back to the studious, hardworking compromise, the 27-session markup, by which this bill came to the floor of the Senate.

Mr. DOLE. Mr. President, I believe other Senators wish to speak.

I understand the concern expressed by all Senators, but I want a coalition for success, not a coalition for failure. We put together coalitions—if there is a coalition, and there appears to be one now. This Senator has been part of it all through the peanut coalition, the tobacco coalition, and the sugar coalition. We do not raise tobacco, we do not raise sugar, we do not raise peanuts, but we do raise wheat.

I believe that the farmers of this country would rather sacrifice $72 million, or whatever the estimate was, and get a farm bill, than to talk about a coalition.

If I were talking about a crop that affected somebody else more than it did the Senator from Kansas, I certainly should be criticized. In this particular case, I probably will be criticized at home, but I understand that.

I do not know what a coalition is for. We have had farm coalitions as long as I have been in the Senate.

We generally had to come to grips with the administration, whatever the administration was, whether it was the Carter administration, the Ford administration, the Johnson administration, the Kennedy administration, the Nixon administration, or now the Reagan administration.

Coalitions of those who represent farmers are like coalitions that represent New England, the Southwest, or the Northwest. We have a tendency to maybe help too much and in the process strain the budget.

I have the greatest respect for everyone who has spoken, and I know they have much more legislative experience than this Senator. But I have been convinced of one thing since I have been here, and that is President Reagan means what he says. If in fact we want to come back, and I am not even going to mention the word, but if in fact he means what he says, we will be back.

I am from a wheat-producing State. Time is of the essence. We are planting wheat right now. We have a set-aside announced 2 weeks ago, much too late, but an effort to reduce some of the pressure on the market to increase market prices.

It did not do very much. It is only the intention because the Secretary does not have the authority for a set-aside. He does not have the authority to set out the guidelines until we pass this bill.

And the ground has been worked and the money has been spent on fertilizer, and the Kansas farmers, as much as they probably would like to hear this debate, would like to see a farm bill passed, whether it is $72 million more or less. Their real concern is not what percent of parity or how much target price but what we are going to do about interest rates and inflation.

We are not going to do much about either one of those unless we, also, are willing to live within the budget.

The President does not impose budgets. We have a Budget Committee in this Congress, and they have taught us all a little discipline. We do not like it. We fuss at the Budget Committee. But we know that when they speak, we have some obligation to stick within the budget.

So I say to my friend from Alabama and my friend from Illinois as far as corn and feed grains we are talking about $1 million difference between what I offer and what the administration would like to have. That would be I do not know how much when we divide that $1 million up with all the corn producers or the feed grain producers. As to cotton, there is no difference at all.

I am going to be a conferee, and I pledge to the Senator from Alabama and the Senator from Illinois that there is not going to be any change in what we have done in this Chamber as far as the basic commodities, whether it is peanuts, sugar, tobacco, or whatever. We have not made any change in tobacco.

As far as this Senator is concerned, I am going to vote with the ranking Democrat on the committee and the ranking Republican, the chairman of the committee, and I have the pledge as far as I can get the pledge that this is going to be what the administration is going to push.

So it seems to me that we are arguing about, yes, $360 million more or less, but we are also arguing about a $10 billion farm bill, and I would rather have a $10 billion farm bill than argue over $360 million.

Maybe some would rather just have the argument, and I do not necessarily speak for the administration. I have tried to cooperate with the coalition. But I never really found the coalition, to be very honest about it. I looked over some of the votes. I hope I have been true to the coalition except up to now and we are talking about crops that affect my State and affect the State of the Senator from Iowa, the State of the Senator from Indiana, and the State of the Senator from Arkansas, and I am going to yield because I know the Senator from Arkansas wishes to make a moderate statement in slight opposition to this amendment.

Mr. PRYOR. Mr. President, I thank the Senator from Kansas.

I wish to state to the Senator from Kansas that when I came to the Senate and became a member of the Committee on Agriculture, I wondered then why we wrote a farm bill only once every 4 years. I think after this week of debate and deliberation on the farm bill of 1981 all of us now recognize why only once in 4 years we deliberate such a controversial piece of legislation.

In fact, there may be only one or two members of the Committee on Agriculture that have gone through the writing of more than two of these bills.

So we can see that after time spent, tremendous numbers of hours, with 27 markup sessions, as the Senator from Illinois and the Senator from Alabama have so eloquently stated, we now find ourselves today at this point.

Mr. President, I wish to make one or two comments. I have not spoken thus far during this week's debate on the farm legislation.

But I wish to state that I generally subscribe to the viewpoints as expressed by the Senator from Illinois and by the Senator from Alabama as they have basically tried to lay the framework of history, of progress of how this bill has come from the administration to the committee and ultimately to this Chamber. I was going to go into some of that, but because they stated the point so clearly I find that unnecessary at this time.

I do say that I have attempted to be a part of that group of individuals, both in the committee and in this Chamber, who have tried to structure or to fashion a farm bill that would keep in mind the economy of the situation, the desire of the President not to have a piece of legislation that would have as the Agriculture

Department so eloquently states too much "exposure," and I have attempted throughout the history of this debate and throughout the entirety of 1981 to keep that one principle and that one goal in mind.

Mr. President, I do think it has come time for us in the Senate to generally accept what I believe to be a fair and yet I think a very modest proposal as it relates to the American farmer.

In fact, when I say "fair," I am not quite sure it is fair. I have my doubts about that. In fact, I came over Monday to make a speech on this piece of legislation and whoever had drafted that speech said, "I rise to express my unreserved and enthusiastic support for this bill," and I scratched out "unreserved and enthusiastic" because, as I listened to the debate, I saw the problems that were involved in this very, very complex and controversial piece of legislation. I must say that generally I support it, but I do not support it as it now stands without some reservation.

I certainly do not support this bill as it might be amended by Senator DOLE and also by Senator LUGAR. I am very hopeful that our colleagues will not see fit to support the Dole amendment or the Lugar amendment, especially as it relates to target prices.

Mr. President, I represent a rice State, and I know that the distinguished Presiding Officer, Senator COHEN, now presiding and in the Chair before the Senate, is from the State of Maine, and I do not think there is 1 acre of rice grown in the State of Maine.

In fact, I am not even certain that there is an acre of rice grown in the State of Alabama.

There may be a few acres grown in the State of Illinois.

I see my friend Senator BAUCUS from the State of Montana. I do not think there is any rice there.

I do not believe that Senator MATSUNAGA's State grows any rice in the State of Hawaii. I could be wrong.

Basically, there are five rice-producing States. They are the State of Arkansas, the State of Mississippi, the State of Louisiana, the State of Texas, and the State of California.

In this five-State area of the United States we grow enough rice to more than satisfy the consumption of the American needs and, therefore, a tremendous amount of our rice is exported, some of it through the Public Law 480 food for peace program.

I talked yesterday, Mr. President, by phone, yesterday morning, not necessarily to one of the biggest millers or rice producers we have throughout the State of Arkansas, but I called a man I thought would be a typical rice farmer.

In my discussions with him he told me that on Monday of this week he was forced to sell his rice at $4.60 per bushel.

I said, "Well, let me ask this question of you, sir: What were you selling your rice for this time last year?" He said, "Well, this time last year after the drought and after this and that I was selling my rice easily for $5.70 a bushel."

Well, Mr. President, my point is very simple. We see inflation continuing to rise; we see expenses continuing to be on the increase. Yet we see declining farm prices where we must see a coalition and a relationship of the U.S. Department of Agriculture and the people of this Nation who must at this time stand behind the farmers of America.

The average farmer in this country today is 58 years of age. Today it is almost beyond the realm of possibility for a young man or a young woman or a young farm family to start out within a free enterprise concept that we have and become farmers who can grow food or grow fiber for a profit. We must have a partnership relationship.

Mr. President, I sincerely believe that the compromise that has been fashioned, and I hope will be supported by this Senate, will be supported without the Dole amendment and certainly absent the amendment offered by the distinguished Senator from Indiana, Senator LUGAR.

That concludes my remarks today. I just want all the Members of this body to know that it has been a thorough pleasure working with the distinguished Senator from Kansas, the distinguished chairman from North Carolina, our ranking member, Senator HUDDLESTON of Kentucky, who has not missed, I think, one session of any of these markups.

I just hope we will continue working toward the adoption of the compromise we have fashioned.

I yield to the distinguished Senator from Mississippi.

Mr. COCHRAN. Mr. President, I think the Senate is about ready to vote. I want to make one or two points to clarify what happened with respect to the communication of the administration to the Senate and to the Senate Committee on Agriculture.

After the Senate Committee on Agriculture reported S. 884, the administration came back through the Secretary of Agriculture to say that the projected outlays were too high, not consistent with the economic recovery program of the administration, and that the President would likely veto this legislation if it were adopted in that form.

A bottom line was presented to the committee members by the Secretary of Agriculture containing target prices and loan rate figures which, it was said to the committee at that time, would be the acceptable level of projected outlays.

In response to that presentation our committee got together and decided we would try to come toward those figures and see if it would be possible to get agreement on those figures.

After much deliberation, discussion, and careful study, we came up with a counteroffer, in effect, to the administration containing the figures that were presented to the Senate in the committee amendment relating to these commodity programs.

Two days ago the Secretary of Agriculture came back and said, "Those figures are not close enough, they are not consistent with what the administration will accept on projected outlays."

The administration never agreed to go along with the committee compromise. They did reiterate that the earlier bottom line which was presented to the Senate committee was, in fact, the bottom line, and that it would be likely, although not certain, that the administration, the Executive, would veto the bill if it was not consistent with those earlier numbers.

After that presentation, looking at the bill and the other provisions contained in it, Mr. President, I wonder whether the Senate would really be wise in playing veto roulette with this legislation, gambling the structure of the legislation that has been crafted by the committee for $360 million?

This Senator frankly thinks it would be wiser, it would be more consistent with reason and wisdom, if the committee realized that we have received concessions and compromises from the administration on other key provisions in the structure of this bill, the target price concept being a good example, even though the Senator from Indiana is asking us to take that out of the bill and take out the set-aside program provisions. Those are provisions which this committee decided should be in the bill, and the administration has backed up, in effect, and said, "We won't recommend a veto if those provisions are in the bill." That is a triumph for the committee. It is a triumph for the farmers of this country, and to risk losing that on a veto of this legislation, and have to go back to ground zero, start all over again, rearguing those earlier differences of opinion, in my judgment, would not be justified.

We have a commitment from the Secretary of Agriculture to push for signing and approval by the administration of the bill if these projected outlays are brought down by $360 million.

I think we ought to go along with that. I do not want to, because we worked out what we thought would be the best possible approach, the best and lowest numbers we could accept, but that turns out not to be satisfactory.

We want inflation to come down, we want interest rates to come down, and I think it is more important to the farmers who are out there really trying to make a living, to do something about those problems, to keep target prices and the set-aside program in the bill, than it is to argue over $1 million in projected expenditures for a feed grains program. In the cotton section there is no difference in projected outlays. In rice, admittedly, there are substantial changes, and I regret that those changes are in there.

The point is if we are successful in helping the administration reduce interest rates and production costs, we will be doing more for the farmer than by providing high levels of anticipated subsidies, and farmers know that.

For every 1 percent reduction in the inflation rate or the cost of production there will be $1.5 billion more in net farm income for American farmers. That is what we are really talking about here. That is what this Senate, I think, is committed to do, and that is to try to give

the President's economic recovery program a chance to work.

I urge the Senate to support the Dole amendment.

Mr. HEFLIN. Mr. President, the Senator from Mississippi raises an interesting issue which he terms veto roulette. When do you play veto roulette? I am not an old hand, but it seems to me that if you get to the point of playing veto roulette it is in conference.

We have had chiseling in connection with the bill before us as with other legislative measures. You chisel away, you chisel away, you chisel away, and you chisel away in the Senate.

Then you go to the House and you play chiseling. You chisel away, you chisel away; and then you go to conference, and you go through the third battlefield of taking away or chiseling away, chiseling away.

It seems to me that the proper time for a battle between the legislative process and the real prospect of a veto is after the Senate and the House have resolved their differences.

We work under a bicameral system—this is not a unicameral legislative body—thus, the issue of veto roulette comes into play, it seems, after the two legislative bodies have completed their tasks and reached agreement.

I would also like to say that the prospect of a Presidential veto is a two-edged sword. There is no question that if the President vetoes S. 884, and there is no farm bill, you go back to the 1949 act. The 1949 act at a minimum will cost the Government $16 billion a year. In my judgment, the President will never veto with that type of outlay of taxpayer moneys as a strong possibility.

There is, of course, always the opportunity or possibility of writing another farm bill. At that time, market prices may have changed again, the fine-tuned Reagan program may not have worked, and there may be a third or a fourth or 87th or 89th Presidential request for further budget cuts.

So it seems to me, at this time, the proper thing to do is for those that are part of a farm coalition and have been a part of a farm coalition to stay in the traces, do not jump the traces. If you are going to get into the issue of this where there could be a possible Presidential veto of the bill now before us, consider the 1949 act, and consider the battlefield. The battlefield, in my judgment, we will know a lot more about it a little later on, we will be fighting a much more intelligent battle in the conference committee and in the approval of the conference reports than we will at this stage.

Mr. HUDDLESTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, I do not want to restrict any debate on this particular issue or preclude any other Member from making any statement that he might want to make at this particular time. But I am preparing to move to table the amendment of the distinguished Senator from Indiana.

Mr. COCHRAN. Why do we not just have an up or down vote on Senator DOLE's amendment? Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WARNER). Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, if I understand the intention of the Senator from Kentucky correctly, it would be his intention now to offer a motion to table the amendment offered by the distinguished Senator from Indiana (Mr. LUGAR). If such a motion is offered, Mr. President, it will be the intention of the Senator from Mississippi to vote yea, in view of my interpretation that that motion would be directed clearly to the amendment of the Senator from Indiana.

At the same time, it is this Senator's understanding that, if the motion to table is agreed to, it will carry the amendment offered by the Senator from Kansas with it. In such an event, it is the understanding of the Senator from Mississippi that the Senator from Kansas would then reoffer his amendment to the bill.

With that understanding, and with that explanation of the parliamentary situation as this Senator understands it, Mr. President, it will be my intention to vote "yea" on the motion of the Senator from Kentucky.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I am surprised, to say the least, by this turn of events, but on the other hand, I have to respond accordingly.

I appreciate the parliamentary situation stated by my colleague from Mississippi, who clearly wants to get to the Dole amendment and prefers not to vote on mine.

Mr. President, I want to be clearly understood as to where we are headed in this particular situation. I have indicated that the amendment by the Senator from Kansas, because it does come within the boundaries of what the President of the United States would sign, I think is a very important contribution. It is being offered in the nature of a substitute. Clearly, Senators feel embarrassed for a moment about the problem of voting on my amendment first, in the hope that somehow they will get to the Dole amendment.

Mr. President, let me suggest a way that we can relieve Senators from that predicament; namely, if we were to vote on the Dole amendment in one form or another first, we could have a clear indication of how we are proceeding with regard to the Dole amendment. That would not leave Senators in a position of confusion as to which amendment they were voting on.

So, Mr. President, with that in mind, I move to table the Dole amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Indiana (Mr. LUGAR) to table the amendment of the Senator from Kansas (Mr. DOLE) to the amendment of the Senator from Indiana (Mr. LUGAR). The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT), the Senator from Alaska (Mr. MURKOWSKI), the Senator from Vermont (Mr. STAFFORD), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

Mr. ROBERT C. BYRD. I announce that the Senator from New Jersey (Mr. BRADLEY), the Senator from California (Mr. CRANSTON), the Senator from Connecticut (Mr. DODD), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Arkansas (Mr. BUMPERS), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 42, nays 46, as follows:

[Rollcall Vote No. 267 Leg.]

YEAS—42

| | | |
|---|---|---|
| Baker | Ford | Mitchell |
| Baucus | Glenn | Nickles |
| Bentsen | Hart | Nunn |
| Biden | Heflin | Pressler |
| Boren | Helms | Proxmire |
| Burdick | Huddleston | Pryor |
| Byrd, Robert C. | Jackson | Randolph |
| Cannon | Johnston | Riegle |
| Chiles | Leahy | Roth |
| Dixon | Levin | Sarbanes |
| Durenberger | Mathias | Sasser |
| Eagleton | Matsunaga | Stennis |
| East | Melcher | Tsongas |
| Exon | Metzenbaum | Zorinsky |

NAYS—46

| | | |
|---|---|---|
| Abdnor | Goldwater | Moynihan |
| Andrews | Gorton | Packwood |
| Armstrong | Grassley | Pell |
| Boschwitz | Hatch | Percy |
| Byrd, Harry F., Jr. | Hatfield | Quayle |
| | Hawkins | Rudman |
| Chafee | Hayakawa | Schmitt |
| Cochran | Heinz | Simpson |
| Cohen | Humphrey | Specter |
| D'Amato | Jepsen | Stevens |
| Danforth | Kassebaum | Symms |
| DeConcini | Kasten | Thurmond |
| Denton | Long | Tower |
| Dole | Lugar | Wallop |
| Domenici | Mattingly | Warner |
| Garn | McClure | |

NOT VOTING—12

| | | |
|---|---|---|
| Bradley | Hollings | Murkowski |
| Bumpers | Inouye | Stafford |
| Cranston | Kennedy | Weicker |
| Dodd | Laxalt | Williams |

So the motion to lay on the table Mr. DOLE's amendment (UP No. 394) was rejected.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. COCHRAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUDDLESTON. Mr. President, I suggest that the Members of the Senate just disregard what has happened here on this last vote, because we now return to the issue we were debating just before the Senator from Indiana made the motion. At that time, I defined what the issues are here: First, to establish that the Senate believes that we ought to accept the target price concept; and, second, to make a determination as to what level those target prices ought to be.

Just before we voted, the distinguished Senator from Mississippi very clearly detailed exactly what the situation was. So, with that in mind, I move to lay upon the table the amendment by the distinguished Senator from Indiana (Mr. LUGAR). I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HUDDLESTON. Mr. President, before the vote is taken, I make this motion on behalf of and in conjunction with the distinguished manager of the bill and committee chairman, the distinguished Senator from North Carolina (Mr. HELMS).

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky to lay the amendment of the Senator from Indiana on the table. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT), the Senator from Alaska (Mr. MURKOWSKI), the Senator from Vermont (Mr. STAFFORD), and the Senator from Connecticut (Mr. WEICKER), are necessarily absent.

Mr. ROBERT C. BYRD. I announce that the Senator from New Jersey (Mr. BRADLEY), the Senator from Arkansas (Mr. BUMPERS), the Senator from California (Mr. CRANSTON), the Senator from Connecticut (Mr. DODD), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from New Jersey (Mr. WILLIAMS), are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 45, nays 43, as follows:

[Rollcall Vote No. 268 Leg.]

YEAS—45

| | | |
|---|---|---|
| Abdnor | East | Levin |
| Andrews | Exon | Long |
| Baker | Ford | Matsunaga |
| Baucus | Glenn | Melcher |
| Bentsen | Grassley | Metzenbaum |
| Boren | Hart | Nickles |
| Boschwitz | Hawkins | Nunn |
| Burdick | Heflin | Pressler |
| Byrd, Robert C. | Helms | Pryor |
| Chiles | Huddleston | Randolph |
| DeConcini | Jackson | Riegle |
| Denton | Johnston | Sarbanes |
| Dixon | Kassebaum | Sasser |
| Durenberger | Kasten | Stennis |
| Eagleton | Leahy | Zorinsky |

NAYS—43

| | | |
|---|---|---|
| Armstrong | Hatch | Proxmire |
| Biden | Hatfield | Quayle |
| Byrd, Harry F., Jr. | Hayakawa | Roth |
| Cannon | Heinz | Rudman |
| Chafee | Humphrey | Schmitt |
| Cochran | Jepsen | Simpson |
| Cohen | Lugar | Specter |
| D'Amato | Mathias | Stevens |
| Danforth | Mattingly | Symms |
| Dole | McClure | Thurmond |
| Domenici | Mitchell | Tower |
| Garn | Moynihan | Tsongas |
| Goldwater | Packwood | Wallop |
| Gorton | Pell | Warner |
| | Percy | |

NOT VOTING—12

| | | |
|---|---|---|
| Bradley | Hollings | Murkowski |
| Bumpers | Inouye | Stafford |
| Cranston | Kennedy | Weicker |
| Dodd | Laxalt | Williams |

So the motion to table Mr. LUGAR's amendment (UP No. 392) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. DIXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 395

Mr. DOLE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an unprinted amendment numbered 395.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. MELCHER. Reserving the right to object, Mr. President, what is this?

Mr. DOLE. It is an amendment.

Mr. MELCHER. I object.

The PRESIDING OFFICER. There having been an objection lodged, the clerk will continue the reading of the amendment.

The assistant legislative clerk proceeded to read the amendment.

Mr. DOLE. Mr. President, I wonder if I might suggest to the Senator from Montana that it is the same amendment I offered and explained in detail about 2 hours ago and the Senator was very pleased with my explanation. [Laughter.]

Mr. MELCHER. With that full explanation, I have no objection. [Laughter.]

The PRESIDING OFFICER. The objection having been withdrawn, without objection, further reading of the amendment is dispensed with.

The amendment is as follows:

On page 138, striking line 1 through line 11 on page 197 and inserting in lieu thereof the following:

TITLE III—WHEAT

LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, WHEAT ACREAGE REDUCTION PROGRAM, AND LAND DIVERSION FOR THE 1982 THROUGH 1985 CROPS OF WHEAT

SEC. 301. Effective only for the 1982 through 1985 crops of wheat, the Agricultural Act of 1949 is amended by adding after section 107A the following new section:

"SEC. 107B. Notwithstanding any other provision of law—

"(a) The Secretary shall make available to producers loans and purchases for each of the 1982 through 1985 crops of wheat at such level, not less than $3.50 per bushel, as the Secretary determines will maintain the competitive relationship of wheat to other grains in domestic and export markets after taking into consideration the cost of producing wheat, supply and demand conditions, and world prices for wheat.

"(b)(1)(A) In addition, the Secretary shall make available to producers payments for each of the 1982 through 1985 crops of wheat in an amount computed as provided in this subsection. Payments for any such crop of wheat shall be computed by multiplying (i) the payment rate, by (ii) the farm program acreage for the crop, by (iii) the farm program payment yield for the crop. In no event may payments be made under this paragraph for any crop on a greater acreage than the acreage actually planted to wheat.

"(B) The payment rate for wheat shall be the amount by which the higher of—

"(i) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(ii) the loan level determined under subsection (a) of this section for such crop,

is less than the established price per bushel.

"(C) For the 1982 through 1985 crops of wheat, the established price shall not be less than $4.00 per bushel for the 1982 crop, $4.20 per bushel for the 1983 crop, $4.40 per bushel for the 1984 crop, and $4.60 per bushel for the 1985 crop. Any such established price may be adjusted by the Secretary as the Secretary determines to be appropriate to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years may be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and may include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

"(D) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2) of this subsection.

"(2)(A) Except as provided in subparagraph (C) of this paragraph, effective with respect to the 1982 through 1985 crops of wheat, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for wheat to wheat or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to wheat for harvest (including any acreage which the producers were prevented from planting to wheat or other nonconserving crop in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to 33⅓ per centum of the established price for the crop.

"(B) Except as provided in subparagraph (C) of this paragraph, effective with respect to the 1982 through 1985 crops of wheat, if the Secretary determines that because of

drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of wheat which the producers are able to harvest on any farm is less than the result of multiplying 60 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 per centum of the established price for the crop for the deficiency in production below 60 per centum for the crop.

"(C) With respect to the 1982 through 1985 crops of wheat, producers on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act with respect to their wheat acreage.

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, effective only for the 1982 through 1985 crops of wheat, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

"(i) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting wheat or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency or no crop insurance covered the loss because of transitional problems attendant to the Federal crop insurance programs; and

"(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers, taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(c)(1) The Secretary shall proclaim a national program acreage for each of the 1982 through 1985 crops of wheat. The proclamation shall be made not later than August 1 of each calendar year for the crop harvested in the next succeeding calendar year. The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (2) of this subsection if the Secretary determines it necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for wheat shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of wheat are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(2) The Secretary shall determine a program allocation factor for each crop of wheat. The allocation factor for wheat shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop, except that in no event shall the allocation factor for any crop of wheat be more than 100 per centum nor less than 80 per centum.

"(3) The individual farm program acreage for each crop of wheat shall be determined by multiplying the allocation factor by the acreage of wheat planted for harvest on the acreages as required to be determined. The farms for which individual farm program wheat acreage shall not be further reduced by application of the allocation factor if the producers reduce the acreage of wheat planted for harvest on the farm from the previous year by at least the percentage recommended by the Secretary in the proclamation of the national program acreage made not later than August 1 prior to the year in which the crop is harvested. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of wheat planted for harvest is less than for the preceding year, but for which the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for wheat, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(d) The farm program payment yield for each crop of wheat shall be the yield established for the farm for the previous crop year, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for wheat was established for the farm in the previous crop year, the Secretary may determine such yield as the Secretary finds fair and reasonable. Notwithstanding the foregoing provisions of this subsection, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(e)(1) Notwithstanding any other provision of this section, the Secretary may impose a limitation on the acreage planted to wheat if the Secretary determines that the total supply of wheat will, in the absence of such limitation, be excessive, taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. Such limitation shall be achieved by applying a uniform percentage reduction to the wheat acreage base for each wheat-producing farm. Producers on a farm who knowingly produce wheat in excess of the permitted wheat acreage for the farm shall be ineligible for wheat loans, purchases, and payments with respect to that farm. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as the result of a limitation imposed by the Secretary under this paragraph shall be the acreage planted on the farm to wheat for harvest (including any acreage which the producers were prevented from planting to wheat or other nonconserving crop in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to wheat for harvest in the two crop years immediately preceding the year for which the determination is made. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of acres on the farm determined by dividing (i) the product obtained by multiplying the number of acres required to be withdrawn from the production of wheat times the number of acres actually planted to such commodity, by (ii) the number of acres authorized to be planted to such commodity under the limitation imposed by the Secretary (hereinafter in this subsection referred to as 'reduced acreage') shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, which will assure protection of such acreage from weeds and wind and water erosion. However, the Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the reduced acreage to be devoted to sweet sorghum, hay and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, oats, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

"(2) The Secretary may conduct a land diversion program and make land diversion payments to producers of wheat if the Secretary determines that such payments will assist in obtaining necessary adjustments in the total acreage of wheat. If a land diversion program is in effect under this subsection, the Secretary may also require that producers participate in such program as a condition of eligibility for loans, purchases, and payments authorized by this section. Land diversion payments shall be made to a producer on a farm who devotes an acreage of cropland on the farm to conservation uses approved by the Secretary in accordance with a land diversion contract entered into with the Secretary. The amounts payable to a producer under a land diversion contract shall be determined by such means as the Secretary determines appropriate, including the submission of bids for such contracts. In determining the acceptability of a contract offer, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producer and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(3) The reduced acreage and the diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(4) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation no later than such date as the Secretary may prescribe. The Secretary may by mutual agreement with the producer, terminate or modify any such agreement entered into under this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(f) In any case in which the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not adversely affect the operation of the program.

"(g) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(h) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(i) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this section.

"(j) The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(k) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans, purchases, or payments under this section.".

NONAPPLICABILITY OF CERTIFICATE REQUIREMENTS

SEC. 302. Sections 379d, 379e, 379f, 379g, 379h, 379i, and 379j of the Agricultural Adjustment Act of 1938 (which deal with marketing certificate requirements for processors and exporters) shall not be applicable to wheat processors or exporters during the period June 1, 1982, through May 31, 1986.

SUSPENSION OF MARKETING QUOTAS AND PRODUCER CERTIFICATE PROVISIONS

SEC. 303. Sections 331, 332, 333, 334, 335, 336, 338, 339, 379b, and 379c of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1982 through 1985 crops of wheat.

SUSPENSION OF QUOTA PROVISIONS

SEC. 304. Public Law 74, Seventy-seventh Congress (55 Stat. 203, as amended) shall not be applicable to the crops of wheat planted for harvest in the calendar years 1982 through 1985.

NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURAL ACT OF 1949 TO THE 1982 THROUGH 1985 CROPS OF WHEAT

SEC. 305. Section 107 of the Agricultural Act of 1949 shall not be applicable to the 1982 through 1985 crops of wheat.

## TITLE IV—FEED GRAINS

LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, FEED GRAIN ACREAGE REDUCTION PROGRAM, AND LAND DIVERSION FOR THE 1982 THROUGH 1985 CROPS OF FEED GRAINS

SEC. 401. Effective only for the 1982 through 1985 crops of feed grains, the Agricultural Act of 1949 is amended by adding after section 105A the following new section:

"SEC. 105B. Notwithstanding any other provision of law—

"(a)(1) The Secretary shall make available to producers loans and purchases for each of the 1982 through 1985 crops of corn at such level, not less than $2.50 per bushel, as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains after taking into consideration the cost of producing corn, supply and demand conditions, and world prices for corn.

"(2) The Secretary shall make available to producers loans and purchases for each of the 1982 through 1985 crops of grain sorghums, barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and other factors specified in section 401(b) of this Act.

"(b)(1)(A) The Secretary shall make available to producers payments for each of the 1982 through 1985 crops of corn, grain sorghums, oats, and, if designated by the Secretary, barley, in an amount computed as provided in this subsection. Payments for any such crop of feed grains shall be computed by mutiplying (i) the payment rate, by (ii) the farm program acreage for the crop, by (iii) the farm program payment yield for the crop. In no event may payments be made under this paragraph for any crop on a greater acreage than the acreage actually planted to such feed grains.

"(B) The payment rate for corn shall be the amount by which the higher of—

"(i) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(ii) the loan level determined under subsection (a) of this section for such crop,

is less than the established price per bushel.

"(C) For the 1982 through 1985 crops of corn, the established price shall not be less than $2.70 per bushel for the 1982 crop, $2.85 per bushel for the 1983 crop, $3 per bushel for the 1984 crop, and $3.15 per bushel for the 1985 crop. Any such established price may be adjusted by the Secretary as the Secretary determines to be appropriate to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years may be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and may include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

"(D) The payment rate for grain sorghums, oats and, if designated by the Secretary, barley, shall be at such rates as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn.

"(E) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2) of this subsection.

"(2)(A) Except as provided in subparagraph (C) of this paragraph, effective only with respect to the 1982 through 1985 crops of feed grains, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for feed grains to feed grains or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to feed grains for harvest (including any acreage which the producers were prevented from planting to feed grains or other nonconserving crop in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to 33⅓ per centum of the established price for the crop.

"(B) Except as provided in subparagraph (C) of this paragraph, effective only with respect to the 1982 through 1985 crops of feed grains, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of feed grains which the producers are able to harvest on any farm is less than the result of multiplying 60 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 per centum of the established price for the crop for the deficiency in production below 60 per centum for the crop.

"(C) With respect to the 1982 through 1985 crops of feed grains, producers on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act with respect to their feed grain acreage.

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, effective only for the 1982 through 1985 crops of feed grains, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

"(i) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting feed grains or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency, or no crop insurance covered the loss because of transitional problems attendant to the Federal crop insurance program; and

"(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers, taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(c)(1) The Secretary shall proclaim a national program acreage for each of the 1982 through 1985 crops of feed grains. The proclamation shall be made not later than November 1 of each calendar year for the crop harvested in the next succeeding calendar year. The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (2) of this subsection if the Secretary determines it necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for feed grains shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the

Secretary estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of feed grains are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(2) The Secretary shall determine a program allocation factor for each crop of feed grains. The allocation factor for feed grains shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop, except that in no event shall the allocation factor for any crop of feed grains be more than 100 per centum nor less than 80 per centum.

"(3) The individual farm program acreage for each crop of feed grains shall be determined by multiplying the allocation factor by the acreage of feed grains planted for harvest on the farms for which individual farm program acreages are required to be determined. The feed grain acreage shall not be further reduced by application of the allocation factor if the producers reduce the acreage of feed grains planted for harvest on the farm from the previous year by at least the percentage recommended by the Secretary in the proclamation of the national program acreage made not later than November 1 prior to the year in which the crop is harvested. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of feed grains planted for harvest is less than for the preceding year, but for which the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for feed grains, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(d) the farm program payment yield for each crop of feed grains shall be the yield established for the farm for the previous crop year, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for feed grains was established for the farm in the previous crop year, the Secretary may determine such yield as the Secretary finds fair and reasonable. Notwithstanding the foregoing provisions of this subsection, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(e)(1) Notwithstanding any other provision of this section, the Secretary may impose a limitation on the acreage planted to feed grains if the Secretary determines that the total supply of feed grains will, in the absence of such limitation, be excessive, taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. Such limitation shall be achieved by applying a uniform percentage reduction to the feed grain acreage base for each feed grain-producing farm. Producers on a farm who knowingly produce feed grains in excess of the permitted feed grain acreage for the farm shall be ineligible for feed grain loans, purchases, and payments with respect to that farm. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as the result of a limitation imposed by the Secretary under this paragraph shall be the acreage planted on the farm to feed grains for harvest (including any acreage which the producers were prevented from planting to feed grains or other nonconserving crop in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to feed grains for harvest in the two crop years immediately preceding the year for which the determination is made. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of acres on the farm determined by dividing (i) the product obtained by multiplying the number of acres required to be withdrawn from the production of feed grains times the number of acres actually planted to such commodity, by (ii) the number of acres authorized to be planted to such commodity under the limitation imposed by the Secretary (hereinafter in this subsection referred to as 'reduced acreage') shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, which will assure protection of such acreage from weeds and wind and water erosion. However, the Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the reduced acreage to be devoted to sweet sorghum, hay and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, oats, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

"(2) The Secretary may conduct a land diversion program and make land diversion payments to producers of one or more of the crops of corn, barley, oats, and grain sorghums if the Secretary determines that such payments will assist in obtaining necessary adjustments in the total acreage of any of these feed grains. If a land diversion program is in effect for one or more of the crops of corn, barley, oats, and grain sorghums, the Secretary may also require that producers participate in such program as a condition of eligibility for loans, purchases, and payments authorized by this section. Land diversion payments shall be made to a producer on a farm who devotes an acreage of cropland on the farm to conservation uses approved by the Secretary in accordance with a land diversion contract entered into with the Secretary. The amounts payable to a producer under a land diversion contract shall be determined by such means as the Secretary determines appropriate, including the submission of bids for such contracts. In determining the acceptability of a contract offer, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producer and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county of local community.

"(3) The reduced acreage and the diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(4) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation no later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into under this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(f) In any case in which the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not adversely affect the operation of the program.

"(g) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(h) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(i) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this section.

"(j) The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(k) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans, purchases, or payments under this section.".

NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURAL ACT OF 1949 TO THE 1982 THROUGH 1985 CROPS OF FEED GRAINS

SEC. 402. Section 105 of the Agricultural Act of 1949 shall not be applicable to the 1982 through 1985 crops of feed grains.

## TITLE V—UPLAND COTTON

BASE ACREAGE ALLOTMENTS; SUSPENSION OF MARKETING QUOTAS AND RELATED PROVISIONS

SEC. 501. Sections 342, 343, 344, 345, 346, and 377 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1342, 1343, 1344, 1345, 1346, and 1377) shall not be applicable to upland cotton of the 1982 through 1985 crops.

LOAN RATES AND TARGET PRICES, DISASTER PAYMENTS, COTTON ACREAGE REDUCTION PROGRAM, AND LAND DIVERSION FOR THE 1982 THROUGH 1985 CROPS OF UPLAND COTTON

SEC. 502. Effective only for the 1982 through 1985 crops of upland cotton, section 103 of the Agricultural Act of 1949 (7 U.S.C. 1444) is amended by adding at the end thereof the following new subsection:

"(g)(1) The Secretary shall, upon presentation of warehouse receipts reflecting accrued storage charges of not more than sixty days, make available for the 1982 through 1985 crops of upland cotton to cooperators nonrecourse loans for a term of ten months from the first day of the month in which the loan is made at such level as will reflect for Strict Low Middling one-and-one-sixteenth-inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States the smaller of (A) 85 per centum of the

average price (weighted by market and month) of such quality of cotton as quoted in the designated United States spot markets during three years of the five-year period ending July 31 in the year in which the loan level is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, or (B) 90 per centum of the average, for the fifteen-week period beginning July 1 of the year in which the loan level is announced, of the five lowest priced growths of the growths quoted for Middling one-and-three-thirty-seconds-inch cotton C.I.F. northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between such average northern Europe price quotation of such quality of cotton and the market quotations in the designated United States spot markets for Strict Low Middling one-and-one-sixteenth-inch cotton (micronaire 3.5 through 4.9)). In no event shall such loan level be less than 55 cents per pound. If for any crop the average northern Europe price determined under clause (B) of the first sentence of this paragraph is less than the average United States spot market price determined under clause (A) of the first sentence of this paragraph, the Secretary may, notwithstanding the foregoing provisions of this paragraph, increase the loan level to such level as the Secretary may deem appropriate, not in excess of the average United States spot market price determined under clause (A) of the first sentence of this paragraph. The loan level for any crop of cotton shall be determined and announced by the Secretary not later than November 1 of the calendar year preceding the marketing year for which such loan is to be effective, and such level shall not thereafter be changed. Nonrecourse loans provided for in this subsection shall, upon request of the cooperator during the tenth month of the loan period for the cotton, be made available for an additional term of eight months, except that such request to extend the loan period shall not be approved in a month when the average price of Strict Low Middling one-and-one-sixteenth-inch cotton (micronaire 3.5 through 4.9) in the designated spot markets for the preceding month exceeded 130 per centum of the average price of such quality of cotton in such markets for the preceding thirty-six-month period. Whenever the Secretary determines that the average price of Strict Low Middling one-and-one-sixteenth-inch cotton (micronaire 3.5 through 4.9) in the designated spot markets for a month exceeded 130 per centum of the average price of such quality of cotton in such markets for the preceding thirty-six months, notwithstanding any other provision of law, the President shall immediately establish and proclaim a special limited global import quota for upland cotton subject to the following conditions:

"(i) The amount of the special quota shall be equal to twenty-one days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent three months for which data are available.

"(ii) If a special quota has been established under this paragraph during the preceding twelve months, the amount of the quota next established hereunder shall be the smaller of twenty-one days of domestic mill consumption calculated as set forth in clause (i) of this subsection or the amount required to increase the supply to 130 per centum of the demand.

"(iii) As used in clause (ii) of this paragraph, the term 'supply' means, using the latest official data of the Bureau of the Census, the United States Department of Agriculture, and the United States Department of the Treasury, the carryover of upland cotton at the beginning of the marketing year (adjusted to four-hundred-and-eight-pound bales) in which the special quota is established, plus production of the current crop, plus imports to the latest date available during the marketing year, and the term 'demand' means the average seasonally adjusted annual rate of domestic mill consumption in the most recent three months for which data are available, plus the larger of average exports of upland cotton during the preceding six marketing years or cumulative exports of upland cotton, plus outstanding export sales for the marketing year in which the special quota is established.

"(iv) When a special quota is established under the provisions of this subsection, a ninety-day period from the effective date of the proclamation shall be allowed for entering cotton under such quota.

"(2) Notwithstanding the foregoing provisions of this subsection, a special quota period shall not be established that overlaps an existing special quota period.

"(3) Notwithstanding any other provision of law, any upland cotton described in items 955.01 through 955.03 of part 3 of the appendix to the Tariff Schedules of the United States imported into the United States during the period of time a special quota established under this subsection is in effect shall be deemed to be an import under such special quota until the special quota is filled and any such cotton shall be free of duty.

"(4) Payments shall be made for each crop of upland cotton to the producers on each farm at a rate equal to the amount by which the higher of—

"(A) the average market price received by farmers for upland cotton during the calendar year which includes the first five months of the marketing year for such crops, as determined by the Secretary, or

"(B) the loan level determined under paragraph (1) of this subsection for such crop,

is less than the established price per pound times in each case (i) the farm program acreage for cotton, determined in accordance with paragraph (8) of this subsection (but in no event on a greater acreage than the acreage actually planted to cotton for harvest), multiplied by (ii) the farm program payment yield for cotton determined in accordance with paragraph (9) of this subsection. For the 1982 through 1985 crops of upland cotton, the established price shall not be less than $0.71 per pound for the 1982 crop, $0.76 per pound for the 1983 crop, $0.81 per pound for the 1984 crop, and $0.86 per pound for the 1985 crop. Any such established price may be adjusted by the Secretary as the Secretary determines to be appropriate to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years may be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and may include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop. The total quantity on which payments would otherwise be payable to a producer for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (5) of this subsection.

"(5)(A) Except as provided in subparagraph (C) of this paragraph, effective only with respect to the 1982 through 1985 crops of upland cotton, if the Secreary determines that the producers on a farm are prevented from planting any portion of the acreage intended for cotton to cotton or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to cotton for harvest (including any acreage which the producers were prevented from planting to cotton or other nonconserving crop in lieu of cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to 33⅓ per centum of the established price for the crop.

"(B) Except as provided in subparagraph (C) of this paragraph, effective only with respect to the 1982 through 1985 crops of upland cotton, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of cotton which the producers are able to harvest on any farm is less than the result of multiplying 75 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 33⅓ per centum of the established price for the crop for the deficiency in production below 75 per centum for the crop.

"(C) With respect to the 1982 through 1985 crops of upland cotton, producers on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act with respect to their cotton acreage.

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, effective only for the 1982 through 1985 crops of upland cotton, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

"(i) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting cotton or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency or no crop insurance covered the loss because of transitional problems attendant to the Federal crop insurance program; and

"(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(6) The Secretary shall establish for each of the 1982 through 1985 crops of upland cotton a national program acreage. Such national program acreage shall be announced by the Secretary not later than November 1 of the calendar year preceding the year for which such acreage is established. The Secretary may revise the national program acreage first announced for any crop year for the purpose of determining the allocation factor under paragraph (7) of this subsection if the

Secretary determines it necessary based upon the latest information, and the Secretary shall announce such revised national program acreage as soon as it has been made. The national program acreage shall be the number of harvested acres the Secretary determines (on the basis of the estimated weighted national average of the farm program yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. The national program acreage shall be subject to such adjustment as the Secretary determines necessary, taking into consideration the estimated carryover supply, so as to provide for an adequate but not excessive total supply of cotton for the marketing year for the crop for which such national program acreage is established. In no event shall the national program acreage be less than ten million acres.

"(7) The Secretary shall determine a program allocation factor for each crop of upland cotton. The allocation factor (not to exceed 100 per centum) shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop.

"(8) The individual farm program acreage for each crop of upland cotton shall be determined by multiplying the allocation factor by the acreage of cotton planted for harvest on the farms for which individual farm program acreages are required to be determined, except that the cotton acreage on a farm eligible for payments shall not be further reduced by application of the allocation factor if the producers reduce the acreage of cotton planted for harvest on the farm from the previous year by at least the percentage recommended by the Secretary in the announcement of the national program acreage made not later than November 1 of the calendar year preceding the year for which such acreage is established. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of cotton planted for harvest is less than for the preceding year, but the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(9) The farm program payment yield for each crop of upland cotton shall be determined on the basis of the actual yields per harvested acre on the farm for the preceding three years, except that the actual yields shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, or other natural disaster, or other condition beyond the control of the producers. In case farm yield data for one or more years are unavailable or there was no production, the Secretary shall provide for appraisals to be made on the basis of actual yields and program payment yields for similar farms in the area for which data are available. Notwithstanding the foregoing provisions of this paragraph, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this paragraph. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(10)(A) Notwithstanding any other provision of this subsection, the Secretary may impose a limitation on the acreage planted to upland cotton if the Secretary determines that the total supply of upland cotton will, in the absence of such limitation, be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. Such limitation shall be achieved by applying a uniform percentage reduction to the upland cotton acreage base for each cotton-producing farm. Producers on a farm who knowingly produce cotton in excess of the permitted cotton acreage for the farm shall be ineligible for cotton loans and payments with respect to that farm. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as the result of a limitation imposed by the Secretary under this subparagraph shall be the average planted on the farm to upland cotton for harvest (including any acreage which the producers were prevented from planting to cotton or other nonconserving crop in lieu of cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to upland cotton for harvest in the two crop years immediately preceding the year for which the determination is made. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of acres on the farm determined by dividing (i) the product obtained by multiplying the number of acres required to be withdrawn from the production of upland cotton times the number of acres actually planted to such commodity, by (ii) the number of acres authorized to be planted to such commodity under the limitation imposed by the Secretary (hereinafter in this subsection referred to as 'reduced acreage') shall be devoted to construction uses, in accordance with regulations issued by the Secretary, which will assure protection of such acreage from weeds and wind and water erosion. However, the Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the reduced acreage to be devoted to sweet sorghum, hay and grazing, or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, oats, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

"(B) The Secretary may conduct a land diversion program and make land diversion payments to producers of upland cotton if the Secretary determines that such payments will assist in obtaining necessary adjustments in the total acreage of upland cotton. If a land diversion program is in effect under this subsection, the Secretary may also require that producers participate in such program as a condition of eligibility for loans and payments authorized by this subsection. Land diversion payments shall be made to a producer on a farm who devotes an acreage of cropland on the farm to conservation uses approved by the Secretary in accordance with a land diversion contract entered into with the Secretary. The amounts payable to a producer under a land diversion contract shall be determined by such means as the Secretary determines appropriate, including the submission of bids for such contracts. In determining the acceptability of a contract offer, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producer and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as to affect adversely the economy of the county or local community;

"(C) The reduced acreage and the diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(11) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation no later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into under this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(12) The Secretary shall provide for the sharing of payments made under this subsection for any farm among the producers on the farm on a fair and equitable basis.

"(13) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(14) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this subsection precludes the making of loans and payments, the Secretary may, nevertheless, make such loans and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not adversely affect the operation of the program.

"(15) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this subsection.

"(16) The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

"(17) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this subsection.

"(18) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans or payments under this subsection.

"(19) In order to encourage and assist producers in the orderly ginning and marketing of their cotton production, the Secretary shall make loans available to such producers on seed cotton in accordance with authority vested in the Secretary under the Commodity Credit Corporation Charter Act.".

EXTENSION OF COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS

SEC. 503. Section 603 of the Food and Agriculture Act of 1977 (91 Stat. 939) is amended by striking out "July 31, 1982" and inserting in lieu thereof "July 31, 1986".

MISCELLANEOUS COTTON PROVISIONS

SEC. 504. (a) Section 408(b) of the Agricultural Act of 1949 (7 U.S.C. 1428(b)) is amended by striking out the period at the end of the first sentence and inserting in lieu thereof a colon and the following: "And pro-

vided further, That for the 1982 through 1985 crops of upland cotton a cooperator shall be a producer on a farm who has limited the acreage planted in accordance with paragraph (10)(A) of section 103(g).".

(b) Sections 103(a) and 203 of the Agricultural Act of 1949 (7 U.S.C. 1444 and 1446d) shall not be applicable to the 1982 through 1985 crops.

SKIPROW PRACTICES

SEC. 505. Section 374(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1374) is amended by striking out "1981" and inserting in lieu thereof "1985".

PRELIMINARY ALLOTMENTS FOR 1986 CROP OF UPLAND COTTON

SEC. 506. Section 606 of the Food and Agriculture Act of 1977 (7 U.S.C. 1342 note) is amended by striking out "1982") and inserting in lieu thereof "1986".

PRICE SUPPORT ADJUSTMENTS

SEC. 507. Section 403 of the Agricultural Act of 1949 (7 U.S.C. 1423) is amended by adding at the end thereof the following: "Beginning with the 1982 crop of upland cotton, the quality differences (premiums and discounts for grade, staple and micronaire) for the loan program shall be established by the Secretary by giving equal weight to (1) loan differences for the preceding crop and (2) the market differences for such crop in the nine designated United States spot markets.

The Secretary shall establish a study committee of ten members, eight of whom shall be representatives of cotton producers, selected to equally represent each of the four major geographic regions which produce and market upland cotton, and one of whom shall be a representative of cotton merchants and one of whom shall be a representative of the textile manufacturers. The committee shall study alternative methods of establishing values of premiums and discounts for grade, staple, and micronaire for the upland cotton loan program that will accurately represent true relative market values and reflect actual market demand for upland cotton produced in the United States. The committee shall submit the results of such study to the Secretary at the earliest practicable date together with such recommendations as the committee considers appropriate. The Secretary may, prior to the announcement of loan rate differences for the 1982 crop of upland cotton, review the procedures and criteria, including the recommendations made by the study committee and the formula provided for in the fifth sentence of this section, used for determining quality differences, including the loan differentials for grade, staples, and micronaire for the upland cotton loan program and, on the basis of such review, revise such procedures and criteria to accurately reflect the actual market value of upland cotton produced in the United States.

## TITLE VI—RICE

REPEAL OF PROVISIONS RELATING TO NATIONAL ACREAGE ALLOTMENTS, ALLOCATIONS, APPORTIONMENT, MARKETING QUOTAS, AND PENALTIES

SEC. 601. (a) Effective beginning with the 1982 crop of rice, sections 352, 353, 354, 355, and 356, of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1352, 1353, 1354, 1355, and 1356) are repealed.

(b) Effective beginning with the 1982 crop of rice, section 377 of such Act (7 U.S.C. 1377) shall not be applicable to rice acreage.

LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, RICE ACREAGE REDUCTION PROGRAM, AND LAND DIVERSION FOR THE 1982 THROUGH 1985 CROPS OF RICE

SEC. 602. Effective only for the 1982 through 1985 crops of rice, section 101 of the Agricultural Act of 1949 (7 U.S.C. 1441) is amended by adding at the end a new subsection (i) as follows:

"(i) Notwithstanding any other provision of law—

"(1) For the 1982 through 1985 crops of rice, the established price shall not be less than $10.73 per hundredweight for the 1982 crop, $11.23 per hundredweight for the 1983 crop, $11.73 per hundredweight for the 1984 crop, and $12.23 per hundredweight for the 1985 crop. Any such established price may be adjusted by the Secretary as the Secretary determines to be appropriate to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years may be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and may include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

"(2) The Secretary shall make available, to cooperators in the several States of the United States, loans and purchases for each of the 1982 through 1985 crops of rice at a level that bears the same ratio to the loan level for the preceding year's crop as the established price for such crop bears to the established price for the preceding year's crop. If the Secretary determines that loans and purchases at such a level for any of the 1982 through 1985 crops would substantially discourage the exportation of rice and result in excessive stocks of rice in the United States, the Secretary may, notwithstanding the foregoing provisions of this paragraph, establish loans and purchases for any such crop at such level, not less than $8 per hundredweight, as the Secretary determines necessary to avoid such excessive stocks. The loan and purchase level for each of the 1983, 1984, and 1985 crops of rice shall be established on the basis of the loan and purchase level established for the preceding crop year before the application of the preceding sentence. The established price and the loan and purchase level for each crop shall be announced not later than March 1 of each calendar year for the crop harvested in that calendar year.

"(3) The Secretary shall make available to cooperators payments for each of the 1982 through 1985 crops of rice grown in the several States of the United States at a rate equal to the amount by which the established price for the crop of rice exceeds the higher of—

"(A) the national average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(B) the loan level determined under paragraph (2) for such crop.

"(4) The payments for each such crop of rice shall be computed by multiplying (i) the payment rate by (ii) the form program acreage for the crop by (iii) the yield established for the farm. In no event shall payments be made under this paragraph for any crop on a greater acreage than the average actually planted to rice. The yield for the farm for any year shall be determined on the basis of the actual yields per harvested acre for the three preceding years. The actual yield shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, other natural disaster, or other condition beyond the control of the cooperators.

"(5) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (6) of this subsection.

"(6)(A) Except as provided in subparagraph (C) of this paragraph, effective only with respect to the 1982 through 1985 crops of rice, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for rice to rice or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the cooperators on the number of acres so affected but not to exceed the acreage planted to rice for harvest (including any acreage which the producers were prevented from planting to rice or other nonconserving crop in lieu of rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to 33⅓ per centum of the established price for the crop.

"(B) Except as provided in subparagraph (C) of this paragraph, effective only with respect to the 1982 through 1985 crops of rice, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of rice which the producers are able to harvest on any farm is less than the result of multiplying 75 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to cooperators at a rate equal to 33⅓ per centum of the established price for the crop for the deficiency in production below 75 per centum for the crop.

"(C) With respect to the 1982 through 1985 crops of rice, cooperators on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act with respect to their rice acreage.

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, effective only for the 1982 through 1985 crops of rice, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

"(i) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting rice or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency, or no crop insurance covered the loss because of transitional problems attendant to the Federal crop insurance program; and

"(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(7)(A) The Secretary shall proclaim a national program acreage for each of the 1982 through 1985 crops of rice. The proclamation shall be made not later than January 31 of each calendar year for the crop harvested in that calendar year. The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under subparagraph (B) of this paragraph if the Secretary determines a revision necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for rice shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm established yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of rice are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(B) The Secretary shall determine a program allocation factor for each crop of rice. The allocation factor for rice shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop. In no event may the allocation factor for any crop of rice be more than 100 per centum nor less than 80 per centum.

"(C) The individual farm program acreage for each crop of rice shall be determined by multiplying the allocation factor by the acreage of rice planted for harvest on the farms for which individual farm program acreages are required to be determined, except that the rice acreage on a farm eligible for payments shall not be further reduced by application of the allocation factor if the producers reduce the acreage of rice planted for harvest on the farm from the previous year by at least the percentage recommended by the Secretary in the annual proclamation of the national program acreage. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of rice planted for harvest is less than for the preceding year, but the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for rice, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(8)(A) Notwithstanding any other provision of this subsection, the Secretary may impose a limitation on the acreage planted to rice if the Secretary determines that the total supply of rice will, in the absence of such limitation, be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. Such limitation shall be achieved by applying a uniform percentage reduction to the rice acreage base for each rice-producing farm. Producers on a farm who knowingly produce rice in excess of the permitted rice acreage for the farm shall be ineligible for rice loans, purchases, and payments with respect to that farm. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as the result of a limitation imposed by the Secretary under this subparagraph shall be the acreage planted on the farm to rice for harvest (including any acreage which the producers were prevented from planting to rice or other nonconserving crop in lieu of rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the crop years immediately preceding the year for for which the determination is made or, at the discretion of the Secretary, the average acreage planted to rice for harvest in the two crop years immediaely preceding the year for which the determination is made. In determining the acreage planted to rice in any previous year for purposes of this subparagraph, the Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of acres on the farm determined by dividing (i) the product obtained by multiplying the number of acres required to be withdrawn from the production of rice times the number of acres actually planted to rice, by (ii) the number of acres authorized to be planted to rice under the limitation imposed by the Secretary (hereinafter in this subsection referred to as the 'reduced acreage') shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, which will assure protection of such acreage from weeds and wind and water erosion. However, the Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the reduced acreage to be devoted to sweet sorghum, hay and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, oats, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

"(B) The Secretary may conduct a land diversion program and make land diversion payments to producers of rice if the Secretary determines that such payments will assist in obtaining necessary adjustments in the total acreage of rice. If a land diversion program is in effect under this subsection, the Secretary may also require that producers participate in such program as a condition of eligibility for loans, purchases, and payments authorized by this subsection. Land diversion payments shall be made to a producer on a farm who devotes an acreage of cropland on the farm to conservation uses approved by the Secretary in accordance with a land diversion contract entered into with the Secretary. The amounts payable to a producer under a land diversion contract shall be determined by such means as the Secretary determines appropriate, including the submission of bids for such contracts. In determining the acceptability of a contract offer, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producer and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community:

"(C) The reduced acreage and the additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(D) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation no later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into under this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(9) The Secretary shall provide for the sharing of payments made under this subsection for any farm among the producers on the farm on a fair and equitable basis.

"(10) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(11) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this subsection precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not adversely affect the operation of the program.

"(12) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this subsection.

"(13) The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

"(14) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this subsection.

"(15) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans, purchases, or payments under this subsection.

DEFINITION OF COOPERATOR

SEC. 603. Effective only with respect to the 1982 through 1985 crops of rice, the third proviso in the first sentence of section 408(b) of the Agricultural Act of 1949 (7 U.S.C. 1428(b)) is amended to read as follows: *Provided further*, That for the 1982 through 1985 crops of rice, a cooperator shall be a producer on a farm who has reduced the acreage base planted to rice as required under section 101(1)(8) of this Act.".

The PRESIDING OFFICER. I recognize the majority leader.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. DOLE. I yield to the distinguished majority leader.

Mr. BAKER. Mr. President, I thank the Senator.

The Senate will remain in session perhaps until 6 o'clock and it is my distinct hope we can still finish this bill tonight. I think we can. So I urge the Senators to remain on the floor and close by. I expect a number of votes will still occur between now and 6 o'clock.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kansas.

Mr. DOLE. Mr. President, I do not know that it is necessary to make a prolonged statement because I know many Members have many things they would rather do than listen to those of us who have spoken on this outstanding amendment repeat what we said earlier.

But let me make one point since many Senators are on the floor now who were

not here earlier. There have been a number of us who have been working together on legislation and I would say——

Mr. MOYNIHAN. Mr. President, may we have order? The Senator is speaking on a very important point.

The PRESIDING OFFICER. The Senator from New York properly questions the Chair as to whether there is order and that the Chair should restore order in the Chamber.

Order having been restored, the Senator from Kansas is recognized.

Mr. DOLE. The bottom line is whether we are going to have a farm bill. I have been personally assured at the highest levels of the administration that the present bill will be vetoed if we do not put the budget genie back into the bottle by cutting $360 million out of the wheat and rice sections. I have coughed on the tobacco vote and gone along with the sugar vote and gone along with the peanut vote. This is a commodity that affects my State.

This Senator is convinced that unless we adopt this amendment we are putting the bill in jeopardy. It is just that simple. It is not that we think we have done enough for the farmer or not enough for the farmer. One way not to do enough for the farmer is to keep spending more money than we have. I hope we would have the support of those who are concerned about getting a farm bill.

It is my understanding, and I have talked to the chairman of the House committee, that they hope to take this bill up in the House and pass it—this bill.

Again I can pledge to all the Senators in this room that this Senator is going to be a conferee, I am going to fight for the sugar provisions, I am going to fight for the peanut provisions, I am going to fight for the cotton and rice provisions, and all the other provisions in the bill.

I think my word is good. I am not breaking faith with any coalition. As I have said a couple of times, the coalition is so loose you cannot locate it. You look at the voting record of some in the coalition, if there was a coalition. What I am concerned about is getting a farm bill and getting it passed hopefully today. This is the last major amendment on this bill. I know some feel we ought to do more for farmers. We ought to cut inflation, we ought to cut interest rates, and we would do a great deal more for farmers, as the Senator from Mississippi pointed out. It is a good figure that he had about $1.5 billion for every point of inflation, if we could do something about inflation or interest rates or both.

So this Senator suggests that what we are voting on now is an amendment to reduce the cost of this program by $360 million. It is a $10.5 billion bill. So do not say we are not doing anything for the American farmer. We are trying to get the budget genie back in the bottle.

I hope we might adopt this amendment and then proceed to work on the other amendments that may be pending.

But I say to those from consuming States this is an opportunity to whittle $360 million off the farm bill. I would say to those from farm States that this is an opportunity to get a farm bill. I hope that those of us who have spoken who are from States where this has the greatest impact, that it has no impact on corn or feedgrains, $1 million over the life of the bill. It has absolutely no dollar impact on cotton. It does not affect sugar, it affects rice by about $270 million. But in that case we are talking about a $10.73 versus a $10.98 loan target price per hundredweight.

On wheat we are going to lower it from $4.10 to $4.

It is the view of this Senator that most farmers in wheat-producing States and rice-producing States are hoping we are going to get a farm bill.

I appreciate the cooperation we have had from the distinguished Senator from Kentucky and the chairman of this committee, Senator HELMS. I hope we can proceed to vote up or down, if possible, on this amendment and dispose of it very quickly.

Mr. ANDREWS. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. ANDREWS. I appreciate the Senator's yielding.

I have participated in, I think, it was, four farm bills. I have never voted to lower price supports on any commodity or anything else. But let me also add one other thing. I have been a farmer all my life, so has my father and so has my grandfather. Every now and then we take a look at the crop that is out in the field and we decide it might be a wise choice to buy some hail insurance. That hail insurance costs us a premium of 5 or 6 percent.

As I understand the amendment of my colleague from Kansas, if his amendment passes we will be dropping the target price on cotton and rice and wheat and feedgrains by about 5 percent, is that not essentially true, 5 or 6 percent?

Mr. DOLE. Not 5 percent.

Mr. ANDREWS. Five percent, from $4.10 to $4.

Mr. DOLE. Two-and-a-half percent.

Mr. ANDREWS. Well, yours is an even better deal than my insurance agent gives me.

Mr. DOLE. We do not figure it that way in the Finance Committee.

Mr. ANDREWS. The present chairman of the Finance Committee is quicker with figures than I am when I use them in farming.

The point we should look at and which should be understood by the Members is that the distinguished Senator from Kansas and the chairman of the great Agriculture Committee can assure the membership that the administration will back the farm bill in toto if this amendment is adopted.

For that insurance policy, we are paying a 2½ to 3 percent premium, probably one of the better bargains that we might get into in these days of budget cuts and austerity programs.

I would suggest that even for those of us who have never, ever contemplated voting to lower the price support provision for agriculture, this might be a wise insurance policy to take out, looking at the importance of this bill.

Mr. President, I yield back the remainder of my time.

Mr. DOLE. I thank the Senator from North Dakota.

Mr. JEPSEN. Mr. President, I ask unanimous consent that I be listed as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I thank the Chair. I rise to state that I found the observations of the Senator from Kansas persuasive, and those of his colleagues. But I would also want briefly to draw attention of the Chamber, while Members are present, to an amendment which I will be offering sometime this afternoon which takes off from that provision presented in the President's first address to the joint session of Congress on February 18, when he said:

> The taxing power of Government must be used to provide revenues for legitimate governmental purposes but must not be used to regulate the economy or bring about social change.

I shall offer a simple amendment that says that it is the sense of the Congress that the taxing power of Government should not be used to regulate the agriculture economy or bring about social change in farming through the use of tax moneys to distort the natural working of the marketplace in agricultural products or to provide the subsidies for the creation of special privileges or exclusive rights.

Mr. President, we are going to have a long autumn in which matters of concern in the social agenda of our country and to the urban areas of our country are going to come before this body and the ruling doctrine will be that which the President announced, that the taxing power of Government on taxes must never be used to bring about social change.

Now, social change takes many forms. Social change protects small growers. Is there any proposition that has been more repeatedly enunciated in these Halls than the importance of the family farm? I expect not. I happen to live on a farm. I happen to understand the problems. Keep the family farm; prevent its disappearance into corporate structure. How? By using the taxing power of Government to maintain prices, to provide acreage allotments, to provide insurance, to provide a whole series of Government interventions in the economy.

The Senator from Kansas has just said that this is only a $10.8 billion bill. We read in this morning's paper that there will be no more revenue sharing for the towns and cities of America. But, to prevent the social change that might take place if the free market in agriculture were allowed to continue, we must spend $10.8 billion.

I do not expect anyone to change his vote. I do not speak in any anger or hostility. But the Members, especially on the other side of the aisle, must surely recognize the inconsistency of a position that says: Use tax money to prevent or bring about social change in one sector of the economy, in one region of the Nation, but not others. Now, either we are all one country or we are going to be badly divided.

Is it not the case that those who stand up and vote for this legislation, as they will do, are voting to use the powers of the Federal Government to intervene in the economy in the eyes of a desirable purpose as judged by them? If that is so, then surely they ought not to deny the legitimacy of that idea.

They can dispute the particulars of a particular proposal, but let us, for the remainder of the year, not too much hear about the dread phenomenon of Government intervention in the economy, of Government concerned with the jobs of people who do not own farms, of Government concerned with the welfare of people who have no crops, much less no crop insurance, and of Government concerned with sources of production other than in the soil.

There is a principle at stake which we are asserting in this legislation, the principle that Government has a legitimate role in this society. If peanuts matter, people matter. If cotton must be grown, so must children. And if rice has to be protected, so, as the Chinese say, the rice bowl.

I must ask for a moment's reflection as you rise to vote for the intervention of the Government in your economy, that you are agreeing with a principle which can be abused and which can be applied in adequate or wrong ways but which is not, per se, a principle alien to the deliberations, much less the actions, of this body.

I thank the Chair for his courteous attention.

The PRESIDING OFFICER (Mr. ABDNOR). The Senator from Arkansas.

Mr. PRYOR. Mr. President, just for one or two moments I would like to make an observation or two about the so-called Dole amendment offered by the distinguished Senator from Kansas.

The distinguished Senator is right. This amendment does not affect peanuts, it does not affect tobacco, it does not affect corn, and it does not affect, to a very large degree, wheat.

But, if I may—and you may think this is a parochial interest and you better believe it is a parochial interest—it does affect rice.

As I mentioned a few moments ago on this floor, there are five States that produce rice. Our State, fortunately, is that State that produces enough rice to lead the other four States in rice production. In fact, our State—the State of Arkansas—produces enough rice to satisfy the needs and the consumption of the U.S. population demand.

But, Mr. President, the Dole amendment, very simply, does this: It takes the savings that the U.S. Department of Agriculture wants to obtain in this legislation and it does not take it anywhere else, with the exception of one crop—rice. I know we may be somewhat defenseless, five little States sitting out here, the States of Arkansas, Louisiana, Mississippi, California, and Texas. There are only 10 of us represented in this body that can speak for those five rice-producing States.

But, Mr. President, rice is a unique crop from any other crop that we have voted on or against during this week of discussion on the agriculture bill. Rice, yes, has a loan rate; rice has a target price. But rice must be grown under the most opportune circumstances, Mr. President. And those opportune circumstances to create the production of rice must be had and had only under circumstances that necessitate a tremendous, absolutely tremendous expenditure of money for the rice farmers of those five States.

The rice crop today is already depressed. And here we are, out of a projected savings from the amendment offered by the distinguished Senator from Kansas, a projected savings of some $360 million—I hope my colleagues will listen to this—of that $360 million, $272 million is going to come from where? You guessed it—out of rice. And it is coming out of rice because our numbers are so few.

I would just like to say to my colleagues in the Senate that I have attempted, during these 27 markup sessions in the Committee on Agriculture. to work with every other Senator with every regard and every bit of sensitivity that I can for those crops and those concerns that you have.

I am asking, and I am asking humbly, the Members of the Senate this afternoon to consider what we are about to do to one crop which has meant not only so much to this country, but also to our export markets throughout the free world.

Mr. President, I urge defeat of the Dole amendment because I think it is singling out one particular crop and I am very proud about the fact that my good friend from Kansas has chosen this particular crop to single out. I certainly support the colleagues we have today voting on this measure, who recognize what this amendment is, what it is all about, and the results that will grow from it.

I yield back the remainder of my time.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I am sure that my colleagues are weary of having the Senator from Nebraska on the floor, but I am going to be standing here harassing every time something like this comes up because I think I have a duty and a responsiiblity to do so.

In the first place, I doubt if there are five Senators in this body who know what the amendment by the Senator from Kansas is all about.

If I could have his attention, or someone else's attention who purports to know something about what he is trying to do, I would like to set it on the record so that we know what is happening.

Obviously, my friend and colleague from Arkansas is somewhat misinformed because other things than rice are affected by this bill. I suspect that wheat and corn are affected by this bill.

But since we did not hear the amendment read, and since there were evidently a very few who got together and heard what this is all about, let us set it out so that the Members of the body when they vote after a while at least know what they are voting on.

Is there someone on the majority side who could answer some questions that I have about the amendment offered by the distinguished Senator from Kansas?

Mr. JEPSEN. Mr. President, I would be pleased to respond.

Mr. EXON. I will yield for an answer. May I pose the question?

Mr. JEPSEN. Please.

Mr. EXON. I would inquire first, what commodities are affected by the Dole amendment?

Mr. JEPSEN. Wheat, corn, cotton, and rice.

Mr. EXON. Wheat, corn, cotton, and rice.

And if I understood the Senator from Kansas correctly, he said that his amendment was designed to save some $360 million.

Mr. JEPSEN. That is correct, $72 million a year.

Mr. EXON. Now let us go down on at least two of these commodities. Let us take wheat, for example, and try and find out where we are. If I understand this right, and please correct me if I am wrong because I am not sure that I fully understand it, the target price for wheat that came out of the Agriculture Committee for the year 1982 was set, was it not, at $4.20?

Mr. JEPSEN. $4.10.

Mr. EXON. I will rephrase my question once again so it will be understood. After the Agriculture Committee went through all of their hearings, all of their markups, and before we adjourned for the recess, they reported out what was called the bill from the Senate Agriculture Committee to the Senate floor. In that bill, and please correct me if I am wrong, I believe that the target price for wheat was set for 1982—and I am talking about 1982—at $4.20. Is that not correct?

Mr. JEPSEN. The Senator is correct.

Mr. EXON. After we returned from the recess and after the administration recognized that their economic recovery program was built on a house of sand, they started looking around for additional savings, and, of course, they looked to agriculture, where they always look. After a meeting on Wednesday, Thursday, and Friday of last week, as I understand it, or some Wednesday, Thursday, and Friday, the first 3 days that we were back from recess, there was a "compromise" bill that was reported out by a minority of the Agriculture Committee, as I understand it, which reduced that wheat figure from $4.20 by 10 cents, to $4.10. Is that correct?

Mr. JEPSEN. That is correct. Except it was by a majority, not a minority.

Mr. EXON. A bare majority.

Then, as I understand it, this Dole amendment, contrary to what has been said on the floor, reduces the per-bushel price for targets an additional 10 cents so that if the Dole amendment is accepted which would be down to a target price of $4. Is that correct?

Mr. JEPSEN. That is correct.

Mr. EXON. Likewise, when we look at the loan rates for wheat, we find that at the present time the loan rate that originally came out of the committee before the recess was $3.50 a bushel. Is that correct?

Mr. JEPSEN. That is correct.

Mr. EXON. And the Dole amendment on wheat makes no change in the loan rate for wheat?

Mr. JEPSEN. That is correct.

Mr. EXON. So, at the present time, we are at a loan rate of $3.50, which was the original position of the committee. Is that correct?

Mr. JEPSEN. That is correct.

Mr. EXON. Now let us turn to corn. Corn, as it came out of the committee originally before the recess was set at a target price of $2.80. Is that correct?

Mr. JEPSEN. That is correct.

Mr. EXON. And after the magic compromise was reached, it was reduced a nickel and it came to the floor in the final form at $2.75.

Mr. JEPSEN. That is correct.

Mr. EXON. And the Dole amendment, as I understand it, does not reduce that target price further. So if the Dole amendment is accepted, we would be at $2.75 on corn.

Mr. JEPSEN. That is not correct. $2.70.

Mr. EXON. He is taking out 5 cents?

Mr. JEPSEN. That is correct.

Mr. EXON. I thank my friend from Iowa. The information I had received is wrong.

So the net effect, then, is that the $2.80 on corn that originally came out of committee before the recess, with the 5 cents reduction in the "compromise," and the additional 5 cent compromise suggested in this Dole amendment for a total of 10 cents, would reduce the corn target price to $2.70. Is that correct?

Mr. JEPSEN. That is correct.

Mr. EXON. Now let us go to the loan rate on corn.

Mr. JEPSEN. To save time——

Mr. EXON. I would rather not save time. I would rather go right down the line so there is no misunderstanding.

Mr. JEPSEN. I am glad you do.

Mr. EXON. The loan rate on corn as set in the original committee action and by the "compromise," magic or otherwise, would indeed be reduced by 10 cents if the amendment by the Senator from Kansas is accepted. Therefore, if it is accepted, we would have a loan rate on corn of $2.50. Is that correct?

Mr. JEPSEN. That is correct.

Mr. EXON. I thank my friend from Iowa. I think that I understand basically what is trying to be done here now. Of course, I staunchly oppose it and I hope we can prevent the further emasculation of the agriculture program.

Mr. President, what this would do is make it more difficult for the family farmers of America, who, at this very time, are suffering the highest sustained interest rates in their history. They are seeing one of the most dramatic plunges in commodity prices in their history. Yet, we propose here to make a second weakening of the already weak bill that came out of the Senate Committee on Agriculture before the recess. I think it is a mistake and I think we should oppose it.

Mr. President, I am a little weary and think it is somewhat cowardice on our part not to take the action that the Senator from Nebraska or the Senator from Iowa or anyone else thinks is necessary on the subject because it may be vetoed downtown. I suggest to all that there is a certain separation of powers which is fundamental under our system of government. It is our job to pass legislation by majority vote that we can agree on. I cannot believe that, as the Senator from Kansas has indicated, if we do not go along with this cut and save an estimated $360 more, the President of the United States is going to say, "I don't care what you think down on the Hill, I am going to veto this bill." I think that is a coward's way out and I do not think that that excuse should be used in supporting the Dole amendment.

I think that by a majority vote, we should send down to the White House what we, in our collective wisdom or otherwise, think is proper and let the President of the United States do what he thinks is proper in his judgment. That is the way it should work.

Mr. President, I heard the Senator from Kansas talk about the fact that this is a $10.8 billion bill. I suspect that there are some who immediately became concerned that that was the cost of this bill for the next fiscal year. Just to make the record clear, that total $10.8 billion cost that my friend from Kansas referred to is the 4-year overall cost of this bill, which amounts to something in the neighborhood of between $2.5 billion and $3 billion per year.

I agree with the statements that have been made by my colleague from Arkansas that rice should not be picked out and penalized. But all through the considerations on this bill, we have seen certain commodities shunted aside, those commodities that were not in a position to have Members of the House of Representatives to wheel and deal with the President on his success in getting passed in the House of Representatives the budget and the tax cut bill. I think we shall rule the day, Mr. President, that we have seen the wheeling and dealing by the President of the United States with individual Members of the House of Representatives, essentially from the Sun Belt areas of this country.

Wheeling and dealing with him on getting the budget and tax bills passed—we have seen that carried over into the consideration of the agriculture bill that is before us. I suspect that that has not been done before. I hope it will never happen again.

Once again, I decry the fact that the original coalition, which stood firmly together to try to get an acceptable agriculture bill passed, has totally broken down and been fractured, essentially—by accident or by design—by the actions of the administration. We all know that the Secretary of Agriculture has been hovering around the U.S. Senate almost like the 101st Member of this body in an adjacent wing, making arrangements—"arrangements," I said and that is a high-class word for it—to get what the administration wants out of this bill.

I am saying that I certainly am not satisfied with the bill that came out of the Senate Committee on Agriculture. But, Mr. President, many of my colleagues and I were prepared to accept that, as bad as it was, because we knew that the farmers of the United States were prepared to make their part of the sacrifice to help balance the family budget.

I think it is crying crocodile tears, indeed, to hear statements on this floor that if we will go along with this $360 million cut, somehow, magically, we are going to be able to reduce the interest rates for the farmer. At least there are some people on this floor who are finally becoming concerned about interest rates. They were not concerned when we passed the tax and budget bills. They were only concerned after they came back from the August recess and had heard from the people back home. They began to wake up to the folly of their ways.

Mr. President, I suggest that, regardless of what we do with the Dole amendment, the $360 million saving here is not going to make one whit of difference on the interest rates that are now killing the farmers and the small businessmen of this Nation.

I hope that we will vote down the amendment offered by the Senator from Kansas. I think that he would agree that it is the White House's amendment. I have supported the White House on many occasions. I do not support them in this instance. I hope that a sufficient number of my colleagues will agree with me.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ZORINSKY addressed the Chair.

Mr. DOLE. Mr. President, I still have the floor. I shall take just 1 minute.

Can I assume the Senator from Nebraska is for the bill in its original state?

Mr. EXON. The Senator is asking a question. I think it would be unfair to say that the Senator from Nebraska is for the bill in its original state. I shall clarify it once again.

Mr. DOLE. Without my amendment, he is going to vote for it, is that it?

Mr. EXON. Without the Senator's amendment, I shall make a consideration of whether I shall vote for it or not. There are some other amendments coming up. I suspect that the Senator from Kansas would like to get me on record now. I am not ready to go on record.

Mr. DOLE. Mr. President, I think we can put the Senator down as undecided. then.

That is the point. He is not for the bill whether my amendment is adopted or not. I think that is the point the rest of us have to consider. Some of us want a farm bill. This Senator wants a farm bill.

The Senator has been Governor of the great State of Nebraska and he has had sometimes to talk to the State legislature, even though they have a strange system in Nebraska—not strange, but different. They have a unicameral system in Nebraska and sometimes the Governor has to lean on the legislature, just as some Presidents have to lean on us in

Congress. So I am certain the Senator, as former Governor, is aware that those things do happen.

Mr. President, we have a real problem. I went home to Kansas and I talked to the farmers. They were saying we have to cut programs. They did not say exempt agriculture. We have to cut programs. We have $360 million today, $360 million tomorrow, $360 million for the next program. In a week, that is what? Over $2 billion. It adds up pretty fast. If this were the only bill that is going to exceed the budget, I think the administration would say that is fine. But this is not the only bill that is going to exceed the budget. We have already exceeded the budget with the HUD appropriations and I assume it is going to be vetoed.

Mr. President, we talk about farmers, what we are going to do for the farmers. Let us get off their backs. Let us lower the interest rate, let us stop inflation. Here we can make one little start. Let them make a contribution to the recovery of the economy in this country.

I bet if we took a poll among American farmers now, in my State or the Senator's State or any other State, we would find they are not quarreling that they are going to lose $72 million in a wheat program over 4 years or $270 million-some in a rice program in 4 or 5 years. They want us to stop spending. They are willing to make a contribution—not a sacrifice, a contribution.

Mr. President, I think the choice is rather clear. Call it a White House amendment—I went back to the RECORD of April 28 and found that that was the amendment offered in the Committee on Agriculture on wheat on April 28—$4 target price. That is what I am suggesting today, several months later—$4, $4.20, $4.40, and $4.60.

The Senator suggests that that is not much of a difference over the period of several months. No one knows what the economy is going to do. No one knows whether we can artificially prop up farm prices enough to help our farmers out of the great difficulty they are having now.

Again I urge those whose programs have been taken care of—the sugar producers, the peanut producers—you are home free now, if we can adopt this amendment.

We are going to have a farm bill. If we want to do it all over in a couple of months, we can do it.

I have the greatest respect for the Senator from Nebraska, and I do not underestimate his knowledge of agriculture one bit. But I suggest and I pledge to the Senator from Nebraska that this Senator will be a conferee and is going to stick to the Senate position. He will find that in every case I have stuck with the coalition, except this one, when we are discussing commodities that affect this Senator, with the exception of rice.

Mr. President, I am prepared to vote on this amendment. I believe it is the last major amendment. We can still finish this bill by 6 o'clock tonight, and I know that is the wish of most Senators.

Again I say to my consumer-oriented colleagues that this is $360 million less. To those who are concerned about a farm bill, I say that we are going to have a farm bill if we can adopt this amendment. It is going to be a good farm bill.

I do not see many people fussing too much about the farm bill, except perhaps the dairy producers, and they have had a pretty good program for a long time. We have been shelling out about $2 billion a year for dairy. That is a lot of money.

The cost of this program is $10.8 billion over that period, but it would be well to point out that the cost in 1982 is about $4 billion. It is a fairly expensive program which protects farm income. It is necessary. We should adopt it, and we should do it today.

Mr. MELCHER. Mr. President, will the Senator yield for a question?

Mr. DOLE. I yield.

Mr. MELCHER. Is the $10.8 billion that the Senator has mentioned over the life of the bill? Is that correct?

Mr. DOLE. I beg the Senator's pardon.

Mr. MELCHER. Is the $10.8 billion that the Senator has mentioned the cost of the bill over the life of the bill?

Mr. DOLE. Yes. The Senator is correct, and the Senator from Nebraska was correct when he made that statement.

Mr. MELCHER. Can the Senator from Kansas advise us how much of that cost is outlay in loans which will be recovered normally?

Mr. DOLE. I can try to obtain that for the Senator, if he will give me a few minutes.

Mr. MELCHER. I would thank the Senator if he would do that.

Mr. DOLE. When we look at that cost figure, they do not take into account possible deficiency payments in some of those outyears, and that figure could be very small if deficiency payments are necessary.

This year, for example, in wheat areas, because of low prices, because of the embargo imposed in January of 1980, deficiency payments are going to be made. So this is possibly a very conservative estimate, the $10.8 billion.

Mr. ZORINSKY. Mr. President, I take the floor to associate myself with the comments made by the junior Senator from Nebraska. JIM EXON probably knows as much, if not more, about agriculture as does anyone else in this Chamber at present.

I have lived in Nebraska all my life. I know farmers very well, even though I come from a large community.

People are people, and the needs and wants of people throughout this Nation are very similar. One of the needs and wants is the adequate production of food at an affordable price.

It saddens me to hear the Senator from Kansas threaten this body with a veto on Pennsylvania Avenue, as if he already has been informed that there will be one. But when he refers to a HUD bill, he says he assumes that that bill will be vetoed. Evidently, he has more knowledge about the veto of the agriculture bill than any other; and if he does, that is a sad commentary upon the manner in which we base decisions in this body.

I have talked to farmers starting at 8 o'clock this morning—our phones have been ringing off the hooks in our office—and they are very disturbed. In fact, many of them are irate.

They do not like to be blackmailed. They do not like to be told that they cannot do this or that because if this happens, it is going to be vetoed. They accept vetoes, but they want to see the veto happend from the people who are in a position to make the veto happen, not from spokesmen in this body who do not have the legislative authority or capability to make those vetoes. There is only one individual, the Chief Executive of our Nation, according to our Constitution, who has the ability to create that veto.

So for anybody to stand in this body and intimidate or threaten—this is what the farmers are concerned about. They are not worried about taking their lumps or being treated equitably in the cutting of their budget. But Americans do not like blackmail, and they do not like to be threatened, and that is tantamount to what is happening in this body today—that if this does not happen, there is going to be a veto. Fine. That is the American way. But let the individual who has the capability and the capacity to issue that veto make that veto, not spokesmen or surrogates on his behalf.

There is a rumor around here right now that if this bill is passed, there will be a quid pro quo, possibly, for the reserve being opened for the farmers of America. Great. That should have happened with or without this bill. That should be predicated upon the economy of the Nation and how it affects people in agriculture.

There are many Senators in this Chamber today who will vote as though they do not eat food, but I say to Senators that this is a black Friday, if this bill is passed—not that $360 million will make or break America. I have seen billions fall through cracks between the desks in this Chamber at many opportunities. But I say that at a time when agriculture, which is the backbone industry of America, is in trouble, as are many businesses, they want to take their lumps along with anybody else. They just took their lumps from a prior administration, with a grain embargo; and even that valve has been opened, it does not mean that the economy corresponds with the resumption of the shipment of grain to other nations.

So I ask my colleagues to consider very seriously what they do to people and that they not say that agriculture is a big budget. It is a big budget, but nobody says how much of it is food stamps. That is a nonrecoverable item. That is a dollar of outlay which will not come back. Loan support prices do come back, and that is also a large percentage and portion of our budget.

Mr. JEPSEN. Mr. President, will the Senator from Nebraska yield?

Mr. ZORINSKY. I yield.

Mr. JEPSEN. The grain reserve program that the Senator alluded to about possibly being opened—I point out to the Senator that the grain reserve program for wheat was opened up and does exist. It was opened in a timely fashion

prior to our going home during the recess, and I believe that certainly is indicative of the sensitivity that this administration and the Department of Agriculture have for the people about whom the Senator from Nebraska is most concerned. It is my understanding—the reports are—that they were very appreciative of that, and it has been very helpful.

So, to make it clear for the Record, with respect to the allusion or the innuendo that this administration was insensitive to the people about whom the Senator from Nebraska is concerned most, the wheat farmers, I point out that is the only grain reserve program that is open.

Mr. ZORINSKY. Mr. President, I acknowledge the statement of the Senator from Iowa. I do not mean to imply that the administration has not been sensitive to agriculture.

However, my comments today are intended to illustrate that agriculture has taken more than its fair share of cuts in the budget.

If Senator DOLE would like to get me on record as to whether I would support the agriculture bill, I certainly will go on record. I will support the bill we had, through the democratic process—Senator JEPSEN, Senator DOLE, Senator HELMS, and all of us who serve on the Senate Agriculture Committee—before we went home in August, a bill that took us 5½ months to evolve.

Farmers spent a great deal of their personal money to come to Washington to testify at hearings.

We had their input. Many of us on the committee had hearings back home in our home States. We received the input. Through the democratic process, we voted. We evolved this farm bill. We left on the August recess thinking we had a bill, one which the White House would support because it was within their budgetary allotments. Then we come back from the August recess and find that we need $18 billion in additional budget cuts. That was not the farmers' fault. That was the fault of these geniuses that came out of college and are given bureaucratic jobs, estimate interest rates for a year hence and find out they are wrong during the recess and that the budget needs to be cut additionally in order to support the original $42 billion deficit in our budget for next year.

So I will go along with our Senate bill that came out, and Senator ANDREWS from North Dakota was there. Some items we agreed on; some we did not. But a bill did come out of that Agriculture Committee, and certainly many of us think it is inadequate, but I go on record as supporting that as the least amount of support that we could give to agriculture.

Does the Senator from North Dakota wish to have the floor?

Mr. ANDREWS. Mr. President, I appreciate the Senator's yielding to me.

Mr. ZORINSKY. I yield.

Mr. ANDREWS. Mr. President, as to some of the debate that has just occurred I think it is important to point out that as far as this Senator is concerned, my support for the Dole compromise is not based on yielding to a blackmail threat from the White House. And my minimum high regard for Mr. Dave Stockman would indicate that I am not sure that his figures are always accurate either.

I pointed out a little earlier that this 2½ percent cut in wheat, feedgrains, cotton, and rice—yes, it is about 2½ percent across the board—is in fact a pretty reasonable insurance policy for us to pay not to get necessarily White House support, although I understand we will get that White House support. I am sure as a member of the Budget Committee, Senator EXON, the senior Senator from Nebraska, is a member of the Budget Committee as well, and I am sure he remembers the figure that we put out of that Budget Committee. This is not a White House figure. This is the Senate of the United States passing it out and we all voted on it. Some of us voted for it and some voted against it. The majority of us voted for that budget figure.

Mr. EXON. Mr. President, will the Senator yield?

Mr. ANDREWS. I am glad to yield.

Mr. EXON. I voted against it.

Mr. ANDREWS. As I am looking at it now, I think the Senator from Nebraska may have had a little more good judgment than the rest of us.

Mr. EXON. I have on this bill, and I hope Senators will listen.

Mr. ANDREWS. The point is that we were the ones who created this budget figure. The budget figure that I wish to share with my colleagues for the next year adopted by the Senate is $2.135 billion.

Nothing happened at the White House in the interim while we were at home. What happened is that the Sun shone on the cornfields in Iowa, and it even made the wheat fields in North Dakota yield to the point where we outyielded Kansas. North Dakota this year is the biggest wheat-producing State in this Nation. We are proud of it.

But it altered the figures of input and as a result of that altered figures of input, we come up with a cost figure of the package that we originally passed of $2.234 billion average per year.

By adopting the 2½-percent cut proposed by the Dole amendment, we come up with a $2.162 billion average, which is just a whale of a lot closer to the $2.135 billion figure, and that is why we have an insurance policy that it might move through as a completed package.

Again let me say that it is not blackmail from down the street so much as complying with our own budget package that some of us voted for, and I urge my colleagues to support this insurance policy so we can in fact have a farm bill this year that complies with our budget restraints and with that enjoy the support of the White House.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIXON. Mr. President, I wish to make this final point when we talk about facts.

When we were in committee on the last three markups that constituted a total of 27 markups on this bill, the administration, my dear friend, the Secretary of Agriculture, who is a fine man, and others, came in and talked about cutting target prices and, of course, that is some of the difference of opinion here, and then they talked about the loan rate.

I point out to Senators that in the amendment by my distinguished friend, the Senator from Kansas, the loan rate on wheat remains at $3.50 a bushel as it was in the Senate bill. As it was in our modified bill, so it is in the administration bill.

However, for corn—now listen to this—for corn in our Senate bill it was $2.60 a bushel. The administration suggested $2.50. We modified it in committee and kept it at $2.60 and Senators know why.

I hold here in my hand the administration's own figures from the Department of Agriculture. Do Senators know how much it costs under our bill, the modified Senate agriculture bill, for $2.60 rate for corn? $1.719 billion for 5 years. The administration's amendment costs $1.718? billion for 5 years.

Do Senators know what it saves under the amendment of the Senator from Kansas for corn for 4 years, the life of this bill, to drop it a dime a bushel? $800,000.

This administration is asking us for $200,000 a year to insult the corn farmers of the United States by dropping the loan rate a dime a bushel.

Imagine that. I can understand how they have accommodated my colleague in respect to the loan rate on wheat, and I have no objection to that. And I hear my colleague when he talks about the problems of our country, and I am concerned about that.

But have we come to the place where in the 4-year life of the bill we drop the loan rate on corn a dime a bushel for $200,000 a year? This is the administration's figures, not mine.

So I say this is an excellent and apt demonstration why the work product of the committee thoughtfully done over 8 months in 27 markups makes better sense.

I say to the Senate that I will be happy to return to my State to say that I voted against dropping the loan rate for corn a dime a bushel, for $200,000 a year for the next 4 years of my service in this Senate.

I think this is an outrageous act without any justification. I think a vote for this amendment contrary to what was done in the work product of the committee for 27 meetings, contrary to what was done at the entreaty of the administration, contrary to what was done at the entreaty of the Secretary of Agriculture is a final message to the farmers of our lack of care as we meet here in these final hours to write a farm bill that the administration will sign.

As we meet here in these final hours to write a farm bill that the administration will sign whether this amendment is adopted or not, I yield my expertise to the expertise of the Senator from Kansas who has served for many years here and who is a fine leader. I am a new man here. But I have been in Government

for 31 years and in politics that long, and I do not believe this administration will reject this bill if this amendment is rejected, and I hope we will support the motion to table.

The PRESIDING OFFICER. The question is on agreeing to——

Mr. BAUCUS. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment is not at the desk.

Mr. BAUCUS. I send an amendment to the desk.

Mr. COCHRAN. Mr. President, I make the point of order that the amendment would be in the third degree.

The PRESIDING OFFICER. The pending amendment is a first-degree amendment.

Mr. COCHRAN. I withdraw my point of order.

The PRESIDING OFFICER. The amendment the Senator sent to the desk is an amendment to the bill not to the amendment that is pending, so it would not be in order.

Mr. BAUCUS. Parliamentary inquiry, Mr. President—I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 396

(Purpose: To increase the loan level for wheat for the 1982 crop of wheat)

Mr. BAUCUS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Montana (Mr. BAUCUS) proposes an unprinted amendment numbered 396 to the Dole unprinted Amendment 395:

On page 138, line 13, strike out "$3.50" and insert in lieu thereof "$3.60".

Mr. BAUCUS. Mr. President, the debate on wheat price support levels has centered on target prices to this point. At the very heart of the farm bill this time around, is the concern over the budget, and impacts on Government spending. While I share this concern over our budget deficit, I am also concerned about our Nation's most vital sector shouldering more than its share of the burden.

The amendment I am offering will actually decrease the budget exposure of the wheat support program. Minimizing risks as they call it in business circles.

My amendment would raise the loan rate for wheat to $3.60 per bushel from the current level of $3.50. This is still only a little over 50 percent of parity, when our wheat growers need 75 percent of parity—minimum.

The cost of Government loans to farmers for wheat are negligible. In fact, in fiscal year 1979, $367 million worth of new loans were made under the program, while $867 million were received by the Government in repayment. I ask unanimous consent that the table containing these figures from the USDA's Agricultural Statistics of 1980 be inserted in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 709.—COMMODITY CREDIT CORPORATION: LOAN TRANSACTIONS FOR FISCAL YEAR 1979, BY COMMODITIES[1]

[Dollar amounts in thousands, quantity in thousands of units]

| Commodity | Unit | Loans outstanding Oct. 1, 1978[2] | New loans made | Repayments | Collateral acquired in settlement | Loan written off[3] | Loan outstanding Sept. 30, 1979 | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Value[2] | Quantity collateral remaining pledge |
| Basic commodities: | | | | | | | | |
| Corn | Bushel | $1,280,363 | $1,379,535 | $1,192,990 | $161,988 | $4,251 | $1,300,670 | 665,61 |
| Cotton | Bale | 153,417 | 346,882 | 419,636 | 398 | 11 | 80,254 | 365 |
| Seed cotton | Pound | | 6,177 | 6,177 | | | | |
| Peanuts | Ton | 14,294 | 115,048 | 85,531 | 146 | 16,947 | 26,718 | 144,009 |
| Rice | Hundredweight | 27,249 | 169,719 | 171,615 | 3 | | 25,350 | 3,400 |
| Tobacco | Pound | 751,223 | 223,714 | 71,412 | | 5,862 | 903,168 | 691,070 |
| Wheat | Bushel | 1,318,305 | 367,890 | 867,328 | 1,284 | 1,525 | 816,109 | 361,252 |
| Total | | 3,544,851 | 2,613,965 | 2,814,689 | 163,769 | 23,096 | 3,152,264 | |
| Designated nonbasic commodities: | | | | | | | | |
| Barley | Bushel | 117,148 | 75,008 | 78,028 | 2,952 | 166 | 110,014 | 72,417 |
| Barley | do | 278,173 | 482,008 | 216,800 | 61,492 | 224 | 181,665 | 99,611 |
| Honey | Pound | 4,971 | 11,592 | 13,302 | | | 3,262 | 7,701 |
| Oats | Bushel | 61,897 | 15,912 | 33,296 | 1,326 | 201 | 42,987 | 45,295 |
| Rye | do | 3,513 | 2,822 | 8,171 | 594 | 87 | 2,828 | 1,748 |
| Sugar beet | Pound | 51,754 | 471,306 | 867,214 | | | 165,845 | 980,616 |
| Sugar, cane | do | 131,392 | 285,323 | 91,633 | 88,318 | | 236,764 | 1,591,806 |
| Total | | 648,848 | 993,968 | 794,488 | 154,892 | 626 | 609,359 | |
| Other nonbasic commodities: | | | | | | | | |
| Soybeans | Bushel | 86,691 | 288,744 | 284,777 | 18 | 422 | 40,207 | 8,948 |
| Naval stores (rosin) | Pound | | | | | | | |
| Total | | 36,681 | 288,744 | 284,777 | 18 | 422 | 40,207 | |
| Other loans: Storage facility and equipment (total) | | 799,261 | 678,891 | 158,772 | | 254 | 1,824,126 | |
| Grand total | | 5,029,641 | 4,575,568 | 4,047,676 | 318,179 | 29,400 | 5,209,956 | |

[1] Loans made directly by Commodity Credit Corporation.
[2] Book value of outstanding loans; includes face amounts and any charges paid.
[3] Includes transfers to accounts receivable.

Source: Agricultural Stabilization and Conservation Service.

Mr. BAUCUS. Mr. President, with the interest rate now set by the Secretary at up to a percentage point above the cost to the Government, there will be absolutely no cost to the taxpayers of the country beyond administrative costs. There is no subsidy, merely the Government providing a capital market for farmers.

I would like to echo the sentiments of Senators MELCHER, ZORINSKY, and BOREN regarding the cost of the commodity price support loans:

The commodity price support loans are a recoverable cost. A distinction should be made between these loans, which will be repaid with interest, and other federal program outlays, which once extended never return to the Treasury. To continue to calculate the cost of these programs on the basis of low outlays in any given year, rather than the net cost of the loan program, vastly overestimates actual expenditures. If we continue this practice, then we can expect to continue to be forced to legislate farm programs which are far from the fair, well-reasoned programs our nation's producers deserve.

Mr. President, my amendment actually reduces the risk of the Government facing target payments, which are direct expenditures.

The loan rate sets a floor beneath the market price of wheat. By raising this floor, the market price will be closer to the target price, reducing the amount of potential deficiency payments the Government must make.

Remember, this is a worst case scenario. I hope the market never falls below the target price as it is now. And I

certainly hope farmers will never need to take out a loan on a crop because of poor market prices.

If Secretary Block is doing his job and follows through with his promise to develop our export markets, we will never need to worry about the market price falling below target.

There can be no argument against my amendment based on cost to the Government. The only possible objection to be raised is the free market, philosophical question. Since we are dealing with the farm bill, I call that argument hog wash.

There is no free international market today for grain. I ask unanimous consent that the table I have showing the ranking of producer prices by country for wheat be entered in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

RANKING OF PRODUCER PRICES FOR WHEAT, OCTOBER 1980

[U.S. dollars per metric ton]

| Rank | Country | 1980 producer price | 1979 producer price | Precent increase 1979–80 |
|---|---|---|---|---|
| 1 | Japan | 830 | 725 | 14.5 |
| 2 | Switzerland | 576 | 613 | —.6 |
| 3 | Nigeria | 407 | 343 | 18.6 |
| 4 | Korea | 401 | 459 | —12.6 |
| 5 | Norway | 396 | 352 | 12.5 |
| 6 | Finland | 394 | 291 | 3.9 |
| 7 | Morroco | 329 | 269 | 22.3 |
| 8 | South Africa | 293 | 234 | 25.2 |
| 9 | Ecuador | 291 | 220 | 32.2 |
| 10 | Colombia | 288 | 226 | 27.4 |
| 11 | Poland | 277 | 237 | 17.0 |
| 12 | Uruguay | 257 | 193 | 33.1 |
| 13 | Guatemala | 248 | 248 | 0 |
| 14 | Portugal | 246 | 178 | 38.2 |
| 15 | Austria | 242 | 249 | —2.8 |
| 16 | Israel | 242 | 170 | 42.3 |
| 17 | West Germany | 241 | 242 | —.4 |
| 18 | Denmark | 234 | 227 | 3.0 |
| 19 | United Kingdom | 234 | 209 | 12.0 |
| 20 | Greece | 232 | 219 | 6.0 |
| 21 | Belgium | 231 | 232 | —.4 |
| 22 | Ireland | 228 | 198 | 15.1 |
| 23 | Kenya | 228 | 224 | 1.7 |
| 24 | Peru | 224 | 187 | 19.7 |
| 25 | Spain | 224 | 231 | —3.0 |
| 26 | France | 221 | 212 | 4.2 |
| 27 | Chile | 218 | 223 | —2.2 |
| 28 | China | 217 | 217 | 0 |
| 29 | Sweden | 216 | 186 | 16.1 |
| 30 | Argentina | 208 | 161 | 29.1 |
| 31 | Yugoslavia | 197 | 145 | 35.8 |
| 32 | Brazil | 197 | 178 | 10.1 |
| 33 | Bangladesh | 195 | 182 | 7.1 |
| 34 | New Zealand | 183 | 140 | 30.7 |
| 35 | Egypt | 179 | 100 | 79.0 |
| 36 | Syria | 179 | 164 | 9.1 |
| 37 | Turkey | 169 | 174 | —2.8 |
| 38 | Mexico | 157 | 137 | 14.5 |
| 39 | Australia | 155 | 135 | 14.8 |
| 40 | United States | 154 | 146 | 5.4 |
| 41 | India | 152 | 148 | 2.7 |
| 42 | Canada | 130 | 107 | 21.4 |
| 43 | Romania | 83 | NA | 0 |

Prepared by the Colorado Department of Agriculture from USDA, FHS information.

Mr. BAUCUS. Mr. President, there are 43 countries on this table, the United States ranks 40th. Japanese producers receive over five times the price as that of U.S. farmers. This is because the Japanese and other foreign grain producers are heavily subsidized by their government. Is this the free market we want to throw our wheatgrowers into?

I can understand the administration wanting to move to a truly free market for farm commodities. But they are putting the cart before the horse. As soon as I see serious negotiations between all grain producing countries for multilateral agreements on grain marketing and prices, I will come to Congress and ask to abolish target prices and the loan program. Until then, we need to keep a floor under the marketplace to protect the American farmer and the American economy as a whole. Anything less is an abandonment of our Nation's farmers.

Again, my amendment presents no cost to the Government and has the potential to save money from our already beleaguered budget.

The cost of production for America's wheat farmers has gone up 15.4 percent this year and went up 15 to 19 percent last year. Yet under my amendment we are barely maintaining the price of wheat at 50 percent of parity. Farmers cannot be expected to continue in business under these circumstances. It is absolutely essential that we give them a reasonable floor under the market price for wheat. I ask that the Senate support my amendment and this minimal increase in the loan rate for wheat.

Mr. President, the discussion in the last hour or so has generally revolved around the Dole amendment and, to some degree, around the Lugar amendment to totally eliminate target prices. The immediate discussion has been around the Dole amendment.

I very strongly oppose the Dole amendment for the reasons many Senators, including my distinguished colleagues from Nebraska and Oklahoma, have articulated.

Basically, it is unfair and it is a slap at the farmers.

I think that despite the well-reasoned analysis and opposition to this bill that the other side of the aisle, in conjunction with the administration, may have the votes to pass the Dole amendment. For that reason we offer a very, very modest amendment to increase the loan rate on wheat from $3.50 to $3.60. This amendment, therefore, will help those Senators who know the Dole amendment is not good for agriculture to at least do something to help some segment of American agriculture at little cost to the taxpayer.

This amendment will raise the floor ever so slightly from $3.50 to $3.60 for wheat. It is not going to make that much difference in the costs, but it certainly will make some difference to wheat producers in America.

I reiterate, it does not cost the Government one thin dime, the amount this amendment will increase the loan rate. In fact, for wheat alone, the loan program has cost our counrty only $600,000 total over a 10-year period of time. These are largely administrative costs that will not increase with the 10-cent change in the program.

So I strongly suggest that here is the way for Senators to show that at least they have some sympathy for agriculture. Here is an opportunity to show at least they are going to help the farmers cover some of their increasing costs.

I need not remind Senators how much the costs to farmers have risen in past years. A 15-percent increased cost of production last year, 15- to 20-percent increase in the prior year, and yet we are standing here today by the Dole amendment, and telling farmers they have to get by with less.

I strongly suggest that you support this modest increase to help a very important segment of agriculture and our Nation's economy.

Mr. President, I ask unanimous consent that my senior colleague from Montana be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOREN. Mr. President, will the Senator yield?

Mr. BAUCUS. I yield.

Mr. BOREN. Will the Senator from Montana be agreeable to adding me as a cosponsor?

Mr. BAUCUS. I would be delighted.

Mr. BOREN. I want to commend him for offering this amendment. I believe he is on the right track. This will help stabilize the price of wheat in our country and will do so without direct cost to the Government because, after all, the Government will have an asset of value for the loan that is rendered. The Senator has made a very constructive addition to this proposal, and I commend him for it.

Mr. BAUCUS. I thank the Senator from Oklahoma.

Mr. DOLE. Mr. President, I move to the table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kansas to lay on the table the amendment of the Senator from Montana. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT), the Senator from Alaska (Mr. MURKOWSKI), the Senator from Vermont (Mr. STAFFORD), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

Mr. ROBERT C. BYRD. I announce that the Senator from New Jersey (Mr. BRADLEY), the Senator from Arkansas (Mr. BUMPERS), the Senator from California (Mr. CRANSTON), the Senator from Connecticut (Mr. DODD), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Florida (Mr. CHILES), the Senator from Maine (Mr. MITCHELL), and the Senator from Massachusetts (Mr. TSONGAS), are necessarily absent.

The PRESIDING OFFICER (Mr. DANFORTH). Are there any other Senators in the Chamber desiring to vote?

The vote was announced—yeas 59, nays 28, as follows:

[Rollcall Vote No. 269 Leg.]

YEAS—59

| | | |
|---|---|---|
| Armstrong | DeConcini | Heinz |
| Baker | Denton | Helms |
| Bentsen | Dixon | Jepsen |
| Biden | Dole | Johnston |
| Boschwitz | Domenici | Kasten |
| Byrd, Harry F., Jr. | Durenberger | Kennedy |
| Byrd, Robert C. | East | Long |
| Cannon | Garn | Lugar |
| Chafee | Goldwater | Mathias |
| Cochran | Grassley | Mattingly |
| Cohen | Hatch | McClure |
| D'Amato | Hatfield | Moynihan |
| Danforth | Hawkins | Nunn |
| | Hayakawa | Packwood |

| | | |
|---|---|---|
| Pell | Sarbanes | Symms |
| Percy | Schmitt | Thurmond |
| Proxmire | Simpson | Tower |
| Quayle | Specter | Wallop |
| Roth | Stennis | Warner |
| Rudman | Stevens | Williams |

NAYS—28

| | | |
|---|---|---|
| Abdnor | Hart | Metzenbaum |
| Andrews | Heflin | Nickles |
| Baucus | Huddleston | Pressler |
| Boren | Humphrey | Pryor |
| Burdick | Jackson | Randolph |
| Eagleton | Kassebaum | Riegle |
| Exon | Leahy | Sasser |
| Ford | Levin | Zorinsky |
| Glenn | Matsunaga | |
| Gorton | Melcher | |

NOT VOTING—13

| | | |
|---|---|---|
| Bradley | Hollings | Stafford |
| Bumpers | Inouye | Tsongas |
| Chiles | Laxalt | Weicker |
| Cranston | Mitchell | |
| Dodd | Murkowski | |

So the motion to lay on the table UP amendment No. 396 was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. JEPSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment of the Senator from Kansas. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announced that the Senator from Pennsylvania (Mr. HEINZ), the Senator from Nevada (Mr. LAXALT), the Senator from Alaska (Mr. MURKOWSKI), the Senator from Vermont (Mr. STAFFORD), the Senator from Texas (Mr. TOWER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania (Mr. HEINZ) and the Senator from Texas (Mr. TOWER) would each vote "yea."

Mr. ROBERT C. BYRD. I announce that the Senator from New Jersey (Mr. BRADLEY), the Senator from Arkansas (Mr. BUMPERS), the Senator from Florida (Mr. CHILES), the Senator from California (Mr. CRANSTON), the Senator from Connecticut (Mr. DODD), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Maine (Mr. MITCHELL), and the Senator from Massachusetts (Mr. TSONGAS) are necessarily absent.

I further announce that, if present and voting, the Senator from Arkansas (Mr. BUMPERS) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 46, nays 39, as follows:

[Rollcall Vote No. 270 Leg.]

YEAS—46

| | | |
|---|---|---|
| Andrews | Danforth | Hayakawa |
| Armstrong | Denton | Helms |
| Baker | Dole | Humphrey |
| Biden | Domenici | Jepsen |
| Byrd, Harry F., Jr. | East | Long |
| | Garn | Lugar |
| Cannon | Goldwater | Mathias |
| Chafee | Gorton | Mattingly |
| Cochran | Hatch | McClure |
| Cohen | Hatfield | Moynihan |
| D'Amato | Hawkins | Packwood |
| Pell | Rudman | Symms |
| Percy | Schmitt | Thurmond |
| Proxmire | Simpson | Wallop |
| Quayle | Specter | Warner |
| Roth | Stevens | |

NAYS—39

| | | |
|---|---|---|
| Abdnor | Glenn | Melcher |
| Baucus | Grassley | Metzenbaum |
| Bentsen | Hart | Nickles |
| Boren | Heflin | Nunn |
| Boschwitz | Huddleston | Pressler |
| Burdick | Jackson | Pryor |
| Byrd, Robert C. | Johnston | Randolph |
| DeConcini | Kassebaum | Riegle |
| Dixon | Kasten | Sarbanes |
| Durenberger | Kennedy | Sasser |
| Eagleton | Leahy | Stennis |
| Exon | Levin | Williams |
| Ford | Matsunaga | Zorinsky |

NOT VOTING—15

| | | |
|---|---|---|
| Bradley | Heinz | Murkowski |
| Bumpers | Hollings | Stafford |
| Chiles | Inouye | Tower |
| Cranston | Laxalt | Tsongas |
| Dodd | Mitchell | Weicker |

So Mr. DOLE's amendment (UP No. 395) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SCHEDULE OF AMENDMENTS

Mr. BAKER. Mr. President, I continue to hope—and I believe—that we can finish this bill tonight, and I am prepared to ask the Senate to remain in session past 6 o'clock—until 6:30 or perhaps 7.

Let me recite the amendments I know of, and then we will see if other Senators wish to declare their intentions.

There is an Eagleton amendment dealing with tobacco. I understand that will be offered.

There is a Melcher amendment that may be accepted by the managers of the bill, I am told.

There is a Levin amendment. Does the distinguished Senator from Michigan intend to offer his amendment? I do not see the Senator in the Chamber. I have it on my list, with the notation that it may be offered and withdrawn after a colloquy.

Mr. LEVIN. Senator SIMPSON and I will offer this amendment and then withdraw it. We need only about 5 minutes.

Mr. HEFLIN. I may have an amendment to offer. It just goes to the title—to be called the Farm Bankruptcy Act of 1981. [Laughter.]

Mr. BAKER. I do not believe I will include that on the list.

There is an amendment to be offered by the Senator from Montana and the Senator from Idaho.

Mr. President, it is clear to me that if there are no other amendments beyond those, if we get on with the business at hand, we can do it promptly.

Mr. MOYNIHAN. I have an amendment which should not take more than a few minutes.

Mr. BAKER. Mr. President, I am about to put a unanimous-consent request, and I hope Senators will listen to this.

First, I urge all Members now to stay in the Chamber. If we are going to finish this bill tonight, we do not have time to engage in delay and wait for Members to come to debate. So I urge Members to stay in the Chamber.

Mr. President, I have never done this before. I ask unanimous consent that rollcall votes from this point forward be not more than 10 minutes in length.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BAKER. Mr. President, the distinguished Senator from Oregon (Mr. PACKWOOD) is not in the Chamber, and I was not able to check with him on this subject. He is usually very concerned about it. I may ask the Senator to vacate that later. I hope he is within hearing of this announcement. I believe it is necessary to do that in order to finish this bill.

I yield the floor.

UP AMENDMENT NO. 397

(Purpose: To express the sense of the Congress with respect to the use of the taxing power of the government to regulate or control the agricultural economy)

Mr. MOYNIHAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New York (Mr. MOYNIHAN) proposes an unprinted amendment numbered 397.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 235, between lines 17 and 18, insert the following new section:

SENSE OF THE CONGRESS RELATING TO THE USE OF THE TAXING POWER TO REGULATE AGRICULTURE OR THE MARKET PLACE

SEC. 1112. It is the sense of the Congress that the taxing power of government should not be used to regulate the agricultural economy or bring about social change in farming through the use of tax monies to distort the natural working of the market place in agricultural products, or to provide subsidies, or for the creation of special privileges, or exclusive rights.

Mr. MOYNIHAN. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MOYNIHAN. I thank the Chair.

Mr. President, I will be brief, if I am heard, and I hope I will be heard.

This is a simple amendment which declares it to be the sense of Congress that the taxing power of Government should not be used to regulate the agricultural economy or to bring about social change in farming through the use of tax moneys to distort the natural working of the marketplace in agricultural products, or to provide subsidies, or for the creation of special privileges, or exclusive rights.

Mr. President, I make this point with great seriousness. This is not a frivolous intervention. I hope it will not be taken as such.

At the outset of this Congress, we heard from our President, whom we love and

admire; we heard from spokesmen for the administration, for whom we have differing levels of attachment; and we have heard on this floor and throughout the Nation that fundamentally new principles of Government were now in place. Yet, it developed—or so it appears to me, and it might to others—that there was a very selective application of these new principles.

Early in this Congress, this Senate chose to abolish title IV of the Social Security Act, which provides an entitlement to assistance in maintenance of living for orphans in foster care, an occasion that evoked a most moving response from the senior Senator from West Virginia, who is in the Chamber today.

We have seen the proposition that food stamps were somehow an indulgence of the unworthy. We have seen education cut. We have seen it now proposed that social security payments will be postponed. We hear that revenue sharing will be abolished. We have learned that it is wrong ever to have done some of the things that have been part of the social compact of our country for a half century.

Yet, today, we are concluding an exercise of the most detailed intervention into the economy, the agricultural economy, of the practice that originated about the same half century ago, of the social security system, and for the same reason, to protect individuals from a market that was often so large and impersonal that they could not reasonably be expected to control all the misfortunes that come their way.

A generation of Americans that established insurance established feedgrain price supports. A generation of Americans that established social security for widows and children established acreage allotments for peanut farmers. A generation of Americans said we care about all Americans, and it seems to me that it would be wrong now to assert otherwise in this selective manner.

I only wish to draw the attention of my friends in the Senate to the disparity in our behavior, and I hope it will not persist as it has done in the recent past.

Mr. BIDEN. Mr. President, will the Senator yield for a question?

Mr. MOYNIHAN. I am happy to yield.

Mr. BIDEN. Mr. President, if I understand the Senator's amendment, those of us who believe that use of the power of Government to intervene on behalf of people—farmers and nonfarmers alike—those of us who believe that the tax code is a means by which social change can be implemented, and those of us who believe that the President is dead wrong in his assertion to the contrary, I assume those of us who hold that view should vote against the Senator's amendment, and those who suggest that the President is in fact right should support the Senator's amendment.

Am I correct in that assertion?

Mr. MOYNIHAN. The Senator is discerning and precisely correct.

I shall vote against this amendment. I shall vote against the proposition that is contained in the address on February 18 that the taxing power of Government must not be used to regulate the economy or bring about social change.

Mr. BIDEN. I compliment the Senator on his amendment, and I compliment the Senator on, as they say in the southern part of my State, "flushing these good old boys out." I like to see us all get out there in the open and everyone say what they mean and mean what they say and vote what they think.

I hope we are going to get a chance to do this today because I am anxious to see how my friends who share that somewhat pernicious philosophy, in this Senator's opinion, of our President that somehow the Government need not be involved any longer, I am anxious to see that they stand up on the farm bill and let everyone know that they are equally as opposed to "subsidizing farmers," who I might add need the help, as they are opposed to subsidizing folks who do not have enough food to eat in the center cities, and do not have enough heat in their homes because of the price of oil, and do not have jobs because of the depressed economy, and a whole range of other things.

I compliment the Senator. As usual he is able to put these issues in perspective in a way better than most in this Chamber.

Mr. MOYNIHAN. I thank the Senator from Delaware.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I am happy to yield to the Senator from Arizona.

Mr. GOLDWATER. I am very interested in the Senator's comments, but I just wish to remind my friend that we have helped bail out New York City and we helped build a new highway around New York City, and I think people can eat some of that cement if we give it to them in food.

Mr. MOYNIHAN. I say to my beloved friend and chairman of the Committee on Intelligence that I propose to vote against this amendment simply to make the point that we are all Americans and they can help each other, and a person who loses a job in Detroit because of the price of oil set in the Gulf of Oman and the farmer wiped out by a dust storm or a world market over which he himself has no control are equally deserving of a measure of concern.

We can overdo and no doubt we have overdone at times, but there is a principle of Government serving people and recognizing the inevitability of choice in what we do is at issue here.

I very much acknowledge the support of the Senator from Arizona in so many measures. I hope I have reciprocated.

Mr. President, I speak no longer save to make one remark.

There are persons abroad in this city today who are to conservatives as anarchists are to liberals.

We have heard the most distinguished conservative in this age speak on that subject this week and with admiration we heard and read his remarks.

There is a place for conservatives. There is a place for liberals. But we unite in a belief in Government and concern at the seeming proposition that it has no place in our lives when in fact it is the single most precious of our human institutions.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MOYNIHAN. I thank the Chair and my friend from Arizona for his comments.

Mr. STENNIS. Mr. President, if I may have the indulgence of the body for a minute to make a 1-minute statement on an extraneous matter, it is simply this:

I had understood that we would not legislate after 6 p.m. I have an important matter that I have to take care of. I understand that no other amendments will be proposed, unless there is one on tobacco. I simply wish to announce that I am having to leave under those circumstances but will stay until very near 6 p.m.

Mr. President, I will vote for the bill in its form on final passage and commend the committee for the great work they have done.

Mr. DOLE. Mr. President, the Senator from New York proposes an intriguing amendment. The difficulty is, the language of the amendment is so broad that it is hard to tell just what it means, or what impact it might have if adopted.

The Moynihan amendment purports to express the sense of Congress that power of the Government to tax should not be used "to regulate the agricultural economy or bring about social change in farming." The amendment further states the sense that we should not use tax moneys to "distort" agricultural markets or grant subsidies, special privileges, or exclusive rights.

Mr. President, it is not at all clear whether this amendment is aimed at the power to tax or the power to spend. The text speaks of the power to tax, but it really seems to be aimed at the purposes for which tax revenues might be used. If the amendment does purport to limit the taxing power, then there are several questions that ought to be answered before we consider it.

Does the Senator mean that no tax law should be adopted that has a particular impact on agriculture? If so, it would be difficult to continue the special valuation provisions for estate taxes that benefit farm property. It would be difficult to justify any kind of excise or other Federal tax aimed at agricultural commodities, including, for example, excise taxes on tobacco.

I am not sure those are the results intended by the Senator from New York. But I am not sure what his intention is, and I hope he will confide in us what he hopes to achieve with the amendment. The amendment itself certainly does not reveal its purpose. The investment tax credit for farm equipment certainly has an impact on agriculture: Does the Moynihan amendment purport to eliminate that credit? If we are going to fence off one sector of the economy from tax and budget policies applied elsewhere, we ought to understand why we are being asked to do so.

Mr. President, perhaps the essence of this amendment is more properly found in its attempt to avoid special privileges in farming. The use of tax moneys must refer to any Federal spending at all in the area of agriculture. Any Federal agricultural program, of course, involved Federal moneys, if only for administrative purposes. Are we to conclude that the Senator from New York believes we should have no farm programs or policy at all? If so, we should all go home. We would have no need for this legislation in the first place.

Every Government program arguably creates subsidies in the broadest sense of the word. That is why we should not use such careless language in trying to express the sense of Congress. The entire national defense program does, in a sense, subsidize defense-related industries. That is not a good argument for having no national defense. Similarly, when Federal moneys are used to support the school lunch program—which, to the best of my knowledge, still involves the provision of agricultural products—arguably there is a subsidy to agriculture. Does Senator MOYNIHAN want to call an absolute halt to the school lunch program? It seems that his resolution is aimed at that goal. If not, I am not sure what meaning the amendment has.

Mr. President, it is possible—just barely possible—that this amendment is designed to make a certain ironic point. The Senator from New York has been known to do that. The Senator may be suggesting that we should take a hands-off approach to the agricultural economy. And he may be further suggesting that that is appropriate because the President wants to free the economy from Government interference.

If so, the point is off the mark. The President has asked us to minimize Government intervention in the economy. But he knows, and we ought not to forget, that our job as legislators is to set policy for the Nation. That means we must recommend that the Government act in some areas, and that those actions will have an impact, economic and otherwise. No one is asking that the Government shut down. All we want to do is limit the Government to those actions it can do best, or most efficiently, or which only the Government can do for the Nation as a whole. The rest should be left to the private sector.

Mr. President, in short, we are here to make choices, and to try to strike the proper balance. If the Government has had too large a role in the past, that does not mean it should have no role at all. We were trying, with this legislation, to strike a balance in agricultural policy. This amendment, I fear, diverts us from that purpose. Rather than spend time on the Moynihan amendment, we ought to get back to the legislation at hand. That amendment purports to express the sense of Congress, but it really makes no sense at all.

UP AMENDMENT NO. 397 (MODIFIED)

Mr. MOYNIHAN. Mr. President, if the majority leader will indulge me one moment, I wish to send an amendment to the desk for the simple purpose of clarification and do so.

Mr. HUDDLESTON. If the Senator clarifies that one, I wish to hear it.

Mr. MOYNIHAN. Mr. President, perhaps the clerk will have a chance to read it. It is a one sentence amendment. I so modify the amendment.

The PRESIDING OFFICER. Without objection, the amendment is modified.

The amendment will be stated.

Mr. BAKER. Mr. President, the clerk has not stated the modification.

Mr. HUDDLESTON. Will the clerk state the modification, please?

The PRESIDING OFFICER. The modification will be stated.

The legislative clerk read as follows:

On page 235, between lines 17 and 18, insert the following new section:

Section 1112:

It is the sense of the Congress that the taxing power of government should not be used to regulate the agricultural economy or bring about social change in farming.

ORDER FOR TIME LIMITATION ON VOTES

Mr. BAKER. Mr. President, after consultation with the minority leader and other Senators, I modify my previous unanimous-consent request so that the vote which is about to occur will be 15 minutes in length and each succeeding vote then will be 10 minutes with the exception of final passage which will be 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 397 (MODIFIED)

The question is on agreeing to the amendment, as modified, of the Senator from New York.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ARMSTRONG (when his name was called). Present.

Mr. HARRY F. BYRD, JR. (when his name was called). Present.

Mr. DENTON (when his name was called). Present.

Mr. EXON (when his name was called). Present.

Mr. NICKLES (when his name was called). Present.

Mr. RIEGLE (when his name was called). Present.

Mr. STEVENS. I announce that the Senator from New York (Mr. D'AMATO), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Kansas (Mrs. KASSEBAUM), the Senator from Nevada (Mr. LAXALT), the Senator from Alaska (Mr. MURKOWSKI), the Senator from Vermont (Mr. STAFFORD), the Senator from Texas (Mr. TOWER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

On this vote, the Senator from New York (Mr. D'AMATO) is paired with the Senator from Texas (Mr. TOWER).

If present and voting, the Senator from New York would vote "yea" and the Senator from Texas would vote "nay."

Mr. ROBERT C. BYRD. I announce that the Senator from New Jersey (Mr. BRADLEY), the Senator from Arkansas (Mr. BUMPERS), the Senator from Florida (Mr. CHILES), the Senator from California (Mr. CRANSTON), the Senator from Connecticut (Mr. DODD), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Maine (Mr. MITCHELL), the Senator from Massachusetts (Mr. TSONGAS), and the Senator from Louisiana (Mr. JOHNSTON) are necessarily absent.

The PRESIDING OFFICER (Mr. GORTON). Are there any Senators in the Chamber desiring to vote who have not voted?

The result was announced—yeas 22, nays 54, as follows:

[Rollcall Vote No. 271 Leg.]

YEAS—22

| | | |
|---|---|---|
| Baucus | Heflin | Percy |
| Bentsen | Helms | Proxmire |
| Byrd, Robert C. | Humphrey | Quayle |
| Garn | Kasten | Rudman |
| Goldwater | Lugar | Symms |
| Grassley | Mattingly | Thurmond |
| Hart | Melcher | |
| Hatch | Metzenbaum | |

NAYS—54

| | | |
|---|---|---|
| Abdnor | East | Nunn |
| Andrews | Ford | Packwood |
| Baker | Glenn | Pell |
| Biden | Gorton | Pressler |
| Boren | Hatfield | Pryor |
| Boschwitz | Hawkins | Randolph |
| Burdick | Hayakawa | Roth |
| Cannon | Huddleston | Sarbanes |
| Chafee | Jackson | Sasser |
| Cochran | Jepsen | Schmitt |
| Cohen | Kennedy | Simpson |
| Danforth | Leahy | Specter |
| DeConcini | Levin | Stennis |
| Dixon | Long | Stevens |
| Dole | Mathias | Wallop |
| Domenici | Matsunaga | Warner |
| Durenberger | McClure | Williams |
| Eagleton | Moynihan | Zorinsky |

ANSWERED "PRESENT"—6

| | | |
|---|---|---|
| Armstrong | Denton | Riegle |
| Byrd, Harry F., Jr. | Exon | |
| | Nickles | |

NOT VOTING—18

| | | |
|---|---|---|
| Bradley | Heinz | Mitchell |
| Bumpers | Hollings | Murkowski |
| Chiles | Inouye | Stafford |
| Cranston | Johnston | Tower |
| D'Amato | Kassebaum | Tsongas |
| Dodd | Laxalt | Weicker |

So Mr. MOYNIHAN's amendment (UP No. 397, as modified), was rejected.

Mr. MOYNIHAN. I move to reconsider the vote by which the amendment was rejected.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

UP AMENDMENT NO. 398

(Purpose: To authorize adjustments in the price support levels for different kinds of tobacco in order to make such kinds more competitive in the world markets)

Mr. EAGLETON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Missouri (Mr. EAGLETON) proposes an unprinted amendment numbered 398.

Mr. EAGLETON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert the following:

AUTHORITY OF SECRETARY OF AGRICULTURE TO ESTABLISH MINIMUM PRICE SUPPORT ON CERTAIN KINDS OF TOBACCO

SEC. 1112. The Agricultural Act of 1949 is amended by adding after section 106 the following new section:

"SEC. 106A. (a) Notwithstanding any other provision of law, whenever the Secretary determines that a kind of tobacco or a grade of such kind of tobacco for which marketing quotas are in effect or have not been disapproved by producers will be in excess domestic supply or will be noncompetitive in the world market, the Secretary may establish the price support level for such kind of tobacco at such level as the Secretary determines will encourage the exportation of such kind or grades of such kind of tobacco and not encourage excessive domestic supplies except that the Secretary may not establish an average price support level under this section for any crop of any kind of tobacco below 75 percent of the price support level established for the 1982 crop of such kind of tobacco.

(b) Provisions of subsection (a) of this section shall be effective with respect to tobacco crop years 1983, 1984, and 1985."

Mr. EAGLETON. Mr. President, this is, to use the nomenclature, a tobacco amendment.

Mr. GLENN. Mr. President, may we have order so we may hear the Senator's comments?

The PRESIDING OFFICER. The Senate will be in order that the Senator may be heard. He is entitled to be heard.

The Senator from Missouri.

Mr. EAGLETON. Mr. President, the Senate has debated and tabled two amendments having to do with the tobacco price-support program. These amendments, which were offered by the Senator from Oregon (Mr. HATFIELD) and a later one by myself, were tabled by rather narrow margins. Virtually every conceivable argument that could have been offered against those amendments were, in fact, offered—ranging from the need of earnings from allotments to support higher education in the South to the destruction of the American family.

These amendments were not offered in the spirit of destroying tobacco as a farm commodity in the United States. Neither the Senator from Oregon nor I are Carrie Nations. While we do not want to encourage the consumption of this commodity, we recognize that people will continue to smoke, chew, and sniff tobacco, irrespective of what we do here on the floor of the Senate and in the Congress of the United States.

My amendment, the one that lost last night, was designed to provide the Secretary with some minimal freedom in establishing price supports for tobacco. That amendment, which was tabled by three votes, simply would have given the Secretary the authority to reduce price supports—but not less than the adjusted cost of production—if certain grades, types, or kinds of tobacco were deemed by the Secretary to be in excessive supply and noncompetitive in the world marketplace.

In the amendment now before us, Mr. President, I have substantially—and I do not say that tongue in check—I have substantially modified last night's amendment.

First of all, the effective date of the amendment now before us would be tobacco crop year 1983 instead of 1982. Instead of the language in the amendment last night that caused the particular trouble, for instance, to my colleague, Senator HUDDLESTON of Kentucky, where we said that the adjusted cost of production would be the floor for price supports, we have changed that in this amendment to make it crystal clear that the minimum price support in this amendment would be 75 percent of the 1982 price support level.

So we varied it in two very significant respects. Not just minuscule, little changes but two very significant respects.

If there be a criticism of this amendment, I think the criticism would be that it is now not nearly strong enough, and certainly not as strong as that which was rejected by three votes last night.

In conclusion, Mr. President, let me say this: We heard all day about what occurred during the August recess insofar as the revamping and restructuring of the farm bill. We heard that during the August recess basic commodity programs that had been agreed to after some 27 markup sessions prior to the August recess were cut back, all the basic commodity programs—wheat, corn, feed grains, dairy, and the like.

Earlier in this debate we made changes in the peanut program. Now here is tobacco. If this amendment be defeated, we will go on record as saying, "We will cut back on wheat, cut back on corn, cut back on dairy, cut back on every major commodity crop in this country, cut back on peanuts, but not touch one hair on the head of sacred tobacco."

If that is consistent agricultural policy, then I think I do not know the use of the English language. If we are going to make the kind of cuts that the White House is dictating with respect to the basic commodities, why do we have the stunning silence from the White House with respect to tobacco?

If money can be saved on wheat, corn, dairy, and peanuts, why are not the dollars that can be saved from the Federal Treasury just as significant with respect to tobacco?

The Department of Agriculture has done various cost estimates which were presented to the International Trade Commission, some of which have been put into the record, as to how much the Government can save by modifying and moderating the tobacco program.

If savings is the name of the game in this era of budget cutting, why are not dollar savings in the millions just as useful if we take them out of the antiquated tobacco program as they were deemed to be useful early this afternoon with respect to wheat, corn, dairy, and the day before with respect to peanuts?

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BAKER. Mr. President, is there a time limitation on this amendment?

The PRESIDING OFFICER. There is no time limitation.

Mr. HUDDLESTON. Mr. President, I think it is somewhat regrettable that here at this late hour, 15 minutes after the time we intended to finish deliberations on this bill, that we are confronted with yet another attempt to seriously modify the tobacco price-support program. All the arguments have been made, as the Senator from Missouri has already indicated.

No matter whether you are for or against tobacco, no matter whether you are for or against the tobacco price-support program, you can vote to reject this amendment in good conscience because I do not think there is anybody here, and even those of us who have lived with and supported and worked with the tobacco program almost since its inception, can tell you what this amendment will do and what the impact will be.

It is confusing. It would bring about instability, to say the least, in what is now a stable marketing system. Whatever modifications we have to make now and in the future in the tobacco program, this is not a very sound approach to make.

Just to correct the statement made by the Senator from Missouri, tobacco farmers are assuming the cost previously borne by the Government of grading and inspection. Rates on loans that go for the purchase of tobacco are being increased to eliminate any cost to the Government for that particular program.

Mr. President, before we finish debate on the farm bill, it would be remiss of me if I did not note that we all must recognize that this omnibus farm bill would not have been possible without the tenacious efforts and fair leadership of Senator HELMS, my good friend and chairman of the Committee on Agriculture, Nutrition, and Forestry.

Senator HELMS has worked diligently with each Senator on the Agriculture Committee to insure that all points of view of each issue have been considered; and he chaired two dozen legislative drafting sessions during April and May. Senator HELMS has been an effective spokesman for responsible action. I thank Senator HELMS for his work on the bill.

With respect to the pending motion, all of the reasons we talked about yesterday and all of the discussion on this program all still apply even more so to this particular amendment.

Unless someone else wants to speak, on behalf of the committee chairman and floor manager of the bill, the Senator from North Carolina, and myself, I move to lay on the table this amendment by the Senator from Missouri so that we can get on and possibly finish this bill tonight.

Mr. EAGLETON. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Missouri (Mr. EAGLETON). The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SPECTER (after having voted in the negative). Mr. President, on this

vote I have a pair with the Senator from Mississippi (Mr. STENNIS). If he were present, he would vote "yea." I have already voted "nay." Therefore, I withdraw my vote.

Mr. STEVENS. I announce that the Senator from New York (Mr. D'AMATO), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Nevada (Mr. LAXALT), the Senator from Alaska (Mr. MURKOWSKI), the Senator from Vermont (Mr. STAFFORD), the Senator from Texas (Mr. TOWER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I further announce that, if present and voting, the Senator from New York (Mr. D'AMATO) and the Senator from Texas (Mr. TOWER) would each vote "yea."

Mr. ROBERT C. BYRD. I announce that the Senator from New Jersey (Mr. BRADLEY), the Senator from Arkansas (Mr. BUMPERS), the Senator from Florida (Mr. CHILES), the Senator from California (Mr. CRANSTON), the Senator from Connecticut (Mr. DODD), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Maine (Mr. MITCHELL), the Senator from Mississippi (Mr. STENNIS), and the Senator from Massachusetts (Mr. TSONGAS) are necessarily absent.

On this vote, the Senator from South Carolina (Mr. HOLLINGS) is paired with the Senator from Maine (Mr. MITCHELL).

If present and voting, the Senator from South Carolina would vote "yea" and the Senator from Maine would vote "nay."

I further announce that, if present and voting, the Senator from New Jersey (Mr. BRADLEY) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 41, nays 40, as follows:

[Rollcall Vote No. 272 Leg.]

YEAS—41

| | | |
|---|---|---|
| Abdnor | East | McClure |
| Andrews | Ford | Melcher |
| Armstrong | Goldwater | Nunn |
| Baker | Grassley | Pressler |
| Boschwitz | Hawkins | Randolph |
| Burdick | Hayakawa | Rudman |
| Byrd, Harry F., Jr. | Heflin | Sarbanes |
| | Helms | Sasser |
| Byrd, Robert C. | Huddleston | Schmitt |
| Cochran | Jepsen | Stevens |
| Cohen | Long | Symms |
| Denton | Lugar | Thurmond |
| Dole | Matsunaga | Wallop |
| Domenici | Mattingly | Warner |

NAYS—40

| | | |
|---|---|---|
| Baucus | Gorton | Nickles |
| Bentsen | Hart | Packwood |
| Biden | Hatch | Pell |
| Boren | Hatfield | Percy |
| Cannon | Humphrey | Proxmire |
| Chafee | Jackson | Pryor |
| Danforth | Kassebaum | Quayle |
| DeConcini | Kasten | Riegle |
| Dixon | Kennedy | Roth |
| Durenberger | Leahy | Simpson |
| Eagleton | Levin | Williams |
| Exon | Mathias | Zorinsky |
| Garn | Metzenbaum | |
| Glenn | Moynihan | |

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Specter, against.

NOT VOTING—18

| | | |
|---|---|---|
| Bradley | Heinz | Murkowski |
| Bumpers | Hollings | Stafford |
| Chiles | Inouye | Stennis |
| Cranston | Johnston | Tower |
| D'Amato | Laxalt | Tsongas |
| Dodd | Mitchell | Weicker |

So the motion to lay on the table Mr. EAGLETON's amendment (UP No. 398) was agreed to.

UP AMENDMENT NO. 399

(Purpose: To authorize and confirm administrative jurisdiction in the Secretary of Agriculture over certain lands and for other purposes)

Mr. MELCHER. Mr. President, I have an amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER) proposes an unprinted amendment numbered 399.

Mr. MELCHER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Add a new section at the end of Title XIII as follows:

SEC. 1437. Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the intent of Congress that dual administration and jurisdiction by the Departments of Agriculture and the Interior over certain lands currently administered by the Secretary of Agriculture should be avoided. Therefore, the Secretary of Agriculture is to have the sole administrative jurisdiction of the following described lands:

(1) The United States Sheep Experiment Station in Idaho and Summer Range in Montana. These lands, containing a total of 45,013 acres of land, more or less, were withdrawn by Executive Orders 3767, dated December 19, 1922; 2268, dated October 30, 1915; 2491, dated November 21, 1916; 3141, dated August 6, 1919; and 3165 dated September 3, 1919, for agricultural experiment purpose.

Mr. MELCHER. Mr. President, the amendment being offered today by Senators BAUCUS, MCCLURE, SYMMS, and myself will solve a matter of longstanding confusion and recent urgency regarding the administrative jurisdiction of certain lands on the Montana-Idaho border.

Specifically, the area comprises 26,650 acres now used as a sheep experiment station operated by the Science and Education Administration/Agricultural Research Office of the Department of Agriculture.

This acreage is contiguous to lands administered by the Bureau of Land Management and previously designated by BLM as the centennial mountains primitive area.

The BLM proposes to study this area—including the acreage of the sheep experiment station—for possible inclusion in the National Wilderness Preservation System. This is where the problem arises.

The sheep experiment station lands were withdrawn by Executive order of President Harding in 1922 for use by the Department of Agriculture for experimental sheep grazing. Over the intervening years that use had provided valuable scientific information with widespread benefit to American agriculture. For the most part, no serious conflicts arose between the Agriculture Department and the BLM, who cooperated for various reasons in the actual management of the lands.

However, the prospect of having these lands designated as wilderness created great differences between the agencies. While any actual designation of the lands as wilderness would of course have to be done by Congress, the mere act of categorizing the lands as suitable for wilderness study would mean the BLM would manage them in the interim and until Congress decided otherwise according to rules that would preserve the wilderness character of the area and prevent uses that threatened those characteristics.

Everyone involved seems to agree that the sheep experiment station activities have not degraded the quality of the lands, nor are there any new activities planned that would do so.

But designation of the lands as a wilderness study area would effectively transfer management authority for the lands to the BLM, who would then have the final word on all proposed uses by the sheep experiment station, all of which would have to be evaluated by the necessarily strict terms of the Wilderness Act and the compatible interim regulations.

In the best of all possible worlds, the cooperation between BLM and SEA/AR could be so excellent as to produce no problems at all. It seems fair to suspect, however, that such an ideal situation would more likely be replaced by delays, redtape, conflict, and in a deteriorating situation, paralyzing acrimony.

The work of the sheep experiment station is simply too important to take that risk.

Last year, Senator MCCLURE and I explained this situation to the Senate and won approval for my amendment providing temporary relief. The Senate and House agreed to deny BLM funds in last year's appropriation to continue any work toward including the sheep experiment station lands in a wilderness study area.

Discussions between the two departments have continued since then, but no permanent satisfactory agreement seems likely. The BLM feels obligated by their instructions in the Federal Land Policy and Management Act to proceed with the study. The USDA continues to foresee conflicts and problems in administering the station under wilderness management.

Thus we come today to offer a permanent solution which will believe the BLM of their perceived responsibility and formalize the Secretary of Agriculture as the administrator of sole jurisdiction over these lands. This amendment will not affect any progress toward studying the remaining 68,226 acres of the centennial mountains area for possible wilderness classification. It will insure the continued opportunity for the sheep ex-

periment station to do its work without unnecessary interference.

Mr. HELMS. Mr. President, this amendment will confirm that the Secretary of Agriculture has sole administrative jurisdiction of the U.S. Sheep Experiment Station in Idaho and Summer Range in Montana. This will assure that these lands will remain available for agricultural experiment purposes, as they have for nearly 60 years.

I understand that this amendment is supported by Senator MELCHER from Montana and by Senator MCCLURE and Senator SYMMS from Idaho. I see no reason why this amendment should not be accepted and offer my full support.

Mr. McCLURE. Mr. President, I strongly support this amendment, and I second everything the Senator from Montana has said.

I appreciate the consideration of the committee with respect to this amendment, and I hope it will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 399) was agreed to.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 400

(Purpose: To limit the making of deficiency payments under the programs for wheat, feed grains, upland cotton, and rice)

Mr. LEVIN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Michigan (Mr. LEVIN) proposes an unprinted amendment numbered 400.

Mr. LEVIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 222, line 19, strike out "$50,000" and insert in lieu thereof "$25,000".

Mr. LEVIN. Mr. President, this amendment, which is offered by Senator SIMPSON and me, lowers the maximum deficiency payment for a farm from the present maximum of $50,000 to $25,000.

Deficiency payments were devised in 1970 as part of the changes made in our farm programs. As my colleagues recall, our farm policy had previously depended on acreage restrictions, allotments, marketing quotas, and other programs that kept prices up but which, unfortunately, kept American farmers out of international markets. As support prices were lowered to make American agriculture competitive on the world market, it was deemed necessary to create a program that would supplement farm incomes without raising commodity prices. That is the deficiency payment and target price program.

This program has been successful in protecting farm incomes during the change from supplying domestic markets to competing internationally. We should preserve this program while we eliminate some of the inefficiencies in it. Let me give you a few examples.

This program provides disproportionate amounts of assistance to large farms. For example, the smallest 30 percent of farms eligible for assistance receive only 4 percent of the benefits. And while those small family farms were trying to scratch out a living, 10 percent of eligible farms received 46 percent of the money allocated through deficiency payments. Given all the rhetoric we have heard about the hard-working small family farmer in the past few days, it seems that no one would want this program to continue in its present form.

Reducing the maximum deficiency payment to $25,000 does not guarantee that all the inefficiencies and inequities of the program will be resolved. But it does significantly reduce the likelihood of their occurring. By reducing the total any given farm can receive we will at least change the pattern whereby large farms have gotten so much while small family farms have gotten so little.

To be frank, I would have preferred to offer an amendment or supported the proposals of my colleagues that went further and made more structural changes in our farm program. We have focused all our attention on budgetary outlays and have not addressed specifically which farmers benefit the most from these farm programs. My interest is in making sure that support goes to those farms and farmers who need it the most—and this amendment is a step in that direction.

In 1978, when the deficiency payments were 52 cents, a farmer would have had to raise 96,154 bushels to qualify for the top amount of $50,000. This year, when the target price is $3.81 and the Agriculture Department is estimating a market price between $3.65 and $3.67, a farmer would have to raise 357,142 bushels to meet the limit of $50,000. Such a farmer would have grossed more than $1,310,000 to reach the limit of $50,000. Even if a third of his payments were from diversion rather than deficiency payments, the farmer would still have to gross more than $374,000 before the limit would touch him. If we assume that the average wheat farm in the United States is around 300 acres, my amendment would affect very few farms or farmers.

I want to assure my colleagues that this amendment does not modify any other programs that may be available to farmers. It does not modify the qualifications for loans or Government purchases or disaster assistance. It does not change target prices or loan prices. All it does is reduce—reduce, not eliminate—the amount of money farmers can receive in deficiency payments.

I also want to mention why I am offering this amendment. While my home State of Michigan is primarily known as a car producing State, it has a large and important agricultural community as well. Michigan ranks first in the production of dry beans, blueberries, red tart cherries, pickling cucumbers and Eastern soft white winter wheat. It ranks second in rhubarb and third in apples, asparagus, celery, and mushrooms.

In addition, it ranks in the top 10 in 30 other crops including sweet corn, field corn, and tomatoes, indicating the wide diversity of our agricultural base. In the contacts that I have had and that my staff has had with Michigan farmers they have consistently indicated that they very much want an agricultural program that provides for reasonable prices and loan programs, but they are uncomfortable as a matter of principle—with the present system of direct payments where so few farmers get such large Federal subsidies.

I am concerned about the structure in our country, as I know many of my colleagues are. There are indications that programs, like deficiency payments, have lowered risks and therefore have encouraged farms to grow larger than is necessary to capture all economies of scale, to become more capital intensive, and to produce less diversified mixes of crops. We have a responsibility to analyze the effects of our farm program and adjust it where necessary. Although I cannot argue that my amendment will solve all these problems and protect the ideal of the yeoman farmer, it can serve as an indication of our commitment to concentrating farm programs on family farms.

In these times of budget cutting, we must target our Federal dollars more carefully. We cannot be sending Federal checks of $50,000 to a few thousand people while millions are struggling or going under because of cuts in farm programs and other domestic programs.

In the last year when there were significant deficiency payments, 1978, about 900,000 farms participated in the program. Two thousand eight hundred of those farms, or less than 1 percent, received more than $25,000. This amendment, in other words, affects few but says much in terms of targeting Federal dollars.

Senator SIMPSON and I have discussed this matter with Senator COCHRAN. Senator COCHRAN has indicated that he will be willing to hold hearings on it in his appropriations subcommittee in the near future.

I, therefore, intend to withdraw this amendment after either he or anyone else, including Senator SIMPSON if he is in the Chamber, might wish to add a word to this discussion.

Mr. COCHRAN. Mr. President, I thank the Senator from Michigan for indicating to the Senate his intention to withdraw this amendment. It is an important amendment with very serious and meaningful ramifications which should be considered by the Committee on Agriculture or the Appropriations Subcommittee.

I make a commitment to him to have hearings on this subject and to review the payment limitation situation.

The attempt to reduce this limitation substantially, of course, would affect very adversely the impact protection provided to farmers by target prices.

Furthermore, it could be counter to the changes that we are seeing around the country in the cost of production.

Nonetheless, whatever the merits of the amendment may be, we certainly are interested in taking careful look at it through the hearing process, and the Senator from Michigan has a commitment from me that such hearings will be held promptly and we will carefully review this proposal.

Mr. LEVIN. Mr. President, I thank my friend from Mississippi.

I thank Senator SIMPSON for strong support of this matter.

I withdraw my amendment at this time.

The PRESIDING OFFICER. The amendment is withdrawn.

UP AMENDMENT NO. 401

(Purpose: To provide surplus commodities to nutrition projects operating under the authority of the Older Americans Act and to child nutrition programs)

Mr. MELCHER. Mr. President, I have an amendment at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER), for himself, Mr. PROXMIRE, Mr. PRYOR, Mr. DECONCINI, Mr. CHILES, Mr. BRADLEY, Mr. PRESSLER, Mr. BAUCUS, and Mr. EAGLETON, proposes an unprinted amendment numbered 401.

Mr. MELCHER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 136, between lines 9 and 10, insert the following new section 107:

"DISTRIBUTION OF SURPLUS COMMODITIES

"SEC. 107. Notwithstanding any other provision of law, whenever government stocks of surplus commodities acquired under the price support programs under sections 210 and 416 of the Agricultural Act of 1949 exceed amounts needed to fulfill requirements for distribution to domestic commodity programs and commitments for food aid under the Agricultural Trade Development and Assistance Act of 1954, and amounts anticipated to be purchased by the commercial trade under the Commodity Credit Corporation's unrestricted resale program, such commodities shall be made available without charge or credit to nutrition projects under the authority of the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.) and to child nutrition programs providing food service. Such distribution may include bulk distribution to congregate nutrition sites and to providers of home delivered meals under the Older Americans Act. The Commodity Credit Corporation is authorized to use available funds to operate the program under this section and to further process products to facilitate bonus commodity use."

Mr. MELCHER. Mr. President, this is a simple amendment that will do two things. It will help the Commodity Credit Corporation eliminate storage costs on surplus commodities, and it will provide more food to school children and the elderly at a time when other kinds of Federal assistance to them is being cut back.

Our schools are in a tight and difficult position financially. In addition to cutbacks in Federal educational assistance, we have cut the school lunch program 40 percent this year—reducing per meal assistance from 21½ cents to 11 cents, and cutting program costs by about $1½ billion.

Additional commodities will help the schools cope with these cuts. They will allow many meal programs for children to remain open, while at the same time helping farmers and cutting Federal storage costs.

For the past three years, USDA has provided bonus dairy commodities to schools, serving some school lunches free of charge, except for transportation costs.

My amendment requires USDA to make bonus commodities available to schools, and it extends the bonus program for the elderly to include all 416 price support commodities.

The bonus program will only operate when there are surpluses of commodities.

Commodity support for the elderly is required by title III of the Older Americans Act of 1965. USDA buys commodities for the elderly feeding program—about 634,000 meals a day. States have the option of receiving cash, commodities or a combination of both.

During fiscal 1980, 23 State agencies chose to receive a combination of cash and commodities, 28 chose cash, and 7 chose commodities only.

This amendment would provide bonus commodities no matter which formula a State chooses to follow.

Generally, the same commodities available through the school lunch program are provided to the elderly.

Our senior citizens on fixed incomes with limited economic resources are often at a nutritional risk. Even those who are served by Government food assistance programs are often financially pressed to purchase high protein, high nutrient foods so important to vitality and good health.

Managers of congregate meal sites are finding themselves in the middle of the inflationary-dwindling resources squeeze. As food prices and labor and overhead costs escalate, all consumers find themselves searching for the best food values, our elderly citizens and the managers of the elderly congregate meal sites are not an exception.

It is most essential that as pennies are pinched, that quality foods are not sacrificed. Good nutrition must not be eroded by economic pressures.

The bonus commodity program has been working successfully and schools are finding the tight financial strings just a little easier to tie because of the free bonus dairy products. The Federal Government has been picking up the costs for the actual cost of the butter, cheese, and nonfat dry milk and the costs are borne by the State and/or school food service system. It boils down to low costs for the schools receiving the dairy products, but it is also low cost for the Government as well.

The dairy price support program mandates Federal purchases of dairy products when production is in excess of supply. In other words, the Federal Government already owns the dariy stocks, and right now owns more than it can use in its normal distribution channels for domestic feeding programs.

Considering the shelf-life of the products which can range from 6 months to 2 years for stable shelf-life and the costs of cold storage for the dairy products, the Government is in much better shape financially to move these nutritious products into proper use channels than to watch the butter, cheese, and nonfat dry milk continue to mount in storage.

My amendment would include not only dairy products but all of the commodities now distributed.

Two weeks ago, the Department of Agriculture issued new meal pattern regulations that will allow schools to absorb some of the huge cuts we made in the school lunch program by serving poorer meals, with less milk, vegetables, and protein.

Instead of providing one-third of a child's daily nutritional needs, a school lunch must now only provide 25 percent.

The regulations will save the schools $350 million a year in food costs, but in areas where the school lunch provides children with their only decent meal of the day, these cuts will be serious.

This amendment will help schools keep more nutritionally important foods on the lunch table even in the face of Federal budget cutting.

Surpluses could develop in a number of agricultural commodities this year. It only makes sense that those commodities be eaten by our schoolchildren and the elderly, rather than having the Government pay the high cost of keeping them in storage.

Mr. President, I urge the adoption of my amendment.

Mr. President, this is a rather important amendment, but it is one that I believe is going to be accepted without a vote.

It deals with providing for both the schoolchildren and the elderly any surplus commodity that we have over and above what might be sold or otherwise used such as for food for peace.

It is a desire to help on these nutrition programs with the surpluses that we have that are staggering in some respects, for instance, in dairy, to get the food out where it can be used and save on storage cost.

It is an amendment that I have a great deal of interest in, and I think the schools and the senior citizens throughout the United States have a great deal of interest in.

I hope it can be accepted.

Mr. HELMS. Mr. President, I am somewhat apprehensive about the cost of this, but as the Senator from Montana has said, we get all sorts of figures around this place.

I am prepared to accept it on the basis that we will take it to conference.

Mr. MELCHER. Might I inquire to hear what the Senator from North Carolina was saying?

Mr. HELMS. We will accept it.

Mr. HUDDLESTON. We accept it on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana.

The amendment (UP No. 401) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUDDLESTON. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The motion to lay on the table was agreed to.

The bill is open to further amendment. Is there further amendment to be proposed?

Mr. HELMS. Mr. President, we have technical amendments.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

UP AMENDMENT NO. 402

(Purpose: To make technical corrections to S. 884)

Mr. HELMS. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 402.

Mr. HELMS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 133, in the Table of Contents, after the item "Sec. 1517. Approval of plans." insert the following:

"Sec. 1518. Authorization of appropriations.
"Sec. 1519. Report.
"Sec. 1520. Authorization for use of volunteers.
"Sec. 1521. Status as Federal employees.
"Sec. 1522. Authorization for appropriations.
"Sec. 1523. Purpose.
"Sec. 1524. Definitions.
"Sec. 1525. Resource conservation and development program.
"Sec. 1526. Selection of new designated areas.
"Sec. 1527. Authority of the Secretary.
"Sec. 1528. Agreements; terms and conditions.
"Sec. 1529. Resource Conservation and Development Policy Board.
"Sec. 1530. Evaluation of the program.
"Sec. 1531. Regulations.
"Sec. 1532. Limitation on provision of assistance.
"Sec. 1533. Supplemental authority of the Secretary.
"Sec. 1534. Authorization for appropriations.
"Sec. 1535. Short title.
"Sec. 1536. Findings, purpose, and definitions.
"Sec. 1537. Agricultural and protection policy.
"Sec. 1538. Conformation of existing policies.
"Sec. 1539. Report.
"Sec. 1540. Statement of limitations.
"Sec. 1541. Prohibition.
"Sec. 1542. Effective date."

On page 218, line 9, strike out "ot" and insert "to".

On page 221, strike out lines 14 through 19, renumber the remaining section of title X, and revise the Table of Contents accordingly.

On page 224, line 24, insert quotation marks immediately before the word "Provided".

On page 230, line 13, insert "(a)" immediately after "Sec. 1108.".

On page 230, between lines 21 and 22, insert the following: "(b) The provisions of this section shall become effective 180 days after the date of enactment of this Act."

On page 230, line 24, strike out the words "Revised Statutes, title 91, page" and insert "91 Stat.".

On page 231, line 15, strike out the comma following the word "term".

On page 241, line 12, after "for" insert "cotton." and strike the remainder of the sentence.

On page 246, line 1, strike out "Subsection" and insert "Section".

On page 260, line 2, strike out "orgnizations" and insert "organizations".

On page 260, line 20, strike out the word "operations" and insert "operation".

On page 266, line 17, strike out "Agriultura" and insert "Agricultural".

On page 274, in the item following line 5, insert a period immediately after the close quotation marks.

On page 277, line 16, strike out "625" and insert "624".

On page 290, line 16, immediately following the word "after" insert "Sec. 1470. Rules and regulations".

On page 290, following line 17, delete "Sec. 1470. Rules and regulations."

On page 295, following line 6, strike out the item "Sec. 1481. Rangeland research program." and insert in lieu thereof "Sec. 1481. Rangeland research grants."

On page 302, line 3, strike out the word "federal" and insert "Federal".

On page 312, line 2, strike out the dash following the word "Small".

On page 312, line 2, strike out the dash following the word "Medium".

On page 312, line 8, strike out the dash following the word "small".

On page 312, line 8, strike out the dash following the word "medium".

On page 315, line 4, strike out the word "to" and insert "To".

On page 327, line 6, strike out the comma following the word "volunteers".

Mr. HELMS. Mr. President, this amendment is strictly a technical amendment. It does three things: First, it corrects a number of technical and typographical errors in the text of S. 884 as reported by the Committee on Agriculture, Nutrition, and Forestry. Second, it deletes section 1004 of the bill which relates to farm storage facility loans. This section is deleted since the identical provision was adopted in the Omnibus Reconciliation Act of 1981. Third, the effective date of section 1108 of S. 884 is delayed from October 1, 1981, to 180 days after date of enactment. Section 1108 would amend the U.S. Grain Standards Act to allow States which were not inspecting export grain on July 1, 1976, to be delegated authority to inspect such grain. In view of a variety of changes in the internal structure of the Federal Grain Inspection Service, they have requested the extension and all interested parties have agreed.

This amendment has been cleared with the minority side. Therefore, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina.

The amendment (UP No. 402) was agreed to.

Mr. HELMS. I thank the Chair.

Mr. President, staff have brought to my attention that there are some technical errors in amendment No. 545 as modified and adopted.

As the Chair will recall, this amendment was finalized following last-minute discussions and apparently a few technical corrections need to be made.

Mr. HAYAKAWA. Mr. President, may we have order?

Mr. HELMS. Mr. President, at the suggestion of the distinguished Senator from Alabama, I lay aside what would have been a unanimous-consent request.

UP AMENDMENT NO. 395

Mr. HELMS. Mr. President, I am advised by staff that when the amendment of the able Senator from Kansas (Mr. DOLE), UP amendment No. 395, was offered, it was intended to include the language of unprinted amendment No. 366 of the Senator from North Dakota relating to malting barley which had already been agreed to by the Senate.

Therefore, I ask unanimous consent that the language of the Andrews amendment be included at the appropriate place in the Dole amendment.

This has been cleared with both sides.

Mr. HUDDLESTON. Mr. President, I accept the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, Senator HEFLIN is endeavoring to check one item in the technical amendment to which I alluded a moment ago.

I ask Senators to bear with us until he returns to the Chamber. It will not be long.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 403

Mr. HELMS. I send an amendment to the desk with respect to technical changes to which I alluded and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 403:

On page 4, lines 8 and 9, strike out "farm to which it was most recently leased." and insert in lieu thereof "person to whom it was most recently leased, provided such person has adequate tillable cropland to produce such poundage.".

On page 5, line 17, immediately following "were less than" strike out "the" and insert in lieu thereof "such".

On page 5, line 25, immediately following "acreage on the farm to peanuts in" strike out "the" and insert in lieu thereof "such".

On page 6, line 2, strike out "would" and insert in lieu thereof "should".

On page 15a, line numbered 9, strike out "April 30" and insert in lieu thereof "April 1".

On page 19, in the language inserted between line 10 and line 11, strike out "of farm poundage quotas and in excess".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina.

The amendment (UP No. 403) was agreed to.

STATEMENT CONCERNING UP AMENDMENT NO. 400

Mr. SIMPSON. Mr. President, I wish to say for the record that I did join in the effort of my colleague from Michigan (Senator LEVIN) who offered an amendment to lower the limitation on deficiency payments so that no person could get more than $25,000 in Federal payments out of that program. That amendment later was withdrawn under the good auspices of Senator THAD COCHRAN who has promised to hold hearings on that important issue.

I know that Senator DOLE and Senator HELMS have both expressed an interest in seeing that those hearings are held. I think at one time it was a good program but now it has gone awry and is misused. I do want the record to indicate that Senator LEVIN has my support in that proposal. We will give new and fresh attention to that issue.

THE 1981 FARM BILL

Mr. BAUCUS. Mr. President, I personally believe this farm bill to be inadequate for American agriculture.

Has our economic situation changed so rapidly over the past month that we had to modify the already compromised version of the farm bill originally reported out by the Agriculture Committee? If so, we should have adopted a farm program that floats—or sinks—as our economy worsens or improves.

The modifications were made to represent changes in cost estimates over the last month or 2 months. This is a 4-year farm bill—or will that be modified, too?

Is the administration admitting a no-growth economy?

What happens when we adopt the farm support levels recommended by the administration? Will economic factors change as much in the next 4 years as they supposedly have in the last 2 months? I hope not.

There is no way I can accept the bill as modified by the administration. The cuts in support levels for our farm programs are hard enough to swallow without further weakening amendments to the original committee bill. I plan to vote against final passage of this bill, as I am sure a number of my farm State colleagues will.

Farmers are already doing their part to "tighten their belts" and help reduce Government spending. They are only asking for a little consistency from the administration and from Congress—farmers want to know what to expect for farm programs.

I have not been able to see any consistency in the administration's farm proposals. The only consistency they can claim is wanting to cut more from support levels and add more costs to the farmers.

Almost every major farm organization has reluctantly supported the reduced levels of support contained in S. 884, the committee bill. They did so only with the strong message that they could not accept any further reductions—the committee bill was their bottom line.

Now the administration has seen all of their amendments adopted, amendments that weakens an already mediocre set of price support levels. I simply cannot support any further weakening of our farm programs.

Net farm income dropped from $31 billion in 1979 to $22 billion in 1980, a decrease of 29 percent in nominal terms. The first segment of agriculture to be hit by low income will be our small family farms. They simply will not be able to stay in business.

Yet the path we are heading down does nothing to help these small farmers continue their operations. What happens when these small farmers, who are price takers in the marketplace, are replaced by gigantic agribusiness who will be price setters in a monopolistic agricultural market? Will we have an abundance of food and fibers at reasonable prices to consumers? I do not think so.

I hate to think of the consequences in this country if our farmers were to go on strike. They will not go on strike, however, because they are committed to feeding the Nation and being the foundation of our economy. Farmers have to put up with increasing interest rates and inflation just like everyone else in this country. However, when you look at the increase of 30 cents in the loan rate for wheat you see the meager 10-percent increase as the floor price for wheat.

If an accurate cost/benefit analysis could be done on our agricultural support programs, I think we would see that the food we receive from farmers is well worth the investment we make. Everyone hopes and expects the market to be stable enough to keep Government expenditures to a minimum. However, if the market does not provide a reasonable return to the producer, I think the Government can well justify the pittance it takes to keep a strong agricultural sector going.

Farm price supports are not costly. I challenge the administration and any of my colleagues to look at the subsidies to the nuclear industry in this country and tell me that support for any one commodity is exorbitant. Look at our foreign aid budget. Look at our military budget—what good does a strong military do us if we cannot feed the troops? I wish someone would tell Secretary Haig that he cannot starve the Russians into submission.

I hope the American people will take a close look at the administration's priorities when it comes to their budget cutting fervor. If all Government spending must be cut, so be it. But why is agriculture being targeted—agriculture that provides a full 20 percent of our GNP?

Mr. President, I opposed any weakening amendments that were offered to S. 884. In fact, I would have liked to see stronger support levels for some commodities and offered an amendment which would have raised the loan rate for wheat to $3.60 from the $3.50 level presently in the bill. A small increase, but one that would more accurately reflect the increased costs to farmers for producing a bushel of wheat. The parity price for wheat is over $5 a bushel, so I hoped that this small increase in the loan rate would have absolutely no effect. By that I mean that I hope the price of wheat never stagnates around the $3.60 per bushel level. We needed to give the producer this stabilizing price so he would be able to stay in operation through these rough economic times.

The Secretary of Agriculture, to a large extent, has control over the market price of wheat. He has discretion over set-asides and he can develop our export markets to stabilize prices. I asked the administration to put confidence in Secretary Block and override the stagnating effects of Secretary Haig on export market development. They would have no reason to fear additional costs to the Government for farm supports if they would do this.

I urged the Senate, at the very minimum, to return to the original version of S. 884. I saw anything less as an abandonment of the best interests of our agricultural sector; an agricultural sector that is the foundation of our economy and can lead us to new prosperity.

Mr. President, I ask unanimous consent that the following letters from the Governor of the State of Montana and from most of the major farm organizations in my home State be printed in the RECORD following my statement.

The Governor and the farm leaders know what the real plight of the farmer is. I had hoped my colleagues would be as convinced by their logic as I was.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

SEPTEMBER 9, 1981.

Hon. RONALD REAGAN,
*The White House,*
*Washington, D.C.*

DEAR MR. PRESIDENT: The enclosed letter, signed by the leadership of several major Montana farm organizations and commodity groups, underscores the gravity of the agricultural situation. As a Northeast Montana grain producer myself, I understand and support their concern.

American agriculture is extremely capital intensive. Because our farmers and ranchers must depend on that "one big paycheck" from the harvest, they must operate day-to-day on borrowed capital. Current interest rates, coupled with the inflationary prices of fuel, fertilizer, machinery, etc., have left our farmers and ranchers in a precarious financial condition. Unable to pass on their increased costs, producers have "dug deeper in their pockets" and continue to live off their equity and depreciation . . . a shortsighted and dangerous situation for any business.

The proposed loan rates for wheat will not begin to cover the variable costs of production, as evidenced by the U.S. Department of Agriculture's own studies. The loan rate set by the United States establishes the floor on world wheat prices. Developing countries, as well as major importing countries, are perplexed at our continuing "cheap food policy" when revenues from our agriculture exports are the single most important contributor on the positive side of our trade balance ledger.

I urge you to give full consideration to an increased wheat loan rate which adequately reflects the cost of production today.

Without minimum price protection, we are forcing older producers to "cash in" on their equity. At the same time, we are forc-

ing a generation of young farmers to leave the land to seek employment in our overcrowded cities. It is ironic that young farmers are being forced to leave at a time when the productivity of American agriculture is one of the highest in our economy. American farmers and ranchers are praised and envied as the most efficient producer of foods in the world.

If we want to get America back to work, we should support legislation that offers incentives and rewards for extra efforts. A fair farm bill can offer those incentives.

Sincerely,

TED SCHWINDEN,
*Governor.*

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AUGUST 20, 1981.

Hon. TED SCHWINDEN,
*Governor of Montana, Helena, Mont.*

DEAR GOVERNOR SCHWINDEN: The following members of the Montana Agricultural Coalition, representing Montana Women Involved In Farm Economics, Montana Grain Growers Association, Montana Farmers Union, Montana National Farmers Organization, and Montana State Grange, hereby agree that:

We cannot accept either the House, Senate, or administration's proposal for wheat in the 1981 farm bill.

We further agree that: The loan rate on wheat must be at least 75 percent of parity, with an escalator clause to adjust the loan on wheat yearly, according to the cost of production.

Respectfully submitted by,

ESTHER D. RUUD,
*President,*
*Montana Women Involved in Farm Economics.*
TERRY MURPHY,
*President,*
*Montana Farmers Union.*
DALE SCHNEIDT,
*President,*
*Montana Grain Growers Association.*
DON JOHANNSEN,
*President,*
*Montana National Farmers Organization.*
FOREST FARRIS,
*Master,*
*Montana State Grange.*

MEAT IMPORTS, EXPORTS, AND INSPECTION

Mr. BAUCUS. Mr. President, I originally intended to introduce my Meat Labeling and Inspection Act. S. 524, as an amendment to the farm bill. However, to accommodate the administration's objections to S. 524, I withhold my amendment.

I am still convinced that my legislation presents a reasonable approach in dealing with our persistent problems with the quality of imported meat—without presenting unfair trade barriers. The study I am now proposing is a first step in finding a workable solution to problems such as the recent kangaroo and horse meat shipments we received from Australia that were labeled "beef."

I ask unanimous consent that two articles describing the recent kangaroo and horse meat shipments from Australia be entered in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 22, 1981]

KANGAROO MEAT FOUND IN "BEEF" DESTINED FOR U.S.

CANBERRA, AUSTRALIA, August 21.—"Beef" destined for American fast food lovers was loaded with kangaroo meat, endangering Australia's $565-million meat export trade with the United States, an Australian Cabinet minister said today.

Federal Primary Industry Minister Peter Nixon said kangaroo meat was found in samples from a Melbourne company already under investigation for allegedly substituting horse meat for beef going to the United States.

Nixon said the findings clearly demonstrated a serious fraud.

He said the scandal placed Australia's beef trade with the United States in jeopardy and he vowed to "throw the book" at those found guilty and review meat inspection procedures.

Australia is the largest exporter of beef to the United States and expects to sell 300,000 tons this year.

Much of the boneless beef is used for hamburger by American fast food restaurants.

Federal police and Bureau of Animal Health inspectors began an intensive investigation into beef fraud after horse meat was found earlier this month in a consignment of Australian beef in California.

The "beef" was traced to Profreeze, a Melbourne-based company, authorities said.

Australian officials have impounded 1,609 cartons of meat bearing Profreeze markings, and exports by the company have been suspended, Nixon said.

He said 100 cartons have been tested thus far and in one set of samples taken from 25 cartons, horse meat was found in 24, kangaroo meat in 16 and beef in only five.

The results indicated some cartons contained a mixture of meats, Nixon said.

The minister did not say whether any kangaroo "beef" had been shipped to the United States.

But he said cartons packed at Profreeze under Bureau of Animal Health supervision contained only beef, indicating the substitution had occurred after the final export inspection.

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[From the Christian Science Monitor, Sept. 11, 1981]

KANGAROO-FOR-BEEF SCANDAL MAKES AUSTRALIA HOPPING MAD AT EXPORTERS

(By David Solomon)

CANBERRA.—A few weeks ago the "great meat scandal," as it has come to be known in Australia, attracted little concern and a great deal of humorous comment.

The discovery by United States authorities that some frozen beef sent by Australian exporters to the American market in fact contained horsemeat seemed unlikely to have very great consequences.

However, more recent revelations have produced criticism of Australia's federal police, senior government administrators, and the federal minister for primary industry. Substitution of kangaroo and donkey meat for prime beef has been acknowledged as well.

The scandal has affected the nation's exports of meat to the Middle East and to Singapore, and resulted in stringent new inspection conditions on the continuing (but temporarily reduced) Australian meat trade to the U.S. The Australian government announced this week it will appoint royal commission to investigate the meat substitutions.

Government sources confirm that rackets involving meat substitution have been operating for about five years and largely have been ignored by federal authorities.

The government suspended the export license of one Melbourne meat packer and is investigating several others. Police expect to launch prosecutions soon for the false labeling.

Federal Police Commissioner Sir Colin Woods this week criticized previous investigations of the meat industry, saying that if they had been pursued with more vigor they might have produced different results. He notes there has been only one conviction for such an offense since 1975.

"The police life is all about knowing who did it and never being able to prove it," he said. "Maybe if more resources had been applied, different results would have followed."

Allegations of a meat-substitution racket have been made over the past three or four years in both the Victoria and federal parliaments. One senator alleged that a meat inspector who had tried to interfere in the racket had been transferred from his job.

The current meat substitution racket so far has been shown to involve only one small plant in a Melbourne suburb, although hundreds of samples have been taken around Australia and in the U.S. of other shipments.

Only 10 containers of meat are known to be affected so far—worth some 300,000 dollars (Australian)—a minute proportion of Australia's 700 million-dollar beef trade with the U.S. However, the government wants to be viewed as acting to prevent future abuses.

Soon the Cabinet is expected to consider proposals for higher penalties for meat violations and a more intensive inspection process, including placement of official seals on export cartons.

In Victoria, where most of the allegations of meat-substitution have occurred, the state government has announced tighter regulations dealing with horse and kangaroo meat killed for the pet-food market. These laws will require pet food to be stained with an edible dye.

Primary Industry Minister Peter Nixon this week said that small traces of dye indicating the presence of horsemeat had been found in export meat cartons in Victoria.

Delays in shipping beef have resulted in the closing of meatworks 2,000 miles from Melbourne.

Mr. BAUCUS. Mr. President, our import/export policies certainly need to be reviewed in light of the extreme restrictions placed on our agricultural exports, while Australia is slapped on the hand and told not to continue shipments of mislabeled beef.

Look at the policy Japan took in reaction to the recent medfly infestation in California. They certainly did not limit their attention to the small segment of California's fruit industry that was troubled by the medfly. We must toughen our negotiating of import and export policies to avoid these double standards.

Mr. President, I expect USDA to use the number of reports that have already been conducted on the quality of foreign inspections to upgrade their inspection program. For example, the report of the Comptroller General entitled "Better Inspection and Improved Methods of Administration Need for Foreign Meat Imports" and the November 1979, "USDA–FSQS Task Force Report on the Inspection of Imported Meat and Poultry." I also feel that USDA should provide an update on the progress they have made on improving inspection efforts since the release of the task force report.

The history of reports done on this subject goes back several years. Coupled with the recent incidents that I mentioned earlier, I believe there is adequate proof that the need exists for action to protect American consumers.

A significant part—6 percent or more—of the beef Americans eat is imported. But there are serious questions about the safety and wholesomeness of imported meat. Consumers have no way of knowing whether the meat they buy is a safe, wholesome American product or a foreign product produced and slaughtered under questionable conditions.

U.S. livestock producers suffer as well when unsafe or adulterated meat products are imported. Foreign producers can compete unfairly when they do not have to comply with the same stringent wholesomeness and safety requirements as domestic producers.

Inspection procedures for imported meat are so shoddy that even the agency doing the inspecting has said:

> We have no basis for determining the level of effectiveness achieved by the present program. We know that it provides some protection against the entry of adulterated products into the United States food channels, but we do not know precisely how much. (USDA–FSQS in Task Force Report on the Inspection of Imported Meat and Poultry; November, 1979.)

USDA inspectors constantly monitor domestic plants which produce meat to move in interstate commerce.

Federal inspectors examine animals both before and after slaughter to insure that they are free from disease and contamination. Samples taken from carcasses and internal organs are tested for the presence of chemical residue and disease.

Federal inspectors insure that clean operating practices are used and that sanitary conditions are maintained in domestic slaughter facilities. Inspectors also assure that only permitted amounts of acceptable ingredients are used in product formulation.

This is in sharp contrast to the relatively haphazard inspection of foreign meat markets. The USDA does not conduct continuous inspection in foreign plants.

Rather, countries wishing to be eligible to export meat request USDA and State Department approval. Before granting approval, the USDA evaluates a country's laws, regulations, and inspection staff and conducts onsite reviews.

Once a country is authorized to export, its inspection procedures are not routinely reexamined. For example, the task force report points out that although foreign countries are supposed to maintain laws and regulations to limit biological residues to levels permitted in the United States, the USDA has only recently begun to monitor compliance in this area. Officials of the U.S. Food Safety and Quality Service do make periodic inspections of foreign plants. However, only 20 inspectors are available to monitor 1,159 certified foreign meat plants. At best, USDA inspectors visit foreign plants quarterly. Some overseas establishments are visited only once every 2 years.

These infrequent inspections cannot insure compliance with U.S. standards. The problem is aggravated because inspections must be announced in advance; plant operators thus have ample warning to prepare for inspection.

During 1978, only 38 times did an inspection result in plants being rejected for failure to meet U.S. standards. During 1979 and 1980, this number was 41 and 34, respectively.

Imported meat must undergo an additional inspection when it arrives at a U.S. port. But this inspection—supposedly a second line of defense—also is minimal.

Eighty-five inspectors examined the 2 billion pounds of meat imported in 1978. With imports totaling 2.2 billion pounds of meat in 1979, and 2.1 billion pounds in 1980, the thoroughness of U.S. port inspection of imports is questionable.

Mr. President, my amendment would also focus on trade barriers facing domestic livestock producers wanting to export their products and expand their markets. This is a natural step to take to give us an idea if our action relating to meat imports could be viewed as a trade barrier compared to policies encountered in other importing countries.

I also expect USDA to determine if additional inspection and labeling requirements imposed on exporting countries would violate the General Agreement on Tariff and Trade [GATT] and the Trade Agreement Act of 1979. Also, consideration should be given to the amount of leeway that exists to renegotiate these agreements.

In summary, the safety and quality of imported meat products are issues of great concern to myself, to many of my colleagues, to consumers, and to domestic producers.

Mr. President, while I do not intend to offer an amendment to restore the support price for wool to 85 percent of formula, I do want to emphasize my support for renewal of the Wool Act—at the 85 percent level. I hope that the conference committee will consider my support and that of 14 of my colleagues for renewal.

In a letter of April 24, 15 Senators, including myself, expressed support for the renewal of the Wool Act without change or modification. Although the administration quarreled with our premise that the Wool Act is not financed out of the pocket of the American taxpayer, the fact remains that funds appropriated from the Treasury to reimburse OCC for expenditures paid in connection with wool price-support payments are limited to 70 percent of gross receipts from duties collected during the preceding year's wool imports.

There is good reason to support renewal of the Wool Act of 1977. I quote a paragraph from our April letter to Secretary Block:

> Like many agricultural programs, the Wool Act makes a substantial contribution to our agricultural industry, and is succeeding in facilitating the growth and expansion of the sheep industry. Since the Wool Act was renewed and revised in 1977, the domestic sheep industry has made a substantial turnaround. Sheep numbers have grown 5.6 percent in the past two years—the only increase recorded in the past 21 years. The total inventory value of the industry has grown by 80 percent, from $541 million in 1977 to $974 million in 1980. It is estimated by the American Sheep Producers Council that our nation will produce in excess of 104 million pounds of wool this year, an increase of 3 million pounds over the 1978 output. So the Wool Act is doing its job. The sheep industry is growing impressively, especially in light of $100 million in predation losses annually.

I would like to make one additional point about the apparent 10 percent cut in the price support of wool in the Senate bill. By cutting the percentage of the formula by 10 percent, we are actually lowering the price paid to producers by 41 percent. I do not think this type of cut will give our sheep industry the support they need to continue their growth and expansion.

Mr. President, I fully support the renewal of the Wool Act of 1977 with an incentive set at 85 percent of formula. I hope the conferees will recognize the importance of this provision while putting the final touches on the 1981 farm bill.

AGRICULTURAL EXPORT CREDIT REVOLVING FUND

Mr. HAYAKAWA. Mr. Presdent, I rise at this point to bring to the attention of this body what appears to be a serious shortcoming in the guarantees provided through the GSM–102 export credit guarantee program. The export of perishable agricultural commodities, such citrus, is hampered in the program by the fact that the costs of the transportation are not included in the guarantees. Because the export of these products is freight intensive, with transportation costs sometimes amounting to more than 50 percent of the total cost of the shipment, the lack of guarantees for an increment of the freight costs has effectively precluded such sales. For example, a sale of approximately $9 million worth of fresh lemons to Poland failed last year because of the CCC's unwillingness to cover increment of the freight costs.

Mr. President, I bring this to the attention of the Senate because it is my understanding that the Department of Agriculture could amend its own regulations to provide guarantees to cover some or all of the freight costs for perishable agricultural commodities. I would strongly support and encourage such an action by the Department.

Mr. GOLDWATER. Mr. President, I support the suggestion made by my colleague from California. It is imperative to our overall trade position that our Government encourage the export of U.S. agricultural commodities. Because the regulations in the export credit guarantee program do not provide for the costs of transportation for freight-intensive perishable agricultural commodities, such as citrus, many sales to U.S. exporters of these products are lost.

The situation is typical of the discrimination against farm exports that all too often shows up in our Government's programs. The Export-Import Bank covers transportation costs for exports of manufactured products under its direct credit, export loan program, and the Overseas Private Investment Corporation (OPIC) includes freight charges in loan guarantees made under its finance program whenever the total projected costs include such charges.

The Ex-Im asks that freight be carried on U.S.-owned vessels, but OPIC does not. The Cargo Preference Act does not now apply to CCC guarantees and the question of whether it would apply is a different subject that could be examined after new regulations are published. The matter which I am now addressing is the fact that the Department of Agriculture should amend its regulations to insure that CCC guarantees do

include transportation costs of freight-intensive agricultural commodities.

Mr. DECONCINI. Mr. President, I, too, support the suggestion made by the Senator from California. The export of U.S. agricultural commodities, fresh or otherwise, must be encouraged. Removing such an impediment to the export of perishable agricultural commodities under the CCC export credit guarantee program is to be supported, and I, too, urge the Department of Agriculture to amend its regulations accordingly.

Mr. HELMS. Mr. President, although these comments do not apply specifically to the agricultural export credit revolving fund in our bill, they do apply to one of the CCC programs that relate to those to be funded by this revolving fund. I thank my able colleagues for their comments. I support doing whatever is necessary to insure that the export of U.S. agricultural commodities, perishable or otherwise, is promoted through our governmental programs. Thus, I encourage the Department of Agriculture to look at its GSM-102 regulations and consider whether some, or all, of the transportation costs for certain perishable commodities should be covered by the guarantees.

Mr. HELMS. Mr. President, the interest in finding a remedy to problems that are supposed to exist in the tobacco program must be tempered with reality.

Earlier, reference has been made to the hearings before the International Trade Commission in which the export potential of U.S. leaf tobacco was explored, and in which possible damage to the tobacco price support program was evaluated.

The report of the ITC was negative. That is, it found that imports are not causing harm to the price support program—that it is sound in its financial condition and in its prospects for the future. Allow me to quote from the report filed in the Federal Register on September 2, 1981:

> Loan stocks of Flue-cured tobacco have been steadily declining since 1972 and are now at their lowest level since 1977. The amount of tobacco placed under loan each year has been significantly lower since 1978 than during 1974–77.
>
> We have found that the cost to the Government of operating the program quite plainly has not been increasing relative to past years. In light of recently developed information, USDA estimates of financial losses on the 1975 crop and on subsequent crops appear to be exaggerated.
>
> The Flue-cured stabilization cooperative projects that substantial profits will be made on sales from crop years 1976–80.

As regards burley tobacco, the ITC report continues:

> Loan stocks are practically nonexistent. No burley was placed under loan in 1980, and the CCC reports no losses from sales or other disposal operations.

Mr. President, this evidence is compelling proof that the kind of tampering with the program suggested by the amendment I oppose will not solve problems relating to the tobacco trade, regardless how it is advertised.

Obviously, those who have carefully studied tobacco issues come to conclusions different from those who would legislate major changes without the benefit of hearings or the rest of the normal legislative process.

I ask unanimous consent to have the report of the International Trade Commission printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

[International Trade Commission]

CERTAIN TOBACCO; REPORT TO THE PRESIDENT ON INVESTIGATION NO. 22–43—AUGUST 21, 1981

FINDINGS AND RECOMMENDATIONS

On the basis of the information developed in the course of the investigation, the Commission [1] finds and recommends that tobacco, provided for in items 170.3210, 170.3500, 170.6040, and 170.8045 of the Tariff Schedules of the United States Annotated (TSUSA), is not being and is not practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, the flue-cured tobacco program or the burley tobacco program of the Department of Agriculture, or to reduce substantially the amount of any product being processed in the United States from such tobacco.

BACKGROUND

The Commission instituted its investigation on March 5, 1981, following the receipt on January 18, 1981, of a request from the President. The investigation was instituted pursuant to section 22(a) of the Agricultural Adjustment Act (7 U.S.C. 624(a)) to determine whether tobacco, provided for in items 170.3210, 170.3500, 170.6040, and 170.8045 of the TSUSA, is being or is practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective or materially interfere with, the tobacco program of the Department of Agriculture, or to reduce substantially the amount of any product being processed in the United States from such tobacco.

Notice of the Commission's investigation was published in the Federal Register of March 11, 1981 (46 F.R. 16162). A public hearing was held in Washington, D.C., on June 24 and 25, 1981. All interested parties were afforded an opportunity to appear and to present information for consideration by the Commission.

This report is being furnished to the President in accordance with section 22(a) of the Agricultural Adjustment Act. The information in the report was obtained at the public hearing, from interviews by members of the Commission's staff, from information provided by other Federal and State agencies, and from the Commission's files, submissions from the interested parties, and other sources.

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STATEMENT OF CHAIRMAN BILL ALBERGER, VICE CHAIRMAN MICHAEL J. CALHOUN, AND COMMISSIONER PAULA STERN

I. INTRODUCTION

Section 22 provides that relief from import competition shall be granted if the President finds that articles "are being or are practically certain to be imported . . . in such quantities as to render or tend to render ineffective, or materially interfere with . . ." certain agricultural programs.[2] The statute thus requires that two different events occur before relief is granted. First, with regard to the imports, the article must be imported or be practically certain to be imported. The "practically certain" standard means that the probability of imports must be highly likely. Mere speculation as to future imports that will cause harm to a program is not sufficient.

Second, after the import test has been met, it also must be shown that harm to the program is occurring or is threatened by those imports. The most severe harm would "render ineffective" the program. Relief from imports may also be provided if imports are shown to "materially interfere with" a program. Material interference is more than slight interference but less than major interference. A program which has been rendered ineffective has also suffered material interference, although the reverse may not be true. Therefore, material interference is the less stringent of these two standards. We believe that the Commission should consider both of these standards in order to provide the fullest advice possible to the President.

Finally, relief from prospective harm by imports may be provided if their importation is practically certain to materially interfere with or tend to render ineffective a program.[3] Tendency to render ineffective must, of course, be more than speculative. A real and imminent harm to the program in question must be shown. In this case we find that none of the requisite harms to the program is present and, therefore, find that relief is not warranted.

II. SUMMARY OF REASONS

Our determination in this case is based upon several factors which indicate to us that the conditions for imposing import restrictions under Section 22 do not exist. In reaching our conclusions we have considered the impact of imports on the purposes established for the programs and the impact on the operation of the programs.

While there has been a large increase in the volume of imports of burley and flue-cured tobacco since 1975, imports in prior years characteristically have been very low and, in our view, the market share enjoyed by imports is not sufficient to materially affect the USDA tobacco programs.

Furthermore, the information presented to us during this investigation clearly indicates that the programs are healthy and are not suffering the type of harm or interference contemplated by the statute. USDA concedes this fact with respect to the burley program. With respect to the flue-cured program, the evidence weighs against USDA's representations. For example, loan stocks of flue-cured tobacco have been steadily declining since 1978 and are now at their lowest level since 1977. The amount of tobacco placed under loan each year has been significantly lower since 1978 than during 1974–77.

In addition, we have found that the cost to the Government of operating the program quite plainly has not been increasing relative to past years. In light of recently developed information, USDA estimates of financial losses on the 1975 crop and on subsequent crops appear to be exaggerated. While there was a slight loss of $5.6 million on the 1974 crop and there may be a loss of about $11 million on the 1975 crop, these losses are not comparable to the average losses experienced in the period 1950–70. They simply are not of a magnitude to suggest material interference or ineffectiveness of the program. Moreover, in stark contrast to USDA estimates, the Flue-cured Stabilization Cooperative (FCS) projects that substantial profits will be made on sales from crop years 1976–80.

With respect to the prospective impact of imports on the programs, there is no evidence to demonstrate that imports are tending to render the program ineffective or that they are practically certain to be imported so as to cause future harm. While the best estimates do indicate a long term growth in imports, such an event is too protracted to be a basis for concluding imminent harm. Moreover, information on the current crop is that because of its high quality auction prices are high, loan placements are down sharply over prior years, and processors are dipping into loan stocks to obtain lower grade tobacco.

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While USDA is alarmed by the apparent long-term decline in U.S. competitiveness vis-a-vis other tobacco producing countries, the facts before us do not suggest that harm is imminent.

Finally, the purposes of the tobacco programs, including assuring adequate income to farmers and fair prices to consumers, maintaining a balanced supply, and providing a balanced flow of tobacco in interstate and foreign commerce, are currently being achieved.

III. THE TOBACCO PROGRAMS OF THE USDA

The purposes of USDA programs dealing with tobacco, as well as with certain other agricultural commodities, are set forth in section 2 of the Agricultural Adjustment Act of 1938:

"It is hereby declared to be the policy of Congress to continue the Soil Conservation and Domestic Allotment Act, as amended, for the purpose of conserving national resources, preventing the wasteful use of soil fertility, and of preserving, maintaining, and rebuilding the farm and ranch land resources in the national public interest; to accomplish these purposes through the encouragement of soil-building and soil-conserving crops and practices; *to assist in the marketing of agricultural commodities for domestic consumption and for export; and to regulate interstate and foreign commerce in cotton, wheat corn, tobacco, and rice to the extent necessary to provide an orderly, adequate and balanced flow of such commodities in interstate and foreign commerce through storage of reserve-supplies, loans; marketing prices for such commodities and parity of income, and assisting consumers to obtain an adequate and steady supply of such commodities at fair prices.* (Emphasis added.)

There are no other specific legislative purposes articulated for the tobacco programs.

With respect to types of tobacco covered by this investigation, the purposes set forth in the 1938 Act are accomplished through two different programs administered by USDA; the flue-cured tobacco program, and the burley tobacco program.[4] Section 22 provides for relief when the President finds that "any article or articles are being or are practically certain to be imported . . . as to render or tend to render ineffective, or materially interfere with, *any program or operation undertaken under this chapter or the Soil Conservation and Domestic Allotment Act . . . or any loan purchase or other program or operation undertaken by the Department of Agriculture. . . .*" We therefore have made findings and recommendations with regard to each program.

The specific programs of the Department of Agriculture that are of concern to the Commission in this investigation are those which support the flue-cured and burley types of tobacco. Under these programs, the price farmers receive for their tobacco is supported by a loan program that establishes minimum prices for every grade of these tobaccos. The average support price of tobacco is set by a formula based on the parity index (index of prices paid by farmers). A support price for each individual grade is established by USDA to reflect market conditions to the extent possible, provided that the average of prices of all grades weighted by the historical share of each grade in the overall crop must equal the statutory support price. This average price is $1.58 per pound for 1981.

The support programs further require that the Secretary of Agriculture establish annually a national poundage quota for both types of tobacco and, in the case of flue-cured tobacco, also an acreage allotment, thereby limiting the amount of tobacco which can be brought to market by growers. With the exception of allowing up to 10 percent overmarketing by a farmer (which is then subtracted from his quota in the next year), any tobacco grown in excess of a farmer's prorated marketing quota cannot be marketed except with severe penalties. The purpose of these marketing limitations is essentially to assure that the market will not be oversupplied with tobacco, causing market prices to decline below the support price and causing increased quantities of tobacco to be placed in the Government stocks.

Producers may place any or all of their tobacco under loan if auction of that tobacco does not bring a bid from prospective buyers at least equal to the appropriate support price for the grades offered. The grower, whether he places his tobacco under loan or sells it to a dealer, receives payment immediately through the auction management. The tobacco placed under loan is generally processed by agents of the USDA into the strip form and then stored until after the auction season is complete. At that time the tobacco is made available for sale at a price no lower than 105 percent of the support price. Certain fees, carrying charges, and interest charges are added to this price during the time tobacco remains under loan. When all tobacco under loan from a particular crop is sold or otherwise disposed of, a financial accounting is made. After expenses are paid the remainder of any proceeds are applied by the Commodity Credit Corporation (CCC) against the loan principal and then against the outstanding interest. The surplus of income over expenses, if any, is not accumulated by the CCC. These so-called profits are distributed to the growers through their associations while losses, if any, are absorbed by the CCC.

IV. THE QUESTION OF HARM TO THE BURLEY PROGRAM

USDA testified before the Commission that only the flue-cured tobacco program is being adversely affected by imports. Imports of burley and other types of tobacco which are entered into the United States under the four TSUSA numbers covered by this investigation are not believed by USDA to be harming the USDA burley program. We concur with the USDA in this assessment.

The burley tobacco program is unquestionably healthy. Although imports of this type of tobacco are believed to have increased in recent years, this increase is clearly in response to increased demand for burley tobacco. The basic marketing quota for burley was stable at about 614 million pounds[5] from the 1979 crop year through the 1980 crop year and was increased to 660 million pounds in 1981. The effective quota, that is, the basic quota adjusted for under- or over-marketing of the previous year, has been increased to 851 million pounds. Stocks both under loan and held by dealers and cigarette manufacturers have declined. Loan stocks are practically non-existent, no burley was placed under loan in 1980, and the CCC reports no losses from sales or other disposal operations.

No testimony at the Commission's hearing and no other information available to the Commission supports an argument that imports are adversely affecting the burley program. We, therefore, determine that burley tobacco is not being imported and is not practically certain to be imported under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, the burley program of the Department of Agriculture.

V. THE QUESTION OF HARM TO THE FLUE-CURED PROGRAM

USDA and other participants testified that imports of flue-cured tobacco were materially interfering with this program and that projected increases in such imports will materially interfere in the future. Major elements of testimony in favor of relief included the following:

(1) Imports have increased from an annual level of 30 million pounds or less before 1976 to as much as 85 million pounds in 1979. USDA projects imports to increase by about 8 percent each year until at least 1986.

(2) Imports have displaced at least 225 million pounds of tobacco from the 1975–80 crops which would otherwise have been purchased by dealers or cigarette manufacturers, causing the displaced domestically produced tobacco to be placed under loan. During the next five years additional displacement is expected to exceed 400 million pounds.

(3) Because of the addition of imports to domestic inventory, marketing quotas have been reduced substantially since 1975.

(4) Because of the availability of foreign tobacco at prices well below that of domestic tobacco from either the auction floor or from loan stocks, the Flue-cured Stabilization Cooperative which handles the stocks has been unable to sell and will continue to be unable to sell substantial quantities of tobacco otherwise competitive with imports, suffering financial losses projected at as much as $123 million from the 1975–80 crops currently under loan, and over $200 million from future crops.

In order to halt the interference with the program and to prevent future interference, USDA suggested that a quota on imports be established at the average level of such imports from 1978–80, or approximately 72 million pounds.

Of the standards for finding harm to the flue-cured tobacco program under section 22, only material interference was claimed. No participant in this investigation alleged, nor does any information before us suggest, that the quantity of imports is such as to render the program ineffective. Regarding the assertion that imports are materially interfering with the program, we can find no such interference, nor do we find indications of imminent harm. While there are troublesome factors affecting the operation of the flue-cured program, imports are not entering at such a level or under such conditions as to cause the requisite interference; nor is the program suffering or facing the adverse circumstances contemplated by section 22.

Imports. Imports of flue-cured tobacco have indeed increased to record high levels in recent years. In 1976 imports began to increase dramatically, reaching 54 million pounds in 1977, 74 million pounds in 1978, and 85 million pounds in 1979. While imports of flue-cured tobacco appear to have declined to 76 million pounds in 1980, import penetration has remained near the record high level of 15 percent of domestic utilization. From the time the program was created by the Congress, until 1975, imports were at a very low level, never exceeding 30 million pounds in any year. Import penetration during that period did not exceed 3 percent of domestic utilization of U.S. produced flue-cured tobacco. Therefore while recent increases appear dramatic, it must be remembered that they are from a very low level.

Domestic utilization of tobacco is not the only yardstick by which the impact of imports can be measured. Nearly one-half of all domestic tobacco production is destined for export markets. Even a large portion of tobacco used for domestic production of cigarettes is ultimately exported in that processed form. Although imports are at record high levels, they remain at less than one-sixth of the level of flue-cured tobacco exports and import penetration relative to all utilization of U.S. produced flue-cured tobacco is only 8 percent.

It is apparent that the major reason for the increase in imports in recent years is the price differential which has resulted from the rapid escalation of the U.S. support price. Prices paid by cigarette manufacturers for U.S. produced tobacco are substantially

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above those for tobacco from other producing nations. Much U.S. produced tobacco is of higher quality than that available abroad. This is a fact clearly demonstrated by the large volume of U.S. exports despite their high prices. However, there is also significant foreign production comparable to lower quality, neutral flavored domestic tobacco at prices below the support price. The average price of imported flue-cured tobacco in the United States was $.60 per pound below that of domestic tobacco, even after adjusting for quality differences.

It is quite possible that imports will increase further under these conditons of competition, as predicted by USDA. However, though these imports undoubtedly will have some effect upon the program, we do not believe that they have reached or are likely to reach in the immediate future a level which would constitute material interference.

The question of present harm. We believe that the program is healthy and is not suffering the type of harm contemplated by the statute. USDA testified that dealers and cigarette manufacturers have been purchasing and placing in inventory increased quantities of imported tobacco. It suggested that, as a result, those buyers were reducing their purchases from FCS-held loan stocks causing those stocks to increase. In addition, buyers were purchasing imports rather than domestic tobacco from the tobacco auctions causing FCS to purchase the displaced tobacco at the support price, thereby raising the level of loan stocks and causing unusual expenditures. In order to balance supply (which includes the larger quantities under loan) with demand, USDA testified it had reduced marketing quotas. We have examined all these factors in detail.

The level of uncommitted stocks (those still available for sale)[6] as of the beginning of each crop year has been declining steadily since 1978 and, by July 1, 1981 had declined to 468 million pounds. Recent sales in the first few weeks of the 1981 crop year have caused uncommitted stocks to decline even further to what may be the lowest level since at least mid-1977. We cannot speculate as to what level these stocks might be were imports not available during recent years, but the trend is in a positive direction despite the lower quality of recent harvests and the higher volume of imports in recent years.

Another indicator of material interference specifically identified by USDA and other supporters of import restrictions is the amount of tobacco being placed under loan each year. This amount reached 277 million pounds in 1976, declined to about 64 million pounds in 1978 and increased to 138 million pounds in 1980. However, an examination of changes in the amount of flue-cured tobacco placed under loan shows that there is no discernible positive correlation between that quantity and the level of imports. In fact, to the extent a relationship exists between import levels and the amount of flue-cured tobacco placed under loan, it appears to be a negative correlation.[7] Furthermore, the amount of tobacco placed under loan each year has been significantly lower since 1978 than during 1974–77.

The level of tobacco placed under loan is a function of demand in the market for the tobacco offered at a price which can be no lower than the support price. Since support prices are set in advance of the harvest, there is no method by which USDA can adjust the support prices on the approximately 150 grades of flue-cured tobacco to perfectly reflect market conditions. If a crop is of generally low quality, it is probable that the support prices on some, and possibly many, of the various grades will be higher than prospective buyers believe appropriate. Such tobacco will inevitably be placed under loan. Similarly, it is probable that in the event of a low quality crop, and particularly if that crop is large, there will be more of some lower quality grades than the market can comfortably absorb at support prices. Under such conditions it would be expected that farmers will place larger than desirable quantities under the loan program. Such tobacco would remain as part of loan stocks until demand for those grades at the offered prices increased relative to the supply at the tobacco auctions. This is precisely one of the means by which a commodity buffer stock is intended to accomplish its purpose of maintaining stable prices and supplies. The smooth operation of the flue-cured stabilization mechanism points to a system that is functioning as intended.

USDA has in recent years made adjustments in the program which will serve to encourage lower loan stock levels in future years. Among these are incentives to farmers not to harvest the lowest quality tobacco which is in least demand, and the removal of price support for a number of grades covering this lower quality tobacco. As a separate matter, the interest rate policy of the CCC may have operated as a cause, different from imports, of large FCS-held uncommitted stocks. The interest rate charged by the CCC was set for the life of the loan and, owing to escalating costs of money, rapidly fell below commercial interest rates. For example, the interest charged on tobacco now under loan is as low as 6 percent. By 1981, the commercial rates exceeded the loan rate by as much as 14 percentage points. So long as it is reasonable to expect commercial interest rates to remain high or to increase, there is clear incentive for flue-cured purchasers to maintain a measure of their inventory under FCS control, thereby availing themselves of what is essentially a subsidized inventory. Although there will continue to be an interest rate differential between the CCC rate and commercial rates, recent changes in policy now provide for a higher variable interest rate on CCC loans. The reduced differential between loan rates and commercial rates, although still about 5 percentage points at this time, will be less likely to encourage a build-up in FCS-held tobacco stocks.

In addition, it is our view that the current condition of the loan program is not an indication of harm. Rather it is the result of the proper operation of the system. When harvests were of good quality relative to other years, as in 1978 and 1979, the average price paid to farmers exceeded the support price by a considerable margin. In those years tobacco placed under loan was in relatively small quantities, suggesting that demand was strong relative to supply and suggesting that imports increased in those years partially because of this strong demand. In other years, such as 1977 and 1980, when the crop was rather poor quality, market prices were close to the support price and large quantities were placed under support. In 1975 the quantity offered was simply too large for the market to clear at prevailing prices.

If the system is working properly, tobacco which is placed under loan is ultimately sold at little or no cost to the program. USDA testified that the losses already incurred and likely to be incurred in the immediate future were the most telling indicators of harm from imports. A loss of about $6 million had already occurred in sales from the 1974 crop and, on the basis of some sales at a loss over the period December 1979 to March 1981, USDA projected that losses would continue into the future. However, in our view such losses are not likely to occur.

The only loss which has actually occurred during the last decade is that on sales from the 1974 crop. Production in that year was among the highest in the decade and all but 25 million pounds were sold at auction at prices which exceeded the $0.83 support price by an average of $0.22 per pound. This was nearly the smallest quantity placed under loan in well over a decade, and this tobacco was described in testimony as the "leavings of the leavings." The loss incurred on these sales cannot be convincingly laid at the door of imports.

USDA states that, on the basis of sales prices obtained in recent bid sales of the 1975 crop, losses likely to be incurred on that crop can be estimated at $34 million. However, FCS, which is directly responsible for determining list prices and conducting the sale of stocks, estimates losses at $11.6 million if those stocks are sold at list price. The extreme estimate made by USDA is belied by the most recent events in sales by FCS.

Since the 1981 markets opened in late July, over 40 million pounds of tobacco have been sold from stocks of the 1975 crop, and these sales included large quantities of that tobacco which previously had been made available for sale at bid. This tobacco was not sold owing to lack of interest among potential buyers at a price acceptable to FCS. All 40 million pounds, accounting for over one-third of the remaining stocks of the 1975 crop, were sold at list price. Only a small amount of tobacco from the 1975 crop similar to that previously offered in bid sales remains in loan stocks (approximately 5 million pounds). There is no reason to believe that this tobacco, or any other from the 1975 crop, will be sold at a loss approaching that projected by USDA.

Moreover, if the remaining stocks are sold at list prices, the loss would more nearly approximate the lower FCS estimate than that of the USDA. High auction prices for the 1981 crop and the removal of interest rate incentives are likely to increase the appeal of tobacco now held by FCS. The increased demand for the grades currently held under loan may allow FCS to revalue the tobacco upward, reducing losses further. An additional encouraging indication is that this crop has been held by FCS for only about 6 years. The average length of time before complete disposal of crops from 1955–70 was over eight years, and the average for the 1971–74 crops was over six years. Of those crops after 1966, only the 1974 crop was sold at a loss; others were sold at profits of up to $16 million.

USDA further suggested that if losses on the 1975 crop were $34 million, other crops held by FCS would also be sold at substantial losses. However, since there is no convincing evidence that the 1975 crop will be sold at a loss greater than that estimated by FCS, there is no reason to doubt the FCS estimates on other crop years as well. FCS estimates that stocks from each of those crops will be sold at substantial profit and that the net profit for all crops under loan through 1980 will be about $17 million. It should be noted that FCS is not permitted by the legislation to carry over any profit it may make from sales of one year's crop to balance losses incurred from sales of another year's crop and, technically, it cannot make a profit. All gains must be distributed to the farmers participating in the program after expenses have been paid. It may be desirable that each and every crop be sold at no loss to the program, but losses must be expected on occasion. Only the size and frequency of such losses are in question. The operation of the program has certainly improved since 1950–70 during which the program incurred frequent and, sometimes, large losses. We do not believe that the relatively small loss from sales of the 1974 crop and the uncertain loss from other crops constitutes material interference from imports.

USDA also argues that material interference to the program has manifested itself in the need to reduce the marketing quotas since 1976. Marketing quotas for flue-cured tobacco have decreased from the level of the

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mid-1970's. In 1975 the basic quota was 1,491 million pounds and, in 1981, it is only 1,013 million pounds. However, the 1975 quota was a record high quota which exceeded the levels of preceding years by nearly 40 percent. The decline since that time is in fact only a return from several years of abnormally high marketing quotas to the levels in effect before 1974.

As support for its decision to reduce marketing quotas, USDA noted that the domestic utilization of flue-cured tobacco has declined by 17 percent since 1972 while exports have declined only slightly (although exports have declined by 18 percent from 1973 levels). Utilization of U.S. produced flue-cured tobacco in 1980 was 113 million pounds below utilization in 1971 while imports had increased by 65 million pounds. Thus, USDA argues that processors are turning more and more to imports to replace domestic tobacco. However, in the same period, cigarette manufacture in the United States increased 24 percent to about 714 billion cigarettes in 1980. It is apparent that factors other than imports are at play here. In particular, cigarette manufacturers have apparently become considerably more efficient in the use of tobacco in their product or have shifted the tobacco content of cigarettes from flue-cured to some other type of tobacco. In 1971 manufacturers produced about 860 cigarettes from a single pound of flue-cured tobacco (blending it with other tobaccos, both domestic and imported). In 1980 manufacturers produced 1.140 cigarettes from each pound of flue-cured tobacco purchased either domestically or from foreign sources, an increase of one-third. We find, therefore, that it is not primarily the presence of imports which have caused the decrease in the marketing quotas, but rather a variety of other factors which are beyond the control of the program and are also beyond the scope of section 22.

USDA testified that material interference had already occurred, but their recommendation of 72 million pound quota on imports of flue-cured tobacco is not consistent with that conclusion. This level is the average of imports during the most recent three years for which data are available. However, imports during those years were the highest in the history of the program, and only in 1979 did imports substantially exceed the recommended quota. If a level of imports substantially lower than 72 million pounds was interfering with the program as early as 1976 and imports are now materially interfering with the program, there can be no justification to allow that quantity to be entered in the future.

The question of future harm to the program. From the language of the statute, there are two alternative standards by which the prospective impact of imports may be sufficient to warrant relief. The first standard is that articles are practically certain to be imported under such conditions and in such quantities as to materially interfere with the flue-cured program. The second standard is that articles are being imported or are practically certain to be imported under such conditions and in such quantities as to tend to render ineffective the flue-cured program.

As is the case with allegations of current injury, no representation has been made nor data collected by us which suggests that the program is likely to be rendered ineffective. The remaining statutory basis for considering future harm to the program is that there are articles being imported which are practically certain to materially interfere with the program. Again, we can find no data which allow for a conclusion that there is a quantum of flue-cured tobacco which is "practically certain to be imported" under conditions or in quantities which would materially interfere with the support program.

In the first instance, the USDA forecast of 8 percent yearly import growth through 1986 does not support a conclusion that imports are practically certain to cause material interference. Second, current information on the 1981 harvest indicates that the quality of the tobacco being sold at recent auctions is better than that in most recent years, and there appears to be a short supply of lower grade tobacco similar to that which has been prevalent in FCS loan stocks. Prices offered at auction are reported by the USDA to be significantly higher than the support price—which is itself 12 percent higher than in 1980—and the quantity of tobacco being placed under loan in the first few weeks of this auction season is well below the rate of 1980. As noted above, the higher market prices provide incentive for purchases of older tobacco from FCS. In fact, there have been significant purchases from FCS stocks, at list prices, of grades of tobacco which USDA suggested might be sold only at a loss.

We recognize that these events do not necessarily guarantee a long term positive trend in all the factors which we have considered. It is possible that, as with any agricultural commodity, conditions in the tobacco markets may change very rapidly. We are, however, of the view that unless some entirely unforeseen event causes a rapid turn-around in the market, that these imports cannot be said to be practically certain to harm the program in the foreseeable future.

The purposes of the Program. Finally, we have concluded that the purposes of the programs are currently being achieved. The primary purpose of the program, according to USDA, is the maintenance of farmers' incomes from growing and marketing flue-cured tobacco. The first factor which determines income is the price at which a farmer's tobacco is sold. The price of tobacco is guaranteed by the price support legislation to be some percentage of parity—that is, the price of a pound of tobacco is guaranteed to be able to buy some percentage of what it could buy during the period 1910–14. This percentage has been changed during the history of the program, most recently in 1960. The legislation has essentially defined by this process what Congress considers to be a minimum fair price for tobacco both for growers and for consumers. This price is still guaranteed through the price support system. Provided the program operates effectively there is no manner in which imports can interfere with a grower obtaining that price for any tobacco he markets within his quota.

The second factor which determines growers' incomes is the quantity of tobacco which they are allowed to place on the market for sale at or above the support price. As discussed above, this quantity has varied considerably over time. However, we note that the gross returns from sale of tobacco has increased. In 1972, 1,022 million pounds were marketed at an average price of $0.853 per pound (13 cents above the support price) for a total crop value of $872 million. In 1975, marketings reached an all-time record of 1,415 million pounds at an average price of $0.998 per pound (6.6 cents above support) for a total value of $1,412 million. In 1980, the support price had risen to $1.42 per pound and farmers received an average of $1.45 per pound on a total crop of 1,086 million pounds for a total value of $1,571 million. In each year, the value of the crop has increased and the average price has been above the support price determined by the statutory formula. The gross return on an acre of harvested tobacco in 1977 was over $2,300, far exceeding most other crops including those which have support programs (e.g. sugar, peanuts). While tobacco accounted in 1977 for only 0.3 percent of total acreage planted in the United States, it accounted for 4.4 percent of the total value of the crops. Additionally, from 1972 to 1979 the average return to land, management, and allotment for flue-cured tobacco in North Carolina increased from $8,200 to $15,400, or 89 percent.[3] The increase in the support price during the same period was only 79 percent, suggesting that growers have improved their position relative to the support price established by Congress.

Without addressing the issues implicit in the income distribution effects of the practice of leasing tobacco allotments, we note that testimony at the hearing indicated that the average lease value of an allotment was about $0.40 per pound in 1980 and had increased in recent years. Therefore, either the actual growers (who often are not the same as allotment holders) are willing to make less money on their tobacco operations, or the guaranteed price of tobacco has increased more than have the costs of growing and curing the tobacco. We cannot under these conditions find otherwise than that the purpose of the tobacco program in providing tobacco farmers with a fair income is being accomplished.

The program is also designed to provide for balanced supply-demand relationships in the marketplace for flue-cured tobacco. This is primarily accomplished through the process of setting marketing quotas. Such quotas are largely determined by a formula in which the man variables are the historical levels of domestic utilization, exports, existing inventory both in private and FCS stocks, and the expected crop size. The North Carolina Farm Bureau observed in its post-hearing brief that no mention is made in the 1938 Act of the role of imports in the determination of marketing quotas and that all variables are defined in terms of U.S. produced tobacco only. Regardless, the legislation does allow the Secretary of Agriculture the discretion to adjust the marketing quota according to other factors, such as imports, which he might deem relevant. We do not believe that the term "adequate and balanced flow" in the 1938 Act is necessarily to be interpreted as an increasing or even stable market for domestic tobacco, but only that there should not be unexpected but otherwise avoidable imbalances in the markets for tobacco. There has been a gradual decline in marketing quotas which roughly parallels the decline in utilization of flue-cured tobacco. The similarity in these changes indicates that the system is operating as it should despite the presence of import competition. We find no evidence that there is an import-induced imbalance in the marketplace for flue-cured tobacco.

Another purpose of the program is the regulation of foreign commerce. Although the tobacco legislation does not define the importance of exports to the programs, they are clearly a significant factor in their operation. The formula by which the Secretary of Agriculture determines marketing quotas includes as one of its variables the average level of exports. In the determination of support prices for individual grades, USDA has considered the possible effects of overpricing tobacco grades favored by foreign buyers. In recent years exports consistently have accounted for nearly one-half of total utilization of U.S. produced flue-cured tobacco and, despite the recent increases in the level of imports, currently exceed imports by a six to one ratio.

Any complete discussion of the tobacco program must include the positive contribution of exports to the purposes of the program and the potential impact upon those exports of import restrictions. It is our view that although the appeal of U.S. produced flue-cured tobacco in foreign markets continues to be strong, it is experiencing increasing competition on the basis of both quality and price. The declining trend in U.S. exports, both absolutely and relative to other countries' exports, is particularly disturbing as it may indicate potential for tougher competition in the domestic market from foreign

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producers. Close attention should be given to the causes and solutions for the ailing export market in any examination of the industry and the program.

VI. THE PROCESSING CLAUSE

Section 22 includes a clause which states that if imports "reduce substantially the amount of any product processed in the United States from" a commodity which is the subject of a USDA program, restrictions may also be imposed by the President. This clause no longer appears to have relevance to investigations under section 22.[9]

The processing clause was added to section 22(a) to provide an avenue of relief of processors of agricultural articles subject to a processing tax that was part of the Agricultural Adjustment Act of 1933. That processing tax was struck down as unconstitutional in 1936 in *United States* v. *Butler*, 297 U.S. 1 (1936), and the clause has not formed the basis for a Commission determination since that time.

Nevertheless, we note that the products which we consider to be the "product processed" from tobacco are cigarettes. Production of cigarettes has increased steadily during any recent period which might be chosen. Since 1972, production has risen by about 24 percent to 714 billion cigarettes in 1980. There is likewise no indication that imports will reduce production of cigarettes in the foreseeable future. We therefore find that tobacco, either flue-cured or burley, is not being imported under such conditions and in such quantities as to reduce substantially the amount of any product processed in the United States from domestic flue-cured or burley tobacco.

Statement of Commissioner Catherine Bedell

On the basis of the information before me in this investigation I have found that—

"(1) Flue-cured tobacco, provided for in items 170.3210, 170.3500, 170.6040, and 170.8045 of the Tariff Schedules of the United States Annotated (TSUSA) is being or is practically certain to be imported into the United States under such conditions and in such quantities as to materially interfere with the flue-cured tobacco program of the Department of Agriculture, but that

"(2) Burley tobacco, provided for in items 170.3500, 170.6040, and 170.8045 of the TSUSA, is not being and is not practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, the burley tobacco program of the Department of Agriculture, or to reduce substantially the amount of any product being processed in the United States from such tobacco."

Therefore, I recommend that the President proclaim a quota on imports of flue-cured tobacco in order that the entry of such tobacco will not materially interfere with the flue-cured tobacco program.

Before discussing the data supporting my respective findings and recommendation, I wish to discuss four points central to my decision in this case. The first three points are also central to my decision in section 22 cases in general.

First, the Commission's task in a section 22 investigation is to determine the impact, if any, that imports are having on a Department of Agriculture (USDA) program or on a product processed from a product covered by such a program. While the Commission, in assessing such impact, must examine the program and its method of operation in order to understand how it works, it is not the Commission's responsibility or function to question its merits or the manner in which the Department of Agriculture administers it. The programs are authorized by Congress and administered by the Department of Agriculture. Thus, any criticisms of the programs directed to the Commission during the investigation are not relevant to a Commission finding under section 22 and accordingly are not taken into account.

Second, keeping in mind the purpose of the particular program and its method of operation, I have considered in this and in prior cases[10] certain economic factors and data which I believe are key in determining the impact, if any, of imports on the operations of a program. For example, I have considered such factors as import levels, domestic production and inventory levels, inventories held by USDA under the particular program, changes in the cost to the Government in running the program, price differences between the domestic and imported products, world stocks of the imported product, and whether various objectives of the program are being met. The key test is whether imports are rendering or tending to render a program ineffective or materially interfering with it. Basic objectives of a program may be satisfied, but a program may nevertheless be materially interfered with if imports are causing increases in domestic stocks under loan and losses to the program.

Third, officials of the USDA are the most expert witnesses to testify and present information during a section 22 investigation. USDA has administered the programs for almost 50 years, is the closest party to them, and should be in the best position to know when a program is in difficulty and what is causing the difficulty. Other parties may of course rebut the assertions made by USDA and from time to time have successfully done so. However, when other parties have been unable to persuasively rebut the contentions and supporting information of the Department, I have given great weight to the sworn testimony of the Department.

Fourth, in the present case the scope of investigation covered imports of flue-cured and burley tobacco. Both types are grown in the United States, and each type is the subject of a different USDA program. Imports of both, whether viewed by type or in the aggregate, do not necessarily have the same impact on both programs. Further, the programs, while sharing many features and objectives, are different. For example, the flue-cured tobacco program includes an acreage allotment system, and the burley tobacco program does not. Thus, I have examined the impact of imports on each program and have, in so doing, made separate findings with respect to the impact of imports on each program.

My findings with respect to the impact of imports on each of the two programs, together with my recommendation of a quota on imports of flue-cured tobacco, are discussed in detail immediately below.

*Flue-cured tobacco*

The program.—The authority for USDA's flue-cured tobacco program (as well as that for its burley tobacco and other programs) is set forth in the Agricultural Adjustment Act of 1938, the Agricultural Adjustment Act of 1949, and the Commodity Credit Corporation Charter Act. The objectives of the programs are set forth in the 1938 act and include the stabilizing, supporting, and protecting of farm income and prices, assistance in the maintenance of balanced and adequate supplies of the subject commodities, including tobacco, and the facilitation of an orderly distribution of such commodities.[11]

The flue-cured tobacco program consists of three parts—marketing quotas, an acreage allotment program, and price supports. The marketing quota specifies the quantity of tobacco that may be sold without penalty in a given marketing year from a qualifying farm. The acreage allotment specifies the maximum acreage that may be planted in tobacco in a given year on a qualifying farm. The 1949 act provides that when marketing quotas are in force, price supports are available to any producer who is unable to sell his tobacco for at least the price-support rate (also known as the loan level). Price supports are made available by means of nonrecourse loans made through producer cooperative associations, with financing by the Commodity Credit Corporation (CCC).[12]

Material interference.—Flue-cured tobacco is being or is practically certain to be imported under such conditions and in such quantities as to materially interfere with the flue-cured tobacco programs.

Imports increased steadily during the past 10 years from 10 million pounds, farm-sales-weight equivalent, in marketing year 1970 to 84 million pounds in 1980.[13] Imports are projected to have been 76 million pounds for the marketing year ended June 1981.[14] U.S. utilization of domestically grown flue-cured tobacco declined during this period, and as a result imported flue-cured tobacco, which in 1970 accounted for less than 2 percent of U.S. utilization, accounted for 13 percent in 1980.[15] Furthermore, USDA projects that these trends will continue, with imports reaching 118 million pounds and accounting for nearly 19 percent of U.S. utilization by marketing year 1985.[16]

In large part because of imports, national marketing quotas for flue-cured tobacco were reduced in 4 of the last 6 crops years (1975–80) and had to be reduced a fifth time in 1981.[17] The marketing quota for the 1981 crop year, the most recent, had to be reduced 7.5 percent from the 1980 level because domestic supplies were considered excessive.[18] The 1981 quota level is 32 percent less than the 1975 level. This downward adjustment of annual marketing quotas caused in part by increased imports has had a negative effect on farm income. While the farm income objective of the program technically has been met through adjustment of the price-support levels, farm income undoubtedly is lower than it would otherwise have been because of the marketing quota reductions.[19]

Most of the imported flue-cured tobacco competes directly with lower quality, lower stalk domestic flue-cured tobacco, which accounts for the major portion of the domestic tobacco currently under loan from the 1975–80 crops.[20] USDA estimates the quantity of domestic flue-cured tobacco from the 1975–79 crops diverted into loan stocks because of imports at 169 million pounds (farm-sales weight), with a loan value of $198 million.[21] It projects additional displacement from the 1980 crop at 56 million pounds, with a loan value of $80 million, and future displacement for the next 5 marketing years (1981–85) at 414 million pounds, with a loan value of $833 million.[22] As of May 1, 1981, uncommitted flue-cured loan stocks from the 1975–80 crops amounted to 476 million pounds (farm-sales weight), representing principal and interest of about $682 million.[23] Although there have been several major sales in recent weeks by the CCC of lower quality, lower stalk tobacco from 1975–76 crop years under loan, it is too early to conclude that these sales represent a trend or basic change in the market situation.[24]

Import penetration is largely the result of lower import prices, which can eventually be translated into losses to the CCC under the program. After adjusting for quality differences, imported flue-cured tobacco is underselling similar domestic tobacco by 60 cents per pound, or by 30 percent.[25] Because tobacco is perishable over a period of time, it will be necessary for the tobacco under loan from the 1975–80 crops to be sold, probably at a substantial price discount, in order to prevent deterioration. USDA projects that the CCC will lose $34 million from the eventual sale of the 1975 crop and $123 million on the 1975–80 crops (including interest).[26] USDA estimates that the projected displacement of an additional 414 million pounds in crop

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years 1981–85 could cost the CCC an additional $100 million to $150 million.[27]

The price advantage of imports in combination with growing inventories of foreign flue-cured tobacco stores both in the United States and abroad make it practically certain that USDA's flue-cured tobacco program will continue to be interfered with for several years to come if no ceiling on import levels is set. During the last decade domestic stocks of foreign-grown flue-cured tobacco increased steadily from 14 million pounds in 1971 to 166 million pounds in 1980.[28] These stocks accounted for 8.3 percent of total stocks of domestic flue-cured tobacco on July 1, 1980, compared with 3.8 percent on July 1, 1978.[29] Furthermore, a recent study on tobacco by the World Bank shows that there is presently an abundance of low-quality filler grade flue-cured tobacco in world markets and that this abundance will continue for at least the next 4 to 5 years due to expanded production in Brazil, Korea, and Malawi.[30]

In summary, I have found, on the basis of increased and projected increases in imports, import penetration, stocks under loan in the program, and loan losses, that imports are materially interfering with USDA's flue-cured tobacco program. Further, I have found on the basis of the lower prices of imported flue-cured tobacco and the abundance of such tobacco in world markets, that imports of flue-cured tobacco are practically certain to continue to materially interfere with USDA's flue-cured tobacco program. I have found nothing in the information before me that convincingly refutes or rebuts the facts, figures, and projections provided by the Department of Agriculture.

Recommended relief.—I have considered the various relief proposals made by interested parties in this investigation and have concluded that the proposal made by the Department of Agriculture is the most appropriate in the present situation. Therefore, in order that the entry of flue-cured tobacco will no longer materially interfere with USDA's flue-cured tobacco program, I recommend that the President proclaim a quota restricting imports of flue-cured tobacco to an annual level of 72 million pounds, farm-sales weight (52 million pounds, declared weight). This level is equal to the average of estimated flue-cured tobacco imports for the period 1978–80, which I consider to be representative. I suggest that such a quota be applied on a global rather than a country-by-country basis.

I favor the USDA's proposed limitation for several reasons. First, it will halt the rapid increase in flue-cured tobacco imports and reduce them slightly (1980 marketing year imports were 84 million pounds, farm-sales weight, and 1981 imports are projected to be 76 million pounds). At the same time I feel that such a quota is unlikely to disrupt manufacturers' operations, cause domestic shortages, or adversely affect U.S. tobacco product exports. Second, I believe that a quota in this amount will reduce the likelihood that the CCC will be forced to sell the tobacco now under loan at a substantial loss. Third, such a quota should have little, if any, disrupting effect on world markets and therefore cannot serve as a basis for retaliatory action by any of our trading partners (the 1955 waiver under the General Agreement on Tariffs and Trade notwithstanding).

Because marketing conditions affecting an agricultural product like tobacco can change radically from year to year due to the weather and other factors, I suggest that any limitation be reviewed by the Department annually and that the Commission be asked to reevaluate the situation in 3 to 5 years in order to advise whether the quota should be modified or terminated.

*Burley tobacco*

As stated above, USDA's burley tobacco program is similar to its flue-cured tobacco program. A major difference, of course, is that growers of burley tobacco are not subject to an acreage allotment system.

Market conditions relevant to the flue-cured and burley tobacco programs are quite different. Burley tobacco has been in tight supply in world markets for the past 2 years, and the World Bank predicts that this situation is not likely to change much in the next 3 to 4 years.[31] Demand for U.S. burley tobacco is increasing both here and abroad.[32] Virtually no burley tobacco is presently under loan (an estimated 1.3 million pounds, farm-sales weight, was under loan in 1981, compared with 600 million pounds of flue-cured tobacco in 1981), and therefore there is no likelihood of significant losses to the CCC under that program in the foreseeable future.[33] Finally, the USDA, which administers the burley tobacco program and which therefore is the party most knowledgeable about its operations, is of the view that imports are not adversely affecting that program.[34]

Issued: August 21, 1981.

By order of the Commission:

KENNETH R. MASON,
*Secretary.*

FOOTNOTES

[1] Commissioner Bedell dissents in part. Commissioner Bedell finds that flue-cured tobacco, provided for in items 170.3210, 170.3500, 170.6040, and 170.8045 of the TSUSA, is being or is practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, the flue-cured tobacco program of the Department of Agriculture, or to reduce substantially the amount of any product being processed in the United States from such tobacco.

[2] The statute also includes a clause referring to products processed from agricultural commodities. This clause is more fully discussed below and in a memorandum to the Commission from the General Counsel (GC–E–197). Appendix H of the report.

[3] It is the view of Vice Chairman Calhoun that relief from prospective harm from imports may be provided if imports are practically certain to be imported under such conditions and in such quantities as to materially interfere with a program or if their importation is such as to tend to render ineffective a program.

[4] A thorough discussion of the distinctions between the programs may be found in Appendix H of the report (memorandum to the commission from the General Counsel, GC–E–196). Also, it is possible that small amounts of other types of tobacco which may be grown in the United States are included in some of the TSUSA categories mentioned in our notice of investigation. However, the best information available indicates that imports of those tobaccos are insignificant. Therefore, this investigation is only concerned with burley and flue-cured tobacco.

[5] This and other references to poundage in this opinion are in terms of farm-sales weight, the weight of tobacco when sold by the grower at auction. After processing and packing, the weight of tobacco is somewhat reduced. One pound packed weight is approximately equal to 1.4 pounds farm-sales weight.

[6] USDA has suggested that because total FCS-held stocks have been higher since 1977 than during the period 1973–76, material interference is occurring. However, these total FCS-held stocks comprise two categories of tobacco. These categories are 1) uncommitted stocks still available for sale and 2) committed stocks which are already sold on paper but have not yet been removed from FCS control. These latter stocks are, in effect, the same as privately held stocks, and they should not be considered still under loan.

[7] For example, in crop years 1977 and 1978 imports increased significantly while loan placements decreased from the preceding years. In 1980 imports declined while placements nearly doubled. See the tabulation on p. A–32 and table 4.

[8] The USDA study which presents this farm income data also found that, while the number of growers had decreased, the size of each farm increased. The income of growers is a stated purpose of the program, but stability in the number of farmers is not. Therefore, it is actually the income per farm which is most relevant to an examination of grower income, rather than the growth in total crop value.

[9] See memorandum to the Commission from the General Counsel, GC–E–197, Appendix H of the report.

[10] *See*, for example, my statement or statements in which I joined in investigation No. 22–42. Peanuts, USITC Publication 1124, January 1981, pp. 5–9; investigation No. 22–41, Sugar, USITC Publication 881, April 1978, pp. 14–16; investigation No. 22–40, Dried Milk Mixtures, USITC Publication 783, July 1976, pp. 8–9; investigation No. 22–39, Cheddar Cheese, TC Publication 653, March 1974, pp. 6–8; and investigation No. 22–38. Wheat and Wheat Milled Products, TC Publication 675, May 1974, pp. 8–10.

[11] See sec. 2 of the 1938 act and USDA testimony during the Commission hearing, transcript, p. 29.

[12] For more information on the program, see the report, pp. A–5A–10 and USDA hearing testimony, transcript, pp. 29–40.

[13] Report, p. A–27.

[14] Id.

[15] Id.

[16] Id., and hearing transcript, p. 32.

[17] Hearing transcript, p. 174.

[18] Id.

[19] Id, p. 171.

[20] Lower quality, lower stalk stocks are nevertheless quite salable. Cigarettes are made from blends of tobacco, and most blends include a considerable amount of lower quality, lower stalk tobacco.

Unlike most other agricultural products, tobacco is not quickly perishable. In fact, it is at its best after it has been aged for several years. It is not uncommon for tobacco to be held by cigarette manufacturers and other firms and by producer cooperative associations for several years before being used. However, after 5 or more years the tobacco begins to deteriorate, and it is not generally salable after 10 years. Thus, stocks under loan from the 1975–76 crop years are the ones of most immediate concern to USDA in managing the program because they are reaching the point where they will have to be sold. See report, pp. A–26–A–28.

[21] Report, p. A–28. USDA considers diversion or displacement to occur when imports exceed a penetration level of 3 percent. Thus, figures showing displacement used in this paragraph represent imports in exceess of 3 percent penetration. USDA's rationale for this figure is set forth on pp. 66–70 of the hearing transcript.

[22] Report, p. A–28.

[23] Id., p. A–29.

[24] Data concerning these recent sales is set forth in a memorandum from the staff to the Commission, dated July 31, 1981, memorandum No. INV–E–100.

[25] Report, pp. A–26–A–27.

[26] Hearing transcript, pp. 37–38; and report, p. A–29.

[27] Report, pp. A–30–A–31.

[28] Id., p. A–14.

[29] Id.

[30] World Bank, "Tobacco: Background Note on World Situation and Outlook," unpublished, Economic Analysis Department, 1981.

[31] Report, p. A–20.

[32] Id., p. A–25.

[33] Id., p. A–57.

[34] Hearing transcript, p. 81.

Mr. BENTSEN. Mr. President, I cannot vote for this farm bill. I will not support this bill because the vote for this farm bill as now written is the vote for an end to the American system of family farming.

American agriculture is in the worst financial condition since the Great Depression.

This bill turns over to the Secretary of Agriculture the discretionary authority to manage our farm programs for the next 4 years. However, it has been evident since the first Cabinet meeting of this new administration that the Secretary of Agriculture did not determine agricultural policy.

Agricultural policy for this administration is being set by the Secretary of State and is being set by the Director of the Office of Management and Budget. The decisions made today have in large part been detrimental to the best interest of the American farmer. The promise to end the grain embargo was finally honored only after a delay of over 3 months. Since then, decisions on export sales of U.S. farm products have consistently been manipulated in an attempt to achieve foreign policy objectives.

It is evident from the recent sale of butter to New Zealand that these negotiations, these attempts to use agriculture as a tool of our foreign policy, have been badly mishandled. The recent sale of butter to New Zealand was made at great expense to this country. The greatest expense was not any differences in the immediate sale price, but was the beating which our credibility took when the complete terms of this sale were revealed.

This sale was made on the condition that this butter not be resold to Russia. However, there is nothing in the sale contract to prevent this butter from being converted into butter oil and then being sold to Russia through that device. In addition, we have given New Zealand, a foreign country, complete control over any export sales of a vital American agricultural commodity for the next 6 months. On top of that, we have given New Zealand a lesser, but still very important, amount of control over these sales for an additional 6 months. A total of 1 year in which New Zealand will be in a position to determine our export sales policy for dairy products.

Mr. President, I do not believe, and the farmers of this country do not believe, that the Department of Agriculture will be willing and able to administer the farm program, a program over which they have almost complete discretion, in a fair and equitable manner unless the Office of Management and Budget is faced with the threat of large budget outlays as the price of failure to do so. This bill does not present such a threat and thus it will not work.

In addition, this bill is a slap at the American farmer. The American farmer has taken his share of budget cuts. The American farmer has taken tremendous cuts for the last 4 years. Last year the American farmer took a cut in his take home pay that amounted to almost 25 percent. This year, he is under a pay freeze. That cut will not be reversed because real net farm income will probably be no higher this year than it was last year. Last year was the lowest since 1934—the depth of the Great Depression.

Even though the farmer has taken his cut for 4 years he has taken additional cuts this year. The farm bill reported by the Senate Agriculture Committee represented a major cut for American agriculture. This cut was necessary in order to comply with the budget ceiling, so it was made.

Since then some very fast pencils have been hard at work. The cost estimates on this bill have been revised upward and the administration has used this new estimate to justify demanding further major cuts in the bill. Last week a majority of the Senate Committee on Agriculture agreed to make major cuts in this bill. They brought to the floor a compromise package which represented not one but two major cuts in our farm programs.

The administration is now telling us that even that is not enough. That the farmers of this country must take a third cut. Mr. President, I voted against that cut. Unfortunately, a majority of the Senate has capitulated to this pressure and has, so to speak, given up the farm.

Thousands of farmers will also have to "give up the farm" this year and next year as a result.

However, the Senator from Texas will not give up the farmers of Texas. For this Senator realizes that if we lose the American family farmer then we also lose the agricultural production system, a food supply which is the most dependable, economical, and highest quality in the world.

Mr. President, I am strongly opposed to passage of this bill. I will vote against it and I urge my colleagues to do likewise.

Mr. BURDICK. Mr. President, while there are parts of the bill, such as the sugar section, that merit support, the overall bill falls far short of what is needed to provide subsistence to the American farmer. This industry is vital to the health of the economy, and not only provides food and fiber for our citizens, but offsets much of our dollar drain in foreign markets. Farmers cannot survive, in this day of high interest and inflation under the terms of this bill.

Mr. President, American farmers are in trouble. The Senator from Oklahoma, Mr. BOREN, earlier pointed out that in 30 years time farmers have gone from the point where their annual net income approximately equaled their debt to the point where farmers' debt exceeds their annual net income by a factor of 10. That, Mr. President, is a telling statistic. Farmers, and all of rural America, have had to eat up their equity acquired through inflated land values. According to the USDA's own statistics, farmers in my State will lose money on nearly everything they have produced this year. Under this bill, farmers will be losing money again next year. We are facing a serious crisis in rural America.

The administration says farmers will do well in the free market and that the export market will save them. I am not that confident. The big boom in farm exports that began in the early 1970's really began with the decision to cut the dollar loose from the $35 per ounce gold standard. The resulting decline in the value of the dollar made our grain the world's best buy. Recently, the dollar has gained sharply. The USDA has already revised downward its estimates of exports because of the strengthening dollar.

Further, exports are not in our hands. There has to be a buyer first. I have been hearing for 20 years that the rapidly growing world population and growth in world food demand will soon outstrip our ability to meet it. It has not happened yet. I do not think it is likely to happen during the life of this bill unless there is a major disaster in some other major grain growing area of the world. If that happens, I have the gnawing fear that farmers who are asked to bear their losses now on the free market will not be permitted the free market to recover their losses during a short supply. They could instead face all manner of limitations and export control policies designed to ration available supplies at some low price. What they are asked to give up to the budget now, they will be asked to give up to inflation then.

If no crop disaster occurs during the next 4 years, farmers will simply not be able to wave a magic wand and increase exports enough to make an adequate adjustment in their incomes. There simply are not enough buyers yet.

Mr. President, the costs are too great to pass a bill that fails to meet the needs of our basic industry.

Mr. BAKER. Mr. President, I would like to take this opportunity to commend all of my colleagues who have worked so long and with great diligence to insure passage of the 1981 farm bill.

Reauthorizing farm programs for 4 years is never an easy task. Farming is an important industry in this country; the farm programs included in this legislation will have a significant impact on the American farmer as well as other segments of our society. Each commodity program has a unique complexion and yet, each program must be considered in light of the overall impact on farming in this country.

In addition to these factors, this year Congress has been faced with the realization that budget constraints had to be applied to farm programs along with all other Federal programs.

I would like to thank the Senate Agriculture Committee and its distinguished chairman (Mr. HELMS) and its distinguished ranking member (Mr. HUDDLESTON) for the long hours which they have devoted to this legislation.

It is my understanding that the committee held approximately 24 days of hearings on this bill and worked for over 3 weeks marking up its original recommendations. Countless other hours were spent fine tuning the committee compromise proposal.

It has taken the Senate 5 days to complete consideration of this bill. I would have ideally liked to have had completed passage earlier, but I believe that it is

vitally important that the Senate spend as much time as proved necessary. Without Senate action, the Department of Agriculture and the farm community would have been placed in the unfortunate position of returning to the Agriculture Act of 1949. Such action would have been costly to the Government and to the farmer.

I trust that Senate passage will allow the House of Representatives to take up this important legislation.

The farm bill entails consideration of a number of provisions which are uniquely fashioned with local and national repercussions. This legislation, perhaps more than many other bills which the Senate considers, requires each Senator's consideration or particular needs in his or her State as well as consideration of the entire agricultural community.

I believe that the action we have taken to meet these challenges exemplifies the very essence of the Senate's role as a deliberative body. This year we have had to anticipate the needs of our farmers with the additional constraints of budget considerations. We have considered amendments during the past week. There have been those Senators who have attempted to enhance various provisions. There have been others, like my colleague from Indiana (Mr. LUGAR), who have diligently attempted to hold fast to the administration's original request for major changes.

There were obviously some amendments which I did not support and which would have adversely impacted farmers from the State of Tennessee. In particular, amendments to the tobacco program would have had a devastating impact on tobacco farmers in my State. Every other Senator was faced with the same situation. I commend my colleagues for the manner in which the amendments have been considered and the particular needs have been addressed.

To paraphrase the distinguished Senator from Kansas (Mr. DOLE), whose leadership during the past days has been invaluable, the Senate has been able to move ahead with a bill and forge a compromise which I believe is in the best interest for farmers and the country.

I would also like to thank at this time, Mr. President, the distinguished minority leader (Mr. ROBERT C. BYRD) for his role in expediting Senate passage of this bill, and staff director George Dunlop, minority staff director Carl Rose and the entire committee staff.

The PRESIDING OFFICER. Are there any further amendments? If not, the question is on agreeing to the committee amendment, as modified and amended.

The committee amendment, as modified and amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. HELMS. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from New York (Mr. D'AMATO), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Nevada (Mr. LAXALT), the Senator from Alaska (Mr. MURKOWSKI), the Senator from Vermont (Mr. STAFFORD), the Senator from Idaho (Mr. SYMMS), the Senator from Texas (Mr. TOWER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I further announce that, if present and voting, the Senator from New York (Mr. D'AMATO), and the Senator from Texas (Mr. TOWER), would each vote "yea."

On this vote, the Senator from Idaho (Mr. SYMMS) is paired with the Senator from Pennsylvania (Mr. HEINZ).

If present and voting, the Senator from Idaho would vote "nay" and the Senator from Pennsylvania would vote "yea."

Mr. CRANSTON. I announce that the Senator from New Jersey (Mr. BRADLEY), the Senator from Arkansas (Mr. BUMPERS), the Senator from Florida (Mr. CHILES), the Senator from California (Mr. CRANSTON), the Senator from Connecticut (Mr. DODD), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Maine (Mr. MITCHELL), the Senator from Mississippi (Mr. STENNIS), and the Senator from Massachusetts (Mr. TSONGAS) are necessarily absent.

I further announce that, if present and voting, the Senator from Mississippi (Mr. STENNIS) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 49, nays 32, as follows:

[Rollcall Vote No. 273 Leg.]

YEAS—49

| | | |
|---|---|---|
| Abdnor | East | McClure |
| Andrews | Ford | Nickles |
| Armstrong | Glenn | Packwood |
| Baker | Gorton | Percy |
| Boschwitz | Grassley | Pressler |
| Byrd, Harry F., Jr. | Hatch | Quayle |
| Byrd, Robert C. | Hatfield | Randolph |
| Cannon | Hawkins | Rudman |
| Cochran | Hayakawa | Sasser |
| Cohen | Helms | Schmitt |
| Danforth | Huddleston | Simpson |
| Denton | Jepsen | Specter |
| Dixon | Kassebaum | Stevens |
| Dole | Long | Thurmond |
| Domenici | Lugar | Wallop |
| Durenberger | Matsunaga | Warner |
| | Mattingly | |

NAYS—32

| | | |
|---|---|---|
| Baucus | Hart | Moynihan |
| Bentsen | Heflin | Nunn |
| Biden | Humphrey | Pell |
| Boren | Jackson | Proxmire |
| Burdick | Kasten | Pryor |
| Chafee | Kennedy | Riegle |
| DeConcini | Leahy | Roth |
| Eagleton | Levin | Sarbanes |
| Exon | Mathias | Williams |
| Garn | Melcher | Zorinsky |
| Goldwater | Metzenbaum | |

NOT VOTING—19

| | | |
|---|---|---|
| Bradley | Hollings | Stennis |
| Bumpers | Inouye | Symms |
| Chiles | Johnston | Tower |
| Cranston | Laxalt | Tsongas |
| D'Amato | Mitchell | Weicker |
| Dodd | Murkowski | |
| Heinz | Stafford | |

So the bill (S. 884, as modified and amended) was passed.

[The text of the bill as modified amended, and passed is printed at the conclusion of today's proceedings.]

See pages 21290a thru 21290ll.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, needless to say, I am glad that this hour has arrived. This has been a hard week for all Senators, but I have been so impressed with the good humor of Senators as they debated difficult issues. I do not think there is a Senator in this Chamber who participated in the debate or cast a vote who did not find some problem with the legislation.

The bill certainly is not entirely satisfactory to everybody, but with so many commodities involved and such complicated aspects in each of the commodities, plus the budgetary restraints which were upon us for the first time that a farm bill has ever been reported out of a committee or passed by the Senate, I think the Senate can be proud of the work that it has done.

Mr. President, I am deeply grateful to the distinguished Senator from Kentucky, the able ranking minority member of the Agriculture Committee. No chairman ever had a finer ranking member with whom to work than DEE HUDDLESTON. I want him to know that he has my admiration and respect.

The consideration has been a lengthy and arduous task for all Senators. I am grateful to my colleagues for their patience and their helpful attention to the detail of trying to handle this legislation covering the Nation's farm commodity programs.

Mr. President, I wish to commend the staff of the Committee on Agriculture, Nutrition, and Forestry for the professional manner in which they handled the myriad of details. If you just pick up the report on this bill and look through it, you will see the enormous amount of work that was done.

The staff of the committee began its work on this bill more than a year ago. The staff from offices of all members of the committee began to coordinate closely that process the beginning of this year. I could not be more pleased, Mr. President, with the successful way that they offered their cooperation and their dedication working to the advantage of the Senate, the farmers, and the consumers.

I wish to emphasize in a very special way the bipartisan nature of this cooperation, both among the Senators and the staff. This has always been a tradi-

tion of the Senate Agriculture Committee and one in which Senator HUDDLESTON and I are pledged to continue.

Specifically, Mr. President, I wish to express my appreciation to George Dunlop, the chief of staff of the committee; Bob Franks, general counsel, who is, in my judgment, the most able agriculture lawyer anywhere; Carl Rose, my fellow North Carolinian, counsel to the minority; Bill Bailey, committee economist; and all the rest of the fine young people on the committee staff who have, each and every one, devoted the longest conceivable hours in the production of this legislation. Tom Clark is committee deputy counsel, and his contribution to this bill and its many amendments is deeply appreciated. Also, I thank Ron Wilson whose coordination with other Senators staffs and commodity organization was most helpful.

In all, there are some 34 committee staff—the smallest staff of any in the Senate—who deserve thanks and these I have named are but a few.

Again, I offer my special thanks to Senator HUDDLESTON and to Tom Little of his staff.

Senator DOLE—what a magnificent job he did. He took some tough stands. Without Senator DOLE and his efforts on this floor, I am not sure that we would be anywhere close to the passage of this bill. He has been outstanding.

Mr. President, I also commend Mr. John Gordley with Senator DOLE. I also commend Senator THAD COCHRAN and Mr. Wayne Boutwell, of his staff, for his outstanding professional contribution to the entire process.

Finally, Mr. President, I want to thank the Secretary of Agriculture, John Block, for the countless hours he has spent near the Chamber to help work out a myriad of details.

Two of his most able aides, Assistant Secretary for Economics Bill Lesher and his legislative coordinator, Randy Russell, are alumni of the Agriculture Committee. I thank all concerned.

Now, Mr. President, after a week, I say "Whoopee," and yield the floor.

Mr. DOLE. I want to express my thanks to the chairman for his leadership in the past several months, the distinguished Senator from Kentucky, Senator HUDDLESTON, and everyone else on our committee. We have an outstanding staff, and we have outstanding people on our personal staffs who have worked with the chairman's staff. I think we have put together a pretty good product. I thank the distinguished Senator from North Carolina for letting me participate because it was an opportunity.

It is my view now that we have a bill that will be signed by the President. That is due to the patience, I think, of the Senator from North Carolina more than anything else the rest of us may have done. I thank the Senator.

Mr. HELMS. I thank the Senator.

Mr. THURMOND. Will the Senator yield?

Mr. HELMS. Certainly.

Mr. THURMOND. Mr. President, I would like to take this opportunity to commend the able Senator from North Carolina, Senator JESSE HELMS, for the outstanding leadership that he provided in preparing a sound farm bill to bring to the Senate and on the manner in which he has handled that bill on the floor of the Senate.

I have seen in past years when agriculture bills have been brought before the Senate great divisions, a tremendous amount of time consumed, and ill feeling incurred. I think this bill probably has brought forth less division, more unity, and more satisfaction than any since I have been in the Senate.

I just want to commend the able Senator from North Carolina for the great job he has done and the splendid manner in which he has handled this bill.

I would also commend the able Senator from Kentucky, Senator DEE HUDDLESTON, for the fine job he did in working with the chairman.

Senator HUDDLESTON is well versed on agricultural matters, and he has proved to be a very competent person in this field.

I also commend Senator DOLE who was the ranking minority member last year, for the contributions he made to the passage of this bill.

This bill is not everything we want. I think today the farmers are the forgotten segment of the population of America.

This bill is as good a bill as I feel we could have gotten from the Senate this year.

Again, I commend the chairman and others who played such a vital part in the passage of this legislation.

Mr. HELMS. Mr. President, I thank the distinguished Senator from South Carolina. I yield the floor.

Mr. SIMPSON. Mr. President, I, too, join in commending the floor managers for their leadership on this bill, even though I slipped on a few votes with regard to tobacco. I greatly appreciate what these fine Senators have done.

## ROUTINE MORNING BUSINESS

(The following routine morning business was transacted during the day:)

## MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

## EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate a message from the President of the United States submitting a sundry nomination which was referred to the Committee on Environment and Public Works.

(The nominations received today are printed at the end of the Senate proceedings.)

## SECOND ANNUAL REPORT OF THE FEDERAL LABOR RELATIONS AUTHORITY—MESSAGE FROM THE PRESIDENT—PM 78

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Governmental Affairs:

*To the Congress of the United States:*

In accordance with the Civil Service Reform Act of 1978 (P.L. 95–454, Sec. 701) (5 U.S.C. 7104(e)), I hereby transmit the Second Annual Report of the Federal Labor Relations Authority for the Fiscal Year ended September 30, 1980.

RONALD REAGAN.

THE WHITE HOUSE, *September 18, 1981.*

## EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1952. A communication from the Director of the Defense Security Agency, transmitting, pursuant to law, a report on a proposed foreign military sale to the United Arab Emirates; to the Committee on Armed Services.

EC–1953. A communication from the Director of the Defense Security Assistance Agency transmitting, pursuant to law, a report on a proposed foreign military sale to Tunisia; to the Committee on Armed Services.

EC–1954. A communication from the Under Secretary of the Interior transmitting, pursuant to law, notice of an oil and gas lease sale to be held on October 20, 1981; to the Committee on Energy and Natural Resources.

EC–1955. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report and summary entitled "Billions of Dollars Are Involved in Taxation of the Life Insurance Industry—Some Corrections in the Law Are Needed"; to the Committee on Finance.

EC–1956. A communication from the Associate Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a report on the case of a certain alien found admissible to the United States under section 212 (a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

## PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–424. A resolution adopted by the New York State Department of the Polish Legion American Veterans, relating to programs and benefits for veterans; to the Committee on Veterans' Affairs.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute, and an amendment to the title:

S. 929. A bill to amend the Communications Act of 1934 to provide for improved administration of the amateur radio service and private land mobile and fixed services by the Federal Communications Commission, to address the problem of radio-frequency interference to certain electronic equipment, to permit volunteer assistance to the Federal Communications Commission in the area of

examinations, licensing, and enforcement in the amateur radio service, and for other purposes (Rept. No. 97–191).

By Mr. ROTH, from the Committee on Governmental Affairs, with an amendment in the nature of a substitute:

S. 1080. A bill to amend the Administrative Procedure Act to require Federal agencies to analyze the effects of rules to improve their effectiveness and to decrease their compliance costs; to provide for a periodic review of regulations, and for other purposes.

## EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary:

Report to accompany the nomination of Sandra Day O'Connor, to be an Associate Justice of the Supreme Court of the United States (together with additional, supplemental, and separate views) (Ex. Rept. 97–22).

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. THURMOND (for himself, Mr. HATCH, Mr. KENNEDY, Mr. DENTON, Mr. LAXALT, and Mr. SPECTER):

S. 1639. A bill to amend chapter 209 of title 18, United State Code, relating to extradition, and for other purposes; to the Committee on the Judiciary.

By Mr. THURMOND:

S. 1640. A bill to amend certain provisions of title 18, United States Code, relating to the procedures for interception of wire or oral communications; to the Committee on the Judiciary.

By Mr. GRASSLEY:

S. 1641. A bill to extend the Reed Act and to authorize the designation of funds in State accounts as Reed Act funds in certain circumstances; to the Committee on Finance.

By Mr. HEINZ (for himself and Mr. D'AMATO):

S. 1642. A bill to amend the Internal Revenue Code of 1954 to provide a partial interest exclusion for taxable years beginning in 1983 or 1984; to the Committee on Finance.

By Mr. HART:

S. 1643. A bill to provide minimum standards under which State workers' compensation laws will provide prompt, adequate, exclusive, and equitable compensation for occupational diseases or death resulting from exposure to asbestos, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. MOYNIHAN:

S. 1644. A bill to amend the Internal Revenue Code to allow an investment tax credit for theatrical productions; to the Committee on Finance.

S. 1645. A bill to let funds in individual retirement accounts be used to purchase collectibles; to the Committee on Finance.

S. 1646. A bill to establish a Reconstruction Finance Corporation; to the Committee on Banking, Housing, and Urban Affairs.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. THURMOND (for himself, Mr. HATCH, Mr. KENNEDY, Mr. DENTON, Mr. LAXALT, and Mr. SPECTER):

S. 1639. A bill to amend chapter 209 of title 18, United States Code, relating to extradition, and for other purposes; to the Committee on the Judiciary.

(The remarks of Mr. THURMOND on this legislation appear earlier in today's RECORD.)

By Mr. THURMOND:

S. 1640. A bill to amend certain provisions of title 18, United States Code, relating to the procedures for interception of wire or oral communications; to the Committee on the Judiciary.

(The remarks of Mr. THURMOND on this legislation appear earlier in today's RECORD.)

By Mr. GRASSLEY:

S. 1641. A bill to extend the Reed Act and to authorize the designation of funds in State accounts as Reed Act funds in certain circumstances; to the Committee on Finance.

### REED ACT EXTENSION

● Mr. GRASSLEY. Mr. President, at the request of the Job Service of Iowa I am introducing legislation to extend section 903 of the Social Security Act for an additional 10 years.

Section 903, commonly referred to as the Reed Act, was added to the Social Security Act in 1954. It provides for the transfer of Federal unemployment tax moneys to individual State accounts when all other Federal Unemployment Tax Act—FUTA—accounts have reached their statutory limits, all advances have been repaid, and an excess is available. There have only been excess funds three times since passage of the Reed Act—in 1956, 1957, and 1958. Deposits totaling $138 million were distributed among the States on June 30 of each of those years.

Reed Act funds may be used by the States either to pay unemployment benefits or, with the approval of the State legislature, for administrative purposes. Many States have used Reed Act funds for major capital purchases, primarily of premises. These investments have resulted in substantial cost savings to the employment security system in terms of reduced expenditures for leasing facilities.

Originally, the use of Reed Act funds for administrative expenses was limited to 5 years from the date of distribution. Congress has extended the limit three times. Until legislation is passed to extend the time limit again, funds credited to State Reed Act accounts on June 30, 1956, will no longer be available for administrative purposes. Extension of the time period is also necessary so that amounts credited to State accounts in 1957 and 1958 will remain available for administrative purposes.

This legislation would also allow States to restore Reed Act funds expended as a condition of borrowing from the Federal Government. States that have depleted their own unemployment funds may borrow from the Federal Government. Before qualifying for Federal loans, however, they must use available Reed Act funds to pay unemployment benefits. Under current practice, the only way for States to restore expended Reed Act funds is through amortization of real estate purchases. Thus, those States that have been forced to use Reed Act funds to pay benefits as a condition of receiving Federal loans may no longer use those funds for administrative purposes.

Approximately $25 million is available among the Reed Act accounts of 33 States. Without objection, I request that a table showing Reed Act balances by State appear at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

STATE REED ACCOUNT BALANCES

| State | Balance Mar. 31, 1981 |
|---|---|
| Alabama | 187,000 |
| Alaska | 187,000 |
| Arizona | 470,000 |
| Arkansas | |
| California | 3,703,000 |
| Colorado | 1,024,000 |
| Connecticut | |
| Delaware | |
| District of Columbia | |
| Florida | |
| Georgia | 147,000 |
| Hawaii | 87,000 |
| Idaho | |
| Illinios | |
| Indiana | 481,000 |
| Iowa | 765,000 |
| Kansas | 1,114,000 |
| Kentucky | |
| Louisiana | 1,403,000 |
| Maine | |
| Maryland | 527,000 |
| Massachusetts | |
| Michigan | |
| Minnesota | 109,000 |
| Mississippi | 329,000 |
| Missouri | 756,000 |
| Montana | 92,000 |
| Nebraska | 546,000 |
| Nevada | |
| New Hampshire | 472,000 |
| New Jersey | |
| New Mexico | 572,000 |
| New York | 392,000 |
| North Carolina | 2,545,000 |
| North Dakota | 223,000 |
| Ohio | |
| Oklahoma | 1,231,000 |
| Oregon | 362,000 |
| Pennsylvania | |
| Puerto Rico | |
| Rhode Island | |
| South Carolina | 613,000 |
| South Dakota | 209,000 |
| Tennessee | 882,000 |
| Texas | 1,518,000 |
| Utah | 547,000 |
| Vermont | |
| Virginia | 811,000 |
| Virgin Islands | |
| Washington | 813,000 |
| West Virginia | |
| Wisconsin | 1,561,000 |
| Wyoming | 207,000 |
| Total | 24,885,000 |

Source: U.S. Department of Labor records available Mar. 31, 1981.

Mr. GRASSLEY. Mr. President, over the years, Reed Act funds have been an important source of discretionary funds for the States. The legislation I am introducing will make it possible for the States to continue to exercise that discretion, but will not affect Federal budget totals, since the funds remain a part of trust fund accounts whether they are used for administrative purposes or to pay benefits.

Mr. President, I ask unanimous consent that the text of the bill appear at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1641

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a)

section 903(c)(2) of the Social Security Act is amended by—

(1) striking out "twenty-four" wherever it appears and inserting in lieu thereof "thirty-four"; and

(2) striking out "twenty-fourth" and inserting in lieu thereof "thirty-fourth".

(b) Section 1202 of the Social Security Act is amended by—

(1) designating the paragraph currently contained in this section as subsection (a);

(2) adding the following new subsection:

"(b) Upon repayment of all advances made to a State pursuant to section 1201 of this Act, and upon a request from the Governor of that State, the Secretary of Labor shall designate as funds transferred pursuant to section 903 of this Act an amount in the account of the State not to exceed the aggregate amount of funds transferred to the State pursuant to section 903 and expended to pay unemployment benefits in order for the State to qualify for advances pursuant to section 1201."●

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By Mr. HEINZ (for himself and Mr. D'AMATO):

S. 1642. A bill to amend the Internal Revenue Code of 1954 to provide a partial interest exclusion for taxable years beginning in 1983 or 1984; to the Committee on Finance.

SMALL SAVERS INCENTIVE ACT

● Mr. HEINZ. Mr. President, I am introducing a bill today, along with my distinguished colleague from New York Senator ALFONSE D'AMATO, called the Small Savers Incentive Act. This legislation is important to both small savers and this country's savings institutions.

As a result of the tax legislation recently passed there will be a 2-year period from January 1, 1983, through January 1, 1985, during which there will be no incentive for new investments at savings institutions. The all savers certificates program will have ended and no new incentive will exist until the onset of a $450 ($900 for joint returns) exemption for interest income beginning in 1985.

The willingness of Americans to save for their own future and to invest in the future of this Nation has always been an engine of economic progress. Since World War II, family savings have provided for the construction of 57 million units of housing, the creation of millions of jobs and billions of dollars of production.

The importance of family savings to the economic health of this country was a fundamental reason for the tax cuts we enacted. Major disincentives to savings were removed, but there is still more work to be done.

I am therefore introducing the Small Savers Incentive Act which provides for an exclusion from taxes of $200 ($400 for joint returns) of annual interest income for that period between January 1, 1983 and December 31, 1984. It is vital that the gap left by the recent tax legislation be filled and the flow of new savings be uninterrupted.

I would also like to take this opportunity to commend my dear colleague, Senator ALFONSE D'AMATO, for his early and devoted support of incentives for small savers. Since his first days in office he has been a champion of this cause and a staunch defender of "the little guy." We both look forward to the support of our respected colleagues.●

By Mr. HART:

S. 1643. A bill to provide minimum standards under which State workers' compensation laws will provide prompt, adequate, exclusive, and equitable compensation for occupational diseases or death resulting from exposure to asbestos, and for other purposes; to the Committee on Labor and Human Resources.

ASBESTOS HEALTH HAZARDS COMPENSATION ACT OF 1981

● Mr. HART. Mr. President, today I am reintroducing legislation which I hope will serve as a starting point in Congress effort to develop a fair and adequate compensation system for victims of occupational disease. Reform of our Nation's workers compensation system has been studied and thoroughly debated for the last decade.

Nearly everyone who has examined the system has agreed that it is inadequate, ineffective, inequitable, and in serious need of reform. In no case is this more true than with State and Federal workers' compensation statutes for asbestos-related disease.

This legislation attempts to take only the first step toward developing a system that quickly distributes compensation benefits to asbestos disease victims and fairly apportions the costs of such benefits among all responsible parties.

It provides a mechanism by which asbestos manufacturers, distributors, other segments of the asbestos industry, and the Federal Government can contribute substantially to the compensation of workers disabled by an asbestos-related disease.

The specific details of the bill are of less importance than the effort to solve a real and growing problem. I welcome any constructive contributions which may be offered and I intend to continue to work closely with Representative GEORGE MILLER, chairman of the House Labor Standards Subcommittee, on the even more important effort to develop alternatives to the present inadequate compensation system for occupation disease in general.

I am firmly committed, however, to developing some type of legislative remedy that will establish a more uniform, comprehensive and equitable means of compensating workers disabled by asbestos-related disease. I am confident that working together, with the benefit of Representative MILLER's leadership, we can make substantial progress toward this goal.

Mr. President, last year the Senate Committee on Labor and Human Resources held 2 days of hearings on legislation to provide compensation benefits to asbestos disease victims. During those hearings and since that time, a broad consensus has emerged in favor of developing a legislative remedy to insure asbestos workers disabled by an asbestos-related disease are equitably compensated.

It is clear from the record we established in those hearings that State workers' compensation laws are inadequate. It is also clear that litigation is not the answer. Let me outline the clear and compelling arguments for the legislative remedy we have devised and then describe it.

There are almost 2 million workers who are either severely or partially disabled from an occupationally related disease. One-third of these occupational disease victims suffer long-term total disability.

Only 5 percent of those severely disabled from an occupational disease receive workers' compensation benefits, partly because of the difficulties involved in establishing the work relatedness of disabling illnesses.

On average, a disabled worker with an occupational disease waits a year before receiving the first payment of compensation benefits. By comparison, work-injury cases are settled in an average of 2 months.

Sixty percent of all occupational disease awards are initially denied, while only ten percent of the injury awards receive similar treatment.

A worker who becomes totally disabled for life from an occupational disease and who is able to prove that the disability is linked to the workplace receives, on average, about $9,700 in total compensation benefits compared to expected future earnings of $77,000. This implies that workers' compensation benefits replace about one-eighth of lost wages.

Mr. President, the most prevalent and often the most debilitating occupational diseases afflicting American workers today, and a principal cause of the skyrocketing occupational disease rate, are those produced by occupational exposure to asbestos. Asbestos-related diseases are the most prevalent form of occupational disease because asbestos permeates our environment.

Over 3,000 products commonly found in the home and working environment contain asbestos, including electrical insulation, brakedrums, wall and ceiling board, potholders and pipes, just to name a few. One of its most extensive uses, and the source of much of the occupational disease today, is as insulation in ships.

The full consequences of occupational exposure to asbestos in the United States have just begun to be recognized in the last few years. According to estimates made by the Department of Health, Education, and Welfare, between 8 and 11 million workers have been exposed to asbestos in the Uinted States since the beginning of World War II.

The National Institute of Occupational Safety and Health believes more than 4 million of these workers were exposed to asbestos in shipyards during the Second World War.

Because of the long-latency period for asbestos-related disease, between 15 and 40 years, it is only now that many of these workers are becoming disabled and the incidence of occupational disability is climbing at such an alarming rate. In many ways, asbestos disease is a hidden cost of World War II for which many American workers are still paying.

Of the 4 million heavily exposed workers in the United States, approximately 1.6 million are expected to die of an asbestos-related disease. Since most of these cancers will be manifest in the next 30 to 35 years, the expected average number of cancers attributed to asbestos per year will average about 67,000. Such

numbers would represent about 17 percent of all cancers detected annually in the United States.

Mr. President, clearly these frightening statistics make this one of the most serious health issues to come before this Congress. Because of the inadequacies and inequities of existing mechanisms for compensation of occupational disease, it is essential that Congress develop a legislative remedy.

Under current law, workers who are disabled by an asbestos-related disease have no adequate way of obtaining necessary compensation for lost wages. Workers' compensation levels vary from State to State due to different statutes, and the benefits for occupational disease continue to be inadequate.

Most State workers' compensation statutes contain artificial barriers to compensation, such as medically impractical time periods, or other time-related restrictions such as unrealistic statutes of limitation on occupational disease or asbestos cases which prevent asbestos victims and their families from obtaining the compensation they need and deserve.

Because workers' compensation is so poor, many workers go to court in an effort to win product liability lawsuits against asbestos manufacturers so they may obtain compensation that way.

This route, however, has also proved to be unfair and inadequate. Court battles are long and expensive and are sometimes decided on the basis of legal technicalities. Also, as former U.S. Representative Robert Sweeney, now a plaintiff's attorney, testified before the House Subcommittee on Labor Standards:

> The level of litigation . . . is so high that the judicial system literally has no means to accommodate all the suits that are anticipated to be filed.

The experience of the last 5 years demonstrates that with respect to occupational disease claims, the product liability lawsuit is as inadequate, unfair, and unsatisfactory a means of attempting to compensate workers with asbestos-related disease as are the various State workers' compensation programs.

Even when workers are willing to bear the expense of litigating, they have often been disappointed. Over the last few years, plaintiffs and defendants have prevailed in about an equal number of cases.

Thus, in about one-half of the asbestos cases that have been tried, the worker or the worker's family received nothing. And even in those cases in which the workers win, a substantial amount of the award may go to attorneys fees and court costs.

Mr. President, my legislation represents an important beginning in the effort to develop the legislative remedy which all parties who have been involved with asbestos disease and compensation have agreed we need.

Let me describe in brief the major provisions of my bill.

First, the bill establishes Federal minimum standards to be applied in determining workers compensation for asbestos-related disease. These standards are designed to eliminate the artificial barriers in most States' statutes which prevent compensation for asbestos disease, and to insure such compensation is meaningful. The most significant of these standards include provisions to:

Provide that compensation for total disability or death due to an asbestos-related disease shall not be less than 66⅔ percent of the claimant's average;

Provide that similar compensation shall exist for partial disability;

Provide that compensation shall be increased based on the size of the claimant's family;

Provide that benefits shall be indexed on the basis of changes in the wage scale of the job which the claimant held;

Provide that responsible parties shall pay for medical and rehabilitation benefits;

Provide that benefits shall be paid for the duration of the disability or for the life of the claimant without limitation to the dollar amount or the period of payment; and

Provide that benefits shall not be offset by any other benefits paid to claimants, nor be considered as income for tax purposes.

Mr. President, it is voluntary for the States to follow these minimum standards. However, if a State or Federal workers' compensation agency fails to award compensation at least equivalent to the compensation prescribed by this bill, a claimant will be able to file a petition for review of the State or Federal workers' compensation agency award with the Benefits Review Board established by the Longshoremen's and Harbor Workers Compensation Act.

That board will have the power to order an employer to pay the appropriate level of compensation according to the standards established in the bill.

In addition to the minimum standards established by this legislation, the bill includes provisions which will allow for the employer who pays a workers' compensation award to bring other responsible parties, including the asbestos industry and the Federal Government, into the State workers' compensation proceeding to determine the amount they should contribute to the compensation.

Naturally, two vital concerns of everyone involved in asbestos disease compensation are responsibility and amount. In this regard, the bill establishes a commission of Government, health, labor, and industry experts to develop the criteria, which Congress will have an opportunity to approve, by which the State workers' compensation board will make determinations regarding the contributions of the various responsible parties.

The single strongest feature of this legislation is based on the principle that responsible parties will pay their responsible share, no more and no less. This bill insures that both the asbestos industry and the Federal Government will play a meaningful role in any compensation scheme.

Finally, this bill provides that the workers' compensation scheme established will be the sole and exclusive remedy for those seeking compensation for asbestos-related disease. This will put an end to the massive litigation that has served neither plaintiff nor defendant well over the last 5 years, and which would be guaranteed to continue on an even larger scale in the absence of this legislation.

Mr. President, I will work with the members of the Senate Labor and Human Resources Committee and any other Members of this body who are anxious and willing to develop a solution to the complex problem of providing compensation for asbestos-related disease.

Working together, I am confident we can develop a solution which will insure prompt, equitable, and comprehensive compensation for workers who have nowhere else to turn. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1643

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, this Act may be cited as the "Asbestos Health Hazards Compensation Act of 1981."

FINDINGS AND PURPOSE

SECTION 1. (a) The Congress finds that—

(1) a significant number of people suffer disability or death or both from occupational diseases caused by the inhalation or ingestion of asbestos;

(2) members of households of persons who are occupationally exposed to asbestos may suffer from asbestos-related disease;

(3) asbestos-related diseases occur among individuals employed in both the private sector and public sector;

(4) diseases arising from exposure to asbestos constitute a substantial burden upon interstate commerce and have an adverse effect on the public welfare;

(5) diseased and disabled workers and their survivors deserve, and the public interest will be best served by prompt, adequate, exclusive, and equitable compensation;

(6) the primary method for providing such compensation, State laws governing occupational disease and disability, do not in many cases provide prompt, adequate, exclusive, and equitable compensation;

(7) all parties responsible directly or indirectly for the occurrence of occupational asbestos disease, including, but not limited to, the Federal Government and the asbestos industry, should participate in the compensation of individuals who suffer as a result of exposure from such disease;

(8) such participation should be in an equitable manner and should be the exclusive remedy for those suffering from an occupational asbestos disease; and

(9) an incremental approach, beginning with the model program authorized by this Act for the compensation of asbestos-related occupational disease and disabiilty, may advance an objective of uniform minimum standards for State workers' compensation laws governing occupational disease.

(b) It is the purpose of this Act—

(1) to establish minimum standards by which State and Federal workers' compensation laws shall provide prompt, adequate, exclusive, and equitable compensation to any—

(A) person disabled by disease resulting from occupational exposure to asbestos;

(B) person disabled by an asbestos-related disease resulting from the occupational exposure to asbestos of a member of such person's household;

(C) dependent of a deceased person whose death from an asbestos-related disease results from the occupational exposure to asbestos of the deceased person himself or of some member of the deceased person's household.

(2) to provide a mechanism under which all responsible parties, including, but not limited to, the Federal Government and the asbestos industry, equitably share the cost of such compensation.

DEFINITIONS

SEC. 2. As used in this Act—

(1) The term "asbestos" means chrysotile, amosite, and crocidolite and when they occur in ribrous form, tremolite, anthrophyllite, and actinolite.

(2) The term "asbestos-related diseases" means asbestosis, mesothelioma of the pleura or peritoneum causally related to asbestos exposure, bronchogenic cancer, causally related to asbestos exposure, cor pulmonale related to asbestosis, or any other disease which the Secretary determines by a preponderance of medical and scientific evidence results from exposure to asbestos, and adds to the above list by regulation: *Provided*, That in promulgating any regulation adding to, altering, or amending the list of asbestos-related diseases as defined herein the Secretary shall comply with the rulemaking requirements of section 553 of title 5, United States Code, and the hearing requirements of sections 556 and 557 of title 5, United States Code. These sections shall apply as if the Secretary were the agency referred to therein.

(3) The term "claimant" means an individual who is eligible to seek compensation under this Act, as set forth in section 1(b)(1).

(4) The term "affected person" means—

(A) a person disabled by an asbestos-related disease resulting from occupational exposure to asbestos;

(B) a person disabled by an asbestos-related disease resulting from the occupational exposure to asbestos of a member of such person's household; and

(C) a deceased person whose death from an asbestos-related disease results from occupational exposure of the deceased person himself or of some member of the deceased person's household.

(5) The term "child" means a natural or adopted child or a stepchild who—

(A) is unmarried; and

(B)(i) has not attained eighteen years of age; or

(ii) is under a disability as defined in section 223(d) of the Social Security Act which began before the age specified in section 202(d)(1)(B)(ii) of the Social Security Act or, in the case of a student, before he ceased to be a student; or

(iii) is a student.

(6) The term "compensation" means money or services made available under any applicable State or Federal workers' compensation law or pursuant to this Act to a claimant, including medical and rehabilitation services designed by the State or Federal agency carrying out the applicable State or Federal workers' compensation law.

(7) The term "dependent" means—

(A) a child of an affected person; and

(B) a wife who is a member of the same household as the affected person or is receiving regular contributions from the affected person for her support or whose husband is an affected person who has been ordered by a court to contribute to her support or who meets the requirements of section 216(b)(1) or (2) of the Social Security Act, or in the case of an individual who is a wife of a minor, the determination shall be made in accordance with section 216(h)(1) of the Social Security Act as if the affected person were an insured individual referred to in that Act, and such term also includes a divorced wife as defined in section 216(b)(1) of the Social Security Act who is receiving at least one-half of her support as determined in accordance with regulations prescribed by the Secretary from the affected person or is receiving substantial contributions from the affected person (pursuant to a written agreement), or there is in effect a court order for substantial contribution to her support from such affected persons.

(8) The term "total disability" has the meaning given it by the regulation of the Secretary. Such regulation shall provide that an affected person shall be considered totally disabled when by reason of an asbestos-related disease his prior level of earnings had decreased 60 per centum.

For purposes of this definition, an affected person's prior level of earnings shall be his average annual earnings over the highest three of the last five years preceding his application for benefits under this Act. The level of earnings of an affected person who has not been employed within that period shall be measured by his earning capacity as if he were not disabled.

(9) The term "partial disability" means a condition that results in less than total disability as defined in this Act.

(10) The term "responsible party" in each case shall include any corporation, partnership, individual, joint venture or any other entity which with regard to the specific affected person involved—

(A)(i) employs or employed the claimant or claimant's decedent filing a claim under this Act who has been occupationally exposed to asbestos during such employment, or employs or employed a member of the affected person's household who has been occupationally exposed to asbestos during such employment; or

(ii) engages or has engaged in the mining, or manufacture or sale, excluding sales wherein the seller supplies an asbestos-containing product to a buyer who then brands or re-brands the product and subsequently sell or otherwise introduces the product into the stream of commerce, or import for sale or distribution of asbestos fiber or any product or substance containing asbestos which, by weight of reasonable scientific evidence, is determined to contribute to the incidence of asbestos-related disease, disability, or death; and

(B) is determined by a State or Federal workers' compensation agency to have contributed to the occupationally related asbestos-related disease or death or whose products so contributed to asbestos-related disease or death for which compensation may be paid under this Act.

The term "responsible party" may include the Federal Government, any State, or any public agency or a political subdivision of such Federal or State government regardless of whether such Government or agency qualifies under subparagraph (A) of this section.

(11) The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

(12) The term "State workers' compensation agency" means an agency, court, or official designated in each State as responsible for the administration or enforcement of the workers' compensation laws of that State.

(13) The term "Federal workers' compensation agency" means an agency, court, or official designated by the Federal Government as responsible for the administration or enforcement of the Federal workers' compensation laws.

(14) The term "employee" means any individual employed by his or her employer or any individual who is treated as an employee for purposes of the workers' compensation law of any State or any Federal workers' compensation law, and for purposes of this Act shall include members of the household of employees occupationally exposed to asbestos.

(15) The term "State workers' compensation laws" means the laws of each State which provide compensation for death and disability resulting from occupational diseases.

(16) The term "Federal workers' compensation laws" means the laws of the Federal Government which provide compensation for death and disability resulting from occupational diseases.

(17) The term "student" means a full-time student as defined in section 202(d)(7) of the Social Security Act, or a student as defined in section 8101(17) of title 5, United States Code.

(18) The term "Secretary" means the Secretary of Labor.

(19) The term "widow" includes the wife living with or dependent for support on the affected person at the time of his death, or living apart for reasonable cause or because of his desertion, or who meets the requirements of section 216(c)(1), (2), (3), (4), or (5) and section 216(k) of the Social Security Act, who is not married. The determination of an individual's status as the widow of an affected person shall be made in accordance with section 216(h)(1) of the Social Security Act as if such affected person were the insured individual referred to therein. Such term also includes a surviving divorced wife as defined in section 216(d)(2) of the Social Security Act, who, for the month preceding the month in which the affected person died, was entitled to or receiving from the affected person at least one-half of her support as determined in accordance with regulations prescribed by the Secretary, or was receiving substantial contributions from the affected person (pursuant to written agreement), or there was in effect a court order for substantial contributions to her support from the affected person at the time of his death.

(20) The term "employer" means any person employing individuals and engaged in commerce or an industry affecting commerce, and shall include the United States of America, or any State or political subdivision thereof.

(21) In the case of a claimant who is a woman, references in this Act to the wife or widow of such affected person shall be deemed to refer to the husband or widower.

APPLICABILITY

SEC. 3. The provisions of this Act shall apply only to disability or death of an affected person resulting from such person's occupational exposure to asbestos, or resulting from the occupational exposure to asbestos of a member of such person's household.

STANDARDS FOR BENEFITS FOR DISABILITY OR DEATH RESULTING FROM EXPOSURE TO ASBESTOS

SEC. 4. (a) The minimum standards for State and Federal workers' compensation for the purpose of this Act shall be as follows:

(1) Compensation for total disability shall be paid in any case in which, as a result of an asbestos-related disease, the affected person is totally disabled as defined in section 2(8).

(2) Compensation for partial disability shall be paid in any case in which the affected person is partially disabled as a result of an asbestos-related disease and the post disability wage earning capacity of the affected person does not equal that person's gross weekly wage prior to the disability, taking into consideration age, training, and local conditions.

(3) Compensation for total disability, or death, due to an asbestos-related disease shall not be less than 66⅔ per centum of the average gross weekly wage of the affected person for the highest three of the five years

immediately preceding the beginning of total disability or prior to death: *Provided, however,* That no compensation payable under this Act shall be less than 10 per centum in excess of the weekly compensation benefit which would have been payable to the employee, as defined in this Act, pursuant to the workers' compensation laws of the State in which the claim is filed and allowed or pursuant to an applicable Federal workers' compensation law, but for the provisions of this Act.

(4) Compensation for partial disability shall be not less than 66⅔ per centum of the difference between the average gross weekly wage of the affected person for the highest three of the five years immediately preceding determination of partial disability and the wage-earning capacity of the affected person after the disability taking into consideration age, training, and local employment conditions: *Provided, however,* That no compensation payable under this Act shall be less than 10 per centum in excess of the weekly compensation benefit which would have been payable to the employee, as defined in this Act, pursuant to the workers' compensation laws of the State in which the claim is filed and allowed or pursuant to an applicable Federal workers' compensation law, but for the provisions of this Act.

(5) Compensation provided for in subsection (3) and (4) of this section shall be increased by 50 per centum of the difference between the compensation provided under section 4(a)(3) and 4(a)(4) and 80 per centum of the average gross weekly wage of the affected person for the highest three of the five years immediately preceding the beginning of total disability or prior to death if the claimant has one dependent, and by 100 per centum of the difference if the claimant has two or more dependents, but compensation shall in no case be more than 80 per centum of the affected person's average weekly wage for the highest three of the five years immediately preceding the beginning of total disability or prior to death. The compensation provided by this Act shall not be reduced because of any provision in State or Federal workers' compensation laws relating to maximum benefits.

(6) Benefits shall be indexed on the basis of any change in the wage scale of the job which the affected person held and which the affected person would still hold if the affected person had not been disabled or had not died, except that benefits may be recomputed once the affected person attains the normal age of retirement or otherwise would have experienced a change in income if the claimant had remained on that job.

(7) There shall be no exemption from or a waiver of liability for a responsible party and the standards and provisions of this Act shall apply uniformly to all responsible parties.

(8) Benefits shall be paid for the duration of the disability, or for the life of the claimant whichever is less without limitation as to the dollar amount or the period of payment.

(9) In addition to compansation for wage replacement, responsible parties shall pay for medical and rehabilitation benefits which are necessary and reasonable and such compensation shall be paid without limitation as to dollar amount or the period for providing such benefits.

(10) Barriers to compensation for occupational disease, disability, or death to which this Act applies shall be void, including but not limited to, provisions relating to the time since the last exposure to asbestos or the time period from the last date of employment by any responsible party.

(11) Benefits shall be paid to the widow or widower of a claimant for life or until remarriage. If a widow or widower remarries, two years' benefits shall be paid by responsible parties in a lump sum to such widow or widower. If additional dependents exist after the death or remariage of the widow or widower, 50 per centum of the benefits shall be paid to such dependents in equal shares until the dependents cease to be dependents.

(12) No responsible party may discriminate on the basis of race, creed, color, national origin, age, sex, handicapped condition, prior employment in the asbestos industry, or past exposure to asbestos, against a claimant or any other person directly involved in making a claim pursuant to this Act. No responsiole party may discriminate against a claimant for exercising any rights under this Act or exercising any right under applicable State or Federal workers' compensation laws.

(13) Any claimant who believes that he has been discharged or otherwise discriminated against by any responsible party covered by this Act in violation of section 4, subsection 12 of this Act may, within ninety days after such violation occurs, apply to the Secretary for a review of such alleged discharge or discrimination. A copy of the application shall be sent to such person who shall be the respondent. Upon receipt of such application, the Secretary shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing at the request of any party to enable the parties to present information relating to such violation. The parties shall be given written notice of the time and place of the hearing at least five days prior to the hearing. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Each hearing examiner presiding under this section shall receive compensation at a rate not less than that prescribed for GS–16 under section 5332 of title 5, United States Code. Upon receiving the report of such investigation, the Secretary shall make findings of fact. If he finds that such violation did occur, he shall issue a decision, incorporating an order therein, requiring the person committing such violation to take such affirmative action as the Secretary deems appropriate, but not limited to, the rehiring or reinstatement of the claimant to his former position with back pay. If he finds that there was no such violation, he shall issue an order denying the application. Such order shall incorporate the Secretary's findings therein.

(14) Each employer shall make a reasonable effort to reemploy a rehabilitated affected person in a position commensurate with his age, training, and medical condition.

(15) Notwithstanding paragraph (10) of this section any claim for benefits under this Act must be filed within three years after death or an initial medical determination of total disability due to the asbestos-related disease, whichever occurs first.

Provided, however, that every claimant shall have three years after the date of enactment of this Act, within which to file a claim for benefits hereunder.

(16) Any claimant or responsible party may reapply for an increase or decrease in the level of benefits previously awarded under this Act based upon an increase or decrease in disability of the affected person.

(17) The Secretary shall by regulation prescribe minimum standards for determining whether an affected person is disabled due to asbestos-related disease; or whether the death of an affected person was due to asbestos-related disease. Regulations required by this subsection shall be promulgated and published in the Federal Register at the earliest practicable date after the date of enactment of this Act, but in no event later than one hundred and twenty days after this Act is enacted. In promulgating such regulations the Secretary shall comply with the rulemaking requirements of section 553 of title 5, United States Code, and the hearing requirements of sections 556 and 557 of title 5, United States Code. These sections shall apply as if the Secretary were the agency referred to therein. Such regulations shall provide that claimants seeking benefits under this Act must demonstrate that such affected person has, in fact, contracted a disabling asbestos-related disease. In making the determination that an affected person has contracted a disabling asbestos-related disease, all relevant evidence shall be considered, including the history of such person's exposure to asbestos including, but not limited to, physical examination, X-ray examinations, medical tests such as pulmonary function studies, including blood gas studies and studies of ventilatory capacity at rest and during exercise (physical performance tests) and pathology studies. Medical histories, hospital records, physician's reports, and his spouse's affidavit, and in the case of a deceased affected person, other appropriate material shall be considered. The Secretary shall accept the interpretation by a physician who is board certified or board eligible in the fields of preventive medicine/occupational health, pulmonary medicine, or radiology of a chest roentgenogram which is of acceptable quality submitted in support of a claim for benefits under this title, if such roentgenogram has been taken by a radiologist or qualified radiologic technologist or technician, except when the claim has been fraudulently represented.

The Secretary shall not make any determination that an affected person has not contracted an asbestos-related disease solely on the basis of a negative chest roentgenogram. In no event shall there be any presumption of asbestos-related disease based solely on the length or degree of exposure to asbestos.

(18) No compromise or release of any compensation or medical or rehabilitation benefits shall be effective unless approved by the State workers' compensation agency, based on a determination by such agency that such compromise or release is in the best interest of the claimant, and will not adversely affect any program of rehabilitation.

(19) Compensation paid pursuant to this Act will not offset or be offset by any other benefits paid to claimants nor be considered as income for tax purposes.

CERTIFICATION AND SUPPLEMENTAL COMPENSATION

SEC. 5. (a) The Secretary of labor shall review the workers' compensation law of each State and of the Federal Government to determine whether such law meets the applicable standards for worker's compensation programs for asbestos-related disease or disability contained in section 4 of this Act. If the Secretary determines that State law meets all of the requirements of section 4, the Secretary shall so certify and the State law shall be deemed fully certified during the period covered by such certification. The Secretary shall do likewise with the Federal workers' compensation law.

(b) If the Secretary finds that the law of any State or of the Federal Government fails to meet one or more of the standards of section 4 of this Act, the Secretary shall certify the law only to the extent that it meets such standards, and the Secretary shall specify those standards which the law fails to meet. During any period in which the State or Federal law has not been fully certified, any employee shall be entitled to receive from his or her employer, with regard to any asbestos-related dsease or disability arising out of and in the course of employment with such employer, compensation in accordance with the provisions of this Act with which the State or Federal law is not in compliance (hereinafter referred to as "supplemental compensation").

(C) After initial review provided by subsection (a), the Secretary shall annually review all state and federal workers' compensation statutes and regulations relating to as-

bestos-related disease or disability, including the judicial and administrative interpretations of such statutes and regulations, and determine whether it meets the requirements of section 4 of this Act. Pursuant to such reviews, the Secretary shall modify the certifications previously issued under subsection (a) and (b) of this section, as appropriate.

ENFORCEMENT OF SUPPLEMENTAL COMPENSATION

SEC. 6. (a)(1) Any claimant who is aggrieved by an order or award of a State or Federal workers' compensation agency, insofar as it fails to award compensation at least equivalent to the compensation prescribed by this Act may within ninety days after such order or award becomes final file a petition for review of the State or Federal workers' compensation agency's order or award, insofar as it fails to award such compensation, with the Benefits Review Board (hereinafter referred to in this section as the "Board") established in section 21 of the Longshoremen's and Harbor Workers' Compensation Act, as amended (hereinafter referred to as the "Longshore Act").

(2) For the purpose of this section, the order or award of a State or Federal workers' compensation agency shall become final for the purpose of section 6(a)(1) above on the date on which no administrative appeal or review of such order or award shall be available to any party subject to such order.

(b) State law shall govern the determination of the status of any individual as an employee or an independent contractor.

(c)(1) In review proceedings under this section, the decision of the Board shall be based upon the evidence in the record before the State or Federal workers' compensation agency except that the Board, in its discretion, may (i) in any case in which the workers' compensation agency has refused to assert jurisdiction over the claim, refer the case to the Office of Workers Compensation Programs of the Department of Labor for processing in accordance with the provisions of the Longshore Act, or (ii) in any case where the State agency has refused to assert jurisdiction over the claim or has otherwise precluded the introduction of evidence permit the parties to submit additional relevant evidence in a hearing before an administrative law judge in accordance with sections 19 and 21 of the Longshore Act.

(2) Where new evidence is not submitted, the findings of fact by the State workers' compensation agency, insofar as they involve eligibility for supplemental compensation shall be conclusive if supported by substantial evidence on the record as a whole. Findings of fact and conclusions of law in the determination of the State workers' compensation agency on issues covered solely by State law shall be conclusive, and not subject to review in any proceeding under this section.

(3) Where the Board finds that the employer has failed to provide supplemental compensation to which the petitioner is entitled, the Board shall direct the employer to award the petitioner such compensation together with the reasonable costs and expenses of litigation, including reasonable attorney's fees.

(4) Any order issued by the Board shall be enforceable and reviewable in accordance with section 21 of the Longshore Act.

(5) Any award of the Board shall be modified to take into account subsequent orders or awards of the State or Federal workers' compensation agencies with respect to issues solely covered by State or Federal law. With respect to issues not solely covered by State law, procedures for the modification of Board awards or orders shall be in accordance with section 22 of the Longshore Act, except that references in that section to "the deputy commissioner" shall mean "the Board" and the word "his" in the first sentence of that section shall be read "its" and shall refer to the Board.

(6) Sections 14, 17, 18, 19, 21, 21a, 23, 24, 25, 26, 27, 31, 34, 35, 38, and 39 (a) and (c) of the Longshore Act shall be applicable with respect to claims for supplemental compensation payable under this Act during any period in which the workers' compensation law of that State is not fully certified. The Secretary shall by regulation modify the provisions of section 14 of the Longshore Act to conform the payment of supplemental compensation to the payment schedule of the applicable State's law, and may by regulation modify the applicability of any other of the foregoing provisions as appropriate to carry out the purposes of this Act.

APPORTIONMENT

SEC. 7(1) The employer or any other responsible party, or on its own behalf the State or Federal Worker's compensation agency may petition within 180 days of the initiation of a claim hereunder to have one or more responsible parties named as additional defendants in the proceeding to adjudicate a claim under this Act and to have the supplemental compensation adjudicated against and apportioned between responsible parties.

The State or Federal Workmen's Compensation agency shall adopt the percentage ranges of contribution established by the Commission under Section 8(c), and in the event that the Federal or State Workmen's Compensation agency determines that more than one party is responsible for any factor considered or specified under Section 8(c), then it shall be the responsibility of the State or Federal Workmen's Compensation agency to apportion the percentage of liability among such parties, unless such parties have previously agreed to an apportionment formula, in which event such agreement shall be binding on the State or Federal Workmen's Compensation Agency.

In apportioning liability among responsible parties included under 8(c)(1) the State or Federal Worker's Compensation Agency shall consider all the relevant factors.

Except to the extent provided for in 7(2)(c) no payment shall be required of a responsible party as defined in Section 2(10)(A)(ii) of this Act in any proceeding unless the affected person who is subject of that proceeding has been exposed to said party's fiber or products; *Provided however*, that such failure to identify any particular responsible party shall not effect the applicability of any other section of this Act.

In no event shall payment be required of a responsible party as defined in Section 2(2)(1)(A)(ii) of this Act in any proceeding unless the affected person who is subject of that proceeding has been exposed to said party's fiber or products; *Provided however*, that such failure of an affected person to identify any particular responsible party shall not effect the applicability of any other section of this Act.

(2)(a) In any proceeding to which this section applies, the worker's compensation agency shall designate the last private or public employer who exposed the affected person to asbestos to pay compensation to the claimant and shall require other responsible parties, subject to the order or award, to reimburse such employer. When the agency is unable to locate or designate the employer, the agency shall designate a single responsible party, to pay compensation to the claimant and shall require other responsible parties, subject to the order or award, to reimburse the designated party. The claimant shall be paid promptly and such payment shall not be affected by or be dependent on other responsible parties reimbursing such last employer or designated party.

(b) The contribution of the employer to the compensation paid shall be not less than an amount equal to that which would have been paid to the employee as defined in this Act, pursuant to the worker's compensation laws of the State in which the claim is filed and allowed or pursuant to an applicable Federal worker's compensation law, but for the provisions of the Act, with no rights to subrogation. Where there is no employer designated, this contribution shall be apportioned according to the provisions of 7(2)(a).

(c) Responsible parties shall make a contribution to the compensation paid in an amount equal to the difference between the employer's contribution as computed pursuant to this section and the full compensation paid pursuant to this Act. Where the employer is unable to locate and designate anyone as a responsible party, the agency shall designate one or more parties to serve as the responsible party or responsible parties.

COMMISSION TO ESTABLISH CRITERIA FOR APPORTIONMENT

SEC. 8. (a) There is hereby established an Apportionment Criteria Commission (hereafter referred to as the "Commission") composed of the following members to be appointed within thirty days of the date of enactment of this Act:

(1) The Secretary of Labor or his designee;

(2) The Attorney General or his designee;

(3) The Secretary of Health, Education, and Welfare or his designee;

(4) Two appointees of the Secretary of Commerce, one to be the chief executive officer or his designee of the largest company in the asbestos industry as determined by market share, and the other to be the chief executive officer or his designee of a second company in the asbestos industry, irrespective of market share;

(5) The directors of two State workers' compensation agencies, one to be chosen by the two chief executive officers above, and one to be chosen by the Secretary of Labor;

(6) Three members appointed by the President of the United States with special expertise, one to represent the labor community, one to represent the business community, and one to represent the insurance industry;

(7) A chairman of the Commission to be appointed by the President with the advice and consent of at least seven members listed above.

(b) The Commission shall develop the criteria and factors which shall be used by State and Federal workers' compensation agencies in apportionment proceedings under this Act, and shall have the power to conduct hearings and obtain all relevant information.

(c) The criteria developed by the Commission shall include the establishment of percentage ranges of liability for a variety of factors including, but not limited to—

(1) the party or parties responsible for the manufacture, design, formula, preparation, assembly, testing, warning, instruction, marketing, packaging, distribution, or labeling of any asbestos product;

(2) the party or parties responsible for control of the workplace environment and for publishing safe exposure limits for the workplace environment; and

(3) the party or parties responsible for establishing the criteria to which product specifications were designed and products manufactured.

(d) The criteria developed by the Commission must be approved by at least eight of the eleven members. The Commission shall report to Congress within six months of the date the Commission's last member

is appointed, and the Commission's report will be final and will go into effect sixty days thereafter, unless Congress shall disapprove it. If Congress disapproves the Commission will have three months to submit a revised report which will go into effect sixty days thereafter unless Congress shall disapprove it.

(e) The administrative expenses of the Commission including those of an executive secretary and legal counsel and such other personnel and services deemed necessary to the conduct of its business shall be paid from the authorized appropriations of section 11.

APPEALS

SEC. 9. (a) Any order issued by the Board shall be enforceable and reviewable by a United States court of appeals in accordance with section 21 of the Longshore Act.

(b)(1) Any responsible party aggrieved by an apportionment order or award of a State or Federal workers' compensation agency may appeal the decision of the State or Federal workers' compensation agency in accordance with procedures established by the applicable State or Federal law.

(2) In addition to any procedures prescribed by State law for appeal by responsible parties under section 9 of this Act with the consent of all responsible parties subject to an order or an award of a State workers' compensation agency, the agency may submit the issues contained in the appeal to binding arbitration. Any order for binding arbitration or any agreement for binding arbitration under the provisions of this subparagraph shall be carried out in accordance with State law.

(c)(1) In any proceeding subject to subsection (a) of this section in which the Federal Government is one of the responsible parties, the provisions of this Act shall apply.

(2) In any such proceeding whenever there is contribution by more than one responsible party in an order or an award of a State or Federal workers' compensation agency and one of the responsible parties is the Federal Government, the State or Federal workers' compensation agency may order the Federal Government to make contributions in proportion to its share of responsibility.

EXCLUSIVITY AND THIRD PARTY LIABILITY

SEC. 10. (a) The compensation to which a claimant is entitled under the applicable State or Federal workers' compensation laws or otherwise under this Act shall constitute the claimant's exclusive remedy against any employer or the parent or subsidiary or subsidiaries or predecessors or affiliates or successors thereto of such entities or past or present officers or directors or employees or shareholders thereof, the employer's insurer or collective bargaining agent of the employer's employees, or any employee, officer, director, or agent of such employer, insurer, or collective bargaining agent (while acting within the scope of his or her employment) for any illness, injury, or death compensable under this Act.

(b) No person or persons entitled to file a claim for benefits pursuant to applicable State or Federal workers' compensation laws and/or pursuant to this Act or who would have been entitled to file such a claim but for the expiration of limitation of action periods as set forth in this Act or such other persons whose claim would be derivative therefrom shall be allowed to recover against a present or former (i) miner, manufacturer, distributor, seller, contractor, or applicator of asbestos fibers, or materials, or the parent or subsidiary or subsidiaries or predecessors or affiliates or successors thereto of such entities or past or present officers or directors or employees or shareholders thereof, (ii) any other responsible party as defined in this Act, (iii) the United States of America, (iv) the insurers of these entities in (i), (ii), and (iii), or (v) a union which has represented such persons for collective bargaining or the parent organization of such union, for damages, including but not limited to actual, consequential, or survivorship, for bodily injury or death caused by an asbestos-related disease, loss of consortium, or for exemplary or punitive damages relating to such exposure.

(c) No responsible party may maintain any action for indemnity, contribution or other monetary damages based upon such responsible party's payment or payments pursuant to the provisions of this Act against any party immune from suit under subsections (a) and (b) of this section.

(d) No employer may maintain any action for indemnity, contribution or other monetary damages based upon such employer's payment or payments of worker's compensation benefits for an occupational disease covered by this Act nor for any payment or payments made pursuant to provisions of this Act against any party immune from suit under subsections 10(a) and 10(b) for any sums paid to the employee as workers' compensation benefits pursuant to applicable State or Federal workers' compensation laws or the provisions of this Act.

(e) Notwithstanding any other provision of law, whether substantive, jurisdictional or procedural, in any civil action arising out of or having its basis in any acts to which subsection (a) of this section applies, the provisions of this section shall exclusively govern the rights of the claimant and of each responsible party.

RESPONSIBILITY AND INSURANCE FOR RESPONSIBLE PARTIES

SEC. 11. (a) Every responsible party shall comply with orders or awards of the appropriate State workers' compensation agency made in accordance with the provisions of this Act.

(b) Every employer who has reason to believe that it is a responsible party under the provisions of this Act shall be financially responsible for the payment of benefits prescribed by this Act, and shall assure such financial responsibility by contracts of insurance, approved self-insurance programs or participation in a State fund insurance program pursuant to applicable State or Federal law.

(c) Each contractor of insurance under which compensation benefits are provided to or for employees of any responsible party made to cover occupational diseases, disabilities, or deaths as a result of exposure to asbestos shall be deemed to provide benefits in accordance with the minimum standards contained in section 4 of this Act.

(d) Any policies or contracts of insurance issued by a carrier to indemnify and/or defend a responsible party which policies or contracts of insurance would be applicable to claims against any responsible party for damage due to an asbestos-related disease shall be applicable to any contribution required or otherwise determined to be due from a responsible party under this Act.

MISCELLANEOUS

SEC. 12. (a) The Secretary may prescribe such rules, regulations, and guidelines under this Act as he deems necessary. All such rules, regulations, and guidelines shall be published in the Federal Register at least thirty days prior to their effective date.

(b) The Secretary may make such grants, contracts, or agreements, establish such procedures, and make such payments, installments, and advance by way of reimbursement, or otherwise allocate or expend funds made available under this Act as he deems necessary to carry out the provisions of this Act. The Secretary may make necessary adjustments in payments on account of overpayments or underpayments.

(c) The Secretary is authorized, by cooperative agreement, to carry out the duties of a responsible party under this Act for each department and agency of the Federal Government.

ANNUAL REPORT

SEC. 13. Within one hundred and twenty days following the convening of each regular session of each Congress, the Secretary shall prepare and submit to the President for transmittal to the Congress a report upon the subject matter of this Act, the progress toward achievement of the purpose of this Act, and the needs and requirements in the field of workers' compensation.

AUTHORIZATION OF APPROPRIATIONS

SEC. 14. There are authorized to be appropriated such sums as are necessary to carry out the provisions of this Act.

SEPARABILITY

SEC. 15. If the provisions of sections 1(a)(7); 2 (2), (8) and (10); 4(a) (3), (4), (5), (6), (15), and (16) 5; 6; 7; 10; or 11 (c) or (d) of this Act or the application of any such section to any person or circumstance, shall be held invalid in any substantive or material fashion, the remainder of the Act, with the exception of section 16 (c), shall be null and void. If any other provision of this Act or the application of such provision to persons or circumstance other than these as to which is held invalid, shall not be affected thereby.

EFFECTIVE DATE

SEC. 16. (a) The provisions of this Act shall take effect upon the date of enactment. No compensation shall be awarded to any claimant, however, prior to the time the criteria developed by the Commission established in section 8 becomes effective.

(b) Any claimant who, as of the effective date of this Act, has pending in any Federal court or any court in any of the several States an action at common law to recover damages on account of any asbestos-related disease, as defined in section 2 of this Act, may, upon first moving to dismiss with prejudice such action at common law within one hundred and twenty days of the effective date of this Act, elect to proceed under the provisions of this Act after such suit is dismissed. Any claimant not so electing shall not be entitled to benefits under this Act.

(c) A lawsuit which a claimant pursued to settlement or final determination before the effective date of this Act shall not bar a claimant from filing a claim or receiving a benefit under this Act. The benefit awarded to any claimant who, prior to the effective date of this Act, pursued an action at common law to settlement or final determination shall be reduced by the amount actually received as a result of that law. If a weekly or monthly benefit is awarded under this Act, any amount received as a result of that prior lawsuit shall be divided by the number of weeks or months which a person of the claimant's age or sex is expected to live and subtracted from the monthly or weekly benefit.

(d) Should the remainder of this Act be declared null and void, the claimant electing to proceed under the provisions of this Act shall, within one hundred and twenty days from the date of the final order declaring the remainder of the Act null and void, be permitted to reinstitute his or her action to recover damages with respect to asbestos-related disease.●

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By Mr. MOYNIHAN:

S. 1644. A bill to amend the Internal Revenue Code to allow an investment tax credit for theatrical productions; to the Committee on Finance.

THEATRICAL PRODUCTION INVESTMENT TAX CREDIT ACT OF 1981

● Mr. MOYNIHAN. Mr. President, I am introducing a bill today that would provide private citizens an incentive to put up money for commercial productions of plays, ballets, and operas.

Fewer and fewer new plays are being produced each season in commercial theaters in New York and other big cities. During the 1920's and 1930's, 161 new plays opened on average each season on Broadway. According to Variety, that number fell to 65 a year in the 1940's, to 50 in the 1950's and 1960's, and to only 38 a year during the last decade.

Economics are to blame. The theater cannot compete with television and film for talented writers. Theater does not pay as well. A good playwright can earn more writing 30-second television commercials than he can turning out full-length plays.

In addition, it is not as easy as it was before to find individuals willing to put money into shows. Production costs have skyrocketed, requiring that a play run for months—if not a year—before just the cost of staging it can be repaid.

Investing in the theater "is an area fraught with hazard," Warren Hoge wrote 3 years ago in the New York Times. "Four out of five shows lose money * * *. Of the profitable ones, half produce only meager returns."

Hoge said:

A small number of shows make colossal profits and that it is the possibility of such profits that keeps moneymen rolling against the odds. (But) now even those odds are getting longer. "The opportunity for substantial profits to justify the risks is becoming less" (said one long-time inventor). "Due to the higher cost of operating, you can have a show that will run for a year and keep paying everyone except the investor. The profit is so small that recouping is impossible, let alone making any money."

The bill I am introducing today should help to eliminate the investment shortfall. It would do this by making investors in theatrical productions eligible for a 6⅔-percent investment tax credit. A theatrical production is "a presentation of a dramatic work, including a play, musical, opera, or ballet performed in a theater before a live audience."

All I ask is that individuals be given the same incentive to invest in theatrical productions that they have to invest in movies. Movie investors have been able to claim the investment tax credit since 1976. Theater investors may not claim it.

My bill is patterned after section 48(k) of the Tax Code, the section authorizing the investment credit for investors in films.

Mr. President, I ask unanimous consent that the text of the bill and a recent article on theaters from the Sunday Times of London be printed in the RECORD.

There being no objection, the bill and article were ordered to be printed in the RECORD, as follows:

S. 1644

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the "Theatrical Production Investment Tax Credit Act of 1981".

SEC. 2. INVESTMENT TAX CREDIT FOR THEATRICAL PRODUCTIONS.

(a) THEATRICAL PRODUCTIONS TREATED AS SECTION 38 PROPERTY.—Subsection (a) of section 48 of the Internal Revenue Code of 1954 (defining section 38 property) is amended by adding at the end thereof the following new paragraph:

"(11) THEATRICAL PRODUCTIONS.—

"(A) IN GENERAL.—The term 'section 38 property' includes theatrical productions.

"(B) THEATRICAL PRODUCTION DEFINED.—For purposes of this subpart, a 'theatrical production' is a presentation of a dramatic work, like a play, musical, opera or ballet, in a theater before a live audience. It is not, however, a presentation primarily for use on television or radio, or in a night club or film."

(b) SPECIAL RULES FOR THEATRICAL PRODUCTIONS.—Section 48 of such Code is amended by redesignating subsection (q) as subsection (r) and by inserting after subsection (p) the following new subsection:

"(q) THEATRICAL PRODUCTIONS.—

"(1) ENTITLEMENT TO CREDIT.—

"(A) IN GENERAL.—A credit shall be allowed under section 38 to a taxpayer for the costs of a theatrical production, but only to the extent that the taxpayer has an ownership interest in it.

"(B) OWNERSHIP INTEREST DEFINED.—A taxpayer's 'ownership interest' shall be determined on the basis of his proportionate share of any loss that may be incurred with respect to the theatrical production.

"(2) PROPORTION OF INVESTMENT QUALIFYING FOR THE CREDIT.—

"(A) IN GENERAL.—In the case of theatrical productions, the term 'qualified investment' in section 46(a)(2) means, for each theatrical production placed in service by the taxpayer during the taxable year, an amount equal to 66⅔ percent of the qualified United States production costs.

"(B) PLACED IN SERVICE DEFINED.—A theatrical production shall be treated as placed in service by the taxpayer during the taxable year when it is first publicly presented, including a public presentation preceding an opening before the ultimate audience for which it was intended, but not including a presentation before a select audience, such as prospective contributors.

"(3) QUALIFIED UNITED STATES PRODUCTION COSTS.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'qualified United States production costs' means production costs incurred—

"(i) in producing a theatrical production for presentation in the United States, and

"(ii) prior to the time a theatrical production opens before the ultimate audience for which it was intended.

"(B) PRODUCTION COSTS DEFINED.—For purposes of this paragraph, the term 'production costs' includes—

"(i) costs directly associated with the theatrical production, like the cost of equipment and supplies, and compensation (other than participations described in clause (v)) for services performed by actors, production personnel, directors, and producers,

"(ii) a reasonable allocation of general overhead costs,

"(iii) the cost of the rights to present a theatrical production (but not including ancillary rights such as rights for television, films, radio, or night club presentations),

"(iv) 'residuals' payable under contracts with labor organizations, and

"(v) participations payable as compensation to actors, production personnel, directors, and producers.

But participations in all theatrical productions produced by a taxpayer during a taxable year shall be taken into account only to the extent of the lesser of 25 percent of each such participation or 12½ percent of the aggregate qualified United States production costs (excluding costs described in clauses (iv) and (v) of this subparagraph) for such theatrical productions, taking into account, however, for both the 25 percent limit and the 12½ percent limit no more than $1,000,000 in participations for any one individual for any one theatrical production. For purposes of this paragraph (other than clauses (iv) and (v) of this subparagraph and the preceding sentence), costs shall be taken into account only if they are capitalized. Production costs do not include advertising and promotional expenses.

"(4) UNITED STATES.—For purposes of this subsection, the term 'United States' includes possessions of the United States."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1981.

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THE SOUND OF MUSIC—OR OF DOOM?

The tills are alive with "The Sound of Music." Rodgers and Hammerstein's legendary musical is 21 years old, and it has settled in at the Apollo Victoria with all the confidence of a much-loved governess who knows she has been missed. But behind its sedate charm there lurks a baleful warning for the future of British theatre.

The show cost £750,000 to put on, and it has already more than repaid the investment: £1 million-worth of tickets had been sold even before the curtain rose on the first performance. The Apollo seats 2,400 people and it is nearly sold out until Christmas.

There is nothing in London to match this. In fact the commercial theatre is having an extremely difficult time. If you are a producer and want to put on a play in the West End with one set, a small cast and one star actor, you need a capital of £60,000 to £80,000. The play will then have to run for about six months to break even. A couple of decades ago a producer could still take risks: if he had one successful play running he could subsidise another or two that just broke even and one or two that had flopped. Today one success will just about pay for one disaster. Two failures in a row are unthinkable.

Things are made worse by the mulish refusal of successsive governments to take VAT off theatre tickets, or at least to reduce it. If this were done (most unlikely) some managements might possibly cut the price of their tickets. Others could operate with a slightly larger financial margin: they could afford to keep a play going when it was doing only moderately well and hope for improvement. As it is, confidence is brittle. Lame ducks, in the West End, are killed.

All this has, in the past five to six years, changed the face of the London theatre. This week five theatres (the Globe, the Duke of York's, the Fortune, the Phoenix and Drury Lane) will be dark. The Apollo in Shaftesbury Avenue goes dark the following week. That sort of thing makes people extremely cautious. It is not surprising that London

managements have turned a beady eye on the activities of the subsidised theatre. Nine London houses are currently showing plays that had first been successful on subsidised stages ranging from the National Theatre to a disused East End music hall and an Islington pub.

Like most things, this is both good and bad. Transfer a play to the West End and you prolong its life; and you often give little-known actors or directors a chance to shine before a wider public. You also bring a new audience into the theatre. Anyone who goes to see "Accidental Death of an Anarchist" (Wyndham's, originally the Half Moon in the East End) or "Educating Rita" (Piccadilly, originally the Warehouse) will step into a different world. These plays attract not only the theatre lover but also the committed, radical young: people who did not think that the live drama had anything much to say to them.

On the other hand this sort of thing could greatly harm the fringe theatre. It has already lost much of the abrasive, radical drive it used to have 10 to 15 years ago. If it were to start putting on plays with an eye on the West End it could prove fatal: the fringe could end up doped by the sweet smell of success.

At the same time commercial managements could become even less enterprising. Without new writers the theatre is nothing; but when the risks are so enormous who can blame a West End producer for not investing in new talent? That task has now been left almost entirely to the subsidised theatre both in and out of London, and the West End feeds on it like an accommodating parasite.

Look at this week's theatre programmes. Apart from the subsidised houses, only nine theatres in London will be showing a serious play, that is to say, not musicals, thrillers or boulevard comedies; and only three of these were originated by an independent management. One of these is a Thirties revival, Priestley's "Dangerous Corner" (Ambassadors); another is by an established dramatist, Simon Gray's "Quartermaine's Terms" (Queen's). The third is "Can't Pay? Won't Pay!" (Criterion) by Dario Fo—and he is author of "Accidental Death", which is still running at Wyndham's a few hundred yards away and has already been seen by 330,000 people.

Other things, too, contribute to the timidity of the West End. The world recession and the strong pound have hit tourism and therefore the box office. Shaftesbury Avenue and its neighbourhood have become an unsavoury, sometimes dangerous area, which means that what the profession calls the "passing trade" has greatly declined. Take all these things together, and it is not surprising that managements turn to those grand grand old battleships of the theatre: the big musicals that have stood the test of time. Apart from "Pal Joey" (1940), which is not strictly speaking family entertainment, London also has "My Fair Lady" (1956), and "Oklahoma!" (1943). "The King and I" (1951) has only just gone, along with "Show Boat" (1927).

Of course there is no reason why new generations should not see these musicals: the best of them are part of the cultural history of their time and have a stubborn durability which is quite beyond all but a few of their successors. The fact is that we produce no musicals which would be to us what "Oklahoma!" or "West Side Story," in their different ways, were to their contemporaries. They spoke of and to their age; whereas the best British musicals of recent years have escaped into the past ("Evita"), the imagination ("Cats") or both ("Jesus Christ Superstar"). We are still waiting for the "West Side Story" of our own time.

Meanwhile the trouble is that the British theatre seems to rely on old musicals more and more, not merely as entertainment but as an insurance policy. These shows have always pulled 'em in. There is safety in statistics. We may yet see the rise of a new, timid, unenterprising audience whose applause could sound the death-knell of the living theatre. It is in this sense that "The Sound of Music" may be the sound of doom.●

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By Mr. MOYNIHAN:

S. 1645. A bill to let funds in individual retirement accounts be used to purchase collectables; to the Committee on Finance.

USE OF INDIVIDUAL RETIREMENT ACCOUNTS

● Mr. MOYNIHAN. Mr. President, the bill I am introducing today would let Americans use their individual retirement accounts to invest in collectables, Collectables are gold, diamonds, antiques, stamps, paintings, and other tangible assets. A provision in the Economic Recovery Tax Act prohibits such investments after December 31.

I do not think many Members of Congress knew of the provision. Congressman JAMES SHANNON proposed it in the House Ways and Means Committee, and it appeared later in both the committee's tax bill and in the Conable-Hance alternative. But the version of the Economic Recovery Tax Act that the Senate passed would not have barred investments in collectables. I first learned the provision the day the Senate and House went to conference. By then, it was too late to do anything about it.

There were three policy reasons for the provision. The first was economic. There was a desire to channel savings into productive investments: That is productive in the Keynesian sense that the investments bear interest.

Another aim was to prevent individuals from using savings that are supposed to be set aside until retirement for current consumption. An example often cited is the man who uses his retirement account to buy paintings for his living room walls. The 1974 pension act, ERISA, forbids one from using assets purchased through an individual retirement account before one retires. But the provision is unenforceable.

Finally, there was a fear that some dealers in collectables are taking advantage of investors by not telling them that collectables purchased with retirement funds will be taxed at ordinary income rates, upon distribution, and not at the rates for long-term capital gain.

None of these reasons persuades me that the provision is needed. Congress created individual retirement accounts to encourage Americans who are not covered by pension plans at work to save for retirement. The concept was changed slightly by the Economic Recovery Tax Act. Starting next year, everyone will be able to open an IRA, whether or not he is covered by a pension plan at work.

But the ban on collectibles will reduce saving by people who feel holding collectibles is the only way to protect a retirement fund from inflation. And there are many such people.

So one should ask: Does Congress want to encourage everyone to save for retirement, or just people who are satisfied with stocks, bonds, savings accounts and other traditional investments. That is the issue.

I believe people should be free to buy whatever assets they think will appreciate most rapidly before retirement.

If the IRS cannot prevent people from using their assets before age 65, then we ought to consider imposing strict penalties on individuals who disobey the law. This would help.

And if the fear is that collectibles dealers are misleading the public, then the Federal Trade Commission should be called in. There are already laws against misleading and deceptive advertising. But there is no law that merchants should help their customers with their income tax planning. That is too much to expect.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1645

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) section 408 of the Internal Revenue Code (relating to individual retirement accounts) is amended by striking out subsection (n) and by redesignating subsection (o) as the new subsection (n).

(b) The amendment made by subsection (a) shall apply to property acquired after December 31, 1981, in taxable years ending after such date.●

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By Mr. MOYNIHAN:

S. 1646. A bill to establish a Reconstruction Finance Corporation; to the Committee on Banking, Housing, and Urban Affairs.

RECONSTRUCTION FINANCE CORPORATION ACT OF 1981

● Mr. MOYNIHAN. Mr. President, I am introducing a bill today that would create a new Reconstruction Finance Corporation.

The new RFC would serve as a lender of last resort to financially troubled businesses and municipalities, providing a safety net for them in times of fiscal crisis. The need for this was eloquently argued by Felix Rohatyn in the Washington Post of June 20, 1980, where he wrote that—

Both of these national problems—large business failures and major municipal difficulties—require national initiatives.

The new entity embodied in my bill would retain the essential features of its namesakes, the Depression-era Reconstruction Finance Corporation and of the antecedent War Finance Corporation. But it would have a somewhat narrower and more clearly defined purpose.

That purpose is simply stated: It is to help businesses that are about to become insolvent—and whose loss would have

"an adverse and severe effect" on the general economy—either to become profitable again or to shut down in as short a time as possible without destabilizing the economy. For municipalities, the RFC would extend credit on condition that they straighten out their finances. The agency would start with $3 billion in capital, and have the authority to borrow another $30 billion by selling bonds. It would be limited to lending money and issuing loan guarantees to borrowers who meet its stringent conditions.

The old RFC had a broader charter. It was a product of the Hoover administration, and lasted from 1932 to 1954. It is probably best remembered for saving thousands of banks, railroads and businesses through massive loans and investments. During its heyday, from 1932 to 1945, the agency loaned or gave away more than $35 billion and, in the words of its administrator, Jesse Jones, it "grew to be America's largest corporation and the world's largest and most varied banking organization."

During the Second World War, Congress gave the RFC still broader powers, directing it to do whatever it could to advance the Nation's preparations for battle. The RFC set up a defense plant corporation to buy factories and mills and lease them to private companies to operate. It had a defense supplies corporation that purchased various strategic materials and stockpiled them. Its rubber reserve company was responsible for creating the domestic synthetic rubber industry. And there were literally hundreds of other such corporations, as well.

There are two reasons why we now need a contemporary counterpart. First, the 1980's will be a period of difficult economic adjustment, as we wean ourselves from dependence on OPEC and strive to restore our international competitiveness as a producer and exporter of manufactured goods. The transition will almost certainly be painful. But if it is too painful to too many people and communities it may be slowed down considerably or not occur at all.

The RFC served us well in similar circumstances. Of the more than $35 billion that it loaned or spent, only $9.3 billion was unrecoverable, and the loss was foreseen and specifically authorized by Congress as a contribution to the war effort. President Hoover remembered the agency as one of his most important accomplishments, writing in his memoirs "I summarize here the highlights of our successes . . . First. We created the Reconstruction Finance Corporation." I see the need for such an adjustment mechanism today.

Second, we must do a better job of spelling out precisely how, and under what conditions, we will help failing businesses and fiscally distressed municipalities in the future. Setting up an RFC forces us to do so. Indeed, that is a major function of the bill.

Four times during the past 10 years, we have voted loan guarantees or other aid from private companies. In 1970, Congress approved up to $125 million in guarantees for the Penn Central Railroad. The following year, it passed a bill offering a Federal loan guarantee of $250 million for the Lockheed Aircraft Corp. The vote on that bill was 49 to 48 in the Senate and 192 to 189 in the House, and the debate lasted almost 6 months.

In 1974, Congress rejected a request by Pan American for an emergency subsidy of $10.2 million a month, but voted instead to raise the air mail rates paid by the U.S. Postal Service to airlines that carry U.S. mail overseas.

Then late in 1979, we voted a complex and arduously negotiated program to shore up the Chrysler Corp., involving up to $1.5 billion in Federal loan guarantees.

I do not dispute the fact that there are times when one needs to assist such corporations. We cannot permit the financial distress of individual enterprises to spread and cause severe dislocation to the general economy. But we need a far better process for defining how and under what conditions the Federal Government will help businesses. I believe we need a set of general principles, and an independent body to implement them, rather than to continue the present practice of handling requests by individual companies on an ad hoc basis as crises arise.

But some caution is required. One must be careful to avoid repeating the mistakes of the British with their National Enterprise Board. The NEB, which was set up in 1975, to "promote industrial efficiency" and "safeguard productive employment," not only lends money to ailing businesses, but also buys them when all else has failed. This approach has resulted in British Shipbuilding, British Steel, and British Leyland. None of these companies shows any sign of ever becoming profitable. In the meantime, the need to subsidize them has forced Britain to divert a growing share of her liquid capital to inefficient and unproductive uses.

The bill I am introducing today has twelve sections, described in the accompanying fact sheet. I want to highlight the key provisions.

The RFC would be managed by a seven-member Board of Directors. The Treasury Secretary, the Federal Reserve Board Chairman and the Chairman of the Council of Economic Advisers would be Board members, by virtue of their positions, and then the President would name four additional Directors whose appointments would require Senate confirmation. No more than two could be members of the same political party. The general powers of the corporation are spelled out in section 4.

Sections 5 and 6 are the heart of the bill. Under section 5, the RFC would be empowered to lend money or issue loan guarantees to businesses that, in the opinion of the RFC Board, are about to become insolvent and that, were they to fail, would cause a severe disruption of the national economy, or of the economy of a multi-State region. In addition, the businesses must be unable to find credit elsewhere. The intention, as I said earlier, is not to interfere with the dynamics of capitalism, a process that Joseph Schumpeter called one of "creative destruction," but rather to provide an adjustment mechanism that would ease the path from that process.

Businesses that the RFC has reason to believe can be made profitable again would be treated differently from those that should simply to be shut down. For the potentially profitable, the company—or, possibly, the RFC—would draw up a plan of reorganization and recovery. Once it has come up with a plan that the RFC Board considers realistic and feasible, it would be eligible for loans and guarantees. The RFC could not provide more than half the aid required under the plan. And there is a general limit on aid to any one business or municipality of $1.65 billion.

For a company about to fail and unable to draw up a plan that the Board is "reasonably certain" will restore it to profitability, the RFC would only be able to lend money or guarantee loans on condition that the company has a plan of gradual liquidation that would shut it down in as short a time as possible, while minimizing the disruption to the economy.

In addition, the RFC would have limited authority to buy the assets of a failing company, or to lend money to another, healthy concern in situations where, by doing so, the RFC would reduce its losses and make the failing company sufficiently attractive that another concern would take it on. This provision resembles one in the charter of the Federal Deposit Insurance Corporation which can take such extraordinary steps to get a healthy bank to merge with a failing or failed one.

Aid to municipalities may be required for somewhat different reasons. The New York Times said it well in a July 27 180 editorial. "Turmoil in the national economy is forcing a (new) phase in the enduring urban crisis," the Times noted:

> Even older cities that were getting by five years ago are in crisis today as their service economies, drained of much industrial employment, hit the rocky bottom of inflation and recession. This developing (new) phase of the urban crisis may be the toughest of all, requiring unprecedented national help.

Indeed, the new phase is not really an "urban" crisis at all—it is a problem of national dimensions. The cities have not the means to solve it by themselves.

The nature and origin of the crisis are well known. Many cities have lost industries and workers to the suburbs. Left behind is a population and economic infrastructure that generates too little wealth to pay for the welfare, medical, educational, and other social services that a humane society must provide. Consequently, many cities are strained to the breaking point. Add a major recession and, for many cities, the strain becomes unmanageable. The urban poor are the first to be laid off and the last to get back their jobs.

There is little, in the short run at least, that a city can do. It may increase its taxes, or lay off sanitation workers and teachers, but the higher taxes, or

dirty streets and crowded classrooms make it a less desirable place to live. This causes remaining businesses and people to flee, and leaves the city in an even worse position than it was before.

It is up to the national government to improve the economy so that the urban poor will be employed. But until this has been done, the Government should stand ready to serve as a lender of last resort to cities in need.

A municipality would be eligible for aid, under our bill, if as a practical matter, it can neither balance its budget nor borrow what it requires at fair rates in the credit markets or from banks. Again, the RFC would be limited to lending money and guaranteeing loans or bonds. But before it could help a city, the State would have to set up an independent watchdog agency, with control over the city's finances, and it would have to form an entity similar to New York's Municipal Assistance Corporation to borrow for the city until it is able to meet its credit needs on its own. In addition, the city and its watchdog State agency together would have to present the RFC with a recovery plan that would give the city a balanced budget and renewed access to the credit markets in no more than 5 years, or in less time if the RFC feels it appropriate.

The RFC could have no more than $1.65 billion in credit to any one city outstanding at one time, and in no event could it pay more than half of the deficit during the period of time covered by the city's recovery plan.

Section 7 outlines the terms and conditions for RFC aid. In general, any loans would have to be fully and adequately secured. The Government would have a first lien on any property in case of default. And the agency would charge its clients whatever it cost the Government to borrow.

The corporation would start with $3 billion in capital stock and would be owned entirely by the Federal Government. During hearings and subsequent deliberations, we will consider where this money would come from. Some have suggested that a 50-cent-per-gallon tax on gasoline, the proceeds of which would pay for the RFC. I have also heard it suggested that the necessary capital might be raised through a special surtax on large corporations. That is an issue that must be considered and debated. For the present, the bill simply authorizes the entire $3 billion.

Finally, the RFC would have authority to borrow up to 10 times its subscribed capital stock, that is, up to $30 billion.

Mr. President, enactment of this bill is a necessary step down the road to economic recovery. It is a large step. I do not suggest that it is the only step that must be taken.

I ask unanimous consent that the bill be printed in the RECORD, together with a fact sheet summarizing its provisions and Mr. Rohatyn's article.

There being no objection, the bill, fact-sheet, and article were ordered to be printed in the RECORD, as follows:

S. 1646

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the "Reconstruction Finance Corporation Act of 1981".

SEC. 2. CREATION OF CORPORATION.

There is created a Reconstruction Finance Corporation (hereinafter referred to as the "RFC").

SEC. 3. BOARD OF DIRECTORS.

(a) COMPOSITION OF THE BOARD.—The management of the RFC shall be vested in a Board of Directors (hereinafter referred to as the "Board") consisting of seven members, three of whom shall be the Secretary of the Treasury (or, in his absence, the Undersecretary of the Treasury), the Chairman of the Board of Governors of the Federal Reserve System and the Chairman of the Council of Economic Advisers, who shall be members ex officio. Four other individuals shall be appointed by the President, by and with the advice and consent of the Senate.

(b) DIRECTORS APPOINTED BY THE PRESIDENT.—The term of each Director appointed by the President shall be three years, but a Director may continue in office after the expiration of his term until a successor has been appointed and confirmed. Whenever a vacancy occurs among the Directors so appointed, the individual appointed to fill such vacancy shall hold office for the unexpired portion of the term of the Director whose place he is selected to fill. No more than two of the Directors appointed by the President shall be members of the same political party. Each shall receive a salary at the rate provided for under section 5315 of title 5, United States Code, for level IV of the Executive Schedule.

(c) CONFLICTS OF INTEREST.—No Director, officer, attorney, agent, or employee of the RFC shall in any manner, directly or indirectly, participate in the deliberation upon or in the determination of any question affecting his personal interests, or the interests of any corporation, partnership, or association in which he is directly or indirectly interested.

SEC. 4. GENERAL POWERS.

Upon enactment of this Act, the RFC shall become a body corporate and as such shall have the power—

(1) to adopt and use a corporate seal;

(2) to have succession until dissolved by an Act of Congress;

(3) to make contracts;

(4) to sue and be sued, to complain and defend, in any court of competent jurisdiction, State or Federal;

(5) to appoint by its Board of Directors (subject to the civil service laws and chapter 51 and subchapter III of chapter 53 of title 5) such officers and employees as shall be necessary for the transaction of the business of the RFC, to define their duties, to fix their compensation, and to require bonds of them and fix the penalty thereof;

(6) to prescribe, amend and repeal, by its Board of Directors, bylaws, rules and regulations governing the manner in which its general business may be conducted and the powers granted to it by law may be exercised and enjoyed, including the selection of its Chairman and Vice Chairman, together with provision for such committees and the functions thereof as the Board of Directors may deem necessary for facilitating its business under this Act;

(7) to make use of the United States mails in the same manner and upon the same conditions as the executive departments of the Federal Government; and

(8) to do all other acts and things as may be necessary or incidental to the conduct of its business and the exercise of all the rights and powers granted to it.

SEC. 5. SPECIAL POWERS; FINANCIAL AID TO ELIGIBLE BUSINESS ENTITIES.

(a) GENERAL AUTHORITY.—The RFC is authorized to provide assistance, in the forms and under the terms and conditions described herein and in section 7, to any eligible business entity. For the purpose of this Act, the term "business entity" means any individual, corporation, company, association, firm, partnership, society or other concern that is engaged in the manufacture or production of goods and services in the United States.

(b) ELIGIBILITY.—A business entity is eligible for assistance if the Board has certified that the entity is certain to become insolvent, that its closure would adversely and severely affect the economy of the United States or any sizable region thereof, and that credit is not otherwise available to the entity on terms and conditions that are conducive to its survival.

(c) FORMS OF AID.—

(1) The RFC may, in the discretion of its Board of Directors, make loans to any eligible business entity, or guarantee the payment, in whole or in part, of interest, principal, or both, on loans made by non-Federal lenders to any such entity only if—

(A) the Board has obtained or developed a Plan of Reorganization and Recovery which, in the judgment of the Board, is reasonably certain to restore such entity to profitability within the period for which credit or other assistance is extended. The Plan must specify all actions to be taken, including reductions and other economies, sources of revenue and other credit, and the contributions to be made by all interested parties. The Board shall review such Plan periodically, and from time to time make such revisions as shall be necessary to keep the Plan realistic and feasible; or

(B) where no such Plan of Reorganization and Recovery can be obtained or developed, the Board has obtained or developed a Plan of Gradual Liquidation which, in the judgment of the Board, will lead to the closing of the entity in as brief a period as possible without having an adverse and severe effect on the economy, but in no case longer than three years.

(2) Whenever, in the judgment of the Board, such action would reduce the risk or avert a threatened loss to the RFC and would facilitate a merger or consolidation of an eligible business entity with another business entity, or facilitate the sale of assets and the assumption of liabilities of an eligible business entity by another business entity, the RFC may purchase any such assets, or lend money or guarantee the payment, in whole or in part, of interest, principal, or both, on a loan by a non-Federal lender to another business entity. Any assets acquired by the RFC under this paragraph shall be sold by the RFC as soon as practical, but in no case less than two years after acquisition.

SEC. 6. SPECIAL POWERS; FINANCIAL AID TO ELIGIBLE MUNICIPALITIES.

(a) GENERAL AUTHORITY.—The RFC is authorized to extend aid, under the terms and conditions described herein and in section 7, to any eligible municipality. For the purpose of this Act, the term "municipality" means a city, township, or any other political subdivision of a State which is a unit of general government, including the District of Columbia.

(b) ELIGIBILITY.—A municipality is eligible for aid if the Board has certified that the municipality is effectively unable to bring all of its expenditures, other than capital items, into balance with its revenues and to obtain

credit in the public credit markets or elsewhere in amounts and terms sufficient to meet the municipality's financing needs.

(c) FORMS OF AID.—The RFC may, in the discretion of its Board, lend money to any eligible municipality, or guarantee the payment, in whole or in part, of interest, principal, or both, on loans made by non-Federal lenders to such municipality only if—

(1) the State (except in the case of the District of Columbia) has created an agency, board, or other entity authorized by the law of the State to control the fiscal affairs of such municipality during the entire period for which assistance under this section will be outstanding (hereinafter referred to as the "independent fiscal monitor");

(2) the State (except in the case of the District of Columbia) has created an agency, board or other entity authorized by the law of the State to act on behalf of or in the interest of the municipality as its financing agent; and

(3) the municipality has submitted, with the approval of the independent fiscal monitor, a recovery plan which, in the judgment of the Board, will enable the municipality to bring all of its expenditures other than capital items into balance with its revenues, in a budget reported in accordance with accounting principles established under State law, and to resume borrowing for itself to the full extent required, within a reasonable period of time, but in no case more than five years.

(d) INTEREST ON CERTAIN GUARANTEED OBLIGATIONS TO BE TAXED.—Section 103(f) of title 26, United States Code, is amended by inserting ", or under section 6 of the Reconstruction Finance Corporation Act of 1981," immediately after "New York City Loan Guarantee Act of 1978".

SEC. 7. SPECIAL POWERS; LIMITATIONS AND CONDITIONS.

(a) LIMITS ON THE AMOUNT OF AID.—

(1) In no case shall the aggregate amount of assistance given under section 5 or 6 of this Act to, or in connection with, any one business entity and its subsidiary or affiliated business entities, or any one municipality—

(A) exceed at any one time 5 per centum of the sum of (i) the authorized capital stock of the RFC, plus (ii) the aggregate amount of bonds of the RFC authorized to be outstanding when the capital stock is fully subscribed;

(B) exceed, in the case of an eligible business entity with a Plan of Reorganization and Recovery, 50 per centum of the amount of aid required by such Plan, (without regard to any subsequent revisions to it); and

(C) exceed, in the case of an eligible municipality, 50 per centum of the deficit in the operating budget of such municipality during the period covered by its recovery plan.

(2) The aggregate of the principal amount of the loans outstanding at any one time with respect to which guarantees have been made and of the loans that the RFC has made directly shall not exceed 10 times the sum of the subscribed capital stock of the RFC.

(b) TERMS AND CONDITIONS FOR LOANS AND LOAN GUARANTEES.—

(1) Each loan or loan guarantee made under section 5 or 6 or this Act may be made for a period not exceeding 20 years, though in no case shall the period exceed the useful lives of any physical assets purchased with such loan.

(2)(A) Each direct loan shall bear interest at a rate not less than the current average market yield (as certified by the Secretary of the Treasury to the RFC) on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the maturity of such loan, adjusted to the nearest one-eighth of 1 per centum.

(B) Each loan to be guaranteed shall bear interest at a rate determined by the Board to be reasonable taking into account the current average yield on outstanding obligations of the United States with remaining periods to maturity comparable to the maturity of such loan.

(3) Each such loan shall be fully and adequately secured, except that the requirement of this paragraph may be waived by the Board for a loan made pursuant to a Plan of Gradual Liquidation. The RFC, under such conditions as it shall prescribe, may take over or provide for the administration and liquidation of any collateral accepted by it as security for such loan. Each such loan may be made directly upon promissory notes or by way of discount or rediscount of obligations tendered for the purpose, or otherwise in such form and in such amount and at such interest or discount rates as the RFC may approve, except that no loan or advance shall be made upon foreign securities or foreign acceptances as collateral or for the purpose of assisting in the carrying or the liquidation of such foreign securities and foreign acceptances.

(4) The RFC may not guarantee a loan unless it determines that the terms, conditions, and security (if any), and the schedule and amount of repayments with respect to the loan are sufficient to protect the financial interest of the RFC and are otherwise reasonable, including a determination that the rate of interest on such loan does not exceed such rate as the RFC determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans.

(5) The RFC shall be entitled to recover from an applicant for a loan guarantee under section 5 the amount of any payment made the RFC pursuant to such guarantee upon the failure of the applicant to pay when due the principal of and interest on the loan with respect to which the guarantee was made, unless the RFC for good cause waives the right of recovery; and the RFC shall be subrogated to all of the rights under such loan of the recipient of such payment.

(6) Any loan guaranteed by the RFC under this Act shall be incontestable (A) in the hands of an applicant on whose behalf such guarantee is made unless the applicant engaged in fraud or misrepresentation in securing such guarantee, and (B) as to any person (or his successor in interest) engaged in fraud or misrepresentation in making or contracting to make such loan.

(7) The RFC may guarantee short-term obligations incurred for the purpose of obtaining temporary funds with a view to refinancing from time to time so long as the entire term does not exceed that specified under paragraph (1) and the borrower continues to be eligible for assistance.

(8) Loans and guarantees of loans and of municipal debt shall be subject to such further terms and conditions as the RFC may prescribe to carry out the provisions of this Act.

(c) PROHIBITION AGAINST FEES.—No fee or commission shall be paid by any applicant for a loan or a guarantee under this Act in connection with any such application or any loan or a guarantee made under this Act, and the agreement to pay or the payment of any such fee or commission shall be unlawful.

(d) FEDERAL FINANCING BANK.—Notwithstanding the provisions of section 6 of the Federal Financing Bank Act of 1973 or any other provision of law, none of the loans guaranteed under this Act shall be eligible for purchase by sale or issuance to, the Federal Financing Bank or any other Federal agency or department or entity owned in whole or in part by the United States.

SEC. 8. CAPITALIZATION OF THE RFC; OTHER FINANCIAL PROVISIONS.

(a) AUTHORIZED CAPITAL STOCK.—

(1) The RFC shall have capital stock of $3,000,000,000, subscribed by the United States of America, payment for which shall be subject to call in whole or in part by the Board of Directors of the RFC.

(2) There is authorized to be appropriated the sum of $3,000,000,000 for the purpose of making payments upon such subscription when called.

(b) FUNDS ON DEPOSIT WITH TREASURY OR FEDERAL RESERVE BANK.—All moneys of the RFC not otherwise employed may be deposited with the Treasurer of the United States subject to check by authority of the RFC or in any Federal Reserve bank, or may, by authorization of the Board of Directors of the RFC, be used in the purchase for redemption and retirement of any notes, debentures, bonds, or other obligations issued by the RFC, and the RFC may reimburse such Federal Reserve banks for their services in the manner as may be agreed upon. The Federal Reserve banks shall act as depositories, custodians, and fiscal agents for the Reconstruction Finance Corporation in the general performance of its powers conferred by this Act.

(c) ISSUANCE OF NOTES, DEBENTURES, and BONDS.—

(1) The RFC is authorized, with the approval of the Secretary of the Treasury (hereinafter referred to as the "Secretary") to issue, and to have outstanding at any one time in an amount aggregating not more than the sum of ten times its subscribed capital stock its own notes, debentures, bonds, or other such obligations (hereinafter referred to as "obligations"). Obligations of the RFC shall mature not more than twelve years from their respective dates of issue, shall be redeemable at the option of the RFC before maturity in such manner as may be stipulated in such obligations, and shall bear such rate or rates of interest as may be determined by the RFC.

(2) The RFC, with the approval of the Secretary, may sell on a discount basis short-term obligations payable at maturity without interest.

(3) The obligations of the RFC may be secured by assets of the RFC in such manner as shall be prescribed by its Board of Directors. Obligations of the RFC may be issued in payment of any loan authorized by this Act or may be offered for sale at such price or prices as the RFC may determine with the approval of the Secretary.

(4) Obligations of the RFC shall be fully and unconditionally guaranteed both as to interest and principal by the United States and such guaranty shall be expressed on the face thereof. In the event that the RFC shall be unable to pay upon demand, when due, the principal of or interest on obligations issued by it, the Secretary shall pay the amount of such principal or interest, which amount is authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated. To the extent of the amounts so paid, the Secretary of the Treasury shall succeed to all the rights of the holders of such obligations.

(d) SALES OF RFC OBLIGATIONS TO THE TREASURY; PUBLIC-DEBT TRANSACTIONS.—

(1) The Secretary, in his discretion, is authorized to purchase any obligations of the RFC to be issued under this section, and for such purpose the Secretary is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act or under any other general bond-issuing authority granted.

(2) The purposes for which securities may be issued under the Second Liberty Bond

Act or under any other general bond-issuing authority granted are extended to include any purchases of the RFC's obligations.

(3) The Secretary may, at any time, sell any of the obligations of the RFC acquired by him under this section.

(4) All redemptions, purchases, and sales by the Secretary of the obligations of the RFC shall be treated as public-debt transactions of the United States.

(5) Obligations of the RFC shall not be eligible for discount or purchase by any Federal Reserve bank.

(e) EXEMPTION FROM TAXATION.—

(1) Any and all obligations issued by the RFC shall be exempt both as to principal and interest from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.

(2) The RFC, including its franchise, its capital, reserves, and surplus, and its income shall be exempt from all taxation now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority; except that any real property of the RFC shall be subject to State, territorial, county, municipal, or local taxation to the same extent according to its value that other real property is taxed.

(f) FORMS OF OBLIGATIONS; PREPARATION BY THE SECRETARY OF THE TREASURY.—In order that the RFC may be supplied with such forms of obligations as it may need for issuance under this Act, the Secretary is authorized to prepare such forms as shall be suitable and approved by the RFC to be held in the Treasury subject to delivery, upon order of the RFC. The engraved plates, dies, bed pieces, and so forth, executed in connection therewith, shall remain in the custody of the Secretary. The RFC shall reimburse the Secretary for any expenses incurred in the preparation, custody, and delivery of such obligations.

(g) RFC AS A DEPOSITARY OF PUBLIC MONEY; OBLIGATIONS CONSIDERED LAWFUL INVESTMENTS.—

(1) When designated for that purpose by the Secretary, the RFC—

(A) shall be a depositary of public money, except receipts from customs, under such regulations as may be prescribed by the Secretary;

(B) may be employed as a financial agent of the Government; and

(C) shall perform all such reasonable duties, as depositary of public money and financial agent of the Government, as may be required of it.

(2) Obligations of the RFC shall be lawful investments, and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof.

SEC. 9. ADMINISTRATIVE PROVISIONS.

(a) COOPERATION WITH OTHER FEDERAL AGENCIES.—

(1) In order to enable the RFC to carry out the provisions of this Act, the Treasury Department, the Comptroller of the Currency, the Federal Reserve Board, the Federal Reserve banks, the Interstate Commerce Commission, the Internal Revenue Service, and all other executive departments, agencies, boards, commissions, and independent establishments of the Federal Government, are hereby authorized, under such conditions as they may prescribe, to make available to the RFC, in confidence, such reports, records, or other information as they may have available relating to the condition of business entities or municipalities with respect to which the RFC has had or contemplates having transactions under this Act, or relating to individuals, associations, partnerships, or corporations whose obligations are offered to or held by the RFC as security for loans to business entities or municipalities under this Act, and to make through their examiners or other employees for the confidential use of the RFC, examinations of such business entities and municipalities.

(2) Every applicant for a loan or a guarantee under this Act shall, as a condition precedent thereto, consent to such examinations as the RFC may require for the purposes of this Act and that, upon request, reports of examinations by constituted authorities may be furnished by such authorities to the RFC.

(b) REPORTS BY THE RFC.—The RFC shall make and publish a quarterly report, the first of which shall be made not later than January 1, 1982, of its operations to Congress. Each such report shall include a statement of—

(1) the aggregate loans and guarantees made to each borrower;

(2) the number of borrowers and amount borrowed segregated by States;

(3) the assets and liabilities of the RFC; and

(4) the names and compensation of all individuals employed by the RFC whose compensation exceeds $1,500 a month.

(c) AUDIT OF FINANCIAL TRANSACTIONS; REPORT ON AUDIT.—

(1) The accounts of the RFC shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the RFC are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the RFC and necessary to facilitate the audits shall be made available to the person or persons conducting the audits, and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(2) A report of each such independent audit shall be included in the appropriate quarterly report submitted to Congress under subsection (b) of this section. The report of each such independent audit shall set forth the scope of the audit and shall include—

(A) such statements as are necessary to present fairly the RFC's assets and liabilities and surplus or deficit;

(B) an analysis of the changes therein during the year;

(C) a statement in reasonable detail of the RFC's income and expenses during the previous year;

(D) a statement of the sources and applications of funds; and

(E) the independent auditor's opinion of such statements.

SEC. 10. CRIMINAL PROVISIONS.

(a) WILLFUL MISREPRESENTATIONS TO THE RFC.—Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any loan, or extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security therefor, or for the purpose of influencing in any way the action of the RFC, or for the purpose of obtaining money, property, or anything of value, under this Act, shall be punished by a fine of not more than $5,000 or by imprisonment of not more than two years, or both.

(b) COUNTERFEITING AND OTHER MISHANDLING OF RFC OBLIGATIONS.—Whoever—

(1) falsely makes, forges, or counterfeits any obligation or coupon in imitation of or purporting to be an obligation or coupon issued by the RFC;

(2) passes, utters, or publishes, or attempts to pass, utter, or publish, any false, forged, or counterfeited obligation or coupon purporting to have been issued by the RFC, knowing the same to be false, forged, or counterfeited;

(3) falsely alters any obligation or coupon issued or purporting to have been issued by the RFC;

(4) passes, utters, or publishes, or attempts to pass, utter, or publish, as true any falsely altered or spurious obligation or coupon issued or purporting to have been issued by the RFC, knowing the same to be falsely altered or spurious; or

(5) willfully violates any other provision of this Act;

shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

(c) DEFRAUDING THE RFC, ITS AUDITORS, OR THE PUBLIC.—Whoever, being connected in any capacity with the RFC—

(1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to the RFC or pledged or otherwise entrusted to it;

(2) with intent to defraud the RFC or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the RFC, makes any false entry in any book, report, or statement of or to the RFC, or, without being duly authorized, draws any order or issues, puts forth, or assigns any obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof;

(3) with intent to defraud, participates, shares, receives directly or indirectly any money, profit, property or benefit through any transaction, loan, commission, contract, or any other act of the RFC; or

(4) gives any unauthorized information concerning any future action or plan of the RFC which might affect the value of securities, or, having such knowledge, invests or speculates, directly or indirectly, in the securities or property of any company, bank, or corporation receiving loans or other assistance from the RFC;

shall be punished by a fine of not more than $10,000 or by imprisonment of not more than five years, or both.

(d) USE OF WORDS "RECONSTRUCTION FINANCE CORPORATION" BY OTHERS.—No individual, association, partnership, or corporation shall use the words "Reconstruction Finance Corporation" or a combination of these three words, as the name or a part thereof under which he or it does business. Every individual, partnership, association, or corporation violating this prohibition shall be guilty of a misdemeanor and shall be punished by a fine not exceeding $1,000 or imprisonment not exceeding one year, or both.

(e) Section 433 of title 18, United States Code, is amended by inserting "of 1981" immediately after "the Reconstruction Finance Corporation Act."

SEC. 11. AUTHORIZATION OF APPROPRIATION.

There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act. No authority to make payments, loans, or guarantees under this Act shall be effective except to such extent or in such amounts as are provided in advance in appropriation Acts.

SEC. 12. SEPARABILITY OF PROVISIONS.

The right to alter, amend, or repeal this Act is hereby expressly reserved. If any part of this Act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of the Act.

RECONSTRUCTION FINANCE CORPORATION FACT SHEET

Section 1. States the name of the proposed legislation: "The Reconstruction Finance Corporation Act of 1981".

Section 2. Creates the Corporation.

Section 3. Describes the composition of the seven member Board of Directors (the Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System, and the Chairman of the Council of Economic Advisers, *ex officio*, plus four additional members to be appointed by the President with the advice and consent of the Senate, not more than two of whom may be members of the same political party) and prohibits conflicts of interest.

Section 4. Sets forth the general powers of the Corporation.

Section 5. Sets forth special powers with respect to aiding eligible business entities. A business would be eligible if it is "certain to become insolvent", if "its closure would adversely and severely affect the economy of the United States or any sizable region thereof" and if private credit is not available to it. The RFC is empowered to make or guarantee loans, but only if it has a "Plan of Reorganization and Recovery" describing steps to be taken to restore the financial health of the business or a gradual liquidation plan for the business. The RFC is also empowered, under certain circumstances, to purchase assets and hold them for short periods.

Section 6. Sets forth special powers with respect to aiding eligible municipalities. Loans may be made or guaranteed to municipalities that are unable to balance their expense budgets and unable to obtain credit elsewhere, provided that certain requirements are satisfied. These include the creation by the state of a fiscal "watchdog" agency for the municipality, and the preparation of a "recovery plan" for the municipality.

Section 7. Sets forth the limits and conditions on RFC aid, which may not exceed half of the aid required by a business' Plan of Reorganization and Recovery or of the deficit described in a municipality's Recovery Plan, nor may the aid to any business or municipality exceed $1.65 billion.

Section 8. Capitalizes the RFC at $3 billion, to be subscribed by the federal government. The RFC is also authorized to issue notes, bands and other obligations, guaranteed by the federal Treasury, up to $30 billion.

Section 9. Sets forth a number of administrative procedures and arrangements.

Section 10. Provides criminal penalities for willful misrepresentations to the RFC, mishandling of RFC obligations and defrauding the RFC.

Section 11. Authorizes "such sums as may be necessary" to carry out the provisions of this act.

Section 12. Provides for the separability of the Act's various provisions should any of them be invalidated by a court.

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RECONSTRUCTING THE RFC

(By Felix Rohatyn)

Recent economic developments suggests the need for a new version of the Reconstruction Finance Corporation of the 1930s. In the private sector, there now exists the prospect of major business failures. We need only examine the present conditions in the auto, airline and steel industries to foresee the possibility of future petitions, similar to Chrysler's, for federal assistance to avert massive bankruptcy. Certain of our large financial institutions are also considerably more fragile than they seem.

A comparable condition besets major American cities. New York City is unlikely to regain full access to public markets by the end of fiscal 1982, as anticipated when Congress authorized loan guarantees in 1978. The combination of economic decline and reduction in anticipated federal aid has caused repeated modification in the city's financial plan, showing potentially large budget gaps for 1982.

With some variation, the same picture may be drawn for Cleveland, Chicago, Philadelphia, Newark and other cities. Local action to raise revenues or cut expenses beyond a reasonable point only deepens the economic crisis.

Both of these national problems—large business failures and major municipal difficulties—require national initiatives. Over the long term, fiscal and monetary policy, formula revisions, federal aid and other changes in the fiscal relationships among levels of government will no doubt be debated. These are surely needed. But in the present circumstances, some action is needed now to provide a safety net for both businesses and municipalities in crisis.

A new Reconstruction Finance Corporation could supply the capital assistance and serve as the catalyst needed to avert even larger problems. The RFC would be created by the federal government and authorized to assist businesses and municipal governments whose failure would have a material impact on the country or a significant region. This assistance would take the form of loans or, in the case of businesses, loans as well as equity investments.

There are several reasons that support the creation, through federal legislation, of a new RFC:

First, the threshold determination of whether the public interest supports federal intervention has essentially been made. In the case of Lockheed, Chrysler and New York City, Congress did commit large sums to take the company or city out of bankruptcy. The philosophical line has been crossed with the argument that the social consequences of both business and municipal failures, of the scope indicated, are vast, and largely uncharted.

Second, applying the appropriate remedy requires a professional nonpolitical approach as well as a broader set of options. Providing guaranteed loans at high interest rates to a failing company, overburdened with debt and with inadequate permanent capital, may buy time but will clearly not cure. The ability to make equity investments, as part of an overall, multilateral rescue package, can come only from an RFC.

Third, it should be evident that the legislature is a poor forum to determine specific cases. Under the pressures of the emergency, delicate negotiations with unions, banks, stockholders and suppliers are impossible. Congress is besieged with simple but urgent demands for action. Negotiations would benefit from the insulation provided by setting up a professional mechanism that could make the decision to commit or not to commit aid using the leverage that often does not exist in the legislative process.

Fourth, the problem of massive business and municipal collapse is a national responsibility simply because neither private lenders nor states are able to cope with needs of this magnitude. Each of the participating interests must play a part in any rescue plan, but it requires a coordinating agency with sufficient authority and capacity to bring about a solution.

Fifth, the RFC would have the advantage of providing continuity as well as professionalism in the design of a fiscal strategy for each particular case. The RFC should be managed by paid professionals with its own board of directors, the majority of whom would be private citizens and would include the secretary of the Treasury, the chairman of the Federal Reserve, the chairman of the Securities and Exchange Commission and the chairman of the Council of Economic Advisers.

Finally, the RFC should only be a temporary investor. It should remain an investor only until it can divest itself of its commitments through the marketplace and should never provide more than 50 percent of the capital required by any type of rescue. It should be a revolving fund—profitable, one hopes—stepping in where no alternatives are available and stepping out when the public interest has been served and market forces operate.

Certain risks and objections to the RFC have to be acknowledged: the risks to federalism and to private entrepreneurial decisions; the contention that it might reduce incentives for efficiency and for good management; that it amounts to discrimination against small companies and cities that may not be eligible for aid; that its intervention in credit allocation will politicize competitive markets; that the government will be left in a conflict of roles, as lender-investor and as regulator.

Each of these objections and others should be explored in detail. Some may be mitigated by the procedures for accountability and the standards for intervention that are built into the RFC legislation. Others are more fundamental and require a basic judgment about the need for some institutions and a comparative analysis of the alternatives. Since part of the RFC's activities would be for the benefit of private business, part of the capital should come from the business sector. The management, as in the original RFC, should be professional and non-political.

On balance, I believe that the RFC is needed and is preferred to the kind of ad hoc legislative response that has characterized the Lockheed, Chrysler and New York City petitions. This does not lead to state capitalism. If Chrysler ultimately fails, it will not prove that government should not have tried the cure, it will prove that the wrong medicine was applied too late. The right medicine should be available in the future. It will quite probably be needed.●

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## ADDITIONAL COSPONSORS

S. 473

At the request of Mr. DURENBERGER, the Senator from Minnesota (Mr. BOSCHWITZ) was added as a cosponsor of S. 473, a bill to amend the Internal Revenue Code of 1954 to provide that the amount of the charitable deduction allowable for expenses incurred in the operation of a motor vehicle will be determined in the same manner Government employees determine reimbursement for the use of their vehicles on Government business.

S. 613

At the request of Mr. THURMOND, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 613, a bill to amend section 1951 of the United States Code, and for other purposes.

S. 1086

At the request of Mr. DENTON, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 1086, a bill to extend and revise the Older Americans Act of 1965, and for other purposes.

S. 1163

At the request of Mr. NUNN, the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 1163, a bill to increase the penalties for violations of the Taft-Hartley Act. To prohibit persons, upon their convictions of certain crimes, from holding offices in or certain positions related to labor organizations

and employee benefit plans, and to clarify certain responsibilities of the Department of Labor.

S. 1348

At the request of Mr. SASSER, the Senator from Missouri (Mr. DANFORTH), the Senator from Connecticut (Mr. WEICKER), and the Senator from Maine (Mr. MITCHELL) were added as cosponsors of S. 1348, a bill to amend the Internal Revenue Code of 1954 to clarify certain requirements which apply to mortgage subsidy bonds.

S. 1402

At the request of Mr. CANNON, the Senator from Idaho (Mr. MCCLURE) was added as a cosponsor of S. 1402, a bill to establish uniform national standards for the continued regulation, by the several States, of commercial motor vehicle width and length on interstate highways.

S. 1427

At the request of Mr. GARN, the Senator from Tennessee (Mr. SASSER), and the Senator from Iowa (Mr. JEPSEN) were added as cosponsors of S. 1427, a bill to reduce financing costs to cities, counties, and States by amending section 5136 of the Revised Statutes to permit national banks to underwrite and deal in revenue bonds issued by State and local governments, and for other purposes.

S. 1450

At the request of Mr. CANNON, the Senator from Missouri (Mr. DANFORTH), and the Senator from Arizona (Mr. GOLDWATER) were added as cosponsors of S. 1450, a bill to provide for the continued deregulation of the Nation's airlines, and for other purposes.

S. 1528

At the request of Mr. PROXMIRE, the Senator from Washington (Mr. JACKSON) was added as a cosponsor of S. 1528, a bill to amend the Social Security Act to provide for improved management of the social security trust funds and increase the return on investments to these funds.

S. 1598

At the request of Mr. STENNIS, the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1589, a bill to establish a National Commission on Interest Rates.

S. 1607

At the request of Mr. D'AMATO, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 1607, a bill to amend the Internal Revenue Code of 1954 to provide a minimum interest and dividend exclusion of $200 for each individual.

SENATE JOINT RESOLUTION 29

At the request of Mr. HEINZ, the Senator from Wisconsin (Mr. KASTEN) was added as a cosponsor of Senate Joint Resolution 29, a joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning with the first Sunday in June of each year as "National Garden Week."

SENATE JOINT RESOLUTION 59

At the request of Mr. ROBERT C. BYRD, the Senator from Indiana (Mr. LUGAR), the Senator from South Carolina (Mr. THURMOND), and the Senator from Washington (Mr. JACKSON) were added as cosponsors of Senate Joint Resolution 59, a joint resolution designating the square dance as the national folk dance of the United States.

SENATE JOINT RESOLUTION 67

At the request of Mr. INOUYE, the Senator from New Jersey (Mr. WILLIAMS) and the Senator from Minnesota (Mr. BOSCHWITZ) were added as cosponsors of Senate Joint Resolution 67, a joint resolution to establish "National Nurse-Midwifery Week."

SENATE JOINT RESOLUTION 107

At the request of Mr. ROBERT C. BYRD, the Senator from New Hampshire (Mr. HUMPHREY), the Senator from South Carolina (Mr. THURMOND), and the Senator from Tennessee (Mr. BAKER) were added as cosponsors of Senate Joint Resolution 107, a joint resolution to designate the 7th day of October 1981 as "National Guard Day."

SENATE CONCURRENT RESOLUTION 33

At the request of Mr. PRESSLER, the Senator from Idaho (Mr. SYMMS), the Senator from Nebraska (Mr. ZORINSKY), the Senator from Nebraska (Mr. EXON), the Senator from Nevada (Mr. LAXALT), the Senator from Missouri (Mr. EAGLETON), the Senator from Oklahoma (Mr. BOREN), the Senator from North Dakota (Mr. ANDREWS), the Senator from Iowa (Mr. JEPSEN), the Senator from North Carolina (Mr. HELMS), the Senator from Idaho (Mr. MCCLURE), the Senator from Arizona (Mr. DECONCINI), the Senator from Montana (Mr. MELCHER), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from North Carolina (Mr. EAST), and the Senator from South Dakota (Mr. ABDNOR) were added as cosponsors of Senate Concurrent Resolution 33, a concurrent resolution disapproving the Federal Trade Commission Trade Regulation Rule relating to the sale of used motor vehicles.

SENATE RESOLUTION 199

At the request of Mr. NUNN, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of Senate Resolution 199, a resolution to authorize "National Productivity Improvement Week."

SENATE RESOLUTION 211

At the request of Mr. BENTSEN, the Senator from Mississippi (Mr. COCHRAN), the Senator from Nevada (Mr. CANNON), and the Senator from South Dakota (Mr. PRESSLER) were added as cosponsors of Senate Resolution 211, a resolution calling on the Governors of the Federal Reserve System to encourage banks to make loans available for productive uses while eliminating loans for speculative and unproductive uses.

UP AMENDMENT NO. 378

At the request of Mr. HAYAKAWA, the Senator from California (Mr. CRANSTON) was added as a cosponsor of UP amendment No. 378 proposed to S. 884, a bill to revise and extend programs to provide price support and production incentives for farmers to assure an abundance of food and fiber, and for other purposes.

## AMENDMENTS SUBMITTED FOR PRINTING

### INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT

AMENDMENT NO. 552

(Ordered to be printed and to lie on the table.)

Mr. PROXMIRE submitted an amendment intended to be proposed by him to the bill (S. 1196) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize appropriations for development and security assistance programs for the fiscal year 1982, to authorize appropriations for the Peace Corps for the fiscal year 1982, to provide authorities for the Overseas Private Investment Corporation, and for other purposes.

AID TO SYRIA

Mr. PROXMIRE. Mr. President, I send to the desk an amendment and ask for its appropriate referral. This is an amendment to the foreign aid bill, which would prohibit aid to Syria.

AMENDMENT NO. 553

(Ordered to be printed and to lie on the table.)

Mr. LUGAR submitted an amendment intended to be proposed by him to the bill, S. 1196, supra.

## NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. COHEN. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Senate Select Committee on Indian Affairs.

A hearing is scheduled for September 22, 1981, beginning at 10 a.m., in room 5302 of the Dirksen Senate Office Building, on S. 503, a bill to authorize the purchase, sale, and exchange of lands by the Devils Lake Sioux Tribe of North Dakota.

For further information regarding the hearing, you may wish to contact Mary Jane Wrenn of the committee staff on 224–2251.

Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Senate Select Committee on Indian Affairs.

A hearing is scheduled for September 28, 1981, beginning at 9:30 a.m., in room 6226 of the Dirksen Senate Office Building, on S. 874, a bill to provide for additional protection of steelhead trout as a game fish.

For further information regarding the hearing, you may wish to contact John Chaves of the committee staff on 224–2251.

SUBCOMMITTEE ON GOVERNMENTAL EFFICIENCY AND THE DISTRICT OF COLUMBIA

Mr. MATHIAS. Mr. President, I would like to announce that the Subcommittee on Governmental Efficiency and the District of Columbia of the Governmental Affairs Committee will be holding a hearing on Senate Resolution 207, a resolution to disapprove the District of Columbia Act 4–69, relating to the reform of

the sexual assault laws of the District of Columbia. The hearing will be held on Wednesday, September 23 at 9:30 a.m. in room 357 of the Russell Senate Office Building.

For further information, contact Eileen Mayer of the subcommittee staff at 224-4161.

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. DURENBERGER. Mr. President, I would like to announce that the Subcommittee on Intergovernmental Relations of the Governmental Affairs Committee has scheduled a hearing to consider and review standard, "boilerplate" language to be included in all future block grant legislation. The language was prepared in consultation with public interest groups representing entities and persons impacted by Federal assistance provided through the block grant mechanism. Included in the language are provisions dealing with the areas of application and planning, nondiscrimination, transition, reporting, and auditing.

The hearing will be in room 3302, Dirksen Senate Office Building, Wednesday, September 23, 1981, starting at 9:30 a.m. Those wishing to submit written statements to be included in the printed record of the hearing should send five copies to Ruth M. Doerflein, clerk, Subcommittee on Intergovernmental Relations, room 507, Carroll Arms Building, Washington, D.C. 20510.

For further information on the hearing, you may contact Pam Hess of the subcommittee staff at 224-6702.

## AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on September 22, to hold a hearing on the annual refugee consultation for fiscal year 1982.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on September 26, at 10 a.m., to hold a hearing on the Criminal Code.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON JUVENILE JUSTICE

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittee on Juvenile Justice of the Committee on the Judiciary be authorized to meet during the session of the Senate on September 26, at 1 p.m., to hold a hearing on media response.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CRIMINAL LAW

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittee on Criminal Law of the Committee on the Judiciary be authorized to meet during the session of the Senate on September 22, at 2 p.m., to hold hearings on S. 904 and S. 907, bills dealing with assassination attempts.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ADDITIONAL STATEMENTS

### ACID RAIN

● Mr. MITCHELL. Mr. President, acid rain has been the subject of debate in many diverse forums during the past months. Perhaps the longest running dialog on this issue has occurred in the scientific community. Scientists throughout the United States and the world have devoted years to their search for more complete knowledge about the causes of acid precipitation, the extent of the problem, its effects on aquatic resources, fish life, and vegetation such as forests and other crops.

While our knowledge is far from complete, it represents a solid basis for a policy to deal with the situation. An important addition to our analysis of the acid rain issue has recently been published by the National Academy of Sciences, a body noted for its objectivity, and highly respected within the scientific community.

The conclusion of the National Academy is clear and unequivocal. They state:

Although claims have been made that direct evidence linking power-plant emissions to the production of acid rain is inconclusive, we find the circumstantial evidence for their role overwhelming.

The Committee believes that continued emissions of sulfur and nitrogen oxides at current or accelerated rates, in the face of clear evidence of serious hazard to human health and to the biosphere, will be extremely risky from a long-term economic standpoint as well as from the standpoint of biosphere protection.

Of the options presently available only the control of emissions of sulfur and nitrogen oxides can significantly reduce the rate of deterioration of sensitive freshwater ecosystems . . . In the most seriously affected area . . . this would mean a reduction of 50 percent in deposited hydrogen ions. Control of $SO_2$ from new electrical generating plants alone would be insufficient to accomplish this, and thus restrictions on older plants must be considered.

I ask to include additional excerpts at the end of my statement.

Mr. President, I am in agreement with these conclusions. I will introduce legislation to implement these recommendations in the near future.

This report is particularly timely, as the Environment and Public Works Committee on which I serve, begins its deliberations on amendments to the Clean Air Act. I commend the report to my colleagues.

The excerpts follow:

EXCERPTS FROM "ATMOSPHERE-BIOSPHERE INTERACTIONS: TOWARD A BETTER UNDERSTANDING OF THE ECOLOGICAL CONSEQUENCES OF FOSSIL FUEL COMBUSTION"

Ecologists, geochemists, and climatologists are beginning to discover that in many respects man is now operating on nature's own scale, particularly through the heavy use of fossil fuels to supply the energy that runs our industrial civilization. Because the uncertainties associated with such large-scale operations are very great—for good or ill—it behooves us to exercise restraint in our present intensive use of energy, and to mitigate where possible the ill effects that air pollution imposes not only on us but also on the ecosystems that make up our life support system. In this connection numerous studies have reported on the substantial opportunities for energy conservation and shifts to alternative energy sources.

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Perhaps the first well-demonstrated widespread effect of burning fossil fuel is the destruction of soft-water ecosystems by "acid rain," which has been caused by anthropogenic emissions of sulfur and nitrogen oxides that are further oxidized in the atmosphere. Major effects include destruction of many species of fish and their prey and acidification of surface and ground waters to the point where toxic trace metals reach concentrations undesirable for human consumption and for aquatic animal habitats (see Chapter 8). Severe degradation of many aquatic ecosystems has been recorded in Norway, Sweden, the United States, Scotland, and Canada (Drablös and Trollan 1980). Surprisingly, significant effects have also been recorded for aquatic systems in countries once thought to be geologically resistant to acidification, including the Netherlands, Denmark, and Belgium (Vangenechten and Vanderborght 1980, Van Dam et al. 1980, Rebsdorf 1980).

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Although claims have been made that direct evidence linking power-plant emissions to the production of acid rain is inconclusive (Poundstone 1980, Curtis undated), we find the circumstantial evidence for their role overwhelming. Many thousands of lakes have already been affected, according to estimates by European and North American scientists (Drablös and Tollan 1980). Acidified lakes have been found in areas where geological factors, such as volcanism and the weathering of pyrites, or biological factors, such as acid bog drainage, cannot be implicated. At current rates of emission of sulfur and nitrogen oxides, the number of affected lakes can be expected to more than double by 1990, and to include larger and deeper lakes (Henriksen 1980). There is little probability that some factor other than emissions of sulfur and nitrogen oxides is responsible for acid rain. Although the deposited nitrogen and sulfur may be slightly beneficial in terrestrial soils deficient in these elements, the stimulus is expected to be short-lived (Abrahamson 1980), and over the long term acid precipitation is likely to accelerate natural processes of soil leaching that lead to impoverishment in plant nutrients (Overrein et al., 1980). When freshwater effects are considered, the positive effects are greatly outweighed by the negative.

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The same gaseous oxides are known to affect human health directly in urban areas (Lave and Seskin 1977, NRC 1977b, NRC 1977c, NRC 1978a, Mendelsohn and Orcutt 1979) and to cause decreases in crop yields in some areas. Acid deposition is also known to cause large economic losses by corroding metals and eroding buildings and statuary made of calcareous rock (Bolin 1971, Nriagu 1978). The Committee believes that continued emissions of sulfur and nitrogen oxides at current or accelerated rates, in the face of clear evidence of serious hazard to human health and to the biosphere, will be extremely risky from a long-term economic standpoint as well as from the standpoint of biosphere protection.

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In Chapter 8, we give an up-to-date case history of acid deposition, one example of the severe biospheric effects resulting from anthropogenic pollution of the atmosphere that appears already to have eliminated or substantially reduced the populations of some organisms, including fishes, in parts of their natural ranges. Owing to the concen-

trated efforts of scientists in the Northern Hemisphere, most notably in Scandinavia during the past decade, we have a much more complete knowledge of the causes and consequences of acid deposition than we have for other pollutants discussed here. Yet even for acid deposition, many mechanisms and effects are poorly known. Throughout the above-mentioned chapters we have attempted to indicate how widespread and complicated the atmospheric pollution problem is, and how intertwined the biogeochemical cycles of pollutants are with the cycles of naturally important elements. As a consequence, second- and third-order effects may be of great importance, but they are far more difficult to predict than the first-order effects upon which most attention is focused.

Though necessarily incomplete in many respects, the information synthesized by the Committee renders a rather unfavorable picture of the consequences of current fossil fuel burning practices. Along with the probable large-scale effects described above, slow, nearly undetectable increases in a multitude of extremely toxic substances are taking place. It is the Committee's opinion, based on the evidence we have examined, that the picture is disturbing enough to merit prompt tightening of restrictions on atmospheric emissions from fossil fuels and other large sources such as metal smelters and cement manufacture. Strong measures are necessary if we are to prevent further degradation of natural ecosystems, which together support life on this planet.

Some pollutants, such as sulfur and nitrogen oxides, particulate pollutants, and lead, are readily amenable to control by appropriate engineering technologies. Others, such as mercury and $CO_2$, are more difficult and expensive to control by available technologies. In the long run, only decreased reliance on fossil fuel or improved control of a wide spectrum of pollutants can reduce the risk that our descendants will suffer food shortages, impaired health, and a damaged environment.

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Acid deposition, due to the further oxidation of sulfur and nitrogen oxides released to the atmosphere by anthropogenic sources, is causing widespread damage to aquatic ecosystems, including loss of bicarbonate, increased acidity, and higher concentrations of toxic metals. As a result, several important species of fish and invertebrates have been eliminated over substantial parts of their natural ranges.

Effects on terrestrial ecosystems are less pronounced. Increased leaching of both nutrients and toxic elements is evident in poorly buffered soils sensitive to acidification. There is some evidence for damage to crop plants, and many soil microbial processes are negatively affected at low pH. Trees appear to be slightly stimulated by acid precipitation, although this effect is expected to be short-lived, because of increased leaching of cationic nutrients and the buildup of toxic concentrations of metals in soil water.

Better long-term studies of deposition processes and of effects on ecosystems are required to illuminate the complex ecological effects of acid precipitation and associated nutrients and toxicants. The control of emissions of sulfur and nitrogen oxides from fossil fuels is necessary to halt the acidification of sensitive aquatic ecosystems.

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Of the options presently available only the control of emissions of sulfur and nitrogen oxides can significantly reduce the rate of deterioration of sensitive freshwater ecosystems. It is desirable to have precipitation with pH values no lower than 4.6 to 4.7 throughout such areas, the value at which rates of degradation are detectable by current survey methods, as mentioned above. In the most seriously affected areas (average precipitation pH of 4.1 to 4.2), this would mean a reduction of 50 percent in deposited hydrogen ions. Control of $SO_2$ from new electrical generating plants alone would be insufficient to accomplish this, and thus restrictions on older plants must be considered. Furthermore, there are no proposed restrictions on the emission of nitrogen oxides, and the amounts of these substances emitted are expected to continue to increase.

The alkalinity of waters endangered by acidification can be enhanced by a number of means, most notably by "liming"—adding calcium carbonate or oxide—and by adding phosphorus to stimulate biological fixation of nitrate and $CO_2$. All of these techniques are expensive ($50 and more per hectare of water surface), and treatments must be repeated every few years. Due to high costs and logistic difficulties, lime cannot be applied to the vast areas that are currently endangered by acidification. In the areas most susceptible to acid deposition, it will therefore be impossible to maintain the alkalinity and pH of more than a few selected bodies of water. Furthermore, pH and alkalinity cannot be artificially maintained without increasing the ionic concentration of the receiving water, the consequences of which have not been investigated. The fate of dissolved toxic metals after liming is also poorly known.

The deposition of acid from the atmosphere was recognized in President Carter's second environmental message to the U.S. Congress on August 2, 1979, as "one of the most serious global pollution problems associated with fossil fuel combustion," rivaled only by the buildup of carbon dioxide in the atmosphere. The topic, generally known as "acid rain," has been of much international concern because acids are deposited far from the sources of their precursors.

Acid precipitation was the subject of a major international symposium in 1975, when research on many aspects of the topic was in its infancy. Since that time, many studies have been completed, including an enormous amount of work in Scandinavia. Recent symposia (Drablös and Tollan 1980, Hutchinson and Havas 1980, Shriner et al. 1980) treat many aspects of the problem in much more detail than previously, and some long-term studies of effects allow a much more conclusive summary of the problem. We can thus learn much from a case study of acid precipitation about the problems likely to be encountered with other atmospheric pollutants.

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Direct cause-and-effect linkages between sources of acid and effects on ecosystems will not be possible in the foreseeable future, owing to the remoteness of sources and the complexity of the interaction among emissions from different sources, atmospheric transport, chemical transformations, and specific orographic and geological settings. But the increased emission of sulfur and nitrogen compounds from anthropogenic sources is the only plausible explanation for acid deposition.

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A number of changes in the emissions of acid precursors have taken place over the past few decades, which may influence the acidity of precipitation. While $SO_2$ emissions have not changed greatly for several decades, owing to a switch from coal to other fuels and to increased control of gaseous sulfur emissions, there was unquestionably a great increase in anthropogenic sulfur emissions in the 20th century, causing increased sulfate deposition in remote regions.

Despite the relative constancy of annual $SO_2$ emissions during the past century, three technological changes may cause the emissions to produce acid precipitation more efficiently.

First, the height at which gases are injected into the atmosphere has increased nearly threefold, causing $SO_2$ to be transported farther and to remain in the atmosphere longer, increasing the probability of oxidation to sulfuric acid. Second, recent controls of particulate emissions have reduced the amount of alkaline fly ash discharged from smokestacks, and it is conceivable that in the past such material partially neutralized acid emissions. Third, there has been a gradual change from seasonal to year-round emission. Less coal is used for space heating and more coal is used for generating electricity. Also the demand for electricity during the summer months has grown with the increased use of air conditioning. The high temperatures and humidities in summer may result in more efficient oxidation of $SO_2$ emissions to sulfuric acid.

In addition to the technological changes in $SO_2$ emission, there has been an increase in emission of nitrogen oxides for the past few decades. Nitrogen oxides are emitted from a wide variety of sources, with some injected high into the atmosphere while others are ejected and dispersed at ground level through motor vehicle use. In the absence of control technology for nitrogen oxides, their emissions will exceed emission of sulfur oxides by the turn of the century.

We stress that emission of nitrogen and sulfur oxides and the consequent acid precipitation are broad regional rather than global problems. When natural and anthropogenic emissions are compared on a regional basis, it is clear that man's activities completely overwhelm natural sources of $SO_2$ and $NO_x$, even though the magnitude of anthropogenic emissions of these oxides may seem unimportant when compared with natural emissions on a global scale.

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The theory that the acidification observed in poorly buffered fresh waters was due to changing land-use patterns (Rosenqvist 1978a,b) has now been discounted as an explanation for the widespread effects observed, particularly in remote areas. Detailed study over several years of watersheds in Norway, some with changing land-use patterns and some without, has shown that, on the average, both are acidified at equal rates (Drablös and Sevaldrud 1980, Drablös, et al. 1980). Moreover, studies of lakes in North America in areas where land-use patterns have never changed have also shown substantial increases in hydrogen ion or losses in buffering capacity (Dillon et al. 1978, Watt et al. 1979).

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Large areas of the earth's surfaces consist of poorly buffered geologic materials. Where such areas occur within several hundred kilometers of sources of atmospheric emissions that are acid precursors, detectable acidification of at least freshwater ecosystems may be expected to occur. In the United States such areas occur largely in the eastern part of the country (Cogbill and Likens 1974). In Canada, there are roughly 2 million square kilometers of acid-sensitive terrain—most of the eastern half of the country. Similar large geologic areas occur in Scandanivia, Scotland, and the northern part of the Soviet Union. A high proportion of the world's freshwaters occur in such terrain (between 50 and 80 percent depending on estimates); thus, large-scale degradation becomes an important concern.

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Routine surveys in the past generally have used measurement techniques too insensitive to detect changes in lakes susceptible to acidification. It follows from the previous discussion on bicarbonate buffering that the measurement of alkalinity using modern methods is a far more sensitive method than is pH determination for measuring the degree of lake acidification. Where sufficiently sensitive

techniques have been used in lakes subjected to acid precipiation, spectacular losses of alkalinity have been recorded. For example, Dillon et al. (1978) found that two lakes in south central Ontario, a region where the average pH of precipitation is 3.95 to 4.38, had lost over 50 percent of their alkalinity in a period of 5 to 10 years. Seasonal data are necessary in such studies to separate long-term trends from annual variation, because alkalinity in soft water systems is also greatly affected by seasonal cycles of plant production.

More typically, long-term measures of alkalinity are not available and the effects of acid precipitation must be interpreted through changes in pH. Watt et al. (1979), Thompson et al. (1980), the Ontario Ministry of Environment (1978), and Harvey (1980) have shown moderate to substantial decreases in pH over periods of a few years to two decades. In the latter two studies, rates of pH change (once again in south central Ontario) were often 0.1 pH units per year or more, indicating the total exhaustion of bicarbonate buffering in the lakes. Major damage to lakes may occur well before such dramatic reduction in pH takes place. For example, in an experimental acidification of a small lake, Schindler et al. (1980) found that 70 percent of the lake's alkalinity had been depleted before pH values decreased detectably below normal.

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Scandinavian and North American studies appear to agree on one point: acidification of sensitive waters is detectable within one to two decades where pH values of precipitation are less than 4.6—a 10-fold increase in acidity over the theoretical "pure" rain pH value of 5.6 (Henriksen 1979, 1980; Watt et al. 1979; Thompson et al. 1980). In areas where precipitation has pH values of 4.0 to 4.3, degradation is much more rapid (Dillon et al. 1978, Keller et al. 1980). Changes in the pH or alkalinity of water bodies of small areas of Belgium, the Netherlands, and Denmark also have been recorded (Vangenechten and Vanderborght 1980, Van Dam et al. 1980, Rebsdorf 1980).

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As a result of acidification a number of organisms have been reduced or eliminated over significant parts of their ranges. A considerable change in algal species results from acidification and the changes associated with it.

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Effects are severe on animals as well as plants. Studies of distribution show that numerous lacustrine molluscs and crustaceans are not found even at weakly acid pH values of 5.8 to 6.0 (Figure 8.15; J. Okland 1980, K. Okland 1980, Okland and Okland 1980). Experimental, whole-lake acidification studies have revealed similar tolerances for benthic Crustacea (Schindler 1980a). The crayfish *Orconectes virilis* rapidly loses its ability to recalcify after moulting as the pH drops from 6.0 to 5.5 (Malley 1980) and is probably thus rendered more vulnerable to predation and protozoan infection. In Scandinavia, the once-common crayfish *Astacus astacus* has become rare in lakes where the pH is below 6. The phyllopod *Lepidurus arcticus* is not found in water below pH 6.1 (Almer et al. 1978). Other planktonic crustaceans such as *Daphnia* species and the fairy shrimp, *Branchinecta paludosa* are also very sensitive to small declines in pH below 5.5. *Daphnia magna* and *D. middendorfiana* are susceptible to fungal infections at low pH (Havas 1980). The effects of heavy metals are negligible at such high pH values, and thus the direct toxicity of hydrogen ion is implicated.

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Fish have been more extensively studied than other aquatic organisms in acidified lakes. Fromm (1980) believes that impairment of reproduction occurs at any pH below 6.5. Kennedy (1981) found high incidences of embryonic abnormality and high embryonic mortality rates of lake trout at pH 5.8. The reproductive failure appears to be due to disruption of calcium metabolism and deposition of protein in the oocyte (Fromm 1980).

Other stages of the life cycle usually appear to be less sensitive. Adult fishes of most species survive at pH values of 5.0 to 5.5. Changes in ionic balance appear to result from exposure to acid. Effects seem to be mitigated by increased calcium concentrations (McDonald et al. 1980). Blood pH also decreases, resulting in less capacity to carry oxygen. The fathead minnow, *Pimephales promelas*, disappeared from an experimentally acidified lake at pH 5.8 (Schindler 1980a). Spawning and egg production are known to be affected at such pH values (Spry et al. 1981).

At slightly lower pH values, other fish populations begin to decline. At pH values less than 5.0, most of the species of value to sport or commercial fisheries have disappeared.

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The combination of aluminum and hydrogen ion is highly toxic to fish at concentrations where neither is toxic alone. The fish kills observed at spring melt in Scandinavia and the Adirondacks appear to be due to a combination of high acidity from melting snow plus high levels of aluminum leached from terrestrial soils (Cronan and Schofield 1979, Driscoll 1980, Baker and Schofield 1980, Grahn 1980, Muniz and Leivestad 1980). The effect appears to be due to a clogging of the gill by irritation-induced mucus discharges, causing severe respiratory stress. The loss of plasma sodium and chloride also occurs (Muniz and Leivestad 1980, Rosseland 1980).

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Adverse effects of acid precipitation on forests have not been proven. It is difficult to assess the effect of acid precipitation on forest yield against a background of yield differences caused by annual climatic variation. In addition, over much of the area subjected to acid precipitation, the soils are naturally acidic podzols with a vegetation adapted to these acidic conditions. Indeed, some experimental studies of Scandinavian forested areas show the additional sulfur and nitrogen supplied by acid precipitation to have a slight fertilizing effect in the short term, particularly in mature podzolic soils, which are capable of adsorbing large amounts of sulfate (Abrahamsen 1980, Tamm and Wiklander 1980, Tveite 1980). Long-term effects are uncertain, but the initial stimulation caused by adding nitrogen to a nitrogen-deficient forest may give way to deficiencies of other elements, such as Ca, K, Mg, P that are more rapidly leached away. As magnesium and other elements are mobilized at low pH and leached from the soil, long-term permanent damage to the ecosystem may result, causing chronic deficiencies of the elements in plants. Also increased mobilization of ions could result in toxic concentrations of aluminum and manganese. Seedling establishment may be affected. There is a paucity of studies of understory vegetation, although Horntvedt et al. (1980) mention reduced moss cover under forests artificially subjected to precipitation of pH 3, and Evans and Curry (1979) found that gametophyte fertilization in bracken fern was highly sensitive to precipitation of pH 3.4.

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Effects on crops as a result of direct foliar damage have been reported, though effects are species specific and depend on environmental and physiological conditions. Some positive effects of acid precipitation on soybean yield have been observed (Irving and Miller 1980). However, Evans et al. (1980) found that simulated rain at pH 4 and below caused the number of seed pods per plant to be reduced and thus the seed mass of soybeans produced was significantly decreased. In a comprehensive review of the subject, Jacobson (1980) concluded that there was experimental evidence for damage to agricultural crops by strongly acid precipitation. Rains with a pH below 3.0 have been noted in many experiments to cause foliar lesions. Differences among studies may reflect differences in soil type or treatment technique.●

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## IMPOUNDMENT LEGISLATION: A DOMESTIC GULF OF TONKIN RESOLUTION

● Mr. BAUCUS. Mr. President, I rise today to comment briefly on the administration's talk about impoundment legislation.

The administration has been talking lately about introducing a bill to give the President special authority to impound funds appropriated by Congress. What does the administration mean by impoundment? The administration means letting the President, alone, decide which appropriations to spend and which not to spend. It means a massive transfer to the executive branch of Congress constitutional authority and responsibility to establish spending priorities.

Nearly 10 years ago President Nixon asserted a constitutional right not to spend funds appropriated by Congress. Mr. Nixon severely abused a right he did not possess. He used this right to punish recalcitrant legislators and to alter policies enacted by Congress. For example, without warning and without consultation with Congress, President Nixon terminated the emergency disaster loan program, the rural electrification program, and the water and sewer grant program—all in 1 day. These programs—vital to the quality of life in rural America—had been authorized and funded by Congress after extensive hearings and debate.

Mr. President, talk about impoundment legislation has a tendency to generate more heat than light, and more fiction than fact. Before this talk escalates further, I want to make a few points about the administration's proposal.

First, the administration's impoundment talk implies that the President has no impoundment authority. That simply is not true. Mr. Nixon did not have statutory authority to impound funds. But Mr. Reagan does: It is authority that he must share with Congress; it is authority that must be used with the full knowledge and participation of the Congress and the American people.

In 1974, Congress passed the Congressional Budget and Impoundment Act to correct the abuses of the Nixon administration and to assert more effective control over spending activities. The act provides procedures—deferrals and rescissions—whereby the President can propose not to spend funds already appropriated. Congress must then approve or disapprove the President's request. Just this past spring, acting upon President Reagan's request, the Congress approved over $12 billion in rescissions in fiscal year 1981 appropriations.

My first point is simple enough. The President and the Congress make the budget together. Under our form of government, they must continue to do so.

Second, the administration's talk about impoundment legislation assumes that Congress is going to appropriate and spend more than is needed. History belies this assumption. Exactly the opposite is true. In 36 of the last 37 years, during Republican as well as Democratic administrations, the appropriations enacted into law by Congress have been under the President's budget. Thus far, this year is no different. The Senate-passed HUD appropriations bill, for example, is nearly $2.7 billion less than the administration requested.

Third, the President can veto any appropriation bill with which he disagrees. He does not need to have new impoundment powers. He already has the authority, and the responsibility, to veto bills he regards as excessive.

Mr. President, the impoundment proposal launched by the Reagan administration would place unprecedented power in the hands of the Chief Executive. As the impoundment debate continues, if indeed it does, we would do well to recall what the late Senator Hubert Humphrey said about President Nixon's impoundment grab. He said:

> In effect, it tells Congress: There is no need to scrutinize the budget, there is no need to appropriate funds, indeed, there is little or no need for Congress. . . . The President asks us for a domestic Gulf of Tonkin Resolution.

The administration's talk about impoundment legislation should be seen for what it really is. It is nothing more and nothing less than an audacious ploy by an administration whose economic program is not working and may not work.

For the past month, the administration's budget figures have resembled butterflies in a wind—fluttering here, there, and everywhere without landing. The administration's economic projections—upon which the credibility of its program rests—daily looks more and more like a budgetary shell game. No wonder Wall Street is skeptical.

Now, with interest rates at record levels and with budget deficits looming larger and larger, the administration is asking Congress to let it slash another $15 billion without telling anyone where the cuts are to be made.

Mr. President, I support the administration's objective of bringing Federal spending and revenues into balance. With the administration—openly, not blindly—I am prepared to look hard at additional spending cuts, to reexamine its tax policies, and, above all, to work to end the devastating interest rates that are wrecking havoc on our economy.

But I cannot and I will not support impoundment legislation.

Earlier this year, Senator MATHIAS and I suggested another approach to the budget dilemma. We introduced S. 526 which would insure that Congress receives better balanced budget information early in the budget process. This bill would require the President to submit a balanced budget for our consideration—whether or not he favors such a budget. This mechanism is simple, responsible, and direct. It would put the onus where it belongs—on Congress and on the President.

Mr. President, I hope the administration will lay aside its talk about impoundment legislation and get on with the job of getting our economy moving again. Impoundment legislation will not make the President's program work. It will not balance the budget. Blanket authority to cut spending is no substitute for the hard, sweaty, difficult process of forming public policy and getting majority support for it. Whatever the issue—be it taxes or spending—we are better off with tough, open debate about who gets how much and who pays.●

## ELERSON P. HARDY—MAINE WORLD WAR I VETERAN

● Mr. MITCHELL. Mr. President, I rise to pay tribute to a Maine World War I veteran who passed away recently, Elerson P. Hardy of Portland. Mr. Hardy's life exemplified the kind of devotion and service to his country that is so common among the veterans of the First World War. It is often too easy to ignore the service of these great men and women who fought to preserve our Nation.

Mr. Hardy was remembered at a memorial service attended by his fellow World War I veterans. I ask that the description of that service as reported in the Portland Evening Express be printed in full at the conclusion of my remarks. The story contained in this article should serve as a reminder of the sacrifices these men and women made for the greatness of our Nation.

The article follows:

VETERANS TO THE END

(By Kim Murphy)

Elerson P. Hardy of Portland attended many memorial services for fellow veterans during his life.

Last month, he died at 82 and the service was for him.

His friends, several dressed in uniform and parading the American flag, saluted him. And wept.

Hardy was a popular and active member of their organization—Cumberland Barracks 469, Veterans of World War I. A past commander and chaplain of Cumberland Barracks, he had participated in the same memorial service for his friends. He wanted it for himself when he died.

The service was held at Hay and Peabody. The participants were 20 men in their 80s and 90s who gave a fitting goodbye to a man proud all his life he had been a soldier.

Each year, the ranks of Cumberland Barracks dwindle.

"Seven years ago," said its chaplain, Clinton Wallace, "there were 700 members. We have 175 now."

Of 175, there are only 20 or so who go to the service. Many of the others are handicapped or confined by age.

Death is a natural topic among them.

"Every time I hear the back door rattle," said Wallace, "I think it's the angels and I don't want to miss them." He'll be 85 next May.

"My wife says not to worry about it," said former Cumberland Barracks Commander Earl Bean of Portland. "We won't die until our time comes. Isn't that right?"

"So you don't worry about it?" he was asked.

"I haven't got much time to worry." He chuckled at his joke.

Elerson Hardy's memorial service was the 316th in seven years conducted by Chaplain Clinton Wallace.

A widower for eight years, Wallace is the quintessential veteran. The patriotism and service of his past are what fills his present and binds him to his associations in Cumberland Barracks. While their bodies may be aging, their pride in being soldiers for a country they love with all their hearts is strengthened every time they are together. And it is death in their ranks that brings them all together most often.

At Hardy's service, the organist played "My Buddy" as the old veterans walked slowly into the room behind the American flag. Members of Cumberland Barracks call themselves buddies.

A folded flag lay beside Elerson Hardy's body.

Some of the veterans were in suits, some in light summer jackets. Some used canes.

It was a solemn parade.

They took their places in a semicircle at the front of the room. Commander Ralph Price stepped to the podium.

"We the veterans of Cumberland Barracks 469, Veterans of World War I, are here to pay our respects to Elerson P. Hardy who has made the supreme sacrifice. . . ."

He told of Hardy's devotion to duty, how he served on the USS Delaware and the USS New York. Hardy left high school three months before graduation to sign up to fight in World War I. He left figuring he'd never finish school, compelled by the more important cause of serving his country. Later, he did go back to school.

"He was a past commander of this post and one we'll all remember," continued Price, his voice beginning to tremble.

"As time slips rapidly by and the seasons fade one into another, our life is soon ended. . . ."

As he spoke, each man there must have had at least a fleeting thought of his own memorial service to come. Behind them, I thought, how strongly they believed in what they fought for so many years ago, when they were young. And still, through all the ugly passages America has seen, they still possess their soldiers' devotion to country.

Price wiped his eye. "Generation after generation," he said, "all the shadowy peoples of the past have lived as we live, perplexed and mystified by death.

"Surely there is an afterlife and true, a life to which light and peace shall come, where the burden shall be lifted and the heartache shall cease, where the love, the hope and fulfillment that escape us here on earth shall be given to us, to be ours, forever.

"We do not glorify war," he said.

"We abhor it, those of us who have borne the battle, for all its terror and pain."

Then he spoke of the brotherhood created by war, an unspoken sentiment that has lasted years.

"There are bonds born in military service that are never broken. I think that they are not even broken by death. They are bonds of intimacy and fellowship. They give us strength."

It was Clinton Wallace's turn to speak.

"Buddies, we are here today to honor one of our best members." He, too, had trouble with his voice.

"The commander's voice was breaking," he said of Price. "You'll notice mine is, too. I feel like crying today more than I do praying. To say that we'll miss (Hardy) is the very least."

"Elerson Hardy," he said "Elerson Hardy. Elerson Hardy.

"We call our buddy's name. He does not answer. We the members of Cumberland Bar-

racks 469, Veterans of World War I, bid you a last goodbye and fond farewell."

Commander Price placed a poppy in Hardy's hands.

As Wallace gave the benediction, the veterans saluted.

The organist played taps.

Then Wallace gave the flag to Hardy's family and the veterans walked sadly and with dignity, two by two, from the room.●

## DAVIS-BACON ACT

● Mr. BAUCUS. Mr. President, I would like to submit for the RECORD a recent article on the Davis-Bacon Act that appeared in the National Journal. The article reviews the ongoing controversy over how the Davis-Bacon Act affects the workers it protects, their local economies, and the national economy.

I found the article informative, because it describes the results of recent Government studies and also examines the reliability of those results. It is apparent to me that no results based on these studies should be accepted as conclusive. The article points out the need for careful scrutiny of issues related to the Davis-Bacon Act.

The article follows:

[From the National Journal, Sept. 5, 1981]

FOES MAY USE SALAMI TACTICS TO WIPE THE DAVIS-BACON ACT OFF THE BOOKS

(By William J. Lanovette)

Sen. Strom Thurmond was grilling Deputy Defense Secretary Frank C. Carlucci at an Armed Services Committee hearing earlier this summer when he set a trap for the second-ranking Pentagon official.

"Mr. Carlucci," the South Carolina Republican asked, "suppose I offered you a proposal where you could save $400 million a year in your budget and not cut back a single program? Not only that, but my proposal would not discriminate against anyone, it would not affect the quality of the end product. Would such a proposal be of interest to you?"

"It would be of interest," the cautious Carlucci replied, "but when somebody approaches like that, Sen. Thurmond, I zip up my pockets."

Thurmond persisted. "There is the opportunity for just such a proposal in your military construction program, he said. "In fact, the Armed Services Committee has added a provision to waive the Davis-Bacon Act as it applies to military construction. This waiver provision is estimated to save about $400 million each year. . . . Does [the Defense Department] support this waiver provision?"

"Yes, sir, we do," Carclucci answered. "We think that would be very important."

With this colloquy, Thurmond neatly—if only temporarily—managed to split the Administration on its commitment to preserve the Davis-Bacon Act, a labor law that has sparked controversy since its enactment 50 years ago.

Carlucci subsequently amended his response and opposed the waiver. That puts him in line with the Administration's official opposition to Davis-Bacon repeal.

Foes of the act, which determines the minimum wages that must be paid to workers on federally aided construction projects, have been lobbying hard since this spring, hoping to win its repeal on the wave of President Reagan's cost-cutting campaign. The first showdown could come this month, when the Senate votes on the fiscal 1982 military construction authorization bill (S. 1408) that Thurmond asked Carlucci about on July 28.

The bill, as reported by the committee, includes the Davis-Bacon waiver. The act's supporters have threatened a filibuster. If the waiver succeeds, Davis-Bacon opponents can be expected to turn to some of the 70-odd other laws that include similar provisions while continuing to seek over-all repeal.

"The fight could be hairy," predicted a Senate aide. Labor strongly opposes the waiver, and the Administration apparently won't support it.

To attract union and blue-collar support during his presidential campaign, Reagan promised to retain the law, a promise Labor Secretary Raymond J. Donovan reaffirmed this spring. "The President is against repeal of Davis-Bacon, and so am I," Donovan declared at the National Press Club in April.

Reagan and Donovan are on record, however, in favor of "tightening up the administration" of the act. In January, they suspended revised regulations proposed by the Carter Administration, and on Aug. 14, Donovan announced reforms that could "significantly reduce the cost of government construction." Although intended as a compromise, Donovan's reforms have angered both labor and business and intensified the fight over repeal.

JOINING THE DEBATE

The Davis-Bacon Act requires that whenever more than $2,000 in federal funds are used to construct, alter or repair public buildings or public works, the wages paid to laborers and mechanics, including fringe benefits, must be at least those determined by the Labor Secretary to be "prevailing" on similar projects in the area.

Beyond the question of whether such minimum wages should be set at all, dissent and debate surround the way they are determined and the way they affect the local and national economies.

The debate is already acrimonious and promises to become even more so. The act has been a focal point for long-standing labor-management disputes, but much of the data being used in the debates are inconclusive.

"This is a very complicated area with no comprehensive studies available to answer many of the basic questions," said Robert J. Flanigan, an associate professor of labor economics at the Stanford University Graduate School of Business who worked at the Council of Economic Advisers (CEA) during the Carter Administration.

"Every labor economist at the CEA in the past 10 years has looked at the labor costs and inflation impact of the Davis-Bacon Act. While evidence shows that there is a positive effect on inflation, there is uncertainty about the exact size of the effect, given limitations in the underlying data. The data available are really very meager."

That hasn't stopped participants in the debate from citing the studies that seem to prove their points. Often they cite the same studies to support opposite views.

A popular source is the 1979 General Accounting Office (GAO) study that is notable for its unambiguous title: "The Davis-Bacon Act Should Be Repealed." Understandably, opponents of the act use many examples from the study to illustrate administrative folly and needless costs in the program. And they recite its main conclusions: that the act is outdated, impractical to administer and inflationary.

But supporters of the act, while rejecting the GAO's conclusions, nevertheless find points in the study to support their own views. Robert A. Georgine, president of the AFL–CIO's building and construction trades department, for example, said at a hearing of the Senate Labor and Human Resources Subcommittee on Labor that "this report is so flawed as to render it useless as the basis for any sort of informed policy judgment."

Two minutes later, however, he countered the charge that the act is inflationary by noting that in 18 of 30 cases examined, "the GAO concluded that the Labor Department wage determinations were too low rather than too high."

Contestants in the Davis-Bacon debate don't even agree why the act was passed in the first place. Critics such as the Chamber of Commerce of the United States repeatedly call it a "Depression-era law" that today's economic conditions have made obsolete.

Christopher Luis, a labor lawyer at the chamber, argued that "in 1931, federal construction accounted for over half of the construction in this country. But today, federal and federally assisted programs amount to a fifth of all the nationwide construction. Yet, because the totals are so high—about $42 billion in Davis-Bacon projects out of $228 billion nationwide—the inflationary impact is greater."

But supporters note that the 1931 act's co-sponsor, Rep. Robert L. Bacon, R-N.Y., had introduced similar legislation as early as 1927 to protect local wage standards for government construction from erosion by cheap labor imported from outside the community. His impetus was a 10-year federal construction program begun the previous year. By 1927, the bill's supporters point out, six states had passed similar wage-protection laws; the first was Kansas, in 1891. Today, 39 states have "little Davis-Bacon" laws on their books, the most recent passed by Minnesota in 1973.

Although the act was passed to discourage contractors from importing cheap labor and disrupting the local wage structure, its critics today contend that the act itself often produces a similar effect by inflating wages, often above what local, non-union contractors usually pay.

"Three quarters of our members won't even bid on federal construction projects," said Hubert L. Harris, executive vice president of Associated Builders and Contractors Inc. "It's too disruptive to their work force. They have problems with their laborers when they raise wages for a government job and then lower them for other work." About 95 per cent of the 12,500 contractors who are association members run non-union shops.

James Schlicht, the group's assistant director for government relations, says the Davis-Bacon Act has ironic consequences. The law, he said, was "established to protect local contractors from itinerant contract labor." But in fact, it "prevents non-union contractors from bidding on local federal work, so union people from outside some in and take over that work. Our people are irate over this."

The contractors' group has raised a $500,000 war chest to lobby against the act in Congress and has drawn up a "battle plan" to sell its point of view. It has also formed a coalition of groups opposing the act.

Their main argument is that it is inflationary. "Without Davis-Bacon," Harris said, "this federal money could buy food for the poor, extend social security payments, pay for welfare services and health research. . . . We're trying to tell liberals and people oriented towards labor that they should look at what Davis-Bacon does to the budget and spending and society as a whole."

Coalition members meet monthly to plan their lobbying strategy, with the builders' group and the Chamber of Commerce taking the lead in planning and coordination. The American Farm Federation is urging its members to attack the act as irate taxpayers. Others in the coalition include the National Association of Manufacturers, Associated

General Contractors of America, the National Limestone Institute, the Air Conditioning Contractors of America, the National Sand and Gravel Association and the National Association of Home Builders.

GAO STUDIES

The report cited most often in the debate is the 1979 study by the GAO concluding that the act should be repealed. This was the ninth GAO study of Davis-Bacon since 1962 and is, to date, the most comprehensive.

The report concluded that the act is no longer needed because the federal government's share of nationwide construction has diminished, the economy is not in a depression and other federal laws such as unemployment compensation and minimum wage guarantees protect workers' earnings.

"After nearly 50 years of administering the Davis-Bacon Act," the GAO concluded, "the Department of Labor has not developed an effective system to plan, control or manage the data collection, compilation and wage determination functions." In fact, said the GAO, "it may be impractical to ever do so," based on investigations in 5 of the 10 federal regions.

The GAO examined in detail 30 wage determinations selected randomly from about 10,000 made during the first half of 1976. While admitting "the absence of statistical certainty," it concluded that "if these projects are representative . . ., the act results in unnecessary construction costs of several hundred million dollars annually."

The GAO estimated that in 1977, $189 million in "unnecessary contractor costs" resulted from Davis-Bacon and Anti-Kickback Acts paperwork. Another $12 million in 1977 was spent by federal agencies "to attempt to administer and enforce the act."

The GAO found that in 12 of the 30 cases studied, "prevailing wages" were set at a level higher than private-sector wages; on that basis, it concluded that the act inflated wages by an average of 3.4 per cent.

The total cost of all construction covered by the act in 1977 was an estimated $37.8 billion. The GAO assumed that 40 per cent of construction costs are for labor. That meant labor costs of about $15.1 billion, and costs attributable to the act of about $513 million (3.4 per cent).

The report cited a 1971 GAO study that concluded that Davis-Bacon inflated construction costs by 5 to 15 per cent. These figures are frequently cited by the act's critics today and were used by the Chamber of Commerce to reach its estimate that $400 million a year would be saved by waiving Davis-Bacon in the military construction bill.

When the GAO report was published, Labor Secretary Ray Marshall said its "assertions" were "unsupported" and asked for details of the 12 cases that the GAO used to derive its 3.4 per cent inflationary average. But, according to current Labor Department officials, the data were never provided.

The GAO further angered the department last Oct. 2 when it released a preview of a "Review to Determine Whether the Davis-Bacon Act Has an Inflationary Impact and Increases Costs on Metro Construction," a reference to Washington's new regional subway system.

The GAO found "that setting prevailing wages for Metro construction . . . may increase the construction costs by about 6.8 per cent" and that total construction costs "could be increased by about $149 million" of a total $2.1 billion cost for the system. The GAO surveyed 13 crafts on private building construction projects in suburban Montgomery County, Md., and concluded that in 11 of them, the Davis-Bacon wage was, on average, 33.9 per cent above the actual prevailing wage.

The Labor Department has asked for but not received details on these calculations; in the meantime, it has dismissed the GAO findings on the ground that the private-sector wages were paid not for heavy construction but for residential construction, which traditionally draws lower-paid workers.

To the chagrin of Davis-Bacon defenders, the inflation rates from the GAO's 1971, 1979 and 1980 reports are being widely used by the act's critics to project savings in federal construction that might be realized by repeal.

"At this point, we don't have any way of determining how cheaply federal construction would have been done in the private sector," complained William M. Otter, administrator of the Labor Department's wage and hour division. "We can only obtain that information from voluntary submissions we receive from contractors, and the non-union people don't submit their pay records very often."

Contractors respond less than 10 percent of the time to department surveys, Otter said. "Those who are the loudest to complain about our wage determinations—the non-union contractors—are the worst offenders and have the most to lose by not participating."

OTHER STUDIES

Also being cited in the Davis-Bacon debate are a 1975 analysis of the act by Armond J. Thieblot Jr. of the University of Pennsylvania's Wharton School, a 1976 investigation by the Council on Wage and Price Stability and a 1978 comparison of union and non-union wages by Clinton C. Bourdon and Raymond E. Levitt of the Massachusetts Institute of Technology that was prepared for the Housing and Urban Development Department (HUD).

The Wharton study estimated the inflationary effect of the act at between $240 million and $567 million annually.

The Council on Wage and Price Stability compared Davis-Bacon wage levels with those reported by the Bureau of Labor Statistics for 19 cities. It concluded that Davis-Bacon rates were 2.7 per cent below prevailing rates for commercial construction and 3.1 per cent above rates for residential construction.

The study for HUD reported on eight metropolitan areas and concluded that the Davis-Bacon Act has never been "effectively established" as inflationary. The law, it said, is not simply "an idiosyncratic response to Depression-era problems" but "represents one particular philosophy of government."

In 1979, the CEA conducted a confidential staff review of the act's effects, sharing its findings with members of an interagency review group on wage laws. When he became director of the Office of Management and Budget (OMB) this year, Dave Stockman released the group's review of wage law policy options to four Republican opponents of the Davis-Bacon Act, Sens. Orrin G. Hatch of Utah and Don Nickles of Oklahoma and Reps. John M. Ashbrook of Ohio and John N. Erlenborn of Illinois.

Using this options paper, opponents of the act have gleaned conclusions from the CEA staff review, including a finding that in 13 cities surveyed, Davis-Bacon wages were significantly above those in the local labor market.

The CEA staff reportedly reviewed several options for administrative changes in the law and concluded that if these reduced prevailing rates by 10 percent, the total federal savings would be $1 billion. That assumes the wages account for a quarter of total construction costs of $40 billion.

SPREADING THE WORD

Armed with the calculations from the interagency paper, opponents of the act have added to the statistical free-for-all. The Chamber of Commerce often cites the CEA staff's estimate of $1 billion a year in savings through administrative changes and the 5 to 15 percent inflation estimate from the 1971 GAO study to calculate savings through outright repeal. The Associated Builders and Contractors estimates savings from repeal at 10 to 15 percent of the federal construction bill.

In addition, OMB, using the 1979 CEA study as a basis, estimated in its April 1981 budget revisions that the Davis-Bacon act inflates wages by 5.6 to 11 percent.

In the face of this opposition, the AFL-CIO's Georgine contends that the act isn't inflationary if properly administered. "This whole fight has taken on the same kind of emotional hysteria that existed for other labor issues," he said, "such as common situs picketing and labor law reform. They're arguing principles rather than practical reality."

He added that "it's really not a question of technical arguments but a debate determined by the positions parties have traditionally and historically taken on these issues."

The act's critics, not surprisingly, make the same argument. "To have the Labor Department intruding in the free marketplace is, in my view, unreasonable," said Harris of the contractors' group. "This is labor's sacred cow, which has escaped real detailed review or justification these past 50 years."

In fact, the debate over repeal or reform of the Davis-Bacon Act will probably never be resolved conclusively by studies because no one has made a comprehensive comparison of prevailing wages.

"The only way to really put some of these questions to rest," said Flanigan of the Stanford business school, "is to produce independent data for union and nonunion workers nationwide, across various skills. There's no such body of data for that now, so people will have to look at pieces of the story for certain cities and certain crafts."

Labor Department officials say they want to commission an independent study of this sort but can't convince OMB that the results would justify the sizable cost. "We started the process of conducting a comprehensive economic analysis at the end of the last Administration," said Donald E. Elisburg, former Assistant Labor Secretary for Employment Standards and now a lawyer representing Davis-Bacon supporters, "but we could never get it funded."

RULES CHANGES

Labor Secretary Donovan's proposals in August to improve the efficiency of the Davis-Bacon Act were seen as going too far by labor and not far enough by contractors.

To Georgine, the reforms would "cut the guts out" of the unions' apprenticeship training programs. In the view of Schlicht of the Associated Builders and Contractors, the reforms are "useless and worthless." But Hubert Beatty, executive vice president of the Associated General Contractors of America, takes a more moderate view: "This makes me confident the department is listening to the concerns of business and will continue to respond favorably to suggestions. . . ."

The most controversial proposal involves eliminating the so-called 30 percent rule. Currently, if the Labor Department cannot determine the prevailing wage as a rate paid to a majority of workers within a craft, it tries to find a rate that is paid to the largest number of such workers, but no less than 30 percent of them. Only if there is no group at least as large as 30 percent at the identical wage does the department adopt the workers' average pay rate as the official prevailing wage.

The Administration proposal would man-

date use of the average rate if there is no majority rate. The estimated annual savings: $68 million to $173 million.

The 30 percent rule is assumed to favor union over non-union workers because more of them are likely to earn the identical wage under collective bargaining agreements. This assumption is seriously challenged, however, by an analysis of fiscal 1980 wage classifications made by the Labor Department.

"This isn't a survey, it's more a look at the luck of the draw," said Otter. "These are soft figures, but absent something better, they are interesting."

The department looked at all 84,984 wage classifications made in the 2,310 surveys it conducted during the year. A majority wage rate was set in 36.2 percent of the cases, and of these, 19.1 percent were the union wage and 80.9 percent the non-union wage.

The 30 percent rule was applied in 21.8 percent of the cases. Here the results were unexpected. Its use resulted in adoption of the union wage only 3.7 percent of the time, where as it produced a non-union wage 96.3 percent of the time.

"We're doing the same breakfast for fiscal 1981," said Anthony J. Ponturiero, head of the Labor Department's division of government contract wage determinations. "If the accuracy of these data holds up, this is really a surprise to a lot of people."

For the other 42 percent of the determinations, when neither the majority nor the 30 percent rule were applied, an average of the wages was made to select the prevailing rate.

Another proposed reform, which angered both labor and management, would establish a "helper" classification on construction jobs. Permitting one helper for every five journeymen, the department estimated, would reduce wages paid on federal construction contracts by $450 million a year. But Schlicht guesses that it might save only $200 million because, he says, about half the contracts for Davis-Bacon construction are set by collective bargaining agreements that don't recognize a helper classification.

The contractors' groups were disappointed that a ratio of one helper to one journeyman had not been proposed, since this was mentioned in Labor Department briefings when the regulations were being drafted. Luis of the Chamber of Commerce estimated that such a ratio would save $500 million a year, whereas with the proposed ratio, "the savings will be nowhere near $450 million."

"These proposals are not at all a solution," said Elisburg. "The net effect will be reducing protections for construction workers. . . . Their cost-savings calculations are based in large measure on a lot of guesswork based on reports that have no credibility."

Georgine complained that another proposal, to eliminate weekly payroll reporting requirements by contractors, would "lead to wholesale cheating" by contractors. He said "glaring proof of the need for payroll reporting is the fact that contractors are cheating today."

The Labor Department reports that in fiscal 1980, 31 contractors were disqualified from federal construction projects because they failed to pay their workers Davis-Bacon wages. That year, 2,695 investigations found $6.2 million in wages owed 15,482 workers. For the first nine months of the current fiscal year, 2,712 investigations found $6.7 million in wages owed 18,256 workers. (The department has no information on the number of contractors that were involved or the number of investigations that led to disqualification.)

CONGRESSIONAL SHOWDOWN

The proposed regulatory changes evidently haven't relieved the pressure for legislative changes, and with Congress back in session after the summer recess, lobbying for and against repeal has become intense.

Both labor and management expect a close vote when the military construction bill comes to the Senate floor.

Foes of Davis-Bacon tried to attach similar waivers to housing construction bills in the last Congress, but the Democratic majority kept them bottled up in committee.

Thurmond's estimate that the Davis-Bacon waiver would cut the military construction budget by 10 percent seems to have been accepted as an article of faith by the Armed Services Committee; this figure is also being quoted widely by those lobbying for the waiver, which would require defense construction contractors to pay only the federal minimum wage in the future.

But Perry J. Fliakas, deputy assistant Defense secretary for installations and housing, said the estimate was "rather arbitrarily developed." He told the committee that administrative reforms would reduce construction costs by $70 million, but said the department has made no estimate of a waiver's effect.

Brig. Gen. Donald M. O'Shei, director of the Pentagon's construction operations and facility management office, is also puzzled by Thurmond's prediction. "Conceivably, with a 20 percent higher wage rate, and wages representing half the cost of construction, you could get that result," he said. "But I think they just extrapolated from the GAO reports and a couple of other places."

O'Shei said he knows of no analysis within the Defense Department, and thinks there is "nothing peculiar" about the Pentagon's projects to expect a higher degree of labor intensity. "Our work is done by private contractors, doing a cross section of types of construction."

Even without sizable savings, the waiver holds some appeal philosophically, and it is this factor that Davis-Bacon's foes hope to use during the Senate debate.

Failing enactment of the waiver—if passed by the Senate, it still must get through the House—Nickles and other Senators plan to work for passage of legislation repealing the entire law.

And, if a repeal effort fails, they hope to attack the provisions in more than 70 other laws that apply the Davis-Bacon wage determinations to federal programs.

But that would keep the Administration on a collision course with opponents of the law.

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"PREVAILING WAGES" DON'T ALWAYS MEAN HIGHER WAGES

Despite business complaints, wage determinations under the Davis-Bacon Act don't always result in higher wages for workers on federally assisted construction projects.

In many cases, in fact, the wage set by the Labor Department is less than it would have been if the department merely averaged the wages paid all similar workers in the geographic area.

Under the act, wage determinations are made for individual projects and for geographic areas. Last year, the department made 13,311 project determinations and 1,421 geographic ones. Both kinds are based on responses by contractors to questionnaires.

In computing the prevailing wage, the department first looks for a wage paid to the majority of workers in a particular craft. If there is no majority wage, it identifies the rate paid to the greatest number of workers, but no fewer than 30 per cent of all the workers. Only if no single rate is shared by at least 30 per cent of the workers does the department compute the average of all wages in the craft. Results can vary markedly under all three methods.

A wage compilation for Dodge, Johnson, Laurens, Pulaski and Wilkinson Counties in Georgia last May, for example, produced the lowest wage with the majority method. A survey of soft-floor layers revealed one earning $11.35 an hour, one earning $5.25 and four earning $5.00. The majority earned $5.00, and that became the prevailing wage. The average wage would have been $6.10.

Among bricklayers in a March survey of 10 Georgia counties, the majority procedure raised the required wage for only a few workers. The survey included data from Atkinson, Berrien, Brooks, Clinch, Colquitt, Cook, Echols, Lanier, Lowndes and Thomas Counties.

| *Workers* | *Wage* |
|---|---|
| 11 | $8.70 |
| 3 | 8.00 |
| 1 | 7.60 |
| 5 | 7.50 |
| 2 | 7.25 |
| 36 | 7.00 |
| 4 | 6.25 |
| 1 | 6.00 |

In this case, 36 of the 63 workers made $7.00 an hour, and that became the prevailing wage, even though the average rate was $7.34.

Similarly, a survey in four North Dakota counties set a majority wage for plumbers of $5.33 an hour. The average rate would have been $7.26.

The so-called 30 per cent rule is often criticized for producing the highest wage, which is also assumed to be the local union rate, but in the two recent Georgia surveys, different results were apparent.

For example, among mason tenders in the 10-county survey, the rule produced the highest rate.

| *Workers* | *Wage* |
|---|---|
| 11 | $4.00 |
| 4 | 3.75 |
| 5 | 3.50 |
| 2 | 3.25 |
| 3 | 3.00 |

Since 11 of the 25 made the same wage, $4.00 was set as prevailing in the region, compared with an average rate of $3.68.

Likewise, among carpenters in New Haven County, Conn., where the 30 percent rule resulted in a $13.60 prevailing wage, the average would have been $8.61.

Conversely, the rule yielded the lowest wage for plasterers in the 10-county Georgia survey.

| *Workers* | *Wage* |
|---|---|
| 2 | $8.25 |
| 1 | 8.00 |
| 3 | 7.00 |
| 6 | 6.00 |

Since 50 percent of the workers earned $6.00, that became the prevailing wage. The average wage was $6.79.

When the average rate has to be used as the prevailing wage, it can be higher than the wage paid to most workers.

Among sheet metal workers in the Georgia five-county survey, the minimum was set at $6.28 as hour. Of the 34 workers surveyed, 13 made more than $6.28 and 21 made less.

| *Workers* | *Wage* |
|---|---|
| 1 | $10.17 |
| 2 | 9.00 |
| 1 | 8.60 |
| 1 | 8.25 |
| 3 | 8.00 |
| 1 | 7.75 |
| 1 | 7.70 |
| 1 | 7.25 |
| 2 | 7.00 |
| 3 | 6.25 |
| 3 | 6.00 |
| 3 | 5.75 |
| 5 | 5.00 |
| 6 | 4.20 |
| 1 | 3.50 |

Some contractors' groups have urged that the average be used instead of the majority rule on the ground that it more accurately reflects the intent of Congress. The Reagan

Administration hasn't gone that far, but it has proposed that the 30 percent rule be eliminated and that the average rate be adopted if there is no majority rate.●

## PRESIDENT REAGAN'S ECONOMIC PACKAGE

● Mr. JEPSEN. Mr. President, recently, the national news media have concentrated on what they claim is a lack of support from the American business community for President Reagan's economic program. Although this claim is patently false, a small number of "naysayers" have indeed been particularly vocal while the vast majority of the business community, who strongly support the current economic policies, have been unfortunately silent. It is easy to understand how the mistaken news stories of the past month got started.

That is why I was so pleased to see an advertisement by the Chase Manhattan Bank in the Washington Post voicing confidence in the administration and admonishing others for not doing so. The remarks of the bank's CEO were not just idle rhetoric. Chase Manhattan was one of only two major commercial banks in the country to lower its prime rate last week. Bill Butcher practices what he preaches.

His initiative is to be applauded and I hope other American leaders will follow his lead. It is a shame when the voices of a very few drown out the deep set feelings of the large majority. There is a "time to keep silence and a time to speak." It could not be plainer that now is a time to speak and to do so loudly.

I ask that Mr. Butcher's remarks be printed at this point in the RECORD.

The remarks follow:

LET'S GIVE REAGAN ECONOMIC PACKAGE A CHANCE

(By Willard C. Butcher)

Someone once said that the modern American's prayer is:

"Dear God, I pray for patience, and I want it right now!"

The latest examples of this instant-gratification syndrome are the supposed sages of Wall Street, who, according to the other day's newspapers, are "concerned that the Reagan administration's economic program is not working."

"The question," intoned one such market analyst, "is no longer whether the administration can balance the budget, but whether the whole supply-side concept will ultimately work."

Come on, fellahs. Let's give the President and his economic program time to at least become operative before we start to bury it.

Indeed, it's appalling when supposedly sophisticated observers denounce the administration's tax and budget cuts, literally before they take effect on Oct. 1. That's not unlike ordering a new air conditioner and wondering, before it's delivered, why the house isn't cool yet.

In my view, little public purpose is served by sniping at the administration's economic package while ignoring the real facts, which, I believe, are the following:

First, President Reagan has begun—and I underscore *begun*—to orchestrate a massive change in economic direction in this country which, for the first time in decades, attempts to reduce the role of government and increase the role of private citizens to forge their own economic future.

This philosophy, not unimportantly, parallels that of Thomas Jefferson and the other Founding Fathers, who believed the greater defense of capitalism was the encouragement of individual liberty.

So the President's economic direction for the country should be indisputable—even on Wall Street. Stated another way, the issue is not where we are going, but how we are going to get there. And getting from here to there requires that we leap a huge chasm and, on the way, endure a good deal of short-term, economic pain—unbalanced budgets, high interest rates, reduced social programs, tight money markets, and all the rest.

In business terms, what the President is trying to do is invest in long-term strategies which, in the short run, may prove to be somewhat costly. They are designed, however, to improve the long-term "profitability" of our nation and the overall standard of living of our people. And I personally believe they are well worth the pain.

And "pain" is exactly what we are in store for—a painful period of economic readjustment. I also would expect a few missteps along the way, as we attempt first to rein in and then to turn around an economy running amok. To think that everything will go smoothly is, to me, the height of naivete.

It is also important to remember that, as the President himself has acknowledged, this economic program is merely a first step. Clearly, much more must be done to get us back on the track to economic growth and prosperity. For example:

Further significant budget cuts are imperative to continue to reduce the government's drain on the private, productive economy.

We must continue to hack away at counterproductive, government overregulation, an area where we have barely begun to scratch the surface.

Anti-trust policies must be reexamined in light of increased competition from foreign-owned competitors both in the United States and abroad.

Social Security and other similar programs must be revamped to strike a balance between the legitimate requirements of the citizenry for health and welfare and the long-term needs of the nation for growth and prosperity.

All these things and many more must be addressed, and I believe President Reagan and his administration will address them.

But all will take time. And counting out the President's program before the bell rings strikes me as being very unfair. I'm surprised, frankly, that the critics, presumably because of the pain involved in jumping our economic chasm, seem to have forgotten that the objective is to get to the other side. In trying to eliminate the pain of adjustment, they've obviously also forgotten Lloyd George's warning that "the most dangerous thing in the world is trying to leap a chasm in two jumps."

In the view of this Wall Streeter, then, President Reagan already has taken bold and dramatic initial steps to soundly redirect the economic policy of our nation. I believe he deserves not our blind loyalty, but at least our patience and, more important, an honest effort by each of us to differentiate between short-term problems of economic readjustment and long-term prospects for economic re-emergence.●

## A TRIBUTE TO ROY WILKINS

● Mr. WILLIAMS. Mr. President, it seems that the struggle for civil rights and justice under American law is a never ending one. Last week this struggle lost one of its most effective leaders, Roy Wilkins. America lost one of its great citizens.

Roy Wilkins was president of the National Association for the Advancement of Colored People for 22 years. From his position of leadership he helped to guide our Nation and its public policy toward minority citizens, in some of America's darkest days of racial discrimination. Distasteful of violence as a means of change and impatient with merely allowing an evolution of attitudes toward blacks, Wilkins used legislation, litigation, negotiation, and persuasion to change life circumstances for blacks in this country.

His effective litigation strategies are marked by the landmark Supreme Court decision in Brown against Board of Education which overturned the separate but equal education practice as inherently not equal and therefore unlawful. That decision has profoundly changed American education today and resulted in black and white children going to school side by side, as Roy Wilkins did years before in St. Paul, Minn. Roy Wilkins was born in 1901 in St. Louis, Mo., son of a Methodist minister forced to do back breaking work to earn a living. His mother died 4 years later and Wilkins was raised by an uncle and aunt in St. Paul.

After leaving Minnesota and learning of the pervasive and deep discrimination of blacks all over the country, Wilkins devoted his entire public life to addressing discrimination. His first job was with the Kansas City Call, a prominent black newspaper. He used journalism to persuade and influence blacks to vote, using the American system to protest their grievances and hostility against discrimination. From journalism to litigation, to his work as president of the largest civil rights organization, Wilkins devoted the rest of his life to combating racism. His dedication and commitment won the respect of public officials and Presidents.

Roy Wilkins was equally concerned with equal access to employment for blacks. His first assignment with NAACP was to investigate the working conditions of blacks on a levee project in Mississippi. He found the conditions deplorable and wrote the book, "Mississippi Slave Labor," as an account of his investigations. Congress responded with legislation designed to improve the working conditions in levee labor camps.

Referring to the employment discrimination and the Jim Crow laws, Wilkins said:

> We condemn the propaganda that Negro citizens must "earn" their rights through good behavior. Good behavior wins the respect of our fellow citizens, which we value and seek, but no American is required to earn his rights as a citizen. His human rights come from God and his citizenship rights come from the Constitution.

It was my pleasure to work with NAACP under Roy Wilkins' leadership throughout his term as president. The Civil Rights Amendments of 1972 and title VII are two important legislative responses to racial discrimination that I was proud to work closely on developing with the NAACP.

Wilkins was often criticized by other

blacks during the 1960's for working within the system to produce social change. He defended his tactics as sound, resisting the black power leaders advocating separatism. He knew they were asking for nothing more than the separatism of the white racists who blacks should be working against in their fight for equality. When asked why he did not change the name of the organization to eliminate the word "colored," Wilkins responded that it was his hope that the organization would work toward equality for all people of color.

It is particularly important to reflect on Mr. Wilkins work today when our Nation is battling the problem of deteriorated working conditions, segregated schools, discrimination in housing, disenfranchisement, and other institutional barriers to equality. Severe budget cuts in programs designed to balance many of the economic and other inequities as well as the administration's proposals to eliminate important regulations and limit the role of the Federal Government in human services does not project favorably on the hopes for improvement of the status of blacks and other minorities in the next few years.

I am concerned for the American people when time after time the administration proposes additional cuts in social services and other programs designed to assist powerless and discriminated-against Americans and when the administration hopes to slow down the enforcement of educational equality and civil rights. In this time when important gains like the Voting Rights Act are being viewed with distaste, when a Federal presence in insuring civil rights is called burdensome and when programs like legal services and CETA are eliminated from the President's budget, the strong voice of Roy Wilkins will be missed.

He told his NAACP membership, which grew to over 400,000 under his strong leadership, that blacks could make gains by using the system. Many of even the most skeptical were beginning to believe him. Now the system that Wilkins influenced to become more responsive to the needs of all Americans, is retreating on its commitment. Those of us who feel the direction is a wrong one could use the wisdom of Roy Wilkins. The loss of such a leader and friend is deeply mourned.●

## SAUDI ARABIA

● Mr. MOYNIHAN. Mr. President, in the conduct of this Nation's foreign policy there should be no more important task than to ascertain as precisely as possible what another government has said. Words are important. They are the diplomat's currency. He is not careless with them.

I speak, Mr. President, on the basis of some experience in these matters. While U.S. Ambassador to India, and later to the United Nations, I spent a not inconsiderable portion of my time reading, and rereading, the texts of speeches and statements by officials of other nations' governments, because I had discovered early on that one could not always rely on summaries or analysis prepared by others.

Knowing as I do that my colleagues in the Senate feel a similar obligation to be as well informed as possible about the views of foreign governments, and mindful of the debate that will soon be conducted in this Chamber about American relations with Saudi Arabia, I would like to take this opportunity to share information that may be of interest to other Senators.

On the evening of August 24, the day the Reagan administration officially announced its intention to provide Saudi Arabia with an $8.5 billion air defense package which would include five AWACS, the sophisticated airborne surveillance and command centers, I was invited to appear on public television's "McNeil-Lehrer Report" to discuss the proposal.

Speaking for the administration was our distinguished former colleague in this body, and my good friend, James L. Buckley, the Under Secretary of State for Security Assistance, Science, and Technology. I argued against the proposal, as I shall continue to do here on the floor of the Senate when this body considers a resolution to disapprove the sale.

During the broadcast I made mention of Saudi Arabia's reaction to the August 18 incident above the Gulf of Sidra, when American aircraft shot down two Libyan fighter planes. I said that the Saudis had "joined a group called the Gulf Cooperation Council to declare our action to be medieval piracy on the high seas." And I suggested that it would not be wise to provide military equipment as sensitive and as powerful as the AWACS to a country that apparently has so little regard for American interests that it could join in an international condemnation of an American action as clearly justified as was the downing of the Libyan fighter planes.

On September 1, I received a letter from a State Department official which said:

> Saudi Arabia did not join in stating that the downing of two Libyan planes was an act of piracy on the part of the United States. The statement to which you referred was issued by a functionary of the Arab League in Tunis. It is as accurate to attribute it to the various member states of the Arab League as a statement by a United Nations functionary to its members.

Mr. President, I do not doubt that the Arab League issued such a statement. And I would be inclined to agree that Saudi Arabia should not necessarily be held to account for every utterance of an Arab League official. This is not, however, the statement to which I referred during the August 24 broadcast.

On August 22, the Gulf Cooperation Council, which is comprised of Saudi Arabia, Kuwait, Bahrain, Qatar, Oman, and the United Arab Emirates and has established its headquarters in Riyadh, issued a condemnation of the U.S. action. It described the American action as "U.S. aggression" and called it a "provocative trap and an exercise of medieval piracy at high seas."

The statement also said:

> The action is more dangerous than we imagine because with this act the United States is encouraging the policy of the cowboys.

A statement which I find particularly offensive because I take it to be a personal, and wholly inappropriate, reference to the President of the United States.

While the Saudis have not endorsed the statement explicitly, they have not tried to distance themselves from it either. I believe this failure is significant. It can be compared to the response of the Government of Oman, which has felt obliged to disassociate itself from the hostile Council statement.

Mr. President, these statements by the Gulf Cooperation Council and the Government of Oman are a matter of public record. They have been reported in the "Daily Report: Middle East and Africa," published by the U.S. Government's Foreign Broadcast Information Service. This information should have been conveyed to the relevant officials at the State Department. One can only wonder why this has not been done.

In the interest of historical accuracy, and for the information of Senators, I ask that the FBIS reports to which I have referred be printed in the RECORD.

The reports follow:

["Daily Report" on the Middle East and Africa Foreign Broadcast Information Service, August 24, 1981]

GULF COUNCIL CONDEMNS "U.S. AGGRESSION" ON LIBYA

(GF231943 Manama GULF NEWS AGENCY in Arabic 1425 GMT 22 Aug 81)

KUWAIT, Aug. 22.—The Gulf Cooperation Council, which includes six Arab Gulf countries, today condemned the downing of two Libyan aircraft by U.S. aircraft over Libya's Gulf of Sidra on 18 August. In a press statement here today, Gulf Cooperation Council secretary General 'Abdallah Bisharah said that what the United States did is considered political aggression which the council strongly condemns.

Bisharah described the "U.S. aggression" as a trap the Americans laid for Libya. It is a provocative trap and an exercise of medieval piracy on the seas. He criticized the United States for carrying out maneuvers along the Libyan coast and said: "What does the United States want from maneuvers near the Libyan coast?"

He said that the aggression was a political decision and has no other interpretation but political aggression which the Arab Gulf Cooperation Council strongly condemns. He added: "The action is more dangerous than we imagine because with this act the United States is encouraging the policy of the cowboys."

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["Daily Report" on the Middle East and Africa Foreign Broadcast Information Service, August 26, 1981]

PAPER CITES BISHARAH ON U.S. "AGGRESSION" ON LIBYA

(GF251918 Kuwait Arab Times in English 23 Aug 81 p 1)

KUWAIT, Aug. 22.—The Gulf Cooperation Council today strongly denounced the downing of two Libyan aircraft by the American Navy jets over the Libyan territorial waters last week.

"What America did is a political aggression which the Gulf Corporation Council [GCC] strongly condemns," the secretary general of the council, Abdallah Ya'qub Bisharah said today. He described the downing operation of the Libyan fighters as a trap

which the Americans set for the Libyans. "It is a provocative trap and an exercise of medieval piracy at high seas," he said.

One has only to read the American weekly magazine Newsweek which appeared before the operation and said that measures to deter the regime of Col. al-Qaddhafi were approved, Bisharah said before posing a question "or else what would America want by mounting maneuvers near the Libyan shores."

The secretary general of the GCC said that whether Libya had the right to intercept the American jet fighters or not is pure academic talk subject to international law interpretations. The aggression is "but a political decision and has no other interpretation but a political aggression which the Gulf Cooperation Council strongly condemns," he affirmed.

The situation is much worse than we imagine, because by mounting such operations, America is encouraging "the policy of the cowboys," Bisharah said.

Bisharah's statement was the first official comment on the incident by the conservative oil states.

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[Daily Report" on the Middle East and Africa Foreign Broadcast Information Service, August 29, 1981]

OFFICIAL REJECTS GULF COUNCIL POSITION ON DOGFIGHT

(GF291257 Ash-Shariqah AL-KHALIJ in Arabic 28 Aug 81 p. 1)

MUSCAT.—The Sultanate of Oman has rejected the Gulf Cooperation Council [GCC] stand in condemning the U.S. aggression against Libya as stated by the council's secretary, 'Abdallah Bisharah earlier this week. In a press-interview published in Muscat yesterday, Omani Foreign Ministry Under Secretary Yusus al-'Alawi said: The council's secretary general did not consult with council members before issuing his statement. The council members did not authorize the secretary general to make political statements representing their views because these countries should express their own views.●

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## ON HUMAN WORK

● Mr. MOYNIHAN. Mr. President, His Holiness Pope John Paul II yesterday issued "Laborem Exercens," the third encyclical of his historic pontificate. The title in English is "On Human Work." As it is a treatise of fundamental and enduring significance, which will surely be cited in future as a landmark document, I bring it to the attention of Members of the Senate.

In "Laborem Exercens," John Paul addresses in wise and patient fashion the vital concerns of workers in this country and around the world. He speaks of the tragic, destructive effect that unemployment has on the family structure, and counsels fair treatment of handicapped and migrant workers.

His Holiness applauds the positive role trade unionism has played in the promulgation and protection of basic human rights, and he encourages solidarity among workers in pursuit of social justice.

John Paul II writes in favor of greater worker participation in the management of businesses and the economy, while reminding us that Marxist collectivism offers only false promises to do so. In his words:

Merely converting the means of production into state property in the collectivist system is by no means equivalent to "socializing" that property.

For working women, the Pope advocates "just remuneration," even while advocating "social measures such as family allowances or grants to mothers" who wish to devote themselves exclusively to their families.

Mr. President, this encyclical could not have come at a more propitious time. Two hundred thousand workers will assemble in Washington this week in a demonstration of solidarity with the poor and the disabled who suffer most in a time of governmental austerity, such as that in which we in the United States now find ourselves.

The working people of Poland, organized finally into the first genuinely free trade union in the Communist world, today find themselves subject to even greater threats of increased repression precisely because the rights of workers, properly stated and effectively defended, are inconsistent with the demands of a totalitarian state. John Paul, having lived most of his life in Communist Poland, knows this better than we.

Mr. President, I hope that "Laborem Exercens" shall be as widely read as such a powerful and important work deserves. In order that it might be made more generally available, I ask that the complete text of "Laborem Exercens" be printed in the RECORD.

The text follows:

ENCYCLICAL OF THE SUPREME PONTIFF

(By John Paul II)

Venerable Brothers and dear sons and daughters, greetings and the Apostolic Blessing:

Through work man must earn his daily bread [1] and contribute to the continual advance of science and technology and, above all, to elevating unceasingly the cultural and moral level of the society within which he lives in community with those who belong to the same family. And work means any activity by man, whether manual or intellectual, whatever its nature or circumstances; it means any human activity that can and must be recognized as work, in the midst of all the many activities of which man is capable and to which he is predisposed by his very nature, by virtue of humanity itself. Man is made to be in the visible universe an image and likeness of God himself,[2] and he is placed in it in order to subdue the earth.[3] From the beginning therefore he is called to work. Work is one of the characteristics that distinguish man from the rest of creatures, whose activity for sustaining their lives cannot be called work. Only man is capable of work, and only man works, at the same time by work occupying his existence on earth. Thus work bears a particular mark of man and of humanity, the mark of a person operating within a community of persons. And this mark decides its interior characteristics; in a sense it constitutes its very nature.

I. INTRODUCTION

1. Human work on the ninetieth anniversary of Rerum Novarum:

Since 15 May of the present year was the ninetieth anniversary of the publication by the great Pope of the "social question," Leo XIII, of the decisively important Encyclical which begins with the words Rerum Novarum, I wish to devote this document to human work and, even more, to man in the vast context of the reality of work. As I said in the Encyclical Redemptor Hominis, published at the beginning of my service in the See of Saint Peter in Rome, man "is the primary and fundamental way for the Church," [4] precisely because of the inscrutable mystery of Redemption in Christ; and so it is necessary to return constantly to this way and to follow it ever anew in the various aspects in which it shows us all the wealth and at the same time all the toil of human existence on earth.

Work is one of these aspects, a perennial and fundamental one, one that is always relevant and constantly demands renewed attention and decisive witness. Because fresh questions and problems are always arising, there are always fresh hopes, but also fresh fears and threats, connected with this basic dimension of human existence: man's life is built up every day from work, from work it derives its specific dignity, but at the same time work contains the unceasing measure of human toil and suffering, and also of the harm and injustice which penetrate deeply into social life within individual nations and on the international level. While it is true that man eats the bread produced by the work of his hands [5]—and this means not only the daily bread by which his body keeps alive but also the bread of science and progress, civilization and culture—it is also a perennial truth that he eats this bread by "the sweat of his face",[6] that is to say, not only by personal effort and toil but also in the midst of many tensions, conflicts and crises, which, in relationship with the reality of work, disturb the life of individual societies and also of all humanity.

We are celebrating the ninetieth anniversary of the Encyclical Rerum Novarum on the eve of new developments in technological, economic and political conditions which, according to many experts, will influence the world of work and production no less than the industrial revolution of the last century. There are many factors of a general nature: the widespread introduction of automation into many spheres of production, the increase in the cost of energy and raw materials, the growing realization that the heritage of nature is limited and that it is being intolerably polluted, and the emergence on the political scene of peoples who, after centuries of subjection, are demanding their rightful place among the nations and in international decision-making. These new conditions and demands will require a reordering and adjustment of the structures of the modern economy and of the distribution of work. Unfortunately, for millions of skilled workers these changes may perhaps mean unemployment, at least for a time, or the need for retraining. They will very probably involve a reduction or a less rapid increase in material well-being for the more developed countries. But they can also bring relief and hope to the millions who today live in conditions of shameful and unworthy poverty.

It is not for the Church to analyze scientifically the consequences that these changes may have on human society. But the Church considers it her task always to call attention to the dignity and rights of those who work, to condemn situations in which that dignity and those rights are violated, and to help to guide the above-mentioned changes so as to ensure authentic progress by man and society.

2. In the organic development of the Church's social action and teaching:

It is certainly true that work, as a human issue, is at the very centre of the "social question" to which, for almost a hundred years, since the publication of the above-mentioned Encyclical, the Church's teaching and the many undertakings connected with her apostolic mission have been especially directed. The present reflections on work are not intended to follow a different line, but rather to be in organic connection with the whole tradition of this teaching and activity. At the same time, however, I am making them, according to the indication in the Gospel, in order to bring out from the

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heritage of the Gospel "what is new and what is old".[7] Certainly, work is part of "what is old"—as old as man and his life on earth. Nevertheless, the general situation of man in the modern world, studied and analyzed in its various aspects of geography, culture and civilization, calls for the discovery of the new meanings of human work. It likewise calls for the formulation of the new tasks that in this sector face each individual, the family, each country, the whole human race, and, finally, the Church herself.

During the years that separate us from the publication of the Encyclical Rerum Novarum, the social question has not ceased to engage the Church's attention. Evidence of this are the many documents of the Magisterium issued by the Popes and by the Second Vatican Council, pronouncements by individual Episcopates, and the activity of the various centres of thought and of practical apostolic initiatives, both on the international level and at the level of the local Churches. It is difficult to list here in detail all the manifestations of the commitment of the Church and of Christians in the social question, for they are too numerous. As a result of the Council, the main coordinating centre in this field is the Pontifical Commission Justice and Peace, which has corresponding bodies within the individual Bishops' Conferences. The name of this institution is very significant. It indicates that the social question must be dealt with in its whole complex dimension. Commitment to justice must be closely linked with commitment to peace in the modern world. This twofold commitment is certainly supported by the painful experience of the two great world wars which in the course of the last ninety years have convulsed many European countries and, at least partially, countries in other continents. It is supported, especially since the Second World War, by the permanent threat of a nuclear war and the prospect of the terrible self-destruction that emerges from it.

If we follow the main line of development of the documents of the supreme Magisterium of the Church, we find in them an explicit confirmation of precisely such a statement of the question. The key position, as regards the question of world peace, is that of John XXIII's Encyclical Pacem in Terris. However, if one studies the development of the question of social justice, one cannot fail to note that, whereas during the period between Rerum Novarum and Pius XI's Quadragesimo Anno the Church's teaching concentrates mainly on the just solution of the "labour question" within individual nations, in the next period the Church's teaching widens its horizon to take in the whole world. The disproportionate distribution of wealth and poverty and the existence of some countries and continents that are developed and of others that are not, call for a leveling out and for a search for ways to ensure just development for all. This is the direction of the teaching in John XXIII's Encyclical Mater et Magistra, in the Pastoral Constitution Gaudium et Spes of the Second Vatican Council, and in Paul VI's Encyclical Populorum Progressio.

This trend of development of the Church's teaching and commitment in the social question exactly corresponds to the objective recognition of the state of affairs. While in the past the "class" question was especially highlighted as the centre of this issue, in more recent times it is the "world" question that is emphasized. Thus, not only the sphere of class is taken into consideration but also the world sphere of inequality and injustice, and as a consequence, not only the class dimension but also the world dimension of the tasks involved in the path towards the achievement of justice in the modern world. A complete analysis of the situation of the world today shows in an even deeper and fuller way the meaning of the previous analysis of social injustices; and it is the meaning that must be given today to efforts to build justice on earth, not concealing thereby unjust structures but demanding that they be examined and transformed on a more universal scale.

3. The question of work, the key to the social question:

In the midst of all these processes—those of the diagnosis of objective social reality and also those of the Church's teaching in the sphere of the complex and many-sided social question—the question of human work naturally appears many times. This issue is, in a way, a constant factor both of social life and of the Church's teaching. Furthermore, in this teaching attention to the question goes back much further than the last ninety years. In fact the Church's social teaching finds its source in Sacred Scripture, beginning with the Book of Genesis and especially in the Gospel and the writings of the Apostles. From the beginning it was part of the Church's teacher, her concept of man and life in society, and, especially, the social morality which she worked out according to the needs of the different ages. This traditional patrimony was then inherited and developed by the teaching of the Popes on the modern "social question", beginning with the Encyclical Rerum Novarum. In this context, study of the question of work, as we have seen, has continually been brought up to date while maintaining that Christian basis of truth which can be called ageless.

While in the present document we return to this question once more—without however any intention of touching on all the topics that concern it—this is not merely in order to gather together and repeat what is already contained in the Church's teaching. It is rather in order to highlight—perhaps more than has been done before—the fact that human work is a key, probably the essential key, to the whole social question, if we try to see that question really from the point of view of man's good. And if the solution—or rather the gradual solution—of the social question, which keeps coming up and becomes ever more complex, must be sought in the direction of "making life more human",[8] then the key, namely human work, acquires fundamental and decisive importance.

## II. WORK AND MAN

4. In the Book of Genesis:

The Church is convinced that work is a fundamental dimension of man's existence on earth. She is confirmed in this conviction by considering the whole heritage of the many sciences devoted to man: anthropology, palaeontology, history, sociology, psychology and so on; they all seem to bear witness to this reality in an irrefutable way. But the source of the Church's conviction is above all the revealed word of God, and therefore what is a conviction of the intellect is also a conviction of faith. The reason is that the Church—and it is worthwhile stating it at this point—believes in man: she thinks of man and addresses herself to him not only in the light of historical experience, not only with the aid of the many methods of scientific knowledge, but in the first place in the light of the revealed word of the living God. Relating herself to man, she seeks to express the eternal designs and transcendent destiny which the living God, the Creator and Redeemer, has linked with him.

The Church finds in the very first pages of the Book of Genesis the source of her conviction that work is a fundamental dimension of human existence on earth. An analysis of these texts makes us aware that they express—sometimes in an archaic way of manifesting thought—the fundamental truths about man, in the context of the mystery of creation itself. These truths are decisive for man from the very beginning, and at the same time they trace out the main lines of his earthly existence, both in the state of original justice and also after the breaking, caused by sin, of the Creator's original covenant with creation in man. When man, who had been created "in the image of God . . . male and female",[9] hears the words: "Be fruitful and multiply, and fill the earth and subdue it",[10] even though these words do not refer directly and explicitly to work, beyond any doubt they indirectly indicate it as an activity for man to carry out in the world. Indeed, they show its very deepest essence. Man is the image of God partly through the mandate received from his Creator to subdue, to dominate, the earth. In carrying out this mandate, man, every human being, reflects the very action of the Creator of the universe.

Work understood as a "transitive" activity, that is to say an activity beginning in the human subject and directed towards an external object, presupposes a specific dominion by man over "the earth", and in its turn it confirms and develops this dominion. It is clear that the term "the earth" of which the biblical text speaks is to be understood in the first place as that fragment of the visible universe that man inhabits. By extension, however, it can be understood as the whole of the visible world insofar as it comes within the range of man's influence and of his striving to satisfy his needs. The expression "subdue the earth" has an immense range. It means all the resources that the earth (and indirectly the visible world) contains and which, through the conscious activity of man, can be discovered and used for his ends. And so these words, placed at the beginning of the Bible, never cease to be relevant. They embrace equally the past ages of civilization and economy, as also the whole of modern reality and future phases of development, which are perhaps already to some extent beginning to take shape, though for the most part they are still almost unknown to man and hidden.

While people sometimes speak of periods of "acceleration" in the economic life and civilization of humanity or of individual nations, linking these periods to the progress of science and technology and especally to discoveries which are decisive for social and economic life, at the same time it can be said that none of these phenomena of "acceleration" exceeds the essential content of what was said in that most ancient of biblical texts. As man, through his work, becomes more and more the master of the earth, and as he confirms his dominion over the visible world, again through his work, he nevertheless remains in every case and at every phase of this process within the Creator's original ordering. And this ordering remains necessarily and indissolubly linked with the fact that man was created, as male and female, "in the image of God". This process is, at the same time, universal: it embraces all human beings, every generation, every phase of economic and cultural development, and at the same time it is a process that takes place within each human being, in each conscious human subject. Each and every individual is at the same time embraced by it. Each and every individual, to the proper extent and in an incalculable numbers of ways, takes part in the giant process whereby man "subdues the earth" through his work.

5. Work in the objective sense: Technology.

This universality and, at the same time, this multiplicity of the process of "subduing the earth" throw light upon human work, because man's dominion over the earth is achieved in and by means of work. There thus emerges the meaning of work in an objective sense, which finds expression in

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the various epochs of culture and civilization. Man dominates the earth by the very fact of domesticating animals, rearing them and obtaining from them the food and clothing he needs, and by the fact of being able to extract various natural resources from the earth and the seas. But man "subdues the earth" much more when he begins to cultivate it and then to transform its products, adapting them to his own use. Thus agriculture constitutes through human work a primary field of economic activity and an indispensable factor of production. Industry in its turn will always consist in linking the earth's riches—whether nature's living resources, or the products of agriculture, or the mineral or chemical resources—with man's work, whether physical or intellectual. This is also in a sense true in the sphere of what are called service industries, and also in the sphere of research, pure or applied.

In industry and agriculture man's work has today in many cases ceased to be mainly manual, for the toil of human hands and muscles is aided by more and more highly perfected machinery. Not only in industry but also in agriculture we are witnessing the transformations made possible by the gradual development of science and technology. Historically speaking, this, taken as a whole, has caused great changes in civilization, from the beginning of the "industrial era" to the successive phases of development through new technologies, such as the electronics and the microprocessor technology in recent years.

While it may seem that in the industrial process it is the machine that "works" and man merely supervises it, making it function and keeping it going in various ways, it is also true that for this very reason industrial development provides grounds for reproposing in new ways the question of human work. Both the original industrialization that gave rise to what is called the worker question and the subsequent industrial and post-industrial changes show in an eloquent manner that, even in the age of ever more mechanized "work", the proper subject of work continues to be man.

The development of industry and of the various sectors connected with it, even the most modern electronics technology, especially in the fields of miniaturization, communications and telecommunications and so forth, shows how vast is the role of technology, that ally of work that human thought has produced, in the interaction between the subject and object of work (in the widest sense of the word). Understood in this case not as a capacity or aptitude for work, but rather as a whole set of instruments which man uses in his work, technology is undoubtedly man's ally. It facilitates his work, perfects, accelerates and augments it. It leads to an increase in the quantity of things produced by work, and in many cases improves their quality. However, it is also a fact that, in some instances, technology can cease to be man's ally and become almost his enemy, as when the mechanization of work "supplants" him, taking away all personal satisfaction and the incentive to creativity and responsibility, when it deprives many workers of their previous employment, or when, through exalting the machine, it reduces man to the status of its slave.

If the biblical words "subdue the earth" addressed to man from the very beginning are understood in the context of the whole modern age, industrial and post-industrial, then they undoubtedly include also a relationship with technology, with the world of machinery which is the fruit of the work of human intellect and a historical confirmation of man's dominion over nature.

The recent stage of human history, especially that of certain societies, brings a correct affirmaion of technology as a basic coefficient of economic progress; but at the same time, this affirmation has been accompanied by and continues to be accompanied by the raising of essential questions concerning human work in relationship to its subject, which is man. These questions are particularly charged with content and tension of an ethical and an ethical and social character. They therefore constitute a continual challenge for institutions of many kinds, for States and governments, for systems and international organizations; they also constitute a challenge for the Church.

6. Work in the subjective sense: Man as the subject of work:

In order to continue our analysis of work, an analysis linked with the word of the Bible telling man that he is to subdue the earth, we must concentrate our attention on work in the subjective sense, much more than we did on the objective significance, barely touching upon the vast range of problems known intimately and in detail to scholars in various fields and also, according to their specializations, to those who work. If the words of the Book of Genesis to which we refer in this analysis of our speak of work in the objective sense in an indirect way, they also speak only indirectly of the subject of work; but what they say is very eloquent and is full of great significance.

Man has to subdue the earth and dominate it, because as the "image of God" he is a person, that is to say, a subjective being capable of acting in a planned and rational way, capable of deciding about himself, and with a tendency to self-realization. As a person, man is therefore the subject of work. As a person he works, he performs various actions belonging to the work process; independently of their objective content, these actions must all serve to realize his humanity, to fulfill the calling to be a person that is his by reason of his very humanity. The principal truths concerning this theme were recently recalled by the Second Vatican Council in the Constitution Gaudium et Spes, especially in Chapter One, which is devoted to man's calling.

And so this "dominion" spoken of in the biblical text being meditated upon here refers not only to the objective dimension of work but at the same time introduces us to an understanding of its subjective dimension. Understood as a process whereby man and the human race subdue the earth, work corresponds to this basic biblical concept only when throughout the process man manifests himself and confirms himself as the one who "dominates." The dominion, in a certain sense, refers to the subjective dimension even more than to the objective one: this dimension conditions the very ethical nature of work. In fact there is no doubt that human work has an ethical value of its own, which clearly and directly remain linked to the fact that the one who carries it out is a person, a conscious and free subject, that is to say a subject that decides about himself.

This truth, which in a sense constitutes the fundamental and perennial heart of Christian teaching on human work, has had and continues to have primary significance for the formulation of the important social problems characterizing whole ages.

The ancient world introduced its own typical differentiation of people into classes according to the type of work done. Work which demanded from the worker the exercise of physical strength, the work of muscles and hands, was considered unworthy of free men, and was therefore given to slaves. By broadening certain aspects that already belonged to the Old Testament, Christianity brought about a fundamental change of ideas in this field, taking the whole content of the Gospel message as its point of departure, especially the fact that the one who, while being God, became like us in all things [11] devoted most of the years of his life on earth to manual work at the carpenter's bench. This circumstance constitutes in itself the most eloquent "Gospel of work", showing that the basis for determining the value of human work is not primarily the kind of work being done but the fact that the one who is doing it is a person. The sources of the dignity of work are to be sought primarily in the subjective dimension, not in the objective one.

Such a concept practically does away with the very basis of the ancient differentiation of people into classes according to the kind of work done. This does not mean that, from the objective point of view, human work cannot and must not be rated and qualified in any way. It only means that the primary basis of the value of work is man himself, who is its subject. This leads immediately to a very important conclusion of an ethical nature: however true it may be that man is destined for work and called to it, in the first place work is "for man" and not man "for work". Through this conclusion one rightly comes to recognize the pre-eminence of the subjective meaning of work over the objective one. Given this way of understanding things, and presupposing that different sorts of work that people do can have greater or lesser objective value, let us try nevertheless to show that each sort is judged above all by the measure of the dignity of the subject of work, that is to say the person, the individual who carries it out. On the other hand: independently of the work that every man does, and presupposing that this work constitutes a purpose—at times a very demanding one—of his activity, this purpose does not possess a definitive meaning in itself. In fact, in the final analysis it is always man who is the purpose of the work, whatever work it is that is done by man—even if the common scale of values rates it as the merest "service", as the most monotonous, even the most alienating work.

7. A threat to the right order of values:

It is precisely these fundamental affirmations about work that always emerged from the wealth of Christian truth, especially from the very message of the "Gospel of work", thus creating the basis for a new way of thinking, judging and acting. In the modern period, from the beginning of the industrial age, the Christian truth about work had to oppose the various trends of materialistic and economistic thought.

For certain supporters of such ideas, work was understood and treated as a sort of "merchandise" that the worker—especially the industrial worker—sells to the employer, who at the same time is the possessor of the capital, that is to say, of all the working tools and means that make production possible. This way of looking at work was widespread especially in the first half of the nineteenth century. Since then, explicit expressions of this sort have almost disappeared, and have given way to more human ways of thinking about work and evaluating it. The interaction between the worker and the tools and means of production has given rise to the development of various forms of capitalism—parallel with various forms of collectivism—into which other socioeconomic elements have entered as a consequence of new concrete circumstances, of the activity of workers' associations and public authorities, and of the emergence of large transnational enterprises. Nevertheless, the danger of treating work as a special kind of "merchandise", or as an impersonal "force" needed for production (the expression "workforce" is in fact in common use) always exists, especially when the whole way of looking at the question of

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economics is marked by the premises of materialistic economism.

A systematic opportunity for thinking and evaluating in this way, and in a certain sense a stimulus for doing so, is provided by the quickening process of the development of a onesidedly materialistic civilization, which gives prime importance to the objective dimension of work, while the subjective dimension—everything in direct or indirect relationship with the subject of work—remains on a secondary level. In all cases of this sort, in every social situation of this type, there is a confusion or even a reversal of the order laid down from the beginning by the words of the Book of Genesis: man is treated as an instrument of production,[12] whereas he—he alone, independently of the work he does—ought to be treated as the effective subject of work and its true maker and creator. Precisely this reversal of order, whatever the programme or name under which it occurs, should rightly be called "capitalism"—in the sense more fully explained below. Everybody knows that capitalism has a definite historical meaning as a system, an economic and social system, opposed to "socialism" or "communism". But in the light of the analysis of the fundamental reality of the whole economic process—first and foremost of the production structure that work is—it should be recognized that the error of early capitalism can be repeated wherever man is in a way treated on the same level as the whole complex of the material means of production, as an instrument and not in accordance with the true dignity of his work—that is to say, where he is not treated as subject and maker, and for this very reason as the true purpose of the whole process of production.

This explains why the analysis of human work in the light of the words concerning man's "dominion" over the earth goes to the very heart of the ethical and social question. This concept should also find a central place in the whole sphere of social and economic policy, both within individual countries and in the wider field of international and intercontinental relationships, particularly with reference to the tensions making themselves felt in the world not only between East and West but also between North and South. Both John XXIII in the Encyclical Mater et Magistra and Paul VI in the Encyclical Populorum Progressio gave special attention to these dimensions of the modern ethical and social question.

8. Worker solidarity.

When dealing with human work in the fundamental dimension of its subject, that is to say, the human person doing the work, one must make at least a summary evaluation of developments during the ninety years since *Rerum Novarum* in relation to the subjective dimension of work. Although the subject of work is always the same, that is to say man, nevertheless wide-ranging changes take place in the objective aspect. While one can say that, by reason of its subject, work is one single thing (one and unrepeatable every time), yet when one takes into consideration its objective directions one is forced to admit that there exist many works, many different sorts of work. The development of human civilization brings continual enrichment in this field. But at the same time, one cannot fail to note that in the process of this development not only do new forms of work appear but also others disappear. Even if one accepts that on the whole this is a normal phenomenon, it must still be seen whether certain ethically and socially dangeorus irregularities creep in, and to what extent.

It was precisely one such wide-ranging anomaly that gave rise in the last century to what has been called "the worker question", sometimes described as "the proletariat question". This question and the problems connected with it gave rise to a just social reaction and caused the impetuous emergence of a great burst of solidarity between workers, first and foremost industrial workers. The call to solidarity and common action addressed to the workers—especially to those engaged in narrowly specialized, monotonous and depersonalized work in industrial plants, when the machine tends to dominate man—was important and eloquent from the point of view of social ethics. It was the reaction against the degradation of man as the subject of work, and against the unheard-of accompanying exploitation in the field of wages, working conditions and social security for the worker. This reaction united the working world in a community marked by great solidarity.

Following the lines laid down by the Encyclical *Rerum Novarum* and many later documents of the Church's Magisterium, it must be frankly recognized that the reaction against the system of injustice and harm that cried to heaven for vengeance and that weighed heavily upon workers in that period of rapid industrialization was justified from the point of view of social morality. This state of affairs was favoured by the liberal socio-political system, which, in accordance with its "economistic" premises, strengthened and safeguarded economic initiative by the possessors of capital alone, but did not pay sufficient attention to the rights of the workers, on the grounds that human work is solely an instrument of production, and that capital is the basis, efficient factor and purpose of production.

From that time, worker solidarity, together with a clearer and more committed realization by others of workers' rights, has in many cases brought about profound changes. Various forms of neo-capitalism or collectivism have developed. Various new systems have been thought out. Workers can often share in running businesses and in controlling their productivity, and in fact do so. Through appropriate associations, they exercise influence over conditions of work and pay, and also over social legislation. But at the same time various ideological or power systems, and new relationships which have arisen at various levels of society, have allowed flagrant injustices to persist or have created new ones. On the world level, the development of civilization and of communications has made possible a more complete diagnosis of the living and working conditions of man globally, but it has also revealed other forms of injustice, much more extensive than those which in the last century stimulated unity between workers for particular solidarity in the working world. This is true in countries which have completed a certain process of industrial revolution. It is also true in countries where the main working milieu continues to be agriculture or other similar occupations.

Movements of solidarity in the sphere of work—a solidarity that must never mean being closed to dialogue and collaboration with others—can be necessary also with reference to the condition of social groups that were not previously included in such movements but which, in changing social systems and conditions of living, are undergoing what is in effect "proletarianization" or which actually already find themselves in a "proletariat" situation, one which, even if not yet given that name, in fact deserves it. This can be true of certain categories or groups of the working "intelligentsia", especially when ever wider access to education and an ever increasing number of people with degrees or diplomas in the fields of their cultural preparation are accompanied by a drop in demand for their labour. This unemployment of intellectuals occurs or increases when the education available is not oriented towards the types of employment or service required by the true needs of society, or when there is less demand for work which requires education, at least professional education, than for manual labour, or when it is less well paid. Of course, education in itself is always valuable and an important enrichment of the human person; but in spite of that, "proletarianization" processes remain possible.

For this reason, there must be continued study of the subject of work and of the subject's living conditions. In order to achieve social justice in the various parts of the world, in the various countries, and in the relationships between them, there is a need for ever new movements of solidarity of the workers and with the workers. This solidarity must be present whenever it is called for by the social degrading of the subject of work, by exploitation of the workers, and by the growing areas of poverty and even hunger. The Church is firmly committed to this cause, for she considers it her mission, her service, a proof of her fidelity to Christ, so that she can truly be the "Church of the poor". And the "poor" appear under various forms; they appear in various places and at various times; in many cases they appear as a result of the violation of the dignity of human work: either because the opportunities for human work are limited as a result of the scourge of unemployment, or because a low value is put on work and the rights that flow from it, especially the right to a just wage and to the personal security of the worker and his or her family.

9. Work and personal dignity:

Remaining within the context of man as the subject of work, it is now appropriate to touch upon, at least in a summary way, certain problems that more closely define the dignity of human work, in that they make it possible to characterize more fully its specific moral value. In doing this we must always keep in mind the biblical calling to "subdue the earth",[14] in which is expressed the will of the Creator that work should enable man to achieve that "dominion" in the visible world that is proper to him.

God's fundamental and original intention with regard to man, whom he created in his image and after his likeness,[15] was not withdrawn or cancelled out even when man, having broken the original covenant with God, heard the words: "In the sweat of your face you shall eat bread".[16] These words refer to the sometimes heavy toil that from then onwards has accompanied human work; but they do not alter the fact that work is the means whereby man achieves that "dominion" which is proper to him over the visible world, by "subjecting" the earth. Toil is something that is universally known, for it is universally experienced. It is familiar to those doing physical work under sometimes exceptionally laborious conditions. It is familiar not only to agricultural workers, who spend long days working the land, which sometimes "beats thorns and thistles",[17] but also to those who work in mines and quarries, to steel-workers at their blast-furnaces, to those who work in builders' yards and in construction work, often in danger of injury or death. It is likewise familiar to those at an intellectual workbench; to scientists; to those who bear the burden of grave responsibility for decisions that will have a vast impact on society. It is familiar to doctors and nurses, who spend days and nights at their patients' bedside. It is familiar to women, who, sometimes without proper recognition on the part of society and even of their own families, bear the daily burden and responsibility for their homes and the upbringing of their children. It is familiar to all workers and, since work is a universal calling, it is familiar to everyone.

And yet, in spite of all this toil—perhaps, in a sense, because of it—work is a good thing for man. Even though it bears the mark of a bonum arduum, in the terminology

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of Saint Thomas,[18] this does not take away the fact that, as such, it is a good thing for man. It is not only good in the sense that it is useful or something to enjoy; it is also good as being something worthy, that is to say, something that corresponds to man's dignity, that expresses this dignity and increases it. If one wishes to define more clearly the ethical meaning of work, it is this truth that one must particularly keep in mind. Work is a good thing for man—a good thing for his humanity—because through work man not only transforms nature, adapting it to his own needs, but he also achieves fulfillment as a human being and indeed, in a sense, becomes "more a human being".

Without this consideration it is impossible to understand the meaning of the virtue of industriousness, and more particularly it is impossible to understand why industriousness should be a virtue: for virtue, as a moral habit, is something whereby man becomes good as man.[19] This fact in no way alters our justifiable anxiety that in work, whereby matter gains in nobility, man himself should not experience a lowering of his own dignity.[20] Again, it is well known that it is possible to use work in various ways against man, that it is possible to punish man with the system of forced labour in concentration camps, that work can be made into a means for oppressing man, and that in various ways it is possible to exploit human labour, that is to say the worker. All this pleads in favour of the moral obligation to link industriousness as a virtue with the social order of work, which will enable man to become, in work, "more a human being" and not be degraded by it not only because of the wearing out of his physical strength (which, at least up to a certain point, is inevitable), but especially through damage to the dignity and subjectivity that are proper to him.

10. Work and society: Family and nation: Having thus confirmed the personal dimension of human work, we must go on to the second sphere of values which is necessarily linked to work. Work constitutes a foundation for the formation of family life, which is a natural right and something that man is called to. These two spheres of values—one linked to work and the other consequent on the family nature of human life—must be properly united and must properly permeate each other. In a way, work is a condition for making it possible to found a family, since the family requires the means of subsistence which man normally gains through work. Work and industriousness also influence the whole process of education in the family, for the very reason that everyone "becomes a human being" through, among other things, work, and becoming a human being is precisely the main purpose of the whole process of education. Obviously, two aspects of work in a sense come into play here: the one making family life and its upkeep possible, and the other making possible the achievement of the purposes of the family, especially education. Nevertheless, these two aspects of work are linked to one another and are mutually complementary in various points.

It must be remembered and affirmed that the family constitutes one of the most important terms of reference for shaping the social and ethical order of human work. The teaching of the Church has always devoted special attention to this question, and in the present document we shall have to return to it. In fact, the family is simultaneously a community made possible by work and the first school of work, within the home, for every person.

The third sphere of values that emerges from this point of view—that of the subject of work—concerns the great society to which man belongs on the basis of particular cultural and historical links. This society—even when it has not yet taken on the mature form of a nation—is not only the great "educator" of every man, even though an indirect one (because each individual absorbs within the family the contents and values that go to make up the culture of a given nation); it is also a great historical and social incarnation of the work of all generations. All of this brings it about that man combines his deepest human identity with membership of a nation, and intends his work also to increase the common good developed together with his compatriots, thus realizing that in this way work serves to add to the heritage of the whole human family, of all the people living in the world.

These three spheres are always important for human work in its subjective dimension. And this dimension, that is to say, the concrete reality of the worker, takes precedence over the objective dimension. In the subjective dimension there is realized, first of all, that "dominion" over the world of nature to which man is called from the beginning according to the words of the Book of Genesis. The very process of "subduing the earth", that is to say work, is marked in the course of history, and especially in recent centuries, by an immense development of technological means. This is an advantageous and positive phenomenon, on condition that the objective dimension of work does not gain the upper hand over the subjective dimension, depriving man of his dignity and inalienable rights or reducing them.

### III. CONFLICT BETWEEN LABOUR AND CAPITAL IN THE PRESENT PHASE OF HISTORY

11. Dimensions of the conflict: The sketch of the basic problems of work outlined above draws inspiration from the texts at the beginning of the Bible and in a sense forms the very framework of the Church's teaching, which has remained unchanged throughout the centuries within the context of different historical experiences. However, the experiences preceding and following the publication of the Encyclical Rerum Novarum form a background that endows that teaching with particular expressiveness and the eloquence of living relevance. In this analysis, work is seen as a great reality with a fundamental influence on the shaping in a human way of the world that the Creator has entrusted to man; it is a reality closely linked with man as the subject of work and with man's rational activity. In the normal course of events this reality fills human life and strongly affects its value and meaning. Even when it is accompanied by toil and effort, work is still something good, and so man develops through love for work. This entirely positive and creative, educational and meritorious character of man's work must be the basis for the judgments and decisions being made today in its regard in spheres that include human rights, as is evidenced by the international declarations on work and the many labour codes prepared either by the competent legislative institutions in the various countries or by organizations devoting their social, or scientific and social, activity to the problems of work. One organization fostering such initiatives on the international level is the International Labour Organization, the oldest specialized agency of the United Nations Organizations.

In the following part of these considerations I intend to return in greater detail to these important questions, recalling at least the basic elements of the Church's teaching on the matter. I must however first touch on a very important field of questions in which her teaching has taken shape in this latest period, the one marked and in a sense symbolized by the publication of the Encyclic Rerum Novarum.

Throughout this period, which is by no means yet over, the issue of work has of course been posed on the basis of the great conflict that in the age of, and together with, industrial development emerged between "capital" and "labour", that is to say between the small but highly influential group of entrepreneurs, owners or holders of the means of production, and the broader multitude of people who lacked these means and who shared in the process of production solely by their labour. The conflict originated in the fact that the workers put their powers at the disposal of the entrepreneurs, and these, following the principle of maximum profit, tried to establish the lowest possible wages for the work done by the employees. In addition there were other elements of exploitation, connected with the lack of safety at work and of safeguards regarding the health and living conditions of the workers and their families.

This conflict, interpreted by some as a socioeconomic class conflict, found expression in the ideological conflict between liberalism, understood as the ideology of capitalism, and Marxism, understood as the ideology of scientific socialism and communism, which professes to act as the spokesman for the working class and the worldwide proletariat. Thus the real conflict between labour and capital was transformed into a systematic class struggle, conducted not only by ideological means but also and chiefly by political means. We are familar with the history of this conflict and with the demands of both sides. The Marxist programme, based on the philosophy of Marx and Engels, sees in class struggle the only way to eliminate class injustices in society and to eliminate the classes themselves. Putting this programme into practice presupposes the collectivization of the means of production so that, through the transfer of these means from private hands to the collectivity, human labour will be preserved from exploitation.

This is the goal of the struggle carried on by political as well as ideological means. In accordance with the principle of "the dictatorship of the proletariat", the groups that as political parties follow the guidance of Marxist ideology aim by the use of various kinds of influence, including revolutionary pressure, to win a monopoly of power in each society, in order to introduce the collectivist system into it by eliminating private ownership of the means of production. According to the principal ideologists and leaders of this broad international movement, the purpose of this programme of action is to achieve the social revolution and to introduce socialism and, finally, the communist system throughout the world.

As we touch on this extremely important field of issues, which constitute not only a theory but a whole fabric of socioeconomic, political, and international life in our age, we cannot go into the details, nor is this necessary, for they are known both from the vast literature on the subject and by experience. Instead, we must leave the context of these issues and go back to the fundamental issue of human work, which is the main subject of the considerations in this document. It is clear, indeed, that this issue, which is of such importance for man—it constitutes one of the fundamental dimensions of his earthly existence and of his vocation—can also be explained only by taking into account the full context of the contemporary situation.

12. The priority of labour: The structure of the present-day situation is deeply marked by many conflicts caused by man, and the technological means produced by human work play a primary role in it. We should also consider here the prospect of worldwide catastrophe in the case of a nuclear war, which would have almost unimaginable possibilities of destruction. In view of this situation we must first of all recall a principle that has always been taught by the Church: the principle of the

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priority of labour over capital. This principle directly concerns the process of production: in this process labour is always a primary efficient cause, while capital, the whole collection of means of production, remains a mere instrument or instrumental cause. This principle is an evident truth that emerges from the whole of man's historical experience.

When we read in the first chapter of the Bible that man is to subdue the earth, we know that these words refer to all the resources contained in the visible world and placed at man's disposal. However, these resources can serve man only through work. From the beginning there is also linked with work the question of ownership, for the only means that man has for causing the resources hidden in nature to serve himself and others is his work. And to be able through his work to make these resources bear fruit, man takes over ownership of small parts of the various riches of nature: those beneath the ground, those in the sea, on land, or in space. He takes all these things over by making them his workbench. He takes them over through work and for work.

The same principle applies in the successive phases of this process, in which the first phase always remains the relationship of man with the resources and riches of nature. The whole of the effort to acquire knowledge with the aim of discovering these riches and specifying the various ways in which they can be used by man and for man teaches us that everything that comes from man throughout the whole process of economic production, whether labour or the whole collection of means of production and the technology connected with these means (meaning the capability to use them in work), presupposes these riches and resources of the visible world, riches and resources that man finds and does not create. In a sense man finds them already prepared, ready for him to discover them and to use them correctly in the productive process. In every phase of the development of his work man comes up against the leading role of the gift made by "nature", that is to say, in the final analysis, by the Creator. At the beginning of man's work is the mystery of creation. This affirmation, already indicated as my starting point, is the guiding thread of this document, and will be further developed in the last part of these reflections.

Further consideration of this question should confirm our conviction of the priority of human labour over what in the course of time we have grown accustomed to calling capital. Since the concept of capital includes not only the natural resources placed at man's disposal but also the whole collection of means by which man appropriates natural resources and transforms them in accordance with his needs (and thus in a sense humanizes them), it must immediately be noted that all these means are the result of the historical heritage of human labour. All the means of production, from the most primitive to the ultramodern ones—it is man that has gradually developed them: man's experience and intellect. In this way there have appeared not only the simplest instruments for cultivating the earth but also, through adequate progress in science and technology, the more modern and complex ones: machines, factories, laboratories, and computers. Thus everything that is at the service of work, everything that in the present state of technology constitutes its ever more highly perfected "instrument," is the result of work.

This gigantic and powerful instrument—the whole collection of means of production that in a sense are considered synonymous with "capital"—is the result of work and bears the signs of human labour. At the present stage of technological advance, when man, who is the subject of work, wishes to make use of this collection of modern instruments, the means of production, he must first assimilate cognitively the result of the work of the people who invented those instruments, who planned them, built them and perfected them, and who continue to do so. Capacity for work—that is to say, for sharing efficiently in the modern production process—demands greater and greater preparation and, before all else, proper training. Obviously, it remains clear that every human being sharing in the production process, even if he or she is only doing the kind of work for which no special training or qualifications are required, is the real efficient subject in this production process, while the whole collection of instruments, no matter how perfect they may be in themselves, are only a mere instrument subordinate to human labour.

This truth, which is part of the abiding heritage of the Church's teaching, must always be emphasized with reference to the question of the labour system and with regard to the whole socioeconomic system. We must emphasize and give prominence to the primacy of man in the production process, the primacy of man over things. Everything contained in the concept of capital in the strict sense is only a collection of things. Man, as the subject of work, and independently of the work that he does—man alone is a person. This truth has important and decisive consequences.

13. Economism and materialism:

In the light of the above truth we see clearly, first of all, that capital cannot be separated from labour; in no way can labour be opposed to capital or capital to labour, and still less can the actual people behind these concepts be opposed to each other, as will be explained later. A labour system can be right, in the sense of being in conformity with the very essence of the issue, and in the sense of being intrinsically true and also morally legitimate, if in its very basis it overcomes the opposition between labour and capital through an effort at being shaped in accordance with the principle put forward above: the principle of the substantial and real priority of labour, of the subjectivity of human labour and its effective participation in the whole production process, independently of the nature of the services provided by the worker.

Opposition between labour and capital does not spring from the structure of the production process or from the structure of the economic process. In general the latter process demonstrates that labour and what we are accustomed to call capital are intermingled; it shows that they are inseparably linked. Working at any workbench, whether a relatively primitive or an ultra-modern one, a man can easily see that through his work he enters into two inheritances: the inheritance of what is given to the whole of humanity in the resources of nature, and the inheritance of what others have already developed on the basis of those resources, primarily by developing technology, that is to say, by producing a whole collection of increasingly perfect instruments for work. In working, man also "enters into the labour of others".[21] Guided both by our intelligence and by the faith that draws light from the word of God, we have no difficulty in accepting this image of the sphere and process of man's labour. It is a consistent image, one that is humanistic as well as theological. In it man is the master of the creatures placed at his disposal in the visible world. If some dependence is discovered in the work process, it is dependence on the Giver of all the resources of creation, and also on other human beings, those to whose work and initiative we owe the perfected and increased possibilities of our own work. All that we can say of everything in the production process which constitutes a whole collection of "things", the instruments, the capital, is that it conditions man's work; we cannot assert that it constitutes as it were an impersonal "subject" putting man and man's work into a position of dependence.

This consistent image, in which the principle of the primacy of person over things is strictly preserved, was broken up in human thought, sometimes after a long period of incubation in practical living. The break occurred in such a way that labour was separated from capital and set in opposition to it, and capital was set in opposition to labour, as though they were two impersonal forces, two production factors juxtaposed in the same "economistic" perspective. This way of stating the issue contained a fundamental error, what we can call the error of economism, that of considering human labour solely according to its economic purpose. This fundamental error of thought can and must be called an error of materialism, in that economism directly or indirectly includes a conviction of the primacy and superiority of the material, and directly or indirectly places the spiritual and the personal (man's activity, moral values and such matters) in a position of subordination to material reality. This is still not theoretical materialism in the full sense of the term, but it is certainly practical materialism, a materialism judged capable of satisfying man's needs, not so much on the grounds of premises derived from materialist theory, as on the grounds of a particular way of evaluating things, and so on the grounds of a certain hierarchy of goods based on the greater immediate attractiveness of what is material.

The error of thinking in the categories of economism went hand in hand with the formation of a materialist philosophy, as this philosophy developed from the most elementary and common phase (also called common materialism, because it professes to reduce spiritual reality to a superfluous phenomenon) to the phase of what is called dialectical materialism. However, within the framework of the present consideration, it seems that economism had a decisive importance for the fundamental issue of human work, in particular for the separation of labour and capital and for setting them up in opposition as two production factors viewed in the above-mentioned economistic perspective; and it seems that economism influenced this non-humanistic way of stating the issue before the materialist philosophical system did. Nevertheless it is obvious that materialism, including its dialectical form, is incapable of providing sufficient and definitive bases for thinking about human work, in order that the primacy of man over the capital instrument, the primacy of the person over things, may find in it adequate and irrefutable confirmation and support. In dialectical materialism too man is not first foremost the subject of work and the efficient cause of the production process, but continues to be understood and treated, in dependence on what is material, as a kind of "resultant" of the economic or production relations prevailing at a given period.

Obviously, the antinomy between labour and capital under consideration here—the antinomy in which labour was separated from capital and set up in opposition to it, in a certain sense on the ontic level, as if it were just an element like any other in the economic process—did not originate merely in the philosophy and economic theories of the eighteenth century; rather it originated in the whole of the economic and social practice of that time, the time of the birth and rapid development of industrialization, in which what was mainly seen was the possibility of vastly increasing material wealth, means, while the end, that is to say, man, who should be served by the means, was ignored. It was this practical error that struck a blow first and foremost

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against human labour, against the working man, and caused the ethically just social reaction already spoken of above. The same error, which is now part of history, and which was connected with the period of primitive capitalism and liberalism, can nevertheless be repeated in other circumstances of time and place, if people's thinking starts from the same theoretical or practical premises. The only chance there seems to be for radically overcoming this error is through adequate changes both in theory and in practice, changes in line with the definite conviction of the primacy of the person over things, and of human labour over capital as a whole collection of means of production.

14. Work and ownership:

The historical process briefly presented here has certainly gone beyond its initial phase, but it is still taking place and indeed is spreading in the relationships between nations and continents. It needs to be specified further from another point of view. It is obvious that, when we speak of opposition between labour and capital, we are not dealing only with abstract concepts or "impersonal forces" operating in economic production. Behind both concepts there are people, living, actual people: on the one side are those who do the work without being the owners of the means of production, and on the other side those who act as entrepreneurs and who own these means or represent the owners. Thus the issue of ownership or property enters from the beginning into the whole of this difficult historical process. The Encyclical Rerum Novarum, which has the social question as its theme, stresses this issue also, recalling and confirming the Church's teaching on ownership, on the right to private property even when it is a question of the means of production. The Encyclical Mater et Magistra did the same.

The above principle, as it was then stated and as it is still taught by the Church, diverges radically from the programme of collectivism as proclaimed by Marxism and put into pratice in various countries in the decades following the time of Leo XIII's Encyclical. At the same time it differs from the programme of capitalism practised by liberalism and by the political systems inspired by it. In the latter case, the difference consists in the way the right to ownership or property is understood. Christian tradition has never upheld this right as absolute and untouchable. On the contrary, it has always understood this right within the broader context of the right common to all to use the goods of the whole of creation: the right to private property is subordinated to the right to common use, to the fact that goods are meant for everyone.

Furthermore, in the Church's teaching, ownership has never been understood in a way that could constitute grounds for social conflict in labour. As mentioned above, property is acquired first of all through work in order that it may serve work. This concerns in a special way ownership of the means of production. Isolating these means as a separate property in order to set it up in the form of "capital" in opposition to "labour"—and even to practise exploitation of labour—is contrary to the very nature of these means and their possession. They cannot be possessed against labour, they cannot even be possessed for possession's sake, because the only legitimate title to their possession—whether in the form of private ownership or in the form of public or collective ownership—is that they should serve labour, and thus, by serving labour, that they should make possible the achievement of the first principle of this order, namely, the universal destination of goods and the right to common use of them. From this point of view, therefore, in consideration of human labour and of common access to the goods meant for man, one cannot exclude the socialization, in suitable conditions, of certain means of production. In the course of the decades since the publication of the Encyclical Rerum Novarum, the Church's teaching has always recalled all these principles, going back to the arguments formulated in a much older tradition, for example, the well-known arguments of the Summa Theologiac of Saint Thomas Aquinas.[22]

In the present document, which has human work as its main theme, it is right to confirm all the effort with which the Church's teaching has striven and continues to strive always to ensure the priority of work and, thereby, man's character as a subject in social life and, especially, in the dynamic structure of the whole economic process. From this point of view the position of "rigid" capitalism continues to remain unacceptable, namely the position that defends the exclusive right to private ownership of the means of production as an untouchable "dogma" of economic life. The principle of respect for work demands that this right should undergo a constructive revision, both in theory and in practice. If it is true that capital, as the whole of the means of production, is at the same time the product of the work of generations, it is equally true that capital is being unceasingly created through the work done with the help of all these means of production, and these means can be seen as a great workbench at which the present generation of workers is working day after day. Obviously we are dealing here with different kinds of work, not only so-called manual labour but also the many forms of intellectual work, including white-collar work and management.

In the light of the above, the many proposals put forward by experts in Catholic social teaching and by the highest Magisterium of the Church take on special significance: [23] proposals for joint ownership of the means of work, sharing by the workers in the management and/or profits of businesses, so-called shareholding by labour, etc. Whether these various proposals can or cannot be applied concretely, it is clear that recognition of the proper position of labour and the worker in the production process demands various adaptations in the sphere of the right to ownership of the means of production. This is so not only in view of older situations but also, first and foremost, in view of the whole of the situation and the problems in the second half of the present century with regard to the so-called Third World and the various new independent countries that have arisen, especially in Africa but elsewhere as well, in place of the colonial territories of the past.

Therefore, while the position of "rigid" capitalism must undergo continual revision, in order to be reformed from the point of view of human rights, both human rights in the widest sense and those linked with man's work, it must be stated that, from the same point of view, these many deeply desired reforms cannot be achieved by an priori elimination of private ownership of the means of production. For it must be noted that merely taking these means of production (capital) out of the hands of their private owners is not enough to ensure their satisfactory socialization. They cease to be the property of a certain social group, namely the private owners, and become the property of organized society, coming under the administration and direct control of another group of people, namely those who, though not owning them, from the fact of exercising power in society manage them on the level of the whole national or the local economy.

This group in authority may carry out its task satisfactorily from the point of view of the priority of labour; but it may also carry it out badly by claiming for itself a monopoly of the administration and disposal of the means of production and not refraining even from offending basic human rights. Thus, merely converting the means of production into State property in the collectivist system is by no means equivalent to "socializing" that property. We can speak of socializing only when the subject character of society is ensured, that is to say, when on the basis of his work each person is fully entitled to consider himself a part-owner of the great workbench at which he is working with every one else. A way towards that goal could be found by associating labour with the ownership of capital, as far as possible, and by producing a wide range of intermediate bodies with economic, social and cultural purposes; they would be bodies enjoying real autonomy with regard to the public powers, pursuing their specific aims in honest collaboration with each other and in subordination to the demands of the common good, and they would be living communities both in form and in substance, in the sense that the members of each body would be looked upon and treated as persons and encouraged to take an active part in the life of the body.[24]

15. The "personalist" argument;

Thus, the principle of the priority of labour over capital is a postulate of the order of social morality. It has key importance both in the system built on the principle of private ownership of the means of production and also in the system in which private ownership of these means has been limited even in a radical way. Labour is in a sense inseparable from capital; in no way does it accept the antinomy, that is to say, the separation and opposition with regard to the means of production that has weighed upon human life in recent centuries as a result of merely economic premises. When man works, using all the means of production, he also wishes the fruit of this work to be used by himself and others, and he wishes to be able to take part in the very work process as a sharer in responsibility and creativity at the workbench to which he applies himself.

From this spring certain specific rights of workers, corresponding to the obligation of work. They will be discussed later. But here it must be emphasized, in general terms, that the person who works desires not only due remuneration for his work; he also wishes that, within the production process, provision be made for him to be able to know that in his work, even on something that is owned in common, he is working "for himself". This awareness is extinguished within him in a system of excessive bureaucratic centralization, which makes the worker feel that he is just a cog in a huge machine moved from above, that he is for more reasons than one a mere production instrument rather than a true subject of work with an initiative of his own. The Church's teaching has always expressed the strong and deep conviction that man's work concerns not only the economy but also, and especially, personal values. The economic system itself and the production process benefit precisely when these personal values are fully respected. In the mind of Saint Thomas Aquinas,[25] this is the principal reason in favour of private ownership of the means of production. While we accept that for certain well founded reasons exceptions can be made to the principle of private ownership—in our own time we even see that the system of "socialized ownership" has been introduced—nevertheless the personalist argument still holds good both on the level of principles and on the practical level. If it is to be rational and fruitful, any socialization of the means of production must take this argument into consideration. **Every effort**

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must be made to ensure that in this kind of system also the human person can preserve his awareness of working "for himself". If this is not done, incalculable damage is inevitably done throughout the economic process, not only economic damage but first and foremost damage to man.

IV. RIGHTS OF WORKERS

16. Within the broad context of human rights:

While work, in all its many senses, is an obligation, that is to say a duty, it is also a source of rights on the part of the worker. These rights must be examined in the broad context of human rights as a whole, which are connatural with man, and many of which are proclaimed by various international organizations and increasingly guaranteed by the individual States for their citizens. Respect for this broad range of human rights constitutes the fundamental condition for peace in the modern world: peace both within individual countries and societies and in international relations, as the Church's Magisterium has several times noted, especially since the Encyclical Pacem in Terris. The human rights that flow from work are part of the broader context of those fundamental rights of the person.

However, within this context they have a specific character corresponding to the specific needs of human work as outlined above. It is in keeping with this character that we must view them. Work is, as has been said, an obligation, that is to say, a duty, on the part of man. This is true in all the many meanings of the word. Man must work, both because the Creator has commanded it and because of his own humanity, which requires work in order to be maintained and developed. Man must work out of regard for others, especially his own family, but also for the society he belongs to, the country of which he is a child, and the whole human family of which he is a member, since he is the heir to the work of generations and at the same time a sharer in building the future of those who will come after him in the succession of history. All this constitutes the moral obligation of work, understood in its wide sense. When we have to consider the moral rights, corresponding to this obligation, of every person with regard to work, we must always keep before our eyes the whole vast range of points of reference in which the labour of every working subject is manifested.

For when we speak of the obligation of work and of the rights of the worker that correspond to this obligation, we think in the first place of the relationship between the employer, direct, or indirect, and the worker.

The distinction between the direct and the indirect employer is seen to be very important when one considers both the way in which labour is actually organized and the possibility of the formation of just or unjust relationships in the field of labour.

Since the direct employer is the person or institution with whom the worker enters directly into a work contract in accordance with definite conditions, we must understand as the indirect employer many different factors, other than the direct employer, that exercise a determining influence on the shaping both of the work contract and, consequently, of just or unjust relationships in the field of human labour.

17. Direct and indirect employer:

The concept of indirect employer includes both persons and institutions of various kinds, and also collective labour contracts and the principles of conduct which are laid down by these persons and institutions and which determine the whole socioeconomic system or are its result. The concept of "indirect employer" thus refers to many different elements. The responsibility of the indirect employer differs from that of the direct employer—the term itself indicates that the responsibility is less direct—but it remains a true responsibility: the indirect employer substantially determines one or other facet of the labour relationship, thus conditioning the conduct of the direct employer when the latter determines in concrete terms the actual work contract and labour relations. This is not to absolve the direct employer from his own responsibility, but only to draw attention to the whole network of influences that condition his conduct. When it is a question of establishing an ethically correct labour policy, all these influences must be kept in mind. A policy is correct when the objective rights of the worker are fully respected.

The concept of indirect employer is applicable to every society, and in the first place to the State. For it is the State that must conduct a just labour policy. However, it is common knowledge that in the present system of economic relations in the world there are numerous links between individual States, links that find expression, for instance, in the import and export process, that is to say, in the mutual exchange of economic goods, whether raw materials, semi-manufactured goods, or finished industrial products. These links also create mutual dependence, and as a result it would be difficult to speak, in the case of any State, even the economically most powerful, of complete self-sufficiency or autarky.

Such a system of mutual dependence is in itself normal. However, it can easily become an occasion for various forms of exploitation or injustice and as a result influence the labour policy of individual States; and finally it can influence the individual worker, who is the proper subject of labour. For instance the highly industrialized countries, and even more the businesses that direct on a large scale the means of industrial production (the companies referred to as multinational or transnational), fix the highest possible prices for their products, while trying at the same time to fix the lowest possible prices for raw materials or semi-manufactured goods. This is one of the causes of an ever increasing disproportion between national incomes. The gap between most of the richest countries and the poorest ones is not diminishing or being stabilized but is increasing more and more, to the detriment, obviously, of the poor countries. Evidently this must have an effect on local labour policy and on the worker's situation in the economically disadvantaged societies. Finding himself in a system thus conditioned, the direct employer fixes working conditions below the objective requirements of the workers, especially if he himself wishes to obtain the highest possible profits from the business which he runs (or from the businesses which he runs, in the case of a situation of "socialized" ownership of the means of production).

It is easy to see that this framework of forms of dependence linked with the concept of the indirect employer is enormously extensive and complicated. It is determined, in a sense, by all the elements that are decisive for economic life within a given society and state, but also by much wider links and forms of dependence. The attainment of the worker's rights cannot however be doomed to be merely a result of economic systems which on a larger or smalled scale are guided chiefly by the criterion of maximum profit. On the contrary, it is respect for the objective rights of the worker—every kind of worker: manual or intellectual, industrial or agricultural, etc.—that must constitute the adequate and fundamental criterion for shaping the whole economy, both on the level of the individual society and State and within the whole of the world economic policy and of the systems of international relationships that derive from it.

Influence in this direction should be exercised by all the International Organizations whose concern it is, beginning with the United Nations Organization. It appears that the International Labour Organization and the Food and Agriculture Organization of the United Nations and other bodies too have fresh contributions to offer on this point in particular. Within the individual States there are ministries or public departments and also various social institutions set up for this purpose. All of this effectively indicates the importance of the indirect employer—as has been said above—in achieving full respect for the worker's rights, since the rights of the human person are the key element in the whole of the social moral order.

18. The employment issue:

When we consider the rights of workers in relation to the "indirect employer", that is to say, all the agents at the national and international level that are responsible for the whole orientation of labour policy, we must first direct our attention to a fundamental issue: the question of finding work, or, in other words, the issue of suitable employment for all who are capable of it. The opposite of a just and right situation in this field is unemployment, that is to say the lack of work for those who are capable of it. It can be a question of general unemployment or of unemployment in certain sectors of work. The role of the agents included under the title of indirect employer is to act against unemployment, which in all cases is an evil, and which, when it reaches a certain level, can become a real social disaster. It is particularly painful when it especially affects young people, who after appropriate cultural, technical and professional preparation fail to find work, and see their sincere wish to work and their readiness to take on their own responsibility for the economic and social development of the community sadly frustrated. The obligation to provide unemployment benefits, that is to say, the duty to make suitable grants indispensable for the subsistence of unemployed workers and their families, is a duty springing from the fundamental principle of the moral order in this sphere, namely the principle of the common use of goods or, to put it in another and still simpler way, the right to life and subsistence.

In order to meet the danger of unemployment and to ensure employment for all, the agents defined here as "indirect employer" must make provision for overall planning with regard to the different kinds of work by which not only the economic life but also the cultural life of a given society is shaped; they must also give attention to organizing that work in a correct and rational way. In the final analysis this overall concern weighs on the shoulders of the State, but it cannot mean onesided centralization by the public authorities. Instead, what is in question is a just and rational coordination, within the framework of which the initiative of individuals, free groups and local work centres and complexes must be safeguarded, keeping in mind what has been said above with regard to the subject character of human labour.

The fact of the mutual dependence of societies and States and the need to collaborate in various areas mean that, while preserving the sovereign rights of each society and State in the field of planning and organizing labour in its own society, action in this important area must also be taken in the dimension of international collaboration by means of the necessary treaties and agreements. Here too the criterion for these pacts and agreements must more and more be the criterion of human work considered as a fundamental right of all human beings,

work which gives similar rights to all those who work, in such a way that the living standard of the workers in the different societies will less and less show those disturbing differences which are unjust and are apt to provoke even violent reactions. The International Organizations have an enormous part to play in this area. They must let themselves be guided by an exact diagnosis of the complex situations and of the influence exercised by natural, historical, civil and other such circumstances. They must also be more highly operative with regard to plans for action jointly decided on, that is to say, they must be more effective in carrying them out.

In this direction it is possible to actuate a plan for universal and proportionate progress by all, in accordance with the guidelines of Paul VI's Encyclical Populorum Progressio. It must be stressed that the constitutive element in this progress and also the most adequate way to verify it in a spirit of justice and peace, which the Church proclaims and for which she does not cease to pray to the Father of all individuals and of all peoples, is the continual reappraisal of man's work, both in the aspect of its objective finality and in the aspect of the dignity of the subject of all work, that is to say, man. The progress in question must be made through man and for man and it must produce its fruit in man. A test of this progress will be the increasingly mature recognition of the purpose of work and increasingly universal respect for the rights inherent in work in conformity with the dignity of man, the subject of work.

Rational planning and the proper organization of human labour in keeping with individual societies and States should also facilitate the discovery of the right proportions between the different kinds of employment: work on the land, in industry, in the various services, white-collar work and scientific or artistic work, in accordance with the capacities of individuals and for the common good of each society and of the whole of mankind. The organization of human life in accordance with the many possibilities of labour should be matched by a suitable system of instruction and education, aimed first of all at developing mature human beings, but also aimed at preparing people specifically for assuming to good advantage an appropriate place in the vast and socially differentiated world of work.

As we view the whole human family throughout the world, we cannot fail to be struck by a disconcerting fact of immense proportions: the fact that, while conspicuous natural resources remain unused, there are huge numbers of people who are unemployed or under-employed and countless multitudes of people suffering from hunger. This is a fact that without any doubt demonstrates that both within the individual political communities and in their relationships on the continental and world level there is something wrong with the organization of work and employment, precisely at the most critical and socially most important points.

19. Wages and other social benefits:

After outlining the important role that concern for providing employment for all workers plays in safeguarding respect for the inalienable right of man in view of his work, it is worthwhile taking a closer look at these rights, which in the final analysis are formed within the relationship between worker and direct employer. All that has been said above on the subject of the indirect employer is aimed at defining these relationships more exactly, by showing the many forms of conditioning within which these relationships are indirectly formed. This consideration does not however have a purely descriptive purpose; it is not a brief treatise on economics or politics. It is a matter of highlighting the deontological and moral aspect. The key problem of social ethics in this case is that of just remuneration for work done. In the context of the present there is no more important way for securing a just relationship between the worker and the employer than that constituted by remuneration for work. Whether the work is done in a system of private ownership of the means of production or in a system where ownership has undergone a certain "socialization", the relationship between the employer (first and foremost the direct employer) and the worker is resolved on the basis of the wage, that is through just remuneration for work done.

It should also be noted that the justice of a socioeconomic system and, in each case, its just functioning, deserve in the final analysis to be evaluated by the way in which man's work is properly remunerated in the system. Here we return once more to the first principle of the whole ethical and social order, namely, the principle of the common use of goods. In every system, regardless of the fundamental relationships within it between capital and labour, wages, that is to say remuneration for work, are still a practical means whereby the vast majority of people can have access to those goods which are intended for common use: both the goods of nature and manufactured goods. Both kinds of goods become accessible to the worker through the wage which he receives as remuneration for his work. Hence, in every case, a just wage is the concrete means of verifying the justice of the whole socioeconomic system and, in any case, of checking that it is functioning justly. It is not the only means of checking, but it is a particularly important one and, in a sense, the key means.

This means of checking concerns above all the family. Just remuneration for the work of an adult who is responsible for a family means remuneration which will suffice for establishing and properly maintaining a family and for providing security for its future. Such remuneration can be given either through what is called a family wage—that is, a single salary given to the head of the family for his work, sufficient for the needs of the family without the other spouse having to take up gainful employment outside the home—or through other social measures such as family allowances or grants to mothers devoting themselves exclusively to their families. These grants should correspond to the actual needs, that is, to the number of dependents for as long as they are not in a position to assume proper responsibility for their own lives.

Experience confirms that there must be a social re-evaluation of the mother's role, of the toil connected with it, and of the need that children have for care, love and affection in order that they may develop into responsible, morally and religiously mature and psychologically stable persons. It will redound to the credit of society to make it possible for a mother—without inhibiting her freedom, without psychological or practical discrimination, and without penalizing her as compared with other women—to devote herself to taking care of her children and educating them in accordance with their needs, which vary with age. Having to abandon these tasks in order to take up paid work outside the home is wrong from the point of view of the good of society and of the family when it contradicts or hinders these primary goals of the mission of a mother.[26]

In this context it should be emphasized that, on a more general level, the whole labour process must be organized and adapted in such a way as to respect the requirements of the person and his or her forms of life, above all life in the home, taking into account the individual's age and sex. It is a fact that in many societies women work in nearly every sector of life. But it is fitting that they should be able to fulfill their tasks in accordance with their own nature, without being discriminated against and without being excluded from jobs for which they are capable, but also without lack of respect for their family aspirations and for their specific role in contributing, together with men, to the good of society. The true advancement of women requires that labour should be structured in such a way that women do not have to pay for their advancement by abandoning what is specific to them and at the expense of the family, in which women as mothers have an irreplaceable role.

Besides wages, various social benefits intended to ensure the life and health of workers and their families play a part here. The expenses involved in health care, especially in the case of accidents at work, demand that medical assistance should be easily available for workers, and that as far as possible it should be cheap or even free of charge. Another sector regarding benefits is the sector associated with the right to rest. In the first place this involves a regular weekly rest comprising at least Sunday, and also a longer period of rest, namely the holiday or vacation taken once a year or possibly in several shorter periods during the year. A third sector concerns the right to a pension and to insurance for old age and in case of accidents at work. Within the sphere of these principal rights, there develops a whole system of particular rights which, together with remuneration for work, determine the correct relationship between worker and employer. Among these rights there should never be overlooked the right to a working environment and to manufacturing processes which are not harmful to the workers' physical health or to their moral integrity.

20. Importance of unions:

All these rights, together with the need for the workers themselves to secure them, give rise to yet another right: the right of association, that is to form associations for the purpose of defending the vital interests of those employed in the various professions. These associations are called labour or trade unions. The vital interests of the workers are to a certain extent common for all of them; at the same time however each type of work, each profession, has its own specific character which should find a particular reflection in these organizations.

In a sense, unions go back to the mediaeval guilds of artisans, insofar as those organizations brought together people belonging to the same craft and thus on the basis of their work. However, unions differ from the guilds on this essential point: the modern unions grew up from the struggle of the workers—workers in general but especially the industrial workers—to protect their just rights vis-a-vis the entrepreneurs and the owners of the means of production. Their task is to defend the existential interests of workers in all sectors in which their rights are concerned. The experience of history teaches that organizations of this type are an indispensable element of social life, especially in modern industrialized societies. Obviously, this does not mean that only industrial workers can set up associations of this type. Representatives of every profession can use them to ensure their own rights. Thus there are unions of agricultural workers and of white-collar workers; there are also employers' associations. All, as has been said above, are further divided into groups or subgroups according to particular professional specializations.

Catholic social teaching does not hold that unions are no more than a reflection of the "class" structure of society and that they are a mouthpiece for a class struggle which inevitably governs social life. They are indeed a mouthpiece for the struggle for social justice, for the just rights of working people in accordance with their in-

dividual professions. However, this struggle should be seen as a normal endeavour "for" the just good: in the present case, for the good which corresponds to the needs and merits of working people associated by profession; but it is not a struggle "against" others. Even if in controversial questions the struggle takes on a character of opposition towards others, this is because it aims at the good of social justice, not for the sake of "struggle" or in order to eliminate the opponent. It is characteristic of work that it first and foremost unites people. In this consists its social power: the power to build a community. In the final analysis, both those who work and those who manage the means of production or who own them must in some way be united in this community. In the light of this fundamental structure of all work—in the light of the fact that, in the final analysis, labour and capital are indispensable components of the process of production in any social system—it is clear that, even if it is because of their work needs that people unite to secure their rights, their union remains a constructive factor of social order and solidarity, and it is impossible to ignore it.

Just efforts to secure the rights of workers who are united by the same profession should always take into account the limitations imposed by the general economic situation of the country. Union demands cannot be turned into a kind of group or class "egoism", although they can and should also aim at correcting—with a view to the common good of the whole society—everything defective in the system of ownership of the means of production or in the way these are managed. Social and socioeconomic life is certainly like a system of "connected vessels", and every social activity directed towards safeguarding the rights of particular groups should adapt itself to this system.

In this sense, union activity undoubtedly enters the field of politics, understood as prudent concern for the common good. However, the role of unions is not to "play politics" in the sense that the expression is commonly understood today. Unions do not have the character of political parties struggling for power; they should not be subjected to the decision of political parties or have too close links with them. In fact, in such a situation they easily lost contact with their specific role, which is to secure the just rights of workers within the framework of the common good of the whole of society; instead they become an instrument used for other purposes.

Speaking of the protection of the just rights of workers according to their individual professions, we must of course always keep in mind that which determines the subjective character of work in each profession, but at the same time, indeed before all else, we must keep in mind that which conditions the specific dignity of the subject of the work. The activity of union organizations opens up many possibilities in this respect, including their efforts to instruct and educate the workers and to foster their self-education. Praise is due to the work of the schools, what are known as workers' or people's universities and the training programmes and courses which have developed and are still developing this field of activity. It is always to be hoped that, thanks to the work of their unions, workers will not only have more, but above all be more: in other words, that they will realize their humanity more fully in every respect.

One method used by unions in pursuing the just rights of their members is the strike or work stoppage, as a kind of ultimatum to the competent bodies, especially the employers. This method is recognized by Catholic social teaching as legitimate in the proper conditions and within just limits. In this connection workers should be assured the right to strike, without being subjected to personal penal sanctions for taking part in a strike. While admitting that it is a legitimate means, we must at the same time emphasize that a strike remains, in a sense, an extreme means. It must not be abused; it must not be abused especially for "political" purposes. Furthermore it must never be forgotten that, when essential community services are in question, they must in every case be ensured, if necessary by means of appropriate legislation. Abuse of the strike weapon can lead to the paralysis of the whole of socioeconomic life, and this is contrary to the requirements of the common good of society, which also corresponds to the properly understood nature of work itself.

21. Dignity of agricultural work:

All that has been said thus far on the dignity of work, on the objective and subjective dimension of human work, can be directly applied to the question of agricultural work and to the situation of the person who cultivates the earth by toiling in the fields. This is a vast sector of work on our planet, a sector not restricted to one or other continent, nor limited to the societies which have already attained a certain level of development and progress. The world of agriculture, which provides society with the goods it needs for its daily sustenance, is of fundamental importance. The conditions of the rural population and of agricultural work vary from place to place, and the social position of agricultural workers differs from country to country. This depends not only on the level of development of agricultural technology but also, and perhaps more, on the recognition of the just rights of agricultural workers and, finally, on the level of awareness regarding the social ethics of work.

Agricultural work involves considerable difficulties, including unremitting and sometimes exhausting physical effort and a lack of appreciation on the part of society, to the point of making agricultural people feel that they are social outcasts and of speeding up the phenomenon of their mass exodus from the countryside to the cities and unfortunately to still more dehumanizing living conditions. Added to this are the lack of adequate professional training and of proper equipment, the spread of a certain individualism, and also objectively unjust situations. In certain developing countries, millions of people are forced to cultivate the land belonging to others and are exploited by the big landowners, without any hope of ever being able to gain possession of even a small piece of land of their own. There is a lack of forms of legal protection for the agricultural workers themselves and for their families in case of old age, sickness or unemployment. Long days of hard physical work are paid miserably. Land which could be cultivated is left abandoned by the owners. Legal titles to possession of a small portion of land that someone has personally cultivated for years are disregarded or left defenceless against the "land hunger" of more powerful individuals or groups. But even in the economically developed countries, where scientific research, technological achievements and State policy have brought agriculture to a very advanced level, the right to work can be infringed when the farm workers are denied the possibility of sharing in decisions concerning their services, or when they are denied the right to free association with a view to their just advancement socially, culturally and economically.

In many situations radical and urgent changes are therefore needed in order to restore to agriculture—and to rural people—their just value as the basis for a healthy economy, within the social community's development as a whole. Thus it is necessary to proclaim and promote the dignity of work, of all work but especially of agricultural work, in which man so eloquently "subdues" the earth he has received as a gift from God and affirms his "dominion" in the visible world.

22. The disabled person and work:

Recently, national communities and international organizations have turned their attention to another question connected with work, one full of implications: the question of disabled people. They too are fully human subjects with corresponding innate, sacred and inviolable rights, and, in spite of the limitations and sufferings affecting their bodies and faculties, they point up more clearly the dignity and greatness of man. Since disabled people are subjects with all their rights, they should be helped to participate in the life of society in all its aspects and at all the levels accessible to their capacities. The disabled person is one of us and participates fully in the same humanity that we possess. It would be radically unworthy of man, and a denial of our common humanity, to admit to the life of the community, and thus admit to work, only those who are fully functional. To do so would be to practice a serious form of discrimination, that of the strong and healthy against the weak and sick. Work in the objective sense should be subordinated, in this circumstance too, to the dignity of man, to the subject of work and not to economic advantage.

The various bodies involved in the world of labour, both the direct and the indirect employer, should therefore by means of effective and appropriate measures foster the right of disabled people to professional training and work, so that they can be given a productive activity suited to them. Many practical problems arise at this point, as well as legal and economic ones; but the community, that is to say, the public authorities, associations and intermediate groups, business enterprises and the disabled themselves should pool their ideas and resources so as to attain this goal that must not be shirked: that disabled people may be offered work according to their capabilities, for this is demanded by their dignity as persons and as subjects of work. Each community will be able to set up suitable structures for finding or creating jobs for such people both in the usual public or private enterprises, by offering them ordinary or suitably adapted jobs, and in what are called "protected" enterprises and surroundings.

Careful attention must be devoted to the physical and psychological working conditions of disabled people—as for all workers—to their just remuneration, to the possibility of their promotion, and to the elimination of various obstacles. Without hiding the fact that this is a complex and difficult task, it is to be hoped that a correct concept of labour in the subjective sense will produce a situation which will make it possible for disabled people to feel that they are not cut off from the working world or dependent upon society, but that they are full-scale subjects of work, useful, respected for their human dignity and called to contribute to the progress and welfare of their families and of the community according to their particular capacities.

23. Work and the emigration question:

Finally, we must say at least a few words on the subject of emigration in search of work. This is an age-old phenomenon which nevertheless continues to be repeated and is still today very widespread as a result of the complexities of modern life. Man has the right to leave his native land for various motives—and also the right to return—in order to seek better conditions of life in

another country. This fact is certainly not without difficulties of various kinds. Above all it generally constitutes a loss for the country which is left behind. It is the departure of a person who is also a member of a great community united by history, tradition and culture; and that person must begin life in the midst of another society united by a different culture and very often by a different language. In this case, it is the loss of a subject of work, whose efforts of mind and body could contribute to the common good of his own country, but these efforts, this contribution, are instead offered to another society which in a sense has less right to them than the person's country of origin.

Nevertheless, even if emigration is in some aspects an evil, in certain circumstances it is, as the phrase goes, a necessary evil. Everything should be done—and certainly much is being done to this end—to prevent this material evil from causing greater moral harm; indeed every possible effort should be made to ensure that it may bring benefit to the emigrant's personal, family and social life, both for the country to which he goes and the country which he leaves. In this area much depends on just legislation, in particular with regard to the rights of workers. It is obvious that the question of just legislation enters into the context of the present considerations, especially from the point of view of these rights.

The most important thing is that the person working away from his native land, whether as a permanent emigrant or as a seasonal worker, should not be placed at a disadvantage in comparison with the other workers in that society in the matter of working rights. Emigration in search of work must in no way become an opportunity for financial or social exploitation. As regards the work relationship, the same criteria should be applied to immigrant workers as to all other workers in the society concerned. The value of work should be measured by the same standard and not according to the difference in nationality, religion or race. For even greater reason the situation of constraint in which the emigrant may find himself should not be exploited. All these circumstances should categorically give way, after special qualifications have of course been taken into consideration, to the fundamental value of work, which is bound up with the dignity of the human person. Once more the fundamental principle must be repeated: the hierarchy of values and the profound meaning of work itself require that capital should be at the service of labour and not labour at the service of capital.

V. ELEMENTS FOR A SPIRITUALITY OF WORK

24. A particular task for the Church:

It is right to devote the last part of these reflections about human work, on the occasion of the ninetieth anniversary of the Encyclical Rerum Novarum, to the spirituality of work in the Christian sense. Since work in its subjective aspect is always a personal action, an actus personae, it follows that the whole person, body and spirit, participates in it, whether it is manual or intellectual work. It is also to the whole person that the word of the living God is directed, the evangelical message of salvation, in which we find many points which concern human work and which throw particular light on it. These points need to be properly assimilated: an inner effort on the part of the human spirit, guided by faith, hope and charity, is needed in order that through these points the work of the individual human being may be given the meaning which it has in the eyes of God and by means of which work enters into the salvation process on a par with the other ordinary yet particularly important components of its texture.

The Church considers it her duty to speak out on work from the viewpoint of its human value and of the moral order to which it belongs, and she sees this as one of her important tasks within the service that she renders to the evangelical message as a whole. At the same time she sees it as her particular duty to form a spirituality of work which will help all people to come closer, through work, to God, the Creator and Redeemer, to participate in his salvific plan for man and the world and to deepen their friendship with Christ in their lives by accepting, through faith, a living participation in his threefold mission as Priest, Prophet and King, as the Second Vatican Council so eloquently teaches.

25. Work as a sharing in the activity of the Creator:

As the Second Vatican Council says, "throughout the course of the centuries, men have laboured to better the circumstances of their lives through a monumental amount of individual and collective effort. To believers, this point is settled: considered in itself, such human activity accords with God's will. For man, created to God's image, received a mandate to subject to himself the earth and all that it contains, and to govern the world with justice and holiness; a mandate to relate himself and the totality of things to him who was to be acknowledged as the Lord and Creator of all. Thus, by the subjection of all things to man, the name of God would be wonderful in all the earth".[27]

The word of God's revelation is profoundly marked by the fundamental truth that man, created in the image of God, shares by his work in the activity of the Creator and that, within the limits of his own human capabilities, man in a sense continues to develop that activity, and perfects it as he advances further and further in the discovery of the resources and values contained in the whole of creation. We find this truth at the very beginning of Sacred Scripture, in the Book of Genesis, where the creation activity itself is presented in the form of "work" done by God during "six days",[28] "resting" on the seventh day.[29] Besides, the last book of Sacred Scripture echoes the same respect for what God has done through his creative "work" when it proclaims: "Great and wonderful are your deeds, O Lord God the Almighty";[30] this is similar to the Book of Genesis, which concludes the description of each day of creation with the statement: "And God saw that it was good".[31]

This description of creation, which we find in the very first chapter of the Book of Genesis, is also in a sense the first "gospel of work". For it shows what the dignity of work consists of: it teaches that man ought to imitate God, his Creator, in working, because man alone has the unique characteristic of likeness to God. Man ought to imitate God both in working and also in resting, since God himself wished to present his own creative activity under the form of work and rest. This activity by God in the world always continues, as the words of Christ attest: "My Father is working still . . ."; [32] he works with creative power by sustaining in existence the world that he called into being from nothing, and he works with salvific power in the hearts of those whom from the beginning he has destined for "rest" [33] in union with himself in his "Father's house".[34] Therefore man's work too not only requires a rest every "seventh day",[35] but also cannot consist in the mere exercise of human strength in external action; it must leave room for man to prepare himself, by becoming more and more what in the will of God he ought to be, for the "rest" that the Lord reserves for his servants and friends.[36]

Awareness that man's work is a participation in God's activity ought to permeate, as the Council teaches, even "the most ordinary everyday activities. For, while providing the substance of life for themselves and their families, men and women are performing their activities in a way which appropriately benefits society. They can justly consider that by their labour they are unfolding the Creator's work, consulting the advantages of their brothers and sisters, and contributing by their personal industry to the realization in history of the divine plan".[37]

This Christian spirituality of work should be a heritage shared by all. Especially in the modern age, the spirituality of work should show the maturity called for by the tensions and restlessness of mind and heart. "Far from thinking that works produced by man's own talent and energy are in opposition to God's power, and that the rational creature exists as a kind of rival to the Creator, Christians are convinced that the triumphs of the human race are a sign of God's greatness and the flowering of his own mysterious design. For the greater man's power becomes, the farther his individual and community responsibility extends. . . . People are not deterred by the Christian message from building up the world, or impelled to neglect the welfare of their fellows. They are, rather, more stringently bound to do these very things".[38]

The knowledge that by means of work man shares in the work of creation constitutes the most profound motive for undertaking it in various sectors: "The faithful, therefore," we read in the Constitution Lumen Gentium, "must learn the deepest meaning and the value of all creation, and its orientation to the praise of God. Even by their secular activity they must assist one another to live holier lives. In this way the world will be permeated by the spirit of Christ and more effectively achieve its purpose in justice, charity and peace . . . Therefore, by their competence in secular fields and by their personal activity, elevated from within by the grace of Christ, let them work vigorously so that by human labour, technical skill, and civil culture created goods may be perfected according to the design of the Creator and the light of his Word".[39]

26. Christ, the man of work:

The truth that by means of work man participates in the activity of God himself, his Creator, was given particular prominence by Jesus Christ—the Jesus at whom many of his first listeners in Nazareth "were astonished, saying, 'Where did this man get all this? What is the wisdom given to him? . . . Is not this the carpenter?' ".[40] For Jesus not only proclaimed but first and foremost fulfilled by his deeds the "gospel", the word of eternal Wisdom, that had been entrusted to him. Therefore this was also "the gospel of work", because he who proclaimed it was himself a man of work, a craftsman like Joseph of Nazareth.[41] And if we do not find in his words a special command to work—but rather on one occasion a prohibition against too much anxiety about work and life [42]—at the same time the eloquence of the life of Christ is unequivocal: he belongs to the "working world", he has appreciation and respect for human work. It can indeed be said that he looks with love upon human work and the different forms that it takes, seeing in each one of these forms a particular facet of man's likeness with God, the Creator and Father. Is it not he who says: "My Father is the vinedresser",[43] and in various ways puts into his teaching the fundamental truth about work which is already expressed in the whole tradition of the Old Testament, beginning with the Book of Genesis?

The books of the Old Testament contain many references to human work and to the individual professions exercised by man: for example, the doctor,[44] the pharmacist,[45] the

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craftsman or artist,[46] the blacksmith [47]—we could apply these words to today's foundry-workers—the potter,[48] the farmer,[49] the scholar,[50] the sailor,[51] the builder,[52] the musician,[53] the shepherd,[54] and the fisherman.[55] The words of praise for the work of woman are well known.[56] In his parables on the Kingdom of God Jesus Christ constantly refers to human works: that of the shepherd,[57] the farmer,[58] the doctor,[59] the sower,[60] the householder,[61] the servant,[62] the steward,[63] the fisherman,[64] the merchant,[65] the labourer,[66] He also speaks of the various form of women's work.[67] He compares the apostolate to the manual work of harvesters or fishermen.[68] He refers to the work of scholars too.[70]

This teaching of Christ on work, based on the example of his life during his years in Nazareth, finds a particularly lively echo in the teaching of the Apostle Paul: Paul boasts of working at his trade (he was probably a tent-maker),[71] and thanks to that work he was able even as an Apostle to earn his own bread.[72] "With toil and labour we worked night and day, that we might not burden any of you".[73] Hence his instructions, in the form of exhortation and command, on the subject of work: "Now such persons we command and exhort in the Lord Jesus Christ to do their work in quietness and to earn their own living", he writes to the Thessalonians.[74] In fact, noting that some "are living in idleness . . . not doing any work",[75] the Apostle does not hesitate to say in the same context: "If any one will not work, let him not eat".[76] In another passage he encourages his readers: "Whatever your task, work heartly, as serving the Lord and not men, knowing that from the Lord you will receive the inheritance as your reward".[77]

The teachings of the Apostle of the Gentiles obviously have key importance for the morality and spirituality of human work. They are an important complement to the great though discreet gospel of work that we find in the life and parables of Christ, in what Jesus "did and taught".[78]

On the basis of these illuminations emanating from the Source himself, the Church has always proclaimed what we find expressed in modern terms in the teaching of the Second Vatican Council: "Just as human activity proceeds from man, so it is ordered towards man. For when a man works he not only alters things and society, he develops himself as well. He learns much, he cultivates his resources, he goes outside of himself and beyond himself. Rightly understood, this kind of growth is of greater value than any external riches which can be garnered . . . Hence, the norm of human activity is this: that in accord with the divine plan and will, it should harmonize with the genuine good of the human race, and allow people as individuals and as members of society to pursue their total vocation and fulfill it".[79]

Such a vision of the values of human work, or in other words such a spirituality of work, fully explains what we read in the same section of the Council's Pastoral Constitution with regard to the right meaning of progress: "A person is more precious for what he is than for what he has. Similarly, all that people do to obtain greater justice, wider brotherhood, and a more humane ordering of social relationships has greater worth than technical advances. For these advances can supply the material for human progress, but of themselves alone they can never actually bring it about".[80]

This teaching on the question of progress and development—a subject that dominates present-day thought—can be understood only as the fruit of a tested spirituality of human work; and it is only on the basis of such a spirituality that it can be realized and put into practice. This is the teaching, and also the programme, that has its roots in "the gospel of work".

27. Human work in the light of the Cross and the Resurrection of Christ:

There is yet another aspect of human work, an essential dimension of it, that is profoundly imbued with the spirituality based on the Gospel. All work, whether manual or intellectual, is inevitably linked with toil. The Book of Genesis expresses it in a truly penetrating manner: the original blessing of work contained in the very mystery of creation and connected with man's elevation as the image of God is contrasted with the curse that sin brought with it: "Cursed is the ground because of you; in toil you shall eat of it all the days of your life".[81] This toil connected with work marks the way of human life on earth and constitutes an announcement of death: "In the sweat of your face you shall eat bread till you return to the ground, for out of it you were taken".[82] Almost as an echo of these words, the author of one of the Wisdom books says: "Then I considered all that my hands had done and the toil I had spent in doing it".[83] There is no one on earth who could not apply these words to himself.

In a sense, the final word of the Gospel on this matter as on others is found in the Paschal Mystery of Jesus Christ. It is here that we must seek an answer to these problems so important for the spirituality of human work. The Paschal Mystery contains the Cross of Christ and his obedience unto death, which the Apostle contrasts with the disobedience which from the beginning has burdened man's history on earth.[84] It also contains the elevation of Christ, who by means of death on a Cross returns to his disciples in the Resurrection with the power of the Holy Spirit.

Sweat and toil, which work necessarily involves in the present condition of the human race, present the Christian and everyone who is called to follow Christ with the possibility of sharing lovingly in the work that Christ came to do.[85] This work of salvation came about through suffering and death on a Cross. By enduring the toil of work in union with Christ crucified for us, man in a way collaborates with the Son of God for the redemption of humanity. He shows himself a true disciple of Christ by carrying the cross in his turn every day [86] in the activity that he is called upon to perform.

Christ, "undergoing death itself for all of us sinners, taught us by example that we too must shoulder that cross which the world and the flesh inflict upon those who pursue peace and justice"; but also, at the same time, "appointed Lord by his Resurrection and given all authority in heaven and on earth, Christ is now at work in people's hearts through the power of his Spirit. . . . He animates, purifies, and strengthens those noble longings too by which the human family strives to make its life more human and to render the whole earth submissive to this goal".[87]

The Christian finds in human work a small part of the Cross of Christ and accepts it in the same spirit of redemption in which Christ accepted his Cross for us. In work, thanks to the light that penetrates us from the Resurrection of Christ, we always find a glimmer of new life, of the new good, as if it were an announcement of "the new heavens and the new earth" [88] in which man and the world participate precisely through the toil that goes with work. Through toil—and never without it. On the one hand this confirms the indispensability of the Cross in the spirituality of human work; on the other hand the Cross which this toil constitutes reveals a new good springing from work itself, from work understood in depth and in all its aspects and never apart from work.

Is this new good—the fruit of human work—already a small part of that "new earth" where justice dwells? [89] If it is true that the many forms of toil that go with man's work are a small part of the Cross of Christ, what is the relationship of this new good to the Resurrection of Christ? The Council seeks to reply to this question also, drawing light from the very sources of the revealed word: "Therefore, while we are warned that it profits a man nothing if he gains the whole world and loses himself (cf. Lk 9:25), the expectation of a new earth must not weaken but rather stimulate our concern for cultivating this one. For here grows the body of a new human family, a body which even now is able to give some kind of foreshadowing of the new age. Earthly progress must be carefully distinguished from the growth of Christ's kingdom. Nevertheless, to the extent that the former can contribute to the better ordering of human society, it is of vital concern to the Kingdom of God".[90]

In these present reflections devoted to human work we have tried to emphasize everything that seemed essential to it, since it is through man's labour that not only "the fruits of our activity" but also "human dignity, brotherhood and freedom" must increase on earth.[91] Let the Christian who listens to the word of the living God, uniting work with prayer, know the place that his work has not only in earthly progress but also in the development of the Kingdom of God, to which we are all called through the power of the Holy Spirit and through the word of the Gospel.

In concluding these reflections, I gladly impart the Apostolic Blessing to all of you, venerable Brothers and beloved sons and daughters.

I prepared this document for publication on 15 May last, on the ninetieth anniversary of the Encyclical Rerum Novarum, but it is only after my stay in hospital that I have been able to revise it definitively.

Given at Castel Gandolfo, on the fourteenth day of September, the Feast of the Triumph of the Cross, in the year 1981, the third of the Pontificate.

JOANNES PAULUS PP. II.●

FOOTNOTES

[1] Cf. *Ps* 127(128):2; cf. also *Gen* 3: 17–19; *Prov.* 10:22; *Ex* 1:8–14; *Jer* 22:13.
[2] Cf. *Gen* 1:26.
[3] Cf. *Gen.* 1:28.
[4] Encyclical *Redemptor Hominis,* 14: *AAS* 71 (1979), p. 284.
[5] Cf. *Ps* 127(128):2.
[6] *Gen* 3:19.
[7] Cf. *Mt* 13:52.
[8] Second Vatican Ecumenical Council, Pastoral Constitution on the Church in the Modern World *Gaudium et Spes,* 38: *AAS* 58 (1966), p. 1055.
[9] *Gen* 1:27.
[10] *Gen* 1:28.
[11] Cf. *Heb* 2:17; *Phil* 2:5-8.
[12] Cf. Pope Pius XI. Encyclical *Quadragesimo Anno: AAS* 23 (1931), p. 221.
[13] *D:* 24–15: *Jas* 5:4; and also *Gen* 4:10.
[14] Cf. *Gen* 1:28.
[15] Cf. *Gen* 1:26-27.
[16] *Gen* 3:19.
[17] *Heb* 6:8; cf. *Gen* 3:18.
[18] Cf. *Summa Th.* I–II, q. 40, a. 1, c.; I–II, q. 34, a. 2, ad 1.
[19] Cf. *Summa Tb.,* I–II, q. 40, a. 1, c.; I–II, q. 34, a. 2, ad 1.
[20] Cf. Pope Pius XI, Encyclical *Quadragesimo Anno: AAS* 23 (1931), pp. 221–222.
[21] Cf. *Jn* 4:38.
[22] On the right to property see *Summa Tb.,* II–II, q. 66, art. 2 and 6; *De Regimine Principum,* book 1, chapters 15 and 17. On the social function of property see *Summa Tb.,* II–II, q. 134, art. 1, ad 3.
[23] Cf. Pope Pius XI, Encyclical *Quadragesimo Anno: AAS* 23 (1931), p. 199; Second Vatican Ecumenical Council, Pastoral Constitution on the Church in the Modern World *Gaudium et Spes,* 68: *AAS* 58 (1966), pp. 1089–1090.
[24] Cf. Pope John XXIII, Encyclical *Mater et Magistra: AAS* 53 (1961), p. 419.

[25] Cf. *Summa Tb.*, II–II, q. 65, a. 2.
[26] Second Vatican Ecumenical Council, Pastoral Constitution on the Church in the Modern World *Gaudium et Spes*, 67 *AAS* 58 (1966), p. 1089.
[27] Second Vatican Ecumenical Council, Pastoral Constitution on the Church in the Modern World *Gaudium et Spes*, 34: *AAS* 58 (1966), pp. 1052–1053.
[28] Cf. *Gen* 2:2; *Ex* 20:8, 11; *Dt* 5:12–14.
[29] Cf. *Gen* 2:3.
[30] *Rev* 15:3.
[31] *Gen* 1:4, 10, 12, 18, 21, 25, 31.
[32] *Jn* 5:17.
[33] Cf. *Heb* 4:1, 9–10.
[34] *Jn* 14:2.
[35] Cf. *Dt* 5:12-14; *Ex* 20:8-12.
[36] Cf. *Mt* 25:21.
[37] Second Vatican Ecumenical Council, Pastoral Constitution on the Church in the Modern World *Gaudium et Spes*. 34:*AAS* 58 (1966), pp. 1052–1053.
[38] *Ibid.*
[39] Second Vatican Ecumenical Council, Dogmatic Constitution on the Church *Lumen Gentium*, 36: *AAS* 57 (1965), p. 41.
[40] *Mk* 6:2–3.
[41] Cf *Mt* 13:55.
[42] Cf *Mt* 6:25–34.
[43] *Jn* 15:1.
[44] Cf. *Sir* 38:1–3.
[45] Cf. *Sir* 38:4–8.
[46] Cf. *Ex* 31:1–5; *Sir* 38:27.
[47] Cf. *Gen* 4:22; *Is* 44:12.
[48] Cf. *Jer* 18:3–4; *Sir* 38:29–30.
[49] Cf. *Gen* 9:20; *Is* 5:1–2.
[50] Cf. *Eccles* 12:9–12; *Sir* 39:1–8.
[51] Cf. *Ps* 107(108) :23–30: *Wis* 14:2–3a.
[52] Cf. *Gen* 11:3; 2 *Kings* 12:12–13; 22:5–6.
[53] Cf. *Gen* 4:21.
[54] Cf. *Gen* 4:2; 37:3; *Ex* 3:1; *1 Sam* 16:11; et passim.
[55] Cf. *Ezk* 47:10.
[56] Cf. *Prov* 31:15–27.
[57] E.g. *Jn* 10:1–16.
[58] Cf. *Mk* 12:1–12.
[59] Cf. *Lk* 4:23.
[60] Cf. *Mk* 4:1–9.
[61] Cf. *Mt* 13:52.
[62] Cf. *Mt* 24:45; *Lk* 12:42–48.
[63] Cf. *Lk* 16:1–8.
[64] Cf. *Mt* 13:47–50.
[65] Cf. *Mt* 13:45–46.
[66] Cf. *Mt* 20:1–16.
[67] Cf. *Mt* 13:33; *Lk* 15:8–9.
[68] Cf. *Mt* 9:37; In 4:35–38.
[69] Cf. *Mt* 4:19.
[70] Cf. *Mt* 13:52.
[71] Cf. *Acts* 18:3.
[72] Cf. *Acts* 20:34–35.
[73] 2 Thess 3:8. Saint Paul recognizes that missionaries have a right to their keep: *I Cor* 9:6–14; *Gal* 6:6; *2 Thess* 3:9; cf. *Lk* 10:7.
[74] *2 Thess* 3:12.
[75] *2 Thess* 3:11.
[76] *2 Thess* 3:10.
[77] *Col* 3:23–24.
[78] Cf. *Acts* 1:1.
[79] Second Vatican Ecumenical Council, Pastoral Constitution on the Church in the Modern World *Gattlium et Spes*. 35: *AAS* 58 (1966), p. 1053.
[80] *Ibid.*
[81] *Gen* 3:17.
[82] *Gen* 3:19.
[83] *Eccles* 2:11.
[84] Cf. *Rom* 5:19.
[85] Cf. *Jn* 17:4.
[86] Cf. *Lk* 9:23.
[87] Second Vatican Ecumenical Council, Pastoral Constitution on the Church in the Modern World *Gaudium et Spes*, 38: *AAS* 58 (1966), pp. 1055–1056.
[88] Cf. *2 Pt* 3:13; *Rev* 21:1.
[89] Cf. *2 Pt* 3:13.
[90] Second Vatican Ecumenical Council, Pastoral Constitution on the Church in the Modern World *Gaudium et Spes*. 39: *AAS* 58 (1966), p. 1057.
[91] *Ibid.*

## SUPPORT FOR S. 1564, THE U.S. TUNA PROTECTION ACT

Mr. COHEN. Mr. President, I am pleased to join Senator WEICKER in support of S. 1564, the U.S. Tuna Protection Act.

Mr. President, when the Fishery Conservation and Management—the FCMA—was enacted in 1976, it excluded "highly migratory species" of fish from its protection. These species were not included in the act because it was felt at the time that they would be better managed by international cooperation. In the years that have followed the passage of the 200-mile limit bill, the international management of these stocks has failed to work. In fact, during this same period, many nations have unilaterally extended the jurisdiction of their fishery conservation zones to such species as tuna.

I would note that one of the important species of fish that falls within the present exemption for highly migratory species is the Atlantic bluefin tuna. This is an exceptionally valuable fish which is now, for the most part, harvested by foreign nations within our 200-mile limit. The most recent biological data that has been collected on this fish strongly suggests that, for most of its life, it migrates within the fishery conservation zone of the east coast of the United States. By bringing this fish within the protection of the FCMA, as this bill would do, the United States will afford its fishermen a real opportunity to harvest it which may, in turn, lead to the development of a strong domestic processing industry for bluefin tuna.

In my view, S. 1564 is a logical extension of the fishery conservation and management and I urge its prompt consideration and passage.

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## SOVIET EMIGRATION POLICY

Mr. MATHIAS. Mr. President, the drama of the clash of nations and the conflict of ideologies often diverts attention from the human tragedies played out in obscurity in the shadows of great events. But occasionally, if we peer into the quiet places where people seek refuge, we can witness the painful experience of men and women caught in the trap of tyranny.

So it was when ALAN CRANSTON and I visited a band of "refusniks" in the Soviet Union. Nothing that I could say would add to their own stark description of their plight in a letter to the U.S. Congress and Jewish Organizations in the U.S.A. On behalf of Mr. CRANSTON and for myself, I ask unanimous consent to include a copy of the letter in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

*To the United States Congress and Jewish organizations in the U.S.A.*

It is absolutely evident now that for the last two years there has been a radical switch in the emigration policy of the Soviet Union. The following roundup is a convincing proof of an obvious trend not only to sharply diminish Jewish emigration to Israel; it looks very much as if an attempt or even a decision has been taken to close, to stop emigration altogether.

We see a sharp upturn in the number of refusals. Many hundreds of families were refused on the pretext that there is no justification for emigration. Most widespread has been the motive of so-called "insufficient kinship," a dangerous phenomenon, showing an abrupt change in the tactics of the Soviet authorities. This motive we are inclined to consider as an attempt to stop emigration, as the majority of applicants can easily be refused on this basis without ever hoping to get permission.

Emigration has been dropping drastically, in the last two years. The figures for July and August are indicative. In July it was 600, in August 400. In previous years monthly figures were as much as 1,200 to 1,500.

The waiting period of consideration of applications is unreasonably and deliberately prolonged, and in most cases has been stretched to as much as two years and more. In previous years it usually took two to three months. Things being as they are, the life of the applicants during this unjustified long waiting period is very hard and demoralizing as most applicants leave their job and have no means of a livelihood. Besides, to wait for such a long time in full vagueness of the situation, when the fate of your family is at stake, is very hard psychologically and hence has quite a negative effect on those who are potentially ready to apply.

Such a situation is in direct contravention to the corresponding clause of the Helsinki Final Act.

Other evidence of the tendency to stop emigration is the fact that in most cases, invitational affidavits are not delivered at all, though Jewish families waiting for them are informed by their relatives in Israel that invitations have been sent. They point out the registry number and the date of posting. Many of those who are waiting for invitations have postal receipts, but still cannot receive them from the Soviet International post office. Many families thus have been seeking to receive their invitations for a year and more. Previously it was done very easily without any obstacles. In addition, local OVIR offices throughout the country stopped accepting prolonged invitations. Prolongation is easily available in the Dutch Embassy in Moscow.

Furthermore, those who happen to get an invitational affidavit are very often summoned to different offices—local city hall, KGB, the security office at their place of work—for a special talk in which the authorities try to induce them to change their mind, to drop their intention to emigrate as their chances are very few and they are even promised improvement in their situation here.

Finally, the situation with veteran refuseniks, especially activists. The persecution, punishment, and total suppression of any kind of activity have become much more acute, strong, and tragic. We are now facing many new arrests among refuseniks. There are Kislik, Friedman, and Zubko in Kiev, Paritsker in Kharrov, and Chernobylsky in Moscow. All forms of Jewish life are completely forbidden by now. All seminars on Jewish humanities, mathematics, physics, and religion, and Hebrew studies are strictly forbidden. Their leaders and participants are summoned to the KGB and warned very roughly that if they try to go on leading and participating in seminars, they will immediately be arrested and exiled. Seminar gatherings are dispersed by crude force by the police and those attending are punished. Even the celebration of our Jewish holidays in the suburbs of Moscow are declared Zionist roundups and as such are severely punished.

We want to point out once more that the present situation with Jewish emigration is terribly dangerous and even tragical, and our only hope is immediate help from abroad, namely your and other countries. We ad-

dress an urgent request to you to settle all these problems with the Soviet authorities as quickly as possible in order to prevent attempts to stop emigration completely. We ask you earnestly to settle with the Soviet authorities the immediate release of all Prisoners of Conscience, letting them and their families leave this country for Israel.

The next most urgent problem is the duration of refusal, which by no means should exceed five years. Even five years is more than enough to destroy any human personality. There are now dozens of Jewish families waiting and struggling for exit visas 8, 10, and more years; in the present atmosphere of severe punishment for all forms of achieving permission the fate of such families is simply tragic, and with the current approach of the Soviet authorities they may become permanent refuseniks. If no real help will come soon from the West and your country, in particular, these people face the danger of eternal refusal.

Thanking you in advance,

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Mr. MATHIAS. This appeal to the Congress comes to us on the eve of an anniversary year, although hardly a joyful centennial observation. It was in April 1882, that Secretary of State Frelinghuysen first protested to the Czarist government over the treatment of Russian Jewry. Almost 100 years later the conscience of the world is still plagued by this problem. It is an anniversary to remember so that we do not forget the people still deprived of their fundamental human rights.

## HIGH INTEREST RATES MUST COME DOWN FOR ECONOMIC GROWTH TO OCCUR

Mr. SASSER. Mr. President, back in March 1980 when Paul Volcker appeared before the Senate Budget Committee, he and I discussed the subject of interest rates and their effect on the economy. He maintained that high interest rates and his tight money policy would drive down inflation—in his own words—"* * * and I am perfectly confident that as that happens interest rates will come down."

Well, I am afraid that Chairman Volcker's forecasting is on a par with most other economists in this town—it simply has not happened.

We have seen moderation in the rate of inflation but largely because the lid has been kept on food and energy prices over the last few months.

We have just passed a truly historic program of cutting taxing and spending designed to encourage business growth and investment, but the stock market and the bond market are in shambles. Key sectors of our economy—automobiles, housing, farming, and small business—are facing economic disaster.

And not only that. The Federal Reserve Board's tight money policy is robbing the people of the United States. It is robbing the people of the right to own their own homes—to have a decent car—to operate a profitable business—to run a productive farm.

It is striking at the heart of the American economy with the horrendous interest rates that a tight money policy insures.

The only booming trend in the economy now is business failure.

In short, high interest rate and tight money policies have not worked. They are a major obstacle to our renewed economic growth.

And I believe that high interest rate policies are flawed in three fundamental respects.

First, they have damaged key sectors of the economy. Housing production is reaching its lowest level in about two decades. Average mortgage interest rates are approaching 18 percent, and perhaps less than 5 percent of the American homebuying public can afford to buy a home. And my friends at the National Homebuilders have told me that one-third of the Nation's homebuilders have simply left the field.

Automobile sales stood at a level of some 8 million units in the second quarter of 1981 while they were 11.5 million units in the first quarter of 1979, and some 2,600 automobile dealers have left business permanently.

Farm interest rates have skyrocketed, farm debt is at an all-time high, and interest rate costs account for about 10 percent of farm production costs in 1980 alone.

For these sectors of the economy, high interest rates have been a death blow.

Second, high interest rates and tight money have seriously undermined American business confidence. On September 13, 1981 Dun and Bradstreet reported that through the week of September 3, business failures stood at more than 11,000, up 42 percent from a year earlier. They expect that by year's end as many as 13,000 businesses will close their doors, bringing us the highest business failure rate since 1965.

The stock market has slipped drastically, and economic activity has all but ceased on the bond market, and though the demand for business credit remains strong, little of our Nation's capital is being put into long-term investment.

In short, the Federal Reserve Board's high interest rates are not promoting the economic growth this country so badly needs. The Fed's interest rate policies have received a vote of no confidence from American business.

Finally, high interest rates and tight money policies will make it impossible for us to balance the budget by 1984.

Recently, the Congressional Budget Office reported that they expect interest rate outlays to be $40 billion more than administration projections due to the administration's own unrealistic projections of interest rates through 1984.

And we know from other CBO economic projections that if GNP growth falters because of high interest rates by just 1 point below administration projections we will have about $38 billion less in Federal revenue between now and 1984.

Adding the two together we face a situation where the cumulative budget deficits will be increased by $78 billion between now and 1984.

When I see that, I find it little wonder that we are going to have a hard time in balancing the budget by 1984 unless and until interest rates come down.

In conclusion, high interest rate policies are causing serious damage to our economy. We simply can not have an economic policy which seeks to bolster American business and consumers by cutting spending and taxes while we have a monetary policy which holds down economic growth by tight money. American business stands ready to rebuild our economy and make it grow again. American consumers stand ready to buy in a stronger economy.

But that will not occur unless and until the Federal Reserve Board turns away from its present policies of high interest rates and tight money.

## SOCIAL SECURITY COST-OF-LIVING INCREASES SHOULD NOT BE DELAYED

Mr. SASSER. Mr. President, yesterday I introduced a resolution (S. Con. Res. 34) indicating the unequivocal opposition of the Congress to any delay in regularly scheduled cost-of-living increases in social security benefits.

Just a few short weeks ago, I never thought that such an action would be necessary. But the administration is persisting in its attempts to reduce social security benefits in one form or another.

For the second time this year, the administration has contravened its pledge not to reduce social security benefits.

First, there was the wholesale, 13-point assault on the system. Justified by stacked figures that echoed gloom and doom, the administration wanted to lop off billions and billions over a matter of a few years. In so doing, they would have punished millions of Americans who have a social contract with the U.S. Government named social security.

Only a solid chorus of opposition from the American people and from the Congress stopped this assault. I was among those who believed that caution and commonsense would prevail, that we would work in harmony to find a just and equitable long-term solution to the obvious problems that confront social security.

But now the administration is recommending that the regularly scheduled increase in social security cost-of-living benefits should be delayed. It is difficult to describe just how harsh and unthinking such a delay in benefits would be for those whose sole or primary income is from their social security checks.

In 1982, the administration's cost-of-living delay proposals will cost social security beneficiaries some $3.3 billion. Most beneficiaries will lose $100 in benefits while others who have worked hard and not retired until 65 may lose up to $345 in benefits just in 1982 alone.

But if we adopt this proposal and renege on giving social security beneficiaries their cost of living what will be next? What other benefits will we cut?

Public confidence in the social security system is at stake. There are other ways to keep the social security system solvent without delaying cost-of-living increases.

So I urge my colleagues to join me as cosponsors of Senate Concurrent Resolution 34 and send a message to the administration not to proceed with their proposal to delay cost-of-living increases.

## THE ECONOMIC MESS

Mr. PELL. Mr. President, this Congress, in its first 8 months of work approved with only minor changes the basic elements of the administration's dramatic economic programs. The Congress enacted the largest cut in Federal Government spending in history, the largest tax reduction in our history, and the largest peacetime increase in military spending in our history

Now, even before the full impact of these massive changes in Federal Government policy have been felt by American families and business, we face the prospect of demands by the administration for additional deep cuts in Federal Government spending. We also are told that the administration is considering changes in the size of the previous increases in military spending.

We are also informed that the administration may seek new and additional powers permitting the President of the United States to disregard the spending programs that are approved by the Congress and withhold the spending of up to 10 percent of the funds the Congress has approved for any program.

Before we are rushed headlong down this economic path, I suggest that the Congress pause and consider carefully where that path is leading.

In my view, the administration's program, if pursued to its ultimate end would lead to the abdication by our Government of its basic responsibilities to the American people for the economic and social health of our Nation.

It would mean an inevitable retreat from the commitment Americans have made to each other through their Government to give a helping hand to those who are less fortunate—to help the young get an education, to help the handicapped reach their full potential, to help the unemployed through the agony of workless months, to assure medical care for the sick, and a decent standard of living for the elderly and retired.

Those commitments of the heart are a source of pride to all Americans. And the fulfillment of those commitments to the less fortunate are the mark of a moral and compassionate civilization.

In modern societies throughout the world, the fulfillment of those commitments is an accepted responsibility of government. But the administration's program, put forward as a formula for revitalizing the American economy, requires as its price a retreat and a withdrawal from many of these basic responbilities and commitments.

In addition, further budget cuts will postpone public investments that are essential to our future economy—Government investments in highways, bridges, water supplies, and new energy sources, to name only a few.

Let us consider the scope of the actions we have already taken:

With the adoption of the Omnibus Reconciliation Act, the Congress has provided for Federal spending cuts totaling $145 billion over the next 3 years—with virtually all of those reductions imposed on nondefense spending. For the coming fiscal year, fiscal year 1982, the cut in spending for nondefense programs is $35 billion.

The Congress then approved the Economic Recovery Tax Act of 1981, providing for $750 billion in tax cuts over the next 5 years, with $37 billion of the reduction on 1982.

And, in addition, in the first concurrent budget resolution for fiscal year 1982, the Congress projected a mammoth multiyear increase in military spending with an increase of $27 billion in 1982 alone.

The administration, despite criticism and skepticism on the part of a broad range of economists, insisted that his program would revitalize the American economy, and lead to sharply reduced Federal Government deficits with a balanced budget promised for 1984. The administration promised rapid economic growth, a sharp drop on the inflation rate, and lower interest rates.

The administration now admits that economic growth will not be as fast as it thought, and that interest rates are going to stay too high too long.

The Congressional Budget Office on September 10 announced its discouraging forecast of the Federal budget deficits under the administration's program. Instead of a 1982 deficit of $27 billion as estimated by President Carter, or $42 billion as estimated by President Reagan, there would be a deficit of $60 to $70 billion.

For 1983, the deficit has grown from a projected $23 billion deficit to $45 to $64 billion, and for 1984, instead of a balanced budget a deficit of $35 to $65 billion is foreseen.

These projections, if accurate, indicate basic and troubling miscalculations in the administration's economic program.

Equally troubling to me, however, is the administration's response to the indications that its program is not working. The response of the administration is to propose more of the same medicine—more and deeper budget cuts—$10 to $15 billion more in cuts for the fiscal year starting in just a few weeks, and then $75 billion more in budget cuts during the following 2 years.

I applaud the administration's recognition that its program as presented will not balance the budget. I applaud also the administration's apparent willingness to make at least some modest cuts in the huge increase projected for military spending.

But I will oppose proposals to cut even more deeply into such Federal Government programs as education, health, housing, low-income energy assistance, and unemployment compensation. These are programs that embrace basic commitments and responsibilities of government. They are also programs that suffered deep budget cuts already. The Congress earlier this year went through each and every one of these programs with a fine-toothed comb, eliminating or reducing benefits and payments.

Congress has made decisions on each of these programs after careful and painful consideration and debate. To seek additional cuts in these same programs a few scant months after Congress has acted would constitute a breach of faith with the Congress and with the American people.

And reductions in other programs would constitute a breach in our economic safety net, in the floor of economic security upon which the citizens of any modern, compassionate nation should be able to rely.

The outlook for these nonmilitary programs in future years is grim. With additional budget cuts of $35 to $40 billion proposed for fiscal years 1983 and 1984, there appears to be little alternative but decimation of most nonmilitary programs if the administration continues on its present course. There is just no alternative unless the administration intends to seek cuts in social security or to significantly cut its proposed buildup of military forces.

In 1982 for example, of total Government spending of about $700 billion, $225 billion will go to defense, $250 billion for social security, and retirement programs, about $100 billion for interest on the Federal debt and about $25 billion for veterans benefits, leaving just $100 billion for all other Government programs.

Budget cuts totaling $75 billion in those programs obviously will require the total elimination of good, effective programs that are essential if Government is to fulfill its basic responsibility.

There are only three courses we can follow to get our economic ship of state on a seaworthy course, and each of these courses is unpleasant. We can reduce the military spending increases, we can defer the tax reduction, or we can reduce our social and human services even further. Frankly I would prefer a combination of the first and second to the third, disagreeable and unpleasant as those courses may be.

Regrettably, there are some in the administration who believe that nearly all Government activity is bad. In their view, Government, except for its military defense function, simply is a burden on our economic system and on the average American.

I disagree with that view. Government, properly conceived and administered, makes our free economic system possible. Government programs properly conceived and administered, are not a burden depressing the economy, but support the private economy and provide services without which the economy could not prosper.

Our economy cannot grow and thrive without adequate transportation facilities, water supplies, and sewage and waste treatment facilities. In addition, our economy cannot grow and prosper without an educated, well-trained and healthy population. Government has a basic, proper, and essential role to fulfill in assuring that these basic elements of growth and prosperity are available.

The slashing or eliminating of Government programs in these areas will undermine instead of strengthen our national economy.

Administration spokesmen have said that further budget cuts are necessary to prove to the financial markets in New

York that the administration is indeed serious about balancing the budget and combatting inflation. New budget cuts are necessary, we are told, to convince the banks that they can lower the extraordinarily high interest rates that are undermining efforts to restore economic growth.

I do not believe that the way to reduce interest rates is by cutting financial assistance to college students, or by slashing programs that permit the poor and elderly to heat their homes. But that is exactly what the administration is said to be considering.

It is strange, indeed that this administration should now be complaining about high interest rates. High interest rates are a basic and integral part of the administration's program. The administration has said from the outset that tight restrictions on growth of the money supply would be necessary as a part of the program to combat inflation. Tight money means high interest rates. For this administration now to complain about high interest rates is much like a proud, strutting peacock who complained that his tail was too heavy.

In February, after the administration presented its program to the Congress, I suggested several ways in which the program could and should be improved. I suggested that the budget cuts in domestic programs were too deep, the increases in defense spending were too large, and the proposed tax cut was too large, potentially inflationary and would lead to continued budget deficits.

Because of these concerns I voted against the budget resolution and the Reconciliation Act which slashed spending and projected huge military spending increases. I voted with reluctance for the tax reduction bill and said at the time, that it provided tax reductions that were too large, and too heavily weighted in favor of the well-off.

I voted for the substitute tax proposal, offered by Senator HOLLINGS, that would have given a smaller tax reduction, but assured a balanced budget, and given our Government the revenue it needs to fulfill its basic responsibilities to the American people.

With greater moderation, as I recommended in February, I believe the administration's program could succeed. Moderate budget cuts combined with moderate tax cuts and a moderate increase in defense spending would preserve the basic responsibilities and commitments of government, encourage solid economic growth, reduce inflation and move steadily toward a balanced budget.

The excesses in the administration's program are the cause of the program's current problems. The administration apparently now recognizes this as true in the case of military spending. But to offset the excessive tax cut, the administration intends to seek even deeper and more excessive budget reductions. If the administration continues down that path, the result, as I have noted will be the destruction of Government programs that are essential to the economy and the well-being of the American people. I intend to oppose such proposals for excessive reductions in essential Federal Government programs.

Enough is enough.

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## THE NEUTRON BOMB

Mr. WARNER. Mr. President, the issues surrounding the U.S. involvement in the "neutron bomb" are extremely complex, especially for those who want to be informed, but cannot devote the extensive time and effort to keep abreast of the many varying analyses.

Today in the Washington Post, an experienced journalist, using clear and understandable facts and analogies, sets forth his perspective. This work is a valuable contribution done with objectivity and absence of emotion that is required.

This debate will—and should—embrace diplomatic, military, and arms control considerations.

However, conscientious Americans who should involve themselves in this vital decision, must answer these questions: Does this new weapons system add to our ability to deter aggression, and, without it or an equivalent substitute, how much longer can we as a nation send beyond the safety of our shores hundreds of thousands of servicemen—and an increasing number of women—to duty stations in Europe, not providing them with adequate weapons to defend themselves individually, much less win the battles to preserve the peace for ourselves? Study Philip Geyelin's analysis with care as we proceed to reach a decision.

I ask unanimous consent that the article entitled "A Bum Rap on the 'Neutron Bomb'" by Philip Geyelin, as it appeared in the Washington Post on September 18, 1981, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 18, 1981]

### A BUM RAP ON THE "NEUTRON BOMB"

(By Philip Geyelin)

Make this simple test: ask almost anybody at random to describe a "neutron bomb."

The answer you get will almost certainly be that it's the one that "kills people without damaging property."

And why not? That was the definition used on NBC's "Today Show" the other morning in a news report on how the Reagan administration decision to produce and stockpile "neutron bombs" in the United States had been confounding Secretary of State Alexander Haig's fence-mending mission to West Germany this week.

It's been the popular shorthand, in fact, since existence of the "neutron bomb" was brought to public attention in a series of articles by Washington Post reporter Walter Pincus in early June 1977. The first accounts were straightforward enough: the United States was about to begin construction of "its first nuclear battlefield weapon specifically designed to kill people through the release of neutrons rather than to destroy military installations through heat and blast."

But given the apparent secrecy and the emotions stirred by nuclear weapons of any sort, nobody should have been surprised by the awful image this conjured up of some uniquely inhumane and fiendishly clever device designed to kill "people" by making them terminally ill—while preserving property values. It was instant raw meat for pacifists and—satirists.

It also made big trouble for the Carter administration in its efforts to work out larger problems bearing on the deployment of nuclear weapons in Europe. And now it is making big trouble for the Reagan crowd as well.

So it is worth explaining how the "neutron bomb," which is quite grisly enough, still managed (as these things go) to get a bum rap.

Consider first, that "neutron bombs" are essentially upgraded shells and warheads for 8-inch howitzers and Lance missiles already in Europe. The upgrading is in the "enhancement" of an element—radiation—that is a product of any nuclear explosive (including the 20-year-old warheads the "neutron" warheads would replace).

But "neutron bombs" produce only fraction of the other elements in the American warheads already deployed in Europe: heat, blast and fallout, all of it widespread. And while the "enhanced" radiation effect is more concentrated, it is also confined to a much smaller space.

"Enhanced" radiation, in short, is much more likely to be limited largely to a battlefield and to the target for which it is specifically designed: the crews of tanks tightly bunched in overwhelming numbers for a lightning-quick punch through Allied defenses. It is the ideal equalizer in the eyes of American defense planners confronted by an alarming four-to-one Warsaw Pact advantage over NATO forces in tanks, and a comfortable numerical edge in infantry.

To the Carter administration, the logic was inescapable. Early in 1977 it was going quietly ahead, nailing down the acquiescence of allied authorities in the deployment of neutron warheads, paying no mind to public sensitivities.

"Without the Pincus articles, they would have been deployed and nobody would have noticed," says Harold Brown, defense secretary at the time. Even in the face of the resulting public uproar in Europe and at home, Jimmy Carter tried to muddle through without any real effort to make his case. Brown now freely admits "we have only ourselves to blame" for letting the misperceptions set in.

And so the misperceptions linger on and the Reagan administration continues in its own way to duck the deployment issue. It's a close question as to how much comfort the Europeans will take from the Reagan decision to stockpile the enhanced radiation shells and warheads in the United States when it is accompanied by a claim that deployment to Europe would take only "several hours." That's not much time for consultation in a crunch.

But the Reagan team, at least, is focusing on the real issue, which is whether the very qualities that make the "neutron bomb" less of a threat to population centers wouldn't make its use more acceptable. Would lowering the nuclear "threshold" open the way more easily to escalating nuclear war?

On this score—assuming the Europeans are unwilling to do more to redress the current imbalance in conventional forces—there is a lot to be said for Defense Secretary Caspar Weinberger's argument:

"If you have a weapon that matches the Soviet capability expressed in terms of an enormous preponderance of tanks and infantry . . . then I think you've added to the deterrence." By this reasoning, the Soviets will be less likely to push their luck to begin with—and the nuclear "threshold" will, in effect, have been raised.

## GERALD R. FORD PRESIDENTIAL MUSEUM

Mr. BAKER. Mr. President, I take this jet-lag-filled moment to remark on the gracious and fitting tribute which was accorded President Gerald R. Ford today at the ceremonies commemorating the Gerald Ford Presidential Museum.

I have just returned from the dedication; it was a ceremony filled with moving tributes and recollections of our 38th President and the distinguished leadership which was emblematic throughout his over 25 years of public service.

President and Mrs. Reagan joined in the tribute, along with Canadian Prime Minister Trudeau, Speaker O'NEILL, Valery Giscard d'Estaing, and Mexico President Lopez Portillo. I am sure that my colleagues in this Chamber join in congratulating President Ford and his family on this memorable occasion.

Mr. President, I ask unanimous consent that the remarks given by President Reagan at the dedication be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY THE PRESIDENT AT THE DEDICATION OF THE GERALD R. FORD PRESIDENTIAL MUSEUM

Millions of Americans will follow us to this place. Like us, they will find history here; they will relive—in their own minds and through their children's eyes—dramatic and critically important moments in our Nation's life. Here they will reflect on the achievements of the 38th President of the United States—they will dwell on what Gerald Ford brought to this Nation—and what he gave to his country and his people.

Some of those who come here will bring, just as many of us do today, personal memories.

I have my own. I could not help but recall as we prepared for this trip, that the first time we encountered each other was here in Michigan. Well, it wasn't exactly an encounter and we had no awareness of each other. I was a young sports announcer for Station WHO of Des Moines, Iowa. I was broadcasting an Iowa-Michigan game. The center on that Michigan team was a fellow named Jerry Ford. And, candor and a decent regard for history force me to admit: that was about 47 years ago—and Michigan won.

I have some other unique memories, one in particular is more recent but serves to highlight our mutual interest in sports and politics. In 1976, we were engaged in another kind of game—you won that one, too. But you observed one day that we had something in common. You said, "We both played football. I played for Michigan. He played for Warner Brothers." Well let me add that playing the "Gipper" did get more attention than my 3 years in the line for Eureka College. I was a guard—right guard that is.

Mr. President, other less humorous similarities between us have occurred recently. This came home to me when I ran across this description of the American economy:

"The worst inflation in the country's peacetime history, the highest interest rates in a century, the consequent severe slump in housing, sinking and utterly demoralized securities markets, a stagnant economy with large-scale unemployment in prospect, and a worsening international trade and payments position."

That description comes from the *New York Times* and—I thought you would like to know—the date is summer 1974. Gerald Ford had just become President of the United States.

During his first few months in office, Gerald Ford made the battle against inflation, growing unemployment and a stagnant economy his first priority.

He did not hesitate to point to the causes of this economic crisis. He noted that in a 10-year period Federal spending had increased from over $100 billion to over $300 billion. In a 15-year period direct and indirect Federal payments to individuals had gone from 24 percent of the Federal budget to 46 percent while spending for defense fell from 49 percent of the budget to 26 percent.

President Ford asked his countrymen to choose:

"To put it simply," he said, "we must decide whether we shall continue in the direction of recent years—the path toward bigger government, higher taxes and higher inflation—or whether we shall now take a new direction, bringing to a halt the momentous growth of government, restoring our prosperity and allowing each of you a greater voice in your own future."

As President, Gerald Ford made his choice—and when he left office the economy was again moving in the right direction with inflation shrunk to a yearly rate of 4.8 percent. And his decision to carefully rebuild America's defense and his willingness to protect American interests and lives abroad began to reestablish our international prestige. He showed the way—and he showed that it can be done.

These are the facts, the objective criteria by which the success of the Ford Presidency can be judged. Yet the legacy left his countrymen by Gerald Ford is something deeper, something more profound.

In 1787, shortly after the Constitutional Convention concluded its work, Benjamin Franklin was asked what had been accomplished.

We have given you a Republic, he replied, if you can keep it.

For two centuries this has been the challenge before all Americans—a challenge that has always been met but not without uncertainty, moments of doubt and danger. During the first transition of Federal power from one party to the other in 1800, fierce acrimony, vows of retribution and even talk of secession filled the Nation's Capital. And in 1861, another great internal crisis shook our Nation—and this time the dissolution of the union was not only threatened; it was—for a time—a reality.

In both cases, the steadiness, the fortitude, the personal ease and quiet confidence of our Presidents saw us through.

On August 9, 1974, when the Nation was experiencing another traumatic test of its institutions, Gerald Ford took the oath of office in the East Room of the White House and spoke of the "extraordinary circumstances never before experienced by Americans."

He spoke of a time of "trouble" and "hurt" and he told us "our long national nightmare is over."

Gerald Ford woke us from that nightmare—there was no more dramatic reminder of this than President Carter's words at his own inaugural—words that instantly drew from his listeners a vigorous and warm reaction:

"For myself and for our nation," President Carter said, "I want to thank my predecessor for all he has done to heal our land."

Gerald Ford healed America because he so thoroughly understood America. His was and is an unquestioning belief in the soundness of our way of governing and in the resiliency of our people.

When he was about to step down from the Presidency, he took note of our remarkable tradition of peaceful transitions of power. He said:

"There are no soldiers marching in the streets except in the inaugural parade; no public demonstrations except for some of the dancers at the inaugural ball; the opposition party doesn't go underground but goes on functioning; and a vigilant press goes right on probing and publishing our faults and follies."

And during our Bicentennial he reminded the American people of the collective wisdom of their ways and the remarkable achievements of their past.

"In the space of two centuries, we have not been able to right every wrong, to correct every injustice, to reach every worthy goal. But for two hundred years we have tried and we will continue to strive to make the lives of individual men and women in this country and on this earth better lives—more hopeful and happy, more prosperous and peaceful, more fulfilling and more free. This is our common dedication and it will be our common glory as we enter the third century of the American adventure."

Gerald Ford healed America because he understood the adventure of America: her way of governing, her people, and the source of her strength as a Nation. On the night he learned that he was likely to be the next President of the United States, he and Betty recited a favorite prayer from the Book of Proverbs:

"Trust in the Lord with all thine heart, and lean not unto thine own understanding. In all thy ways acknowledge him, and he shall direct thy paths."

Today many of us in public life—from this country and others—have come here to speak words of tribute to Gerald Ford. The millions of Americans who will soon hear or read these words will not long remember them but can be sure that in their minds and hearts there will be a flash of recognition and a swell of gratitude—feelings that if put into words would result in a simple statement by his countrymen about Gerald Ford: "He was a good President who led us well: a good man who sought to serve others."

Mr. President, I noted recently that your confidence in our Nation's future is not at all diminished. You have said that the Nation again faces difficult moments but that "there is a good feeling in the country despite the problems."

You said our plans for economic recovery will work because the American people will make them work. You noted that the will of the people "is more important than all the technical things, all the micro- and macroeconomics. There is just no way to equate that," you said "with the will of 226 million Americans."

I am, of course, grateful for your support and counsel on this matter but I would remind you, that if today 229 million Americans can look forward to that future you speak of, it is because you brought us through difficult and trying times and helped us to believe again in ourselves.

Not too long ago, on the 200th anniversary of Paul Revere's famous ride, you offered a prayer, Mr. President, in the Old North Church in Boston—you said you hoped that those who follow us might say of our generation: "we kept the faith, freedom flourished, liberty lived."

That is a worthy prayer, Mr. President. And we offer it again today in a spirit of gratitude for your Presidency and affection for you.

Ladies and Gentlemen, it is now my honor to introduce to you the 38th President of the United States, a man of decency, a man of honor, a man of healing, Gerald R. Ford.

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## ORDER FOR RECOGNITION OF SENATOR WALLOP ON MONDAY, SEPTEMBER 21, 1981

Mr. STEVENS. Mr. President, I ask unanimous consent that, when the Senate reconvenes on Monday next, after the

time allotted to the two leaders under the standing order, the Senator from Wyoming (Mr. WALLOP) be recognized for not to exceed 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

## RECESS UNTIL MONDAY, SEPTEMBER 21, 1981, AT 9:30 A.M.

Mr. STEVENS. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 9:30 a.m., Monday, September 21, 1981.

The motion was agreed to; and at 7:16 p.m., the Senate recessed until Monday, September 21, 1981, at 9:30 a.m.

## NOMINATIONS

Executive nominations received by the Senate September 18, 1981:

MISSISSIPPI RIVER COMMISSION

Rickey Dale James, of Missouri, to be a Member of the Mississippi River Commission for a term of 9 years, vice Wilmer Richard Hall, resigned.

## CONFIRMATIONS

Executive nominations confirmed by the Senate September 18, 1981:

INTER-AMERICAN DEVELOPMENT BANK

Jose Manuel Casanova, of Florida, to be Executive Director of the Inter-American Development Bank for a term of 3 years, vice Ralph Anthony Dungan, resigned.

DEPARTMENT OF ENERGY

William Addison Vaughan, of Michigan, to be an Assistant Secretary of Energy (Environmental Protection, Safety and Emergency Preparedness), vice Ruth C. Clusen, resigned.

Rayburn D. Hanzlik, of California, to be Administrator of the Economic Regulatory Administration, vice Hazel Reid Rollins.

DEPARTMENT OF THE INTERIOR

Dallas Lynn Peck, of Virginia, to be Director of the Geological Survey, vice H. William Menard.

Robert Carlton Horton, of Colorado, to be Director of the Bureau of Mines, vice Lindsey D. Norman, Jr.

DEPARTMENT OF ENERGY

Guy W. Fiske, of Missouri, to be Under Secretary of Energy, vice John Mark Deutch, resigned.

INTERNATIONAL ATOMIC ENERGY AGENCY

The following-named persons to be the Representative and Alternate Representatives of the United States of America to the 25th session of the General Conference of the International Atomic Energy Agency:

Representative:

W. Kenneth Davis, of California.

Alternate Representatives:

Richard T. Kennedy, of the District of Columbia.

Roger Kirk, of the District of Columbia.

Thomas M. Roberts, of Tennessee.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

*To be lieutenant general*

Maj. Gen. Jack Vincent Mackmull, xxx-xx-xx... xxx-... U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

*To be lieutenant general*

Maj. Gen. Donald Edward Rosenblum, xxx-xx-xxxx U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

*To be lieutenant general*

Maj. Gen. Howard Francis Stone, xxx-xx-xxxx xxx-... Army of the United States (brigadier general, U.S. Army).

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

*To be lieutenant general*

Maj. Gen. James Benjamin Vaught, xxx-x... xxx-xx-x... U.S. Army.

IN THE AIR FORCE

Lt. Gen. John G. Albert, U.S. Air Force (age 58), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 711, as follows:

*To be senior Army member of the military staff of the United Nations*

Lt. Gen. William Rowland Richardson, xxx-xx-xxxx Army of the United States (major general, U.S. Army).

The following-named officer under the provisions of title 10, United States Code, sections 3036, 3066, 3284, and 3307 to be assigned as The Surgeon General, U.S. Army, a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

*To be lieutenant general, Army of the United States and major general, U.S. Army*

Maj. Gen. Bernhard Theodore Mittemeyer, xxx-xx-xxxx Army of the United States, (colonel, U.S. Army, Medical Corps).

IN THE NAVY

The following-named reserve captains of the line and staff corps of the Navy for temporary promotion to the grade of rear admiral, subject to qualification therefor as provided by law:

LINE

LeRoy Vincent Isaacson
Vincent Joseph Anzilotti, Jr.
Francis Neale Smith
George Clark Sayer

MEDICAL CORPS

John Peter Connelly

SUPPLY CORPS

Delbert Harry Beumer

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

*To be lieutenant general*

Maj. Gen. John Nelson Brandenburg, xxx-x... xxx-xx-x... U.S. Army.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 3962:

*To be lieutenant general*

Lt. Gen. Charles Calvin Pixley, xxx-xx-xx... xxx-... (age 57), Medical Corps, Army of the United States (major general, U.S. Army).

IN THE AIR FORCE

Air Force nomination of Lee D. Badgett, permanent professor, for reappointment to the active duty list of the Regular Air Force in the grade of colonel, which nomination was received by the Senate on September 4, 1981, and appeared in the CONGRESSIONAL RECORD of September 9, 1981.

Air Force nominations beginning Jose E. Calzada, to be major, and ending Bobby C. Springer, to be first lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 31, 1981.

Air Force nominations beginning George W. Beddingfield, to be colonel, and ending Melvin B. Emmons, to be colonel, which nominations were received by the Senate on August 11, 1981, and appeared in the CONGRESSIONAL RECORD of September 9, 1981.

IN THE ARMY

Army nominations beginning Ray A. Strawser, to be colonel, and ending Henry S. Maerki, Jr., to be major which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 31, 1981.

Army nominations beginning Marvin G. Back, to be colonel, and ending Joe T. Skidmore, to be lieutenant colonel, which nominations were received by the Senate on August 11, 1981, and appeared in the CONGRESSIONAL RECORD of September 9, 1981.

IN THE NAVY

Navy nominations beginning Iffat A. Abbasi, to be lieutenant commander, and ending Jeri M. Rigoulot, to be lieutenant commander, which nominations were received by the Senate on August 11, 1981, and appeared in the CONGRESSIONAL RECORD of September 9, 1981.

Navy nominations beginning John R. Aguilar, to be commander, and ending Craig L. Majkowski, to be lieutenant (j.g.), which nominations were received by the Senate on August 11, 1981, and appeared in the CONGRESSIONAL RECORD of September 9, 1981.

Navy nominations beginning Robert Waugh Aldinger, to be captain, and ending James Wallace Moor, to be captain, which nominations were received by the Senate on August 11, 1981, and appeared in the CONGRESSIONAL RECORD of September 9, 1981.

Navy nominations beginning Steven C. Streck, to be lieutenant commander, and ending Jon G. Motter, to be ensign, which nominations were received by the Senate on August 28, 1981, and appeared in the CONGRESSIONAL RECORD of September 9, 1981.

Navy nominations beginning Bill J. Archer, to be ensign, and ending Zein E. Obagi, to be commander, which nominations were received by the Senate on August 28, 1981, and appeared in the CONGRESSIONAL RECORD of September 9, 1981.

IN THE MARINE CORPS

Marine Corps nominations beginning George L. Alvarez, to be lieutenant colonel, and ending Robert A. Zink, to be chief warrant officer, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 31, 1981.

Marine Corps nominations beginning Anthony E. Agrue, to be first lieutenant, and ending John R. Zimmerman, to be first lieutenant, which nominations were received by the Senate on September 4, 1981, and appeared in the CONGRESSIONAL RECORD of September 9, 1981.

# EXTENSIONS OF REMARKS

## CONGRESSMAN McGRATH PROVIDES INSIGHT INTO MIDDLE EAST PROGRAM

### HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, September 18, 1981*

● Mr. LENT. Mr. Speaker, during the August work period, my good friend and colleague, Congressman RAY MCGRATH, who ably represents a Long Island district adjacent to my own, traveled to Israel to learn about that nation's needs and problems. In view of the fact that the Congress is now considering the administration's proposal to sell the AWACS plane and jet fighter enhancement equipment to Israel's foe Saudi Arabia, I think Congressman MCGRATH's views on Israeli security will be of great interest to every Member of this House. In my judgment, Congressman MCGRATH's remarks show great insight and an understanding of the problems faced by our ally, Israel. The views appeared in an article in the September 11-17 issue of Long Island Jewish World and are as follows:

[From the Long Island Jewish World, September 11-17, 1981]

MCGRATH: ISRAEL TAKES RISKS FOR PEACE

(By Stewart Ain)

A one-week trip to Israel has impressed Rep. Raymond McGrath (R-Valley Stream) both with Israel's vulnerability amidst a sea of enemies and its yearning for peace at virtually any price.

"They want peace more than I suspected before I went," McGrath said. "Not only do they want peace, but they are willing to take immense risks to achieve it."

During his trip, McGrath said he visited the Sinai and took note of the fact that by next April Israel will return to Egypt the portion of that area it still controls. More than half of the Sinai already has been returned, including seven airstrips and one air force base that the Israelis constructed. And when the rest of the land is given back to Egypt, along with it will go two large military bases and an airstrip.

"They already gave back an oil field that produced 15% of Israel's needs," he pointed out. "The only accommodation that was made is that Egypt will let Israel have the first crack at buying that oil—but it will be at the going rate. And this is what I mean when I speak of the risks Israel is taking for peace. They have returned a huge land area that would have given them time to react (if an enemy struck from the west)."

McGrath noted that the United States is going to build two air bases for Israel in the Negev to compensate for the air bases that were given up. He said that military experts in Israel told him that these two new bases will bring to eight the number of air bases in Israel, a country that has a small amount of air space in which to permit its pilots to practice their skills.

ISRAELIS SHOWED SELF-CONFIDENCE

But that didn't seem to faze the Israelis, McGrath noted. He said that when they were "confronted with a problem that seemed enormous in scope, they simply said, 'We'll find a way.' They had complete confidence in themselves. And that confidence seemed universal over there."

Although it was not an official visit paid for with taxpayer funds, McGrath said he still received the red carpet treatment from the Israeli Government. Government officials accompanied him on his tour and he had private audiences with the top members of the Israeli Government, including an hour and a half meeting with Prime Minister Menachem Begin. In addition, he was escorted around Jerusalem by the city's mayor, Teddy Kollek. Accompanying him on the trip was Rep. Guy Molinari (R-S.I.).

"The sites and the holy places brought my Bible study into reality," McGrath said. "I couldn't believe it. It was just a thrill to be there."

Throughout the country, he noted, there were men in military uniforms and each one carried an automatic rifle. He said he learned that at the age of 18 men are called for military duty and they serve three-and-a-half years, and women serve for two-and-a-half years. Israelis are in the reserves until they are 55 years old and they serve reserve duty for about one month each year, he added.

"That is all understandable," McGrath said, noting the "topography of the land and how close their enemies are. Libya is the arms depot for the entire Arab world in the Middle East. Russia arms Syria and Syria arms the PLO (Palestine Liberation Organization). All around Israel there are hostile countries being equipped with sophisticated weapons and planes.

"In spite of all of that, Israel is still willing to give back strategic land that it would be in their best interest to keep. Everyone I spoke to in Israel said he is willing to take the risk. I knew they wanted peace, but not as badly as that."

VISITED LEBANESE BORDER

His trip took him to the Lebanese border and a meeting with Major Saad Hadad of the Christian Lebanese Army, who is providing a buffer force along the border. McGrath said the Israelis are "arming him for a good reason."

While on the Golan Heights, McGrath said he visited a kibbutz inhabited by 150 families. He termed it a "precarious placement" and noted that while there he had a chance to enter one of the bomb shelters in the kibbutz.

Although he never found himself in the midst of a shelling, McGrath said that just a week before his visit to a kibbutz at Kiryat Shimona, the settlement had been shelled.

"When the shelling started, the people in the kibbutz evacuated instead of seeking the safety of the shelters," McGrath said. "I got the impression that the government did not like this because it may eventually mean that one day they might not return."

In the hills of the Golan Heights, McGrath said he saw the sensing devices implanted in the ground to detect troop movements or the flight of Syrian aircraft as they leave the ground.

"That is necessary because it is only a five minute plane ride from Damascus to the Israeli border," he pointed out.

Another impression McGrath said he is left with is the "manner in which the Israelis treat the people who live in the disputed areas, like Jerusalem," he said, noting that they have a lot more freedom under Israeli control than they had under Jordanian rule.

"I now have a tremendous understanding of the country," McGrath said. "I never realized it was so small."

IMPRESSED WITH ACCOMPLISHMENTS

Despite its size, Israel has accomplished monumental tasks, McGrath pointed out. He said they have taken 1,500 underprivileged youngsters, who come primarily from immigrant families, and they house and feed them in Jerusalem and give them a junior high and high school education. In addition, he said, they are given vocational training. All of this costs $2,000 a year per child, a figure McGrath said is "extremely low. Here, it costs $3,000 to $4,000 just to educate a student and that does not include food."

"They are a very resourceful people," he continued. "In a country that is arid, they have enough water supply to produce one of the biggest citrus and cotton crops in the world."

McGrath said he also had a chance to tour a desalination plant and learned that the Israelis are planning to connect the Dead Sea with the Mediterranean and harness that water to create hydro-electrical power. He said he also studied Israel's nuclear power plants and was stuck by the fact that virtually every home had solar panels on their roof to supplement a hot water heater.

One of the most memorable moments of the trip occurred during his meeting with Begin in the Knesset, McGrath recalled. He said that Begin pointed outside his window to a place where, he said, Jordanian guns were located in 1967. He said that Begin told him that when the Six Day War erupted, "They began shelling the room we are sitting in. And now they want us to give it back."●

## THE EXEMPLARY CAREER OF FRED M. ARNOLD

### HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, September 18, 1981*

● Mr. DORNAN of California. Mr. Speaker, on Thursday night, September 24, the citizens of Redondo Beach, Calif., will gather at the Blue Moon Saloon to honor a man who has given the major part of his professional life in service to their city.

After 32 years in office, City Clerk Fred M. Arnold recently retired, and

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

his friends and neighbors, including myself, feel that his exemplary career should be brought to public attention as a model for those who are inspired by dedication to duty.

Fred moved to Redondo Beach in 1930, attending local grade school and Redondo Union High School. His father served on the city council for 6 years just prior to World War II.

During the war, Fred served in the infantry. He was commissioned as an officer in 1943.

After the war, Fred returned to Redondo Beach. In 1949, he was appointed city clerk and was elected to the office in a multicandidate race 2 years later. Fred has done such a great job for the city he has been unopposed in every election since 1951.

In addition to belonging to several professional organizations for municipal officials, Fred has been actively involved in civic groups and patriotic associations. Fred has held memberships in the Optimists, YMCA, De Molay, and the Redondo Beach 20-30 Club. In 1957, he served as president of the Redondo Beach Coordinating Council. Additionally, he was a member of the establishing committee of South Bay Hospital, was chairman of the 1951 cancer drive, and for 10 years chaired the Redondo Beach March of Dimes.

Currently, Fred is a member of Elks Lodge No. 1378, the American Legion, Eagles, and the Redondo Beach Rotary Club. He served as the Rotary Club's president in 1953, and was Rotary district committee chairman in 1964.

Fred and his wife Evelyn have raised four children in Redondo Beach, of whom they are justly proud.

Mr. Speaker, Fred Arnold is the kind of man who makes America work. The qualities of a good public servant—dedication, trustworthiness, diligence, and loyalty, are all abundant in Fred's character. On his retirement, we wish him well, and say thanks for a job well done.●

## SOLIDARITY DAY

### HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Friday, September 18, 1981*

● Mr. RODINO. Mr. Speaker, all roads lead to Washington this Saturday morning. Solidarity Day, sponsored by the AFL-CIO and over 150 labor, civil rights, religious, consumer, women's ethnic, environmental and other groups, will be a representation of all America. Americans young and old, male and female, black, white, and brown will arrive here from every region of the country to proclaim the principles that have guided us through 207 years of progress.

Solidarity Day, named after the Polish workers movement for freedom and justice, will be a magnificent event where the people of America will renew our common goals as a nation—and remind our leaders that Government must invest in people to insure a prosperous and productive future for our country.

The members of the media have tried to speculate on the numbers expected to turn out on Saturday, but it is not possible. I can tell you, however, that there is not one available bus in my home State of New Jersey or in our neighbor, New York. There is not one seat left on the trains between my home city of Newark and Washington, D.C. All told, over 1,000 chartered buses will roll out of our metropolitan area shortly after dawn on Saturday morning headed for the Capital.

The untold numbers who want to come but cannot find transportation will be showing their support for Solidarity Day in a number of ways. In my home city of Newark, hundreds of people gathered last night at a rally protesting the reductions in the Federal budget aimed at the helpless in our society. Mayors Kenneth Gibson of Newark, Thomas Cooke of East Orange, and Frank Rodgers of Harrison have all pronounced their support for Solidarity Day.

They will be joining millions of other Americans in sending a common message to our Government: That the American people gave no mandate last November for dismantling the programs that have brought progress and prosperity to millions of our citizens over the last 40 years. That they do not want their tax dollars spent for a military buildup over the next 3 years that dwarfs the escalation of the Vietnam war. That America has become a great Nation by believing in and depending on the potential of its citizens. That we do not begrudge basic assistance to our elderly, our poor and our disadvantaged citizens.

We hear this urgent message in response to a drastic turn in our Government policy that is setting back opportunities for Americans to work and produce. For example:

There are 7.6 million people in America who cannot find jobs. This is an unemployment rate of 7.2 percent at a time when the Reagan budget eliminated 300,000 CETA jobs and trimmed job training programs.

Joblessness among black Americans has reached 15 percent, and among black teenagers it's an unbelievable 50 percent.

The 3 million Americans who receive minimum social security benefits each month will have to get along without them, as it now stands. While some will be able to survive, at least 500,000—mostly elderly women living alone—will find it almost impossible to exist.

College will become an impossible dream for over 1 million children in middle-income families denied guaranteed student loans.

About 100,000 families living in substandard housing will have to wait indefinitely for public housing they were promised because the Federal budget reduces the amount of subsidized housing modernization program by $12 billion.

About 1 million Americans living on the edge of poverty will no longer be eligible for food stamps so that the Government can save $1.5 billion.

Roughly 3 million schoolchildren may have to drop out of school lunch programs because the Federal Government will reduce its support by $1.6 billion.

Despite these cruel attempts at balancing the Federal budget, the Reagan administration will bring in a budget this year that is larger than last year's. The Congressional Budget Office estimates that the deficit may reach $80 billion. The real reasons for the deficit lie in the defense increases and the gigantic tax bill which President Reagan signed giving benefits to the most wealthy of society, providing a $12 billion tax break for oil companies and a $15.6 billion tax break for owners of estates valued at $650,000 or less. The total cost of this tax package will be $754 billion over the next 5 years.

So, in fact, the administration is not cutting spending as it promised. It is shifting spending from human programs to nonproductive ones. The cuts in food stamps, subsidized housing, health and nutrition, jobs programs, and education will be sacrificed to pay for the tax bill and the defense increases.

Solidarity Day will show that the people of America cannot be hoodwinked into believing that the invisible hand of supply-side economics will bring back to them what the Government has taken away.

Solidarity Day will reaffirm our commitment to social programs that have provided jobs, brought millions of Americans out of poverty, expanded the middle class, provided education for the disadvantaged, and care for the elderly, and brought a greater measure of social justice to our minorities. This march for jobs, justice, human rights, and social progress will indeed show the solidarity of the American people. I hope that our leaders have the wisdom to listen to the message and act according to the will of the people.●

## TRIBUTE TO REPRESENTATIVE FRANK BECKER

### HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. ZABLOCKI. Mr. Speaker, it is with sorrow that I join my colleagues in paying tribute to one of our former Members, Representative Frank J. Becker of New York, who passed away on September 4.

It was a privilege and honor to serve with Frank Becker back in the fifties and sixties. Frank was a dedicated public servant, one who was deeply respected on both sides of the aisle. His unrelenting hard work and drive will be remembered by all who were lucky enough to know him.

Mr. Speaker, as a member of the House Armed Services Committee, Congressman Becker made significant contributions. He courageously fought for the betterment of our servicemen and was one of the early supporters of trials by U.S. courts for servicemen accused of crimes. He consistently worked to protect the right of members of our Armed Forces, utilizing his legislative skills wisely.

While Congressman Becker and I did not always agree on all issues, he maintained the respect of his colleagues and fought hard for his positions. I remember one issue—voluntary prayer in public schools—that Representative Becker and I did agree on. He was one of the first Members of Congress to speak out on this issue after the historic Court decision.

It was with a sense of commitment and deep moral conviction that Congressman Frank Becker took the leadership on this controversial issue.

Mr. Speaker, Frank Becker served well his constituents in the Third, later Fifth District of New York, from 1953 through 1964. He will be sorely missed in the House of Representatives.

I extend my deepest heartfelt sympathies to his family and friends.●

## WHAT CETA CAN DO: ONE NEW YORK WORKER'S STORY

### HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, September 18, 1981*

● Mr. WEISS. Mr. Speaker, enactment of the reconciliation legislation slashed the CETA program by more than half, and eliminated public service employment. Lost in the undeserved controversy surrounding this program has been the recognition that thousands and thousands of people who participated in CETA have learned a new skill, found work, and provided valuable services for their community. A recent letter to the New York Times by a CETA beneficiary presented a good picture of what the CETA program is all about.

ONE OF CETA'S MANY SUCCESS STORIES

TO THE EDITOR:

Five years ago, I wrote a letter to The Times in which I expressed my feelings of apprehension and sadness about the then-proposed termination of the Comprehensive Employment and Training Act program. The letter was published.

A year earlier, as an unemployed Vietnam-era veteran with no real skills, I had been hired by the City of New York and assigned to the Housing Department as a neighborhood aide. I had kept my eyes and ears open, and I had learned from those who were willing to teach me. When I wrote the letter, I was not apprehensive about being out of work, I was sad because I would no longer be allowed to continue to learn the skills I had so desperately sought and needed in order to provide for myself and those who depend on me.

Collectively, we were lucky to be granted a stay until a new Administration stepped into the picture and extended the program. But even after this occurred, the controversy surrounding the CETA program continued. There were those who called CETA a no-show, no-good program; others said it just kept people off the official dole, and still others called it a neo-welfare program. In my letter, I said that CETA provided an opportunity to obtain realistic on-the-job training that would come in handy in the future.

Today, I am still employed by the Department of Housing Preservation and Development, where I hold a position of considerable responsibility. I have acquired a significant amount of knowledge in my area of professional interest and, just as important, I earn a decent living. I am now waiting to be appointed from a Civil Service list as a result of having taken a professional experience and training exam.

My greatest feeling is one of pride, of having been able to serve my people more than once: as a Vista volunteer, in the military and again with CETA, where I was paid for my work in behalf of my fellow citizens while I gained experience that has paid off for me.

I feel that the dollars that were spent on CETA were not wasted, and I sincerely hope that all those CETA workers who are scheduled to be dismissed at the end of August (just days before Labor Day) have a better answer to my question of five years ago: Where to now?

PETER ANTONIO AVILES.●

## ROBERT A. NORDSKOG

### HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, September 18, 1981*

● Mr. DORNAN of California. Mr. Speaker, I would like to pay tribute to Mr. Robert A. Nordskog, a man who has achieved a level of excellence in the business community that exemplifies many of the greatest of American ideals. Beginning his career from humble circumstances, he has excelled in business, sportsmanship, and service to the community.

Mr. Nordskog set the direction of his career as a 13-year-old aviator when he completed his first solo flight. His first business venture was as a racing car mechanic. This eventually led him to Lockheed Aviation where he worked on many famous aircraft, including Howard Hughes' around-the-world Lockheed model 14 aircraft.

The Nordskog Co. was founded in 1951, beginning operations out of a small Quonset hut with a few small machines and handtools. In just 4 short years, Mr. Nordskog made the company a world leader in the airborne galley field. As Nordskog Industries celebrates its 30th anniversary this year, it is the leading manufacturer of airline galleys and ahead of the competition in many other fields.

Robert Nordskog's excellence as a businessman is also exhibited in his personal life as a sportsman. At the age of 68, he holds more victories and championships in boat racing than any other competitor. He currently holds 24 national and international speed and endurance records.

Directing his sports interests into the community, Robert recently formed the Nordskog Soccer Foundation to promote soccer for American youth. He began his community involvement with the support and sponsorship of Guide Dogs for the Blind. Today, the company maintains active involvement with the Boy Scouts, the YMCA, the YWCA, the Girl Scouts, the United Way, and the March of Dimes.

Mr. Robert A. Nordskog is a living example of what can be achieved in the system of free enterprise. His achievements are truly remarkable and deserve note as an encouragement to all Americans.●

## FEDERAL SLOW PAY

### HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

*Friday, September 18, 1981*

● Mrs. SCHNEIDER. Mr. Speaker, today I rise in support of H.R. 2036, the Federal slow pay bill. According to a GAO report, 39 percent of the Federal Government's bills are paid late. Small businesses and individuals cannot pay their bills to the Government late but Government can delay payments owed to them. In addition, when these businesses try to collect interest on the Government's overdue debts the Government responds by saying that it does not pay interest. Again, these same small businesses and individuals have to pay the interest on any overdue bills owed to the Government. Where is the equity?

How can we in the Congress hope to expect business to reflect the highest standards of professionalism when the Federal Government does not? How can we in the Congress work so hard to provide targeted tax incentives for business to grow when they do not have the capital to invest because they are being held up by the Government? Finally, how can we in the Congress hope for interest rates to take dramatic turns for the better when the Government creates such a demand for funds through its repayment practices toward small business?

The problem of Government delinquency in payment of debt to small businesses is a very real one. Small business in particular is hurt as it is the small firms who sell 90 percent of the off-the-shelf goods purchased by Federal agencies and other organizations spending Federal dollars. The Government cannot continue to borrow this $11 billion per year from our small businesses.

Clearly there is a need for legislation like H.R. 2036, a requirement that business transacted with Federal moneys be treated like any business in the private sector, that interest is paid for overdue bills, and early payment discounts are sought when payments are timely. As a cosponsor of this bill I endorse it fully and urge my colleagues to do likewise.●

## DEATH OF MIKE DiSALLE

### HON. DENNIS E. ECKART

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Friday, September 18, 1981*

● Mr. ECKART. Mr. Speaker, this Nation and the Democratic Party lost one of their elder statesmen upon the recent death of Mike DiSalle. Through a lifetime of public service and private law practice, Mike DiSalle maintained an equilibrium and sense of humanity which this Nation will sorely miss.

Mike DiSalle was Ohio's first Governor to serve a 4-year term. After his election in 1959, he resolutely forced Ohio's leaders to recognize the State government's responsibility to assist its citizens, His detractors claimed he was a free spender, but his programs of increased educational support and more services moved Ohio in the direction which made Ohio one of the greatest industrial States of the Nation.

Mike DiSalle was elected to the Ohio Legislature in 1936. After service there, he returned home to Toledo, Ohio, and served successively as assistant law director, a city councilman, as vice mayor, and as mayor.

In addition to his term as Governor of Ohio, Mike DiSalle found the national limelight on other occasions. In 1960, he led the Ohio delegation to the Democratic National Convention to endorse John F. Kennedy for President. Ohio was the first major State to go into the Kennedy Column, and thus Mike DiSalle led the way for John Kennedy's election to the White House.

Earlier in his career, Mike DiSalle became known to all Americans as President Harry Truman's Director of the Office of Price Stabilization.

DiSalle's management of his office, with its thousands of orders and directors, proved to be effective and useful in the effort to hold down inflation during the Korean war.

The Nation's newspapers and editorial writers dubbed him "Mr. Five-by-Five," a reference to his stature and girth. He understood the Nation's need to laugh at its economic problems and once called a press conference to announce he would no longer require price controls on french fried fishing worms.

While Governor, he revealed another facet of his human side. He could not bring himself to authorize the execution of several prisoners on Ohio's death row, and as a last act of office, commuted their sentences to life imprisonment. He later wrote a book about that struggle with his convictions, entitling it, "Power of Life and Death."

Mr. Speaker, Mike DiSalle continued to be a leader after his departure from public office. Since 1963, he had worked as an attorney in Washington. Members of his party, and the Democratic Party leadership, sought his advice often on party matters. He was woven deeply into the fabric of the party here and in Ohio.

Despite his life of public service, he successfully made time to marry and raise a family.

Mr. Speaker, Mike DiSalle stood tall among America's leaders, and he will be missed.●

## GARY HYMEL

### HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. GIBBONS. Mr. Speaker, Gary Hymel is a fine person and I certainly hate to see him leave the public service. I first became acquainted with Gary when he worked with our former colleague, Hale Boggs. His work for Hale was outstanding. He always handled himself in a quiet and dignified manner and with great understanding for his responsibility.

After Hale's death and after Gary joined your staff, I had an even greater opportunity to observe his work. He always impressed me as a very fine person who capably and seriously did what he thought was best for our country, you and the Congress.

Mr. Speaker, I know you are going to miss Gary; in fact, all of us will, and I for one wish him continuing success in his new endeavor.●

## THE ROLE OF THE SOCIALIST INTERNATIONAL—PART II

### HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, September 18, 1981*

● Mr. McDONALD. Mr. Speaker, this portion of the address by Count Hans Huyn of the West German Bundestag details the role of the Socialist International in pressing upon the Western World what amounts to unilateral disarmament. That the Socialists do this in collaboration with Moscow is openly admitted by both Socialist and Communist sources. The public is, of course, ill-served by information media which overlook or suppress these facts.

Remarks by Count Hans Huyn follow:

The final report of the Socialist International Study-Group on Disarmament was adopted unanimously at the SI-Congress in Madrid in November 1980. I here quote the directives given in "Bureau-Circular no. B13/80 of November 11th, 1980" to the "Dear comrades":

"3. The role of the SI and its member parties.

3.1 The Socialist International and interparty relations. The SI Bureau and Party Leaders' Conferences should keep disarmament on their agenda as one of the main items. The SI Bureau will on a continuous basis follow up and enhance the implementation of the recommendations of the Study Group and other decisions of the SI as well as all work for disarmament done by the member parties.

In continuation of the work of the Study Group, an advisory group on disarmament and arms control will be established by the SI Bureau to monitor the developments in the field of disarmament and to provide expert advice and other services to the Bureau. It is recommended that the member parties cooperate with each other also on a regional basis or in other limited framework.

The SI will participate to a larger extent in existing international governmental and non-governmental fora and initiate, when appropriate, new fora for the work for disarmament, detente and peace."

3.2. concerns the national level activities.

The most interesting directive concerns point: 3.3 The organizational activities of the member parties. "Member parties should establish their own bodies on disarmament policies. These bodies could for example plan and programme information, training and educational activities in the field of disarmament. They could work out an action programme for disarmament activities both at party and national levels, and make initiatives for international action.

The member parties should create the necessary organisational and financial con-

ditions for efficient and continuous work for disarmament.

Member parties should cooperate with appropriate organisations such as the trade unions and fraternal organisations especially in the fields of training and education as well as mobilisation of public opinion.

Member parties should be active in the work for disarmament also at the national level by cooperating in suitable forms with other non-governmental organisations in their own countries."

The implementations of the program by the member parties of the Socialist International all over Europe is already providing a major boost to the multiple "peace and disarmament" offensive conducted by Boris Ponomarev's International Department of the Soviet Communist Party. By implementing this program the Socialist Parties of Western Europe have virtually become tools in the hands of Soviet propaganda.

The so-called "Scandilux" meetings (Norwegian, Danish, Benelux member parties of the SI, with the SPD in the person of Egon Bahr and the British Labour Party now joint to them) which began last January are an outgrowth of this action program.

During the SI praesidium meeting in Bonn on 15/16 July 1981 it was decided to reactivate the Study Group, renamed since the Madrid Congress as the Advisory Group on Arms Control and Disarmament but still under the chairmanship of Kalevi Sorsa, Finnish Social Democrat Party Chairman. Walter Hacker of the Austrian Socialists is still secretary of the Group and has close contacts with the Soviet Embassy in Vienna.

As a result of the SI praesidium decision, the Group is now preparing to visit Washington in early November 1981, then New York for talks with the UN, then Moscow for a continuation of the dialogue with the CPSU as desired by the Soviets. The Group hopes to be received in Washington by President Reagan or Vice-President Bush and by Secretary of State Alexander Haig as well as by several members of the Senate.

The socialists are spreading informations everywhere in Europe and in Washington that if the Sorsa-Group is not received in Washington at the desired level, this will drive them into the arms of Moscow—as if they were not already in Moscow's arms.

Only a few weeks ago, the General Secretary of the Socialist International, Bernt Carlsson, outlined suggestions and arguments for supporting a socialist peace policy on the Moscow line. This policy is particularly directed towards the Federal Republic of Germany and the anxiety of its people. It is a means of escape from the hardships of economic and financial policies. Carlsson held a so-called "strategy speech" in the SI secretariat. A socialist campaign on a massive scale is to be undertaken after this year's summer recess and will oppose the "perverse confrontation course of Washington with respect to Moscow". Carlsson's final comment was: "The struggle of all the socialists in Europe for peace must be dramatically strengthened. We reject the deceptive suggestion of the Americans that Western rearmament guarantees peace, whereas in fact it is leading directly to the Third World War. We want the zero solution, the people will understand that. It is not the allegedly excessive social benefits which threaten our free society but the rearmament billions demanded by the profit requirements of the American multis and the imperialistic desires of the political leadership in Washington".

After the double track decision of the Atlantic Alliance in December 1979, 29 communist parties had a secret conference in Tihany on Lake Balaton on the subject of the further development of cooperation with the social democrats. The leader of the Department for International Relations of the Hungarian communists, Janos Berecz, stated on the 13th December 1979 that a temporary alliance between the communists and the social democrats was the pre-condition for the destruction of the Atlantic Alliance. It is agreed that achieving this "will alter the political features of Europe completely".

In 1931, Manuilski, for many years a colleague of Lenin and chief of the Comintern, declared at the Moscow School for Political Warfare: "The struggle to the death between communism and capitalism is unavoidable. At the present time, we are not yet strong enough to attack. Our hour will come in twenty or thirty years. In order to be victorious, we need an element of surprise. The bourgeoisie must be lulled to sleep. We shall therefore begin by staging the most thearetical peace movement that has ever existed. There will be electrifying proposals and extraordinary concessions. The capitalist countries, stupid and decadent, will take pleasure in working for their own destruction. They will creep into a trap baited with friendship. And as soon as they have broken cover, we will smash them by force"!

The Soviet international law lecturer M. Rapoport writes in his article "The Nature of Modern International Law" in "Soviet State and Law" 1941 (Moscow): "The struggle for peace in the socialist state is basically different from bourgeois pacifism. Our struggle for peace is subordinate to the revolutionary struggle for socialism and is therefore a revolutionary peace policy. The struggle of the USSR for peace is not a struggle for peace itself. It is organically connected with * * * the struggle to increase our power, the power of the socialist state, the fatherland, the world proletariat and for the removal of any threat to its safety".

If we consider what a gigantic pacifist movement is now going on in Europe and particularly in the Federal Republic of Germany, it becomes clear who the opponent is. Something is passing through Europe once again, like a ghost from the past and just as seductive and diabolically false as ever: "obtain peace without weapons!"

In the thirties, the British Prime Minister Chamberlain and the French Premier Daladier tried to ensure peace with Hitler by a one sided policy of appeasement. But Hitler took no notice and continued with rearmament: eventually, there was no alternative to war.

Considering the unilateral Soviet rearmament, it is a psychological masterstroke of the peace campaign in Western Europe directed from Moscow that practically everyone is talking about NATO rearmament—although this does not exist and will only come into force at the end of 1983—but no mention is made of the unilateral Soviet rearmament in all sectors—particularly with respect to the medium range missiles directed against Western Europe. We also want disarmament, the sooner the better. But not disarmament without security, disarmament with security, i.e. the achievement of an approximate balance between East and West.

The objective of the NATO double track decision is to ensure peace by a balance of forces. The common resolution to modernize the Long Range Tactical Nuclear Force.

In Europe on the one hand and to press for armament control negotiations on the other is clear evidence from the members of the Alliance that their objective is to obtain a balance of forces at the lowest possible level. We will not be prevented from this objective by any peoples' movement, no matter how impressively staged.

The German Federal Government has, of course, exphasized the maintenance of the NATO double resolution on many occasions. However, more and more organs of the SPD pass resolutions against rearmament. The SED chief Erich Honecker could therefore note with satisfaction in the spring of 1981: "In the meantime, two-thirds of the SPD regional associations have taken up a position against the so-called double track decision of NATO because its main emphasis lies on rearmament and not on negotiation."

The SPD, in particular, suffers from the dilemma that they have heard for the last decade that "peace has become more secure" due to "détente." A decade of cosmetics has produced deceptive illusions which are suddenly no longer true because of the actual threat from the Soviet Union. Helmut Schmidt produced the moratorium proposal as a way out and Brezhnev took it up gratefully. Only when the Federal Foreign Minister Genscher described a renewed declaration of Soviet hegemony as unacceptable did Helmut Schmidt find himself forced to say "no." It becomes more and more difficult for the Chancellor Schmidt to impose his will in his own party—the SPD—against his party-chairman Willy Brandt.●

## HIGH INTEREST RATES ARE KILLING US

### HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Friday, September 18, 1981*

● Mr. PICKLE. Mr. Speaker, these high interest rates are killing us, and I would like to take just a few moments today to talk about a measure I am introducing aimed at bringing credit back to Earth.

As some of you may know, Senator BENTSEN this week introduced a resolution aimed at getting interest rates in this country back where they belong—down. Senator BENTSEN feels that a major reason for the dangerously high interest rates afflicting us today is the great amount of available credit which is sopped up by huge corporate mergers and market speculation.

I applaud Senator BENTSEN's noble efforts in this matter. He is a brilliant and successful businessman, and for a small-town boy from Mission, Tex., he is not a bad "shade tree economist," either.

Mr. Speaker, I happen to agree with him on this. Now, when giant companies absorb every drop of credit in sight, it only serves to worsen the hardship on people who really need loans. When DuPont bought Conoco recently, the merger did not create any new jobs, it did not invest the economy with new vigor, it did not even create a more efficient business

operation. But it did dry up a lot of capital, perhaps $4 billion worth, that could have gone to more productive purposes—to farmers, or homebuilders, to home buyers, or small business. These people, who would put the money back into the economy and meanwhile expand the job market and create usable services, cannot get loans because the money is not there, or is too expensive to borrow—driven up by the unwise lending practices of a few mammoth banks.

My resolution seeks to complement Senator BENTSEN's efforts to have the Federal Reserve pull a tighter rein on lending banks, to undertake a "jawboning exercise" aimed at convincing its members not to contribute to the inflationary spiral.

It is not our business to tell this or that company they should not own this or that other company. But now, at a time when thousands of small businesses are going under for lack of simple loans—now is not the time for us to be financing huge, unproductive corporate takeovers. You do not use your eggs for baking cakes when the family's got nothing for breakfast.

I hope many of my colleagues will lend their help in this by publicly or privately expressing their support.●

## A SALUTE TO THE AIRPORT MARINA COUNSELING SERVICE ON ITS 20TH ANNIVERSARY

### HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, September 18, 1981*

● Mr. DORNAN of California. Mr. Speaker, during the recent budget debates, we heard many people say that without Government funding, essential social services would be nonexistent. According to this school of thought, no one cares about people but the Federal Government.

Well, I have evidence that people who think that way are wrong. In the heart of my 27th Congressional District, within sight of the huge Los Angeles International Airport, a group of public spirited citizens have banded together in support of a nonprofit venture that illustrates the tremendous capacity for good that abides within each one of us: The Airport Marina Counseling Service.

This year marks the 20th anniversary of the Counseling Service, a community mental health clinic funded primarily by voluntary donations from corporations and private individuals.

Airport Marina Counseling offers a large array of counseling services to area residents on an ability-to-pay basis. Though the clinic receives no Federal, State, or local funds, and is not a United Way agency, it provides superior counseling to anyone who needs help.

No one is ever turned away from the Airport Marina clinic. If the problem is one which the center's capable staff is unable to solve, the individual is referred to someone who can help.

The key to the center's success is that 85 percent of its clinical and clerical staff are volunteers. They have a part time clinical staff of 60, including 4 psychiatrists, 4 psychologists, 15 licensed clinical social workers, and 7 marriage, family, and child counselors. In addition, the staff is augmented by 8 interns from local universities and 30 men and women who have completed their professional education in a mental health field and are accumulating supervised training hours for licensing.

The quality of this dedicated staff is rated outstanding by local mental health professionals. The clinic provides not only superior service to its clients, but also serves as an excellent training facility for tomorrow's vitally needed mental health specialists.

The clerical staff exhibits the degree to which the community is actively involved in the daily operation of the clinic. Over 30 people volunteer to answer the telephones, do the bookkeeping, and other related tasks in order to keep the price of the clinic's services at a minimum. An active guild association also helps to raise money for the clinic with the same goal by operating a gift shop in the neighborhood.

Airport Marina Counseling serves as an example of a private organization which provides better service with greater cost efficiency than comparable public facilities. The clinic provides quality mental health care at 50 percent of the costs of any other medical model, licensed community mental health clinic in the county.

Over the last 5 years, AMCS has increased its caseload 84 percent. Currently, the clinic has an average open caseload of 367 for any given period. In 1981, they have averaged 1,187 client therapy sessions every month. The clinic's aim is to offer preventive care by treating small problems before they grow into major forms of maladjustment. In this way, the clinic saves taxpayer money by keeping people healthy and on the job.

The clinic's competent staff, led by board of directors president, John Brierly; administrative assistant Myrna Kayton; and executive director Mary Ellen Cassman, is doing a tremendous job in managing an expanding community resource.

Mr. Speaker, it is community organizations like the Airport Marina Counseling Service, supported, staffed, and funded by enthusiastic volunteers at the local level who believe in what they are doing, which provide the backbone of our social services.

While an ever-growing Government may be able to provide larger budgets for such activities as community mental health clinics, a cold, impersonal Government will never be able to provide the kind and compassionate treatment offered by a private association of committed individuals.

On their 20th anniversary, the Airport Marina Counseling Service is pointing the way toward effective help for those in need—community based and funded organizations providing excellent services in a cost-effective way. I am proud that the Airport Marina Counseling Service has made the Westchester area a shining example of a community with a heart.●

## NATURAL GAS DEREGULATION: EDITORIAL COMMENTS

### HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Friday, September 18, 1981*

● Mr. CORCORAN. Mr. Speaker, in view of the increasing interest in the issue of natural gas deregulation, I am submitting for the RECORD several 1981 editorial comments on this issue. These editorials from around the country generally favor accelerating natural gas deregulation. Because of space limitations, I am not including several other editorial statements in support of accelerating the deregulation of natural gas. Such statements were published last month by the New Orleans Times Picayune, the Dallas Morning News, and the Rocky Mountain News of Denver.

The editorial comments follow:

[From the New York Times, Aug. 31, 1981]

NATURAL GAS, UNNATURAL COST

Natural gas regulation: just mentioning the subject makes Congressmen uneasy. The last time Congress rewrote the laws that limit natural gas prices it took more than a year of bitter struggle. And the result, the Natural Gas Policy Act of 1978, is badly flawed. Unless Congress and the Reagan Administration can clean it up, there might well be significant losses to the economy and an even nastier political battle in 1984.

President Carter had reason to be proud of the reforms he finally squeezed out of Congress. The act greatly reduced the chance of another regional gas shortage, like that of 1977, by eliminating distinctions between "interstate" gas and gas used in the state where it was produced. The act stimulated exploration by raising price ceilings on newly discovered gas. And it provided for gradual price increases, to be followed in 1985 by total decontrol of all natural gas discovered since 1977.

What, then, needs to be cleaned up? The problems arise from the price of oil. The gradual gas price increases sounded generous enough when the act was passed—but no one anticipated how fast oil prices would run up after the revolution in Iran. In fact, controlled natural gas now costs less than half the price of oil.

That creates obvious incentives to waste this precious domestic fuel. And there is a

reverse problem. On the day of full decontrol in 1985, natural gas will jump suddenly to the market price.

The Reagan Administration solution seems to be to phase in decontrol over the next three years. It would allow newly discovered gas to rise gradually to the price of competing fuel oil. That is a fair solution—provided Congress also allows the price of "old" gas to rise and then taxes away most of the resulting windfall profits.

Phased decontrol, with a windfall tax, might have a far less painful effect on consumers than first appears. Higher natural gas costs would be at least somewhat offset by conservation, and by decreased dependence on imported oil. According to the Energy Department, phased decontrol of new gas would raise the real price to residential users by about 13 percent a year; decontrolling "old" gas as well might double that.

In return, says Michigan economist Glenn Lowry, higher prices would stimulate an increase of perhaps 15 percent in domestic production. This extra gas, combined with the incentive to conserve, could reduce the demand for imported oil by two million barrels a day, or more than a third.

If America has to buy less oil from OPEC, we'll pay less for the oil we do import. Just how much less depends upon how much OPEC lowers production in response. But a two-million-barrel reduction in imports would give us immense bargaining room. That is roughly the difference between last year's tight oil market, when prices soared, and today's oil "glut."

The case for decontrolling gas discovered before 1977 is quite different. Decontrol of such "old" gas would obviously bring no bonus in production, and by 1985, it would raise the nation's gas bill by perhaps $20 billion a year. But this decontrol would avert a crap game in which some lucky consumers get "old" gas for as little as $1 per thousand cubic feet, while others pay five or six times that for new gas. And complete decontrol would encourage all to conserve. Yes, there would be a windfall profit: most of it can and should be taxed away.

Natural gas deregulation is widely viewed as an ideological issue. Liberals side with consumers, conservatives with the producers. But in the long-run phased decontrol is in everyone's interest. By pricing natural gas at the true cost of alternative fuels we can cut waste and reduce our dependence on foreign producers, and may even pay less for foreign oil. From that perspective, the choice is easy.

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[From the Wall Street Journal, Aug 21, 1981]

STEP ON THE GAS

When he's finished snoozing and chopping wood at the ranch, President Reagan will come back to Washington to juggle a large, very hot potato: Decontrol of natural gas prices.

This little number bounced toward the top of the agenda by growing recognition of the foolishness of the Natural Gas Pricing Act of 1978. After a long and mean battle, Congress settled on the notion of decontrol by 1985. So it whomped up a bunch of categories of different types of gas, kept about half of them under price controls indefinitely, deregulated deep gas and other pets, and escalated the price of the rest toward parity with what it thought oil would sell for in 1985, namely $15 a barrel. So we don't have deregulation and consumers don't have the protection their advocates sought, what with gas prices ready to fly up when the controls on a lot of gas expire in 1985.

In keeping with the administration's devotion to the free market, it wants real decontrol. You let the market decide the price of gas relative to the price of oil. You provide incentives for new production. And you let high prices promote conservation. This is where the administration wants to go, but it is divided on the question of how fast.

The problem is that no one really knows what would happen with deregulation. Natural gas has been under price controls for four decades, perhaps longer than any other major commodity. A vast and expensive infrastructure—from pipelines to residential furnaces—has grown up on the basis of low price and might become obsolete quickly if prices soar suddenly. There is a substantial economic likelihood that prices would soar even above the price of oil for a time while new supplies were brought on line, and a substantial political risk that this price spike would arrive just in time for the 1982 elections.

Whether this would happen depends on how fast new gas comes on line, and also on the contract structure of the gas industry, which is as complicated as a Rubik cube and as difficult to figure. Gas is sold on long-term contracts, but in addition to those which routinely expire and have to be renegotiated, others have escalator clauses pegged to a variety of prices, with some clauses setting prices above market, some below. There would be incentives for producers to share their new-found gains with, say, pipelines about to go bankrupt and leave wells unconnected. But no one knows how quickly all this could be sorted out.

So even in this administration, gradual decontrol has its advocates. It is considering a plan to immediately decontrol the price of newly discovered gas, and to allow the price of already discovered gas to rise every month by 1/36 of the difference between the controlled price and the equivalent market price of oil. This would avoid the mistakes of the NGPA, by letting the price of gas go up smoothly over three years to minimize economic shocks, and by insuring that the price of gas would have parity with oil by 1985 and be free to find its market price.

There are also, however, advocates of cold-turkey decontrol. They abhor the very idea of different "categories" of the same commodity, which provide incentives for changing categories and only secondarily incentives for production. But more importantly they offer a political argument—the delay in decontrol gives its opponents more opportunity to find ways to thwart it between now and 1985.

The political problem is that decontrol does involve an enormous transfer of income—about $40 billion a year from consumer to producer and, more to the political point, from many consuming states to a few producing states. This creates incentives for blocking decontrol, regardless of its economic efficiency. (It also creates an inducement for the federal hand to dip into those funds via a windfall profits tax.) In fact, the President probably does not have the votes for immediate decontrol, and with major battles shaping up on the budget and military spending, he has to juggle along with the rest how much political capital he should spend.

What is clear is that something must be done. Gas belongs on our energy menu; it doesn't require costly pollution equipment; it won't scare anybody by threatening a meltdown; and—best of all—it'll keep coming through the pipelines regardless of the world's ayatollahs and sheiks. Whether cold turkey now or gradually by 1985, we have to get to market pricing to restore incentives for producers to produce more and consumers to consume less, so that the country can use this premium energy resource most efficiently.

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[From the Chicago Tribune, Feb. 24, 1981]

UNNATURAL GAS LAWS

President Reagan had hardly learned his way to the White House water cooler when he liberated oil and gasoline from the bonds of federal price controls. This was wise but largely symbolic, since the chains were due to be lifted in October anyway. So far, however, Mr. Reagan has averted his gaze from the shackles the federal government has placed on the production and use of natural gas. These, much more than the controls on oil and gasoline, threaten to make the yoke of the foreign oil cartel heavier on all of us.

Natural gas is the closest thing we have to a perfect fuel. It is clean, versatile, and abundant. And unlike oil, its price and supply are not controlled by OPEC. In fact we have plenty of it right here at home. But so far we have not exploited the numerous advantages of gas.

Why not? There are two main obstacles. The first is the Natural Gas Policy Act, which established a Byzantine maze of price controls on more than two dozen categories of gas. The uncontrolled price of a barrel of oil is now about $36. But the equivalent amount of gas sells for less than $16. Since gas has several advantages over oil, this is like pricing French wine below beer. The result is that energy firms are putting most of their money into the search for oil instead of gas, even though most experts estimate our gas resources to be considerably greater than those of oil. Last year, the drilling rate for natural gas was up only 7 per cent; for oil it was up 39 per cent.

The federal government has even taken measures to discourage the use of natural gas. The chief culprit is the Fuel Use Act, which forbids the construction of new gas boilers by utilities or industrial companies and requires existing ones to be switched to coal by 1990. This has limited the use of gas in favor of coal (and, perversely, oil), which is dirtier and less versatile than gas. That policy might make sense if we were indeed exhausting our reserves of gas, as was commonly believed when the law was passed three years ago. But the evidence now suggests potential reserves are enough to last beyond the foreseeable future. Those reserves, however, won't be of much use if the government continues to outlaw some uses of gas. Besides this law, there are government regulations which place the burden of any gas shortages directly on industrial users. Thanks to the price controls, there have been several shortages in the last decade. Industrial users understandably prefer fuels whose supplies are more reliable.

If the President and Congress want to make natural gas a weapon in the fight to reduce our dependence on imported oil, they should discard both of these policies. Decontrol of prices will increase supplies, but they will be useless as long as demand is artificially depressed. Removing the impediments to greater use of gas likewise will be pointless unless coupled with steps to increase gas supplies. Taken together, these measures would do much to subvert OPEC's tyranny without sacrificing public health or

the environment. Freeing gas would help to free us all.

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[From the Chicago Tribune, Aug. 13, 1981]

UNSHACKLING NATURAL GAS

Natural gas is an excellent energy source—clean, versatile, safe, and, perhaps most important, abundant here at home. It has the potential to displace millions of barrels of foreign oil every day. But gas' potential hasn't been realized because of a rigid system of federal price controls that discourages production and federal laws that inhibit the use of gas by factories and utilities.

Now a group of President Reagan's Cabinet officers has urged the removal of all natural gas price controls by 1985. They recommend two changes in the 1978 Natural Gas Policy Act, which provided for a phased decontrol of new gas prices: a speeded-up schedule for this decontrol and extending it to all gas. These are wise recommendations, which the president should make a top priority.

The NGPA obviously needs fixing. It holds gas prices far too low—about half the cost of the energy equivalent in oil. This encourages waste and discourages production. Last year, thanks to the decontrol of new oil prices, oil drilling increased by 41 per cent over 1979. But gas drilling rose only 6 per cent—even though the U.S. has much greater reserves of gas than of oil.

The NGPA's formula for phasing out controls also failed to provide for the big jump in oil prices that occurred in 1979, which means that gas prices will climb sharply when the controls expire in 1985. And its continuation of controls on already-discovered gas will make it unprofitable for gas producers to use expensive methods to extract gas from old fields.

The Cabinet officers didn't examine the other side of the natural gas coin, namely the federal government's restrictions on use. Under the 1978 Fuel Use Act, industrial firms and utilities are barred from installing any new gas boilers, and are required to convert existing ones to coal. That makes sense only if you assume, as Congress and the Carter administration did in 1978, that we have nearly exhausted our gas supplies. But now everyone acknowledges that vast supplies remain. Unless restrictions on prices and demand are removed, though, that gas will stay in the ground.

Mr. Reagan no doubt understands all this. The administration's excuse for not raising the gas issue has been that it didn't want to jeopardize its tax and budget cuts. Now that those have been enacted, the President should move quickly to free the gas market. Next year is an election year, and the closer Congress gets to election day, the more reluctant it will be to do what needs to be done here. The President has accumulated an impressive store of political capital on the Hill. Now is the time to spend some.

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[From the Cleveland Press, Aug. 12, 1981]

GAS DEREGULATION SHOULD GO SLOWLY

President Reagan has been handed a political and economic time bomb: a recommendation by his top energy advisers that he push for an end to all price controls on natural gas by 1985.

In principle, the advice from his Cabinet Council on Natural Resources is sound. Decontrol would spur natural gas exploration and production. It would force consumers to conserve that fuel. And increased supplies would replace a sizeable amount of imported oil.

Reagan faces the tough decision because the Natural Gas Policy Act of 1978 is not working well. It was supposed to bring the prices of natural gas and oil in line by 1985. But Congress thought the price of oil would be $15 a barrel then, and it already has hit $35.

If nothing is done to the act, natural gas prices abruptly will more than double in 1985, jolting consumers and the economy. This argues in favor of Reagan and Congress agreeing on a creeping decontrol over the next three years, spreading out and cushioning the price shock.

There is no good alternative to decontrol. Natural gas is the only energy source whose price is fixed by the government, and this is unfair to producers who have to pay market rates for goods and services.

Reagan should be impelled toward decontrol by the success of his move last winter to free crude oil prices. It has touched off a boom in drilling and exploration, production is up a bit. Imports have dropped and, despite doomsayers, gasoline costs only rose a few cents.

There is a final reason the president should take the risk of ending price controls. This country probably contains vast undiscovered supplies of natural gas, enough in fact to move it toward energy independence. The best way of getting from here to there is letting the free market work.

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[From the St. Louis Globe-Democrat, Aug. 12, 1981]

PHASE OUT NATURAL GAS CONTROLS

The myth that the government can somehow spare consumers from paying the full cost of energy still is widely held by many Americans.

Thus when President Ronald Reagan's top energy advisers are reported to have recommended unanimously a plan to phase out all controls on natural gas produced in the United States, the claim is quickly made that this could double natural gas prices by 1985.

Under present law only 40 percent of natural gas price controls would be phased out by Jan. 1, 1985. Reagan's advisers are said to favor phasing out 100 percent of natural gas controls by that date.

The government never should have gotten into the energy price-fixing business in the first place. Virtually all of the shortages and distortions began when Washington began imposing price ceilings on natural gas, and then repeated all of its mistakes in applying oil price controls.

It will be recalled that when President Reagan advanced the date for total decontrol of oil, the critics claimed that the price of a gallon of gasoline would skyrocket and keep on climbing. It did rise for a brief time but then leveled off and actually has been declining in recent months as supplies have caught up with demand.

The same thing can be expected if natural gas controls are phased out. Initially there will be a fairly sharp rise, but then production should rise to meet the demand and prices will begin to level off, perhaps within a year after the decontrol program begins.

No one yet has invented a way for providing an adequate supply of energy that doesn't require those who use it to pay the going (market) price. About all that government controls do is provide jobs for energy bureaucrats to juggle prices and think up unnecessary regulations and paperwork. Sooner or later the prices have to be raised to induce the needed production, but the consumers also get struck with paying the bill for the huge energy bureaucracy as well as the energy.●

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## GARY HYMEL

## HON. PETER W. RODINO TR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. RODINO. Mr. Speaker, I want to join my colleagues in recognizing the dedicated service that Gary Hymel has given to the House of Representatives since 1965. For 15 years he has been a professional to be emulated by all staffers on Capitol Hill. Whenever Members of the House needed information, Gary did his best to provide it. His handling of the legislative issues and his responsiveness to the press earned him high marks with everyone who worked here.

Throughout his 16 years working first in the majority whip's office, then in the majority leader's office and then finally in the speaker's office, Gary took on all the tough issues for Speaker O'NEILL, and he always kept his cool. I greatly appreciated Gary's professionalism, good judgment and friendliness when I served as a whip and I know that many other Members have said the same. In short, Gary was more than an aide to Speaker O'NEILL—he was a man truly dedicated to the swift and effective functioning of the House of Representatives. I will miss him, but I wish him all the best as he joins the private sector.●

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## TRIBUTE TO OUR HISPANIC HERITAGE

## HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Friday, September 18, 1981*

● Mr. BARNES. Mr. Speaker, President Reagan proclaimed the third week in September as National Hispanic Heritage Week. Washington has witnessed in the past few days the gathering of national figures to commemorate the Hispanic tradition and achievements of the Hispanic community throughout the United States. As chairman of the Subcommittee on Inter-American Affairs, and as Representative of a district with a significant and active Hispanic community, I would like to add my own personal tribute to those Hispanics that have contributed the development of our Nation. This is a unique opportuntiy for all of us who follow issues affecting the Hispanic community to pause and reconsider the accomplishments and contributions of this prominent group and to learn more about the

needs and problems affecting Hispanic Americans.

According to the Census Bureau, the Hispanic population in the United States has grown by more than 60 percent in the last decade to nearly 15 million. The Hispanic community in itself is a melting pot of cultures and traditions. Composed of Cubans, Puerto Ricans, Chicanos, and other groups from Central and South America and the Caribbean, the Hispanic identity has surfaced to represent the common interests and traditions of this mosaic of people.

The result of this unique mixture of talents is that in all spheres of government and private life we can see examples of the political, economic, and social gains of Hispanic Americans.

In the politicial arena, more Hispanic figures are surfacing each day. Having had the pleasure of being invited to become an honorary member of the Hispanic Caucus, I would like to praise the work of our Hispanic colleagues here in Congress. I am talking about my good friends EDWARD ROYBAL, BALTASAR CORRADA, ROBERT GARCIA, KIKA DE LA GARZA, HENRY GONZALEZ, and MANUEL LUJAN. Other Hispanic figures that are receiving national recognition are Maurice Ferre, mayor of Miami, and Henry Cisneros, mayor of San Antonio. The hard-working Hispanic community is also becoming more prominent in organizing labor unions, participating in sports events, contributing personalities to the media and show business, and making inroads among the leaders of the business world.

Hispanics have proven that integration into the American mainstream can be achieved in conjunction with the preservation of a group's ethnicity. The rest of the population is also profiting from this unique mixture. Many of us have learned to enjoy the Hispanics' delightful and varied cuisine, their colorful arts, and their lively music.

But aside from the festivities, I feel that this occasion should also serve to create a greater awareness of the needs and problems of Hispanic Americans. I strongly believe that all of us, especially as Members of Congress, should make it our duty to learn more about and be more responsive to the important issues facing the Hispanic community. Some of the areas that I follow very closely include: Programs to deal with poverty; bilingual education and educational opportunities; equal employment opportunities; the impact of Federal budget cuts on social programs; immigration policies; social security; and the extension of the Voting Rights Act.

During this time of celebration and reflection I would like to commend especially the Hispanic Americans of Montgomery County, Md., who have greatly contributed to the progress of my district. I look forward to continuing to work closely with Hispanic Americans in the realization of all of our goals and objectives.●

## SOLIDARITY DAY

### HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, September 18, 1981*

● Mr. SCHUMER. Mr. Speaker, I rise to express my strong support for the AFL-CIO/NAACP "Solidarity Day" demonstration to take place on September 19, 1981. The grassroots, rank-and-file demonstration will bring together labor, civil rights organizations, senior citizens groups, and numerous public interest groups to protest in one voice the Reagan administration's attack on vital social programs. The alliance of labor and civil rights organizations was responsible in recent past for the historic civil rights legislation, and tomorrow they will join again to reaffirm their historic commitment to social and economic justice, and to make demands for jobs, food, and housing.

The administration and this Congress which has recently passed a budget denying Government responsibility to meet the needs of the poor, aged, disabled, and working people of this country should be prepared to hear the voice of tomorrow's demonstrators. It is my hope that tomorrow's effort will remind legislators and all of our Nation's citizens that America's fundamental goals are social and economic justice for all American people.●

## MICHAEL V. DISALLE

### HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Friday, September 18, 1981*

● Mr. RODINO. Mr. Speaker, I learned yesterday with great sadness that Michael V. DiSalle, a valued friend of many of us in this body, died in his sleep while on a visit to his beloved Italy.

Mike DiSalle devoted much of his life to serving not only the citizens of his home State of Ohio but also of the Nation. In Ohio he was a State legislator, the mayor of Toledo and the Governor. He understood well the problems of people and he was determined throughout his career to improve the quality of life for his constituents.

And, not the least of the many difficult tasks in his career, he served for 3 years in the Truman administration in the thankless job of Director of Price Stablization and then Administrator of Economic Stabilization.

For the last decade and a half Mike DiSalle had practiced law here in Washington, and to his death he remained a compassionate, concerned and extremely astute politician to whom others constantly looked for counsel.

In his lifetime, Mike DiSalle received many honors for the qualities that earned him so many friends and admirers: For his innovative ways, for his dedication to his principles, for his courage and for his decency.

He shall always be remembered for these virtues that guided his life. He was a brilliant and principled politican, a wise counselor, a fine lawyer. Above all else, he was a good and decent man.●

# SENATE—*Monday, September 21, 1981*

*(Legislative day of Wednesday, September 9, 1981)*

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us pray.

*Praise the Lord, all nations! Extol Him all peoples! For great is His steadfast love toward us; and the faithfulness of the Lord endures forever. Praise the Lord.*—Psalms 117.

*O give thanks to the Lord, for He is good; His steadfast love endures forever!*—Psalms 118: 1.

We thank Thee O God for Thy gracious providence in our lives. We thank Thee for our families, for our homes, our neighbors, and friends. We thank Thee for the high privilege of working in the Senate, for the faithful service of those who enable the Senators to fulfill their awesome responsibilities to the people.

Help us dear God never to take these privileges for granted or to presume upon the dedicated support of the staffs. Protect us against the seductive influences of privilege, position, prestige and power. Keep us mindful of our frailties, our need for each other, and especially our need for the loving support of spouses and children.

Guide us through this week that our labors may be productive of justice, equity and peace. Let our actions contribute to the general welfare and our lives demonstrate qualities of leadership which inspire confidence and trust. For Thy glory and the benefit of all, we pray. Amen.

## RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

## THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings to date be approved.

The PRESIDENT pro tempore. Without objection, it is so ordered.

## THE FEDERAL EXECUTIVE PAY CAP

Mr. STEVENS. Mr. President, I wish to address the dilemma the pay cap has caused in the recruitment of qualified, competent executives for the Federal Government. The Government is finding it increasingly difficult to obtain the services of qualified individuals.

When we consider the losses in the executive ranks I have mentioned the past several days, the result is that many important functions of Government are being left in the hands of competent individuals, I am sure, but, nevertheless, those of caretakers. This type of void comes at a time when some very important decisions should be made in the departments and agencies.

I was most fortunate in my hearing on this issue last week to have appear as a witness, Congressman VIC FAZIO. Congressman FAZIO included in his testimony statistics from the Hay Associates, one of the leading management consultants in the field of compensation in the world, comparing the civil service pay of the U.S. Government to other national governments.

Hay Associates reported that in each country pay in the private sector exceeds pay in the public sector. However, in the United States, this difference was by far the largest, especially at the senior executive level.

Hay found that the median pay as of May 1, 1981, for private sector jobs comparable to SES positions averaged $71,688—or over $21,000 a year more than the pay cap for SES positions, which is $50,112.50.

Mr. President, I would like to list some of the average salaries of executives in the U.S. private sector who head major functional areas which Hay Associates found:

| | |
|---|---|
| Chief administrative officer | $71,700 |
| Controller | 67,000 |
| Head of computer operations | 74,000 |
| Head of engineering | 67,000 |
| Head of legal | 75,000 |
| Head of personnel | 70,100 |
| Head of purchasing | 77,400 |
| Head of research | 71,000 |

These salaries, of course, are for positions comparable to our SES members whose salaries are capped at $50,122.50.

Let me list for you some of the executive vacancies which we are in the labor marketplace competing to fill while facing this discrepancy in salary. I shall also list the important defense and nondefense functions these officials oversee. Remember that these are but a sample of our recent executive vacancies:

EXECUTIVE FUNCTIONS

1. Dpty Ass't to Secretary of Defense (Follow-up, Reports and Management). Principally in charge of projects with GAO geared to implement cost savings. Directs DOD reports on fraud, waste and abuse.

2. Technical Director, Space and Satellite Communications Office, USAF. Responsible for Air Force satellite and space communications systems. The incumbent is held solely accountable. "The incumbent is the focal point for the highest level of executive decisions related to specific space and satellite programs . . . for the Air Force."

3. Deputy Director, Submarine Logistics Division. Responsible for maintenance and logistics support, including modernization of all submarines in the Active Fleet & Inactive Ship Force. (Includes management of all logistics for the Trident Submarine.)

4. Director, Procurement Control & Clearance Division. Directly supervises entire procurement control and clearance division which includes the Missiles and Aircraft Group and the Ships and General Contracts Group. This job is the focal point in the Navy for bringing together procurement policy and practices.

5 Director of Finance, Central European Operating Agency. Financial advisor to agency responsible for management of international petroleum pipeline covering all central portions of Western Europe. Agency is also responsible to NATO for this system, and the Director participates in sensitive international negotiations concerning the system.

6. Principal Deputy Assistant to the Secretary of Defense. (Review and Oversight). No. 2 position to Executive No. 1 listed above.

7. Administrative Director, Arms Control & Disarmament Agency. Responsible for policies, procedures, controls, and procurement for the Agency. Directs a staff of 30 employees.

8. Deputy Chief, National Security Division, OMB. No. 2 in division overseas the division's work program, reviews agency requests for appropriations, etc.

9. Assistant Director for Telecommunications and Information Systems, Defense Logistics Agency. Directs the DOD data systems that backup department wide logistics. Directs 130 employees.

DEFENSE AND NONDEFENSE FUNCTIONS

1. Director, Office of International Investment, Dept. of Treasury. Formulates Treasury Dept. policy on international investments and related issues.

2. Director, National Heart, Lung, and Blood Institute. Provides leadership for national program in the field; fosters research and investigations.

3. Director, Office of International Energy Policy, Dept. of Treasury. Formulates and implements Treasury's policy and positions on questions related to international energy policy, Treasury's participation on international energy matters in international fora and bilateral relations.

4. Chief, Analysis and Computation Division, NASA. Directs a staff of 125 in applied research, flight simulations, theoretical and experimental aerospace research.

5. Dpty Assist' U.S. Trade Representative, Exec. Office of the President. Deputy is in charge of trade policy planning, Economic Policy Support Group; also participates directly in international monetary and financial policy issues.

6. Chief, Methodology and Data Branch, Division of Risk Analysis, U.S. Nuclear Regulatory Commission. Directs branch managing reactor safety research programs. Major point of contact with NRC staff, contractors, DOE labs and field offices, foreign research programs.

7. Director, Space Science Laboratory, Geo. Marshall Flight Center, NASA. Assists in development of scientific objectives and spacecraft technology for flight missions. Initiates

and conducts supporting research in wide range of related areas.

I would sum up my statement by repeating from Congressman FAZIO's testimony a quote made by the Honorable Otto Regenspurger of the West German Parliament when discussing our Government's executive pay cap:

A Nation that cannot afford to pay its top executives what they deserve should not expect to go forward economically.

Mr. President, I call to the attention of the Senate that the list is a series of vacant executive positions that are going to have substantial impact upon our ability to carry out the President's program.

## RECOGNITION OF SENATOR WALLOP

Mr. STEVENS. Mr. President, I yield the remainder of my time to the distinguished Senator from Wyoming, who has a special order for later.

The PRESIDENT pro tempore. The Senator from Wyoming is recognized.

## REVIEW OF TAPES AND RECORDINGS IN THE MATTER OF SENATOR WILLIAMS

Mr. WALLOP. Mr. President, I thank the acting majority leader. Each day this week, it is my intention to remind Senators of the twice-a-day viewings, on Monday, Wednesday, and Friday, of the television tapes and wire recordings in the matter of Senator WILLIAMS. It can be only fair, both to Senator WILLIAMS and to the Senate itself, in its ultimate reputation as the body of all Senators, that we treat this matter with the care, concern, and respect that it deserves. We are going to meet twice today at 9:15 and 2:15. The presentation will take some 3 hours 20 minutes of Senators' time. It is critical that these tapes be viewed.

Mr. President, it is my suggestion that Senators view first the tapes and then commit themselves to the study of the proceedings and the report of the Ethics Committee. Again, I say that any Senators who have questions may refer them to the committee staff, which will be present at the viewings, or we shall make available to any Senators who want them the wisdom and advice of the special counsel as to the nature of the proceedings, or as to any other questions that Senators may have.

This is going to take more than a small amount of time of Senators and the judgment that we have to make, at the time when that comes before us as an issue, is a serious judgment. It affects the life and professional career of Senator WILLIAMS. It affects the life and professional character of each and every Senator because, as the Senate judges, so shall it be judged by the public. I urge Senators to take advantage of these viewings. They are expensive and cannot be, in all probability, scheduled at whim beyond the six showings that we have now put together.

If Members will look in the RECORD of September 15, they will see the schedule that takes place within those 3 hours. It may not be necessary to commit the full 3 hours at any one time. One can take an hour and a half, 2 hours, an hour, and stop at one point and then go back in and enter them at another point. We have tried to find as many hours as possible to make it achievable for Senators to view them all.

Mr. President, I urge my colleagues from the bottom of my heart to take the time. The room is 457 in the Russell Building every showing day. It has been setup for the convenience of Members. I urge that the Senators take advantage of it because the issue before us is serious and in every respect demands the attention of the Senate.

Mr. President, I thank the acting majority leader and yield back the remainder of my time.

## ORDER OF PROCEDURE

Mr. STEVENS. Mr. President, I yield back the remainder of my time. The distinguished Senator from Wisconsin will manage the minority leader's time at this time.

## RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER (Mr. ARMSTRONG). The Senator from Wisconsin is recognized.

Mr. PROXMIRE. Mr. President, I thank the distinguished acting majority leader.

## THE POLITICS OF THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the Genocide Convention has long been a target of those groups which specialize in alarmism and scare tactics.

I constantly receive phone calls from people raging about the Genocide Convention. They claim it will usurp our constitutional protections, allow American citizens to be tried by international courts, subject our soldiers to trial for genocide, and even lead to the confiscation of property in this country.

Any reasoned reading of the Genocide Convention clearly demonstrates that these charges are light-years from the truth. Legal and constitutional scholars from a wide range of backgrounds and ideological orientations have lined up behind the convention. In addition, numerous professional, civic, and religious organizations support it.

Unfortunately, vocal, though unfounded, opposition expressed by those who are paranoid about the notion of international law itself has so far prevailed. Why has this been the case? I think it has to do with one of the basic characteristics of our democratic system. A highly vocal minority can sometimes prevail over a relatively complacent majority.

Why is this majority complacent? I think it may be that they consider the need for the Genocide Convention to be self-evident, and thus they have often failed to sufficiently express their views.

Therefore, the convention has not been ratified, even though most Americans, if they are aware of the treaty, are in favor of it. We must overcome our own apathy and firmly establish our commitment to human rights around the world. We must drown out the shouts of the tiny minority with the voice of the great majority. We must ratify the Genocide Convention.

## BRIBERY, RAINMAKERS, AND THE LAW

Mr. PROXMIRE. Mr. President, last Thursday, the New York Times in an editorial, made the case for prohibiting bribery both at home and abroad and for not softening the bribery law on the books.

In 1977, in the wake of scandals which rocked our foreign policy in Japan, the Netherlands, and Italy, Congress passed the Foreign Corrupt Practices Act prohibiting the bribery of foreign officials by American companies and placing reasonable accounting requirements on companies to stop slush fund bookkeeping.

Mr. President, no case has been made for amending the foreign bribery law. Exports have not been hurt and our foreign relations have not been sullied by bribery.

I hope every Senator will read and reflect upon this New York Times editorial. Amending the bribery law is serious business. In the words of the Times:

The bribery statute has proved to be strong and useful soap. There's no need for more water.

I ask unanimous consent that the New York Times editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BRIBERY, RAINMAKERS, AND THE LAW

The 1977 law forbidding American business to bribe foreign officials has probably saved the United States untold embarrassment.

Since the law was passed, there have been none of the once-common revelations of American companies using million-dollar slush funds to pay off foreign officials and win sales. By making such bribery a criminal offense, threatening executives with jail and establishing tough new accounting requirements, the law has changed the way Americans do business abroad and for the better.

Then why is there such a rush to dilute it?

This week, Republicans on the Senate Banking Committee, cheered on by the Reagan Administration, will try to finish a bill to do just that. The changes they want would again allow businessmen to bribe officials abroad, as long as they were careful to launder the payments through agents. Accounting standards would be changed, too, to make it easy again for companies to hide questionable payments abroad.

All of this would be done, according to Bill Brock, the President's special trade representative, to clean up ambiguities in the statute that have needlessly hindered exports.

Concerns about the effect on exports were voiced speculatively when the act was first introduced. And the statute has probably depressed overseas sales to some extent—but that is by no means obvious. For all its recent strength, the dollar has been weak relative to other currencies in the last few years, and thus total exports have increased enormously since the foreign bribery act was passed in 1977. Exports might well have gone up more if the law contained fewer ambiguities. But if so, that's an argument for making it clear, not weaker. Those who favor dilution have failed to make their case.

A serious appraisal of the bribery law might have sensibly begun by examining whether any such law makes sense in the first place. But that is a question the Administration and its friends in the Senate have chosen not to face.

What is the difference, say, between the payment of illegal bribes to top foreign officials and the payment of legal fees to Washington "rainmakers"—those sophisticated lawyers and lobbyists who can produce results for their clients in Washington, or at least seem to, in the form of lucrative Federal contracts?

If one kind of influence peddling is legal at home, isn't it hypocritical to declare another kind illegal abroad? Theoretically, there may not be much difference. But the fact that it is sometimes hard to draw the line between the distasteful and the illegal is a poor reason to abandon the effort. Otherwise, not even domestic bribery laws would stand.

And there is a fairly clear test to apply. The evil to look for is whether money has been passed to Government officials so they will favor the giver, if so, that is bribery, whether at home or abroad. Americans ought to oppose the one as surely as the other. That some foreign governments do not enforce their own laws against bribery, or do so unevenly, is hardly a validation of crime.

If there are costs deriving from the foreign bribery law—if it means lost export potential—let that be demonstrated. If the law is needlessly vague, let it be adjusted. But the foreign bribery statute has proved to be strong and useful soap. There's no need for more water.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. STEVENS. If the Chair will withhold that, I have a request, Mr. President.

## ROUTINE MORNING BUSINESS

Mr. STEVENS. Mr. President, is there an order for a period now for the transaction of routine morning business in which Senators may speak?

The PRESIDING OFFICER. There is no order.

Mr. STEVENS. I ask unanimous consent that there now be a period for the transaction of routine morning business during which Senators may speak for not to exceed 5 minutes and that the period not last beyond 10 a.m., at which time the Senate will commence the consideration of the nomination of Sandra O'Connor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## INTEREST RATES MUST BE REDUCED

Mr. HEFLIN. Mr. President, I speak in support of Senate Joint Resolution 104, offered by the senior Senator from Montana, Senator MELCHER. I am pleased to be jointly sponsoring this important measure.

Interest rates continue to soar in the 20-percent range, causing severe damage to the economy and to the economic recovery program that the Senate has adopted.

The problem of high interest rates is the most serious problem facing the American economy today. Because of current high interest rates, housing starts are at record lows, business bankruptcies are at record highs, and unemployment is on the rise.

Because of high interest rates, we may lose an entire generation of farmers. Many farmers are being forced to leave their land because they cannot afford to borrow enough money to plant their crops. Young, aspiring farmers are barred from getting a start in their chosen career because the price of borrowing money is simply too dear.

Because of high interest rates, millions of young couples cannot afford to purchase their own homes and the resulting slump in the housing industry is forcing hundreds of thousands of construction workers into unemployment.

Mr. President, high interest rates are seriously threatening any chance for economic recovery. As did most Senators, I strongly supported the economic revitalization program, and I hope and pray that it will be successful. But if interest rates are not reduced—and reduced quickly and significantly—this plan that we all worked so hard for simply cannot work.

I fully well realize that no one—not Congress, not the President, nor even the Federal Reserve Board itself—can wave a magic wand and cause a reduction of interest rates. However, there are steps that can and must be taken that will reduce interest rates.

This Senate joint resolution instructs President Reagan to begin immediate consultations with the Board of Governors of the Federal Reserve System for the purpose of modifying the Federal Reserve's tight money policy that is the primary cause of high interest rates.

It has been said many times before—in fact, I have said it on a number of occasions myself—that the Federal Reserve's tight money policy is not working. Instead of dampening inflation, it is literally breaking the back of the American economy and is effectively blocking any economic recovery.

The consultations called for in this resolution will include modifications concerning easing reserve requirements and lowering the discount rate for member banks. Further, the consultations should include controlling the Federal Open Market Committee's activities which reduce the money supply and push interest rates up.

The time has come to take immediate action to bring interest rates down.

Mr. President, I believe this resolution, which calls upon President Reagan to take immediate action to bring about a dramatic lowering of interest rates, is an important first step in the right direction.

I commend the senior Senator from Montana for his leadership on this crucial issue, and I urge that Senate Joint Resolution 104 be passed rapidly.

## SOUNDS OF SILENCE

Mr. SCHMITT. Mr. President, the many thousands of persons who came to the Nation's Capital Saturday for a "Solidarity Day" demonstration against the economic policies of the Reagan administration, came, I am sure, with a dedicated purpose. While I personally do not agree with that purpose, I certainly agree with the freedom of assembly and freedom of speech that makes peaceful disagreement the symbol of our great Nation.

We all must continue to examine any unanticipated impacts of economic change and take specific information on such impacts into account as we consider the various measures before us. Such information will always be welcomed and useful.

However, I am afraid the stated objective of Saturday's assemblage has been lost in the rhetoric of certain leaders of that assemblage and certainly distorted by others.

The supposed labor solidarity day turned into an outpouring of the same, tired rhetoric of the past. It warrants mentioning that last November 4, the American electorate repudiated, in a landslide election, the policies of the past; the tax and tax and spend and spend policies of past leadership got us into the economic mess we are currently in. Forty-four States out of 50 swept Ronald Reagan into the White House and sent former President Carter back to Georgia. The voters also changed the leadership and control of the U.S. Senate and gave the Republican Party and conservative philosophies and principles strong gains in the House of Representatives.

This new leadership has cut taxes, has reduced the growth of Federal spending and borrowing, has made important strides toward cutting the fat and fraud and abuse from various Federal programs and agencies and intends to do

more. The American people know how to economize and still keep essentials going, and so does this leadership.

Last February, President Reagan said:

I regret to say that we're in the worst economic mess since the Great Depression.

Little has changed as yet to change the truth of his remarks. Since that time, President Reagan has taken steps, with the assistance and support of Congress, to start getting us out of that mess. The speakers last Saturday were strangely silent on the fact that the inflation rate in 1980 was 13 percent and today it is 7 percent. The speakers last Saturday were strangely silent on the fact that the unemployment rate is lower today than at this same time last year. Even interest rates remain high largely because the Federal Government continues to have to borrow to finance the excesses of past administrations and Congresses. The American people have rejected runaway spending, runaway taxation, runaway regulation and the reckless economic policies of decades of Democratic leadership.

The overwhelming majority of the American people, included labor rank and file, realize that the solution to inflation, high interest rates, and our other economic problems do not lie in the rhetoric of the past heard on a sunny Saturday afternoon. The overwhelming majority of the American people know the cure. Less Government, not more, is part of the cure. More enterprise, not less, is part of the cure. Growth, not stagnation, is the whole cure.

The New York Times noted today, in commenting on the Saturday demonstration:

None of the speakers who addressed the throngs listed specific steps. They turned more to the past, the days of civil rights and anti-war protests, than to the future.

Mr. President, also on Saturday, an estimated three quarters of a million people filled New York City's Central Park to listen to a concert by Simon and Garfunkel—three times the estimated number who filled Washington's Mall to listen to the tired old rhetoric of the past.

The New York audience listened to a beautiful and haunting song entitled "Sounds of Silence." The Washington audience also heard not so beautiful "Sounds of Silence" about the future from leaders of the demonstration.

These "Sounds of Silence" do not represent the thinking of the vast majority of the American people. These "Sounds of Silence" do not represent the courage, the actions, and the programs of the new leadership in Washington. These "Sounds of Silence" do not represent New Mexicans or the American people.

## CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, under the order of the Senate the time for the conduct of morning business has been completed.

## EXECUTIVE SESSION

## NOMINATION OF SANDRA DAY O'CONNOR TO BE AN ASSOCIATE JUSTICE OF THE SUPREME COURT OF THE UNITED STATES

The PRESIDING OFFICER. Under the previous order, the hour of 10 a.m. having arrived, the Senate will now go into executive session to consider the nomination of Sandra Day O'Connor of Arizona to be an Associate Justice of the Supreme Court.

Time for debate on this nomination is limited to 4 hours equally divided and controlled by the chairman of the Judiciary Committee and the ranking member or their designees, with 30 minutes of the majority's time to be under the control of the Senator from North Carolina (Mr. HELMS).

The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, today is truly an historic occasion—the Senate of the United States is considering for the first time in the history of our Nation the nomination of a woman to serve as an Associate Justice of the Supreme Court of the United States.

It has been the privilege of the Committee on the Judiciary, and my privilege as its chairman, to meet frequently with Judge Sandra Day O'Connor and to consider and examine in detail her qualifications for the high post to which she has been named. The Committee on the Judiciary undertook a solemn duty to the Senate and to the country when it began its inquiry. The committee has discharged that responsibility. Now, the entire Senate will participate in the ultimate decision.

I am confident that the Senate today will be guided by our highly favorable recommendation.

After careful deliberation, the committee determined and has reported to the Senate that Judge O'Connor is extraordinary well qualifed to serve on the Supreme Court. Our decision was reached after 3 days of intense examination, both of the nominee and of a broad cross section of witnesses.

In the first instance, it is notable that Judge O'Connor enjoyed the full support of the entire congressional delegation of her home State of Arizona, the support of the Governor of the State of Arizona, the support of a large delegation of Arizonans from the Arizona House and Senate, and the support of many distinguished members of the bench and the bar. That support bore witness to her outstanding career and to bipartisan and wide-based respect for her ability. Yet, much more was required.

When the committee began its deliberations, we were keenly aware that any appointment to the Supreme Court is unique because it grants life tenure and because it vests great power in an individual not held accountable by popular election. Accordingly, we reflected carefully upon the qualifications necessary for one to be an outstanding jurist and those essential to the prudent exercise of power by one relatively unchecked in its use. Each member of the committee sought to satisfy himself that this nominee possessed those qualifications. Collectively, we then determined that this nominee does, indeed, meet those high standards.

We sought, first, a person of unquestioned integrity—honest, incorruptible. and fair.

We sought a person of courage—one who has the fortitude to stand firm and render decisions based not on personal beliefs but, instead, in accordance with the Constitution and the will of the people as expressed in the laws of Congress.

We sought a person learned in the law—for law in an advanced civilization is the most expansive product of the human mind and is, of necessity, extensive and complex.

We sought a person of compassion—compassion which tempers with mercy the judgment of the criminal, yet recognizes the sorrow and suffering of the victim; compassion for the individual but, also, compassion for society in its quest for the overriding goal of equal justice under law.

We sought a person of proper judicial temperament—one who will never allow the pressures of the moment to overcome the composure and self-discipline of a well-ordered mind; one who will never permit temper or temperament to impair judgment or demeanor.

We sought a person who understands and appreciates the majesty of our system of government—a person who understands that Federal law is changed by Congress, not by the Court; who understands that the Constitution is changed by amendment, not by the Court; and who understands that powers not expressly given to the Federal Government by the Constitution are reserved to the States and to the people, not to the Court.

In Judge O'Connnor, we believe we found such a person.

During the course of extensive questioning by the committee, Judge O'Connor displayed great intellectual honesty and a degree of fairness that reflected her balanced approach to difficult issues.

She was firm in her insistence that personal belief could not outweigh the mandate of the Constitution or of the law.

She demonstrated remarkable knowledge of constitutional law and of the judicial process.

She displayed consistently an understanding of the measured and compassionate use of judicial power.

She never allowed the intense scrutiny by the committee or the pressure of news media attention to overcome her composure and her calm demeanor.

In every instance, she established clearly that she understands and appreciates the carefully balanced division of authority envisioned by our forefathers when they created our federal system of government.

Judge O'Connor is the first nominee to the Supreme Court in 42 years who has served in a legislative body. Her experience as majority leader in the Arizona State Senate will help her, and through her the other members of the Court, in recognizing and observing the separation of legislative, executive, and judicial powers mandated by the Constitution.

Judge O'Connor is also the first nominee to the Supreme Court in the past 24 years who has served previously on a State court. That experience gives great hope that she will bring to the Court a greater appreciation of the division of powers between the Federal Government and the governments of the respective States.

I must add, finally, that I found Judge O'Connor to be a lady of great personal warmth and a person who is possessed of a friendly and open character in the best tradition of our country.

She has the talents and qualities to make an important contribution to the work of our highest Court and to the vitality and history of our great Nation.

It is my opinion that Judge O'Connor will fulfill well the trust reposed in her by those who recommended her, by the President who nominated her, and by the Judiciary Committee which approved her.

I commend the President for his fine choice and urge the Senate to consent to her nomination.

Mr. President, I ask unanimous consent that the questions propounded by the questionnaire of the Judiciary Committee, which mainly constitutes a résumé, follow my remarks on the nomination of Judge Sandra J. O'Connor.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the questionnaire was ordered to be printed in the RECORD, as follows:

I. BIOGRAPHICAL INFORMATION (PUBLIC)

1. Full name (include any former names used). Sandra Day O'Connor.

2. Address: List current place of residence and office address(es). List all office and home telephone numbers where you may be reached. Office: Arizona Court of Appeals, State Capitol, Phoenix, Arizona 85007, (602) 255-4828; Home: 3561 East Denton Lane, Paradise Valley, Arizona 85253, (602) 954-6356.

3. Date and place of birth. March 26, 1930—El Paso, Texas.

4. Are you a naturalized citizen? No.

5. Marital status (include maiden name of wife or husband's name). List spouse's occupation, employer's name and business adress(es).

Married. John Jay O'Connor III. Attorney. Fennemore, Craig, von Ammon & Udall, 100 West Washington Street, Phoenix, Arizona 85003.

6. Education: List each college and law school you have attended, including dates of attendance, degrees received, and dates degrees were granted. Stanford University, 1946–1952; A.B. 1950; LL.B. 1952.

7. List (by year) all business or professional corporations, companies, firms or other enterprises, partnerships, institutions and organizations, nonprofit or otherwise, including farms, with which you were connected as an officer, director, partner, proprietor or employee since graduation from college.

Professional, Legislative and Judicial Activities: 1952–53 Deputy County Attorney, San Mateo County, California. General Civil Work for County agencies and schools.

1954–57 Civilian Attorney for Quartermaster Market Center, Frankfurt/Main, W. Germany, handling contracts and bids procedures for acquisition and disposal of goods for the armed forces in Europe.

1958–60 Private practice of law in Maryvale, Arizona, handling wide variety of matters including contracts, leases, divorces, and criminal matters.

1961–64 Primarily engaged in care of my three small children. Handled some bankruptcies as a receiver, and served as a juvenile court referee.

1965–69 Assistant Attorney General, Arizona, representing various state officers and agencies writing opinions for Attorney General; handling some litigation. Approximately three months were spent on assignment as administrative assistant at Arizona State Hospital.

1969–75 State Senator, Arizona State Senate.

1975–79 Judge, Maricopa County Superior Court.

1979 to date Judge, Arizona Court of Appeals.

Business Affiliations:

c. 1957 to date Member, Board of Directors, Lazy B Cattle Co., an Arizona Corporation. It is a closely held corporation, owned by members of my family. I served for several years during the 1950's and 1960's as secretary.

1971–74 Member, Board of Directors, First National Bank of Arizona.

1975–79 Member, Board of Directors, Blue Cross/Blue Shield of Arizona, a non-profit corporation.

Partnerships:

My husband is a partner in Fennemore, Craig, von Ammon and Udall, the predecessor of the present professional corporation which is now engaged in the practice of law.

My husband is a general partner in Westside Apartments Co. and Westside Investments, which are essentially now passive investments.

My husband and I presently have limited partnership interest in Alvernon Center One, Fourth Geostatic Energy, Orchid Leasing Associates and Virden Valley Investments, Ltd.

By virtue of the community property laws of Arizona, I have an undivided one-half interest in all of the partnerships listed.

Civic Activities:

Member, National Board of the Smithsonian Associates, 1981.

President, Member, Board of Trustees, The Heard Museum, 1968–74, 1976 to date.

Member, Salvation Army Advisory Board—1975 to date.

Member, Board of Directors, YMCA (Maricopa County), 1978.

Member, Vice President, Soroptimist Club of Phoenix, 1978.

Member, Board of Visitors, Arizona State University Law School, 1981.

Member, Liaison Committee on Medical Education, 1981.

Advisory Board and Vice President, National Conference of Christians and Jews, Maricopa County, C. 1977, to date.

Member, Board of Directors, Stanford Club of Phoenix, various times since 1960.

Member, Board of Trustees Stanford University, 1976 to 1980.

Member, Stanford Associates.

Former member, Board of Directors, Phoenix Community Council.

Former 1st and 2nd Vice President, Phoenix Community Council.

Former member, Board of Directors and Secretary, Arizona Academy, 1969–75.

Former member, Board of Junior Achievement Arizona, 1975–79.

Former member, Board of Directors of Friends of Channel 8, 1975–79.

Former member, Board of Directors, Phoenix Historical Society, 1974–78.

Former member, Citizens Advisory Board on Blood Services, 1975–77.

Past President, Junior League of Phoenix, Inc. c. 1966, and member since c. 1960, Member, Board of Directors during 1960's.

Former member, Board of Directors, Golden Gate Settlement, 1960–62.

Former member, Board of Trustees, Phoenix County Day School, 1960–70.

Former member, Maricopa County Juvenile Court Study Committee.

Former member, Board of Directors Blue Cross/Blue Shield of Arizona, 1975–79.

Memberships in Professional Organizations:

American Bar Association.

State Bar of Arizona.

State Bar of California.

Maricopa County Bar Association.

Chairman, Maricopa County Lawyer Referral Service.

Arizona Judges' Association.

National Association of Women Judges.

Arizona Women Lawyers Association.

Chairmanships of Professional Committees and Memberships on Significant Professional Committees:

Member, Anglo-American Legal Exchange 1980.

Chairman, Arizona Supreme Court Committee to Reorganize Lower Courts, 1974–75.

Chairman, Maricopa County Bar Association Lawyer Referral Service, 1960–62.

Member, State Bar of Arizona Committees on Legal Aid, Public Relations, Lower Court Reorganization, Continuing Legal Education.

Juvenile Court Referee, 1962–64.

Chairman, Maricopa County Juvenile Detention Home Visiting Board, 1963–64.

Chairman, Maricopa County Superior Court Judges' Training and Education Committee, 1977–79.

Government Activities:

State Senator, State of Arizona 1969–75. Initially appointed and then elected to two two-year terms; Republican Precinct Committeeman c. 1960–70.

Assistant Attorney General, Arizona, 1965–69. Appointed.

Deputy County Attorney, San Mateo County, California, 1952–53. Appointed.

Member, National Defense Advisory Committee on Women in the Services, 1974–76.

Member, Arizona State Personnel Commission, 1968–69.

Vice Chairman, Select Law Enforcement Review Commission, 1979–80.

Member, Maricopa County Board of Adjustments and Appeals, 1963–64.

Member and on Faculty, Arizona Committee Robert A. Taft Institute of Government.

As a State Senator I served as chairman of the State, County and Municipal Affairs Committee, on the Legislative Council, on the Probate Code Commission, and the Arizona Advisory Council on Intergovernmental Relations.

Co-Chairman, Arizona Committee to Reelect the President, 1972.

Former Republican Precinct Committeeman, District-Chairman & member County & State Committees, 1961–68.

Member, County Board of Adjustments and Appeals, 1963–64.

Member, Governor Fannin's Committee on Marriage and Family Problems c. 1962

and his Committee on Mental Health c. 1964.

Juvenile Court Referee c. 1962–65.

Member, Judicial Fellows Commission, August 1981.

Member, Arizona Law Enforcement Review Commission, 1979–80.

Member, Arizona Criminal Code Commission, 1974–76.

Member, Mayor's Committee, 1980.

8. Military Service: Have you had any military service? If so, give particulars, including the dates, branch of service, rank or rate, serial number and present status.

No military service.

9. Honors and Awards: List any scholarships, fellowships, honorary degrees, and honorary society memberships that you believe woud be of interest to the Committee.

Phoenix Advertising Club "Woman of the Year", 1972.

National Conference of Christians and Jews Annual Award, 1975.

Commencement Speaker, Arizona State University, 1974.

Participant and Speaker, American Assembly, Arden House, 1975.

Distinguished Achievement Award, Arizona State University, 1980.

10. Bar Asociations: List all bar associations, legal or judicial related committees or conference of which you are or have been a member and give the titles and dates of any offices which you have held in such groups.

See Exhibit A.

11. Other Memberships: List all organizations to which you belong that are active in lobbying before public bodies. Please list any other organizations to which you belong, (e.g. civic, education, "public interest" law, etc.) which you feel should be considered in connection with your nomination.

Organizations to which I formerly belonged or to which I now belong are listed in Exhibit A.

12. Court Admission: List all courts in which you have been admitted to practice, with dates of admission. Give the same information for administrative bodies which require special admission to practice.

Supreme Court of California, 1952.

Supreme Court of Arizona, October, 1957.

U.S. District Court, San Francisco, California, 1952.

Ninth Circuit Court of Appeals, 1952.

U.S. District Court, Phoenix, Arizona, 1957.

13. Published Writings: List the titles, publishers and dates of books, articles, reports, or other published material you have written. You may also list any significant speeches which you feel may be of interest to this Commitee.

My published writings include the opinions I have written as a member of the Arizona Court of Appeals.

"Trends in the Relationship Between the Federal and State Courts From the Perspective of a State Court Judge," Volume 22, William & Mary Law Review Number 4, Summer 1981.

In 1969, I wrote a booklet for the Arizona Attorney General outlining the powers and duties of public officers and employees in Arizona. I have written several articles for the "Arizona Weekly Gazette", such as "Lower Court Reorganization Can Provide Single Unified Trial Court" on April 29, 1975, and I also wrote a comment in the Stanford Law Review in 1952.

14. Health: What is the present state of your health? List the date of your last physical examination. Excellent. June 1981.

15. Judicial Office (if applicable): State (chronologically) any judicial offices you have held, whether such position was elected or appointed, and a description of the jurisdiction of each such court.

1975–79 Judge, Maricopa County Superior Court. Elected. The Superior Court is the trial court of general jurisdiction.

1979 to date Judge, Court of Appeals, State of Arizona. Appointed. The Court of Appeals is the intermediate court of appeals in Arizona.

16. State (chronologically) any public offices you have held, other than judicial offices, including the terms of service and whether such positions were elected or appointed. State (chronologically) any unsuccessful candidacies for elective public office.

See Exhibit A.

I have never been an unsuccessful candidate for elective public office.

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EXHIBIT A

Memberships in Professional Organizations:

American Bar Association.

State Bar of Arizona.

State Bar of California.

Maricopa County Bar Association.

Chairman, Maricopa County Lawyer Referral Service.

Arizona Judges' Association.

National Association of Woman Judges.

Arizona Women Lawyers Association.

Chairmanships of Professional Committees and Memberships on Significant Professional Committees:

Member, Anglo-American Legal Exchange, 1980.

Chairman, Arizona Supreme Court Committee to Reorganize Lower Courts, 1974–75.

Chairman, Maricopa County Bar Association Lawyer Referral Service, 1960–62.

Member, State Bar of Arizona Committees on Legal Aid, Public Relations, Lower Court Reorganization, Continuing Legal Education.

Juvenile Court Referee, 1962–64.

Chairman, Maricopa County Juvenile Detention Home Visiting Board, 1963–64.

Chairman, Maricopa County Superior Court Judges' Training and Education Committee, 1977–79.

Governmental Activities:

State Senator, State of Arizona 1969–1975. Initially appointed and then selected to two two-year terms; Republican Precinct Committeeman c. 1960–70.

Assistant Attorney General, Arizona, 1965–69. Appointed.

Deputy County Attorney, San Mateo County, California, 1952–53. Appointed.

Member, National Defense Advisory Committee on Women in the Services, 1974–76.

Member, Arizona State Personnel Commission, 1968–69.

Vice Chairman, Select Law Enforcement Review Commission, 1979–80.

Member, Maricopa County Board of Adjustments and Appeals, 1963–64.

Member and on Faculty, Arizona Committee Robert A. Taft Institute of Government.

As a State Senator I served as chairman of the State, County and Municipal Affairs Committee, on the Legislative Council, on the Probate Code Commission, and the Arizona Advisory Council on Intergovernmental Relations.

Co-Chairman, Arizona Committee to Reelect the President, 1972.

Former Republican Precinct Committee, District-Chairman & member County & State Committees, 1961–68.

Member, County Board of Adjustments and Appeals, 1963–64.

Member, Governor Fannin's Committee on Marriage and Family Problems c. 1962 and his Committee on Mental Health c. 1964.

Juvenile Court Referee c. 1962–65.

Member, Judicial Fellows Commission, August 1981.

Member, Arizona Law Enforcement Review Commission, 1979–80.

Member, Arizona Criminal Code Commission, 1974–76.

Member, Mayor's Committee, 1980.

Civic Activities:

Member, National Board of the Smithsonian Associates, 1981.

President, Member, Board of Trustees, The Heard Museum, 1968–74, 1976 to date.

Member, Salvation Army Advisory Board, 1975 to date.

Member, Board of Directors, YMCA (Maricopa County), 1978.

Member, Vice President, Soroptimist Club of Phoenix, 1978.

Member, Board of Visitors, Arizona State University Law School, 1981.

Member, Liaison Committee on Medical Education, 1981.

Advisory Board and Vice President, National Conference of Christians and Jews, Maricopa County, C. 1977, to date.

Member, Board of Directors, Standard Club of Phoenix, various times since 1960.

Member, Board of Trustees Stanford University, 1976 to 1980.

Member, Stanford Associates.

Former member, Board of Directors, Phoenix Community Council.

Former 1st and 2nd Vice President, Phoenix Community Council.

Former member, Board of Directors and Secretary, Arizona Academy, 1960–75.

Former member, Board Junior Achievement Arizona, 1975–79.

Former member, Board of Directors of Friends of Channel 8, 1975–79.

Former member, Board of Directors, Phoenix Historical Society, 1974–78.

Former member, Citizens Advisory Board on Blood Services, 1975–77.

Past President, Junior League of Phoenix, Inc. c. 1966, and member since c. 1960, Member, Board of Director during 1960's.

Former member, Board of Directors, Golden Gate Settlement, 1960–62.

Former member, Board of Trustees, Phoenix County Day School, 1960–70.

Former member, Maricopa County Juvenile Court Study Committee.

Former Member, Board of Directors Blue Cross/Blue Shield of Arizona, 1975–79.

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III. GENERAL (PUBLIC)

1. Please discuss your views on the following criticism involving "judicial activism."

The role of the Federal judiciary within the Federal government, and within society generally, has become the subject of increasing controversy in recent years. It has become the target of both popular and academic criticism that alleges that the judicial branch has usurped many of the prerogatives of other branches and levels of government. Some of the characteristics of this "judicial activism" have been said to include:

a. A tendecy by the judiciary toward problem-solution rather than grievance-resolution;

b. A tendency by the judiciary to employ the individual plaintiff as a vehicle for the imposition of far reaching orders extending to broad classes of individuals;

c. A tendency by the judiciary to impose broad, affirmative duties upon governments and society;

d. A tendency by the judiciary toward loosening jurisdictional requirements such as standing and ripeness; and

e. A tendency by the judiciary to impose itself upon other institutions in the manner of an administrator with continuing oversight responsibilities.

The Constitution itself establishes the guiding principle of separation of powers in its assignment of legislative power to Congress in Article I, executive power to the President in Article II, and judicial power to the Supreme Court in Article III. This principle requires the federal courts scrupulously to avoid making law or engaging in general supervision of executive functions. As Justice Frankfurther wrote in *FCC* v. *Pottsville Broadcasting Co.*, 309 U.S. 134, 146 (1940), "courts are not charged with general guardianship against all potential mischief in the complicated tasks of government."

The function of the federal courts is rather to resolve particular disputes properly presented to them for decision. In this regard, the jurisdictional requirements that a true "case or controversy" exist and that the plantiff have "standing" help guarantee that the court does not transgress the limits of its authority. The separation of powers principle also requires judges to avoid substituting their own views of what is desirable in a particular case for those of the legislature, the branch of government appropriately charged with making decisions of public policy. To quote Justice Frankfurter again, Justices must have "due regard to the fact that [the] Court is not exercising a primary judgment but is sitting in Judgment upon those who also have taken the oath to observe the Constitution and who have the responsibility for carrying on government." *Joint Anti-Fascist Refugee Committee* v. *McGrath*, 341 U.S. 123, 164 (1951) (concurring opinion).

The fact that federal judges are restricted to deciding only the particular case before them and are not given a broad license to reform society does not mean that general wrongs go unrighted. As Justice Holmes remarked, "it must be remembered that legislatures are ultimate guardians of the liberties and welfare of the people in quite as great a degree as the courts." *Missouri, Kansas & Texas Railway Co.* v. *May*, 194 U.S. 267, 270 (1904).

In the case just cited, Justice Holmes was referred to a state legislature, and our federal system requires the federal courts to avoid instrusion not only on the Congress and the Executive but the states as well.

Judges are not only not authorized to engage in executive or legislative functions, they are also ill-equipped to do so. Serious difficulties arise when a judge undertakes to act as an administrator or supervisor in an area requiring expertise, and judges who purport to decide matters of public policy are certainly not as attuned to the public will as are the members of the politically accountable branches. In sum, I am keenly aware of the problems associated with "judicial activism" as described in the preceding question, and believe that judges have an obligation to avoid these difficulties by recognizing and abiding by the limits of their judicial commissions.

2. What actions in your professional and personal life evidence your concern for equal justice under the law?

In my judgment, the record of a judge will reflect a commitment to equal justice under the law if the judge applies the law even handedly to those who come before the court. The essence of equal justice under the law, in my view, is that neutral laws be applied in a neutral fashion. I believe that my judicial record as a trial of appellate judge attests to this commitment.

As a legislator I worked to equalize the treatment of women under state law by seeking repeal of a number of outmoded Arizona statutes. I developed model legislation to let women manage property they own in common with their husbands. I also successfully sought repeal of an Arizona statute that limited women to working eight hours per day and backed legislation equalizing treatment of men and women with regard to child custody.

As an attorney, I feel a professional obligation to help provide the poor with access to legal assistance and to the courts. I have worked toward this goal through my association with the Maricopa County Bar Association Lawyer Referral Service, of which I was Chairman from 1960 through 1962, and through service on the Arizona State Bar Association Committee on Legal Aid.

I have been concerned with the rights of those who are cared for by the state. From 1963 to 1964 I was Chairman of the Maricopa County Juvenile Detention Home Visiting Board and I have served as a member of the Maricopa County Juvenile Court Study Committee. I acted as a Juvenile Court Referee in various cases between 1962 and 1964. I participated as a panel member in an Arizona Humanities Commission Seminar on law as it relates to mental health problems.

My concern for fostering understanding among disparate groups within my community led to work on the Advisory Board of the Arizona Chapter National Conference of Christians and Jews. In 1975 I received an award for services in human relations from the National Conference of Christians and Jews.

I have served on the Advisory Board of the Salvation Army in Maricopa County, and as chairman of its Senior Citizen's Council. The Senior Citizen's Council operates a very successful center for low income elderly persons, and provides meals as part of the program. It is also constructing a residential facility for the low income elderly.

Through the Heard Museum in Phoenix, as a Trustee and its President, I have worked to foster and encourage understanding and communication with the several Indian tribes and the native Americans in Arizona through various programs and projects.

As a legislator I helped develop amendments to the mental health commitment laws designed to protect the rights of the mentally ill.

I also worked successfully to obtain state facilities for the mentally retarded in Maricopa County, and to improve Arizona's laws for the mentally retarded. I succeeded in obtaining legislation to convert a relatively unused state tuberculosis hospital to a hospital for crippled children.

Mr. GOLDWATER. Will the Senator yield?

Mr. THURMOND. I am very pleased to yield to the distinguished Senator from Arizona (Mr. GOLDWATER).

Mr. GOLDWATER. I thank my friend from South Carolina.

(Mr. QUAYLE assumed the chair.)

Mr. GOLDWATER. Mr. President, during the happy, long years of my life, I have known many moments of great pride, moments that I will not relate here, but they are imbedded deep in the recesses of my mind. Today we are voting on Judge Sandra O'Connor, born in the State of Arizona, raised on a cattle ranch and now being admitted as the first woman to ever sit on the Supreme Court of our land.

Judge O'Connor is not just a good lawyer, not just a good judge, nor is the fact that she was an outstanding legislator entered into this. She was born on the land of the West, she grew up on that land, on a cattle ranch, and her feeling for the land of what we call the Southwest, and particularly Arizona, has grown with her and influenced her through her life.

When a westerner sees that land, it is not just a temporary vision of something beautiful. It is a permanent beauty that he or she has lived with all of his or her life. So it is natural that the land has its effect on all of us who were born out in that part of our country.

I have worked with her for many years on matters affecting the beauty of our land, the culture of our people, particularly the Indians, in anthropological fields because, frankly, not being a lawyer, the only other times I had to be near her were in times involving political or legislative work.

So, as I stand here today, on this historic floor of the U.S. Senate, participating in a great landmark of our history, the admittance of a woman to the Supreme Court, I think my colleagues, yes, not just my colleagues on this floor, but my colleagues who live at home in our native State, can understand my pride, because they share this, too, and every person who calls Arizona his home, looks on this day as one of the great days, not just in the history of the United States, but in the history of our own State.

My very best wishes and most sincere prayers are hers for the great success I know she will have sitting on our Supreme Bench. And, once again, for having had the foresight and the wisdom, first, to name a woman, but more importantly, to name this particular one, I congratulate President Reagan.

Judge O'Connor's brilliant appearance before the Judiciary Committee offers complete assurance that she is fully qualified for a seat on the Nation's highest court. Throughout her testimony, Judge O'Connor revealed an impressive knowledge of constitutional law and legal principles. She ticked off case citations and the dates of important court rulings as easily as most people would recite their birthdates.

Her testimony was calm, reasoned, open, and informed. She displayed great strength of personal character and stood firm to her principles of judicial restraint and strict construction.

In my opinion, she was as forthcoming as any nominee could be in responding to any questions, including her position on abortion. She declared positively that she finds abortion personally abhorrent.

Now, I realize that some dedicated opponents of abortion feel they have been burned with this kind of answer from candidates for political office, who have evaded taking a stand on public policy by hiding behind their personal beliefs.

But I would point out that the position of Supreme Court Associate Justice is not an elective office. It is not a policy-making office, or at least it should not be. Therefore, the same standards cannot be applied to a court nominee that apply to a candidate for legislative office.

I might add that right to life witnesses, who appeared at the hearings on Sandra O'Connor's nomination, commented that abortion was not the issue in 1973 or 1975 that it is today. Dr. Wilke and Dr. Gerster both explained that the National Right to Life Committee did not raise the abortion issue during the confirmation hearings on Justice Paul Stevens in 1975 because abortion "was not such a major issue previously" and was "much less discussed."

This being so, I would ask how they, or anyone else, can reasonably fault Sandra O'Connor for any positions she may have taken as a State legislator in the period from 1970 to 1974, when anti-abortion leaders admit it was not such a prominent issue. Like most of the public, Sandra O'Connor's perceptions of the problems with abortion have increased over the last 10 years, which is what she said in her testimony.

Judge O'Connor repeatedly told the committee of her strong opposition to abortion. She stated that she would draw the line of any exceptions very strictly. She said her rejection of abortion is not a sudden development to win support, but is the result and the outgrowth of what she is. Her position stems from her sense of family values and her religious training.

Moreover, Judge O'Connor reminded the committee of her vote in 1974, as an Arizona legislator, for a prohibition on the use of public medicaid funds for abortions. The sole exceptions allowed were medical procedures to save the life of the mother or to prevent pregnancy after rape or incest. Judge O'Connor said this bill still reflects her views.

Frankly, if she had gone any further in commenting on the subject, she likely would have disqualified herself from ever participating in any cases before the Court relating to the subject. What I am saying is that if the right to life supporters had succeeded in pressing Judge O'Connor to state specifically whether she believes the Supreme Court's past abortion cases are wrong, they would have denied themselves the vote of a potential friend on the Court in the future.

Mr. President, I am far more impressed with Sandra O'Connor's statement regarding her general judicial philosophy and her obvious legal competence, than I can be whatever her answers are on a single-issue subject.

Judge O'Connor plainly stated that she would approach cases with a view to deciding them on narrow grounds and with proper judicial restraint. This should assure anyone concerned that she will not be going out of her way to make rulings, such as the abortion decisions, that create sweeping changes in social policy.

Also, Judge O'Connor was persistent in expressing her concern for preserving the power and rights of States and their ability to function as important parts of our Federal system of Government. Her testimony disclosed that her philosophical attachment to local government comes not only from personal service in all three branches of State government, but from her view of the nature of our form of government and the intent of the Founding Fathers.

Next, I am pleased at the many expressions of concern about violent crime that filled Judge O'Connor's testimony. She testified that crime is one of the major problems in the Nation and that we have an unacceptably high crime rate in this Nation.

Judge O'Connor mentioned that she was personally involved in drafting and voting for legislation in the Arizona Senate reinstating the death penalty as a deterrent to vicious crime. She openly stated her concern about court-written rules of procedures, such as the exclusionary rule, that allow obviously guilty criminals to escape punishment.

She explained the problems she had as a trial judge with certain rules mandated in criminal cases by Congress. She suggested Congress consider changing these requirements. Also, she proposed that courts must resolve criminal cases quickly. She testified there must be some way the courts can more effectively say a case is at an end. She said it would be wise for legislatures to give discretion to trial judges to impose life sentences on career offenders and she recommended that legislatures find a way to compel restitution by the criminal.

She stated her view that rampant crime is also the result of a general breakdown of standards we apply in society that discourage criminal behavior.

On other issues, Judge O'Connor expressed her belief that the religious precepts on which our country was founded are interwoven in our system of government. She said Internal Revenue Service activities affecting church schools raise serious questions about the extent to which the IRS should be a tax collector and the extent it should implement social policies. She also informed the Judiciary Committee that she had prepared legislation in the Arizona Senate to prohibit obscenity in compliance with Supreme Court rulings on the subject, particularly with respect to protecting minors from the distribution of smut material.

Mr. President, from these and other clear statements by Judge O'Connor on the record, I am convinced she is a very decent, moral and religious person. She is a qualified jurist of the highest rank and a woman who possesses one of the most brilliant minds of any lawyer or legal scholar in the country, man or woman.

Sandra O'Connor will enhance the Supreme Court. I believe she will be among the constellation of judicial geniuses who have sat on that Court in the past. And I know she will uphold the Constitution and our unique American contributions to rule by law.

Mr. President, I urge my colleagues to confirm Sandra O'Connor's nomination by unanimous vote.

I thank the chairman of the Judiciary Committee for having yielded to me. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DECONCINI. Mr. President, it is a pleasure for me to join my distinguished colleague, Senator GOLDWATER, who has been involved in this process of nominations and who has been actually involved in nominees to the Supreme Court. I am pleased that we could join in our effort to promote this particular nominee from our State.

Judge O'Connor will not be an Arizona judge by any means. She will be a judge for all citizens. I think the statement that the distinguished senior Senator from Arizona has just put into the RECORD spells out exactly why this nominee was chosen and how she performed. When I say that, I use that in the sense of her demeanor and presentation before the Senate Judiciary Committee, being as explicit as she could be in answering very difficult questions for some of the members of the committee, including myself, and stating her beliefs, why her beliefs were what they were, how they happened to come about, and the reasoning behind each one of those decisions, both in the legislative body and in her own personal life.

I think those hearings were some of the finest hearings that I have seen instituted and carried out by the Senate Judiciary Committee.

At this time, Mr. President, I would like to say that the chairman of the Judiciary Committee, the distinguished Senator from South Carolina, conducted those hearings in the most equitable and fair manner that I have seen since I have been here. That includes modestly a few hearings that I have conducted in behalf of the Judiciary Committee. The chairman bent over backward to make clear that this was an open hearing; that there were no questions that could not be brought forward to be presented to Judge O'Connor for her response; that there was going to be ample time for everyone to ask as many questions as they wished.

One member of the committee complained during the process that there was not enough time. The chairman indicated that that person could have another turn and, indeed, a turn after that. Where most Senators only had two opportunities to question the nominee, this particular Senator was granted four opportunities. I daresay the distinguished chairman would sit there today if he thought it was necessary and there were requests for additional questioning.

As the record will show, the questioning of Judge O'Connor went the proverbial menu of soup to nuts. Indeed, there was hardly anything that was not covered in great detail. As Senator GOLDWATER and myself knew from the very beginning when the President made this nomination, she would acquit herself with the greatest of professional expertise and with human value and personality that she has within her to demonstrate to everyone on the Judiciary Committee that indeed this was one of the finest moments for this administration having this nominee approved by the committee by a unanimous vote, with one abstention.

I am hopeful that today on this floor, at 6 p.m., when the final vote is cast, we will see just that, realizing the right of any individual in this body to cast a dissenting opinion and vote the other way. But I think there has been enough time and enough effort put forward and enough opportunity to scrutinize this nominee that regardless of where a Member of this body may come down on a particular issue, whether it be gun control, capital punishment, abortion, prayer in school, busing, et cetera, they can be satisfied that Judge O'Connor possesses the qualities that will really bring about the type of individual to serve on the Supreme Court who can do it with a blindfold over her eyes, looking at the law, interpreting the law, and not with a desire to change this country in a social manner or economic manner, interpreting what is brought before the Court, which I think most of us agree is what it is all about across the street at the Supreme Court.

Many of us have been critical of various decisions that we felt have gone far astray of what was intended by the Founding Fathers by that Court.

The attitude in Arizona is one of thanksgiving. The great pride of the

people of Arizona having a native daughter nominated to the Supreme Court, of course, is one for which we are very pleased and happy. We thank so many Members of this body, so many Arizona citizens, and so many citizens around the country who have come forward in support of Judge O'Connor and who have taken the time to learn something about her. I have received a great deal of mail which is of interest to me pointing out how much they have learned about her. In fact, they were ranchers or had visited Arizona and even had gone to the small town, unbeknownst at the time that there would be a nominee from Duncan, Ariz., and having professional relationship with Judge O'Connor and her distinguished husband. This goes on and on.

The people of this country are extremely well satisfied and elated with this fine nomination.

Mr. President, there will be other Senators who have statements. I may care to make further remarks before time has elapsed on this debate.

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I ask unanimous consent that the time on the quorum be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. THURMOND. Mr. President, I yield to the distinguished Senator from Pennsylvania (Mr. SPECTER).

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. Mr. President, I thank the distinguished chairman of the Committee on the Judiciary for this opportunity to speak.

I am pleased to add my voice to those in support of the nomination of Judge Sandra Day O'Connor to be a Justice of the Supreme Court of the United States. The hearings, which were held for 3 days before the Committee on the Judiciary, were characterized as truly historic and, as they unfolded, they lived up to that representation in every sense of the word.

Mr. President, the presence of the first woman nominee to the Supreme Court of the United States was an occasion to make the proceedings historic in and of themselves. As the nominee's judicial views unfolded and as she faced some 18 members of the committee who had a broad range of questions—some of which were very pointed, some of which were very controversial—she acquitted herself with distinction. It was obvious that the Supreme Court of the United States is about to have an addition in the personage of a young, vibrant, well-equipped woman, who has the potential to be on that Court for a generation or beyond.

Judge O'Connor brings to the Supreme Court of the United States a remarkable background. She grew up on a ranch in Arizona. She had a top-flight academic career. She graduated from Stanford Law School in 1951, at the age of 21. She ranked high in her class—reportedly, third among a very distinguished group of legal scholars.

She has been active in the practice of law in a two-man partnership. She has held the position of assistant attorney general. She has served as a State court trial judge. She has served in the legislature of Arizona, rising to the rank of majority leader of the Arizona Senate. She currently occupies a position on the Court of Appeals of the State of Arizona.

With this background, I feel that Judge O'Connor has extraordinary credentials and extraordinary qualifications for the Supreme Court of the United States.

For one thing, her extensive background on the bench and in the legislature puts her in a unique position to say, as she did, that she knows the difference between being a judge and a legislator, and she understands the judicial function to interpret the law, as opposed to the legislative function to make new law.

This has been a question of considerable controversy in the Supreme Court of the United States, going back for decades, and I believe it will continue to be an area of controversy. I believe that Judge O'Connor's position on the Court will bring insight and real balance, and that her legislative experience will stand her in very good stead.

One point of minor disagreement in the questioning by some of us was the responsibility of the Court to examine social policy in situations where the executive and legislative branches had failed to act. The case which was cited for discussion involved school segregation, with Judge O'Connor's statement that in Brown against Board of Education, the Supreme Court of the United States only reinterpreted the 14th amendment of the U.S. Constitution. After some extensive discussion on that point, I believe it accurate to say that there was more than simply a reevaluation of the interpretation of the 14th amendment between Plessy, some 50 years before, and Brown against Board of Education; that, in fact, the Supreme Court had considered social policy, as I believe it must in some extraordinary circumstances.

In her testimony, Judge O'Connor, in effect, threw the gauntlet, albeit in a very polite way, to the other branches of Government. She said in effect, let the legislature accept its responsibility, let the executive accept its responsibility, and the Supreme Court of the United States and the other Federal courts need not consider social legislation or social policy but need only interpret the laws.

I believe that is a good lesson for the U.S. Senate, the Congress generally and the State legislatures. It is their responsibility to correct glaring inequities, so that it is not necessary for the Supreme Court of the United States to consider social policy and perhaps to move toward, if not to cross, the line between legislating and the traditional judicial function.

In Judge O'Connor's background there is also a strong credential with respect to the interpretation of State law, as contrasted with Federal law. Often, the decisions of the Supreme Court raise the question as to what is appropriate for a State court to consider, in contrast with what the Federal courts ought to decide. Given her background as a State court appellate judge, she will have a fine and unique perspective, from years of experience on a State appellate court, to share with her colleagues on the Supreme Court of the United States who have not had that experience, at least not very recently.

Her experience as a State court trial judge is also a unique asset, because the Justices of the Supreme Court of the United States are far removed from the trial courts, far removed from the evidentiary rulings, far removed from the issues of search and seizure and coerced confession and a variety of matters which a trial judge has to consider and take into account. Her experience there, which, again, she can share with her brethren (I believe that is an appropriate term, notwithstanding that she is the first woman on the Court) will greatly enhance the perspective and vantage point of the Supreme Court of the United States.

Finally—and I believe most important—she brings to the High Court the perspective of a woman. It is unnecessary to elaborate upon the differences in viewpoints and experiences she will have in being the first woman to serve on the Supreme Court of the United States.

Beyond those extraordinary talents, Judge O'Connor also brings to the court an attitude of dignity, an attitude of grace, and a remarkable temperament. Of all the characteristics she displayed during the course or some 2½ days of questioning, her composure and her good humor perhaps topped the list. Judicial temperament is a matter of tremendous importance, and she has it in abundance.

The other quality which she displayed, by implication, was her good health as well as her good cheer. She showed stamina in responding to questions during 2 full days of hearings and another half day of questioning.

Beyond that, I saw her at a formal luncheon arranged by the chairman of the Judiciary Committee. On Friday afternoon, I saw her in the Senate caucus room in the Russell Building at a large party, where she was carrying forth in a social way and was being available to people who wanted to see her and wanted to meet her—again, in a great attestation of stamina and good health which mark her general appearance as a young woman at the age of 51.

I believe all of this bodes very well for the future of the Supreme Court of the United States. I consider it a rare opportunity, in my first year in this august body, to have had an opportunity

to participate in the Judiciary Committee and to participate in these deliberations and to speak and, later, to vote in support of the nomination of Judge O'Connor to be an Associate Justice of the Supreme Court of the United States.

Mr. STEVENS. Mr. President, I feel privileged to be able to vote for the confirmation of the nomination of Sandra Day O'Connor to be an Associate Justice of the United States Supreme Court.

Others will point out her distinguished record. I might say that I know of that record, because my wife's uncle had served with her in the Arizona State Senate. I know two of her very close classmates from her days in law school, but I did not know Judge O'Connor personally until she was nominated. I was pleased to meet with her, as was my wife, Catherine. We find her to be a very strong woman, with a quiet calm that comes from the confidence of knowing she can do the job for which she has been selected. To me, that means more than anything else. Mrs. O'Connor knows she is qualified, has proven she is qualified, and I am confident she will be a distinguished member of the Supreme Court.

So, I join those in the Senate today who commend the President for selecting her to be the first woman to serve on the U.S. Supreme Court and, above all, for keeping the commitment he made during the campaign of 1980 to select a woman to serve on the U.S. Supreme Court.

Mr. THURMOND. Mr. President, I ask unanimous consent that the time on all quorum calls made during the consideration of the O'Connor nomination be equally charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. THURMOND. Mr. President, I yield to the distinguished Senator from Kansas, a prominent member of the Judiciary Committee and the chairman of the Courts Subcommittee.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, in many cases when we have a nomination before the Senate for a very prominent position in the administration we have our statements inserted, but I think this is such an historic occasion that no one wishes to pass up the opportunity to speak.

Those of us who wished to be present for the vote on Sandra Day O'Connor in our committee, feel the same responsibility in a way to be here today to express our support for that nomination.

I am very pleased to join my colleagues, first, to commend the distinguished chairman of the committee for his expeditious handling of the O'Connor nomination and, second, to commend all members of that committee for their cooperation regardless of some differences in point of view.

It seems to me that after lengthy examination of this nominee and her qualification during 3 days of rather extensive questioning by learned members—that does not include this Senator—but learned members of the committee, the chairman, the distinguished Senator from Arizona, and others, that she again demonstrated her ability to cope with the questions candidly and revealed her outstanding qualifications, and I certainly understand why she was selected for this position by the President.

So, Mr. President, although this is the first opportunity I hope it is not the last that we shall have to stand in this Chamber and support the nominations of outstanding women to the Supreme Court and other positions in the judicial system and all other branches of Government.

For a long period in our Nation's history, women had great difficulty in entering the professions, in attaining executive status in business, and in becoming an effective part of the governing process. In recent years, women have joined the professional, executive, and governing ranks in ever greater numbers. They have reached the highest levels of the legislative branch of the Federal Government. They have reached the level of cabinet officer in the executive branch. However, in the 190 years of the Supreme Court's existence, no woman has served on our highest tribunal.

I wish to commend President Reagan for so quickly fulfilling his campaign promise to nominate a qualified woman to the Supreme Court. The women of our Nation represent a vast reservoir of talent which should not go untapped. In choosing a person to sit on the Supreme Court, we must diligently search for the most qualified candidates that are available—we must choose someone with a high level of integrity, leadership, character, judicial competence and temperament, and knowledge of the law.

It is the belief of this Senator, that President Reagan found such a person. Of the potential nominees, male or female, for the Supreme Court seat vacated by Justice Potter Stewart, President Reagan could not have made a better selection than Sandra Day O'Connor.

Last week, the members of the Judiciary Committee, in accordance with their responsibility to advise and consent to presidential nominations, conducted a thorough examination of Judge O'Connor's background, abilities, and qualifications.

As I have previously indicated, her credentials and her qualifications again were demonstrated during the course of the hearing. Her credentials are excellent and she conducted herself superbly during the hearings. Her knowledge of both constitutional and Federal case law, and her knowledge of issues currently being considered by the Congress, were very impressive. During the hearings my colleagues and I inquired into Judge O'Connor's judicial philosophy, her position on problems affecting our judicial system, her views regarding the Constitution, and her position on a number of social issues, including gun control and abortion. The Senator from Kansas appreciated the candor of her responses and respects the fact that she avoided answering some questions as completely as the committee members would have liked in order to avoid prejudging issues which could come before the Court. He is satisfied that Judge O'Connor's views are prolife and not proabortion, and that she views the role of the Court as interpreting the law and not making the law.

Judge O'Connor's lack of experience as a Federal court judge is perhaps a small flaw in her otherwise excellent record—but experience on the Federal bench is not essential to becoming a good Supreme Court Justice. In addition, Judge O'Connor has a great wealth of prior experience which should serve her well on the Court and provide an excellent complement to the prior experience of the eight Justices who are already there. She achieved academic honors as a law student, she has been a practicing attorney, she has been a majority leader in the Arizona State Legislature, and she has served as a State court judge at both the trial and appellate levels.

The Senator from Kansas is pleased to be able to recommend Judge O'Connor to the Members of the Senate today. This Senator hopes that he will be joined by his colleagues in setting aside an unavailing precedent of 190 years' standing in voting for this highly qualified person to be the first woman Supreme Court Justice.

This Senator hopes that we will be joined by everyone else in this Chamber at 6 p.m. this evening to pass a unanimous vote for this nomination.

So, it is time that this is occurring, time long past due. Again I commend the distinguished nominee for the way she has presented herself and responded to questions. Despite some of the accounts I have read, I believe she has tackled some of the very difficult questions, whether it is busing, the death penalty, abortion, or a number of the other controversial issues that seem to find their way to the Chamber from time to time.

In my view she responded as directly as she could without staking out in advance what her position might be in the event such a case or some question involving one of these issues or a host of other issues might come before her as a Justice of the U.S. Supreme Court.

So it is my hope that at the appropriate time later today there will be a unanimous vote for this nomination.

I thank the distinguished chairman for yielding.

Mr. THURMOND. Mr. President, I wish to thank the able Senator from Kansas. He always makes worthwhile remarks and on this occasion he kept his reputation also.

Mr. President, I suggest the absence of a quorum on the basis that we have previously requested.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. QUAYLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr.

DURENBERGER). Without objection, it is so ordered.

The Senator from Indiana.

Mr. QUAYLE. Mr. President, I am delighted today to have the opportunity to express my support for the historic nomination of Sandra Day O'Connor to the Supreme Court.

In my view, Mrs. O'Connor is superbly qualified to serve as a Supreme Court Justice. She will bring to the Court a unique blend of experience and talent. Mrs. O'Connor's outstanding record of achievement began at Stanford Law School where she was admitted to the law review and graduated in the top 10 percent of her class. One of her former classmates at Stanford, Justice Rehnquist, gave her a glowing recommendation when President Reagan sought his advice on her nomination. Similarly, lawyers who argued cases before her have testified to her thoroughness and professionalism. During her 6 years on the bench, Mrs. O'Connor consistently earned very high marks for her performance. In 1976, the Phoenix bar rated her at 90 percent. In 1978, she earned an 85 percent approval rate. In 1980, after a year on the Arizona Court of Appeals, Mrs. O'Connor once again earned a 90 percent overall approval from the bar.

Just as important, her personal integrity is unquestioned. Throughout her 6 years as initially a trial, and then an appellate, judge, Mrs. O'Connor never received lower than a 97-percent rating for integrity in carrying out the duties of her office.

In addition to her high level of judicial performance, Mrs. O'Connor has also been an effective State legislator, quickly attaining the post of majority leader of the Arizona State Senate. Those who served with her in the legislature have said that she was chosen for the leadership post as a result of admiration for her intelligence and ability to clarify the issues.

The combination of legislative and judicial experience will make Mrs. O'Connor unique among the sitting members of the Supreme Court. As a former State legislator, trial court judge, and State appeals court judge, there is little doubt that Mrs. O'Connor will bring to the Court a badly needed sensitivity to local concerns. Those of us in Congress who have warned against the dangers of an "imperial judiciary" should take great satisfaction in the nomination of a person who has a strong sense of judicial restraint and balanced Federal-State relations as does Mrs. O'Connor. Read Mrs. O'Connor's statements in this regard and there is no question where she stands. In her appearance before the Senate Judiciary Committee, she said it clearly, "the proper role of the Supreme Court is to interpret and apply the law, not make it."

Of course, the line between "legislating" and "adjudicating" is sometimes very fine, and a judge's political preferences will, at times, affect judicial considerations. Nonetheless, a person's basic scheme of values and personal traits must remain paramount in our evaluation of fitness for the Supreme Court. These traits include integrity, intelligence, fairness and commonsense. I believe that Mrs. O'Connor possesses a full measure of these qualities and is an excellent choice for the highest court in the land.

As a personal aside, Mr. President, it is a proud moment for me to vote this fine lady who has spent many summers at Iron Springs, Ariz.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, many Senators have privately expressed a measure of concern about their responsibility in connection with the nomination of Sandra Day O'Connor to become the first woman to serve on the U.S. Supreme Court.

It is no discredit to Mrs. O'Connor that a substantial national dialog has occurred in recent weeks. The concerns that have been raised are not to be confined to Senators. And it may very well be that the distinguished nominee herself may hereafter face concerns far exceeding any that Senators have felt.

Mrs. O'Connor—Madam Justice O'Connor as she shortly will become—has been chosen by the President of the United States as both the symbol and the reality of an important milestone in our Nation's history. Needless to say, President Reagan himself is likewise a part of it.

I have noted, as have others, the national dialog that has occurred since the President announced his selection of Mrs. O'Connor. Legitimate concerns have been expressed in the absence of any precise knowledge of where the nominee stands on an issue to which President Reagan has made repeated and frequent commitments for years.

The issue, of course, is the abortion issue. Ronald Reagan has been unequivocal in his position on that issue. He is unequivocal today. In his public statements on the O'Connor nomination, and in private conversation with me, the President has made clear that he is not merely satisfied but delighted with the nomination of Mrs. O'Connor. It is fair to assume, therefore, that the President is convinced that Mrs. O'Connor agrees with his position on abortion—which is to overturn the Supreme Court's decision in Roe against Wade.

If such an assumption is not correct, Mr. President, then any burden felt by Senators pales into insignificance when compared with the burden upon both the President and Mrs. O'Connor.

If the President is mistaken, then he must confront the fact that his judgment in this nomination is a contradiction of all that he has said on countless occasions in connection with the abortion issue. In that event, which I have instinctively decided is highly unlikely, Mrs. O'Connor would bear the burden of having failed to make clear to the President any ambivalence she may have regarding the issue.

The circumstances have been such that uncertainty yet exists to some degree. But such uncertainty notwithstanding, I find no suitable option for myself as a Senator. I will vote for the confirmation of Mrs. O'Connor because I have faith in the President, and because I have no valid reason to believe that Mrs. O'Connor would deliberately allow the President to be misled.

So, with her confirmation a certainty later today, I wish both Mrs. O'Connor and the President well, and assure them that I am convinced that both of them have acted in good faith, and that they will continue to do so.

Having said that, Mr. President, I believe it is essential that the record be made clear that those who have expressed concerns have done so in sincerity and on a reasonable basis. Churlish criticism of those who have raised questions has been undeserved.

Mr. President, let us examine the record, beginning with the 1980 Republican Party platform adopted at Detroit in August of last year. The platform, which Ronald Reagan pledged to support as President of the United States, included the following:

> We will work for the appointment of judges at all levels of the judiciary who respect traditional family values and the sanctity of innocent human life.

The inclusion of this statement in the platform immediately raised a debate concerning the nature of the judiciary and even the nature of law. Some critics charged that this promise was a litmus test that violated the independence of the judiciary, and suggested that legal issues be decided by the personal whims of judges, rather than by the intrinsic legal or constitutional merits of the question. Indeed, the suggestion was made that the plank seemed to set aside the law, and substitute a political judgment.

It is true that the platform did raise profound issues about the nature of the judiciary, but it raised them precisely because of a public perception that something has been happening to law and the judiciary in this country that is profoundly disturbing to the national interest. According to a Lou Harris Poll, in 1966 51 percent of the American public had a great deal of confidence in the Supreme Court. In 1980, only 27 percent of the American people said they had a great deal of confidence in the court. Thus in 14 years, public confidence evaporated to an alarming degree.

In my opinion, public confidence has evaporated because the judiciary is too often seen as tearing down the fundamental social values of our civilization, instead of reinforcing and supporting them. It is not a question of judges imposing their personal views on their interpretations of the law, or of following public opinion. Rather, the law gets its sanction from the underlying natural law, reflecting the divine order, in our social order. The values and ethics of our civilization have developed over the

course of 2,000 years. There is a common consensus on what these values are; neither an ordinary citizen, nor a judge, is free to disregard the moral absolutes of that consensus.

Too often both lawmakers and judges have deviated from those principles for the sake of presumed social utility, or in pursuit of equity and justice. Some judges have acted from a desire to institute or promote social change; others have acted as though the law were unrelated to actual life, or to fundamental values. For them, the law is a closed system that is not supposed to be influenced by external considerations.

The American people are not legal philosophers, but they are appalled by the results. They want the fundamental institutions of society supported by the law, not torn down. That grassroots feeling was reflected in the Republican Platform of 1980.

In that platform, Republicans promised to appoint judges who would respect traditional family values and the sanctity of human life. Those two aspects were not chosen at random; they go to the heart of our society. The basic unit of our society is not the individual, but the family. The God-given hierarchy of parents and children is a mystery that sums up in an ineffable way the situation of mankind.

The seventh-century English historian, Bede, once described man as a swallow flying through a shaft of sunlight in a barn; no one could know where the bird came from, or where it went, but while it flew through the beam of light it was illuminated in our sight. So too, human beings arrive on this earth through the medium of the family. It is in the family that the individual is nurtured and developed, and it is through a new family that, interlinked with the old, the stream of life flows on. Human beings, as the carriers of life and developers of civilization, depend upon the institution of the family to survive.

But the hierarchy of family life in no way destroys the individuality and humanity of the person. Each person has his own unique existence and dignity. The dignity of the person surpasses the value of material things precisely because the person possesses life. He participates in life in a way that most Americans believe reflects the life of an infinite God. This goes beyond mere religious belief; it is a deeply rooted awareness of the existence of God. Even our public opinion polls show that the vast majority of Americans believe in God; but it is not just opinion. It is an instinctive principle of action to accept the existence of transcendental reality.

Without the dignity of the person, and the protective framework of the family, our civilization and its values could not long survive. The Republican platform summed up that sentiment eloquently when it pinpointed the judiciary as a center of attention. Laws cannot make people good, but they can remove obstacles to personal and social development, and set up sanctions for those who transgress the traditional ethical system.

In promising to work for the appointment of judges who respect traditional family values and the sanctity of human life, it was not the intention of the Republican platform to reward individuals for their personal accomplishments as upholders of family values and the sanctity of life. It seems obvious that the intention was to get at the problem of the deterioration of legal interpretation by appointing interpreters who would use traditional values as a standard of interpretation. In other words, the platform plank was a promise of judicial reform.

Some critics of that plank asserted that it set up an illegitimate standard for the interpretation of law by introducing personal whim or popular opinion as a guide. Of course, whims, or public opinion, have no place in legal interpretation. No judge has the right to submit a personal view for the view of the law. But the body of our law already reflects the values of our civilization. Where the law is clear, no outside standard of interpretation is needed. But where the law or its intention is unclear, it ought to be interpreted according to the settled values of our society. It is only in recent years that alien interpretations have been introduced that contradict our social standards—with results that have devastated our society.

The Republican platform, therefore, promised a significant judicial reform to reverse the deterioration of law in our Nation.

Of all the courts in the United States, the Supreme Court is obviously the most important one for far-reaching effects of constitutional policy. It was inevitable, therefore, that the platform should become a standard for measuring the nomination of Judge Sandra D. O'Connor for the vacancy left by the resignation of Justice Potter Stewart. In the scrutiny that immediately began, it was discovered to be difficult to ascertain Judge O'Connor's views and legal philosophy. A lawyer with a somewhat limited law practice experience, Judge O'Connor had never argued a case before the Supreme Court of the United States, had no heavy trial experience, had published but a single law review article of note, and while serving 6 years as a judge on an intermediate appellate court in Arizona, had never written what careful jurists would call a noteworthy opinion.

Her judicial record was too meager to reveal any real clues as to her philosophy; and indeed in 3 days of hearings by the Judiciary Committee, there was scarcely any allusion to that record.

On the other hand, Judge O'Connor, previous to her election as judge, had served in the Arizona State Senate, and indeed, served also as the majority leader in that body. Thus her legislative record became the focus of attention.

The issue of abortion is at the center of the family issues. No other problem raises in such a unique way the integrity of the family unit. The relationship of trust and responsibility of mother, father, and child is destroyed by abortion. When the father is not the husband of the mother, the so-called solution which abortion offers simply paves the way for the dissolution of family relationships. The rights of all children, born or unborn, are called into question. And of course, the very meaning of life, the meaning of humanity and personhood, and the rights of all persons die with the aborted child.

Mrs. O'Connor's legislative record shows that whenever she had an opportunity to strengthen the hand of the proabortionists, she did so; conversely, whenever actions were under consideration which would have strengthened the cause of the traditional legal view of abortion, she found a way to avoid supporting those initiatives.

First. On April 30, 1970, Senator O'Connor voted in the Arizona State Senate Judiciary committee for H.B. 20, a bill which would have removed all restrictions from abortions done by licensed physicians without regard to indication or duration of pregnancy. This would have allowed abortion on demand throughout the whole term of pregnancy, a radical departure from the laws of other States, more radical even than the then existing statutes in New York. This anticipated Roe against Wade by 3 years. Yet Judge O'Connor had no recollection of how she voted until the opponents of her nomination began to circulate news accounts of the period which recorded her vote.

During the hearings, Judge O'Connor indicated that she supported the legislation because Arizona abortion law provided only an exception to save the life of the mother, and did not include a rape exception, but at the present time she regrets that vote. She stated:

> I would say that my own knowledge and awareness of the issues and concerns that many people have about the question of abortion has increased since those days. It was not the subject of a great deal of public attention or concern at the time it came before the committee in 1970. I would not have voted, I think, Mr. Chairman, for a simple repealer thereafter.

At another point, she suggested that she was aware of how sweeping the bill was even then, but felt there was no alternative:

> At that time I believed that some change in Arizona statutes was appropriate, and had a bill been presented to me that was less sweeping than House Bill 20, I would have supported that. It was not, and the news accounts reflect that I supported the committee action in putting the bill out of committee, where it died in the caucus.

But in fact, there was a bill less sweeping than H.B. 20, the so-called McNulty bill, S.B. 216, which had been introduced in the Senate on February 6, 1970. The McNulty bill was a less sweeping bill, limiting abortion to the first 4½ months in cases involving rape, incest, or the life of the mother. It required that the embryology of pregnancy be explained to the mother, so that she would have informed consent, and that parental consent be required for a girl 15 years or younger. When Senator DENTON pointed out the conflict in her testimony, she replied:

> Senator Denton, as I recall that bill, it provided for an elaborate mechanism of counseling services and other mechanisms for deal-

ing with the question, and I was not satisfied that the complicated mechanism and structure of that bill was a workable one.

It appears, therefore, that Judge O'Connor was less than candid in explaining her awareness of the probable impact of H.B. 20, and of the alternatives available. While it is reassuring that her understanding of the problem has increased with time—the same kind of development which many of us, including this Senator from North Carolina, would readily admit to—the fact remains that in 1970 she was supporting the more radical of two alternatives for liberalizing abortion in Arizona.

Second. On May 1, 1970, Senator O'Connor voted in the Republican Majority Caucus to send H.B. 20 to the Senate floor, siding with the 10 to 6 majority. But the caucus rules required a two-thirds affirmative vote to send the bill to the floor. Thus, indeed, it died as she testified, but not because of the lack of her support.

Third. During 1971, two bills liberalizing abortion were introduced in the Arizona Senate, but they went to Public Health and Welfare Committee, of which Senator O'Connor was not a member. The bills died in committee.

Fourth. During 1972, the proabortion lobby did not seek to have legislation introduced in the legislature, but concentrated on legal action. However, the statute which Senator O'Connor had sought to repeal with H.B. 20 was upheld in its constitutionality by the State court.

Fifth. In 1973, after Roe against Wade caused the State statutes to fall, a controversy arose in Arizona when nurses were fired for refusing to participate in abortion procedures. Senator O'Connor, in her role as majority leader, had a freedom-of-conscience bill drafted to protect the rights of medical personnel who refused to participate in abortions. But there was no element of the abortion controversy in this bill whatsoever; it went to the rights of the medical technicians, not the rights of the mother or the unborn child. It was passed unanimously 30 to 0, with those on both sides of the controversy supporting it. Therefore, it tells us nothing of Senator O'Connor's then sentiments on the matter.

Sixth. On February 8, 1973, Senator O'Connor cosponsored the Family Planning Act (S.B. 1190). This act provided that "all medically acceptable family planning methods and information shall be readily and practicably available to any person in this State who requests such service or information, regardless of sex, race, age, income, number of children, marital status, citizenship or motive." This act immediately generated a large controversy in Arizona because of the phrase "all medically acceptable family planning methods," a phrase which in radical population control organizations was a euphemism for abortion. Indeed, after Roe against Wade, there could be little doubt that abortion was a legal means of family planning. On March 5, 1973, the Arizona Republic commented in an editorial:

> Only a decade ago, family planning was commonly accepted as referring to contraception, but contraception was sharply differentiated from abortion even by family planning's faithful boosters.
>
> But now the abortion front had developed dishonest terminology in which abortion isn't even described as "interruption of pregnancy" but "post-conceptive family planning."
>
> Planned Parenthood used to be distressed by people who believed contraception was murder, just like abortion. Yet now PP often blurs the distinction even more terribly.
>
> Rather than inhibiting abortion, as some unwise supporters of the bill contend, it might make it more widespread.
>
> Why, indeed, is this bill proposed? The state certainly has no policy of discouraging contraception. The bill appears gratuitous—unless energetic state promotion of abortion is the eventual goal.

The bill was also denounced by religious leaders, and the minutes of the Public Health and Welfare committee reflect the bitter division which it caused. In addition to the abortion question, the bill also provided that the information and procedures authorized in the bill be given to minors without parental consent; in fact, the bill's sponsor, as reported in the committee minutes, indicated that the evasion of parental consent was the underpinning of the whole bill. Indeed, it was on that point that the bill died in committee.

The memorandum of Kenneth W. Starr, counselor to the Attorney General, reported on July 7, 1981, that "she recalls no controversy with respect to the bill, and is unaware of any hearings on the proposed measure."

Despite the fact that there was a controversy, Judge O'Connor testified that—

> I viewed the bill as a bill which did not deal with abortion but which would have established as a State policy in Arizona, a policy of encouraging the availability of contraceptives information to people generally. The bill at the time, I think, was rather loosely drafted, and I can understand why some might read it and say, "What does this mean?"
>
> That did not particularly concern me at the time because I knew that the bill would go through the committee process and be amended substantially before we would see it again. That was a rather typical practice, at least in the Arizona legislature.

Whatever the actual impact of the bill might have been, it is nevertheless plain that today Judge O'Connor does not support the use of abortion in family planning. She testified clearly on this point at the opening session of her hearings:

> I would like to say that my own view in the area of abortion is that I am opposed to it as a matter of birth control or otherwise. The subject of abortion is a valid one, in my view, for legislative action subject to any constitutional restraints or limitations.

As for the issue of parental consent, Judge O'Connor's view today is at considerable odds with the approach taken in the bill she cosponsored 8 years ago. In reply to a question from Senator Denton, she said:

> I would simply say that it is my personal view that I would want to have the child consult the parents and have the parents work with the child on the issue.

While both of her present positions contradict the main features of S.B. 1190, we must allow for growth and maturity of one's views. All of us today have a much clearer understanding of the implications of abortion and of the great legal ramifications which are sometimes drawn from seemingly innocuous words. Indeed, that is precisely why the issue of abortion dominated her nomination hearings.

Seventh. On May 9, 1974, Senator O'Connor was one of nine Senators who voted against S.B. 1245, a bill authorizing the University of Arizona to issue bonds to construct sports facilities, after the bill had been amended by the House to prohibit abortions at any facility operated by the Board of Regents. Senator O'Connor had supported the bill when it had originally passed the Senate. She stated:

> In the House it was amended to add a nongermane rider which would have prohibited the performance of abortions in any facility under the jurisdiction of the Arizona Board of Regents. When the measure returned to the Senate, at that time I was the Senate majority leader and I was very concerned because the whole subject had become one that was controversial within our own membership.
>
> I was concerned as majority leader that we not encourage a practice of the addition of nongermane riders to Senate bills which we had passed without that kind of a provision. Indeed, Arizona's constitution has a provision which prohibits the putting together of bills or measures or riders dealing with more than one subject. I did oppose the addition by the House of the nongermane rider when it came back.

In adopting the view that the abortion provision was nongermane, Senator O'Connor was construing the Arizona Constitution narrowly. The constitution says, in article 4, part 2, section 13:

> Every Act shall embrace but one subject and matters properly connected therewith . . .

Since the issuing of stadium bonds and the performance of abortions were both actions under the authority of the Board of Regents, it could easily be argued that the act embraced but one subject, and the prohibition on abortion was properly connected therewith. Indeed, only one senator, and it was not Senator O'Connor, registered opposition to the bill on constitutional grounds. Despite the opposition, the bill passed, and it was never declared unconstitutional. Each one must draw one's own conclusions as to whether opposition to the bill in those circumstances sprang from a desire for purifying the legislative process or an aversion to prohibiting abortion.

Eighth. On January 22, 1974, 10,000 Arizona citizens gathered at the State capitol to protest the Roe against Wade decision. They submitted petitions signed by over 35,000 registered voters asking that a memorial be sent to the U.S. Congress to pass the Human Life Amendment. Arizonans are not given to large political demonstrations; the crowd at the State capitol was the largest in Arizona's history. House Memorial 2002 passed the Arizona House of Representatives by a 41-to-18 vote. Mr. President, I had a personal interest in this matter since the language of the con-

stitutional amendment sought by the memorial was the language which I had the honor of introducing in the U.S. Senate.

On April 23, 1974, H.B. 2002 passed the Senate Judiciary by a 4-to-2 vote, with the Phoenix Gazette reporting that Senator O'Connor voted against it even after it was amended to include exceptions for rape and incest in addition to an exception for the life of the mother. On May 7, 1974, a Phoenix Gazette article quoted Sandra O'Connor as follows:

I'm working hard to see to it that no matter what the personal views of people are, the measure doesn't get held up in our caucus.

On May 15, 1974, H.B. 2002 failed to pass the majority caucus by one vote. At least one senator who was in the caucus has stated that Senator O'Connor voted against the memorial. It should also be noted that these votes were taking place at exactly the same time as Senator O'Connor's vote against the stadium bill.

Judge O'Connor testified on this point as follows:

I did not support the memorial at that time, either in committee or in the caucus. . . . I voted against it, Mr. Chairman, because I was not sure at that time we had given the proper amount of reflection or consideration to what action, if any, was appropriate by way of a constitutional amendment in connection with the *Rowe* v. *Wade* decision.

It seems to me, at least, that amendments to the Constitution are very serious matters and should be undertaken after a great deal of study and thought, not hastily. I think a tremendous amount of work needs to go into the text and the concept being expressed in any proposed amendment. I did not feel that that kind of consideration had been given to the measure.

It is of interest that the rationale she gives for not supporting the memorial is just exactly the opposite of the rationale she gave for cosponsoring the family planning bill, despite its obvious flaws. In that case, she told the committee that she was not concerned about the bill's shortcomings because she was certain that the bill would be amended in committee; but in the case of the memorial, she could not support it because the text was not yet perfect.

Ironically, a memorial has no legal impact whatsoever; the exact text of such a constitutional proposal is irrelevant since the constitutional amendment itself will be shaped in the Congress, not the State legislature. Supporting or not supporting the memorial was therefore merely a political statement, but one of keen interest in the State of Arizona. Whatever concerns Senator O'Connor may have had about the text as supported by 35,000 Arizonans, the practical effect of her withholding support was to aline herself with the proponents of abortion.

Ninth. In 1974, S.B. 1165, the State medicaid bill was introduced in the Senate. Among other provisions, it said that no benefits would be provided for abortions except when deemed medically necessary to save the life of the mother, or where the pregnancy had resulted from rape, incest, or criminal action. Attention was called to this measure by Judge O'Connor herself during the hearings, since it had been overlooked in the public debate. She said: "I supported that bill, together with that provision." Later Senator DOLE asked whether it was fair to conclude that that bill represented her views on that issue. She replied: "Yes, Senator, it reflected my views on that subject when I voted for that measure." When Senator DOLE pressed her as to whether it represented her views today, she answered: "Yes—in general substance, yes."

Yet her support of this bill tells us little about her attitude on abortion. Antiabortionists would have been displeased with any bill that provided State funding of abortion, although they would have been pleased that some restrictions were included. Proabortionists would have been pleased with any bill that established the principle of State funding of abortions, hoping to ease the restrictions at a later date. We can conclude only that she believes abortion to be a proper object of State legislation; and that, in a legislative framework, she supports restriction of abortion to cases involving rape, incest, or the life of the mother.

Nor was the abortion issue an isolated phenomenon. As is well known, abortion is only one element in a panoply of issues whose partisans describe them as women's issues. Yet, in fact, they are not women's issues as such, but only the issues of a partisan group of women who are promoting a particular view of femaleness that is at odds with the traditional view of the dignity of women. This is not the place to argue that justice of those views, or the extent to which they are actually held among women at large, but merely to point out that, by and large, those views are intolerant of the traditional family values supported by the Republican platform.

Senator O'Connor was perceived as a supporter of that group of issues. In 1970, for example, she sponsored the Equal Rights Amendment ratification in the Arizona Senate, showing none of the reticence she later displayed over memorializing Congress about the human life amendment. When the ERA was killed in the Arizona Senate Judiciary Committee in 1973, she immediately introduced a bill for an advisory referrendum on ERA, in a strategy that was interpreted as attempting to put pressure on her colleagues.

As already noted, she was a cosponsor of legislation giving information on sex education, abortion counseling, and even abortion procedures to minors without notification or consent of the parents. In 1970, she was described in Phoenix magazine as almost alone in opposing publicly State aid to private schools. In 1971, she succeeded in weakening antipornography bills which would have prohibited the public display of explicit sexual material near schools and parks. In 1972, she supported legislation giving 18-year-olds the right to drink alcoholic beverages, legislation that was defeated. In 1973, she supported H.R. 1107, a so-called no-fault divorce bill. In 1974, she was the only Senator to cosponsor H.B. 2190, a State-level version of the Child Development Act vetoed on the national level by President Nixon in 1971 as too great an intrusion into the family.

In 1974, Senator O'Connor was appointed to the Defense Advisory Committee on Women in the Services, DACOWITS, a group of 30 civilians appointed by the Secretary of Defense. DACOWITS became the center of agitation to repeal the laws prohibiting combat roles for women, specifically, the two laws upheld by the Supreme Court on June 25, 1981 as the basis for excluding women from the draft. By 1975, then Judge O'Connor spearheaded efforts in DACOWITS to allow women to enter the military academies and to be assigned to ships and aircraft other than hospital or transport vessels. For example, the minutes of the DACOWITS Subcommittee on Utilization for April 7, 1975 state:

At this point, Judge O'Connor moved the following recommendation, which was seconded by Dean Heyse: That careful analysis and definition of what is meant by "combat duty" and "combat assignment" be undertaken by the Department of Defense in order to clarify many questions which arise within the services relating to this question and in order to set forth a more uniform policy for the several branches of the services with respect to both enlisted and officer status.

Judge O'Connor then moved the following recommendation, which was adopted: That admission to the service academies be open to all qualified candidates to prepare military leaders for service in peace and war. That the Department of Defense alter its present position and take a positive position favoring admission of women to the service academies and implement it forthwith.

Judge O'Connor initiated discussion of Title 10, USC Sec. 6015 relating to the Navy's prohibition against assignment of women to vessels other than hospital or transport vessels. . . . This resulted in the following motion by Judge O'Connor, seconded by Dean Heyse: and agreed upon by all present: That the Department of Defense initiate amendment of Title 10, USC, Sec. 6051 so as to remove the total prohibition against assignment of persons (male and female) to vessels and aircraft in accordance with the qualifications of the person to be assigned and the particular mission to be performed.

It was not for nothing, then, that Judge O'Connor was endorsed for the nomination to the Supreme Court by women's liberation activists such as Eleanor Smeal, president of the National Organization for Women.

Throughout the hearings on her nomination, Judge O'Connor steadfastly refused to comment on Roe against Wade, taking the position the issues in that case would likely come before the Court, and she would have to disqualify herself under the law if she discussed the Roe holding. This was a clever position, but one that was less than candid. The statute governing disqualification of Supreme Court Justices is 28 U.S.C. 455, which provides:

Any Justice or judge of the United States shall disqualify himself in any case in which he has a substantial interest, has been of counsel, is or has been a material witness, or is so related to or connected with any party or his attorney as to render it improper, in his opinion, for him to sit on the trial, or appeal, or other proceeding therein.

Obviously, nothing in the statute excludes public statements on the issues, so long as no case is actually pending. In the case of Laird against Tatum, 409 U.S. 824 (1972), the respondents had urged Justice Rehnquist to disqualify himself because prior to his nomination as a Supreme Court Justice he had publicly spoken about the constitutional issues that were raised in the case. But Justice Rehnquist refused to disqualify himself, sharply distinguishing between public statements about the case itself—which might constitute a discretionary ground for disqualification—and public statements about what the Constitution provides, outside of the specific case involved.

After Judge O'Connor was nominated, I wrote her a letter asking for her comment on Roe against Wade. In her reply, she declined to do so, citing a distinction that Rehnquist had made between statements made before nominations to the Court, and statements made after nomination, but before confirmation. Judge O'Connor wrote: "He recognized that statements about specfiic issues made by a nominee to the bench risk the appearance of being an improper commitment to vote in a particular way."

Thus the question turns not on the issue of disqualification, but of propriety. There are no grounds whatsoever for a Justice to fear the need to disqualify himself or herself, and indeed no Justice has ever done so in the history of the Court. Yet many have commented on past decisions of the Court in their nomination hearings, including Justice Fortas, Justice Marshall, Justice Powell, and Justice Rehnquist himself.

As for the supposed impropriety, the question turns upon whether a comment on a past decision is indeed a promise to vote a certain way in the future. In point of fact, it is not. No one can predict what might be done in the future, and no prospective Justice is going to promise to bind himself or herself before the facts of a case are known, or even before it is known how a case might be presented. Comment on a past decision merely explains the judicial philosophy of the nominee at the present time. Justices often shift, or grow in their thinking, or new facts may be presented. If there were any doubt about impropriety, a nominee could simply disclaim that present comment constitutes a future promise.

The lack of substantive comment on judicial philosophy throughout three days of hearings poses a unique problem with regard to Judge O'Connor. The advise and consent duty which the Constitution imposes upon the Senate is obviously a substantive one. The Senate cannot be supposed to be a rubber stamp for an executive nomination, particularly for the Judiciary. A Justice is not the President's agent, unlike appointments in the executive branch. Yet unless the nominee's judicial philosophy is known, it is difficult for a Senator to fulfill his constitutional function of advise and consent.

Most other nominees to the Supreme Court have had a substantial public record from which their judicial philosophy could be deduced. Judge O'Connor has no such substantial record, aside from her legislative activities. By adopting the same position as a Harlan, or a Frankfurter, whose positions were well known before nomination, Judge O'Connor has all but shut out the Senate from its Constitutional responsibilities.

We are left, then, with what she described in the hearings as her personal views, repeatedly pointing out that she thought it improper to impose personal views in deciding a case. But in point of fact, every judge and justice imposes personal views in making decisions. Nearly every Justice who has appeared before the Senate for hearings has steadfastly affirmed that he believed it to be the function of the judiciary to interpret the Constitution, not to make new laws based upon his personal opinion. For example, Justice Blackmun, at his hearing, said:

> I personally feel that the Constitution is a document of specified words and construction. I would do my best not to have my decision affected by my personal ideas and philosophy, but would attempt to construe that instrument in the light of what I feel is its definite and determined meaning.

Yet it was Justice Blackmun who wrote the Court's opinion in Roe against Wade, which is generally regarded as among the most extreme examples of judicial preference for personal ideas and philosophy over textual and historical sources of constitutional law.

Throughout the hearings, Judge O'Connor repeated several times that she is personally opposed to abortion. Perhaps the clearest and most definite statements on this matter came in an exchange with Senator KENNEDY:

> Senator KENNEDY. In some earlier questions—I think by the Chairman—you were asked your position on birth control and abortion. Have your positions changed at all over the years or are they the same as indicated in your votes and statements or comments?
>
> Judge O'CONNOR. I have never personally favored abortion as a means of birth control or other remedy, although I think that my perceptions and my knowledge of the problems and the developing medical knowledge, if you will, has increased with the general explosion of knowledge over the past 10 years. I would say that I believe public perceptions generally about this particular area and problem have increased greatly over the past 10 years. I would say that I think my own perceptions and awareness have increased likewise in that interval of time.
>
> Senator KENNEDY. Does that mean your position has altered or changed or just that you have developed a greater understanding and awareness of the problem?
>
> Judge O'CONNOR. The latter, I think, Senator, is what I was trying to express.

The interpretation of this passage is difficult. Judge O'Connor says that she never favored abortion as a means of birth control or other remedy. Yet her legislative record implies just the opposite. At the same time that she was supporting abortion legislation that provided on demand until term, that would provide abortion counseling and abortions to minors without parental consent, and that would allow the University of Arizona to provide abortions to students at taxpayers' expense, she was personally opposed to abortion. And while she was personally opposed to abortion, she also opposed efforts by the pro-life movement to restore the traditional legal status for abortion.

Yet there are suggestions in the transcript that Judge O'Connor, as a State senator, tended to view the legislative process as separate from her personal views, that she was trying to make allowances for the views of those who disagreed with her. In my own view, I recognize that the legislative process involves many compromises, but I would not want ever to compromise on basic principles. In my opinion, I believe that Judge O'Connor now looks upon the legislative problem with more maturity.

In an exchange with Senator DENTON, Judge O'Connor in response to a question as to where abortion was offensive, spoke as follows:

> It remains offensive at all levels. The question is, what exceptions will be recognized in the public sector? That really is the question . . . I find that it is a problem at any level. Where you draw the line as a matter of public policy is really the task of the legislator to determine. Would I personally object to drawing the line to saving the life of the mother? No, I would not. These are things that the legislator must decide.

In my view, her comments on abortion are certainly more perceptive today than her record as a legislator would indicate. But of course, even Ronald Reagan learned from experience while Governor of California when he approved ill-drafted legislation on abortion without fully understanding the consequences. In her exchange with Senator Denton, Judge O'Connor took note of the process of interior growth:

> Senator Denton, I cannot answer what I will feel in the future. I hope that none of us are beyond the capacity to learn and to understand and to appreciate things. I do not want to be that kind of a person. I want to be a person who is open-minded and who is responsive to the reception of knowledge.
>
> I must say that I do expect that in this particular area we will know a great deal more 10 years from now about the processes in the development of the fetus than we know today. I think we know a great deal more today than we knew 10 years ago, and I hope that all of us are receptive and responsive to the acquisition of knowledge and to change based upon that knowledge.

Mr. President, there is a suggestion in that statement that Judge O'Connor is moving away from the positions which she supported as a legislator, and is focusing more clearly on her own personal convictions. In her exchange with Senator DECONCINI, she said:

> I have indicated to you the position that I have held for a long time—my own abhorrence of abortion as a remedy. It is a practice in which I would not have engaged, and I am not trying to criticize others in that process . . . But my view is the product, I suppose, merely of my own upbringing and my religious training, my background, my sense of family values, and my sense of how I should lead my own life. I have had my own personal views on the subject for many years. It is just an outgrowth of what I am, if you will.

When the President nominated Judge O'Connor to the Supreme Court, I visited him on that morning at his invitation, and he assured me personally that the

nominee shared his own views on the question of abortion. This is not hearsay. I sat with the President for the better part of a half hour in which he described Mrs. O'Connor as he perceived her.

Under extensive questioning from the Judiciary Committee, the nominee has clearly demonstrated, under oath, that she shares those views. In that sense, the President has fulfilled the commitment of the Republican platform.

Nevertheless, troubling questions remain. With all due respect to Judge O'Connor, I find it disturbing that her legislative record is in direct opposition to the personal views which she has expressed, and to which she testified as being of long standing. It suggests a dichotomy between thought and action that I, as a legislator, cannot comprehend. Yet there are also indications that she regrets the role she played in the Arizona State senate.

I think that the hearing process has focused her attention on these problems in a way which had not previously occurred. I am encouraged by the fact that, over and over again, she emphasized her awareness of the criticisms of Roe against Wade, as an extreme example of judicial activism. I am encouraged by the fact that she emphasized that, in her opinion, Roe against Wade was far from being a settled doctrine, and that she expected it to come before the Court for further review.

On that hope—that I have judged her accurately, and I am instinctively persuaded that I have—I intend to cast my vote for approval. Her testimony is that she is personally deeply opposed to abortion. We are left with the question of whether her personal views will, in fact, influence her decisions in those areas where the Constitution itself is vague or nondeterminative. My instincts, my faith in President Reagan's word, and my respect for Mrs. O'Connor as a person provide the grounds for my supporting her nomination. I wish her well.

Mr. THURMOND. Mr. President, I thank the Senator for the fine statement he has made. I am sure it will be a great contribution to this question.

Mr. HELMS. I thank the Senator.

Mr. President. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I ask unanimous consent that the time of the Senator from Alabama be charged against the other side.

The PRESIDING OFFICER. Without objection, the time will be charged to the time of the Senator from Delaware.

The Senator from Alabama may proceed.

Mr. HEFLIN. Mr. President, the task which we are now considering is a most important one. It is the process by which a branch of government renews itself—a regeneration, a pumping of new blood into the life of a great and vital institution.

In my opinion, and I say this, Mr. President, only after careful reflection, there are only two institutions absolutely indispensable to the independence, health, and maintenance of our Republic—a free, fair, and vigorous press, and a strong and independent judiciary. While Presidents may come and go, their faithful execution of the laws is subject to an ultimate check. While great men and women may deliberate and legislate in these very Halls, the laws they pass do not interpret themselves.

The Federal judiciary—the high Court in particular—not only has the last word as to what our laws say, but also as to whether they may permissibly say it. The Court to which this capable jurist has been nominated is the ultimate arbiter of our most sacred freedoms, guardian of our most cherished liberties.

In fulfilling our constitutional duty to advise and consent, the men and women of this body will cast no more important vote in this session of Congress. For we are voting not so much to confirm Sandra Day O'Connor, but to reaffirm our belief in the very concept of justice, and its preeminence among values in a free and thriving republic. As our first President told his Attorney General, Edmund Randolph, some two centuries ago, "The administration of justice is the firmest pillar of government."

If justice is both the ultimate goal and indispensable for the survival of a free republic, we best insure it by the people we select as its custodians. And that is what we are about today—selecting a custodian for our most precious commodity, a trustee for our most valuable resource.

And yet, Mr. President, nowhere is there to be found a set of standards for selecting these custodians of justice. Since Chief Justice John Jay took the oath of office in 1789, 101 Justices have sat on the Supreme Court. While this record should provide some guidance for us, it is of limited assistance, for they have differed as much in their judicial philosophies as in their passion for the law.

Greatness on the Court is neither measurable nor clearly definable. It may derive from a coherent philosophy expressed with unequaled brilliance, as was the case with Justice Holmes, or from a vast currency of experience by the creative mind of a Justice Brandeis. It may stem from an unrelenting effort to restrain judicial activism by a Justice Rehnquist, an unquenchable thirst for liberty, as with Justice Douglas, or the passionate love of free expression of my fellow Alabamian, Hugo Black.

When asked to catalog the criteria for judicial selection, we normally—and somewhat automatically—list legal ability, character, and judicial temperament. To these qualities, I would respectfully add three perhaps more fundamental: First, an understanding of the proper role of the judiciary in our constitutional and Federal scheme; second, a deep belief in, and unfaltering support of, an independent judiciary; and third, an abiding love of justice.

If I might elaborate ever so briefly:

First. Regarding the proper role of the judiciary, it is the constant struggle of all Federal judges and the ultimate issue they must confront to preserve the balance between the powers of the Federal Government and those of the States while, at the same time, protecting the constitutional guarantees of all Americans. It is the supreme test of judicial acumen to preserve that balance, to which an understanding of the proper role of the Federal judiciary is indispensable.

Second. The Framers of the Constitution were painfully aware of encroachments on judicial independence. Indeed, denial to the colonies of the benefits of an independent judiciary was one of the grievances against King George III enumerated in the Declaration of Independence. If the judgment of our highest custodians of justice is at all compromised, if it is based on timidity or hesitation arising from public or political pressure, our legacy of judicial independence will be undermined. Justice compromised is justice aborted.

Third. There must be a passionate love of justice, the great cement of a civilized society, the guardian of all life and liberty. If injustice can divide us—pitting black against white, old against young, have-nots against haves—justice can bring us together as a people, and as a Nation.

Mr. President, against these highest and noblest of standards, I have examined this nominee, and find that she meets them, every one. Judge O'Connor's record of accomplishment, both in public and private life, is exemplary—a seasoned private practitioner; a vigorous prosecutor; skillful legislator; respected jurist; legal scholar; bar, civic and political leader; faithful wife; and devoted mother. The breadth of her service is surpassed only by the excellence with which it was rendered. More important, it enables Judge O'Connor to bring unique qualities to the Court: an abiding respect for the law; a deep understanding of our economic and political institutions; a clear view of the proper role of the judiciary; and a rare appreciation of the values of Americans as a people. I dare say these qualities, and her record to date, are a harbinger of judicial greatness.

When President Reagan nominated Sandra Day O'Connor for the position of Associate Justice of the U.S. Supreme Court, I was one of the few Members of the Senate who had the privilege of prior personal and professional knowledge of Judge O'Connor. I was delighted with the President's selection and was hopeful that the U.S. Senate would confirm this nomination.

Having participated with Judge O'Connor, under the leadership of Chief Justice Burger, in the recent Anglo-American Legal Exchange on Criminal Justice, I learned first-hand of her exceptional intelligence, her hard-working preparation of the issues at hand, and her unswerving adherence to integrity. Based upon my previous experience with Judge O'Connor, I was confident of her

abilities to assume the most crucial position of Associate Justice of the Supreme Court.

During the Senate Judiciary Committee hearing process, Judge O'Connor demonstrated outstanding legal abilities, judicial temperament, a quick and decisive intellect, and a firm understanding of American jurisprudence and our judicial system. After 3 days of extensive hearings by the committee, I am delighted that my initial impressions of her legal and judicial ability were confirmed to the highest extent, and that the members of the Judiciary Committee recognized her outstanding attributes in support of this nomination, with 17 affirmative votes.

I began by saying we are involved in the process of institutional renewal. As Justice Cardoza put it—

> The process of justice is never finished. (it) reproduces itself, generation after generation, in ever-changing forms. Today, as in the past, it calls for the bravest and the best.

I believe his words ring just as true today, and in Sandra Day O'Connor I believe we have "the bravest and the best." I counseled Judge O'Connor during the confirmation hearing to carry indelibly etched in her conscience, and follow as religiously as is humanly possible, the admonition of one of our greatest jurists, Learned Hand, who wrote:

> If we are to keep our democracy there must be one commandment: Thou shalt not ration justice.

I am confident that Justice Sandra Day O'Connor will follow this commandment religiously.

Mr. President, President Reagan's appointment to the Supreme Court will reflect great credit on his administration, the Court itself and, indeed, the Nation at large. I am delighted to vigorously support this nomination, and I encourage each of my colleagues in the U.S. Senate to enthusiastically support the nomination of Sandra Day O'Connor for the position of Associate Justice of the U.S. Supreme Court.

Mr. HART. Mr. President, will the Senator from Alabama yield to me?

Mr. HEFLIN. I yield.

Mr. HART. Mr. President, I congratulate the Senator from Alabama on an extremely eloquent statement.

Too often in this Chamber, we debate the merits of nominations or fundamental legislative issues and miss the more overriding point. The point here is justice, which we do not hear about too much these days. The Senator from Alabama is to be congratulated for bringing the debate back to where it belongs.

The issue on this nomination, to some degree, and in our society at large is justice.

The distinguished Senator from Alabama has made a remarkable record in his own right in pursuing the cause of justice throughout his career on the highest court of his sovereign State. I wish to add a word here of support and congratulation for him and that distinguished career and his efforts in bringing the focus of the U.S. Senate on this issue, as well as other issues of the day, back to the fundamental point—that a society without justice, without justice for all, is not a democracy and certainly is not what the United States of America started out to be.

So I want the Senator from Alabama to know that his colleague has the highest regard for him and for his pursuit of that principle.

Mr. HEFLIN. I certainly appreciate the kind comments of the distinguished Senator from Colorado.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I suggest the absence of a quorum, and I ask that the time be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, will the floor manager yield?

Mr. BIDEN. I yield as much time as the Senator from Massachusetts will require.

The PRESIDING OFFICER (Mr. SYMMS). The Senator from Massachusetts.

Mr. KENNEDY. I am pleased and proud to support Judge Sandra O'Connor's confirmation as Associate Justice of the Supreme Court.

The Judiciary Committee hearing on her nomination established beyond any doubt her qualifications to sit on the Nation's highest court. At the hearing, she demonstrated the qualities of judicial temperament, excellence in the law, and the personal and intellectual integrity essential in a nominee to this high position. She also demonstrated her commitment to the enforcement of individual rights under the Constitution. Other witnesses at the hearing testified to the respect she has earned in Arizona as a jurist and as a concerned member of her community. I am convinced that Judge O'Connor has the potential to be an outstanding Justice on the Supreme Court.

Judge O'Connor's nomination is a significant victory for the cause of equal rights. It is a significant new step on the road toward equal justice in America. The small number of women on the Federal bench, and, until now, their exclusion from the Supreme Court, has been a particularly troubling reflection of the discrimination that women and minorities still face in our society.

Americans can be proud of this day, as we put one more "men only" sign behind us.

Americans can also take pride in this nomination for another reason. By this vote, the Senate rejects the would-be tyranny of the new right and reaffirms the vital principle of the independence of the judiciary. Single-issue politics has no place in the solemn responsibility to advise and consent to appointments to the Supreme Court or any other Federal court.

As the hearings revealed, no member of the Senate Judiciary Committee completely agrees with Judge O'Connor's views on every major issue which will come before the Court. I do not agree with her present views on the proper balance in the relationship of the Federal courts and the State judiciary in the enforcement of Federal rights. But I am satisfied that her intellectual integrity and her concern for those whose rights have been denied will lead her to a fair evaluation of that balance from the unique perspective of the Supreme Court.

I congratulate Judge O'Connor and I wish her well in the new responsibility she now begins.

Her place is already secure as the first woman in the 200-year history of American law to be nominated to the Supreme Court. But she has the ability and the character to be remembered for even more—as a wise justice who understood and advanced the historic role of the Supreme Court in preserving our country as a nation of equal justice under law.

Mr. President, I yield the remainder of my time. I thank the Senator.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. BIDEN. Mr. President, I yield as much time as the Senator from Ohio may require.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I stand to indicate my support for the confirmation of Sandra O'Connor to the Supreme Court of the United States.

In doing so, I have a special kind of good feeling, a good feeling that the overwhelming majority of this body—and it would not surprise me if the vote were unanimous—will indicate that they will not yield to the pressures of the new right and they will not be distracted to oppose her nomination on the basis of any one single issue.

My view is that, regardless of the merits of the issue, American politics have had enough of single-issue opposition or support and that it is time that those persons up for confirmation in the Supreme Court and persons up for election to public office should not be judged on the basis of any one issue—and there are many of them that are used as the sole determinant in this country.

I believe there is something basically un-American about saying that a person should or should not be confirmed for the Supreme Court or should or should not be elected to public office based upon somebody's view that they are wrong on one issue.

This judge, who has served her State well as a jurist and as a legislator, has a mind of her own. Her views are not my views. If I were doing the appointing, I doubt very much that I would appoint Judge O'Connor to the Supreme Court.

But that is not the question before the Senate of the United States. The question is: On the basis of her legal ability, on the basis of her character, on the basis of her integrity, on the basis

of her judicial temperament, and on an overall basis, is she or is she not qualified to be appointed to the Supreme Court of the United States? I know that this body today will give a resounding affirmative answer to that question.

There are many issues on which I disagree with the judge. On the whole question of access to the Federal courts for the poor, I do not agree with her attitude or some things that she has written about in a magazine article. She believes that the jurisdictional amount on Federal question cases should be a specific amount and I believe that the courts ought to be open regardless of the amount in question. This Congress has already passed on that issue and has arrived at the same conclusion as the Senator from Ohio.

She indicated her opposition to attorneys' fees being paid in section 1983 cases, the original Civil Rights Act, the anti-Ku Klux Klan Act. I take strong issue with that point of view. I do not happen to think that she is right on that score. But would that be a sufficient basis for me to vote against her confirmation? I think not.

She and I disagree with respect to the question of standing requirements in a case. Would that be a sufficient basis for me to vote against her? I think not.

I believe that the role of the court in issues having to do with social justice is, indeed, an important role. This question of judicial activism—what does that really mean? When is a court judicially active? When it is making laws or when it is not making laws? It is all a matter of perspective and all a matter of perception. It is a question of how you interpret the action of the court. I do not think she and I would agree on all matters in that connection, but I still believe she belongs on the Supreme Court, having been appointed by the President of the United States.

I doubt very much that she and I would agree on the issue of capital punishment. I would guess that we might disagree on many issues having to do with criminal procedures.

But her appointment is an appointment that the President of the United States has the right to make under the Constitution and we in the U.S. Senate have an obligation to confirm or refuse to confirm. It pleases me greatly that—after days of hearings, very full hearings, very fair hearings, conducted by the distinguished chairman of the Judiciary Committee, Senator STROM THURMOND, in which everybody was given an opportunity to be heard, in which Senators who felt that they needed an extended opportunity for questioning were given that opportunity—she came out of the Judiciary Committee with a vote of 17 to 0, 1 present.

I hope that today there will not be a single vote cast against her confirmation.

I am particularly pleased about the fact that she will become the first woman Justice of the Supreme Court. I am pleased that I had the privilege of participating in that confirmation process in connection with such an appointment.

But I do not hesitate to say that that would not be a sufficient basis alone for me to vote for her confirmation. I will vote for her confirmation because I think that she will serve the Court well, I think she will serve the American people well, and I think she will serve the cause of justice well. I am glad that we will have the privilege to vote on her confirmation today.

I yield back the remainder of my time.

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. Mr. President, I rise once again today to discuss for a short period of time the nomination of Sandra O'Connor as an Associate Justice to the U.S. Supreme Court.

This is a monumental time for all of us—the first woman Justice—but, obviously, as many Members have pointed out, she was selected on the basis of her qualifications and her merits.

When Justice Potter Stewart announced his retirement, I submitted Judge O'Connor's name to President Reagan for consideration. Along with other people, some in this body and some other distinguished jurists and scholars, I had the honor of presenting Judge O'Connor, along with my distinguished senior colleague, Senator GOLDWATER, to the Judiciary Committee for the beginning of her confirmation hearings. I am once again here before the entire Senate to proclaim my clear, unequivocal support for this fine jurist, for this fine person, this fine woman, who will be the first woman on the Supreme Court.

I hope that our colleagues will vote a unanimous vote today in her behalf.

I think it is important to set aside a moment to say that though Judge O'Connor will be, in my judgment, the first woman to serve on the Supreme Court, after her confirmation today and her swearing in later this week, that this should not be the last, by any means, and, hopefully, it will just be the beginning. I urge the President, if he has another opportunity, that he fulfill that promise once again to bring into our judicial system the fine, qualified women that have demonstrated the absolute ability to be competent on the court and competent in the legal profession.

This should be just the beginning of a new era and not 200 years or 300 years before we have another woman on the Supreme Court. There are indeed many women qualified to serve in this position. Sandra O'Connor demonstrated that as well as demonstrating her own credibility for this position.

The Senate Judiciary Committee, as we all know, held 3 days of hearings which were conducted in an outstanding manner by the chairman, Senator THURMOND, which comprehensively covered Judge O'Connor's technical qualifications as well as her personal and judicial philosophy. These hearings reveal an individual who is capable of dealing with the intricate, complex issues that will face her and the other members of the Supreme Court in years to come.

Judge O'Connor will bring to the court a unique combination of experience as a legislator, a Government lawyer who served as assistant attorney general for the State of Arizona, a trial judge and an appellate judge. The quality and breadth of her legal background evidence her outstanding credentials for this appointment. As an honor graduate from Stanford University Law School her entire legal career has been a progression of distinguished records of achievements and accomplishments, which I think set very well and will hold her in great stead to serve on the Court.

As a legislator, Judge O'Connor served as majority leader of the Arizona State Senate and as chairman of one of the major committees of that body. She has received numerous awards and honors for her work as an active, private citizen, and has been held in high esteem by members of the Arizona State bar who have tried cases before her while she was serving as a judge.

The mix of these experiences has created in Judge O'Connor a special sensitivity, a sensitivity demonstrated in her thoughtful responses to the Judiciary Committee's question, the nature of American Government to the delicate interrelationship between its separate branches constitute the hallmark of democracy.

Judge O'Connor throughout the grueling confirmation hearings has been shown to be a woman of great depth and intelligence. She acted as a true professional. Questions presented by the Judiciary Committee were intricate and comprehensive. They involved issues of law and of her own knowledge of Supreme Court decisions and her studies of the Constitution. She answered these questions in such a manner so as to show her depth of thought and comprehension of the issues. She answered the questions fully and completely. Judge O'Connor told the Judiciary Committee her full views on judicial activism, stare decisis, and her personal views on many current issues. Questions pertaining to specific U.S. Supreme Court decisions were beyond the scope, in my opinion, of permissible questions, or at least the questions that should be answered specifically. To ask a potential Supreme Court Justice how he or she would vote on a particular issue which may come before the Court is the equivalent of asking that individual to prejudge the matter or to morally commit oneself to a particular position.

Whether or not it was pertaining to reversal of a previously decided case by the Court or a hypothetical set of circumstances or facts that would very likely present itself to a court in the future I think is unquestionably the wrong type of questions to expect a nominee, anyone—Judge O'Connor or otherwise—to answer.

Such a statement, if the nominee were to give a definite opinion, might disqualify the nominee for sitting and hearing such cases in the future. This end result is contrary to the sworn duty of a Justice to decide cases that come before the Court. In light of this basic duty, I feel that I must state my view that Judge O'Connor's statements and answers were full and complete responses to questions posed by members of the Senate Judiciary Committee.

I wish to thank the chairman for his thoughtfulness and that of the members, both Republicans and Democrats, who did indeed pose hard questions to Judge O'Connor but treated her with respect. What we are dealing with today is not a question of an individual's political ideology, but the question of an individual's competence and professionalism, integrity, judicial temperament, and commitment to have equal justice under the law, words that are said often but do we really think about equal justice under the law? That is what we as a country, that is what we as the Senate, that is what the President as the Chief Executive Officer of this land, are asking from Judge O'Connor, equal justice under the law.

I submit that we will get just that. The hearings and the statements made today by our colleagues demonstrate the confidence that Members of this body have in Judge O'Connor.

Our Constitution provides the framework of Government spanning years, decades, centuries. The retention of this framework depends to a great extent on the quality of judicial construction. As highly emotional and important as the issues of today are, and there are many that fit that particular description, there will be totally unpredictable matters that could confront the Supreme Court in future years. It takes maturity, it takes real competence to address those with that equal justice under the law always in the forefront.

It is our role to confirm a Justice who has the intelligence, training, and judgment to span through this period of time.

I am confident that Judge Sandra O'Connor will win full Senate confirmation, and I am hopeful that it will be a unanimous vote. I am equally confident that this Nation's first woman Justice, an Arizonan, will have a long and distinguished career on the Bench.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, with great pleasure, I take the floor today as the Senate prepares to exercise its constitutional function of giving its consent to President Reagan's appointment of Judge Sandra Day O'Connor to fill the Supreme Court vacancy created by the retirement of Justice Potter Stewart. As we undertake this vital task, therefore, we should pause to recall the reasons that the "framers" split the nomination process for Supreme Court judges between the executive and legislative branches. The framers understood the importance of the Supreme Court to the new Republic. Standing before the First Congress to propose that a bill of rights be added to the Constitution, James Madison stated beautifully the purpose of the Nation's Highest Court:

> [The Court] is to be an impenetrable bulwark against every assumption of power in the legislative or executive . . . to resist every encroachment upon rights expressly stipulated for in the constitution by the declaration of rights. 1 Annals of Cong. 457.

The Supreme Court, therefore, holds the lofty responsibility of policing the bounds drawn by the framers of the Constitution. But the framers also understood that even the words of the Constitution could be slippery. They had suffered indignities at the hands of the King's magistrates who often changed the meaning of the law to fit the circumstances rather than upholding an unchanging legal standard. Recognizing that the integrity of the Constitution itself was at stake, therefore, the framers specifically provided for both the President and the Senate to participate in selecting Supreme Court judges. If the enforcement of the Constitution was to be committed to the hands of justices, the framers wanted to be sure, in the words of Alexander Hamilton, that they designed "the plan best calculated * * * to promote a judicious choice of men for filling such offices." Federalist No. 76. Their "advice and consent" plan thus provided a double check on nominations to insure that the Constitution and such words as "due process' or "necessary and proper" means what the authors intended and the people ratified not simply what five appointees might cumulatively concoct.

In light of this background, the most important qualities for a Justice of the Supreme Court is a keen comprehension of the limits drawn by the drafters of the Constitution and an unshakable resolve to those limits honored. With full awareness of the significance of this recommendation for the future of American jurisprudence, I can confidently say that these are qualities possessed by Judge Sandara O'Connor.

Mr. President, throughout the grueling inquiry into her judicial philosophy and personal background, Judge O'Connor consistently displayed a remarkable poise under pressure and a deep grasp of the intent of the authors of our Nation's foundational document. She brings to the Court an ideal set of credentials to carry out the mission described by Madison. Having served in all three branches—executive, legislative, and judicial—of State government, Judge O'Connor understands the checks and balances between them that prevents any single function of Government from overpowering the others. Moreover, her extensive experience with State government gives her an acute appreciation for the traditional principles of dual federalism which protect our individual rights against centralized governance.

In her excellent article in the William and Mary Law Review (vol. 22:801), Judge O'Connor constructed a cogent case for the principle of federalism within the judiciary:

> State courts will undoubtedly continue in the future to litigate federal constitutional questions. State judges in assuming office take an oath to support the federal as well as the state constitution. State judges do in fact rise to the occasion when given the responsibility and opportunity to do so. It is a step in the right direction to defer to state courts and give finality to their judgments on federal constitutional questions where a full and fair adjudication has been given in state court. (At page 814.)

During the hearing, Judge O'Connor was often questioned about her high regard for the ability of State courts to uphold the Constitution and enforce Federal laws. Several members of the Judiciary Committee tried tirelessly to induce her to assign to the Federal courts a preeminent role in adjudication of Federal or constitutional rights. She would not retreat from her full confidence in our Nation's bifurcated judicial system and the ability of State courts. Indeed, her defense of this principle reminded me of a similar defense by Alexander Hamilton to the objections of the anti-Federalists:

> There is not a syllable in the plan (the Constitution) under consideration which directly empowers the national courts to construe the laws according to the spirit of the Constitution, or which gives them any greater latitude in this respect than may be claimed by the courts of every state. Federalist No. 81.

Judge O'Connor's adherence to this principle is just one example of her tenacity in defense of the Constitution as it was drafted by the framers.

On another occasion during the hearing, Judge O'Connor was assailed for stating that the exclusionary rule is a judge-made rule of evidence that could be altered without doing violence to the Constitution. Several members of the Judiciary Committee questioned Judge O'Connor extensively, seeking to induce her to waver on this principle. Again she held her ground. To learn the soundness of Judge O'Connor's reading of the Constitution, we can look at what the Supreme Court itself has said. Justice Black stated in *Wolf* v. *Colorado*, 388 U.S. 25 (1969), that:

> The Federal exclusionary rule is not a command of the fourth amendment but is a judicially created rule of evidence which Congress might negate.

Again, in *Linkletter* v. *Walker*, 381 U.S. 618 (1965), Justice Black iterated:

> The rule is not a right or privilege accorded to defendants charged with crime but is a sort of punishment against officers in order to keep them from depriving people of their constitutional rights. In passing I would say that if that is the sole purpose, reason, object, and effect of the rule, the court's action in adopting it sounds more like law-making than construing the Constitution.

Indeed, more recently, the Chief Justice has said:

> Reasonable and effective substitutes can be formulated if Congress would take the lead, as it did for example in 1946 in the Federal Tort Claims Act. I see no insurmountable obstacle to the elimination of the Suppression Doctrine if Congress would provide some meaningful and effective remedy against unlawful conduct by government officials. *Bivens* 403 U.S. 388 (1971).

Mr. President, Judge O'Connor was on sound footing when she assessed the exclusionary rule. More important than her effective defense of proper constitutional principles, however, was her courage to defend those principles with her own nomination on the line. This is the brand of bravery we need on the Supreme Court.

I could cite a good many more instances of Judge O'Connor both understanding sound constitutional doctrines and resisting the contentions of those who would have driven her away from those doctrines. For example, Judge O'Connor articulated well the reasons Congress must restructure Federal civil relief under 42 U.S.C. 1983:

In view of the great caseload increase in the Federal courts and the expressed desire of the Reagan administration to hold down the Federal budget, one would think that congressional action might be taken to limit the use of 1983. It could be accomplished either directly, or indirectly by limiting or disallowing recovery of attorney's fees. 22 William and Mary 801,810.

She also enunciated well the powers conferred by article III upon the Congress to regulate Federal court jurisdiction:

The jurisdiction of state courts to decide federal constitutional questions cannot be removed by congressional action, whereas the federal court jurisdiction can be shaped or removed by Congress. Id. at 815.

Mr. President, Judge O'Connor's performance before the Judiciary Committee and her rich experience in government both assure me that she understands the Constitution and possesses sufficient courage to carry out its mandate. At the outset of my remarks, I noted that James Madison characterized the Court as a "bulwark against every assumption of power * * * resisting every encroachment upon rights." The strength of the Court as a bulwark depends on the strength of the nine individuals who comprise it. Judge O'Connor, in my opinion should prove to be not simply a "bulwark" but the "impenetrable bulwark" described by Madison. She will be the kind of Supreme Court Justice the Framers of the Constitution had in mind when they drafted article III. I am honored to exercise my constitutional duty as a Member of the Senate in giving my wholehearted consent to President Reagan's appointment of Judge Sandra Day O'Connor to the Supreme Court of the United States of America.

Finally, Mr. President, I have to add that I personally am highly pleased that President Reagan, in his first Supreme Court nomination, knowing that he may have some more in the future, has opted to choose a woman to go on the Supreme Court of the United States. This is a decision that I think is long overdue. I think that we should have had a woman on the Court much before now. There are many great women jurists, women legislators, women attorneys, and women throughout other walks of life, with legal backgrounds, who could serve on the U.S. Supreme Court and who would add balance to the Court. That balance would give at least some solace and some comfort to women all over this country, who feel as though their needs, their feelings, their rights have not been adequately spoken for, debated, or even cared for.

I believe that Judge O'Connor will represent women's rights well. I think that her writings reflect that, her experience as a legislator reflects that. I think her experiences in the executive branch of the Arizona government reflect that well.

I also suspect that she is going to irritate all of us from time to time, as all Supreme Court Justices do. There is no way that anybody nominated to the Supreme Court of the United States is going to please everybody all the time, and there is no way that Judge O'Connor, as Justice O'Connor, will please everybody all the time.

All I can say is that, from her testimony before us, I was really pleased that she is motivated in the ways she is, that she is a student of the Constitution, that she is a strict constructionist, and that she is going to stand for the principles that I believe have made the Supreme Court the great institution it really is in our lives.

I hope that 20 or 30 years from now, perhaps longer, when Justice O'Connor steps down from the bench, the good things we have said about her this day will have been fulfilled and will have been principles of history and matters of history that all of us can look back upon with a great deal of happiness and with gratitude that she was chosen by this great President, who has lived up to another of his campaign promises.

I wholeheartedly support her, as I have from the beginning. I look forward to reading her decisions, and I expect them to be articulate and well-written and well thought out, as I believe her answers were when she appeared before the Judiciary Committee on her own behalf.

The PRESIDING OFFICER. Who yields time?

Mr. HATCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I ask unanimous consent that quorum calls from now on not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I suggest the absence of a quorum

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I am a member of the Judiciary Committee and from that standpoint have been very much involved in considering the nomination of Sandra O'Connor to the Supreme Court. That started with my answers to press questions about how I considered her nomination at the time the President announced it, through the time that we eventually considered the nomination and voted on it last week.

During that period I had an opportunity to visit with Judge O'Connor in my office for about 40 or 45 minutes. At the end of that meeting with her I had a press conference in which I was asked by members of the media how I would vote on Judge Sandra O'Connor's nomination.

At that time I said I was not going to announce my vote because, in fact, I did not have my mind completely made up as to how I would vote, and that I would make that judgment based on the hearing record.

Throughout the August recess I had an opportunity to be questioned many times by my constituents as I traveled the State of Iowa on how I was going to vote on this nomination. I gave the same answers to my constituents who asked the question as I did to the media in my press conference back in July, that I would make my final decision based upon the record.

We then had 3 days of hearings and a record of those 3 days to review, and even at that point, even though I probably was more sure than ever before as to how I would vote as a result of our personal conversations back and forth on the record not only between Judge O'Connor and myself, but as I listened to every other member of the Senate Judiciary Committee ask her questions and get her answers, and as I listened to her responses to all of us, I said at the end of those 3 days of hearings, when asked by the media how I would vote on this nomination, that I was going to wait and review the record in the same way that I did as I answered the same question in July.

The weekend before last I had occasion to review that record. As you all know, I cast my affirmative vote in support of Judge O'Connor during last week's meeting.

During that review of the record, I have undergone an evolutionary process since the middle of July when I first visited with her, and it has been such a process by which the end result is that it has been very easy for me to cast this positive vote for Judge O'Connor.

I do it enthusiastically and without reservation. If there is reservation in anybody's mind it is probably only because of how the confirmation process is used in the Senate. As I understand it, it is traditional and historical that nominees for the various courts do not answer specific questions to any great extent, particularly as they relate to cases that might come before the Supreme Court.

I had some feelings, and still do, that part of the hearing process could involve how nominees might react to cases that have previously been decided by the Supreme Court. I would not expect any nominee to state how that nominee would decide a case that would come before the Court in the future.

However if nominees would comment on previous cases, it might be helpful in obtaining more thorough knowledge about how they feel. Even though she did not go to the depth that some of us, particularly the new members of the committee, would have liked her to have gone in expressing opinions on previous cases, I can say this: everything I heard in her answers regardless of the subject, and I include abortion, and I would add that I liked the answers she gave. That I basically agree with those answers and it was on this record, made by all the

members of the committee as well as other parties who testified in support of her, that I made a final decision to support Judge O'Connor.

In the process of making this decision, three of us, the Senator from North Carolina, the Senator from Alabama and I, put in the record our feelings of how we felt that the nomination procedure ought to be looked at by the committee and by the Senate to see if there is some way, to find out if there is some way, we can legitimately expect more definitive answers to our questions, again not on cases that might come before the Supreme Court but on cases that have already been adjudicated by the courts and an opinion rendered.

We say that only in the sense that we think it is legitimate for Members of the Senate to have as much knowledge as we can about nominees to the Court and, particularly, in the case of nominees like Judge O'Connor who move up from the State courts, where they have not had a record of their feelings on Federal constitutional issues. I think it is all the more important in those situations.

On the other hand, the absence of that to this point does not in any way detract from my support for Judge O'Connor as I think in many respects though we do not have an extensive record on this to judge her as compared to nominees who have moved up from lower Federal courts, she does have much to offer the Supreme Court that other nominees have not had.

One of those we dwelt upon to a considerable extent is the fact that she previously was a member of a legislative body, the State legislature of Arizona. I think it is great that the President has picked someone who can bring the perspective of a legislator to the Supreme Court and, hopefully, this will enhance respect by the Supreme Court of legislative intent, particularly the intent of State legislative bodies, both to enhance the division of powers, the States and their legitimate role in our Federal system of Government, and also to enhance the separation of powers so that the legislative activity of this Congress will be respected to a greater extent by the Supreme Court.

She brings that background to the Supreme Court. She also brings the background of a State judge to the Supreme Court, and I think again this will enhance respect by the Supreme Court for previous work done by the State courts and, hopefully, will enhance the State courts rule in interpreting the law.

I support Judge O'Connor because I believe she has basic conservative philosophies, both judicial and political.

During the extensive Judiciary Committee hearings she stated her opposition to forced busing and support of the death penalty. Those positions are very satisfying to those of us on the Judiciary Committee and in the Congress as a whole who are looking to President Reagan to give a new direction to the Supreme Court so that we will have a Court that will exercise judicial self-restraint.

It is this sort of person who is going to bring judicial restraint to the Supreme Court and an example of the people whom the President might appoint to the Federal judiciary in future years.

And if it is—and I hope it is—then, I am all the more satisfied that President Reagan is headed in the right direction.

It is because Judge O'Connor basically has conservative views, that I support her. I do not think that there was much about her basic philosophy that I found to disagree with in the 2 months since she has been nominated. I feel more satisfied now as time has passed and I believe that every favorable thought that I had about her conservative philosophy has been reinforced as a result of the hearing process.

I would say that the reinforcement of my preconceptions about her came from those who have known her during her tenure as a member of the Arizona State Legislature. I was impressed by the testimony of Republican and Democrat State legislators who have known her, who said that she was a good person. an active person, a person who worked hard. I think these are qualities that we want in a judge.

Also, in regard to the abortion issue, there was a State representative by the name of Tony West, who was present and testified, who admitted, even though he did not specifically ask her how she might vote upon that issue before the courts, he said very specifically that he would not have been here in Washington that day supporting her unless he thought that she was right on that issue. Implicitly, I read that to mean that she was pro-life on the subject of abortion.

In fact, I have been considering my years in the Iowa Legislature, a small State legislature—and I assume that Arizona can be classified as a small State legislature—and I have been considering, too, as I remember my time there, the camaraderie that grows up among legislators, and that camaraderie transcends party lines more in State legislatures than even in the Congress of the United States. I think as you get to know your colleagues in the State legislature, that is a better record of basic instincts of a person than anything we can get out of the hearing process we had before the Judiciary Committee.

So I want to be supportive of her nomination because I feel that we had at least three members of the legislature there who, on many issues, maybe would not agree with her but on some basic ones that concerned us, they expressed their approval of her.

Finally, let me say to the Senate as a body that I want to be supportive of the President in this nomination—and let me say not blindly supportive, but I am supportive. I had some doubts about that, as I said previously in my comments today. I pursued, in my questioning of Judge O'Connor, how her conversations with the President went when she visited with him. I asked if they had discussed policy questions. She refused to answer that, and I can understand that. A conversation with the President ought to be just between the two people involved.

However, I had an opportunity last week at the White House to talk to the President about this nomination. I did not go there with the purpose of talking about this; it was on another issue. I, too, do not think that I should divulge anything that the President has said to me privately.

But I am satisfied that the President did consider the very same weighty issues that we as committee members considered and he feels that she is going to respond the way he would want his nominee to respond on these issues, but, more importantly, the President finished his statement to me, not about just Judge O'Connor, but about his own feelings on the subject of abortion.

That was the first conversation I ever had with the President specifically on that subject, and I have discussed many policy questions with him both before and after the election, and I am satisfied for the first time in my own mind that the President feels as I do on the subject of abortion.

I only say these things, in closing, to whatever extent they might satisfy some doubts the leaders of the prolife forces in this country may have that the President is not honoring statements he made in the election by his performance as President. I want to satisfy those people—at least I am satisfied—that his performance on this question, specifically as it regards the nomination of Judge O'Connor, is commensurate with his rhetoric.

Mr. SYMMS. Will the Senator yield?

Mr. GRASSLEY. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. RUDMAN). Does the Senator from South Carolina yield time?

Mr. THURMOND. How much time does the Senator desire?

Mr. SYMMS. One minute.

Mr. THURMOND. Mr. President, I yield to the able Senator from Idaho.

Mr. SYMMS. Mr. President, I thank the distinguished chairman of the Judiciary Committee for yielding to me.

I would like to compliment my friend, the Senator from Iowa, for his very thoughtful consideration of this. I had the opportunity to work with the Senator from Iowa in the House and have known him to be a very careful and thorough member of committees, having served on committees with him.

I am not a member of the Judiciary Committee, but I would like to compliment Senator THURMOND and his entire committee for the very careful approach that they took in working through what I ccnsider to be a very important and responsible part of our responsibilities as Members of the Senate, to advise and consent to the President's nomination to the Supreme Court.

I am supporting President Reagan's nominee for the Supreme Court, Sandra O'Connor.

During Judge O'Connor's confirmation hearings she proved herself to be a very capable, articulate, intelligent individual with a precise legal mind. With her political background as a former legislator in Arizona and her substantial

knowledge of law she will bring to the highest court in this country a good balance of experience.

Judge O'Connor was questioned extensively by members of the Judiciary Committee on a wide variety of topics. For the most part she was forthright in her answers although she avoided some lines of questioning expressing a desire not to specifically commit herself on legal questions she might in the future be called to rule upon as a member of the Court.

I was, however, very pleased that she confirmed a belief that the Federal judicial system should have a limited role in American life. It appears that Mrs. O'Connor will help steer the Court toward its traditional role of interpreting the laws, rather than making them.

President Reagan made a commitment a long time ago to choose Supreme Court justices on the basis of the whole broad philosophy they would bring to the bench and appoint men and women to the Court who respect the values and morals of the American majority. I believe the President met that commitment by choosing Judge O'Connor for this very important post in the judicial branch of our Government.

On balance it appears she has the potential to be a very fine associate justice and I am confident that at some future time we will be able to look back on this appointment as one of the best in the proud history of the Supreme Court.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, we have an abundance of time on this side of the aisle. If the Senator from Idaho would like more time, I would be delighted to yield to him.

Mr. SYMMS. I have completed my statement.

Mr. THURMOND. I yield to the Senator from Connecticut.

Mr. BIDEN. I would be happy to yield on our time. I think the Senator from South Carolina is running low on his time.

Mr. WEICKER. Will the Senator yield me 5 minutes?

Mr. BIDEN. Yes, I yield 5 minutes to the Senator from Connecticut.

Mr. WEICKER. I thank the distinguished Senator from Delaware.

Mr. President, I rise in enthusiastic support of Judge Sandra Day O'Connor's confirmation as Supreme Court Justice. The President has made an excellent choice for our highest court. As someone personally acquainted with Mrs. O'Connor, let me assure my colleagues and the American people that she will grace the Court with her intelligence and integrity.

During her years in the legislature and on the bench, she has exhibited an astute legal mind and a rigorous conscience. And if anyone had any doubts about her political savvy, those were put to rest during her recent appearances on Capitol Hill.

In one-on-one meetings with Members of Congress and long, searching sessions before a Senate committee, Mrs. O'Connor remained unflappably calm and forthcoming in her responses.

Some complained that Mrs. O'Connor should not have to be subjected to such grueling interrogation. But I disagree. Now is the time for Congress to poke and pry into Judge O'Connor's politics. Now is the time for the Congress to address the proper role of the courts as well as the improper role. Now and not next month or next year when Mrs. O'Connor takes a stand on an issue that some Members of Congress disagree with.

Once this nominee is confirmed and takes her seat on this Nation's highest court, those kinds of questions will be out of order. Once she is confirmed, she must be independent, completely and utterly free of interference from anybody, and that includes Members of Congress as well as the President of the United States. That is what our Constitution calls for. That is what is meant by the checks and balances of a tripartite system of government.

We in the Senate will not have the right to look over her shoulder as she writes an opinion and tell her, "No, Justice O'Connor, you can't reach that conclusion or prescribe that remedy. You must support school prayer but not school busing. You must ban abortion but allow capital punishment." We cannot decide that for her. From here on she is on her own.

Is there anyone here who really wants 100 politicians to decide the quality of justice he or she will receive when their day in court comes around? Do any of us want our Supreme Court counting votes on the Senate floor when it decides an issue affecting our civil rights? The answer is no. We all deserve better than that.

In Mrs. O'Connor we have a top-notch nominee. Let us confirm her and then stay out of the way and let her do her job. She will do it exceedingly well.

Today marks our swing at the pitch. And that is proper. What will always be inappropriate is to use the legislative bat as a subsequent club over the heads of the judicial and executive branches.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I suggest the absence of a quorum and I ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I yield to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, President Reagan has nominated Sandra Day O'Connor to be an Associate Justice of the Supreme Court. When confirmed she will be the first woman to serve on the Court in its history.

I have followed the controversy surrounding her nomination with great interest, a controversy centering on Judge O'Connor's views about abortion. Her record as a legislator in the State Senate of Arizona has been looked at in the minutest detail, and indeed much of Judge O'Connor's testimony before the Judiciary Committee last week was devoted to yet another reexamination of her record and her present opinions on that subject.

Let me say that I have been concerned with the question of abortion for a long time. Throughout the debate on Federal funding for abortion, I have continually supported the strictest language possible, language that would restrict the use of Federal funds only to cases where the mother's life is endangered. My own commitment to human life and my opposition to abortion are fundamental.

Nonetheless, I firmly believe that the preoccupation with her personal views displayed by opponents of Judge O'Connor's confirmation is misplaced. They are asking the wrong question. In my opinion, one's personal views on matters of public policy have little or no bearing on how one comprehends the duties of the judiciary under the Constitution.

We are not electing a legislator when the Senate confirms a man or woman for a seat on the Supreme Court. We are naming a justice. The true question to be addressed and answered regards Judge O'Connor's view of the Court and the role of the judiciary in the governmental system. Does she view a justice as a legislator and the Supreme Court as an institution that creates public policy? Or is the Court charged with determining what the law is and with enforcing the law enacted by the legislative branch.

Judge O'Connor left the Senate in no doubt about her answer to this question. After remarking on her experience as a State legislator and State court judge, she said:

> Those experiences have strengthened my view that the proper role of the Judiciary is one of interpreting and applying the law, not making it.

She repeated this basic belief time and again over 3 days of hearings before the Judiciary Committee.

President Reagan was outspoken in his campaign for the Presidency about his desire to stop overreaching by the Supreme Court. I wholeheartedly agree with him. And yet the position of Judge O'Connor's opponents seems to be that a nominee's personal preferences on issues such as abortion are not only relevant, but that those preferences should be pressed on the Court.

My view and the President's view, on the other hand, is that the Court is not the philosophical arbiter of Government policy. Our view is that the legislatures, both State and Federal, properly make policy decisions. The Court is to interpret the law and to apply it to different sets of facts.

Its task is to do justice, to fill in, as Justice Cardozo said, the interstices of the law. President Reagan and I are against judicial activism, whether it is activism of the right or the left. This is a conservative view of the Court and its

function that I am commending to my colleagues. The opponents of Judge O'Connor are not judicial conservatives, they are judicial activists. They seek to work their own will on the country through unelected judges.

It is easy to understand the unhappiness felt by the opponents of abortion, of whom I am one, with recent Supreme Court rulings. In many cases, most notably Roe against Wade in 1973, the Court has substituted its judgment on questions of domestic relations and public health for the judgment of State legislatures.

It is this practice of the Supreme Court and the lower Federal courts that we in the Senate ought to be working to stop. I believe we will be taking an important step in that direction by confirming Sandra O'Connor.

Judge O'Connor was asked her opinion of Roe against Wade during her confirmation hearings. She properly declined to comment directly on what she would do in any future abortion decision. But I conclude from what she did say about the role of the Court that she would have dissented in that decision.

Roe against Wade, as is well known, held that a woman's freedom to decide to have an abortion is a "fundamental right" protected by the Constitution against State interference. A State's right to proscribe or at least regulate abortions for the health of the mother or because of its interest in protecting the unborn child was judged secondary to a woman's right of privacy.

This right of privacy was expounded by the Court in Griswold against Connecticut in 1965.

While it is not clear from the various opinions in that case precisely what the constitutional basis of this right to privacy is, the effect of its creation and subsequent application in Roe against Wade was to remove from the State legislators decisions previously made by elected representatives.

In Planned Parenthood against Danforth I sought to uphold Missouri's ability to pass legislation preserving and strengthening marriage, an institution which an earlier court called "the foundation of the family and society, without which there would be neither civilization nor progress."

Missouri and I lost our battle, and the unhappiness over this and other abortion decisions explains why Judge O'Connor's nomination faces such an outcry from opponents to abortion.

And yet, to repeat, I think the outcry in this instance is misplaced. Judge O'Connor not only can, but should be part of the solution to a problem that includes the abortion decisions but goes beyond them.

That problem is a Federal judiciary that too often is willing to substitute its will for that of the legislative branch of State and Federal governments.

What we are concerned with is a judiciary that sometimes acts as though it is superior to the legislative power. This is the abuse that we need to stop, one which reaches to the heart of our entire system of government, one that challenges the very operation of a limited government such as ours.

The three branches of our Government are bounded by the Constitution, that document that at once makes possible and protects our liberty and prosperity. The three branches were designed as coequals and as coequals should not seek to control or undermine each other.

This difficulty with the judiciary is a perennial one. As long ago as the 1830's, de Tocqueville, that astute French observer of our national life, remarked that:

> Hardly any question arises in the United States that is not resolved sooner or later into a judicial question.

But, to borrow from the clear eye of Alexander Bickel, to say that the Supreme Court touches many aspects of American life does not mean that it should govern all that it touches. The work of interpeting the law, and ultimately the power to declare unconstitutional a statute passed by the Congress and signed by the President, is so important that the independence of life tenure is granted to the Court's members.

With this freedom from the ordinary demands of political life in this republic, the Court has the responsibility to exercise its power with the utmost discretion and respect for its coequal representative body. To do otherwise the Court risks losing the faith of the American people and their representatives in this Congress.

A substantial loss of faith will inevitably result in an attempt permanently to shackle the Court, either by stripping it of jurisdiction to hear a wide range of cases or by a constitutional amendment that would forever change its nature. There are already such efforts afoot in the 97th Congress.

I have faith after reviewing what Judge O'Connor has said and done in her career that she understands these things. She will not don her robes in order to legislate for partisans of any cause, left or right.

It is the expectation of this Senator that Judge O'Connor will join the Highest Court of this land dedicated to the final responsibility of insuring that our constitutional doctrines will be continuously honored.

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

Mr. BIDEN. Will the Senator withhold that. Mr. President?

Mr. THURMOND. I withhold it, Mr. President.

Mr. BIDEN. Mr. President, I have not taken the occasion this morning to speak about this nomination. Due to the fact that none of my colleagues are on the floor seeking to be heard at this time, I shall now speak about the nomination, if I may.

Mr. President, I, as did my colleague and chairman (Mr. THURMOND), sat through the hearings on the confirmation of Sandra Day O'Connor's nomination. I listened to Judge O'Connor expound on a series of issues and subjects; she described her perspective on the Constitution, the role of the Court generally, and her role, as she saw it, were she to be confirmed on that Court.

I was personally very satisfied with most, if not all, of the answers that Judge O'Connor gave. The strange thing, Mr. President, was that I noticed all of my colleagues were basically satisfied; this worried me.

I looked around on that committee and I found people with whom I have basic philosophic disagreements apparently being as satisfied as I was with Judge O'Connor's answers. And just as, as I am sure, that gave them cause to be concerned, it gave me cause to be concerned.

I am not being facetious when I say that, Mr. President, because if Senator EAST, for example, and Senator BIDEN could agree on what the qualifications of a judge could be, then either we did not understand one another's position or one of the two of us was misreading what the judge had to say. As I began to contemplate what that meant, all of a sudden a thought occurred to me. That same thought was prompted by the speeches made here this morning.

What dawned on me was that no one, Mr. President, in the approximately 200-year history of the Court, has been accurately able to predict what a Justice of the Supreme Court would be like prior to that justice's being appointed to the Supreme Court. It is somewhat of a futile exercise for us to stand on the floor of the Senate, with all due respect to my colleagues on both sides of the aisle, and assure our fellow Senators what this judge is going to be like.

It reminds me a little bit of a kid walking through a graveyard. When I walked through a graveyard to make a shortcut through to get up to my house, I used always to whistle. I used to whistle in the graveyard. It was more to assure myself that everything was all right than anything else. I was not whistling for the dead. I knew I did not believe in ghosts, I knew I was not frightened, but I wanted to let myself know aloud that I was not.

There is a great deal of whistling in the graveyard going on here on the floor of the Senate today. There is a huge amount of whistling in the graveyard about what kind of justice Judge O'Connor will be.

It would be my guess, if I had to guess, that she will be a fairly moderate justice. I do not think she will be significantly different from the man she is replacing. I think, in fact, she will probably be what my friends on the right like to think of as a strict constructionist. But every time we asked her that, she told us how important stare decisis is. She said, "Yes, I do not think judges should make the law, I think they should interpret it. Stare decisis is important." But everybody heard the first part of her comment, not the second part.

Mr. President, what my friends on the right are looking for these days is not a judge who believes strongly in stare decisis—because, a judge who does that relies on precedents, the cases the Supreme Court has already decided.

The Supreme Court has decided, in my humble opinion as a layman, incorrectly in the Roe case, but the fact of the mat-

ter is that the Court has made a decision with regard to abortion. The Court has made a decision with regard to the rights of women. The Court has made a number of decisions with regard to civil liberties and the first amendment. And here we have a judge who says, "I am a conservative; ergo, I will follow precedent."

What is happening on this floor is a strange juxtaposition of what the traditional roles have been and what you seek in a Supreme Court Justice. Really, what the liberals like HOWARD METZENBAUM are looking for is a strict constructionist. He does not even know it, I think. He wants somebody who is going to make sure that they do not overturn the decisions of the Warren Court. That is a strict constructionist today, in the way Judge O'Connor would always use the phrase.

Really, what my friend, Senator HELMS, and my other friends on the other side of the aisle—and some on this side of the aisle—are looking for is an activist on the Court. If Judge O'Connor is not an activist, she has problems, because she is not going to be overturning the decisions that they—and I, on occasion—sometimes find odious, obnoxious, or totally reprehensible.

I guess what I am trying to say, Mr. President, is that I solved the dilemma for myself of why I could sit there with Senator EAST or Senator DENTON and others with whom I have basic philosophic differences and we could both think this judge was going to be the kind of Justice we would appoint or we would be happy with if we had the right to determine who is going to be on the Court. It is because we have all confused, in my humble opinion, what we are looking for. Strict construction today, adherence to precedent today, may be the opposite of what intellectual conservatives would want.

Conversely, an activist justice may be the last thing in the world people like me would want, because I believe that the Court was right heretofore on civil liberties, has been correct on civil rights.

So, Mr. President, I caution my colleagues not to tie themselves in too tightly or weave such a closely knit web for the electorate in defining what this judge is going to be like. We are not seers; it is not our role to determine what she is going to be like. And this gets me to the basic thrust of what I think we should consider in nominees and why I am so ardently in support of Sandra Day O'Connor. That is that she possesses the qualifications to be a Supreme Court Justice. Those qualifications, in my opinion, are, in fact, not what her philosophy is and not what we think she will be, but, first of all, whether or not she possesses the legal skills and capabilities, training, and background to understand, and, in fact, have some possibility of interpreting the Constitution of the United States of America.

In short, does she have a lot of gray matter? Is she very bright? Notwithstanding the now notorious comment of a former colleague of ours, mediocrity on the bench is not something we need. We need superior intellects. This is the most superior of courts, Mr. President, and she has a superior intellect.

The next thing I think we should look for in nominees to the Supreme Court—and I do not know whether we can tell, in a predictable circumstance—that is, whether or not she is someone of moral character. There is only one way that I know of to determine whether or not someone has a good moral character. Either you know the person personally for a long time and can attest to it—and I suspect 99 or 98 of us in this body do not know about Sandra Day O'Connor—or you look at the person's background and all phases of the record. Investigators on the minority side, as on the majority side, went into great detail in investigating Sandra Day O'Connor's background.

We not only had the FBI checking, which they would have done anyway; we had our own people. We interviewed everyone, from people with whom she went to school to those with whom she practiced law and those with whom she served in the legislature, those who knew her family, those who knew her as a child. Across the board, unequivocally, even those who did not like her personally—and there were not many of those—said the woman has a lot of character; she is honest; she is straight; she is an outstanding person.

It seems to me that when you get by those first two tests, there is only one, last test we should be looking at, and that is whether or not the person has judicial temperament to be on the Court. That is almost a term of art, but it is not something that is unimportant. You can be brilliant, you can have great moral character, you can be honest as the day is long and know the Constitution and American jurisprudence better than anyone else and still be a poor judge because you do not have a good judicial temperament—you tend to lose your temper, you tend to lose your objectivity, you are not open-minded enough to see all sides of a question. That is judicial temperament.

Sandra Day O'Connor, from observation and from looking at her record, notwithstanding the fact that she has not had a long record on the bench, has had a long record of being openminded, willing to listen to all sides of an issue, and able to make, in a judicious nature, if you will, a decision based on the facts as she knows them.

So, Mr. President, I do not know what more we can ask of a Justice of the U.S. Supreme Court. We had a President, a great one, Dwight D. Eisenhower, who appointed a man named Earl Warren because he thought Mr. Warren was a mainstream Republican, and President Eisenhower wanted to have a conservative on the Court. Earl Warren turned out to be not the most liberal justice on the Supreme Court—Justice Douglas and others were more liberal—but the most liberal leader of the Court that the Court has known in its 196-year history. Earl Warren revolutionized his court—civil rights, civil liberties, and a huge range of other issues in the U.S. legal spectrum.

At that time, we had a President who appointed a man he thought was of a different philosophy.

We have had Presidents who decided they wanted to appoint very liberal Justices to the Supreme Court. I do not believe anyone is going to accuse Justice White of being the most liberal member of the Court, but we had a famous and known conservative President of the United States appoint him to the Court.

At the risk of overstating the case, I believe these examples from our history should be enough caution to those of us on the floor who are willing, for our own political needs and/or because we think we know, to stop predicting what she is going to be and to underscore the need for us to have more objective criteria to determine whether or not someone should or should not be on the Supreme Court of the United States—that is, their intellectual capacity, their background and training, their normal character, and their judicial temperament.

We cannot be asked to effectively do much beyond that; for, if it were our task to apply a philosophic litmus test beyond that—which is not the constitutional responsibility of this body, in my opinion—it would be a task at which we would consistently fail, because there is no good way in which we can know.

So I believe we should caution the electorate that even if they want us to apply a litmus test, even if they think that is our role, it is not something we can do very well; because once a Justice dons that robe and walks into that sanctum across the way, we have no control, and that is how it should be—we have no control. They are a separate, independent, and equal branch of Government, and all bets are off.

It is unlike the situation with respect to Senators and Presidents, in which the electorate can demand of us what our philosophic background is or what we think about a particular issue; and if we turn out to be different from that which they perceive, as many of us have in the past, they do to us very rapidly what they have a right to do—take back the seat that they own, not we, and say, "We made a mistake. We thought we elected a liberal, and he turned out to be conservative. Goodby." Or, "We thought we elected a conservative, and he turned out to be liberal. Goodby."

You cannot do that with a Justice. So we should not kid our electorate; we should not tell them we know. We can tell them what our hopes are. We can tell them what are desires are.

I hope Sandra Day O'Connor understands the futility of busing and understands that there is, in fact, a logical, constitutional argument for its exclusion from the remedy package. I sincerely hope that. But I have to tell my constituency the truth when they ask me, as they did during the August recess, "Joe, are you for this woman? Are you sure she is against busing, as you are?" They look you straight in the eye. I say, "I don't know. I hope so." It is the same with an entire range of other issues.

Mr. President, the only thing I am sure of today, as I prepare to vote in favor of the nomination of Sandra Day O'Connor, is that she is a woman of competence, intellect, and high moral standing, and has a record of 25 or more years of public

service that reflects a judicial bearing, a judicial temperament.

That is all I can be expected to know. I happen to believe that that is all I have a right to ask. Consequently, when that test is met, I not only feel compelled but also feel very good about exercising my role, my duty in the advice and consent process, and saying, "Yes, Mr. President, the woman you picked should be on the Court; she meets the test, and I enthusiastically support her."

The reason I bothered to take this much time is not merely that no one else wanted to speak and that I had a lot of time remaining. Another reason why I have taken this much time is that this is not the first test we are going to have. We are going to be back up here again, I am sure—perhaps not in the next 3 years, but in the near future, if Father Time has his way, as he does with all of us, and we will be making a similar decision on one, two, three, or four more Justices—soon, in the near term. It will be at least in this decade.

So I hope we do not lock ourselves into boxes which, in order to be consistent with our duties as Senators, we will have to climb out of, to our embarrassment, when the next nominee comes before us.

I find it very interesting that some of my liberal friends say that my conservative friends had no right to ask about abortion. Yet, if the President were to send up the name of somebody who was against the Voting Rights Act, who had a background of having been associated with the Klan or some other group whose ideas were anathema to civil rights, all of a sudden the litmus test would start to be applied.

I have that litmus paper out on this side, and it will be turning pink quickly.

Everyone will be saying, "Oh, no." My friends on the other side of the aisle will be saying it should not be one issue.

So if we have a sense of what obligation is, I think we will do the country a better service, we will do ourselves a serious political service, a good service, and that is not make fools of ourselves, and we will be honest with the public and hope that Sandra Day O'Connor continues to display her intellectual excellence, her moral standing, and her judicial temperament, and even with that we cannot guarantee but we can hope.

With a little bit of help and prayer, and it is likely that past is prologue and her past is exemplary, she is a fine woman, she deserves to sit on the Supreme Court of the United States if the President wants her there. He has a right to make that choice, and we do not have a right to turn it down unless she does not meet one of those standards, in my humble opinion.

Unless one of my colleagues wishes me to yield time to him, I am delighted to yield on our time to the Senator from Washington State.

Mr. GORTON. Mr. President, I had not intended to speak on this nomination, but I should wish to have the record show that I find the statement of the Senator from Delaware to have been thoughtful, to have been very well thought out, to state the duty of the Members of the U.S. Senate in dealing with nominations for the Supreme Court of the United States, in a fair, appropriate, and effective fashion.

I should wish to thank him for that statement which will grace this record and simply to say that I agree with everything which I have heard him say during the course of this talk.

Mr. BIDEN. I thank the Senator from Washington.

Had I known he was going to say that I would have yielded to him much earlier.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection. it is so ordered.

Mr. THURMOND. Mr. President, I yield to the distinguished Senator from Mississippi.

Mr. COCHRAN. Mr. President, I thank the Senator from South Carolina, the distinguished chairman of the Judiciary Committee for yielding to me.

This is indeed an important day in the life of our Republic. The Senate will confirm today the nomination of Sandra O'Connor as Associate Justice of the Supreme Court.

Not only has President Reagan chosen a woman to sit on the highest court in our Government, he has selected a person with outstanding qualifications. She has served with distinction as a State court judge, as an able and diligent legislator, and throughout her life she has been a concerned, caring, active citizen, participating in community and civic activities, helping make her area of the United States a much better place for all of its residents.

She obviously is a person with a keen intellect, whose respect for knowledge and reason will help make her a respected member of the Court. Her allegiance to the law and its importance to our society will serve as a firm basis for making the hard decisions that will be hers to make.

There are many competing and sometimes conflicting interests in our Nation. One of the most important functions of the law, and responsibilities of our courts, is to balance fairly and equitably those legitimate interests that are pressing for recognition. In many cases the law is not well settled. Precedents may not be clearly defined. That is why we have a Supreme Court. It is to this tribunal that the hardest questions are put.

In my mind, the quality and correctness of opinions and decisions and hence the compatibility of the people with their government will depend on the conscientious application of reason and the rule of law by the justices of our highest Court.

I am comfortable in the expectation that Mrs. Justice O'Connor will discharge the important duties of this office in a manner that will make us all proud of the Court and of our system of justice.

In conclusion, Mr. President, I must admit that I am delighted the President has chosen a woman to fill this vacancy. There has been a long wait.

I remember when women were first permitted to serve as members of the jury in civil and criminal cases in our courts. A dramatic impact on trials occurred, as I remember, because of their dedication to their duties and sense of fairness and the seriousness with which most women jurors attempted to comply with the courts' instructions as to the law governing the case. The quality of justice improved greatly in my State as a result of that long overdue change.

I am convinced that the future competence of the Supreme Court is assured by the excellent decision of our President to nominate Sandra O'Connor. It will be my pleasure to vote in favor of her confirmation.

I thank the Senator from South Carolina.

Mr. MATHIAS. Mr. President, this is an historic day in our Nation's history. Today we, in the U.S Senate, will exercise our authority under article II, section II of the Constitution and grant our consent to the nomination of the first woman to the U.S. Supreme Court. It is also an historic day in our Nation's continuing effort to insure women full citizenship in this country.

I think it is important that we savor this moment, because it is a milestone in the history of the Court itself, and there have been only a few of these moments. We should pause and realize that we are at the end of one era and the beginning of another. Sixteen years ago, President Johnson nominated Thurgood Marshall to the Court. We celebrated that appointment too as one of historic dimension. President Johnson said on that occasion:

> I believe that it is the right thing to do, the right time to do it, the right man and the right place.

By changing one word, I think that those words of President Johnson would be just as appropriate today.

I think President Reagan has demonstrated great vision and a fine sense of history in nominating Judge O'Connor for the seat that Justice Potter Stewart has held with such distinction for such a long time. Much reference has been made to the fact that Judge O'Connor comes from the State courts. This may indeed turn out to be an asset by bringing that State perspective into the Supreme Court.

In so doing, she will follow in the footsteps of some of her most distinguished predecessors—Justice Cardozo, Justice Holmes, Justice Brennan—and she will serve in good tradition.

Shortly before Judge O'Connor was nominated, I had an opportunity to meet with her and to discuss at length a variety of legal issues. During that conversation, I got a clear sense that when she is confirmed she will come to the Court as an interpreter of the law rather than as one who originates law. This is a view with which I wholeheartedly concur. We continued our dialog on this issue—and many other relevant con-

stitutional issues, such as freedom of the press—when my colleagues on the Senate Judiciary Committee and I had the opportunity 2 weeks ago to query her on the whole gamut of legal and constitutional issues of concern to us today, we put her through a rigorous and grueling examination. She passed that test with distinction. I have no doubt that Judge O'Connor's nomination will receive the whole-hearted support of the U.S. Senate on this historic occasion.

Mr. HUMPHREY. Mr. President, I rise today in support of the nomination of Sandra O'Connor to the Supreme Court. I met privately with Mrs. O'Connor and also observed her hour after hour in the Judiciary Committee. I have concluded that she is highly qualified to be confirmed by the Senate and intend to vote in her favor.

Let me share with you my observations of Sandra O'Connor wihch led to my decision to vote for her confirmation as a Justice of the Supreme Court. When I met in my office privately with Mrs. O'Connor we discussed judicial philosophy. There is little doubt in my mind that Mrs. O'Connor will be a conservative Justice of the Supreme Court. For instance, when I pointed out to her that the Constitution is only what the Supreme Court says it is, she quickly interjected saying, "No, I don't agree. The Constitution is what the Constitution says it is." In the committee hearings, her responses along this line were much the same. She further indicated her understanding of the difference between legislating and judging. She stated quite simply that, "As a judge, it is not my function to develop public policy."

Mr. President, I am sure most of my colleagues would agree that it is the duty of each member of the Court to put aside personal preferences and reach decisions based purely on the facts, the law and the Constitution. I believe that Mrs. O'Connor's clearly apparent conservative judicial temperament, that is, her conservative view of the role of the courts, and her clear understanding of the separation of powers, especially between the judiciary and the legislature, indicate that she will make an excellent Justice of the Supreme Court.

MRS. SANDRA O'CONNOR WILL SERVE WELL ON THE U.S. SUPREME COURT

Mr. RANDOLPH. Mr. President, it was my privilege to testify in support of Mrs. Sandra O'Connor at her hearing before members of the Senate Judiciary Committee on Wednesday, September 9.

I wish to read to the Senate my statement before the committee:

Mr. Chairman, members of the committee, I appreciate your giving me the opportunity to be heard on this historic occasion.

I am not overstating the case when I refer to this hearing as historic. For the first time in the 205 years of our Republic's existence the Senate is called on to judge the qualifications of a nominee to the U.S. Supreme Court who is a woman. I regret very much that it has taken more than two centuries to acknowledge through this nomination that just as justice should be symbolically blindfolded when determining the facts, we should be oblivious to sex when selecting those who administer justice.

Mrs. Sandra O'Connor will appear before this committee today as the choice of our President, not solely because she is a woman, but because her record appears to qualify her to serve on our Nation's highest tribunal.

I would be naive to believe that if Mrs. O'Connor is confirmed as an Associate Justice of the Supreme Court, her sex will cease to be a factor in her decisions. She will be urged to make feminist rulings; she will be criticized if she makes them or if she resists this pressure.

I look forward to the time when Justices of the Supreme Court are selected and evaluated solely on their experience, their knowledge of the law, and their dedication to the United States as a nation governed by the laws the people impose on themselves.

Mr. Chairman, when Mrs. O'Connor becomes a member of the Supreme Court, we will have succeeded at long last in having a woman occupy virtually every high office our country has to offer. The most notable exception is the White House, and I anticipate the day when the highest office in our land is not exclusively a male preserve.

A breakthrough occurred during the week in March of 1933 in which I first became a Member of the House of Representatives. It was on March 4 of that year that President Franklin D. Roosevelt—the day he took office—broke another precedent by appointing Frances Perkins as the first female cabinet member. During the 12 years that Mrs. Perkins served as Secretary of Labor she repeatedly demonstrated the wisdom of President Roosevelt's action. Her distinguished career made it easier for the other women who have subsequently served in the Cabinet.

Mrs. O'Connor, I wish you well, not only during these hearings, and the Senate confirmation vote, but during the challenging years ahead. You will be called on to make many difficult decisions, but I am confident you will approach them with a spirit of fairness, justice, and equity.

Mr. DOMENICI. Mr. President, today I wish to join the myriad of Senators who have risen to support the nomination of Sandra Day O'Connor to the U.S. Supreme Court.

Throughout the confirmation process, Judge O'Connor has impressed me as a thoroughly qualified, even brilliantly prepared, candidate for the Supreme Court. Her testimony before the Senate Judiciary Committee showed her knowledge of previous Supreme Court decisions, even those most recent ones. She declined, and quite properly so, to state her own personal views on matters that may come before the Court.

I am convinced that Judge O'Connor is a strict constructionist, both of case law and statutory interpretation. She is deeply concerned about crime in this country and has been strict in punishing criminals. She is a strong defender of private property rights and believes in the sovereignty of the States.

During her confirmation hearings, Judge O'Connor showed great strength of character, a calm and reasonable manner, and a remarkable intelligence. Judge O'Connor said that she would approach cases with a view toward deciding them on narrow grounds and with proper judicial restraint. This should assure anyone concerned that she will not be going out of her way to make rulings that create sweeping changes in social policy.

I believe Judge O'Connor will be an excellent Supreme Court Justice, and that she is an outstanding choice as the first woman to serve on that great body. I predict that we will look back on this appointment as one of the major successes of the Presidency of Ronald Reagan. I congratulate him on this superior appointment and I will join with an overwhelming majority of this Senate to confirm her as Justice of the U.S. Supreme Court.

● Mr. DENTON. Mr. President, the Senate Judiciary Committee has, without dissent, recommended the confirmation of Mrs. Sandra Day O'Connor as an Associate Justice of the U.S. Supreme Court. Although I am new to the Senate, I am quite uncomfortable with the point of view so prevalent in the O'Connor hearings regarding the proper role of the committee in the confirmation process.

Primarily, I am troubled by the contention that a nominee need not discuss, endorse, or criticize specific Supreme Court decisions. The basis for this contention is that such discussion would lead to later disqualification when cases arise that are similar to those that led to the establishment of a particular doctrine.

In my view, acceptance of this argument by the committee has created a particularly unfortunate situation in light of this nominee's past actions with regard to legislation on abortion and the limited number of judicial decisions upon which to determine her views on this and other issues. I had regarded as relatively unimportant the nominee's previous voting record on the abortion issue because Judge O'Connor had indicated that she had had a personal change of heart on the subject of abortion. Thus I had hoped to make a decision about her fitness for office on the basis of answers given to questions posed in the committee hearing.

However, the nominee repeatedly declined to answer questions about her view of the legal issues presented in the case of Roe against Wade. Relying upon the argument advanced earlier, she stated that, in her opinion, any criticism of that decision would prejudice her with regard to the abortion question.

Others have reasoned that neither this nor any other "single issue" should stand in the way of the confirmation of the nominee. I respectfully disagree with the notion that the rights of unborn human beings represent a single divisive issue that should not overshadow the otherwise excellent credentials of Judge O'Connor. Abortion—the wrongful taking of a human life—is not simply a political issue; the question of when life begins and of how it should be protected at all stages is essentially a civil rights question, and one which I believe is of immense importance.

The denigration of human life by increasingly relying on subjective meas-

ures of its "quality" or "meaningfulness" rather than on the principle that all life is God-given is frighteningly reminiscent of Hitlerian ideology. If government by judicial fiat removes the protection of the right to life from a class of individuals—in this case the unborn human being—then, the protection guaranteed others—the handicapped, the aged and the terminally ill—might also be lost in the years to come.

Moreover, biomedical research is quickly producing a whole series of new ethical questions about the nature and meaning of life. The Supreme Court's decision in Roe against Wade indicated a judicial willingness to alter fundamental historic protections by defining the concept of "person" so as to permit the elimination of the fetus, even as science was widening the concept of life.

This Nation is currently involved in a dialog that must not cease until it resolves this fundamental question of human rights. The terrible reality of the debate over abortion is that it has divided households, it has divided friends, and it has divided this body. We cannot dismiss the abortion issue when considering judicial nominees simply because the Nation has not reached a consensus. Every public official, and indeed, most citizens should exercise their right to speak out on this issue. It seems that once in every century a nation faces such a pivotal question, and I and millions of others cannot divorce the concept of the right to life from the concept of equal justice under the law.

The Supreme Court in its holding in Roe against Wade asserted final authority over the rights of the unborn fetus. Many argue that the Congress and the States have, in the course of a decade, reached a point at which further legislative remedy of abortion excesses is impossible without the approval of the Court. Prospective Justices cannot argue convincingly that the widespread controversy surrounding this issue makes their public pronouncements any more subject to criticism than the statements of the elected officials who must give advice and consent concerning judicial appointments. Prospective Justices might find that their criticism of a particular doctrine could make confirmation a more difficult process, but it does not mean that they will or should find themselves in violation of the statutes, ethical canons and other judicial renderings governing disqualification of Supreme Court Justices.

However, I recognize that others for whom I have enormous respect, including the chairman of this committee, agree with Judge O'Connor in her caution in replying to questions that attempt to elicit her views as to the correctness of prior decisions of the Court. Many of those same people are highly respected opponents of the abortion procedure. All the same, I do not believe that this committee can properly fulfill its duty to the rest of the Senate regarding any judicial nomination when it lacks an accurate estimate of the nominee's position respecting an issue of overriding importance to the general welfare of the United States.

In this context, I personally view the committee's role as a separate and distinct function from the decision which must now be made by the Senate as a whole. I respectfully contend that the committee should serve as an investigatorial body with respect to these nominations—eliciting as thorough and precise responses to specific questions as it possibly can—in order that the rest of the Senate can make a fully informed decision on the nomination. The role of the full Senate I would liken to that of judge—assessing the committee proceedings and judging the nominee on qualifications, experience, integrity, and opinions on basic legal questions.

This investigatorial responsibility of the committee is even more awesome when considered in light of the fact that this appointment is one of life tenure. This is not a 4-year, assistant secretary appointment. If confirmed, the nominee will have continuous potential for influencing a critically important issue for an indefinite period.

Given my own position on this most basic question of human life, and given the reluctance of Judge O'Connor to address the legal question of abortion in a forthright manner, I could not, in my perceived role as investigator, assent on hope nor dissent on uncertainty, with respect to my vote in the committee.

My vote on the floor of the Senate may well be different because of the way I view my role as committee member specifically and Senator generally—and for some other reasons. As a Senator on the floor, I do not feel obliged to restrict my judgment on the nominee to what was revealed within the committee hearings.

But in the final analysis, I believe the Judiciary Committee may have abrogated, in large measure, part of the responsibility of the Senate's constitutional role with respect to this most important nomination.●

● Mr. SCHMITT. Mr. President, it is with pleasure that I join with my colleagues in enthusiastically supporting the nomination of Sandra Day O'Connor for the position of Justice of the Supreme Court.

I am not a lawyer, so it was with great interest that I followed the Judiciary Committee in its deliberations of her nomination. At times, Judge O'Connor was subjected to difficult and controversial questioning by the distinguished members of the panel. However, not once during her 2½ days of testimony did Judge O'Connor lose her composure, dignity, or sense of humor. In fact, her intelligent and thoughtful responses clearly demonstrated that she is highly qualified to sit on the Supreme Court.

Additionally, Judge O'Connor brings very high academic credentials, very high intellectual credentials, and a record of clear, concise, and interpretive decisions to the Supreme Court. By interpretive decisions, I mean decisions not to make new law but to interpret the law as it is in the Constitution today.

Mr. President, I am proud to be a participant in this historic occasion; to cast my vote in favor of the first woman nominee to the Supreme Court.●

Mr. HAYAKAWA. Mr. President, I feel privileged to be a Member of the U.S. Senate on this historic day as we vote to confirm the first woman Justice of the Supreme Court, Sandra Day O'Connor. The women of our Nation have struggled to gain recognition of their abilities and competence, making great strides in recent years to overcome the barriers of prejudice against their gender. Our actions today provide long overdue recognition of the qualities of women, as well as recognition of the qualities of one particular woman.

However, we must not let the struggle of women overshadow the primary question before us: the confirmation of a highly qualified nominee for the Supreme Court. It is the role of the Senate to determine that a Presidential nominee to the Court is indeed qualified, without regard to sex.

Additionally, the Senate must not be swayed by the demands of any single interest group during the confirmation process. The opinions of any group must be carefully weighed against the requirements for a Supreme Court Justice.

I am confident that my colleagues have not allowed their responsibilities of advice and consent to be clouded by secondary considerations.

Sandra O'Connor finished among the top 10 graduates in the Stanford University Law School class of 1952. In addition to becoming a wife and mother, she practiced law, served as an assistant attorney general, and was elected to the Arizona State Senate—serving as well in the role of majority leader. She was then elected as a trial judge for Phoenix and later appointed to the Arizona Court of Appeals.

Her multifaceted career has given her experience with the law from several different perspectives—as a private citizen, and from within each of the three branches of government. Such a career provides the opportunity to clearly understand the limits and responsibilities of the various roles she accepted and, in particular, the responsibility of a judge.

After President Reagan announced his nomination of Mrs. O'Connor, loud objections were heard from several antiabortion groups. During the confirmation hearings, she carefully stated her feelings of personal repugnance toward abortion. I am more than satisfied by her statements of personal opinion on this subject. I am also confident that she will carefully address this issue, if it comes before the Court, to insure proper interpretation of current law and our Constitution.

An important point about the nominee was brought out during the consideration of her qualifications: Mrs. O'Connor favors greater reliance on our State courts to decide important issues. At a time when the Supreme Court is requested to review thousands of cases—an impossible task in terms of time and manpower—the competence of our State courts cannot be overlooked. When Federal constitutional questions have been fully heard and considered in the State court system, surely it is not necessary to provide a costly review on the Federal level.

She has also proven herself to be tough on criminals. At a time when the rate of violent crime is rising dramatically, we must give notice to the criminal element that they will not be dealt with lightly. The confirmation of Mrs. O'Connor is a signal to those who ignore our laws that they will pay for their actions.

Most importantly, the hearings before the Senate Judiciary Committee allowed us to see that Mrs. O'Connor will be a Justice who will stick to the business of interpreting the law and the Constitution. I personally feel assured that she will not attempt to legislate from the bench, but leave that responsibility with the Congress. It is essential to our system of government that the different branches of government respect the limitations of their authority.

We cannot fully predict the direction of the career of any Supreme Court nominee; nor can we predict the opinions that may be handed down by any potential Justice on future questions that may come before our highest court. We can, however, explore the questions of personal integrity and competence. Mrs. O'Connor, without doubt, deserves the highest marks for her record of integrity and competence. I have no reservations about predicting that her career on the Supreme Court will continue to prove that record.

● Mr. MATTINGLY. Mr. President, I believe Sandra O'Connor has the intelligence, the experience, and the ability to be one of the great Justices of the Supreme Court. She has excelled as a lawyer, a legislator, and as a judge on the Arizona Court of Appeals.

Beyond her obvious qualifications for the position, I believe all Senators were impressed by Judge O'Connor's appearance before the Senate Judiciary Committee. Her answers to the questions were clear, straightforward, and well reasoned. I believe the Supreme Court will greatly benefit from this type of reasoning.

It is so very tempting for some to focus on one current issue. But that should not be of paramount concern to the President in making a nomination nor to the Senate confirming it. What is important is judicial philosophy.

There is no way any of us can predict what the burning issues of the year 2000 will be. Those issues might very well be part of a process that will not begin to occur for another 10 years. Yet Judge O'Connor will very possibly be hearing cases and rendering decisions in the year 2000 and beyond.

She has a firm understanding of the constitutional responsibilities and limitations of the Supreme Court and we will all be proud of the votes we cast today. As a former legislator herself, I believe she will maintain the separation of powers in our Constitution. I hope and believe this appointment may be the beginning of the end for the activist court.

A word should also be said in praise of President Reagan for nominating the first woman to the Supreme Court. He has fulfilled a campaign promise. But this nomination should be the beginning, not the end. I hope we will not see develop a "woman's seat" on the Court with little hope for other women as long as Judge O'Connor is serving.

If the President had to make another nomination next week, I would hope he would feel confident in sending us another woman nominee. If she had the qualifications of Judge O'Connor, she too would receive speedy confirmation.

So, Mr. President, I will proudly cast my vote for Judge O'Connor and join with my colleagues in wishing her well as she assumes this most important position.●

Mr. LEAHY. Mr. President, if I had to choose one moment that explained the most about the way the American system of government worked, it would probably be the moment when we choose a Justice of the Supreme Court.

The Supreme Court has succeeded as the interpreter of the Constitution and the arbiter of great conflicts not only because of the Court's wisdom and sense of history, but because even in the most divided of times, the Court has earned and kept the respect of all Americans. Above all, this has been a Court of fairness and competence. It is these qualities that must characterize any nominee to the Court.

Judge O'Connor has amply demonstrated these qualities. She appeared before the Judiciary Committee and answered some of the most difficult questions put to a Supreme Court nominee in a long time. I think that she answered candidly and thoroughly, within the customary limitations imposed on any nominee, namely the avoidance of conflict regarding matters that might come before the Court. The overwhelming impression of fitness and competence was clear to all and was reflected in the committee vote.

If I were to stop here, I would invite the conclusion that this hearing process was an ideal example of separation of powers at work, the President and the legislative branch each contributing to the strength of the judicial branch. But the attempt to condition Judge O'Connor's confirmation upon her commitment to vote in a given way on given issues should sound a danger signal for all of us. A commitment on a future vote must never be the price of nomination or confirmation. No Justice on the Nation's Highest Court should be held hostage to any commitment, except the one to devote every moment on the Court to upholding the Constitution and the cause of justice.

The President had the right to make an appointment reflecting a philosophy that he agrees with, and he did so. To have asked more of his nominee than this would have been an intrusion by the executive on the independence of the Court. For us to have asked more would have been an equal intrusion.

I do not care if Judge O'Connor is a Democrat or Republican, liberal or conservative, She is a very able nominee, and this Senate should send her to join her colleagues on the Court with our strong support and our hopes for a fruitful and rewarding term on the Court.

Mr. STENNIS. Mr. President, I thank the Senator from Kentucky again for yielding me this time and assisting me in this matter.

In thinking about any nomination for the Supreme Court of the United States, I can think of nothing that is more important under our system of Government—and I do not know of any small group of people anywhere in the free world who are granted anything comparable to the power that these persons are granted under our Constitution. The exercise of that power has been a patent force for 200 years.

The Supreme Court is one of the strongest things I know in public life that generates faith and confidence in humanity when appealed to properly, when humans are appealed to do their best.

After all is said and done about the Court or any member thereof, it has an amazing record, and it gave me great strength and encouragement as a young man studying law and in public life—and I am not referring to any particular Justice; I am talking about the Court as an institution.

So I had some concern when there was a great deal of talk and media reports about "What are you going to do about this appointment of a lady to the Supreme Court?" I had absolutely no reservations about a lady being appointed, being capable and all, but I frankly was concerned that it might be kicked around as a political football by some. When this nomination came in I was pleased with the idea, if the lady was suitable, but I did not have the privilege of knowing her, and I was highly flattered that she came by the office for a visit.

I have never been more abundantly rewarded in public life than I was by the impression I had of Mrs. O'Connor. In the first place I judge her to be a lady of very fine and balanced judgment. I have previously stated the Supreme Court Justices must have an uncommon amount of commonsense. In addition to character that is really the major requirement of membership on that Court.

A Justice cannot make much of a contribution as a member of the Court on sheer book learning or other admirable qualities unless they are possessed with a generous amount of commonsense that runs through their thought processes and their understanding of the problems of government and the problems of human life.

To me there was in great abundance of unmistakable evidence of the lady's great competence in this field.

Another thing that pleased me—and I do not want to make a personal remark—but for several years I had the responsibility of being a trial judge in a court of unlimited criminal and civil jurisdiction. It was unlimited in that there was no ceiling all the way through to the gravest crimes or the most important civil suits where a great deal hung in the balance. The gravity of that experience in ruling on testimony, and the admissibility of it, that might be the deciding factor, on through to passing sentence on prisoners in serious cases involving human life was a very serious responsibility. There is nothing more searching than a judicial officer, I think nothing more searching of his qualities of character, of concept of responsibility,

and a desire to do his duty regardless of person.

So I was pleased with the concept, with the idea, that Mrs. O'Connor had been a trial judge and had had experience in the courtroom, in that way carrying those heavy responsibilities.

I notice by the reference of the American Bar Association, with all deference to them, I think her qualifications in the courtroom, of administering justice, would far outweigh some academic attainment that is measured often by some artificial rule.

So I was highly pleased with her experience and her uncommon amount of commonsense and, more particularly—in a day when the family is being tested and called into question by some of those habits and customs and all that goes to make up the strength of the family, challenged in legislative halls and everywhere else—that Mrs. O'Connor is a mother and has reared a family. That is no reflection on anyone who has not, but she is one who understands some fundamentals of our Constitution. But, more important than that, she understands the fundamentals of life itself and civilization itself and, more than all of that, the holy concept of having reared a family and, more particularly, having that greatest of all attainments of being a mother.

So I am really happy and have a great deal of satisfaction to know that she is willing to undertake this very difficult task, filled with hard work, at best.

There is nothing personal about this. I have said these words with great satisfaction and feel that she will have a splendid record in the Court which will be for the benefit and for the strengthening of our system, the common law of England and the constitutional law of the United States, based upon the family as we know it, and self-government as we try to make it. So the ship of state, for her part, will be in good hands. I am very glad, indeed, to vote in favor of her confirmation.

Mr. LEVIN. Mr. President, during the consideration of the confirmation of the nomination of Sandra Day O'Connor, a number of allegations were made with respect to statements she was reported to have made privately to various individuals relative to her position on substantive issues that might come before the Court. We read reports that, on one issue or another, she had assured one party or another, privately, as to what her position is.

I was very much intrigued by that, and I wrote her the following question:

During your private meetings with public officials since your appointment, did you make any statements relative to your position on the substantive issues which may come before the court? If so, please describe those statements.

Her answer was as follows:

Since my nomination I have not made any statements concerning my position on substantive issues which may come before the Court, either in private meetings with public officials or public testimony. Nor did I do so during the selection process leading up to the nomination

I believe judges must decide legal issues with the judicial process, constrained by the oath of office, presented with a particular case or controversy, and aided by briefs, arguments, and consultation with other members of the panel. I also believe it would be quite improper for a nominee to take a position on an issue which may come before the Court in order to obtain favorable consideration of the nomination.

Mr. President, I ask unanimous consent that soon-to-be Justice O'Connor's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Hon. CARL LEVIN,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR LEVIN: I have received from your office the following question: "During your private meetings with public officials since your appointment, did you make any statements relative to your position on the substantive issues which may come before the Court? If so, please describe those statements."

Since my nomination I have not made any statements concerning my position on substantive issues which may come before the Court, either in private meetings with public officials or public testimony. Nor did I do so during the selection process leading up to the nomination.

I believe judges must decide legal issues within the judicial process, constrained by the oath of office, presented with a particular case or controversy, and aided by briefs, arguments, and consultation with other members of the panel. I also believe it would be quite improper for a nominee to take a position on an issue which may come before the Court in order to obtain favorable consideration of the nomination.

Thank you for the opportunity to set forth my views in response to your question.

Sincerely,

SANDRA D. O'CONNOR.

Mr. BUMPERS. Mr. President, the confirmation of the nomination of an Associate Justice for the United States Supreme Court is a momentous occasion. The nine persons who form this Court are the guardians of the precious guarantees provided by the document that holds our Republic together, the Constitution of the United States of America.

James Madison, Alexander Hamilton, and the other primary framers of this solemn document must have been divinely inspired, because they managed to forge an agreement which, along with our Bill of Rights, has kept this Nation free for two centuries. In framing our delicate system of checks and balances, they had an uncanny understanding of the nature of power and the need to assure that it not be used tyranically. For all these years, it has been necessary to amend the basic text only 26 times.

Mr. President, article 1, section 1 places the full legislative power in the Congress of the United States. Article II, section 1, vests the executive power in the President of the United States, and he is also charged with the responsibility under section 3 to "take care that the laws be faithfully executed." Article III, section 1, makes clear that the judicial power is vested in the Supreme Court, and such inferior Federal courts are as established by Congress. The Supreme Court, in our constitutional scheme, is the final arbiter of what the law is and what the Constitution means.

It is true, as Justice Rehnquist recently pointed out in Rostker against Goldberg, that the Members of Congress take the same oath as do Supreme Court Justices to uphold the Constitution of the United States, and most of us take that responsibility seriously.

Sometimes, however, especially on emotionally charged issues, we allow political or other considerations to cloud our constitutional judgment, and the framers of the Constitution knew that this would happen. I, for one, am glad that the Supreme Court exists as the final arbiter on constitutional issues. Over the years, members of that body have usually managed to take a dispassionate view of what the Constitution says and means. They are above the fray. I have not always agreed with their decisions.

In fact, I strongly disagree with many of them, but the point is that it simply makes sense that the final word about what the Constitution means should come from a body which is above the day-to-day political pressures that guide many of our decisions.

Having said all this, let me point out that the Justices are not immune from our system of checks and balances. A potential Justice must be nominated by the President, and all of us know that the process of nomination is always preceded by an elaborate, if informal, screening process. An appointee must be confirmed by a majority vote of this body, and confirmation follows an exhaustive and, as Judge O'Connor can attest, grueling hearing process.

Once confirmed, a Justice will find that the wisdom of her opinions is debated ad infinitum in the press, in law reviews and other scholarly publications, and in Congress, and that kind of searching criticism has value to the Justice in providing a sounding board of thoughtful public opinion. Finally, Justices hold office only "during good behavior" under article III, section 1 of the Constitution, and of course may be impeached if they engage in conduct that renders them unfit for office.

It is against this backdrop that I comment briefly about the candidacy of Sandra Day O'Connor. I am not a member of the Judiciary Committee, but I followed the hearings closely. Judge O'Connor was an impressive witness. She is obviously a person of honesty and integrity. She responded to questions with confidence and sincerity, and she was generally unflappable. She impressed me as a woman of intellect and good commonsense. I do not necessarily agree with all of her opinions, but I am convinced that she will strive to discharge her duties with a high degree of competence and compassion. The office to which she is about to enter is one of awesome responsibility, and I wish her Godspeed.

Mr. COHEN. Mr. President, the confirmation today of Sandra Day O'Connor to be an Associate Justice of the U.S. Supreme Court is, as we all recognize, an historic event. It is one that I am proud to be able to take a part in by casting my vote in support of Judge O'Connor's nomination.

The debate surrounding Sandra O'Connor's nomination has focused almost exclusively on the fact that she will be the first woman to serve on the U.S. Supreme Court. Some view the appointment as significant primarily as providing women with representation on our highest judicial body. In voting on this nomination, I believe we must remember that the Supreme Court, unlike the legislative branch, is not a representative body. We cannot attempt to make it so without endangering the perception and reality of the Court as the preeminent symbol and protector of justice in this country. As George Will expressed it in a recent column:

> The Court, more than any other American institution, depends for its authority on the perception of it as a place where principle reigns. Judicial review is somewhat anomalous in a system of popular government, and its legitimacy depends on the belief that those who exercise it do so only as construers of the text and structure of a document that allocates powers primarily to other institutions. That belief cannot withstand a selection process that suggests that Justices somehow represent this or that group or interest.

The duty of a Supreme Court Justice is not to advocate a particular view or philosophy, but it is to act as an unbiased and detached arbiter of the law. To quote the late Justice Felix Frankfurter:

> The highest exercise of judicial duty is to subordinate one's personal pulls and one's private views to the law of which we are all guardians—those impersonal convictions that make a society a civilized community, and not the victims of personal rule.

Neither, however, should the Supreme Court be the exclusive domain of men—not because it would be unrepresentative of our society but because sex should not be, any more than race, religion or age, a criterion for either choosing or rejecting a candidate for a position on the Supreme Court. Rather, it is those qualities of judicial temperament, ability, and commitment to equal justice upon which we must select the individuals who will serve on our Nation's highest court.

Sandra Day O'Connor is well qualified for the position of Associate Supreme Court Justice and she will bring to the bench those qualities which are sought after in all members of the judiciary—integrity, fairness, and legal ability. She has excelled both academically and professionally, and has had a successful and distinguished career in public service and as a community leader.

Judge O'Connor will also bring to the Court a wide range of experience, having served in both the legislative branch, as a member of the Arizona State Senate, and in the judicial branch, as both a State trial and appellate court judge. In addition to spending several years in private practice, she also served as an assistant State attorney general.

Judge O'Connor's record shows her to be a temperate jurist. During her confirmation hearings, she displayed a thorough knowledge of the law and an appreciation for the respective roles of our branches of Government, and of the State and Federal courts. Characterized by those who have known, worked with, and appeared before her as intelligent, conscientious, objective, and openminded, Judge O'Connor possesses the qualities which will make her a skillful and highly respected member of the Court.

Judge O'Connor's nomination has been highly praised by many across the country. She has received resounding endorsements from individuals with divergent political philosophies and views on the role of the judiciary. I am confident that the expectations of her many supporters will be realized, and that Sandra Day O'Connor will make a significant contribution to the Court.

Mr. President, not only is the confirmation of Judge O'Connor historic in that she happens to be the first woman to sit on the Supreme Court, but it is equally important as a symbol of the advances women have made in recent years in breaking down the barriers which have traditionally restricted their participation in many segments of our society. Judge O'Connor is only the first of many highly qualified and competent women which this country can look forward to seeing serve on the U.S. Supreme Court in the years ahead.

Mr. HEFLIN. Senator BAUCUS is unable to be here this afternoon. He is participating in an investment conference in Montana. However, he did want his statement in support of Judge O'Connor's confirmation as Associate Justice of the Supreme Court to be made part of the record, and for it to be noted that he did vote in favor of confirmation last week at the executive session of the Senate Committee on the Judiciary. Senator BAUCUS' statement follows:

● Mr. BAUCUS. Mr. President, the week before last the Senate Judiciary Committee spent 3 full days conducting hearings on the nomination of Sandra Day O'Connor as Associate Justice of the U.S. Supreme Court. Today we are asked to cast our vote on that nomination.

We are all agreed that we want a Justice of the highest integrity and the utmost competence.

The issue raised by this nomination is the degree to which personal views and judicial philosophy are relevant factors in deciding whether to vote to confirm a Supreme Court nominee. I personally believe such factors are relevant.

In my view, a Senator must be convinced that a nominee's conception of our form of Government, conception of the Constitution, and conception of the role of the Supreme Court are consistent with the best interests of the entire Nation. The advise and consent power of the Senate under article III of the Constitution has little meaning if Senators are not willing to assess whether or not the nominee is dedicated to uphold the basic principles of the Constitution.

This is an appropriate test. The nominee, as a Justice, is likely to make many far-reaching decisions on a wide range of issues during his or her life tenure on the Court. A Senator should be satisfied that the nominee will have the prerequisite sense of fairness and a principled understanding of the Constitution to serve as the basis for that decisionmaking.

It is in this light that I have decided to support the confirmation of Sandra Day O'Connor as Associate Justice of the U.S. Supreme Court.

I know there are some who disagree with her views on specific subjects. I, too, have found myself in disagreement with her in several areas.

However, I believe it is in the best interests of this country to make a decision on her overall philosophy and her overall approach to Government and our Constitution.

No one knows just what decisions Justice Sandra O'Connor will be called upon to make over the decades to come.

Based on her performance at her confirmation hearing, I think we can say that she will bring to that decisionmaking a sensitivity and a commitment to fairness.

As I sat at the hearings I became convinced that if issues concerning my personal property or liberty were before Justice O'Connor, my case would be given a fair and thoughtful hearing.

I would not be able to predict what decision she would render, but I do know I would walk away from the process with a sense that the interests of justice had been served with her participation.

This is the kind of Associate Justice to the Supreme Court I want to vote for. I believe that this is a vote which all of us today will be able to look back upon, not only with a sense of history, but more importantly, with a sense of pride.

Thank you.●

● Mr. RIEGLE. Mr. President, I rise in strong support of the nomination of Judge O'Connor to the Supreme Court, and welcome the chance to be a part of this historic action by the Senate. Judge O'Connor has proven herself to be an able candidate for a position on the Court, and I think that all Americans can take pride in the fact that we will have a person of her caliber serving on our Nation's highest court.

Judge O'Connor is an accomplished legal scholar, as her educational and professional career demonstrate. She graduated from Stanford University Law School magna cum laude, and distinguished herself as a member of the Law Review. Judge O'Connor also became the first woman to serve as majority leader of the Arizona State Legislature, a measure of her leadership ability and her breadth of experience.

Mr. President, much has been written and spoken about the fact that Judge O'Connor will be the first woman to serve on the Court. I find it incredible that it has taken until 1981 for a woman to become a Supreme Court Justice, and I commend this important and historic breakthrough. Judge O'Connor has met the highest standards that we expect from an Associate Justice, and I think that all citizens can be proud of her nomination and confirmation.●

● Mr. BENTSEN. Mr. President, in consideration of the nomination of Sandra Day O'Connor to be an Associate Justice of the Supreme Court, the Senate should seek the answers to three questions: Is her integrity above reproach, is she qualified, and does she have the judicial demeanor and knowledge to apply the law objectively in the cases that will come before the Court.

I will deal first with the simplest question to answer, that pertaining to her integrity. Who would know better than her neighbors in Paradise Valley, Ariz.? The town council there unanimously adopted a resolution, and I want to thank my good friend, the senior Senator from Arizona, for placing that resolution in the RECORD. It said:

Judge O'Connor is possessed of an uncommon intellect, and the highest degree of ability, integrity, and dignity.

Senator GOLDWATER advises that this resolution reflects the views of all the citizens of Paradise Valley. The resolution also urged Judge O'Connor's unanimous confirmation.

Likewise, no serious case has been raised against Judge O'Connor's ability. The words that have been used to describe her—perfectionist, meticulous, hardworking, intelligent—accurately mirror her record of achievement. She entered Stanford University at 17 and left 5 years later with undergraduate and law degrees magna cum laude. She spent 20 years in Arizona politics as a member of her precinct committee, legislative district chairman, assistant attorney general, and as the State of Arizona's Senate majority leader. She spent 6½ years serving in the State judicial system, first on the superior court, and then as a justice on the court of appeals. She received high ratings each time the Arizona Bar Association has reviewed the performance of the members of its bench. In their private conversations with the nominee, I am sure my colleagues were as impressed as I was with her extremely bright mind and judicial perfectionism. She has been an insightful judge with a razor-sharp ability for equal and fair application of the law.

Her judicial record shows her commitment to interpret rather than expand the law. Although given ample opportunity to broaden statutory applications, she has not expanded statutes to situations never contemplated by its drafters. I am confident that as a Justice of the Supreme Court, Judge O'Connor will respect the historic constitutional boundaries between the judiciary and the Congress.

Her criminal decisions reflect a fair but tough approach in balancing the rights of the accused and the compensatory duty of enforcing the criminal laws of this Nation. Her record is one of defending private property rights, preserving State sovereignty, and strict judicial restraint. Her philosophy and temperament are well suited for the Supreme Court, and she has the potential of becoming a Justice of superior distinction.

I want to deal quickly with an issue that some have raised relative to Judge O'Connor's morality. I find it very difficult to believe that a woman with three sons can be called antifamily. Everything that I have read about her personal life indicates a strong enthusiasm for her family.

I am sure that I am not the first to quote her remarks at a wedding of two people she introduced, in which she said that:

Marriage is the single most important event in the lives of two people in love . . . marriage is the foundation of the family, mankind's basic unit of society, the hope of the world, and the strength of the country.

The issue of Judge O'Connor's morality is a false one; above all, she is an individual of very high moral principles.

Mr. President, our debate today about Judge O'Connor's nomination is an historic one. I want to join the chorus in sounding my pleasure with President Regan's fulfillment of his campaign pledge to nominate the first woman to the Supreme Court. In saying that, I do not want to demean her ability, integrity or knowledge.

She enjoys my support for one reason, and one reason only, because she will be a great asset to the U.S. Supreme Court. I join with the good citizens of Paradise Valley in urging the Senate to confirm Judge O'Connor's nomination unanimously.

Mr. PERCY. Mr. President, I wish first to express deep appreciation to the members of the Committee on the Judiciary, to its distinguished chairman (Mr. THURMOND), and to the ranking minority member (Mr. BIDEN). In an expeditious manner, consistent with thoroughness, they have conducted hearings and processed the nomination of Sandra Day O'Connor and are now placing it before this body for our decision. The committee has performed, once again, a great service to the Nation.

I am honored and privileged to address the Senate today on Sandra Day O'Connor, whose name is before this body for consideration to be an Associate Justice of the Supreme Court of the United States.

In considering her nomination, we as Senators will be fulfilling one of our important constitutional responsibilities in deciding whether or not to consent to this nomination. The individual we confirm will participate in and render decisions on some of the most complex and critical issues in the history of the Court. Therefore it is important that this individual is of the highest caliber—one who combines intellect, decency, and experience with judicial temperament, scholarship and integrity.

As her distinguished record clearly indicates, Sandra Day O'Connor is such an individual. She graduated from Stanford University in 1950 and received her law degree from the same institution in 1952. It was also in 1952 that she became deputy county attorney for San Mateo County in California.

In 1954 she traveled to Frankfurt, West Germany, where she served as civilian attorney. She returned to the United States in 1958 to engage in private practice in Arizona. As a wife and mother of three children, she devoted the years from 1961 to 1964 solely to her family. She returned to the law in 1965, this time as assistant attorney general for the State of Arizona. In 1969 she became an Arizona state senator, serving until 1975 as senate majority leader. In 1975 she became a trial judge on the Maricopa Superior Court of Arizona. From 1979 until the present she has served as a judge on the Arizona Court of Appeals.

In reviewing her outstanding legal career, it should be noted that she has served with distinction in all three branches of government—legislative, executive, and judicial. As it is one of the three coequal branches of our Government, the judiciary has the crucial role of applying the laws of Congress and interpreting the Constitution. With experience in all three branches, Judge O'Connor promises to bring to the Supreme Court a thorough understanding of how the Constitution divides authority among them.

In her exercise of judicial authority, Justice O'Connor is neither doctrinaire nor adventurous. She is a judge. Her record on the bench indicates that she sees it as her duty to apply the law, and not to make it.

In response to anyone who may question her views concerning certain issues, let me strongly emphasize that assessing a candidate on the basis of his or her views on specific issues should play no part in the process of selecting a Supreme Court Justice. It would be inappropriate for a judge or a prospective judge to have a preconceived position on something that might be an element in a case which should be decided on its legal merits alone. We must strive for an independent judiciary, one that decides issues solely on their legal merits and not upon some extra constitutional litmus test. I commend Judge O'Connor for taking this position herself during the recent Judiciary Committee hearings.

There can be no dispute that Judge O'Connor's record is an outstanding one. Her experiences as an attorney, legislator, and judge indicate that she is eminently qualified for the position of Supreme Court Justice. She has also demonstrated that she possesses the integrity, intellect, and the temperament so necessary for a Justice of the Supreme Court. I have no doubt that Sandra Day O'Connor is exceptionally well prepared to serve with distinction on the Supreme Court of the United States. A large, empty space exists in the Court. Sandra Day O'Connor can fill it. She deserves not only my personal support, but the support of this Senate as well.

My daughter served as a fellow trustee with Sandra O'Connor at Stanford University for a number of years, and as a result of her outstanding work there has long held her in the highest possible regard from every standpoint.

I hope and fully expect that our vote today will be a unanimous one.

Mr. NICKLES. Mr. President, today I rise in support of the nominee, Sandra Day O'Connor, to be an Associate Justice of the U.S. Supreme Court. I say, with all of my colleagues, that the appointment of a woman to the high court is long overdue. In Judge O'Connor, we have a very bright, articulate, and accomplished judge. I am sure that as an Associate Justice to the Supreme Court, Judge O'Connor will be an example of tremendous commitment and achievement not only to all women, but to everyone who works in the field of law and strives for excellence.

This is my first opportunity to participate with the Senate in the confirma-

tion of a Justice to the Supreme Court. As I understand it, our role is one of advice and consent on the President's nomination. We are asked to examine the nominee's background, character, academic achievement and judicial philosophy based upon his or her past record of activity. We are then asked to decide if the nominee is qualified to serve in the lifetime position of Justice to the Supreme Court.

Because of the magnitude and far reaching influence that a Justice may have on the Supreme Court, the advice and consent function of the Senate is indeed a very serious and important one. I, for one, have given much time and thought to this matter. And in the end, I feel compelled to say that even despite the obvious integrity and intelligence of the President's nominee, Judge O'Connor, I do not stand in support of this nomination without some unanswered questions.

I, like many of my colleagues, feel very strongly that the Supreme Court's 1973 decision in Roe against Wade, which legalized abortion by declaring that the unborn is not a person, was not only a moral fiasco, but a thoroughly unconstitutional court decision. In his dissenting remarks, Justice Byron White stated:

> I find nothing in the language or history of the Constitution to support the Court's judgement. The Court simply fashions and announces a new constitutional right for pregnant mothers and, with scarcely any reason or authority for its action, invests the right with sufficient substance to override most existing State abortion statutes.

I stand in total agreement with Justice White's words.

During the confirmation hearings, Judge O'Connor was asked many questions about abortion. From her testimony, I know that she is personally opposed to it. For this I am glad, but, as she pointed out, this should in no way influence her opinion as a judge.

As a participant in the Arizona State Senate, Judge O'Connor had five votes that related to abortion. The first—House bill 20—which came prior to Roe against Wade, sought to totally decriminalize abortion. In her explanation, Judge O'Connor states that her knowledge and perception of this issue has increased greatly in the years following that vote and that if she were a State senator today and this issue were to come before her framed in the exact same way, she would not vote for a total repeal of the Arizona laws prohibiting abortion. However, nowhere could I find, even in a personal visit with the nominee last week, an explanation of what she would support as appropriate public policy in this area. So, what I am left with is some indication that Judge O'Connor has modified her position as to appropriate public policy in regard to abortion, but I have no idea as to what this new position might be.

Thus, from the information available, I can conclude that first, as a person, Judge O'Connor is personally opposed to abortion. Second, as a legislator, Judge O'Connor is against abortion on demand. But, the final and most important area—in fact the only truly important area—is what Judge O'Connor's position as a judge is concerning the constitutionality of Roe against Wade. And, it is precisely in this area that I know the least about Judge O'Connor's position.

I can appreciate the fact that it would be improper for a nominee to the Supreme Court to speculate on cases that might come before the Court during his or her tenure on the Court. However, I do not understand why a nominee cannot respond to questions concerning the constitutionality of cases already decided by the Court, such as Roe against Wade. If the Senate is to perform its advice and consent function, we must be able to determine the judicial philosophy of the nominee. As a Senator, I have a responsibility to represent the concerns and wishes of my constituents. As a human being, I feel it necessary to live within the confines of my conscience. However, to fulfill either of these becomes virtually impossible without the necessary information from Judge O'Connor as to how she will stand as a Supreme Court Justice in her interpretation of the Constitution.

I am also concerned that this refusal to answer questions on past Supreme Court cases will set in stone the precedent for future nominees in their approach to the Senate's confirmational inquiries. If this becomes the precedent, the Senate would then be asked to confirm nominees to the High Court without having any idea as to what their judicial philosophy is and how their appointment will influence generations to come.

I have labored long and hard over whether, in the midst of such unanswered questions, I could vote for the nominee, Sandra Day O'Connor, to be an Associate Justice of the Supreme Court. In the final analysis, I have to say that I do not feel that I have a strong enough basis from which to vote against Judge O'Connor's confirmation. I simply have unknowns. Therefore, I feel forced to resolve this issue based on outside considerations, the greatest of which is the trust, faith, and confidence that I have in the ideals and judgment of our President. I also have confidence in Judge O'Connor's overall judicial restraint and her claim to be a strict constructionist in her interpretation of the Constitution.

So, I stand with my colleagues in support of Judge O'Connor, with much hope in my heart that her appointment to the Supreme Court will herald a new era in the Court's history—one that will be characterized by restraint, wisdom, and devotion to God and to the Constitution which have preserved our freedoms for so many years.

Mr. JEPSEN. Mr. President, I rise today to speak to the question of whether Judge Sandra D. O'Connor should be approved by this body to serve as an Associate Justice to the Supreme Court of the United States.

I intend to vote in support of the nomination of Sandra Day O'Connor. I have no doubts about the capability, intelligence, or judicial temperament of Judge O'Connor. She brings to the Supreme Court the qualities necessary to be a competent jurist.

As a Senator from Iowa, I am pleased to advise the Senate that it was the great State of Iowa that produced the first woman attorney in the United States, Arabelle Mansfield, of Mount Pleasant, Iowa. It was the Iowa education system that trained her. Finally, it was the Iowa Bar Association, one of the oldest bar associations west of the Mississippi, which admitted Miss Mansfield to the bar.

Mr. President, history and time have afforded me the opportunity to represent Iowa and vote today for the first woman to be appointed to the U.S. Supreme Court. I shall vote "aye" for her confirmation.

Mr. CRANSTON. Mr. President, I am extremely pleased that the Senate Judiciary Committee has concluded that Sandra Day O'Connor is extraordinarily well-qualified to be an Associate Justice of the U.S. Supreme Court. She is eminently qualified. I support her nomination.

Judge O'Connor's direct experience with both the legislative and the judicial process augurs well for an outstanding term on the Supreme Court bench.

As a Californian, I am particularly pleased by the prospect of having a southwesterner on the bench. As a lifelong resident of California and Arizona, our sister State to the east, Judge O'Connor is familiar with the special problems of the Southwest such as water, land resources and their uses. These will be important issues before the court in coming years and her knowledge in this area should be most helpful.

President Reagan is to be especially commended for naming a woman to the Supreme Court—the first such nominee in our Nation's history and one that is very long overdue.

Judge O'Connor's nomination is a major step in the battle to eliminate sex discrimination in our society and a major step toward achieving full equality of opportunity for women. Furthermore, Judge O'Connor has displayed sound judicial temperament, brilliant legal scholarship, personal integrity, sensitivity to individual rights and a firm commitment to the principle of equal justice under the law.

Mr. President, I am honored to join my colleagues in support of this history making nomination.

Mr. SASSER. Mr. President, with its action today, the Senate has taken a historic step. Sandra Day O'Connor is the first woman appointed to the Supreme Court—61 years after women were given the right to vote. My own State of Tennessee was the 36th State to ratify the 19th amendment, thereby making it a part of the Constitution and it gives me great pleasure to be able to vote today to confirm Judge O'Connor's nomination.

However, as significant as the appointment of a woman to the Court may be, it must be remembered that once confirmed Judge O'Connor becomes one of nine justices sitting on the Supreme Court. Therefore, the most important question in voting on this nomination is whether the person has the judicial temperament

and legal qualifications which are required of a member of the Nation's highest court.

In the 3 days of hearings conducted by the Judiciary Committee, Mrs. O'Connor's legal philosophy and record were subjected to a searching examination. Her responses showed a proper appreciation for the proper role of the judiciary—to adjudicate, not to legislate. The whole thrust of her responses on whatever topic, demonstrated a clear and well-defined philosophy, consistently applied. In addition, the nominee's experience in private practice, the Arizona State Senate, as well as on the bench give her a breadth of perspective which qualifies her for this position.

I congratulate Judge O'Connor, soon to be Madam Justice O'Connor, as she undertakes her new responsibilities.

Mr. MOYNIHAN. Mr. President, on this day that we are congratulating Judge Sandra Day O'Connor on her nomination and confirmation as Associate Supreme Court Justice—and for President Ronald Reagan for nominating her—I direct the Senate's attention to a serious problem facing our courts of which we are the authors, you might say.

Yesterday's New York Times magazine carried a brilliant essay by Judge Kaufman of the U.S. Court of Appeals for the Second Circuit. Judge Kaufman addresses an issue that has been central to our debates over the past few months—legislation designed to strip the courts of their jurisdiction.

Judge Kaufman, whose career on the bench has spanned 35 years, has written an article that contains lessons which I believe will be of value to all Members of this body. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONGRESS VERSUS THE COURT

(By Irving R. Kaufman)

The first Monday in October, the commencement of the new Supreme Court term, is normally one of the more exciting dates on Washington's calendar. The long summer recess over, the nine Justices don their black robes and enter the marble and oak courtroom where they will ponder questions of truth and justice. This year, however, Oct. 5 will also be a time of no little concern for these esteemed jurists—as it should be for us all. The reason: The role of the High Court as a counterbalance to the legislative and executive branches of government—a fundamental pillar of the American system—is under attack. Congress currently has before it more than 30 bills designed to sharply restrict the authority of the Federal judiciary and limit its power to interpret the Constitution.

These bills have been introduced by Members of Congress new conservative coalition, individuals who have been profoundly disturbed by many of the decisions the Supreme Court has made over the last two decades. For example, the Court has forbidden mandatory prayer in public schools, upheld a woman's right to abortion during the first three months of pregnancy, and characterized busing as the only constitutionally adequate remedy in some instances of racial imbalance in public schools. These decisions, all formed on the basis of constitutional principle—and constitutional principle alone—undoubtedly appear as obstacles to the social changes the new legislative coalition intends to make in this country now a number of individual liberties, but also the that the political pendulum is swinging in its direction. The way the coalition proposes to overcome these obstacles threatens not only very independence of the Federal courts, an independence that has safeguarded the rights of American citizens for nearly 200 years.

The current legislative outlook is ominous. A subcommittee of the Senate Judiciary Committee has already aproved a bill that would forbid the lower Federal courts to entertain challenges to state antiabortion legislation (even legislation that defined abortion as murder). In the last Congress, the Senate easily passed a proposal to withdraw lower Federal court jurisdiction in school prayer cases. A discharge petition to move the bill from the House Judiciary Committee to the floor failed by only 32 votes. The bill has been reintroduced and its chances for passage are rated better in this year's Congress. Other bills which would take from the Supreme Court the power to revise state and lower Federal court decisions in school prayer, abortion and busing cases, are now wending their way through the Senate-House Judiciary Committees.

Legal experts from all sections of the political spectrum have begun stepping forward to denounce these proposals. The American Bar Association calls them a danger to the fundamental system of checks and balances. And Prof. Laurence H. Tribe, of the Harvard Law School, has gone so far as to characterize one of the bills as "too palpably unconstitutional to permit reasonable persons to argue the contrary." Still, the possibility that some of these bills may be enacted into law cannot be dismissed. If that should happen, the Supreme Court would either have to accept the Congress's mandate or adjudicate the constitutionality of the laws. If the Supreme Court then decided that the laws were, indeed, unconstitutional, it would be up to Congress either to back down or to permanently reduce the Court's power through constitutional amendment.

Such dilemmas have come close to occurring in the past. Today, it is the conservative wing that is attempting to circumscribe the Court's historical role. At other times in the past, the attack against the Court has been led by liberal reformers—while conservatives stood as sentinels guarding the sanctity of the Constitution. In the early 20th century, the Court struck down many pieces of legislation that sought to promote social change, including laws regulating child labor, setting minimum wages and maximum hours, forbidding the use of injunctions in labor disputes, and providing compensation for accident and illness. In response, liberals, and progressive led by Robert M. La Follette, attacked not only the concept of judicial review but the judges themselves. Statutes were introduced in Congress to require the votes of at least six justices to invalidate legislation, and some Congressmen supported constitutional amendments that would have mandated the popular election and recall of Federal judges.

Some years later, after the Supreme Court invalidated much New Deal legislation, President Roosevelt proposed a bill that would have allowed him to increase the Court's membership. Had that bill passed, Roosevelt would have been able to "pack" the Court with political allies, insuring that it would always decide as he saw fit. Fortunately, that plan died in the Senate Judiciary Committee.

Efforts to curb the courts have, if anything, become more frequent in recent years, and they have been proposed by politicians of almost all political stripes. After the Supreme Court's 1954 decision in *Brown* v. *Board of Education*, which declared an end to the purposeful segregation of public schools, a number of bills were introduced in Congress proposing to remove all Federal court jurisdiction in desegregation cases. At about the same time, the call for popular election of Federal judges was renewed. Later, in 1958, at the height of the cold war, serious and widespread support gathered for a bill that would have overturned Supreme Court decisions guaranteeing First Amendment freedoms to political dissidents by removing appellate jurisdiction in cases involving alleged subversive activity. And in 1964, the House of Representatives (but not the Senate) passed a bill that would have deprived the Supreme Court and the lower Federal courts of the power to hear cases regarding enforcement of the Court's new rule of one-man, one-vote for apportionment of state legislatures, a rule that was intended to redress inequities in voting strength caused by racial animus. The reapportionment decisions spurred a furious attack on the Court led by proponents of states' rights, some of whom went so far as to propose that a "Court of the Union," composed of the Chief Justices of all the states, be established to review the decisions of the Supreme Court.

All the bills under consideration this year invoke the concept of jurisdiction, the basic authority of a tribunal to decide a case. Sponsors of the bills cite Article III of the Constitution, which assigns to Congress the power to define and regulate the jurisdiction of all Federal courts including the Supreme Court. Using this power, the Congress has, for example, denied Federal judicial authority in some cases involving lawsuits for less than $10,000. No one questions the legitimacy of that restriction. So why, the sponsors ask, can Congress not also declare, as one bill does, that "the Supreme Court shall not have jurisdiction to review . . . any case arising out of any State statute, ordinance, rule or regulation . . . which relates to abortion?" The answer is not simple. It rests on an understanding of the scope of Congress authority over the jurisdiction of the Federal courts, which, in turn, depends on an understanding of the Constitution and the role the Constitution mandates that the Federal courts play in the American system.

The framers and early expositors of the Constitution did not fear the power of the courts. With no innate authority either to enforce its own judgments or to control the purse strings, the judiciary was expected to be the weakest of the three branches of government. It was rather the legislative branch that the framers felt a need to restrain. Steeped in English parliamentary history, they knew the dangers of legislative tyranny. James Madison, the principal architect of the Constitution, observed: "The legislative department is everywhere extending the sphere of its activity and drawing all power into its impetuous vortex."

The framers set up the Federal court system as one means of checking the Congress. Using the power of judicial review, the courts would invalidate any legislative acts that were inconsistent with the strictures of the Constitution. The theory was, and still is, that Congress should exercise only a delegated authority, derived from the people. The Constitution, in contrast, was intended to represent the actual embodiment of the people's fundamental and supreme will. Thus, when presented with a case in which a legislative act contravenes the constitutional mandate, it is the duty of the courts to uphold the latter. "To deny this," said Alexander Hamilton, "would be to affirm that the deputy is greater than his principal; that the servant is above his master; that the representatives of the people are superior to the people themselves."

The Supreme Court has therefore struck down laws passed by Congress that conflict with the Constitution ever since the landmark 1803 case of *Marbury* v. *Madison*. For almost as long, the Court has invalidated constitutionally offensive state statutes as

well. That duty, scholars insist, is grounded in Article VI of the Constitution, which commands: "This Constitution, and the laws of the United States which shall be made in pursuance thereof . . . shall be the supreme law of the land."

It was inevitable that the judiciary, of the three branches of government, would be charged with the responsibility of assessing the constitutional validity of legislation. To insure the judiciary's ability to perform this sensitive duty faithfully and neutrally, the farmers deliberately shielded the judges from political pressures by guaranteeing them, within the Constitution itself, life tenure, and by further providing that their salaries could not be diminished through legislative act. Their independence, to quote Hamilton again, would insure "that inflexible and uniform adherence to the rights of the Constitution, which we perceive to be indispensable in the courts of justice."

This is not to say that the Federal courts' judgments relating to the constitutionality of legislation—including legislation on such issues as abortion, school prayer and busing—cannot be overridden. An unpopular Supreme Court decision on a constitutional issue can be overturned through a constitutionally prescribed means: an amendment of the Constitution. In fact, three times amendments have been proposed and ratified as a way of nullifying controversial Supreme Court decisions. (The 11th Amendment, which forbids a suit in Federal court against a state without its consent, was adopted to overrule a 1793 holding that the Supreme Court had jurisdiction over a case brought by two South Carolinians against the State of Georgia. In 1858, during the Reconstruction period following the Civil War, the 14th Amendment was enacted. This amendment, which proclaims that all persons born in the United States are full citizens of the United States, with all "rights and immunities" of citizens, overruled the infamous Dred Scott decision of 1857, which had declared that black slaves, as no more than pieces of property, lacked the rights of citizens. Finally, in 1913 the 16th Amendment was adopted to overturn a Supreme Court decision holding that the Federal income tax was unconstitutional.)

Constitutional amendments, however, are not a means most critics of the Court are eager to employ to bring about the changes they seek. Their passage requires a cumbersome procedure of ratification—as supporters of the proposed equal rights amendment well know. The framers deliberately made the amendment process cumbersome because they did not want expediency to prevail over constitutional rights. They believed that any alteration of the fundamental law of the land should enjoy the overwhelming and sustained support of the citizenry. A simple majority in both Houses of Congress, sufficient to pass the ordinary statute, should not be enough to justify permanent changes in the nation's charter of basic freedoms.

Herein lies the tactical appeal of the withdrawal-of-jurisdiction stratagem. Many supporters of the 30 or so divestiture bills now before Congress freely admit that they are attempting to bypass the amendment process. Their rationale is simple: Since the popular support to override Court decisions by amending the Constitution is difficult to garner, why not accomplish the same result with a simple statute restricting the power of the courts to consider the constitutional principles they dislike? In 1964, following the Supreme Court's landmark decision on legislative reapportionment, Senator Everett M. Dirksen introduced a bill to withdraw Federal court jurisdiction in apportionment cases. When asked whether he was attempting to enact a constitutional amendment in the form of a statute, he responded: "[There is] no time in the present [legislative] session to do anything with a constitutional amendment. . . . We are dealing with a condition, not a theory." A candid and revealing response, then as now.

The rationale of our Constitution is not to be lightly ignored. It was designed to protect individual rights by vesting the Federal courts with the final, binding authority to interpret the fundamental law. The only way to override the Constitution as so interpreted is to amend it. The backdoor mechanism of withdrawing the Court's jurisdiction is clearly antithetical to the judiciary's role in the constitutional scheme. If the bills depriving the Court of the authority to hear cases on such topics as abortion, school prayer and busing are considered constitutional, Congress might just as well pass laws depriving the Court of the authority to hear constitutional claims based on such freedoms as speech and religion. The potential consequences are astonishing.

There is another contention being put forward by the proponents of the withdrawal-of-jurisdiction bills that needs to be discussed. These legislators note that the Constitution states that "the Supreme Court shall have appellate jurisdiction, both as to law and fact, with such exceptions, and under such regulations, as the Congress shall make." The "exceptions-and-regulations" clause, they argue, grants Congress wide-ranging authority to restrict the substantive categories of cases that may be appealed from the state and lower Federal courts to the Supreme Court. But to assert that the framers, who clearly intended the Supreme Court to exercise the power of judicial review, also intended to grant Congress plenary authority to nullify that power is to charge the framers with baffling self-contradiction. Indeed, the history of the exceptions-and-regulations clause suggests that it was never intended to carry the heavy constitutional baggage with which the bill's supporters are now loading it.

The clause originated in the fears of some members of the Constitutional Convention that Supreme Court review of factual determinations (appellate review was to be "both as to law and fact") would impair the right-of-jury trial in the states. Hamilton stated: "The propriety of this appellate jurisdiction has scarcely been called in question in regard to matters of law; but the clamors have been loud against it as applied to matters of fact." Since the practices with respect to appellate review of factual determinations varied so widely from state to state, the framers decided to leave to Congress, in the exceptions-and-regulations clause, the authority to regulate the scope of Supreme Court review of facts.

The clause was never meant to confer a broad control over appellate review of substantive legal issues, including issues of Federal constitutional law. Indeed, the Convention considered and rejected proposed constitutional language that "the judicial power shall be exercised in such manner as the legislature shall direct," far from a mandate to effectively abrogate the vindication of constitutional rights, the clause was intended merely as a way to give Congress the authority to regulate the Supreme Court's docket with reasonable housekeeping measures. Thus, in the Judiciary Act of 1789, Congress restricted the Court's appellate jurisdiction over cases coming from the United States Circuit Courts to those in which the amount in controversy exceeded a prescribed minimum.

On only two or three occasions in its history, has the Supreme Court passed upon the constitutionality of legislation seeking to limit its appellate jurisdiction. Both cases occurred over a century ago and both reveal constitutional defects in the current proposals relating to jurisdiction. In the first case, *Ex parte McCardle*, decided in 1869, the Court upheld a restriction on its appellate jurisdiction. Although relegated to a small niche in history, this case was enormously important in its day, for it involved a challenge to the post-Civil War Reconstruction program, in which Congress had placed 10 of the former Confederate states under military rule. McCardle had been imprisoned by the military government of Mississippi for the publication of allegedly libelous material. Pursuant to a Federal statute passed in 1867, he applied to a lower Federal court for a writ of *habeas corpus* ordering his release. He asserted that the Reconstruction Acts were unconstitutional. The court denied his application, and he appealed to the Supreme Court on the basis of that same Federal statute. Before the case was decided by the Court, however, Congress repealed that part of the 1867 statute which authorized appeals to the High Court. "We are not at liberty to inquire into the motives of the legislature," the Court held. "We can only examine into its power under the Constitution; and the power to make exceptions to the appellate jurisdiction of the Court is given by express words."

Despite this pronouncement, the McCardle case is not ordinarily read as authority for a broad Congressional power to restrict the enforcement of constitutional rights in the Supreme Court. Under the Judiciary Act of 1789, McCardle could still apply for an original writ of *habeas corpus* in the Supreme Court. Therefore, the repealing act actually cut off only one avenue of *habeas* relief. The Court concluded as much in the 1869 case of *Ex parte Yerger*, a case that was in many ways strikingly similar to *McCardle*. Yerger held that the repealing statute did not affect the petitioner's right to apply for an original writ pursuant to the act of 1789. In contrast with the statute under consideration in *McCardle*, the bills that would forbid any Supreme Court review of busing, school prayer and abortion decisions would totally foreclose the possibility of a Supreme Court hearing on a claim of Federal constitutional right. Surely, *McCardle* cannot be considered a precedent for that.

This view is confirmed by *United States* v. *Klein*, decided in 1872, in which the Court struck down a limitation on its powers of appellate review. Klein administered the estate of a cotton plantation owner whose property was seized and sold by Union agents during the Civil War. Under legislation providing for recovery of seized property of noncombatant rebels upon proof of loyalty, Klein sued and won in the Court of Claims, proffering a Presidential pardon as proof of loyalty. The Court had previously interpreted a Presidential pardon as carrying with it a proof of loyalty. But pending the Government's appeal to the Supreme Court, Congress passed an act which legislated that acceptance of a pardon was, on the contrary, conclusive proof of disloyalty and one which, in addition, required the Supreme Court to dismiss for want of jurisdiction any appeal in which the claim for recovery was based on a pardon.

Invalidating that legislation, the Court concluded that Congress had unconstitutionally attempted to interfere with the Court's duty to interpret and give effect to a provision of the Constitution: "The language of the proviso shows plainly that it does not intend to withhold appellate jurisdiction except as a means to an end. Its great and controlling purpose is to deny pardons granted by the President the effect which this Court had adjudged them to have. The proviso declares that pardons shall not be considered by this Court on appeal. We had already decided it was our constitutional duty to consider them and give them effect, in cases like the present, as equivalent proof of loyalty."

In a similar manner, the current withdrawal-of-jurisdiction proposals do "not intend to withhold appellate jurisdiction except as a means to an end." And the end, in

this instance, is precisely the same as it was in *Klein*, the circumvention of the Supreme Court's authoritative interpretation of a constitutional provision. As *Klein* demonstrates Congress does not have the power to subvert established constitutional principles under the guise of regulating the Court's appellate jurisdiction.

Those who would read the exceptions-and-regulations clause broadly also argue that state courts, which frequently rely on the Federal Constitution in striking down state legislation, could adequately protect constitutional rights without review in the Supreme Court. The short answer to this contention is that a Federal constitutional right is of dubious value if it means one thing in Mississippi and another in Minnesota. State courts have at times differed profoundly on the meaning of constitutional provisions. To cite but one illustration, in 1965, the Supreme Judicial Court of Massachusetts concluded that the book "Fanny Hill" was unprotected by the First Amendment. At about the same time, the New York Court of Appeals found that it was. Obviously the need for uniformity in matters of Federal constitutional interpretation is essential, and the appellate jurisdiction of the Supreme Court was designed to meet that important need. Chief Justice John Marshall said in *Cohens* v. *Virginia*: "The necessity of uniformity as well as correctness in expounding the Constitution and laws of the United States, would itself suggest the propriety of deciding, in the last resort, all cases in which they are involved. . . . [The framers of the Constitution] declare that, in such case, the Supreme Court shall exercise appellate jurisdiction."

In connection with this uniformity function, there is an interesting tale concerning one of the most eminent jurists in American history, Judge Learned Hand of the United States Court of Appeals for the Second Circuit. In 1958, at the ripe age of 86, Hand, still nimble of mind and capacious of spirit, was asked by Senator Thomas C. Hennings, Jr. of Missouri, chairman of the Senate Judiciary Subcommittee on Constitutional Rights, to comment upon a then-current bill to remove Supreme Court appellate jurisdiction in cases regarding internal security. Hand promptly responded: "It seems to me desirable that the Court should have the last word on questions of the character involved. Of course there is always the chance of abuse of power wherever it is lodged, but at long last the least contentious organ of government generally is the Court. I do not, of course, mean that I think it is always right, but some final authority is better than unsettled conflict."

It should also be self-evident that the framers saw independent, tenured Federal judges—knowledgeable in Federal law, drawn from all over the country and, as prescribed in the Constitution itself, appointed by the President and confirmed by the Senate—as more appropriate arbiters of conflicts between constitutional and state law than elected state judges, many of whom are popularly elected and who might be partial to state law. The framers realized that only the Federal judges could insure the supremacy of Federal law. As James Madison said: "In controversies relating to the boundary between the two jurisdictions [Federal and state], the tribunal which is ultimately to decide is to be established under the general Government. . . . Some such tribunal is clearly essential to prevent an appeal to the sword and a dissolution of the compact."

The argument for giving Congress the authority to determine the kinds of cases and the types of remedies that the inferior Federal courts may hear is a bit more complicated—if equally unpersuasive. It too is based on Article III of the Constitution, which gives Congress the right to establish "such inferior courts as the Congress may from time to time ordain and establish." Since this provision has been interpreted by many legal experts as giving Congress the right to establish or abolish the lower courts, does it not follow that it also gives Congress the authority to regulate the subject matter of their jurisdiction? The fallacy of this argument is that the framers predicated Congressional discretion on the assumption that litigants would in all cases be able to present their Federal claims or defenses to *some* Federal court, either in the district court or on appeal. And it was further assumed that, even if no lesser Federal courts were created, the Supreme Court itself would serve as the requisite forum by hearing all constitutional cases appealed from the state courts.

Throughout most of the 19th century, this was possible. The Court's docket was almost empty by today's standards and it could ordinarily hear a constitutional case any time one of the parties so desired. But beginning about 1875, the Supreme Court's case load began to grow enormously, giving rise to a series of acts, culminating in the Judges Bill of 1925, which gave the Court the discretion to decide which cases, within certain categories, it would hear. In the process, the Supreme Court was transformed from a general court of appeal into a court which would decide only cases of great constitutional moment or high precedential value.

As the Supreme Court has found itself deciding a progressively smaller percentage of the cases involving Federal, constitutional and statutory law, the role of the lower Federal courts in protecting constitutional rights has expanded to the point of practical and effective primacy. And over the last two decades, a period during which there has been an explosive growth of litigation, the inferior Federal courts have become, in most instances, the only forums in which a litigant could secure a decision on his constitutional claims by a judge life tenured under Article III of the Constitution. If Congress were now to abolish the lower Federal courts, it would effectively cut off almost all opportunity for Federal adjudication of Federal rights. And clearly, the framers did not wish to leave to the states final authority to decide matters of Federal constitutional law. For this reason, the argument that Congress can withdraw jurisdiction over certain classes of Federal cases or rights because it has discretion to abolish the lower courts does not hold up under examination.

Authoritative precedent also strongly suggests that even if Congress had the power to abolish some or all of the lower Federal courts, it may not use its power over lower court jurisdiction to thwart the vindication of constitutional rights. The Court of Appeals for the Second Circuit said in Battaglia v. General Motors Corporation, decided in 1948, that, "while Congress has the undoubted power to give, withhold and restrict the jurisdiction of courts . . . it must not so exercise that power as to deprive any person of life, liberty, or property without due process of law."

The conclusion that can be drawn from all of these arguments is this: Congress does indeed have broad discretion to withdraw jurisdiction from lower Federal courts—where no substantive constitutional rights are at issue. The statutory rights that owe their existence to Congress, as distinguished from constitutional rights, may be taken away either by a repealing statute or by a provision withdrawing Federal court jurisdiction. Where rights embodied in the Constitution are concerned, however, the discretion of Congress is limited. When Congres deprives a Federal court of the authority to hear a litigant's constitutional claims or defenses, it must provide that litigant with another Federal forum in which to seek an adequate remedy. The distinguished legal scholar Henry Hart once decried the use of statutes withdrawing lower court jurisdiction to undermine constitutional rights: "Why, what monstrous illogic! To build up a mere power to regulate jurisdiction into a power to affect rights having nothing to do with jurisdiction! And into a power to do it in contradiction to all the other terms of the very document which confers the power to regulate jurisdiction!"

Applying these lessons to the divestiture bills now before Congress, there can be no doubt that all of them trench upon established constitutional rights. The Supreme Court has determined that busing may be a constitutionally required remedy in an appropriate case for violations of schoolchildren's equal-protection rights to an education in a desegregated public school. Chief Justice Burger has written for the Court: "Bus transportation has long been an integral part of all public educational systems, and it is unlikely that a truly effective remedy could be devised without continued reliance upon it." In the landmark case of *Roe* v. *Wade*, the Court firmly established a woman's constitutional right to an abortion. And for nealy two decades, the Court has found mandatory prayer in the public schools to violate the constitutional principal of separation of church and state.

One may disagree with these decisions; they may even transgress one's deepest moral convictions. But one cannot doubt that they were based upon informed interpretation of the Constitution—and not on the basis of political or ideological expediency. It is worth recalling the pungent words of Chief Justice Charles Evans Hughes: "We are under a Constitution, but the Constitution is what the judges say it is, and the judiciary is the safeguard of our liberty and of our property under the Constitution." Depriving the Federal courts of the power to adjudicate cases relating to such issues as desegregation, abortion and school prayer effectively precludes Federal protection—the constitutionally envisaged and most reliable form of protection—of our cherished constitutional rights.

The result of the proposed legislation would be to deny citizens the protection of constitutional rights that the Supreme Court has declared they possess. It would be strange indeed if Congress could accomplish through a jurisdictional bill what it clearly must not accomplish directly: a reversal of constitutional principle by an act of Congress The law is clear, for example, that Congress has no power to declare racial discrimination in Federal Government employment legal. The "logic" of the arguments raised by the proponents of the divestiture bills would, however, permit Congress to remove from the Federal courts all jurisdiction to hear cases involving racial discrimination against Government employees. The motive, discrimination, would be equally patent in either instance.

If one needs to find language in the Constitution as a source for these restrictions on the power of Congress to control the jurisdiction of the lower Federal courts, it is in the due process clause of the Fifth Amendment. The overarching guarantee of due process is the sacred assurance that the Federal Government will govern fairly, impartially and compassionately. All the powers of Congress—to tax, to make war, to regulate commerce—are constrained by its constitutional inability to deprive us of our rights to life, liberty and property without due process of law. As a power of Congress, the authority to control jurisdiction is therefore restricted by the right of due process. That is the wonder of the American Constitution as it lives and breathes.

Should Congress insist upon restricting the judiciary in ways that the Supreme Court may view as unconstitutional, the Supreme Court might well strike down the withdrawal-of-jurisdiction legislation, leav-

ing Congress and the judiciary in conflict. This institutional dissension would continue, until Congress either accepted the Court's determination or passed a constitutional amendment restructuring the basic relationship between the judicial and legislative branches of government.

It is understandable that politically vulnerable legislators would react adversely to judicial nullification of their enactments. Yet those who criticize the courts for their unresponsiveness to the present national mood tend to forget that the judicial branch was not designed as just another barometer of current public opinion. Congress is superbly adequate for that function, and we ought not to presume that the framers intended the judiciary as an institutional redundancy. In exercising their power of judicial review, the courts have represented the long-term, slowly evolving values of the American people, as enshrined in the Constitution. And when the people have recognized Congressional court-curbing efforts for what they are—assaults on the Constitution itself—they have in every instance rejected them.

It is of no small interest that even some of the supporters of the divestiture bills have begun to question the constitutionality of these proposals. And, indeed, there is a glimmer of hope that these doubts will eventually permeate Congress. The long history of Congressional court-curbing measures reveals that the legislative branch has in every instance ultimately yielded to the judiciary's duty to interpret the Constitution and has not (at least since passing the statue involved in the *Klein* case more than a century ago) challenged the courts with a jurisdictional bill that would impinge upon the fulfillment of that duty. Robert McKay, former dean of the New York University Law School, wrote of bills to withdraw jurisdiction over apportionment cases: "Once again, as so often in the past, when the implications of the proposed legislation were made clear, the Congress would not quite cross the threshold of no return."

The political risks attending bills to withdraw Federal jurisdiction create another check on the legislative goal of certain Congressmen. Groups of all persuasions have attempted to achieve their politcial aims through attacks on the Court's authority to decide constitutional cases. While it is true that political conservatives are the strongest supporters of the current efforts to withdraw jurisdiction, liberal reformers have also utilized this strategy in the past. Employed successfully by today's political majority, it could easily be manipulated tomorrow by a different majority—and to other ends.

In the final analysis then, while the current divestiture bills should be a cause for concern about the ability of our constitutional system to withstand the onslaught of restrictive legislation, there is also room for hope. In the long history of court-curbing efforts, the majority has always, in the end, acknowledged the clear intention of the framers. To preserve the rights of the people, the Federal judiciary must interpret and apply the Constitution unfettered by unseemly limitations on its jurisdiction. The current Congress is a body of distinguished and wise legislators who are unlikely to sacrifice the long-term good of the Republic for speculative and short-term political gain. As the New England poet James Russell Lowell once said, "Such power there is in clearеyed self-restraint." As the first Monday in October draws near, there is reason to believe that Congress will be instructed by the lessons of history and see that the constitutional powers of the highest court in the land—and of other Federal courts—should remain inviolate.

Mr. DURENBERGER. Mr. President, 5 months ago I prefaced the introduction of the Economic Equity Act by noting that in the first 200 years of the American experience only two women had been elected to the Senate in their own right; only 14 women had served on the Federal bench; and that no woman had ever served on the Nation's highest court.

I must confess a special satisfaction in the realization that just 9 months into the new beginning we proclaimed for this country in January, the most significant of those barriers is about to fall.

The nomination and confirmation of Sandra O'Connor is an affirmation of the President's and the Senate's faith in a remarkable woman. Her intellectual ability has been evident in every phase of her life, from law school—where she was third in a class that included Supreme Court Justice William Rehnquist—to her years of service on the Arizona bench. She is an extremely intelligent woman and a very capable jurist. Her command of the law was evident throughout the confirmation hearings. Her ethical background is spotless and her integrity has never been questioned even by her most critical foes. Her life's record is impressive evidence of the competence, intellect, and leadership she will bring to the Nation's highest court.

The nomination of Sandra O'Connor is also an affirmation of faith in every American woman. It is recognition of the fact that every person in this Nation feels the loss when society fails to utilize the talents, judgment, and intellectual capacity of half its people. The decisions reached by the Supreme Court touch the lives of every woman, just as they touch the lives of every man. It is a paradox that a nation born in reaction to legislation without representation should have allowed the same inequity to remain for so long in its judicial system. When Mrs. O'Connor takes her seat on the Supreme Court, the stakehold of every American in that Court will be more real and visible than ever before.

The O'Connor nomination, and the Senate's vote to confirm that nomination, are also reaffirmations of the unique balance of power that underlies our system of government. As I listened to her testimony during last week's hearings, I became convinced that Mrs. O'Connor's greatest qualification for the Court is her perspective on the role a Supreme Court Justice—or any justice for that matter—plays in the formulation to policy. Mrs. O'Connor has served both on the bench and in the legislature. She understands the difference between the judicial and legislative role. Her testimony—like her judicial record—emphasize the primacy of the Congress and the legislatures of the 50 States in defining legislative policy. She well understands that while the courts play an essential role in applying these policies on a case-by-case basis, they cannot preempt the role of policymaker without disrupting the constitutional balance that has supported the federal system for more than two centuries.

There are areas where I agree with Mrs. O'Connor and areas where we take different views. But as we prepare to vote this evening, it is equally essential that every Member of this body bear in mind the limits as well as the responsibilities of the Senate's power to advise and consent on Presidential nominations. That power was never intended as authority for any Senator to substitute his or her judgment for the Presidents on judicial nominations. The issue is not whether I or any other Senator would have chosen Sandra O'Connor from the field of men and women qualified to fill the Stewart vacancy. The responsibility of advise and consent is the limited but essential responsibility to insure that the Presidents choice does fall within that field, that she meets the ethical and intellectual requirements to serve on the highest court. The intellectual and ethical capabilities of this nominee are beyond question, and by making that judgment the Senate has fulfilled its role. The nomination of Mrs. O'Connor should be confirmed.

The vote we are about to cast is truly an historic vote. It is an affirmation of faith in this nominee, and in the millions of American women she represents. It is a reaffirmation of the willingness of the Senate and the members of the Court to accept the limits as well as the responsibilities of their constitutional roles. I am convinced that this nomination is not the culmination of a 200-year effort by American women to add their wisdom to the accumulated wisdom of the Court. It is just the beginning of that process, and it is a privilege to play a role by casting my vote for Sandra O'Connor this evening.

Mr. MITCHELL. Mr. President, since I was sworn in as a U.S. Senator last year, I have missed only a handful of Senate votes. I consider each vote I have cast significant and important. But there are occasions when the Senate considers a matter which is of utmost significance and of the highest importance.

The approval of a nomination to the U.S. Supreme Court is such a matter. The vote each of us is about to cast will have an indirect effect on the development of American law which is far greater than the direct effect of most legislation considered by this body. The confirmation of Judge O'Connor to the Supreme Court is a responsibility which we should not, and do not, take lightly.

I am pleased to be able to vote to approve the appointment of Judge O'Connor. I have carefully reviewed her record as a judge and have read with great interest her intelligent and comprehensive discussions of the law with the members of the Senate Judiciary Committee. I was extremely impressed with her knowledge of Federal law and Supreme Court precedents. She has already established her scholarly qualification for her appointment.

In addition, Judge O'Connor has demonstrated a demeanor and temperament appropriate for a Supreme Court Justice. I am especially pleased that a jurist of this caliber is being elevated to the Supreme Court.

Mr. BRADLEY. Mr. President, Emerson once wrote that "integrity is better than a career." Fortunately with President Reagan's nominee for Supreme Court Justice we do not have to make a

choice between the two. For Sandra Day O'Connor combines a distinguished career with great personal integrity.

I am pleased to say that in this nomination I have found a common ground on which to stand with the Reagan administration. As House Speaker O'NEILL stated in the New York Times of July 9, 1981, "It's the best thing he's (Reagan) done since he was inaugurated." I extend my support to the appointment of Mrs. Sandra Day O'Connor.

As we consider this nomination, I know it is not necessary to remind my fellow Senators that not only is Mrs. O'Connor highly capable, highly skilled and highly educated, but she will be the first woman to sit on the Supreme Court in a nation where women comprise 52 percent of the population. Clearly her qualifications, which are impressive, are more important than her gender. The important point is that it is noteworthy whenever our society becomes more inclusive and truly integrated.

The role of the Supreme Court in American society is an extraordinary one for a group of nine people. The Justices must balance conflicting societal interests to determine what is in the best interests of the American society as a whole.

The Court's impact is not always easy to predict, especially in areas such as the status of minorities and labor management relations. It is also more limited than one might imagine. For instance, criminal penalties are designed to deter people from committing crimes. Civil rights policies are intended to prevent discriminatory behavior. But the behavior of people is not changed that easily. A variety of influences are beyond the reach of government.

The Supreme Court is one of many public and private institutions that shape American society. However, it is clearly a strong force in defining a direction for our society. It is the final assurance that we are a Nation of laws, not men—and women. For this reason, its members have significant responsibility. Sandra Day O'Connor is able to fulfill this responsibility.

To elaborate on her credentials, she graduated among the top 10 of the 1952 class of Stanford Law School. For 3 years she was a civilian lawyer for the Army in Germany. When she returned to Arizona she practiced law for 2 years. When her youngest son entered into school she returned to her legal practice, then became Assistant Attorney General of Arizona and entered Republican Party politics.

She was elected to the Arizona State Senate and later became the majority leader in 1973. Arizona politicians describe her as a conservative which is supported by her record on the abortion issue. But on some issues concerning women she often took the liberal position and led fights to remove sex-based references from State laws. In addition she led the way toward the elimination of job restrictions in order to open more positions for women. Mrs. O'Connor left the Senate and won election as a Phoenix trial judge in 1975. In 1979 she accepted an appointment to the Arizona Court of Appeals from Governor Babbitt, a Democrat.

Naturally, there are those who differ with Mrs. O'Connor because of political affiliation or opinions. I say that Sandra Day O'Connor is an excellent choice because she has the ability needed to do the job. I have every hope that she will consider and decide the issues before her—not as a liberal or conservative, not as a woman, not as a Republican—but based on the facts of the case and the Constitution, which we are all sworn to uphold.

● Mr. WILLIAMS. Mr. President, I am extremely pleased to cast an affirmative vote for the confirmation of Sandra Day O'Connor. While I have my differences with many aspects of the President's program, his fulfillment of his campaign pledge to nominate a qualified woman jurist to our Nation's highest legal forum deserves the praise of every American devoted to equality.

Judge O'Connor has, I feel, impressed every Member of this body and the vast majority of the American people with her cool and reasoned demeanor through an exhaustive hearing examination. She forthrightly outlined her view of the role of the courts and the nature of our federal system, while respectfully demuring when asked to comment on issues which may come before her as an Associate Justice. It is clear that Sandra O'Connor will not let her own personal views interfere with reaching opinions based solely on the facts before the Court and on the law as it presents itself to the Court.

Mr. President, this does not mean that I agree with all of Judge O'Connor's personal views, or that I will necessarily concur with the understanding of the Constitution which emerges in her opinions as a Supreme Court Justice. But that, in my view, is not the proper role of the Senate when presented with an occasion to advise and consent to the nominations of a President. I believe that the President is entitled to those individuals who he, or perhaps someday she, feels is best suited to the position at issue. Our duty as Senators is not to decide whether that nominee agrees with us on any single issue or is in substantial agreement on a wide range of issues. Rather, our job is to ascertain that the individual is qualified by training, experience, and temperament for the post in question, and will abide by the paramount duty to uphold our laws and our great Constitution. The 17-to-0 vote of the Judiciary Committee in favor of reporting this nomination to the Senate tells me that Sandra O'Connor meets and exceeds that criteria of judgment.

In concluding, Mr. President, let me add a personal note which underlines the historic importance of this occasion. Last night I spoke on the telephone with my mother. She is 92 years old, and has personally lived through nearly half of our Nation's history. When I noted that this vote was to occur today on the first woman to be confirmed as an Associate Justice of the Supreme Court, she commented, "You know, I'm so glad that I was able to live to see this day."

Mr. President, when Sandra O'Connor ascends the Supreme Court bench, the words "Equal Justice Under Law" which [illegible] the Court's portals will take on new meaning for our Nation which has indeed waited its whole life for this great occasion.●

Mr. THURMOND. Mr. President, I suggest the absence of a quorum under the same conditions.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I yield to the majority leader such time as he wishes.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. BAKER. Mr. President, I thank the Chair.

Mr. President, what is the next order of business under the order previously entered?

The PRESIDING OFFICER. The Senate is to proceed to the consideration of the nomination of James C. Miller III, to be a Federal Trade Commissioner.

Mr. BAKER. Mr. President, is the time for the control of debate for the proponents assigned to the majority leader?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Mr. President, I assign that to the distinguished Senator from Wisconsin (Mr. KASTEN).

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

## FEDERAL TRADE COMMISSION

NOMINATION OF JAMES C. MILLER III TO BE A MEMBER OF THE FEDERAL TRADE COMMISSION

Mr. KASTEN. Mr. President, in accordance with the previous order, I call up the nomination of James C. Miller III to become a member of the Federal Trade Commission.

The PRESIDING OFFICER. The nomination will be stated.

The assistant legislative clerk read the nomination of James C. Miller III, of the District of Columbia, to be a Federal Trade Commissioner.

The Senate proceeded to consider the nomination.

Mr. KASTEN. Mr. President, there is a time limit on this nomination of 2 hours of debate to be equally divided between the majority and minority leaders, or their designees, and 1 hour will be under the control of the distinguished Senator from Ohio (Mr. METZENBAUM).

Is that the Chair's understanding?

The PRESIDING OFFICER. That is correct.

## THE SUPREME COURT OF THE UNITED STATES

The Senate continued with the consideration of the nomination of Sandra Day O'Connor to be an Associate Justice.

The PRESIDING OFFICER. The Chair inquires of the chairman of the

Judiciary Committee and the Senator from Delaware whether or not they have yielded back their time on the nomination of Sandra Day O'Connor and whether or not the Senate will now proceed to this nomination?

Mr. BIDEN. Mr. President, the Senator from Delaware at this point has not yielded back the remainder of his time. I wish for this time for the purpose of continuing on the O'Connor nomination to yield whatever time I have remaining to the last person on our side who indicated an interest in speaking, and that is the Democratic leader.

Mr. BAKER. Mr. President, if the Senator will yield to me just for a moment, there are Members on this side, including the majority leader, who wish to speak. I am perfectly willing to do that whenever it is most convenient, but when I was brought to the floor I was under the impression we were prepared now to proceed to the Miller nomination.

The PRESIDING OFFICER. The Chair will advise the majority leader that presently 2 minutes and 26 seconds remain to the chairman of the Judiciary Committee and 22 minutes and 31 seconds remain to the Senator from Delaware.

Mr. BAKER. Mr. President, I am prepared to do it either way the Senator wishes or the minority leader wishes.

Mr. President, I ask unanimous consent that the Miller nomination be temporarily laid aside so that the Senate may resume consideration of the O'Connor nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I yield such time as the majority leader desires, and if he desires, if we have time, I have been promised time by the ranking member, Senator BIDEN.

Mr. BIDEN. I would be delighted to yield the time I have left beyond what the Democratic leader will use, but I believe I only have 2 minutes.

The PRESIDING OFFICER. The Senator has 22 minutes.

Mr. BIDEN. I beg your pardon. There is plenty of time.

Mr. BAKER. Mr. President, will the Senator from South Caroina give me a minute and a half and the minority leader whatever time he wishes?

Mr. BIDEN. We have plenty of time for us all.

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Mr. President, I thank the minority leader for permitting me to proceed at this point, and my thanks to the distinguished ranking member of the Judiciary Committee and, of course, to the distinguished chairman of the Judiciary Committee, the Senator from South Carolina.

Mr. President, today is truly a historic day, a rare historic day, that embraces all three branches of our Federal Government—the executive branch, for President Reagan's courageous decision to nominate Judge O'Connor to the Supreme Court: The legislative branch, for supporting and confirming Judge O'Connor; and for the judicial branch, the new home of the first woman to serve on our highest court and only constitutional court.

I would like to take this opportunity to thank Judge O'Connor for her cooperation with the Senate Judiciary Committee. It seems that the more we get to know her, and the more we come to recognize her judicial prowess, the more honored we become to have her serve on our Nation's Highest Court.

The chairman of the Judiciary Committee, Senator THURMOND, and his entire committee should be commended for their swift and responsible action on this nomination.

I express my appreciation as well to the distinguished ranking member, and all of the members on the minority side of the Judiciary Committee who handled this nomination, in my judgment, in a most responsible and most nonpartisan way.

I expect that Mrs. O'Connor will be confirmed. I hope she is confirmed overwhelmingly, even unanimously, for I believe this is a milestone in the further evolution and development of the democratic process in this great Republic.

My thanks to Judge O'Connor for permitting her nomination to be submitted, my congratulations to the President for making it, and my hope that she will serve with the distinction I feel confident she will bring to our highest court.

The PRESIDING OFFICER (Mrs. KASSEBAUM). Who yields time?

Mr. BIDEN. I yield time to the Democratic leader.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Madam President, first of all, I wish to thank the distinguished Senator from Delaware (Mr. BIDEN) for his courtesy, and also to thank him for the fine way in which he has gone about the consideration of this nomination.

I congratulate the entire Committee on the Judiciary for the hearings that have been held, for the questions which have been asked and, most of all, I commend Mrs. Sandra O'Connor for the way in which she succinctly and cogently responded to those questions.

I marveled at her equanimity, I admired her judicious responses to questions, and I think she came through those hearings with flying colors.

Several weeks ago, I had the good fortune of meeting Judge O'Connor shortly after she had been nominated by the President to serve as an Associate Justice of the U.S. Supreme Court. I told her then that I intended to vote for her confirmation unless something of an adverse nature that was then unforeseen should come to light.

I followed the hearings carefully, and I observed her day-to-day conduct at those hearings, her demeanor and her bearing, and I was impressed. Today, I shall cast my vote in favor of her nomination.

I would also like to take the time on this occasion to commend President Reagan for this outstanding nomination. I have been persuaded, both in her testimony at the Judiciary Committee hearings and from the record of her distinguished career in public life, of her commitment to the fundamental values that made this country great.

I believe that her philosophical approach to the proper role of the Supreme Court has evolved from her own experience in State government, as a State's attorney, as a State legislator, and, most recently, as a State Appellate Court judge, and I would expect, of course, that what she has learned from all of these various perspectives has had a great deal to do with the shaping of her present attitude concerning the scope of the Supreme Court.

I trust that she will always be mindful of the necessity of maintaining a proper balance between national and local responsibilities.

I also commend her on taking a position with regard to her very own personal views on given matters. She should not in advance attempt to state what her position will be with regard to any given subject area that might come before the Supreme Court at a future time, and she did not so state.

I commend her on taking a position with regard to one's own personal views. One's responsibility in a position such as serving on the Supreme Court is to interpret and to construe the Constitution of the United States, not according to one's own personal opinion or viewpoint, not according to one's own personal biases and prejudices—we all have them at one time or another—but only in light of the Constitution, which is a living document for all time.

I congratulate the Senators who asked her difficult questions, and I find no fault in those who sought to satisfy their own personal views in asking some questions, hoping the responses would be similar to their own feelings about a given matter.

I congratulate Judge O'Connor on maintaining throughout those days of questioning that she would construe the Constitution on all fours and apply that Constitution to the circumstances as they came before the Court on future matters.

She also stated that the doctrine of stare decisis—let the decision stand—would be a very compelling one with her, but that, nevertheless, there come times when new precedents have to be set and occasionally, in the light of changing circumstances, old precedents have to give way. However, she maintains that precedents will have a very persuasive and heavy weight in her deliberations, and that is the way I think it ought to be.

I am satisfied that when she goes to tend to cases that come before the Court, she will attempt to see beyond her own personal viewpoint, and view cases in the light of what the Constitution says, what the Constitution forefathers thought as they wrote, and what the precedents are that have been handed down from generation to generation in the various constructions and interpretations of that Constitution.

So, Madam President, I would like to express my deep sense of pride in my country and in our elected officials as we have finally reached a moment in our history when gender is not a factor to be considered in the selection of Associate Justices to the Supreme Court of the United States. By force of her intellect, character, integrity, and temperament, Judge O'Connor has brought distinction and honor, not only to the women of this country, but to all of us. And she will continue to do that, I am confident, as she sits on the highest Court of the land.

I am proud to vote to confirm Judge O'Connor as an Associate Justice of the U.S. Supreme Court.

I again thank my ranking member, Mr. BIDEN, for his courtesy in yielding to me.

Mr. BIDEN. I thank the Senator.

I was about to yield back the time, but there has been a request from the distinguished Senator from Florida. She asked whether I would yield her some time. I would be delighted to yield time for the purpose of discussing this nomination.

The PRESIDING OFFICER. The Senator from Florida.

Mrs. HAWKINS. Thank you, Madam President.

Madam President, it is great pleasure to participate in this historic event, the confirmation proceedings of the first woman to be nominated to the Supreme Court. The pleasure is the sweeter in that the nomination was submitted by a Republican President, who is perceived by some as a hidebound conservative. This nomination demonstrates conclusively that conservatism does not imply denigration of women, or less than a full commitment to equal rights for all.

John Ruskin said that there is not a war in this world, nor an injustice, but that women are responsible; not that they provoke them, but that they do not stop them. I have felt the accuracy of that charge all my life, and it is part of the reason I have been active in politics. It is evident to me that Sandra Day O'Connor is moved by the same sense of responsibility. I welcome her to Washington, and will be happy to vote to confirm her as an Associate Justice of the Supreme Court.

There was concern about this nominee, given the intensity of feeling surrounding certain social issues, and her record as a member of the legislature of the State of Arizona. But there was never the slightest hint, that I ever detected, that opposition to her was based on her sex. All of the debate has taken place over policy issues and technical qualifications, and that is as it should be.

The debate has shown that Judge O'Connor is well qualified for this position. Her record as a law student was excellent, leading to academic honors and a spot on the staff of the Stanford Law Review. She practiced law, in both public and private practice, and then held elective office for 5 years, one of the very few judicial nominees to have that kind of important experience. If her judicial experience has not given her the opportunity to break new ground on constitutional issues, it has demonstrated that she has a remarkable degree of legal competence and commonsense.

In general, the hearings disclosed that Judge O'Connor is sensitive to the social issues that are of so much concern to millions of families today. She showed a reluctance to justify the intrusion of government power into the intimate details of family life, and a good understanding of the delicate nature of our complex civilization. She will have, of course, a responsibility to carry out the promise she showed in the hearings, by adhering closely to a doctrine of judicial restraint and true constitutionalism. Our social fabric has been strained in recent decades by an unwarranted judicial activism, and in my view Judge O'Connor has the appropriate view of the proper role of the courts. In many ways, it appears to me that Justice O'Connor will continue to be a part of the recent tendency of the High Court to defer to the political branch of government, and to permit many more decisions to be made at local levels. If she does fulfill that promise, she will be welcome news to those who now oppose her, and a far better justice than they now appear to think she will be.

There is no reason to think that Sandra O'Connor will be a doctrinaire feminist or other sort of judicial activist. During the hearing she was asked if she had experienced sex discrimination herself. Her response was perfectly in keeping with her understanding of the complexity of society and human emotions, and attuned to the differences in attitude that come with the passage of time. Her views appear to coincide with my own on this issue: That it is needlessly divisive and inaccurate to talk about "women's issues," when there are so many "people's issues" that have to be dealt with. We do not have surplus time and energy to waste on breaking people up into separate blocks.

As a strong opponent of abortion myself, I was concerned about the charges that Sandra O'Connor had a proabortion record as a State legislator. In evaluating Judge O'Connor on this issue, one of the most persuasive aspects of the hearing was the appearance of numerous Arizona legislators who know Judge O'Connor well as a fellow legislator. Many of these legislators are strongly antiabortion. One of them, in fact, Tony West, is a leader in the Arizona prolife movement. These legislators endorsed the nomination with great enthusiasm, and that endorsement has to carry a great deal of weight.

In addition, of course, we have the recommendation of President Ronald Reagan, a strongly prolife President, who has assured us that we will not be unhappy with this nomination. These endorsements have to be taken into account by anyone attempting to evaluate this nomination. Certainly they should be considered at least as important as a legislative voting record almost 10 years old, 10 years during which much more has been learned about abortion and the unborn child.

The Court has recently shown some disposition to withdraw from its mode of judicial activism. In several decisions last term there were clear indications that the present membership of the Court feels uncomfortable with the legislative role, and that restraint is likely to be more the order of new term as well. Judge O'Connor, it appears to me, will fit very well with that more restrained attitude. Her opinions and her writings show that she understands the problems created by judicial activism, and her experience as a State legislator certainly gives her the practical exposure to dictation from above that should lead her to shun it.

I expect, then, that in confirming Judge O'Connor as the first woman justice on the Supreme Court, we will be setting the stage for many long years of decisions which will be truly satisfying to those of us interested in defending the family, neighborhood, work, prosperity, and peace. These are the values of our President, and the Republican Party who campaigned on them, and of our constituents. I expect history to show that Justice O'Connor effectively championed these causes, too. Madam President, I yield back the floor.

Mr. THURMOND. Madam President, I wish to take this opportunity to thank Senator BIDEN for allowing several of those on our side extra time. I appreciate his agreeing to give extra time, and I wish to thank him for doing it.

I am so glad that Senator HAWKINS got here to make her speech, because we certainly wanted her to speak on this subject.

Madam President, I also wish to take this opportunity to express my appreciation to the ranking member of the Judiciary Committee. Senator BIDEN of Delaware, for the fine cooperation he has given throughout these hearings.

No one could have cooperated more than he did. I am very grateful to him and those on his side of the aisle for every cooperation extended in expediting these hearings and completing them on time. I just want him to know how much we appreciate it on this side of the aisle.

Mr. BIDEN. I thank the Senator. We are always delighted to expedite excellence, and that is what we have the opportunity to do today.

I notice at one point in the record when the managers of a bill were about to yield back their time any student of the record, as they read it, would assume it is an automatic, mutual admiration society, but I would like to say something, and I mean this sincerely.

I would like to thank the Senator from South Carolina for his judicial demeanor. Quite frankly, when I had the opportunity to become the ranking minority member, I was not sure how the young fellow from Delaware would be able to get along with that older fellow from South Carolina because he had a reputation for being a hardbitten, tough old boy you did not want to get in the way of, and our views are not always compatible.

But I would like to say this to this body; there probably would be a more appropriate time but I may not have it, and I hope he will forgive me for re-

peating a conversation we had in private that he did not expect to be made public.

About a month ago I said:

You know, Strom, it has only been 8 or 9 months that we have been working together. You have been as good as I can ask for. You have been a real chairman. You have even sometimes submerged your own views for the good of the committee in order to expedite movement in the committee, which any leader in this body must do. I am impressed.

We got off the elevator and he turned around as he is wont to do and he put his hand on my arm.

When you talk to STROM, he is not quite like RUSSELL LONG, he does not pull you closely and whisper in your ear. But he put his hand on my arm and said:

Joe, the only thing I want to be known as is the fairest chairman that the Judiciary Committee has ever had.

I must tell all Senators that based on his track record so far he will meet that goal that he has, being known as the fairest chairman the Judiciary Committee has ever had.

I wish I could change his views on many issues. I wish he was as amenable to those changes as he is to being fair. But I guess you cannot have everything.

This really does not have much to do with the nomination, but I wanted to thank the chairman for the gentlemanly way in which he conducts his committee business.

Madam President, I am not prepared at this point to yield back the remainder of my time.

With the permission of the chairman, I will ask unanimous consent that the remainder of the time not have to be yielded back at this point but that we proceed to the Miller nomination so that the few minutes left would be available to anyone who might want to speak about this nomination prior to 6 o'clock.

Mr. THURMOND. Madam President, if the distinguished Senator will yield, I first want to thank him for his kind remarks. I deeply appreciate what he had to say. Also, I presume by now the Senator from Delaware has found that the Senator from South Carolina is younger than he thought.

Mr. BIDEN. That is precisely true. I never doubted that.

Mr. THURMOND. Madam President, since we are now ready to go to another matter, I ask for the yeas and nays on the O'Connor nomination.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BIDEN. A parliamentary inquiry, Madam President. How much time remains on this nomination?

The PRESIDING OFFICER. The Senator from Delaware has 4 minutes and 12 seconds.

Mr. BIDEN. I ask unanimous consent that that time be made available just prior to the vote at 6 o'clock.

The PRESIDING OFFICER. Without objection, it is so ordered.

## FEDERAL TRADE COMMISSION

### NOMINATION OF JAMES C. MILLER III, TO BE A FEDERAL TRADE COMMISSIONER

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of the nomination of James C. Miller III, of the District of Clumbia, to be a Federal Trade Commissioner. Time for debate on this nomination is limited to 2 hours to be equally divided between majority and minority leaders or their designees, with 1 hour under the control of the Senator from Ohio (Mr. METZENBAUM).

The Senator from Wisconsin.

Mr. KASTEN. Madam President, I rise today to urge the Senate to act promptly to confirm Dr. James C. Miller as Chairman of the Federal Trade Commission.

Jim Miller is uniquely qualified to Chair this important agency. As you know, Madam President, Dr. Miller received a Ph. D. in Economics from the University of Virginia in 1969. He has distinguished himself since that time both in the academic world and working for several Government agencies in the areas of transportation, regulation, and antitrust policy.

Most recently, of course, Dr. Miller has served as Administrator of the Office of Information and Regulatory Affairs at the Office of Management and Budget and as Executive Director of the President's Task Force on Regulatory Relief. In that capacity, Dr. Miller has made a great contribution to President Reagan's regulatory reform initiatives. Under Dr. Miller's leadership, more than 180 potentially unnecessary or burdensome regulations have been withdrawn, modified, or reviewed by the task force, generating a possible one-time savings of $15 to $18 billion and an annual savings of up to $6 billion.

Madam President, I share the view expressed by some of my colleagues both in committee and on the floor, that the antitrust laws should be vigorously enforced.

The Government must actively police competition to preserve its effectiveness. It is with good reason, therefore, that maintaining a vigorous antitrust enforcement effort has been a traditional Republican concern.

At the same time, it is counterproductive to rely only on a limited number of judicial decisions or a certain body of economic thought. To do so would establish an inflexible basis for our Nation's antitrust policy. Economic research constantly adds to our understanding of market operation and competition. Furthermore, American industries is constantly evolving. For example, many American industries are facing increased competition from abroad. Antitrust policy must be reviewed periodically to account for new economic developments, to insure that law enforcement continues to serve consumers in the most effective and efficient way.

This process of review is underway both inside and outside of the administration. Assistant Attorney General William Baxter has announced that the Justice Department merger guidelines are being revised. On August 26, the House Judiciary Committee held a hearing on merger policy. Legislative proposals would provide for the creation of a Presidential Commission to study the international application of our antitrust laws. In addition, we can expect appropriate Senate committees to continue to insure that the antitrust laws are applied in a manner than is consistent with the national interest. This kind of review, the debate that has been initiated, and the concerns that have been expressed are extremely important.

At his confirmation hearing, Dr. Miller committed himself to a vigorous antitrust enforcement effort. He indicated that if confirmed as chairman, he would enforce the laws administered by the Commission, including the Robinson-Patman Act. He repeatedly made clear that there is no understanding of any kind with the administration to "gut" the FTC or phase out the agency's antitrust mission. Rather, he made perfectly clear that he would work through and consult with Congress to achieve any proposed reforms suggested by a broad review of antitrust policy.

I strongly believe in the merits of our antitrust laws, and I want to emphasize as chairman of our Consumer Subcommittee that it is the responsibility of Congress to determine whether and when these laws should be amended. It is not a determination to be made by the executive branch, and it is not a determination to be made through the budget process. If a change is to be made in the substance of the antitrust laws, it should be made by the committees with authorizing jurisdiction, the Commerce Committees and the Judiciary Committees.

For these reasons, and because of his personal qualifications, Madam President, I believe that Dr. Miller is uniquely qualified to assume the chairmanship of this important enforcement agency. His commitment to relieve unnecessary regulatory burdens at the FTC and to modernize antitrust policy does not mean that he is closeminded on broad policy issues, such as dual enforcement, that must be studied in consultation with Congress. Madam President, I am pleased to support Dr. Miller, and I urge the Senate to act promptly to confirm his nomination.

I reserve the remainder of my time, Madam President.

I understand that, at this time, the Senator from Kentucky may wish to make a statement.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Madam President, I thank the chairman of the Consumer Subcommittee for his fine remarks. Let me say that I find myself in the same position as some of my colleagues—wanting to support the view that a President should have those people in the administration that he desires. Some differences of opinion, I guess, as to Mr. Miller's views have

developed in the committee. Hopefully, as my distinguished colleague from Wisconsin has stated, there will be vigorous leadership from this body.

I might say, Madam President, that I was insistent last year that we place in FTC legislation that the Consumer Subcommittee would hold oversight hearings of the FTC once every 6 months. I was told at that time that I was somewhat foolish about putting that into the law, because I would be compelled, then, to have oversight hearings. I was a little bit smarter than some of those who fussed at me, because there is another chairman of the subcommittee and he now is compelled to hold those hearings. I shall encourage him and call that to his attention—that we do look at the FTC at least every 6 months, find out where they are going, how they are going to spend their money, their attitude, the regulations they are about to promulgate and put into the record, and so forth. At the end of that 6-month period, we shall find out if they have accomplished those things they presented to the committee and where they will be going in the next 6 months.

Madam President, I think it is a proper approach, because oversight has not been used as much as it should have been used, as Congress has the ability to do. Hearings on the Bureau of Competition are needed. I think we ought to get into that arena. I look forward to the discussion on the floor this afternoon by my colleagues as it relates to this nomination and to the vote later on.

Madam President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

● Mr. PACKWOOD. Madam President, as chairman of the Commerce Committee, I want to express my strong support for the nominee whom we are considering today to be Chairman of the Federal Trade Commission. Jim Miller's past record, particularly in his most recent position as Executive Director of the President's Task Force on Regulatory Relief, demonstrates his deep commitment to preserving free-market competition and to reducing excessive Government regulation. His excellent credentials as an economist and his extensive work in the field of Government regulation will serve him well as Chairman of the FTC. Jim Miller has a broad understanding of the problems that can and do result from unnecessary and burdensome regulation, while also appreciating the economic, social, and other benefits gained from both well-designed and properly enforced regulation.

Madam President, I share the view expressed by many of my colleagues that the antitrust laws should continue to be vigorously enforced. I am confident that under the new leadership of Jim Miller, vigorous enforcement of the antitrust laws will continue. I strongly believe in the merits of the antitrust laws and wish to emphasize that it is Congress obligation to determine whether and when these laws should be amended in the best interest of the public. It is the job of the Federal Trade Commission, as an independent agency, and the Department of Justice, as part of the executive branch, to enforce the antitrust laws as Congress directs and intends.

I fully believe that Dr. Miller will bring to the Commission not only a true expertise in the field of economics, but also a strong interest in redirecting and revitalizing the agency so that it more effectively carries out its mission. There are many challenges waiting to be tackled down at the Commission. However, I anticipate that Jim Miller will meet those challenges with the same thoughtful leadership, fairness, and strong commitment that have characterized his past tenure at OMB and other Government agencies.●

Mr. KASTEN. Madam President, I yield such time as he may desire to the distinguished Senator from Washington (Mr. Gorton).

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. GORTON. Madam President, I thank the Senator from Wisconsin.

The debate over Mr. Miller's nomination has centered almost exclusively on this Nation's antitrust policies and the role of the Federal Trade Commission in enforcing the Nation's antitrust laws. The distinguished Senator from Wisconsin, ably seconded by the Senator from Kentucky, has already pointed out, however, that the Federal Trade Commission has many other duties as well. That is an appropriate fact to remember during the discussion of this nomination, which, in my case, will center on concerns with antitrust laws.

Madam President, the administration, with the consent of the Congress has embarked on a program to rid the country of excessive, unwarranted and inefficient regulations. This program is a crucial part of the President's program for economic recovery which I have vigorously supported. I am troubled, however, about the administration's position on the antitrust laws. I have the impression that some in the administration, indeed, perhaps even the nominee himself, believe that some of our antitrust laws are excessive, unwarranted, and inefficient.

I am troubled by this attitude for two reasons. First, I would think that, if deregulation is to work, a competitive economy is absolutely essential, and the antitrust laws and their strict enforcement are indispensable in insuring that condition. Second, I am troubled that the administration would consider changing the law by announced policy of selective enforcement, rather than proposing legislative changes to the laws themselves.

In my remarks today, I would like to pose a few questions to the administration in the hope that their answers will eliminate my concerns.

Congress has determined in enacting the Sherman, Clayton, and FTC Acts, that price enhancement can best be prevented by insuring that price and production levels be determined by the unfettered free play of vigorous competitive markets, not by the individual or collective judgment of business firms who participate in those markets. Since it is the natural and proper central goal of business firms in our free enterprise system to maximize profits, which is most likely to result from agreements which limit the scope of competition, the natural and virtually certain consequences of any significant relaxation of the antitrust laws in some industries will be higher prices and less competition.

As I indicated at the time of the Commerce, Science and Transportation Committee's consideration of the President's nomination of Dr. Miller to chair the FTC, I have serious reservations about the administration's commitment to vigorous enforcement of some portions of these laws. The report of the FTC transition team, chaired by Dr. Miller, more recent public statements by Dr. Miller, Mr. Baxter, and other administration spokesmen, and the lack of new filings by the Antitrust Division have contributed to this concern. Although its position has remained rather vague, the administration appears to be sending signals to the business community that it does not agree with some elements of established antitrust law, and that it intends simply to abandon all enforcement activity in those areas. There are some indications that these signals have already reached the business community and have begun to alter business practices. This is alarming.

Any administration disagreement with the current laws must be brought to Congress for full consideration and approval before longstanding policies should be summarily changed. In the meantime, it is the duty of the FTC and the Antitrust Division fully to enforce the laws as they stand. Although executive discretion in the allocation of limited resources for enforcement is certainly necessary, it is improper for the administration to announce a tolerance policy for certain types of law violations, and thus, in effect, amend legislation by fiat.

Madam President, I am also concerned that the economic views underlying the administration's apparent approach are the subject of great dispute. There is an ongoing vigorous debate in antitrust circles concerning the most effective means of antitrust enforcement. The administration seems to be ready to undertake a significant departure from the traditional viewpoints in full. Highly respected authorities representing the other viewpoint strenuously argue that such an approach will lead to serious anticompetitive consequences. I am not particularly an advocate here today of one or the other of these viewpoints; but I do think that great care must be exercised to insure that all points of view and potential economic consequences are fully considered before boldly embarking on such a new approach in law enforcement. In any case, again, any approach that amounts to a change in existing law must first come before Congress.

The first specific area where I have concerns regarding the administration's approach is section 7 of the Clayton Act concerning mergers and acquisitions.

The transition team's report clearly implied a significant change in the enforcement approach. It concluded that previous efforts "to restrain vertical mergers are by and large misdirected." As for conglomerate mergers, they should

be disallowed only upon "weighing the anticompetitive consequences and the expected efficiency gains." It was recommended that enforcement concerning large-scale horizontal mergers should be strengthened; but that with smaller horizontal mergers, the concern should be limited to cases where the "elimination of a competitor may facilitate collusion among the remaining firms." Mr. Baxter has stated unequivocally that—

Vertical mergers are never anti-competitive and that conglomerate mergers can lessen competition only through horizontal effects. (U.S. News & World Report, Aug. 3, 1981, p. 51.

It has been reported that such statements have had a significant impact upon the business community—

Wall Street financiers are being told by their lawyers that almost any merger is apparently worth a try. "Things are being proposed that never would have been proposed" by companies before the Reagan administration took office. (Washington Post, August 23, 1981.)

This is undoubtedly contributing substantially to the merger wave we seem now to be experiencing.

Our economy today is rather highly concentrated. Merger has been the major means of achievement of that concentration. It is unquestionably extremely difficult to deconcentrate an already concentrated market using the antitrust laws. In enacting the Celler-Kefauver amendments to section 7, Clayton Act in 1950, Congress clearly intended to stop the trend toward concentration, using a more vigorous attack on mergers as a major tool. These amendments made it clear that section 7 now prohibits all mergers—horizontal, vertical, and probably conglomerate—that may substantially lessen competition or tend to create a monopoly in any line of commerce. Congress was concerned with the concentration trend in a very broad sense; the commitment was not solely to competition as a self-regulatory process, but also for the desire to preserve local control of business and to protect small business. See *Brown Shoe Co.* v. *U.S.*, 370 U.S. 294, 312–23 (1962) for review of legislative history.

This congressional policy, as reflected by the courts since 1950, has been quite strict about both horizontal and vertical mergers, although admittedly somewhat less so about conglomerate mergers. Possible economies have not been a recognized defense where the proscribed anticompetitive effects are present. (See *FTC* v. *Proctor & Gamble Co.*, 386 U.S. 568, 580 (1967.) I am concerned that the administration is saying that it is its intent unilaterally to retreat from this congressional policy without bothering to amend the current laws or to consult with the Congress; that its statements amount to a signal to the business community that violations of current law will be tolerated in certain areas—a signal that may have already been received and acted upon.

A relaxation of the antitrust laws in the merger field could have serious consequences beyond those strictly relating to antitrust. I am concerned that the current merger wave, involving some large individual merger drives, has already tied up substantial amounts of credit, making it even more unavailable to small businesses which seek to expand, and contributing further to the continuing intolerably high levels of interest rates. Certainly, the acquisition of existing facilities rather than investing in new plants and equipment does not lead to economic growth.

Most of the individual statements by spokesmen of the administration, taken in isolation, may not provide cause to become overly concerned. They may simply be setting an appropriate order of priorities. But the meaning of many of the statements are vague, and collectively they appear to show a pattern of indifference to enforcement of the antitrust laws of the United States in certain areas. Nonetheless I believe it would be useful to set out some of my specific questions.

In the area of horizontal mergers, I am happy to note that there have been strong statements concerning policing large-scale horizontal mergers, at least where monopoly power would be created. The transition team report implies, however, that the sole concern regarding smaller horizontal mergers will be cases where the elimination of a competitor may facilitate industry collusion. My question is: Does this mean that the administration intends to tolerate horizontal mergers even if they may create new oligopolies, so long as the administration is convinced that no one firm will obtain monopoly power and that the likelihood of direct collusion among the remaining competitors will not be enhanced? Such a narrow approach would seem to be an example of a significant unilateral departure from existing law and policy, and could lead to rebirth of the pre-1950 trend toward concentration that alarmed Congress, and resulted in the Celler-Kefauver amendments.

As I noted previously, Dr. Miller and Mr. Baxter have each left a rather strong impression that enforcement efforts concerning vertical mergers will be abandoned totally. I am pleased to report, however, that in his responses to questions which I have previously raised with Dr. Miller, he indicated that he believed that the FTC, in coordination with the Antitrust Division, should carefully review vertical mergers and acquisitions for anticompetitive effects. I hope this indicates that the nominee has rethought some of his previous positions. He qualified his remark, however, by saying his emphasis would be on—

cases against vertical acquisitions which had the effect of diminishing competition among direct competitors.

This latter statement may simply represent a very appropriate indication of Mr. Miller's priorities in this area. It is vague, however, and may also indicate an overly narrow interpretation of existing law, which has treated vertical mergers rather severely.

For instance, I assume Dr. Miller intends to include within the FTC's review of vertical mergers, cases where the effect may be to foreclose customers and potential customers of unintegrated firms which might, therefore, be driven from the market, and even cases where the vertical merger may create a severe supply squeeze for competitor firms. My question is, as a result will the scrutiny also apply to other areas of concern such as: Where the vertical merger may raise barriers to entry by reducing the unintegrated portion of the customer market such that integration becomes a practical necessity for entry at the manufacturer level; and where the vertical merger co-opts the most likely potential new entrants, especially in an already highly concentrated industry?

As I mentioned previously, the congressional intent in passing the Celler-Kefauver amendments included a concern that small locally controlled firms should not be permitted to disappear from the market. In answering one of my questions to him, Dr. Miller stated, that—

Non-economic reasons for concern with market concentration are more appropriately addressed by Congress than by the FTC.

Congress has spoken on this issue. I have been unable to determine whether Dr. Miller means to imply that this particular concern of Congress, reflected in the legislative history, but often termed "a political—or social" matter, is not recognized by the administration as a valid consideration in decisions regarding merger enforcement, including in the areas of vertical and conglomerate mergers.

Concerning conglomerate mergers, the administration has implied that enforcement will occur only when horizontal effects become apparent. I can again agree that as a matter of priorities, this is a proper emphasis. But does it mean to limit enforcement strictly in this regard? Other concerns have been identified, including the social and political issue which I mentioned a moment ago. I am bothered that conglomerate mergers can also lead to enhanced opportunities for predatory pricing. I will address my concern for the administration's position on this subject in a moment.

It is settled law that resale price maintenance—vertical price fixing—is a per se violation of section 1, Sherman Act. The Supreme Court first spoke in this regard in 1911, *Dr. Miles Medical Co.* v. *John D. Park & Sons Co.* (220 U.S. 373) and most recently reiterated this position in 1980, *California Retail Liquor Dealers Assn.* v. *Midcal Aluminum, Inc.* (100 S.Ct. 937).

I am pleased that the administration says that it intends to continue, and even to expand, enforcement in the area of horizontal price fixing. Its statements on this subject have been strong indeed. But, I am alarmed by its statements regarding resale price maintenance. The transition team report said:

In the absence of cartelization of either the manufacturer or dealer levels, there is nothing anti-consumer about this use of retail price maintenance. (FTC Watch No. 117, P. 4 (April 3, 1981)).

A spokesman for Mr. Baxter recently announced that the Department of Justice might seek the vacation of judgments that ban resale price maintenance, contending that such arrangements "almost never hamper competition and can increase efficiency" (Wall

Street Journal, September 2, 1981). One lawsuit filed during the Carter administration involving alleged resale price maintenance has been dismissed by the Department (Mack Trucks, Inc. case). In this regard, Mr. Baxter was reported to say that resale price maintenance is anticompetitive only where it facilitates collusion either at the manufacturing or distribution level.

It would be difficult to imagine a stronger case of the administration unilaterally announcing an intention to tolerate violations of clearly and undisputedly established antitrust laws. This conduct by the chief antitrust law enforcement officials is of serious concern, regardless of whether the economic theories underlying their approach are sound.

Moreover, I question the soundness of these theories. Has the administration considered the effect of product differentiation on the competitive picture? If consumer loyalty has been created by this process, interbrand competition would not seem fully to protect some consumers. In such case, will not resale price maintenance deprive these buyers of the benefits of intrabrand competition among retailers, their only remaining protection against price enhancement? Why should not independent distributors remain free to resell at prices established by their own individual responses to the competitive conditions which they face in the resale market? In setting a price floor the manufacturer may preclude discounters in order to protect full service outlets. In setting a price ceiling, it may preclude promotion and service competition at the retail level or squeeze out smaller neighborhood distributors. Why should we assume that the manufacturer can make better judgments about consumer desires at the retail level in these regards, than a free market could make unfettered? Why should we permit this tampering with the sensitive central nervous system of the free market, when we depend so heavily in our free enterprise system on competition as a self-regulatory process? I would be interested in the administration's response to these questions. But again, I am especially concerned that it is changing policies established by Congress, and interpreted by the Supreme Court without due process.

Finally, the transition team report appears to recommend abandonment of enforcement in the area of predatory pricing. This seems to be based upon a doubt that it really occurs, at least very often, because in theory it is likely to cost the firm using it more than can be gained from it. (FTC: Watch No. 117 p. 3 (April 3, 1981).) It may not occur frequently, but there is a sufficient body of reported cases to indicate that it does, in fact, occur. During the last year, in what I believe to be one of the first cases in my own State to go to a jury under the Washington State equivalent of section 2 of the Sherman Act, the jury found that a form of predatory pricing occurred, driving a small business bankrupt. Evidence showed that this ultimately cost consumers a considerable amount in enhanced prices. (*Consolidated Dairy Products* v. *Bar T Ranch Dairy*, Spokane Co. Sup. Ct. No. 235205 (1980).) Even if it is rare, when this conduct does occur, it is pernicious and without redeeming social value. It is also illegal in most circumstances in which it occurs. It may be wise to allocate it a low priority, but how could it possibly be wise to announce a policy of non-enforcement in this area?

These are my questions and concerns. They are extremely serious ones. I hope that answers which will relieve my fears that in its apparent indifference to antitrust enforcement, the administration is working against its own program for economic recovery that I strongly support will nevertheless be forthcoming. I certainly look forward to working with Dr. Miller toward this end.

As I have stated, conflicting views on antitrust policies are held by equally thoughtful persons on both sides. Dr. Miller and I differ on a number of these issues. There seems to me to have been, however, distinct movement, though not nearly the movement I would have preferred.

I believe that his actions now are somewhat more likely to reflect the vital importance of antitrust laws to the successful operation of the free marketing economy than they would have had these questions not been raised during the course of this confirmation process.

I am frustrated that they were not raised during the confirmation process of Mr. Baxter, as it is the antitrust division of the Department of Justice, which is more central to many of these concerns than is the Federal Trade Commission.

I do wish to do all that I can at this point to facilitate Dr. Miller's ability to move aggressively in the direction of a more activist antienforcement policy than his original views indicated would be the case.

In this spirit, I have decided, with some reservations, to vote in favor of confirming this nomination. Dr. Miller is an exceptionally able person who has done a solid job in leading the President's efforts to reduce regulation as Administrator of the Office of Information and Regulatory Affairs in the Office of Management and Budget. During the Commerce Committee headings, and in his responses to my later questions he repeatedly promised to continually consult with the Committee before undertaking significant changes in the FTC enforcement policy.

We can, I believe, hold him to that promise, and I am convinced if the Senator from Wisconsin in his oversight responsibilities will do exactly that, I look forward to participate in that consultative process.

Mr. DANFORTH. Madam President, I support the nomination of James C. Miller III, to be Chairman of the Federal Trade Commission. During this year I have had the pleasure of working with Jim Miller in his efforts to reduce Federal regulation and Government paperwork. He is a person of ability and imagination. I am confident he will prove to be a strong Chairman of the FTC, and I wish him well in his new job.

My purpose in speaking today is not simply to praise Jim Miller, however, but also to express my hope that during his tenure as Chairman of the FTC, he uses his considerable talents to assure the continued, vigorous enforcement of the antitrust laws.

It should not be difficult to understand the reasons for my concern. One of the first acts of the Reagan administration was to propose an end to antitrust prosecutions by the Federal Trade Commission. And while that initiative was later withdrawn, the proposal proved to be only the first sign of what I can only call a lack of resolve on the part of the administration to uphold antitrust enforcement. I am not talking about particular cases or prosecutions, but the general tone the administration has taken in its statements.

It is all well and good to talk of prosecuting price-fixing cases and bid-rigging cases, as the Attorney General has done in response to criticism, but I should not need to remind the administration that vigorous antitrust enforcement involves more than going after cases that reach out and bite you on the ankle. It means continued vigilance.

Let me explain why I care so much about this. First, as a Republican, I believe that antitrust law lies at the heart of the Republican commitment to a free and open marketplace. If we are to continue efforts toward deregulation—and I hope that we do—we should, if anything, step up antitrust enforcement efforts, not tone them down, in order to assure that the marketplace is competitive. Yet, the rhetoric of the administration has been less than sympathetic to antitrust enforcement—and when it comes to enforcement by the Federal Trade Commission, downright hostile. As a Republican, I think it is ill-advised for the administration to give short shrift to antitrust law. The anticompetitive effects of corporate decisions are often not felt for years—and are not easily undone. The administration would do well to keep this in mind.

Second, as a Member of Congress, I find it necessary to state, as clearly as I know how, that whatever the views of the administration may be respecting the antitrust function of the FTC, and whatever the administration's expectations may be for antitrust enforcement under Dr. Miller's leadership, I expect the Federal Trade Commission to continue to fulfill its mandate to enforce antitrust law—and to enforce it vigorously—unless and until Congress decides otherwise. I questioned Dr. Miller closely on this score during his confirmation hearings, and I ask unanimous consent that the transcript of that exchange be printed at this point in the RECORD.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

Senator KASTEN. Senator Danforth.

Senator DANFORTH. Mr. Miller, last winter the Administration announced a plan to begin phasing out the antitrust functions of the FTC. Is it my understanding then that the Administration intends, at least as of now, to continue the antitrust functions of the FTC?

Dr. MILLER. Sir, let me emphasize that my answer to Senator Ford was my own personal opinion.

The Administration's formal position I believe, as implied in its formal budget submission to the Congress, was that the antitrust mission at the Federal Trade Commission would continue perhaps at reduced funding.

It was my understanding, last February I think, that they made the decision to phase it out over a period of years. That is not your position?

Dr. MILLER. Senator, my recollection is that the original budget that was transmitted from OMB to the FTC for their review and for their comment contained a phaseout, but they commented—the Federal Trade Commission commented adversely to that proposition.

And based upon those comments and comments of others, the Administration chose not to initiate a complete phaseout of the Bureau of Competition, but instead to ask for a lower level of funding.

Senator DANFORTH. What is your view? Is it your view that you should be an advocate for continued antitrust responsibility in the FTC? Or is it your position that we should reduce the funding and, in effect, reduce the FTC or the antitrust effort within the FTC?

Dr. MILLER. I believe that the FTC can accomplish its mission on less funding, as was envisioned under President Carter's budget.

The second point is that, with respect to my advocacy of a continuing substantial mission for antitrust in the Federal Trade Commission. I am a careful observer of additional data that I would need in order to make a strong decision or to have a strong opinion. I would expect to arrive at a preliminary opinion after subsequent study at the Federal Trade Commission itself.

But as for now, as I indicated to Senator Ford, I think that we should have a thorough going review of the antitrust laws and their enforcement to decide whether they are modern in today's society, whether they accomplish what Congress originally intended, and what perhaps would be the goals of the antitrust laws, and just what kind of institutional arrangements make most sense for public enforcement of the antitrust laws.

Senator DANFORTH. Mr. Miller, last winter the Administration proposed phasing out the antitrust function of the FTC. You believe that the antitrust function can be pursued at a lower level of funding.

And you also believe that the whole matter of antitrust enforcement, the antitrust laws, should be studied. I must say that that does not give me great encouragement that either you are going to be vigorous enforcer of the antitrust laws or that the Administration is committed to vigorous enforcement of the antitrust laws.

Some feel that the tone of the Administration is to a much looser view of antitrust enforcement than has historically been the case. My own view is that if the Administration is going to take the position that it wants to reduce the quantity of regulation—and I certainly support it, as you know, in that effort—then we have to rely to even a greater extent on competition within the marketplace being the self-regulator.

And so I have to tell you that I am not encouraged by what you are telling me, because it seems as though we are headed in the direction of not only less regulation but perhaps less competition as well or at least less policing of the competition by this Administration.

Have I read the situation wrong?

Dr. MILLER. I think you have, sir. My position is that I'm very strongly in favor of enforcement of the antitrust laws. However, I think my reading is that the best enforcement is that which attacks the kinds of relationships that are not only anticompetitive but have substantial economic efficiency costs, that I and the consumers pay in higher prices.

Now those are the kinds of antitrust violations that I would strongly prosecute. The Administration—I share the goal of the Administration in firm and acti e enforcement of the antitrust laws. Where I was demurring, sir, was on the question of whether I am personally, as a scholar, sure, absolutely confident that the most appropriate arrangement for the public enforcement of the antitrust laws is the current one with shared jurisdiction by the Department of Justice and the Federal Trade Commission.

Sir, I realize this is a very sensitive issue, but I am giving you my honest judgment.

Senator DANFORTH. I know you are. I just want to find out what your honest judgment is.

Dr. MILLER. Let me go on to say that the reason I believe that the Federal Trade Commission's mission in the antitrust area can be accomplished at lower funding has to do with the kind of cases that in recent years they have been pursuing. I would give less emphasis to so-called shared monopoly cases, less emphasis to pursuing things on a "bigness is bad" thesis—not that "bigness is bad", but "bigness is not good either." One should be neutral, it seems to me, on this question of bigness. Or if bigness itself is bad, that is something that the Congress should decide. I don't think it should be for the Federal Trade Commission to decide.

And I would also—I believe that many of the Commission's activities in the vertical area have been misdirected. So I think that a number of the things—in summary, I think a number of the antitrust, the Bureau of Competition's efforts have been misdirected. I would put more resources in the horizontal areas. And for that reason, I think it could accomplish its mission at a lower level of funding.

But I will surely come back to you, sir, when I have more knowledge of the funding needs for the Commission and recommend to you those views.

Senator DANFORTH. Now the FTC Act was enacted in, I think, 1914; isn't that correct?

Dr. MILLER. Yes, sir.

Senator DANFORTH. That was 67 years ago. One of the questions we faced when we went through the FTC authorization last year was the role of Congress in determining the jurisdiction of the FTC and the whole question of does Congress set forth the mission before the fact or second-guess the Commission after the fact—was, I think, the essence of the argument a year ago.

But in the field of antitrust, Congress spoke 67 years ago. And I would think that until Congress decides or unless Congress decides that the antitrust mission of the FTC should be in any way diminished, then the role of the Commission and the role of the Chairman should not be on its own motion, so to speak, to diminish that antitrust role.

Would you agree with that?

Dr. MILLER. I do agree with that.

Senator DANFORTH. Will you keep us abreast on a continuing basis of what your intentions are in antitrust?

Dr. MILLER. Absolutely.

Senator DANFORTH. And it seemed to me as you were going through the list of what the FTC was doing in the antitrust field, in most cases you think it is doing too much right now; is that correct?

Dr. MILLER. Well, it's not so much it is doing too much, although I think in terms of—let me put it another way.

I think the American public is not getting a good bang for its buck, and I think trimming away some of the kinds of cases that don't make a lot of sense and transferring some resources from those areas to areas that make a lot more sense will not only give more bang for the buck, but I think it would give a larger bang for smaller bucks.

Senator DANFORTH. Could you give us a list of what areas you think we should be doing less in and what areas we should be doing more in before we vote on your confirmation?

Dr. MILLER. Yes, sir. I would respond to any questions you have.

Senator DANFORTH. Are you wearing your Adam Smith tie today?

[Laughter.]

Dr. MILLER. Yes, sir, I am.

Senator DANFORTH. How does that tie fit into your own views on antitrust enforcement?

Dr. MILLER. Well, sir, as I read in my opening statement, Adam Smith was a firm believer in competitive enterprise, and I think the maintenance of competition is extraordinarily important in this economy for the delivery of goods and services at low prices to consumers. And I plan to pursue that.

But could I just amplify by saying, you know, Adam Smith had some wonderful messages in his book of 200 years ago. It is an extraordinary book because it has so many good ideas in it. But if you recall, the setting of Adam Smith was really a criticism of the proposition that was in vogue then that the wealth of the nation was really the amount of gold and silver that they were able to accumulate, and he was saying, "No, it is the productivity of its citizens and the resources that it brings to bear in satisfying consumer wants." And one conclusion he drew is summed up in the acronym, TANSTAAFL; that is, there ain't no such thing as a free lunch. And what he's pointing out there is, government intervention really has many ramifications beyond what was originally thought to be the case.

And one thing I will insist upon, if confirmed, is that the analysts at the Federal Trade Commission trace through very thoroughly the full ramifications of their proposed remedies and trace through very thoroughly the ramifications of market imperfections.

Senator DANFORTH. Well, analysis and thinking before you act is always laudable. My concern is that the drift of this Administration and perhaps the drift of this country is perhaps to turn the clock back, if not to the day of Adam Smith, then at least to the day of pre-1914, and that one of the hallmarks of Republican doctrine has been a competitive marketplace, that competition has been a necessity in the marketplace, and that government does have a role in assuring that competition exists.

Back in 1914 and prior to 1914, in the early 20th Century and the late 19th Century, with the development of the trusts and of predatory practices, the need was felt by Republican leaders and a Republican President at that time for effective Federal Government tools to assure a competitive marketplace. And while big is not necessarily bad, big can be bad if it is monopolistic and if it is predatory.

And I have to say, as I understand it, our own Judiciary Committee has, I think—I might be wrong in this, but I believe it is true—terminated its Antitrust Subcommittee. And I'm not on the Judiciary Subcommittee, but some say the Antitrust Division of the Justice Department is not as aggressive as it should be. And now there is a proposal by the Administration last winter to phase out the antitrust enforcement of the FTC. And you say that the role should at least be under study.

And all I want to do is to say to you that first of all, I hope that Congress is continually consulted on this and that any decision that is made is made very publicly and very openly, because if the decision is that competition isn't so important or if the government no longer has the role that we considered 67 years ago that it did have and if the FTC is going to start winding down its antitrust enforcement, this Senator wants to know about and talk about and perhaps

introduce some legislation dealing with it—the question.

Dr. MILLER. Senator, it would be the height of folly for me to take a precipitous action like that without close consultation with the Congress. I do not anticipate taking such a precipitous action.

As I indicated, I have strong reservations about some of the kinds of antitrust activity the Commission is engaged in, has engaged in, in the past few years. I have a feeling that other kinds of antitrust activity has been neglected. So I would see a shifting of resources from one type of antitrust activity to another.

Senator DANFORTH. That is the list I would like.

Dr. MILLER. I shall provide that to you, sir.

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ANSWERS OF JAMES C. MILLER III TO QUESTIONS OF SENATOR JOHN C. DANFORTH PRESENTED IN CONFIRMATION HEARINGS JULY 24, 1981

Q. What areas of antitrust enforcement would you emphasize and which would you de-emphasize?

A. Sound antitrust enforcement facilitates competition, increases economic efficiency, creates opportunities for entrepreneurs, and enhances consumer welfare. In general, I would emphasize cases that meet these goals and de-emphasize cases that are wide of the mark, or where the ultimate effects are highly uncertain. I should stress, of course, two things: (a) the Commission is a collegial agency, and decisions about which kinds of cases to bring are reflective of a majority view, and (b) each case that comes before the Commission must be judged on the merits.

Among the types of cases I would emphasize are: (a) acquisitions by one competitor of another, where the result would likely be a substantial diminution in the competitive performance of the industry; and (b) agreements among competitors to limit competition with respect to price, quality of product or service, or markets in which output is sold. I would also be especially interested in cases in which government policy tends to lessen competition.

Types of cases I would de-emphasize include: (a) those based solely on attacking concentration without regard to evidence concerning industry performance; (b) conglomerate mergers, where it is not likely that the competitive performance of direct competitors would be impaired; and (c) vertical practices, except those diminishing competition among direct competitors.

I want to emphasize my commitment to enforcing the nation's antitrust laws. My criticisms are directed not to antitrust enforcement per se, but to the relative emphasis the Commission has recently given to different types of cases.

My answers to policy questions 1, 3, 4, and 7 previously submitted to the Committee provide further elaboration of my views concerning antitrust enforcement.

Q. What do you perceive to be the major shortcomings, if any, of the Federal Trade Commission today? Please be specific.

A. In its antitrust and consumer protection work, the Commission's major goal should be to increase economic efficiency and thereby improve the well-being of consumers. In recent years, the Commission has not served this goal well (although under the leadership of Chairman Clanton the Commission's performance has been improving).

Specifically, with respect to antitrust enforcement, I believe that the Commission has placed too little emphasis on attacking horizontal restraints and too much emphasis on attacking bigness for its own sake. With respect to consumer protection, I believe that the Commission has placed too little emphasis on cases and rules that reinforce market forces and too much emphasis on cases and rules that merely add a layer of costly regulation.

Finally, I would point to two other major shortcomings. First, the agency has adopted an overly adversarial posture with respect to the private community, especially those directly affected by its actions. Second, the Commission has too often inadequately supervised the staff's work, resulting in many ill-conceived proposals. Even when the Commission has eventually declined to follow the staff's recommendation, the costs of many such efforts have been substantial and have been passed on to taxpayers, businesses, and consumers.

Q. What areas of present FTC activity do you believe should be given the highest priority? Please specify the reasons for your choice.

A. As noted in my answer to the first question, I feel that the focus of the Commission should be on economic efficiency and the improved economic well-being of consumers. With this goal in mind, basic antitrust and consumer protection enforcement against horizontal restraints and against fraudulent practices deserve high priority. Moreover, the Commission can serve a very useful function in intervening before other government agencies to present the case for competition, economic efficiency, and the consumer's interest in receiving the benefits of a free market. Also as indicated above, other priorities include reducing the overly adversarial nature of the Commission's relations with Congress and with the business community, and increasing staff supervision.

Q. Are there particular FTC activities that you believe should be redirected or discontinued? Please specify.

In addition to those items previously mentioned, I would emphasize my view that the Commission has too often strayed beyond its goal of buttressing market forces into the realm of regulatory actions that generate more costs to consumers than benefits. For example, in its case selection, the FTC has over-emphasized the importance of market structure. As I discuss in my answer to question 7, concentration is but one of several variables that explain market performance.

Q. Do you believe that a more competitive market structure is always beneficial to the consumer? If not, would you please provide the Committee with specific examples of industries in which oligopolistic or monopolistic structure, due to economies in scale or for other reasons, have provided benefits to the consumer in terms of price and increased quality that should allow such structure to continue without antitrust action from the Federal Trade Commission or the Justice Department?

Under one definition, competition is a process through which producers seek to satisfy the wants of consumers. That, obviously, is of benefit to consumers. On the other hand, if one adopts a structural definition of competition—many producers and many sellers—I disagree. In determining whether an industry is performing well (in an economic efficiency sense), one should address several variables, including conditions of entry, the overall level of concentration, and the extent to which government regulation or private action has limited the competitive process. Therefore, in analyzing any specific industry, I would have to address many facts regarding its particular situation before concluding whether the law was violated. Because I lack sufficient data and because, if confirmed, I will be called upon to evaluate many industries for possible antitrust violations, I respectfully submit that it would be premature for me to comment on the economic performance of any given industry and whether its conduct violates the antitrust laws.

Senator DANFORTH. Thank you very much.

Thank you, Mr. Chairman.

Senator KASTEN. The FTC transition report recommended that the new Chairman critically evaluate the status of certain initiatives and develop guidelines for the staff concerning future proposals. And on the same basic line of questioning that Senator Danforth was talking about with respect to the shared monopoly cases, the report states the following. It said that "these cases have dragged on far longer than would appear warranted. More importantly the economic rationale for such cases is extraordinarily weak and does not command widespread support."

What is the meaning of the statement, "The economic rationale for such cases is extraordinarily weak and does not command widespread support"?

Dr. MILLER. Sir, of course let me emphasize that perhaps I need to emphasize initially that I can't, having been a member of the team, I am really not authorized to discuss anything about the report itself except to stress that it was more or less a consensus document.

I will just take what you read and with your permission just comment on that.

I believe that the case—the shared monopoly case—the economic case is weak. The argument is whether so-called shared monopoly exists and whether it has adverse * * *

The only question that gives me pause is the question of whether the firm—there are some scenarios that one could imagine where a conglomerate merger would have substantial anticompetitive effects, and I would of course stress that. But the residual question, it seems to me, is the bigness issue.

I just don't think the Federal Trade Commission is appropriately equipped to answer that question. It might study it and make recommendations to Congress. But just to decide that a firm is too large—is just too large—I think is an issue that should be addressed by Congress.

Senator KASTEN. Senator Danforth?

Senator DANFORTH. Just one other question, and I don't want to beat a dead horse, but I do want to say this. You now are—you work for Mr. Stockman, don't you; he is your superior?

Dr. MILLER. Yes, sir.

Senator DANFORTH. And he, I believe, has taken the position that the antitrust function of the Federal Trade Commission should be terminated?

Dr. MILLER. Yes, sir.

Senator DANFORTH. And the Assistant Attorney General in charge of antitrust, it is my understanding that he also has said that the antitrust aspect of the FTC should be terminated.

Dr. MILLER. I do not know that for a fact.

Senator DANFORTH. That is what I'm told; I don't know if that is so or not.

Is there a concerted Administration position, to your knowledge, to terminate the antitrust function of the FTC?

Is there any understanding that you have with the Administration that you will be the person who sets in motion the termination of the atni-trust function of the FTC?

Dr. MILLER. Absolutely not.

Senator DANFORTH. Has it ever been expressed to you by the Administration that selecting you and in talking to you about this job that the antitrust function of the FTC is a mistake or that it should be for any reason ended?

Dr. MILLER. Absolutely not.

Senator DANFORTH. There is no understanding of any sort that you are to preside over the demise of the antitrust function of the FTC?

Dr. MILLER. Absolutely not.

Senator DANFORTH. And it is not your intention to do so?

Dr. MILLER. That is correct.

Senator DANFORTH. Thank you, Mr. Chairman.

Senator KASTEN. Thank you, Senator Danforth.

I know that there are questions that will be submitted by other members of the Committee, and they will be submitted to you. We will try to hold the record open for roughly one week. And if you could get back to us with answers to those questions, including Senator Danforth's list, we will then proceed to vote out your nomination.

(Committee insert.)

* * * * *

It is simply my hope, as pointed out by the questions, that his ability will be one that is used for the purpose of having an effective Federal Trade Commission, and espcially one which fulfills its longstanding antitrust mission—rather than one which presides over the demise of that mission.

Thank you.

Senator KASTEN. Thank you, Mr. Miller.

Dr. MILLER. Thank you, sir.

Mr. DANFORTH. Dr. Miller has given me his word that he is not going to the Federal Trade Commission to preside over the demise of the antitrust function of the FTC, that he has no understanding with the administration to that effect, and that he has no intention of attempting to unilaterally disarm the FTC of its antitrust activities. He has assured me that he recognizes the primacy of the Congress in determining the future of the FTC's antitrust efforts, and he has promised to keep the Congress, and in particular the Commerce Committee, abreast, on a continuing basis, of his intentions respecting antitrust matters. I take him at his word, and I look forward to a close and cooperative working relationship with him over the next several years.

Mr. KASTEN. Madam President, I appreciate the comments of the Senator from Missouri and his support for this nominee and also the comments of the Senator from Washington.

I simply wish to point out that while Dr. Miller has frankly acknowledged a desire, shared by many antitrust scholars, I might add, to shift the emphasis of FTC antitrust enforcement efforts toward horizontal acquisitions and agreements and away from conglomerate measures and vertical restraints, he could not have more clearly emphasized his commitment to enforce the antitrust laws in his appearance before our subcommittee.

He said that the current merger wave is cause for concern and that the FTC should scrutinize mergers and increasing concentration carefully.

He stated that he will enforce the Robinson-Patman Act and monitor industry self-regulation. He favors the continuation of FTC antitrust authority, and he has promised to consult with Congress on any proposed changes.

He made clear that he has no agreement with the administration to gut the Commission.

I believe that Jim Miller will enforce the antitrust laws responsibly, carefully, and diligently. I believe that on that basis he should be confirmed.

● Mr. LAXALT. Madam President, I am pleased to rise in support of Dr. Jim Miller's nomination to the Federal Trade Commission.

I have had the pleasure of working with Dr. Miller during the transition and during this session of Congress relative to regulatory reform. I know that his expertise in the area of Government regulation and his outstanding background in economics will serve Americans well at the FTC.

Though I am glad that we will have Dr. Miller at the FTC, I must say I am sorry to see him leave OMB, where he has played a lead role in the President's regulatory relief effort. He has done an excellent job.

I ask my colleagues to join with me in voting for Dr. Miller's nomination.●

● Mr. EAST. Madam President, I stand in support of the nomination of James C. Miller to be a member of the Federal Trade Commission.

In almost 9 short months at the Office of Management and Budget, Dr. Miller has established his qualifications for an important post involving leadership in regulation and government-business relations. His extensive economic training and knowledge of economic analytical tools, such as benefit-cost tests, will insure that taxpayer dollars are spent sensibly at the FTC, where they can do the most to help the consumer.

Madam President and my distinguished colleagues, I am proud to cast my vote to confirm Dr. Miller's nomination to the Federal Trade Commission.●

Mrs. HAWKINS. Madam President, I rise in support of the nomination of James Miller to be Commissioner of the Federal Trade Commission. Over the years, the Commission has earned a reputation for pursuing its investigations with an inadequate appreciation for fundamental economic principles. While I do not doubt that the Commission's employees have always meant well, Mr. Miller's appointment will mean a better day is ahead for both consumers and producers because Mr. Miller's qualifications as an economist are first rate.

In 1969, James Miller earned his Ph. D. in econom'cs from the University of Virginia, an institution whose excellence in economics is recognized nationwide. In the intervening years, he has used his analytical skills to improve the quality of public decisionmaking in a number of different and impressive fora. He was a senior staff economist at the Department of Transportation. And a senior staff economist for the U.S. Council of Economic Advisers. And most importantly, he spent 4 years at the American Enterprise Institute Center for the study cf government regulation as codirector until he became executive director of the Presidential Task Force on Regulatory Relief earlier this year.

This background means that Jim Miller will have the knowledge and experience to serve in his difficult position, at a controversial Commission, with distinction.

It seems to me that some of the rhetoric heard today reflects more on the fact that the Commission is controversial rather than on the qualifications of the nominee before us. If Senators will acquaint themselves with his background, they will rightfully conclude that James Miller is qualified and that is the only question which should concern us today. I yield back the floor Madam President.

Mr. FORD. What is the parliamentary situation at this time?

The PRESIDING OFFICER. The Senator from Kentucky has 56 minutes and 42 seconds remaining.

Mr. FORD. Is it appropriate then to yield to the dist'nguished Senator from Ohio, who has an order for an hour, if he is ready?

The PRESIDING OFFICER. Yes, it would be appropriate. The Senator from Ohio has an hour.

Mr. FORD. Madam President, before I do that, let me say that I have listened with interest to my distinguished colleagues on the other side of the aisle. This discussion points out the lack of clear direction in the administration's antitrust policy. This concerns me as I believe that clear direction in the enforcement of our antitrust laws should be as important as, and indeed a part of, any long-term strategy for the Federal Government to pursue anti-inflationary policies, to reduce the size of the budget deficit, and to bring interest rates down.

I think it is clear that one of the major concerns of Congress and the administration is the high interest rates that continue to linger around 20 percent and play havoc with the Nation's economy. My office has received hundreds of letters from people across Kentucky pleading that something be done about high interest rates. Every weekend I go back to my home State and am beseiged by farmers, realtors, car dealers, and a host of small businessmen who are searching for an answer. They want to know when high interest rates will be brought down and what we, in Washington, are doing to bring them down.

While there have been many suggestions made, most people realize that we are not going to bring interest rates down immediately. The major reason we have high interest rates is the deliberately tight monetary policy of the Federal Reserve Board. The Federal Reserve is trying to control inflation by controlling the growth of the money supply. We have a slowly growing supply of money that is going smack up against a high demand for money. As we all know, when there is a high demand for any commodity and a small supply of that commodity, you are going to see the price go up. One way to confront this problem is by increasing the supply of money, but economists now say that would only encourage inflation and send interest rates up even higher. In any event, the Federal Reserve has remained steadfast in its stringent monetary policy. So we have to look at another approach; we have to look at the demand side of the equation.

One realistic solution is a Senate resolution, introduced by Senator BENTSEN, which I have cosponsored, directing the Federal Reserve Board to discourage bank lending for speculative and unproductive purposes such as giant business mergers. The intent is to ease demand for bank credit and permit interest rates to fall.

I am concerned that banks should reduce the volume of credit made available for speculation or for mergers by

large business concerns. These activities add to credit demand while contributing little to productivity growth or investment in new plants and equipment. A reduction in such lending activity would definitely ease pressure on interest rates.

An analysis of the necessity for such measures to be taken to discourage use of credit for unproductive mergers by large business concerns also points out the necessity for enforcement of the antitrust laws to discourage those mergers which would have anticompetitive results. And, I think the Federal Trade Commission should play a role in this arena by virtue of its antitrust jurisdiction. In the last few months, we have seen a wave of corporate takeovers—not just of small companies, but of some of the largest corporations in this country. This is due, in part, to the administration's policy to take a "hands-off" approach to antitrust issues.

Recently, my colleague, who is the chairman of the Commerce Committee, Senator PACKWOOD, sent a letter to the Appropriations Committee in which he indicated intent to hold thorough oversight hearings on the activities of the Bureau of Competition at the Federal Trade Commission. I want to stress that I am not now making a judgment on current antitrust policy—whether it is right or wrong; whether we need to modify Government antitrust policy. I too think we need to have comprehensive hearings on the subject later in the year.

However, I do hope that Mr. Miller is well aware of congressional concern for the antitrust policy of the Federal Trade Commission, not only because of the historical policy behind antitrust law, but also because of the tight money supply situation we find our economy in today.

Madam President, the Commerce Committee held extensive hearings over the FTC's Bureau of Consumer Protection during the agency's reauthorization which resulted in enactment of the FTC Improvement Act of 1980.

During Mr. Miller's nomination hearing, I was pleased to note his concern about the FTC's future actions in this area—for example, he suggested a return to case-by-case adjudication, rather than initiation of broad rulemaking's which contained an unbounded definition of "unfairness."

I hope that future congressional oversight in this area will find the FTC responding to the new law and to strict congressional intent rather than to its own view of public policy—which may not be the view of the elected representatives.

I yield to the Senator from Ohio.

The PRESIDING OFFICER (Mr. WARNER). The Senator from Ohio is recognized.

Mr. METZENBAUM. Mr. President, I commend the distinguished Senator from Washington for his very erudite and accurate statement concerning Mr. Miller and Mr. Miller's lack of concern for adequate antitrust enforcement. adequate enforcement by the FTC of appropriate measures in this area.

Mr. President, what we have here is again an instance of this administration's appointing people to head up an agency who do not believe in the agency. They appointed Mr. Watts to head up the Interior Department, preside over the lands, forests, rivers, and waters of this Nation, and Mr. Watts does not believe that the people have any rights in those areas, but would like to industrialize all of America.

The administration appointed an orthodontist to run the Department of Energy, and the first thing out of his mouth was that he wanted to eliminate the Department of Energy. Of course, that was up until he came before Congress and then switched his tune. Now the President may be reversing signals on him, and doing exactly that which was talked about originally, and that is closing down the Department, and it might be helpful if he started right at the top.

As you look across this whole galaxy of appointments by this administration you find that where they could not change the laws or had concerns about coming to Congress to ask to change the laws that they put somebody in whose views are 180 degrees opposite from that which the laws were originally intended to do, somebody who wants to turn the clock back totally.

One after the other this administration has been sending appointments of that kind to the Senate to confirm, and because we all recognize the right in the President to have his appointees in position we go along with those appointments. We say, "OK, you have the right to make the appointments." And we abandon our responsibility in the confirmation process because we are somehow afraid to speak up and carry out our own responsibility as Members of the U.S. Senate.

We talk about what is wrong with the appointments and then we wind up voting "Aye," and I can count, and I am aware of the fact that if there were a vote on the floor of the Senate today for this man, which there will be, a rollcall vote, there will be an overwhelming "Aye." Do not speak up against the President, do not challenge his appointments.

Yet I wonder to myself whether or not we are meeting our own responsibilities as Members of this body who have a constitutional obligation to be a part of the confirmation process when we sit and we rubberstamp the President's appointees?

There is only one agency in Government today which speaks for the consumers of this country, and it is not doing too much of that any more. Under Mr. Miller it is going to do a whole lot less. Mr. Miller really does not believe in what the FTC was created to do, and he has made it very clear in his statements time and time again that he does not believe in it.

And, of course, maybe it is logical. He probably would not have gotten the appointment if it looked as if he were going to be a tough leader of the FTC and prepared to provide strong enforcement of the mandates that Congress had given to the FTC over the years.

It is a rather shameful fact of life that there is not, or will not be after Mr. Miller's confirmation, there will not be any agency in this entire Government that is really concerned about the consumers of this country. The FTC tried, and Democrats and Republicans alike ganged up on the FTC. The lobbyists did their work. They were well paid. They presented their arguments and they had the political muscle to prevail, whether Democrats or Republicans.

But, at least, there was some semblance of honesty in that effort, because it was going after the law, it was attempting to change the law. This administration does not want to change the law, it wants to change the players and let the players, by their lack of action, inaction, or contrary action, change the law in that manner.

Well, you find a situation in this country where consumers and small business people are in trouble. They have never had it worse. And what are we saying today? We are saying, "The Government has already abandoned you but we want to be certain that you understand full well that we are appointing Mr. Miller to head up the one agency that might have been out there speaking for you."

There is somebody now heading the Antitrust Division who does not believe in the antitrust laws. If he does not, why does he not go back to the world of academia? Why does he want to head up the antitrust department if he does not believe in enforcing the law?

Now we are placing at the head of the Federal Trade Commission someone who absolutely, by word and mouth and action, has indicated time and again that they are not for the FTC; they are not for the consumer; and they are not for the small business person.

At his confirmation hearings and as head of the FTC transition team, Mr. Miller made it absolutely clear that, as head of the FTC, he would rewrite the antitrust laws; he would ignore vertical mergers and agreements; he would ignore conglomerate mergers; he will ignore predatory pricing and Robinson-Patman Act cases; and he will not even stand four square in support of the FTC's antitrust mission itself.

The distinguished Senator from Washington made these points very clearly when he enunciated them so well.

As a matter of fact, not only may there no longer be dual enforcement of the antitrust laws in this administration, there may not be any meaningful enforcement if Messrs. Miller and Baxter have their way.

Mr. Miller has also made it clear that he thinks the FTC's past consumer protection efforts have been misguided. Sad is the day; woe to the consumers of America, the forgotten people of America. Who cares about the consumers? They do not have any high-priced lobbyist down here. Let us all move in on them, regardless of what the issue is.

If a practice prevails in the marketplace. according to Mr. Miller. it must be because that practice is efficient and Government should not intervene to protect these consumers. Wake up, Mr.

Coolidge; come back from the grave, Mr. Coolidge, and listen to Mr. Miller tell it the way it is.

As Mr. Miller sees it, if defective products are being sold, then consumers will be aware of the defects and will simply pay less for the products. If members of an industry force consumers to contract for services they do not need, then it is simply not efficient for the industry to conduct their businesses otherwise and the Government should not intervene.

How absurd can the man possibly be to advocate such points of view? He, obviously, is an intelligent man. He has to know better. Efficiencies of the marketplace, he talks about, and people would not buy if they are getting rooked. What fantasy land is Mr. Miller living in? I am not sure. I hope that he knows. It is sad. It is enough to bemoan more than in a Senate speech.

Let us make hay with the FTC; let us zero in on antitrust. Is it not amazing that antitrust, which was the creature of members of the Republican Party in days of yore, which had some of the strongest advocates coming from the Republican Party, that now it is that very same party that is prepared to dismantle everything that stands for competition in the free enterprise system? The free enterprise system was based upon competitive forces being able to work. This administration does not seem to accept that reality.

John Sherman, the Senator who introduced and caused to come into being the Sherman antitrust law, was an extremely able member of the Republican Party from my own State of Ohio. My guess is he is turning over in his grave at this very moment, as he sees the dismantling of everything that he fought for during his period of time. And so many other members of the majority party who have stood up and fought for effective antitrust enforcement over the years, all of them have to find this a rather dismal day.

Mr. Miller is prepared to gut a major portion of the FTC's antitrust enforcement mission. On conglomerate mergers, Mr. Miller said at his hearing:

> I really do not perceive it to be the role of the Federal Trade Commission to decide that that so-called concentration of wealth or power is excessive . . . So there are efficiencies that can be gained from conglomerate mergers. That is the focus—the economic efficiency.

On vertical mergers and agreements, Mr. Miller's transition team report says:

> The foreclosure argument erroneously assumes that the merger would not result in increased efficiencies . . . It would seem that agency efforts to restrain vertical mergers are by and large misdirected.

"Sure," says Mr. Miller, "let the oil companies own everything from top to bottom; let them own the producing efforts, let them own the refineries, let them own the pipelines, let them own the marketing facilities, let them own everything across the board. What do we care about the small business person? Drive them right out of business. What right has he or she to stand up for their rights?" "Forget about it," says Mr. Miller. "It would seem that agency efforts to restrain vertical mergers are, by and large, misdirected," says Mr. Miller. Well, I think not.

On predatory pricing and the Robinson-Patman Act, Mr. Miller's transition team report says:

> That price cutting is a serious problem is dubious on both theoretical and empirical grounds.

What wonderland does this man live in? Does he believe anything that business does must be efficient because, otherwise, business would not do it? A business person would never cut prices in order to drive his competitors out, because that would not be efficient. Who is he kidding? And if the consumer gets hurt in the process because these efficient business acts lead to greater and greater concentration of wealth and power, that is not a concern of our antitrust laws?

Mr. Miller says that is simply not what our antitrust laws are all about.

Justice Harlan in the Standard Oil case of 1911, 70 years ago, said:

> The conviction was universal that the country was in danger from the aggregation of capital in the hands of a few individuals and corporations.

Seventy years ago, I repeat, "The conviction was universal that the country was in danger from the aggregation of capital in the hands of a few individuals and corporations."

That is not a quote from some left-wing radical. That is not a quote from a very, very liberal Democrat. That is a quote from Justice Harlan in the Standard Oil case in 1911.

Mr. Miller's supposed efficiencies cannot be measured. Nobody agrees on them. These theories were not what was in the minds of those who passed the Sherman Act, the Clayton Act, the Celler-Kefauver Antimerger Act of 1950.

Woodrow Wilson, whose distrust of concentrated power gave rise to the FTC Act itself, was not concerned about myths about business efficiency. He was concerned about protecting consumers from the ravages of concentrated wealth and power. Let me quote Woodrow Wilson:

> There is a power somewhere so organized, so subtle, so watchful, so interlocked, so complete, so pervasive, that they had better not speak above their breath when they speak in condemnation of it . . . They know that somewhere, by somebody, the development of industry is being controlled.

Continuing the quote of former President Wilson:

> The masters of the government of the United States are the combined capitalists and manufacturers of the United States . . . The government of the United States at present is a foster-child of the special interests.

And with respect to Mr. Miller's views concerning the efficiency resulting from mergers, let us take a look at what some others have said about this very same subject.

In the Harvard Business School studies by Hayes and Abernathy, as well as a recent Wall Street Journal article, there is a suggestion made that mergers do not generally produce efficiency. The Harvard Business School indicated that mergers result from the short-run profit horizon of chief executive officers who are not production men but lawyers and short-run financiers. Short-run thinking, indicated the Harvard Business School, is hurting productivity improvement.

Mergers are not, by nature, efficient. Mergers are only something that somebody works out when they figure out what the price-earnings ratio is of one company as against the other; when they figure out how they can use their dollars and get some leverage. Nobody ever goes out into the shop and asks the people who run the shop, "Do you think we can work out some efficiencies if we put these two companies together?"

The Wall Street Journal said it well on September 10 when they indicated that mergers do not meet expectations and said that all of the following involved heavy losses. Look at them, some of the biggest in the country: Pan American acquiring National Airlines; Mobile acquired Marcor and has been the laughing stock of the market ever since, Marcor which operated Montgomery Ward and continued to do badly in the hands of Mobil; Exxon acquired Reliance Electric in my own community and came before us with a halo around their head and told us how they would save 1 million barrels of oil a day. You know that 1 million barrels a day. Every single proposition that anybody comes forward with around this Congress is going to save 1 million barrels a day. Exxon had a new motor and if they could squeeze it by and purchase Reliance Electric, over the objections of Reliance, they would be able to market this new motor of theirs which was so efficient.

So they went forward and made their acquisition of Reliance Electric. A year later they say, "Oops, sorry about that, old buddy. That great motor we had is not working. We thought it was going to be all right, but it is still a failure." They still wound up with Reliance.

Arco bought Anaconda and Rockwell bought Westcom and oil companies have gone into farming operations. According to the Wall Street Journal, none of them have proven to be successful acquisitions.

The reasons are understandable. It is difficult for the acquiring companies to know how to run their acquired companies better than those who built those companies. They do not have the know-how. All they have is the financial genius in order to cause the acquisition to occur, but not necessarily to make it work once the acquisition is under their belt.

Now we find that Mr. Miller not only wants to rewrite the substantive antitrust laws but he probably will not even support the FTC's traditional antitrust mission.

Mr. Miller said at his confirmation hearings:

> I think the administration and the Congress, perhaps with the participation of the Federal Trade Commission, should initiate a thorough going review of this Nation's antitrust laws and their enforcement. And the question of so-called dual enforcement, the question of proposals to separate the adjudicatory and prosecutorial roles of the Federal Trade Commission should be evaluated in that context.

With all the pressure within the administration to eliminate the FTC Bureau of Competition, who will be the voice for continuing the Commission's

antitrust mission if the head of the Commission itself does not wholeheartedly support that mission?

Mr. Miller, unfortunately, does not feel very strongly about many things that the FTC does. One of those has to do with the whole issue of consumer protection. Mr. Miller brings to the consumer protection area the same view that he brings to antitrust enforcement. If it is happening in the marketplace, if business is doing it, it must be more economically efficient and, therefore, is good.

Living can be beautiful, according to Mr. Miller, if we just have total confidence in the business community.

This Senator does not rise to chastize the business community, and this Senator does not rise to blame the business community for Mr. Miller's appointment. As a matter of fact, if you look over the entire spectrum of businessmen and businesswomen in this country you will find that by and large they are ethical, they are well meaning, and they are trying to do a good job for their companies.

That does not mean that there are not those instances in which someone has to be available and able to speak up for the consumer.

That does not mean, Mr. President, that there are not transgressors; that does not mean that there are not some bad apples in the barrel. What Mr. Miller is saying is we do not need anybody to be the watchdog; the market will take care of itself; the consumer can protect himself or herself.

Consumers benefit, according to Miller, mainly if businesses run efficiently. Let me quote from the FTC transition team report which Mr. Miller headed up:

> Avoiding defects is not costless. Perhaps more importantly, we have products of different degrees of reliability competing with each other in the same market because consumers have different preferences for defect avoidance. Those who have low aversion to risk (relative to money) will be most likely to purchase cheap, unreliable products. Those who have a greater aversion to risk will be most likely to purchase more expensive and more reliable products.
>
> Agency action to impose quality standards intereferes with the efficient expression of consumer preferences that will occur as long as consumers have adequate information . . .

Mr. President, it is a well-known fact that the FTC attempted to get into one area having to do with consumer preferences, having to do with TV advertising for children. Here is Mr. Miller telling us that those little kids who decide which of the cereals they want to buy know what they are doing and they can fend for themselves when they go to the supermarkets with their parents and say, "I want this one instead of that one."

Come on, Mr. Miller. You cannot really believe that yourself.

Mr. President, how naive can he expect us to be? That is not how manufacturers and retailers conduct their business in the real world. If you want to conduct your business in the real world and convince the consumer what he or she should or should not buy, get the best advertising agency in the country. Give them the super hype. Give them the best, slickest ads that are available. They will like the advertising.

Mr. Miller presumes that prices are set only on quality and workmanship and not whatever the market will bear. That thinking is about as fallacious as any man or woman up for confirmation could possibly suggest. It was just unreal.

Nobody is saying, Mr. President, that the FTC is trying to make Chevrolets meet the standards of Cadillacs. What they are saying is that they want to see to it that people just do not get defective Chevrolets. What the FTC was trying to say when all hell broke loose was that when a person bought a used car, that person ought to have some idea of what was wrong with that used car.

What a terrible thing for the FTC to have advocated. Did not those men and women down there know better than to suggest that the people were entitled to know the facts? They should have just let those people go out and buy a car. They can find out what is under the hood.

Yes? How?

The FTC tried to do something about it and Congress raised cain. They will not have to raise any more cain. Mr. Miller will take care of all those problems for them.

Just because somebody can only afford to pay a given amount for a product does not mean that they do not have a right to expect certain performance from that product. Of course they have a right to expect that performance. The question is how are they going to get it? Who is going to protect them when they get the car, when they get the furniture, when they get an appliance or whatever they buy it is shoddy? Who is going to be there to give them assistance? Mr. Miller? Not on your tintype. His door will be slammed shut on the American consumer.

Again, on the contracting issue, Mr. Miller made the incredible assumption that if it is not happening naturally in the marketplace, it is not efficient and therefore does not benefit consumers. For example, the FTC has ordered that all contract provisions be designed to insure that sellers make all disclosures required under the truth-in-lending laws—in other words, finance charges and annual percentage rates. I remember many, many years ago, better than 20 years ago, when I was a member of the legislature in Ohio, we insisted then, back in those historical times, that the consumer had a right to know what he or she was paying and what the amount of the finance charge was and what the annual percentage rate was.

What is wrong with consumers having finance charge information? Are we afraid to share the facts with them? What could possibly be wrong with letting them know the truth?

What is wrong with consumers knowing about the actual credit costs they will have to pay? Not a thing is wrong with that, but I'm afraid Mr. Miller would not agree.

Tell us, Mr. Miller, what is so terrible about that? Are we going all the way back, all the way back with Mr. Miller, to the days of caveat emptor? Caveat emptor did not work in the past and caveat emptor will not work now.

Mr. President, the FTC has not done as good a job as it should have done in the past, but you can be certain it will do a lot worse job in the future. I am afraid that Mr. Miller just does not share the concerns that some Members of this body have about effective antitrust enforcement; about consumer protection; about whether or not the people of this country need some assistance from their Government in finding out not what to buy or what not to buy, but nothing more than just the truth—just the truth.

Mr. President, in the FTC transition report Mr. Miller said the agency sometimes believes that it can prevent consumers from giving away certain rights. Is it not possible these rights are being taken away and the consumers have no say in it?

Let me say in conclusion that, sometime ago, when Mr. Stockman appeared before our committee, I said to him that the budget program, the budgetary cuts of this administration were cruel and inhumane and unfair and unjust. Indeed, the facts are bearing that out. But what we are finding now is that this administration is appointing people, day after day, who, themselves, really seem to be indifferent. There is a certain element of cruelty, a certain element of unfairness, a certain element of unjustness. No concern for people. No concern for those who cannot fend for themselves. No concern for those who do not have the able lobbyists traversing the halls of Congress. Only a concern for the affluent.

We find articles now being written, Mr. President, about the administration and the affluent society. We find spokespersons for parts of this administration talking publicly about the fact that the people of this country are enjoying the affluence of those who are in office, living the better life.

We find them trying to convince us that, although this administration is budget minded, the people of the country really enjoy the fact that they spent several hundred thousands fixing up their new offices and are spending tremendous amounts of money in the new White House.

I think that Mr. Miller's appointment is symbolic. It is the cap upon all of the other efforts that have been made. It is the administration's way of saying "Mr. Consumer and Ms. Consumer, we could not care less about you. We are going to change the laws; and where we cannot change the laws, we are going to cut down the budget. Where we cannot cut down the budget, we are going to change the players."

That, indeed, is what they are doing.

I seriously question whether this administration is using good judgment in sending Mr. Miller to head the FTC. I believe the Nation will rue the day, and it is indeed a sad day for the people of this country.

Mr. President, I ask unanimous consent to have printed in the RECORD, the FTC transition report.

There being no objection, the report was ordered to be printed in the RECORD as follows:

FTC TRANSITION REPORT

I. INTRODUCTION

This final report of the Reagan-Bush Transition Team on the Federal Trade Commission (FTC or Commission) sets forth our findings regarding the FTC's policies and programs, personnel, budget, and FTC-related legislation expected in the 97th Congress. The report concludes with a set of recommendations as to ways in which, through internal policy and procedural changes and/or legislative initiatives, the Administration can enhance the FTC's ability to perform its intended consumer protection and antitrust functions more effectively and efficiently.

Because the FTC is an independent regulatory agency and because a vacant seat on the Commission is not scheduled to become available until September 25, 1981, President Reagan's ability to bring about immediate change in the FTC is relatively limited. The President's major avenues appear to be: (a) designation of one of the incumbent commissioners to be interim chairman (presumably one of the two Republicans), (b) discussions with the new chairman concerning policies and personnel, (c) review and possible modification of the FTC's budget request, and (d) consultations with Congress concerning oversight hearings and proposals for new legislation.

The President's most important responsibility, of course, will be selecting a new permanent chairman, either now (if a resignation occurs or if he chooses one of the incumbent commissioners), or as soon as a seat on the Commission becomes available.

The members of the Transition Team are:

Harry Diffendal, James C. Miller III (Captain), Jeffrey A. Eisenach, Timothy J. Muris, Michael Horowitz, and Robert D. Tollison.

The Team's Senior Congressional Advisors are:

Senator Robert Packwood, Congressman James T. Broyhill, Senator Lowell P. Weicker Jr., and Congressman George M. O'Brien.

The Team's other Senior Advisors are:

Donald I. Baker, Esq., Kenneth A. Lazarus, Esq., John W. Barnum, Esq., Richard Leighton, Esq., Professor Yale Brozen, Wesley J. Liebler, Esq., Professor Kenneth Clarkson, Dr. Donald Martin, Calvin Collier, Esq., Peter K. Pitsch, Esq., Carol T. Crawford, Esq., Professor Richard Posner, Richard Davis, Esq., Bert W. Rein, Esq., Lewis Engman, Esq., Edwin S. Rockefeller, Esq., M. Kendall Fleeharty, Esq., Professor Antonin Scalia, Professor Mark Grady, Governor Raymond Shafer, Professor Clark C. Havighurst, Joseph Sims, Esq., Professor Joseph Kalt, and Richard Williamson, Esq.

The Team's legal advisor is Marcy Tiffany, Esq.

In preparing this report, the Team solicited the views of our Senior Advisors and received many helpful comments from them. Second, we received many useful ideas from outside parties. Third, we had fairly extensive contact with Agency personnel—both the Commissioners and agency's general staff. We wish to acknowledge our appreciation for the cooperation we received from the agency and the professional manner in which our dealings were conducted.

Finally, a word on how this report was written. In the course of our work on the project, various Team members took principal responsibility for individual chapters and portions of the Appendix. Drafts were circulated among members of the Team, and comments were received. Though remarkably little disagreement existed among Team members for so sensitive an institution as the FTC, some compromises had to be struck, and in those cases the Team Captain was the final arbitrator. Thus, it should be noted that while each Team member endorses the report's overall thrust, they do not necessarily agree with each and every point.

II. POLICIES AND PROGRAMS

The Federal Trade Commission has three major responsibilities. First, under the Federal Trade Commission and Clayton Acts, the agency scrutinizes business practices it believes to be violations of the nation's antitrust laws (e.g., certain types of mergers, certain distributing and collusive arrangements, and certain discriminatory acts). Second, primarily under the Federal Trade Commission Act (as amended by the Wheeler-Lea Act of 1938), it scrutinizes unfair or deceptive advertising and other business practices concerning the relationships between producers and consumers. Much of this work is pursued under the agency's power, clarified by the FTC Improvements Act of 1975, to promulgate and enforce broad trade regulation rules affecting entire industries. Third, the FTC prepares a variety of economic and statistical reports concerning the organization and performance of U.S. industry.

In addition to the three major responsibilities just described, the Commission enforces a variety of other statutes, dealing with such matters as trademarks, truth-in-lending, and equal access to credit. (For a complete list of the Commission's legal authority and duties, see Appendix A.)

The Commission consists of a Chairman and four members, all appointed by the President, with advice and consent of the Senate. (For more detail, see Chapter III)

The Commission's organization structure is summarized in Figure I on the following page. Within this structure, the agency's policies and programs may be summarized and evaluated under three major topics: (a) antitrust, (b) consumer protection, and (c) economic reporting and analysis. Before discussing each of these areas, however, we shall describe briefly the criteria we think most relevant for evaluating the agency's overall performance.

There are two strongly-held views about the proper role of the FTC. First, that it should be a traditional law-enforcement agency (i.e., the perennial "cop on the beat"). Second, that it should be an economic agency, out to achieve an efficient working of the marketplace, and thus improve consumer welfare. As between these two extremes, we believe the latter is the more appropriate role for the Commission, although we are also of the opinion that the operational distinction between these two views is not as great as would appear at first blush.

To anyone involved in law enforcement, the scarcity of resources has to be of significant concern. For example, a city police chief must decide how various resources under his or her command—foot patrolmen, detectives, research and data processing facilities, et cetera—should be allocated. Simply because crimes are being committed in a particular area is not sufficient reason for this police official to devote all the force's limited resources to that area. Obviously, the police chief must make trade-offs, and to do so intelligently must have in mind some objective he or she is trying to maximize.

It should be quite clear to anyone who has reviewed the FTC's legislative authority that the agency has extraordinarily broad powers. Depending on the interpretations it renders, a plethora of business practices are either legal or illegal. Not only does this create substantial uncertainty in the business community (a factor which increases costs and adversely affects consumers), it also means that unless the FTC carefully husbands its resources and allocates them to the appropriate areas, the agency's impact in the public interest will be diminished.

We believe that in allocating its scarce resources to various programs and activities, the Commission should be guided by the effects of its actions on consumers, or more explicitly the effects on economic efficiency. Obviously, this means that a decision to take issue with a particular business practice transcends the question of legality. One must ask whether the probable effects of the agency's actions would be to improve the functioning of the economy, bring about greater efficiencies, and increase consumer welfare. One must also ask whether these resources might be better used in other areas, where the potential impact might be even greater.

Our understanding of the Commission's purported historic role is that of promoting competition and fostering consumer welfare. As we shall see below, in recent years the Commission has deviated from this goal, taking on "new theories" to justify its actions and pressing at the "frontiers" of antitrust law and practice.

(This chapter only surveys the broad spectrum of FTC activities and their effects. Appendix B provides more detailed support for the conclusions and recommendations.)

*Antitrust*

The FTC shares responsibility for antitrust enforcement with the Antitrust Division of the U.S. Department of Justice (DOJ) and with private parties who bring antitrust cases. In recognition of this function and to administer its antitrust activities, the Commission has created a Bureau of Competition and has placed in it several enforcement programs. (The Bureau's organization, a description of the programs it administers, and the agency's current antitrust initiatives are all described in Appendix C.)

This section evaluates the FTC's enforcement of the antitrust statutes, according to the criteria described above. In brief, we find that the Commission has all too often mischaracterized certain business practices as anticompetitive, and, in making such determinations, has tended to ignore the effects these practices have in lowering costs or otherwise creating efficiencies that ultimately improve the well-being of consumers.

Business practices that violate the antitrust laws may be discussed under four broad headings: (a) agreements among competing firms concerning the prices they will charge or other limits on competition, (b) monopoly behavior, (c) mergers, and (d) distributional restraints between sellers and buyers. We will discuss each in turn and will also separately discuss the FTC's enforcement of the Robinson-Patman Act and problems arising from "dual enforcement" of the antitrust laws by both FTC and DOJ.

Agreements to restrain competition.—The antitrust laws unambiguously prohibit overt agreements among competitors to set prices or restrain other means of competing. Such agreements are per se illegal: that is, mitigating circumstances are irrelevant. There is widespread agreement that the application of this per se rule to overt agreements among ("horizontal") competitors is sound. The FTC has pursued several worthwhile initiatives against explicit collusion, including its recent efforts to expose guildism in the professions. We believe that the agency's work in this area is in the public interest and should be expanded.

On the other hand, under the guise of ferreting out what it believes to be instances of tacit collusion and poor industry performance, the FTC has embarked on a very ques-

tionable course to reshape the structure of American industry. In an apparent belief that "big is bad" and applying the "market concentration doctrine" (which holds that the extent of competition and the number of firms in an industry are highly, positively correlated), the FTC has brought several questionable cases in recent years, the most controversial of which are those defended on grounds that the industry contains a "shared monopoly."

We believe these industry-wide programs are basically flawed. Attacks on industry concentration per se do not enjoy widespread support among those who have researched the problem. At most, concentration is an extremely crude and preliminary indication of the extent of competition one is likely to find in an industry. Moreover, a focus on the level of concentration tends to shift the agency's attention and resources away from problems of horizontal collusion, where the payoffs are both positive and substantial.

Monopoly behavior.—With few exceptions, over the last decade the FTC has been very critical of successful corporations who have increased their market shares. Indeed, the more successful a firm, the more likely was the FTC to look into its operations.

There are two major, contradicting theories about how one or more firms may come to dominate an industry. One is that the firm(s) "monopolize" the industry; by and large, this has been the FTC's view. The other theory holds that firms come to dominate industries because of efficiencies—gains that ultimately redound to the benefits of consumers. Obviously, both theories should be explored and evidence brought before a decision is rendered. But we have observed that, in general, the FTC is unduly skeptical of the proposition that efficient operations can (and usually do) explain the long-standing success of individual firms.

The agency has also brought cases against firms for so-called predatory pricing. Many at the FTC believe that by pricing below cost a firm can easily drive its smaller competitors out of business and thereby attain monopoly profits. That price-cutting is a serious problem is dubious on both theoretical and empirical grounds. The theory is questionable in part because the predator will likely incur disproportionately large losses relative to those borne by its victims. (Besides, it may be less costly to "buy off" competitors through merger or acquisition.) Empirical studies of famous cases of alleged predation corroborate this point, finding successful predatory pricing to be rare, perhaps even non-existent.

Mergers.—There are three types of mergers: first, mergers among competing firms (i.e., "horizontal mergers"); second, mergers among firms not competing directly or not in the same chain of distribution (i.e., "conglomerate mergers"); and third, mergers among potential or actual producers and suppliers (i.e., "vertical mergers").

The type of mergers that should be of substantial concern from the standpoint of public policy are horizontal mergers that create monopoly power or that facilitate industry collusion. Obviously, any policy to restrain monopoly power should look askance at a proposed merger which would give the merged firm the vast majority of the market especially where no rationale for such action other than securing monopoly profits seems to make sense. The FTC's work in policing and evaluating large-scale horizontal mergers should be continued and strengthened.

With smaller horizontal mergers, the problem is that elimination of a competitor may facilitate collusion among the remaining firms. Whether an industry is in fact susceptible to collusion, however, depends upon more factors than the number of firms in an industry or the absolute level of concentration. For example, ease of entry will influence greatly the probability of successful collusion. Nevertheless, the FTC, both in its case-selection criteria and in its litigated decisions, has consistently ignored these other factors and has attacked horizontal mergers between firms with small market shares in markets where successful collusion is highly unlikely.

One final matter with respect to horizontal mergers we find particularly disconcerting is the FTC's apparent perverse reaction to economic efficiencies created by such mergers. A survey of FTC decisions between 1970 and 1977 found that in eight out of eighteen cases studied, arguments that the merger would create efficiencies counted against its legality or that the apparent absence of such efficiency creation counted for the merger. In not one of these 18 cases did the Commission conclude that increased efficiency should count in favor of the merger.

The principal argument against conglomerate mergers is that they may eliminate a potential competitor. Because the number of potential new entrants may be quite large, the factual burden of showing that the acquiring or acquired firms are unique potential entrants is usually quite substantial. Furthermore, conglomerate mergers of significant concern are those that actually involve substantial horizontal problems—that is, the potential entrant acquires one firm in an industry susceptible to collusion. On the other hand, conglomerate mergers tend to create economic efficiencies.

It would seem to us that whether a conglomerate merger should be disallowed should rest on a weighing of the anti-competitive consequences and the expected efficiency gains. On occasion, however, the agency has explicitly abandoned even the pretense of basing its decisions on a weighing of this type of evidence. Instead, in recent years the Commission seems to have been preoccupied with a "big is bad" perspective and has acted accordingly. We believe that questions such as whether "big is bad" should more appropriately be addressed by Congress than by the FTC.

The principal argument against vertical mergers is that they may foreclose competitors. The argument is that the acquiring firm can coerce the acquired firm into purchasing from it while the acquiring firm continues to sell to all of its old customers. But the foreclosure argument erroneously assumes that the merger would not result in increased efficiencies. If as a result of the merger costs fall, then consumers reap benefits. If the merger does not result in efficiency gains, the cost conditions previously limiting the acquiring firm's output and the price and quality conditions previously limiting the acquiring firm's purchases will still apply after the merger. Because neither firm presumably has an interest in acting inefficiently, intrafirm "sales" will only be made that would be justified without the merger. Thus, it would seem that agency efforts to restrain vertical mergers are by and large misdirected.

Distribution restraints.—Contractual relationships between suppliers and purchasers have often been the object of FTC interest. Examples include resale price maintenance (i.e., the manufacturer insists that dealers sell its products at or above a certain price) and vertical market division (i.e., the provision of exclusive territories by the manufacturer to its distributors). The agency continues to pursue vertical practices vigorously, particularly resale price maintenance.

In our judgment, the FTC's enforcement efforts with respect to distributional restraints reflect a fundamental misunderstanding of their effects. Most resale price maintenance cases have involved products appearing to require the production of at least some information on the local level to aid consumers in making informed judgments. Examples include high-fidelity sound equipment, hearing-aids, ski bindings, firearms, and cookware or kitchen gadgets. Manufacturers of such products appear to have used resale price maintenance as a means of fostering the creation and dissemination of such information to consumers. In the absence of cartelization at either the manufacturer or dealer levels, there is nothing anti-consumer about this use of resale price maintenance. The principal effect of FTC orders in these cases was to force manufacturers to use less efficient means of providing information to consumers and to reduce the total amount of information available.

Robinson-Patman.—Perhaps no facet of antitrust law has received as much scholarly and professional criticism as enforcement of the Robinson-Patman Act. A major problem with cases brought under the act is that they tend to ignore the fact that temporary "discriminations" occur in all active markets. With ever-changing supply-and-demand conditions, new profit discrepancies are constantly being created and destroyed. These temporary discriminations provide important signals leading to a better allocation of resources.

Long-term and systematic price differences, on the other hand, are either cost-justified or are a reflection of true monopoly power. In the former case, consumers benefit; in the latter, the problem can be addressed more effectively under other antitrust statutes. In enforcing the Robinson-Patman Act, the Commission has emasculated the cost justification defense and has assumed injury to competition from the existence of price differences. Consequently, its enforcement of the Robinson-Patman Act has tended to chill price competition and impede the efficient allocation of resources. Fortunately, the Commission has devoted few resources to Robinson-Patman cases in recent years, though a reversal of that policy seems evident.

Dual enforcement.—Many have questioned whether public antitrust enforcement should be shared by two agencies, or whether the FTC's activities should be consolidated in the DOJ. The proponents and opponents of the proposed transfer of the FTC's antitrust activities start from different premises, disagree as to the effects of dual enforcement, and draw different conclusions about the desirability of having an independent, administrative agency with broad quasilegislative authority to enforce the antitrust laws. The proponents of the change maintain that the transfer of antitrust authority would eliminate waste and reduce uncertainty (making business planning easier), and they contend that the FTC's administrative role has not produced the desired expertise, but rather has created problems of structural unfairness. The opponents counter that the current system works, that it results in little duplication, that it provides for two separate views on antitrust enforcement, and that the administrative process and the agency's broad authority facilitate the testing and extending of the frontiers of antitrust law and practice. (Appendix D reviews these arguments in more detail.)

### *Consumer protection*

While the FTC's antitrust efforts scrutinize relationships among businessmen that potentially affect consumers, the agency's consumer protection efforts scrutinize the direct relationships between businessmen and ultimate consumers. Under its mandate to prevent "unfair or deceptive acts or practices," in recent years the Commission has pursued cases on a broad front, primarily through extensive rule-making proceedings. Currently the FTC has underway some 19 such proceedings, the scope and status of which are summarized in Appendix (This Appendix also describes the bureau's organization and operations.

We shall discuss the agency's consumer protection efforts under six headings: (a) economic underpinnings, (b) advertising, (c) product quality, (d) rewriting contracts, (e) occupational regulation, and (f) consumer credit statutes.

Economic underpinnings.—Under a variety of specific initiatives, many of which are discussed in the materials that follow in this chapter, the agency has tried to reshape vital parts of the American economy to promote the theoretical vision, policy preferences, and social priorities of the incumbent commissioners and staff. All too often, the FTC has failed to ground its efforts upon sound economic analysis. Moreover, the FTC has manifested a willingness to prescribe the form and content of contracts and to impose other miscellaneous regulations with little justification, unsupported by any clear and consistent concept of what constitutes harm to consumers. In short, much of the agency's work in the consumer protection area has paid little attention to the effect on ultimate consumers.

Fundamental inconsistencies regarding economic analysis emerge among FTC programs. For example, some FTC actions reflect attempts to deregulate an industry on the theory that market forces best protect consumers, while others embody an attempt to impose regulations on industry based, at least in part, on a basic distrust of market forces. The agency's attitude toward economic analysis in the consumer protection area usually takes one of three forms. Sometimes, as in its efforts to deregulate an industry, the FTC concurs with the near-unanimous view of economists. In other cases, the Commission enthusiastically chooses one side in a raging debate among economists, as it appears to be doing in some of its recent initiatives regarding information. However, in these activities the Commission seems to be contrasting an imperfect market with an idealized view of the ability of government regulators correctly to perceive and remedy the market imperfection. In still other cases, the FTC runs against mainstream economic analysis, such as in its downgrading of cost considerations in rulemaking.

Advertising.—Consumers constantly search for the goods and services that best serve their wants. Everything else equal, any device that reduces this search produces consumer benefits. Advertising's main economic justification is that it reduces consumer search costs and makes consumer search more effective. The FTC's three principal standards for regulating advertising are its deception, substantiation, and disclosure doctrines.

Section 5 of the Federal Trade Commission Act does not define "deceptive advertising"; instead, it only declares "unfair or deceptive acts or practices" unlawful. The courts have given the agency considerable flexibility in specifying the kind of advertising that is unlawfully deceptive. The FTC may prohibit any advertising that has a "capacity and tendency" to deceive, by proving that at least a "significant" minority of consumers exposed to it were deceived.

There are major problems with the FTC's deception test. For one, the Commission has considered ads deceptive that would fool only a small number of gullible people, yet convey meaningful information to others. Second, the FTC does not require proof of actual harm to consumers.

In the past decade, the agency has relied less and less on its doctrine of deceptive advertising and increasingly on its new doctrine of substantiation, especially in cases challenging national, as opposed to local, advertising practices. The new doctrine works in the same way as the doctrine of deceptive advertising, except that the agency does not have to prove that the alleged interpretation is false, only that the advertiser did not, before the ad was run, have evidence to substantiate the truth of each interpretation that would be placed on the claim by a nontrivial minority of consumers. As a result of the new substantiation doctrine, many firms are forced to prepare costly "reasonable basis" reports, even for claims that are to be true without prior substantiation. Such costs, of course, are ultimately borne by consumers. The major justification for this requirement is the administrative savings from eliminating the agency's obligation under the deceptive advertising doctrine to prove claims false. It is extremely doubtful that these savings are worth the cost of the many reports that must be prepared needlessly. Not only are costs passed on to consumers, to some extent the agency's doctrine must deter useful advertising, as firms seek to avoid these costs.

Disclosure requirements account for a substantial number, perhaps the majority, of the FTC's recent rulemaking initiatives. Although these might seem relatively innocuous, and even occasionally beneficial when the information market is shown to have failed and consumers are shown to value the information disclosed more than the costs of disclosure, many of the Commission's efforts in this area are subject to question. For one, the FTC has been very lax in requiring a demonstration that the benefits of its disclosure rules exceed the respective costs. Indeed, particularly in its original rulemaking proposals, the agency seemed enamored of the proposals, the agency seemed enamored the idea that if some information is good, more must always be better. Moreover, the agency has been insensitive to the ability of the market to produce information that consumers desire.

Another problem is that the FTC has actually used disclosure requirements to suppress useful information. Occasionally, the FTC has required that if certain information is advertised, other information must be disclosed. The costs of developing and providing the FTC required information can discourage provision of any information. For example, in the vocational schools' rule, when reference to jobs or earnings were made in promotional material the FTC required disclosure of specific, costly-to-gather information on placement and salary data of graduates. Although the courts overturned this rule, presumably many of these firms would have chosen to say nothing rather than meet the agency's disclosure requirements.

Product quality.—Closely related in theory to the problems underlying information disclosure is the area of product quality. In recent years the FTC has expressed concern over quality through such activities as enforcement of the Magnuson-Moss Warranty Act, and its recent cases aimed at remedying product "defects."

The basic theory underlying FTC attempts to improve product quality is that of "asymmetric information." However, the present state of this theory, and especially the relevant evidence, would not appear to justify extensive governmental intervention of the type envisioned by the agency.

It is important to emphasize, moreover, that we should expect to find some imperfect products. Avoiding defects is not costless. Perhaps more importantly, we have products of difference degrees of reliability competing with each other in the same market because consumers have different preferences for defect avoidance. Those who have low aversion to risk (relative to money) will be most likely to purchase cheap, unreliable products. Those who have a greater aversion to risk will be most likely to purchase more expensive and more reliable products.

Agency action to impose quality standards interferes with the efficient expression of consumer preferences that will occur as long as consumers have adequate information about quality. If such information is not available, the answer would seem to be disclosure of product characteristics rather than the imposition of quality standards.

Rewriting contracts.—Some FTC programs in the area of consumer protection are based on a notion of "disparity in bargaining power." For example, the agency alleges that sellers employ their superior bargaining power to "impose" (or "force") take-it-or-leave-it contracts, containing "unfair" terms, upon consumers. The bargaining power thesis has no economic content and is, therefore, analytically defective. It fails to explain why contracts are take-it-or-leave-it and how these contracts harm consumers.

The agency sometimes believes that it can prevent consumers from "giving" away certain rights. This is in essence a restraint on alienation of these rights. The agency's theory seems to be that consumers are forced to give away these rights. But if they are so forced, they must lack alternatives. Alternatives, however, will be absent only in the presence of monopoly. If lack of competition is the problem, restraining alienation does not appear to be the solution.

Moreover, the agency is chagrined about the lack of negotiation. If we do not commonly see negotiation about these rights, then the costs of negotiation to either party —the analysis holds for the debtor as well— are probably greater than the benefit from negotiation. Most take-it-or-leave-it bargaining comes from the fact that transaction costs are too high in relation to the benefits from tailoring the contract to the different preferences of the bargaining parties. Prices would probably rise if bargaining were coerced in situations where it has not occurred as a result of market forces.

This is not to deny that there can be problems in the contract formation process. Such legal doctrines as fraud and duress are the appropriate tools, however, not the overbroad bargaining power approach. When the administrative process can more cheaply remedy these problems than private litigation, the FTC would be justified in taking action. Such distinctions, however, have not been fully appreciated by the Commission in recent years.

Occupational regulation.—Licensure requirements vary from one occupation to the next. They usually include, however, some combination of the following: (a) education, (b) apprenticeship, (c) written or practical examination, (d) good moral character, and (e) citizenship or residency. Under a licensure system the occupational board not only has jurisdiction over entry, but also over such matters as accreditation and permissible forms of competition. While licensing is a means to control the quality of professional services, it has almost invariably resulted in monopolistic practices. While many of these licensing schemes are supported by national organizations of the relevant occupations, in most instances the enabling institution is state law or regulation.

Numerous studies have found that many occupational rules and regulations harm consumers. Building on this evidence, the FTC has invested considerable resources aimed at reducing the anticompetitive impact of occupational regulation. In recent years the Commission has proposed a number of rules, the impact of which would be to preempt certain state economic regulations. These rules were designed to mitigate or eliminate the impact on consumers of state laws which directly fostered monopolistic privileges. Although the program has occasionally been sidetracked by FTC efforts to substitute its own rules for those of the states rather than merely preempt anticonsumer state laws, we feel that this program holds considerable promise for improving the well-being of consumers.

However, the FTC's asserted power to preempt state laws, as yet untested in the courts, raises serious questions of federal-

state relations. Federalism and decentralized government in general have basic advantages worth preserving, by no means the least of which is the provision of alternative governments under which citizens may choose to live. The competition that such citizen choice of preferred jurisdictions engenders improves the quality of state and local governments.

Against these fundamental advantages of federalism, however, we must weigh the advantages of the FTC's preemption rules. Generally, there is no real conflict between the underlying objectives of federalism and of the FTC cases. The abolition and control of monopoly rights granted by state legislatures can only serve to strengthen the principles of consumer sovereignty that underlie federalism. We believe, however, that this issue should be addressed by the FTC with great care, and, in fact, may most appropriately be decided by the Congress rather than the Commission.

Consumer credit statutes.—The Commission has exclusive and, in some cases, joint jurisdiction (essentially with the Federal Reserve Board, but also with other bank regulatory agencies) over credit practices and a variety of credit statutes enacted over the past decade. These statutes broadly divide into three categories. First, those that deal with disclosure of information prior to the obtainment of credit, of which the Truth in Lending Act is the most significant. Second, those that regulate the grant and denial of credit applications, of which the Equal Credit Opportunity Act ("ECOA") is the most significant. And third, those that deal with credit collection practices, of which the Fair Debt Collection Act ("FDCA") is the most significant.

While most of the agency's activities in the area of consumer credit are based on high ideals, a number of shortcomings are evident. First, the agency seems too concerned with technical violations, independent of their impact upon consumers. Second, the Commission has failed to integrate adequately the Bureau of Economics and the Office of Policy Planning in case and project selection. (The agency has a mandate to spend its limited resources wisely, and the expertise of these two staff units appears to be sorely needed in guiding the agency's work in this area.) Finally, because the effect of FTC actions is often to raise the price and reduce the availability of credit, we feel that the agency has given insufficient attention to the credit needs of the poor.

*Economic analysis and reports*

The FTC's Bureau of Economics provides economic support for the Bureaus of Competition and Consumer Protection, engages in long-range analysis, and collects economic data; its activities and organization are described further in Appendix C.

Economic support.—The primary function of the Bureau is to support the Bureau of Competition and the Bureau of Consumer Protection. The emphasis is on providing basic economic analysis as an input to Commission proceedings. Some have said that the primary problem in this area is the need for more involvement of the economists in Commission proceedings. Some points that have been made in this regard are: (a) the need for more contact between the Commissioners and their legal advisors on the one hand and the economists on the other; (b) the need for more direct consultation between the Director of the Bureau of Economics and the Commissioners; and (c) the explicit introduction of economic analysis into the memoranda that go to Commissioners in addition to bottom-line recommendations.

Generally, there is a need to end the isolation of the economists in the agency and to infuse economists and economic analysis at all levels of agency decision making. Some concrete suggestions along these lines are: (a) give the economists a greater role in deciding which proposals are brought before the Commission; (b) add an economist-advisor to each Commissioner's staff; and (c) integrate the Bureau of Economics physically with the rest of the agency. We generally feel that steps to end the isolation of the economists will significantly improve the performance of the agency.

Long-range analysis.—The long-range analytical work of the Bureau of Economics ranges from largely descriptive industry studies to highly technical working papers. The quality of these long-range analyses is generally very good, though some have questioned the relevance of this research for Commission activities. In this regard the following points need to be reviewed: (a) the need for a relevant long-term research agenda and more explicit deadline for the completion of projects; (b) coverage of more basic economic issues related to antitrust matters; and (c) an extension of the economic research agenda to include the economic analysis of legal criteria.

Most importantly, perhaps, long-range analysis should be expanded to cover the study of imperfections in government regulation and of the effects of government regulation on the marketplace. This analysis would supplement the work on market imperfections and would recognize that government intervention is justified only when market imperfections exceed the imperfections associated with government intervention. The real choice that we face is thus not between imperfect markets and perfect government, but between the market and government as two imperfect processes through which we seek to address the problems that confront us. This expansion in the coverage of long-range analysis would be an important input in the suggested expansion of the Commission's program of appearing before other agencies. (See below.)

Finally, some emphasis on long-range analysis should be given to the role of small businesses in the economy. These firms are a crucial part of the competitive order, and their role needs to be better understood and more appreciated.

Collection of economic data.—The bureau's principal responsibility in this area is its Line-of-Business (LB) reporting program, under which the Commission seeks to gather data on the largest corporations by product lines. Some 274 lines have been separated for monitoring, and such data are gathered from over 400 corporations. The reporting requirements are stiff. Firms must list all subsidiaries, allocate costs and revenues to product lines, and be able to reconcile this data with other corporate financial reports. At this point no rigorous estimate of the costs of compliance exists. A small sample of firms yielded a median compliance estimate of $40,000 per firm. The Commission's estimate per firm is $24,000. For some large firms compliance costs easily run into the $100,000-plus range.

Various justifications have been offered for the program. Among the more prominent of these are: (a) promotion of economic research in industrial organization, (b) identifying profitable industries for investors and potential entrants, and (c) providing guidance for the allocation of antitrust resources. Commentators have identified various analytical and conceptual difficulties with this data. These include: (a) the incompatibility of accounting profits and economic profits, (b) the sensitivity of the results to the allocation of joint costs and intracompany transfer, (c) problems of market definition, and (d) whether the data, even if reliable, would serve any useful purpose.

In light of these issues it would seem best at this point to institute a thorough review of the costs and benefits of this program. If the program does not show substantial benefits relative to costs, it should be terminated.

Another FTC data-collection program is the Quarterly Financial Report (QFR). The agency collects and publishes quarterly financial information from 15,000 corporations in manufacturing, mining, and trade. A primary use of the QFR report is in compiling the quarterly estimates of the Gross National Product. This program raises many of the same concerns as the Line-of-Business report program, particularly the reliability of the information, the cost of the data collection, and the possibility of transferring it to other parts of government. In addition, there appears to be substantial overlaps between the QFR and Line-of-Business reporting programs, providing a potential source of budget reduction. This program should also be evaluated with respect to its costs and benefits and consideration should be given to transferring it to the Department of Commerce.

Interventions before other government agencies.—Economists from the Bureau of Economics have played a key role in the past in assisting in preparation of comments filed by the Commission before other government agencies. (See Appendix C for a listing of recent comments.) Particularly noteworthy have been the Commission's recent interventions before the International Trade Commission (recommending against imposing import restraints on Japanese automobiles) and the Interstate Commerce Commission (in support of certain of the ICC's pro-competition initiatives). The Bureau is in many ways ideally suited to such activities, and the quality of the FTC's analyses has generally been quite high.

[Pages 31–46 of the report describe the structure of the FTC.]

BUDGET CUTS IMPLIED BY TEAM'S RECOMMENDATIONS

Using rough, but conservative estimates, our recommended programmatic changes would justify a 50 percent reduction in the agency's current budget. Assuming that our recommendations for increases in certain other activities are followed and giving the current programs the benefit of every reasonable doubt, we recommend a minimum reduction of 25 percent.

To obtain our recommendation, we used as a base the FTC's FY 1982 estimate of $75.8 million for expenses necessary to keep the agency at its current size. Reducing this number by 25 percent leaves $56.9 million. Although such a budgetary reduction does not necessarily require an exacting matching reduction in the number of employees, a 25 percent employee cut would appear to be a good working base and would leave the agency with 1,338 employees, roughly equal to the staffing level prevailing in FY 1971.

It is worth emphasizing that such a reduction in the size of the FTC staff would not require a massive dismissal of current employees. The FTC's professional staff turns over at an annual rate of 15 to 20 percent, and support employees also frequently leave, although not at as rapid a pace. Thus, curtailment of new hiring could accomplish the bulk of the recommended staff reductions.

Because the FTC does not report its budget among the functional lines discussed in our policy chapter, precise estimates of the size of our recommended cuts are impossible. Nevertheless, a good working estimate is that our recommendations would reduce both current antitrust and consumer protection activities by about 50 percent. Starting first with antitrust, at least 20–25 percent of the current budget involves vertical matters. At least a similar amount is spent on matters relying upon a "big is bad" theory, including the agency's misguided challenge to concentration. An additional amount of roughly 10–13 percent is spent on Robinson-Patman and predatory pricing cases. (Our budgetary adjustments for antitrust also include appropriate reduction in

support activities such as offices of the General Counsel and Executive Director, rental space, postage, and telephone.)

Because many of the FTC's consumer protection activities involve more than one of the functional categories in our policy chapter, estimates of consumer protection cuts are necessarily even rougher. Nevertheless, it appears that at least 50 percent of the resources are spent on proceedings involving overregulation of advertising (including requiring of unnecessary disclosures), proceedings to improve product quality more than economic analysis would justify, and proceedings concerning notions of disparity in bargaining power. (Again, we have included concomitant reductions in support services in our figures.)

Rather than halve antitrust and consumer protection, we recommend in Chapter VII several areas for increased emphasis. These include programs dealing with horizontal restraints, with occupational regulation, with interventions before government agencies, with increased use of economic expertise, with efforts to provide the business community with more certain guidance, and with a reevaluation of the Commission's current rules and policies. Our figures thus reflect both reductions and increases for these two bureaus.

We recommend no change in budget for the agency's third mission, economic activity. Within the Commission's budget, this included primarily industry studies and financial reporting. Although the latter function is a potential source of budget cuts, such cuts must await the results of the studies that we recommend concerning the financial data. We do believe that the role of the FTC economists should be significantly increased, but we think this can be accomplished within the current budget.

Within the context of this 25 percent reduction, we make several specific organizational recommendations. First, we recommend the elimination of the Regional Offices. These offices, which since 1970 have had the power to initiate investigations, have triggered controversy both within and without the FTC. Although they spend about 17 percent of the agency's resources, critics question the need for their existence, and assert that they have a disproportionate share of the problems that allegedly plague the FTC, such as delay and lack of priority setting. It is further alleged that their role is inadequately defined, that their activities, while in some cases prodigious, tend to be misguided, and that they are inadequately managed.

In the mid-1970's, something of a housecleaning of the Regional Offices began, a movement that was accelerated, at least at the staff level, under Chairman Pertschuk. Appendix I is a memorandum describing the activities of the Regional Offices and how the current FTC Executive Director believes that their performance and role has improved. Although some of his points would seem overstated, we believe that these offices are now more fully integrated into the Commission processes.

Nevertheless, these offices are difficult to justify on logical grounds. The concept of Regional Offices is poor, given the geographic and psychological distance between them and Washington, the greater cost required for effective control, and their checkered history. Moreover, the cases listed in Appendix I contain more than their share of the type of cases that, as indicated in Chapter II, seem contrary to the public interest.

We estimate that elimination of these offices would reduce the Commission's budget some 10 to 15 percent, with a partially offsetting two to three percent being added to the Washington office's budget to continue worthwhile cases and other activities. (A discussion of procedures for eliminating the regional offices is found at Appendix J.)

We propose the two other specific budget reductions. First, we recommend Congressional elimination of the intervenor funding program appropriation for FY 1982—$750,000. (Chapter VI evaluates this program in some detail.) Second, we note that the FTC not only has an Office of Policy Planning, but a significant portion of staff in the two major bureaus is devoted to this same activity. By consolidating and streamlining these offices, significant savings could be achieved. Because the agency does not break out the resources spent on these various activities, the exact amounts are indeterminate, but would seem to run in the neighborhood of several hundred thousand dollars annually.

*Summary of budget recommendations*

The table on the next page compares the FTC's expenditure requests with the Team's recommendations. In short, we believe that the FTC can do its part in President Reagan's effort to reduce the size of the federal budget.

BUDGET SUMMARY: FTC REQUEST VERSUS TEAM RECOMMENDATION, BY AGENCY MISSION

[Dollar amounts in millions, fiscal years]

| Mission | FTC request | Team recommendation | Difference |
|---|---|---|---|
| Antitrust: | | | |
| 1981 | $32.2 | $29.8 | −$2.4 |
| 1982 | 34.7 | 25.3 | −9.4 |
| Consumer protection: | | | |
| 1981 | 33.3 | 31.1 | −2.2 |
| 1982 | 34.9 | 25.4 | −9.5 |
| Economic reporting: | | | |
| 1981 | 5.5 | 5.5 | 0 |
| 1982 | 6.2 | 6.2 | 0 |
| Total: | | | |
| 1981 | 71.0 | 66.4 | −4.6 |
| 1982 | 75.8 | 56.9 | −18.9 |

V. LEGISLATION

Bolstered by support from the consumer movement, the Federal Trade Commission (FTC) in the 1970's developed a more agressive approach in its regulation of unfair acts, practices and methods of competition. The FTC adopted a particularly activist role in its consumer protection activities, utilizing its new rulemaking authority to initiate industry-wide rules governing a wide array of business practices in industries ranging from the used car business to funeral homes, optometry, and vocational schools. At the same time, the Commission continued to press far-reaching investigations into farm cooperatives and the automobile and oil industries.

Growing concern in the business community over impacts of the FTC's new activism focused on the costs of and benefits to be derived from the FTC's rules and investigations. Particular concern centered on the impact of FTC rules on small businesses. Affected industries were joined by the U.S. Chamber of Commerce, the National Association of Manufacturers (NAM), and the Nat'l. Federation of Independent Business, among others, in seeking help from Congress. Additional support was offered by several economists from the academic world, who pointed to the adverse impact many FTC activities were having on an already sluggish economy, and the dangers of market intervention in several areas of FTC activity. Both the academic and the business groups questioned whether the consumer benefits of various FTC activities would match the costs which would be added to consumer goods to meet FTC requirements.

Tensions between consumer activists on the Commission and the business-academic community were reflected in Congress. Questionable potential of consumer benefit, coupled with the structure of many industries chosen for regulation by the FTC (optometrists, funeral directors and used car dealers are located in virtually every Congressional District) created intense Congressional interest in the FTC's activities. By 1977 a heated controversy had developed over the FTC's role in the marketplace, the level of discretionary authority vested in the Commissioners and the staff, and the way in which that authority had been used. Congressional concern manifested itself in introduction of numerous proposals to prohibit or otherwise restrict specific FTC activities, and eventually, failure to renew the FTC authorization after its expiration at the end of 1976. For the next three years, the FTC existed without a formal authorization, and received funding through a series of continuing appropriations, resolutions, and agency transfers. During the ensuing three-year controversy, expiration of even temporary funding forced the FTC to close down for one day. In the interim, Congress seized upon the legislative veto as a vehicle to restrain FTC activities believed to be beyond the scope of its legislative mandate. However, the legislative veto itself became a stumbling block, with the Senate pressing for a two-House veto, and the House insisting upon a more stringent one-house veto. Compromise finally was reached in the FTC Improvements Act of 1980 (the "Act," the "Improvements Act") which was signed into law on May 28, 1980. (Public Law No. 96–252). The Improvements Act is an omnibus measure which renewed the FTC's authorization through 1982, included a two-House veto provision and several express restrictions and prohibitions against FTC activities affecting certain specific industries.

Although the Improvements Act formally restored the FTC's authorization, it preserved numerous highly controversial issues for subsequent Congressional consideration. Most specific restrictions or prohibitions contained in the bill are of a temporary nature, and industry pressures to extend or finalize the restrictions can be expected. In addition, the legislative veto process may function to stimulate or at least facilitate Congressional intervention in both procedural and substantive aspects of FTC rulemaking in 1980, 1981 and 1982. Industries affected by final rules can be expected to use the veto as a vehicle to obtain relief from implementation of new trade regulation rules. Some industries already have received commitments for such assistance from key members of Congress.

Although the intensity of the controversy may have subsided, industries affected by proposed and final rules promulgated can be expected to marshall support from larger business groups and from the Congress to keep the FTC and its regulatory activities an active battleground in the 97th Congress.

The Federal Trade Commission Improvements Act of 1980 was signed into law on May 28, 1980. The Act authorizes appropriations for the Federal Trade Commission for fiscal years 1980, 1981, and 1982. In addition to authorizing appropriations for the FTC, the Act modifies FTC procedures and administrative operations, and curtails specific rulemaking activities.

The Act substantially increases Congressional involvement in the FTC decisionmaking process through expanded oversight functions and authorization of a two-house legislative veto of any final trade regulation rule promulgated by the FTC. (See Appendix K for a summary of the Act's provisions, and Appendix L for the full text.)

*Current congressional sentiment toward the FTC*

General congressional concerns.—Although the 1980 Improvements Act has been described as a catharsis for most Congressional concerns and hostilities toward the

FTC, there remains a generalized sense of unease regarding the FTC and its activities. This concern, generally not well articulated, is perhaps a reflection of Congressional frustration over its apparent inability to make FTC Commissioners and staff responsive to the will of Congress.

As Congressional opposition to FTC activities has increased in recent years, Congress has been inclined to intervene on an ad hoc basis, for example curtailing investigations or rulemaking in particular industries, rather than develop institutional reforms.

Elevation of Congressman John Dingell to the chairmanship of the House Commerce Committee may signal a change in the Congressional approach to FTC-related problems. Both Congressman Dingell and ranking Republican Congressman James Broyhill have expressed interest in addressing underlying regulatory issues, including the structure and functions of the agency. Congressman Dingell already has initiated a high-level task force group to study issues surrounding government regulation of business, and Congressman Broyhill has expressed interest in examining structural and functional issues during oversight hearings in the next Congress.

Congressional concerns generally include a belief that the FTC is overreaching its statutory mandate, that it is imposing unnecessarily burdensome requirements on business, that its goals often are inconsistent with or otherwise hinder other federal objectives (for example, many rules add significantly to costs of consumer goods), and that the roles of investigator, charger, prosecutor, judge, and enforcer should not reside in a single agency.

There is a greater divergence of views as to the source of these generally recognized problems. Many in Congress feel that the FTC Act and other statutes within the FTC's jurisdiction are either too broadly drawn, vesting excessive authority in the FTC, or that the statutory language simply is not sufficiently precise (thereby permitting the exercise of excessive discretion by FTC staff and Commissioners.

Others in Congress focus on the regulator process as interpreted and applied by the Commission, for example, the use of formal rulemaking and cease and desist powers into areas not intended by the Congress.

Still others believe that neither the statute nor FTC regulatory procedures are at fault, but rather that the problems of recent years are a reflection of the individual Commissioners and staff, their personal missions and goals. According to this view, it would not be desirable to curtail the FTC's broad discretionary authority, which is seen as necessary to enable the agency to conduct its mission properly. Attention instead should focus on eliminating distortions of the FTC's role through personnel changes at both Commissioner and staff levels.

Concerns regarding the FTC's antitrust mission.—Specific concerns expressed regarding the FTC's antitrust mission generally include a feeling that the FTC is overreaching its statutory authority, for example in ordering divestitures, and in the development of new antitrust theories. There is a common perception that Congress should examine the apparent duplication of functions between the FTC and the Department of Justice. Congressional concerns focus on the inefficiencies inherent in duplication and on real or potential conflicts between and inconsistent policies adopted by the two different agencies. Another general concern relates to the FTC's role as investigator, charger, prosecutor, judge, and enforcer, a concern heightened by the subject matter of recent investigations and decisions.

Two different approaches are suggested as appropriate means to deal with these perceived problems. One view supports continuation of ad hoc legislation intervention in specific FTC activities. Another view supports a more generic, institutional approach which generally focuses on a realignment of the FTC's antitrust jurisdiction (most commonly articulated as consolidation of antitrust functions in the Justice Department), removal of the FTC's prosecutorial function to the Justice Department, adjudication of FTC cases in Federal district court, and/or creation of an independent corps of administrative law judges.

Concerns regarding the FTC's consumer protection mission.—If a consensus exists on any aspect of FTC activity, it is an apparent consensus that the FTC has exceeded the reach of its statutory authority, and that it has initiated rulemaking activity in areas felt to be inappropriate for FTC regulation. Criticism focuses specifically on FTC regulation of industries traditionally regulated by the States, regulation to an inappropriate level of detail, and allocation of resources to rulemaking not felt to be of sufficiently high priority relative to protection of consumer interests. (For example, the FTC reportedly is developing a standard for the manufacture of golf balls.) Substantial concern also exists regarding excessive reporting and recordkeeping burdens imposed on business, particularly small business, and the inconsistency of such burdens with the desire for expanded business investment.

So little unqualified support exists for FTC consumer protection activities that those who generally believe that the Commission should preempt individual marketplace decisions only in those areas where a person of ordinary intelligence, "a reasonable man," is unable to make an informed or rational judgement, are characterized as "FTC supporters." Only those who believe that the Commission should either preempt no individual marketplace decisions, or should limit its consumer activities to cases of fraud or deception, are viewed as "opponents."

The two general approaches to remedying perceived problems in FTC consumer protection activities parallel those proposed in the antitrust area. Some Members prefer ad hoc legislative intervention in specific rulemakings. This approach will be facilitated through the legislative veto procedures set forth in the Improvements Act. Advocates of the ad hoc intervention approach have differing views as to the full impact of the legislative veto. Those Members who supported the legislative veto generally feel that it will provide an orderly mechanism for dealing with specific rulemaking issues, removing such issues from the authorizing and appropriations process. Many Members however, remain skeptical about the impact of the legislative veto, and are withholding judgment until Congress has had some experience with the new process.

Other Members of Congress are less inclined to follow the ad hoc approach, and prefer to examine possible statutory revisions, for example reexamination and refinement of the FTC's consumer protection mandate. Such revisions could include a classification of the FTC's authority and more precise definitions of conduct intended by Congress to be deemed illegal.

*Expected congressional involvement in FTC activities*

Mandatory Functions.—Under the new Improvements Act, the Senate Commerce Committee will be required to conduct at least one oversight hearing on the FTC at least once during the first six months, and once during the last six months of each calendar year. Subject of the oversight hearing is within the discretion of the Committee and has not yet been determined. One likely subject is use of the unfairness standard. Hearings may focus on advertising or could examine application of the unfairness standard for all acts and practices.

The FTC authorization expires on September 30, 1982. Thus, the House and/or Senate Commerce Committees may begin consideration of a new authorizing bill sometime during 1981. Final action must be taken by the entire Congress no later than 1982, the Second Session of the 97th Congress.

Discretionary Functions.—The FTC is required under the Improvements Act to submit to the House and Senate Commerce Committees two forms of advance notice of proposed rulemakings: (a) advance notice of intent to develop a proposed rule, and (b) advance notice of proposed rulemaking submitted 30 days prior to publication in the Federal Register. The Committees may, but are not required to, conduct hearings on any such proposed rulemakings.

House and Senate Commerce Committees may, but are not required to, conduct hearings on all final rules submitted pursuant to the Act's legislative veto provisions, and Congress may, but is not required to consider a resolution of disapproval. Final rules promulgated by the Commission may be implemented only after a 90 day period of Congressional review, during which Congress may veto the rule.

The Act requires the Commission to submit to the House and Senate Commerce Committees a plan for revision of small business quarterly financial report forms and procedures designed to reduce the burden on small business. The Commission's report was required to be submitted no later than December 1, 1980. The Improvements Act provides no express provisions for Congressional response to such plans, and no Committee action is required.

The Act prohibits the Commission from initiating a study or preparing a report on the insurance industry, absent a specific request from Congress. Should Congress desire such a study conducted or report prepared, a majority of either the House or Senate Commerce Committee must submit a specific request to the FTC. However, no such action is required.

*Legislation and committee jurisdiction*

Primary jurisdiction over the FTC resides in the Senate Committee on Commerce, Science and Transportation and the House Committee on Interstate and Foreign Commerce. Ancillary jurisdiction resides in the House and Senate Judiciary Committees and the House and Senate Appropriations Committees. Membership of these committees is listed in Appendix M.

Expected Legislative Activity.—In the 96th Congress, the full Senate Judiciary Committee was chaired by Senator Edward Kennedy (D-Mass). The Antitrust Subcommittee was chaired in the 96th Congress by Senator Howard Metzenbaum (D-Ohio). Senator Charles "Mac" Mathias (R-Md.) was the Subcommittee's ranking Republican member. In the 97th Congress, Senator Strom Thurmond (R-S.C.) will chair the full Judiciary Committee, and Senator Joseph Biden (D-Del.) will serve as ranking Democrat. (Senator Kennedy will move to become ranking Democrat on the Labor Committee, but would be free to reassert his rank on Judiciary should Democrats regain control of the Senate.)

In the 97th Congress, the Committee is expected to eliminate the Antitrust Subcommittee, and vest jurisdiction over antitrust matters in the full Judiciary Committees.

Both Republican and Democrat members of the Judiciary Committee have expressed concerns regarding overlapping and duplicative functions of the FTC and the Justice Department. Antitrust areas which could be

examined by the Judiciary Committee in the 97th Congress include the FTC's exercise of its divestiture authority, the FTC's development of innovative monopoly theories, and the impact of the Magnuson-Moss procedures on FTC jurisdiction. In addition, Members of the Committee have expressed interest in studying the possibility of establishing an independent corps of administrative law judges, transferring some FTC antitrust functions to the Department of Justice, and/or transferring the FTC's adjudicatory functions to the federal district courts. The Commerce Committee held hearings in the 96th Congress on a proposal by Senator Howell Heflin (D-Ala.) to establish an independent ALJ corps, and it is likely that the Judiciary Committee on which Senator Heflin also serves will conduct additional hearings in the 97th Congress.

In the House, both the full Judiciary Committee and the Monopolies Subcommittee are chaired by Congressman Peter Rodino. Ranking Republican on the full Judiciary Committee and the Monopolies Subcommittee is Congressman Robert McClory (R-Ill.).

The House Judiciary Committee seems less likely to pursue the range of issues expected to be addressed by the Senate Judiciary Committee, with the exception that the House Judiciary Committee may examine certain issues associated with the FTC's dual function as prosecutor and judge. Additional attention may focus on international antitrust questions, and amendments to the Webb-Pomereme export trade association statute, currently administered by the FTC. Otherwise, the House Judiciary Committee is not expected to deal in any substantial way with the antitrust jurisdiction of the FTC.

Expected consumer protection activity.—The Senate Commerce Committee was chaired in the 96th Congress by Senator Howard Cannon (D-Nev.), and the Consumer Subcommittee was chaired by Senator Wendell Ford (D-Ky.). The Committee's ranking Republican, Senator Bob Packwood, will become Committee Chairman in the 97th Congress, and the Consumer Subcommittee's ranking Republican, Senator John Danforth (R-Mo.), will take over as Subcommittee Chairman. Senators Cannon and Ford will become ranking Democrats on the full Committee and Subcommittee, respectively.

The retirement of House Commerce Committee Chairman Harley Staggers moves the chairmanship to Congressman John Dingell (D.-Mich.) in the 97th Congress. Ranking Republican James Broyhill (R.-N.C.) will remain in that position. However, the Committee may vote to disband the Consumer Subcommittee, which in the 96th Congress was chaired by Congressman James Scheuer (D.-N.Y.), with Congressman Matthew Rinaldo (R.-N.J.) as ranking Republican. If the Subcommittee is eliminated, jurisdiction over consumer affairs would most likely be transferred to the Transportation Subcommittee, chaired by James Florio (R.-N.J.). No final decisions will be made until after the new Congress organizes itself in January.

Oversight activities are expected to consume the bulk of time the House and Senate Commerce Committees can be expected to spend on FTC issues in the 97th Congress. The Senate Commerce Committee is required to conduct at least one oversight hearing on the FTC at least two times per year. Review of proposed and final rules submitted to Congress by the FTC are expected to consume an unknown amount of Committee time. Specific rules and proposals expected to be transmitted in 1981 include those relating to the funeral industry, used cars, mobile homes, eye glasses, proprietary drugs, and FTC ex parte rules to be developed pursuant to the Improvement Act. In addition, the Senate Commerce Committee can be expected to honor its commitment to address FTC activities in the optometric and proprietary drug industries.

Both the House and Senate Commerce Committee will be required to examine the unfairness standard for acts and practices as it relates to children's and commercial advertising. In addition, it can be expected that the Senate Commerce Committee will examine the unfairness standard as it applies to all acts and practices. The Committee already has compiled a hearing record on the unfairness test, and additional hearings will be scheduled in the 97th Congress.

Both the House and the Senate Commerce Committees have expressed an interest in reviewing Magnuson-Moss rulemaking procedures to determine how those procedures have worked, what effect they have had on regulated industries and on the FTC's jurisdiction, and whether additional procedural safeguards are required.

Criticism of the intervenor financing program administered by the FTC resulted in restrictive language in the Improvements Act. However, some additional restriction on intervenor financing, or total elimination of the intervenor financing authority, can be expected in the 97th Congress.

VI. MISCELLANEOUS

In this chapter, we shall discuss two topics: (a) the Federal Trade Commission's intervenor funding program and (b) the perception on the part of many that the agency has been basically unfair in its treatment of those subject to its rules and regulations. Items on the Team Captain's checklist are found at Appendix N.

*Intervenor funding*

The 1980 Improvements Act mandated changes in the Commission's controversial and highly debated Public Participation Program in rule-making proceedings. The relevant portion of the Commission's memorandum to staff concerning this matter states:

"The Act places limits of $75,000 on the amount any group could receive over the course of a rulemaking and $50,000 on the amount a group could receive in any one year. Moreover, the bill sets aside 25 percent of the funds appropriated each year for small business and, in addition, requires the Commission to undertake a small business outreach program."

The present implementation of this policy has two objectionable features. First, the Commission has set a limit on the actual compensation rate for attorneys of $50 per hour. The alternative would be to set a cap on the subsidization of attorney fees, but not the actual fee charged. The unreasonably low dollar limit forecloses many potential private sector respondents. Second, the $50,000 per year limitation is construed as being a limitation on applicant groups only, thereby facilitating the role of such applicants as conduits for public interest lawyers able to receive more than $50,000 a year for services to more than one program applicant.

The above modifications aside, the more basic question is whether the program should be continued, except possibly as a means of assuring that the views of small business and other respondents directly affected by rule makings who are unable to bear the costs of effective representation are heard. Lengthy reviews of intervenor reimbursement programs and the program itself have been undertaken by the Senate and House appropriations committees and need not be repeated here.

Conceptually, intervenor funding would seem warranted whenever: (a) an agency's staff is captured by those who are regulated, or (b) such funding is the most efficient way of acquiring information. Because the FTC covers a broad spectrum of the economy rather than one industry, it is unlikely to be captured. Furthermore, while some information provided under this program is useful, there is no inherent reason why the staff cannot gather it at less cost. Put differently, the case has not been made that those groups have special insight into or nexus with the needs of consumers or the public interest, or that the Commission staff is itself unable to marshall evidence which such "public interest" intervenors now offer.

With appropriate direction the FTC staff could become more expert at representing the public interest. Of course, this role requires that they carefully analyze the costs and benefits of any proposed action. It is worth noting that one important component of that analysis is a sensitivity to whether an action will disproportionately affect small businesses and thereby lessen competition. For example, often regulatory costs are relatively insensitive to volume, meaning that larger firms can spread these costs over more sales. Thus, in seeking to delineate the impact of a proposed action on the public interest, the FTC staff should take special care to determine its effects on small business.

*Institutional fairness*

A host of issues bearing on the institutional fairness of the FTC have been raised in recent years. They include its *ex parte* policy, its accessibility to potential respondents, as well as events bearing on the agency's reputation.

Ex-Parte communications and accessibility. The FTC Improvements Act of 1980 mandated changes in the FTC's rules concerning ex parte communications with Commissioners in rulemaking proceedings. The relevant portion of the Commission's subsequent staff memorandum states:

"The Act requires the Commission to publish a proposed change to its rules of practice within 60 days which will permit outsiders to meet with Commissioners and to have a transcript or summary of the meeting placed on the rulemaking record. The Commission is also required to amend its rules to preclude staff from communicating to the Commission any relevant facts not on the rulemaking record unless that communication is made public."

The Commission has recently adopted new rules of practice which conform to the letter of the Act. The rule still remains controversial in that ex parte, unnoticed contact is still permitted between Commissioners and Commission staff when those contacts do not involve the communication of new facts by the staff members. In other words, staff counsel in rulemaking proceedings may still meet privately with Commissioners to summarize existing records and/or to issue ex parte pleas for rulemaking decisions—and may do so on an unnoticed basis so long as they do not assert the existence of facts which do not appear in the rulemaking record.

The above rule aside, a broader question remains regarding the accessibility of Commissioners to potential respondents. Overall there appears to be the need for more accessibility. In the case of adjudicative matters, the Commission should be open to ex parte meetings with potential respondents, albeit on the record, prior to the issuance of complaints. It should also be receptive to adversary argument prior to its issuance of such complaints. In the case of rulemaking proceedings, the Commission should likewise be more receptive to early respondent petitions, ex parte and otherwise. Occasions when such contact might be invited are the publication of potential Commission initiatives in the Calendar of Federal Regulations and the initiation of staff requests to the Commission for the issuance of subpoenas in order to pursue intended investigations. In the most general terms, what is critical for a new Commission, symbolically and in terms of real policies, is to create a perception on the part of the private sector that its input is respected.

Other institutional fairness issues.—It is

also important to note briefly that a series of events in recent years have cast a cloud over the FTC's reputation for fairness. Possible prejudgment, interference in independent decisionmaking, ex parte staff influences, carelessness with confidential business documents, and blanket investigatory resolutions which give broad authority to the FTC staff to issue subpoenas have cumulatively cast a pall on the Commission's reputation. Exacerbating this problem is the perception that the Commission's Administrative Law Judges (ALJ's) are biased in favor of the staff. The ALJ's are selected for their appointments by the Commission itself. With only rare exceptions in recent years, the ALJ's have been appointed directly from the FTC staff to the position they now hold. Notably, every ALJ now serving at the Commission has held employment elsewhere on the FTC staff.

[Pages 72–86, the Conclusions and Recommendations section, may be found at 999 BNA Antitrust & Trade Reg. Rep. at G–1 (Jan. 29, 1981).]

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. I yield such time as he may desire to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I support the nomination of Dr. James C. Miller III to the Federal Trade Commission.

Dr. Miller will bring to the Commission a strong academic background in economics. His economist's perspective on the effects of Government regulation on the free market has been much lacking at the FTC. Because of his notable background in regulatory reform, I expect that the FTC under his leadership will stop seeking regulations in knee-jerk fashion, and will instead concentrate on pursuing regulations where they are most needed, and where they most help the American consumer.

I respectfully urge my colleagues to join with me in supporting Dr. Miller's nomination.

Mr. KASTEN. Mr. President, I ask for the yeas and nays on the Miller nomination.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. KASTEN. Mr. President, I ask unanimous consent that the vote occur immediately after the vote on the nomination of Sandra Day O'Connor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KASTEN. I yield to the distinguished Senator from South Carolina, the chairman of the Judiciary Committee.

Mr. THURMOND. I thank the able Senator from Wisconsin for yielding to me.

Mr. President, I support the nomination of Dr. James C. Miller III, who has been selected by President Reagan to serve as Chairman of the Federal Trade Commission.

Dr. Miller is superbly qualified for this position by reason of his educational background, his experience, and, most importantly, because of his philosophy. Dr. Miller received his undergraduate degree in economics from the University of Georgia and was awarded his doctorate from the University of Virginia. He has served as a college professor and is the author of numerous publications dealing with governmental regulatory practices.

Dr. Miller is no stranger to Government service. He has served as Assistant Director for Government Operations and Research for the U.S. Council on Wage and Price Stability, as well as senior staff economist with the U.S. Council of Economic Advisors. In addition, Dr. Miller has worked in the Department of Transportation. Currently, Dr. Miller is Administrator for Information and Regulatory Affairs in the Office of Management and Budget and executive director of the Presidential Task Force on Regulatory Relief.

Mr. President, while Dr. Miller is unquestionably qualified for this appointment in terms of ability and experience, he is the proper choice for this job because of his commitment to the policies of the Reagan administration. In his testimony before the Senate Committee on Commerce, Science, and Transportation, Dr. Miller consistently stated his support for, and his plans to implement, the policies of this administration.

Important principles which Dr. Miller has emphasized are a need to replace the current adversarial relationship between the FTC and regulated industries with a cooperative one and the need to insure that the Commission staff, like every other bureaucracy, is more responsive to the instructions of the American people, as expressed through their elected representatives.

Mr. President, Dr. Miller is an excellent choice for Chairman of the Federal Trade Commission. I commend President Reagan on his selection, and I urge my colleagues to support this nomination.

Mr. KASTEN. I yield such time as he may desire to the distinguished Senator from Pennsylvania (Mr. SPECTER).

Mr. SPECTER. I thank the distinguished Senator from Wisconsin for yielding to me.

Mr. President, I speak at this time to express my concern about the current enforcement of antitrust policies, and I believe that debate on the nomination of Dr. James Miller poses an opportune time for these comments. I am concerned that antitrust enforcement is not sufficiently vigorous at the present time.

The new administration has dedicated itself to the policy of deregulation, and it is essential in order for deregulation to operate in the public interest to have effective competition.

An essential element of a competitive free enterprise system, in my judgment, is vigorous enforcement of the antitrust laws. I am concerned, from the hearings on Mr. Miller's nomination and from other things which are happening in antitrust enforcement, that this enforcement simply is not sufficiently vigorous at the present time.

I was concerned to note that the Office of Management and Budget earlier this year had proposed a phasing out over 3 years of the FTC's antitust mission. I was concerned to learn from Mr. Miller's testimony at his confirmation hearing that while he would not initiate a complete phasing out of the Bureau of Competition, he intended to ask for a lower level of funding. I am concerned that such a lower level of funding may be an indirect way of phasing out the FTC's antitrust function. Such a policy, when viewed in conjunction with what is happening at the Antitrust Division of the Department of Justice, raises very substantial questions about antitrust enforcement in this country at the present time.

I, for one, was very concerned about the efforts of the Department of Justice to delay the Government's suit against A.T. & T. That application had been made by the Assistant Attorney General in charge of the Antitrust Division, was based on the contention that delay was necessary in order to give Congress an adequate opportunity to pass pending legislation on deregulation, and included a representation by the Department of Justice that should that legislation be enacted, the suit would be abandoned.

The trial judge, Judge Greene, denied the application for a postponement and the case has proceeded. Judge Greene has recently denied A.T. & T.'s motion to dismiss, writing—and I believe this is a very important conclusion:

The testimony and the documentary evidence adduced by the government demonstrate that the Bell System has violated the antitrust laws in a number of ways over a lengthy period of time. On the three principal factual issues—whether there has been proof of anticompetitive conduct with respect to the interconnection of customer-owned terminal equipment (Part III), the Bell System's treatment of competitors in the intercity services area (Part IV), and its procurement of equipment (Part IX)—the evidence sustains the governments basic contention, and the burden is on defendants to refute the factual showings made in the government's case-in-chief.

That appears in Judge Green's memorandum opinion of September 11, 1981, at age 73. There is, of course, an opportunity for A.T. & T. to refute those findings and those conclusions. In that litigation which was commenced in 1974 and had proceeded for some 7 years until 1981, I thought it most inappropriate for the Antitrust Division to ask for postponement and to indicate its intention to withdraw from that prosecution, and I said so in a lengthy statement some weeks ago in this Chamber.

I think that the Justice Department's activities in the A.T. & T. case and the attitude of Mr. William Baxter, the Assistant Attorney General, on the A.T. & T. case are especially significant in view of his prior statement. As noted in Newsweek on July 6, 1981, "the Antitrust chief—referring to Mr. Baxter—had taken a tough position on the A.T. & T. antitrust case." Newsweek quoting Mr. Baxter as saying:

I have taught the phone company case for twenty years,

And the article then continues:

Baxter thinks that for a regulated monopoly like AT&T, the temptation is nearly irresistible to undercut competitors by using

the huge revenues from regulated services to subsidize divisions that compete in unregulated markets. The only way to guard against this, he insists, is to break Ma Bell up into a company whose only function is message-transmission services, with any nonregulated activities such as equipment manufacturing and data processing carried out through a new corporate entity. With this principle in mind, he has vowed, he will "litigate the case to the eyeballs."

Given his stated intention to "litigate the case to the eyeballs," which is a widely quoted statement of Mr. Baxter, it seems to me very strange indeed that Mr. Baxter should then appear before Judge Greene in that precise case and ask that it be postponed, and state the Government's intention to abandon that litigation.

I am especially concerned about Mr. Baxter's attitude in light of testimony which he provided in hearings before the Committee on the Judiciary when I question him about the anticompetitive effects of vertical and horizontal mergers. Mr. Baxter commented, as shown on page 17 of the hearings from March 19, 1981, that he, in effect, had less concern about conglomerate mergers and vertical mergers and was concerned only if they had direct horizontal impacts, which I suggested then and suggest now is an unduly restrictive reading of the antitrust laws of this country.

Responding to my questioning about the merger activity, which at that time was much less than what we have seen since March 19, 1981, and which now includes the Dupont-Conoco merger, Mr. Baxter replied that there were two effects, one relating to anticompetitive impact and the second relating to the "massive capital market transactions." He expressed concern only about those limited effects that are anticompetitive in the narrowest sense, as opposed to concern about massive capital market transactions.

My own sense is that matters involving the "massive capital market transactions," as Mr. Baxter put it, are matters of serious concern for the antitrust laws. At a time when we find interest rates extraordinarily high, we find many companies moving into the borrowing markets and reserving some $5 billion of funds for the purchase of another company, as a number of companies apparently did recently in connection with the Conoco takeover attempts. The heavy movement toward mergers which we have at present, characterized widely as merger mania, requires a much more vigorous attitude on the part of the Department of Justice and the FTC than we have seen up until the present time.

I personally believe that there is still great wisdom in the dictum of Judge Learned Hand from 1945:

> Great industrial concentrations are inherently undesirable regardless of their economic consequences.

While conventional wisdom on antitrust seems to shift and change from time to time, the warning that was handed down by Judge Learned Hand still points, in my judgment, to a major area of concern. I believe that concentration of political power is apt to follow the concentration of economic power. We are witnessing such concentration with the extensive and massive merger activity in this country at the present time. We are seeing mergers which are not based even prima facie on efficiency, mergers where the captains of industry are seeking profits from combination as opposed to innovation, and mergers which I believe should be subjected to very careful scrutiny under the antitrust laws of this country.

I think that the confirmation hearings for Mr. Miller pose an occasion and an opportunity when we should pause and focus on the antitrust policy that our Government is pursuing at the present time, both in the FTC, where Mr. Miller has been proposed for chairmanship, and in the Department of Justice's Antitrust Division.

I thank the Senator very much for granting me the floor, and I relinquish the floor at this time.

Mr. KASTEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KASTEN. How much time remains on the various sides for this debate?

The PRESIDING OFFICER. The Senator from Wisconsin has 12 minutes remaining; the Senator from Kentucky has 52 minutes remaining; and the Senator from Ohio has 25 minutes remaining.

Mr. FORD. Mr. President, the Senator from Ohio has authorized me to yield back the remainder of his time.

Therefore, I ask unanimous consent that I may do so.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I yield back the remainder of the time of the Senator from Ohio.

Mr. STENNIS. Mr. President, will the Senator yield to me?

Mr. FORD. Mr. President, I have 52 minutes. I am glad to yield to the Senator from Mississippi such time as he may desire.

Mr. STENNIS. I wish to speak out of order.

Mr. FORD. Mr. President, we are getting ready to close this out.

Mr. STENNIS. If I am in order fine.

The PRESIDING OFFICER. The Chair recognizes the Senator from Mississippi.

Mr. STENNIS. I thank the Chair.

Mr. President, I just came in the Chamber. I did not know what the parliamentary situation was. I wish some time, frankly 5 minutes, anyway, on the nominee for membership to the Supreme Court.

If I am in order, I wish unanimous consent that I, not having used any time today on any of these nominees, may have 5 minutes for that purpose.

Mr. FORD. Mr. President, I am delighted to yield the Senator 5 minutes on my time on another nomination, but there is some time saved for the minority side prior to the vote on the nomination by the ranking member of the committee.

Mr. STENNIS. Is that on the Supreme Court nominee?

Mr. FORD. Yes.

Mr. STENNIS. I thank the Senator very much.

Several Senators addressed the Chair.

ORDER OF PROCEDURE

The PRESIDING OFFICER. The Chair will restate the understanding with respect to the vote.

The Senator from Wisconsin asked for a unanimous-consent request a short time ago which was consistent with that order, but for purposes of clarity I should wish to state the order in its entirety.

Under the order previously entered, at the hour of 6 p.m. this evening the Senate will vote on the nomination of Sandra Day O'Connor to be an Associate Justice of the Supreme Court of the United States, to be followed immediately thereafter by a vote on the nomination of James C. Miller III to be a Commissioner of the Federal Trade Commission. At present there are orders entered for rollcall votes on both of these nominations. However, on the third nomination to be voted on tonight, namely that of James R. Richards, to be Inspector General of the Department of Energy, there has been no order entered for a rollcall vote.

I thank the majority and minority floor managers.

ORDER FOR YEAS AND NAYS ON THE RICHARDS NOMINATION

Mr. McCLURE. Mr. President, I wonder if there would be an objection on this side of the aisle if I were to ask unanimous consent that it be in order to ask for the yeas and nays on the confirmation of Mr. Richards?

Mr. FORD. I have no objection.

Mr. McCLURE. I make that unanimous-consent request.

The PRESIDING OFFICER. Is there a sufficient second? But first, is there objection to the request of the Senator from Idaho? There being none, it is so ordered.

Mr. McCLURE. Mr. President, I ask for the yeas and nays on the confirmation of Mr. Richards to be Inspector General of the Department of Energy.

The PRESIDING OFFICER. The Senator from California wishes recognition, and I will ask the Senator from California if he wishes to be recognized.

Mr. HAYAKAWA. If the Senator from Idaho will yield to me, are we talking about the Inspector General——

Mr. McCLURE. The Inspector General of the Department of Energy.

Mr. HAYAKAWA. I must enter an objection. I have not yet been sufficiently briefed to vote on this yet.

Mr. McCLURE. I am not asking that we vote now; I am asking that when we get to the vote, that it be by yeas and nays.

Mr. HAYAKAWA. I am perfectly agreeable to that. I have no objection.

The PRESIDING OFFICER. If the Senator from Idaho would restate his request——

Mr. McCLURE. I think we had obtained consent that it be in order to ask for the yeas and nays, am I correct?

The PRESIDING OFFICER. No objection has been lodged.

Mr. McCLURE. I ask for the yeas and nays on that nomination.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered on the nomination of James R. Richards to be Inspector General of the Department of Energy.

Mr. McCLURE. I thank the Chair and I thank the Senator from California.

Mr. FORD. Mr. President, I understand the distinguished Senator from Wisconsin has no further statements to be made on his side. I have no further statements on my side. I would like to propound a unanimous-consent request, if I may. Mr. President, I ask unanimous consent that at the conclusion of 10 minutes yielded to the distinguished Senator from Mississippi that all time on both sides be yelded back and that the next order of business be in order.

The PRESIDING OFFICER (Mr. HAYAKAWA). Is there objection? The Chair hears none, and it is so ordered.

Mr. FORD. Mr. President, do I understand and am I correct in understanding that the motion says that all time has been yielded back on both sides subject to the 10 minutes by the distinguished Senator from Mississippi?

The PRESIDING OFFICER. That is what I understand.

Mr. FORD. I thank the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

(The statement of Mr. STENNIS will be found at an appropriate place during the debate on the nomination of Sandra O'Connor.)

## DEPARTMENT OF ENERGY

### NOMINATION OF JAMES R. RICHARDS TO BE INSPECTOR GENERAL

The PRESIDING OFFICER. Under the previous order, the Senate will now turn to the consideration of the nomination of James R. Richards, of Virginia, to be Inspector General, which the clerk will state.

The assistant legislative clerk read the nomination of James R. Richards, of Virginia, to be Inspector General.

The Senate proceeded to consider the nomination.

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President, I rise in support of the nomination of James R. Richards for the position of Inspector General of the Department of Energy. Mr. Richards' nomination, upon receipt by the Senate, was referred to the Committee on Energy and Natural Resources. After a full review of Mr. Richards' background and professional qualifications, and after a hearing held on July 9, the committee unanimously reported the nomination on July 21 by a recorded vote of 17 to 0. Prior to the committee's action, Mr. Richards had fully complied with all of the committee's informational and conflict-of-interest requirements, and no issues remained unresolved.

The information that was made available to the committee indicates that Mr. Richards has had a distinguished career as a highly motivated, effective and objective public servant. I would also note that at no point during the committee's review of Mr. Richards' background was any question raised concerning Mr. Richards' integrity.

Mr. Richards has a distinguished record as a public servant in positions of responsibility which have prepared him and qualified him fully for the DOE Inspector General position. Early in his career, he was an assistant attorney general of Colorado. Later, from 1969 to 1973 he was employed by the U.S. Department of Justice as an assistant U.S. attorney in Denver, Colo; then as Chief of the Organized Crime Strike Force in Buffalo, N.Y.; and later as area coordinator in Washington, D.C., for the Department's Organized Crime Section.

Mr. Richards served from 1974 to 1977 as Director of the Office of Hearings and Appeals in the Department of the Interior. In that position, he had an independent status similar to that of an Inspector General. He was responsible for the successful resolution of many difficult legal disputes in the areas of energy and natural resources.

Unfortunately, as an apparent result of: First, Mr. Richards' most recent employment with public interest legal foundations; second, his testimony in an informal hearing before the Committee on Governmental Affairs; and third, his past professional association with Secretary of the Interior James Watt, Mr. Richards has been declared by some to be an "unsuitable nominee" for the DOE Inspector General position. I must respectfully disagree with such a conclusion.

The Senate has confirmed in this administration, and in the last one, a number of individuals who had been employed by public interest legal foundations and organizations. Some served in positions at the Justice Department with responsibility for enforcing Federal laws. Past employment by a public interest organization should not bar confirmation, particularly where an appropriate recusal has been prepared, as in Mr. Richards' case.

Mr. Richards' testimony before the Committee on Governmental Affairs reveals a man of convictions who was honest and forthright enough to express them candidly to the Senate. That candor and honesty should not render him "unsuitable," nor should his personal views, standing alone, act to disqualify him. Most importantly, Mr. Richards in that hearing reiterated his statement, made earlier before the Energy and Natural Resources Committee, that he would pursue objectively and zealously waste, fraud, and abuse in the Energy Department. That should come as no surprise, since he has done so throughout his distinguished career as a public servant.

Finally, Mr. Richards' past professional association with Secretary Watt should not have any bearing on this matter. DOE has a budget of over $13 billion and over a hundred thousand career and contract employees. The DOE Inspector General is responsible for audit and investigation of the direct DOE programs and employees. Secretary Watt, of the Interior, not of the Department of Energy. He is Chairman of the Cabinet Council on Environment and Natural Resources, with Cabinet-level responsibility for review of broad national policy issues. It is very difficult to demonstrate any arguable nexus between the respective responsibilities of these two men. There is no reason to suggest that their past professional association would impact in any way on Mr. Richards' discharge of his responsibilities as Inspector General.

I hope this discussion about Jim Richards' excellent qualifications and some of the allegations will set the record straight on his nomination. Mr. Richards is well qualified and will make an excellent and effective Inspector General at DOE. I would therefore urge each of my colleagues to support Mr. Richards' nomination.

Mr. President, I will close this portion of the discussion by reiterating what I said earlier: That on July 21, by a recorded vote, the Committee on Energy and Natural Resources unanimously reported the nomination by a vote of 17 to 0.

Mr. President, I call the attention of my colleagues to a letter I have distributed which discusses the Richards' nomination. I hope that all of my colleagues will review that letter before voting.

Mr. President, I have consulted with the distinguished Senator from Missouri concerning the allocation of time on this nomination. While the original consent agreement called for 3 hours, 2 hours to the Senator from Missouri and 1 hour to the Senator from Idaho, with 1 hour and 35 minutes remaining between now and 6 o'clock I ask that that time be allocated 1 hour to the Senator from Missouri and 35 minutes to the Senator from Idaho.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I yield such time as he may require to the Senator from Virginia (Mr. WARNER).

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, it appears to me that the opposition to Mr. Richards' nomination is centered on one fundamental argument, which is this: Because he has expressed strong views on a number of policy issues, there is the possibility that he would use the authority and independence of the Inspector General's office to somehow promote those views. For example, some have questioned whether Mr. Richards, in investigating DOE contracts with energy-producing companies, would vigorously pursue those investigations. The suggestion has also been made that he would not be fully responsive to complaints filed with his office by environmental groups.

Mr. President, I cannot accept the notion that Mr. Richards' policy views would adversely affect his performance

as Inspector General. The fact is, he would not have a policy position at DOE, nor would he even be an active participant in the policymaking function at the Department.

His role would be to serve as the internal agency watchdog, to make sure that the Department is run efficiently, and that its operations are free from fraud, abuse, and waste. In short, Mr. President, the concerns expressed about Mr. Richards, in my judgment, are not convincing, because there is an insufficient connection between his policy views and his actual role as DOE Inspector General. We are left with no reasonable basis for doubting the commitment he made when he appeared before the Committee on Energy and Natural Resources, of which I am a member—and I was present at that time—and stated unequivocally that, if confirmed, he intended to vigorously pursue his duties and responsibilities as the Inspector General of the Department of Energy.

Mr. President, it is for that reason and the reason that, in my judgment, he is well qualified to serve in this position, that I provide my unqualified endorsement of Mr. Richards.

The PRESIDING OFFICER. Who yields time?

Mr. EAGLETON. Mr. President, I yield 10 minutes to the distinguished Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. PRYOR. Mr. President, the matter before us this afternoon in the Chamber is really a simple one. It relates to James Richards, who may be, and probably is, a nice guy, but he is being nominated for the wrong job.

James Richards is a policy person, Mr. President. He is a self-described ideologue. He is a man who has worked for the last several years, not only as a lawyer on behalf of his client's involvement in energy policies, but also as a columnist writing articles expressing his strong ideas on energy issues. In my opinion, he is a logical candidate for a policy position somewhere in the Government, but demonstrably ill-suited to be an Inspector General.

An Inspector General should be objective and present an appearance of detachment from the emotional dimensions of an issue. Mr. Richards, in his approach and outlook, is inconsistent with this objectivity. Here are some of the problems I have with his nomination:

First. He has an ideological stake in certain energy activities and does not approach his investigative role with a record of neutrality and objectivity on the subject;

Second. He has publicly attacked organizations—if one can imagine this—like the National Wildlife Federation because of policy differences, but he would need to work with them as Inspector General and command their confidence and respect;

Third. He has staked out a position as a "team player" with Secretary Edwards of the Department of Energy, rather than as a watchdog removed from policymakers in the administration. An Inspector General in any agency should not be a team player.

Fourth. He is the choice to become the Inspector General at the Department of Energy of James Watt, who is now the Secretary of the Interior, who, because of his current position, will be interested in the outcome of energy-related program audits and investigations.

Fifth. Mr. Richards would begin his job with serious deficiencies in a Department of Energy having enough problems with waste and mismanagement without the added burden of Inspector General. Should he be appointed, we are simply telling the taxpayers that we will cut Social Security and national defense spending—but we are giving waste in DOE the propensity to continue because we failed to send effective troops into the battle against waste.

Of all departments, the Department of Energy needs a strong Inspector General. It needs one who will look at the contractors spending tax dollars and making policy. Last year, the Governmental Affairs Committee looked at this issue and, as subcommittee chairman, I found the following significant facts:

While the DOE does not know how many employees work for it under contract, the number may well be 10 times the number of civil servant employees;

The Department's recordkeeping is so poor that it is apparently paying out money for contracts for which the official contract office literally lacks any records;

The Department was unable to produce, after repeated requests from my staff, much of the work paid for by taxpayers on millions of dollars in recent and ongoing contracts; and

Contractors today are running the Department of Energy. They prepare basic plans and budget documents, reports to Congress, and congressional testimony. They answer mail from the public and from Congress. They are paid to prepare basic components of their own contracts, and contracts for others as well. They virtually run the contract file room. They prepare the DOE organization charts and job descriptions of civil servants.

The contractors most heavily relied on by the Department are those who publicly boast of their oil and utility clientele.

Mr. President, do we need an Inspector General who might be questionable about looking into the oil and utility clientele of these contractors? Do we need an Inspector General who might be questionable in his or her zest for finding what the relationship of a contractor and the Department might be?

Mr. President, in a Department so rife with mismanagement and discredited because it is out of control, Mr. Richards fails to meet the test of the type of individual we need. Here is a man who seeks to be a prosecutor, an investigator who comes to the job saying unfavorable things about people who may bring investigative information to him. His comments about the National Wildlife Federation—that it is an extremist group—were not made as a lawyer and advocate but as a columnist. And they were made not in the ancient past but as recently as January 1981.

An Inspector General of any agency, especially the Department of Energy, should be so fiercely independent that he frightens policymakers. He must be the advocate for the citizen, the taxpayer. He should be the one person in a bureaucracy who looks under every rock for hidden misconduct, who encourages and supports whistleblowers, and who never settles for the simple and glib answer. He should be ready to fight for the taxpayer against Cabinet members, Presidents, and Congressmen.

Mr. President, let us face the facts: Mr. Richards is being put in this job by James Watt, who is in another Department as Secretary of the Interior. He owes his appointment to Watt and he knows it. He also knows that Mr. Watt heads the Cabinet's energy and natural resources task force. And he probably knows that the administration is considering moving some of the DOE jurisdiction to Interior. It sounds a little bit incestuous, Mr. President. Frankly, I wonder whether a whistleblower on Jim Watt's staff could confide in a Jim Richards, and whether an audit of Jim Watt's proposals could ever be initiated. It raises a question, and it is a serious question.

But the issue is not James Watt, the Secretary of the Interior. The issue is, do we want one of his people, one of his team players, to be a watchdog over the Department of Energy? The same would have been true of a friend of Cecil Andrus as his watchdog. It is in the best interests of everyone, including Secretary Watt, to have a watchdog who is nobody's pet.

In his testimony before our committee, Mr. Richards seemed to downplay the issue of inspector general independence. He made light of it.

In fact, I went over that day to listen to his testimony, not having any questions prepared, and frankly, not having any serious reservations about this man, James Richards. But after I heard the very pointed questions by the Senator from Missouri (Mr. EAGLETON) and the very fine questioning by the Senator from Michigan (Mr. LEVIN), I began to have deep reservations about this appointment.

He told us, in fact, in that hearing, that he wanted to be a team player, that he wanted to join Secretary Edwards' team and work cooperatively in that job. He even said he wants to dig for fraud, waste, and abuse. But he is not independent, and that is the problem. I thought we made very clear that work of this kind is tough to accomplish, if not impossible, except as an independent Inspector General. What we want is someone who will keep an eye on the team, who will challenge that team, and not be a part of it.

Mr. Richards worked for two organizations with close ties to oil and gas interests—the Capital Legal Foundation and the National Legal Center for the Public Interest. Such associations could

certainly lessen the public's perception that his audits would be as demanding, objective, and hard hitting as they should be. Yet, Mr. Richards himself has put us on notice that past associations are appropriate criteria for judging individuals and that officeholders are influenced by such associations.

In my opinion, we should ask the President of the United States to give us another name for the Energy Inspector General's role. This job is too crucial and the tax dollars too great to settle for a bad or a weak choice or for a choice who may not be independent.

I cannot help recalling the words of Henry Clay in this connection:

Government is a trust, and the officers of the Government are trustees; and both the trust and the trustees are created for the benefit of the people.

Mr. President, James Richards is the wrong man for the wrong job. and I cannot think of one reason why anv Member of the Senate would vote for the confirmation of his nomination to this critical job.

Mr. EAGLETON. Mr. President, I thank my colleague for his much deserved praise of me and Senator LEVIN.

Mr. WARNER. Mr. President, I ask unanimous consent to have printed in the RECORD additional material: A biographical sketch of Mr. Richards, and a recusal statement made by this nominee at the time of his hearing.

There being no objection. the material was ordered to be printed in the RECORD, as follows:

BIOGRAPHICAL SKETCH OF JAMES R. RICHARDS

Mr. Richards was born in Kinderpost, Missouri, on November 21, 1933, and at an early age, moved to Western Colorado. He attended public schools there and upon graduation from Delta High School in 1951 entered Western State College, a small liberal arts college located in Gunnison, Colorado. While there, he was twice all conference in football, President of the Student Body and elected to Who's Who in American Colleges and Universities. In 1955. he received a B.A. degree in History-Political Science and English.

After graduation, Mr. Richards spent the summer as an executive trainee with Goodyear Tire & Rubber Company in Akron, Ohio. He returned to Colorado in the fall of 1955 and became Admissions Counselor at Western State College.

In 1957, he entered the Law School at the University of Colorado where he was a member of Phi Delta Phi and Vice President of his class. He received his LLB in 1960.

After passing the Colorado bar examination, he was appointed Assistant Attorney General for the State and represented the State Highway Department and the State Patrol.

In late 1962, he was asked by U.S. Senator Peter Dominick (R. CO) to join his new Senate staff as Legislative Assistant. He accepted this appointment in January of 1963 and later became Executive Assistant to the Senator, assisting the Senator in his duties with the Senate Banking and Currency. Labor and Public Welfare, and Interior Committees. He also handled various administrative and political duties.

In 1966, he returned to Colorado to open a law practice. For the next three years he was both a sole practitioner and a partner in a small firm.

He decided to accept an appointment as an Assistant U.S. Attorney in Denver in February of 1969. During his two year tenure in that capacity he tried a variety of civil and criminal cases, including a grand jury investigation and litigation involving acts of sabotage in the Denver area. In late 1970, he left Denver to become Chief of the Organized Crime Strike Force in Buffalo, New York. While in Buffalo, he handled investigations and trials of organized crime figures and convicted two legislators of bribery and conspiracy in connection with a proposed $50 million domed sports stadium. In March of 1972, he became an area coordinator of the Organized Crime Section in Washington, D.C., and handled several major investigations and trials throughout the country.

In 1974, he was appointed by then Interior Secretary Morton to be Director of the Department's Office of Hearings and Appeals. This office handled all the quasi-judicial functions for Interior including public lands and energy resource matters.

With the change of Administrations in early 1977, Mr. Richards joined the National Legal Center for the Public Interest as a consultant and authored research on various public interest issues. In early 1978, he continued his work in public interest law and became Vice President of the Capital Legal Foundation, a newly formed non-profit litigating firm in Washington, D.C. In the fall of 1980, he again joined the National Legal Center, this time as General Counsel and Vice President.

Mr. Richards is, single and is a resident of Arlington, Va.

RECUSAL STATEMENT

If confirmed as Inspector General of the Department of Energy, I would recuse myself from participation in, or providing any advice with regard to, (a) any litigation in Federal or State court, and any administrative proceedings (other than the formulation or promulgation of a rule of general application) involving the adjudication of a specific matter, in which the Capitol Legal Foundation was or is a party, or represents a party, and (b) any litigation in which I participated as local counsel for the Mountain States Legal Foundation.

Mr. WARNER. Mr. President, I yield to the Senator from Alaska.

Mr. STEVENS. Mr. President, I join in endorsing James R. Richards as being fully qualified for the position of Inspector General of the Energy Department. The nomination of Mr. Richards was reported by the Committee on Energy and Natural Resources by a vote of 17 to 0, which should indicate great support from those of us having the most direct information on his qualifications.

We know of his extensive experience with the Justice Department and the Department of the Interior. In the Interior Department, as Director of the Office of Hearings and Appeals, he had an independent status much like that required by the Inspector General's position in the Department of Energy.

It seems to me that the attacks on Mr. Richards are primarily associated with his recent employment by public interest legal foundations and his contacts with the Secretary of the Interior, Jim Watt. To me, both arguments are without merit.

I believe we should emphasize that employment in public interest law firms has served as experience for numerous individuals appointed by this administration and prior administrations. The issue seems to be what type of public interest firm is involved.

In particular, Mr. Richards has been accused of taking a biased view of energy and environmental issues. Those who oppose Mr. Richards' nomination have claimed that he is strongly committed to a doctrinaire set of views on a range of energy, environmental, and regulatory issues. Various examples of his views have been provided, including his use of the term "environmental extremist groups" in referring to several major environmental organizations.

Before we draw any conclusions about his use of that phrase, we should hear the rest of the story. In testimony before the Governmental Affairs Committee, he was asked to define that phrase as he had used it. His response was most informative. He defined the phrase "environmental extremist groups" very precisely. He said they were groups that take a position that their position is right, that there is no compromise, and that no other position can be tolerated.

Mr. Richards' definition did not relate to the merits of the positions taken by the environmental groups. He did not suggest that they have extreme positions on issues. Rather, he did nothing more than provide his view of the method of advocacy used by certain environmental groups.

Many would agree with that view. I know that I do. I know that, on the floor of the Senate, I have used the same phrase, "environmental extremist groups," in precisely the same way.

Does Mr. Richards' use of that particular term render him an ideologue who is unsuitable for the position of Inspector General? I hope not, and I hope the Senate will vote for the confirmation of his nomination. I know that I shall.

Mr. EAGLETON. Mr. President, I yield 15 minutes to the distinguished Senator from Michigan (Mr. LEVIN).

Mr. LEVIN. Mr. President, I oppose the appointment of James Richards to be the Inspector General of the Department of Energy.

Like most of my colleagues, I believe that the President should be able to appoint those whom he believes can best meet the goals of his administration, for policy positions within the administration. Most of the positions the Senate is asked to confirm are policy positions, and the President's judgment of a particular individual's qualifications should be of great weight on the confirmation scale. It is our role to assure that the nominee has the integrity to serve the Government with honor and has a basic familiarity sufficient to adequately fill the assigned post.

The position of Inspector General is in somewhat a different category. In England, for example, such a position would be filled by a civil servant who had nothing to do with politics. The office of Inspector General was established because policymakers throughout the Federal Government were not judiciously moni-

toring the operation of their agencies' activities. One of the primary reasons for this was a lack of independence of investigatory and auditing responsibilities from the general administration of Federal departments.

To do the job properly, an Inspector General must be independent of the agency in which he or she serves, not sympathetic to or antagonistic toward the agency or its head, but almost indifferent to its policy goals. Unfortunately, Mr. Richards does not meet this standard. This is not a criticism of Mr. Richards' talents or his character, simply an analysis of his inability to meet this high standard that must be required for all Inspectors General.

During the Senate consideration of the Inspector General Act of 1978, four of the eight amendments offered by the distinguished Senator from Missouri, and accepted by the Senate, were aimed at strengthening the independence of the Inspectors General. All of these amendments are now part of the statute creating Inspectors General. The four do the following:

First, assure that the Inspector General cannot be prohibited from investigating certain areas by the head of the agency;

Second. Require that the President must explain to both Houses of Congress if he or she removes any inspector general from office;

Third. Require inspectors general to review legislation and regulations to judge if they are enforcible; and

Fourth. Give inspectors general power to protect confidentiality of those within the Department who provide information to inspectors general.

These amendments were accepted to emphasize the importance of the independence of the inspector general. The amendments were deemed necessary because of testimony like that of the General Accounting Office, stressing the need, "to insure that auditors are insulated against internal agency pressure so that they can conduct their auditing objectively and report their conclusions completely without fear of censure or reprisal."

As the Government Affairs Committee stated in their report—

The alternative is an exercise in futility where auditors and investigators report to, and are under the supervision of, the very officials whose programs they are supposedly auditing and investigating.

From that same committee report:

In most of the agencies covered by this legislation, this cardinal principle is being violated. In many cases, the audit and investigative units report to the Assistant Secretary for Administration, the person whose broad policy responsibilities are often likely to be questioned and investigated. In general, the lack of independence of many audit and investigative operations in the executive branch is striking.

In that same Governmental Affairs Committee report of 1978, the committee wrote:

The committee wants Inspector and Auditors General of high ability, stature and an unusual degree of independence—outsiders, at least to the extent that they will have no vested interest in the programs and policies whose economy, efficiency and effectiveness they are evaluating.

Finally, from the same report, the Governmental Affairs Committee wrote, in 1978:

Above all, the Inspector and Auditors General created in this legislation would have the requisite independence to do an effective job.

How does this nominee measure up to the standard of independence and objectivity?

First, he describes himself as an ideological zealot, and it was clear from the testimony that this self-analysis was not limited to the zealous pursuit of waste and fraud.

On page 52 of the RECORD Senator EAGLETON asked the following about a column that the nominee wrote:

Senator EAGLETON. Isn't the tone of that column from which I quote, "zealous, sweetheart disposition; overly favorable terms to zealots, stocked key government offices, et cetera," isn't the tone of that column a little bit like the tone of this Reagan victory newsletter from Capital Legal Foundation?

Mr. RICHARDS. I don't think so, Senator. I am a zealot.

Senator EAGLETON. You are?

Mr. RICHARDS. Yes, I am. I pursued the things I was doing with a great deal of zeal.

Senator EAGLETON. Would you consider yourself to be an ideological zealot?

Mr. RICHARDS. In certain matters, yes.

Senator EAGLETON. Would you consider yourself to be an ideologue?

Mr. RICHARDS. Sometimes on certain matters, yes.

On page 57 of that same transcript after Mr. Richards said that he a zealot against fraud, waste and abuse, I asked him:

Senator LEVIN. You are also a zealot on lots of things; lots of ideological issues, even a zealot of fraud, waste and abuse.

And I asked him:

You are a zealot, aren't you, policy-wise?

Mr. RICHARDS. I guess it depends on your point of view, but I am a zealot, and I admit to it. I pursue my philosophies with a great deal of zeal, Senator.

As an Inspector General, as you know, the Inspector General is not generally involved in making policy. That belongs to the Secretary and his line of assistant secretaries.

Senator LEVIN. The question is whether or not you would be able to keep your zealous—in your words—ideological beliefs away from that office any more than the people that you accused the Carter administration of appointing were able to keep away from their office.

Mr. RICHARDS. I would probably succumb to those same human failings, Senator.

Webster's Thesaurus' definition of "zealot" is basically the same as that of other dictionaries, and give the definition of fanatic as the principal meaning of the word "zealot."

For this nominee for Inspector General, whose independence and objectivity is the most critical hallmark, to describe himself as an ideological zealot it seems to me in and of itself reflects an insensitivity to the needs of this job and shows a lack of qualification for this particular job.

Mr. President, his objectivity, his appearance of objectivity, has been influenced by the doctrinaire ideological zealousness that he has shown.

The Senator from Alaska a moment ago said that he does not see any problem in the definition that the nominee has given in terms of groups that he calls environmental extremists, that his definition of environmental extremists in those groups sounds pretty good.

It is the application of that definition that I challenge. It is the conclusion that this nominee reaches, the group such as the Sierra Club, the National Wildlife Federation are environmental extremist groups.

That is what Mr. Richards says about the National Wildlife Federation and the Sierra Club as follows in the transcript. We asked:

Do you consider those two organizations environmental extremist organizations?

And he said:

I think they take some extreme positions on environmental matters.

Senator LEVIN. You described them as environmental extremist organizations. Do you stick by that description?

Mr. RICHARDS. Yes.

First of all, the National Wildlife Federation is known to all of us, and I do not think that federation would be described by any Member in this Chamber as being an environmental extremist organization.

The fact that he, from his ideology, reaches the conclusion that they are says something about the objectivity of this particular nominee.

As a matter of interest, Mr. President, the National Wildlife Federation associate members, according to their own poll, voted 2 to 1 for President Reagan over President Carter in the 1980 election, hardly an indication of an environmentally extreme organization as described by this nominee.

Third, Mr. President, there is other evidence that the nominee does not measure up to the standard of independence we should require of Inspectors General.

He first applied to be Inspector General of the Department of the Interior. However, that was stopped by the White House. The White House rejected this proposal—and these are Mr. Richard's words on page 56 of this transcript:

. . . Because they felt that the relationship between Jim Watt and I was too close and I could not maintain the independent relationship required of an Inspector General.

Then Senator EAGLETON asked him the following question:

Is it not true that Secretary Watt has been named by the President to be the Cabinet coordinator for energy policy matters?

Mr. Richards said yes, he had heard that.

In other words, Mr. President, he was disqualified by the White House for not having the appearance of independence which would be required of the Inspector General of the Department of the Interior because of his close personal

relationship with Mr. Watt, and yet here it is that he is being nominated to be Inspector General of the Department of Energy, and the same Secretary Watt has been named by the President to be Cabinet coordinator of energy policy matters.

The White House logic was good in the first instance in saying that they would not nominate Mr. Richards for inspector General of the Department of the interior because of his close relationship with Secretary Watt. That logic should carry forward and disqualify Mr. Richards for the same inspector generalship in the Department of Energy when Secretary Watt has been named Cabinet coordinator for energy policy matters.

Finally, Mr. President, Mr. Richard's view of the Inspector General's job does not give us much assurance that he understands the independent nature of the job.

On pages 60, 61, and 62 of this transcript over and over again Mr. Richard said that he hoped to be part of a management team in the Department of Energy, a management team.

I would suggest that the Inspector General is supposed to be independent of the management, not antagonistic toward the management of the Department of Energy, but independent of that management.

Mr. President, doctrinaire zealots, partisan ideologues and management team members are not the stuff that Inspectors General should be made of. This is not a personal matter. It has nothing to do with the character or integrity of the nominee. I have no doubt of either. I think he is well qualified for a policy position in this administration.

It has to do with what we believe the Inspector General should do. So while it is not personal, and while it has nothing to do with character and integrity, it has everything to do with independence and the appearance of objectivity that Inspectors General should have.

I thank the Chair and I thank my friend from Missouri for yielding.

Mr. EAGLETON. I yield 5 minutes to the distinguished Senator from Florida (Mr. CHILES).

Mr. CHILES. I thank the distinguished Senator from Missouri.

I rise to oppose the nomination of James Richards. In doing so, I want to remind my colleagues that Inspectors General were intended to be different from executive branch policy positions which require advice and consent from the Senate.

The Congress established different standards for Inspectors General when it passed the Inspectors Generals Act in 1978.

They were to be individuals of demonstrated ability in the areas of audit and investigations—we wanted professionals.

They were to be individuals chosen "* * * without regard to political affiliation * * *." And most importantly they were to be individuals capable of exercising independent judgment.

This quality of "Independent judgment" is crucial if the balance struck in the act between the head of departments and the Congress is to be maintained.

While the act states that an Inspector General shall be under the general supervision of an agency head, it explicitly notes that an agency head shall not prevent or prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation. Moreover, the Inspectors General are to report to the Congress every 6 months in carrying out their responsibilities.

Recall the reasons behind why we created Inspectors General. We wanted to put a thorn in the side of agencies. We wanted an irritant in the agency which would point out fraud and waste.

We all know how difficult it is for a Cabinet Secretary to tell on himself. That is a natural human problem. We wanted the Inspectors General to be there unconstrained and free to point out the problems.

The administration itself has pointed to the importance of this independent character for IG's by declaring the President's intent to name people "meaner than a junkyard dog" to these positions.

I know a little something about junkyard dogs. What makes them mean is that they are always hungry. And they fight. I agree that is kind of what we should have as Inspectors General.

But I do not believe Mr. Richards' temperament can be described as hungry or combative. This nominee could be better characterized as a poodle than a junkyard dog. That is not what the Congress intended for this job.

Mr. President, I feel strongly that the Inspectors General, creatures created by the Congress, are important actors in the fight against fraud and waste.

I personally conducted the confirmation hearings on all the Inspectors General nominated after the 1978 act was passed. Some were better than others. But all of them, including those that have been selected by this administration to date, met a basic standard of independent character.

I believe Mr. Richards' selection is a departure from this standard. He might be a fine candidate for this administration in some other capacity. But not as an Inspector General.

During confirmation hearings Mr. Richards stated how the White House believed his potential nomination as Inspector General for Interior was "out of the question." As Mr. Richards put it:

> Because they felt that the relationship between Jim Watt and I was too close and I could not maintain the independent relationship required of an Inspector General.

Changing the position from Interior to Energy does not, in my mind, change the essence of this judgment. Given Mr. Watt's role in energy policy as Chairman of the President's Cabinet Council on Natural Resources and Environment, Mr. Richards' background, and the lack of any real expression by Mr. Richards on the independent character of the Inspector General's Office is just not there, and I will vote against Mr. Richards for this particular post.

(Mr. SYMMS assumed the chair.)

Mr. EAGLETON. Mr. President, today the Senate considers the nomination of James Richards to be Inspector General of the Department of Energy. This is the first time that the Senate has debated an inspector general nomination, and it will be the first time that such a nomination comes to a rollcall vote.

But if we are breaking new ground in debating this nomination, it is because President Reagan has broken new ground by nominating Mr. Richards.

In enacting the Inspector General legislation, Congress stated its clear intention that the IG's must be men and women of ability and professional accomplishment. But Congress also intended that the IG's bring other qualities to their jobs; that they be nonpartisan, impartial, objective, nonideological. One concept runs through the statute and the legislative history: Independence—the independence needed to objectively audit and investigate departmental programs and the performance of departmental officials running those programs.

Against this backdrop, President Reagan has appointed an ideologue, a self-acknowledged "ideological zealot," a man with deeply held, doctrinaire views—on the whole range of energy and environmental issues. Unsurprisingly, Mr. Richards' passionately held views in the energy and environment area mirror the views held and policies pursued by key Reagan administration officials. And if Mr. Richards' doctrinaire views and dedication to the policy goals of the Reagan administration were not disturbing enough for an IG, Mr. Richards' longstanding friendship and working relationship with Secretary Watt compounds the danger of this nomination and erases any hope that he can perform with the independence that Congress expected of the IG's.

As the chief Senate sponsor of the 1978 Inspector General Act, I strongly oppose this nomination. It sets a terrible precedent and threatens to do lasting damage to the effectiveness and credibility of the Inspector General Offices.

A brief review of the history and purpose of the Inspector General Act helps make clear just how inappropriate this nomination is. Congress adopted the Inspector General Act because the executive branch's approach to audit and investigation activities was not working to combat fraud, waste, and mismanagement. In passing the Inspector General legislation, Congress opted for strong medicine, a substantial departure from "business as usual." The act centralized audit and investigative responsibilities in a single high-level official reporting only to the head of the department and to Congress. By doing so, the act eliminated the common practice followed by the agencies of having auditors and investigators reporting to the officials who ran the programs supposedly being audited and investigated.

But Congress also made it clear that the IG's were to have unique independence even from the head of the department. Section 3 of the act provided that the agency head could not—

> prevent or prohibit the inspector general from initiating, carrying out or completing

any audit or investigation, or from issuing any subpoena during the course of any audit or investigation.

Section 5 insured that the reports required of the IG's—both the routine semiannual reports summarizing the office's activities and the reports on "particularly serious or flagrant problems, abuses or deficiencies" would go to the agency head, then to Congress, but that the agency head must send the report along to Congress without change, although the agency head could add such comments deemed appropriate.

The legislation also establishes that the IG's occupy a unique position in the executive branch, even vis-a-vis the President. The legislation takes the unusual step of stating that while an Inspector General—

may be removed from office by the President, the President shall communicate the reasons for such removal to both Houses of Congress. (Section 3(d).)

Congress included these provisions so that the inspectors general would have unique independence. The Senate committee report on the legislation makes these significant observations:

The inspector general's authority to initiate whatever audits and investigations he deems necessary or appropriate cannot be compromised. If the head of the establishment asks the inspector general not to undertake a certain audit or investigation, or to discontinue a certain audit or investigation, the inspector general would have the authority to refuse the request and to carry out his work. Obviously, if an inspector general believed that an agency head was inundating him with requests in certain agencies to divert him from looking at others, this would be the kind of concern that should be shared with Congress. (Page 9.)

* * * * *

Even if the requirement [for the President to communicate his reasons for removal to Congress] places some constraints on his removal power, the Committee believes that the requirement is justified and permissible. [Supreme Court cases] have made it clear that limitations on the removal power are permissible with respect to those offices whose duties require a degree of independence from the executive. The Committee intends for the inspector general to have that measure of independence. (Page 26.)

The provisions already discussed illustrate the institutional relationships and independence that Congress envisioned for the IG. The legislation also includes provisions dealing directly with the personal qualifications of the IG's.

IG's are to be appointed "without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations".

Unlike most other Presidential appointees, they were prohibited from engaging in partisan political activities.

The overall intent of the legislation is clear beyond dispute. As the committee report indicates, Congress

want[ed] inspectors general of high ability, stature and an unusual degree of independence—outsiders, at least to the extent that they will have no vested interest in the programs and policies whose economy, efficiency and effectiveness they are evaluating (Page 9).

The evident congressional concern about the kind of people who would become IG's is understandable. Congress was making the IG's the cutting edge in the effort to combat fraud, waste, and mismanagement in the Federal Government given their extraordinary independence and power. Congress recognized that, given relatively limited resources and a broad array of programs to oversee, the IG's would inevitably have enormous discretion in setting their priorities and using their powers. Those powers should be exercised by people whose independence and objectivity was beyond question, people who had no personal or ideological axe to grind.

This review of the IG statute and the legislative history should remind the Senate of the full scope of its responsibility today. The IG's occupy a unique place in the executive branch: They are not policymaking officials, in a very real sense, they are Congress men and women as well as the President's. What may be completely adequate for a policymaking official may not suffice for an IG. Moreover, the President is not entitled to the same wide latitude which the Senate grants him in nominations to policymaking posts. No one can quarrel with the idea that the President is entitled to policymakers who reflect his ideological orientation. But the Inspectors General are not policymakers, and these important positions are not appropriate for "ideological zealots."

Which brings us to Mr. Richards.

For the 3 years prior to his nomination, Mr. Richards has been vice president and legal director of two legal foundations: Capitol Legal Foundation and the National Legal Center for the Public Interest (NLCPI). Capitol and NLCPI are a part of a recently established network of affiliated legal foundations. James Watt, the current Interior Secretary, is the best-known alumnus of this network of legal foundations. Mountain States Legal Foundation, which Watt directed, is the best known link in the chain.

According to a June 2, 1980, press release:

NLCPI and its affiliated foundations seek a balanced perspective in the tradition of American free enterprise principles on broad public-interest issues in the courts and regulatory agencies. The Centers undertake legal actions dedicated to the preservation of sound economic growth, equal opportunity, private property rights, and provide responsible and balanced spokesmanship based on traditional American values.

The legal battles fought by the centers included trying to stop efforts of environmental groups to impose environmental impact statements for the United States exports to foreign nations; affirming the use of Puget Sound for unloading Alaskan oil tankers; easing restrictions on nuclear plants and affirming the constitutionality of the Price-Anderson Act, which limits liability for nuclear accidents. There is no question that the foundations have uniformly advocated the probusiness, prodevelopment, antienvironment, antiregulation side of legal disputes. This is not surprising, given the purposes for which the foundations were created. A 1975 NLCPI statement notes that:

Extremists in the environmental movement must be effectively opposed in the courts. Government bureaucrats who persist in their bias against the private sector must be taught the rule of law in the courts if private institutions are to survive.

The positions advocated by the foundations are also not surprising given who funds them. A. O. Sulzberger of the New York Times observed in 1979 that Dow Chemical Company was NLCPI's largest contributor ($25,000) and that 60 percent of the NLCPI budget comes from 330 large and small companies, including the three automakers, such oil companies as Texaco, Exxon, Gulf, and Mobil and a spread of other companies in fields as varied as steel and potatoes.

Capitol Legal Foundation has apparently not had as diversified a funding base. According to a Washington Star report, Capitol received 44 percent of its 1980 funds, or $135,000 from the Scaife Family Charitable Trust, (this trust is the principal stockholder of Gulf Oil), and 13.5 percent or $40,000 from Fluor Corp., a diversified energy holding company, whose vice president has been chairman of the board of Capitol.

A series of statements by representatives of the foundation provide some insight into the ideological zeal of the organizations and their principal players (including Mr. Richards).

Let me read an illustration from the Capitol Legal Foundation's November 12, 1980, newsletter entitled, "Reagan Victory Effect on Public Interest Law Groups." Capitol, of course, is the foundation that Mr. Richards was the vice president and legal director for 2½ years:

Reagan's victory, reflecting in part a substantial shift in public opinion toward the center or right of our political spectrum, will substantially increase attacks by movement of the left public interest law groups on American political, social and economic institutions. This is because:

1. These groups originated in opposition to Republicans in 1970 and flourished better under Republicans than Democrats.

2. Individuals who joined the Carter Administration will return to their public interest folds as the new administration takes office.

3. The Republican victory in the Senate has or will release from Senate staff positions many highly-trained dedicated, even zealous members of movement of the left, who will return to the groups that bred them, and/or housed them.

4. Funding for movement of the left's groups decreased under the Democratic administration, but will increase with the new administration as individual and foundation supporters prepare to oppose the new administration's policies.

5. Energies of many of these groups naturally increase when they are in opposition, rooted as some of them are in self-hatred and/or contempt of the system that created them. The effectiveness of the movement of the left groups is likely to increase because of the influx of experienced Senate and administration's staff.

An administration in power is always vulnerable to attack from outside, through the courts, the media and passive cooperation between second and third-rank members of

the fifth estate, i.e., the bureaucracy. Accordingly, we anticipate that centrists and right-of-center public interest groups will have to play a much more active role in the next four years in order for them to represent their constituency adequately.

Let me read from Capitol Legal Foundation's year end report, January 14, 1981. After reviewing their litigation (at least some of which seems to be quite useful), the report goes on in a section entitled, Nader Network Report:

We completed our report on Nader's network at the end of the year. Several publishing groups and columnists are interested in it. After it has been reviewed by outside counsel, we will endeavor to see that it is disseminated as widely as possible. We believe it will change somewhat the public's perception of Mr. Nader and his myrmidons.

There is evidence that the foundation is quite preoccupied with Mr. Nader. In another letter, the foundation's president writes:

I am pleased to report that the Nader study will be completed in draft form by the first week in October. Portions of the report have already proved useful. For example, the President of Standard Oil will debate Nader on the Donahue show. They were delighted with the complete dossier we supplied them on his organization's finances and compliance with the law. At least two publishing houses have shown some interest in publishing it and I expect it will create more than a little stir when it is published.

These are the organizations where Mr. Richards worked for the past 3 years, and it is fair to attribute to him the views and attitudes that these statements reflect. Mr. Richards was not one lawyer working in a 200-man law firm or a large corporation where he can convincingly disassociate himself from statements made by the top people. Both Capitol Legal Foundation and NLCPI were very small organizations. Capitol, in 1980, grew from one lawyer—that was Mr. Richards—to three full-time lawyers. NLCPI also had a very small staff, numbering eight—four professional and four support, as of 1979.

Moreover, Mr. Richards is no recent law graduate who gravitated to the only job he could find. He was an accomplished lawyer with experience in both Government and private practice who chose to go to work for two new right-wing legal foundations at salaries of roughly $30,000 a year, when he undoubtedly could have earned a great deal more money, because he believed fervently in their causes. Deep convictions are to be admired—I hold some myself—but it cannot be gainsaid that Richards is an ideologue who strongly espouses the same kind of views that we have heard so far.

But we do not have to derive Mr. Richards' views from those of the groups with which he was affiliated. We have his own words in testimony before the Governmental Affairs Committee; in a column entitled. "Legal Jargon" that he contributed regularly to Oil and Gas Reporter, a trade publication for the oil and gas industry; and in other written work.

For example, in a January 1981, column Mr. Richards describes litigation which delayed the completion of a refinery near Portsmouth, Va. He writes:

The end result is that the first oil refinery on the East Coast in almost a quarter of a century is still far from being completed * * * If this pattern continues and a few environmental zealots are allowed to continually obstruct any real progress, we are in for more long gasoline lines and more energy shortages.

Then he goes on:

One last problem bears mention. The current administration (the Carter administration) stocked key government offices with members of these environmental extremist organizations. Thus, the Department of Justice * * * which is staffed by lawyers from the Sierra Club, the Natural Resources Defense Council, the National Wildlife Federation, and similar groups. As a result, in the past four years, we have seen some "sweetheart" settlements of law suits brought by former associates of these Justice lawyers against government agencies * * * Hopefully, with a change of administration, it may not be necessary for this foundation to intervene in order to assure that issues are fairly litigated, but it appears that new life may be breathed into the litigation strategy when these government lawyers go back to their former positions in the environmental community.

I think it is appropriate to note the resemblance in theme and tone between Mr. Richards' column and the Capitol Legal Foundation's victory letter.

In 1977, working as a consultant to the NLCPI, Mr. Richards wrote a memorandum on the subject of "Legal Priorities Affecting Development of Energy Resources in the Rocky Mountain West." This memo helped lay the groundwork for the creation of Mountain States Legal Foundation, headed by Mr. Watt. The memo, and I ask unanimous consent to place it in the RECORD, includes these comments:

Reviewing Hill against TVA, the snail darter case, before it reached the Supreme Court, Mr. Richards commented:

If both the Court's opinion and the proposed regulations are allowed to stand * * * this will mean that the now infamous furbish lousewort (a snapdragon) may kill the Dickey-Lincoln project in Maine. Honorable mention should go to Clokey's thistle in Nevada (a tumbleweed) and unnamed chickweed in Colorado. One only needs to take a look at the current endangered species list, and imagine trying to cope with the Utah Prairie Dog or the Salt Marsh Harvest Mouse.

* * * * *

Other Congressional enactments and their regulatory implementation tend to strangle operators like the independent oil and gas producers.

* * * * *

Much of the low-sulphur coal in the West lies beneath Indian Reservations or ceded lands. Many coal developers have learned that dealing with Indian tribes makes for a very uncertain world. * * *

It is particularly frustrating to be told about the evils of stripmining. If the cover on the land is sparse, it cannot be revegetated. If the cover on the land is adequate, it will be destroyed. In the final analysis, stripmining may be acceptable to the Indian tribes if the price is right, whereas it will never be acceptable to environmental extremists.

There being no objection, the memo was ordered to be printed in the RECORD, as follows:

LEGAL PRIORITIES AFFECTING DEVELOPMENT OF ENERGY RESOURCES IN THE ROCKY MOUNTAIN WEST

INTRODUCTION

The National Legal Center for the Public Interest has commissioned this study to determine, as nearly as possible, the legal priorities affecting the development of energy resources in the Rocky Mountain West. Considerable attention was given to meetings and discussions with industry executives, Federal and State Government officials, attorneys prominent in the energy law field and public interest groups. Based on suggestions and leads gathered in the discussions and independent research, certain general problems and some rather significant legal issues have surfaced.

GENERAL OBSERVATIONS

If we should have learned any lesson from the oil embargo of 1973–74 and the natural gas shortage this past winter, it is that our traditional sources of energy are finite and rapidly dwindling. These crises have tended to focus national attention on energy and, as Emerson once observed: "Bad times have a scientific value. They are occasions a good learner would not miss." Yet to listen to some of the current rhetoric, one doubts that we have learned very much. There still seems to be a rather widely held view that energy fuel shortages are being engineered by a conspiracy among the major oil companies. Some of these people tell us that we have to break up the major oil companies and replace them with a Government owned energy development agency.

Others contend that we must fight a holding action, utilizing conservation methods and fossil fuels while we accelerate efforts toward the development of solar and fusion energy. A vocal few oppose all traditional means of energy development and promote zero growth/population as the answer. The direct personal use of energy to electrify and heat homes or for gasoline for the private automobile, constitutes only about one-third of national energy use. The other two-thirds is less visible and underestimated and misunderstood by the majority of our population. It is little wonder then that we have no national consensus of what our energy policy should be. Given this atmosphere, it is not surprising that our policy (if it is a policy) is to allow the Court to fashion ad hoc solutions on an uncoordinated and seemingly conflicting case-by-case basis.

ATTITUDES AND PROBLEMS

One of the most frequent opinions voiced by those surveyed was that even environmentally sound energy resource development is frustrated because of the myriad of Federal, State and local authorities and laws that must be dealt with. The provisions of the National Environmental Policy Act, 42 U.S.C. Section 4321 *et seq.*, and particularly Section 102(2)(C) thereof, was most frequently mentioned in this regard.

The required Environmental Impact Statement (EIS) often contains a wealth of irrelevant information, sometimes takes years to complete and is oftentimes the beginning of endless litigation. Government agencies think they now have the "hang of it" and tend to overkill the EIS process. On the positive side, many industry representatives have demonstrated a willingness to fully participate in the process, absorb the additional costs and delays, and use the final document as a planning tool. Some Federal Courts are beginning to hold that a relatively brief EIS will pass judicial muster. *See: Save Our Invaluable Land v. Needham,* — F.2d — (10th Cir. 1976) (57 page EIS held adequate); *Upper West Forks River Watershed Assoc. v. Corps of Engineers,* 414 F. Supp. 908 (N.D.W. Va. 1976) (15 page EIS held adequate); *Beaucatcher Mountain Defense Assoc. et al.*

*v. Coleman, et al.*, — F. Supp. — (W.D.N.C. 1976) (EIS briefly but adequately covered the alternatives.

Finally, if the Congress gets impatient with obstructive tactics, it has demonstrated an inclination to step in and exempt a project from the provisions of NEPA. *See:* P.L. 93–153, 87 Stat. 576 exempting the Trans-Alaska Oil Pipeline, and P.L. 94–207 (Feb. 4, 1976) exempting the control of starlings and blackbirds at Fort Campbell, Kentucky.

Given the seemingly self-cancelling aspect of many Congressional actions, some pundits are suggesting that "the Congress make love—not laws." The series of Court decisions involving the snail darter and the Tellico Project in Tennessee lends compelling evidence to this theory. When the third case in five years finally reached the Sixth Circuit Court of Appeals, the Court enjoined the Tennessee Valley Authority from all activities incident to the Tellico Project which might destroy or modify the critical habitat of the snail darter. *Hill v. TVA*, — F.2d — (6th Cir. Jan. 31, 1977). As a result, some ten to fifteen thousand three-inch fish have permanently halted a project that is 80 percent complete at a cost of almost 90 million dollars. The project was initially approved by the Congress in 1966 and construction commenced in 1967. One of the key aspects of the project was a dam which would augment flood control, provide recreation and hydro-electric power on the Little Tennessee River.

In 1971, the Environmental Defense Fund filed suit in U.S. District Court alleging that the EIS was not adequate. In *EDF v. TVA*, 339 F. Supp. 806 (E.D. Tenn. 1972), they obtained an injunction delaying the project for more than a year-and-one-half. This injunction was affirmed in *EDF v. TVA*, 468 F.2d 1164 (6th Cir. 1972). The EIS was then supplemented and the District Court found it to be adequate. 371 F. Supp. 1004, and the Sixth Circuit affirmed, 492 F.2d 466 (6th Cir. 1974). In the meantime, a University of Tennessee ichthyologist discovered the snail darter's presence in the river above the proposed dam. During this same time period, the Congress passed the Endangered Species Act, 16 U.S.C. Section 1531 *et seq*. They conveniently added a provision permitting the bringing of citizen suits. In early 1975, after NEPA had been complied with, the plaintiffs in the current suit petitioned the Interior Department to add the snail darter to the endangered species list. TVA protested this move but they were overruled by Interior and in late 1975 the snail darter was added to the list.

In early 1976, Hill and others then filed the present suit to enjoin the project on the grounds that it would destroy the critical habitat of the snail darter. The District Court refused to issue the injunction but the Sixth Circuit Court in *Hill v. TVA, supra*, reversed and issued the injunction. The Circuit Court went so far as to say that it would have issued the injunction even if the project had been 100 percent completed and the snail darter had been discovered the day before impoundment of water was to begin. Section 7 of the Act, which the Court held dictated the result, had virtually no legislative history. Ironically, the Congress continued to appropriate money for the project during all of the Court proceedings.

The Court also refused to find an exemption for the ongoing project. The U.S. Fish and Wildlife Service has now proposed regulations to implement Section 7 and these proposed regulations do not provide any exemption for an ongoing project. 42 Fed. R. 4868. (Jan. 26, 1977). If both the Court's opinion and the proposed regulations are allowed to stand, anyone finding an endangered species can stop a project at any stage. The Fish and Wildlife Service has also announced its intention to add approximately 1700 plants to the endangered species list. This will mean that the infamous Furbish lousewort (a snapdragon) may kill the Dickey-Lincoln Project in Maine. Honorable mention should go to Clokey's thistle in Nevada (a tumbleweed) and an unnamed chickweed in Colorado. One only needs to take a look at the current endangered species list, 41 Fed. R. 47180–98 (Oct. 27, 1976), and imagine trying to cope with the Utah Prairie Dog or the Salt Marsh Harvest Mouse.

Other Congressional enactments and their regulatory implementations tend to strangle operators like the independent oil and gas producers. Their rather simple operations are getting terribly complicated. They are regulated primarily by two arms of the Interior Department. The Bureau of Land Management (BLM) has responsibility for management of the surface and reclamation on Federal leases while the U.S. Geological Survey (GS) has responsibility for approval of drilling operations and compliance. New notices to lessees (NTL) by GS have dramatically increased the paperwork and reporting by lessees. For example, NTL–4 requires royalty to be paid to the Government for any vented gas on a Federal lease. One lessee had to take the following steps to remit a check for 65 cents on one of his leases:

1. Determine exact volume of gas vented;
2. Prepared statement of volume;
3. Enter volume on two monthly reports;
4. Prepare invoice for accounting purposes;
5. Allocate proportionate share of the 65 cents among his partners on the lease;
6. Mail all items;
7. GS acknowledge checks and send statement of account.

This simple process took approximately 90 days. Another lessee wanted to drill on his lease during the winter months. However, he was informed that he could not do so until archeological clearance was granted. BLM notified him that an archeological survey would not be acceptable while snow was on the ground. This meant he could not drill until summer. Because the price of interstate gas is rigidly controlled, these producers are unable to recover the extra costs incurred by delays and the hiring of more employees to handle the paperwork. Many of these regulatory burdens come at a time when operators are being urged to produce more from their leases and being threatened with cancellation if they do not. At the same time Interior Department has doubled lease rental fees as of Feb. 1, 1977.

Most observers are forecasting that the Congress will pass a strip-mine bill this year and the President has indicated that he will sign it. Issues such as restoration to original contour, disposal of waste material and surface owner consent are among the most troublesome from a development point of view. How these provisions are finally hammered out will have a great effect on the development of low sulphur coal in the West. Ironically, there is still abundant coal in the East which can be mined by traditional underground methods. However, because of its higher sulphur content, it is difficult to burn under current air quality standards. Utilities have been ordered by the Federal Energy Administration to switch from oil or gas to coal. EPA air quality restrictions and the direction to install expensive scrubbers are delaying the conversion.

The recent announcement by the new Secretary of Interior that all new Federal leases must have his personal approval has left Western coal development in a confused state. Some states have enacted new severance taxes which raise the cost of doing business. Montana's 30 percent severance tax is exhorbitant but coal continues to be mined there. These increased costs are passed along to the consumer and, if a highly restrictive strip-mine bill is passed, costs will escalate even further.

Proposed oil shale development is now in limbo. The development plans on tracts Ca and Cb in Colorado and Ua and Ub in Utah were recently granted a suspension by the former Secretary of Interior. Environmental organizations have challenged the suspension in U.S. District Court in Colorado. Developers privately concede that if the suspensions are lifted or found illegal, they will not make any more bonus payments and probably will turn their leases back to the Government. In any event, any meaningful development will require variances from air and water quality standards. A recent announcement that the new Administration will ask Congress for a publicly funded oil shale project may prove to be a mixed blessing. Meanwhile, the Interior Department is working on an EIS for an *in situ* sale on public lands. So far, the *in situ* technology seems to be the most promising.

Some of the significant legal issues were readily apparent while other complaints related mainly to conflicting and burdensome controls which are difficult to reach with traditional legal process. The issues discussed below are listed according to general categories which are determinative or closely related to energy resource development. In the judgment of the author, the resolution of these issues will have national significance.

WATER

Many traditional mining methods for the extraction of energy fuels and the related preparation or refining methods require substantial amounts of water. This is particularly true with respect to oil shale and coal. Water is a scarce and hotly contested commodity in the Rocky Mountain West. The recent drought in that part of the country has highlighted this factor.

Some energy developers have purchased considerable surface and storage water rights from traditional agricultural users. The conversion of these rights to industrial uses is causing thorny legal problems under the water appropriation doctrines of the Western States. Agricultural uses provide a substantial recharge of the ground water table while industrial uses, being more consumptive, do not. Adjudications for the conversion of these rights are in various stages. Generally, junior appropriators have vested rights in the return flow to the extent their rights may be adversely affected by a change in use. *See: Farmers Highline Canal v. Golden*, 129 Colo. 575, 272 P. 2d 629 (1954); *East Bench Irr. Co. v. State*, 5 Utah 2d 235, 300 P. 2d 603 (1956); *Spencer v. Bliss*, 60 N.M. 16, 287, P. 2d 221 (1955); *Quigley v. McIntosh*, 110 Mont. 495, 103 P. 2d 1067 (1940). However, waste water (that water that does not seep into the ground from irrigation and runs off in a waste ditch) is not subject to appropriation and one who has come to expect it acquires no rights to it. *Boulder v. Boulder and Left Hand Ditch Co.* et al., —— Colo. —— (1976) and *Application of Boyer*, 73 Idaho 152 248 P. 2d 540 (1952).

It has been reported that one major oil company has already adjudicated and converted its water rights in the Water Court in Western Colorado. Environmental organizations have made attempts to intervene in such proceedings and have tried to enlist the aid of local water users, city and county planners, hunting and fishing groups, or any others who may assist in blocking any energy development. These adjudications are much more complex than the simple explanations outlined herein. Nevertheless, these proceedings are critical to energy resource development and such decisions will be critical.

The application of Section 404 of the Federal Water Pollution Control Act amendments of 1972 (33 U.S.C. Section 1374) is raising great fears in the West. That Section grants authority to the U.S. Army Corps of Engineers to regulate the disposal of dredged

or fill materials in all the waters of the United States. The Corps was at first reluctant to extend its regulatory jurisdiction but was instructed by the Court to do so in *NRDC v. Calloway*, 392 F. Supp. 685 (D.C.D.C. 1975). The Government did not appeal this decision and it is now thought that a Federal net has been cast over every pond and puddle in the country.

As early as 1865 the Supreme Court equated navigation with commerce in *Gilman v. Philadelphia*, 70 U.S. 713 (1866). This view was expanded upon in *U.S. v. Appalachian Power Co.*, 311 U.S. 377 (1941), where the Court said that the power to protect navigability extends to any activity that has an effect on navigability. Environmentalists are pressing the Corps of Engineers to apply their permit systems to swamps and marshes located on private and public lands in the West in connection with various wetlands programs. If this is done, litigation is bound to follow.

Another round of controversial water decisions will be forthcoming as a result of the decision of the Supreme Court in *U.S. v. Akin*, 424 U.S. 800 (1976), holding that Indian reserved water rights may be adjudicated in State courts. In *Winters v. U.S.*, 207 U.S. 564 (1908), the Supreme Court decided that the United States impliedly reserved water for the Indians when the Indian reservations were created. The Federal Government, through the Secretary of Interior, owns these rights as trustee for its Indian wards, but until *Arizona v. California*, 373 U.S. 546 (1963), it was unclear as to what standard would be used to measure these rights. In that case the Court held:

"We have concluded, as did the Master, that the only feasible and fair way by which reserved water for the reservations can be measured is irrigible acreage." Id. at 600.

The Court later decided that other Federal reserved rights could be adjudicated in States like Colorado in *U.S. v. District Court for Eagle County*, 401 U.S. 520 (1971) and *U.S. v. District Court for Water Division No. 5*, 401 U.S. 527 (1971). Many Indian Tribes are now planning industrial, recreation or other economic developments and are contending that "irrigible acreage" is broad enough to include water for such activities. Many Western States want a strict interpretation of this phrase because otherwise their adjudicated priorities would be adversely affected. Yet to be decided is whether an energy developer with a lease for Indian mineral resources can rely on the Indian reserved water right.

As if to further complicate matters, the Supreme Court in *Cappaert v. U.S.* — *U.S.* — (1976), decided that the Federal creation of Devil's Hole as a detached portion of Death Valley National Monument in 1952, impliedly reserved enough unappropriated ground water to maintain the pool sustaining the desert pupfish. The Cappaerts were enjoined from pumping ground water for agricultural development on their ranch in nearby Nevada. Even more significantly, the Court held that the United States could establish a valid reserved water right without complying with State water laws. Indians will surely attempt to equate their reserved rights with those of the pupfish.

Since most streams in the West are already overappropriated, much litigation is anticipated. Many cases involved Indian Reservations, since much of the mineable coal lies beneath such lands.

In an attempt to block energy development, environmentalists have contended that water from Federal projects cannot be used for industrial purposes. Water from these projects is oftentimes necessary for any energy extraction in water-scarce areas of the West and normally a surplus supply is available. The test case for this theory was *EDF v. Morton*, 420 F. Supp. 1037 (D. Mont. 1976), which was decided late last year. The Court ruled on summary judgment that the Flood Control Act (33 U.S.C. 701–1 *et seq.*), the Reclamation Project Act (43 U.S.C. 485h(c)) and later Congressional language were broad enough to include the use of water for industrial purposes from such projects.

The case involved water option contracts from the Boysen and Yellowtail Reservoirs in Montana and was of great concern to Kerr McGee Corp. and American Metals Climax, Inc., who intervened. The Court rejected as premature the contention that each water option contract required a separate EIS, citing *Kleppe v. Sierra Club*, 96 S. Ct. 2718 (1976).

However, it has been reported that agreements have been signed which would prevent industrial use of water on the Savory-Pot Hook and Dolores Projects in Colorado unless expressly approved by local water users, the Governor and the Commissioner of the Bureau of Reclamation. These agreements are considered dangerous precedent, for they could be the basis for considerable leverage as to what kind of energy development might be permitted.

If the water projects suspended by the Administration are funded by the Congress, some interesting legal action might result if impoundment of the funds is attempted.

OIL AND GAS/OIL SHALE

One of the most frequent protests by independent oil and gas producers was the doubling of the rental rate on non-competitive oil and gas leases from $.50 to $1.00 per acre. This increase was first proposed by the Interior Department on Mar. 18, 1976, to be effective on July 1, 1976. The effective date was later determined to be Feb. 1, 1977. (42 F. Reg. 1032 (Jan. 5, 1977)). The Department cited the Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.) and Title V of the Independent Offices Act (31 U.S.C. 4836).

In 1960, the Congress amended the Mineral Leasing Act increasing the rental on non-competitive oil and gas leases from $.25 to $.50 per acre. The amendment was approved on Sept. 2, 1960, and those who had filed applications for such leases prior to that date but had not yet been granted leases filed suit to void such increases as to their applications. The Court in *Miller v. Udall*, 115 U.S. App. D.C., 317 F.2d 573 (1963), held that the increases applied to only those whose leases had been granted before Sept. 2, 1960, were exempt. The current increase imposed by Interior appears to be patterned after the 1960 amendment, except it is by regulation rather than by Congressional Act. The Interior Board of Land Appeals (who decided finally for the Secretary) recently held in *Raymond N. Joeckel*, 29 IBLA 170 (March 14, 1977), that the increase now in question has the same validity as a Congressional Act.

The Board cited *Hannifin* v. *Morton*, 444 F.2d 200 (10th Cir. 1971), where a rental fee for sulphur prospecting permits imposed by Departmental regulation was upheld. Mr. Joeckel made his offer in November of 1976 and in response to a notice of rental due, dated Dec. 17, 1976, he tendered the indicated rental computed at $.50 per acre. The Department then published the final regulations on Jan. 5, 1977. On Jan. 18, 1977, the Department notified Joeckel that he would have to tender $1.00 per acre rental fee. Joeckel refused to do this and did not have a lease on the effective date, Feb. 19, 1977. The Courts have held that the filing of an offer, although a prerequisite to the issuance of a lease, does not give an applicant a valid existing right to a lease. *Miller* v. *Udall*, *supra*, and *Hannifin* v. *Morton*, *supra*.

It would seem that innocent offerors who had their applications pending and had tendered the rental fee should not be penalized simply because the Department had not acted upon their applications before the effective date of the increase in rental fees. In an analogous situation, the rejection of competitive bids on the Outer Continental Shelf are reviewable under 5 U.S.C. 701 *et seq.* and are not committed by law to agency discretion. *Kerr McGee v. Morton*, 527 F.2d 838 (D.C. Cir. 1975). If an applicant could produce evidence that everything was in order but that the Department issued other leases applied for later than his, he might be able to show that the failure to act was arbitrary and capricious. Even broad discretion has its limits. *See* e.g. *James A. Krumhausl*, 19 IBLA 56 (1975) and *G. W. Anderson*, 21 IBLA 328 (1975).

A significant decision involving oil shale placer mining claims has recently been issued in the U.S. District Court in Colorado. In *Shell Oil Co. and D. A. Shale, Inc. v. Kleppe*, Civil Action No. 74–F–739, Jan. 17, 1977, Judge Finesilver ruled that Interior had erred by invalidating six oil shale placer mining claims filed before 1920. The effect of the decision potentially extends to about 50,000 old placer mining claims covering at least 500,000 acres of Federal land in Colorado, Utah and Wyoming according to the opinion.

Under the mining laws, a locator who discovers a valuable mineral deposit is entitled to work his claim and proceed to a patent. In order to do so, he must meet the "prudent man" test, i.e. ". . . where minerals have been found and the evidence is of such character that a person or ordinary prudence would be justified in the further expenditure of his labor and means, with a reasonable prospect of success, in developing a valuable mine . . ." *Castle* v. *Womble*, 19 L.D. 455, 457, (1894). This test has been approved several times by the U.S. Supreme Court. The test was later refined to include the "marketability test", i.e., that the mineral can be removed and extracted at a profit. *United States v. Coleman*, 390 U.S. 599, 602–603 (1968). But the Interior Department had ruled in *Freeman v. Summers*, 52 L.D. 201 (1927) that the test for oil shale was essentially whether it constituted a valuable resource for a *future* profitable market. Oil shale had been withdrawn from location by the Mineral Leasing Act of 1920 (30 U.S.C. Section 181 *et seq.*) but literally thousands of claims located prior to Feb. 25, 1920, had been validated and patented by the Interior Department under the Freeman test until 1964, when Interior began contesting the claims. It was as a result of such a contest that the Interior Board of Land Appeals finally ruled in *United States v. Frank W. Winegar*, et al., 16 IBLA 112, 81 I.D. 370, (1974), that the special oil shale test in *Freeman* would be overruled.

It was this decision (Winegar) that Judge Finesilver reversed in *Shell Oil Company and D. A. Shale, Inc. v. Kleppe, supra*. Judge Finesilver revalidated the six claims involved here on several grounds:

a. Congress specifically explored the special test for oil shale after *Freeman* v. *Summers*, *supra*, had been decided and declined to change the test and thus approved or ratified such a test.

b. The Interior Dept. was estopped from overruling *Freeman* on the traditional doctrine of "equitable estoppel".

c. The Interior Dept. did not establish *a prima facie* showing of the invalidity of the claims. The Government will undoubtedly appeal this case to the Tenth Circuit Court of Appeals. The ruling has national significance in the energy and mining field.

AIR QUALITY

Environmental organizations have been using the Clean Air Act of 1970 (42 U.S.C. Section 1857, *et seq.*) to block development of energy resources. The initial attempt by the Environmental Protection Agency (EPA) to implement the "significant deterioration" provisions of the Act was immediately challenged in *Sierra Club* v. *Ruckelshaus*, 344 F. Supp. 253 (D.C.D.C. 1972), *aff'd. per curiam*

*in an unreported opinion* 41 U.S.L.W. 2255 (D.C. Cir. 1973), *aff'd. by an equally divided Court, sub nom. Fri.* v. *Sierra Club*, 412 U.S. 541 (1973). The narrow and confusing District Court opinion is still being debated and interpreted. The Court spoke of the issue as being "non-degradation" but ordered EPA to issue regulations to prevent "significant deterioration" of air quality. Obviously these two terms are not synonymous. EPA issued the final regulations (40 CFR Section 52, 1974) which were immediately challenged by the Sierra Club and affected industries in several Circuit Courts of Appeal. After these new challenges were consolidated in the D.C. Circuit Court that Court upheld the regulations in *Sierra Club* v. *EPA*, 540 F.2d 1114 (D.C. Cir. 1976), U.S. App. pending.

However, that Court contributed to the confusion by refusing to overrule the earlier decision of *Sierra Club* v. *Ruckelshaus, supra.* Environmentalists are insisting that Western states, where industrial development is at present basically confined to the metropolitan areas, classify virtually all areas as Class I—the most restrictive designation. The Act provides that each State may enact air quality standards that are more restrictive than the national standard which is initially Class II under the EPA regulations. If they are successful in accomplishing this goal in States like Colorado, Montana, or Wyoming, most future development of energy resources would require variances from State authorities. It is of little consolation that most litigation would be in State rather than Federal Courts. Congress is currently considering proposed amendments to the Act with the focus on automobile emissions.

Another difficult set of issues is posed as a result of the Supreme Court's decision in *Union Electric* v. *EPA*, 96 S. Ct. 2518 (1976), holding that economic or technological infeasibility may not be considered by EPA in evaluating a state requirement that primary ambient air quality standards be met in the mandatory three years. The Court did indicate that there will be opportunities to consider such factors in hearings on the State Implementation Plans, EPA's drafting of compliance orders or State applications for variances. It is anticipated that considerable litigation will ensue regarding many of these actions.

GEOTHERMAL RESOURCES

One of the important interpretations of the Geothermal Steam Act of 1970 (30 U.S.C. Section 1001 *et seq.*) was recently handed down by the Ninth Circuit Court of Appeals in *U.S.* v. *Union Oil Co. of California, et al.*, — F. 2d. — No. 74–1574, Jan. 31, 1977. Under that Act the Congress left open the question of whether mineral reservations in patents previously issued pursuant to the Stock-Raising Homestead Act of 1916 (43 U.S.C. Section 291 *et seq.*) reserved to the United States the geothermal resources under such lands. The District Court granted the defendants' motion to dismiss, 369 F. Supp. 1289 (N.D. Cal. 1973), but the Ninth Circuit reversed, holding as a matter of law that the mineral reservations in such patents included geothermal resources.

When the Congress passed the Act in 1970 it realized the geothermal steam was an environmentally clean and promising method of producing electricity. It was also aware that much of the resource was beneath the surface of lands that had been patented to private parties with a reservation of coal and other minerals to the United States. Since opinion was divided as to whether geothermal resources are minerals, the Congress simply provided that they shall be considered minerals in the future but whether they were minerals under earlier acts such as the Stock-Raising Homestead Act of 1916 was for the Courts to decide.

The Court candidly admitted that there was nothing in the language or legislative history of that earlier Act to indicate that the Congress in 1916 had ever heard of geothermal resources. In fact, the Court candidly observed:

"Congress was not aware of geothermal power when it enacted the Stock-Raising Homestead Act in 1916; it had no specific intention either to remove geothermal resources or pass title to them." *Id.* at 3.

As recently as 1965, the Interior Department had taken the position that geothermal resources were not minerals because they were basically steam or water. Nevertheless, the Court found that such resources are minerals and were intended to be reserved to the United States.

The Court reasoned that the Stock-Raising Homestead Act was designed to provide patents for large tracks of semi-arid land for agricultural and livestock purposes; that mineral fuels were intended to be reserved; and that geothermal steam did not contribute in any way to the agricultural use. Carried to its logical extreme, this might mean that water is a locatable mineral!

This decision, unless reversed by the Supreme Court, will subject any further development of geothermal resources beneath lands originally patented by the Government to extensive Government regulation. This particular litigation arose in areas known as the geysers in Northern California, but will have an effect on geothermal resources beneath lands in Nevada, Oregon, Idaho, Utah and other Western States.

The question of liability for damages to the surface was left open by the Court on remand. Thus, Union Oil will be liable for damages to the owner of the surface and must comply with Government regulations in exploration and production and will have to pay a royalty to the Government.

COAL

Much of the low sulphur coal in the West lies beneath Indian Reservations or ceded lands. Many coal developers have learned that dealing with Indian tribes makes for a very uncertain world.

In *Crow Tribe v. Kleppe*, CV–76–10, filed Feb. 3, 1976, in U.S. District Court in Billings, Montana, the Crow Tribe is challenging coal prospecting permits and surface mining leases previously approved by the Bureau of Indian Affairs (BIA) and the Secretary of Interior. The Tribe alleges that:

1. The Secretary violated his own regulations in approving the leases;

2. There was no compliance with NEPA;

3. The Secretary violated his trust responsibility toward the Tribe in allowing strip mining which would disturb the surface of much of the Reservation and change the Tribe's culture.

Ironically, most of the development was sought by the Tribe in the late 1960's in order to increase the income yield on reservation lands. Much Indian land and ceded land in Montana is leased to non-Indian agricultural and livestock interest, which provides a much lower income yield than would coal and mineral development. Some of the prospecting permits were issued before the passage of NEPA and some leases were approved at a modest royalty rate before the oil embargo of 1973–74. During and after the oil embargo, interest in and the price of Western coal increased due to it's ready accessability and low sulphur content.

In *Cady v. Morton*, 527 F.2d 786 (9th Cir. 1975), the Friends of the Earth and some owners of ceded lands sued the Crow Tribe and the Secretary to invalidate surface mining leases granted to Westmoreland on the grounds that NEPA had not been complied with. The Tribe and the United States contended that the plaintiffs lacked standing to challenge NEPA because of the unique status of Indians. In its decision, the Ninth Circuit held that there was standing and NEPA did apply. Actually, the Crows had already renegotiated their leases with Westmoreland to reflect a much higher post-oil embargo price and wanted to go through with the deal. A new EIS has now been completed on the Westmoreland leases and presumably surface will now proceed. However, the Tribal Federal Jurisdiction Act (28 U.S.C. Section 1362) allows the Tribe to file suit in U.S. District Court in its own right when the Federal Government refuses to do so.

Thus the Tribe is now suing the Secretary to void the other low royalty leases in *Crow Tribe v. Kleppe, supra*, whereas it had taken the opposite position in *Cady v. Morton, supra.* The real difference between the two situations, one suspects, is that the Westmoreland leases reflect post-oil embargo coal prices whereas the other leases now being challenged do not. The coal developers, who were encouraged by the Tribe and the BIA to submit high bonus bids for the right to prospect, are caught in a none too subtle squeeze. The Tribe has suggested that they might be interested in renegotiating some of the challenged leases at much higher prices and with more control over production. They have not suggested anything about returning any of the bonus bids.

It now seems pretty well settled that NEPA does apply to significant developments on Indians lands. At the urging of the Pueblo Indians of Tesuque in New Mexico, the Secretary took the position that NEPA did not apply because of the unique status of Indians. In *Davis v. Morton*, 469 F.2d 593 (10th Cir. 1972), the Court swept aside this argument and applied NEPA.

The Crows and other Tribes have also been urging the Secretary to approve Indian ordinances permitting the imposition of their own severance taxes on coal and other mineral development conducted on Tribal lands. Considering that the Secretary of Montana already has a 30 percent severance tax which it imposes upon companies working on Indian Reservations there, another tax by the Tribes in addition could drive the price of Montana coal right into the clouds. Such ordinances, if approved by the Secretary, would undoubtedly be challenged in Court. Recently, a Tribe in Montana filed and then withdrew a suit to force this issue. Most assuredly they will be back for another try if the Secretary refuses to approve the proposed ordinance.

It is particularly frustrating to be told about the evils of strip-mining. If the cover on the land is sparce, it cannot be revegetated. If the cover on the land is adequate, it will be destroyed. In the final analysis, strip mining may be acceptable to the Indian Tribes if the price is right whereas it will never be acceptable to environmental extremists.

Mr. EAGLETON. I could go on, but the point should be clear. Mr. Richards has strongly held views on virtually every issue in the energy and environment area. He has studied, litigated, opined at great length. Like them or dislike them. vou know where he stands—on everything. For most positions, that is a real asset. For the Energy Inspector General, it is not.

Given his passionately held views, I see no possibility that Mr. Richards can approach this job with the objectivity Congress envisioned. But for those not yet convinced, there is the additional problem of the nominee's long-standing friendship and association with Secretary Watt. Testifying before the Governmental Affairs Committee. Mr. Richards acknowledged that Secretary Watt wanted him to be Inspector General at Interior, and that he wanted the job. He and Mr. Watt have been friends for years, having worked together as Senate staffers, at Interior. and in the network of legal foundations which included

Capital and Mountain States. However, according to Mr. Richards, the White House said it was "out of the question * * * because they felt that the relationship between us was too close and I could not maintain the independent relationship required of an Inspector General."

I think that the White House was completely right in its concern. And I appreciate Mr. Richards' willingness to advise the committee of how the selection process proceeded. But obviously, the independence problem is not solved by placing Mr. Richards at Energy. There is a significant jurisdictional overlap between the Departments of Interior and Energy, and Mr. Watt plays a leadership role in the whole energy and natural resources area.

The White House went halfway to a good solution; they should have gone all the way.

These concerns about an ideological inspector general, passionately committed to pursuing policy objectives, without the independence and impartiality which Congress envisioned—are these just academic issues, of interest only to the National Academy for Public Administration or Common Cause? In fact I believe that these concerns are very practical and serious.

Testifying before the Governmental Affairs Committee, in response to my questions, Mr. Richards stated that he believes that the energy-producing companies have been "unduly burdened," even "harassed" by the Federal Government (p. 53) and that this overregulation and harassment was certainly a contributing reason for our energy shortage. This is certainly a defensible position, although it is one that I personally reject. Most students of our energy policy over the past 20 years have concluded that the Congress and the White House have been unwisely deferential to the wishes of the oil companies, sometimes, as in 1957 when we placed import quotas to limit cheap foreign oil so as to hold up the price of domestic oil, the results have been tragic. But I recognize that this is arguable. But should the Inspector General have passionate, doctrinaire views on these issues?

As Inspector General, Mr. Richards would have responsibility for auditing and investigating the performance of the energy companies on multimillion-dollar contracts awarded by DOE. Would he do a hard-nosed job of detecting possible cases of fraud, waste, and mismanagement, or would he regard auditing and investigating these contracts as another example of the Government harassing energy producers?

Congress envisioned that the Inspector General would be the focal point for receiving "whistleblower" complaints about fraud, waste, and mismanagement in the Department. Would any midlevel Energy Department employee feel comfortable going to Mr. Richards with evidence of wrongdoing by a high Department official, given his allegiance to the goals of the Reagan administration and his close relationship to Mr. Watt? Would you, Mr. President?

Mr. Richards is a devoted adversary of environmental extremist groups. Could he be responsive to their complaints about fraud, waste, or misconduct at the DOE that they may discover during their service on advisory boards to the Department?

Another deadly serious practical problem arises from another Mr. Richards' columns. As Inspector General, Mr. Richards would have access to all the papers, documents, records, et cetera of DOE, regardless of sensitivity or confidentiality. He would also have subpena power to seek all material needed from third parties, like DOE's contractors, to perform the audit and investigative functions of his office. These are substantial parts of the Inspector General's power, and of course his exercise of discretion.

How would Mr. Richards handle them? He has written a column disturbingly on point, dated April 1980.

In this column, Mr. Richards expressed concerns about two cases involving different aspects of disclosure and protection of business information. In discussing the first case, Mr. Richards said that the Department of Enegry had been overly restrictive in refusing to grant companies access under the Freedom of Information Act to memoranda from a DOE regional counsel and DOE auditors.

One of the reasons cited by the Department for failing to disclose the material was that it related to an active investigative file. The second case concerned the Department of Energy's exercise of subpena power, which was contested by private oil companies but later upheld by U.S. Court of Appeals for the District of Columbia Circuit. With regard to that case, Mr. Richards took the position that DOE's exercise of subpena authority was beyond the construction of statutes and failed to protect the confidentiality of sensitive business information.

In other words, despite the fact that DOE has frequently resembled a sieve in the past, with internal memoranda finding their way to the American Petroleum Institute with monotonous regularity, Mr. Richards favors more disclosure of internal DOE memoranda. Despite the fact that DOE has been generally ineffective in monitoring contractors' performance, Mr. Richards advocates a more restrained use of subpena power by DOE. In his mind, it is just another part of the harassment that the Government continually inflicts on the beleaguered energy producers. Is this an attitude we feel comfortable with in the Inspector General at the Department of Energy?

Since we can assume that Mr. Richards, if confirmed, will not engage in audit or investigative work which might constitute "harassment" in the eyes of the energy producers or the Reagan administration, what will he focus his efforts on at DOE? One possibility is that he might channel the limited resources of his office toward ferreting out fraud, waste, and mismanagement in programs which a person of his philosophical bent dislikes. Through DOE, the Federal Government has made some efforts—not enough—in the area of energy conservation. DOE has responsibility for the Federal Government's underfunded efforts in the developing solar energy and other renewable energy sources. DOE has responsibility for administering the Government's efforts to provide low-income energy assistance and for the weatherization program.

Obviously, these programs are not flawless. A diligent, impartial Inspector General might well uncover problems of fraud, waste, and mismanagement. But these are nickel and dime programs compared to the big research contracts at DOE, particularly in the nuclear area. Given Mr. Richards "ideological zealotry," can Congress—and the public—possibly be confident that Mr. Richards will set priorities and allocate resources strictly on the basis of maximizing the effort against fraud, waste, and mismanagement? Or would Congress and the public fear—with good reason—that Mr. Richards was going easy on matters involving big bucks and big companies, and coming down hard on penny ante programs which he ideologically disliked?

These concerns are not academic or theoretical, Mr. President. They are as real as the front-page story in Friday's Washington Post about the Reagan administration's proposed new round of budget cuts. As my colleagues know, those proposals include an accelerated plan for eliminating the Department of Energy—as well as the Department of Education.

I should digress to say that I have been very critical of DOE in the past, and I am not at all wedded to its current structure. In 1980, I was successful in the Senate in cutting 1,000 slots at DOE, based on the argument that a reduction in DOE's regulatory activities should result in a reduction of the bodies needed in the Department.

But the Post story goes on to say:

> Shutdown of the Energy and Education departments would be largely symbolic in budget-cutting terms, fulfilling Reagan's promise to wipe them out. Their functions would be scattered among other agencies. But real cuts appear to be planned within programs under the two departments.
>
> The proposed cuts in the Energy Department's budget hit virtually everything but nuclear programs, reflecting Secretary James B. Edwards' strong support for these.
>
> Department officials said privately they expect a 45 percent reduction for solar energy, 34 percent for coal and other fossil fuel programs and 63 percent for conservation.
>
> But budget instructions from OMB also direct energy officials as a possible alternate to "prepare a shutdown case" for conservation, fossil and solar programs that would eliminate them in 1983.

Mr. President, as Inspector General, Mr. Richards' statutory responsibility would be to supervise audit and investigative efforts at DOE, impartially, in all the programs established by Congress. But the Reagan administration—this year and next year—will be making the arguments for deep cuts—even shut-

down—in conservation, solar, and other fossil fuel programs. Mr. Richards is a committed supporter of Mr. Reagan's and a philosophical believer in letting the oil and gas companies produce us out of our fix. He does not really believe that the Government has a significant role to play in conservation or solar. The possibility exists—make that the probability—that Mr. Richards would work to further the goals of the Reagan administration by helping to discredit those programs which the administration wants to gut.

Mr. President, the Inspector General's reports can have the effect of discrediting programs or undermining their support in Congress. My colleagues may remember in early 1978 when the first Inspector General Tom Morris of the Department of Health, Education, and Welfare released his stunning report estimating that between $6.3 and $7.4 billion was misspent annually at the Department as a result of fraud, waste, and mismanagement. My colleague (Mr. HARRY F. BYRD, JR.), came to the floor with that report in hand arguing that the Senate should cut HEW's budget at least that much, and others agreed. There is no doubt that the revelation did much to undermine support for some of HEW's programs, both among Congress and the public.

By enacting the Inspector General Act, Congress has made the judgment that we want to know the bad news. That is how this form of Government operates. We believe that "business as usual" has failed and that we must focus and accelerate our efforts to deal with fraud and waste in Government programs. The adverse publicity takes a toll, but in the long run, we believe that the congressional, press and public attention fastened on the Inspector General's work will result in stepped-up efforts by the executive branch to prevent and detect fraud and waste—with eventual gratifying results.

But the Inspector General's resources can be channeled selectively, and the powers of the Office can be abused. That is my real fear about Mr. Richards. I see him as a true believer, deeply committed to his doctrinaire views on energy and environment, passionately attached to the goals of President Reagan and Secretary Watt. Depth of ideological conviction is an admirable trait; I have some deep ideological convictions myself, as do other Members of this body. But it is not a proper calling card for an Inspector General.

Mr. President, the Reagan administration has certain clearcut goals in the energy and environment area. An administration in power should have policy goals, and as politicians, we Democrats can grudgingly admire the harmony with which the Reagan administration policymakers go forward in pursuit of these goals. But the Inspector General is not a foot soldier in the Reagan administration army.

Quite the contrary. In fact, not only is he not a foot soldier for the administration in power; if he does the job Congress envisioned, he may prove to be a pain in the neck for the administration. He may find that programs or policies that the administration likes are in chaos, while those the administration dislikes are serving useful purposes and running well. He may have to tell the Secretary and the Congress that there has been illegal or improper conduct by a high-ranking departmental official. He may have to find that some of the policymakers, in their ideological zeal, are overstepping themselves. He will be hard-pressed to play that role if he is an "ideological zealot" himself.

The Inspector General is not supposed to be a part of the DOE management team, deciding along with Edwards, Stockman, Watt, et cetera, how best to swing the wrecking ball. He has his own responsibilities. They may be less glamorous; they may not appeal to a true believer like Mr. Richards, who wants to be a frontline player in the Reagan revolution. But if that is the case, Mr. Richards should wait for another job. He does not want to be Inspector General as Congress envisioned the position when it established it in 1978.

President Reagan may have his reasons for departing from the high standards which both he and President Carter have followed in making Inspector General nominations. But the Senate has no reason to acquiesce in his decision. We passed the Inspector General legislation; we have told the public that the Inspector General program represents our most significant effort to combat fraud, waste, and mismanagement. We should defend the integrity of the program, and reject this nomination.

Mr. President, I reserve the remainder of my time.

Mr. McCLURE. Mr. President, I yield myself such time as I may consume.

Mr. WALLOP. Mr. President, I support the nomination of Mr. Richards for DOE Inspector General. He is obviously a competent person, and his professional background makes him well qualified for the job.

I have also concluded that this particular nominee has another attribute that is worthy of special mention during this debate. Mr. Richards is exceptionally articulate. He has publicly expressed his personal views on a number of fundamental issues in the areas of energy, environmental protection, and the operation of our Government.

As a direct result of some articles he has written and public statements he has made, Mr. Richards' nomination is now faced with some opposition. To those who oppose him, or are undecided, I pose the following question: To qualify as an Inspector General, must a person have refrained, during his entire professional career, from openly and articulately expressing his personal views on the public issues of the day? We all have strong views on various issues. Undoubtedly, every single Inspector General in the U.S. Government has very strong views on certain subjects. So the issue comes down to the choice of what to do with one's personal views. Are they expressed publicly, or are they locked up or at least limited to strictly private conversations?

Mr. Richards chose to write articles in the American Oil and Gas Reporter. He also chose to provide very direct and straightforward answers to the questions posed to him by members of the Governmental Affairs Committee. In making those choices, Mr. Richards displayed an ample supply of initiative and self-confidence, qualities that are vitally important for an Inspector General.

Mr. President, in conclusion, we can reasonably presume that Mr. Richards will carry out his duties as Inspector General with the same degree of vigor he has displayed in advocating his personal views on various issues. If he does, then he will do his job very well.

Mr. McCLURE. Mr. President, I appreciate the concerns that have been stated by those who have spoken in opposition to the nomination, and I do not intend to belabor that subject.

However, I cannot help noting, in passing, in fairness to the nominee as well as to the organizations he represented, as well as some of the organizations that have been named by those who have argued here against the nomination as having a difference of opinion with Mr. Richards on policy matters, that apparently at one point it was thought that if Mr. Richards were in opposition to several different groups, in each instance he was then an extremist in opposition. I assume, then, that the corollary is that those groups are extremists on the opposite side, which may make the point that Mr. Richards was trying to make, that it is a difference of opinion; and if the difference of opinion is held consistently by people on opposite sides, then people on opposite sides may be described by some as extremists or zealots on an ideologic basis.

Let us not forget to look at not just the record of a specific hearing or just at a single facet of Mr. Richards' career, but to look at the totality of his background. Certainly, the Inspector General's Office is to be an independent Office, to be exercised with diligence and I hope with some obstinacy at times. We look back at a man's record to determine whether or not he will be diligent. Will he, as a matter of fact, stick to a task that he has undertaken and pursue it to the end? Will he be deterred by pressures which may be brought upon him in opposition to what he is saying?

Let us look back at his record for a moment.

After passing the Colorado bar examination, he was appointed assistant attorney general for the State and represented the State highway department and the State patrol.

In late 1962, he was asked by U.S. Senator Peter Dominick to join his new Senate staff as legislative assistant. I believe that was the year that Senator Dominick was elected and came to the Senate. He accepted this appointment in January 1963 and later became executive assistant to the Senator, assisting the Senator in his duties with the Senate Banking and Currency, Labor and Public Welfare and Interior Committees. He also handled various administrative and

political duties as an executive assistant to the Senator.

In 1966, he returned to Colorado to open a law practice. For the next 3 years he was both a sole practitioner and a partner in a small firm.

He decided to accept an appointment as an assistant U.S. attorney in Denver in February 1969. During his 2-year tenure in that capacity, he tried a variety of civil and criminal cases, including a grand jury investigation and litigation involving acts of sabotage in the Denver area. In late 1970, he left Denver to become chief of the organized crime strike force in Buffalo, N.Y. While in Buffalo, he handled investigations and trials of organized crime figures and convicted two legislators of bribery and conspiracy in connection with a proposed $50 million domed sports stadium. In March 1972, he became an area coordinator of the organized crime section in Washington, D.C., and handled several major investigations and trials throughout the country.

That does not sound to me like the record of a man who is so bound by ideological philosophy that he cannot carry out the responsibilities of an office to which he is appointed. It is a record to which no one has pointed with anything less than extreme satisfaction and with the most laudatory comments about the manner in which he conducted those responsibilities.

To continue, in 1974 Mr. Richards was appointed by then Interior Secretary Morton to be Director of the Department's Office of Hearings and Appeals. This Office handled all of the quasijudicial functions for Interior including public lands and energy resource matters.

With the change of administrations in early 1977, Mr. Richards joined the National Legal Center for the Public Interest as a consultant and authored research on various public interest issues.

The debate has centered around Mr. Richards' employment by public interest law firms, described as an interlocking web of such organizations. I point out that an interlocking web of similar organizations has provided a great number of officials for the past administration. I do not recall that at any point it was seriously argued here that members of such public interest law firms should not become members of that administration.

I believe that in one instance, it seemed a little strange that an attorney representing such a public interest law firm, handling litigation against the Government, would then join the Government and be the Government's attorney defending against the lawsuit he had brought on the other side, when he was outside. As a matter of fact, after some such discussion, there was a recusal in which that attorney then did withdraw from consideration of the case which he had been prosecuting on the other side, only after there were threats of disbarment if he continued.

So, as a matter of fact, if we look back just a short 4 years, we will find a great deal more of substance to complain about that can be brought to bear upon this particular appointment.

As a matter of fact, I believe it would be unfortunate if we became so concerned about the policy decisions and policy positions of individuals that we would undertake to cast some aspersions upon the character of Mr. Richards; because I believe the record is complete, the record is without any refutation at all, that his past performances in his various positions have been ones that reflected only with favor upon the issue of his integrity and his diligence in carrying out the tasks assigned to him.

I know there has been a great deal of interest expressed at various times about those who support public interest law firms or public interest groups. Various efforts have been made by certain public figures and public bodies to get at the contributors' lists of Common Cause or to get at the lists of the Natural Resources Defense Council or to get at the lists of the Sierra Club or to get at the lists of others who, by their own definition, are public interest groups.

My point is not to suggest that Ralph Nader at times does not reflect public interest, but to indicate that if somebody has had an affiliation with some group and has been an employee of such group, and if that disqualifies him from public service, we would have disqualified much of the last administration from such public service.

As I recall, the point was made several times that there was an apparent conflict of interest, but that never deterred President Carter, and I suggest that in this instance perhaps what we are seeing is a replay rather than any serious attempt to malign Mr. Richards' character.

I hope that the Senate will indeed confirm Mr. Richards in this job, and I am sure there will be a continuing look at his performance in his duties as Inspector General. If, as a matter of fact, any such conflict should arise, I am sure there will be those who will very quickly point it out and raise that issue with respect to his continued qualification to serve in that job.

Until such time as it occurs, that his actions will indeed reveal such conflict, I do not believe that the record that has been developed thus far indicates that it is likely to happen.

As a matter of fact, all of the record up to this point indicates quite the contrary, that he is qualified to hold this job.

Moreover, I suspect that there are those of us on both sides of the aisle who last year and this year will be looking at the Department of Energy and its various contracting and administrative authorities and wondering whether or not there is any kind of a conflict of interest between the issues of public policy and the administration of that Department.

If a man with the experience and background of Mr. Richards is not capable of dealing with that problem then I suggest we are going to have a very difficult time finding someone who is.

I do not know about organized crime in Buffalo, N.Y. I suspect it is more extensive than it is in my home State of Idaho. I trust that it is because we have not had a great deal of difficulty with that. Although as a former prosecutor, I know and I know that the Senator from Missouri with his background in law enforcement knows, the difficulty in dealing with the investigations into the area of organized crime and that the task forces under the direction of the U.S. Attorney's Office and the Department of Justice must indeed be very diligent and very capable if they are to carry out their responsibilities.

Mr. Richards would not have been selected for such a role had he not demonstrated competence in his previous experience in the U.S. Attorney's Office as well as the attorney general's office in the State of Colorado.

Mr. President, I reserve the remainder of my time.

Mr. EAGLETON. Mr. President, I ask unanimous consent that a series of letters from various organizations including the National Wildlife Federation, et cetera, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL WILDLIFE FEDERATION,
*Washington, D.C., September 18, 1981.*

DEAR SENATOR: Mr. James Richards has been nominated to become Inspector General of the Department of Energy. Mr. Richards' prior employment demonstrates a strong background in law and the investigation of fraud and abuse while an employee of the Department of Justice, and the competence to manage an office the size and complexity of the Inspector General's.

The Congress has in the past indicated that candidates for the post of Inspector General were to possess unique qualifications. The Senate Report accompanying the Inspector General Act of 1978 provides an important review of the purposes for an independent office within the agencies and Departments, and the abuses which led to their creation. That Report states that such appointments shall be made "without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration or investigations." On these grounds, Mr. Richards is a qualified candidate.

However, the Senate went beyond a test of competence in its explanation of the qualifications for the post of Inspector General. The Senate Report states that one of the purposes of establishing Inspectors General was to overcome the reluctance of agency administrators to report waste, mismanagement, or wrongdoing. It notes two reasons why this occurred. First, such revelations often "reflect on him personally." Secondly, "even if he is not personally implicated, revelations of wrongdoing or waste may reflect adversely on his programs and undercut public and congressional support for them." The Report goes on to state, "For that reason, the audit and investigative functions should be assigned to an individual whose independence is clear. . . ."

The Senate Report elaborates upon this point when it states, "The Committee wants Inspectors and Auditors General of high ability, stature, and an unusual degree of independence—outsiders, at least to the extent that they will have no vested interest in the programs and policies whose economy, efficiency, and effectiveness they are evaluating."

By his own words, Mr. Richards disqualifies himself from consideration for the post of Inspector General. He testified before the Senate Committee on Government Affairs that he is an "ideologue" and an "ideological zealot" who feels that in the post of Inspec-

tor General he will be part of the "management team" at DOE.

It is difficult to accept that Mr. Richards could carry out his duties in an unbiased manner. He has worked in the past for organizations which were supported by the financial contributions of large energy-related corporations. He was not a mere staff member of these organizations, but at different times, General Counsel, Legal Director, and most recently Vice President. He acknowledges taking part in fund-raising activities for these organizations, and that his motivation for working in these positions was to further the goals of these idealogue groups.

Mr. Richards noted that he has had a long-standing personal friendship with the Chairman of the President's Cabinet Council on Natural Resources and Environment which establishes the Administration's energy policy. In fact, he was recommended for the job as Inspector General by the person in charge of defining the Administration's energy policy.

Finally, given the close connection Mr. Richards has had in the past to large energy-related businesses, it is disturbing to realize that he will be responsible for auditing and conducting investigative activities respecting the multi-million dollar contracts which such firms have with the Department of Energy. In questioning before the Senate Committee on Government Affairs, Mr. Richards rejected the notion that he should withdraw himself from matters before his office regarding firms which had contributed to his former organizations. While Mr. Richards may feel that he can maintain objectivity in dealings with his former financial supporters, we can find no compelling reason for the public to extend that trust to him when large amounts of the taxpayers' dollars are at stake.

These aspects of Mr. Richards' background make him an unsuitable candidate for the sensitive position of Inpector General of the Department of Energy. They clearly run counter to the qualifications set forth by the Senate Committee on Government Affairs, when it passed the Inspector General Act after a long period of careful investigation and deliberations over waste, fraud, and mismanagement in federal agencies. It is evident that Mr. Richards is an individual with close personal and ideological relations with the Administration and its policies, which Mr. Richards would be asked to objectively audit and investigate should he be confirmed by the Senate.

We urge you to reject the nomination of Mr. James Richards for this position, and request the Administration propose a candidate with the strong professional credentials of Mr. Richards, and the clear independence to carry out the duties of this position effectively.

Sincerely,

CHRIS PALMER,
*Director, Energy and Environment, National Audubon Society.*
DR. JAY D. HAIR,
*Executive Vice President, National Wildlife Federation.*
BROOKS YEAGER,
*Washington Representative, Sierra Club.*

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PUBLIC CITIZEN,
*September 15, 1981.*

DEAR SENATOR: Later this week the Senate will consider the nomination of James Richards for the position of Inspector General for the Department of Energy (DOE). We believe that neither the federal government nor the public interest will be well served by the confirmation of Mr. Richards to this post and we urge you to oppose his nomination.

The Inspector General Act passed by the Congress in 1978 established a series of posts within the federal government from which the battle against waste, fraud, mismanagement and other abuses of government could be waged. In order to pursue this aim most effectively, the Inspectors General were given unique independence from the leaders, policymakers, auditors and investigators of the agencies subject to each Inspector General's jurisdiction.

To ensure the highest degree of professionalism among the Inspectors General, Congress was quite specific about appointments to the position. The Act specifies that Inspectors General shall be nominated "without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, and financial analysis, law, management analysis, public administration, or investigation."[1]

The nomination of Mr. Richards does not comport with the spirit and the specifications of the Inspector General Act.

From July 1977 to May of this year, Mr. Richards held a number of increasingly important positions within the Capital Legal Foundation and its parent organization, the National Legal Center for the Public Interest, so-called "public interest" groups funded by wealthy conservatives and large corporations. Secretary of the Interior James Watt, instrumental in securing Mr. Richards' nomination, according to congressional testimony, is an alumnus of this conglomerate of advocacy organizations.

During his tenure with these groups—a chronology of Mr. Richards' rise in their ranks is attached—the nominee acted as a determined adversary of what he has described as "extremist groups", environmental and otherwise. In columns he wrote for an energy trade periodical, The American Oil & Gas Reporter, Mr. Richards advocated greatly increased development of energy resources, urged that oil companies be given greater access to DOE internal documents, suggested that DOE authority to obtain information from energy firms be restricted, and railed constantly against judicial enforcement of procedures governing energy and environmental matters.[2]

In testimony before Senate panels considering his nomination, Mr. Richards repeatedly referred to himself as a "zealot" and "idealogue," and blamed harassment of the oil and nuclear industries by government regulation and the press for aggravating America's energy crisis.[3]

While Mr. Richards' credentials might be suitable for other types of public service, his highly political and ideological attitudes toward key energy issues render him unsuitable for a position which requires independent, objective and impartial assessments of activities and programs operated by political appointees and implemented in many cases by members of the energy industry.

Indeed, the nomination of James Richards guarantees the development of conflict of interest between the duties he would assume as Inspector General of DOE and his previous activities on behalf of the Capital Legal Foundation and the National Legal Center for the Public Interest, since a number of energy firms which were major contributors to these organizations do business with or are regulated by the Department of Energy.

Under sharp questioning during his confirmation hearings, Mr. Richards reluctantly divulged the names of some major contributors to the organizations with which he was recently associated (these groups have consistently refused to make public their sources of support). They are: Fluor, Southern California Gas Co., Peters Fuel Corp., as well as AT&T and Chase Manhattan Bank. When asked whether as Inspector General he would disqualify himself from matters before DOE in which some of these contributors were involved, Richards said he "wouldn't feel any compunction to remove" himself from such proceedings.[4]

The DOE acutely requires an independent, politically neutral Inspector General.

With allegations of massive noncompliance by energy companies with DOE regulations, abuse of contracting practices the budget for which runs to the billions of dollars at DOE, and constant criticism of waste and inefficiency in its programs, the Department of Energy urgently requires an Inspector General with no prejudicial or preconceived attitudes toward any of the parties frequently involved in DOE matters: citizen watchdog groups, energy firms, environmental organizations, the press. The DOE Inspector General must be prepared and willing to search for and criticize improper departmental activities or misconduct or abuse by political appointees. Mr. Richards' background raises serious doubts about whether he would be able to carry out these responsibilities.

The last Inspector General of the Energy Department, Kenneth Mansfield, was a scrupulously impartial career civil servant who was nominated to be the first Inspector General for the Bureau of Foreign Assistance of the State Department by President John F. Kennedy in 1962.

A major blow to the independent and nonpartisan nature of the office of Inspector General was struck by President Reagan shortly after his inauguration when he requested the resignations of Mr. Mansfield and every other Inspector General in the federal government. Confirmation of Mr. Richards will complete the process of converting the office of Inspector General to a political appointment. The result can only be a reduction in the efficiency of our government, and a loss of confidence in it on the part of all citizens. We urge you to oppose this nomination.

Thank you for your consideration.

Sincerely yours,

HARVEY ROSENFIELD,
*Staff Attorney.*

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CHRONOLOGY OF JAMES RICHARDS' EMPLOYMENT BY CONSERVATIVE "PUBLIC INTEREST" FOUNDATIONS

(From Senate confirmation hearings)

Early 1977—part-time consultant, National Legal Center for the Public Interest (NLCPI)

July 1977—full-time consultant

Early 1978—Capital Legal Foundation formed; appointed Vice President and Legal Director

September 1980—Appointed General Counsel and Vice President, NLCPI

May 1981—Resigned affiliation with NLCPI

June 1981—Became consultant to DOE Secretary Edwards in anticipation of confirmation as Inspector General

Mr. EAGLETON. Mr. President, I yield myself the remainder of my time.

The PRESIDING OFFICER. The Senator has no time remaining.

Mr. EAGLETON. I had 5 minutes. The Senator from Idaho yielded me 5 minutes; I used 2 minutes and 40 seconds of the 5 minutes. I therefore have 2 minutes and 20 seconds remaining.

He yielded me 5 minutes.

Mr. McCLURE. Mr. President, if there be any doubt concerning that, I yield the

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[1] Inspector General Act of 1978, PL 95-452, 92 Stat. 1101, sec. 3(a).

[2] *See* The American Oil and Gas Reporter, January, March & April, 1981 April 1980.

[3] Senate confirmation hearings, transcript p. 52-54.

[4] *Id.*, p. 34-35.

Senator 3 minutes, not in addition to 2 minutes.

Mr. EAGLETON. Not in addition. Three minutes in lieu of the 2 minutes and 40 seconds. I thank the Senator.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. EAGLETON. Mr. President, the Senator from Idaho is a very skilled and able debater and he is that, but I think he misses the point of this debate.

In fact, if one is a skilled debater and the facts are not on one's side, it is a good thing to miss the point of the debate.

Mr. President, Mr. Richards is not only a clone but the clone of James Watt. When his name was submitted to the White House to join Watt as the Inspector General at Interior, even the White House personnel office, which has a pretty strong stomach, said no, they will not fly. One guy like Watt in Interior is enough, and, as the country knows, more than enough. So we will shunt Richards over to Energy and hide him away over there. Of course, Watt is now running Energy as well.

Mr. President, James Richards could probably pass the Senate as the nominee for Secretary of Energy. The fact that James Edwards holds that office proves one does not have to be qualified for anything to be Secretary of Energy. But James Richards is not nominated for Secretary of Energy. He is nominated to be the impartial policeman for the Department of Energy, to look under rocks, to see what is buried in the closet, to see if there are any skeletons hanging around, to oversee the large contracts handed out by the Department of Energy.

I submit a man with his ideological bias, a man who says "I am an ideological zealot"—those are his words—cannot be confirmed by this body to be the impartial, investigative, auditing, operating Inspector General of the Department of Energy. That is what it boils down to.

Stripped of all the rhetoric, stripped of all the language, that is the issue before this body and that is the issue upon which we will have to and must cast our vote.

Mr. McCLURE. Mr. President, I yield to the Senator from Tennessee, the majority leader, such time as he may consume.

Mr. BAKER. Mr. President, I thank my friend from Idaho.

Mr. President, I join my distinguished colleague, the chairman of the Committee on Energy and Natural Resources, in supporting the nomination of James R. Richards.

As we consider this nomination, we should keep in mind two very significant points. First, not one member of the Committee on Energy and Natural Resources voted against Mr. Richards when the committee reported his nomination. Second, Mr. Richards is well qualified to be the Inspector General of the Department of Energy. He is well qualified not only in the general sense, but also in terms of his professional experience and the application of that experience to the responsibilities that he would have as Inspector General.

Mr. Richards is an attorney with substantial experience as both a Federal prosecutor and administrator. From 1969 to 1974 he was employed in the Department of Justice as an assistant U.S. attorney, as chief of an organized crime strike force, and as an area coordinator for the organized crime section here in Washington, D.C. He has also served as the Director of the Office of Hearings and Appeals in the Department of the Interior, and as a legislative aid to former Senator Peter Dominick of Colorado.

Mr. Richards' background enables him to more than handle the primary duties of the Inspector General. The Inspector General supervises and coordinates audit and investigative activities, and he also recommends policies and procedures for promoting economy and efficiency in the Department. The Inspector General is also charged with preventing and detecting fraud and abuse in the Department's programs and with the identification and prosecution of any persons participating in fraud and abuse.

In light of such duties, Mr. Richards becomes an ideal candidate. He has the technical training as an attorney and Federal prosecutor, and he has the administrative experience as the Director of the Interior Department's Office of Hearings and Appeals.

Mr. President, I recommend Senate approval of Mr. Richards' nomination.

Mr. THURMOND. Mr. President, today I am pleased to rise in support of the nomination of Mr. James R. Richards to be Inspector General of the Department of Energy.

Mr. Richards, a native of Colorado, has held many positions which make him well-qualified for the position of Inspector General. As an assistant U.S. attorney in Denver, and later as chief of the organized crime strike force in Buffalo, N.Y., his duties included handling grand jury investigations and trials involving Federal fraud statutes and corruption.

Mr. President, James Richards has had experience in the executive branch during his tenure at the Department of Interior as the Director of the Office of Hearings and Appeals. He also has experience in the legislative branch, where he served as legislative assistant and as executive assistant to the late Senator Peter Dominick.

Mr. President, I believe the record established by Mr. Richards demonstrates that he is able, competent, and well-qualified for the position of Inspector General of the Department of Energy, and I am pleased to support his nomination.

● Mr. METZENBAUM. Mr. President, I want to begin by commending Senators EAGLETON, LEVIN, CHILES, and PRYOR for their outstanding work in bringing to the attention of the Senate the very serious issues surrounding the nomination of James Richards to be Inspector General of the Department of Energy. I consider this nomination highly inappropriate and I join my colleagues in calling upon the Senate to reject it.

Mr. President, if there is one single agency of this Government that most needs a "junkyard dog" in the role of Inspector General, it has to be the Department of Energy.

The GAO has issued dozens of reports criticizing DOE's management and procurement practices. Time and again, the GAO has pointed to noncompetitive procurement, large costs overruns in DOE-operated facilities and major irregularities in the use of outside contractors. Those irregularities, as Senator PRYOR ably pointed out in hearings held during the last session of Congress, included the use of contractors and consultants to perform work that should have been carried out by civil servants at the Department.

In 1980, 75 percent of DOE's budget—a total of $9 billion—went to outside contractors.

"The Department's reliance on contractors is so extreme," a recent report by the staff of the Government Affairs Committee concluded, "* * * that it is hard to understand, what, if anything, is left for officials to do. Reliance on contractors is not limited to a portion of the Department's activities, or to discrete components of DOE. It permeates virtually all of the Department's basic activities—regulation, spending, and internal management—at virtually all levels of the organization chart."

That staff report goes on to point out a number of other problems—problems that constitute an open invitation to waste, fraud, and abuse on a massive scale.

DOE regulations, for example, state that consultants may only be hired temporarily and only when a shortage of personnel exists. But, in fact, consultants have become permanent fixtures at the DOE.

What do these consultants do? The report says that senior DOE officials were unaware that many of them were, in fact, illegally performing essential Government functions, and where literally hundreds of other consultants were concerned, the Department was unable to produce the work product for which taxpayer dollars had been expended.

And finally, Mr. President, the report points out that DOE relies heavily on contractors who also work for major oil companies—and even for the OPEC cartel. Once again, the potential for abuse is truly extraordinary.

It should be clear, then, that the position of Inspector General at DOE is very important.

DOE must have an Inspector General who can and will aggressively investigate waste, fraud, and abuse in every sector of the Department. The Inspector General must not come to the job with preconceived notions about which projects and technologies are good and which are bad. There can be no sacred cows in a Department in which waste has permeated every corner.

The question before us is whether or not James Richards is the appropriate person to fill that position.

I believe that the answer to that question is a clear and unequivocal "no."

I have no intention of questioning Mr. Richard's sincerity when he says that, if

confirmed, he will do his best to carry out his full responsibilities under the law. But the fact is, Mr. President, that Mr. Richards brings with him a set of past associations that raise the most serious doubts about his suitability for this sensitive position.

The Inspector General of DOE must be beyond reproach.

To be effective, he or she must be without potential conflicts of interest.

But, unfortunately, Mr. Richards does not meet those minimal criteria—and I believe that his confirmation would damage in the eyes of the people of this country the credibility of this administration's determination to eliminate waste and fraud in the Federal bureaucracy.

Let us look at Mr. Richards' background. For the past 3 years, Mr. Richards has been associated with an organization called the National Legal Center in the Public Interest. He served first as vice president of its Washington subsidary, the Capital Legal Foundation, and later as general counsel for NLCPI as a whole.

NLCPI and Capital are public interest law firms in the same sense that the Rocky Mountain Legal Foundation, formerly headed by Interior Secretary James Watt, is a public interest law firm. In fact, Mountain States is a subsidiary of NLCPI, just like Capital—and its activities can be described as "in the interest" only if one assumes that the activities of the large corporations which provide all of its funding are also in the public interest.

What organizations have provided funds for NLCPI and Capital? I had a difficult time getting the answer to that question from Mr. Richards.

When I first asked who the contributors were, he said that to disclose that information would be illegal. He erroneously cited a provision in the United States Code prohibiting employees or certain Government officials from divulging this information. After I repeated the question, Mr. Richards stated he did not know who any of the contributors were. Finally, after I read a portion of Capital's 1980 annual report thanking the Fluor Corp. for its "generous contribution," Mr. Richards said he might know, but he was not going to tell me because his former employers had not authorized him to do so.

Did Mr. Richards have something to hide? Well, it turns out that in 1980, Capital Legal Foundation received $115,000—almost half of its budget—from the Scaife Foundation Charitable Trust. According to an article appearing in the July 12, 1981, edition of the Washington Post, the trust is controlled by Richard Mellon Scaife, one of the wealthiest men in America. The article states that Mr. Scaife is the second largest individual shareholder in Gulf Oil Co., and that the Scaife Foundation Trust is composed almost entirely of Gulf Oil Co. stock. In fact, according to the 1980 Corporate Data Exchange Stock Ownership Directory, the Scaife Foundation alone owns more than 1.6 million shares of Gulf.

What is the problem with all of this? At the same time that the Capital Legal Foundation was receiving these hefty contributions from the Scaife Foundation, Capital also was fighting the Office of Special Counsel at the Department of Energy, where Gulf had been charged with more than $500 million in pricing overcharge violations. In 1979, when the Office of Special Counsel began lodging the overcharge allegations, the oil companies attempted to present a united front against settling any of the cases. Yet, when the Office of Special Counsel finally obtained a $25 million settlement with Getty Oil, Capital Legal Foundation and Mr. Richards jumped in to fight the settlement, and to this day Capital has continued its attacks upon this Offi e.

Mr. Richards claims that these corporate contributions would not influence his judgment or his activities as Inspector General. But according to DOE procurement records, Gulf has at least six contracts with the Department, totaling more than $25 million. Could Mr. Richards credibly investigate allegations of waste, fraud, and abuse in these contracts in light of his association with Capital Legal Foundation?

But it is not just Gulf. Capital's second largest contributor has been Fluor Corp., a multinational energy company with sales of more than $4 billion last year. Fluor is involved in every aspect of petroleum exploration and development, and also owns one of the largest nuclear construction firms in the world. Its chairman, Robert J. Fluor, is the founder and the chairman of the board of NLCPI. Fluor's executive vice president, Leslie Burgess, is chairman of the board of Capital. Could Mr. Richards credibly pursue any allegations of waste, fraud, and abuse with regard to Fluor's contracts with DOE? There are six of them for a total of $67 million.

And how about nuclear programs?

Because of the large spending increases requested by the Reagan administration, nuclear programs now make up a large portion of DOE's budget. Mr. Richards, who described himself to the Government Affairs Committee as an "ideological zealot," has very strong feelings about nuclear power. In 1979, Mr. Richards, on behalf of Capital Legal Foundation, sued the Nuclear Regulatory Commission in an attempt to overturn the Carter administration's decision to place a moratorium on nuclear fuel reprocessing. Joining Mr. Richards' suit was almost every major nuclear fuel company in the United States.

Closing the nuclear fuel cycle by reprocessing spent fuel rods is a paramount priority for supporters of breeder technology. In light of his strong advocacy of fuel reprocessing, could Mr. Richards credibly serve as a watchdog with regard to the Clinch River Breeder Reactor? What kinds of questions would a self-described "ideological zealot" ask about the 450 percent in cost overruns that a House Energy and Commerce Subcommittee has identified at Clinch River?

There are more examples of Mr. Richards lack of independence and impartiality.

Mr. Richards has testified that groups such as the National Wildlife Federation and the Sierra Club are "environmental extremists." Would he be sensitive to any allegations of waste or fraud these groups might make regarding DOE programs?

Mr. President, I could go on and on with examples of why Mr. Richards simply is the wrong person for this important position at the Department of Energy. Had the administration nominated him to be an Assistant Secretary, I would not have opposed the nomination. He has a long background in energy, and while I might disagree with him philosophically, I would not have objected to placing him in a policymaking position.

The Inspector General, however, is not a policymaker. His office is supposed to be nonpartisan, charged with assuring that the taxpayer gets a maximum return on each and every dollar expended by the DOE.

That job. Mr. President, is not one for a partisan.

It is not one for a person with conflicts of interest, current or potential.

And it is not, Mr. President, an appropriate position for James Richards.

I urge the Senate to reject this ill-considered nomination.●

Mr. SASSER. Mr. President, I join my colleagues on the Governmental Affairs Committee in objecting to the nomination of James Richards for the post of Inspector General at the Department of Energy.

The post of Inspector General is a very sensitive one. An Inspector General is the main investigator of waste, fraud, and misrepresentation within an agency's operations, and, in the case of the Department of Energy, the Inspector General backs up the Federal Energy Regulatory Commission in monitoring and prosecuting violations of price regulations, and in checking on the adequacy of Federal fine collection. It is because of the nature of the post that I must oppose Mr. Richards' nomination.

I am concerned about the objectivity with which Mr. Richards would execute his duties as a monitor of oil and energy company relations with the Government and with the public as a whole.

Mr. Richards former choice of employment, as legal director with the Capital Legal Foundation (CLF), does not show him to be a man whose qualifications are appropriate for the position of Inspector General. CLF receives funds from a number of energy interests, including Gulf Oil. Gulf Oil is now being investigated for gross price violations of $1.1 billion, of which more than half stems from overcharging the consumer. Would Mr. Richards show due diligence in investigating these interests?

The point is that Mr. Richards' background recommends him for a policy position, but not for a position of public trust in matters that may involve the investigation of those energy interests he once used to serve.

Congress envisioned that the Inspector General would be the focal point of receiving "whistleblower" complaints from employees aware of cases of fraud, waste, and mismanagement. Would a whistleblower who discovered some mis-

conduct of misrepresentation be given an objective hearing by Mr. Richards? I am skeptical that he would, considering Mr. Richards' own testimony at the Governmental Affairs Committee.

By his own words, Mr. Richards disqualified himself from consideration for the post of Inspector General at the Governmental Affairs Committee hearing on his nomination. He testified that he is an "ideologue" and an "ideological zealot" who feels that, in the post of Inspector General, he would be part of the "management team" at DOE.

This view of his role as Inspector General flies in the face of why the job was created in the first place. The Senate report describing the rationale for creating the post of Inspector General states that this post was aimed to overcome the reluctance of agency administrators to report mismanagement that might reflect on either themselves or their agency's programs. The report goes on to state that, "for that reason, the audit and investigative functions should be assigned to an individual whose independence is clear * * *"

Mr. Richards wants to be part of the management team, not an independent auditor and objective prosecutor of mismanagement.

And that brings me to the next problem. Although Mr. Richards is a capable lawyer, he does not have a background as an auditor, nor is he a career civil servant. In the past, virtually all Inspectors General have been distinguished auditors. They have largely been auditors working within the civil service.

As a result, I am not confident that Mr. Richards will carry out the duties of Inspector General with the objectivity and neutrality required of the post.

There is still a place for a strong Inspector General. Of all the oil company overcharges alleged to have occurred while oil prices were controlled, $8.6 billion has yet to be settled on. That involves a substantial interest for the U.S. Treasury and the American consumer. Let us not turn away from this history, just because the administration is sympathetic enough with big oil to appoint a man who worked for those interests which the Inspector General must police.

It is always unfortunate when the Senate finds a nominee exceptionally inappropriate for the post to which he is nominated. I am afraid that this is such a case. I urge the President to look again for a man whose qualifications can win overwhelming support in the U.S. Senate.

Senators EAGLETON, PRYOR, and LEVIN each deserve the gratitude of the Senate for bringing the case of Mr. Richards more fully to the Senate's attention. I hope that their concerns are shared by my colleagues. The Inspector General must protect the public treasury. The Inspector General is the final overseer of energy price regulation violations and consultant abuse. I believe we could do better for the integrity of this post than to confirm Mr. Richards today.

Mr. MOYNIHAN. Mr. President, I oppose the nomination of James R. Richards to be Inspector General of the Department of Energy. I am not questioning Mr. Richards integrity or legal qualifications. He is obviously an experienced lawyer. However, I believe that Mr. Richards' comments of July 29, when he appeared before the Governmental Affairs Committee, raise serious questions as to whether he possesses the necessary temperament and detachment to carry out the duties of Inspector General of the Department of Energy (DOE).

As envisioned by Congress when we established the post in 1978, the Inspector General must conduct and supervise audits and investigations relating to DOE programs, provide leadership and coordination for activities designed to promote economy and efficiency within the Department, and prevent and detect fraud and abuse.

It is not a policymaking position. Yet Mr. Richards, in his testimony, indicated his desire to be part of a "management team" at the Department of Energy. The Inspector General is expected to be fiercely independent, yet in his remarks before the Governmental Affairs Committee Mr. Richards agreed that, in certain matters, he is an "ideological zealot" who believes that oil and gas companies have been "unfairly burdened, even harassed by Government regulations." These beliefs might be acceptable were the Inspector General a policymaking position. Indeed they seem to reflect this administration's energy policies, policies with which I do not always agree. But the Inspector General does not make policy. The position calls not for an ideologue but rather for a nonpolitical person who will faithfully discharge the duties as set forth in the Inspector General Act of 1978.

I am also concerned that Mr. Richards has indicated his unwillingness to disqualify himself from cases involving firms or individuals who had contributed to the law firm with which he was formally associated. Again, I have no quarrel with his associations. Mr. Richards has a right to work for whomever he pleases. But when he refuses to disqualify himself from cases involving former clients, his judgment must be seriously questioned.

I will be voting against the nomination of James R. Richards as Inspector General of the Department of Energy because I agree with those who believe that he is not the right man for the job.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, if the Senator will permit me, I inquire about the order for the length and duration of the rollcall votes about to occur.

The PRESIDING OFFICER. The first two votes are 15 minutes and the remaining vote on this nomination is 10 minutes.

Mr. BAKER. Mr. President, I must have misspoke myself when I made that request or it got garbled in the transmission. What I intended to say and what I now put, and I am sure that the distinguished minority leader will not object to this, I ask unanimous consent that the first vote be 15 minutes and each succeeding vote 10 minutes in length as those votes are back-to-back.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I observe the minority leader is in the Chamber.

I asked the Senate to agree that the first vote would be 15 minutes and the subsequent votes back to back would be 10 minutes each, explaining that while that was not the way that the order now appears, that is the way I intended to put it, and it may have been garbled in the transmission. I hope the Senator has no objection.

Mr. ROBERT C. BYRD. I do not have any objection.

NOMINATION OF JAMES R. RICHARDS TO BE INSPECTOR GENERAL

Several Senators addressed the Chair.

Mr. McCLURE. Mr. President, I yield 1 minute to the Senator from New Mexico (Mr. DOMENICI).

The VICE PRESIDENT. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, on July 21 the Committee on Energy and Natural Resources, by a vote of 17 to 0, reported the nomination of James R. Richards to be Inspector General, Department of Energy. Mr. Richards' nomination hearing was held on July 9. He has fully complied with the committee's rules requiring submittal of a financial disclosure report and a detailed information statement. I am prepared to recommend Mr. Richards' confirmation.

Mr. Richards is well qualified to be DOE Inspector General. He is an attorney with considerable professional experience as both a Federal prosecutor and administrator.

The duties of the Inspector General are set forth in detail in the Department of Energy Organization Act. During his nomination hearing, Mr. Richards described those responsibilities as follows:

The duties and responsibilities of the Inspector General of the Department are quite specific and somewhat unique. Not only does he supervise and coordinate audit and investigative activities, but he also recommends policies and procedures for promoting economy and efficiency in the Department. The Inspector General is charged with preventing and detecting fraud and abuse in the Department's programs and in the identification and prosecution of any persons participating in fraud and abuse. He reports a summary of his activities annually to the Congress, the Secretary of Energy and the Federal Energy Regulatory Commission.

The Inspector General also immediately reports particularly serious or flagrant problems, abuses or deficiencies relating to the programs and operations of the Department, to the Secretary, the Federal Energy Regulatory Commission, as appropriate, and within 30 days thereafter, to the Congress.

Mr. Richards also told the Committee:

Obviously, the Inspector General is not an active participant in the policy making team at the Department. His role is to serve as the internal agency watchdog, making sure that policies are carried out efficiently and economically and that they are free from fraud, abuse and waste. If confirmed, I intend to vigorously pursue my duties and responsibilities in that role.

Mr. President, I am pleased to recommend Senate approval of the Presidential nomination of James R. Richards for the position of Inspector General, Department of Energy.

## ROLLCALL VOTES ON NOMINATIONS

NOMINATION OF SANDRA DAY O'CONNOR TO BE AN ASSOCIATE JUSTICE OF THE SUPREME COURT OF THE UNITED STATES

The VICE PRESIDENT. All time has expired. The question is, Will the Senate advise and consent to the nomination of Sandra Day O'Connor to be an Associate Justice of the Supreme Court of the United States?

The yeas and nays have been ordered, and the clerk will call the roll.

Mr. CRANSTON. I announce that the Senator from Montana (Mr. BAUCUS), is necessarily absent.

I further announce that, if present and voting, the Senator from Montana (Mr. BAUCUS), would vote "yea."

The VICE PRESIDENT. Are there any other Senators wishing to vote?

The Chair would remind the galleries that there will be no expressions of approval or disapproval.

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 274 Ex.]

YEAS—99

| | | |
|---|---|---|
| Abdnor | Glenn | Moynihan |
| Andrews | Goldwater | Murkowski |
| Armstrong | Gorton | Nickles |
| Baker | Grassley | Nunn |
| Bentsen | Hart | Packwood |
| Biden | Hatch | Pell |
| Boren | Hatfield | Percy |
| Boschwitz | Hawkins | Pressler |
| Bradley | Hayakawa | Proxmire |
| Bumpers | Heflin | Pryor |
| Burdick | Heinz | Quayle |
| Byrd, Harry F., Jr. | Helms | Randolph |
| | Hollings | Riegle |
| Byrd, Robert C. | Huddleston | Roth |
| Cannon | Humphrey | Rudman |
| Chafee | Inouye | Sarbanes |
| Chiles | Jackson | Sasser |
| Cohen | Jepsen | Schmitt |
| Cranston | Johnston | Simpson |
| Cochran | Kassebaum | Specter |
| D'Amato | Kasten | Stafford |
| Danforth | Kennedy | Stennis |
| DeConcini | Laxalt | Stevens |
| Denton | Leahy | Symms |
| Dixon | Levin | Thurmond |
| Dodd | Long | Tower |
| Dole | Lugar | Tsongas |
| Domenici | Mathias | Wallop |
| Durenberger | Matsunaga | Warner |
| Eagleton | Mattingly | Weicker |
| East | McClure | Williams |
| Exon | Melcher | Zorinsky |
| Ford | Metzenbaum | |
| Garn | Mitchell | |

NOT VOTING—1

Baucus

So the nomination was confirmed.

The VICE PRESIDENT. The majority leader is recognized.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to this nomination.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. BAKER. Mr. President, could I inquire, are rollcall votes ordered on the next two nominations to be considered at this time?

The VICE PRESIDENT. They have been ordered.

Mr. BAKER. If I may have just a moment, could I inquire of the managers of the remaining nominations if they wish to have their rollcalls at this time?

Mr. President, I yield to the Senator from Kentucky.

The VICE PRESIDENT. Will the Senate be in order? The Senator is recognized.

Mr. FORD. Mr. President, let me say to the majority leader there is no desire on the part of the minority, so far as I know, to have a rollcall vote on the FTC nominee.

Mr. BAKER. I thank the distinguished Senator.

Mr. President, could I inquire of the distinguished Senator from Wisconsin if there is any desire for a rollcall vote on the FTC nominee on this side? Will the Senator from Wisconsin (Mr. KASTEN) indicate whether he wants to have a rollcall vote?

Mr. KASTEN. A number of Senators have indicated they would prefer a rollcall vote.

Mr. BAKER. Mr. President, I ask unanimous consent that the next two succeeding rollcall votes be back-to-back and be for not more than 10 minutes each.

The VICE PRESIDENT. Without objection, it is so ordered.

NOMINATION OF JAMES C. MILLER III TO BE A FEDERAL TRADE COMMISSIONER

The question is, Will the Senate advise and consent to the nomination of James C. Miller III, of the District of Columbia, to be a Federal Trade Commissioner? On this question the yeas and nays have been ordered and the clerk will call the roll.

(Mr. DANFORTH assumed the Chair.)

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Montana (Mr. BAUCUS), is necessarily absent.

I further announce that, if present and voting, the Senator from Montana (Mr. BAUCUS), would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 97, nays 2, as follows:

[Rollcall Vote No. 275 Ex.]

YEAS—97

| | | |
|---|---|---|
| Abdnor | Garn | Mitchell |
| Andrews | Glenn | Moynihan |
| Armstrong | Goldwater | Murkowski |
| Baker | Gorton | Nickles |
| Bentsen | Grassley | Nunn |
| Biden | Hart | Packwood |
| Boren | Hatch | Pell |
| Boschwitz | Hatfield | Percy |
| Bradley | Hawkins | Pressler |
| Bumpers | Havakawa | Pryor |
| Burdick | Heflin | Quayle |
| Byrd, Harry F., Jr. | Heinz | Randolph |
| | Helms | Riegle |
| Byrd, Robert C. | Hollings | Roth |
| Cannon | Huddleston | Rudman |
| Chafee | Humphrey | Sarbanes |
| Chiles | Inouye | Sasser |
| Cochran | Jackson | Schmitt |
| Cohen | Jepsen | Simpson |
| Cranston | Johnston | Specter |
| D'Amato | Kassebaum | Stafford |
| Danforth | Kasten | Stennis |
| DeConcini | Kennedy | Stevens |
| Denton | Laxalt | Symms |
| Dixon | Leahy | Thurmond |
| Dodd | Levin | Tower |
| Dole | Long | Tsongas |
| Domenici | Lugar | Wallop |
| Durenberger | Mathias | Warner |
| Eagleton | Matsunaga | Weicker |
| East | Mattingly | Williams |
| Exon | McClure | Zorinsky |
| Ford | Melcher | |

NAYS—2

| | |
|---|---|
| Metzenbaum | Proxmire |

NOT VOTING—1

Baucus

So the nomination was confirmed.

Mr. STEVENS. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The VICE PRESIDENT. Without objection, it is so ordered.

NOMINATION OF JAMES R. RICHARDS TO BE INSPECTOR GENERAL OF THE DEPARTMENT OF ENERGY

Mr. STEVENS. Mr. President, this will be the last rollcall vote tonight.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination of James R. Richards, of Virginia, to be Inspector General of the Department of Energy? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Montana (Mr. BAUCUS) is necessarily absent.

I further announce that, if present and voting, the Senator from Montana (Mr. BAUCUS) would vote "nay."

The PRESIDING OFFICER (Mr. DANFORTH). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 71, nays 28, as follows:

[Rollcall Vote No. 276 Ex.]

YEAS—71

| | | |
|---|---|---|
| Abdnor | Glenn | McClure |
| Andrews | Goldwater | Melcher |
| Armstrong | Gorton | Murkowski |
| Baker | Grassley | Nickles |
| Bentsen | Hatch | Packwood |
| Boren | Hatfield | Pell |
| Boschwitz | Hawkins | Percy |
| Burdick | Hayakawa | Pressler |
| Byrd, Harry F., Jr. | Heflin | Quayle |
| | Heinz | Roth |
| Cannon | Helms | Rudman |
| Chafee | Hollings | Schmitt |
| Cochran | Humphrey | Simpson |
| Cohen | Jackson | Specter |
| D'Amato | Jepsen | Stafford |
| Danforth | Johnston | Stennis |
| Denton | Kassebaum | Stevens |
| Dixon | Kasten | Symms |
| Dole | Laxalt | Thurmond |
| Domenici | Long | Tower |
| Durenberger | Lugar | Wallop |
| East | Mathias | Warner |
| Ford | Matsunaga | Weicker |
| Garn | Mattingly | Zorinsky |

NAYS—28

| | | |
|---|---|---|
| Biden | Hart | Proxmire |
| Bradley | Huddleston | Pryor |
| Bumpers | Inouye | Randolph |
| Byrd, Robert C. | Kennedy | Riegle |
| Chiles | Leahy | Sarbanes |
| Cranston | Levin | Sasser |
| DeConcini | Metzenbaum | Tsongas |
| Dodd | Mitchell | Williams |
| Eagleton | Moynihan | |
| Exon | Nunn | |

NOT VOTING—1

Baucus

So the nomination was confirmed.

Mr. STEVENS. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that it be in order to move to reconsider all these nominations en bloc that have been confirmed.

The PRESIDING OFFICER. Without objection, it so ordered.

Mr. STEVENS. Mr. President, I move to reconsider the votes by which the nominations were confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## LEGISLATIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ORDER FOR PRINTING OF S. 884

Mr. STEVENS. Mr. President, I ask unanimous consent that S. 884, the Agricultural and Food Act of 1981, be printed as passed by the Senate on September 18, legislative day September 9, 1981.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ORDERS FOR TUESDAY

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate convene tomorrow at the hour of 11 a.m.; that following the recognition of the two leaders under the standing order, there be a 5-minute special order entered in favor of the Senator from Wyoming (Mr. WALLOP); and that thereafter there be a period for the transaction of routine morning business not to extend beyond the hour of 11:30 a.m. with Senators permitted to speak therein.

I further ask unanimous consent that on tomorrow, the majority leader be authorized to proceed to the consideration of any and all of the following four bills, although not necessarily in the sequence stated: Calendar Order No. 233, S. 1365, the Bankruptcy Act: Calendar Order No. 237, S. 1475, the International Energy Agency bill; Calendar Order No. 85, S. 306, the hydroelectric bill; and Calendar Order No. 117, S. 1135, the Defense Production Act.

I further ask unanimous consent that when the Senate completes its business tomorrow, it stand in recess until the hour of 10 a.m. on Wednesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

## COMMENDATION TO WALTER J. STEWART FOR SERVICE IN THE U.S. SENATE

Mr. ROBERT C. BYRD. Mr. President, I send a resolution to the desk and ask that it be stated by the clerk.

The PRESIDING OFFICER. The clerk will state the resolution.

The assistant legislative clerk read as follows:

A resolution (S. Res. 214) commending Walter J. Stewart for his long, faithful and exemplary service to the United States Senate.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the resolution.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, the Senate proceeded to consider the resolution.

Mr. ROBERT C. BYRD. Mr. President, as most of my colleagues are aware, our former secretary for the minority, Walter "Joe" Stewart recently left the Senate to accept a position in private industry. While I will miss Joe, who has been professionally associated with me by working on my personal staff—or working with me in a leadership position, for the past 10 years, I know that we all wish him well in his new endeavor.

Joe Stewart started and, for that matter, has spent his entire governmental career in the Senate. He came to Washington in 1951 as a page under the sponsorship of Senator Spessard Holland of Florida. He graduated from the Capitol Page School in 1953 as president of his class.

In 1954, Joe was appointed to head the staff of the Democratic cloakroom. Several years later, he attained a further promotion as administrative assistant to the secretary for the majority, with duties which included supervising the secretary's staff connected wtih the Senate floor and being on the floor when the Senate was in session to advise Members on pending legislation, as well as performing administrative duties within the secretary's office.

Following graduation from law school and shortly after becoming a member of the District of Columbia bar, Joe was appointed to the professional staff of the Senate Committee on Appropriations. He remained in that position until 1971 when he became my legislative assistant. He served me ably in that position for 6 years.

In 1977, when I was elected majority leader, I named Joe Stewart as assistant to the majority leader for the floor operations. In 1979, it was my pleasure later to nominate him as secretary for the majority of the Senate. He was elected to that position and served in that capacity until January 1981, at which time he was elected secretary for the minority. In June of 1981, he completed a total of 30 years with the U.S. Senate.

As secretary for the majority and later as secretary for the minority, Joe's duties included acting as executive secretary for the Democratic Steering Committee which make Democratic committee appointments and acting in a similar capacity for the Democratic Caucus of all Senators. Earlier this year during the transition from the majorityship to the minority, Joe played a key role in the realinement of our committee positions.

In addition to his regular duties, Joe Stewart has accompanied me and other Members of the Senate on several senatorial and Presidential delegations which have traveled to China, Russia, the Middle East, Europe, and to Panama prior to the passage of the Panama Canal Treaty.

Mr. President, Joe Stewart has always performed his duties here in the Senate with dedication, efficiency, and loyalty, and we shall miss him and his able assistant, Ms. Jeanne Drysdale-Lowe, who will also be leaving the Senate to work with Joe in his new position.

Joe's departure is a real loss for the Senate, but we wish him the very best in his new undertaking.

Mr. STEVENS. Mr. President, I join my good friend, the minority leader, in paying tribute to the services of Joe Stewart. He has been a good friend to all of us, those of us on this side of the aisle, as well as those on the Democratic side of the aisle. He has been a man who is easy to work with, and has always shown consideration for the problems that exist here in the Senate in trying to work our will on pending matters.

I know we all join in wishing him well and hoping he will have a successful career as he vovages on to other things.

Mr. President, I ask unanimous consent that the record of the tributes concerning the service of Walter J. Stewart may be printed as a bound volume and as a Senate document. I further ask that the RECORD remain open for a period of 10 days in order that additional statements may be included in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Alaska, the majority whip and the acting majority leader, for his kind comments, and I know Mr. Stewart will likewise appreciate them deeply.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 214) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 214

Whereas Walter J. Stewart has faithfully served the Senate as an officer of the Senate, the Senate wishes to express its appreciation for his dedicated service as an officer of the Senate; and,

Whereas the said Walter J. Stewart at all times has discharged the important duties and responsibilities of his office with great efficiency, and diligence; and,

Whereas prior to his service as Secretary for the Minority and as Secretary for the Majority he served the Senate in other important capacities for a period of thirty years; and,

Whereas his loyalty, his exceptional service and continuing dedication have earned for him esteem and affection; so therefore, be it

*Resolved*, That Walter J. Stewart is hereby commended for his lengthy, faithful and outstanding service to the Senate.

SEC. 2. The Secretary of the Senate is directed to transmit a copy of the Resolution to Walter J. Stewart.

Mr. ROBERT C. BYRD. Mr. President. I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## RULES COMMITTEE APPROVES AIR TRAVEL DISCOUNT PLAN

Mr. PERCY. Mr. President, I would like to congratulate my valued friend and colleague, Senator MATHIAS, chairman of the Rules and Administration Committee, for his efforts in approving and im-

plementing a plan that will significantly reduce Senate travel expenses.

On July 8, 1981, he officially notified the Senate that we had been included in the General Services Administration's air travel contract discount program. This executive agency program, which has been in effect since July 1, 1980, has already saved taxpayers between $17 to $19 million. It is impossible to determine cost savings to the Senate, but I believe that it will be a significant cost-containing measure. For my personal staff alone, I have been told that savings could total more than $4,000.

I urge the former chairman of the Rules Committee, Senator PELL, in an October 1, 1980, letter, cosigned by the highly respected former Governmental Affairs Chairman Ribicoff, to consider including the Senate in this cost-saving program and a study was then initiated. Under the new contract awarded for the 12-month period beginning this July, 19 airlines have been awarded routes covering 160 direct routes. It is anticipated that the executive branch will save $35 million in travel costs for the new contract. The airlines include some of the newest, such as Midway Airlines, some of the oldest, such as Western Airlines, and Air Illinois, a growing commuter based in southern Illinois.

I have been assured that the non-Government travelers are not cross-subsidizing these Government travelers. The contracting airlines view these lower fares as profitable because of the assurance of a guaranteed revenue from receiving all of the Federal Government's air travel patronage over the routes they were awarded.

In addition, these contract fares would not have been possible without airline deregulation, which I vigorously supported. The airlines are now able to bid for volume business, without interference from the Civil Aeronautics Board.

I am pleased that the interagency travel management improvement project has now reported its ambitious program that could save the Federal Government over $200 million annually. The program emphasizes streamlined procedures, tightened pretravel clearances, and the use of contract fares. This policy has my full support and should be applauded by all who want reduced waste in Government.

I would like to commend those responsible for this landmark cost-saving program, including from the General Services Administration: Gerald P. Carmen, Administrator; Allan W. Beres, Commissioner for Transport and Public Utilities Services; Sean Allan, Director, Transportation and Travel Management Division; Ivan Michael Schaeffer, Assistant Commissioner for Transportation and Travel Management; and Albert Vicchiolla, Assistant General Counsel. From the Rules and Administration Committee, I would like to commend John B. Childers, Deputy Staff Director, who ably served me for many years as my own administrative assistant, and Dennis Dohery.

Senators wishing to participate should contact the Rules Committee.

## THE 1981 FARM BILL

Mr. BUMPERS. Mr. President, I wish to take a few minutes to discuss S. 884, the 1981 farm bill which the Senate passed on Friday, September 18, 1981. This bill will be our basic agricultural legislation for the next 4 years and is extremely important to all Americans, both farmers and consumers.

The farmers of this country, while comprising only about 3 percent of the population, are world leaders in the production of food. Through their efforts not only are the citizens of this country fed, but so are the people of many other countries of the world. Farm productivity in this country has increased by almost 70 percent since 1950, even though agricultural inputs have gone up by only 2 percent. Obviously, our farmers are some of the most productive persons in this country and contribute a great deal to our quality of life.

Even though our farmers have been so productive they are being devastated by soaring costs and extraordinarily low prices. Their very survival is at stake. Given these bleak conditions, Mr. President, the farmers of this country were looking to the Congress to develop strong, effective farm legislation. I am afraid, however, that after they review the provisions of S. 884 as passed by the Senate, they will be sorely disappointed. The bill falls far short of providing adequate price protection for our farmers and I hope the bill can be strengthened when it is considered by the House of Representatives.

Mr. President, our farmers are currently experiencing one of the worst price declines in memory, while at the same time being hit with higher costs, particularly soaring interest rates. I know that many in this body believe that once interest rates come down and inflation subsides, that many of the problems our farmers are experiencing will go away. This might be correct, Mr. President, and I intend to do all I can to get interest rates down. However, I think this body could have written a farm bill which would have also improved the income picture for the farmers of this Nation.

Their problem is vividly demonstrated in a recent study conducted by Data Resources, Inc. The study found that net farm income in 1980 was $20 billion, a decline of 39 percent from 1979 and down 27 percent from 1978. Further, when that figure is adjusted for inflation, net farm income was below $10 billion, the lowest level since 1934. The report concluded:

> The outlook for farm income profitability has gone beyond dismal and would have to be termed catastrophic.

This is a fair statement of the situation our farmers are in today, and I am afraid that S. 884 will do very little to improve their economic plight.

In conclusion, Mr. President, I am opposed to S. 884 in its present form. The bill, as originally reported by the Senate Agriculture Committee, was a fair compromise. However, once the bill reached the floor of the Senate, amendments were added which further eroded the minimal price protection in the bill and I think it is too weak to support.

## MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

## EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

## PRESIDENTIAL APPROVAL

A message from the President of the United States reported that on September 17, 1981, he had approved and signed the following joint resolution:

S.J. Res. 62. Joint resolution to authorize and request the President to designate the week of September 20 through 26, 1981, as "National Cystic Fibrosis Week."

## EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1957. A communication from the Secretary of the Treasury transmitting, pursuant to law, a report on the violation of law involving the expenditure of funds in excess of appropriated amounts by the U.S. Customs Service, to the Committee on Appropriations.

EC–1958. A communication from the Secretary of Agriculture transmitting, pursuant to law, a report on the impact of remote land claims; to the Committee on Banking, Housing, and Urban Affairs.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary, without amendment:

S. Res. 213. Resolution authorizing supplemental expenditures by the Committee on the Judiciary for inquiries and investigations; referred to the Committee on Rules and Administration.

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. EAST:

S. 1647. A bill to insure equal protection of the laws as guaranteed by the fourteenth amendment to the Constitution of the United States and to deny the jurisdiction of the inferior Federal courts to order the assignment or transportation of students, and for

other purposes; to the Committee on the Judiciary.

By Mr. HATFIELD:

S. 1648. A bill entitled the "Military Spouse Retirement Equity Act"; to the Committee on Armed Services.

By Mr. HATCH:

S.J. Res. 110. Joint resolution to amend the Constitution to establish legislative authority in Congress and the States with respect to abortion; to the Committee on the Judiciary.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTION

By Mr. HATFIELD:

S. 1648. A bill entitled the "Military Spouse Retirement Equity Act"; to the Committee on Armed Services.

MILITARY SPOUSE RETIREMENT EQUITY ACT

● Mr. HATFIELD. Mr. President, a recent Supreme Court decision has made congressional action in the area of pension rights for former spouses of military employees even more imperative.

On June 26, in McCarty against McCarty, the U.S. Supreme Court, in overturning the California Court of Appeals, ruled that Federal law precludes a State court from dividing military retired pay. This ruling has thrown traditional State domestic relations law into chaos, and has effectively deprived States of a tool to provide economic protection to divorced spouses of military personnel.

While the Supreme Court recognized that the plight of an ex-spouse of a retired service member is often a serious one, it concluded that Congress, not the courts, should decide whether more protection should be afforded to military former spouses.

The Supreme Court decision has made legislative action on this issue critical. In some cases, court-ordered payments that are presently being made may be cut off, leaving these divorced military spouses in financial distress.

The plight of the so-called displaced homemaker is becoming well recognized in a society where nearly one of every two marriages ends in divorce. These divorced or widowed women who have devoted many years to maintaining the home and family often suffer serious consequences when they attempt to gain outside employment, or receive their rightful pension or retirement benefits.

Contrary to the popular myth of the merry divorcee, only a few are wealthy. Alimony is received by just 4 percent of divorced women. Furthermore, statistics indicate that while 89 percent of single-parent families are headed by mothers, three-quarters of these women received no child support from fathers. For even this minority of women, alimony and child support are no substitute for a vested pension interest. Both cease with the death of the employed or retired spouse.

Congress began to address this issue by amending the Social Security Act in 1977, providing pension benefits to divorced wives married 10 years or more. However, even these basic protections are not afforded a significant number of women married to civil service or military employees or employees enrolled in many private pension plans. For military and civil service employees, their spouses do not automatically receive social security. Thus, they discover once they are divorced, the wives lose all claim to retirement pay and survivor's benefits, as well as any right to health insurance benefits.

Obviously, this causes tremendous hardships, particularly for older women who have made significant contributions to the family, working inside the home. Many of these women find that the retiree walks away from the divorce with a full retirement plan and health insurance, while the spouse walks away with nothing. If the employee in the military or civil service remarries, the new spouse automatically becomes eligible for medical and survivor benefits, even if she has put no time into the spouse's military/civil service career.

If indeed we are to strengthen incentives for participation in the military, we cannot continue such economic disincentives for the wife of the military employee.

Mr. President, the Military Spouse Retirement Equity Income Act, which I reintroduce today, redresses these inequities in current law. This legislation is already a part of the Economic Equity Act, a bill which my colleagues Senator DURENBERGER and Senator PACKWOOD, as well as 20 other Members of the Senate, introduced on April 8. I introduce this provision as a separate bill to accommodate hearings which are scheduled in the Armed Services Committee.

The Military Retirement Equity Income Act was developed by my able colleague in the House, Congresswoman PAT SCHROEDER. It was through her leadership that a similar provision affecting former spouses of Foreign Service Officers was enacted in 1978.

The legislation would do the following:

Entitle women who were married to civil service or military employees for at least 10 years the right to a pro rata share of the benefits earned during marriage. This provision is subject to court review and modification, depending on the divorce settlement. However, the legislation demands that courts must view pensions as a valid property right. Many have not done so in the past. As a result, many of these women find that the retiree walks away from the divorce with a full retirement plan and health insurance, while the spouse walks away with nothing. Furthermore, even in cases where the courts have awarded partial retirement benefits, no court has considered the survivor's benefit as property to which the former spouse is entitled.

Mandate survivor's benefit unless the spouse and former spouse choose to waive receipt of such. Currently, an employee may opt out of survivor's benefits already agreed to, without notification of the spouse or former spouse. This legislation would require that employee and spouse or former spouse, if any, agree in writing to forgo the survivor's benefit plan.

These proposals will not cost the taxpayer additional funds. Rather, they will allow a fair redistribution of retirement and survivor's benefits between the partners in marriage.

It is ironic that these outdated laws have been hardest on the woman who devotes herself entirely to the role of mother and homemaker. It is unconscionable that they should be "rewarded" in this manner. Certainly, it is time we viewed marriage as an economic partnership.

Morale, motivation, and reenlistment of our Armed Forces depend on more than take-home pay. Long-range benefits which insure the future financial security of both partners in a military marriage will improve morale and increase reenlistment.

The current situation devalues the contribution of military spouses, especially the role of most military women as wife and homemaker, and tells her that all the years of moving, volunteer work, child raising, and emotional support for her husband and family do not merit any recompense. The McCarty decision reinforces this devaluation.

I believe the following articles illustrate well the critical problems facing a small segment of America's fastest growing poverty—the older woman, and I ask unanimous consent that certain articles, along with a section-by-section analysis of the bill be printed in the RECORD.

There being no objection, the analysis and articles were ordered to be printed in the RECORD, as follows:

MILITARY SPOUSE RETIREMENT EQUITY ACT—SECTION-BY-SECTION ANALYSIS

Section 1. Short Title, Military Spouse Retirement Equity Act.

Section 2. Former Spouse Share or Retire or Retainer Pay.—

Pro rata Share. Unless modified by a spousal agreement or court order, a former spouse of a military member, married 10 years or more, is entitled to a pro rata share of the retirement annuity. The amount would depend upon the number of years of marriage that overlap with the creditable years of service toward retirement.

Formula:

Number of years of marriage during creditable service divided by number of years of annuity equals former spouse retirement employment times .50 times total retirement annuity.

For example: If a couple is married for 10 years of 30 years of creditable service, the former spouse would be entitled to 10/30 × 50% or one-sixth of the retirement annuity.

If the couple was married for 30 years, the entire period of creditable service, the former spouse would be entitled to 30/30 × 50% or a maximum of one-half the retirement annuity.

Remarriage Before Age 60. A former spouse shall not be qualified for an annuity if the former spouse remarries before becoming 60 years of age.

Savings Clause.—The 10 year marriage requirement in the bill should not be construed to restrict the right of a state court to divide the retirement annuity or include it as marital property for those married less than 10 years.

Commencement and Termination of Former Spouse Annuity.—The former spouse

annuity commences on the day the member retires or the day the divorce becomes final, whichever is later.

The former spouse annuity terminates the day when the former spouse dies or remarries before becoming 60 years of age.

Section 3. Former Spouse Share of Survivor Annuity.—

Joint Employee-Spouse Elections.—The spouse or former spouse, if any, must sign a notarized waiver agreeing to the retiree's election to opt out of the survivor's benefits or to take a reduced survivor's benefit.

Recalculation of the Retirement Annuity.—If the former spouse predeceases the retiree or remarries before attaining age 60 or a spouse does not qualify as a former spouse upon dissolution of the marriage (having been married less than 10 years), the reduced annuity shall be restored and shall be paid as if it had not been reduced.

Section 4. Survivors Benefits in Case of Divorces before Effective Date.—

Election of Survivors Benefits for Former Spouse.—A member of the uniformed services who on the effective date of this Act has a former spouse shall receive retired pay at a reduced rate and provide a survivor annuity for the former spouse if the member elects by means of a spousal agreement or a court so orders.

If the member has been married for more than one year, an election of a survivor annuity for a former spouse may be made only with the written concurrence of the spouse.

Survivors Benefits When Member Dies before Effective Date.—If a member who died before the effective date of this Act was entitled to retired pay, had the retired pay reduced to pay for a survivors benefit, and died without a beneficiary to the survivors benefits, the former spouse would be entitled to the survivors annuity.

Section 5. Effective Date.—

Effective Date.—This Act becomes effective 120 days after enactment.

Entitlement to a Pro rata Share of Retired Pay.—The provisions in Section 2 shall apply to those who divorce or retire after the effective date of the Act.

Entitlement to Survivors Benefits.—Except to the extent provided in Section 4, a former spouse is entitled to receive survivors benefits if divorced after the effective date of this Act.

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[From the Wall Street Journal, Aug. 21, 1981]

BILLS COMING DUE: MILITARY EX-WIVES PRESENT THEIRS

(By Suzanne Garment)

"This has been a crusade more than three years in the making," announced the congressional aide, one staffer who had not deserted Washington for the month of August. On the contrary, she was hard at work and happy to talk about the push her office is going to make in the coming session of Congress on the issue of better retirement and survivors' benefits for military ex-wives. Military wives' and ex-wives' organizations report that they too, are getting ready for action in the fall. Thus do the building blocks of most of the year's national agenda get hauled into place while the headline makers are out of town.

In the past few years a cluster of women's groups has rallied around the idea that women married to servicemen for many years and then divorced should not lose all their rights to their ex-husbands' retirement benefits. The groups have a champion in House Democrat Patricia Schroeder of Colorado, who has introduced a bill greatly extending the divorcees' pension rights. They have friends like Rep. Kent Hance (D., Texas), who is sponsoring a more limited bill to make it possible for the ex-spouses to collect on any military retirement benefits that a divorce court has awarded them. At least some of this legislation looks like it will make progress this year.

The idea of collective entitlement to retirement benefits has been establishing footholds in federal law for well over a decade. In 1965, ex-spouses were given a right to Social Security retirement and survivors' payments based on the benefits due to their former mates. In 1978 a new law made it possible for a court to hand over a portion of civil service retirement benefits to an ex-spouse as part of a divorce. In 1980 Congress said that foreign service ex-wives are entitled to similar treatment for both retirement and survivors' benefits unless a court orders otherwise in a particular case.

Current law does not allow military retirement pay to become subject to court division in a divorce settlement. Therefore, say the military ex-wives, the law needs changing. Some of the ex-wives' arguments call attention to the specially needy situation of the military divorce. She spends her career years trudging after her husband from one post to another, and thus can not build up vested economic benefits of her own. Then comes the divorce—and she finds herself cut off from the retirement benefits that often constitute a military family's biggest piece of property.

But the divorced wives do not rest their case on need alone. They also want this money as a matter of right. It was they, after all, who maintained the homes and community institutions that freed their husbands for work. They did so at the explicit behest of military authorities. And now they not only get no thanks for their service but have to bear a bitter insult: "The new wife," as one organizer put it, "who hasn't contributed anything to the military, gets all the benefits."

It is impossible not to sympathize with the women making these arguments. Some of them have indeed gotten one of life's raw deals. Furthermore, there does not seem to be any compelling reason in principle why the military retirement benefits shouldn't be as much up for grabs in a divorce as other similar pieces of property are.

It is just as easy, it must be said, to see why you would not want to make extensive presumptions of entitlement into our permanent public policy on the subject. There are ex-wives, especially older ones, who in spite of the Social Security payments are unable to maintain even a modest living: they need a public policy based on some compassion. But no one really knows how many of them there are, or what proportion they form of the divorced, or what effect a new divvying-up of the retirement benefits would have on the military's recruitment and retention problems. And the way some of the-wives talk about wanting to cut their divorced husbands' new families out of the benefits picture smacks less of need or justice than it does of vindictiveness.

But perhaps most interesting of all is that there seems something inexorable about the force still driving such social issues to the top of the legislative heap. First you get the general erosion of traditional values on which military marriages used to rest. Divorce rates soar, individual fulfillment acquires a higher moral standing than communal obligations, sacred bonds become secular contracts. Next the victims of such changes respond by adopting the now-conventional language of the new order. They too, they say, are to be understood as having performed services in the world of work. They too have rights publicly enforceable by the government.

Then finally the apparatus of modern American issue politics moves in to make the new argument into law: pressure groups, politicians delighted to be pressed, journalists hungry for fodder, interviews with Phil Donahue. The opposition may be left with large powers to obstruct, but finds itself without publicly persuasive arguments. Sooner or later, it folds.

The pattern seems to persist despite the disarray of the general liberal ideology that gave rise to it. And it persists in contrast to the social conservatism that has so far had a hard time establishing itself on the Reagan administration's agenda. It is going to take the next couple of congressional sessions to let us know which set of arguments and presumptions will wield political power, which is the piece of nostalgia and which the wave of the future.

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[From the Chicago Tribune, Aug. 16, 1981]

FORMER MILITARY WIVES FIGHT FOR THEIR BENEFITS

(By Janet Cawley)

During the 28 years of her marriage to a Naval officer, Pat Ficci moved more than a dozen times while raising two children and trying to hold together some semblance of family life.

Mrs. Ficci, 49, of Waukegan, is divorced now and the whole world of military benefits that sustained her has vanished.

"I lost all my Navy identification," she said, "all my medical benefits, all my PX privileges, and all my commissary privileges." She said she lost 40 pounds in three months and her blood pressure climbed to stroke level.

All she has managed to retain—after a lawsuit—is half of her husband's retirement pension and she is angry.

"I was with my husband overseas," she said. "I went with him; I kept his children, I raised them, with hopes in time for retirement benefits for both of us. I was with him to protect the flag and all that sentimental jazz, and now I feel like the United States has turned around and cut my throat."

Mrs. Ficci is not alone. There are so many former wives of servicemen left without benefits that they have formed their own organization to lobby Congress for changes in the laws on the benefits.

Ex-Partners of Servicemen (Women) for Equality, known by the acronym expose, was founded 14 months ago and already claims 2,000 members, only two of whom are men (both happily married and simply supporters of the cause, explains cofounder Nancy Abell).

According to a survey compiled by expose, the average age of members is 54; of years married, 26; of moves during the marriage, 13; and of years in the military, 20.

About 73 percent said their husbands had remarried, raising one issue that troubles the women the most: On remarriage, all military benefits are immediately reassigned to the second wife.

Their reasoning is that they traveled the world with their husbands, continually uprooting themselves so they couldn't pursue careers that would allow them to build their own pensions. They counted on financial and medical security from their husbands' military retirement plans. Instead, they are divorced and have discovered that all benefits and pensions belong only to their former husbands.

"Really," said Mrs. Abell, a 47-year-old mother of three from Falls Church, Va., whose divorce from a retired Air Force colonel should be final next month "these women are in desperate straits. They don't deserve to be treated this way.

"If we don't start getting these women some protection with legislation, they're all potential welfare cases."

Expose said its files are bulging with case histories of women "reduced to a nobody after giving years to her husband, children . . . and to serving her country." In all, they said, there may be as many as 500,000 ex-military wives in the country.

But, not everyone thinks the laws should be changed to help these women.

John Sheffey, executive vice president of the National Association for Uniform Services, which claims 26,000 members and former members of all the armed services, said his group is actively lobbying against proposed legislation.

"Basically, the Expose people are a narrow group of truly deserving, mistreated older women," Sheffey said. "But, the proposals before Congress would apply across the board to all (military) divorces and that would create terrible inequities for those divorced early in life. Our position is not that divorecd spouses should not be taken care of, but that the obligation belongs to the husband, not the military.

"These women say they helped earn their husband's pay, but that's nonsense. Both married and unmarried members of the military earn the same pay so I don't see how they can argue the wife earned it.

"The basic idea of having the government assume the obligation for the divorced spouse is just bad policy. It would be unique to the whole economy. General Motors doesn't do it. IBM doesn't do it."

But Mrs. Abell—who said her husband has been "quite fair" in support payments—said: "If we're not entitled, if we haven't earned those benefits, how can they justify giving them to the second wife? We feel we've earned them, not the second wife.

"We have women with cancer and heart problems and kidney ailments who now have no medical coverage and no way to obtain it. It's heartbreaking the way these women are treated.

"We treat our refugees better than we do these women."

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[From the New York Times, Aug. 7, 1981]

DIVORCE AND MILITARY PENSIONS

WASHINGTON, August 6.—In 1945, Elizabeth D. Crandall married a lieutenant in the United States Navy. Twenty-four years and some 17 cross-country moves later, her husband left her. Today, seven years after a no-fault divorce, her former husband, now retired, is refusing to pay the alimony stipulated in the divorce settlement, his wife says. She says his stand is based on the recent Supreme Court ruling that military pension benefits may not become a part of a property settlement in a divorce.

Other women are in similar circumstances. In May 1980 an organization made up of the former wives of retired military personnel, ExPartners of Servicemen for Equality (Expose), was formed to lobby Congress on the members' behalf. They felt, even at that time, that they were treated unfairly regarding the pension, medical care and commissary benefits available to their former husbands.

Expose says it has 2,000 members nationwide and is growing. The organization identified its typical member as 54 year old, female and divorced after 26 years of marriage. (The two male members are sympathetic to the organization's cause.) Most of the divorces occurred immediately before the husband's retirement, according to the organization, which said that 73 percent of the men had remarried.

DEVASTATING RESULTS

Mrs. Crandall said the effects of the pension loss to her had been devastating. "My prospects for permanent, gainful employment at age 59 are not positive," she said. "Because of the frequent moves, there was never an opportunity for me to develop a career or accrue any personal savings or pension benefits of my own. I have honorably and devotedly served my country by promoting, supporting, and encouraging my husband's career as a Naval officer. For these many years, I receive no recognition, benefits or compensations. I now face loss of my home and economic disaster."

The president of Expose, Nancy L. Abell, a 47-year-old mother of three who is separated from her husband, a retired Air Force colonel, said: "There's been a gross miscarriage of justice here. I want to see it corrected. We have women who have been threatened with physical harm by their husbands if they make waves about getting legal retribution."

The organization's vice president, Winnie Cowan, whose former husband is a retired brigadier general, said: "I gave 30 years to the military. We feel betrayed, shortchanged, to have the Supreme Court tell us we're not worth a penny."

ANOTHER GROUP'S VIEWS

A different view was given by John Sheffey, executive vice president of the National Association for Uniform Services, a 26,000-member group of veterans. "The concept that the wife earns part of the pay of the husband is anathema to us," Mr. Sheffey said. "He has a tremendous obligation to the wife, but it is a personal one. It's just not supported by the facts. Married and unmarried military personnel earn the same pay."

Mr. Shelley said there had been cases in which wives planning to divorce their husbands had "shopped around" and moved to states with divorce laws favorable to women while their husbands were assigned overseas. "You've got a man in Korea with a wife in the states deserting him," he asserted.

The Expose officials feel, however, that they and other long-time wives of military men were working for their country, too. "We feel we've contributed to the military and our country," Mrs. Abell said. "The men couldn't have gone off if we had not been home to take care of the children. I don't see the Department of Defense offering 24-hour-a-day child care. We also acted as ambassadors overseas."

Mrs. Cowan recalled, "When the husbands went to air training, the wives were lectured by flight surgeons. "Don't disturb them the night before. Don't bother them. Always keep their morale up." And that's where we feel we contributed.'

The Supreme Court, in its 6-to-3 ruling on June 26, found that a division of military retirement pay had the "potential to interfere with the Congressional goals of having the military retirement system serve as an inducement for enlistment; and as an encouragement to orderly promotion and a youthful military." Rather, said Associate Justice Barry A. Blackmum, the retirement pay should "be the personal entitlement of the retiree."

"AN ECONOMIC PARTNERSHIP"

The Court also said that it was up to Congress to provide more protection for former spouses of military personnel, if it wanted. A House bill, sponsored chiefly by Representative Patricia Schroeder, Democrat of Colorado, would allow former spouses who had been married to military personnel for at least 10 years to receive prorated retirement pay based on length of marriage.

Senators Mark C. Hatfield, Republican of Oregon, David F. Durenberger, Republican of Minnesota, and Bob Packwood, Republican of Oregon, are co-sponsoring what they call "the Economic Equity Act of 1981," which incorporates Representative Schroeder's proposal, saying that "it is time we viewed marriage as an economic partnership."

And Senator Dennis DeConcini, Democrat of Arizona, is sponsoring a bill that simply would return the legal situation to the way it was before the Supreme Court ruling. That would leave jurisdiction in family and property matters to the state courts.

Under all of these proposals, a spouse would pay a former mate what the court settlements called for. However, Representative Kent Hance, Democrat of Texas, has introduced a bill under which money paid a former spouse from a military pension would go directly to the spouse from the pay source.

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[From Newsweek, Sept. 14, 1981]

A HOUSEWIFE'S LOT

(By Jane Bryant Quinn)

When husbands and wives approach divorce, the thing they argue most about is property. And the most troublesome property before the courts is pensions.

Is a divorced wife entitled to a piece of the pension that her husband accumulated during the marriage, or is she not?

Most state courts say that she is, and state law supposedly rules. But in the only pension cases to reach the U.S. Supreme Court—one on railroad retirement, one on military pensions—the Court overrode traditional state supremacy in family law. It held that Federal law took precedence, and the main body of Federal law reserves pensions solely for the worker who earned them.

Cut Out: These two decisions cut only military and railroad wives out of their husbands' pensions. States continue to divide other, private-company pensions as they see fit, and that's where most of the money is. But for housewives demanding economic recognition, these rulings are a bad precedent. If the Supreme Court ever extends them to private pensions, marriage—for women—will become an even riskier choice of career.

The importance of pensions to housewives cannot be overestimated. Divorce, in most states, is easy to get, even if one partner opposes the split. Alimony, when awarded at all, may last only a few years, until the housewife learns to support herself. All she can expect to take away from her failed marriage is a share of the property accumulated while she and her husband were together.

In the recent past, there was no legal concept of mutual accumulation, except in the eight community-property states. But most states have evolved an economic-partnership theory of marriage, under which a wife who cooks, cleans and raises the children is "earning" a share in the marital assets as a matter of right. And what the law creates in the way of property rights, no man shall put asunder.

When a marriage crumbles, all the marital property is put into a kitty and divided up. A few states, like California, split the assets 50–50. Others split them according to such guidelines as how long the marriage lasted and how much each partner contributed, with housework counted as a contribution.

To a wife who works outside the home, and who has established a pension of her own, a share in her husband's pension may not matter very much. But a housewife is more vulnerable. In many marriages, the husband's pension is the major asset. If it

is taken out of the marital kitty, there isn't much property left to divide.

In the view of most state courts, dividing the pension amounts to simple economic justice. But the Supreme Court's decisions cast marital law back to the days when a husband's money was all his and a housewife's work wasn't worth a dime.

A deciding clause in the Railroad Retirement Act says that a third party cannot normally be assigned any right to the worker's pension. Most state courts say that that clause applies only to outside creditors who are suing for a judgment. But the Supreme Court held that it also cuts out any property rights claimed by a spouse. (All private pensions insured by the Employee Retirement Income Security Act are covered by that same, spouse-denying clause.)

In the military case, the court said that the wife is entitled to part of the pension only if Congress specifically grants it.

Special Cases: Howard Lipsey, chairman of the family-law section of the Association of Trial Lawyers, thinks that these two decisions will not spread to private pensions. "These are special cases," he argues. The military-pension decision, for example, was linked to Congress' right to regulate armies. But Doris Freed, who heads the research committee of the American Bar Association's family-lay section, disagrees, calling the decisions "a clear and present danger" to the equitable property division established by state law.

Bills introduced in Congress would guarantee wives the pension rights called into question by the Supreme Court. (Congress permits civil-service and foreign-service pensions to be divided in divorce.) But Rep. Pat Schroeder says the bills face tough going, "partly because some opponents have been through bitter divorces and can't look at the issue objectively."

If Congress and the courts deny a wife her stake in what was expected to be the couple's pension, the message is clear: a housewife is not worthy of her hire. Given the high divorce rate, her only security may lie in quitting full-time housework and finding another occupation.

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MILITARY WIVES SET TO DO BATTLE OVER TORPEDOED PENSIONS

(By Jane Bryant Quinn)

NEW YORK.—The U.S. Supreme Court scorned military wives last June in a decision that wiped out all their pension rights after divorce. This week, those wives will carry their grievances to a Senate Armed Services subcommittee, in what is shaping up as the hottest marital battle in town.

The military wives are carrying the ball, but their success or failure could affect the pension rights of every housewife.

Badly but, the issue is this: Is a housewife a full, economic partner in her marriage? Or is she a charity case whose support in old age depends solely on keeping her husband's goodwill?

If she's a full economic partner, she should be entitled—as a matter of right—to share in the property accumulated during the marriage. At divorce, her share should be hers to keep.

Most state court now accept the economic partnership view of marriage and include pension assets as part of the property.

Housewives are not generally treated as 50–50 partners. Except for California and a few other states, most courts award wives something less than half. For example, if a marriage lasted 20 years and her property rights are determined to be, say, 40 percent, she gets 40 percent of the value of the pension accumulated during the years of the marriage (or its equivalent in other property).

The Supreme Court, however, rejected pension division in the only two cases to come before it so far (one on military pensions, one on railroad retirement). It said these particular pensions belong solely to the worker, as a personal entitlement.

The husband, in short, is working for his own retirement security and the housewife is working for the husband. If the marriage fails, her retirement is her own problem, not his.

That Supreme Court decision created two categories of housewives: one with some measure of old-age protection in divorce and one without. At present, military and railroad-retirement wives are the ones without.

Military wives are trying to persuade Congress to pass a pension-protection law that would undo the Supreme Court decision. Three main proposals are under consideration.

If any of them is passed, it will be an important measure of congressional intent on the property rights of women. It will stand as a precedent in future cases.

If they fail, the Supreme Court might read it to mean that Congress does not want wives to have property rights to their husbands' pensions. That could result in taking hard-won rights away from other women, too.

Women who have careers and pensions of their own may not much worry about the status of their husbands' pensions. But for older housewives, pension rights can make the difference between getting by and getting welfare. Military wives find it particularly hard to earn their own pensions because they must move around too much to stick with any one job.

The simplest pension-rights bill comes from Sen. Dennis DeConcini (D-Ariz.), who wants to return the issue to state jurisdiction. His view is that a military wife, like other wives, should be entitled to whatever property, including pensions, is awarded her under state divorce law.

A bill from Rep. Kent Hance (D-Tex.) carries that principle one step further by dealing with the problem of collecting state-ordered pension distributions as well as alimony and child support awarded against retirement pay. "We need a law providing for a workable payment system for the court orders many of us already have," Vivian Filemyr, national president of Action for Former Military Wives, told my associate, Virginia Wilson.

If a military man moves and quits paying his ex-wife and children, the Defense Department refuses to tell the ex-wife where he is. The Hance bill would guarantee her court-ordered payments by sending her checks directly.

A more sweeping bill from Rep. Patricia Schroedor (D-Colo.) would guarantee military wives married 10 years or more a pro rata share in their husbands' pensions, along with other rights. Such a law would actually put military wives in a more favorable position than other wives.

So far, the military-pension debate has been capturing the attention of only the men and women directly affected. Male-dominated military organizations uniformly oppose the proposals now in Congress. The Defense Department has yet to be heard from, but the outcome of this narrow battle could affect marital rights everywhere.●

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By Mr. HATCH:

S.J. Res. 110. Joint resolution to amend the Constitution to establish legislative authority in Congress and the States with respect to abortion; to the Committee on the Judiciary.

HUMAN LIFE FEDERALISM AMENDMENT

● Mr. HATCH. Mr. President, I am proposing an amendment to the Constitution today—the human life federalism amendment—that would overturn the infamous decision of the U.S. Supreme Court in *Roe* v. *Wade* 410 U.S. 113 (1973). This amendment would restore to the representative branches of Government the authority to legislate with respect to the practice of abortion.

ROE AGAINST WADE

In Roe against Wade, the Court found that the due process clause of the 14th amendment contained a guarantee of a "right to privacy" that was broad enough to encompass a woman's decision "whether or not to terminate pregnancy." Id. at 153. Because the right to personal privacy was a "fundamental right," it could be limited only by some "compelling State interest." Id. at 153. While such an interest could not be based upon the inclusion of unborn human life in the term "person" in the 14th amendment—with respect to which there may be no deprivation of life without due process of law—the Court nevertheless found some measure of State interest in protecting maternal health and in preserving the "potential life" of the fetus. Id. at 148.

In seeking to give expression to these interests, as well as protecting the newly discovered right to terminate one's pregnancy, the Court summarized its holding in the following manner:

(a) For the stage prior to approximately the end of the first trimester of pregnancy, the abortion decision and its effectuation must be left to the medical judgment of the pregnant woman's attending physician.

(b) For the stage subsequent to approximately the end of the first trimester, the State, in promoting its interest in the health of the mother, may, if it chooses, regulate the abortion procedure in ways that are reasonably related to maternal health.

(c) For the stage subsequent to viability, the State in promoting its interest in the potentiality of human life may, if it chooses, regulate and even proscribe, abortion except where it is necessary, in appropriate medical judgment, for the preservation of the life or health of the mother. 410 U.S. at 164–165.

The scope of the abortion right set forth by the Court in Roe against Wade on January 22, 1973, was broader than that existing at the time in every one of the 50 States in the Union.

Prior to Roe against Wade, 31 States had statutes on their books that totally protected life from conception. Of the 19 that permitted abortion under certain circumstances, all 19 permitted abortions where necessary to save the life of the mother, 6 permitted abortions in cases of rape, 5 in cases of incest, and 4 in cases where there was likelihood that a child would be born with a substantial deformity. In only four States was abortion on demand permitted and, in each of these, there were temporal limits to such a right. The most liberal provision existed in the State of Massachusetts which permitted abortions without restrictions until the sixth month of pregnancy.

Whatever one's perceptions about

abortion, it is difficult to argue with the proposition that Roe against Wade has created a regime of abortion on demand, a national policy of abortion without restrictions of any significant kind. It is this status quo that would be overturned by the proposed human life federalism amendment.

During the first trimester of the pregnancy, the plenary right to abortion is express. During that period, there is absolutely no governmental authority to intervene in the woman's decision to abort. During the second trimester, a Government interest in abortion does arise—the interest in protecting and preserving maternal health. This interest may be expressed through governmental requirements that such abortions be performed within hospitals, clinics, or other facilities licensed to perform abortions.

There remains an absence of governmental authority, however, to do anything more than insure the safeness of the procedures of abortion. There are no protections whatsoever for the unborn fetus during this stage of the pregnancy.

During the final trimester of abortion—or approximately at that point at which the fetus reaches "viability"—a potential interest arises in protecting the fetus. The Government, finally, was in a position to protect the life of the fetus.

The Court, however, limited even this authority with an exception—and it was an exception that consumed the rule. During even the third trimester of the pregnancy, the right to abortion existed where necessary to protect the life or health of the mother. The critical element here was the health of the mother.

According to the Court in the companion case of *Doe* v. *Bolton* 410 U.S. 179 (1973), whether or not the health of the mother necessitated an abortion was a medical judgment to be made "in the light of all factors—physical, emotional, psychological, and the woman's age—relevant to her well-being." Id. at 192.

In other words, to quote Prof. John Noonan of the University of California Law School, the absolute right to abortion was curbed during the final trimester only by "the necessity of a physician's finding that she needed an abortion." Noonan, "A Private Choice" (New York: MacMillan, 1979), 12. It would be a rare physician who would be incapable of defending an abortion decision on the grounds that, in his best medical judgment, the "well-being" of the mother demanded it.

The abortion right then is a virtually unrestricted right under Roe and Doe. Any significant restrictions on this right are illusory. To quote Professor Noonan again:

> For the nine months of life within the womb the child was at the gravida's (pregnant woman's) disposal—with two restrictions: She must find a licensed clinic after month three; and after her child was viable, she must find an abortionist who believed she needed an abortion. *Id.* at 12.

No substantial barriers of any kind exist today in the United States for a woman to obtain an abortion for any reason during any stage of her pregnancy.

JURISPRUDENCE OF ROE

Apart from the national policy of abortion that it spawned, the Roe decision has been criticized broadly as an exercise in jurisprudence by observers of varying political persuasions and varying perspectives on abortion. In dissent in the Roe and Doe cases, Justice White observed:

> I find nothing in the language or history of the Constitution to support the Court's judgment. The Court simply fashions and announces a new constitutional right for pregnant mothers and, with scarcely any reason or authority for its action, invests that right with sufficient substance to override most existing State abortion statutes. 410 U.S. at 221.

Justice Rehnquist added in an accompanying dissent:

> The decision here to break the term of pregnancy into three distinct terms and to outline the permissible restrictions the State may impose in each one, for example, partakes more of judicial legislation than it does of a determination of the intent of the drafters of the Fourteenth Amendment. . . . To reach its result the Court necessarily has had to find within the scope of the Fourteenth Amendment a right that was apparently completely unknown to the drafters of the Amendment. 410 U.S. at 174.

Prof. Archibald Cox, the former Solicitor General of the United States, remarked of the Roe decision:

> The failure to confront the issue in principled terms leaves the opinion to read like a set of hospital rules and regulations. . . . Neither historian, nor layman, nor lawyer will be persuaded that all the prescriptions of Justice Blackmun are part of the Constitution. Cox, *The Role of the Supreme Court in American Government* (New York: Oxford University Press, 1976), 113–114.

Prof. John Hart Ely of the Harvard Law School, while taking care to divorce himself from critics of the substantive policy expressed in Roe, concluded:

> It is, nevertheless, a very bad decision . . . It is bad because it is bad constitutional law, or rather because it is not constitutional law and gives almost no sense of an obligation to try to be. Ely, *The Wages of Crying Wolf: A Comment on Roe* v. *Wade* 82, Yale Law Journal 920, 947 (1973).

Alexander Bickel, professor at the Yale Law School, described the decision as akin to a "model statute" and expressed bewilderment at how such a responsibility had come to be vested in the Court:

> One is left to ask why. The Court never said. It refused the discipline to which its function is properly subject . . . *Roe* is derived not from Herbert Spencer's Social Statics, but from fashionable notions of progress . . . this will not do. Bickel, *The Morality of Consent* (New Haven: Yale University Press, 1975), 28.

Prof. Charles Rice of the Notre Dame Law School described the decision as "the most outrageous decision ever handed down by the Court in its entire history"; Prof. Richard Epstein of the University of Chicago Law School referred to Roe as "comprehensive legislation," without "principled grounds"; Prof. Robert Byrn of the Fordham Law School attacked the decision as resting upon "multiple and profound misapprehension of law and history"; Dean Harry Wellington of the Yale Law School viewed Roe as "Pickwickian" and "without mandate"; and Prof. Joseph Witherspoon of the University of Texas Law School described the decision as "unquestionably the most erroneous decision in the history of constitutional adjudication by the Supreme Court." Professor Noonan concluded his analysis of the abortion cases by stating:

> The liberty established has no foundation in the Constitution of the United States. It was established by an act of raw judicial power. Its establishment was illegitimate and unprincipled, the imposition of the personal beliefs of seven justices on the men and women of fifty States. The continuation of the liberty is a continuing affront to constitutional government in this country. Noonan at 189.

OVERTURNING SUPREME COURT

Justice White in his Roe dissent aptly characterized the majority decision when he observed:

> The upshot is that the people and the legislatures of the fifty States are constitutionally disentitled to weigh the relative importance of the continued existence and development of the fetus on the one hand against the spectrum of possible impacts on the mother on the other hand.

It is this result that the proposed human life Federalism amendment is intended to overcome. The proposed amendment would restore to the States—as well as invest in Congress—the authority to legislate with respect to abortion. While I would personally favor an amendment that would impose a duty upon the States to prohibit virtually all abortions, I must stress that this is not the objective of the present amendment. It is not necessary that there be this duty in order to overcome the Roe and Doe decisions. It is necessary only that the representative branches of the Government no longer be totally limited in their ability to act in restricting or regulating or prohibiting abortion because of some presumed constitutional right to abortion.

There is no such constitutional right to abortion, in my view. It has never existed and there is nothing in the proposed measure that would concede that such a right has ever existed. I recognize, however, that, under our structure of Government, it is the duty of the Court to "say what the law is," *Marbury* v. *Madison* 1 Cranch 137 (1803). For better or worse, the Court has spoken on the issue of abortion in Roe and Doe; it has articulated a constitutional right to abortion emanating from the 14th amendment. There is no alternative now that a constitutional amendment to overcome this result—except to wait for the slim possibility that the Court may some day admit its error and overturn on its own the abortion cases.

There is certainly ample precedent for such a response to a Supreme Court decision. The 11th amendment to the Constitution, prohibiting the Federal judicial power to be exercised in suits by citizens of a State against another State, came in direct response to an action of the Supreme Court in accepting jurisdiction over such a case. *Chisholm* v. *Georgia*, 2 U.S. 419 (1793).

The 14th amendment, in circumstances not dissimilar from the present case, was proposed to the Constitution following the infamous decision of the Supreme Court in the *Dred Scott* case finding that black individuals were nonpersons under the Constitution. 60 U.S. 393 (1857).

The 16th amendment, permitting the imposition of a Federal income tax, was

later enacted in response to a Supreme Court decision finding an unapportioned—by State—tax to be in violation of article I of the Constitution. *Pollock* v. *Farmer's Loan and Trust Co.*, 157 U.S. 429 (1895); 158 U.S. 601 (1895).

Finally, the 26th amendment, according 18-year-olds the right to vote in Federal and State elections, was proposed following the Court's decision that the Congress lacked authority to impose such an obligation statutorily upon the States. *Oregon* v. *Mitchell*, 400 U.S. 112 (1970).

In addition, serious efforts at constitutional amendment were made in response to Court decisions on the subjects of child labor laws, *Hammer* v. *Dagenhart*, 247 U.S. 251 (1918), later overruled in *United States* v. *Darby*, 312 U.S. 100 (1941); and State legislative apportionment requirements, *Baker* v. *Carr*, 369 U.S. 186 (1962).

PROGENY OF ROE

It is not simply the abortion right that was created in Roe and Doe that is the object of my proposed amendment. However indefensible these decisions as matters of policy and jurisprudence, they have been distorted further by a series of subsequent decisions clarifying the scope of this right. Each of them have come in response to post-Roe efforts by the States to accord some measure of protection to unborn human life, or to establish some procedure to insure that the abortion decision was a deliberate, carefully considered one. In virtually every instance, the Supreme Court has struck down these exercises.

In *Planned Parenthood* v. *Danforth* 428 U.S. 52 (1976), the Supreme Court held that spousal consent statutes, which required the consent to an abortion by the father of a fetus, were unconstitutional. See also *Coe* v. *Gerstein* 376 F. Supp. 695 (S.D. Fla. 1974), affirmed 428 U.S. 901 (1976). The Court in Danforth also held that so-called informed consent statutes, which required a physician to obtain the written consent of a woman after apprising her of the dangers of abortion and possible alternatives, were constitutional only if the requirements were closely related to maternal health and not unnecessarily burdensome upon the abortion right. See also *Freiman* v. *Ashcroft* 584 F. 2d 247, affirmed 99 S. Ct. 1416 (1979).

In *Belotti* v. *Baird* 443 U.S. 622 (1979), the Court held that, while parental consent statutes requiring minors to obtain the consent of their parents prior to having an abortion were not unconstitutional per se, the State must also provide alternative procedures for obtaining an abortion in the event that parental consent is not forthcoming or if the minor does not want to request such consent.

See also *Planned Parenthood* v. *Danforth* 428 U.S. 52 (1976). In *H.L.* v. *Matheson* Docket No. 79-5903 (1981), however, the Court upheld a Utah State statute prohibiting physicians, under narrowly defined circumstances, from performing an abortion on unemancipated minors without parental notification. The statute was drawn extremely narrowly to require such notification "if possible" and to apply if the minor is living with and dependent upon her parents and has made no showing or claim of unusual maturity.

In *Colautti* v. *Franklin*, 439 U.S. 379 (1979), the Court ruled that fetal protection statutes were generally unconstitutional by reason of being vague and overly broad. Such statutes, in one manner or another, impose an obligation upon a performing doctor to make reasonable efforts to save the life of an aborted fetus. In Colautti, the Court found that such statutes were permissible only with respect to viable fetuses—who by definition were least in need of such protection—and that they must contain precise standards for determining such viability. See also *Planned Parenthood* v. *Danforth*, 428 U.S. 52 (1976).

Thus, even at the latest stages of pregnancy, the Court refused to find a significant interest in the life of the fetus that could be balanced against the apparently unrestricted right of the woman to terminate her pregnancy at will. It is the progeny of Roe and Doe, as much as Roe and Doe themselves, toward which my proposed amendment is directed. It is these cases which make clear the lengths to which some on the Court are prepared to go in defense of the abortion right.

FEDERALISM AMENDMENT

The proposed amendment would read in its entirety:

> The right to abortion is not secured by this Constitution. The Congress and the several States shall have the concurrent power to restrict and prohibit abortions: *Provided*, That a law of a State more restrictive than a law of Congress shall govern.

It is language that I hope will be scrutinized by my colleagues, by the public, and by participants in the hearing process that will begin next month in the Subcommittee on the Constitution.

In removing the abortion controversy from the Federal judicial branch, the proposed amendment would place the debate within those institutions of Government far better equipped to deal with the issue. By its very nature, the judiciary is the wrong forum to resolve the enormously difficult problem of abortion. Because they cannot control the specific types of cases that come before them, and because they are limited in their ability to fashion compromise solutions to difficult issue, the courts are entirely the wrong place within which to argue about abortion.

The "all or nothing" legalization of abortion-on-demand of Roe and Doe has done nothing but exacerbate the tensions already created by the abortion controversy. Unlike most legislative solutions in which some element of deference is paid to major political or social or occupational groupings, the abortion decisions involved a small group of seven individuals who totally ignored the passionately held views of a large number of the American people. They did this not in response to the unequivocal demands of the operative document of our Nation, but in the course of a decision whose jurisprudence and whose textual and historical foundation in the Constitution is at least as suspect as the policies that it fostered.

Let me be clear about what I am saying. I personally believe that abortion is an "all or nothing" issue. I am irreconcilably opposed to abortion. I believe that abortion involves the taking of a human life. It is morally, ethically, and—I believe—constitutionally wrong. Should my amendment become part of the Constitution, I would be among those seeking the most restrictive State and Federal laws with respect to abortion. When a greater consensus exists in this country on the repugnance of abortion—which consensus I believe will be promoted by this amendment—I will be among those seeking a direct constitutional prohibition on abortion.

That consensus, unfortunately, does not exist yet today. The abortion issue, if it is to be elevated into an issue of constitutional proportions, should be elevated only through the normal consensus-building procedure of the article V amendment process rather than through the process of judicial reinterpretation.

For the present, I believe that it is important to reenfranchise all the people in fashioning a solution to the abortion controversy. That can only be done by placing this issue back within the representative branches of Government where it should have remained all along. I would expect that the result would be difficult legislative compromises, bitter sessions of negotiation and give-and-take, and solutions not entirely satisfactory to any single group or individual, including myself.

Although I would expect to continue personal efforts to secure a total abolition of abortion in this country, I know that I would be able to tolerate a regime that permitted some abortions much better if it were the result of the clear will of the citizenry speaking through their representatives than where it has been the result of a small elite imposing their own personal views through the pretext of constitutional interpretation.

LEGISLATIVE OPTIONS

Because the proposed amendment would only provide authority to the State legislatures and Congress to act on the issue of abortion—without dictating particular legislative outcomes or policies—I would hope that all of my colleagues who can distinguish between abortion and run-of-the-mill medical operations would consider supporting it. Nothing is mandated by this amendment. It does not get involved with any issues relating to "when human life begins." It does not read in "rape" or "incest" or "medical necessity" exceptions into the Constitution. It does not require any particular treatment of contraceptives—which would not be covered by the amendment—or abortifacients or IUD's. No questions of tort law or criminal law or insurance law are inadvertently raised.

All that the proposed amendment would do is to "deconstitutionalize" the issue of abortion. There would no longer be a constitutional right or guarantee of abortion. Congress and the States, it is true, could act under the proposed amendment to totally prohibit abortion.

They could prohibit abortions in all but narrowly limited or defined circumstances. I would personally support this. But, if they chose, they could undertake far less extensive reforms. They could, for example—

First. Choose only to limit the circumstances of late pregnancies alone;

Second. Choose only to impose obligations upon physicians to save the lives of fetuses capable of surviving an abortion;

Third. Place limitations upon the experimental and medical research use of fetuses;

Fourth. Require that women contemplating abortion be fully appraised of the risks of abortion and alternatives to abortion;

Fifth. Require some form of parental consent to abortions performed upon minors;

Sixth. Require some form of spousal consent to abortions performed upon a woman;

Seventh. Establish some minimum waiting period before an abortion could occur or require some form of professional consultation prior to an abortion;

Eighth. Establish rights of refusal to perform abortions in physicians or nurses, or in entire hospitals;

Ninth. Limit the commerce in abortifacient devices;

Tenth. Limit public advertising by abortion clinics and by abortion services.

The Congress and the States, if they chose, could further decide to do nothing about abortion. That, too, would be within their discretion under the proposed amendment.

MISCELLANEOUS ASPECTS

Let me briefly summarize some of the technical aspects of the proposed amendment that I have tried to consider carefully. I will, of course, look forward to hearing testimony on these and other aspects of the amendment during the upcoming Subcommittee on the Constitution hearings:

The "right to abortion" referred to in the first sentence is a right that apparently was derived in Roe from the due process clause of the 14th amendment. There is some suggestion even in Roe, though, that the right may be derived from the ninth amendment. Roe at 153. There is some confusion on this point. The purpose of the proposed amendment is to abrogate this "right" whatever its alleged constitutional basis.

There is some disagreement as far as whether or not each of the individual sentences of the amendment standing alone would effectively overturn Roe. I believe that they probably would, but have chosen to clarify this issue by proposing that each be placed into the Constitution. Together, it should be explicit that there is no constitutionally based right to abortion emanating from any provision of the Constitution that might potentially restrict the ability of Congress or the States to legislate with respect to the subject.

The right to legislate with respect to abortion would, of course, be restricted by other provisions of the Constitution not relating to a right to abortion. It would be a clear violation of the equal protection clause of the 14th amendment, for example, for a State to distinguish between women on the basis of race in permitting or restricting abortions.

The concept of "concurrent" power to legislate with respect to abortions is not dissimilar to the concept of "concurrent" power given Congress and the States to enforce the 18th amendment relating to the manufacture, sale, or transportation of intoxicating beverages. There would be separate and independent—not joint—power in Congress and the States to exercise their territorial limits. *National Prohibition Cases* 253 U.S. 350 (1920).

The question of whether a Federal law enacted under the proposed amendment would conflict with a State law is largely one of statutory construction that cannot be approached mechanically. Similarly, what is more or less "restrictive" in the way of placing limits upon abortion is a matter that cannot be summarized through formulas.

The basic premise of the amendment, however, is this. The Congress would be empowered to establish minimum national standards with respect to abortion, if it chose. Under the supremacy clause of the Constitution, a Federal enactment would take precedence over a State enactment in the case of irreconcilable conflict. See for example, *State* v. *Gauthier* 118 A. 380 (1922); *State* v. *Ligaarden* 230 N.W. 729 (1930); *State* v. *Lucia* 157 A. 61 (1931).

The latter clause of the second sentence, however, would alter this general rule of preemption to the extent that a State enactment was more restrictive of abortion than a congressional enactment.

In some respects, the differences between the more traditional constitutional amendments relating to abortion and the immediate amendment are not as great as appears at first glance. Even a proposed amendment that directly prohibited abortion would not be self-enforcing. It would require Federal and State enabling legislation. Given that the judiciary would—properly—be reluctant to force a coequal legislative branch of government to pass legislation, there would likely be a major element of discretion deposed in the legislative branches of Government under even a direct human life amendment.

Finally, I would note that, because it is a Constitution that we are amending, not a legal code, I have placed a priority on making clear the principle that is being pursued, not on insuring that each and every opportunity for possible circumvention is forestalled. I am not sure that this is possible. In this respect, I quote again from Professor Noonan:

> The Constitution is not addressed to persons of bad will, but to persons—judges, legislators, officeholders, citizens—who want to abide by its provisions. Therefore, it is neither necessary nor desirable to draft with an eye to silly, sophistical, or evasive interpretations. No language can be made foolproof. There is no language that cannot be distorted by evil men or inverted by clever men. It is not hard to show the vulnerability of any form of words to ingenious and insympathetic interpretation. As the Constitution is not addressed to the wicked or the foolish, so it is not addressed to the sophistical. The Constitution, and any amendment to it, speak to the understanding of those who with good will seek to comprehend the purposes of its framers. *Noonan* at 182.

CONCLUSION

Let me conclude by saying to those who would argue that this amendment represents a concession to, or a compromise with, a morally indefensible policy. I do not believe that this is true. Not only would the proposed amendment overturn Roe against Wade, but it would, arguably, go further by clarifying that Congress, as well as the States, possesses authority with respect to abortion. It would restore the status quo prior to the Roe decision—and then some.

While I would personally prefer that we go further, there can be absolutely no doubt in anyone's mind that there is not currently the kind of consensus for this action—either in the country or in Congress—that would permit this to be done. Nor is such a consensus imminent. The longer that abortion on demand continues, the more acceptable that it becomes, the more that it becomes institutionalized. I do not believe that we can permit this to happen.

Once, however, we can establish in the Constitution the principle that abortion is not an ordinary, routine medical operation, I believe that we can begin to reeducate all the American people to the cruel realities of abortion. Acceptance of this principle in the organic law of our land will better enable us to carry on education and information efforts.

The longer that the status quo—unrestricted abortion—continues to be the law of the land, the greater the number of citizens who will grow up in this country oblivious to any other reality, the greater the number of citizens who will forget that there was a time at which abortion was condemned unanimously by the States. Not during the Middle Ages, not during the era of the Founding Fathers, not during the industrial revolution, but during the entirety of our Nation's history through the 1950's and the 1960's and up until January 22, 1973.

The law is, in fact, a teacher. We must give it that opportunity before it is too late, before the lesson goes permanently unlearned.

I urge the support of my colleagues for the proposed amendment—not only those who share the full extent of my concern about abortion, but those as well who are uneasy at any aspect of the structure that has been erected by the Supreme Court, those who are hesitant at the process by which the abortion revolution has been wrought, and those who recognize the social divisions that have been caused this country by a Court that ignored the strengths of the democratic, representative processes of government in resolving differences among citizens.

I ask unanimous consent that the full text of the joint resolution appear at this point in the RECORD:

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 110

*Resolved by the Senate and House of Representatives of the United States in Congress assembled, (two-thirds of each*

*House concurring therein*), That the following article is proposed as an amendment to the Constitution of the United States which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE —

"A right to abortion is not secured by this Constitution. The Congress and the several States shall have the concurrent power to restrict and prohibit abortions: *Provided*, That a law of a State which is more restrictive than a law of Congress shall govern.".

## ADDITIONAL COSPONSORS

S. 517

At the request of Mr. BENTSEN, the Senator from New York (Mr. D'AMATO) and the Senator from Iowa (Mr. GRASSLEY) were added as cosponsors of S. 517, a bill to amend the Clean Air Act to provide for further assessment of the validity of the theory concerning depletion of ozone in the stratosphere by halocarbon compounds before proceeding with any further regulation of such compounds, to provide for periodic review of the status of the theory of ozone depletion, and for other purposes.

S. 895

At the request of Mr. MATHIAS, the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 895, a bill to amend the Voting Rights Act of 1965 to extend certain provisions for an additional 10 years, to extend certain other provisions for an additional 7 years, and for other purposes.

S. 953

At the request of Mr. HEFLIN, the Senator from Louisiana (Mr. JOHNSTON) and the Senator from Washington (Mr. JACKSON) were added as cosponsors of S. 953, a bill to create a program to combat violent crime in the United States, and for other purposes.

S. 954

At the request of Mr. HEFLIN, the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 954, a bill to amend title 18 and the Omnibus Crime Control and Safe Streets Act of 1974 and for other purposes.

S. 1142

At the request of Mr. HEFLIN, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 1142, a bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to authorize the Secretary of Transportation to require tire dealers or distributors to provide first purchasers with a form to assist manufacturers in compiling tire defects if the Secretary determines such notice is necessary in the interest of motor vehicle safety.

S. 1158

At the request of Mr. HEFLIN, the Senator from Alabama (Mr. DENTON) was added as a cosponsor of S. 1158, a bill for the relief of Christina Boltz Sidders.

S. 1235

At the request of Mr. D'AMATO, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 1235, a bill to exempt certain matters relating to the Central Intelligence Agency from the disclosure requirements of title 5, United States Code.

S. 1323

At the request of Mr. TSONGAS, the Senator from Maine (Mr. MITCHELL), the Senator from Connecticut (Mr. DODD), the Senator from Michigan (Mr. LEVIN), and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of S. 1323, a bill to amend the Internal Revenue Code of 1954 with respect to the residential energy and investment tax energy credits, and for other purposes.

S. 1378

At the request of Mr. JEPSEN, the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 1378, a bill to strengthen the American family and to promote the virtues of family life through education, tax assistance, and related measures.

S. 1532

At the request of Mr. HEFLIN, the Senator from Arkansas (Mr. BUMPERS), and the Senator from Ohio (Mr. METZENBAUM) were added as cosponsors of S. 1532, a bill to amend the Federal Rules of Criminal Procedure and the Federal Rules of Civil Procedure with respect to examination of prospective jurors.

S. 1589

At the request of Mr. HEFLIN, the Senator from North Dakota (Mr. ANDREWS) was added as a cosponsor of S. 1589, a bill to improve the security of the electric power generation and transmission system in the United States.

SENATE JOINT RESOLUTION 97

At the request of Mr. MITCHELL, the Senator from South Dakota (Mr. PRESSLER), and the Senator from Oregon (Mr. PACKWOOD) were added as cosponsors of Senate Joint Resolution 97, a joint resolution to designate the second full week in October as "National Legal Secretaries' Court Observance Week."

SENATE JOINT RESOLUTION 105

At the request of Mr. LAXALT, the Senator from Wisconsin (Mr. KASTEN), the Senator from Maryland (Mr. MATHIAS), the Senator from Alabama (Mr. DENTON), the Senator from California (Mr. CRANSTON), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Texas (Mr. BENTSEN), and the Senator from Kansas (Mr. DOLE) were added as cosponsors of Senate Joint Resolution 105, a joint resolution to designate October 1981 as "National PTA Membership Month."

SENATE CONCURRENT RESOLUTION 32

At the request of Mr. MATHIAS, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of Senate Concurrent Resolution 32, a concurrent resolution authorizing a bust or statue of Dr. Martin Luther King, Jr., to be placed in the Capitol.

SENATE RESOLUTION 77

At the request of Mr. HEFLIN, the Senator from Alabama (Mr. DENTON) was added as a cosponsor of Senate Resolution 77, a resolution relating to the granting of exit visas for Irina and Boris Ghinis and their children, Julia and Allis Ghinis, for departure from the Soviet Union.

SENATE RESOLUTION 199

At the request of Mr. NUNN, the Senator from South Carolina (Mr. HOLLINGS), the Senator from Oregon (Mr. HATFIELD), the Senator from California (Mr. HAYAKAWA), the Senator from Texas (Mr. TOWER), the Senator from Florida (Mr. CHILES), the Senator from Oklahoma (Mr. BOREN), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Pennsylvania (Mr. SPECTER), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Arizona (Mr. GOLDWATER), the Senator from North Carolina (Mr. HELMS), the Senator from Tennessee (Mr. SASSER), the Senator from Connecticut (Mr. WEICKER), the Senator from Washington (Mr. JACKSON), the Senator from New York (Mr. D'AMATO), the Senator from Michigan (Mr. LEVIN), the Senator from Mississippi (Mr. COCHRAN), the Senator from Nebraska (Mr. ZORINSKY), the Senator from Rhode Island (Mr. PELL), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Hawaii (Mr. INOUYE), the Senator from South Dakota (Mr. ABDNOR), the Senator from Wisconsin (Mr. KASTEN), the Senator from Alaska (Mr. MURKOWSKI), and the Senator from Illinois (Mr. PERCY) were added as cosponsors of Senate Resolution 199, a resolution to authorize "National Productivity Improvement Week."

SENATE RESOLUTION 211

At the request of Mr. BENTSEN, the Senator from West Virginia (Mr. ROBERT C. BYRD) was added as a cosponsor of Senate Resolution 211, a resolution calling on the Governors of the Federal Reserve System to encourage banks to make loans available for productive uses while eliminating loans for speculative and unproductive uses.

## SENATE RESOLUTION 213—RESOLUTION AUTHORIZING SUPPLEMENTAL EXPENDITURES BY THE COMMITTEE ON THE JUDICIARY

Mr. T. [illegible] for himself and Mr. BIDEN) sub[illegible] the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 213

*Resolved*, That section 2 of the Senate Resolution 53, Ninety-seventh Congress, agreed to March 31 (legislative day, February 16), 1981, is amended by striking out the amounts "$4,272,722" and "$172,490" and inserting in lieu thereof "$4,425,590" and "$179,990", respectively.

## NOTICE OF HEARINGS

SUBCOMMITTEE ON ENERGY REGULATION

Mr. HUMPHREY. Mr. President, I would like to announce for the information of the Senate and the public that the oversight hearings previously scheduled before the Subcommittee on Energy Regulation for Monday, November 2 and Tuesday, November 3 to consider the implementation of title I of the Natural Gas Policy Act of 1978 have been canceled.

## AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be permitted to meet during the session of the Senate tomorrow, September 22, at 2 p.m., to hold nomination hearings on the following nominees: Gary Jones, to be Deputy Under Secretary for Planning and Budget in the Department of Education; Jean Tufts to be Assistant Secretary for Special Education and Rehabilitative Services, Department of Education; and Edward Curran, to be Director of the National Institute of Education.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be permitted to meet twice on Tuesday, September 22 during the session of the Senate, at 10 a.m. to discuss S. 1417, the Presidential Protection Commission Act, and again at 2 p.m. to discuss the nominations of Bruce Chapman for Director of the Bureau of the Census and Charles Girard to be Associate Director for Resource Management and Administration at the Federal Emergency Management Agency.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, September 22, at 3 p.m., to hold a hearing on the nomination of John Gunther Dean to be Ambassador to Thailand and M. Virginia Schafer to be Ambassador to Papua, New Guinea.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, September 22, to hold a business meeting to vote on nominations and to mark up the Sinai Agreement, Senate Joint Resolution 100.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, September 24, at 2 p.m. to hold hearings on 10 tax treaties.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittee on Energy Research and Development of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Monday, September 21, to hold a hearing to consider the Department of Energy's photovoltaic program.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittee on Energy Research and Development of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Friday, September 25, at 10 a.m., to hold a hearing to consider the viability of the domestic mining and milling industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, September 22, at 9:30 a.m. to hold a business meeting on pending calendar business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, September 23, to hold a business meeting on pending calendar business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, September 24, to hold a hearing to consider the nomination of Henry E. Thomas IV, of Virginia, to be an Assistant Secretary of Energy for International Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittee on Intergovernmental Relations of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Wednesday, September 23, at 9:30 a.m., to hold an oversight hearing on standard language to be included in all future block-grant legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INVESTIGATIONS AND GENERAL OVERSIGHT

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittee on Investigations and General Oversight of the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Wednesday, September 23, to hold a hearing pertaining to oversight of occupational safety and health, at 10 in the morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

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## ADDITIONAL STATEMENTS

### THE FARM BILL

● Mr. D'AMATO. Mr. President, I must say that I have serious reservations about the farm bill as passed by the Senate, S. 884. In particular, the dairy price support program adopted by the Senate last week is inadequate to meet the basic needs of the dairy farmer and his family. The pain inflicted upon the dairy farmer is even more cutting when he sees the benefits bestowed upon the peanut grower, the tobacco harvester, and the sugar cropper.

I have been a consistent supporter of the President's program for economic recovery. In so doing, however, I have maintained that the budget reductions and tax cuts must be fair and equitably shared. I have great difficulty in finding the equity and fairness in this farm bill. It is just not there.

The dairy title of this farm bill may very well be a disaster for this Nation's dairy farmers. S. 884 sets a 70-percent parity dairy price support effective October 1, 1981, with no semiannual adjustment. The $13.10 per hundredweight support price will carry over for another year until October 1, 1982, because 70 percent of parity on October 1, 1981, will probably be no more than $13.10. As a result of these provisions, the dairy farmer will have to absorb on his own the burden of inflation and devastating interest rates.

The small, family owned and run dairy farm may soon become an endangered species. New York is one of this Nation's leading dairy States. The dairy farmer is one of this country's hardest workers. He rises before the sun to milk his cows each morning. As my colleagues are aware, this is not an easy task. I for one still adhere to the Jeffersonian ideal that the farmer has a special and chosen way of life.

Where would this Nation be without the agricultural abundance he provides? In what position would our country be put it we had to import our food stuff? Is it fair to say that our national security would be threatened? Should a policy that we have adopted toward the dairy farmers be continued for many years to come, and should it be applied to the other sectors of the agricultural community, our productivity will be threatened and with it our security.

Mr. President, I must also add that I am even more concerned with this Senate action because the dairy industry was the first to come forward last March to do its part for the success of the President's economic program. I voted to support the President at that time and the dairy farmer went without the increase in the support level he had expected on April 1, 1981. At that time I commended the dairy industry for taking the first step on the long and difficult road of fiscal restraint.

However, now the dairy farmer is still being sent down that road, and it is a lonely road in the agricultural community. It is a road paved with inflation and high interest rates, and we are not giving proper direction to the dairy farmer to help him along his travels. At the same time the Senate has seen fit to sugar-coat subsidies for other crops. I believe what is fair for one crop is fair for all, and if the dairy farmer is to sacrifice for the goal of a balanced Federal budget, then so too should the peanut and sugar producers.

Dropping the support level to 70 percent of parity is a serious blow to dairy farmers and will create problems for consumers and farmers alike. I remain committed to a reasonable and fair dairy price support level to insure stable prices and supplies for one of this Nation's most nutritious and healthful products.●

## SCIENCE AND ENGINEERING MANPOWER

● Mr. TSONGAS. Mr. President, we face a critical shortage of science and engineering manpower in the next decade. With the increased emphasis on defense, the shortage of civilian R. & D. manpower will be even more acute. Yet our ability to produce such trained manpower appears to be decreasing. U.S. graduate enrollments in engineering, physics, and chemistry have declined by anywhere from 20 to 40 percent from levels a decade ago—and nearly a third of those enrolled are now foreign students. International comparisons are also telling. Between 1963 and 1977, Japan awarded approximately as many degrees to engineers as did the United States, even though Japan's population is only about half the size of our own.

In the Soviet Union, an estimated 5 million of this year's graduates from secondary schools will have studied 2 years of calculus, compared to only 105,000 U.S. high school graduates who will have taken only 1 year of calculus. The disparity is just as marked in the rest of the mathematics and science curricula. To remain competitive in the international marketplace and maintain our national security, we must be able to draw on a large pool of trained scientific manpower.

A recent study by the American Association of Engineering Societies entitled "Data Related to the Crisis in Engineering Education," clearly identifies the need for additional support for science education. I would hope that when the Senate considers the National Science Foundation budget in the future, that these important points will be included in the debate.

I ask that the executive summary and three tables from the AAES study be printed in the RECORD.

The material follows:

SUMMARY

There is a serious problem in engineering education and research which relates directly to the present position of the United States in the world industrial market. The critical shortage of qualified faculty, the lack of resources necessary to prepare future faculty, and the absence of modern equipment and facilities, if not corrected rapidly, will result in further erosion of the United States position among the industrial powers of the world. A favorable resolution of this problem would strengthen the world position of the United States.

The shortage of qualified faculty for engineering colleges is extremely serious. Faculty salaries have not been responsive to the normal rules of supply and demand, and in many instances the industrial salaries for bachelor graduates are significantly higher than those paid experienced faculty. Thus, the recruitment and retention of faculty is extremely difficult. Indications are that this situation will get worse.

Although engineering colleges have increased their production of baccalaureate degrees by almost 54 percent in the past five years, the production of doctorate degrees has decreased by 13 percent over the same time period. However, the number of engineering degrees produced in the United States is a smaller percentage of the total degrees than for West Germany, Japan, and several other major nations.

Because of the importance of engineering in our technological society, engineering enrollment is at an all-time high. It is anticipated that engineering enrollments will continue to grow as the United States endeavors to strengthen its position in the industrial world. As a consequence, Engineering Colleges are becoming saturated with students while lacking the resources to handle them, causing a real crisis.

Engineering laboratories have deteriorated due to minimal maintenance and replacement budgets, and continuous use by greatly increasing numbers of students. In many cases, engineering laboratory facilities are one or more generations out of date, which affects the quality of engineering education. Immediate capital assistance is essential for the modernization and expansion of these facilities.

Current needs for engineering faculty members outstrip the total new Ph. D. production, yet only thirty-seven percent of the engineering Ph. D.'s are currently engineering faculty members and new Ph. D.'s are highly sought after by industry and government. More engineering doctorates are needed by both industry and university to meet national needs for productivity and innovation in the United States. It is essential that prompt actions be taken to resolve the crisis in engineering education.

U.S. ENGINEERING DEGREES, 1950–80

| Year ending | Bachelor's degrees | | Master's degrees | | Doctoral degrees | |
|---|---|---|---|---|---|---|
| | Foreign nationals | Total | Foreign nationals | Total | Foreign nationals | Total |
| 1950 | (1) | 48,160 | (1) | 4,865 | (1) | 492 |
| 1951 | (1) | 37,887 | (1) | 5,134 | (1) | 586 |
| 1952 | (1) | 27,155 | (1) | 4,132 | (1) | 586 |
| 1953 | (1) | 24,265 | (1) | 3,636 | (1) | 592 |
| 1954 | (1) | 22,236 | (1) | 4,078 | (1) | 590 |
| 1955 | (1) | 22,589 | (1) | 4,379 | (1) | 599 |
| 1956 | (1) | 26,306 | (1) | 4,589 | (1) | 610 |
| 1957 | (1) | 31,221 | (1) | 5,093 | (1) | 596 |
| 1958 | (1) | 35,332 | (1) | 5,669 | (1) | 647 |
| 1959 | (1) | 38,134 | (1) | 6,615 | (1) | 714 |
| 1960 | (1) | 38,808 | (1) | 6,989 | (1) | 786 |
| 1961 | (1) | 35,860 | (1) | 7,977 | (1) | 943 |
| 1962 | (1) | 34,735 | (1) | 8,909 | (1) | 1,207 |
| 1963 | (1) | 33,458 | (1) | 9,460 | (1) | 1,378 |
| 1964 | (1) | 35,226 | (1) | 10,827 | (1) | 1,693 |
| 1965 | (1) | 36,691 | (1) | 12,246 | (1) | 2,124 |
| 1966 | (1) | 35,815 | (1) | 13,677 | (1) | 2,303 |
| 1967 | (1) | 36,186 | (1) | 13,837 | (1) | 2,614 |
| 1968 | ( ) | 38,002 | ( ) | 15,152 | (1) | 2,933 |
| 1969 | ( ) | 39,972 | (1) | 14,980 | (1) | 3,387 |
| 1970 | (1) | 42,966 | (1) | 15,548 | (1) | 3,620 |
| 1971 | 1,565 | 43,167 | 2,930 | 16,383 | 741 | 3,640 |
| 1972 | 1,944 | 44,190 | 2,973 | 17,356 | 773 | 3,774 |
| 1973 | 2,136 | 43,429 | 2,551 | 17,152 | 708 | 3,587 |
| 1974 | 2,436 | 41,407 | 3,099 | 15,885 | 1,014 | 3,362 |
| 1975 | 2,468 | 38,210 | 3,250 | 15,773 | 891 | 3,138 |
| 1976 | 2,799 | 37,970 | 3,628 | 16,506 | 1,060 | 2,977 |
| 1977 | 2,996 | 40,095 | 3,825 | 16,551 | 995 | 2,813 |
| 1978 | 3,084 | 46,091 | 3,720 | 16,182 | 874 | 2,573 |
| 1979 | 3,788 | 52,598 | 4,066 | 16,036 | 923 | 2,815 |
| 1980 | 4,895 | 58,742 | 4,512 | 17,243 | 982 | 2,751 |

[1] Not available.

Source: Data from 1926–52 taken from "Facilities and Opportunities for Graduate Study in Engineering," Amer. Soc. for Engrg. Educ., Washington, D.C., March 1958. Data from 1953–76 supplied by Engineering Manpower Commission, New York, N.Y. Data for 1969–79 from "Engineering Manpower Bulletin No. 50", November 1979, Engineers Joint Council, New York, N.Y. 1980 from Engineering Manpower Commission data.

ENGINEERING DEGREES, ACTUAL AND PROJECTED 1962–87

| Year | B.S. in engineering | B.S. in technology | M.S. in engineering | Doctorate in engineering |
|---|---|---|---|---|
| 1961–62 | 34,551 | 1,519 | 8,953 | 1,216 |
| 1962–63 | 33,285 | 1,687 | 9,666 | 1,385 |
| 1963–64 | 35,013 | 2,001 | 10,857 | 1,705 |
| 1964–65 | 36,586 | 1,928 | 12,093 | 2,133 |
| 1965–66 | 35,615 | 2,357 | 13,717 | 2,315 |
| 1966–67 | 35,952 | 2,741 | 13,986 | 2,619 |
| 1967–68 | 37,368 | 3,173 | 15,247 | 2,933 |
| 1968–69 | 41,248 | 4,269 | 15,372 | 3,391 |
| 1969–70 | 44,479 | 5,199 | 15,723 | 3,691 |
| 1970–71 | 44,898 | 5,148 | 16,443 | 3,638 |
| 1971–72 | 45,392 | 5,772 | 16,960 | 3,671 |
| 1972–73 | 46,411 | 4,854 | 16,619 | 3,492 |
| 1973–74 | 42,840 | 7,446 | 15,379 | 3,312 |
| 1974–75 | 39,388 | 7,464 | 15,348 | 3,108 |
| 1975–76 | 38,388 | 7,943 | 16,342 | 2,821 |
| PROJECTED | | | | |
| 1976–77 | 44,930 | 8,690 | 16,250 | 2,810 |
| 1977–78 | 53,980 | 8,580 | 16,230 | 2,800 |
| 1978–79 | 57,400 | 9,350 | 16,280 | 2,770 |
| 1979–80 | 61,190 | 9,870 | 16,290 | 2,750 |
| 1980–81 | 61,410 | 10,310 | 16,410 | 2,740 |
| 1981–82 | 61,290 | 10,700 | 16,400 | 2,690 |
| 1982–83 | 60,960 | 11,040 | 16,430 | 2,650 |
| 1983–84 | 60,490 | 11,380 | 16,440 | 2,620 |
| 1984–85 | 59,510 | 11,690 | 16,410 | 2,580 |
| 1985–86 | 58,210 | 11,750 | 16,350 | 2,550 |
| 1986–87 | 56,660 | 11,900 | 16,260 | 2,500 |

Note: NCES estimates exceed the actual count of awarded degrees made by EMC by 10 percent or more. Source: NCES.

PERCENTAGE OF ENGINEERING GRADUATES TO TOTAL BACHELOR'S DEGREES

| Country | Total graduates | Engineering degrees | Percent engineering degrees |
|---|---|---|---|
| Bulgaria | 14,661 | 5,880 | 40.4 |
| Czechoslovakia | 22,306 | 7,212 | 32.3 |
| East Germany | 43,205 | 17,356 | 40.1 |
| Hungary | 11,768 | 5,535 | 47.0 |
| Poland | 26,578 | 10,939 | 41.1 |
| Romania | 30,839 | 12,260 | 39.7 |
| West Germany | 60,436 | 22,400 | 37.1 |
| Japan | 315,122 | 65,422 | 20.7 |
| United States | 949,000 | 54,600 | 5.8 |

Source: Latest year available from UNESCO. ●

## THE FAMILY PROTECTION ACT (S. 1378)

● Mr. HATCH. Mr. President, I desire to state my support for S. 1378, the Family Protection Act, introduced by my friend and colleague, the distinguished Senator from Iowa, Senator ROGER JEPSEN. In introducing the Family Protection Act Senator JEPSEN has exercised outstanding leadership in bringing the attention of Congress to focus on what is our greatest source of national strength, the family.

I am in complete agreement with the stated purposes of the Family Protection Act which are:

To preserve the integrity of the American family, to foster and protect the viability of American family life by emphasizing family responsibilities in education, tax assistance, religion, and other areas related to the family, and to promote the virtues of the family.

Too frequently in the past when we have developed public policy we have failed to take into account that when we are dealing with individuals, we are also dealing with families. At times we have adopted policies which, in their attempts to help individuals, have been destructive of families. It is, therefore, very appropriate to begin to reverse our thinking, and once again to bring families to the forefront of our national awareness, and to the attention of Congress as we examine human service issues.

The Family Protection Act looks at a very broad range of issues. Quite correctly it emphasizes that family related concerns span a wide field of congressional activity. Congress is organized into committees that deal with substantive issues. Many of these issues can impact upon a single family. While it is appropriate for the Family Protection Act to address a wide range of issues, I believe we will enact portions of the act as we consider legislation in a wide range of committee jurisdictions.

Mr. President, I hope we will follow the leadership of our distinguished colleague from Iowa in considering families and in strengthening families, as we debate and work on legislative concerns. We need to ask:

First, will this legislation strengthen the role of parents as they work to fulfill their responsibility as the primary source of guidance and support in raising their children.

Second, will this have a positive impact on couples and help to strengthen their marriage.

Third, does this approach recognize and strengthen the role that family members can bring in solving problems or finding solutions to social needs.

I believe the Family Protection Act addresses social concerns with exactly this kind of approach. Rather than trying to put big government between couples, between parents and children, or setting big government up as the director of social welfare, the Family Protection Act seeks to put the family in its rightful place as the center of concern.

I am pleased to join with Senator JEPSEN in offering my enthusiastic support for S. 1378. I hope we are moving into an era that will see families protected from unnecessary Government intrusion, and hurtful Government policy. I trust we are moving into an era which will see families, and family life, promoted and strengthened; because it is my firm conviction that if families are fully functioning and healthy most of the rest of society's problems will be easier to handle—in fact many will disappear.●

## HOUSING COOPERATIVES

● Mr. DODD. Mr. President, I would like to bring to the attention of my colleagues an excellent article from the July 1981 issue of the Journal of Housing by Scott B. Franklin, a student at the University of Connecticut School of Law. This analysis considers the substantial potential for utilizing the limited equity cooperative concept as a viable means of providing homeownership opportunities for lower income families.

At a time when 90 percent of the population cannot afford to purchase a new home and the assisted housing budget for lower and moderate income families is absorbing the single largest budget reduction, I believe we must explore and encourage innovative techniques to provide housing and encourage ownership.

In addition to outlining the benefits of cooperative housing and the limited equity approach, Mr. Franklin presents two case studies in which nonprofit organizations in Connecticut have successfully tapped a variety of public and private resources to better the housing conditions in their respective areas. I applaud the efforts of the Legal Services Foundation of Middletown and El Hogar Del Futuro in Hartford which sponsors the Bethel Street Cooperative Association, Inc. Their progress can serve as positive examples to other organizations throughout the Nation.

In both case studies, it is important to note that various forms of Federal assistance were required in order to leverage private and other commitments in order to bring the ownership opportunities within the means of lower-income families. On April 30, I introduced S. 1069, a bill to encourage the development of modest, multifamily rental housing through the use of second mortgage loans. When this legislation is considered by the Committee on Banking, Housing, and Urban Affairs in the near future, I intend to amend this proposal to allow these loans to be utilized in connection with the rehabilitation or development of lower income, limited equity cooperatives.

I believe the addition of this concept is consistent with my initial intent in advancing this proposal and will improve the range of options available for addressing local housing needs.

Mr. President, I ask that the text of Mr. Franklin's very insightful article be printed in the RECORD.

The article follows:

HOUSING COOPERATIVES: A VIABLE MEANS OF HOME OWNERSHIP FOR LOW-INCOME FAMILIES

(By Scott B. Franklin)

The National Housing Act of 1949 announced a goal of "a decent home and suitable living environment for every American family." More than a quarter of a century later, however, this country is experiencing a nationwide crisis in the low-income housing market. In cities all over the country, the rental housing supply for low-income families is falling into disrepair and ruin as landlords abandon their unprofitable, fully depreciated buildings (or convert them into "profitable" condominiums) rather than bring them up to code standards. Single-family dwellings will not supply the solution to the problem. Skyrocketing costs of single-family dwellings have made home ownership prohibitive to most low-income families. Cooperative conversions coupled with various forms of public subsidies, state aid, and private nonprofit sponsorship, however, comprise an alternate approach to providing housing for low-income families.

THE COOPERATIVE CONCEPT

In a housing cooperative, a corporation owns the housing development in which the resident/members live. Different from condominium ownership where individuals own their units in fee simple, members of cooperatives own the entire project. Each resident owns a share in a nonprofit corporation, and holds an exclusive right to occupy his or her particular unit. In addition, each resident has an equal vote in electing the board of directors that manages the "co-op" and makes all policy decisions.

The interests and rights, as well as the duties and liabilities, of each occupant in the cooperative corporation are defined in the articles of incorporation, the corporate bylaws, and the proprietary lease. Under the proprietary lease, which is normally long-term, the member pays a monthly fee that is his or her pro rata share of the corporation's total financing, operating, and ownership costs. Most co-op charges also include monthly payments to emergency funds that may be needed for future major repairs, or to ease the financial burden on the remaining members if an individual member defaults on his or her monthly payment.

Most housing co-ops follow the Rochdale principles, a co-operative formula developed in England in 1944:

1. Democratic control by residents. Each member family has one vote regardless of investment or number of shares held.

2. Open membership. Cooperatives have open membership without discrimination.

3. Limited return on membership investment. The cooperative's purpose is to provide suitable housing at as reasonable a cost as possible. Co-ops do not exist to make a profit. Because in co-ops people are the concern, return on capital is limited intentionally.

4. Education. It is the responsibility of members to understand the essentials of co-operation and to insist upon their use. Soundly managed co-ops provide for either staff or volunteers to tell members, employees, and the general public about the principles, problems, and goals of consumer co-operation. This includes informing people about local co-op policies and services, and about the regional, national, and international groups to which the co-op belongs. It

also includes consumer education and information.

5. Expansion of services. By establishing cooperative procedures and working together, people are able to provide services for themselves that otherwise would be impossible.

6. Cooperation among cooperatives. Cooperative associations are strengthened by sharing of experience, and by mutual support of each other.

Cooperative housing got its official start in the United States in 1909 when the Amalgamated Clothing Workers Union in New York City followed the model of German and Scandinavian workers and concluded that they too could become their own landlords. This first effort was followed by approximately a dozen new cooperatives in the 1920s. Since then, New York City has continued to be the leader in cooperative conversions. The central reason for this is that New York law views co-op membership shares as stock and not real property, so that co-ops in New York are not subject to the 2 percent conveyance tax that attaches to sales of all other dwellings. (The conveyance tax does attach to condominiums, which further explains why co-ops have been more popular in New York than condominiums.) A further reason is that co-ops are not subject to the consumer protection restrictions of the Uniform Condominium Act. This fact makes co-ops more appealing than condominiums.

A 1974 law, however, restricts warehousing and evictions and raises the percentage of tenants that must agree to purchase their apartments before the plan is declared effective. This legislation has limited co-op conversion.

By 1975, according to the Department of Housing and Urban Development, 150,000 New Yorkers lived in moderate-income co-ops, 45,000 of them in the "Co-op City" project in the Bronx. Today, throughout the country, there are more than 300,000 units of low- and moderate-income cooperative housing.

BENEFITS OF CO-OPS

Co-ops require the correct combination of sponsorship, subsidy programs, and state and private aid to become operational. Once they are operating, they require wise and careful management, a high level of democracy and member participation, accountability of leaders, and adequate financial reserves.

If organized and managed successfully, a co-op will provide many benefits to its members, including:

Protection against rising costs. Since co-op projects are operated on a nonprofit basis, the owners pay monthly only their share of the actual operating costs. Thus, increases in monthly payments are limited to actual increases in operating costs.

Home ownership. Since prices of single-family dwellings are not within the reach of low-income families, co-ops provide an opportunity for home ownership at an affordable price.

Tax advantages. Under Section 216 of the Internal Revenue Code, a co-op owner, similar to the owner of a conventional home, may deduct interest and taxes paid (pro rata) on his or her unit.

Community of interest. Many commentors feel that the most important aspect of the cooperative concept is the high level of democracy and community spirit that develops; members take pride in their property, and join together to make needed repairs and protect their buildings.

Absence of landlord profit. The owners are their own landlords and operate on a nonprofit basis.

Reduced maintenance expenses. Cooperative employees handle all maintenance except for redecorating. These expenses normally are paid for on a pro-rata basis rather than by each individual shareholder. Experience shows that owners maintain their units better than tenants, their maintenance expenses usually are less in a cooperative.

Reduction in move-outs. Owned units tend to turn over less than rental units; this can lead to greater stabilization of neighborhoods.

No fear of being forced out. Unlike renters, whom landlords can force out when their leases expire, co-op members are guaranteed their units as long as they pay their monthly expenses and abide by the bylaws.

Equity accrual. The amount of equity accrual that will be permitted depends on the provisions of the bylaws. Normally, if a co-op is operated successfully, and the bylaws permit accumulation of equity, equity should accrue upon resale.

Right to approve incoming members. This helps to protect the interests of the remaining tenants, and stems from the need for selecting as incoming members those who are willing to participate in the operation of the cooperative.

Along with the advantages of co-ops, however, there are notable disadvantages:

Defaults. Because of the corporate structure of the cooperative, all members are liable under the underlying mortgage. Thus, if one member defaults on his or her monthly payments, the remaining members must pay the delinquent share, or run the risk of the lender foreclosing on the entire cooperative. This remains the most serious disadvantage of the cooperative concept.

Effects of mismanagement. A co-op must be managed properly and effectively to work well. This means, as mentioned, that the members chosen for a cooperative must be screened well so that only those who are willing to put in the time and effort to make the corporation work will be chosen to live there. A further task of management, in addition to screening, is to make sure that members chosen thoroughly understand the cooperative concept and their own individual responsibilities. If the screening process is not effective, and if the members do not understand their responsibilities, the cooperative project will have a lesser chance of succeeding.

Difficulty of financing. A further disadvantage is the difficulty of financing the purchase. Most savings and loan institutions do not accept stock in a cooperative corporation as collateral for a loan.

Restricted sovereignty. A final disadvantage is that the cooperator does not enjoy the same degree of sovereignty that a fee simple owner enjoys.

"CONDOMANIA"

Throughout the 1970s and into the 1980s, as rental housing has become less profitable for landlords, this country has been experiencing "condomania." According to a HUD study, by April 1975, there were already 1.25 million condominium units in the country, compared with 439,000 co-op units. One reason for the current increase in condominiums, instead of cooperatives, is that banks and mortgage loan companies are more willing to loan to condominium projects. Because of the nature of the condominium structure, each tenant has a fee simple interest in his or her unit. The unit owner can negotiate his or her financing arrangements independently, using the fee as security for the mortgage. Thus, the condominium is a way of avoiding the financial interdependence of the cooperative. In addition to his or her unit, the condominium purchaser acquires a proportionate individual interest in the common parts of the land and building, with no right of partition.

Generally, the price of a condominium is out of the reach of most lower-income families. Thus, wide-spread condominium conversion, by taking affordable rental units off the market, has decreased the housing stock available for those families.

Although condominiums and cooperatives are similar in many respects, there are several reasons why co-ops are a more affordable and better means of providing home ownership for low-income families. The initial financing of only the equity portion of a blanket mortgage can reduce substantially the mortgage price below that which an individual must pay on a condominium. For example, if a unit is worth $30,000 and the cooperative mortgage covers 40 percent of the total sales price, then the unit could be offered for a sales price of $36,000. Even though the monthly unit charge would include a payment toward an underlying mortgage, such a payment would be only a pro rata share. Also, it is much easier to finance a $36,000 loan than a $60,000 mortgage. More important, lenders may be more willing to extend the cooperative loan in this instance since it is for a lower amount, and generally at a higher rate of interest.

In a co-op, members pay only their pro-rata share of the actual costs based on nonprofit operation of the entire corporation. In a condominium, each owner is responsible for his or her own repairs, often at higher retail costs. Because there is an existing blanket mortgage that remains intact as cooperative membership changes, financing and transferring of mortgage obligations are less complicated and more easily accomplished in the co-op form.

Because there is only a single mortgage, prospectus, and title policy involved, the resident saves the additional fees normally charged by real estate brokers, title companies, mortgage firms, and attorneys with each settlement. Under a single mortgage, interest rates can remain fixed for all owners, whether new or old. Unlike condominium owners, new co-op owners do not have to pay prevailing interest rates. Under the cooperative form, it is much easier for the single mortgagor (of the underlying blanket mortgage) to raise money than under the condominium form where there are numerous outstanding mortgages. Many owners feel less encumbered owning a co-op than they would with an outstanding mortgage over their heads.

An underlying reason why co-ops are potentially less expensive than condominiums involves the concept of limited, or structured, equity. The National Association of Housing Cooperatives points out three basic approaches to this concept:

1. In the first approach, the value of the membership share does not increase over time. An incoming member purchases a small membership share, usually less than $500. This amount has no real relation to the "value" of the homes the cooperative owns. Upon making payment, the member is granted right of occupancy and a vote in the cooperative corporation. When a member moves out, the membership share or loan is refunded (less any amounts due for charges). An important advantage of this method is that the cost of becoming a member remains the same over the years, so that membership stays within the reach of most people. For this reason, co-ops in this category often have long waiting lists.

2. The second type is a limited value increase membership plan. Under this method, the member's initial payment, which can be as low as several hundred dollars, grows over time according to a formula. Organizers of these cooperatives feel that the potential of future gain must be included as a part of their marketing program in order to attract people who are familiar with the concept of rising home investment values.

3. The third type allows the resale value of the membership share to be determined by market conditions, that is, how much prospective residents will pay for the privilege

of becoming a member of that particular community.

The "equity" question has plagued cooperative organizers for many years and remains an area of considerable discussion. The question is relatively simple: Does a co-op allow the resale of memberships on the open market, allow the resale value to rise at the controlled rate, or effectively "freeze" the resale value of a membership? In determining how this will be structured, it is important to determine the goals of the co-op. If the primary goal is to provide good housing that will always be available to low-, moderate-, and middle-income families, some way of limiting return is a must. Even in controlled rising value co-ops, members have found that after a few years, low- to middle-income families can no longer afford the cost of housing. A limit on equity is the sacrifice that must be made in order to provide affordable home ownership for low-income families.

FINANCING THE COOPERATIVE

The National Consumer Cooperative Bank Act was signed into law by President Carter on August 20, 1978. While many consumer cooperatives expected great things from it, others realized its limited potential effect.

The stated purpose of the act is to make available "necessary financial and technical assistance to cooperative self-help endeavors as a means of strengthening the economy." Under the act, the bank is mandated to make at least 35 percent of its loans outstanding at the end of each fiscal year to cooperatives with low-income members or cooperatives serving low-income people. The act also sets up the Office of Self-Help Development and Technical Assistance, which administers a $75-million self-help development fund over three years. The fund can be used to advance capital to co-ops that are just starting up and to help low-income co-ops meet their interest payments on loans from the new bank.

Those who do not expect much from the act point to the fact that the bank loans money at the market interest rate, with no adequate interest reductions program for low-income families.

In any event, Reagan economics may make these arguments moot. As part of its economic plan, the Administration recently called for the termination of the co-op bank. Thus, cooperative sponsors most likely will have to search for other means of financing in the near future.

Several savings banks, including Citicorp of New York, have begun making loans to cooperatives. Bank loans to cooperatives can be profitable, since they may be at higher interest rates, with shorter terms and lower amounts. While historically banks have been unwilling to make loans to housing cooperatives because of lack of security for the loan, they have overcome the problem by requiring as security a pledge of the corporation stock and an assignment of the lease. The risk factor, however, enters in here. A mortgagee, particularly a second mortgage, may find himself or herself lined up behind other creditors if the co-op fails to meet its expenses and foreclosure proceedings commence. Conventional banks, however, still are unwilling to make high risk loans to co-ops, and thus do not provide an adequate source of funds for low-income borrowers.

Privately donated money frequently is available to produce or support housing cooperatives. Recently, private organizations have begun forming mutual housing associations for the purpose of revitalizing or stabilizing neighborhoods.

In the past, co-ops have been able to obtain funding through federal and state grant and subsidy programs. The federal money generally comes directly through the Department of Housing and Urban Development while much of the state money comes indirectly from HUD through community development block grants.

There are four main HUD programs that may be used to provide cooperative housing for low-income families. Basically, these programs include mortgage insurance, mortgage assistance, and/or low-interest rehabilitation loans. Section 213, which provides federal mortgage insurance to finance co-op housing projects, insures mortgages (up to 95 percent of cost) made by private lending institutions on cooperative housing projects of five or more dwelling units to be occupied by members of nonprofit cooperative ownership housing corporations. These loans, according to the HUD publication, Departmental Programs, "finance new construction, rehabilitation, acquisition, improvement, or repair of a project already owned, and resale of individual memberships; construction of projects composed of individual family dwellings to be bought by individual members with separate insured mortgages; and construction or rehabilitation of projects that the owners intend to sell to nonprofit cooperatives."

Section 221(d)(3), the below-market interest rate program, provides mortgage insurance to finance cooperative housing for low- and moderate-income households. It helps finance construction or substantial rehabilitation of multifamily cooperative housing for low-income families. This program insures 100 percent of project mortgages at their FHA ceiling interest rate for nonprofit and cooperative mortgagors. Projects may consist of detached, semi-detached, row, walk up, or elevator structures. Units may qualify for Section 8 assistance if occupied by eligible low-income families.

Section 235, mortgage insurance and subsidies for low- and moderate-income home buyers, enables eligible families to purchase new homes that meet HUD standards. (Section 235 recently was revised to incorporate the old Section 236 into its provisions. Old Section 236, which terminated in 1973, provided mortgage assistance by subsidizing rental interest payments on low-income co-op housing.) HUD insures mortgages and makes monthly payments to lenders to reduce interest to as low as 4 percent. The home owner must contribute 20 percent of adjusted income to monthly mortgage payments and must make a down payment of 3 percent of the cost of acquisition. Mortgage limits are $32,000 ($38,000 in high cost areas). The income limit for initial eligibility is 95 percent of the area median income for a family of four, and the sale price may not exceed 125 percent of the mortgage limit. While this assistance generally is limited to new or substantially rehabilitated units, existing dwellings are eligible within specified limits, or in certain excepted cases.

Section 312 loans finance, via direct federal loans, the rehabilitation of residential, mixed use, and nonresidential properties. By financing rehabilitation to bring properties up to applicable code, project, or plan standards, the loan prevents unnecessary demolition of basically sound structures. Loans may not exceed $27,000 per dwelling unit. Applicants must show evidence of capacity to repay the loan and be unable to secure necessary financing from other sources on comparable terms and conditions. Priority is given to low- and moderate-income applicants and cities have review authority over the Section 312 loans.

While these programs still appear on the books, HUD spokespersons indicate that the future is not promising. Many programs, while technically remaining active, may not receive additional funding, thus reducing their potential benefit. It is likely that the Reagan budget-cutting process will further limit these programs.

Nevertheless, HUD programs, even if readily available, are not enough—by themselves—to bring the cost of co-ops within the reach of low-income families. It is only when combined with other available mechanisms that they become affordable.

REDUCING CO-OP COSTS

Several other strategies can help bring down the cost of co-ops. Homesteading programs, which involve the transfer of abandoned homes by local governments to homesteaders who agree to rehabilitate them and occupy them for a minimum of three consecutive years, allow the acquisition of potential co-op buildings at a negligible price. This reduces by a significant amount the initial cost of a cooperative.

A large percentage of future federal housing money presumably will come to the state in the form of community development block grants. The CDBG program is a flexible purpose program with a goal of providing housing for low-income persons. It can be used to finance soft costs, such as planning and architectural fees, financial strategies, technical assistance maintenance skills, downpayment assistance, and legal costs involved in setting up a particular low-income co-op project.

Potential cooperative members can save money in the rehabilitation of a building by doing some of the work themselves (sweat equity), thus reducing outside labor costs. Government subsidized employees can be used by co-ops to perform most of the rehabilitation work (except work that must be performed by subcontractors) and further reduce co-op costs. Many cities give tax breaks to upstart community housing groups. These tax breaks, which often take the form of delayed assessment, such as tax deferrals, can help keep monthly payments low.

The Section 8 existing programs, commonly called "finders-keepers," are available for low-income co-op owners because of the technical classification of co-op ownership as a leasehold interest. Section 8 is of obvious benefit to the low-income co-op member who canot afford the monthly payments. For various reasons, Section 8 is permitted only on a limited equity co-op.

Several methods can be used by cities to finance or guarantee financing for rehabilitation, and inner-city building of co-ops. These methods, which include direct financing through the sale of bonds, the establishment of joint mortgage pools and revolving loan funds, tax increment financing techniques, mortgage guarantees, and seed loans and grants, are likely to become increasingly important in the future as the availability of HUD program money decreases.

Thus, HUD subsidies, piggybacked with other costreducing mechanisms under a realistic plan sponsored by a nonprofit group, can provide affordable home ownership for low-income people. In the Hartford, Connecticut, area, two groups in particular have been able to put together innovative and interesting packages of this type.

CASE STUDIES

The Legal Services Foundation of Middletown, Connecticut, has developed a way of providing cooperative home ownership for low-income families with no down payment necessary and with units marketed at $220 per month plus utilities. The cooperative project comprises 19 scattered-site units, mostly (but not exclusively) in the north end of town.

The program, called Equity in Housing, is subsidized through a combination of programs, including $375,000 in CDBG funds—

used to subsidize purchase and rehabilitation of the units—and Section 8 existing program funds to subsidize the rents of the individual tenant owners. In addition, the project received a 9 percent Connecticut Housing Finance Authority mortgage and planning aid from the city of Middletown. Equity in Housing has been able to successfully keep prices down by placing a ceiling on equity accumulation. Owner/tenants can recoup only that amount of appreciation on their monthly payments that goes directly to amortize the mortgage—but only up to a limit of $2,000 over the term of the ownership. This limitation keeps units out of the speculative market.

Equity in Housing also has been able to keep maintenance costs to a minimum. The bylaws provide that all maintenance costs not the direct fault of the individual tenant/owners are to be shared pro-rata by all the cooperative members. Thus, the repair expenses come out of the contingency funds and no one tenant shoulders the entire cost. Most of the maintenance and management is performed on a nonprofit basis. The repairman, superintendent, and bookkeeper all are members of the co-op community and work for nominal monthly salaries.

Finally, the project is kept together by its nonprofit sponsor, the Legal Services Foundation, which performs an inordinate number of tasks for a negligible amount of money. Equity in Housing has become a model program. At the present time, the Legal Services Foundation is looking for other buildings in the area to purchase and integrate into its cooperative community. It should be noted, however, that the Legal Services Foundation is another program in the path of the Reagan budget cutting axe.

The Hartford, Connecticut, Bethel Street Cooperative Association, Inc., a pilot program sponsored by El Hogar del Futuro, a local Hispanic nonprofit corporation, has used an innovative combination of subsidies to provide low-cost, limited equity cooperative housing for low-income families. Different from the Equity in Housing program, the Bethel Street Corporation bought an abandoned six-family building from the city for one dollar under the city's homesteading program. It then applied to HUD and received, under Section 312, a $118,000, 20-year, 3 percent rehabilitation loan to renovate the building. The loan paid for building materials and subcontracted work. A significant amount of the manual labor was performed by the co-op members themselves in the form of sweat equity, and federal CETA money was provided to pay carpenters and remaining laborers.

In addition, the project received CDBG money to pay for architectural, planning, and legal fees, and received a 10-year tax deferral from the city of Hartford.

The result was a functioning low-cost cooperative project with four- and five-room apartments priced at $185 and $195 respectively. Those figures include maintenance and debt service, but not heating costs.

RECOMMENDATIONS

The case studies indicate that, despite HUD's uneasiness about low-income cooperative housing projects and the general public's lack of understanding of the cooperative concept, co-ops may indeed provide a viable means of home ownership for low-income families.

Cooperatives do not work without the diligent efforts of both sponsoring agencies and co-op members themselves. They can, however, provide affordable home ownership, and external benefits such as neighborhood revitalization and stabilization. As mentioned, there are indications that the Reagan Administration will support housing cooperatives as a general concept, despite its call for the end of the co-op bank system.

It has become evident, however, that with double digit inflation and the nature of the speculative market, co-ops for low-income families are not possible without some form of subsidy. Of the various forms of subsidies available, HUD should not be relied on directly to satisfy the needs of aspiring co-op developers or members. One central reason is because of the current funding freeze on major HUD subsidy programs, such as Section 312 and Section 235. The future of these programs is not promising.

Indirect HUD money, however, in the form of CDBG funds, along with private aid, appear to be the way of the future. Among the programs, that are particularly promising are city down payment assistance, CHFA-type low-interest mortgages, tax deferrals, and soft cost grants.

It is best to use existing structures for cooperative projects. Buildings acquired for a nominal cost through homesteading programs help keep down initial purchase and start-up expenses, both of which are crucial during the early life of a housing cooperative. Furthermore, homesteading programs can help revitalize neighborhoods by increasing the housing stock and creating a sense of community.

Sweat equity also should be used to keep down rehabilitation costs and provide a means of future equity, albeit limited, for the low-income member.

Nonprofit sponsorship and good management are musts in any low-income co-op housing project. Sponsors are needed to organize and coordinate the co-op funding package and to oversee the daily operation. Good management is crucial. A co-op cannot function successfully unless the members chosen fully understand both the co-op concept and their role in the particular project. It is the manager's role to screen prospective members carefully, make sure members perform their delegated tasks, and to develop the sense of community and democracy necessary to keep the project functioning successfully. A high level of member participation and a full understanding of membership responsibilities are especially important in a co-op project where all are liable under the mortgage in the event of default and possible foreclosure.

A further necessary ingredient of a successful low-income housing project is the use of the limited equity concept. If a goal of cooperative housing is to provide continued low-price housing, then gain on re-sale is contradictory to that goal. Low-income housing co-ops should not be in the speculative market. The limited equity concept helps keep future costs from snowballing out of the affordable range of most low-income families.

Finally, co-ops must have adequate reserve funds to meet future emergency repairs that may become necessary, particularly in older buildings. These funds, a form of forced savings, can be invested at a high rate of interest to provide additional capital for the corporation. In conjunction with this, maintenance costs can be kept to a minimum if necessary repairs are performed by co-op members themselves.

Cooperative housing projects generally have not been understood by the public and traditionally have been treated as "orphan children" by HUD. It is time to adopt this misunderstood orphan and recognize the cooperative concept as a viable means of providing home ownership for low-income people.●

## ADVISORY COUNCIL'S REPORT

● Mr. KENNEDY. Mr. President 17 years ago, Lyndon Johnson announced his war on poverty. Congress passed the Economic Opportunity Act in an attempt to lift the burdens of poverty borne by millions of Americans and to help these Americans help themselves. Three years later, we created a 15-member National Advisory Council on Economic Opportunity to advise the Director of the Community Services Administration on policy, to review the effectiveness of the programs created under the Economic Opportunity Act, and to report annually to the President and Congress on the Nation's progress in eliminating poverty. Provisions in the Budget Reconciliation Act, passed early last month, repealed the Economic Opportunity Act and abolished the Community Services Administration and the Advisory Council.

In its 13th and final report issued today, the Advisory Council takes exception with the budget proposals and economic program of the Reagan administration. The Council's report echoes the concerns that I and many others have raised over the last few months. Already the initial euphoria with the Reagan administration's budget and tax victories has begun to fade. The economy continues to be stagnant and devastatingly high interest rates persist. The Council's conclusions are sobering.

The effect of the administration's cutbacks, some already adopted and others merely proposed, will be to severely deepen the crisis of poverty in the future and to drive whole segments of our society toward hopelessness and despair. The Council's report cogently undercuts the basic assumptions underlying the President's budget proposals—what the Council refers to as "persistent myths about poverty."

The first myth is that the Reagan programs do not unfairly burden the poor in this country. In fact, the council notes that the Reagan cutbacks in AFDC would reduce the incomes of families headed by women. Moreover, the program cutbacks will eliminate one and three-quarters million jobs currently occupied by those at or near the poverty level. The Council's report leaves no doubt that the groups being asked to bear the greatest burden for the Reagan budget cuts are the most vulnerable segments of our society—the poor, the elderly, the young, minorities and women.

The second myth is that the current system has not and will not succeed in alleviating the burdens of poverty. However, testimony given to the Council over the past several years contradicts this conclusion. According to this testimony, the Federal programs do work; they do help people get out of poverty; the delivery systems are providing the necessary basic human and social services. Programs such as Head Start, legal services, Foster Grandparents, VISTA, Job Corps, community action agencies and

community economic development corporations have successfully delivered services to the people who need help. By 1980, the number of poor had been reduced by 11 million and 11 million more had been kept above the poverty line.

The third myth is that State and local governments through block grants are better able to administer the human and social service programs. In fact, this new system has a track record of being more bureaucratic, less accountable, and more subject to political pressures. It is likely to be less responsive to the need of disadvantaged groups. Even more important is the realization that issues of poverty and deprivation are national issues, which require national policy and programs and are a part of our national purpose. In the words of the Council:

The issue is not federal versus state responsibility; rather, it is the dimuntion or avoidance of any national standards of responsibility and accountability.

The final and most seductive myth is the claim by the administration that the poor will be benefitted by an overall growth in the economy. The Council concludes that this is simply not true. According to the Council, the "new" poor are increasingly a population of those whom the private economy has passed by.

Even in good times, these people—the aged, the disabled, the disadvantaged youth, women heading families with small children—are rarely hired by the private sector. Because few of these people can be absorbed into the private economy without special assistance and support, the "massive suffering" these program cutbacks will bring "cannot be balanced by any credible long-range benefits from the administration's program—even under the most optimistic economic assumptions."

There is a price to be paid for the administration's so-called "economic renewal." That price will be an increase in crime, in the use of drugs, in alcoholism and physical and mental illness, in destabilizing the family and in weakening respect for the law.

Like the Council, I hope that—

After reading this report, Americans will come to the conclusion that as a nation we cannot afford to renege on a commitment that is both symbolic and real. To do so would put an inordinate burden on the more than 25 million poor Americans who are already suffering from inflation, unemployment and inadequate social support services. The dire consequences of our nation's inability to put forth and sustain policies and programs are, for the poor, unthinkable and for our policy makers, unknowable.

I believe that the research and conclusions embodied in this report will be especially instructive in the months ahead as we consider further administration proposals for budget cuts.

The first chapter, "Women in Poverty," discusses the growing "femination of poverty" and the causes of this new trend. The Council's report places the blame squarely on both a dual welfare system and a dual labor market. Together, they ignore the growing number of women who are now in charge of households and are the sole supporters of their children. The Council concludes that our social welfare and labor policies must be changed to end this continuing pauperization of women.●

## APPOINTMENT BY THE PRESIDING OFFICER

The PRESIDING OFFICER (Mr. DANFORTH). The Chair, on behalf of the minority leader, and in accordance with the provisions of Public Law 96–114, announces the following appointment to the Congressional Award Board, vice the Honorable John D. Rockefeller IV, resigned: Hon. John Y. Brown, Governor of Kentucky.

## RECESS UNTIL 11 A.M. TOMORROW

Mr. STEVENS. Mr. President, if there be no further business to come before the Senate, I move that the Senate stand in recess in accordance with the previous order until 11 a.m. tomorrow.

The motion was agreed to; and at 7:04 p.m. the Senate recessed until Tuesday, September 22, 1981, at 11 a.m.

## NOMINATIONS

Executive nominations received by the Senate September 21, 1981:

DEPARTMENT OF STATE

Thomas R. Pickering, of New Jersey, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Federal Republic of Nigeria.

BOARD FOR INTERNATIONAL BROADCASTING

Mark Goode, of California, to be a Member of the Board for International Broadcasting for a term expiring April 28, 1983, vice Rita E. Hauser, resigned.

OVERSEAS PRIVATE INVESTMENT CORPORATION

Carlos Salman, of Florida, to be a Member of the Board of Directors of the Overseas Private Investment Corporation for a term expiring December 17, 1982, vice James M. Friedman, term expired.

DEPARTMENT OF JUSTICE

Beverly E. Ledbetter, of Rhode Island, to be an Assistant Attorney General, vice a new position created by Public Law 95–598, approved November 6, 1978.

FOREIGN CLAIMS SETTLEMENT COMMISSION OF THE UNITED STATES

Joseph Wentling Brown, of Nevada, to be a Member of the Foreign Claims Settlement Commission of the United States for the term expiring September 30, 1983, vice Francis Leon Jung, term expired.

DEPARTMENT OF LABOR

Malcolm R. Lovell, Jr., of the District of Columbia, to be Under Secretary of Labor, vice John N. Gentry.

John F. Cogan, of California, to be an Assistant Secretary of Labor, vice Arnold H. Packer.

Lenora Cole-Alexander, of the District of Columbia, to be Director of the Women's Bureau, Department of Labor, vice Alexis M. Herman.

PUBLIC HEALTH SERVICE

C. Everett Koop, of Pennsylvania, to be Medical Director in the Regular Corps of the Public Health Service, subject to qualifications therefor as provided by law and regulations, and to be Surgeon General of the Public Health Service, for a term of 4 years, vice Julius Benjamin Richmond, term expired.

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION

Rosemary M. Collyer, of Colorado, to be a Member of the Federal Mine Safety and Health Review Commission for the term of 6 years expiring August 30, 1983, vice Jerome R. Waldie.

EXPORT-IMPORT BANK OF THE UNITED STATES

James Ernest Yonge, of Florida, to be a Member of the Board of Directors of the Export-Import Bank of the United States, vice Thibaut de Saint Phalle, resigned.

NATIONAL CREDIT UNION ADMINISTRATION

Edgar F. Callahan, of Illinois, to be a Member of the National Credit Union Administration Board for the term expiring August 2, 1987, vice Harold Alonza Black, term expired.

DEPARTMENT OF STATE

The following-named persons in the Department of Agriculture for appointment as Foreign Service officers as indicated, in accordance with section 2105 of Public Law 96–465, approved October 17, 1980:

For appointment as Foreign Service officers of class 1, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

Richard L. Barnes, of Virginia.
Alexander Bernitz, of New York.
John M. Beshoar, of Maryland.
James W. Brock, of California.
G. Stanley Brown, of Virginia.
Harry C. Bryan, of Texas.
Anthony N. Cruit, of Maryland.
William L. Davis, Jr., of Arkansas.
Harlan J. Dirks, of South Dakota.
Roger S. Euler, of Virginia.
Paul J. Ferree, of Illinois.
Robert S. FitzSimmonds II, of Maryland.
James K. Freckmann, of Wisconsin.
Guy L. Haviland, Jr., of Virginia.
James R. Hickman, of Texas.
Lloyd I. Holmes, of Virginia.
Kenneth E. Howland, of Maryland.
Norman R. Kallemeyn, of Maryland.
Verle E. Lanier, of Maryland.
James F. Lankford, of Florida.
Gordon H. Lloyd, of Maryland.
Roger S. Lowen, of New York.
Fred A. Mangum, of North Carolina.
Robert M. McConnell, of Virginia.
John C. McDonald, of Virginia.
Leon G. Mears, of Virginia.
Lyle Moe, of Virginia.
Charles J. O'Mara, of Maryland.
Frank A. Padovano, of Virginia.
James V. Parker, of North Carolina.
Norman J. Pettipaw, of Maryland.
Wilferd L. Phillipsen, of Florida.
George J. Pope, of Virginia.
John E. Riesz, of Florida.
James E. Ross, of Florida.
James P. Rudbeck, of Virginia.
Omero Sabatini, of Virginia.
Harold T. Sanden, of Virginia.
William L. Scholz, of Virginia.
Gerald W. Shelden, of Michigan.
Robert J. Svec, of Virginia.
W. Garth Thorburn, of Florida.
Nicholas M. Thuroczy, of California.
Fred W. Traeger, of Wyoming.
Bryant H. Wadsworth, of Virginia.
Cline J. Warren, of Maryland.
Richard S. Welton, of Maryland.

For appointment as Foreign Service officers of class 2, Consular Officers, and Secretaries

in the Diplomatic Service of the United States of America:

W. Lynn Abbott, of New York.
C. Milton Anderson, of Maryland.
Robert R. Anlauf, of Texas.
Edwin A. Bauer, of Virginia.
James M. Benson, of Virginia.
Richard J. Blabey, of Virginia.
Max F. Bowser, of Virginia.
Evans Browne, of Colorado.
Charles M. Clendenen, of Virginia.
John H. Davenport, of Virginia.
Abner E. Deatherage, of Virginia.
John S. DeCourcy, of Virginia.
Pitamber Devgon, of Virginia.
Paul A. Drazek, of Maryland.
Jon E. Falck, of Virginia.
Oldrich Fejfar, of Virginia.
Lawrence R. Fouchs, of Virginia.
Forrest K. Geerken, Jr., of Virginia.
Alvin E. Gilbert, of Maine.
John A. Glew, of Virginia.
Lawrence E. Hall, of the District of Columbia.
Robert E. Haresnape, of Virginia.
Alan K. Hemphill, of Virginia.
Phillip Craig Holloway, of Oklahoma.
John T. Hopkins, of Virginia.
Theodore Horoschak, of Virginia.
William P. Huth, of Virginia.
Mollie J. Iler, of Virginia.
James Y. Iso, of California.
John D. Jacobs, of Tennessee.
Robert W. Johnson, of Virginia.
Franklin D. Lee, of Louisiana.
Richard T. McDonnell, of Virginia.
Kenneth L. Murray, of Virginia.
Gordon S. Nicks, of Virginia.
Harold L. Norton, of Florida.
Thomas B. O'Connell, of Virginia.
Carlos J. Ortega, of Virginia.
Larry L. Panasuk, of Virginia.
Alfred R. Persi, of Virginia.
Frank J. Piason, of New Jersey.
Shackford Pitcher, of Virginia.
Roger F. Puterbaugh, of Maryland.
Harold Rabinowitz, of Pennsylvania.
Abdullah Ahmad Saleh, of Connecticut.
Lyle James Sebranek, of Virginia.
Mattie R. Sharpless, of the District of Columbia.
Walter A. Stern, of California.
James B. Swain, of Maryland.
Robert Charles Tetro, of Virginia.
Dale K. Vining, of Arizona.
Frank L. Waddle, of Maryland.
Homer F. Walters, of Florida.
Steve Washenko, of Virginia.
John A. Williams, of Maryland.
Dalton L. Wilson, of Virginia.
Steven D. Yoder, of Virginia.

For appointment as Foreign Service officers of class 3, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

Robert D. Bagley, of Washington.
James R. Brow, of Maryland.
Joseph R. Butler, of Texas.
W. John Child, of Maryland.
Daniel B. Conable, of New York.
Frank A. Coolidge, of Virginia.
Andrew A. Duymovic, of Maryland.
Leonidas P. Bill Emerson, Jr., of Maryland.
N. E. Francis, Jr., of Pennsylvania.
Christopher E. Goldthwait, of New York.
Dale L. Good, of Virginia.
Clyde E. Gumbmann, of Virginia.
Thomas A. Hamby, of Tennessee.
George E. Heslop, Jr., of Kansas.
Michael L. Humphrey, of Virginia.
Marvin Lehrer, of New Hampshire.
Philip Albert Letarte, of New Hampshire.
Margaret Mason, of Illinois.
John E. Patrick, of Vermont.
John J. Reddington, of Virginia.
David W. Riggs, of Maryland.
David I. Rosenbloom, of New Jersey.
Herbert Finley Rudd II, of Oregon.
Hilton P. Settle, of Maryland.
Joseph Frank Somers, of Massachusetts.

For appointment as Foreign Service officers of class 4, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

Suzanne Hale of Virginia.
Paul R. Hoffman, of Maryland.
Richard K. Petges, of Illinois.
John H. Wilson, of Virginia.

For appointment as Foreign Service officers of class 5, Consural Officers, and Secretaries in the Diplomatic Service of the United States of America:

Daniel K. Berman, of the District of Columbia.
Larry M. Senger, of Washington.
Natalie A. Solar, of Colorado.

IN THE NAVY

The following-named officers of the U.S. Navy for permanent promotion to the grade of lieutenant commander in the line and various staff corps, as indicated, pursuant to title 10, United States Code, sections 5780, 5782, and 5791, or section 611(a) of the Defense Officer Personnel Management Act (Public Law 96-513) and title 10, United States Code, section 624 as added by the same act, as applicable subject to qualifications therefor as provided by law:

LINE

Abel, Lloyd Vermillion
Abercrombie, Austin Gray
Abrams, Michael Dane
Ackerbauer, Kris Timerman
Adams, Robert Allison
Adams, Robin Lee
Addison, Stoy Wade
Adkins, Philip Sayre
Ahearn, James Vincent, Jr.
Ahlberg, Steven James
Ahlwardt, Elmer Louis, Jr.
Ainsley, William Lowther, III
Akins, Joseph Lawrence
Alcorn, Marion Everet
Aldridge, James Arthur
Alexander, John Lee
Alexander, John Vinson
Alexander, Ronald Keith
Allen, Harry Eugene
Allen, John Bruce
Allen, Paul Stewart
Alley, James Ray
Allin, Robert Wesley
Allison, John Simmons, Jr
Almquist, Thomas Victor
Alsbrooks, Ronald Lee
Alston, Robert William
Amirault, Richard Bradford
Ammann, Clement Joseph, Jr.
Andersen, Lorin Emerson
Anderson, Darl Richard
Anderson, Eric Blair
Anderson, Harry Reynold, III
Anderson, Michael Thomas
Anderson, Timothy J.
Anderson, William Harvey, Jr.
Andrews, Kenton Grant
Arce, Armand Omar
Archibald, Gary Thomas
Architzel, David
Armistead, Reginald Gray, Jr.
Arnold, Berthold Klaus
Arnold, Robert Bruce
Arnold, William Glenn
Arrants, Charles Samuel
Arsenault, Arthur John, Jr.
Ashbridge, George, IV
Aten, John Joseph
Aube, Leonard Conrad
Aukland, Bruce Michael
Ault, Jon Franklin
Auskaps, Andrejs Julijs
Averill, Robert Cameron
Axelrod, William Harold
Baas, Daniel Louis
Babbitt, James Charleton, Jr.
Babcock, Rowland Alvin, Jr.
Bagley, Edward Garland, III
Bailes, Michael Scott
Bailey, Robert Carroll, Jr.
Bailey, Steven Everett
Bailey, Richard Marcel
Baker, Joe Allen, III
Baker, Rush Emmons, III
Ballard, James Claude, III
Ballard, William Garnet
Banek, Edward Adam, Jr.
Bangs, George Henry
Bankester, Michael Lee
Bannat, Steven John
Barber, Arthur Houghton, III
Barber, Theodore, Jr.
Barbor, Kenneth Eicher
Barela, Maximo Avilucea
Barkdull, Curtis Raymond
Barkell, Richard Colin
Barnes, David John
Barnes, Harry Charles, Jr.
Barnes, Leslie William
Barnes, Robert Carroll
Barnes, Timothy John
Barnett, Peter Graham
Barnhart, Randall Gay
Barnhill, Arizona Wendell
Barthold, Lee Girard, III
Bartlett, Ralph Clinton, Jr.
Bartron, Robert Patrick
Bassett, Charles William, III
Batog, John Stanley
Baugh, Dale Eric
Baumstark, Michael Wayne
Bayer, Karl Gustav
Beach, Edwin Franklin
Beal, Stephen Dennis
Bean, Jerry Wayne
Beasley, Lawrence George
Beaver, Robert James
Beazle, John Fennimore, IV
Bechtold, Donald William, II
Becker, Gregory Harold
Behr, Michael Ray
Behre, Christopher Peter
Behringer, Stephen Edward
Belcher, John Charles
Belden, Bruce Edward
Belote, Richard Hoyt
Bender, Michael Robert
Benedict, William Lance
Benkert, Joseph Albert
Benson, Stephen Eric
Bensur, Robert William
Bentley, Alan Charles
Benziger, Philip Ennes
Bepristis, Donald Joseph
Berg, Delano Robert
Bergazzi, Wesley Allen
Bergersen, Leonard L.
Bergren, Richard James
Bernasconi, Stephen Joseph
Bernitt, Thomas Richard
Berry, Gale Vernon
Berry, George Hamilton
Berry, George Zellner
Berry, Reginald Lamarr
Bertin, Michael Stephen
Besal, Robert Eugene
Besancon, Michael David
Beukema, Paul
Bevill, Michael Henry
Biby, Dennis Keith
Bienhoff, Paul Arthur
Bingham, Kenneth Allen
Bisceglia, Stephen Vincent
Bishop, Harold Ralph
Bishop, Stephen Clark
Bixler, Charles Harley
Blackman, Richard Allen
Blackwell, Theodore I, Jr.

Blake, William Robert, Jr.
Blakey, Blake Victor, Jr.
Blanchard, Robert Kevin
Blanton, Gerald Bertram
Blocher, Ayers Haden, III
Block, Newell Frederick
Blomeke, Hugh Douglas
Blunt, James Michael
Bohannan, Gary William
Bohannan, James Guy
Bolan, Gregory Edward
Boland, James Francis, Jr.
Bonewald, Jack Dale
Bonvouloir, Raoul, Jr.
Booker, Robert William
Boone, William Thomas
Booth, Michael Noah
Boroff, Jeffrey Lee
Bossio, Frank Teobaldo
Boughton, Bruce Edward
Boutte, Andre Legras
Bower, Michael Joseph
Bowlin, James Allen
Bowman, Ronald Eugene
Boyd, Sheldon Alexander
Boyer, Pelham Grant
Boyes, Kenneth Wayne
Boyington, John Edward, Jr.
Bozeman, Virgil, III
Braddy, Raymond Francis
Brady, Bernard Galin
Brady, Edward Daniel
Brady, Roger William, Jr.
Brandhuber, Robert Lee
Brannan, Tandy Thomas, II
Branson, James Lee
Brasfield, Randolph Benn
Bray, James David
Breitenbach, Karl Warren
Brendmoen, Jack Vernon
Brengel, Dexter Theodore
Brennan, Michael Eugene
Brennock, Daniel Joseph
Bret, Robert Eugene
Brewer, Craig Walter
Bridges, James Donald
Bridges, Robert Thomas
Brimson, Richard Thomas
Broadley, Timothy Shaw
Broadus, Jimmy Wayne
Broadway, James Henry, Jr.
Brod, Herbert L.
Brodengeyer, James Robert
Brooks, Frederick Martin
Brower, Michael Randolph
Brown, Carradean Lynn
Brown, David Kearney
Brown, Frank Hyatt
Brown, Gary Wilson
Brown, Karl Sanford, Jr.
Brown, Larry Warren
Brown, Martin Richard, Jr.
Brown, Rabon Dempsey, Jr.
Brownsberger, Nicholas Mason
Brucker, Blaine Robert
Bruckman, David Earl
Bruner, Todd Thornton Whitney
Brunstad, William Joseph
Brust, Stephen Ray
Bryant, Franklin David, Jr.
Bryce, Dexter Scott
Buchanan, Bobby Allan
Buchspics, Kenneth Lewis, Jr.
Buck, Bruce Edward
Buck, Larry Wayne
Buckley, Bruce William
Buckner, Jansen Wooldridge
Bueker, Charles Dennis
Bulai, Dennis Michael
Bulfinch, Scott Robert
Bullard, Donald Kenneth
Bullough, Bruce Lynn
Bunevitch, Gary Joseph
Bunn, Warren Lester
Burdett, Peter Scott
Burdette, Allen Leamon, II
Buresh, Jon Alex
Burfening, Stuart John
Burgamy, Kirk Steven
Burkhart, Larry William
Burnett, Joseph Lawrence
Burnette, David Parker
Burroughs, Bruce David
Burton, Fred Ernest
Burtt, Chester Arthur
Bury, Stephen Joseph
Busch, Daniel Edward
Buschmann, Roger Louis
Butler, James Paul
Butler, Lester Edison, Jr.
Butler, William Thomas, Jr.
Butt, Duncan Marshall
Byrd, John Thomas
Byrnes, John Louis
Cady, William Douglas
Cahoon, David Clinton
Calcaterra, Frank Sal
Caldwell, Warren Lee, Jr.
Calhoun, Brian Murray
Callaghan, Terrence Alan
Callahan, Alexander Joseph, Jr.
Campbell, Clifford Bruce
Campbell, Gordon Thomas
Campbell, James Anthony
Campbell, John Francis
Campbell, Richard Pryor
Canavan, Michael Patrick
Candalor, Michael Bruno
Cannon, Miles Joseph, Jr.
Cano, Jose Rolando
Cantfil, Scott Thomas
Capello, Leonard William
Carino, Freddie Fry
Carle, Mark Vearil
Carlile, Gary Loftin
Carlson, Dennis John
Carmichael, John Scott
Carney, Gene Gordon
Carota, Leonard Nicholas, Jr.
Carpenter, Jack Royal, Jr.
Carpenter, John Howard
Carpenter, John Ross
Carrier, Guy Joseph
Carrigan, Michael Andrew
Carrington, David Richard
Carro, Anthony
Carroll, Charles Earl
Carroll, Daniel Marion
Carson, Michael Harold
Carstens, Paul David
Carter, Earl Frederick, Jr.
Carter, James Robert
Carter, Leslie Roy
Carter, Thomas Beeman, Jr.
Carter, Thomas Michael
Carter, William Lee
Casalegno, Lorenzo Peter
Casmer, Dennis Ronald
Casper, David Carl
Cassada, William Paul
Cassidy, Kevin Gary
Cassidy, Patrick Thomas
Castan, William Charles, Jr.
Castaneda, Ruben, Jr.
Caster, Gary Don
Castleman, Bruce Allen
Castleman, Lexie Charles
Cather, Philip Edward
Causey, Lewis Aubry
Cerda, Joe Dale
Cerveny, Alvin Earl
Chambers, Regan Scott
Chanik, Evan Martin, Jr.
Chapman, James Haselden, Jr.
Chapman, Robert Gene
Chapman, Ronald Lee
Chase, Michael Robert
Cheliras, Richard Mark
Cheney, Robert Andrew
Cheshire, Lehman Franklin, III
Chesser, Steven Bruce
Chin, Francis Wai Liang
Chisholm, Peter Carroll
Christensen, Robert Kragh
Christensen, Steven Donald
Ciarula, Thomas Alan
Cillo Richard Charles
Cincotta, Paul Edward
Cirone, Robert
Clair, William Charles
Clarey, Robert James
Clarkson, Danny Leroy
Clawson, Stephen Harvey
Clay, Michael Barrett
Clayman, William Dennis
Clayton, Irving Brodribb, III
Clyde, William Walter
Cochran, Samuel Steve
Cockrell, Kenneth Dale
Coffeen, Robert Curtis
Coggine, Andrew Oscar, Jr.
Coghill, Cortlandt Cassler, III
Cohn, Lewis Michael
Cole, Claude Elbert
Cole, Lonnie William
Collins, James Vincent
Collins, Richard Wayne
Collins, Robert Frank
Colton, Arthur, II
Compitello, Thomas Charles
Condon, Robert W.
Condon, Thomas John
Connell, Guy Louis
Connelly, Joseph Bernard
Connolly Paul Michael
Connor, Charles Dean, Jr.
Connor, John Henry, Jr.
Conrad, Allen Stanley
Conway, Robert Thomas, Jr.
Cook, James Dean
Cook, Larry Earl
Cook, Norman Rhode, III
Cook, Robert Bartlett, Jr.
Cook, William Eckford, Jr.
Cooke, Wilbur Orlean, Jr.
Coombs, Barry Leland
Coome, Barry Allan
Coonan, Robert Paul
Cooper, Charles Grafton, III
Cooper, Michael Robert
Cooper, Ronald Stephen
Corkill, Christopher James
Cornell, David William
Corteville, Douglas Floyd
Cosgrove, Patrick Eugene
Coste, Peter Frederick
Costigan, Kenneth Michael
Cottrell, William Russell
Coupland, Steve Joel
Covert, Harold Duane
Covington, Richard Benjamin
Cox, Patrick George
Cox, Richard Loren
Coyle, Gary Leonard
Crabtree, Charles Scott
Crabtree, Thomas Edward, Jr.
Craig, Michael Christopher
Craig, Peter Allen
Crall, Max Richard
Crandall, Kenneth Duane
Crane, Larry Wayne
Crane, Norman Hitchcock
Cranshaw, William Raymond
Crawford, Bruce Wayne
Crenshaw, Lewis Womack, Jr.
Crews, Jeffrey Wiley
Cross, Raymond Stephen
Crossland, Edward Ernest
Crouch, Marion Leslie
Crouch, Orren Rayburn
Crouse, David Lee
Crowell, Charles Davis
Crowell, Philip Holmes, III
Crowley, Thomas Noble
Crumley, Glenn Doyle
Cullinan, John Francis
Cumings, Kenneth Wilfred, Jr.
Cummings, Darryl Pittmon
Cummings, John Alexander
Currey, Gary Allen

Curtin, Bruce Emmet
Curtsinger, Delbert Anthony
Cutter, David Michael
Cutter, Duane Starr
Dacey, Leo Francis
Dahlquist, Paul William
Dahmen, David Atherton
Dailey, John Coughlan
Dailey, John Lawrence, Jr.
Daley, Michael John
Daling, Michael Ernest
Dalton, Merrill Albert
Daly, Joseph Thomas, III
Damin, David Earl
Danco, Thomas Richard
Danforth, Lawrence Wayne
Daniel, Addison Garland, III
Darling, Ralph Edward
Darton, Terry Heber
Darwin, George Robert
Daugherty, Terry Lee
Davidson, James Edward
Davidsson, Jeffrey John
Davis, John Michael
Davis, Lavern Alone
Davis, Mark Charles
Davis, Richard Earle, Jr.
Davis, Steven Earl
Day, Edward William, Jr.
Day, James Copeland
Dean, Dennis Ross
Dean, Harold Lee
Dean, Robert Murrell
Decker, Geoffrey Foster
Decker, Wilson Banks
Dedom, John Edward
Deemer, Richard Eugene
Delaney, Richard Freeman
Delauder, Roy Allen, Jr.
Deleon, Victor Manuel
Delong, Richard Clair
Demain, William Robert
Demasi, Francis Dominick
Demo, Willard Joe, Jr.
Dempsey, Wayne Raymond
Denari, Mark Edward
Dengler, Robert Joseph
Denham, Stanley Alvin
Denkler, John Michael
Denny, Patrick Leo
Dentico, John Paul
Dentler, John Campbell
Destafney, James Joseph, Jr.
Desue, Anthony
Deuley, Thomas Paul
Deulley, Gary Wayne
Deveer, Stephen Anthony
Dever, John Arthur
Devlin, John Charles
Devries, Robert Donald
Dewald, Ted Edward
Deweese, Joe Dale
Dick, Richard L.
Dickie, John Albert
Dietz, Clyde Praetorius
Digan, Thomas Edward
Dilgren, Glen Alaric
Dillon, David Ray
Dimambro, Ronald Edward
Disy, Edward George, Jr.
Ditzler, Donald Frederick, II
Divine, Michael Dennis
Dodenhoff, Andrew Chandler
Dohse, James Theodore
Dole, Stephen Mark
Dom, Stuart Nevin
Donahue, Conrad James, Jr.
Donihi, Burleson Mills
Donlan, Joseph Anthony
Donovan, Michael Douglass
Doran, Milton Dean, Jr.
Dorsett, Charles Edward
Doswell, Joseph William, Jr.
Dougherty, Michael John
Downing, Mark Stephen
Doyle, Patrick Robert
Doyle, Stephen Douglas
Drake, Patrick Robert
Drake, Stephen Lee
Dreiling, David Lee
Drews, Robert Adam
Driscoll, Joseph Francis
Driscoll, Raymond Michael, Jr.
Droz, Charles Albert, III
Drummond, Thomas Frank
Dubrouillet, Michael
Dudash, Terrence Mark
Duddy, Daniel Francis
Dudek, David Paul
Dufek, David Frank
Duggan, Michael John
Dull, Timothy Jefferson
Dunaway, William Michael
Duncan, Richard Earl III
Dundas, Geoffrey Winn
Dunn, James Patrick, Jr.
Dunn, William Howard
Dunscombe, Bruce E.
Durfee, David Webster
Durmick, William Kenneth, Jr.
Dussman, Thomas Raymond, Jr.
Duvall, Michael John
Dwyer, Dennis Michael
Easton, William R., Jr.
Edmonson, Ronnie Eugene
Edmunds, Charles Allen
Edwards, Charles Terrell
Edwards, Mark Jackson
Efraimson, Allen Arvo
Egeberg, Gerald Wayne
Egolf, Roy Terrance
Eichel, Laurence Alan
Eiland, Garland Bowers, Jr.
Einsidler, Barry David
Eisenstein, Donald Allen
Eklof, Sven Peter
Elam, Harry Bailey
Elder, Alfred
Elliker, John Samuel, Jr.
Elliott, Kenneth McKeller, Jr.
Elliott, Richard Markley
Elliott, William Edward, Jr.
Ellis, Jimmy Lee
Ellis, Robert Bovce
Emmert, Mark Albert
Endicott, David Carlisle
Enewold, Steven Lee
Englehardt, Bruce Bidwell
Enright, Thomas Francis
Ensley, Lee Michael
Enwright, Leo Francis, Jr.
Epley, Lawrence Ernest
Erazo, Luis Ricardo
Erickson, David Paul
Erman, Reginald Joseph, Jr.
Espinosa, William Michael
Espitia, Marcus Louis
Essery, James Evans
Esterlund, Richard Carlton
Estes, William Leonard
Etro, James Francis
Etter, Alan Yancy
Evans, Gary Glen
Evans, Monty Jay
Evans, William Gaylord
Everage, Henry Bud
Everett, Hobart Ray, Jr.
Evers, William Barton
Eyerly, Louis Gardiner
Ezzell, Stephen Michael
Failmazger, Victor, Jr.
Falcona, Samuel Frank, Jr.
Falkey, Mark Steven
Fargo, Dennis Kenneth
Farmer, Linwood Earl, Jr.
Fee, John Francis
Feeks, Thomas Michael
Felshaw, Richard Frederick
Feltz, Gerard Cletus
Fenner, James Henry
Fennessey, Donald Brian
Ferguson, Jerry Francis
Ferguson, Kevin James
Ferguson, Michael Allen
Ferrell, Curtis Lamar III
Ferriter, Edward Chadwick
Fife, Richard Wayne
Filanowicz, Robert Walker
Filbert, Eugene Anton
Finkelstein, Mark Arnold
Finley, Charles Crothers
Finn, Richard Francis, Jr.
Firth, Barry Edward
Fischbeck, Jeffrey Allen
Fisher, Calvin
Fisher, John Walker
Fisher, Rand Hilton
Fisher, Richard John
Fisher, Rory Hilton
Fitzgerald, James Patrick
Fitzgerald, Mark Paul
Fitzgerald, William Robert
Fitzhugh, Gary Lowell
Fitzpatrick, Robert Bruce
Flanigan, Richard Joseph
Fleming, Daniel Eugene
Fleming, James William, Jr.
Fleming, John Leroy
Flenniken, Robert James
Flood, John Thomas, Jr.
Flynn, Edward Carnot
Fondren, Steven Verne
Ford, Robert Dale
Ford, Thom Woodward
Forgy, James Milton
Foster, Thomas Hume II
Foster, William Keith
Foti, Stephen Gino
Fournier, Dean Norman
Fowler, John Darwin
Fowler, Larry Richard
Fox, Donald Clyde
Fox, Martin
Fox, Tally Bernard
Frabotta, Frank Joel
Frahler, Donald Andrew
Frailing, Richard William
Frame, Danny Robert
Francisco, Roger Benton
Frank, Richard Roger
Franken, Daniel Joe
Franklin, Richard Arman
Franklin, Roland Michael
Franz, Lornie Anthony
Frazier, Robert Edward, Jr.
Frederick, Stephen Edmund
Freeland, Newton Forest, Jr.
Frenchi, Paul James
Freund, Bruce Richard
Frevert, Terry Wayne
Frieden, Charles Oscar
Froman, James Clere
Froneberger, James Phillip
Frump, David Arthur
Fry, Norman Joseph
Fulcher, David Otis
Fulham, Thomas Anthony, Jr.
Fuller, Paul Jeffery
Fullerton, John Alan
Funk, Duane Hadley
Funk, Glen Allen
Gabrynowicz, Mark Peter
Gagnon, Donald Robert
Gahnstrom, William Edward
Gaian, Raymond Joseph, Jr.
Gallagher, Thomas Paul, III
Gallic, Frank Michael
Gallup, Frederick Sherer, III
Gammage, Patrick Odell
Gangewere, Robert Russell, Jr.
Garden, George Carrington, Jr.
Garrett, Patrick Martin
Garrish, James Willard
Garrison, Paul Carmichael, II
Gastrock, Martin Deckard, Jr.
Gavett, Wallace Leonard, Jr.
Gay, James Franklin
Gaylor, Steven Charles
Gear, Bud Stanwood
Gebbia, Frank, Jr.
Gedeon, John Allen
Geel, Richard Alan
Geiger, Edward Charles

Geist, Gregory David
Geopfarth, Robert Neldon
George, Joseph James, Jr.
Gerken, William John
Gershon, Joseph Stephen
Geschke, Mark Joseph
Gesell, Ernest Emil, III
Gettys, James Oliver John, Jr.
Getzfred, Lawrence Daniel
Giannotti, Bruce Bennett
Giarra, Paul Severin
Gibbs, Donald McBuel
Gibson, John Benjamin
Gibson, Robert John
Gillespie, Dennis Michael
Gillespie, Michael Roy
Gillespie, Roger Allen
Givens, Joel Dennis
Glaser, Thomas Len
Glass, Joseph William
Glenn, Michael
Glick, Dean F.
Glick, Robert Charles
Gloor, Louis Ortmann
Glover, Grey Allen
Glover, Ronald Burton
Goad, Steven Robert
Goddard, James Reed, Jr.
Godwin, James Basil, III
Goessling, James R.
Goetz, Michael L.
Gogolin, James Henry
Golay, Mark Allen
Goldberg, Marc David
Golden, Kenneth Eugene
Golding, Robert Alfred, Jr.
Goldman, Michael Jeffrey
Goldsby, Richard Earl
Goldstein, Robert Jay
Golisch, James Anthony, Jr.
Golubovs, Paul
Gomez, Daniel Samuel
Gonsalves, John Henry, III
Good, Mark Ivan
Goode, Randall Louis
Goodell, Michael Stephen
Gooding, Brent Baker
Goodwin, Thomas John
Goodwin, William Vernon
Gordon, Douglas Thomas
Gorman, James Francis
Gorman, John Paul
Gorman, Michael Anthony
Gorman, Thomas Francis, Jr.
Gorris, Frederick David
Gossett, Jeffrey Lynn
Gottschalk, John L.
Goulding, William Albert
Graber, Dale Bruce
Grabski, Timothy Martin
Grafton, Thomas Albert, III
Graham, Bryce Lowell
Graham, Richard Morris
Graham, William Lambert
Grant, Geoffrey Edmund
Grant, Jeffery Wayne
Grant, Roderick Campbell
Grassi, Thomas Anthony
Grau, David George
Gravell, William
Graves, Marshall Warren, Jr.
Gray, Gary John
Greanias, George Hampson
Greaser, Donald Charles
Green, David Kell
Green, John Michael
Greene, Gary Lee
Gregor, John Bradley
Gregory, Erik Stuart
Gregory, William Harvey
Griffin, Dana Norton
Griffith, Carl Dean, Jr.
Gripp, Jan William
Grissom, Mark Patterson
Gritzke, Arnold Richard
Groefsema, Gary Gordon
Groenert, Frederick Earl, Jr.
Groff, George Thomas
Groff, Lawrence Lafayette
Grosel, Joseph Jeffery
Groves, Gary Otis
Gruber, James Powell
Guiles, Richard Howland
Gut, Raymond Joseph
Guzauskis, Steven Augustine
Haagensen, Brian Christian
Haberlandt, Frederick Robert
Hacunda, Michael Richard
Haddock, James Max
Hagan, James
Hager, George Whately
Haggart, James Alan
Haines, James William
Haizlip, John Threlkeld
Hale, Christopher Dyer
Haley, Robert Michael
Hall, James Christian
Halsted, David Patrick
Halwachs, James Edward
Hamelin, Gregory Raymond
Hamlin, James Sherrill, Jr.
Hammond, Gary Richard
Hammond, John Thomas
Hampson, Gary Wayne
Hampton, John Joseph
Hampton, John Philip
Hance, Carl Edward
Hancock, William Allen
Handforth, Dwight Warner
Hans, William Francis
Hansell, Dennis Richard
Hansen, Mark Albert
Hanson, Paul Edward
Hardaway, James Hallowell
Harding, Richard Warren
Harding, Ross Miller
Hardman, Andrew Hale
Hare, Robert Lee
Harger, Tommy Charles
Hargrave, Douglas Francis, Jr.
Harman, Howard Milton
Harper, Allen Douglas, III
Harrell, John Brinkley, III
Harris, Craig Hale
Harris, James Daniel
Harris, Jeffrey Bruce
Harris, Russell Eric
Harris, Stephen Andrew
Harrison, Jeffrey Alan
Harrison, John Joseph
Hart, Robert Sheppard
Hartling, Robert Michael
Hartrick, Thomas Frederick
Harvey, Gerald Alan
Harvey, John Collins, Jr.
Hastings, David Canfield, Jr.
Hatcher, Thomas Allan
Hatfield, Douglas Philip
Hathaway, Carmrid Glaston, II
Hathaway, Dennis Alan
Hathaway, Clifford Newton, Jr.
Hatton, Peter Leo
Hawkins, Jeffrey Alan
Hayes, David Lloyd
Hearding, David Warren
Hebdon, David Eugene
Hedden, Charles Robert
Hedderich, Conrad Peter
Hedrick, Michael Keith
Heifner, Robert Jack
Heimgartner, Kenneth Floyd
Heisey, Philip Michael
Hellner, Robert Joseph, Jr.
Helmer, Dale Paul
Helms, Chester Ethane
Hemer, Glenn Alan
Henderson, Craig Brooks
Hendrickson, Scott Lars
Hennessy, Paul Barrett
Henry, Christopher Ryan
Henry, Douglas Gordon
Henry, Michael DeWitte
Herbert, George Arthur, Jr.
Herlin, Peter Davidson
Herman, Richard John
Herr, David Lawrence
Herret, Thomas Roger
Herring, David Lawrence
Hess, Lawrence Edward
Hess, Randall James
Hess, William Curtis
Hessdoerfer, Ronald Carl
Hesser, Neal Patrick
Hessler, Dennis John
Hester, Samuel Gaston
Heuer, Edward David
Hewitt, Robert Alvin, Jr.
Hicks, Gregory Paul
Hicks, Rodney Lee
Hierholzer, Danny Boyd
Hieronymus, Dennis James
Higgins, Kevin Daniel
Higgins, Paul Michael
Hilfer, Roger Terrill
Hill, Clarence Ebbert
Hill, James Allan
Hill, Martin Ray
Hill, Steven Curtis
Hill, William John
Hillenmayer, James Donald
Hilley, Howard Stevens, III
Hinson, Steven Roy
Hinton, Robert Michael
Hirsch, Gerald Richard
Hirst, William Clarence, Jr.
Hixson, Roy Lester, III
Hlavka, Stanford Harold
Hobbie, Richard James
Hobbs, Dennis Albert
Hobbs, Philip Gary
Hobby, Gray Deveaux
Hodgins, Bart Dallas
Hodson, Brian Jay
Hoffmann, Philip Paul
Hogen, David John
Holden, Timothy Aloysius
Holder, Thomas Vincent
Holdredge, Robert Leslie
Holk, George Bertwell
Holland, Howard Michael
Hollands, Christopher Charle
Hollis, Stephen Joe
Holloway, James Curtis
Holmquist, Derek Ervin
Holt, Thomas Hugh
Homan, Billy Bert
Honey, Ronald Dudley
Hoover, James Dwight
Hopkins, James Pennock, IV
Hopkins, Robert Larry
Hopper, James Harris, III
Hopper, William Frank
Horn, Robert Gary
Horner, John Spencer
Horner, Richard Lee
Horstmann, Richard Frederick
Horvath, Joseph John, Jr.
Houde, Paul Leo
Howard, George Raymond
Howard, John Finley
Howard, Walter Gregory, Jr.
Hrenko, John, Jr.
Hubbard, Robert Leroy
Hudspeth, Gary Benton
Huegerich, Thomas Paul
Hughes, Louis Allan
Hughes, Roger Allen
Hughes, Ronald Alan
Hughes, William Robert
Hugill, Joseph Ray
Hull, Roger Leroy
Humble, Alan Dee
Humes, Ellsworth oDnald, Jr.
Humphries, Mark Edward
Humphries, Wofford F., III
Hunter, Stuart McKlveen, III
Hutchison, Jeffrey Alexander
Iler, Robert Walter
Indorf, John William, Jr.
Ingalsbe, Stephen Ramage
Ingram, Alfred Lovered Verno
Ingram, Steven Rodney

Israel, John Ernest
Ivary, Kenneth Richard
Ivy, Samuel Speer
Jack, Gary Michael
Jackson, Andrew Hugh
Jackson, Frank Donald
Jackson, James Gail
Jackson, Jimmie Ray
Jackson, William Pierce, Jr.
Jacobs, Thomas Edward
Jacobson, Jim Harold
Jacobson, Robert Allen
James, Brent Snyder
James, Robert Boe
Jamison, Christopher Prigel
Jankura, Edwin Stephen, Jr.
Jannuzzi, John Leo
Janora, Thomas Edward
Jarosinski, John Michael
Jarrad, Raymond Maynard, Jr.
Jarrell, Richard Patrick
Jarrett Stephen McAllister
Jaskunas, Thomas Michael
Jauernig, Robert Russell
Jenkins, Jerry McKinley
Jenness, William Allan
Jerome, Reed Willis
Jeter, James Doyle
Jewell, Keith Alan
Jewett, Charles Edward
Jobe, Terry Lynn
Jochmans, Steve Wayne
Johns, Stephen Bunnell
Johnson, Arthur Lee
Johnson, Charles Scott
Johnson, Dennis Gregory
Johnson, Jacob Lee, Jr.
Johnson, John Edward, Jr.
Johnson, John Lynn
Johnson, Robert Lowell
Johnson, Walter Reece, Jr.
Johnston, John, Jr.
Johnston, William Richard
Jones, Christopher Stephen
Jones, Edward Lee
Jones, Larry Edward
Jones, Mack Allison
Jones, Norman Robert
Jones, Robert Paul
Jones, Stanley Lloyd
Jones, Thomas Alan
Jones, Wayne Michael
Jordan, James Tolbert
Jordan, Timothy Gaius
Jorgensen, Paul C.
Jorvig, Daniel Alden
Joseph, Alfred Michael
Joslin, William Daniel, Jr.
Kaelin, Charles Martin
Kagy, Rodney Earl
Kallin, Peter Lindel
Kalstad, Kendall William
Kane, James Christopher
Kannapell, Joseph Henry
Karas, John George
Keefe, Daniel Stanton
Keegan, Joseph Wolfe
Keenan, John Joseph, Jr.
Keepper, Robert Harold
Keho, Jeffrey Donald
Keifer, Orion Paul
Keith, Douglas Wayne
Keith, James Stephen
Keith, Michael Glen
Keithly, Thomas Morken
Kellar, Gerald Robert
Keller, Stephen Haddleton
Kelley, Kevin John
Kelley, Michael Charles
Kelley, William Douglas
Kelly, Barry Lee
Kelly, James Dean
Kelly, John Michael
Kelly, Patrick Wayne
Kelso, Jesse Johnston
Kemp, Dieter Karl
Kennedy, Clarence
Kennedy, John Francis
Kennedy, Kristopher Morris
Kenny, John Michael
Keogh, Ronald Jay
Kessler, Paul Kenderson, Jr.
Kester, Lawrence Verne
Key, William Tigner
Keys, James E.
Keys, Ronald Edward
Kibler, Adrian Earl, Jr.
Kidrick, James Grant
Kilcline, Thomas John, Jr.
Kilgore, Brian Joseph
Killoren, Kevin Michael
Killough, Robert Craig
Kim, Theodore Seenoh
Kindel, George Finley
King, Manton Ambrose
King, Martin Ross
King, Robert Dennis
Kinzer, John Francis
Kirk, Bruce Reed
Kirkpatrick, James Reid
Kirkpatrick, William Robert
Klaas, Adrian Leverne
Klaus, Robert Franz
Klein, Glenn Edward, Jr.
Klein, James Michael
Klein, John Weston K.
Klein, Steven Allen
Klingseis, Francis Joseph
Klinker, Patrick Joseph
Kluever, Patrick Robert
Knapp, Glen William
Knight, John Ross
Knight, Robert James
Knolhoff, Larry Edward
Knox, Alvin Francis
Koch, Raymond William
Kodzis, Richard Francis
Koehler, John Adam, III
Koelemay, Maurice Martin
Kohinke, Edward George
Kohlenberg, Clarence Michael
Kohler, David Ryan
Kohler, Gary Anthony
Kohls, Charles Edward, III
Kohne, John Edward
Kohring, Mark William
Konopa, Steven Jeffrey
Konya, Bruce Richard
Koorey, Alfred Joseph, Jr.
Kordis, William Stephen
Korejwo, Henry Allan
Kosakoski, Edward Dwight
Kosiek, Martin Stanley
Koss, Andrew James
Kovacevich, Gary Douglas
Kovach, George Eugene
Kraft, Edward Stephen, Jr.
Krajnik, Joseph Scott
Kraus, John Scott
Kreeger, Theodore Wilbur
Kren, John Joseph
Krenzel, Joseph
Kretzmann, David Frederick T.
Krisiak, Joseph Allan
Krohn, Raymond Lynn
Krupski, Thomas Leon
Kryske, Lawrence Michael
Kuehne, Arthur Perry
Kuehne, Kenneth Wesley
Kujat, Edward Joseph
Kulig, Daniel Adam
Kunkle, Steven Alan
Kupfer, Michael Joseph, Jr.
Kwake, William Eugene
Kyle, Thomas George
Kysar, Billy Dean
Labarge, William Howard
Labrecque, Terence Paul
Lacoss, Terry Lee
Ladd, Ronald Rye
Laedlein, Paul Arthur
LaForce, Don Christian
LaLonde, Larry Warren
Lammers, Carl Henry, Jr.
Lancaster, John Angus, Jr.
Landers, Coleman Arthur
Landers, Paul Kennedy
Lane, Gregory Ben
Lang, John Joseph, Jr.
Langley, William Louie, Jr.
Langston, Marvin J.
Lankford, William Robert
Lanning, Roger Brian
Lannou, Gordon Calvert, Jr.
Lantta, Kenneth David
Larimer, Stephen Walker
Larsen, Thomas Carl
Larson, Larry Edward
Lash, James Harley
Lauderdale, Donnie Aubrey
Lavigne, Roger John
Law, Douglas Jay
Lawson, James Wood
Leahy, Kevin Bernard
Leather, David Michael
Lecroy, Carl Lynn
Ledbetter, James Vann
Lee, Richard Patrick
Lee, Thomas Jenkins
Lees, David Gordon
Leeson, David Webster
Leib, Robert Conrad
Lennon, Michael Alan
Lento, Peter
Leonard, John Edward, Jr.
Leonard, Raymond Earle, III
[illegible] Lawrence
Leverage, Thomas Grason
[illegible]
Lewandowski, Lawrence Anthony
Lewis, David R.
Lewis, Paul Scott
Libera, Daniel Clark
Liechty, John Dale
Lien, Jon Michael
Ligon, Thomas Michael
Lind, David Jeffrey
Lindner, Carl Max, III
Linn, Claud Omer
Lion, Raymond Albert, Jr.
Lipscomb, Gary Edwin
Lipsey, Mark Dillman
Lisner, Charles David
Littke, Richard Henry
Lloyd, Gregory Francis
Loadwick, James William
Lobs, Warren Mercer
Lobue, James Joseph
Lochausen, Vernon C.
Logue, Stephen John
Lombard, Peter Naegele
Long, James Donald
Long, Robert Henry
Long, Stephen Thornton
Long, William Henry, Jr.
Lorberg, Martin Gustav, III
Loser, David A.
Love, John Barrett
Love, Patrick Stephen
Lowell, Robert Owen
Luby, Robert Emmett, Jr.
Lucas, David Wayne
Luczak, Michael Arthur
Lunning, Robert Marshall
Lupton, Stephen Charles
Lussier, Christopher Bernard
Luther, Steven Phillips
Lyman, Rod Guy
Lynch, Vincent Joseph
Lyons, Melvin Charles
Lyons, Scott Kenneth
Maahs, Carl Ernest, Jr.
Mabry, John Paul
MacDonald, Gordon Scott
Mace, Robert Lee
Mack, Stanley John
MacKinnon, David Robert
MacClaren, Donald Ross, Jr.
Macluskie, John Robert
Macon, Richard Thomas
MacPherson, Steven Michael
Madison, Patrick Timothy
Maher, John Dennis

Mahle, Gary George
Major, John Grant
Malay, Jonathan Thomas
Mallon, Paul Joseph
Malone, William Thomas
Manganaro, William Francis
Mansfield, Philip Smith
Manvel, John Talbot, Jr.
Marcado, David Michael
Mardula, Walter James
Maresh, David Joseph
Marinelli, Jay William
Markevicz, John Walter
Markiewicz, Thomas Robert
Marlin, Robert Dan
Marra, Kenneth Joseph
Marsh, Willie Clyde
Marshall, David Warren
Marshall, Robert Edwin, Jr.
Marshall, William James
Marshall, William Jordan, III
Martello, Keith Wallace
Martin, Christopher Bruce
Martin, Colin Leslie
Martino, Nathan Peter
Marvin, George Rowe
Marzluff, Peter Wade
Marzola, David Samuel
Mashburn, Robert Lindbergh, Jr.
Maskell, Robert Emmett
Maslowsky, Robert David
Mason, James Robert
Mason, Lee Charles, II
Massey, Patrick Lee
Mathews, Kirk Alan
Mathis, Don Wade
Mathis, Stanley William
Mathwick, James Elliot
Matyas, Gary Mitchell
Maxwell, Walter Raymond, III
May, Gary DeLoch
Mayes, Larry Leroy
Mayhan, Terence W
McAffee, William Taylor
McArthur, James Drake, Jr.
McAvinia, Thomas Francis
McCallum, Keith Eugene
McCartney, Patrick Loren
McCarville, Patrick Anthony
McClellan, Mark Shelly
McCloskey, John Dennis
McConchie, Robert William
McConkey, David Luther
McCord, Raymond Scott
McCoy, Kenneth William
McCoy, Roger Hinton
McCrory, Ralph Cullin
McCurdy, Russell Alan
McCutchen, John Michael
McDonald, Randal Scott
McDonald, William Philip
McElroy, Daniel Wallace
McFarland, Thomas William
McFetridge, Riley James
McGinn, Leo Francis, Jr.
McGinty, Louis Leon
McGraw, William Lloyd
McHenry, John Stewart
McKearney, Terrance James
McKenzie, Alan Bruce
McLane, Robert Lewis
McLoughlin, William Raymond
McMann, Jeffrey Lynn
McMillen, George McKamie, Jr.
McMillan, Gibson Emery, Jr.
McMorrow, Horace Malloy, Jr.
McNab, Otto Frank
McNally, William John
McNees, Charlton J
McWilliams, Hugh Newton
Mead, Gregory Gower
Mears, George Henry
Measel, Richard Allen
Medved, Richard Carl
Meek, Terry Lynn
Meeley, William Anthony, Jr.
Meenen, Douglas Ernst
Mehnert, Arthur Fred
Meier, David Kirk
Mellor, Martin Warren
Mercker, Eric Edward
Mercurio, Stephen Francis
Mericle, David Dean
Messervy, James Louis
Meyer, Daniel Harry
Meyer, John Gregory
Meyer, Thomas Lee
Meyer, Thomas Leslie
Meyer, Timothy Hugh
Meyers, John Earl
Meyett, Robert Stephen
Miars, Thomas Eugene
Michell, William Robert
Midgett, John Richard
Midland, Phil Lawrence
Mihocik, Robert Andrew
Mikhalevsky, Peter Nicholas
Mikolai, George Anthony
Miller, Charles Henry, Jr.
Miller, David Ross
Miller, Dennis Wayne, Jr.
Miller, Guy Steven
Miller, John Richard
Miller, Michael Harold
Miller, Michael James
Miller, Paul Franklin
Miller, Robert Burton, II
Miller, Terry Robert
Mills, Donald Max
Mills, Jack B.
Mimms, David Terry
Mitchell, Alfred Warren
Mitchell, David Erwin
Mitchell, Joseph Anthony, II
Mocini, Vincent Peter
Molloy, William Earl, Jr.
Monson, Steven Donald
Montgomery, William Morgan, Jr.
Moody, William Vincent
Moon, Eugene Lamar
Moon, Robert Lee
Mooney, James Edward
Moore, Alphonso William
Moore, Bruce Ray
Moore, Charles David, Jr.
Moore, Gary Edward
Moore, John Dennis
Moore, Paul Andrew, Jr.
Moore, Richard Bruce
Moore, William Thomas, III
Morandi, Theodore Raymond
Moranville, Mark Sheridan
Morfeld, James Louis
Morgan, John Gabe, Jr.
Morganthall, Gerald Owen, Jr.
Morin, James Brendon, Jr.
Morral, Dennis Gilbert
Morreale, Bruce Vincent
Morris, William Denton
Morrison, David Michael
Morrison, Thomas Robert
Morrison, William Marcus
Morrissette, Thomas William
Mortison, William Eugene, III
Morton, James Daniel, III
Moseman, James August
Moss, Brian William
Moss, Charles Michael
Mountcastle, David Gerald
Mueller, Robert Ralph
Mulcahey, Kevin Edward
Muldoon, Edward James, Jr.
Mulhall, Daniel Glenn
Mullarky, John Walter
Mullican, James Neal
Mullis, William Ashley, Jr.
Muncie, John Clifton
Munns, Charles Lyndsey
Murphy, Allen Matthew
Murphy, Charles Duncan
Murphy, George Joseph, III
Murphy, Richard Eugene
Murphy, Robert Thomas
Murray, George Michael
Murray, John Joseph
Murray, Michael Kevin
Musgrave, Clyde
Myers, David Edward
Myers, Lawrence Carroll, III
Myers, Michael Stephen
Myers, Philip Alan
Myers, Richard Christian
Myers, Ronald Louis
Myers, Stephen Elliot
Myette, Kevin Milton
Nadeau, Thomas Richard
Nance, James Keith
Naughton, Michael Joseph
Naumann, Keith Carlton
Nava, David
Nayfack, John Charles
Needham, William Donald
Neihart, Charles William, Jr.
Neimeyer, David Ernest
Nelson, David Eric
Nelson, David James
Nelson, Duane Lee
Nelson, Edward Jerome
Nelson, Hugh Douglas
Nelson, James Arthur
Nelson, Jeffrey Robert
Nelson, Patrick Andrew
Nelson, Stanley William, Jr.
Nesbitt, Allan Preston, III
Ness, Christian Quarles
Nestlerode, Robert Norman
Nestor, Don Alan
Newland, Charles Robin
Newport, Paul Thomas
Newton, Danny Ray
Neyer, Ronald Charles
Ni, Randolph
Nibbs, Alan Mcleod, Jr.
Nichols, David Charles, Jr.
Nichols, Steven Ray
Nickerl, Jeffrey Alan
Nickodem, Peter Webb
Nielsen, Jack Svend
Nigro, Vincent John
Nitsche, Wayne Harold
Nitschke, Roy Hugo
Nofziger, Charles Levi
Nolte, Thomas Edward
Norman, James Harvey
Norman, Richard Michael
Norman, Robert Michael
Norrbom, Timothy John
Norris, Donald Owen, Jr.
Norton, Donald Gordon
Norwood, James Douglas
Obermanns, Peter Ernst
Obrien, James Edward
Oconnor, Michael Patrick
Odonohoe, Joseph Patrick, II
Ogden, Stephen Eugene
Ogrady, Arthur John
Ohanlon, Jeremiah
Okamoto, Eugene Yasumitsu
Okeefe, James George
Olechnovich, Paul Jerome, V
Oleszko, Lawrence Anthony
Olsen, Alfred James
Olson, David John
Olson, Donald Theodore, Jr.
Olson, Eric Thor
Omeara, Dennis Jerome
Oneil, Patrick David
Oneill, Robert Gregory
Orbann, Carl Theodore, III
Orchard, Fred Gregg
Orcutt, Robert Edgar, Jr.
Orlando, Theodore Anthony
Orourke, Thomas Quigley
Orr, Paul Larov, Jr.
Ortega, Louis Edward
Osborn, Colin Campbell
Osullivan, Michael Patrick
Oswald, Stephen Scot

Ott, Andrew Anthony
Otto, David Thomas
Over, Nicholaas
Owens, Ronald Lynn
Ozehoski, Edward Mark
Palanca, Rodney Alton
Palmatier, Philip Frank, Jr.
Palmatier, Robert James
Palmer, George William
Palmer, Henry Boberg
Panos, Christopher William
Papin, Gregory Alan
Papineau, Larry Regan
Papworth, Richard Nicholaus
Parish, George Rod, III
Parker, Robin M.
Parks, Ralph Frederick
Parrish, Robert Todd
Parus, John Joseph Eugene
Patterson, Wayne Lynn
Patton, James Wesley
Patullo, Kenneth Emil
Pazik, Joseph John, Jr.
Pearson, Thomas Wayne
Pease, Andrew John
Pease, Michael Wayne
Pebley, James Walter
Peck, Richard Paul
Pence, Derry Thomas
Pence, Donald Milton
Pendleton, Jackie Don
Penn, William Thomas
Pennington, Charles Filmore
Perez, Anthony Herman
Perez, Mark Richard
Pernell, Larry Eugene
Perrich, David Wayne
Perry, Craig Cameron
Perry, Francis Anthony
Perry, James Walter
Perry, John Marcus, Jr.
Perry, Joseph Leland, Jr.
Perry, Robert Paul
Peters, Donald Eugene
Peters, Jon Christopher
Peters, Kenneth Mizell
Peters, Kenneth Warren
Peterson, Theodore William, Jr.
Peticolas, John Richard
Petitmermet, Donald Henri
Pettit, Hubert Cleveland
Petty, William Milton
Pfeiffer, Frank Gaines
Pfister, Russell James
Pefiueger, Michael Patrick
Phaup, Andrew Lesueur, Jr.
Phelps, Norman John
Phillips, Charles Washington
Phillips, David Shelby, III
Phillips, Harry Cullum, III
Phillips, James Glenn, III
Phillips, James William
Phillips, John Lynch
Phipps, Donald Maynard
Pickett, Russell Ames
Piecuch, John Leon
Pierce, Craig Anderson
Pierson, Carl Robert
Pilcher, Ray C., Jr.
Pistochini, Mark David
Flappert, Russell Frederick
Pledger, James Edgar
Ploeger, David Charles
Poe, Deen Owen
Pohtos, Robert Nicholas
Poirier, Robert Wilfred
Poland, Marc Maier
Poling, Thomas Clinton
Polk, Harding Scott
Posey, Kelley Gene
Potter, Gary Glen
Powell, Donald Eugene
Powell, James Richard
Powers, Glenn Curtis
Powers, Thomas John
Pozinsky, Gregory
Prebul, John Michael
Preisel, John Henry, Jr.
Prell, Richard Edwin
Presson, Geoffrey Franklin
Preston, Randall Dills
Prewitt, Ronnie H.
Prince, William Hardy
Prothero, Dennis William
Provencher, Ronald Henri
Ptacek, John Wayne
Puccini, Bruce Anthony Joseph
Purciarello, Gerard Joseph
Purdy, G. James, Jr.
Purington, David Arthur
Quick, Gary Wayne
Quinn, James Joseph
Quinn, Paul Francis
Quist, Gregory Alton
Rable, William John
Rader, Michael Thomas
Radner, Richard
Radney, James Carlton
Ramage, Donald Brewster
Rambo, Martin Brian
Ramirez, Gary Wayne
Ramsey, Michael Arthur
Randall, Donald William
Randall, James Duncan
Ransbotham, James Irvine, Jr.
Ranum, Gary Donn
Raspet, Michael Owen
Ratcliff, Ronald Everett
Rath, Bradford Russell
Rauscher, Douglass Alan
Rayhons, George Allen
Raysin, Kent Lee
Recker, Paul Robert
Reece, Jerrald Douglas
Reed, Thomas Wood
Rees, Douglas William
Reese, Raoul Buryle
Reeves, Jerry David
Reeves, Terry Dale
Reid, Thomas John
Reightler, Kenneth Stanley, Jr.
Reimann, Otto George
Reinhardt, Peter Joseph
Reise Jeffrey Alan
Reisinger, Allen Eugene
Relue, Richard Basil
Remshak, Christopher Jon
Renninger, James Bruce
Renton, Irvine Andrew, III
Repsholdt, Kai Thorvald
Ress, Charles Michael
Resser, Stephen Francis
Reuter, David George
Reynolds, William Wayne
Rhoades, William Andrew
Ricciardi, Robert Nicholas
Rice, Michael Lynn
Richards, James Joseph
Richardson, Jerry Keith
Richardson, Larry Don
Rickgauer, Charles William
Riess, Robert Eugene
Rigas, Trifon
Riggs, Bernard Allan
Rigot, William Laswell, Jr.
Riley, Richard Preston
Rimpau, James William
Rippel, David Allen
Roark, Louis Keith
Robb, James Andrews
Robb, Randolph Roland
Robbins, Frederick Henry
Roberts, Gregory Lee
Roberts, Warren Leigh
Roberts, William Howard
Robertson, Michael David
Robinson, Evan Dahlstrom
Robinson, Frederick Thomas, II
Robinson, Steven Nourse
Robinson, Thomas Reeder
Rockwell, Richard Thornton
Roddahl, Jeffrey Lee
Rode, Alexander Michael
Rodman, William Blount, V
Roehrich, Steven Gary
Rogalski, Wayne Joseph
Rogers, George Carra, Jr.
Rogers, Matthew Joseph
Rogers, Thomas Foster
Rogers, William Armstard, Jr.
Rolfes, Robert William
Roman, Theodore Robert, Jr.
Romeo, Martin
Romine, Steven Lee
Rondestvedt, Christian Robert
Rood, Homer John
Rose, Gregory Joseph
Rose, James Wesley
Rosenthal, Mark Louis
Ross, Nicklous James
Ross, Thomas Joseph
Rotondo, Michael Jay
Roughead, Gary
Roulstone, Douglas Robert
Rowe, Daniel John
Rowe, Wayne James
Rowland, Michael Lyndon
Rowley, James William
Rubel, William Richard
Ruberg, Ernest Mark
Rucker, Harry Joseph
Rucker, Steven Warren
Rudolph, Earle Leighton, Jr.
Ruehe, Frederic Richard
Ruhl, Philip Calvin
Runyon, Gary Eugene
Rupnik, John Stanley, III
Ruputz, Philip
Rusch, Preston Godfred
Rush, Robert Jacque
Russell, James Emmitt
Russell, Roy William
Russell, Thomas Beckwith, III
Russell, William David
Ruthazer, Robert Pearson
Rutherford, Lindell Gene
Ruybal, George Nifi
Ryan, Francis Perdue, Jr.
Ryan, Paul John
Ryan, Stephen Ignatius, Jr.
Ryder, Curtis Myles
Rygg, Ronald Fred
Ryskamp, Robert Henry
Sadler, David Anthony
Salamon, James Anton
Saller, William
Sammon, Stephen Michael
Sample, Gregory Lee
Samples, David Olin
Samuels, Richard Gail, Jr.
Sanders, Robert Jesse, Jr.
Sanderson, William Curtis
Sands, Robert Waters
Sanford, Gregory Benson
Sanford, Henry James
Santapaola, Donald Jack
Sare, Michael Joseph
Sarraino, Michael
Satterwhite, Bernard Mason
Scala, Peter Anthony
Scarpelli, Thomas James
Schaaf, Dean Omen
Schaeffer, George, III
Schaffer, Van Anthony
Schamp, Douglas Arthur
Schaufelberger, Albert Arthur
Scheetz, William Arthur
Scheib, Timothy Edward
Schide, Alan Patrick
Schiesser, William Andrew
Schlossberg, Edwin
Schmidt, Jonathan Blake
Schmidt, Wesley Henry, Jr.
Schneegas, David Alan
Schneider, Harvey Lee
Schneider, Mark Joseph
Schreckengast, Stewart Wayne
Schubert, Jerry Lee
Schultz, George Walter
Schultz, Paul Stewart
Schumaker, Larry Charles
Schwab, Richard Frederick
Schwalier, Charles Dale, II
Schwartz, Michael Norman
Schwartzel, Joseph Henry
Schwiering, David Alan
Scott, Bruce Bob
Scott, James Robert

Scott, Robert John
Scott, Robert Peter
Scott, Winston Elliott
Scudder, Stephen Vincent
Scully, Kirk Raymond
Seaberg, John Roger
Sedivy, Dean Gordon
Seeley, James Robert
Seigel, Thomas Gary
Seiwald, Michael Joseph
Selman, William Winsyl
Sensat, Robert James
Severinghaus, Richard Jordan
Shafer, David Devon
Shalles, Siegfried Lee
Shallies, Kenneth Howard
Shankles, Jackie Wayne
Shaw, John Damon
Shay, Jon Vincent
Shayda, Paul Mark
Sheehan, Kevin Patrick
Sheehy, Patrick Thomas
Sheleheda, Frank Richard, Jr.
Shemella, Paul
Shepherd, William Stinson
Sherk, Glen Eric
Sherland, Paul Garfield
Sherman, John Raymond
Sherman, Vining Alden, Jr.
Sherwin, John Stephen
Sherwood, Roger Raymond
Shields, Robert Bishop
Shirah, Reuben Howell
Shiver, Wayne Stuart
Shoemaker, James Edward
Shoemaker, Terry Lee
Shon, Michael David
Shoop, Darreld Russell, II
Short, William Edward, Jr.
Showalter, Robert Cox
Shurtleff, William Hall, IV
Sidman, Howard Blauvelt
Sieve, Glennon Lambert
Silverio, Stephen Ralph
Silvestri, Michael Julio
Simcoe, Ronald Brian
Simeral, Robert Lee
Simmons, Nathaniel Preston
Simpson, Jeffrey Phillip
Simpson, Michael Doyle
Simpson, William Lee, Jr.
Sisa, Steven Andrew
Skjoldager, Jack Owen
Slagle, Brian Allen
Slagle, Lucian Erle, Jr.
Slaven, George Edward, Jr.
Slaybaugh, Ernest Ray
Sleichter, William Thomas
Slighter, William Jan
Slocumb, Dennis Alexander, Jr.
Sluys, Richard Wesley
Smallwood, James Victor
Smania, David John
Smith, Bradley Phillip
Smith, Charles Derek
Smith, Charles Edward
Smith, Daniel Leon, Jr.
Smith, David James
Smith, Edward Samuel, Jr.
Smith, Frederic D.
Smith, George Randall
Smith, Janvier King
Smith, John Paul
Smith, Kenneth Melvin, Jr.
Smith, Kurt William
Smith, Philip Wayne
Smith, Richard Thomas
Smith, Robert Dale
Smith, Robert Edward
Smith, Russell Lewis
Smith, Scott Temple
Smith, Wayne Edward
Smith, William Dunoon
Smith, William Jackson
Smoot, Marc Lee
Snead, James Clayton
Snead, Leonard Alexander, III
Snodgrass, Dale Oglesby
Snook, Richard Eric
Snow, Terry Dean
Snyder, Stephen Frank
Snyder, Thomas Edward
Snyder, William Lester
Sobieck, Thomas George
Sobray, William Garrett
Somers, James Wilford
Sonn, Bruc Eric
Sonntag, Steven Jay
Sontheimer, Richard Francis
Sorek, Michael Joseph
Sparaco, John Richard
Spearman, Walter Cuthbertson
Spence, Maurice Frederick
Spencer, Sterling Roger
Spencer, William Edward
Spires, Wayne Allen
Springman, Robert Eugene
Stack, John Jacob
Stack, Robert Bryan
Staebler, Francis
Stahler, William Donald
Stalnaker, Steven Dickenson
Standridge, Elmer Lawrence
Staniewicz, Matthew Joseph
Stanley, Marc Thomas
Stanton, Donald Clifford
Stapleford, James Randall
Starling, Harold Denby, II
Staton, Ronald Bruce
Steele, James Frederick
Steele, Scott Leslie
Steffen, Norman William
Stein, Kenneth Merritt
Steinestel, Richard Roy
Stella, John Robert
Stencil, John Craig
Stenroos, Joseph Richard
Stephenson, Walter Wade
Sternberger, Alan Louis
Sterner, Robert Charles
Stettler, Gerald Allen
Stevens, Gene Allen
Stevens, William Ray
Stevenson, John Raymond, Jr.
Stewart, George David, II
Stewart, James Robert
Stewart, Joseph David
Stewart, Melvin Lindell
Stickler, Christopher Allen
Stiegelmeyer, Blaine Warren
Stiffler, Mark Alan
Stiles, Joseph Ellsworth
Stillwell, John Wayne
Stilwell, Joe Ross, Jr.
Stine, Jeffrey Lawson
Sting, John Thomas
Stjohn, Lawrence George
Stocko, Robert Edwin
Stoehr, Dale Erwin
Stone, David Lee
Stone, David Malcolm
Stone, Jeffrey Morris
Stonum, Robert Hale, Jr.
Storm, Bradley Douglas
Strawbridge, Carl Neilson
Streiff, Edward James
Strickler, Richard Wayne
Stricklin, Ted Alan
Striffler, Paul Christian
Stringer, Richard Howard
Strout, Dennis Ray
Stuart, Gary Leland
Stupfer Bruce William
Sturgis, David Herman
Stutzman, Galen D
Sudkamp, Stephen Donald
Sueirro, Allen Michael
Sullivan, William Daniel
Summerall, Daniel Bush
Suplicki, Edward Peter
Sutherlin, Charles Thomas
Swailes, John Hamlin
Swendsen, Gordon Raymond
Swift, Lloyd Francis Knapp
Szoka, Michael Allen
Taber, James Charles
Talbot, Gerald Lloyd, Jr.
Tallent, Hamlin Bruce
Tamburello, Charles
Tanguay, David Reheal
Tankersley, James Deen
Tasch, Eric
Tash, David Louis
Taverniti, Joseph
Taylor, Charles David
Taylor, James Wallace
Taylor, Paul Edwin
Taylor, Peter Walter
Taylor, Timothy Barlow
Temple, Ralph Douglas
Templer, Robert James, Jr.
Teply, John Frederick
Thaeler, Leigh MacQueen, Jr.
Theurer, Roger Fredrick
Thiel, Kurt
Thiesse, Thomas William
Thigpen, Dan Irvin
Thomas, Gerry Steven
Thomas, Henry D
Thomas, Michael Glenn
Thomas, Ronald Milton
Thompson, Clark Frederick
Thompson, Peter Michael
Thompson, Richard Lennon
Thompson, Thomas Allen
Thomson, Alan Douglas
Thomson, Robert John
Thomson, Timothy
Thorne, Silas Owens, III
Thornhill, David Tracy
Thorpe, James William, Jr.
Thralls, Edmund Lee
Tibbs, David Tillman
Tiernay, Terry Wayne
Tilley, John Alvin, Jr.
Tilley, Patrick James
Tilton, Terry Warren
Tindle John Richard
Toalson, Vance Lee
Tobiason, Erik Arnold
Toliver, Lynden Robert
Tomaszeski, Steven John
Toms, Terry Jack
Tornatore, Gary Paul
Torrey, Martin Edward
Trabona, Robert Joseph
Trahan, Charles Ray, Jr.
Traverso, Timothy Joseph
Trayner, Richard Elwood
Treeman, Michael Wade
Trent, Michael Henry
Trenta, Richard Francis
Trice, Jesse Matthew, III
Troxell, Richard Kent
Tuddenham, Read Stapley
Turnblacer, Theodore Charles
Turner, Gary Woodrow
Turner, Geoffrey Whitney
Turner, James Richard
Turner, Terry Allen
Turpin, Dwayne Milton
Tussey, David Alan
Tyler, David Malcolm
Tyson, William Jeanes, III
Tzavellas, Theodore Elefther
Uebelherr, Michael Frederick
Ulrich, Edward Dewayne
Ulvestad, Robert Eugene
Ungvarsky, William Joseph
Updegraff, William Donald, II
Uricoli, Eugene Francis
Ustick, Robert Woodbridge, II
Valdes, James Franklin
Vance, Scott Wallace
Vanhook, Robert Joseph
Varakin, Walter Alexander, Jr.
Vaughn, David Roy
Veatch, James Marshall
Ventgen, Robert John
Vervoorn, Robert William
Vessely, Robert Paul
Vickers, Sammy Lee
Villarreal, John Mark
Vining, Pierre Grigsby
Virgilio, Richard Louis
Visage, Samuel Jackson, Jr.
Visscher, Pieter Arend
Vielker, George Edmund
Vogan, Charles Scott, Jr.

Vogel, Edward William
Vogt, Michael Carl
Volpe, Joseph Michael, Jr.
Voros, Charles Douglas
Voss, Cary Van
Voter, James Conant
Vrabel, George Thomas
Vugteveen, Dana Lyle
Wainionpaa, John William
Wakefield, Robert Dean
Walker, Rickey Ray
Wallace, George Allen
Walmsley, Stephen Robert
Walsh, Daniel Patrick
Walsh, William Aloysius
Walther, Clarence William, Jr.
Ward, David Arthur
Ward, Glenn Howard
Ward, John Joseph, Jr.
Ward, William Howard
Wardlaw, William Eddie
Wardrobe, James Eugene
Ware, Jerry Steven
Warneford, Gregory Mitchell
Warner, Stephen Roger
Warr, Paul Melbourne
Warren, James Marion
Warren, Thomas Early
Watling, John Matthew, Jr.
Watson, Joseph, Adrian
Watterson, Kent Braden
Watts, Robert Darryl
Watwood, William Britt
Waylett, Don Harry
Weatherspoon, Stephen Salve
Webb, T. Ladson, Jr.
Weber, Carl Frederick
Weber, Joel Nathan
Weddel, David Ward
Weideman, Craig Francis
Weigand, Charles John
Weis, Timothy James
Weitz, Charles Arthur, Jr.
Welch, Bryant Earl
Weller, Joseph Dickson, Jr.
Welles, Franklin Griswold
Welsh, Joseph Leo
Werson, Jan Paul
Wessel, Kenneth James
Wessman, Lynn Gammon
West, William Edward
Westover, Steven Bruce
Wetterlin, Harold Jan
Whaley, James Thomas
Wheatley, Charles Dimmer
Wheeler, Christopher Everett
Wheeler, Dennis Ralph
Wheeler, William Gary
Whitaker, Clayton Edmund
Whitaker, Kent Pidge
White, Carroll Leroy
White, James William
White, Joseph Wheeler
White, Richard Oliver, Jr.
White, William Sutton
Whitehead, Oliver Windell
Whitford, Dennis James
Whitworth, Larry Joe
Whitworth, Laurel Woodrow, Jr.
Wigge, Conrad James, III
Wight, Randy Lee
Wilfong, Dallas George, III
Wilhelmy, Mark Desloge
Wilkes, Edward Birks
Wilkinson, Joseph Brooks, Jr.
Willard, Robert Frederick
Willburn, Alan Bruce
Williams, Claven
Williams, John Montgomery
Williams, Michael Wayne
Williams, Peter Andrew
Williams, Robbie Lyn
Williams, Robert Edward, Jr.
Williams, Russell Lee
Williams, Thomas Richard, Jr.
Willis, Leland Stanford, III
Willmann, David William
Wilson, Craig Willard
Wilson, Donald Frederick
Wilson, Eugene Kennon, Jr.
Wilson, Gerald E.
Wilson, Richard Allen
Wilus, Michael Stephen
Winberry, Paul Stephen
Wingo, Theodore Oscar
Winner, Stanley Harry
Winney, Justin William, Jr.
Winstead, Tony Eden
Wiseman, Michael David
Withers, Thomas Roy
Witte, Thomas Michael
Woerman, William Joseph, II
Wolff, Conrad Earle
Wolfsen, Terrence Harold
Woll, Jeffrey Raymond
Womer, Rodney Keith
Wood, Charles Andrew
Wood, David Richard
Wood, James Walton
Wood, Marcelle Elton, Jr.
Woodall, James Mead
Woodhouse, John Hartland, Jr.
Worley, Dennis Lee
Worthing, Lewis Kendell, III
Worthington, John Reid
Wright, Dale Gibson
Wright, David Keith
Wright, Oliver Lee, III
Wright, Richard Lee
Wuethrich, Chris Allen
Wynkoop, Peter
Wyse, Frederick Calhoun
Yackus, John Stanley
Yarrows, Edward Peter
Yates, Ronald Edward
Yeats, Raymond Ritch
Yee, Anthony David
Yelverton, Robert Lee, Jr.
Yepsen, John David
Yerkes, William Mark, Jr.
Yirak, John Lester
Yoe, Louis Edward
York, James Kent
Young, Brian Keith
Young, Charles Selden Backus
Young, Ernest Charles
Young, Gordon Allen
Zanon, Richard John, Jr.
Zavaglia, Ronald Francis
Zeigler, Howell Conway
Zelle, Fred Carl, III
Zeller, Chester Arthur, Jr.
Zimm, Alan Douglas
Zimmerman, Kenneth Ronald
Zink, Thomas Andrew
Zito, Hugh John
Ziine, Terrance William
Zortman, James Milton
Zuber, James Daniel, Jr.
Zuorro, Kenneth Joseph Peter

MEDICAL CORPS

Adams, Clinton E.
Atwell, George W.
Aymer, Albert Louis
Barnebee, James Hosea, III
Bourgeois, Robert S.
Brice, David Alan
Broshears, John R.
Burkhard, Thomas Kinsman
Byrd, Jack P.
Campbell, David C.
Capecci, Louis F. J.
Cassady, Michael A.
Cattau, Edward Leroy, Jr.
Cecil, James A., II
Conwill, David E.
Counselman, Kenneth Herbert
Croslin, Artis R.
Cunningham, Glenn Donald, Jr.
Depoix, Christoper Paul
Diaz, Alberto, Jr.
Dutka, Andrew J.
Field, David R.
Fleming, John C., Jr.
Foster, Robert M., Jr.
Grantham, Herbert G.
Grey, Carlile Robert, III
Hanna, James M.
Harries, Thomas Joseph
Hawley, Thomas A.
Hetz, Robert K.
Hooper, Jon Hollowell
Jones, John P.
Jones, Nancy Elinor
Kaniewski, Wayne Ross
Kendrick, Robert R.
Keyes, Booker T., Jr.
Klingelberger, Carl Ervin
Knight, Melvin J.
Kolakovich, Thomas M.
Kurtti, Daniel R.
Lazoritz, Stephen
Lea, Gary H.
Medbery, Clinton A., III
Mellon, Monte Tim
Minteer, William E., III
O'Grady, Terence Charles
Oldfield, Baird Dewes
Paden, Lindsay Bernard
Page, Caleb Wesley, Jr.
Parker, Gregg S.
Pedrotty, John Richard, Jr.
Peterson, Noel Rae
Petrochko, Nicholas, Jr.
zRoberts, Jerry M.
Sargeant, William Osgood
Schvaneveldt, John A.
Shipton, William E.
Singer, Glen D.
Sise, Michael Joseph
Sladek, Gary G.
Smith, Gary Wayne
Smith, Robert W.
Somerville, Stephen P.
Strominger, Richard D.
Sweeney, John R.
Tallaksen, Robert James
Taylor, Robert Elmore
Vincent, Michael Paul
Warren, Eddie B.
Wilkerson, Leonard A.

SUPPLY CORPS

Adams, Mark Mathew
Alexander, Oran Tyrone
Anderson, James Samuel
Anderson, Stephen F., III
Argue, Arthur Clarke, III
Awtrey, Warren
Balint, David Lee
Bell, William Ronald
Benson, Edwin Roswell, III
Benson, Linwood Earl
Bock, John Henry, III
Boyer, James Charles
Boyle, John Earl
Bullock, David Richard
Bunker, Thomas Allen
Cassano, Anthony John, Jr.
Cavanaugh, John Harold
Coon, Wynn Lewis
Courter, David Earle
Cronauer, Harold Thomas, Jr.
Crowley, Indy Charles
Cummings, Patrick William
Davis, James Clifton, III
Delaurentis, Michael Joseph
Dennis, David Arthur
Douglas, David Bruce
Eastlund, Lon E.
Eller, Jeffrey Michael
English, Robert Lemuel
Feltes, Dale Joseph
Finley, Michael Edward
Flanagan, John Edward, Jr.
Foley, George B.
Foster, Robert Leslie
Fredericks, Kenneth David
Friedel, John Michael
Garot, Otto Leon
Gift, Wendell Jay, II
Grimes, Gary Charles
Hammond, Richard Coleman, Jr.
Hauser, Christopher George
Hayes, Bryan Francis
Henderson, Harold Ernest
Herbert, Raymond John
Hesch, Gerald Frank
Hoffer, Jayme Warren
Hoffman, Lee David
Holy, Theodore Steve
Hughes, Gary Jack

Hunt, Stephen Randolph
Hurley, Joseph Francis, Jr.
Jacobs, George Ross, III
Jamrisko, Steven Francis
Johnson, Johnnie, III
Johnson, Mitchell Charles
Kellam, Steven Lloyd
Kern, Thomas Marshall
Kirk, John Robert
Koehler, Jay Barry
Larue, Stephen Lee
Leather, John Edward
Leclair, Daniel Vincent
Lehman, Ralph N
Leroy, Osborn
Lindsay, David A.
Lowndes, Rawlins
Mallon, Patrick Joseph
Marczynski, Alfons Carl
McDevitt, Harry J., III
McMican, William James
Milligan, Robert Lee
Morrison, Richard E. Paul, Jr.
Neilsen, Gerald Thomas
Orr, William David
Oshier, Daniel Raymond
Peart, Douglas Thomas
Poston, Cary David
Powell, Jeffrey Philip
Reily, James Donald, Jr.
Roesky, Robert John, Jr.
Rountree, James Sumner
Schaffer, John Edward
Schmidt, Colman Arthur
Schrader, Thomas Deidrich
Schwartz, Allen Barry
Seebeck, Robert Niels
Selby, Theodore Joseph
Sheppard, Theodore James
Solis, Armando Raul
Sparks, George Francis
Strunk, Lawrence William
Swanson, Graydon Neil
Teipel, Mark Allen
Tynan, Edward Patrick
Vedder, Hellmuth
Wadsworth, David Barry
Waits, Clifford Holloway, Jr.
Walker, Allan Warren
Ward, John David
Wells, Randolph Robert
Wenzel, Kenneth Edmund
West, Paul Kenton
Wilson, George Wayne
Wingfield, George Russia
Witham, Michael Joseph
Wortman, David Carl
Young, Mark Alan
Zimmermann, Bruce Edward

CHAPLAIN CORPS

Atwater, Jefferson D.
Benner, August William, Jr.
Clements, Don Keith
Darcy, William John
Hamilton, Loy Blane
Kubisiak, Robert P.
May, Charles Henry
Miller, Christine E.
Oddo, Peter Andrew
Peters, Michael
Pyrch, Paul
Rowland, Robert Gene
Woodruff, Mark E.

CIVIL ENGINEER CORPS

Anderson, Lee Lawrence, Jr.
Augustin, James Henry, Jr.
Barrows, William Carey
Berriman, John Wallace
Berry, Michael Gerald
Bittle, James Earle
Blanton, Guy Ivan, Jr.
Boothe, Thomas Mattison
Breitzke, Thomas Carl
Burgoyne, Richard Everett, Jr.
Casey, Michael Francis
Chamberlin, Paul Douglas
Checkovich, James Keith
Clements, Neal Woodson, Jr.
Cornell, Wayne Lester
Costello, Donald Haryford, Jr.
Dalke, Gregory Allen
Daignault, Stephen William
Doyle, John Raymond
Eckels, Robert Turner
Elkins, James Ernest
Fritchen, David Rex
George, David Russell
Goddard, Nelson George
Gorden, David William
Hiller, Paul Warren
Horn, Larry Stewart
Huggins, Howard Heath
Hutchins, Donald Bruce
Interholzinger, Jared Frank
Kendall, James Bruce
Kennedy, Michael Gray
Kolster, William George
Kornegay, Edward Louis
Kraai, Bernard Willard, Jr.
Krochalis, Richard Francis
Kubic, Charles Richard
Leidholt, Deane Edward
Leonard, Donald Burgess
Macfarquhar, James David
Miller, Steven Ridgely
Olszewski, Paul John
Praskievicz, Michael Wallace
Roach, David Gerard
Rodriguez, Glenn Robert
Schiehr, Christopher George
Smith, Loren Woodrow
Sollenburger, Lee Andrew
Steinbrugge, Richard Leonard
Streicher, Burton Loyal
Stryker, Harry Ford
Tornatore, William Paul
Uzarski, Donald Ray
Vandyk, Peter Martin
Veselenak, John Cyril
Wegener, Gary Raymond
Weyrauch, Edwin Frederick
White, Judson Henry, Jr.
Wisehart, Thomas Charles
Ybanez, Robert Enrique

JUDGE ADVOCATE GENERAL'S CORPS

Bridge, Jonathan Joseph
Burnett, Weston D.
Connelly, Thomas Joseph, Jr.
Decicco, William A.
Deschauer, John Joseph, Jr.
Fayle, Patrick Anthony
Friedman, Leonard
Genzler, Patrick Alan
Hardy, David Murff
Hayden, Lawrence E., Jr.
Henebery, John K.
Holcombe, David Patrick
Holt, John Beadle
Hunt, Charles Ronald
Jacobsen, Walter Lindgren
Jakubiak, Thomas F.
McCabe, Sally Jean
McGuire, Michael R.
Monahan, Robert Patrick
Park, James Douglas
Pixa, Rand Redd
Rae, Robert Bruce
Smitherman, William Tennison
Swanson, Ronald Victor
Switzer, David Roe
Tielens, Thomas P.
Weber, Donald Bruce
Winfrey, Ronald Ray
Young, Timothy Clay

DENTAL CORPS

Altman, William E.
Anderson, Maxwell H.
Arendt, Douglas M.
Austin, Gordon Trent
Barrick, Carl L.
Bookwalter, Charles A.
Bennett, Gerald E.
Bramwell, John D.
Conlon, Dennis John
Dern, William M.
Diehl, Mark C.
Durkowski, Jerry S.
Durm, William B., IV
Faivre, Scott R.
Fehling, Alfred W., Jr.
Flanigan, Timothy J.
Gloria, Joseph A.
Goodwin, David A.
Hammond, Frederick W.
Hutto, Robert E.
Jackson, Larry W.
Janes, David C., Jr.
Johnson, Gregory K.
Jones, Gordon K.
Kratochvil, Frank James
Kredich, George W.
Lessmann, Ronald Paul
Mason, Craig A.
McLeod, Eric S.
Meiers, Jonathan C.
Mooneyham, Thomas P.
Mork, Thomas O.
Moss, Stanley D.
Patch, Stanley J., Jr.
Paul, John S.
Pope, Bruce Michael
Ramsey, Harry C.
Reder, Daniel Grant
Robbins, James S.
Robinson, Boyd E.
Rundbaken, Roger P.
Sadori, Peter Stephen
Schuetz, Thomas J.
Smith, Roy D.
Weisenseel, John A.
Whitt, Joseph C.
Wiley, Paul Marshall
Williams, Nathan V.
Wyman, Barry M.
Yorty, Jack S.

MEDICAL SERVICE CORPS

Anderson, Charles Lawson
Anderson, Jerry Thomas
Ayers, Robert Ransome
Benny, Judith Ann
Black, Ronald Wayne
Bolster, Hugh Trout
Bourgeois, August Louis, Jr.
Brent, William Herman
Brickeen, Jerry Wayne
Briere, Gerald Paul
Brocker, Fred Lee
Brodsky, Stephen Michael
Brooks, David Dean
Brown, William Glenn
Caldwell, Craig Robert
Calvin, James Barnard
Carter, Robert Charles, Jr.
Caton, Gene Allen
Cline, Ferdinand Charles
Connors, Charles Vincent
Cox, Tommy Wayne
Crank, Harold Lane
Daniel, David G.
Davidson, Dennis Martin
Davis, Joe Ed
Day, Charles Stattman
Decsipkes, Robert Allan
Derr, John David
Dillard, James Burkett, Jr.
Dillingham, Joe Glenn
Duncan, Carl Franklin
Edgmon, Bobby Ray
Eichelberg, Wallace Christian
Eimers, Orin Kenneth
Epling, Stephen Roger
Estey, Melvyn Adams, Jr.
Evans, William Hector, Jr.
Eyre, Jay Morris
Gammarano, Peter Vincent, Jr.
Garms, Peter Paul
Garrigues, Roy McEndree, III
Gervais, David Royal
Ghent, Ernest Richard
Gibson, George E., Jr.
Glans, Dale Carl, Jr.
Glowacki, David Andrew
Goodloe, Murriel Edward
Hargett, David Allen
Harmon, Layton Oscar
Harris, Steven Dell
Hayes, Betty Lou Wright
Hazzard, Charles Alan
Heisler, Robert Paul
Heltsley, John Richard
Henry, Frederic Hybert
Hughes, Haywood Nance
Jay, George Walter

Johnson, Ronald Allen
Jones, Rudolph
Jose, Lynn Thomas
Kish, Robert J.
Kmet, Joseph Paul
Knight, Michael Graham
Kramer, Jeffrey Allan
Kremser, Gray Lamont
Kunerth, Marshall Grant
Lamb, Martha Jane
Langston, Carl Coleman, Jr.
Lindstrom, Lorel Linden
Littlejohn, Harold Pressley
Lockhart, Ralph Alvis
McCarthy, Judith Anne
McClerklin, Aaron
McCoy, Wendel Thomas
McGann, Dennis Michael
McGinn, Charles Franklin
McNamara, Patrick Francis
Mell, Leroy Dayton, Jr.
Meskill, Gerard Vincent
Meyer, Michael
Mikkelsen, Donald John
Miller, Robert Martin
Mitts, Estill D., Jr.
Moran, William Joseph
Murphree, Garry Wayne
Murphy, Harry Burton
Murphy, Patrick Edmond
Newton, Gary
Norris Henry Hampden, Jr.
Nunn, Thomas Dalton, Jr.
O'Brien, Harriet Ione
Olson, Steven Duane
Parrish, Gerald E.
Pate, George
Peksens, Richard Karl
Peters, Vernon Melvin
Peterson, John Charles
Radmore, Kenneth James, Jr.
Randle, Kenneth Robert
Rendin, Robert Winter
Rosciam, Charles Joseph
Rose, Donald Craig
Sampson, Raymond Norman
Simas, Amance Rezendes
Slobodnik, Bruce Allen
Smedley, Fulton Joseph
Soliday, James Elvin
Sparkman, Thaddeus Henry
Spencer, Charles Adrian
Stein, Carl William
Tittman, Frederick Richard
Todd, Hamilton Smith, Jr.
Vasquez, Jesse Hernandez
Vaughn, Charles Donald
Wallace, Gale Franklin
Ward, Ernest Douglas
Waterman, Cheryl Marie
Webb, John Rhodes, Jr.
Weinberg, Sheila Ray
Wheeler, David Leo
Wilder, Thomas Wiston
Willems, John Paul
Williams, Margaret Eileen
Willis, George Robert, Jr.
Wolfe, Theodore Ernest, III
Wright, Laban Joseph
Zimmerman, John Harvey

NURSE CORPS

Barnes, Paula
Beaty, Debra MacNamee
Beeson, Virginia Reed
Berryman, Mary Alice
Bitzer, Merlin David
Boberick, Barbara Jeanne
Bodnar, Joseph Alan
Boneberg, Cecelia Maeder
Boyle, Carey Thomas
Brastad, Jeannette Ann
Brown, Rebecca Sue
Campbell, Julia Celeste
Cappiello, Joseph Lawrence, Jr.
Centko, Marietta Jean
Chapman, Gayland John
Chonka, Anne M.
Comte, Michele Ann
Condon, Edward Gale, III
Cornell, Shirley Richard
Cornwall, Thomas Lynn
Cummings, Linda Mary
Czabaj, Marlene Bridget
Daehn, Linda Marie
Davis, Evelyn Pearl
Davis, William Michael
Day, Lynn Blair
Day, Marilyn Anita
Dobbs, Gwenda Qualls
Donahue, Mary Helen
Donofrio, Robert Nicholas
Droz, Cynthia Maravich
Ellis, Jo Carol
Fitzgerald, Kathleen E.
Forsha, Anne Virginia
Gabet, Linda Sue
Gallino, Alice Alberta
Garvey, Geraldine Ann
George, Melissa Ann
Gharabaghli, Sandra Marie
Goeden, Mary Campbell
Goff, Vicki Kristine
Gutowski, Mary M.
Hankel, Elaine Marie
Hart, Dwaine Kenneth
Haviland, Rebecca Jane
Hayes, Claudia Ann Bouvier
Herzler, Ralph Edmund, III
Hinger, Carol Ann
Hoffman, Mary Helen
Hofman, Linda Louise
Hooper, Janet Lynn
Hruby, Margaret Jane
Huber, Joan Marie
Hunter, Harriet Zech
Hutchins, John Wayne, Jr.
Irvine, Linda Jo Ann
Iverson, Halvor Edward, Jr.
Jackson, Royal Hudson
Kamin, Deborah Young
Kanurick, Ronald Gregory
Kenney, Patricia Anne
Kimberly, Ruth Ann
Kowba, Maureen Doohan
Kuhnly, Diane Beverly
Kupchinsky, Stanley Joseph
Law, Diane Elizabeth
Lawman, Alene D.
Ledonne, Diane Marie
Lee, Amy L.
Lescavage, Nancy
Lett, Max Richard
Lohman, Judith Ann
Lopez, John Dale
Lousche, Kathleen Mary
Mangan, Martha Young
Manzitto, Arthur Stanley
Markley, Margaret Jan
McColl, William Doster
McDonald, Mitchel Allen
McKinzie, Beth Ann
McMahon, Linda Ungvarsky
McMullen, Suzanne Theresa
Meier, Mardean Elaine
Metzler, Ronald Lavern
Moore, Judith Carol
Moran, Janice Weaver
Murphy, Kathryn Ruth
Narbut, Christine Ann
O'Donnell, Katherine Grace
Oswald, Gregory Stephen
Otlowski, Donna Marie M.
Owen, Nancy Jo
Paller, Patricia Katherine
Patterson, Marla Katherine
Pentecost, William Ronald
Phillips, Danny Roger
Pietarila, Mary Anne Ebner
Pittman, Alice Arndean
Powell, Robert Leroy, Jr.
Price, Roberta Louise
Quinn, Mary Ellen
Ramsey, Lorna Jean
Randle, Dale Hudgins
Ratigan, Thomas Robert
Richburg, William Edward
Riddell, Carol Ann
Robertson, Rosalyn Lent
Robitaille, Gloria Jean
Rocha, Elizabeth Densford
Rodriguez Fe Esperanza
Rychlinski, Charlene
Smiley, Janice Starling
Snell, Stanley Pierce
Stoessel, Kathleen Barbara
Strapp, Margaret Anne
Tarnowski, Laurence Anthony
Thompson, Thomas Neil
Trenhaile, Cherie Hilliar
Tucker, Judith Lynn
Turpin, Lori Ann
Twarog, Thomas Warren
Vannest, Ronald Lawrence
Vernoski, Barbara Klos
Verville, Jacqueline Kay
Wahl, Marilyn Jean
Warren, Freda May
Wayne, James Francis
Wentland, Paul Daniel
White Therese Ann
Whittemore, Kenneth Robert, Jr.
Williams, Darryl Mead
Williams, Colleen Kay
Wilson, Nancy Darlene
Wolf, Elaine Maureen
Woodworth, Linda Carol
Yarbrough, Patricia Kaye
Zukowski, Suzanne M.

The following-named officers of the Naval Reserve for permanent promotion to the grade of lieutenant commander in the line and various staff corps, as indicated, pursuant to title 10, United States Code, sections 5783, 5791, 5911, and 5912, or section 611(a) of the Defense Officer Personnel Management Act (Public Law 96–513) and title 10, United States Code, section 624 as added by the same act, as applicable subject to qualifications therefor as provided by law:

LINE

Allen, Willie Lee
Anderson, Thomas James
Ardan, Nicholas Ivan, III
Askey, Charles Benjamin
Axtell, Stephen P.
Ayers, Frazier Ledonn
Bailey, Darryl Bryant
Beaufort, Barry Wayne
Beaver, Dennis Thomas
Bell, Robert Charles
Bitterwolf, Thomas Edwin
Blickle, Robert Palmer
Bonanno, John W.
Boniface, Lynn Alan
Brady, Patrick Donald
Breedlove Levi, Jr.
Brown, George Earl, Jr.
Brown, Wayne Douglas
Bryant, Michael B.
Burnup, Russell Johnston, II
Chiaverotti, Gary Robert
Christiansen, Frank
Clifford, John Daniel
Coffey, Jeffrey Grant
Cook, William Terra
Corrigan, Walter Elliott, Jr.
Cox, Henri Edwin
Cox, Paul Robert
Cox, Paul Stanley
Crawford, Thomas Carl
Dail, Robert Henry
Darnell, Kenneth D.
Davidson, Michael Arthur
Delbalzo, Michael Fredrik
Demik, Gregory W.
Dugan, Michael Francis
Edwards, Roger William
Fann, William Britton
Farlow, Raymond Franklin, IV
Fisher, Robert Benjamin
Gato, David Thomas
Gay, Frederick Sydney, Jr.
Grant, Raymond Joseph
Gray, Thomas C.
Green, Melvin Curtis
Guidry, Mark
Gullion, Joseph Milton
Halvorson, John Lyle
Haycock, Melvin Scott
Heilman, Craig D.
Higgins, John Wayne
Hunt, Jefferson Milo

Hurley, Allen Lee
Jordan, Clarence Edward
Kalinski, Arthur Alexander
Kauler, Robert D.
Kirkish, Douglas James
Kociemba, Robert Harry
Korbak, Michael, Jr.
Lang, Thomas Michael
Letchworth, Steven Frederick
Lindsay, Michael Edward
Lucas, Bryan Doran
Lugg, Stephen Craig
Lumsden, John C., Jr.
Maughan, Wesley Earl
May, Bruce Edward
McAtee, Thomas Lee
McDonald, Paul Frank
McGuire, John K., Jr.
McMullin, Geoffrey L.
Mercer, Terry Shelton
Miles, Wilson Ashley, Jr.
Mills, John Brian
Mitchell, Jimmy Lee
Monahan, Dennis Gerard
Morrell, James Michael
Morton, Barry Vonberg
Murray, Billy Dennis
Nash, Charles Theodore
Nations, Leslie Rex
Nelms, Danny Charles
Noak, Robert Fred
Obryant, Kenneth Michael
Oelrich, Glen Allen
Palko, Thomas Albert
Parker, Charles G.
Parker, Charles William
Passmore, Robert O.
Peterson, Richard Allen
Phelps, Castle Wright
Pittman, John Charles
Platt, Bruce Leonard
Puzon, Daniel Isaac
Ries, Jerome Roland
Rizy, David J.
Ross, Larry Cecil
Rothwell, Jeffrey Alfred
Ryan, Jeffrey Brice
Saer, Donald McQueen
Saunders, Alexander R., II
Schippereit, Stuart Jonathan
Scholes, Robert Clinton
Schrade, Donald Edward
Senkowski, David Daniel
Shaffer, James Starr
Sheehy, Hugh Francis
Shelton, Connel Michael
Short, Gerald Sheffield
Sigler, Steven Joseph
Skipper, Donald Wiggins
Slayden, Phillip Van Hatton
Smith, Guy M.
Smith, Scott L.
Smith, Thomas Edward
Snurkowski, Charles Stanley
Stanley, Thomas C.
Stanton, Charles David
Stanton, Ronald A.
Streck, Steven Clarence
Swenson, Wayne Frederick
Tindall, Norman J.
Tomich, David B.
Tune, John Ernest
Underwood, Jonathan Charels
Vanbelle, Bruce Thomas
Waas, John Glynn
Walker, Ivey Franklin, Jr.
Walsh, Gilbert Charles, Jr.
Walsh, Thomas M.
Walter, Lonnie Scott
Williams, John Peter
Williams, Scott Kilborn
Wilson, Thomas J.
Witowski, Thomas Stephen
Wold, Norman Nicholi
Wood, Joseph Arthur, Jr.
Wooten, Charles Arthur, III
Word, Frank Brown
Wreski, Edward Joseph
Young, Stephen Scott
Zolla, George Allen, Jr.

MEDICAL CORPS

Adams, Tyrone Lucas
Alcoff, Joel Michael
Amundson, Dennis E.
Anderson, Cynthia Tweeton
Anderson, Michael Jon
Anderson, Thomas Gordon, Jr.
Andrada, Rosalia Corres C.
Andres, Patricio M.
Armstrong, Richard A.
Aronson, Suellen
Arthur, Donald C., Jr.
Asay, Ronald W.
Ault, Wendy C.
Austin, Robert Marshall
Baezsanchez, Jose Angel
Bagnoli, Stephen
Bair, Donald G.
Barde, Susan Holliday
Barot, Amrutlal Jethalal
Bartow, John H.
Bean, Robert R.
Beaty, Robert H.
Berger, Bruce C.
Biermann, Kerry C.
Blacharski, Paul Alexander
Blankenship, Charles L.
Bliziotes, Matthew M.
Block, Julia Ann Dlhopolsky
Block, Robert
Boitano, Marilyn Ann
Bond, Douglas M.
Bonner, Robert Emmett
Boyd, John T.
Brade, Christopher John
Bradfield, James E.
Briggs, Nancy Dee
Brilli, Richard J.
Brooks, Harry W., Jr.
Brown, Edward W.
Brown, William P.
Bryan, Curtis Russell
Busch, Richard Frederick
Canada, Edgar D.
Carden, Dennis M.
Carpenter, Richard M.
Casey, Larry C.
Cella, John A.
Chavous, Donald C.
Chinnery, Martha Steele
Choplin, Neil Todd
Christensen, Gary S.
Christenson, Paul J.
Christiansen, Lance Wallace
Clapp, William L.
Clark, Charles Curtis
Clay, Gerald Lamont
Cleaver, Lloyd J.
Coffey, John M.
Cohen, Bernard M.
Crudale, Angelo S.
Csere, Robert Stephen
Cumming, John G., III
Cunningham, William John
Cusack, John Robert
Daily, James M.
Dalton, Jon N.
Davis, James E.
Defazio, John V., Jr.
Deleon, Elnora Saqui
Deline, Carol Compton
Dennett, Douglas E.
Detert, David G.
Dicapua, Lawrence
Dickie, Thomas A.
Digby, Donald J.
Dumont, Arthur, III
Eder, William Ruppert
Eisley, John Charles
Elder, Paul T.
Ellis, James V.
Etter, Harry S., Jr.
Evans, Kurt J.
Fagan, Steven Joseph
Fagerlund, Robert Waino
Fan, George Chitze
Fellenbaum, Theodore L.
Ferguson, Wilson J.
Fetchero, John A., Jr.
Fichman, Kaye Ruth
Folsom, Kenneth J.
Foor, Jeffrey L.
Fraim, Clifford Jack
Freeman, Charles G.
Freeman, Richard A.
Friedman, Aaron J.
Fritz, Richard T.
Fuller, Robert P., Jr.
Fulroth, Richard F.
Furlow, Terrance Gregory
Gabler, Glen Richard
Gellman, Michael Daniel
Gibbin, Candace Lynn
Godboldt, Anthony
Goetz, Joseph James
Goodman, David L.
Gray, Charles Glenn
Grayson, Howard A., Jr.
Greaney, Richard B.
Gros, Michael L.
Grysen, Bernard C.
Gunn, Dale W.
Haden, Keith W.
Haerr, Robert W.
Halbert, Richard E., II
Halloran, Thomas J.
Hamilton, William C.
Hanser, James A.
Hardage, Robert H., Jr.
Harpold, Gary J.
Harrington, Tracy M.
Harris, Christopher J.
Harris, Martin H.
Harris, Walter D.
Hartman, John Richard
Haskin, Kenneth Barry
Healy, Grant F.
Henbest, Philip Michael
Henderson, Grover C., III
Herddener, Richard Sherman
Herlihy, Charles E., Jr.
Hilaman, Brad L.
Hill, David Michael
Hines, Bill Cornell
Hinz, Michael A.
Hodgens, David W.
Hogan, Kevin P.
Hollaway, Rodney Roy
Holliman, Kenneth E.
Holston, John Seth
Hold, Richard Blaine
House, William Columbus
Hunt, Wesley S.
Hunter, Billy Ray
Hutchinson, Michael Irvin
Iglinsky, William L., Sr.
Irwin, Walter L.
Jacobs, Richard Douglas
James, Lewis P.
Jamieson, Thomas W.
Jensen, Steven R.
Julien, Craig Kenneth
Kao, Yi H.
Karr, Michael A.
Keck, Keith A.
Kidd, Donald David
Kilcheski, Thomas Stephen
Kitagawa, Seiji
Kizer, Kenneth W.
Klein, Michael K.
Klein, Robert Michael
Klim, Philip Anthony
Knapp, Mark Joseph
Krafcik, John M.
Kramer, Steven Frank
Kussmaul, William Guy
Kwiatkowski, Peter Frank
Lachowsky, John Edward
Lancaster, Danny Joe
Lane, Zeph
Lehner, William Edward
Lessmann, Gary P.
Levinsky, Howard
Lew, Sam Wei
Ley, Carl E.
Lipovan, Mircea B.
Livingston, John M.

Lynch, Michael J.
Maano, Rio Rita Mastrili
Macfee, Michael Scott
Macivor, Duncan C.
Macmillan, David T.
Maldonado, Castillas Carmen
Maloney, Martin J.
Mandel, Lee Richard
Mantica, Robert P.
Marshall, C. Perry
Massa, David Anthony
Mather, William Hardeman
Mayer, Frederick W.
McNamara, Brian Joseph
McNiece, Donald Michael
Mehlum, David Lee
Messersmith, Donald P.
Metcalf, John H.
Metildi, Carmen D.
Miller, Stephen A.
Moore, Robert Alan, Jr.
Mosley, Coleman A., Jr.
Moss, Richard L.
Murphy, James P., Jr.
Myers, E. Ann
Neal, George B.
Nelson, David G.
Nelson, Jeffrey Loren
Nicholson, Michael T.
O'Farrell, Kathleen Anne
Omley, Timothy Herbert
Orcutt, Margaret C.
Orndorff, George Robert
Ortegajimenez, Victor M.
Parker, Kim Ellison
Parton, Judy Munyon
Perezpoveda, Jorge Ramon
Perlman, Mark Lewis
Perry, Donna Ruth
Pesce, Richard R.
Pirlo, Andrew F.
Polito, John F.
Porter, Charles Thomas
Posey, Douglas H., Jr.
Powers, Bernard Joseph
Pratt, Allan Thomas
Preston, Ted L.
Prosser, Joseph Stephen
Puckett, Ralph Arthur
Quinn, James E.
Raeber, Kirk John
Ramey, Jack M.
Rash, Francis C.
Reams, Gary Glenn
Reed, Phillip C.
Roberts, Carol Compton
Robertson, Claudia Sue
Robinson, Adam M., Jr.
Rogers, Douglas Melvin
Roland, Peter Sargent
Role, Philip Alan
Ronan, William Vincent
Ropes, Milton B.
Rowley, Dennis Alan
Rudick, James Howard
Ruffer, James A.
Rufleth, Peter W.
Ruiztorres, Ramon Luis
Sakakini, George C.
Sanchez, Phillip Lauren
Savage, Robert M.
Schneider, Paul Gerard
Schneider, Richard J.
Schumacher, Mark P.
Schwartz, John C.
Scott, Richard Lee, II
Scott, Robert Lester
Sears, Thomas Delbert
Segarravidal, Juan Bautista
Shaffer, William Orlon
Shapiro, Alan I.
Shelley, William C.
Sintek, Colleen Flint
Slomka, Charles V.
Smith, Dennis E.
Smith, Larry R.
Solomon, William Curtis
Soper, David E.
Spurling, Timothy J.
Stafford, Perry W.
Stagner, David Lowell
Starling, Jay Craig
Stevens, Jonathan Craig
Steward, John Robert
Super, Mark Anthony
Svarcstambolis, Jasna
Swinney, Tommy Lewis
Tauber, William B.
Thompson, David J.
Thomsen, William B.
Timpone, Michael Jonathan
Tobias, Imelda Victoria
Truchelut, Eugene Anton
Trusewych, Timothy B.
Tyler, Robyn Easton
Underdown, William Edward
Valery, Harold Cardinal
Vanwagnen, Lynn Clark
Vidmar, Dennis Alan
Vukich, David J.
Waack, Timothy Charles
Walter, Richard D.
Warden, Charles Stratton
Weiser, Edward B.
Wellbron, Rober G.
Werner, Sheldon L.
Wesselius, Cassie Lee
Whalen, Thomas V., Jr.
Wickerham, Donald L.
Wilker, John Frederic
Wilkerson, Stephen Young
Williams, David C.
Williams, Joseph James
Williams, Robert Donald
Wittgrove, Alan C.
Wong, Anne Beatrice
Woodruff, Stephen Odell
Wurzel, William David
Yantis, Paul Lester, III
Young, Jeffrey Milton
Yudt, William M.
Zable, Elizabeth Helen
Zahller, Mary C.
Zahller, Steven J.
Zajdowicz, Thaddeus Richard

CHAPLAIN CORPS

Barker, Herbert James
Belanus, Donald G.
Leavitt, Charles H., Jr.
Pierce, R. Bruce
Register, John Dale

CIVIL ENGINEER CORPS

Currie, Harold Dwayne
Hall, Neil Bradley
Haug, James Charles
Lee, Dennis Juen
Parker, William Thomas

JUDGE ADVOCATE GENERAL'S CORPS

Bosch, Gerald R.
Cassell, Martin P.
Longstreet, Lizann Malleson

DENTAL CORPS

Aldrich, David A.
Amaya, Juan A.
Barry, Kenneth Edward
Boyle, John P.
Casella, Michael J.
Chance, Leonard M., Jr.
Cook, Harold E.
Eavis, Anne Marie
Flath, Robert K.
Getty, Paul F.
Gimer, David A.
Harrison, Kenneth Michael
Hill, Thomas Marshall
Huffman, Thomas Dean
Kiernan, Loyd Julian, III
Kozlowski, Gregory George
Nicholson, James Robert
Percival, David Allen
Richardson, Albert Charles
Richardson, William L.
Rogers, Raymond L., Jr.
Sansom, Byron Paul
Santucci, Steven J.
Steenson, Loren James
Strunk, William Milton, II
Turner, Robert Jeffrey
Waterman, Marc Norris
Wheeler, John Wayne

MEDICAL SERVICE CORPS

Mathews, Richard J.

NURSE CORPS

Aponte, Claudia Jean
Benton, Alana Marie
Booher, Terresa Olivia Burks
Bregar, Wendy Lynn
Dickson, Kathryn Turner
Krauel, Barbara Jean
Krieger, Jane Elizabeth
Moreland, Cathleen Susan
Suiter, Phyllis Ann

## CONFIRMATIONS

Executive nominations confirmed by the Senate September 21, 1981:

DEPARTMENT OF ENERGY

James R. Richards, of Virginia, to be Inspector General of the Department of Energy, vice John Kenneth Mansfield.

FEDERAL TRADE COMMISSION

James C. Miller III, of the District of Columbia, to be a Federal Trade Commissioner for the term of 7 years from September 26, 1981, vice Paul Rand Dixon, term expiring.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

SUPREME COURT OF THE UNITED STATES

Sandra Day O'Connor, of Arizona, to be an Associate Justice of the Supreme Court of the United States, vice Potter Stewart, retired.

# HOUSE OF REPRESENTATIVES—*Monday, September 21, 1981*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. WRIGHT).

## DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
*September 16, 1981.*

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on September 21, 1981.

THOMAS P. O'NEILL, JR.,
*Speaker of the House of Representatives.*

## PRAYER

The Reverend Edward G. Latch, D.D., former Chaplain, U.S House of Representatives, offered the following prayer:

*Let the word of God dwell in you richly with all wisdom.*—Colossians 3:16.

Eternal God, our Father, in whose presence our anxious minds become quiet and our worried souls find peace, we wait upon Thee in this moment of prayer seeking a renewal of our strength, a restoration of our patience and a reawakening of our faith. Through this period of trial and trouble we need the guidance of Thy Spirit and the power of Thy presence. Give them to us as we pray and to all who work under the dome of this Capitol that together we may continue to lead our Nation in the paths of peace with liberty and justice for all. Amen.

## THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## TOO LITTLE CHICKEN

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GONZALEZ. Mr. Speaker, President Reagan the other day denounced those who do not believe in voodoo economics as "Chicken Littles." What he does not realize is that most of us are afraid that the program is going to provide us with too little chicken and we prefer beans—frijoles if you please.

The President might have a hard time imagining what is happening to the Nation's poor, the unemployed, and the businesses that are falling like flies to the pressure of supersonic interest rates.

To a man who wears thousand-dollar boots, there is just no way to express the pain of a system that provides penalties for working poor people—penalties that will make it better for them to stop working than to continue the struggle. After all, to him the only question is what to put on those $800 plates his rich friends have laid on the White House. To the poor, the question is whether there will even be beans for the plate, much less chicken.

## PRESIDENT'S ECONOMIC PLAN FAILING

(Mr. DOWNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNEY. Mr. Speaker, I know the President's plan does not begin until October, and I do not feel like "Chicken Little" or economic Cassandra when I say this plan has already begun to fail.

Still ringing in my ear are the words of Regan, Stockman, and Weidenbaum extolling the expectational value of the Reagan plan. Just by cutting the budget and taxes and showing the Government's dedication to fighting inflation will begin the process of eliminating it. Add to that the wholesale weakening of regulation, well underway, tight money supported enthusiastically by this administration and at work for the last 8 months, and presto you have runaway interest rates.

Mr. Speaker, given this type of track record I am not sure which to worry about first: The open window of vulnerability or the rising tides that will swamp all boats.

We are about to see 400,000 families lose their basic welfare benefit. We are about to see another 300,000 families have their benefits cut. Where will their chicken come from?

We are about to see $600 million cut from the medicaid program. That is a lot of chicken out of the tiny pots of the poorest people in this country.

And we are about to see 875,000 people lose all their food stamp benefits. No chicken for them.

Chicken Littles? Voodoo generally requires killing the chicken. Voodoo economics is the magic that makes the chicken disappear.

## KO-OP 65, INC.—A GREAT PROGRAM

(Mr. HILER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILER. Mr. Speaker, during a recent trip to my congressional district, I came in contact with a new organization that is striving to establish a food bank for older citizens, to help maintain their health and standard of living with dignity.

What is unique about this program, Mr. Speaker, is that it receives not 1 penny in Government subsidies—100 percent of the income it derives is provided in benefits to deserving older Hoosiers—that is much better than any Federal program I know of.

The organization is KO-OP 65, Inc., and already has enlisted 160 volunteers to operate the program. They have signed up 80 members, age 59 and above, who will be receiving surplus food donated by wholesalers, retailers and private growers.

An anonymous donor has provided a building rent free. In a recent "run for hunger," several sponsors provided shirts and paid for all expenses, allowing all the income from this event to be used for helping senior citizens. Numerous businesses also have donated their time and resources to help insure the success of this effort.

Mr. Speaker, for too long, this Congress has been devising taxpayer-subsidized assistance programs that fall way short of their well-intended goals while all along failing to recognize the great potential and effectiveness of volunteer efforts like KO-OP 65. I ask my colleagues to join with me in congratulating and encouraging organizations like KO-OP 65. They are far more effective in eradicating hunger and preserving the dignity of our senior citizens than any program we can create.

## APPOINTMENT AS MEMBER OF SELECT COMMITTEE ON AGING

The SPEAKER pro tempore. Pursuant to clauses 6 (e) and (g) of rule X, and without objection, the Chair appoints the gentleman from Iowa (Mr. EVANS) to the Select Committee on Aging, to fill the existing vacancy thereon.

There was no objection.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

## COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives.

WASHINGTON, D.C.,
*September 21, 1981.*

Hon. THOMAS P. O'NEILL, Jr.,
*The Speaker, House of Representatives, Washington, D.C.*

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House of Representatives, I have the honor to transmit a sealed envelope from The White House, received in the Clerk's Office at 2:25 p.m. on Friday, September 18, 1981 and said to contain a message from the President wherein he transmits the Second Annual Report of the Federal Labor Relations Authority for the Fiscal Year ended September 30, 1980.

With kind regards, I am,
Sincerely,

EDMUND L. HENSHAW, Jr.,
*Clerk, House of Representatives.*

□ 1210

## SECOND ANNUAL REPORT OF FEDERAL LABOR RELATIONS AUTHORITY FOR FISCAL YEAR ENDED SEPTEMBER 30, 1980—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Post Office and Civil Service:

*To the Congress of the United States:*

In accordance with the Civil Service Reform Act of 1978 (P.L. 95-454, Sec. 701) (5 U.S.C. 7104(e)), I hereby transmit the Second Annual Report of the Federal Labor Relations Authority for the Fiscal Year ended September 30, 1980.

RONALD REAGAN.

THE WHITE HOUSE, *September 18, 1981.*

## LELAND BOWMAN LOCK

Mr. BREAUX. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 4284) to name the lock authorized as a replacement for Vermilion Lock, La., "Leland Bowman Lock."

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the bill, as follows:

H.R. 4284

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the lock authorized by section 114 of Public Law 94-587 as a replacement for Vermilion Lock, Louisiana, shall hereafter be known as Leland Bowman Lock. Any law, regulation, map, document, or record of the United States which refers to such lock shall hereafter be held and considered to refer to such lock as Leland Bowman Lock.

The SPEAKER pro tempore. The gentleman from Louisiana (Mr. BREAUX) is recognized for 1 hour.

Mr. BREAUX. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I address you and the Members of the House today to request support for and passage of H.R. 4284. The purpose of this legislation is to name a water control structure in my district, the "Vermilion Lock," in honor of the late Capt. Leland Bowman. Captain Bowman who passed away on May 21, was a constituent of mine, I am proud to say. It is Captain Bowman who was the single person responsible for securing the authorization and funding for the modernization of the Vermilion Lock.

Groundbreaking for the Vermilion Lock is scheduled for September 27. It is unfortunate that Captain Bowman will not be able to participate in these ceremonies for this important waterways structure on the Intracoastal Canal in south Louisiana. Certainly, all those who attend that day and the many who are unable but who knew Captain Bowman will recall fondly his great personal contributions and work on behalf of the Nation's waterways and especially on behalf of the modernization of the Vermilion Lock.

The critical role he played in urging and obtaining modernization of the Vermilion Lock is justification enough, I feel, to name the Vermilion Lock in his honor. Many others feel the same way, I must note to you. The Vermilion Parish Police Jury adopted on June 15 a resolution to have the Lock renamed Leland Bowman Lock. Vermilion Parish is the area where the lock is located. The police jury's action represents strong local support as the jury is the official lock project sponsor.

Others who have contacted me urging renaming of the lock in honor of Captain Bowman include the Water Resources Congress whose board on June 22 unanimously adopted a motion to do so and who requested the introduction of legislation to accomplish this goal. The Louisiana Intracoastal Seaway Association voted unanimously on June 5 to request the necessary action be taken to name the lock after Captain Bowman. The American Waterways Operators on June 4 directed its staff to seek introduction of appropriate legislation to rename the structure after Captain Bowman. Also, the Gulf Intracoastal Canal Association has announced its support for renaming the lock on his behalf.

Captain Bowman gave many years of service on behalf of the Nation's waterways. He served as licensed boat captain, port captain and engineer, towing contractor, and president of two shipyards in south Louisiana. His career spanned 50 years. During that time he served his industry, his State, and his Nation as president of the Louisiana Intracoastal Seaway Association and was a charter member. He was vice chairman and charter member of the Louisana Coastal Commission, member of the National Waterways Conference's Board of Directors and Advisory Board, and vice president of region 3 of the American Waterways Operators, to name a few.

On July 14, 1972, the Jennings, Louisiana Association of Commerce, where he lived, named Captain Bowman "Mr. Waterways," for untiring efforts in behalf of Jennings and the entire southwest Louisiana waterway system. In 1974, the Louisiana Intracoastal Seaway Association awarded him in recognition of his many years of dedicated service to LISA and his untiring efforts in behalf of the development of south Louisiana water resources. He was proclaimed "Maritime Man of the Year, 1977-78," by the Propellor Club of Port of Sabine, Port of Beaumont, Port of Lake Arthur, Port of Lake Charles, and Port of Orange.

Though Captain Bowman was an instrumental figure in many waterways projects, such as the Gulf Intracoastal Waterway, the Mermentau basin project in Louisiana, the Teche-Vermilion diversion project in Louisiana, and the erection of high-level waterways bridges in Louisiana, he must be forever remembered for his untiring and unending work to modernize the Vermilion Lock. This structure will significantly aid in the reduction of navigation costs, improve salt water intrusion control, and facilitate the discharge of floodwaters. It is only proper, and certainly due, that the Vermilion Lock be renamed the "Leland Bowman Lock" as a fitting and lasting tribute to the person who saw the need for and gave so much to make its construction possible.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Today is the day for the call of the Suspension Calendar.

Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4, rule XV.

Such rollcall votes, if postponed, will be taken on Tuesday, September 22, 1981.

## SENSE OF CONGRESS OPPOSING SOVIET TREATMENT OF YURIY SHUKHEVYCH

Mr. ZABLOCKI. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 111) expressing the sense of the Congress that the Government of the Soviet Union should cease its imprisonment of Yuriy Shukhevych and permit him and his family to emigrate from the Soviet Union.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 111

Whereas Yuriy Shukhevych is currently serving his 28th year of imprisonment, having been free from Soviet jails for an aggregate of only 4 years since 1948, the date of his original arrest by the Government of the Soviet Union;

Whereas the sole basis for the imprisonment of Yuriy Shukhevych is his refusal to denounce the ideals of Ukrainian nationalism and the activities of his late father Roman Shukhevych, a Ukrainian freedom fighter;

Whereas such imprisonment violates the commitments to freedom of thought, conscience, expression, religion, and emigration made by the Soviet Union through its adoption of, or participation as a signatory to, the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the Final Act of the Conference on Security and Cooperation in Europe, and the Constitution of the Union of Soviet Socialist Republics;

Whereas Yuriy Shukhevych suffers from various severe medical ailments, including chronic ulcer, heart, vision, and dental problems, but has not received necessary medical attention while in prison; and

Whereas Yuriy Shukhevych has renounced his Soviet citizenship and has joined the Ukrainian Public Group To Promote the Implementation of the Helsinki Accords: Now, therefore, be it

*Resolved by the House of Representatives (the Senate concurring),* That it is the sense of the Congress that—

(1) the Government of the Soviet Union should comply with its commitments under the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the Final Act of the Conference on Security and Cooperation in Europe, and the Constitution of the Union of Soviet Socialist Republics, by providing proper medical care to Yuriy Shukhevych, by releasing Yuriy Shukhevych from prison, and by permitting Yuriy Shukhevych and his family to emigrate from the Soviet Union to a country of their choice;

(2) the President of the United States should express to the Government of the Soviet Union the strong and continuing opposition of the United States to the imprisonment and maltreatment of Yurity Shukhevych; and

(3) the President of the United States should reiterate to the Government of the Soviet Union that the United States, in evaluating its relations with other nations, will consider the extent to which such other nations honor their commitments under international law, particularly any such commitments concerning human rights.

SEC. 2. The Clerk of the House of Representatives shall transmit copies of this resolution to the Ambassador of the Soviet Union to the United States and to the Chairman of the Presidium of the Supreme Soviet.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Wisconsin (Mr. ZABLOCKI) will be recognized for 20 minutes, and the gentleman from Iowa (Mr. LEACH) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, before proceeding with House Concurrent Resolution 111, I would like to announce a small change in the program for tomorrow. For the information of the Members it is our intention to bring up one bill under suspension tomorrow, Tuesday, September 22. That bill is House Joint Resolution 220, providing for honorary citizenship for Raoul Wallenberg.

Mr. Speaker, I rise in support of House Concurrent Resolution 111, expressing the sense of the Congress that the Government of the Soviet Union should cease its imprisonment of Yuriy Shukhevych and permit him and his family to emigrate from the Soviet Union.

Yuriy Shukhevych, the son of a Ukrainian freedom fighter, has been jailed 29 of the past 33 years in the Soviet Union. The so-called crime is merely Shukhevych's refusal to denounce the ideals of Ukrainian nationalism and the deeds of his father, who struggled for freedom.

Shukhevych has not received essential medical treatment while in prison, although he suffers a series of ailments.

The resolution calls for the President to voice U.S. opposition to the imprisonment of Yuriy Shukhevych, to remind the Soviets of their violations of international commitments such as the Helsinki Final Act, the Universal Declaration of Human Rights, and the International Covenant on Civil and Political Rights, as well as the Soviet Constitution; and to urge that Shukhevych and his family be permitted to emigrate and find a new homeland.

Mr. Speaker, I urge the adoption of House Concurrent Resolution 111.

Mr. LEACH of Iowa. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the ranking minority member of the Subcommittee on Human Rights and International Organizations and as a cosponsor of House Concurrent Resolution 111, I am pleased to speak in favor of this resolution. It was first introduced by our colleague on this side of the aisle, Mr. PRITCHARD, and has subsequently been endorsed by a bipartisan group of over 60 Members. The resolution was reported favorably from the subcommittee and later from the full Foreign Affairs Committee.

Yuriy Shukhevych, the son of a Ukrainian freedom fighter who resisted the Russians following the defeat of the Germans in World War II, was first arrested in 1948 at the young age of 14. The cause of his imprisonment appeared to be his refusal to yield to Soviet demands that he renounce his father and Ukrainian nationalism. After a 10-year term, he was released to identify his father's body but rearrested before the day was out. A finding by the Soviet Supreme Court that the form of the tribunal under which he was originally sentenced was illegal, as were the decisions of the tribunal, was not enough to prevent his rearrest. After serving his second 10-year sentence, Mr. Shukhevych was released for 3½ years until he was rearrested in 1972 on grounds that his memoirs constituted "anti-Soviet agitation and propaganda." His third sentence, which is is serving today, includes 5 years in prison, 5 in a harsh labor camp, and 5 in exile. The circumstances of his continued imprisonment have led to severe medical problems.

It is impossible not to admire a man like Yuriy Shukhevych who has had the courage to renounce his Soviet citizenship and, while still in prison, to join the Helsinki monitoring group in Kiev.

Mr. Speaker, this case, like so many others, is a cardinal example of the failure of the Soviet Union to live up to its commitments, not only under certain provisions of its own Constitution, but under such international agreements as the Universal Declaration of Human Rights, the Helsinki accords, and the International Covenant on Civil and Political Rights. House Concurrent Resolution 111 expresses the sense of the Congress that the Soviet authorities should provide proper medical treatment to Yuriy Shukhevych, release him from prison, and permit him and his family to emigrate from the Soviet Union.

It also calls on the President to express the opposition of the United States to Mr. Shukhevych's continued imprisonment and maltreatment. In

views received from the administration, we were told that—

Resolution 111 is consistent with and supportive of our policy of considering the extent to which other nations honor their commitments under international law, particularly concerning human rights, in evaluating our relations with those nations.

Mr. Speaker, the plight of Yuriy Shukhevych is on the conscience of this Nation, and his courage in the face of Soviet repression is an inspiration. I urge my colleagues to support House Concurrent Resolution 111 on behalf of Yuriy Shukhevych and all those like him who languish in Soviet prisons and labor camps. Thank you.

Mr. Speaker, I have no other speakers on this side of the aisle, and would yield back the balance of my time.

Mr. ZABLOCKI. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. BONKER), chairman of the Subcommittee on International Organizations.

Mr. BONKER. Mr. Speaker, the Foreign Affairs Subcommittee on Human Rights and International Organizations long concerned about human rights abuses all over the world continues to take up resolutions pertaining to various dissidents, whose human rights have been violated. We are about to report out to the House floor three such resolutions.

Yuriy Shukhevych is currently serving his 28th year of imprisonment. He has been freed from Soviet jails for a total of 4 years since 1948, having been imprisoned for refusing to denounce the ideals of Ukrainian nationalism and the activities of his late father, who was a Ukrainian freedom fighter.

Mr. Speaker, this resolution was passed favorably by the subcommittee and by the full House committee and has the support and cooperation of the ranking minority member of the subcommittee and the chairman of the full committee. I am pleased to recommend its adoption by the House today.

● Mr. CORRADA. Mr. Speaker, I rise in strong support of House Concurrent Resolution 111, a resolution expressing the sense of the Congress regarding the treatment by the Soviet Union of Yuriy Shukhevych.

As signatories to the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the Final Act of the Conference on Security and Cooperation in Europe, the Soviet Union has acknowledged the right of its citizens to emigrate.

Yuriy Shukhevych is currently serving his 28th year of imprisonment for refusing to denounce the ideals of Ukrainian nationalism and the activities of his late father, Roman Shukhevych, a Ukrainian freedom fighter. The Soviet Union should cease this imprisonment and allow him and his family to emigrate to the country of their choice.

Yuriy Shukhevych cannot speak for himself; we, in this Congress must continue to speak for him and others like him.●

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI) that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 111).

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. BONKER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the concurrent resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

## REGARDING THE SAFETY AND FREEDOM OF SOVIET CITIZEN YURI BADZYO

Mr. BONKER. Mr. Speaker, I move that the House suspend the rules and agree to the resolution (H. Res. 193) concerning the safety and freedom of Soviet citizen Yuri Badzyo.

The Clerk read the resolution as follows:

H. RES. 193

Whereas Yuri Badzyo is currently serving a seven-year prison sentence in the notorious Mordovian labor camps, to be followed by five years in internal exile, for ideas contained in an unpublished manuscript that is, in fact, missing;

Whereas Yuri Badzyo desired greater political, cultural, and artistic freedom for the Ukrainian people;

Whereas, because of these beliefs, Yuri Badzyo was expelled from the Soviet Communist Party and was refused work in his profession, philology; and

Whereas the Soviet Constitution itself guarantees rights for nationalities as well as individual rights: Now, therefore, be it

*Resolved*, That the House of Representatives—

(1) expresses its concern for the well-being, safety, and freedom of the Ukrainian patriot Yuri Badzyo;

(2) asks the President to express to the Soviet Government the interest of the United States in this prisoner of conscience and in the fate of his wife Svitlana Kyrychenko, who has also been dismissed from her profession for her impassioned support of her husband's ideas and work, as well as in the welfare of their two children Bohdana and Serhiy Badzyo; and

(3) requests that the President remind the Soviet Union of its obligations to honor human rights under the terms of the Helsinki Accord.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Washington (Mr. BONKER) will be recognized for 20 minutes, and the gentleman from Iowa (Mr. LEACH) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Washington (Mr. BONKER).

Mr. BONKER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is the second of three resolutions that are being reported to the floor today. This resolution concerns Yuri Badzyo who is a Ukrainian citizen. He is serving a 7-year prison sentence in a Soviet labor camp for ideas contained in an unpublished manuscript. The prison sentence is to be followed by 5 years of internal exile. This particular resolution expresses the concern of the House for the well being, the safety, and the freedom of this Ukrainian patriot, and asks the President to express to the Soviet Government our continuing interest in his case.

□ 1220

Mr. LEACH of Iowa. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to add my support to that of the gentleman from Washington for House Resolution 193, a resolution concerning the safety and freedom of Yuri Badzyo.

Yuri Badzyo, a philologist by profession, is currently spending 7 years in a prison camp as a result of a scholarly study he did entitled, "The Right to Live." The manuscript is now missing. Yuri Badzyo has been a longtime critic of the "russification" policy toward the Ukraine. His defense of others who had joined him in resisting that policy, led to his dismissal from his research work at the Institute of Literature in Kiev and his expulsion in 1968 from the Communist Party. His wife, Svitlana Kyrychenko, was also dismissed from her position at the Institute of Philosophy for her actions on behalf of Ukrainian dissidents.

In December 1979, Badzyo was sentenced to 7 years of corrective labor to be followed by 5 years in exile for anti-Soviet agitation and propaganda. However, even from the labor camp, Badzyo continued to resist the oppressive policies of the Soviet Union. Last year, Yuri Badzyo was one of three prisoners who smuggled a message out of their camp, announcing that they were refusing to work during the Olympics to protest the Soviet invasion of Afghanistan. They maintain—correctly—that there is an "unbreakable tie between the external political aggressive actions of the Soviet Government and the internal policy of repression against dissidents."

The resolution before us today expresses the concern of the House for the well-being, safety, and freedom of the Ukrainian patriot and asks the

President to inform the Soviet authorities of U.S. interest in the case of Badzyo, his wife and their two children. As in other cases, the Soviets must be reminded of their obligations under the Helsinki accords and called to account for their neglect of human rights within their own jurisdiction.

Mr. Speaker, I urge the adoption of this resolution, not only on behalf of Yuri Badzyo and his family but on behalf of those of his colleagues who have resisted great pressure to maintain their Ukrainian heritage and identity.

Mr. BONKER. Mr. Speaker, I yield such time as he may consume to the distinguished chairman of the full committee, the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I rise in support of House Resolution 193, concerning the safety and freedom of Soviet citizen Yuri Badzyo.

House Resolution 193 was approved by the Committee on Foreign Affairs last week, along with two other resolutions regarding Soviet dissidents, which we are considering here today. I would like to take this opportunity to thank the Honorable DON BONKER, chairman of the Subcommittee on Human Rights and International Organizations for his efforts on behalf of these measures now before the House, and for his continuing work toward improving the human rights situation around the globe.

At present, Yuri Badzyo is imprisoned in a Soviet labor camp serving a 7-year sentence after which he will be subjected to 5 years of internal exile. Badzyo was accused for ideas presented in an unpublished manuscript. His wife, for supporting her husband, was dismissed from her employment. Here again is another example of a Soviet prisoner of conscience, and his family, denied basic rights and freedom because of personal beliefs.

House Resolution 193 expresses the concern of Congress for the freedom of Yuri Badzyo; asks the President to transmit that concern to the Soviets, urge they comply with the Helsinki accords, and assure the safety and rights of Yuri Badzyo, his wife, and two children.

Mr. Speaker, I urge passage of House Resolution 193.

● Mr. DIXON. Mr. Speaker, I greatly appreciate this opportunity to speak on behalf of my resolution, House Resolution 193, concerning the safety and freedom of Yuri Badzyo, a Ukrainian prisoner of conscience.

Yuri Badzyo, a 45-year-old philologist, is currently serving a 7-year term in a Soviet prison camp as a consequence of his scholarly study entitled "The Right to Live." This 1,400-page manuscript, which has disappeared under mysterious circumstances, is critical of the course and consequences of the Soviet nationalities policy in the Ukraine.

In 1965 Soviet authorities began to crack down against those who opposed the official policy of "russification," and spoke out for greater national, cultural, and artistic freedom in the Ukraine.

When Badzyo protested the Government arrests, searches, and interrogations, he was subsequently dismissed from research work at the Institute of Literature in Kiev and expelled from the Communist Party.

Unable to locate a job in his profession, Badzyo worked as a bread loader in Kiev for the 8 years prior to his arrest in April 1979.

It is understood that on December 21, 1979, Yuri Badzyo was sentenced to 7 years corrective labor followed by 5 years in internal exile.

Badzyo is being held at the notorious Mordovian corrective labor colony, well known for its conditions of chronic hunger, inadequate medical care, and hard labor. His wife, Zvitlana Kyrytschenko, has been active on behalf of her husband, and after a recent visit reported of his health. She indicated that he is losing his eyesight and could scarcely see with one eye.

This resolution will express concern for the well-being of Yuri Badzyo, and ask the President to express to the Soviet Government the interest of our country on his behalf, and for his wife, as well.

I am honored to have the cosponsorship of several Members of Congress, including the Honorable HENRY WAXMAN, BOBBI FIEDLER, MERVYN DYMALLY, JERRY LEWIS, ANTHONY BEILENSON, AUGUSTUS HAWKINS, CARLOS MOORHEAD, and our esteemed colleague CLAUDE PEPPER.

I would also like to express my appreciation to the Los Angeles Journalists Group of Amnesty International, and particularly Ms. Ruth Hirschman, chair of the Prisoner of Conscience Committee. This group has done so much to bring attention to Mr. Badzyo.

Passage of this measure is an important reminder that we will not forget those who personify the continuing struggle for human rights.

I am most appreciative of today's consideration of House Resolution 193, and hope that it will receive the approval of this body.●

● Mr. CORRADA. Mr. Speaker, I rise in strong support of House Resolution 193, a resolution expressing the concern of the House with respect to the safety and freedom of Yuri Badzyo, a citizen of the Soviet Union.

Again we must remind the Soviet Union of its commitments under the Helsinki accords. Mr. Badzyo is a Ukrainian patriot currently serving a 7-year prison sentence in a labor camp because of his writings in an unpublished document. We are also concerned about the fate of his wife, Svitlana Kyrychenko, and the welfare of their two children.

I urge my colleagues to support this resolution on behalf of Yuri Badzyo and his family.●

Mr. BONKER. Mr. Speaker, I have no further requests for time.

Mr. LEACH of Iowa. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. BONKER) that the House suspend the rules and agree to the resolution, House Resolution 193.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. BONKER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

## SENSE OF CONGRESS OPPOSING SOVIET IMPRISONMENT OF ANATOLY SHCHARANSKY

Mr. BONKER. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 152) to urge the President to continue to express the opposition of the United States to the imprisonment of Anatoly Shcharansky by the Soviet Union.

The Clerk read as follows:

H. RES. 152

Whereas the Helsinki Accord of the Conference on Security and Cooperation in Europe commits its signatories to respect human rights and fundamental freedoms;

Whereas the Soviet Union is a signatory to the accord;

Whereas Anatoly Shcharansky has been imprisoned in the Soviet Union in violation of the accord;

Whereas as a result of actions of Soviet authorities, Mr. Shcharansky's health has deteriorated to a point where his life is threatened; and

Whereas humanitarian interests and the provisions of the Helsinki Accord require that Soviet authorities end the incarceration and inhumane treatment of Anatoly Shcharansky: Now, therefore, be it

*Resolved*, That it is the sense of the House of Representatives that the President, at every suitable opportunity and in the strongest terms, should express to the Union of Soviet Socialist Republics the opposition of the United States to the imprisonment of Anatoly Shcharansky, and should urge that Mr. Shcharansky be given proper medical treatment and be permitted to emigrate to Israel.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Washington (Mr. BONKER) will be recognized for 20 minutes, and the gentleman from Iowa (Mr. LEACH) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Washington (Mr. BONKER).

Mr. BONKER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution was referred to the Committee on Foreign Affairs and to the Subcommittee on Human Rights and International Organizations.

Mr. Speaker, this is not the first resolution to come before this Chamber and to be passed out by the full committee regarding Anatoly Shcharansky. This distinguished prisoner of conscience has been in prison in the Soviet Union in violation of the Helsinki Accords and the Conference on Security and Cooperation in Europe. While in prison his health continues to deteriorate.

We have recently received a letter from our colleague, the gentleman from Massachusetts (Mr. BARNEY FRANK) concerning Mr. Shcharansky's medical condition, stating that it continues to worsen, and there seems to be no effort within the Soviet Union to provide proper medical treatment to Mr. Shcharansky.

So this resolution, Mr. Speaker, is in order, and it is timely. It expresses the sense of the House that the President should be urged to continue to express U.S. opposition to the imprisonment of Mr. Shcharansky by the Soviet Union.

Mr. Speaker, I urge adoption of the resolution by the House.

Mr. LEACH of Iowa. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Resolution 152, a resolution urging the President to continue to express U.S. opposition to the Soviet imprisonment of Anatoly Shcharansky.

The case of Anatoly Shcharansky, a courageous young Soviet Jew, is well-known in this country. Many of us have met with Avital Shcharansky, his wife, and know of the despair she must face as she presses tirelessly for her husband's release.

As in so many other cases, the Soviet Government has once again reneged on its human rights commitments under international agreements such as the Helsinki accords. Anatoly Shcharansky, a computer programer for the Moscow Research Institute for Oil and Gas, was an active and dynamic leader in the movement to monitor Soviet compliance with the Helsinki Act. In 1977, he was arrested and charged with working for the American CIA, and was finally convicted of the charges in July 1978. Efforts by the American Government during that period to prevent his sentencing by denying any validity to the CIA charges placed against Shcharansky, failed dismally. Today, he is serving a 13-year prison sentence and suffering dangerous health problems.

House Resolution 152 calls on the President—at every suitable opportunity and in the strongest terms—to express to the Soviet authorities U.S. opposition to the imprisonment of Mr. Shcharansky and to urge that he be given proper medical treatment and permitted to leave for Israel.

Earlier this year, President Reagan met with Mrs. Shcharansky at the White House and assured her he would do all he could to help her husband. Since then, the administration has sent Congress written assurances that it has communicated U.S. concern to the Soviets "via diplomatic channels" and that it will continue those efforts. Thus, House Resolution 152 is fully consistent with this administration's policy with respect to American policy in general and Shcharansky's case in particular.

Mr. Speaker, it is difficult not to feel a deep sense of frustration over the injustice Mr. Shcharansky and his family suffer and the limits to which this Congress can go to secure his release. Hopefully, the passage of House Resolution 152 will strengthen the hands of our diplomatic officials in exercising the maximum leverage possible on Soviet authorities on his behalf. I encourage my colleagues to support the resolution.

Mr. Speaker, I have no other requests for time, and I yield back the balance of my time.

Mr. BONKER. Mr. Speaker, I yield such time as he may consume to the distinguished chairman of the full committee, the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I rise in support of House Resolution 152, to urge the President to continue to express the opposition of the United States to the imprisonment on Anatoly Shcharansky by the Soviet Union.

Today we consider, once again, the case of Anatoly Shcharansky, an incarcerated Soviet prisoner of conscience. It is most distressing that Mr. Shcharansky's situation has not only not improved, but has in fact deteriorated to the point where he hovers precariously close to death.

I strenuously urge the Soviet Union to act with compassion and provide Anatoly Shcharansky with the vital medical measures he requires, and to permit his safe passage to a new home in Israel. Such a deed is not a matter of compassion alone. It is, as well, a matter of Soviet adherence to international obligations which they agreed to uphold. Shcharansky's incarceration contravenes the Helsinki accords, an instrument which underscores respect for basic human rights and individual freedom. House Resolution 152 calls on the President to relay the message of this resolution to the Soviets at every possible opportunity.

Mr. Speaker, I urge the adoption of House Resolution 152.

Mr. BONKER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in the time that remains I would like to make a concluding statement regarding the three resolutions, two of which have just passed the House.

This final resolution is fairly typical of the others that have received our action, and it concludes by saying:

*Resolved*, That it is the sense of the House of Representatives that the President, at every suitable opportunity and in the strongest terms, should express to the Union of Soviet Socialist Republics the opposition of the United States to the imprisonment of Anatoly Shcharansky, and should urge that Mr. Shcharansky be given proper medical treatment and be permitted to emigrate to Israel.

In each of these resolutions, Mr. Speaker, we instruct the President through his emissaries to make our concerns known to Soviet authorities.

This week the Secretary of State will be meeting with the Foreign Minister of the Soviet Union. I would hope that the Secretary of State will take these concerns and others expressed by the Congress regarding various dissidents and the treatment afforded them within the Soviet Union and express in the strongest terms our continuing concern about their health and well-being and in some cases their opportunity to emigrate from that country. It seems timely that the resolutions before us instruct the President—and, in this case, through his Secretary of State—to make these expressions known to the Soviet authorities. We need to express in the strongest terms our continuing concerns about dissidents within the Soviet Union.

● Mr. WAXMAN. Mr. Speaker, today the House of Representatives again demands that the Soviet Union end its unjust and inhumane imprisonment of Anatoly Shcharansky. Our expression of concern could not be more urgent or timely. It has been 4 months since Tolya's family has heard from him by letter—leading to fears that Shcharansky's health, which was already reported to be rapidly deteriorating in the absence of an adequate diet and proper medical attention, may be in the most serious jeopardy. In addition, the family's visits to his prison camp have been canceled—another in a long string of indignities and insults to Shcharansky's brother, Leonid, and his mother, Ida Milgrom. The Soviet authorities seem to delight in pouring salt into the raw wounds of repression they have inflicted on Anatoly and thousands of other Soviet Jews.

The world is all too familiar with Anatoly Shcharansky's plight, and I daresay that even he would be stunned by the worldwide support for his freedom. He has become a figure that is larger than life, a metaphor for the struggle for freedom.

Our demand that Anatoly be freed is especially timely. Later this week, Secretary of State Haig will meet with Soviet Foreign Minister Gromyko in the most high level exchange with a Soviet official of this administration. I deeply hope that Secretary Haig will fully adhere to President Reagan's commitment that the issue of human rights will always be on the bargaining table when we sit down with the Soviets—and I trust our side, in these discussions, will not hesitate to directly raise this compelling matter.

We are also acting on this resolution just a few days before the beginning of the Jewish New Year, Rosh Hashanah, and the Days of Awe that follow. For Jews throughout the world, these are days of celebration, renewal, introspection, rededication, and the reaffirmation of faith—elements that are especially meaningful for all involved in the fight for freedom for Soviet Jewry. It is entirely appropriate, therefore, on the eve of these holy days, that the House has chosen to reiterate its commitment to freedom for Anatoly Shcharansky.

Mr. Speaker, I urge the overwhelming adoption of this resolution.●

● Mr. DERWINSKI. Mr. Speaker, I am pleased to join with my colleagues in offering my support for House Resolution 152, which urges the President to express our continued opposition to the illegal and immoral imprisonment of Anatoly Shcharansky, and requests that Soviet authorities allow him to be given proper medical treatment and be permitted to emigrate to Israel.

Since his arrest, Anatoly Shcharansky has become so ill that his life is now in danger. Soviet authorities have not provided him with adequate medical care, and as a result his condition is extremely perilous.

We cannot forget these dissidents who are continuing to be victimized within the Soviet borders by repressive internal policies of that nation's leaders. The continued incarceration of Anatoly Shcharansky, Viktor Brailovsky, Vladmir Kislik, and many others like them that remain separated from their families, are examples of continuing repression by Soviet authorities of political prisoners whose sole crime is a desire to enjoy their religious freedoms, political beliefs, and their basic human rights.

It is my hope that this resolution will show the Soviet Union that the United States is deeply concerned over the fate of Anatoly Shcharansky and other Soviet citizens who remain separated from their families by political boundaries. I urge adoption of House Resolution 152.●

● Mr. CORRADA. Mr. Speaker, it is with a sense of deep sadness but with renewed vigor that we again consider a measure urging the release of Anatoly Shcharansky.

For many years, the Soviet Union has refused to allow the emigration of Mr. Shcharansky to Israel for the very simple reason that he is a very courageous, intelligent, and frank spokesman for Soviet Jews. His fortitude is remarkable but now his health is imperiled to the point that his life is at stake. For humanitarian reasons the Soviet authorities should immediately release Mr. Shcharansky and allow him to emigrate to Israel to join his wife Avital.

I was fortunate to meet Shcharansky's mother during a recent official trip to the Soviet Union with other members from the Education and Labor Committee. I have been a strong supporter of the efforts to obtain the release of Anatoly Shcharansky and I urge all my colleagues to join in expressing our deep outrage and concern over his treatment by casting their votes in favor of House Resolution 152.●

● Mr. BINGHAM. Mr. Speaker, I rise in strong support of this resolution which protests the Soviet Government's treatment of Anatoly Shcharansky. Shcharansky has now been in prison for over 4 years for the "crime" of seeking to live in the State of Israel. He has been separated from his wife, Avital, his mother, and other members of his family. The latest reports on Shcharansky are especially alarming. He is gravely ill and, in fact, may be near death. How long can this unfair confinement continue?

I wish that there was some way of making the Soviet Government understand that the concern of this Congress over Shcharansky is no fleeting interest. We shall not forget Shcharansky. We shall continue to speak out until this good and innocent man is free. Anyone who thinks that in time we shall forget Shcharansky and leave him to his fate should recall the case of Alfred Dreyfus. Like Shcharansky, Dreyfus was imprisoned after a kangaroo legal proceeding. Like Shcharansky, Dreyfus protested his innocence. Agitation for Dreyfus' release did not end despite the fact that Dreyfus was chained to his cell on Devil's Island. The thunder of protest against Dreyfus' unfair imprisonment continued to roar until the day the innocent Frenchman was finally exonerated. A turning point in that case came when the great French writer Emile Zola pointed to the Government of France and said "I accuse." Today Members of Congress join as one to say that we accuse the Soviet Government of knowingly keeping an innocent man in prison. We urge the Soviet Government to immediately effect the release of Shcharansky and his reunification with his wife in Israel. The release of Shcharansky would benefit not only the Shcharansky family but also the cause of peaceful relations between our two countries.●

● Mrs. HECKLER. Mr. Speaker, the ordeal of Anatoly Shcharansky is one that carries great import for all of us who are appalled by the Soviet Government's systematic policy of repression against its own Jewish community. Because Anatoly Shcharansky is one of the most visible of the Soviet Jewish refuseniks, his imprisonment and criminal mistreatment represent not only a profound human tragedy, but a blatant flouting by the Soviet Union of international opinion and concern.

Anatoly Shcharansky is indeed a symbol, a man who has, through his suffering and his courage, come to exemplify the steadfast determination of Soviet Jewry in the face of the most malignant strains of anti-Semitism. His ability to endure the mistreatment that the Soviet authorities have devised for him is a tribute not only to his personal bravery, but also to the deep desire for freedom that sustains the entire refusenik community.

Now, Mr. Speaker, observers have noted reports that Anatoly Shcharansky is gravely ill, and that even in this extreme condition he is being denied proper medical care by his jailers. Such gross insensitivity by the Soviet authorities is shocking, but not surprising.

The Soviets' record, or lack thereof, in the area of human rights is sadly familiar to all of us here. It would, perhaps, be easy for the United States to resign itself to the Soviet Government's imposing refusal to face up to its own constitutional obligations, and its responsibilities under international agreements.

But we cannot, Mr. Speaker. We cannot stop calling the Soviets to face their responsibilities—we cannot stop reminding them of the conscience of their own nation, which they strive not to hear.

The case of Anatoly Shcharansky goes far beyond Soviet domestic policies, or international political wrangling. It strikes at the most basic requirement of all who share the human condition—respect for human life and liberty, and the obligation to preserve and protect innocent life.

Simple justice dictates clearly the actions we are required to take. We must continue to press for what is humane and just—for the quick medical treatment of Anatoly Shcharansky in his illness, and for his subsequent release and free emigration to Israel.

We must do so not only because Anatoly Shcharansky is a symbol of a movement whose values we share, but

more importantly because he is a member of the human family, whose triumph and sufferings we also share.

Mr. Speaker, the release of Anatoly Shcharansky would be an important humanitarian statement by the Soviet authorities. To the extent that it is in our power to bring such a move about—and today's resolution was only one of the steps we can, and should, take—I urge all of my colleagues in this House to join in a redoubled effort to win justice for Anatoly Shcharansky.●

● Mr. HOLLENBECK. Mr. Speaker, I welcome this opportunity to rise and join with my colleagues in voting for House Resolution 152, a resolution opposing the continued imprisonment of Anatoly Shcharansky. It was 4 years ago, March 15, that Mr. Shcharansky was arrested. As we all know, Anatoly received a severely inflated 13-year prison term in July 1977, the result of trumped-up espionage charges. This 13-year sentence was imposed by the Soviet authorities despite Presidential intervention attesting that Shcharansky was not in any way associated with the Central Intelligence Agency.

Now over 4 years later, I am sad to state that the situation has worsened. Mr. Shcharansky not only remains imprisoned but his health has continued to deteriorate. Latest available information indicates that he is seriously ill, that he is not receiving necessary medical treatment in the Perm labor camp where he is serving his sentence.

The Soviets handling of this case has been recognized worldwide as a blatant example of injustice and a violation of human rights. To imagine that such an unjust series of events, in direct violation of the Helsinki accords, can actually occur in modern times is indeed a depressing thought. As civilized people with an inherent respect for human rights, we must not relent in our efforts to secure the release of Anatoly Shcharansky. We must continue to persevere as we hope and pray that Anatoly is able to persevere.

I am proud to join my colleagues in condemning the Soviet Union for their shameful injustices in the case of Anatoly Shcharansky. I can only hope that civilized people worldwide will not relax their efforts to achieve Mr. Shcharansky's expeditious release.●

● Mr. FRANK. Mr. Speaker, I join my colleagues in support of House Resolution 152, a resolution urging the President to continue to express the opposition of the United States to the imprisonment of Anatoly Shcharansky by the Soviet Union. This expression of support for Soviet prisoner of conscience Anatoly Shcharansky is both timely and important.

As a symbol of all individuals serving sentences in Soviet prisons and labor camps because of their beliefs, Anatoly Shcharansky represents Soviet Jews who desire to emigrate. His incarceration is the result of an unjust trial that was condemned around the world. His real "crime" was that he was the leader in the movement of Jews who wished to leave.

Shcharansky's health is of immediate concern to many Members of Congress and is, in part, the reason this resolution is so timely. But there is no time when the Shcharansky case is not relevant to relations between the United States and the Soviet Union. As long as he and others like him are incarcerated, and as long as Soviet citizens are denied their constitutionally guaranteed right to emigrate the United States has an obligation to indicate our strong objections.

I recently circulated a letter to our colleagues asking them to join me in urging Secretary of State Haig to raise the issue of the Shcharansky case with Soviet Foreign Minister Andrei Gromyko when they meet in New York later this week.

I attach a copy of the letter which is being sent today to Secretary of State Haig.

HOUSE OF REPRESENTATIVES,
*Washington, D.C., September 21, 1981.*

Secretary ALEXANDER HAIG,
*Department of State,*
*Washington, D.C.*

DEAR MR. SECRETARY: We are concerned about reports that Soviet prisoner of conscience Anatoly Shcharansky may be seriously ill in the Perm labor camp where he is currently serving the remainder of his term for allegedly contacting agents of the CIA. As you know, his show trial in July, 1978 provoked unprecedented international protests, particularly in the United States.

We believe that your upcoming meeting with Soviet Foreign Minister Andrei Gromyko is an excellent opportunity for you to express the United States' strong objections to his continued incarceration and to urge the Soviet Union to allow a team of qualified physicians to examine Shcharansky to determine his exact medical condition and to administer whatever medical treatment may be necessary.

We consider Shcharansky's condition to be a matter of serious U.S. concern. We trust that you will respond favorably to our request that you forcefully and effectively convey the objections of the United States to Andrei Gromyko at your meeting with him later this month.

Barney Frank, Les Aucoin, Mike Lowry, John J. LaFalce, Anthony Beilenson, Henry S. Reuss, Charles E. Schumer, Thomas M. Foglietta, Ray Kogovsek, William D. Ford, Norman E. D'Amours, Guy V. Molinari, Marjorie S. Holt, Martin Frost, Tom Harkin, Tom Lantos, Gerry E. Studds, Buddy Roemer, Bobbi Fiedler, Joseph P. Addabbo, William H. Gray, III, James L. Oberstar, Frank Horton, Joel Pritchard, George C. Wortley, Joseph G. Minish, Tony Coelho, Frederick W. Richmond, Harold E. Ford, James M. Jeffords, Bill McCollum, Bob Edgar, James M. Shannon, Sidney R. Yates, John J. Moakley, Stephen J. Solarz, Bernard J. Dwyer, Willis D. Gradison, Jr., Jonathan B. Bingham, Robert A. Roe, Toby Roth, John LeBoutillier, Bill Lowery, James H. Scheuer, Ken Kramer, Harold C. Hollenbeck, Don Ritter, William F. Goodling, James M. Collins, Parren J. Mitchell, William Lehman, Eugene V. Atkinson, David R. Bowen, Bob Shamansky, Edward P. Boland, Henry A. Waxman, Hamilton Fish, Jr., Don Edwards, Bill Brodhead, Millicent Fenwick, Dan Glickman, Benjamin A. Gilman, Walter E. Fauntroy, Don Bonker, and Toby Moffett.●

● Mr. McGRATH. Mr. Speaker, I rise in strong support of this resolution to express concern over the imprisonment of Anatoly Shcraransky. This resolution is particularly timely, since Shcharansky has not been heard from in several months, and there is increased concern for his safety.

In light of the intense international concern for Anatoly Shcharansky's welfare, I recently wrote to Secretary of State Haig to urge that he raise this issue in his forthcoming meeting with Soviet officials.

Mr. Speaker, many of us have taken the floor of this House to express our concern over the plight of different Soviet prisoners of conscience, and Anatoly Shcharansky is only the most notable. His case is a prime example of the Soviet Union's callous disregard for human rights, and particularly its disregard for the Helsinki accord to which it is a signatory.

My administrative assistant recently returned from the Soviet Union, where she had the opportunity to meet with many dissidents and their families. She has reported to me that it is only pressure from the international community, including the U.S. Congress, that keeps many of these people alive. It is clear that our efforts must continue unabated until the Soviet Government recognizes the basic rights of its own citizens.

I want to commend the sponsor of this resolution, Mr. RINALDO, and the Committee on Foreign Affairs for giving us this opportunity to go on record in support of human rights in the Soviet Union and to protest the Soviet Union's treatment of this truly great individual, Anatoly Shcharansky.●

● Mr. MOFFETT. Mr. Speaker, I wish to take this opportunity to express my support for House Resolution 152, regarding the imprisonment and inhumane treatment of Anatoly Shcharansky, a Soviet Jew who has sought to emigrate to Israel.

Since January of this year, Mr. Shcharansky has been held in solitary confinement at one of the Perm Labor Camps. His living conditions in the camp are deplorable. He is receiving half rations of food—about 1,000 calories per day—and is allowed only 30 minutes of exercise each day. As a result, his health is deteriorating—he is suffering from heart problems, memory loss and other difficulties. Furthermore, because his cell is poorly

lit, his attempts to pass the time by reading have impaired his vision.

Mr. Shcharansky's mistreatment by Soviet officials appears particularly barbaric in light of the circumstances surrounding his imprisonment. His widely publicized trial, which made a mockery of justice, demonstrated to the world the Soviet Union's disregard for even the most basic of human rights, as outlined in the Helsinki accords signed by the U.S.S.R. in 1975.

Soviet persecution of Shcharansky began in 1973, when he first applied for permission to emigrate to Israel. Following the refusal of his application, he continued to seek to emigrate, and worked on behalf of the human rights cause in the Soviet Union. He became a founding member of the Group to Monitor the Helsinki Agreement in the U.S.S.R., and often acted as a spokesman for Soviet "refuseniks." His courageous efforts on behalf of human rights ultimately led to his arrest in March 1977, on charges of spying for the United States. In spite of worldwide outrage over his trial, and President Carter's public assurances that he had never been affiliated with the CIA, Shcharansky was convicted. His current prison term extends through 1990.

I am pleased that the House of Representatives voted yesterday to pass House Resolution 152, which calls upon the President to pressure the U.S.S.R. for more humane treatment of Anatoly Shcharansky. The case of Mr. Shcharansky highlights the Soviet Government's hypocrisy in refusing to abide by the provisions of the Soviet-signed Helsinki accords. Perhaps this resolution will help to persuade the Soviets to abandon the deplorable treatment to which Anatoly Shcharansky is currently being subjected.●

● Mr. GILMAN. Mr. Speaker, I take this opportunity to join my colleages in full support of this resolution objecting to the further imprisonment of Anatoly Shcharansky. It was 2½ years ago last week that Anatoly Shcharansky was arrested by KGB agents on trumped-up charges of treason and working for the CIA. The Soviets defying world outrage, including a personal appeal by President Carter in June, 1977, committed Shcharansky to solitary confinement for 16 months. His trial in June 1978, took only 4 days. It was a mockery of justice, failing even to comply with Soviet law and resulting in a sentence of 13 years in prison and labor camps.

As if that gross violation of his rights, as guaranteed by the Helsinki accords, was not enough, Anatoly Shcharansky was even deprived of the right to receive visits from his elderly mother, Ida Milgrom. The Soviet prison authorities have recently resorted to a new tactic of cruelty to Mrs. Milgrom, reporting that her son's most recent letter—which he is permitted to send only once every 2 months—was lost in the mail.

Last year, shortly after I received a personal appeal from Mrs. Milgrom, I was privileged to lead the House in a special order to denounce Shcharansky's treatment, a denunciation that, I am pleased to remind the committee, was joined by many Members of the House, including most of those now present. The shocking news contained in Shcharansky's just-released letter, in which he reveals a serious loss of weight and periodic bouts of blindness, is extremely distressing to all who are concerned for the safety of this victimized man. His health problems have long been known, and the Soviet's refusal to acknowledge worldwide concern and remedy the situation is further proof of their failure to abide by human rights policies accepted around the globe.

The purpose of House Resolution 152 is to state the strong objection of the Congress and the American people to Shcharansky's imprisonment and the continued deprivation of his rights, which are in clear violation of the Helsinki accords. We deplore the inhumane conditions under which Shcharansky is being held, we object to his further incarceration and urge the President to reflect this deep concern. I hope that by continuing to illuminate his tragic plight, we may improve the chances for freedom of Anatoly Shcharansky, and of other Soviet dissidents, persecuted because they have had the courage to speak out against oppression.●

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Mr. BONKER. I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. BONKER) that the House suspend the rules and agree to the resolution (H. Res. 152).

The question was taken; and—two-thirds having voted in favor thereof—the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

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## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill and joint resolution of the following titles, in which the concurrence of the House is requested:

S. 884. An act to revise and extend programs to provide price support and production incentives for farmers to assure an abundance of food and fiber, and for other purposes; and

S.J. Res. 101. Joint resolution designating "National High School Activities Week."

□ 1230

## SENSE OF CONGRESS THAT THE NATIONAL RUGBY TEAM OF SOUTH AFRICA SHOULD NOT PLAY IN THE UNITED STATES

Mr. ZABLOCKI. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 183) expressing the sense of the Congress that the national rugby team of South Africa should not play in the United States.

The Clerk read as follows:

H. CON. RES. 183

Whereas the Government of the Republic of South Africa continues to enforce the morally reprehensible policy of apartheid, thereby oppressing the majority of the population in South Africa;

Whereas South Africa has been banned from Olympic competition for the past two decades because of the racial apartheid system practiced in the nation;

Whereas the United States Olympic Committee is opposed to the proposed United States tour of the Springbok National Rugby Team; and

Whereas there are clear indications that the tour in the United States of the Springbok National Rugby Team may trigger a boycott of the 1984 summer Olympics: Now, therefore, be it.

*Resolved by the House of Representatives (the Senate concurring)*, That it is the sense of the Congress that the Springbok National Rugby Team of South Africa should not play rugby in the United States.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Wisconsin (Mr. ZABLOCKI) will be recognized for 20 minutes, and the gentleman from Michigan (Mr. BROOMFIELD) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, the text of House Concurrent Resolution 181 was considered by the Committee on Foreign Affairs on September 17, and reintroduced as House Concurrent Resolution 183 by the gentleman from Pennsylvania (Mr. GRAY) on that date.

During the committee's debate, it was agreed to accept a suggestion by the gentleman from Illinois (Mr. DERWINSKI) that the resolution should include language that the tour by the South African team may trigger a boycott of the 1984 summer Olympics scheduled to be held in Los Angeles. House Concurrent Resolution 183 includes such language.

Mr. Speaker, I rise in support of House Concurrent Resolution 183, expressing the sense of the Congress that the national rugby team of South Africa should not play in the United States.

Mr. Speaker, even though the South African team has begun its tour and played a game this past Saturday, I

urge the House of Representatives to go on record as opposing this tour. In urging the adoption of this resolution, I ask the Members to note that this team is the national rugby team of South Africa.

Further, Mr. Speaker, I ask all Members to note that since 1970, South Africa has been barred from Olympic competition because of its racial policies. The U.S. Olympic Committee has gone on record as opposing this tour.

Most important, Mr. Speaker, I believe U.S. relations with the other nations of Africa will suffer serious harm unless we show clearly and forcefully that the great majority of the American people are opposed to this tour. By adopting this resolution, the House of Representatives can convey to the world the sentiments of the people of this country.

Mr. Speaker, I urge the adoption of House Concurrent Resolution 183.

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. BROOMFIELD. Mr. Speaker, House Concurrent Resolution 183 is unnecessary since the first rugby game has already been played. It mixes international politics with private sporting ventures. Naturally, I do not support the Government of South Africa's apartheid policies. But we must distinguish between official governmental policy and private activities which are unrelated to discriminatory policies.

The invitation to the Springbok rugby team was offered through private sporting channels in the United States; namely, the U.S. Rugby Football Union. While I do not agree with South Africa's domestic policies, I believe that it is inappropriate for the U.S. Government to intercede in these private arrangements which have been made in conformity with U.S. law. If Congress feels free to stop a South African rugby team's participation in nonofficial sporting activity, where do we draw the line? Soviet hockey and track teams play in the United States. Surely the Soviet Union is a totalitarian government whose domestic and international policies target it for similar treatment. The People's Republic of China has played ping-pong matches throughout the United States. Should we forbid future Chinese matches because democracy and freedom are not present in the PRC? And we cannot forget the host of African countries where tribal rule discriminates against other tribes and where freedom and economic opportunity for minorities may be even more lacking than in South Africa.

At stake in this resolution is not whether we condone South Africa's racial polices, for no one here does. At stake is whether governments have the right to intervene in private sporting ventures because they disagree with some other government's official policies. Policies, I might add, which in this case, are outside the control of the rugby team. If we do intervene, then where do we draw the line? Will Congress then feel free to exclude participants from the 1984 Olympics in Los Angeles? What criteria will we use? Do they have to be from a democracy in order to participate? Do they have to be only non-Communist? Do they have to be free of racial or national discrimination? Or do they have to be free of only discrimination against blacks?

I wish to emphasize that none of us approves of apartheid. But expressing the sense of Congress that the South African national rugby team should not play in the United States only raises the nature of the game to a level of politics that it does not deserve. The danger in doing so, however, is that we jeopardize certain private contractual freedoms that are basic to our country.

The specter of an African boycott of the 1984 summer Olympic games has been raised over a sport that is not even a part of the Olympic games. We cannot control the policies of African countries in regard to the Olympics, nor should our own domestic policies be modified to suit the desires of foreign countries. Are we to be jerked as a puppet on a chain every time a foreign bloc insists that the United States take certain actions? What shall we say if the Arabs threaten a boycott of the Olympics unless we exclude the Israeli's? What is our response if the Communist Eastern Bloc threatens to withdraw unless we deny visas to West German athletes residing in West Berlin?

In short, let us leave sporting events to the athletes. I know it is hard to do in view of the increasing politicalization of sports in the last few decades, but sports will be better off if we can.

Mr. ZABLOCKI. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania (Mr. GRAY).

Mr. GRAY. Mr. Speaker, the resolution before us expresses the sense of the House that the Springbok National Rugby Team of South Africa should not play in the United States. An affirmative vote is essential as a declaration to the world that our Government does not endorse or sponsor this visit.

This declaration, Mr. Speaker, is necessary to address the threat that the Soviet Union might use the Springbok tour as a tool to boycott or seek removal of the 1984 Olympics from Los Angeles.

Lest anyone doubt that the threat to the Olympics is real, we should remember that this same Springbok team precipitated the boycott of the 1976 games in Montreal by playing in New Zealand prior to the Olympics. As a result of the team's visit to New Zealand, 31 nations refused to compete against New Zealand in the Olympics and pulled out of the games.

It is true that the Soviets, already threatening to seek removal of the 1984 games or to lead such a boycott, can hardly be taken seriously when they preach about human rights. Yet, Mr. Speaker, the threat to the 1984 games is real enough that the United Olympic Committee has worked actively to prevent the South Africans from playing here.

□ 1240

And as we vote on this resolution tomorrow, I recognize that we must address the question: Why must we mix politics and sports?

The fact, however, is that the South Africans have tied the two together almost beyond recognition.

The Springboks epitomize the white supremacist policies of South Africa. The team members are selected by an officially segregated rugby union; the team is designated by the South African Government as its national rugby team; it is a vital cog in a racist society in which sports, in spite of token steps toward integration, remain not only a reflection but an expression of apartheid.

I also recognize that questions will be raised as to whether the Congress, in commenting on the Springbok tour, would set a precedent in terms of future tours by sports teams and cultural groups from totalitarian countries.

The difference here, first, is that, in this case, the 1984 Olympics in Los Angeles are at stake. Second, South Africa is the target of a campaign of isolation endorsed almost universally by the United States and the world community—a campaign motivated by the fact that South Africa has the only official government policy of racism in the world. Third, as part of this campaign, South Africa has been banned from Olympic competition since 1964. And, finally, as a further manifestation of this campaign, no South African national team has visited the United States since 1978.

The South African regime would like nothing better than for the Springbok's tour to be a sporting event, no more or no less.

But given the risk to the 1984 Olympics, and given that people of conscience recognize the apartheid systems for all of its evil, this tour is a showcase for far more than rugby, as the recent score would demonstrate, 47 to 12. It would be like the Philadelphia Phillies, the world champion team of my hometown, trying to play the Chinese club baseball team. What athletic advantage is there to it? We are talking about showcasing not the type of segregated society which scarred a bygone American era.

Rather, we are talking about an official, legal, systematic racism which dominates every facet of South African life.

The majority of South Africans are denied the right to vote except in matters which have no impact on their relations with the white minority. The South Africans pass laws prohibiting travel by blacks, they prevent blacks from living in cities unless they hold jobs, and blacks who do not have a job cannot bring their families to live with them. The Government spends 11 times more for the education of the small minority than for its black majority. The labor unions cannot bargain collectively.

What is the issue? The issue is simply this: Is it in our national interest to have the Springboks here? The answer is clearly no. And the Assistant Secretary of State for Africa, Hon. Chester Crocker, before the subcommittee on Africa, testified last Wednesday that he felt that an expression in a resolution like this would "clarify that this Government is not endorsing the Springbok's tour."

Mr. BROOMFIELD. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. ERDAHL), a member of our committee.

Mr. ERDAHL. Mr. Speaker, I rise in support of the sense of Congress Concurrent Resolution 183. I think we need to remember that is just what it is. We in the Congress do not issue visas, nor can we reclaim them. We each cannot pretend to be the Secretary of State. But I think we do have an opportunity and perhaps an obligation to reflect the consensus of the people of this country, and I think this is what we are doing in approving this resolution. As has already been expressed, I think most of us would find the discriminatory, the racist policies which are an integral part of the Government of South Africa to be abhorrent.

Our country has not issued the invitation that this team visit here. It was issued by a private organization, incidentally, as was reported in one of our sport pages, after this group received a $25,000 donation from a patron of rugby in South Africa.

I would venture that no Member of this body has probably ever sat through a whole rugby game or ever played in one. But, the sport is very important to the Government of South Africa.

The charge has been made that this resolution politicizes the issue. It is not maybe politics in this country, I can assure you, because I was recently in Johannesburg, it is a front page story there. It is a political issue to them. As the gentleman from Pennsylvania (Mr. GRAY) said, this is their national team playing what would amount to a pickup team in this country.

I trust this resolution will pass. I think it does tell the world and South Africa that this—a nonbinding sense of Congress resolution—would send a message to the South African Government and all the people of the world that a broad cross section of the people in this country do not condone the system of apartheid. Without interfering in the Springbok tour, because it is going on and probably will continue, this resolution would place the Congress on record as rejecting the South African Government's attempt to portray the rugby tour as an indication of rapprochement between South Africa and the United States.

It is in this spirit of clarifying a broad consensus of American public opinion and conveying that opinion to the world that I rise in support of the resolution of the gentleman from Pennsylvania.

Mr. ZABLOCKI. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia (Mr. MCDONALD).

Mr. MCDONALD. Mr. Speaker, supporters of the campaign of protests against the South African Springbok rugby football team may think they are doing something constructive in support of human rights. The truth is that their concerns are being callously manipulated by the greatest suppressor of human rights in this century, the Soviet Union and the Soviet Communist Party.

The vehemence of the opposition to the U.S. tour of a racially integrated South African team suggests that once again there is a double standard being applied by the devotees of human rights. The campaign against South Africa stands in stark contrast to the welcoming of representatives of the Soviet and Red Chineses dictatorships to this country.

Despite the Soviet Union's cruel harassment of Jews, Christians, and political dissidents; despite Red China's ruthless crushing of all internal dissent and its hard-line support for the genocidal policies of the Khmer Rouge, representatives of these harsh dictatorships who include ping-pong and ice hockey teams and gymnasts appear before American crowds without nationwide protests and certainly without the involvement of the Congress.

The campaign against the South African rugby team is being carried out in coordination with terrorist groups that are surrogates for the Soviet Union in its efforts to gain control of southern Africa. The bloody-handed Soviet dictatorship has never supported true progress and the true human rights of political, economic, and personal freedom. When we see the Soviet Union's allies taking up a cause, we would do well to stop and consider carefully what they intend.

Let us look at some facts.

Before coming to our country, the Springboks played matches in New Zealand. Riots were staged by leftist New Zealand demonstrators. New Zealand Prime Minister R. D. Muldoon stated in an interview published by the London Sunday Telegraph on September 13, that the riots in his country were part of a campaign of "civil disorder that is being fomented by the left-wing elements all over the world." Asked where the protesters, including youth gangs, had got the money to stage the series of riots, Prime Minister Muldoon said, "Some of it has come from the Workers Communist League. We have no doubt that the WCL is funded by the Soviet Embassy." He also said, "We have authenticated instances of students being paid to demonstrate."

We may not know the origins of the funds that brought buses loaded with demonstrators from Chicago to the first Springbok match. We do know, however, that the U.S. "Stop the Apartheid Rugby Tour" (SART) campaign says openly that this effort has been undertaken "in cooperation with the African National Congress of South Africa, the Pan-Africanist Congress of Azania, and the South West Africa People's Organization."

All three of these organizations are revolutionary terrorist groups.

The African National Congress (ANC) and South West Africa People's Organization (SWAPO) are Soviet equipped, trained, and supported terrorist organizations.

The SWAPO has its bases in Angola where its cadres are provided with terrorist training from Soviet and Warsaw Pact officers. SWAPO's terrorism, which commenced in the mid-sixties, has included assassinations of opposition black leaders and planting mines on roadways that have killed many black Namibian civilians.

The African National Congress has been under the control of the South African Communist Party since 1947. The ANC terrorists and their South African Communist overlords suffered embarrassment in the 1960's when documents from their archives were made part of public trial record that showed they had developed foreign contacts to whom they looked for training in sabotage and terrorism, arms, political and tactical advice, and financial backing, with the Soviet Union, East Germany, Yugoslavia, Czechoslovakia, the People's Republic of China—before the Sino-Soviet split deepened—and Cuba, as well as with Soviet client states in Africa.

The much weaker Pan-Africanist Congress (PAC), split away from the ANC 20 years ago and formed its own terrorist cadre in 1963. Although for a number of years the PAC was alined with Red China, a number of South African militants—including the late

Steve Biko—have encouraged PAC to realine itself with ANC and accept Soviet backing.

Among the U.S. groups taking leadership roles in the SART campaign "in cooperation with" ANC, SWAPO, and PAC against the Springbok rugby tour are the most active support groups for revolutionary terrorism. The SART campaign endorsers include the following:

U.S. Peace Council—Which is a front organization of the Communist Party, U.S.A. serving as the American branch of the World Peace Council. The World Peace Council operates under the joint control of the International Department of the Central Committee of the Communist Party of the Soviet Union and the Soviet KGB. The WPC has two main functions: To influence public opinion and governmental policies in non-Communist countries along lines favorable to Soviet policy goals, and to provide logistical support to Soviet-supported terrorist groups.

The WPC has been campaigning in support of the ANC and SWAPO for many years, and both ANC and SWAPO leaders are members of the WPC presidium. The primary WPC tactic is to support and help coordinate economic warfare efforts against South Africa and Namibia.

American Committee on Africa—An influential U.S. support group for Soviet-backed revolutionary and terrorist groups in Africa which originated from meetings in London in 1951 between members of the Soviet-controlled ANC and a U.S. activist. ACOA has said that its initial organization was set up with the agreement of Walter Sislulu, then ANC's secretary-general who was a member of the South African Communist Party. ACOA now is beating its drum for the Marxist POLISARIO terrorists that are based in Algeria and attempting to overthrow the pro-Western government of Morocco.

Communist Workers Party—A violent group that fought New York City police during an attempt to crash into the Democratic National Convention in Madison Square Garden last summer and which was involved in an armed confrontation with neo-Nazi and Klan members in North Carolina.

Workers World Party—A violence-oriented Marxist-Leninist group with a long record for street fighting with police. The fraudulence of this group's claims of concern for human rights is seen in the fact that it looks for its international political leadership to regimes such as North Korea, Cuba, and the Soviet Union itself.

May 19th Communist Organization—A group formed by New York members of the terrorist Weather Underground Organization and its overt arm, the Prairie Fire Organizing Committee. It has two front groups also involved with the SART campaign—the John Brown Anti-Klan Committee and the "Material Aid Campaign for ZANU-PF"—the Zimbabwe African National Union/Patriotic Front Party.

Socialist Workers Party—A Trotskyite-Communist group closely alined with Cuba that is the U.S. section of the Fourth International. Recent trial testimony by radical SWP defectors has revealed that the SWP has provided funds for distribution to foreign terrorist groups by Fourth International leaders.

Washington Office on Africa—A lobbying group set up by the American Committee on Africa.

TransAfrica—The lobbying group headed by Randall Robinson which aims at organizing black Americans into activities that support the southern African Soviet-backed terrorists.

Mr. Speaker, those who support campaigns to isolate South Africa are not doing anything to support true progress and human rights. In fact, they are supporting, whether they know it or not, the foreign policy goals of the Soviet Union.

We are not going to be promoting peaceful change and true progress in a country like South Africa that has good relations and a friendly attitude toward America by taking aim at its rugby football players.

Therefore I strongly urge you to vote against any resolution that condemns the U.S. tour of the South African rugby football team.

□ 1250

Mr. BROOMFIELD. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin (Mr. SENSENBRENNER).

Mr. SENSENBRENNER. Mr. Speaker, I rise in opposition to this resolution and, in doing so, I want to state that I oppose the doctrine of apartheid just as vigorously as the supporters of the resolution do.

South African domestic racial policies are a blight in this world and the sooner the South African Government can be persuaded to change those racial policies the better this world will be. But, at the same time, Congress should not be involved in the issue of whether the South African Springbok rugby team should appear in the United States. The invitation to the Springbok team was issued by a private nongovernmental organization. The U.S. Government is not involved in this invitation, nor is it involved in any way, shape, or form in sponsoring the tour of the Springboks.

The supporters of this resolution say that because the United States condemns the apartheid actions of the South African Government we should not have this national team here in the United States on a privately sponsored tour.

If we accept this hypothesis that a team sponsored by a foreign government, the policies of which we disagree with, should not come into the United States, then why should Congress not pass resolutions condemning the visits of Soviet and East German and Czechoslovakian and Chinese sporting teams that come here quite regularly?

No one in this Chamber approves of the domestic or international policies of those governments and yet we have not taken it upon ourselves to pass similar resolutions. It is hypocritical that we are silent on Communist oppressions during visits of their national teams, but we speak out very vigorously when a South African team comes to this country.

That is why this resolution should be defeated. We can continue to oppose apartheid the same as we have in the past. But I do not think that mixing in sports with congressional resolutions is a good idea.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. SENSENBRENNER. I yield to the gentleman from Arizona.

Mr. RUDD. I thank the gentleman for yielding.

I want to commend the gentleman in pointing out the double standard being invoked by this resolution and just say that if this resolution is passed it will send a message to the world that this Congress has no respect for the sovereignty of another nation who has been friendly to this country.

Mr. GRAY. Mr. Speaker, will the gentleman yield?

Mr. SENSENBRENNER. I yield to the gentleman from Pennsylvania.

Mr. GRAY. I thank the gentleman for yielding.

I would like to point out that just a little over 1 year ago, on January 24, 1980, this distinguished body did pass such a resolution particularly aimed at the Soviets—it was 386 to 12—that we should boycott the 1980 Olympics. So there is a precedent that has been set and certainly I would support any resolution, one at a time, based on a judgment, but tomorrow in Baden Baden, West Germany, the International Olympic Committee will be discussing whether there will be a boycott here in America.

The SPEAKER pro tempore. The time of the gentleman from Wisconsin (Mr. SENSENBRENNER) has expired.

Mr. BROOMFIELD. Mr. Speaker, I yield 1 additional minute to the gentleman from Wisconsin.

Mr. SENSENBRENNER. Mr. Speaker, there is a very big difference between this resolution and the resolution relating to the Olympic boycott that was passed by the House last year.

That difference is this: The Olympic boycott resolution related to our national Olympic team not participating in the Moscow Summer Olympics.

That was something that did involve the U.S. Government because it was our national team.

Here we are talking about people coming to the United States, the home of the free; the place where we have welcomed people from all countries in the world in the past with our immigration policies, and there certainly is a vast difference in where our team goes and what happens when other teams come into the United States.

Mr. GRAY. Mr. Speaker, if the gentleman will yield further, I think the gentleman missed an earlier statement that I made. Our Olympic team is a national team, supported privately by the donations of millions of Americans, who go and represent us, but this team from South Africa is not such a team. It is supported by the Government, selected by a quasi-governmental body; and so, I do not think that that analogy holds water.

I think we are clearly talking about where we stand on our interests in 1984 in the Olympics and also where we stand on apartheid.

Mr. ZABLOCKI. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Speaker, I rise in support of House Concurrent Resolution 183.

There is overwhelming evidence to point out that the Government of South Africa acted in collusion to murder Stephen Biko, who was a black freedom fighter in South Africa.

We saw recently where the Government of South Africa moved to wipe out the black squatters in Cape Town, forcibly removing them.

These were the women and children who merely wanted to be near their husbands so that they could have a family.

The gentleman from Pennsylvania (Mr. GRAY) has alluded to the indignity of the pass-identity cards.

Last year, Mr. Botha made a statement to South Africa saying that all South Africans have to learn to live together. He said we have got to start diminishing the barriers that separate us out on the lines of color.

□ 1300

Since that time the right wing has taken over and we do not see any diminishing of the apartheid system; rather, we see it becoming even more stringent and more vicious. Why?

I think that it is the posture of America right now which emboldens Mr. Botha to become more stringent. I think America's vote in the Security Council, where it failed to vote against South Africa's invasion of Angola, encourages apartheid,

I think that all the statements that are appearing in the press saying that the Reagan administration is clearly tilting toward South Africa encourages and emboldens apartheid.

I think Mr. Chester Crocker of our State Department has made conflicting statements. On the one hand he has said that America would seek a more balanced policy in South Africa.

On the other hand, before the committee on which the gentleman from Pennsylvania (Mr. GRAY) serves, last week he said that such a resolution, as is before us today, he felt would be an expression by the Congress that would help clarify that the Government is not endorsing the Springbok tour.

You know, my colleagues in this House, it is one thing for each of us to stand up as individuals and say we do not like apartheid; it is wrong; it rubs against the grain; and it is the kind of thing that all of us abhor. I commend you for standing and saying that; but I cannot commend you for merely standing and saying that when you have the opportunity to do something about it.

I would like to paraphrase the statement that we have heard so many times. "The only thing required for the triumph of evil is that good men do nothing."

Our statements here do not mean much, but when we have an opportunity to do something, merely to indicate that it is the sense of this House that we are against apartheid, then I think if we fail to do it, we are lesser as a human being and lesser as a legislative body.

Mr. BROOMFIELD. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, this resolution is bothersome to me and I suspect that it is bothersome to many other Members of Congress as well. I doubt there are any votes in this body in favor of apartheid and I suspect that none of us wants to be described as being other than strongly opposed to it. I know that is the case for me; but the resolution opposes apartheid in a "whereas" clause and the description of the resolution is that the Congress does not want the rugby team of South Africa to play in the United States. The resolve clause is quite clear. That is what it says, too.

I am not for a suppression of rights in South Africa nor the U.S.S.R. nor in the dozens of other countries where rights are suppressed, and we know those countries well; but I and this body have not been asked to vote against cultural exchanges or athletic exchanges with the U.S.S.R. or with these other countries.

I would vote for a resolution against apartheid any day and all day. It is an abhorrent policy; but I do not oppose cultural and athletic exchanges between the United States and other countries with whom we have normal relations. I frankly do not know where to start drawing the line in opposing these kinds of cultural and athletic relations.

As a matter of fact, we frequently get defections from some of these relations, and maybe that will occur in this instance.

Actually, I believe the best way to change the apartheid policy is through continuing pressure and persuasion from the United States. This resolution is a resolution of confrontation. It may not mean very much, but it is likely to be counter productive to the goal of all of us, the primary goal, which is effecting change in the apartheid policy of South Africa.

For that reason, Mr. Speaker, even though I oppose the policy of apartheid very strongly, I am going to have to vote against the resolution.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that at the conclusion of the 2 minutes which the gentleman from Michigan kindly yielded to me, the 3 minutes that the gentleman from Wisconsin has yielded me may thereupon emerge so that I have a total of 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Does the gentleman from Wisconsin yield 3 minutes to the gentleman from New York?

Mr. ZABLOCKI. Mr. Speaker, I will yield to the gentleman after his 2 minutes that he has received from the gentleman from Michigan will expire. I will withhold until the gentleman needs additional time; so I will oppose the unanimous-consent request.

The SPEAKER pro tempore. Objection is heard. The gentleman from New York is recognized at this point for 2 minutes.

PARLIAMENTARY INQUIRY

Mr. STRATTON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. STRATTON. Mr. Speaker, do I understand that the gentleman from Wisconsin is declining to yield me the 3 minutes as originally promised?

The SPEAKER pro tempore. The Chair will state that the gentleman from New York made a unanimous consent request, to which the gentleman from Wisconsin has objected.

Therefore, at this time, the gentleman from New York is recognized for 2 minutes.

Mr. STRATTON. Mr. Speaker, perhaps the parliamentary inquiry should be addressed, because I did not understand the gentleman from Wisconsin as to whether or not he indicated I was still on the list for 3 minutes or he had taken me off or was going to take me off if he did not like what I said in the first 2 minutes.

The SPEAKER pro tempore. The Chair will state that it is the under-

standing of the Chair of the parliamentary situation at this point that the gentleman from New York has been yielded 2 minutes out of the time allotted to the gentleman from Michigan (Mr. BROOMFIELD); that in addition to that, the gentleman from New York requested that he be recognized at this time for 3 additional minutes or for a consecutive period of 5 minutes and that the subsequent 3 minutes should come from that time allotted to the gentleman from Wisconsin (Mr. ZABLOCKI), to which unanimous consent request the gentleman from Wisconsin objected.

Mr. STRATTON. Mr. Speaker, a further parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. STRATTON. Mr. Speaker, the gentleman from Wisconsin had allocated me 3 minutes.

Mr. ZABLOCKI. Not as yet.

Mr. STRATTON. I wanted to make sure that I could talk for 2 minutes on the time of the gentleman from Michigan (Mr. BROOMFIELD) and not have to sit down and then get up a half an hour later and add the additional 3 minutes.

I was not clear whether the gentleman from Wisconsin indicated that if I behaved myself during the first 2 minutes he would be happy to give me the 3 minutes that the gentleman had previously promised me.

The SPEAKER pro tempore. Does the gentleman from New York yield to the gentleman from Wisconsin?

Mr. STRATTON. Under the parliamentary inquiry, I will yield to my good friend, the gentleman from Wisconsin, yes.

Mr. ZABLOCKI. Mr. Speaker, the gentleman from Wisconsin did not indicate any of the types of provisions or conditions that the gentleman from New York states. When the gentleman asked for time, he requested 3 minutes and in listing the time there were other Members here that wanted to speak. It was my understanding it would be a total of 3 minutes that the gentleman wanted. I have shortchanged other Members on our side who wanted 2 minutes to 1 minute.

Therefore, I will take that into consideration after the gentleman finishes his 2 minutes.

The SPEAKER pro tempore. The Chair would suggest that the gentleman from New York might desire not to have additional colloquies come from his time and might desire at this point to consume what remains of his 2 minutes.

Mr. STRATTON. Mr. Speaker, let me begin by saying, as other speakers have said, that I, too, abhor apartheid. I think my record on civil rights over 23 years in this House demonstrates that this statement is not being put on just for the sake of this particular resolution.

I just happen to feel that this resolution, as other speakers have also indicated, is not the best way to try to change the government policy of South Africa.

□ 1310

I have perhaps a unique opportunity for speaking on this question in this body today because the Springboks are scheduled to play in my city of Albany, N.Y., on tomorrow. The mayor of the city of Albany allowed them to play in the city's Bleeker Stadium although he had had opposition to that decision from virtually every religious leader and every leader in the black community. But Mayor Corning made his decision because, he said, the right to assemble is guaranteed by the Constitution. And when Mayor Bradley of Los Angeles brought to his attention the problem of the 1984 Olympics, the mayor of Albany said, "Which is more important, a Soviet threat or the Constitution of the United States that gives the people the right to assemble?"

And then, a few days later, the Governor of the State of New York, our former beloved colleague, Hugh Carey, decided that because of the various threats of violence being posed by some of these opposition groups that the gentleman from Georgia (Mr. MCDONALD) has mentioned, the Governor overruled the mayor and directed that the game should be canceled in Albany. This morning the ERU, the Eastern Rugby Union, went into Federal Court in Albany to get an injunction against Governor Carey's ban on the ground that the Governor's order was in violation of the first amendment to the Constitution. The hearing was held, and the judge is expected to rule this afternoon.

I trust that I may be able to complete my statement, with the help of whatever additional time the gentleman from Wisconsin has available to yield to me.

Mr. ZABLOCKI. Mr. Speaker, I yield 1 additional minute to the gentleman from New York (Mr. STRATTON) not because of what he said but in fairness to the other Members.

Mr. STRATTON. I thank the gentleman from Wisconsin.

I think the constitutional provision is the one that is really binding in this case, as the mayor of Albany has wisely and courageously demonstrated. We extend the provisions of our Constitution to aliens who happen to be in the country, as well as to our own citizens. And it would be a sad day for the Constitution if threats of violence or the cost of maintaining law and order were permitted to suspend the operation of the first amendment.

I believe as has already been mentioned that the effectiveness of utilizing sport as a means of establishing better relations with other countries has been clearly demonstrated. It was the ping pong game out at Cole Field House at the University of Maryland that give us the breakthrough to Communist China. We abhor much that the Communist Chinese stand for, but we were willing to play ping pong with them. And when they beat us, we decided perhaps we might do better to recognize them and find out how to play ping pong better. And that decision has been widely hailed as a great step forward.

Equally, we oppose most virulently the philosophy and the conduct of the Soviet Union. But that did not stop us from sending a swimming team over there just about 3 weeks ago; and the American swimmers beat the pants off of the Soviet Union.

Mr. Speaker, I think the Albany players will beat the pants off the Springboks when they play them tomorrow; and that I believe is the best way to show how our system is better than theirs.

I oppose the resolution of the gentleman from Pennsylvania (Mr. GRAY).

Mr. BROOMFIELD. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. FINDLEY), a member of the Foreign Affairs Committee.

Mr. FINDLEY. Mr. Speaker, this is an issue that is caught up in emotion. I think a year from now we might look at the issue somewhat differently than we do today, and I would ask my colleagues to take the long view and recognize that there is some advantage to having a team like the one from South Africa come here, confront public opinion, recognize the protests that have been mounted, sense the feeling against apartheid that is so prevalent in this country. For us to reject the team is to deny its members the experience of that protest movement.

Now, I deplore apartheid as much as any Member of this body, I am sure. My record in support of civil rights measures, I believe, is as consistent as any Member of this body. I supported all of the civil rights legislation during the sixties, and I am proud of that record. And I hope the day will soon come when South Africa will abolish apartheid, but we have standards to recognize here, and one of the standards is the free exchange of ideas, the free movement of people across national borders. This includes sports groups. I therefore, oppose the resolution.

Mr. ZABLOCKI. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. DYMALLY).

Mr. DYMALLY. I thank the chairman of the Foreign Affairs Committee.

Mr. Speaker, I wish to go on record expressing in the strongest terms my opposition to the South African rugby team's tour of the United States.

Whether we like it or not, politics, in this instance, cannot be separated from athletics. To countenance the appearance of a South African team in the United States would be one more symbolic expression of approval of South African apartheid.

We are aware of the strong demonstration protest in our Nation of this team's appearance. Out of respect for the sentiments of our own citizens who rightly oppose South African policies, and out of compassion for the victims of apartheid in South Africa, I urge this Congress to make known its opposition to the tour.

The Soviet Union, various European nations, and several Third World and nonalined countries are threatening to boycott the 1984 Olympics, to be held in Los Angeles, because of this tour. We should take heed, not because of any perceived threat, but because the position of these nations is entirely logical and justifiable.

Mr. McDONALD. Mr. Speaker, will the gentleman yield on that point?

Mr. DYMALLY. I yield to the gentleman from Georgia.

Mr. McDONALD. Does the gentleman not agree that perhaps the Olympics have already been highly politicized, when we have denied the Chinese Nationalist team from Taiwan the opportunity to represent their country?

Mr. DYMALLY. Well, I believe it was when the gentleman from Georgia participated in a resolution to boycott the Olympics last year.

Mr. McDONALD. As I recall, at that time, that was an entirely separate issue. However, the drive against the Nationalist Chinese certainly has thrown politics into the Olympics, and we have seen teams coming from the Eastern bloc that really have not been amateur teams at all, but really have been professional teams backed by the Soviet system.

Does the gentleman not agree that that is the case?

Mr. DYMALLY. Well, we would be fools not to conclude that politics is part of the Olympics. In fact, this body here, this august body, participated in that political endeavor when they passed a resolution by an overwhelming number of Members in support of boycotting the Olympics.

Mr. McDONALD. Mr. Speaker, will the gentleman yield once further?

Mr. DYMALLY. May I conclude, Mr. Speaker, in one-half minute?

Only last year, the United States boycotted the Olympics in the Soviet Union because of acts of oppression against Afghanistan. Let us not be fools and think no one will notice our inconsistency and hypocrisy. I would hope our country is secure enough, and big enough in heart and spirit, to stand up for what is morally correct and to take a position on this vitally important human rights issue.

Mr. BROOMFIELD. Mr. Speaker, I yield 1 minute to the gentleman from Missouri (Mr. COLEMAN).

Mr. COLEMAN. Mr. Speaker, I would like to inquire of the sponsor of the resolution, the gentleman from Pennsylvania. I see several references to the Olympic Committee and Olympic sports, and so forth. I wanted to clarify this.

It is my understanding that rugby itself is not an Olympic sport; is that correct?

Mr. GRAY. The gentleman is absolutely correct, but the head of the Olympic Committee, Bill Simon, U.S. Olympic Committee, has urgently pleaded that they not play here. Essentially what we do in this resolution, we do not violate their constitutional rights.

Mr. COLEMAN. A brief question. It is my understanding that at least one black player is on this team; is that correct? Is that your understanding?

Mr. GRAY. No. There is not one black player on the team. There is what is called one colored player. You see, in South Africa they have three categories: Afrikaaners, who are white; those people of mixed parentage—I guess I would fall into that category—who are mulattoes, and they are called colored; and then they have blacks, who represent the darker hues. The person on the team is a nonwhite who is colored.

Mr. COLEMAN. The other comment that I might have, and maybe the gentleman is aware that there have been four other South African rugby teams that have toured the United States in the last year, one of which was, I understand, all black. There was no mention or discussion of that, and I wonder if we are being totally fair in the analyzation of what your resolution does in reference to what we talked about here today.

Mr. GRAY. Those teams were not the national team. This is the national team sponsored by the Government.

(By unanimous consent, Mr. COLEMAN was allowed to proceed for 1 additional minute.)

Mr. GRAY. May I answer your question?

You mentioned the fact there were other South African rugby teams that visited the United States. Let me mention one of them played outside of my own home city of Philadelphia. None of those teams were the national rugby team of South Africa, put together by the National Federation.

Mr. COLEMAN. I see. I thank the gentleman. I think it does point up that there is a little bit more than meets the eye here.

I would join my colleagues who analyzed the resolution and say it is not a resolution against apartheid. That is not what we are saying. We are simply saying keep a rugby team out of the United States.

□ 1320

If the gentleman would like to offer a resolution against apartheid, I would imagine he would get unanimous support from this body.

Mr. GRAY. If the gentleman will yield further, let me just point out to the gentleman that by voting for this resolution he does have a chance to make his statement on apartheid. It is easy to say one is against apartheid, but duck the vote.

The second point I would like to make is that this matter is one that gets to the heart of our interest in sports.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. ZABLOCKI. Mr. Speaker, I have only one remaining speaker.

The SPEAKER pro tempore. The gentleman from Michigan (Mr. BROOMFIELD) has 1 minute remaining, and the gentleman from Wisconsin (Mr. ZABLOCKI) has 2 minutes remaining.

The gentleman from Wisconsin has declared that he has only one remaining speaker to close debate.

Mr. BROOMFIELD. Mr. Speaker, I desire to reserve that one until debate has concluded.

The SPEAKER pro tempore. The gentleman from Wisconsin has the right to close debate.

Mr. BROOMFIELD. Mr. Speaker, in view of that, I yield back the balance of my time.

Mr. ZABLOCKI. Mr. Speaker, I yield the remaining 2 minutes to the gentleman from Iowa (Mr. BEDELL).

Mr. BEDELL. Mr. Speaker, I rise in strong support of this resolution, and I want to commend the committee for bringing it forward.

My colleague from Maryland has just referred to the brutal eviction of Nyangan squatters.

I want to tell the Members that I was at the squatters' site watching as the white South African police first denied food to the squatters, then tore down and burned the wooden shelters donated only days before by church and concerned citizens groups. I wish all of the Members of Congress could have been there and seen that human tragedy. This is the third time I have been in there. In my opinion, the Government of South Africa is becoming more repressive all the time.

But, the issue is not a humanitarian issue. The issue is, what type of a government we are going to have and what we are going to stand for as a nation. I have to tell the Members that even the white leaders of South Africa told us that their system of government could not continue. In this case, I submit that we are getting on the wrong side again, as we have so frequently done in the past.

We are talking to ourselves here, but the fact is, we are dealing in percep-

tion. We are dealing in perception by the rest of the world. If we fail to pass this resolution, it is very clear to me that we are not opposing apartheid to the extent that we indeed could. We may think we are, but what matters is what the rest of the world thinks. I can tell the Members that the South African Government thinks we are tilting toward them in tacitly accepting their policy of apartheid.

I hope we will realize what will happen if we restrict ourselves to platitudes saying that we are opposed to apartheid, opposed to apartheid, but that this is not the way to show our opposition. What the world will say is that indeed if we do not oppose apartheid, if we do not pass this resolution, their impression will be that we do not oppose apartheid as strongly as we should.

Mr. GRAY. Mr. Speaker, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from Pennsylvania.

Mr. GRAY. Mr. Speaker, I want to commend the gentleman. He has hit the nail right on the head.

Second, what this resolution says is, they are not going to be expelled. It simply says that the Federal Government and this Congress does not support it.

● Mr. BINGHAM. Mr. Speaker, I rise in strong support of House Concurrent Resolution 183, which would express the sense of Congress that the rugby team of South Africa should not play rugby in the United States. As a Member of Congress who has traveled extensively throughout the African continent, I can testify to the overriding importance of opposition to South Africa and its system of apartheid in all the states of black Africa. Any action which appears to aline our country with South Africa is abhorred by the other African states who are determined to bring an end to this system of democracy for whites and colonialism for blacks. For many years the extensive involvement of U.S. corporations in the economy of South Africa has cast a cloud over our foreign policy in Africa, and now the Reagan administration's actions in the U.N. which seem to condone military action by South Africa against its neighboring states have made our problems even worse. If we add to these burdens a nonchalant attitude toward South African sports teams which want to compete in this country, despite the fact that they are banned from participating in the Olympics, we will be delivering our chances for a successful foreign policy in Africa, both south and north, a crushing blow. We will also be handing to the Soviet Union an excuse to argue that the Olympics, now scheduled to be held in Los Angeles in 1984, should be transferred to another location outside the United States. This would be a terrible price to pay for having a few rugby games with a team from a country that is an international pariah state.

I urge my colleagues to give the resolution before us today their strong support, so that this House can send a clear message to any group which might be considering an invitation to this team to compete.●

● Mr. DE LUGO. Mr. Speaker, I would like to take this opportunity to express my support for House Concurrent Resolution 183 which expresses the sense of the Congress that the Springbok National Rugby Team should not play rugby in the United States.

The game of rugby is an exacting sport which tests the physical and mental mettle of an athlete like no other sport. The members of the Springbok team have successfully met those tests to the point where they are probably one of the finest teams in the world today.

Unfortunately, however, these athletes come from the Republic of South Africa—a nation which has tested the physical and mental mettle of its majority black population for many years. Whether we like it or not, the team, which is totally white, has become a symbol of their nation's white, repressive regime.

To all freedom-loving people around the world, the Government of South Africa conjures up visions of repression, inequality and, worst of all, apartheid. Apartheid, as we all know by now, is the official policy of racial segregation endorsed by the Republic of South Africa with a view to promoting and maintaining white ascendancy.

As an elected official, I can assure you that the people of the Virgin Islands find the policies of South Africa repulsive. As a human being, I personally find apartheid reprehensible. It is a policy that has no place in a civilized society.

Passage of this resolution will send a signal to the administration, which has so far refused to condemn apartheid, that the Congress has a conscience on such matters and refuses to stand by complacently while the injustices continue in South Africa.

● Mr. DIXON. Mr. Speaker, I rise in strong support of House Concurrent Resolution 183, and commend the chairman of the Africa Subcommittee (Mr. WOLPE) and the chairman of the Black Caucus foreign policy brain trust (Mr. GRAY) for bringing this timely matter before the House.

As a black representative from Los Angeles, site of the 1984 Olympic games, I can personally attest to the uncertainty and apprehension the South African rugby team's tour has created within both the African and Olympic communities. Yesterday, the president of the Nigerian Sports Council went so far as to urge a "Third World Alternative Olympics" as a protest against the decision to allow the Springboks to play in the United States. While I am hopeful that cooler heads will prevail, we cannot ignore the legitimate concerns of the African nations, who quite rightly view the granting of entry visas as indication of American insensitivity to the evils of apartheid. And it is clear that unless we nip this misguided tour in the bud, we risk an African boycott of the 1984 games, as well as other forms of international condemnation. Already the Soviet Union, in retaliation for the U.S. boycott of the Moscow Olympics, has urged the transfer of the 1984 games, a prospect, however unlikely, which has caused the International Olympic Committee, the U.S. Olympic Committee, and the Los Angeles Olympic Organizing Committee to state their unequivocal opposition to the Springbok tour.

But we should not oppose this tour because of Soviet pressure, because of African pressure, or because of Olympic pressure. We should oppose it as Americans because we know it is wrong. It is wrong to allow this team, as an agent of a repugnant and repressive regime, to play here as guests of our country. This cannot be a "goodwill" tour, for there can be no good will between a nation such as ours, which values freedom and human dignity, and the racist Government of South Africa.

Mr. Speaker, all over this country, and particularly in those towns where the Springboks have been scheduled to play, Americans have rightly and righteously let them know that the representatives of any government which consigns the majority of its people to third-class citizenship because of the color of their skin, are not welcome in this country. Sports are a means of furthering human understanding, not impeding it; of uplifting the human spirit, not polluting it. To allow this tour to continue would be to make a mockery of everything that sports—and the Olympic movement—are all about.

In urging support for this resolution, I wish to enclose the text of a telegram I received from Mayor Tom Bradley of Los Angeles, indicating his concern and support for the Foreign Affairs' Committee action:

LOS ANGELES, CALIF.,
*September 17, 1981.*

Congressman JULIAN DIXON,
*U.S. Congress, Cannon House Office Building, Washington, D.C.*

I am delighted to know that the Subcommittee on Africa will introduce a resolution on the floor of Congress Thursday September 17 urging that the South African rugby team not play in the United States.

I am convinced beyond any doubt that the action proposed by the Subcommittee on Africa is clearly within the best interest of the United States. I take great pleasure in joining many other public elected officials

from across the country in supporting this action by the Subcommittee on Africa.

TOM BRADLEY, *Mayor.*●

● Mr. CONYERS. Mr. Speaker, I want to add my support to those who think it is not in the best interest of the United States to have the South African rugby team play in the United States. It should be appreciated that this is a national team of the country of South Africa, the nation that practices the concept of separate development for its people and relegates the majority of them to a life that is not fitting for animals. The team is a representation of the nation it comes from. Its very composition is an indication of the type of racialism that is practiced in South Africa. How can we close our eyes and say that this is just sports and has nothing to do with the political and economic systems of South Africa? This is begging the questions.

There are many reasons that are offered as justifications for allowing the rugby team to play in this country, and there are, I believe, many more rational ones for denying the team the right to play. The most overused justification for allowing them to play is that the games are pure sport and sports and politics should not mix. This is the position taken by the U.S. Department of State in issuing the members of the team permits to enter this country. What a change of mind. Did not this Nation during the 1980 Olympics, decide to not allow American athletes to participate because of the situation in Afghanistan. Surely you can appreciate that we were mixing politics and sports. The President of the United States supported this decision.

Did not this Government send the professional boxer, Muhammad Ali, to various African nations to get their support for the U.S. position on the boycott of the 1980 Olympics? Was this not the essence of mixing politics and sports? In boycotting the Olympics were we not placing limitations on the rights of America's young to participate in their selected sports? There are those who would admit that in the case of the Olympic boycott the enemy was clear, but in the instance of the rugby team the enemy is not so clear.

There are those who argue that the best way to assist in changing the situation in southern Africa is to bring South Africa into the Western fold and give it an opportunity to understand the wrong of its ways. The play of the rugby team in the United States is used as an indication of how this process can work. What is not understood is that the rulers of South Africa have always been in the mainstream of Western society and culture and have still not understood the wrongs of their ways. I do not expect them to start understanding now.

You will notice that I have not mentioned those in this country who would say that the team and the system of apartheid are representations of the best way for blacks and whites to develop, all things considered. I hope we can simply dismiss these people as racist and out of step with the civilized and developed human mind.

I think we can dismiss claims that sports and politics should not be mixed, that the play of the team will assist in changing the apartheid systems in South Africa and Namibia, and that the current system in South Africa, represented by the rugby team, is the best one for the conditions that exist in the region. As we know, there are very compelling reasons for not allowing this team to play in this country. Consider the following:

First, the team represents the most repressive regime in the world that denies political participation to the vast majority of its people.

Second, if the team is allowed to play in this country, the world will interpret the act as an endorsement of the apartheid system in South Africa.

Third, there is a real possibility that if the team plays in the United States, there will be violence and destruction of property.

Fourth, the play of the rugby team in the United States will be correctly understood as an indication of the shift in U.S. policy toward the apartheid practicing regime in South Africa. This act will be taken in the context of the administration's position on constructive engagement with South Africa and support for its raids into the sovereign nation of Angola.

Fifth, the Springboks were invited to play in the United States by the Eastern Rugby Union after the union accepted a $25,000 contribution from a well-known conduit of South African Government funds. Is there not politics in this arrangement?

Sixth, the heart of the issue is not free speech but racial discrimination. It is because of South Africa's legalized racism in sport and society that the team should be refused permission to play in the United States.

Seventh, the congressional delegation that just returned from South Africa did indicate that the system of apartheid is getting more repressive. We should do nothing to encourage this repression.

In light of these considerations, I would urge my colleagues in the House of Representatives to support this resolution which expresses the sense of the Congress that the national rugby team of South Africa should not play in the United States.

Much of the difficulty we now face could have been avoided if the Reagan administration had been farsighted enough to know that it should not have granted entry permits to the team. It is the obligation of the administration to take action to deny entry permits to persons that might pose danger to the national security of the United States. It is ironic that the administration did recently revoke the entry permits of several Cuban officials who were scheduled to participate with members of this body in a conference on Cuban/United States relations in the 1980's. We regularly deny permission to members of the Palestine Liberation Organization to enter the United States because of their politics. Why have we granted the members of this team permission to enter? What is the substantive difference?

We all are aware that United States/South African relations have reached a crucial point where every act is important. The play of the rugby team is important. Freedom-loving Americans will not sit by and allow people to play ball games while oppression and brutality are visited on the majority of people in South Africa. It is our responsibility to oppose any activity that will give any degree of acceptance to the system of apartheid.

I ask that you show to the world that you do not support the system of apartheid by voting "yea" on the resolution before you.●

● Mr. RANGEL. Mr. Speaker, I strongly oppose the current tour of the United States by the South African rugby team, Springboks, and I urge all Americans to boycott this tour. The South African Government continues its racist policy of apartheid and uses sophisticated methods of oppression, intimidation, and coercion to discriminate against black Africans. We as Americans must not sanction the participation of South Africa in international events.

The Springboks tour is essentially a public relations move financed by the South African Government and pro-apartheid South African businessmen to gain favorable public opinion in the United States. In the past, those South African businessmen have been involved in efforts to buy influence abroad for the South African Government. As Americans, we must stand up against the dehumanizing racist policy of apartheid and resist succumbing to this latest attempt by the South African Government to gain acceptance by the nations who find their policies alien to the concept of freedom, justice, and liberty.

By boycotting South Africa and its official representatives, including the Springboks rugby team, the United States can clearly demonstrate to South Africa and to the world our intolerance of apartheid. A firm American policy against apartheid will strengthen our position among African nations by showing our commitment to global human rights. We

should deny the South African Government the privilege of participating in sports events in the free world and tell their Springboks rugby team to stay home.

The South African regime continues its dissident crackdown, denying the majority of people their civil rights, displacing thousands, occupying Namibia illegally and conducting military operations against Angola. These events make it crystal clear that the South African Government has no intention of changing its apartheid policy and its aggressive actions. Through a total boycott of South Africa, we as Americans can take all peaceful measures to pressure the South African Government toward acceptance of racial equality. Only with this acceptance should we accept South Africa as a legitimate member of the international community. Until they alter their abhorrent racist policies, they should be ostracized by the world community of nations.●

● Mr. BEDELL. Mr. Speaker, I urge my colleagues to adopt House Concurrent Resolution 183, opposing the current visit by South Africa's Sprinkbok National Rugby Team, in the strongest possible terms.

Few actions by this body will so clearly indicate the humanitarian values and principles for which our Nation stands. The eyes of the world will be on us today as we decide whether to rebuff the South African regime or tacitly accept their racist policy of apartheid. The administration, I fear, has already begun tilting toward a policy of greater acceptance. We in the Congress must use this and every opportunity to make clear that a retreat from the condemnation of apartheid will not be tolerated.

I am confident that few Members would hesitate to support this resolution if they could have been with me and several colleagues last month at the Crossroads squatter camp near Cape Town. Prior to our visit, 400 black South Africans were huddled under plastic sheets to protect themselves from a rain storm. The morning before we arrived, in a predawn raid, the police tore down nearly 60 of these flimsy shelters, leaving the squatters exposed and banning our entrance into the area. I have been to South Africa three times, but such brutality and inhumanity continues to be shocking.

By these repressive actions, the South African Government hopes to gain several objectives. First and foremost, they believe such forced removals will denationalize the blacks, stripping them of any claim to political rights within South Africa. The heart of apartheid, after all, is dispossession and deliberate impoverishment. By removing blacks to so-called "tribal homelands," the white minority is convinced that they will not have to share political power within the 86 percent territory claimed for whites only. By preventing the basic economic security of food, housing, and jobs, they believe that blacks will be unable to organize for political power.

These hopes can never be permanent. Even as we visited, prominent white South Africans conceded to us that their system of government could not continue. I submit then that once again we are joining the wrong side morally and losing side politically. For diplomacy is often perception, and we are dealing here in perception by the rest of the world. If we fail to pass this resolution, few nations will listen to our platitudes of opposition to apartheid. The reality instead will be a loss of diplomatic standing for not having opposed apartheid as strongly as we should.●

● Mr. FIELDS. Mr. Speaker, I rise in opposition to House Concurrent Resolution 183, expressing the sense of Congress that the Springbok National Rugby Team of South Africa should not play in the United States.

I acknowledge that the policy of apartheid is reprehensible and that the United States should not condone the racial practices of the South African Government. However, I do not believe it is appropriate for the House of Representatives to express the sense of Congress prohibiting the South African rugby team from playing exhibition games in the United States.

Traditionally, international competition in sports has been a nonpolitical concern. Every nation, regardless of political ideology, has been allowed to compete in the United States. If the Congress sets this unwarranted precedent, in the form of a concurrent resolution, then, by application, we should prohibit the Soviet Union from participating in any future competitive sports activity. The Soviet Union has been relentless in its pursuit to spread world communism. The blatant oppression of Soviet Jews, the insurgency in Central America and the invasion and genocide in Afghanistan are clear examples of the Soviet Union's determination to subjugate the world.

While I support and firmly believe in the right to speak freely, I abhor the blackmail tactics some organizations are practicing. The threat of violence should not force cancellation of the rugby matches. These threats resurrect the basic insecurity and hostility that characterized the mass rioting of the 1960's.

The importance of free speech and the ability to demonstrate in a civil and legal manner cannot be overemphasized. Instead of prohibiting the South Africans from playing rugby in the United States, we should regard this visit as a prime opportunity to enlighten the South African rugby team, and the country it represents, of the value the United States places on a free and pluralistic society.●

● Mr. GOODLING. Mr. Speaker, I rise in support of the passage of House Concurrent Resolution 183. Whether we think it is the right resolution, whether it should have been brought up at this time, is not a question that we are faced with now. As I said in subcommittee and full committee, if it comes to the floor we want to make sure that it passes, for if it does not, we are going to make it very difficult, in my estimation, for the administration in working with some of the other countries to bring about a settlement in Namibia that is necessary and should have taken place a long time ago.

It seems to me that if we do not pass this resolution now that it has gotten to the floor, we are not helping the administration because they will need the help of South Africa to bring about this change in Namibia. If we do not pass the resolution, now that it is here before us, we are then sending a message to South Africa not to worry and not to support and not to become involved in bringing about a peaceful resolution to the Namibian question.●

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI) that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 183).

The question was taken.

Mr. ZABLOCKI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed until tomorrow.

## GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the concurrent resolution just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

## VETERANS' COMPENSATION AMENDMENTS OF 1981

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3995) to amend title 38, United States Code, to provide a cost-of-living increase in the rates of disability compensation for disabled veterans and in the rates of dependency

and indemnity compensation for survivors of disabled veterans, and for other purposes.

The Clerk read as follows:

H.R. 3995

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) this Act may be cited as the "Veterans' Compensation Amendments of 1981".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

## TITLE I—VETERANS' DISABILITY COMPENSATION BENEFITS

### RATES OF DISABILITY COMPENSATION

SEC. 101. (a) Section 314 is amended—

(1) by striking out "$54" in subsection (a) and inserting in lieu thereof "$58";

(2) by striking out "$99" in subsection (b) and inserting in lieu thereof "$109";

(3) by striking out "$150" in subsection (c) and inserting in lieu thereof "$165";

(4) by striking out "$206" in subsection (d) and inserting in lieu thereof "$229";

(5) by striking out "$291" in subsection (e) and inserting in lieu thereof "$325";

(6) by striking out "$367" in subsection (f) and inserting in lieu thereof "$415";

(7) by striking out "$434" in subsection (g) and inserting in lieu thereof "$505";

(8) by striking out "$503" in subsection (h) and inserting in lieu thereof "$595";

(9) by striking out "$566" in subsection (i) and inserting in lieu thereof "$680";

(10) by striking out "$1,016" in subsection (j) and inserting in lieu thereof "$1,131";

(11) by striking out "$1,262" and "$1,768" in subsection (k) and inserting in lieu thereof "$1,405", and "$1,968", respectively;

(12) by striking out "$1,262" in subsection (l) and inserting in lieu thereof "$1,405";

(13) by striking out "$1,391" in subsection (m) and inserting in lieu thereof "$1,548";

(14) by striking out "$1,581" in subsection (n) and inserting in lieu thereof "$1,760";

(15) by striking out "$1,768" each place it appears in subsections (o) and (p) and inserting in lieu thereof "$1,968";

(16) by striking out "$759" and "$1,130" in subsection (r) and inserting in lieu thereof "$845" and "$1,258", respectively;

(17) by striking out "$1,137" in subsection (s) and inserting in lieu thereof "$1,265"; and

(18) by striking out "$219" in subsection (t) and inserting in lieu thereof "$244";

(b) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

### RATES OF ADDITIONAL COMPENSATION FOR DEPENDENTS

SEC. 102. Section 315(1) is amended—

(1) by striking out "$62" in clause (A) and inserting in lieu thereof "$69";

(2) by striking out "$104" in clause (B) and inserting in lieu thereof "$116";

(3) by striking out "$138" in clause (C) and inserting in lieu thereof "$154";

(4) by striking out "$173" and "$34" in clause (D) and inserting in lieu thereof "$193" and "$38", respectively;

(5) by striking out "$42" in clause (E) and inserting in lieu thereof "$47";

(6) by striking out "$77" in clause (F) and inserting in lieu thereof "$86";

(7) by striking out "$111" and "$34" in clause (G) and inserting in lieu thereof "$124" and "$38", respectively;

(8) by striking out "$50" in clause (H) and inserting in lieu thereof "$56";

(9) by striking out "$112" in clause (I) and inserting in lieu thereof "$125"; and

(10) by striking out "$94" in clause (J) and inserting in lieu thereof "$105".

### CLOTHING ALLOWANCE FOR CERTAIN DISABLED VETERANS

SEC. 103. Section 362 is amended by striking out "$274" and inserting in lieu thereof "$305".

## TITLE II—SURVIVORS' DEPENDENCY AND INDEMNITY COMPENSATION BENEFITS

### RATES OF DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES

SEC. 201. (a) Subsection (a) of section 411 is amended to read as follows:

"(a) Dependency and indemnity compensation shall be paid to a surviving spouse, based on the pay grade of the person upon whose death entitlement is predicated, at monthly rates set forth in the following table:

| "Pay grade | Monthly rate |
|---|---|
| E-1 | $415 |
| E-2 | 429 |
| E-3 | 439 |
| E-4 | 466 |
| E-5 | 480 |
| E-6 | 491 |
| E-7 | 514 |
| E-8 | 542 |
| E-9 | [1] 568 |
| W-1 | 525 |
| W-2 | 546 |
| W-3 | 562 |
| W-4 | 595 |
| O-1 | 525 |
| O-2 | 542 |
| O-3 | 581 |
| O-4 | 613 |
| O-5 | 677 |
| O-6 | 761 |
| O-7 | 825 |
| O-8 | 904 |
| O-9 | 971 |
| O-10 | [2] 1,062 |

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $611.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $1,139.".

(b) Subsection (b) of such section is amended by striking out "$43" and inserting in lieu thereof "$48".

(c) Subsection (c) of such section is amended by striking out "$112" and inserting in lieu thereof "$125".

(d) Subsection (d) of such section is amended by striking out "$56" and inserting in lieu thereof "$62".

### RATES OF DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN

SEC. 202. Section 413 is amended—

(1) by striking out "$189" in clause (1) and inserting in lieu thereof "$210";

(2) by striking out "$271" in clause (2) and inserting in lieu thereof "$302";

(3) by striking out "$350" in clause (3) and inserting in lieu thereof "$390"; and

(4) by striking out "$350" and "$71" in clause (4) and inserting in lieu thereof "$390" and "$79", respectively.

### RATES OF SUPPLEMENTAL DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN

SEC. 203. Section 414 is amended—

(1) by striking out "$112" in subsection (a) and inserting in lieu thereof "$125";

(2) by striking out "$189" in subsection (b) and inserting in lieu thereof "$210"; and

(3) by striking out "$96" in subsection (c) and inserting in lieu thereof "$107".

### MISCELLANEOUS DEPENDENCY AND INDEMNITY COMPENSATION AMENDMENTS

SEC. 204. (a) Section 413 is amended by inserting "(a)" before "Whenever", and by adding at the end thereof the following new subsection:

"(b) If dependency and indemnity compensation has been awarded under this section to a veteran's child or children and the entitlement of an additional child of that veteran to dependency and indemnity compensation under this section is later established effective retroactively, the amount payable retroactively to the additional child is the amount equal to the difference between the total of the increased award for the retroactive period and the prior total award for that period.".

(b) Section 414(c) is amended by adding at the end thereof the following new sentence: "However, if during the month in which such a child attains the age of 18 the child is also being considered to be a child below the age of 18 for purposes of additional dependency and indemnity compensation for a surviving spouse under section 411(b) of this title, the amount payable to the child for that month under this section shall be reduced by the amount payable to the surviving spouse for the same month under such section that is attributable to the child.".

## TITLE III—LIFE INSURANCE PROGRAM AMENDMENTS

### INCREASE IN MAXIMUM AMOUNTS OF LIFE INSURANCE

SEC. 301. (a) Section 767 is amended—

(1) in subsection (a)—

(A) by striking out "$20,000" and inserting in lieu thereof "$35,000"; and

(B) by inserting "$30,000, $25,000, $20,000" after "or (B) to be insured in the amount of";

(2) in subsection (c)—

(A) by inserting "$30,000, $25,000, $20,000" after "or to be insured in the amount of"; and

(B) by inserting "$35,000, $30,000, $25,000" after "or insured in the amount of"; and

(3) by adding at the end of such section the following new subsection:

"(d) Notwithstanding any other provision of this section, any member who on the effective date of this subsection is a member of the Retired Reserve of a uniformed service (or who upon application would be eligible for transfer to the Retired Reserve of a uniformed service) may obtain increased insurance coverage up to a maximum of $35,000 (in any amount divisible by $5,000) if—

"(1) the member—

"(A) is insured under this subchapter on the effective date of this subsection; or

"(B) within one year after the effective date of this subsection, reinstates insurance under this subchapter that had lapsed for nonpayment of premiums; and

"(2) the member submits a written application for the increased coverage to the office established pursuant to section 766(b)

of this title within one year after the effective date of this subsection.".

(b) Section 777(a) is amended—

(1) by striking out "or $20,000" in the first sentence and inserting in lieu thereof "$20,000, $25,000, $30,000, or $35,000";

(2) by striking out "$20,000" in the second sentence and inserting in lieu thereof "$35,000"; and

(3) by striking out "$20,000" both places it appears in the fourth sentence and inserting in lieu thereof "$35,000".

COLLECTION OF AMOUNTS FOR SERVICEMEN'S GROUP LIFE INSURANCE PROGRAM

SEC. 302. Section 769 is amended by adding at the end the following new subsection:

"(f) The Secretary of Defense shall prescribe regulations for the administration of the functions of the Secretaries of the military departments under this section. Such regulations shall prescribe such procedures as the Secretary of Defense, after consultation with the Administrator, may consider necessary to ensure that such functions are carried out in a timely and complete manner and in accordance with the provisions of this section, including specifically the provisions of subsection (a)(2) of this section relating to contributions from appropriations made for active duty pay.".

BENEFICIARY'S RIGHT TO ELECT ONE-SUM PAYMENT

SEC. 303. (a) The second sentence of section 717(c) is amended to read as follows: "However, the first beneficiary may elect to receive payment under any option which provides for payment over a longer period of time than the option elected by the insured, or if no option has been elected by the insured, may elect to receive payment in one sum or under any option which provides for payment over a period of thirty-six months or any longer period.".

(b) Section 752(a) is amended—

(1) by inserting "in one sum or" in the second sentence after "payment of the insurance"; and

(2) by adding at the end the following new sentence: "Notwithstanding any provision to the contrary in any insurance contract, the beneficiary may, in any case in which the insured has not exercised the right of election of the insured as provided in this subchapter, elect to receive payment of the insurance in one sum.".

(c) The Administrator of Veterans' Affairs shall notify each individual who on the date of the enactment of this Act is insured under a National Service Life Insurance policy or a United States Government Life Insurance policy of the amendments made by this section and shall provide each such individual with the forms necessary for election of a mode of payment of the insurance (or to change an existing election of mode of payment). Such notice and forms shall be sent by regular mail to the individual's last known address as contained in insurance records of the Veterans' Administration.

(d) The amendments made by subsections (a) and (b) shall apply only to insurance maturing after March 31, 1982.

## TITLE IV—MISCELLANEOUS PROVISIONS

VETERANS' ADMINISTRATION ORGANIZATION AND STAFFING LEVELS

SEC. 401. (a)(1) Section 203 is amended to read as follows:

"§ 203. Availability of appropriations and of funded personnel ceilings

"(a) Any funds appropriated to the Veterans' Administration may, to the extent provided in this title or an appropriations Act, remain available until expended.

"(b)(1) With respect to each law making appropriations for the Veterans' Administration, there shall be provided to the Veterans' Administration the funded personnel ceiling defined in paragraph (4) of this subsection and the funds appropriated therefor.

"(2) In order to carry out the provisions of paragraph (1) of this subsection, the Director of the Office of Management and Budget shall, with respect to each such law (A) provide to the Veterans' Administration for the fiscal year concerned such funded personnel ceiling and the funds necessary to achieve such ceiling, and (B) submit to the appropriate committees of the Congress and to the Comptroller General of the United States certification that the Director has so provided such ceiling. Not later than the thirtieth day after the enactment of such a law or, in the event of the enactment of such a law more than thirty days before the fiscal year for which such law makes such appropriations, not later than the tenth day of such fiscal year, the certification required in the first sentence of this paragraph shall be submitted, together with a report containing complete information on the personnel ceiling that the Director has provided to the Veterans' Administration for the employees described in paragraph (4) of this subsection.

"(3) Not later than the forty-fifth day after the enactment of each such law, the Comptroller General shall submit to the appropriate committees of the Congress a report stating the Comptroller General's opinion as to whether the Director of the Office of Management and Budget has complied with the requirements of such paragraph in providing to the Veterans' Administration such funded personnel ceiling.

"(4) For the purposes of this subsection, the term 'funded personnel ceiling' means, with respect to any fiscal year, the authorization by the Director of the Office of Management and Budget to employ not less than the number of employees for the employment of which appropriations have been made for such fiscal year.".

(2) The item relating to such section in the table of sections at the beginning of chapter 3 is amended to read as follows:

"203. Availability of appropriations and of funded personnel ceilings.".

(b) Section 210(b) is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end the following:

"(2)(A) Except as provided in subparagraph (B) of this paragraph, any exercise by the Administrator of the authority granted under the second sentence of paragraph (1) of this section shall only be effective if (i) a plan describing the proposed exercise of authority, including a justification therefor, is submitted to the Congress, and (ii) before the end of the sixty-day period beginning on the date of such submittal neither House of Congress adopts a resolution stating in substance that it disapproves the proposed exercise of authority.

"(B) This paragraph shall not apply (i) to administrative reorganizations within any bureau, agency, or office of the Veterans' Administration that existed on the date of the enactment of this paragraph, or (ii) to any exercise of authority that involves a reduction of less than 10 percent in any fiscal year in the number of full-time equivalent employees at any Veterans' Administration office or facility.

"(C) There shall be excluded from the computation of the sixty-day period referred to in subparagraph (A) of this paragraph any day on which either House of Congress is not in session because of an adjournment of more than three days to a day certain or an adjournment of the Congress sine die.".

(c) Section 5010(a) is amended by striking out paragraph (4).

BAR TO BENEFITS

SEC. 402. (a) Section 3103 is amended by adding at the end thereof the following new subsection.

"(f)(1) Subject to paragraph (2) of this subsection and notwithstanding section 977 of title 10 or any other provision of law, any person who becomes a member of a uniformed service on or after the date of the enactment of the Veterans' Compensation Amendments of 1981 and who fails to complete at least twenty-four months of such person's initial period of enlistment or other period of obligated service is not eligible for any right, privilege, or benefit under any law administered by the Veterans' Administration (other than loan guaranty benefits by virtue of eligibility under section 1818(a)(2) of this title).

"(2) Paragraph (1) of this subsection does not apply to any person—

"(A) who is discharged or released from active duty for the convenience of the Government under section 1171 of title 10 or for hardship under section 1173 of title 10;

"(B) who is discharged or released from active duty for a disability incurred in line of duty; or

"(C) who has a disability determined to be service connected to a compensable degree.".

(b)(1) Chapter 17 is amended by inserting after section 602 the following new section:

"§ 603. Limitations on eligibility

"Eligibility for care and services under this chapter is subject to the provisions of section 3103 of this title.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 602 the following new item:

"603. Limitations on eligibility.".

(c)(1) Chapter 23 is amended by adding at the end the following new section:

"§ 909. Limitations on eligibility

"Eligibility for benefits under this chapter is subject to the provisions of section 3103 of this title.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"909. Limitations on eligibility.".

(d)(1) Chapter 24 is amended by adding at the end the following new section:

"§ 1009. Limitations on eligibility

"Eligibility for benefits under this chapter is subject to the provisions of section 3103 of this title.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"1009. Limitations on eligibility.".

(e) Section 1625 is amended by inserting "or under conditions which under section 3103 of this title bar the use of benefits" after "under dishonorable conditions".

(f) Section 1818 is amended by adding at the end the following new subsection:

"(c) In addition to the requirements of subsection (a)(1), the eligibility of a veteran who became a member of the uniformed services on or after the date of the enact-

ment of the Veterans' Compensation Amendments of 1981 and has been discharged or released from active duty is subject to the provisions of section 3103(f) of this title.".

PRESERVATION OF PENSION OF CERTAIN BLINDED VETERANS

SEC. 403. Section 3203(a)(1)(B) is amended by striking out the period at the end and inserting in lieu thereof the following: "unless the veteran is a blinded person and the case is being furnished in a Veterans' Administration blind rehabilitation center or clinic.".

EFFECTIVE DATES

SEC. 404. (a) Except as provided in subsection (b), the amendments made by this Act shall take effect on October 1, 1981.

(b)(1) Subsection (d) of section 767 of title 38, United States Code, as added by section 301(a)(3), shall take effect on October 1, 1981, or on the first day of the first month beginning more than sixty days after the date of the enactment of this Act, whichever is later.

The amendment made by section 402 shall take effect on the date of the enactment of this Act.

The SPEAKER pro tempore (Mr. MURTHA). Pursuant to the rule, a second is not required on this motion.

The gentleman from Mississippi (Mr. MONTGOMERY) will be recognized for 20 minutes, and the gentleman from Alabama (Mr. SMITH) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi (Mr. MONTGOMERY).

GENERAL LEAVE

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks, and that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous matter on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Speaker, my remarks will be very brief because I intend to yield to the distinguished chairman of our subcommittee on Compensation, Pension and Insurance, my good friend, SAM HALL, to explain the bill. At the outset, Mr. Speaker, I want to say how much I appreciate the work of the distinguished gentleman from Texas who has established himself as a most effective chairman. He is, by reputation, one of the outstanding lawyers in the House, and we all have benefited from his keen legal mind and total grasp of the issues involved in compensation, pension, and insurance programs. I also want to express my deep appreciation to the very able ranking minority member of the subcommittee, my good friend, CHALMERS WYLIE of Ohio. During the many years that I served as chairman of this particular subcommittee, I had the opportunity to work closely with the gentleman from Ohio and no one could ask for any more than the gentleman gave during the years we worked together.

As the Chair announced, the gentleman from Alabama (Mr. SMITH) will handle this part of the bill on the minority side. I had the privilege of serving as chairman of this subcommittee before being elevated to the full chairmanship, and the gentleman from Ohio was the ranking minority member. I enjoyed very much working with him.

Mr. Speaker, I appreciate the work of all members of the subcommittee on this bill. It is a comprehensive proposal and one that will benefit our Nation's service connected veterans and their eligible dependents.

I now yield such time as he may consume to the distinguished chairman of the subcommittee, Mr. SAM B. HALL, JR. of Texas.

Mr. SAM B. HALL, JR. Mr. Speaker, I appreciate your kind comments and I want to express my appreciation, Mr. Speaker, to the distinguished gentleman from Mississippi, SONNY MONTGOMERY, and to the able gentleman from Arkansas, JOHN PAUL HAMMERSCHMIDT, the ranking minority member of the full committee, and, of course, to my colleague, CHALMERS WYLIE of Ohio, and the entire subcommittee for their efforts to help get the reported bill to the floor.

Mr. Speaker, today we are considering a bill to provide a cost-of-living increase in benefits for veterans who were disabled as a result of their military service and for the widows and orphans of veterans who died of service-connected causes. The bill is designed to assist these individuals and to make sure that their level of benefits is not eroded by the ravages of inflation.

The bill will provide an average 11.3-percent increase effective October 1, 1981. According to the Congressional Budget Office, it would cost $893.5 million in fiscal year 1982 and would not exceed the targets currently contained in the first concurrent budget resolution. Mr. Speaker, the bill is not inflationary in that it simply provides a cost-of-living increase based on the anticipated rise in the Consumer Price Index between October 1, 1980, and September 30, 1981. The legislation is necessary since the service-connected program for veterans and widows is not indexed by law.

Service-connected compensation is payable to veterans who suffer from a disease or disability incurred during service.

The percentage of disability for a specific disability is assigned by the Veterans' Administration. That agency has established a "schedule for rating disabilities" which is the guideline for measuring the degree of disability. Compensation is paid for disabilities at ratings of 10 percent, 20 percent, and so forth, up to 100 percent. The rate of compensation payable for each percentage of disability is established by law. Additional compensation is payable for the loss of a limb, blindness, and other severe disabilities. An additional dependency allowance is payable to veterans with a rating of 30 percent or more for a spouse, minor children, or dependent parents.

Historically, the Congress has increased compensation rates whenever there has been an appreciable increase in the cost-of-living index, since the rates are not indexed to the Consumer Price Index by law. This is necessary to insure that inflation does not erode the purchasing power of those drawing compensation and DIC benefits.

There follows a breakdown of the percent of increase in compensation rates over those paid on July 1, 1933:

| | Percent of increase in compensation rates over those paid on July 1, 1933 | | | | | | | | | | | | | | | | | | | | Cumulative increase in— | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1934 | 1944 | 1945 | 1946 | 1949 | 1952 | 1954 | 1957 | 1962 | 1965 | 1969 | 1970 | 1972 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | Consumers Price Index since 1917 | Compensation since 1917 |
| 10 percent | 11.1 | 27.8 | ..... | 53.3 | 66.7 | 75.0 | 88.9 | 111.1 | 122.2 | 133.3 | 155.6 | 177.8 | 211.1 | 255.6 | 288.9 | 322.2 | 355.6 | 388.9 | 433.3 | 500.0 | 569.4 | 575.0 |
| 20 percent | 11.1 | 27.8 | ..... | 53.3 | 66.7 | 75.0 | 83.3 | 100.0 | 111.1 | 122.2 | 138.9 | 155.6 | 183.3 | 227.8 | 261.1 | 288.9 | 316.7 | 344.4 | 388.9 | 450.0 | 569.4 | 518.8 |
| 30 percent | 11.1 | 27.8 | ..... | 53.3 | 66.7 | 75.0 | 85.2 | 103.7 | 114.8 | 122.2 | 140.7 | 159.3 | 185.2 | 299.6 | 263.0 | 292.6 | 318.5 | 348.2 | 385.2 | 455.5 | 569.4 | 525.0 |
| 40 percent | 11.1 | 27.8 | ..... | 53.3 | 66.7 | 75.0 | 83.3 | 102.8 | 113.9 | 127.8 | 147.2 | 166.7 | 194.4 | 238.9 | 272.2 | 302.8 | 330.6 | 361.1 | 405.5 | 422.2 | 569.4 | 543.8 |
| 50 percent | 11.1 | 27.8 | ..... | 53.3 | 66.7 | 91.7 | 102.2 | 122.2 | 137.8 | 151.1 | 171.1 | 200.0 | 231.1 | 280.0 | 317.8 | 351.1 | 380.0 | 415.6 | 466.7 | 546.7 | 569.4 | 627.5 |
| 60 percent | 11.1 | 27.8 | ..... | 53.3 | 66.7 | 91.7 | 101.9 | 122.2 | 137.0 | 151.9 | 172.2 | 201.9 | 235.5 | 290.7 | 337.0 | 372.2 | 403.7 | 440.7 | 494.4 | 579.6 | 569.4 | 664.6 |
| 70 percent | 11.1 | 27.8 | ..... | 53.3 | 66.7 | 91.7 | 101.6 | 122.2 | 136.5 | 155.6 | 176.2 | 206.4 | 236.5 | 296.8 | 344.4 | 379.4 | 411.1 | 449.2 | 503.1 | 588.9 | 569.4 | 675.0 |
| 80 percent | 11.1 | 27.8 | ..... | 53.3 | 66.7 | 91.7 | 101.4 | 122.2 | 136.1 | 158.3 | 179.2 | 209.7 | 240.3 | 301.4 | 350.0 | 386.1 | 418.1 | 455.6 | 511.1 | 598.6 | 569.4 | 685.9 |
| 90 percent | 11.1 | 27.8 | ..... | 53.3 | 66.7 | 91.7 | 101.2 | 121.0 | 135.8 | 158.0 | 179.0 | 208.6 | 239.5 | 301.2 | 349.4 | 385.2 | 417.3 | 455.6 | 511.1 | 598.8 | 569.4 | 686.1 |
| 100 percent | 11.1 | 27.8 | ..... | 53.3 | 66.7 | 91.7 | 101.1 | 150.0 | 177.8 | 233.3 | 344.4 | 400.0 | 450.0 | 548.9 | 627.8 | 685.6 | 737.8 | 798.9 | 887.8 | 1,028.9 | 569.4 | 1,170.0 |
| Aid and attendance | ..... | 40.0 | 68.0 | 68.0 | 88.0 | 88.0 | 88.0 | 88.0 | 88.0 | 88.0 | 88.0 | 88.0 | 88.0 | 108.0 | 108.0 | 124.0 | 124.0 | 124.0 | 124.0 | 148.0 | 542.1 | 148.0 |
| 2 statutory losses | ..... | 33.3 | 60.0 | 60.0 | 77.3 | 86.0 | 106.0 | 126.7 | 166.7 | 233.3 | 273.3 | 310.7 | 384.7 | 442.7 | 486.0 | 524.7 | 570.0 | 636.0 | 741.3 | 542.1 | 741.3 |
| Loss, both eyes | ..... | 34.3 | 61.1 | 61.6 | 78.9 | 88.0 | 105.1 | 122.9 | 157.1 | 214.3 | 252.0 | 287.4 | 357.1 | 412.0 | 453.1 | 489.7 | 532.6 | 595.4 | 694.9 | 542.1 | 694.9 | |

| | Percent of increase in compensation rates over those paid on July 1, 1933 | | | | | | | | | | | | | | | | | | | Cumulative increase in— | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1934 | 1944 | 1945 | 1946 | 1949 | 1952 | 1954 | 1957 | 1962 | 1965 | 1969 | 1970 | 1972 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | Consumers Price Index since 1917 | Compensation since 1917 |
| Loss 2 eyes and 1 limb or double P. & T | 32.5 | | 59.0 | 59.0 | 76.5 | 85.5 | 100.5 | 120.0 | 162.5 | 212.5 | 250.0 | 285.0 | 354.5 | 409.0 | 449.5 | 486.0 | 529.0 | 591.5 | 690.5 | 542.1 | 690.5 | |
| Creative organ | 20.0 | | 44.0 | 44.0 | 60.0 | 68.0 | 80.0 | 110.0 | 140.0 | 180.0 | 213.6 | 244.8 | 306.8 | 355.6 | 392.4 | 428.8 | 463.2 | 518.8 | 607.2 | 542.1 | 607.2 | |
| 1 hand or 1 foot | 20.0 | | 20.0 | 20.0 | 33.3 | 40.0 | 50.0 | 75.0 | 100.0 | 133.3 | 161.3 | 187.3 | 239.0 | 279.7 | 310.3 | 337.3 | 369.3 | 415.7 | 489.3 | 365.2 | 489.3 | |
| Arm or leg above elbow or ankle | | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 214.2 | 0 | |
| 1 hand and 1 foot plus portion of either | | | | | | | | 33.3 | 66.7 | 100.0 | 124.0 | 146.7 | 191.3 | 226.0 | 252.0 | 275.3 | 302.7 | 342.7 | 406.0 | 190.3 | 406.0 | |
| 2 hands or 2 feet or blind | | | | | | | | 9.4 | 32.1 | 69.8 | 90.2 | 109.1 | 146.8 | 176.2 | 198.5 | 218.1 | 241.5 | 275.5 | 329.1 | 183.4 | 329.1 | |
| Arrested TB | | | | | | | | | | | | | 0 | 166.7 | 26.7 | 35.3 | 45.3 | 60.0 | 82.7 | 100.2 | 82.7 | |
| | | | | | | | | | | | | | | | | | | 9.7 | 25.1 | 26.3 | 25.1 | |

Widows and children of veterans who die of causes determined to be service connected are entitled to monthly payments of dependency and indemnity compensation.

The purpose of this benefit is to provide partial compensation to the designated survivors for the loss in financial support sustained as the result of the service-connected death. Income and need are not factors in determining a surviving spouse's or child's entitlement since the Nation assumes, in part, the legal and moral obligation of the veteran to support the spouse and children.

Payments of DIC for surviving spouses are determined on the basis of the veteran's service pay grade and range from $373 monthly for the surviving spouse of an E-1 to $954 monthly for the surviving spouse of an O-10. Surviving spouses are entitled to an additional $43 monthly for each child.

It is well established that the Congress has placed the very highest priority on the payment of compensation and dependency and indemnity compensation benefits to eligible veterans and survivors.

The following summarizes the legislative initiatives in this program during the past 7 years.

FISCAL YEAR 1982—H.R. 3995—$893.5 MILLION

The reported bill would provide an average 11.3 percent increase in compensation and DIC rates (other than the "K" award) effective October 1, 1981—the higher rates being authorized for the more seriously disabled veterans in an effort to rectify former rounding off inequities as well as meeting the basic purpose of compensating for loss of earning capacity. The rate changes which would be authorized are as follows:

| | Increase monthly rate— | |
|---|---|---|
| | From | To |
| Percentage of disability or subsection under which payment is authorized: | | |
| (a) 10 percent | $54 | $58 |
| (b) 20 percent | 99 | 109 |
| (c) 30 percent | 150 | 165 |
| (d) 40 percent | 206 | 229 |
| (e) 50 percent | 291 | 325 |
| (f) 60 percent | 367 | 415 |
| (g) 70 percent | 434 | 505 |
| (h) 80 percent | 503 | 595 |
| (i) 90 percent | 566 | 680 |
| (j) 100 percent | 1,016 | 1,131 |

The reported bill provides for an 11.3 percent cost-of-living increase in statutory awards (other than "K" award) dependency and indemnity compensation and contains further miscellaneous provisions relating to DIC, insurance and pension.

FISCAL YEAR 1981—PUBLIC LAW 96-385—$1,058.1 MILLION

The Act provided a 13 percent rate increase in compensation for those disabilities rated 10 to 40 percent. Cases rated 50 percent or more disabled were increased by 14.3 percent. Statutory awards relating to more serious disabilities (other than the "K" award) and DIC rates were increased by 14.3 percent. In addition, it (1) expanded the specially adapted housing benefit program by $5,000 to certain service-connected veterans; (2) increased the maximum VA loan guaranty from $25,000 to $27,500 for a conventional home or condominium and from $17,500 to $20,000 the guaranty for a mobile home, mobile home lot or both; (3) entitled veterans to refinance their VA home loans if mortgage funds become available at lower interest rates; (4) provided for headstones and markers for certain close relatives of veterans buried in State veterans' cemeteries and other miscellaneous provisions.

FISCAL YEAR 1980—PUBLIC LAW 96-128—$669.7 MILLION

The Act provided a 9.9 percent increase in the compensation and DIC rates effective October 1, 1979, except for the "K" award which became effective October 1, 1980. In addition, a new basic entitlement was established permitting payment of aid and attendance benefits to a new group of severely disabled veterans upon an affirmative showing of and demonstrated need for the regular aid and attendance of another person.

FISCAL YEAR 1979—PUBLIC LAW 95-479—$520.4 MILLION

The Act provided a 7.3 percent increase in the compensation and DIC rates effective October 1, 1978. In addition, the Act: (1) provided additional compensation to veterans who suffered the loss or loss of use of three extremities; (2) established a new statutory award of $175 monthly to certain veterans suffering from the service-connected loss or loss of use of an extremity ratable at not less than 40 percent and who subsequently suffered the non-service-connected loss or loss of use of the paired extremity at a level ratable at no less than 40 percent; (3) reduced from 50 percent to 30 percent the rate of disability required before additional compensation for dependents is payable to veterans; (4) provided dependency and indemnity compensation entitlement to survivors if the veteran immediately before death had suffered total service-connected disability for 10 or more years or continuously since discharge for not less than 5 years. Provided, for the first time, additional dependency and indemnity compensation to a surviving spouse who, because of disability, is permanently housebound; (5) provided for a second level of aid and attendance benefits for certain catastrophically disabled veterans needing a higher level of care; (6) clarified the intent of the Congress to assure exemption from taxation of compensation paid in lieu of military retired pay; (7) increased the service-connected death burial benefit from $800 to $1,100; and (8) increased the automobile assistance allowance payable on a one-time basis to certain severely disabled veterans from $3,300 to $3,800.

FISCAL YEAR 1978—PUBLIC LAW 95-117—$312.5 MILLION

The Act provided a 6.6 percent increase in compensation and DIC rates to service-connected disabled veterans and eligible dependents. In addition, it provided entitlement to a grant, not to exceed $25,000, as assistance in purchasing specially adapted housing for certain veterans who, because of the service-connected loss or loss of use of one lower extremity and one upper extremity which affects the function of balance or propulsion, are precluded from locomotion without aid of braces, crutches, canes or a wheelchair.

FISCAL YEAR 1977—PUBLIC LAW 94-433—$388 MILLION

The Act provided for an 8 percent increase in the rates of compensation and DIC. In addition, the Act provided that the VA would pay increased compensation to the disabled veteran rated 50 percent to 100 percent who has a spouse who is a patient in a nursing home or who is so helpless as to need regular aid and attendance. It also provided for an increase in mortgage protection life insurance available for certain severely disabled veterans from $30,000 to $40,000. The measure also authorized the VA to pay the cost of transporting the remains of deceased, service-disabled veterans to a national cemetery for burial and extended eligibility for VA assistance in the purchase of automobiles and necessary special adaptive equipment to certain disabled veterans who served from September 16, 1940. The benefit had been limited to those with service in World War II or thereafter.

FISCAL YEAR 1976—PUBLIC LAW 94-71—$490 MILLION

Increased by 10 percent the rates of compensation payable to service-connected disabled veterans rated 10 to 50 percent. Cases rated 60 percent or more disabled were increased by 12 percent. Statutory awards, relating to more serious disabilities, were increased by 12 percent.

Mr. Speaker, I wish to point out, however, that over the years, the effects of periodic cost-of-living increases have served to distort the compensation rate structure. As you know, totally disabled veterans have always received our sympathetic consideration. This is shown by their current

$1,016 monthly rate. A 90-percent disability, however, at $566 is about half of that amount.

On the other hand, rounding off to the next higher dollar has increased rates for the least disabled veterans (those at the 10- to 30-percent levels) beyond what has been justified by their disabilities or the Consumer Price Index. The committee feels we should utilize the funds earmarked by the budget resolution to adjust the scale so that veterans with greater disability receive a greater proportionate share of the increase. This is consistent with what we have done in past years.

Therefore, Mr. Speaker, the bill provides an average 11.3-percent cost-of-living increase in service-connected compensation benefits—with the more seriously disabled (50 to 90 percent) receiving a larger proportionate share of the increase. Dependency and indemnity compensation would be increased across-the-board by 11.3 percent.

The bill additionally does two things asked for by the administration. It would provide a more equitable system for computation of DIC when an overpayment is created by the retroactive addition of another child. It would also eliminate duplication of DIC the month in which a child in a widow's custody becomes 18 if such child becomes eligible to DIC benefits in his own right by his pursuit of higher education. These two minor provisions were passed by the House last year but were deleted by the Senate. No costs are involved here.

The bill further incorporates the provisions of three GI insurance proposals. First, it increases servicemen's group life insurance and veterans' group life insurance from $20,000 to $35,000. This is strongly supported by the Defense Department and the administration. It represents the approximate increase in the Consumer Price Index since the ceiling was last increased.

Second, it would require the Secretary of Defense to issue regulations to insure timely collection of servicemen's group life insurance premiums for eligible ready reservists. The General Accounting Office identified this as a significant problem and this provision will insure a more timely payment and collection procedure.

Third, a provision would permit GI insurance to be paid in a lump sum in those cases where the insured fails to denote how he wants his insurance to be paid. It would not cancel any designation made by the veteran. This provision will be a great help to many widows who would otherwise have to receive the benefits over a period of several years at low interest rates.

Of great importance is the provision which would make certain that any plan by the Office of Management and Budget to consolidate regional office functions could not be done without seeking the approval of the Congress. As you will recall, earlier this year the President had recommended that most of the adjudicative and loan guaranty functions being conducted in the 58 regional offices be consolidated into one centralized location. This would have involved a transfer of some 12,000 personnel and would also have meant a drastic reduction in current personnel, beginning with some 1,673 during the next fiscal year.

This provision, therefore, would simply require this administration or any future administration, to submit any consolidation plan to the Congress for approval prior to implementing such plan. The committee feels this is a proper oversight function of the Congress. In addition, this section would make certain that funds appropriated by the Appropriations Committees and personnel ceilings established by such committees for all VA budget accounts would be allocated by the Office of Management and Budget. You will recall this has been accomplished for medical care, medical and prosthetic research and medical administration for the Department of Medicine and Surgery. It has worked well and this provision is designed to make certain that it would be applicable to all other VA accounts.

In expanding the requirements of Public Law 96-151 which assures the availability of appropriations and funded personnel ceilings, we are not changing the nature of the requirements established under Public Law 96-151, but merely their reach. Indeed, H.R. 3995 tracks verbatim the language in Public Law 96-151 mandating the availability of funds appropriated by Congress for staffing levels specified by Congress. Accordingly, Mr. Speaker, today's action is intended to have no effect on litigation pending under Public Law 96-151 with respect to medical care staffing except to the degree that by expanding the reach of the statute, it makes judicial enforcement an interpretation of the statute more important.

Additionally, the bill would clarify the intent of the Congress regarding the bar to payment of benefits when a member of the All-Volunteer Force does not complete at least 24 months of his obligated period of service. This is designed to clean up a provision of law that was enacted last year when the Congress adopted the Defense authorization bill. Since then, many inequities surfaced that were called to our attention by several Members of the Congress, and I think that the language proposed in section 402 of the bill will certainly eliminate such inequities and will give the Veterans' Administration guidelines on how this provision of law is to be implemented.

Finally, the bill would prevent a small number of blinded veterans from losing their pension benefits while undergoing mobility training at VA blind rehabilitation centers. This inequity was called to our attention earlier this year by the Blinded Veterans Association. The enactment of this provision is certainly well justified and would not involve any significant increase in expenditures.

Again, Mr. Speaker, I would like to point out that this bill will have no inflationary impact and is well within the budget authority and outlays as contained in the first congressional budget resolution.

Mr. Speaker, this bill is vital to our service-connected veterans, and I urge that it be adopted.

My good friend, JIM SANTINI, the gentleman from Nevada, had hoped to be here today to speak on behalf of the bill. He is also interested in the Senate compensation bill which has a provision that would name the Reno VA hospital as the Ioannis A. Lougaris VA Medical Center.

I have assured Mr. SANTINI that in working with the Senate on the differences between our bills, we hope to be able to accept the Senate proposal on the Reno hospital as well as the naming of another hospital we are interested in.

□ 1330

Mr. SMITH of Alabama. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join the distinguished and respected chairman of the Veterans' Affairs Committee, SONNY MONTGOMERY, in support of H.R. 3995, providing a cost-of-living increase in compensation for disabled veterans and their survivors. Words of praise are due for the manner in which this bill was developed by the Subcommittee on Compensation, Pension and Insurance under the leadership of its chairman, SAM HALL of Texas, and its ranking minority member, CHALMERS WYLIE of Ohio. Their intelligent work has produced a measure that provides a sorely needed benefit to a most deserving and priority group of American citizens and, at the same time one which remains within the budget authority of the first congressional budget resolution.

The bill before us provides an average 11.3-percent increase in the compensation and DIC rates effective October 1, 1981. Higher rates are authorized for many of the most seriously disabled veterans as a corrective to distortions that have developed in the compensation rate structure as the result of periodic cost-of-living increases authorized over the years.

Survivors of veterans who have died from service-connected causes and receive dependency and indemnity com-

pensation benefits are also provided an 11.3-percent increase by this measure.

A $15,000 increase in the ceiling for servicemen's group life insurance and veterans group life insurance is authorized in H.R. 3995. This brings it up from $20,000 to $35,000 in accordance with recommendations by both the Department of Defense and the Veterans' Administration.

Another section of the bill permits the proceeds of a GI insurance policy to be paid in a lump sum in those cases where the insured veteran has failed to specify the manner in which he wants the insurance paid to his beneficiary.

Mr. Speaker, earlier this year OMB recommended that the adjudicative and loan guaranty functions of the 58 VA regional offices across the country be consolidated into three central locations. This idea was not well thought out. It would have meant the initial transfer of some 12,000 VA employees and severe cutbacks in personnel, not to speak of the very costly administrative nightmare such a drastic reorganization would have brought about. Members of the House received volumes of adverse mail on this issue and the Congress caused the withdrawal of the proposal. A requirement in this bill that the administration seek prior congressional reaction before any such move is ordered in the future is, in my opinion, an appropriate exercise of Congress oversight responsibilities.

These, with other provisions I will not detail here, make this an essential and meritorious piece of legislation. Primarily, it provides benefits to the most highly deserving segment of this Nation's population—those who incurred disabilities while in military service. I know I speak for the ranking members of our Subcommittee on Compensation, Pension and Insurance, the Hon. JOHN PAUL HAMMERSCHMIDT of Arkansas and the Hon. CHALMERS WYLIE of Ohio, when I urge all Members of the House to support H.R. 3995.

□ 1340

Mr. Speaker, I have no requests for time on this side, and I yield back the remainder of my time.

Mr. MONTGOMERY. Mr. Speaker, let me thank the gentleman from Alabama (Mr. SMITH) for his strong statement. He serves on this subcommittee. I would also like to thank him for filling in for the gentleman from Arkansas (Mr. HAMMERSCHMIDT).

At this time, Mr. Speaker, I would yield such time as he may consume to the gentleman from Texas (Mr. LEATH) who is chairman of the Subcommittee on Housing and Memorial Affairs.

Mr. LEATH of Texas. Mr. Speaker, I rise in support of the legislation before us, H.R. 3995, the Veterans' Compensation Amendments Act. Passage of this legislation will continue Congress' commitment to our veterans and their families. It is my belief that part of the cost of our military readiness is providing for those who have given so unselfishly in the past for their country. Our veterans answered the call to defend America and are indeed entitled to unanimous approval of this legislation.

Title IV is of utmost importance to the veteran. This provision is identical to the legislation I introduced earlier this year and provides for congressional oversight of any plans to consolidate, eliminate, abolish or redistribute the functions of any VA office or facility. I am pleased that H.R. 3995 contains this language because it will allow Congress to monitor the VA offices and hospitals which are of major concern to our veterans.

Briefly, title IV provides that any major reorganization plans be submitted to the Congress and our Veterans' Affairs Committees for review. The bill provides for a 60-day review period and a one House veto of any plan if Congress so desires.

Finally, I would like to compliment the leadership of the Veterans' Committee for bringing this bill forth. The efforts of Chairman MONTGOMERY and JOHN PAUL HAMMERSCHMIDT are deeply appreciated. Certainly the efforts by the chairman of the Subcommittee on Compensation, Pension and Insurance, SAM HALL, should not go unnoticed. Chairman HALL's efforts, and those of the ranking minority member, CHALMERS WYLIE, should be known by all. I have the utmost respect for these four gentlemen and all our veterans owe them a debt of gratitude.

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman.

I would also like to thank the gentleman from Louisiana (Mr. BREAUX) and the gentleman from North Carolina (Mr. JONES) who have the next four bills to follow the Veterans' Affairs Committee. They have kindly let us move ahead with this legislation.

At this time I would yield 7 minutes to the gentleman from Wisconsin (Mr. ASPIN).

Mr. ASPIN. Mr. Speaker, I would just like to make some remarks concerning the bill and the proposition which is before us this afternoon. As has been pointed out by both sides of the aisle, this bill is within the budget resolution and there is no question about that.

But this is big money, Mr. Speaker. We are talking about nearly $1 billion for the next 4 years, and, after all, we do face new circumstances. When we passed that budget resolution, we were looking at a deficit of $42.5 billion, as projected by the administration. But now that budget deficit is beginning to look bigger and the administration is looking for more places to cut back.

As I look at this sheet, they are looking for places to cut back in the area of entitlements, in the area of cost of living increases. Here we have an 11.3 percent cost of living increase, not an outrageous increase to be sure, [given the rate of inflation. But the issue I would like to raise is one of concern, that here we are dealing with this issue before we have heard where the President is going to make his cuts. It concerns me that perhaps we are going to face cuts in cost-of-living and in social security and other areas after we have passed this bill. We have not waited to see whether the President asks for a reduction in the cost-of-living in this particular bill. Maybe he will not, but maybe the Congress might want to make it consistent with other cuts in the cost of living.

So the concern I have, and the concern I would like to register with my colleagues here on the floor, is that we really are treating this cost-of-living hike quite different from other cost-of-living hikes. I do not think we would be bringing this up under suspension of the rules if it were an increase in the cost-of-living allowances for other programs, because the point would naturally be raised: "Wait a minute; the President might want to cut back on the cost of living."

Here we are doing it for the veterans, a very worthy group, to be sure; but why are we treating these people so differently?

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield to me?

Mr. ASPIN. I yield to the chairman of the committee (Mr. MONTGOMERY).

Mr. MONTGOMERY. I would make a comment and then would like the gentleman to also yield to the chairman of the subcommittee to make a comment.

This is for the service-connected veterans, and I have always felt that if Government really had an obligation to anybody it was for the person who was wounded or hurt during service, and that is really the key obligation for all of these programs.

Mr. ASPIN. I understand.

Mr. MONTGOMERY. A person who loses his leg, a person who is paralyzed.

Mr. ASPIN. I understand.

Mr. MONTGOMERY. But I would point out to the gentleman further that we do not look at the Veterans' Administration or veterans programs as being a sacred cow.

We accepted, and the veterans organizations accepted in the first budget, a cut of over $440 million. If we have to take other cuts, we will take a good, hard look at them. But I do not think that this is the right place.

Mr. ASPIN. If I could respond to the chairman of the committee before yielding to the chairman of the subcommittee, I agree. Everyone has their

own arguments. People say, well, we should not cut the cost of living for social security because they are senior citizens, or you do not cut here, and for every one of these you cannot cut entitlements, the cost-of-living increase, or you would be hurting somebody.

I understand these are disabled veterans and they are worthy folk, but they are worthy on other grounds. The Veterans' Committee did accept their cuts in the first round of the budget. The point I am making now is that we are about to have a second round of budget cuts on the 1982 budget and $16 billion is the number bandied about. Sometime this week, Wednesday, Thursday, sometime the President is scheduled to make a speech and lay out his cuts.

The point I am making is if we pass this bill here and we give these folks an 11.3-percent increase, maybe we are going to cut someplace else and we are going to be inconsistent. We are treating the veterans different with this bill. I do not think there is any question about that.

Mr. SAM B. HALL, JR. Mr. Speaker, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman from Texas (Mr. SAM B. HALL, JR.).

Mr. SAM B. HALL, JR. For just one moment I would like to point out that in the Carter budget, Mr. Carter's budget summation requested an increase of 12.3 percent in the rates of compensation and dependency and indemnity and compensation. As the gentleman knows, this was reduced down to 11.3 percent in this bill.

In a letter to Chairman MONTGOMERY on April 3, 1981, from Rufus Wilson, Acting Administrator, it was stated, and I am reading from page 37 of the report:

Advice has been received from the Office of Management and Budget that there is no objection to presentation of this report from the standpoint of the administration's program.

I do not believe that there will be any cuts made in this entitlement program for the reasons as outlined in this letter, and as indicated by Chairman MONTGOMERY.

Mr. ASPIN. I appreciate the gentleman's comments.

I appreciate the fact that they did move from 12.3 down to 11.3. Of course, that is more consistent. It is more consistent with the cost of living which really has occurred in the period that we are covering. So it is an adequate compensation. It is just that we are treating the veterans differently and we are going to be in the position of cutting some entitlements.

I will bet my colleagues we end up cutting and there are going to be proposals to cut social security, the cost-of-living increases, and to defer or reduce those payments in other entitlement programs that are covered and that are not cost of living, and that are going to be dealt with in the President's next round of cuts.

It would have been nice to be able to deal with these all together and to treat them all together, to look at them as one package and treat them equally. If social security is going to have to do with a 9-percent increase, perhaps the veterans ought to do with a 9-percent increase, too.

All I was arguing for was consistency. By bringing this matter up now, by bringing it up under suspension, we are not really treating the matter consistently. That is the point I wanted to make.

□ 1350

Mr. MONTGOMERY. Mr. Speaker, we think we have an excellent bill and we hope that it will be adopted unanimously.

● Mr. SANTINI. Mr. Speaker, I thank my colleague from Texas for the opportunity to express my support for his bill that we are now considering. I also wish to mention my understanding that Congressman HALL and the members of the conference that will eventually rectify differences between his bill and the similar Senate bill, will make the commitment to retain the language of the Senate bill which renames the VA center in Reno, Nev., to the Ioannis A. Lougaris Veterans' Administration Medical Center.●

● Mr. CORRADA. Mr. Speaker, I rise in support of H.R. 3995, legislation which provides cost-of-living increases in certain benefits for disabled veterans and survivors of disabled veterans.

The bill consists of four titles: Title I increases compensation for service-connected disabled veterans, depending on the degree of disability, by an average of 11.3 percent. Title II increases dependency and indemnity compensation for survivors of veterans who died from service-connected causes, by 11.3 percent. Title III increases servicemen's group life insurance and veterans' group life insurance coverage from $20,000 to $35,000. It permits the beneficiaries of Government life insurance to receive insurance proceeds in a lump sum unless the insured selected some other mode of payment. Title IV assures the availability of appropriations and of funded personnel ceilings. It intends to insure that the VA is staffed at the level specified by the Congress, by requiring the OMB to make available to the VA the funds appropriated by the Congress for such personnel. It also prohibits the Veterans' Administration from exercising any authority to consolidate, eliminate, abolish, or redistribute the functions of any regional office, hospital, outpatient clinic, or any other facility unless Congress approves such action. Other provisions of title IV would extend to officers the bar on receipt of veterans' benefits when the active service has been for less than 2 years, which currently applies to enlisted men only; revise rules of eligibility applicable to certain servicemen released with honorable discharges; and prevent the loss of pension benefits for non-service-connected disabled veterans after extended care in a VA blind rehabilitation center.

War is always a horrible and harrowing experience that can be fully comprehended only by those who have lived it. Having to live with just the recollection of it must be awful. Having to live with the scars left by it is heroic.

It is more than a matter of lending a hand; it is a matter of compensating this. This bill is simply a way to help restore what inflation has taken away from those that gave us so much of themselves that we might all have what we have in this Nation.

It is only fitting that we take this opportunity to insure that their compensation be maintained against the erosion caused by inflation.

I urge my colleagues to vote to approve this legislation.●

● Mr. GILMAN. Mr. Speaker, I want to express my support for H.R. 3995, the Veterans' Compensation Act of 1981. I fully support the passage of this bill, which authorizes an 11.3 percent cost-of-living increase in the rates of compensation for disabled veterans and in the rates of indemnity compensation for survivors of deceased veterans.

Our disabled veterans have demonstrated a strong interest in the well-being of our Nation. These men, in defending our Nation, sacrificed their productive capacity. In recognition of their service and sacrifice in the name of national defense, it is extremely important that we fulfill our commitment to our disabled veterans and their families to insure their financial security.

LEGISLATIVE HISTORY

Traditionally, Congress has increased compensation rates whenever there has been an appreciable increase in the cost-of-living index. The last increase went into effect October 1, 1980.

DISABILITY COMPENSATION

The disability compensation program set forth in this measure provides our disabled veterans with a measure of relief from impaired earning capacity resulting from military service. By law, the degree of disability is required to represent the extent to which the veteran's earning capacity in civilian occupations is impaired. Basic compensation varies according to the degree of disability, ranging from 10 to 100 percent disabled; higher payments are made to those with more serious disabilities.

DEPENDENCY AND INDEMNITY COMPENSATION

The dependency and indemnity compensation (DIC) program provides partial compensation to the designated survivors (the spouse and/or children) of a veteran for the loss of financial support provided by the veteran should he die of service-connected causes. Payments are determined on the basis of the deceased veteran's military pay grade, with supplemental DIC payments awarded according to the number of dependents.

PROVISIONS

COST-OF-LIVING INCREASES

H.R. 3995 provides a cost-of-living increase in the basic disability compensation paid to veterans with service-connected disabilities. While the increase averages 11.3 percent, it is targeted to adjust the scale to correct past inequities. The bill also authorizes an 11.3 percent across-the-board increase for: other disability compensation benefits; annual clothing allowances for veterans whose disabilities require prosthetic or orthopedic appliances; dependency and indemnity compensation paid survivors of veterans whose deaths were service-connected; and supplemental DIC payments made for dependent children.

VA STAFFING

H.R. 3995 also contains language intended to prevent funds appropriated for VA staff from being used for other purposes. The bill requires future VA appropriations to specify a personnel ceiling. OMB is mandated to provide the VA funds for that personnel level and certify to Congress and the comptroller general that it has done so within 30 days of enactment of the appropriation or the first 10 days of the fiscal year. The comptroller general also is directed to submit a statement to Congress certifying OMB's compliance. The bill provides that VA appropriations may remain available until expended.

INSURANCE

H.R. 3995 increases maximum coverage of Servicemen's Group Life Insurance (SGLI) and Veterans' Group Life Insurance from $20,000 to $35,000, and assigns to DOD the responsibility of collecting, accounting for, and transferring to the VA funds necessary to operate SGLI. The committee anticipates this action will eliminate the problems of delinquent premium payments, currently totaling in the millions.

The bill also provides for lump-sum payment of National Service Life Insurance and U.S. Government Life Insurance claims, instead of the 36 monthly payments required under current law, unless otherwise specified by the insured.

BAR TO BENEFITS

Because of the high attrition rate in the volunteer force, no benefits are available under existing law to enlisted personnel who fail to complete 2 years of service, except when discharged for disability. H.R. 3995 eliminates certain inequities regarding this bar, which applies only to enlisted personnel.

Effective upon enactment, the bar will apply equally to officers, enlisted personnel, and volunteers and reservists called to extended duty. The bar will not affect personnel discharged prior to completion of 24 months of duty as long as they were discharged for the convenience of the Government.

OTHER PROVISIONS

H.R. 3995 also: Insures that the pension of a blind veteran receiving care in a VA center operated exclusively for the rehabilitation of the blind shall not be reduced; bars the VA from consolidating, abolishing, or otherwise reorganizing its offices, organizations, and agencies unless the plan is submitted to and not disapproved by Congress (one-House veto) within 60 days; and resolves certain inequities and duplications in DIC payments for dependent children.

The passage of H.R. 3995 serves as an important reminder to our disabled veterans and their families that our Nation has not forgotten them. These cost-of-living increases are vital to their families.

Veterans have given so unselfishly of themselves in the name of their country; in return, it is our country's highest obligation to insure that they continue to be compensated for their service.

I am deeply concerned that the United States honor its commitment to those who have given of themselves for our Nation.

The Veterans' Compensation Act of 1981 has been supported by the administration and will fulfill that commitment, and I am pleased to add my voice today in favor of its passage.●

Mr. MONTGOMERY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MURTHA). The question is on the motion offered by the gentleman from Mississippi (Mr. MONTGOMERY) that the House suspend the rules and pass the bill, H.R. 3995.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 917) to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their surviving spouses and children; to authorize the Administrator of Veterans' Affairs to guarantee home loans with provisions for graduated-payment plans; to increase the maximum amount payable in Veterans' Administration specially adapted housing assistance; to expand eligibility for memorial markers; and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 917

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) this Act may be cited as the "Veterans' Disability Compensation, Housing, and Memorial Benefits Amendments of 1981".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—VETERANS' DISABILITY COMPENSATION BENEFITS

RATES OF DISABILITY COMPENSATION

SEC. 101. (a) Section 314 is amended—

(1) by striking out "$54" in subsection (a) and inserting in lieu thereof "$60";

(2) by striking out "$99" in subsection (b) and inserting in lieu thereof "$110";

(3) by striking out "$150" in subsection (c) and inserting in lieu thereof "$167";

(4) by striking out "$206" in subsection (d) and inserting in lieu thereof "$229";

(5) by striking out "$291" in subsection (e) and inserting in lieu thereof "$324";

(6) by striking out "$367" in subsection (f) and inserting in lieu thereof "$408";

(7) by striking out "$434" in subsection (g) and inserting in lieu thereof "$483";

(8) by striking out "$503" in subsection (h) and inserting in lieu thereof "$559";

(9) by striking out "$566" in subsection (i) and inserting in lieu thereof "$629";

(10) by striking out "$1,016" in subsection (j) and inserting in lieu thereof "$1,130";

(11) by striking out "$1,262" and "$1,768" in subsection (k) and inserting in lieu thereof "$1,403" and "$1,966", respectively;

(12) by striking out "$1,262" in subsection (l) and inserting in lieu thereof "$1,403";

(13) by striking out "$1,391" in subsection (m) and inserting in lieu thereof "$1,547";

(14) by striking out "$1,581" in subsection (n) and inserting in lieu thereof "$1,758";

(15) by striking out "$1,768" each place it appears in subsection (o) and (p) and inserting in lieu thereof "$1,966";

(16) by striking out "$759" and "$1,130" in subsection (r) and inserting in lieu thereof "$844" and "$1,257", respectively;

(17) by striking out "$1,137" in subsection (s) and inserting in lieu thereof "$1,264"; and

(18) by striking out "$219" in subsection (t) and inserting in lieu thereof "$244".

(b) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of

Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

RATES OF ADDITIONAL COMPENSATION FOR DEPENDENTS

SEC. 102. Section 315(1) is amended—

(1) by striking out "$62" in clause (A) and inserting in lieu thereof "$69";

(2) by striking out "$104" in clause (B) and inserting in lieu thereof "$116";

(3) by striking out "$138" in clause (C) and inserting in lieu thereof "$153";

(4) by striking out "$173" and "$34" in clause (D) and inserting in lieu thereof "$192" and "$38", respectively;

(5) by striking out "$42" in clause (E) and inserting in lieu thereof "$47";

(6) by striking out "$77" in clause (F) and inserting in lieu thereof "$86";

(7) by striking out "$111" and "$34" in clause (G) and inserting in lieu thereof "$123" and $38, respectively;

(8) by striking out "$50" in clause (H) and inserting in lieu thereof "$56";

(9) by striking out "$112" in clause (I) and inserting in lieu thereof "$125" and;

(10) by striking out "$94" in clause (J) and inserting in lieu thereof "$105".

CLOTHING ALLOWANCE FOR CERTAIN DISABLED VETERANS

SEC. 103. Section 362 is amended by striking out "$274" and inserting in lieu thereof "$305".

INCREASE COMPENSATION PAYABLE TO CERTAIN SEVERELY DISABLED VETERANS

SEC. 104. Section 314 is amended—

(1) by striking out "both hands, or" in subsection (l);

(2) by amending subsection (m) by inserting "of both hands, or has suffered the anatomical loss or loss of use" after "use";

(3) by amending subsection (n)—

(A) by inserting "or loss of use of both arms at a level, or with complications, preventing natural elbow action with prosthesis in place, or has suffered the anatomical loss" after "loss" the first place it appears; and

(B) by inserting a comma after "appliance"; and

(4) by inserting after the comma following "less" in subsection (o) "or if the veteran has suffered the anatomical loss of both arms so near the shoulder as to prevent the use of a prosthetic appliance,".

## TITLE II—SURVIVORS' DEPENDENCY AND INDEMNITY COMPENSATION BENEFITS

RATES OF DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES

SEC. 201. (a) Subsection (a) of section 411 is amended to read as follows:

"(a) Dependency and indemnity compensation shall be paid to a surviving spouse, based on the pay grade of the person upon whose death entitlement is predicated, at monthly rates set forth in the following table:

| "Pay grade | Monthly rate |
|---|---|
| E-1 | $415 |
| E-2 | 428 |
| E-3 | 438 |
| E-4 | 466 |
| E-5 | 479 |
| E-6 | 490 |
| E-7 | 514 |
| E-8 | 542 |
| E-9 | [1]567 |
| W-1 | 525 |
| W-2 | 546 |
| W-3 | 562 |
| W-4 | 595 |
| O-1 | 525 |
| O-2 | 542 |
| O-3 | 580 |
| O-4 | 613 |
| O-5 | 676 |
| O-6 | 761 |
| O-7 | 824 |
| O-8 | 903 |
| O-9 | 970 |
| O-10 | [2]1,061 |

"[1] If the veteran served as sergeant major of the Army, senior enlisted adviser of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $610.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $1,138.".

(b) Subsection (b) of such section is amended by striking out "$43" and inserting in lieu thereof "$48".

(c) Subsection (c) of such section is amended by striking out "$112" and inserting in lieu thereof "$125".

(d) Subsection (d) of such section is amended by striking out "$56" and inserting in lieu thereof "$62".

RATES OF DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN

SEC. 202. Section 413 is amended—

(1) by striking out "$189" in clause (1) and inserting in lieu thereof "$210";

(2) by striking out "$271" in clause (2) and inserting in lieu thereof "$301";

(3) by striking out "$350" in clause (3) and inserting in lieu thereof "$389"; and

(4) by striking out "$350" and "$71" in clause (4) and inserting in lieu thereof "$389" and "79", respectively.

RATES OF SUPPLEMENTAL DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN

SEC. 203. Section 414 is amended—

(1) by striking out "$112" in subsection (a) and inserting in lieu thereof "$125";

(2) by striking out "$189" in subsection (b) and inserting in lieu thereof "$210"; and

(3) by striking out "$96" in subsection (c) and inserting in lieu thereof "$107".

## TITLE III—AUTOMOBILE ASSISTANCE AND ADAPTIVE EQUIPMENT AMENDMENTS

SEC. 301. Section 1902 is amended—

(1) by striking out "he" each place it appears and inserting in lieu thereof "the Administrator";

(2) by striking out "$3,800" in subsection (a) and inserting in lieu thereof "$5,000"; and

(3) by amending subsection (b)—

(A) by inserting "(1)" before "The";

(B) by striking out "his" and inserting in lieu thereof "such person's"; and

(C) by adding at the end the following new paragraph:

"(2) In the case of any veteran (other than an eligible person) who is entitled to compensation under chapter 11 of this title for ankylosis of one or both knees, or one or both hips, the Administrator, under the terms and conditions set forth in section 1903 (a), (c), and (d) of this title and under regulations which the Administrator shall prescribe, shall provide such adaptive equipment to overcome the disability resulting from such ankylosis as is (A) necessary to meet the applicable standards of licensure established by the State of such veteran's residency or other proper licensing authority for the operation of such veteran's automobile or other conveyance by such veteran, or (B) determined to be necessary by the Chief Medical Director for the safe operation of such automobile or other conveyance by such veteran.".

SEC. 302. Section 1903(b) is amended by striking out "he" and inserting in lieu thereof "the Administrator" and striking out "his" both places it appears and inserting in lieu thereof "such person's".

## TITLE IV—VETERANS' ADMINISTRATION HOUSING BENEFITS AMENDMENTS

ESTABLISHMENT OF GRADUATED-PAYMENT PLANS IN VETERANS' ADMINISTRATION LOAN GUARANTY PROGRAM

SEC. 401. Section 1803(d)(2) is amended—

(1) by inserting "(A)" after "(2)"; and

(2) by adding at the end the following new subparagraphs:

"(B) The Administrator may guarantee loans with provisions for various rates of amortization corresponding to anticipated variations in family income. With respect to any loan guaranteed under this subparagraph—

"(i) the initial principal amount of the loan may not exceed the reasonable value of the property as of the time the loan is made; and

"(ii) the principal amount of the loan thereafter (including the amount of all interest to be deferred and added to principal) may not at any time be scheduled to exceed the projected value of the property.

"(C) For the purposes of subparagraph (B) of this paragraph, the projected value of the property shall be calculated by the Administrator by increasing the reasonable value of the property as of the time the loan is made at a rate not in excess of 2.5 per centum per year, but in no event may the projected value of the property for the purposes of such subparagraph exceed 115 per centum of such reasonable value. A loan made for a purpose other than the acquisition of a single-family dwelling unit may not be guaranteed under such subparagraph.".

SEC. 402. Section 1828 is amended—

(1) by inserting "(1)" after "constitution or law"; and

(2) by inserting "(2) restricting the manner of calculating such interest (including prohibition of the charging of interest on interest), or (3) requiring a minimum amortization of principal," after "lenders,".

INCREASE IN MAXIMUM AMOUNTS OF VETERANS' SPECIALLY ADAPTED HOUSING ASSISTANCE

SEC. 403. Section 802 is amended—

(1) by amending subsection (a)—

(A) by striking out "$30,000" and inserting in lieu thereof "$35,000";

(B) by striking out "him" each place it appears and inserting in lieu thereof "such veteran"; and

(C) by striking out "his" in clause (3) and inserting in lieu thereof "such veteran's"; and (2) by striking out "(2)" in subsection (b).

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 404. Section 1826 is amended—

(1) by striking out subsection (a) in its entirety; and

(2) by striking out "(b)" in subsection (b).

EXTENSIONS OF MAXIMUM TERMS OF VETERANS' ADMINISTRATION-GUARANTEED LOANS FOR MOBILE-HOME PURCHASES

SEC. 405. Paragraph (1) of section 1819(d) is amended to read as follows:

"(d)(1) The maturity of any loan guaranteed under this section shall not be more than—

"(A) fifteen years and thirty-two days, in the case of a loan for the purchase of a lot;

"(B) twenty years and thirty-two days, in the case of a loan for the purchase of—

"(i) a single-wide mobile home; or

"(ii) a single-wide mobile home and a lot;

"(C) twenty-three years and thirty-two days, in the case of a loan for the purchase of a double-wide mobile home; or

"(D) twenty-five years and thirty-two days, in the case of a loan for the purchase of a double-wide mobile home and a lot.".

## TITLE V—MISCELLANEOUS PROVISIONS

### CONTINUED PAYMENT OF PENSION TO CERTAIN HOSPITALIZED VETERANS WHO ARE UNDERGOING A PRESCRIBED PROGRAM OF REHABILITATION

SEC. 501. Paragraph (1) of section 3203(a) is amended by adding at the end the following new subparagraph:

"(D) For the purposes of subparagraphs (B) and (C) of this paragraph, no period of time that does not exceed one hundred and eighty days within any twelve-month period shall be counted as time during which a veteran is being furnished hospital or nursing home care if the Administrator determines that the primary purpose for the furnishing of such care during such period of time is for the Veterans' Administration to provide such veteran with a prescribed program of rehabilitation services, under chapter 17 or 31 of this title, designed to restore such veteran's ability to function within such veteran's family and community.".

### HEADSTONES AND MARKERS IN CERTAIN CASES

SEC. 502. Subsection (b) of section 906 is amended to read as follows:

"(b) The Administrator shall furnish, when requested, an appropriate memorial headstone or marker to commemorate any veteran—

"(1) whose remains have not been recovered or identified;

"(2) Whose remains were buried at sea, whether by the veteran's own choice or otherwise;

"(3) whose remains were donated to science; or

"(4) whose remains were cremated and the ashes scattered without interment of any portion of the ashes,

for placement by the applicant in a national cemetery area reserved for such purposes under the provisions of section 1003 of this title, or in any private or local or State cemetery.".

SEC. 503. Subsection (a) of section 1003 is amended to read as follows:

"(a) The Administrator shall set aside, when available, suitable areas in national cemeteries to honor the memory of veterans—

"(1) who are missing in action;

"(2) whose remains have not been recovered or identified;

"(3) whose remains were buried at sea, whether by the member's own choice or otherwise;

"(4) whose remains were donated to science; or

"(5) whose remains were cremated and the ashes scattered without interment of any portion of the ashes.".

### RADIATION LITERATURE REVIEW

SEC. 504. (a)(1) The Administrator of Veterans' Affairs shall conduct a comprehensive review and scientific analysis of the literature covering studies already conducted or underway relating to the long-term adverse health (including genetic and psychological) effects in humans of exposure to radiation, including nuclear device, medical, and occupational exposures.

(2) The Administrator may, in carrying out the review and analysis of the literature provided for in paragraph (1), enter into such contracts or agreements with private or public agencies or persons for such necessary services, including the conduct of, in whole or in part, such review and analysis, as the Administrator considers appropriate.

(b) In conducting the review and analysis of the literature provided for in subsection (a), the Administrator shall provide for all appropriate coordination and consultation with other departments, agencies, and instrumentalities of the Federal Government that are conducting or have conducted scientific studies relating to the adverse health effects in humans of exposure to radiation.

(c)(1) Not later than ninety days after the date of the enactment of this Act, the Administrator shall submit to the appropriate committees of the Congress a report containing a description of the steps taken and plans made to assure the coordination and consultation required under subsection (b).

(2)(A) Not later than eighteen months after the date of the enactment of this Act, the Administrator shall submit to the appropriate committees of the Congress a report on the literature review and analysis conducted under subsection (a), together with such comments and recommendations for administrative or legislative action, or both, as the Administrator considers appropriate, including recommendations regarding the need for the Administrator to carry out additional research in any areas in which the Administrator determines that the report indicates such research is necessary for the resolution of questions as to whether certain significant adverse long-term health effects result from exposure to radiation.

(B) The Administrator shall submit copies of such report to the departments, agencies, and instrumentalities described in subsection (b) and shall recommend to the appropriate such departments, agencies, and instrumentalities that they carry out any such additional research.

(3)(A)(i) Not later than ninety days after the submission of the report required by paragraph (2), the Administrator shall, based on the information described in such report, develop and publish in the Federal Register, for public review and comment, proposed regulations containing proposed guidelines, standards, and other criteria (together with an explanation of the bases for such proposed guidelines, standards, and criteria) for resolving claims for benefits administered by the Veterans' Administration based on exposure during service in the Armed Forces of the United States to radiation from nuclear devices.

(ii) Proposed regulations developed and published pursuant to division (i) of this subparagraph shall include specification of any presumptions (including any presumptions regarding service and exposure) to be applied to the resolution of the claims to which such proposed guidelines, standards, and criteria in such proposed regulations apply.

(B)(i) Not later than ninety days after the completion of the public review and comment process provided for in subparagraph (A)(i), the Administrator shall publish in the Federal Register final regulations containing the guidelines, standards, and other criteria (together with an explanation of the bases for such guidelines, standards, and criteria) for resolving the claims involved.

(ii) On the same day as final regulations are published as required by division (i) of this subparagraph, the Administrator shall submit to the appropriate committees of the Congress any recommendations for legislative action that the Administrator considers appropriate in light of the guidelines, standards, and criteria contained in such regulations, the report submitted pursuant to paragraph (2) of this subsection, and any other available pertinent information.

(C) Nothing in subparagraph (A) shall be considered to limit in any way the discretion and authority of the Administrator to promulgate or prescribe regulations, guidelines, standards, or other criteria for resolving any claims described in subparagraph (A)(i) at any time earlier than the time prescribed in subparagraph (A) for the publication of the proposed regulations described in such subparagraph.

### MINIMUM ACTIVE-DUTY SERVICE REQUIREMENT

SEC. 505. (a) Chapter 53 is amended by inserting after section 3103 the following new section:

"§ 3103A. Minimum active-duty service requirement

"(a) Notwithstanding any other provision of law, the requirements for eligibility for or entitlement to any benefit under this title or other laws administered by the Veterans' Administration based on the duration of the active duty in one of the Armed Forces of a person who initially enters such active duty after September 7, 1980, shall be exclusively as prescribed in this title.

"(b)(1) Except as provided in paragraph (2) of this subsection, a person who initially enters active duty in one of the Armed Forces after September 7, 1980, shall not, by reason of such active duty, be provided with any benefit under this title or other laws administered by the Veterans' Administration—

"(A) if such person's initial period of enlistment or other initial period of obligated service is for twenty-four or more months of active duty and such person is discharged or released from active duty before completing at least twenty-four months of such person's obligated period of active duty; or

"(B) if such person's initial period of enlistment or other initial period of obligated service is for less than twenty-four months of active duty and such person is discharged or released from active duty before completing the full period of such enlistment or other obligated service.

"(2) Paragraph (1) of this subsection shall not apply to—

"(A) any person who is discharged or released from active duty (i) under section 1171 or 1173 of title 10, or (ii) because of a service-connected disability;

"(B) any person who has a disability that the Administrator has determined to be compensable under chapter 11 of this title;

"(C) a commissioned or warrant officer who initially enters a period of active duty prior to October 1, 1981;

"(D) the provision of any benefit for or on account of any service-connected disability or condition;

"(E)(i) the continuation of insurance pursuant to section 768(a)(1)(A) of this title; or

"(ii) the right to designate or change the designation of a beneficiary or beneficiaries pursuant to section 770(a) of this title; or

"(F) any benefit provided under applicable law prior to October 1, 1981.

"(c)(1) Except as provided in subsection (b)(2) of this section and paragraph (2) of this subsection, no dependent or survivor of a person as to whom paragraph (1) of subsection (b) of this section requires the denial of benefits shall, by reason of such person's period of active duty, be provided with any benefit under this title or other laws administered by the Veterans' Administration.

"(2) Paragraph (1) of this subsection shall not apply to—

"(A) the survivors or dependents of a person to whom paragraph (1) of subsection (b) of this section is made inapplicable by paragraph (2)(A), (B), or (C) of such subsection;

"(B) benefits under chapter 13, 17, 35, and 37 and sections 907 and 908 of this title; or

"(C) the payment of insurance pursuant to section 768(a)(1)(A) of this title.

"(d) For the purposes of this section, the term 'benefit' includes a right or privilege but does not include a refund or payment, pursuant to section 1623, 1624, or 1625 of this title, of a participant's contributions to the educational benefits program provided by chapter 32 of this title.".

(b) No provisions of the amendment made by subsection (a) of this section shall be construed as requiring (or as authorizing any official or employee of the Federal Government to request) any person to repay the United States Government for a benefit, right, or privilege which was provided prior to October 1, 1981.

(c) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3103 the following:

"3103A. Minimum active-duty service requirement.".

DELIMITING DATES FOR SURVIVING SPOUSES OF CERTAIN SERVICE-CONNECTED DISABLED VETERANS

SEC. 506. (a) Section 1712(b)(1) is amended—

(1) by striking out "or" at the end of clause (A);

(2) by amending clause (B) to read as follows:

"(B) the date of death of a veteran who dies while a total disability evaluated as permanent in nature was in existence, or"; and

(3) by adding at the end the following new clause:

"(C) the date on which the Administrator determines that the person from whom eligibility is derived died of a service-connected disability.".

(b) Subsection (f) of section 2 of Public Law 90-631 (82 Stat. 1331) is amended—

(1)(A) by striking out "(f) In" and inserting in lieu thereof "(f)(1) Except as provided in paragraph (2) of this section, in", (B) by striking out "(C)" and inserting in lieu thereof "(D)", and (C) by striking out "eight" and inserting in lieu thereof "ten"; and

(2) by adding at the end the following new paragraph:

"(2) Where the death of the person from whom such eligibility is derived occurred before December 1, 1968, and the date on which the Administrator of Veterans' Affairs determines that such person died of a service-connected disability is later than December 1, 1968, the delimiting period referred to in section 1712(b) of such title shall run from the date on which the Administrator makes such determination.".

WAIVER OF PRO RATA REFUND REQUIREMENT IN THE CASE OF CERTAIN INSTITUTIONS

SEC. 507. Section 1776 is amended by adding at the end the following new subsection:

"(d) The Administrator may waive the requirements of subsection (c)(13) of this section in the case of an institution of higher learning which—

"(1) is operated by an agency of a State or of a unit of local government,

"(2) is located within such State or, in the case of an institution operated by an agency of a unit of local government, within the boundaries of the area over which such unit has taxing jurisdiction, and

"(3) is a candidate for accreditation by a regional accrediting association,

if the Administrator determines, pursuant to regulations which the Administrator shall prescribe, that such requirements would work an undue administrative hardship because the total amount of tuition, fees, and other charges at such institution is nominal.".

IOANNIS A. LOUGARIS VETERANS' ADMINISTRATION MEDICAL CENTER

SEC. 508. The Veterans' Administration Medical Center in Reno, Nevada, shall hereafter be known and designated as the "Ioannis A. Lougaris Veterans' Administration Medical Center". Any reference to such center in any law, regulation, map, document, record, or other paper of the United States shall after such date be deemed a reference to the Ioannis A. Lougaris Veterans' Administration Medical Center.

TITLE VI—EFFECTIVE DATES

SEC. 601. (a) Except as provided in subsections (b) and (c) of this section, the amendments made by this Act shall take effect on the date of enactment of this Act.

(b) The provisions of titles I and II and sections 301, 401, 402, 403, and 405 shall take effect on October 1, 1981.

(c) The amendments made by sections 502 and 503 shall take effect on October 1, 1981, and shall apply with respect to veterans dying before, on, or after such date.

MOTION OFFERED BY MR. MONTGOMERY

Mr. MONTGOMERY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MONTGOMERY moves to strike out all after the enacting clause of the Senate bill, S. 917, and to insert in lieu thereof the provisions of the bill, H.R. 3995, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend title 38, United States Code, to provide a cost-of-living increase in the rates of disability compensation for disabled veterans and in the rates of dependency and indemnity compensation for survivors of disabled veterans, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 3995) was laid on the table.

## AUTHORIZATION FOR CONSERVATION PROGRAMS ON MILITARY AND OTHER PUBLIC LANDS

Mr. JONES of North Carolina. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1952) to authorize appropriations to carry out conservation programs on military reservations and public lands during fiscal years 1982, 1983, and 1984, as amended.

The Clerk read as follows:

H.R. 1952

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 101 of the Act of September 15, 1960 (commonly known as the Sikes Act, 16 U.S.C. 670a) is amended—

(1) by amending the second sentence thereof—

(A) by striking out "and (3)" and inserting in lieu thereof "(3)"; and

(B) by inserting immediately before the period the following: ", and (4) specific habitat improvement projects and related activities and adequate protection for species of fish, wildlife, and plants considered threatened or endangered"; and

(2) by adding at the end thereof the following new sentence: "Cooperative plans agreed to under the authority of this section and section 102 shall not be deemed to be, nor treated as, cooperative agreements to which the Federal Grant and Cooperative Agreement Act of 1977 (41 U.S.C. 501 et seq.) applies.".

SEC. 2. Section 106 of the Sikes Act (16 U.S.C. 670f) is amended—

(1) by inserting "and not to exceed such sums as may be necessary for each of fiscal years 1982, 1983, and 1984," immediately after "September 30, 1981," in each of subsections (b) and (c); and

(2) by adding at the end thereof the following new subsection:

"(d) The Secretary of Defense and the Secretary of the Interior may each use any authority available to him under other laws relating to fish, wildlife, or plant conservation or rehabilitation for purposes of carrying out the provisions of this title.".

SEC. 3. The second sentence of section 201 of the Sikes Act (16 U.S.C. 670g) is amended by inserting "of fish, wildlife, and plants" immediately after "species".

SEC. 4. Section 202 of the Sikes Act (16 U.S.C. 670h) is amended by adding at the end thereof the following new subsection:

"(d) Agreements entered into by State agencies under the authority of this section shall not be deemed to be, or treated as, cooperative agreements to which the Federal Grant and Cooperative Agreement Act of 1977 (41 U.S.C. 501 et seq.) applies.".

SEC. 5. Section 209 of the Sikes Act (16 U.S.C. 670o) is amended—

(1) by inserting "and not to exceed such sums as may be necessary for each of fiscal years 1982, 1983, and 1984," immediately after "September 30, 1981," in each of subsections (a) and (b); and

(2) by adding at the end thereof the following new subsections:

"(c) The Secretary of the Interior and the Secretary of Agriculture may each use any authority available to him under other laws relating to fish, wildlife, or plant conservation or rehabilitation for purposes of carrying out the provisions of this title.

"(d) The Secretary of the Interior and the Secretary of Agriculture may each make purchases and contracts for property and services from, or provide assistance to, the State agencies concerned, if such property, services or assistance is required to implement those projects and programs carried out on, or of benefit to, Federal lands and identified in the comprehensive plans or cooperative agreements developed under section 202, without regard to title III (other than section 304) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251-260). Contract authority provided in this Section is effective only to such extent or in such amounts as are provided in appropriation acts."

The SPEAKER pro tempore. Is a second demanded?

Mr. FORSYTHE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from North Carolina (Mr. JONES) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. FORSYTHE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. JONES).

Mr. JONES of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1952 authorizes such sums as may be necessary to carry out the fish and wildlife conservation and recreation programs on military and other Federal lands provided for in what is commonly known as the Sikes Act. The purpose of the legislation is first, to assure that funding will be available to the Secretaries of the Interior, Defense, and Agriculture over the next 3 fiscal years to implement these programs; second, to encourage these Departments to expand their efforts to protect wildlife and to make these lands available to the public for hunting, fishing and other outdoor recreational experiences; and third, to clarify certain ambiguities in the act resulting from the passage of other laws since this law was enacted.

Originally, the Sikes Act was passed to take advantage of the tremendous fish and wildlife and outdoor recreation potential on some 26 million acres of military property throughout our Nation. It was later amended to include 620 million acres of other Federal lands—primarily Forest Service and Bureau of Land Management properties—with equal potential for these public uses. For many communities in our Nation, these lands represent the only nearby opportunity for wildlife oriented recreation and, wherever feasible, such lands should be made available to the general public, as well as to military personnel, for these healthful and enjoyable activities.

In addition, these lands contain large populations of fish, wildlife, and plant species—some of which are endangered. The Federal Government, with the encouragement of my committee, spends a good bit of money to acquire wildlife habitat to protect these precious natural resources. The Sikes Act expresses the strong congressional intent that the landlords of other federally owned properties pay serious attention to their responsibilities for the conservation of fish, wildlife, and plant resources so that we do not inadvertently wipe out with one hand what we are protecting with the other.

Mr. Speaker, the purposes and the results of this act have been widely acclaimed both by those who carry it out and by those who have enjoyed its benefits. Certainly its purposes are in line with the expressed desire of the present administration for multiple uses of public lands and taking better care of the lands which we currently own. Controversy arises only with regard to funding authorities with the Departments claiming that other laws provide sufficient authorities under which they can carry out Sikes Act programs. We do not believe that this is true or, more importantly, that without the authorities provided by the Sikes Act what has been accomplished would have occurred. Recognizing the current political and budgetary climate, however, we have acceded to the administration's wishes by deleting specific funding authorization amounts from the bill before us. At the same time, the committee has specifically authorized the use of other authorities to carry out these programs.

Mr. Speaker, these are important programs—important to the protection of our fish, wildlife, and plant resources; important to the conservation of our public lands; and important to the health and welfare of our citizens. I urge my colleagues to adopt H.R. 1952 so they may be continued.

Mr. Speaker, I yield such time as he may consume to the chairman of the Subcommittee on Fisheries and Wildlife Conservation and the Environment, the gentleman from Louisiana, (Mr. BREAUX) who will spell out in more detail the provisions of H.R. 1952 and the programs carried out under the Sikes Act.

Mr. BREAUX. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of H.R. 1952, as amended, a bill to reauthorize appropriations to carry out conservation programs on military reservations and other public lands during fiscal years 1982, 1983, and 1984, and for other purposes.

This legislation, commonly known as the Sikes Act, has been in effect since 1960. Title I of the act authorizes the Secretary of Defense to carry out programs of fish and wildlife conservation and rehabilitation on military reservations in accordance with cooperative plans agreed to by the Secretary of Defense, the Secretary of the Interior, and the appropriate State agency. It was amended in 1968 to include the development of public outdoor recreation programs.

Title II of the act, established in 1974, directs the Secretaries of the Interior and Agriculture, in cooperation with appropriate State agencies, to plan, develop, maintain, and coordinate programs for the conservation and rehabilitation of fish and wildlife on Bureau of Land Management and Forest Service lands. It also directs the Secretary of the Interior to adopt, modify, and implement such conservation and rehabilitation programs on lands under the jurisdiction of the Department of Energy and the National Aeronautics and Space Administration, with the prior written approval of those agencies.

Mr. Speaker, prior to 1968 no moneys were authorized to carry out programs under this act but since that time the authorized amounts have increased steadily to the existing levels which include $1.5 million for the Department of Defense and $3 million for the Department of the Interior annually under title I, and $10 and $12 million to the Bureau of Land Management and the Forest Service, respectively, each year to carry out title II activities.

Despite these authorization levels, nearly all of the agencies involved, with certain limited exceptions, have chosen not to request funding under the authority of the Sikes Act but to earmark funds received under other authorities for Sikes Act activities.

As introduced, H.R. 1952, would have continued the existing authorization levels. However, during hearings before the Subcommittee on Fisheries and Wildlife Conservation and the Environment each of the agencies involved presented testimony opposing H.R. 1952 since they could continue to carry out the programs under other funding authorities. At the same time, these agencies reaffirmed their belief in and support for the purposes of the Sikes Act and the programs carried out under it. In addition, no money has been included in the budget for the Sikes Act. Accordingly, the committee amended the bill to provide only for such sums as may be necessary to carry out these programs.

In addition, H.R. 1952 amends both titles of the act to provide adequate protection for endangered or threatened species of fish, wildlife, and plants, to clarify that cooperative agreements referred to in this act are documents in which Federal and State agencies mutually agree in principle on wildlife programs—rather than legal instruments as defined under the Federal Grant and Cooperative Agreements Act—and to specifically author-

ize the use of any authorities available under other laws relating to fish, wildlife, or plants to carry out the provisions of this act.

Finally, Mr. Speaker, the bill would amend title II of the act to permit the Secretary of the Interior and the Secretary of Agriculture to make purchases and contracts from, or to provide assistance to, the State agencies without going through the advertising and competitive bidding requirements under the Federal Property and Administrative Services Act.

Mr. Speaker, the lands covered by this act include some 26 million acres of military reservations and well over 600 million acres of other public lands. Much of this acreage constitutes valuable fish, wildlife, and plant habitat. A large number of endangered species may be found on these lands and they offer high potential for public outdoor recreation at a time when the more traditional sources of such recreation, like the National Park Service, are suffering from overuse.

Under this act, approximately 240 individual cooperative agreements have been negotiated between military bases, the Fish and Wildlife Service and the relevant State fish and game agencies to establish conservation programs and provide hunting and fishing opportunities for military personnel and the general public. Under the agreements, 130 fishery projects and 257 wildlife-related projects were carried out on military installations by the Fish and Wildlife Service in 1980. In addition, proceeds from the sale of hunting and fishing permits on Army, Navy, and Air Force bases, amounting to $950,000 in 1981, have been used for related programs.

The BLM has placed primary emphasis on completing inventories on some 39 million acres but, as of the end of 1980, it has also spent some $6.9 million to complete or implement habitat management programs on 26.7 million acres in 15 States which have signed cooperative agreements. Comprehensive conservation plans have been jointly prepared with 41 of the 42 States containing Forest Service lands where the primary emphasis is given to fish and wildlife habitat improvement projects.

Mr. Speaker, much important conservation work has been carried out under the authority of the Sikes Act—much more needs to be done. The present administration wishes to place emphasis on improving the existing public lands and multiple uses of those lands. That is exactly what the Sikes Act is about.

The administration claims that this legislation is unnecessary because the programs can be carried out under other authorities. The question is whether they will be carried out without the impetus provided by the congressional directives contained in the act. I doubt it and many persons involved in carrying out these programs doubt it as well. In addition, I believe it is important to reauthorize funding under this act to provide for future needs, to reiterate our commitment to the conservation of our Nation's fish and wildlife resources on public lands and to provide for continued oversight over these important programs, however they are funded. My subcommittee intends to follow their direction very closely over the next 3 years.

Mr. Speaker, I urge the adoption of H.R. 1952.

Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

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Mr. Speaker, I join my colleague in supporting H.R. 1952. This legislation would authorize appropriations in order to continue to carry out fish, wildlife, plant conservation and rehabilitation programs on military reservations and other public lands.

The Bureau of Land Management, the Forest Service, the National Aeronautics and Space Administration and the Energy Department together control over 600 million acres of public land, much of which provides habitat for important fish, wildlife, and plant species. Many of these species are listed as endangered or threatened. Our military and public lands also contain a great deal of potential for the development of public outdoor recreation programs.

The Sikes Act recognizes the importance of Federal and State cooperation in carrying out the conservation, rehabilitation, and recreation programs on these lands. The act requires the development of comprehensive plans for such programs and encourages State participation in these programs through cooperative agreements with the appropriate Federal agencies.

Although the Departments of Defense, Interior, and Agriculture do not request funds under the authority of the Sikes Act to carry out these programs, they are, nevertheless, using funds under their other authorities to carry out the activities called for under the act. These agencies have indicated their support for the program and would like to see it continued, even though they have not requested any funds in their fiscal year 1982 budget.

I do not normally support open-ended authorizations. However, in this case I take exception because it is important that we maintain our congressional oversight responsibility for those programs carried out under the act. A 3-year authorization will accomplish that purpose. As a matter of formality, the bill would authorize such sums as necessary under the Sikes Act for each of fiscal years 1982, 1983, and 1984. It would also authorize the various agencies to use their other existing funding authorities to carry out such programs—as is already being done. We have included a number of other provisions in our amendment which will conform the different titles and simplify administration and implementation of the act.

Mr. Speaker, if we are to encourage the comprehensive management of fish, wildlife, and plant species on the public lands, then enactment of this legislation will provide a big step toward that goal. It is for these reasons that I support H.R. 1952 and want to encourage my colleagues to do the same.

Mr. JONES of North Carolina. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. JONES) that the House suspend the rules and pass the bill, H.R. 1952, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill authorizing appropriations to carry out conservation programs on military reservations and public lands during fiscal years 1982, 1983, and 1984, and for other purposes.".

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed, H.R. 1952.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

## COMMERCIAL FISHERMEN REIMBURSEMENT

Mr. JONES of North Carolina. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3016) to give permanent effect to the provisions of the Fishermen's Protective Act of 1967 relating to the reimbursement of United States commercial fishermen for certain losses incurred incident to the seizure of their vessels by foreign nations, as amended.

The Clerk read as follows:

H.R. 3016

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 7 of the Fishermen's Protective Act of 1967 (22 U.S.C. 1977) is amended—

(1) by adding immediately after the fourth sentence of subsection (c) the follow-

ing new sentence: "Those fees not currently needed for payments under this section shall be kept on deposit or invested in obligations of, or guaranteed by, the United States and all revenues accruing from such deposits or investments shall be credited to such separate account."; and

(2) by striking out "The provisions of this section shall be effective until October 1, 1981; except that payments" in subsection (e) and inserting in lieu thereof "Payments".

The SPEAKER pro tempore. Is a second demanded?

Mr. FORSYTHE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from North Carolina (Mr. JONES) will be recognized for 20 minutes, the gentleman from New Jersey (Mr. FORSYTHE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. JONES).

Mr. JONES of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3016, a bill to give permanent effect to section 7 of the Fishermen's Protective Act, which relates to the reimbursement of U.S. commercial fishermen for losses incurred incident to seizure of their vessels by foreign nations. There have been 178 of these seizures since section 7 went into effect in 1969. It provides indemnity for actual losses, including damage to vessel and gear and loss of catch by confiscation or spoilage. It does not indemnify for payment of fines, license fees or other charges paid to secure release of vessel or crew. These items are insured under a separate program not affected by this bill.

For a U.S. fisherman to be entitled to indemnity under section 7, the foreign seizure of his vessel must be illegal under U.S. laws and treaties as defined in the Fishermen's Protective Act.

Mr. Speaker, section 7 has been renewed and extended in 1972, 1976, and 1977, with the consistent support of the Merchant Marine and Fisheries Committee, which I chair, this House, and the Congress. It is the purpose of H.R. 3016 to make permanent those provisions of the act which provide the protection which we have outlined so that it will not be necessary to periodically reinstate the program hereafter.

Mr. Speaker, in addition to extending and making permanent the provisions of section 7 of the Fishermen's Protective Act, H.R. 3016 authorizes the Secretary of Commerce to invest fees paid by U.S. fishermen in interest bearing obligations of the United States. These fees provide more than 60 percent of the cost of the program. This and other features of the bill will be explained in greater detail by Congressman BREAUX, chairman of the subcommittee which conducted the hearings and developed his legislation.

The tuna and shrimp fleets of the United States are an important part of our national economy. Since there is no private insurance to protect fishermen from loss due to illegal foreign seizure of their vessels and section 7 is due to terminate on October 1, 1981, enactment of H.R. 3016 is timely and necessary. It has the full support of the committee, which I chair. It deeply affects the economic security and well-being of our fishing industry. I urge my colleagues to vote for this bill.

Mr. Speaker, I now yield such time as he may consume to the gentleman from Louisiana (Mr. BREAUX), chairman of the Subcommittee on Fisheries and Wildlife Conservation and the Environment.

Mr. BREAUX. Mr. Speaker, I rise in support of H.R. 3016, a bill giving permanent effect to those provisions of the Fishermen's Protective Act which relate to the reimbursement of U.S. commercial fishermen for certain losses incurred incident to the seizure of their vessels by foreign nations.

Section 7 of the Fishermen's Protective Act (FPA), the section that is given permanent effect by H.R. 3016, is considered essential to the well-being and continued viability of our distant water fishing fleets.

During hearings that were held this spring on the reauthorization of this program, administration witnesses confirmed that it is still the position of the U.S. Government to support and protect the free operation of U.S.-flag fishing vessels outside national fisheries jurisdictions recognized by the United States. Since highly migratory species, such as tuna, are not subject to national fisheries jurisdiction, U.S. Government policy also supports the free operation of those vessels beyond 12 nautical miles from the baseline from which the territorial sea is measured. Absent the continuation of this policy, both the international legal rights maintained by the Government and the further development of the distant water American fishing industry will suffer.

The fisheries that would be most adversely affected by our failure to act on this legislation, the distant water tuna and shrimp fleets of the United States, make substantial contributions to our national economy. That contribution has been established at close to $1 billion. Industry witnesses who testified at our hearings submitted evidence that no private insurance is currently available to protect against the threat of illegal foreign seizure. A failure to continue the section 7 insurance program beyond its current October 1, 1981, expiration date will certainly result in the loss to the United States of these valuable fleets.

After receiving unanimous support for the extension of this valuable program, first enacted in 1968 and extended in 1972, 1976, and 1977, we determined that it should be given permanent effect. That decision was unanimously endorsed by the Fisheries Subcommittee which I chair and the full Merchant Marine and Fisheries Committee.

Mr. Speaker, H.R. 3016 was unanimously adopted as I have indicated with one important amendment, offered by my good friend and colleague, the ranking member of the subcommittee, Mr. FORSYTHE. His amendment would allow the Secretary of Commerce, who administers this program and enters into the insurance arrangements with concerned U.S. fishermen, to invest the fees paid by such fishermen in interest-bearing accounts or obligations of the U.S. Government. Through such an investment scheme, we hope to further defray the minimum cost that has been incurred by the Government throughout the history of this program.

Mr. Speaker, some Members might express concern over the permanent authorization of a program. That should not be the case with regard to this program which, since 1967, has been largely a pay-as-you-go program. From the date of enactment 178 claims for reimbursement have been made under section 7. Of the $4.357 million that has been paid, $2.628 million or 60.3 percent of the total has been fully paid by fishing industry fees and assessments. Industry fees have also paid for the total cost of the administration of the program—as specified in the law itself.

Mr. Speaker, this bill enjoys not only the full support of the Merchant Marine and Fisheries Committee but our distant water fishing fleet. I urge the full House to adopt this important legislation.

Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join my distinguished chairman in supporting H.R. 3016. I support this legislation because it is essential to the continued economic existence of a U.S. distant water fishery.
distant water fishery.

H.R. 3016 would give permanent effect to section 7 of the Fishermen's Protective Act—which provides for a cooperative insurance program to allow American fishing vessel owners to recoup economic losses resulting from the illegal seizure of their vessels by foreign countries. H.R. 3016 would also amend the Fishermen's Protective Act to allow the Secretary of Commerce to invest the fees from this insurance program into interest-bearing accounts. Interest derived from these

investments would then be used to reduce the need for appropriations to carry out section 7.

The reason we are extending section 7 is that the United States does not recognize national fisheries jurisdiction over highly migratory species, such as tuna. Since some Central and South American countries have claimed national jurisdiction over tuna, the U.S. tuna fleet is subject to illegal seizures in their traditional fishing grounds. To remove the protection against economic losses provided by the section 7 insurance program could ultimately result in the loss of portions of our tuna fleet as they are driven from these grounds.

I am concerned with what the ramifications of a decline in the tuna industry would mean to our economy. The tuna industry provides direct employment for over 30,000 people and indirect employment for thousands more in support industries such as shipbuilding, engineering, scientific research, and food wholesaling and retailing. The annual payroll for just those employed directly in the tuna industry amounts to over $200 million. Overall, the industry contributes over $1.2 billion to the gross national product.

The Fishermen's Protective Act benefits another valuable fishing industry which is subject to illegal seizures—the distant water shrimp industry. This fleet constitutes a small, but significant part of the shrimp industry. In 1979 the U.S.-shrimp catch in international waters was 18.6 million pounds and was valued at over $31 million. As is the case with the tuna industry, the protection against economic losses provided by the insurance program of section 7 helps insure that the distant water shrimp fleet will continue this valuable contribution to the U.S. economy.

Mr. Speaker, section 7 is essential to the successful efforts of both the shrimp and tuna distant water fishing fleets. It provides protection to U.S. fishermen as they continue their historic efforts to harvest the fishery resources of the high seas—and H.R. 3016 will insure that this protection will continue to be available. H.R. 3016 will also insure that the cost of this protection to the American public will be significantly reduced.

For these reasons, I urge my colleagues to join me in supporting H.R. 3016.

Mr. JONES of North Carolina. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. JONES) that the House suspend the rules and pass the bill, H.R. 3016, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to give permanent effect to the provisions of the Fishermen's Protective Act of 1967 relating to the reimbursement of United States commercial fishermen for certain losses incurred incident to the seizure of their vessels by foreign nations; and for other purposes."

A motion to reconsider was laid on the table.

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1191) to extend for 1 year the authority of the Secretary of Commerce to reimburse commercial fishermen of the United States for certain losses incurred as the result of the seizure of their vessels by foreign nations, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1191

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 7 of the Fishermen's Protective Act of 1967 (22 U.S.C. 1977) is amended—

(1) in subsection (c) by inserting the following new sentence immediately after the fourth sentence thereof: "Those fees not currently needed for payments under this section shall be kept on deposit or invested in obligations of, or guaranteed by, the United States, and all revenues accruing from such deposits or investments shall be credited to such separate account."; and

(2) in subsection (e) by striking "October 1, 1981," and substituting "October 1, 1982,".

MOTION OFFERED BY MR. JONES OF NORTH CAROLINA.

Mr. JONES of North Carolina. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. JONES of North Carolina moves to strike out all after the enacting clause of the Senate bill, S. 1191, and to insert in lieu thereof the provisions of the bill, H.R. 3016, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read a third time, and passed.

The title of the Senate bill was amended so as to read: "A bill to give permanent effect to the provisions of the Fishermen's Protective Act of 1967 relating to the reimbursement of United States commercial fishermen for certain losses incurred incident to the seizure of their vessels by foreign nations; and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 3016) was laid on the table.

GENERAL LEAVE

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill first passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

## OFFICE OF ENVIRONMENTAL QUALITY REAUTHORIZATION

Mr. JONES of North Carolina. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1953) to authorize appropriations for the operations of the Office of Environmental Quality and the Council on Environmental Quality during fiscal years 1982, 1983, and 1984, as amended.

The Clerk read as follows:

H.R. 1953

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 205 of the Environmental Quality Improvement Act of 1970 (42 U.S.C. 4374) as amended—

(1) by striking out "; and" at the end of paragraph (a) and inserting in lieu thereof a period; and

(2) by adding at the end thereof the following:

"(c) $44,000 for the fiscal years ending September 30, 1982.

"(d) Such sums as may be necessary for each of the fiscal years ending September 30, 1983, and September 30, 1984.".

The SPEAKER pro tempore. Is a second demanded?

Mr. FORSYTHE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from North Carolina (Mr. JONES) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. FORSYTHE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. JONES).

Mr. JONES of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1953, a bill to authorize appropriations for the operation of the Office of Environmental Quality and the Council on Environmental Quality for each of the fiscal years 1982, 1983, and 1984.

The Council on Environmental Quality, consists of three members appointed by the President. It is located within the Executive Office of the President. It came into existence under the National Environmental Policy Act of 1970. Its purpose is to provide to the President and the Congress advice on environmental issues,

to supervise the operation of the National Environmental Policy Act, and to conduct studies and provide reports on environmental issues.

The Council is partially funded under the National Environmental Policy Act which provides a continuing authorization of $1 million per year. This authorization is not affected by H.R. 1953, Heretofore, however, the Council and its staff have received an additional $3 million per year authorization under the Environmental Quality Improvement Act of 1970. H.R. 1953 reauthorizes appropriations under that act but reduces the reauthorization to $44,000 per year, this being the amount requested by the President.

The Merchant Marine and Fisheries Committee originally recommended a total authorization of $1,500,000 consisting of the $1 million already authorized under the National Environmental Policy Act and $500,000 under H.R. 1953 for each of the 3 fiscal years 1982, 1983, and 1984. Recent events have prompted us to reduce that authorization to the level requested by the administration, that being the total sum of $1,044,000. We urge our colleagues to support H.R. 1953 in the amended form which incorporates the administration's request for the funding of the Council on Environmental Quality and its staff.

Mr. Speaker, I now yield such time as he may consume to the chairman of the Subcommittee on Fisheries and Wildlife Conservation and the Environment, the gentleman from Louisiana (Mr. BREAUX), who will explain in greater detail the provisions of H.R. 1953, as amended.

□ 1410

Mr. BREAUX. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, this bill, H.R. 1953, would provide continuing authority for appropriations under the Environmental Quality Improvement Act of 1970 to provide for the Office of Environmental Quality. This office provides the staff support for the Council on Environmental Quality.

The Council on Environmental Quality and its staff receive funding authorizations under both the National Environmental Policy and Environmental Quality Improvement Acts. The former provides a continuous authorization of $1 million per year for an unspecified period. The authorization of the Environmental Quality Improvement Act, currently set at $3 million per year, will expire at the end of this fiscal year.

The Council on Environmental Quality was established by the National Environmental Policy Act. This three-member Council, located within the Executive Office of the President, provides advice to the President and Congress on environmental issues, oversees the operation of NEPA, and conducts studies on environmental issues. The Reagan administration at first considered abolishing the Council but later decided to maintain it at a substantially reduced level. They have also changed their mind regarding the level of funding, at first requesting a total authorization level for 1982 of $2,044,000, then changing that figure to $1,044,000. The Merchant Marine Committee, in order to provide the administration some flexibility if it decided to change its mind again, passed out a bill which would have provided a total authorization level of $1,500,000.

Since the time we reported out the bill, two events have occurred which have encouraged us to reduce that authorization to the level requested by the administration. First, the administration decided to fire not only the Council members, but also the entire professional staff of that organization, some of whom had served through three administrations, two of them Republican. This will, in my opinion, considerably lessen the effectiveness of CEQ and the quality of the advice that it will provide to the executive branch. Second, the House of Representatives, in passing the HUD-independent agencies appropriations bill, voted to provide CEQ with the same level of funding as requested by the administration. In light of those events, we have decided to reduce the authorization level and the bill we are considering reflects that change.

I still believe that the Council on Environmental Quality can play an important role in the executive branch if they are listened to. I urge my colleagues to support this legislation.

Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join my distinguished chairman in supporting H.R. 1953. I support this legislation because it will permit the continued operation of one of the most effective protectors of environmental quality in our country—the Council on Environmental Quality.
vironmental Quality.

Although my colleagues are probably aware of many of CEQ's achievements, I feel it is important to mention some of the most notable ones as we consider this authorization. CEQ has, for example, prepared 11 annual reports on the state of the national and global environment which are widely circulated reference works serving several Federal agencies, the Congress, international and educational institutions, and the general public. These reports have had a major influence in directing this Nation's efforts to improve the quality of our environment. CEQ has also prepared special reports on matters of exceptional national and international importance, such as the Global 2000 Report to the President and OCS Oil and Gas—An Environmental Assessment.

In addition to its duties as an environmental affairs think tank, CEQ has been given the responsibility for implementing the environmental impact statement requirements of the National Environmental Policy Act. Recognizing the need to make this process more responsive to the real needs of decisionmakers CEQ, in 1979, established a new set of regulations. These new regulations, which are now widely acclaimed for improving the impact statement process, have reduced delays and paperwork and made the impact statement process more useful for agency decisionmakers.

During hearings on H.R. 1953, the Subcommittee on Fisheries and Wildlife Conservation and the Environment found that the Council on Environmental Quality had discharged its duties well. Not only has CEQ provided high quality scientific data to the President, but the agency has also insured that environmental issues are considered in the decisionmaking process of the highest councils of Government. CEQ performs the invaluable function of providing the President with its analysis of issues so that the President is fully informed of the environmental implications of pending issues.

The General Accounting Office, which recently conducted an independent audit of CEQ, has also concluded that CEQ's performance deserves national acclaim. The GAO report states, in part:

> CEQ's role is perceived as unique and important. It enjoys a reputation for being an effective agency that addresses environmental issues from other than a regulatory perspective. Most believe that another agency would not be as effective in carrying out CEQ's mandate and responsibilities.

Mr. Speaker, I believe that the mandates Congress gave CEQ are important. However, if CEQ is to continue fulfilling those mandates it must be provided with adequate funding. In fact, as the administration continues to review and streamline the regulations and programs of various agencies it may find additional uses for the expertise which CEQ can provide.

The role the Council has played in policy analysis and in the coordination of Federal environmental initiatives has been a valuable one to previous administrations and to the Congress. Although CEQ's role may be reduced, I believe that the Council on Environmental Quality can still be very useful to this administration. Because the Council itself is not a regulatory agency it could provide impartial advice regarding ways to reduce Federal regulations without sacrificing our national commitment to environmental quality.

Mr. Speaker, I have given considerable thought to the authorization levels provided by H.R. 1953 and believe they are adequate, but not excessive. I believe we should give the administration as much latitude as possible during its first year and keep opportunities open for it to utilize all the assistance which is available to it. I urge my colleagues to join me in supporting H.R. 1953.

Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. DANNEMEYER).

Mr. DANNEMEYER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in opposition to this bill now before the House, H.R. 1953, for one very fundamental simple reason.

The bill reauthorizes this program for an additional 3 years. For 1982 it authorizes the sum of $44,000. For 1983 and 1984 it authorizes such sums as are necessary to perform its functions.

Now, if the bill before us only authorized the sum of $44,000 for 1982, this Member from California would not now be objecting to the bill. The basis of my objection is that it permits this agency to go on in the years 1983 and 1984. I think that is where the policy error is made with respect to this legislation.

I may point out to the Members that the Senate version of this issue for the Council on Environmental Quality limits the reauthorization to 1 year. That is what I think this House should be doing.

Unfortunately, the Senate version, rather than having $44,000 in its bill, has another $1½ million for a total of $2½ million for 1982. I think the amount is wrong, but at least their reauthorization period is correct.

When you look at what the Council on Environmental Quality has done, I would like to draw the Members' attention to a book written by Donald Lambros, entitled, "Fat City." He identified 100 programs whereby the taxpayers of this country could save $100 billion a year. The Council on Environmental Quality is mentioned on page 360, in which he suggests that the historical origin for the council was more political than anything to do with reality. I will quote a very brief portion of what he said:

> They were particularly popular in the Nixon administration. For a while it seemed that for every major Government department there was a special council of independent advisers in the Nixon White House. Such councils gave the appearance that the White House was giving special priority to certain issues, issues that affected powerful interest groups. The House Appropriations Committee said the Council's only significant activity is to prepare the annual environmental quality report of the President summarizing major developments of the past year.

Mr. Speaker, there are certain fundamental duties which this Council has that I think should be transferred to existing institutions of Government, such as the EPA. If we limit the authorization of this Council to an additional year, the Congress can then look at the transfer of those duties to other agencies in Government which can well perform them.

I direct the attention of Members to certain functions of this Council on Environmental Quality. Listen to this:

To advise the President on environmental policy.

To oversee the implementation of NEPA.

To review and appraise Federal programs.

To analyze important environmental conditions.

To assist and advise the President.

To undertake investigations.

To undertake other duties as are directed by the President.

To recommend to the President, determine the need for new policies, advise and assist the President—and so it goes on and on.

When the Members reflect that we are borrowing in this fiscal year some $87 billion, this is one small area where I believe the House can reduce some of this deficit spending that goes on year after year.

We are only talking about $44,000, but we would send a signal to the administration that this House is dedicated to finding ways to reduce the unreasonable expenditure of public money and we can perform the functions that this agency is now performing by transferring its activities to the EPA, which is where I think it belongs.

Mr. FORSYTHE. Mr. Speaker, I have no further requests for time. I yield back the balance of my time.

Mr. JONES of North Carolina. Mr. Speaker, I yield such time as he may consume to the gentleman from Louisiana (Mr. BREAUX).

Mr. BREAUX. I will just say briefly, partly in response to the gentleman from California, that one of the reasons why in the outyears we have authorized such money as may be deemed necessary is for a very simple reason. We are trying to give the administration an opportunity to really make a final decision as to what their feelings are on the Council of Environmental Quality.

For instance, they could next year come back with a request for zero funding. If that would be their request, that would be the sum that probably would be authorized and we would see the elimination of the CEQ.

On the other hand, they might decide that it is something that is very important to them, to their programs, and the council can in fact be used as a means of modifying potential environmental problems before they occur, which would in effect save a great deal of money for many of the projects that they would like to have adopted.

Therefore, we are just merely giving the administration an opportunity to try to set the course that they want to with this particular agency. That is why we did that.

Mr. LEVITAS. Mr. Speaker, will the gentleman yield?

Mr. BREAUX. I would be glad to yield to the gentleman.

□ 1420

Mr. LEVITAS. I thank the gentleman for yielding.

I would like to endorse the gentleman's statement. I think that one of the important purposes that can be served by this Council which was created during a Republican administration, is to oversee the National Environmental Protection Act, to see that it is uniformly and appropriately administered, and to serve as a tool for this or any other administration to carry out sound, reasonable, and effective environmental policy.

To suggest, as did the gentleman from California, that this is a way we can go about balancing the budget is not realistic and obscures both the issue dealing with the need to balance the budget and the issues dealing with CEQ. Of course a penny saved is a penny earned, but given the $88 billion deficit for this year alone, if we go about saving $44,000, as the gentleman from California suggests, and reducing the deficit at $44,000 a whack, it would take us, if we did it every day, including Saturdays, Sundays, and holidays, 2 million days at this rate to eliminate the deficit for just this 1 year alone. That is, at this rate, it would take almost 5,600 years to eliminate this year's deficit and an eternity to eliminate the rest of the $1 trillion national debt.

So there may be policy reasons to do something about the Council on Environmental Quality, but if you are talking about 2 million days, Saturdays, Sundays, and holidays included, or over 5,000 years as a means of getting at the deficit, we have got to make more realistic and effective efforts in that regard, rather than approaching it on the basis of $44,000 a clip. That sort of has the implication of show rather than substance. I have voted for real and deep spending cuts to reduce the deficit and we need more at that, but I think we need to get on with the substance of balancing the budget and dealing with these substantive policy issues.

I thank the gentleman.

Mr. BREAUX. I thank the gentleman for his comments. I would only point out further that the last authorization and appropriation was $6 million. That the committee wound up reporting a $1,044,000 authorization, I

think, is a reflection of the fact that we, too, are committed to working toward a balanced budget and that is indicated by the substantial cut in authorization level that we are reporting to this House.

I thank the chairman.

Mr. JONES of North Carolina. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. JONES) that the House suspend the rules and pass the bill, H.R. 1953, as amended.

The question was taken.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

Mr. DANNEMEYER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's previous announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

## MARINE MAMMAL PROTECTION ACT AMENDMENT

Mr. JONES of North Carolina. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4084) to improve the operation of the Marine Mammal Protection Act of 1972, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4084

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. OPTIMUM SUSTAINABLE POPULATION

(a) BASIC AMENDMENT.—Paragraph (8) of section 3 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1362(8)) (which Act shall hereafter in this Act be referred to as the "Act of 1972") is repealed.

(b) CONFORMING AMENDMENTS.—(1) Section 2(6) of the Act of 1972 (16 U.S.C. 1361(6)) is amended by striking out "optimum carrying capacity" and inserting in lieu thereof "carrying capacity".

(2) Section 3 of the Act of 1972 (16 U.S.C. 1362) is further amended—

(A) by amending paragraph (1) to read as follows:

"(1) The term 'depletion' or 'depleted' means any case in which—

"(A) the Secretary, after consultation with the Marine Mammal Commission and the Committee of Scientific Advisors on Marine Mammals established under title II of this Act, determines that a species or population stock is below its optimum sustainable population;

"(B) a State, to which authority for the conservation and management of a species or population stock is transferred under section 109, determines that such species or stock is below its optimum sustainable population; or

"(C) a species or population stock is listed as an endangered species or a threatened species under the Endangered Species Act of 1973.";

(B) by striking out "the optimum carrying capacity of their habitat" in paragraph (2) and inserting in lieu thereof "their optimum sustainable population";

(C) by redesignating paragraphs (9) through (15) as paragraphs (8) through (14), respectively;

(D) by striking out "optimum carrying capacity" in paragraph (8) (as so redesignated) and inserting in lieu thereof "carrying capacity"; and

(E) by amending paragraph (13) (as so redesignated) to read as follows:

"(13) The term 'United States' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, American Samoa, Guam, and Northern Mariana Islands.".

SEC. 2. MORATORIUM ON TAKING AND IMPORTING MARINE MAMMALS

Section 101 of the Act of 1972 (16 U.S.C. 1371) is amended—

(1) by amending subsection (a)—

(A) by striking out the first four sentences of paragraph (2) and inserting in lieu thereof the following: "(2) Marine mammals may be taken incidentally in the course of commercial fishing operations and permits may be issued therefor under section 104 subject to regulations prescribed by the Secretary in accordance with section 103. In any event it shall be the immediate goal that the incidental kill or incidental serious injury of marine mammals permitted in the course of commercial fishing operations be reduced to insignificant levels approaching a zero mortality and serious injury rate; provided that this goal shall be satisfied in the case of the incidental taking of marine mammals in the course of purse seine; fishing for yellowfin tuna by a continuation of the application of the best marine mammal safety techniques and equipment that are economically and technologicaly practicable.",

(B) by striking out "is classified as belonging to an endangered species or threatened species pursuant to the Endangered Species Act of 1973 or" in paragraph (3)(B), and

(C) By adding at the end thereof the following new paragraphs:

"(4)(A) During any period of five consecutive years, the Secretary shall allow the incidental, but not the intentional, taking, by citizens of the United States while engaging in commercial fishing operations, of small numbers of marine mammals of a species or population stock that is not depleted if the Secretary, after notice and opportunity for public comment—

"(i) finds that the total of such taking during such five-year period will have a negligible impact on such species or stock; and

"(ii) provides guidelines pertaining to the establishment of a cooperative system among the fishermen involved for the monitoring of such taking.

"(B) The Secretary shall withdraw, or suspend for a time certain, the permission to take marine mammals under subparagraph (A) if the Secretary finds, after notice and opportunity for public comment, that—

"(i) the taking allowed under subparagraph (A) is having more than a negligible impact on the species or stock concerned; or

"(ii) the policies, purposes and goals of this Act would be better served through the application of this title without regard to this subsection.

Sections 103 and 104 shall not apply to the taking of marine mammals under the authority of this paragraph.

"(5)(A) Upon request therefor by citizens of the United States who engage in a specified activity (other than commercial fishing) within a specified geographical region, the Secretary shall allow, during periods of not more than five consecutive years each, the incidental, but not intentional, taking by citizens while engaging is that activity within that region of small numbers of marine mammals of a species or population stock that is not depleted if the Secretary, after notice (in the Federal Register and in newspapers of general circulation, and through appropriate electronic media, in the coastal areas that may be affected by such activity) and opportunity for public comment—

"(i) finds that the total of such taking during each five-year (or less) period concerned will have a negligible impact on such species or stock and its habitat, and on the availability of such species or stock for taking for subsistence uses pursuant to subsection (b) or section 109(f); and

"(ii) prescribes regulations setting forth—

"(I) permissible methods of taking pursuant to such activity, and other means of effecting the least practicable adverse impact on such species or stock and its habitat, paying particular attention to rookeries, mating grounds, and areas of similar significance; and

"(II) requirements pertaining to the monitoring and reporting of such taking.

"(B) The Secretary shall withdraw, or suspend for a time certain (either on an individual or class basis, as appropriate) the permission to take marine mammals under subparagraph (A) pursuant to a specified activity within a specified geographical region if the Secretary finds, after notice and opportunity for public comment (as required under subparagraph (A) unless subparagraph (C)(i) applies), that—

"(i) the regulations prescribed under subparagraph (A) regarding methods of taking, monitoring, or reporting are not being substantially complied with by a person engaging in such activity; or

"(ii) the taking allowed under subparagraph (A) pursuant to one or more activities within one or more regions is having, or may have, more than a negligible impact on the species or stock concerned.

"(C)(i) The requirement for notice and opportunity for public comment in subparagraph (B) shall not apply in the case of a suspension of permission to take if the Secretary determines that an emergency exists which poses a significant risk to the well-being of the species or stock concerned.

"(ii) Sections 103 and 104 shall not apply to the taking of marine mammals under the authority of this paragraph."; and

(2) by amending subsection (b)—

(A) by amending the matter preceding paragraph (1) to read as follows: "Except as provided in section 109, the provisions of this Act shall not apply with respect to the taking of any marine mammal by any Indian, Aleut, or Eskimo who resides in Alaska and who dwells on the coast of the North Pacific Ocean or the Arctic Ocean if such taking—"; and

(B) by amending paragraph (1) to read as follows:

"(1) is for subsistence purposes; or".

SEC. 3. PROHIBITIONS AND PENALTIES

(a) PROHIBITIONS.—(1) Section 102(a) of the Act of 1972 (16 U.S.C. 1372(a)) is amended—

(A) by inserting "109," immediately after "104," in the matter preceding paragraph (1);

(B) by redesignating paragraph (4) as paragraph (5); and

(C) by striking out paragraph (3) and inserting in lieu thereof the following:

"(3) for any person, with respect to any marine mammal taken in violation of this title, to possess that mammal or any product from that mammal;

"(4) for any person to transport, purchase, sell, or offer to purchase or sell any marine mammal or marine mammal product; and".

(2) Section 102(b)(3) of such Act is amended by striking out "or which has been listed as an endangered species or threatened species pursuant to the Endangered Species Act of 1973".

(3) Section 102(d)(1) of such act is amended by striking out "or endangered".

(b) PENALTIES.—Section 105(a) of the Act of 1972 (16 U.S.C. 1375(a)) is amended by inserting "(1)" immediately after "(a)" and by inserting at the end thereof the following new paragraph:

"(2) In any case involving an alleged unlawful importation of a marine mammal or marine mammal product, if such importation is made by an individual for his own personal or family use (which does not include importation as an accommodation to others or for sale or other commercial use), the Secretary may, in lieu of instituting a proceeding under paragraph (1), allow the individual to abandon the mammal or product, under procedures to be prescribed by the Secretary, to the enforcement officer at the port of entry.".

SEC. 4. STATE MANAGEMENT

(a) TRANSFER OF MANAGEMENT AUTHORITY.—Section 109 of the Act of 1972 (16 U.S.C. 1379) is amended—

(1) by redesignating subsections (c) and (d) as subsections (k) and (l), respectively; and

(2) by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"SEC. 109. (a) No State may enforce, or attempt to enforce, any State law or regulation relating to the taking of any species (which term for purposes of this section includes any population stock) of marine mammal within the State unless the Secretary has transferred authority for the conservation and management of that species (hereinafter referred to in this section as 'management authority') to the State under subsection (b)(1).

"(b)(1) Subject to paragraph (2) and subsection (f), the Secretary shall transfer management authority for a species of marine mammal to a State if the Secretary finds, after notice and opportunity for public comment, that the State has developed and will implement a program for the conservation and management of the species that—

"(A) is consistent with the purposes, policies, and goals of this Act and with international treaty obligations;

"(B) requires that all taking of the species be humane;

"(C) does not permit the taking of the species unless and until—

"(i) the State has determined, under a process consistent with the standards set forth in subsection (c)—

"(I) that the species is at its optimum sustainable population (hereinafter in this section referred to as 'OSP'), and

"(II) the maximum number of animals of that species that may be taken without reducing the species below its OSP, and

"(ii) the determination required under clause (i) is final and implemented under State law, and, if a cooperative allocation agreement for the species is required under subsection (d)(1), such an agreement is implemented;

"(D) does not permit the taking of a number of animals of the species that exceeds the maximum number determined pursuant to subparagraph (C)(i)(II), and, in the case of taking for subsistence uses (as defined in subsection (f)(2)), does not permit the taking of a number of animals that would be inconsistent with the maintenance of the species at its OSP;

"(E) does not permit the taking of the species for scientific research and public display purposes, except for taking for such purposes that is undertaken by, or on behalf of, the State;

"(F) provides procedures for acquiring data, and evaluating such data and other new evidence, relating to the OSP of the species, and the maximum take that would maintain the species at that level, and, if required on the basis of such evaluation, for amending determinations under subparagraph (C)(i);

"(G) provides procedures for the resolution of differences between the State and the Secretary that might arise during the development of a cooperative allocation agreement under Subsection (d)(1); and

"(H) provides for the submission of an annual report to the Secretary regarding the administration of the program during the reporting period.

"(2) During the period between the transfer of management authority for a species to a State under paragraph (1) and the time at which the implementation requirements under paragraph (1)(C)(ii) are complied with—

"(A) the State program shall not apply with respect to the taking of the species within the State for any purpose, or under any condition, provided for under section 101; and

"(B) the Secretary shall continue to regulate, under this title, all takings of the species within the State.

"(3) After the determination required under paragraph (1)(C)(i) regarding a species is final and implemented under State law and after a cooperative allocation agreement described in subsection (d)(1), if required, is implemented for such species—

"(A) such determination shall be treated, for purposes of applying this title beyond the territory of the State, as a determination made in accordance with section 103 and as an applicable waiver under section 101(a)(3);

"(B) the Secretary shall regulate, without regard to this section other than the allocations specified under such an agreement, the taking of the species—

"(i) incidentally in the course of commercial fishing operations (whether provided for under section 101(a) (2) or (4)), or in the course of other specified activities provided for under section 101(a)(5), in the zone described in section 3(14)(B), and

"(ii) for scientific research or public display purposes (other than by, or on behalf of, the State), except that any taking authorized under a permit issued pursuant to section 101(a)(1) after the date of the enactment of the 1981 amendment to this subsection allowing the removal of live animals from habitat within the State shall not be effective if the State agency disapproves, on or before the date of issuance of the permit, such taking as being inconsistent with the State program; and

"(C) section 101(b) shall not apply.

"(c) The State process required under subsection (b)(1)(C) must comply with the following standards:

"(1) The State agency with management authority for the species (hereinafter in this section referred to as the 'State agency') must make an initial determination regarding the factors described in clause (i) of that subsection. The State agency must identify, and make available to the public under reasonable circumstances, the documentation supporting such initial determination. Unless request for a hearing under paragraph (2) regarding the initial determination is timely made, the initial determination shall be treated as final under State law.

"(2) The State agency shall provide opportunity, at the request of any interested party, for a hearing with respect to the initial determination made by it under paragraph (1) at which interested parties may—

"(A) present oral and written evidence in support of or against such determination; and

"(B) cross-examine persons presenting evidence at the hearing.

The State agency must give public notice of the hearing and make available to the public within a reasonable time before commencing the hearing a list of the witnesses for the State and a general description of the documentation and other evidence that will be relied upon by such witnesses.

"(3) The State agency, solely on the basis of the record developed at a hearing held pursuant to paragraph (2), must make a decision regarding its initial determination under paragraph (1) and shall include with the record a statement of the findings and conclusions, and the reason or basis therefor, on all material issues.

"(4) Opportunity for judicial review of the decision made by the State agency on the record under paragraph (3), under scope of review equivalent to that provided for in section 706(2) (A) through (E) of title 5, United States Code, must be available under State law. The Secretary may not initiate judicial review of any such decision.

"(d)(1) If the range of a species with respect to which a determination under paragraph (1)(C)(i) of subsection (b) is made extends beyond the territorial waters of the State, the State agency and the Secretary (who shall first coordinate with the Marine Mammal Commission and the appropriate Regional Fishery Management Council established under section 302 of the Act of April 13, 1976 (16 U.S.C. 1852)) shall enter into a cooperative allocation agreement providing procedures for allocating, on a timely basis, such of the number of animals, as determined under paragraph (1)(C)(i)(II) of subsection (b), as may be appropriate with priority of allocation being given firstly to taking for subsistence uses in the case of the State of Alaska, and secondly to taking for purposes provided for under section 101(a) within the zone described in section 3(14)(B).

"(2) If the State agency requests the Secretary to regulate the taking of a species to which paragraph (1) applies within the zone described in section 3(14)(B) for subsistence uses or for hunting, or both, in a manner consistent with the regulation by the State agency of such taking within the State, the Secretary shall adopt, and enforce within such zone, such of the State agency's regulatory provisions as the Secretary considers to be consistent with his administration of

section 101(a) within such zone. The Secretary shall adopt such provisions through the issuance of regulations under section 553 of title 5, United States Code, and with respect to such issuance the Regulatory Flexibility Act, the Paperwork Reduction Act, Executive Order Numbered 12291, dated February 17, 1981, and the thirty-day notice requirement in subsection (d) of such section 553 shall not apply. For purposes of sections 105, 106, and 107, such regulations shall be treated as having been issued under this title.

"(e)(1) Subject to paragraph (2), the Secretary shall revoke, after opportunity for a hearing, any transfer of management authority made to a State under subsection (b)(1) if the Secretary finds that the State program for the conservation and management of the species concerned is not being implemented, or is being implemented in a manner inconsistent with the provisions of this section or the provisions of the program. The Secretary shall also establish a procedure for the voluntary return by a State to the Secretary of species management authority that was previously transferred to the State under subsection (b)(1).

"(2)(A) The Secretary may not revoke a transfer of management authority under paragraph (1) unless—

"(i) the Secretary provides to a State a written notice of intent to revoke together with a statement, in detail, of those actions, or failures to act, on which such intent is based; and

"(ii) during the ninety-day period after the date of the notice of intent to revoke—

"(I) the Secretary provides opportunity for consultation between him and the State concerning such State actions or failures to act and the remedial measures that should be taken by the State, and

"(II) the State does not take such remedial measures as are necessary, in the judgment of the Secretary, to bring its conservation and management program, or the administration or enforcement of the program, into compliance with the provisions of this section.

"(B) When a revocation by the Secretary of a transfer of management authority to a State becomes final, or the State voluntarily returns management authority to the Secretary, the Secretary shall regulate the taking, and provide for the conservation and management, of the species within the State in accordance with the provisions of this Act (and in the case of Alaskan Natives, section 101(b) and subsection (i) of this section shall apply upon such revocation or return of management authority).

"(f)(1) The Secretary may not transfer management authority to the State of Alaska under subsection (b)(1) for any species of marine mammal unless—

"(A) the State has adopted and will implement a statute and regulations that insure that the taking of the species for subsistence uses—

"(i) is accomplished in a nonwasteful manner,

"(ii) will be the priority consumptive use of the species, and

"(iii) if required to be restricted, such restriction will be based upon—

"(I) the customary and direct dependence upon the species as the mainstay of livelihood,

"(II) local residency, and

"(III) the availability of alternative resources; and

"(B) the State has adopted a statute or regulation that requires that any consumptive use of marine mammal species, other than for subsistence uses, will be authorized during a regulatory year only if the appropriate agency first makes findings, based on an administrative record before it, that—

"(i) such use will have no significant adverse impact upon subsistence uses of the species, and

"(ii) the regulation of such use, including, but not limited to, licensing of marine mammal hunting guides and the assignment of guiding areas, will, to the maximum extent practicable, provide economic opportunities for the residents of the rural coastal villages of Alaska who engage in subsistence uses of that species.

"(2) For purposes of paragraph (1), the term 'subsistence uses' means the customary and traditional uses by rural Alaska residents of marine mammals for direct personal or family consumption as food, shelter, fuel, clothing, tools, or transportation; for the making and selling of handicraft articles out of nonedible byproducts of marine mammals taken for personal or family consumption; and for barter, or sharing for personal or family consumption. As used in this paragraph—

"(A) The term 'family' means all persons related by blood, marriage, or adoption, or any person living within a household on a permanent basis.

"(B) The term 'barter' means the exchange of marine mammals or their parts, taken for subsistence uses—

"(i) for other wildlife or fish or their parts, or

"(ii) for other food or for nonedible items other than money if the exchange is of a limited and noncommercial nature.

"(g) Neither the transfer of management authority to a State under subsection (b)(1), nor the revocation or voluntary return of such authority under subsection (e), shall be deemed to be an action for which an environmental impact statement is required under section 102 of the National Environmental Policy Act of 1969.

"(h) Nothing in this title shall prevent a Federal, State, or local government official or employee or a person designated under section 112(c) from taking, in the course of his duties as an official, employee, or designee, a marine mammal in a humane manner (including euthanasia) if such taking is for—

"(1) the protection or welfare of the mammal,

"(2) the protection of the public health and welfare, or

"(3) the nonlethal removal of nuisance animals, and, in any case in which the return of the mammal to its natural habitat is feasible, includes steps designed to achieve that result.

"(i) The Secretary may (after providing notice thereof in the Federal Register and in newspapers of general circulation, and through appropriate electronic media, in the affected area and providing opportunity for a hearing thereon in such area) prescribe regulations requiring the marking, tagging, and reporting of animals taken pursuant to section 101(b).

"(j) The Secretary may make grants to States to assist them—

"(1) in developing programs, to be submitted for approval under subsection (b), for the conservation and management of species of marine mammals; and

"(2) in administering such programs if management authority for such species is transferred to the State under such subsection.

Grants made under this subsection may not exceed 50 per centum of the costs of developing a State program before Secretarial approval, or of administering the program thereafter.".

(b) NO EFFECT ON CERTAIN COOPERATIVE AGREEMENTS.—Nothing in the amendments made by subsection (a) shall be construed as affecting in any manner, or to any extent, any cooperative agreement entered into by a State under section 6(c) of the Endangered Species Act of 1973 (16 U.S.C. 1535(c)) before, on, or after the date of the enactment of this Act.

SEC. 5. MARINE MAMMAL RESEARCH

Section 110(a) of the Act of 1972 (16 U.S.C. 1380(a)) is amended by adding at the end thereof the following new sentences: "In carrying out this subsection, the Secretary shall undertake a program of, and shall provide financial assistance for, research into new methods of locating and catching yellowfin tuna without the incidental taking of marine mammals. The Secretary shall include a description of the annual results of research carried out under this section in the report required under section 103(f).".

SEC. 6. MARINE MAMMAL COMMISSION

Title II of the Act of 1972 (16 U.S.C. 1401-1407) is amended—

(1) by striking out "furnish its reports and recommendations to him, before publication, for his comment." in section 202(b) and inserting in lieu thereof "provide each annual report required under section 204, before submission to Congress, to the Secretary for comment."; and

(2) by inserting ", or provide such grants to," immediately after "agreements with" in section 206(3).

SEC. 7. AUTHORIZATION OF APPROPRIATIONS

(a) DEPARTMENT OF COMMERCE.—There are authorized to be appropriated to the Department of Commerce, for purposes of carrying out such functions and responsibilities as it may have been given under title I of the Marine Mammal Protection Act of 1972, $7,223,000 for fiscal year 1982, $8,000,000 for fiscal year 1983, and $8,800,000 for fiscal year 1984.

(b) DEPARTMENT OF THE INTERIOR.—There are authorized to be appropriated to the Department of the Interior, for purposes of carrying out such functions and responsibilities as it may have been given under such title I, $1,600,000 for fiscal year 1982, $1,760,000 for fiscal year 1983, and $2,000,000 for fiscal year 1984.

(c) MARINE MAMMAL COMMISSION.—There are authorized to be appropriated to the Marine Mammal Commission, for purposes of carrying out title II of such Act of 1972, $672,000 for fiscal year 1982, $1,000,000 for fiscal year 1983, and $1,100,000 for fiscal year 1984.

The SPEAKER pro tempore. Is a second demanded?

Mr. FORSYTHE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The gentleman from North Carolina (Mr. JONES) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. FORSYTHE) is recognized for 20 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. JONES).

Mr. JONES of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 4084, the Marine Mammal Protection Act of 1981. This bill, as amended, contains reauthorizations for appropriations to the Departments of Commerce and Interior and to the Marine Mammal Commission for fiscal years 1982, 1983, and 1984 to carry out their functions and responsibilities under the Marine Mammal Protection Act of 1972. The major significance of this bill, however, arises from the amendments it contains to the substantive features of the act.

I feel that it is altogether appropriate that I open these remarks with words commending the chairman and members of the Subcommittee on Fisheries and Wildlife Conservation and the Environment. They deserve praise for their early perception of the need for these amendments to relieve problems arising under the act and for their careful and conscientious method of bringing into hearings, conferences and negotiations representatives of the many different interest groups affected by these amendments. These representatives—from the environmental community, the fishing industry, the State of Alaska, and the relevant agencies—met numerous times. Thanks to their good faith efforts and the effective direction of the chairman and ranking member of the subcommittee, these representatives and their interest groups now stand solidly behind the amendments embodied in H.R. 4084.

H.R. 4084 also removes many points of stress and difficulty which were being encountered in the conscientious administration of the act by its principal administrators, the Secretary of Commerce and the Secretary of the Interior. I am impressed that H.R. 4084 also provides new definitions, deletes duplication, and simplifies, revises and corrects many terms which were causing confusion in implementing the act.

I am delighted that a solution has been found to the problem involved in the incidental take of porpoise by our U.S. tuna fishermen and that this solution seems to be acceptable to the interests affected—including the Department of Commerce which must administer the law, the tuna industry which must operate under it, and those concerned members of the environmental community who properly oppose any process which would dilute or weaken the protective purposes of the act.

I am particularly gratified that H.R. 4084 addresses the issue of return of management to the States. You will recall the dilemma which arose when Alaska sought return of management of walrus to that State, but could not because its constitution prohibited discrimination among its citizens and this principle was in conflict with the subsistence preference guaranteed to Alaskan Natives under the act. This dilemma is now resolved by H.R. 4084, which also considerably simplifies the procedural steps required to return management of marine mammals to the States.

I believe that H.R. 4084 represents a remarkable achievement and is a clear demonstration that virtually all problems can be resolved between persons who seek in good faith to attain that result which will best serve our Nation and its people.

I urge my colleagues to support H.R. 4084.

Mr. Speaker, I now yield such time as he may consume to the gentleman from Louisiana, Congressman BREAUX, the chairman of the subcommittee on Fisheries and Wildlife Conservation and the Environment.

Mr. BREAUX. I thank the chairman for yielding.

Mr. Speaker, it is with particular pleasure that I take the floor today to urge passage of H.R. 4084, a bill that would amend and reauthorize the Marine Mammal Protection Act of 1972. The pleasure derives from the fact that this legislation represents a consensus that has been agreed to by the States, the various industries that are affected by the Marine Mammal Protection Act and virtually all of the conservation interests that champion the act.

I would like to share with my colleagues the process we went through in developing this consensus. Last April, when we first had hearings on this legislation, the level of controversy was quite high. Almost all of the witnesses at that first hearing agreed that there were problems with the act. Certain provisions that simply did not work the way they were supposed to—but there was a concern from some that we could not address the problems in the act without reducing its effectiveness in protecting marine mammals. Other said that anything but the most radical surgery would do little to alleviate the problems.

To keep pressure on all those involved to work out the problems in the act, in May we passed a 1-year authorization out of the Committee on Merchant Marine and Fisheries. Then, over the course of the summer, we negotiated with the parties and hammered out language to remedy the problems. Bit by bit, a consensus was formed. First, representatives of the tuna fishermen and environmental community agreed to a solution to the problems involving the incidental take of porpoise in tuna fishing operations. The solution is not radical, it provides virtually the same level of protection as the current act does, but it removes the potential for lawsuits that could cripple the tuna industry. As such it will provide the tuna industry with the legal predictability it needs to attract capital. The tuna industry has agreed to continue research into methods to further reduce the number of porpoises taken in their fishing operations.

The next problem we faced was the issue of return of management to the States which has marine mammal programs consistent with the policies of the Marine Mammal Protection Act. The act provides for this but in the 9 years that the act has been in effect, management has been returned to only one State, Alaska, for only one species, the walrus—and the State had to return management back to the Federal Government because the act required that Alaska discriminate among its citizens in a manner that was prohibited by the State constitution. Working with the representatives of the States, the Alaska Natives and the environmental community, we again developed language that provides for maintenance of marine mammals at their optimum sustainable populations while reducing the procedural steps required before management can be returned to the States. To insure the integrity of the State determinations of population size and allowable take, we have provided for hearings on the record at the State level with the opportunity for cross-examination of witnesses. Once again, our solutions were not radical, but they will go a long way to make the act more workable.

Our last major problem involved those activities which result in the take of small numbers of marine mammals. A number of different activities that take place offshore, including commercial fishing for species other than tuna, oceanographic research, deep seabed mining, and oil and gas exploration and development, will occasionally result in the killing of a small number of marine mammals. It makes no sense to require those engaging in these activities to have to go through the same lengthy procedures as those whose activities result in the taking of thousands of animals. Once again we sat down with the representatives of the environmental community, commercial fishing interests and the industries involved. Once again we worked out language that will provide a more than adequate level of protection for marine mammals while reducing the regulatory burdens on those whose activities may affect marine mammals. Our amendment provides for the Secretary to waive the requirements for a permit when the number of animals taken will be so small that it will have a negligible impact on the species. To insure that the impact is negligible, our bill would require monitoring of the number of animals taken under these provisions and the Federal agencies would be directed to issue additional regulations for nonfishing activities to further minimize the take.

In addition to resolving these major concerns, we have also worked to iron out a number of more narrow but nevertheless important problems with the act as written. For example, H.R. 4084 resolves ambiguities in the definitions section of the act that have been a source of consternation for resource biologists, Federal agency administrators and everyone else associated with the Marine Mammal Protection Act since the act was passed. We have also addressed the problem of stranded animals to encourage rescue operations.

Mr. Speaker, H.R. 4084, as reported out of committee, contained authorizations for appropriations for fiscal years 1983 and 1984. We have amended that bill to include the authorization for appropriations for fiscal year 1982 which was separately reported out of committee in May in H.R. 2948. The authorization levels are consistent with the budget approved by Congress.

We have also included a minor amendment to which all of the parties have agreed. This amendment would limit the time period during which the State could object to the issuance of a permit for the taking of marine mammals for scientific research and public display purposes to the time period provided for in the normal regulatory process. This was done to prevent any additional delay in what is already a lengthy process.

Mr. Speaker, a number of people devoted a lot of energy and ingenuity to reach this consensus and I would like to express my appreciation to them. On most issues we face today we seem to becoming increasingly polarized—on this issue a number of people with conflicting interests managed to work out constructive solutions to problems in the act. In particular, I would like to thank Michael Bean of the Environmental Defense Fund, Dave Burney of the U.S. Tuna Foundation, Tom Tomassello of the National Wildlife Federation, Paul Lenzini of the International Association of Fish and Wildlife Agencies and John Katz and Dem Cowles of the State of Alaska. These people are largely responsible for us being able to bring a bill to the floor today that represents a true consensus.

Mr. Speaker, I urge my colleagues to support this bill.

Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I too, wish to express my strong support for the passage of H.R. 4084 which provides authorizations for the Marine Mammal Protection Act and makes several significant improvments in the act.
act.

This historic act became public law in 1972 in response to a nationwide outcry over the growing need for legislation to protect marine mammal populations. At that time, Congress made the decision to protect our marine mammal species by establishing a Federal management program with a procedure for returning marine mammal management to the States.

The act has proven to be extraordinarily successful in curbing the population decline of several marine mammal species. However, the management of certain species and certain provisions dealing with the administration and implementation of the act have proven to be burdensome to the agencies charged with this responsibility, as well as to the several coastal States which seek return of management. The bill before us addresses the problems identified by the agencies, the States, and other individuals who have an interest in the Marine Mammal Protection Act.

As was pointed out in our committee's hearings, one of the most difficult problems with the act is returning the management of marine mammals to the States. Section 109 of the act provides that States may adopt and enforce laws relating to the protection and taking of marine mammals within their jurisdiction if the laws are consistent with the provisions of the act. However, in the case of Alaska, the State constitution and conflicting provisions within the Marine Mammal Protection Act prevent Alaska from managing the marine mammal populations within their jurisdiction. The result is that there is little or no management of marine mammals in Alaska because of the limited resources of the Federal agencies. Complicating these constitutional questions is the fact that the procedures involved in returning management to the States have proven to be very lengthy. In fact, in Alaska's case the process consumed 6 years. H.R. 4084 rewrites the return of management provisions of the act to correct all these deficiencies.

Another unintended result of the act is that the tuna industry has been unnecessarily tied up with constant litigation over incidental takings of porpoises, despite the fact that their efforts in improving fish gear and techniques have reduced the incidental takings during the course of fishing operations from an estimated 368,000 in 1972 to 15,303 in 1980. Congress never intended to shut down the yellowfin tuna industry when we passed a law with the goal of reducing the incidental kill and serious injury of marine mammals to insignificant levels approaching a zero mortality rate. These incidental takes have been reduced significantly and until new safety techniques and equipment are economically and technologically practicable to reduce the takings to even lower levels, the industry should be able to use present techniques and equipment.

To insure that the incidental mortality of porpoises will continue to decline with improved fishing techniques and equipment, H.R. 4084 amends section 110 to specifically provide for research to continue developing such techniques and equipment. The tuna industry is presently engaged in such research and has represented that it intends to continue that research and to support any other meaningful tuna-porpoise research and development. The amendment to section 110 makes it possible for the Government to participate in or support that research.

The tuna industry is not the only ocean resource industry which has experienced difficulties with the Marine Mammal Protection Act. Commercial fishing operations, other than tuna, and other types of activities carried out in our oceans also take marine mammals in the course of their operations. Although these takings are accidental and involve the taking of negligible numbers within a population, these industries are required to go through the same lengthy and burdensome procedures as is required for intentional takes. H.R. 4084 sets up a two-tiered system in order to deal with these activities.

Another problem with the act is that Federal Agencies have had difficulties in determining the levels of take which may be permitted within a species. This is due to the complexity of the definitions in the act which are generally ambiguous in nature. The bill before us today would no longer require calculations of historical levels of marine populations prior to commercial exploitation, a nearly impossible task for any scientist.

Mr. Speaker, we have attempted to alleviate the problems expressed by those individuals who testified before our committee or have otherwise brought matters to our attention. I encourage my colleagues to join me in supporting H.R. 4084. This bill has the support of the environmental community, the fishing industry, and the State fish and game agencies. Let us move now to enact legislation which has the concurrence of all these diverse groups in order to bring about proper management of our marine mammal pupulations.

□ 1430

Mr. Speaker, I yield to the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Speaker, I rise in support of the amendments to the Marine Mammal Protection Act contained in H.R. 4084.

As you know, Alaska has the largest population of marine mammals of any State, including polar bears, whales, seals, sea lions, and sea otters. These animals are important to Alaskans as a

source of food, as a source of income for rural villages, and for their esthetic attraction.

For many years, marine mammals in the waters off Alaska were managed by the Alaska Department of Fish and Game. The Department did an excellent job of keeping these animals at a population level that would allow them to survive indefinitely. State management recognized that a balance needed to be maintained between the necessity of keeping marine mammal stocks at a productive level and the necessity of allowing a harvest for nutritional and other needs. Unfortunately, public pressure in 1972 resulted in the passage of the Marine Mammal Protection Act, which removed management authority from the States. Although a mechanism was established whereby States could regain management, this mechanism was so complex that only one return of management ever occurred. In fact, the State of Alaska has been trying for 9 years to regain management over a number of species and has been unsuccessful.

To further complicate matters, Federal management has actually involved no management at all. Thus we are now faced with such problems as an overabundance of walrus that appears to be leading to population density problems and an eventual massive die-off of walrus herds; an influx of sea otters into new areas with a resulting adverse impact on Dungeness crab stocks; and continued interference by marine mammals with fishing operations. Only by amending the act can these problems be solved.

The amendments contained in this bill will be helpful in solving these problems, although I do think that further work will be needed. There are two areas that are especially important to Alaska that I would like to note.

The first involves the incidental, nonintentional taking of marine mammals in the course of commercial fishing operations. This amendment does not address the tuna-porpoise controversy, which is handled elsewhere in the bill, but rather the continued conflict between marine mammals and other commercial fishermen engaged in such fisheries as salmon seining and gillnetting, bottomfish trawling, crabbing, and a number of others. This amendment was suggested by the commercial fishermen and is one that I have worked on closely while the bill was considered in committee. Pursuant to this amendment, the Secretary may allow a general 5-year permit to be published covering all fishermen in a particular fishery where marine mammal interactions occur. The intent is that all such fisheries be covered by these general permits. The permit would allow the incidental, nonintentional taking of marine mammals that have not been found to be depleted. There will be no necessity for individual fishermen or fishermen's groups to obtain permits. Rather, the Secretary will use some mechanism such as publication in the Federal Register to bring the permits into effect.

The permits will be published after the Secretary finds that the taking which is expected to occur over a 5-year period will have a negligible impact on a species or population stock. The term "negligible" might best be defined as it is in the American College Dictionary: an impact that is "not worth considering." Thus, if the taking does not cause a significant change in population size, health of animals, or location of population stocks, then it certainly is negligible.

In addition, the Secretary is to provide guidelines for the establishment of a cooperative monitoring system. Two things should be noted here. First, the Secretary is not to establish the system itself, nor is he to provide guidelines for the system. The system is meant to rely on the cooperation of commercial fishermen and it will not be effective if fishermen are forced into a particular monitoring scheme. Second, the system will be a voluntary one in which fishermen will feel free to provide information without threat of penalty. During testimony before the committee, representatives of the commercial fishing industry noted that often fishermen are afraid to provide data on marine mammal interactions because they would be incriminating themselves. Thus, it is necessary that the system be cooperative and voluntary so that we can obtain the data needed for sound marine mammal management.

Finally, it should be noted that the provision for taking does not apply in the case of marine mammal species or population stocks which are formally identified as depleted. In addition, the Secretary may suspend for a temporary period the permission for taking if such taking is having more than a negligible impact on a species or population stock. This suspension will occur only after notice and opportunity for public comment, including public hearings in the affected area whenever possible.

The second area that merits discussion is the streamlining of the mechanism whereby a State such as Alaska can regain management over marine mammals. A number of criteria are established for the return of management and a series of procedures that must be followed, including public involvement. While the committee established these safeguards, it is the intent that management be returned to the States wherever possible and as quickly as possible.

In those cases where the range of a species extends beyond State waters, the committee provided that a cooperative mechanism be established that would allow the States to have appropriate input into the management of marine mammals by the Federal Government in the Fishery Conservation Zone. This will include, where appropriate, adoption of State regulations by the Secretary. In no instance would it involve Federal management within State waters. In addition, any decisions involving management outside of State waters must be made with the cooperation of the appropriate regional fishery management council having jurisdiction in that area. Considering that many marine mammal/commercial fishing interactions occur within the Fishery Conservation Zone, it is very important that the regional councils be fully involved in the management process. The amendments stress that the Secretary must coordinate with the councils and not merely inform them of what he is doing.

One other matter that is important to Alaska is the establishment of a subsistence priority for rural residents. As I indicated, the taking of marine mammals for food is very important in rural Alaska. Because the subsistence issue has been discussed by the Congress before in action on the Alaska National Interest Lands Conservation Act, the committee decided to adopt much of the language from title VIII of that act when discussing subsistence use of marine mammals.

The key aspect of this discussion involves the definition of "rural resident." Section 109(f)(2) of H.R. 4084 states that "rural resident" has substantially the same definition as is found in section 803 of the Lands Act. This would mean that the residents, both Native and non-Native, of communities such as Dillingham, Bethel, Nome, Kotzebue, Barrow, and other villages scattered throughout the State will be considered as "rural residents." As I indicated, this is the same language found in existing law and in no way adds to or detracts from the legal authority to grant a subsistence priority to rural residents of Alaska.

One item that is not addressed in these amendments is the concept of optimum sustainable population (OSP). The committee did discuss the matter with interested parties and decided not to modify the existing definition in the law or as it is currently described in regulation. While I recognize the reasons for the committee's decision, I must emphasize that many of the problems that we have experienced with the Marine Mammal Protection Act are due to the confusing, unworkable, OSP definition. It is my hope that this issue will be addressed in the near future.

In sum, I would like to commend the committee for the excellent work that it has done and express my apprecia-

tion for the cooperation shown by the various groups and individuals who have provided information to us. I think that this is a bill well worth supporting.

Mr. Speaker, there is one question I would like to ask the chairman of the subcommittee and the ranking minority member that is of great interest to the State of Alaska. It is my feeling and my understanding that the definition of "rural resident," under the Lands Claims Act, the Lands Act itself, in section 109(f)(2) of H.R. 4084, states that "rural resident" has substantially the same definition as is found in section 803 of the Lands Act. This would mean that the residents, both Native and non-Native, of communities such as Dillingham, Bethel, Nome, Kotzebue, Barrow, and other villages scattered throughout the State will be considered as "rural residents." Am I correct in interpreting that this would be the intent of the committee?

Mr. BREAUX. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Alaska. I will be glad to yield.

Mr. BREAUX. Mr. Speaker, I will respond to the gentleman, first, by taking this opportunity to commend him for his efforts in bringing this bill to the floor today. Had it not been for his insistence on the provisions which allow the program management to be turned over to the various States, I doubt that we would be successful in getting it included in the legislation. So, I think to his credit, his work is brought forth today in the final product we are bringing to the floor.

In response to the specific question, I would respond that the answer is yes, that is our intent. I have visited many of those areas the gentleman from Alaska is concerned about, and I can attest to the fact that these are indeed rural areas as we intended when we wrote the legislation.

Mr. YOUNG of Alaska. I thank the gentleman.

Mr. FORSYTHE. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman from New Jersey.

Mr. FORSYTHE. Mr. Speaker, I agree with the chairman of the committee. The gentleman has described the legislation as we understand it, and I think this is the way he wants it and the way it should be.

Mr. YOUNG of Alaska. I thank the gentleman from New Jersey.

Mr. FORSYTHE. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. CLAUSEN).

Mr. CLAUSEN. Mr. Speaker, I rise briefly to add my commendations to the previous speaker's comments for the very distinguished chairman and minority member of the subcommittee, as well as the full committee chairman and the members of the committee, for bringing about what I think is a very important comprehensive sort of compromise piece of legislation. It recognizes the legitimate interests of those special interests that are tracking this species, but at the same time it has the potential of providing the kind of conservation protection which the committee seeks.

I commend the Members for their efforts.

Mr. FORSYTHE. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. LENT).

Mr. LENT. Mr. Speaker, I rise in support of H.R. 4084, the proposed amendments to the Marine Mammal Protection Act of 1972.

This legislation, which makes needed improvements to the act, has been a long time in coming. My colleagues might recall that the Merchant Marine and Fisheries Committee earlier this year reported a 1-year authorization in an effort to assure that needed clarifications and revisions would be made without further delay.

I am pleased to report that our goal has been achieved. The 3-year authorization before us today is the result of careful deliberations and negotiations by all parties concerned about the proper implementation of the Marine Mammal Protection Act. It is a carefully balanced proposal which has won the support of virtually all groups concerned with this issue, and it deserves the support of this body.

Briefly, the bill retains the Marine Mammal Protection Act's important goal of reducing the incidental taking of marine mammals to insignificant levels, and provides for its achievement by requiring use of the best marine mammal safety techniques and equipment that are economically and technologically practicable.

Any taking which has more than a negligible impact on any species would require a permit, and the Secretary is required to monitor population levels to assure they are maintained at their optimum sustainable population.

I applaud my colleagues who developed this proposal which is wholeheartedly endorsed by the environmental community, State fish and game agencies, Alaskan Natives, and the fishing industry. H.R. 4084 deserves this Congress support and I urge its prompt passage today. Thank you.

Mr. FORSYTHE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. JONES of North Carolina. Mr. Speaker, at this time, I would like to take a moment or two and commend both the subcommittee chairman and the ranking minority member, Mr. FORSYTHE, including the staff, for this spirit of compromise. It is impressing these chairmen of the committees that we do have a kind of a spirit of compromise. We are now moving legislation which heretofore would have been impossible.

This Marine Mammal Act is a good example of that, so, Mr. FORSYTHE and Mr. BREAUX, I want to again thank you and the staff of both committees.

● Mr. RICHMOND. Mr. Speaker, I rise in support of H.R. 4084, reauthorization of the Marine Mammal Protection Act.

Since enactment of the original Marine Mammal Protection Act in 1972, this country has made extraordinary progress toward the goals of protecting marine mammals and establishing sound resource management policies.

For example, in 1972, before the act took effect, over 400,000 porpoises were incidentally taken in tuna fishing operations. By 1980, this number had been reduced to slightly over 20,000 per year. The tuna industry deserves high praise for its efforts to develop fishing methods which reduce the number of porpoises incidentally taken and I am hopeful that the industry will continue its work in this direction.

H.R. 4084 supports the industry's efforts by authorizing funds for research into new methods of locating and catching yellowfin tuna without the incidental taking of marine mammals.

My colleagues on the Merchant Marine and Fisheries Committee are to be commended for their bipartisan efforts to draft a strong, multiyear reauthorization of the Marine Mammal Protection Act. The committee bill attempts to answer the concerns of the administration, industry, and the major environmental organizations interested in the legislation, and has the support of all three of these groups.

Mr. Speaker, if we are to continue on the path of sound marine mammal management, this act must be reauthorized and a multiyear reauthorization is critical if there is to be continuity and predictability in the administration of the act.

Once again, I commend my colleagues on the committee for their fine work and urge passage of H.R. 4084.●

● Mr. CORRADA. Mr. Speaker, I rise in support of H.R. 4084, the Marine Mammal Protection Act authorization. This legislation authorizes appropriations through fiscal year 1984 for programs under the Marine Mammal Protection Act.

This bill, as amended, authorizes $9.45 million in fiscal year 1982, $10.76 million in fiscal year 1983, and $11.9 million in fiscal year 1984, to the Departments of Commerce and the Interior and the Marine Mammal Commission.

The authorization for fiscal year 1982 comes as part of the committee amendment. It retains the act's goal of reducing the accidental deaths of porpoises caught during yellowfin tuna fishing operations to insignificant levels approaching a zero mortality. However, it specifies that the use of the best marine mammal safety techniques that are economically and technologically feasible are all that is required in order to satisfy the act's stated goal. The bill also establishes a simplified procedure by which responsibility for the management of marine mammals may be returned to any State. It allows a State to regain management authority after it develops a program to insure that marine mammal populations remain at optimum sustainable levels, that any take will be humane, and that annual reports concerning the administration of the program are submitted to the appropriate Federal agency. The measure also requires, in the State of Alaska, that a subsistence preference in the taking of marine mammals be granted to rural residents. Finally, it makes other minor changes in the act, including adjustments in the definition of some terms.

The Marine Mammal Protection Act has been remarkably successful in achieving its purpose of insuring that marine mammals are maintained at healthy population levels. In the area of reducing the incidental take of porpoises in tuna fishing operations, for example, the number of porpoises killed has dropped from an estimated 368,000 animals in 1972 to an estimated 15,303 porpoises in 1980. This dramatic accomplishment vouches to its success in responding to the growing concern about the decline of certain species. It has brought life back to the important role that marine mammals play in the system as well as their economic, esthetic, and recreational value. The purpose of this act must be carried on.

I urge all my colleagues to vote in favor of this legislation.●

● Mr. OBERSTAR. Mr. Speaker, I rise in strong support of H.R. 4084 and would like to take this time to compliment the gentleman from Louisiana, and Jeff Curtis of his staff for the leadership they have provided on this potentially controversial issue. The bill that the gentleman brings to the floor today strengthens the Marine Mammal Protection Act by making it more effective and workable.

The Marine Mammal Protection Act (MMPA) was enacted in 1972 for the purpose of insuring that marine mammals are maintained at healthy population levels. In passing the act, Congress responded to the growing concern about the decline of certain species and recognized the important role that marine mammals play in the ecosystem as well as their economic, esthetic, and recreational value.

This legislation has been effective in preserving many species, especially porpoises. The number of porpoises taken by the tuna industry and others has declined from a high of 368,000 in 1972 to under 16,000 a year last year. This is a significant achievement.

According to the Global Report 2000, over 3 million species of life have vanished from the Earth during the last millenium. Although many of these species vanished through the process of natural selection, many others perished through man's direct actions or a drastic change in their habitat. The bill before us today does provide essential habitat protections which are so important to the survival of many mammal species.

Ultimately, the concern we show or fail to show for the other living inhabitants of this planet reflects on our humanity. Again my compliments to the gentleman from Louisiana for his leadership on this most important issue. I urge passage of H.R. 4084 without delay.●

Mr. JONES of North Carolina. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. JONES), that the House suspend the rules and pass the bill, H.R. 4084, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent that all Members who wish to do so may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 4084 just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

## APPORTIONMENT OF INTERSTATE HIGHWAY FUNDS

Mr. HOWARD. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 179) making apportionment of funds for the National System of Interstate and Defense Highways for the fiscal year 1983.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 179

*Resolved by the House of Representatives (the Senate concurring),* That the Secretary of Transportation shall apportion for the fiscal year ending September 30, 1983, the sums authorized to be appropriated for such fiscal year by section 108(b) of the Federal-Aid Highway Act of 1956, as amended, for expenditure on the National System of Interstate and Defense Highways, using the apportionment factors contained in revised table 5 of the Committee Print 97-18 of the Committee on Public Works and Transportation of the House of Representatives.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from New Jersey (Mr. HOWARD), will be recognized for 20 minutes, and the gentleman from California (Mr. CLAUSEN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. HOWARD).

Mr. HOWARD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I commend to the House that House Concurrent Resolution 179 directing the apportionment of funds for the National System of Interstate and Defense Highways for the fiscal year 1983. House Concurrent Resolution 179 was reported by the Committee on Public Works and Transportation by voice vote on September 17, 1981. The Congressional Budget Office confirms that there will be no additional costs to the Federal Government as a result of this resolution.

Mr. Speaker, every 2 years, the Congress is required to take some action to approve the cost-based factors used by the Department of Transportation to apportion to the States interstate system construction funds. This approval action has traditionally taken the form of either a bill or a resolution, depending on whether the Congress is considering a highway bill at the time the matter arises for action. The Committee on Public Works and Transportation reported, on May 19 of this year, the bill H.R. 3210, which includes a provision approving a specific apportionment table related to that legislation. The committee intends to make every effort to see that H.R. 3210 is advanced to enactment in an expeditious manner.

However, substantial differences persist on the best approach to a highway bill between and among the administration, this committee and the other body. We want to advance H.R. 3210, the committee's 1-year bill, while the Senate and the administration are favoring multiyear legislation. Under the circumstances, it is conceivable the Congress might fail to get a highway bill this session.

Section 104 of title 23, United States Code, requires the FHWA to make fiscal year 1983 interstate system apportionments on October 1 of this year. Because the Department cannot make those apportionments without congressional approval of the interstate cost estimate, and because the Congress may not be able to advance

H.R. 3210 to enactment by October 1, the committee recommends the House discharge this important fiscal responsibility through the mechanism of House Concurrent Resolution 179 which, of course, would not require Presidential concurrence.

The committee acknowledges that the particular apportionment factors which H.R. 3210 entails represent a more desirable course of action. However, those apportionment factors relate directly to the program amendments in H.R. 3210 which shift certain projects out of the basic interstate construction program into a new 4R or reconstruction program. Obviously, these program changes require the enactment of a public law, subject to Presidential approval.

The question arises as to how to resolve the inconsistencies between H.R. 3210 and House Concurrent Resolution 179. First, we do not propose to change the standard rule of law which says that the provision enacted last will govern, if both pieces of legislation are enacted. Most likely House Concurrent Resolution 179 would be enacted first, superseded by H.R. 3210. During the conference with the other body, H.R. 3210 might have to be adjusted to reflect the latest progress made by the States in obligating their fiscal year 1983 interstate apportionments or adjusted on the basis of other considerations such as equity and ease of administration of the interstate program.

While it is the committee's intention to advance H.R. 3210 to enactment, to do so in an expeditious manner, I believe the House must approve this concurrent resolution so that the committee will have the parliamentary latitude to bring its bipartisan bill into law. What this means, of course, is that, should the Congress fail to get a highway bill by this session, the States and the people will know that the House of Representatives has discharged its responsibility.

□ 1440

Mr. Speaker, I urge the adoption of this concurrent resolution.

Mr. Speaker, I yield such time as he may consume to a member of the committee, the gentleman from Missouri (Mr. YOUNG).

Mr. YOUNG of Missouri. Mr. Speaker, on May 19 of this year, the Committee on Public Works and Transportation reported out a 1-year highway bill, H.R. 3210. Among the items contained in this legislation is a revised interstate cost estimate. The interstate cost estimate, or ICE, was to be used to instruct the Federal Highway Administration as to how to apportion interstate construction funds among the States beginning October 1, when the current ICE expires.

Although H.R 3210 is expected to be brought to the floor of this Chamber this Wednesday, the greatest likelihood is that the legislation will not be enacted before October 1. So, on that date, absent any other action, the Federal Highway Administration will be unable to apportion interstate construction funds among the States—effectively bringing the program to a halt in some States.

House Concurrent Resolution 179 is intended to preclude that possibility. It directs the Secretary to apportion the $3.2 billion authorized for fiscal year 1983 according to factors contained in the revised table 5.

I should need to explain two things to our colleagues. The first is, that interstate funds are made available to the States in the year before they are authorized. Hence, this ICE, taking effect at the very outset of fiscal year 1982 actually apportions fiscal year 1983 authorizations.

The other matter I would wish to point out is the difference between the ICE we are bringing up today, and the one included in H.R. 3210. Among the most significant provisions of H.R. 3210 is that which redefines the Interstate System. Certain types of interstate projects are made ineligible for construction funding, and included, instead, in an expanded 4R program. Among the types of projects newly falling into this category are soundwalls, landscaping, weigh stations, and in some cases, additional lanes in less-populated areas. But, again, each of these projects will become eligible for 4R funding.

This redefinition will help our Nation complete its interstate system by 1990 by reducing the cost of doing so from about $53 billion to around $37 billion. Because these legislative changes are contained in H.R. 3210, the interstate cost estimate contained in that legislation recognizes the changes and includes the lower estimate. But, absent that legislation, we must assume the higher estimate.

On Wednesday, I hope every Member will be able to join me in supporting H.R. 3210 and the reduced interstate cost estimate. But today it is incumbent upon each of us to support House Concurrent Resolution 179—so we can help make sure that the interstate construction program remains fully operative after October 1, irrespective of the status of H.R. 3210.

The issue today is really very straightforward and simple. House Concurrent Resolution 179 does not authorize a penny. It does allow interstate funds to be apportioned among the States. And, put most simply of all, it is a resolution that must be passed.

I move that we suspend the rules and pass House Concurrent Resolution 179.

Mr. CLAUSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise to associate myself with the effort on the part of the committee to advance this concurrent resolution and approve the cost base factors to be used by the Department of Transportation to apportion to the States Interstate Highway System construction funds for fiscal year 1983.

Mr. Speaker, as the Members know, I would prefer that we would be able to finalize the action on H.R. 3210, which is what the committee actually reported out. However, House Concurrent Resolution 179 is kind of an insurance policy or tandem vehicle which the committee agreed upon in order to complete our action so we would not bring the program to a halt on fiscal year 1983 funding by October 1 if H.R. 3210 was not enacted.

We would all prefer to be here supporting a cost estimate for the rest of the Interstate Highway System so we may complete the Interstate Highway System. In fact, we on the committee have taken that action and we will have our chance to vote on the legislation on Wednesday when H.R. 3210 is considered by this body.

Mr. Speaker, I will yield time to the gentleman from Florida (Mr. SHAW), who has been extremely diligent in his efforts, not only on behalf of the people he represents but the people of the State of Florida as well as other sections of the country who are concerned about the possibility of bringing this program to a halt.

Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. SHAW) for any comments he may like to make.

Mr. SHAW. Mr. Speaker, I rise in support of House Concurrent Resolution 179. This resolution would comply with the statutory requirement that Congress voice its approval for the revised table V which is used as the basis for apportioning authorizations to the States in order to complete construction of our Nation's Interstate Highway System.

Section 104(e) of title 23, United States Code, requires the Federal Highway Administration to apportion Interstate System funds 1 year in advance of their fiscal year. The apportionment of those funds cannot occur until Congress has approved an updated interstate cost estimate, pursuant to section 104(b)(5)(A) of title 23.

The Interstate System is the only system which requires continuing congressional approval of apportionment factors developed by the Department of Transportation.

Our adoption of this resolution will permit the Federal Highway Administration to apportion interstate funds on October 1, 1981. Some States have already obligated almost all of the interstate apportionments previously allocated. For these States, it is possi-

ble that some obligation decisions during the first quarter of fiscal year 1982 could be adversely affected if new apportionments of interstate funds were not made.

Mr. Speaker, in a sense, our action today is an insurance policy to try to bring some stability into the Federal-aid highway program during these fluid times. It is an insurance policy that will permit the apportionment of interstate funds based on the factors contained in a table developed to conform with existing law. On Wednesday, this body will be considering H.R. 3210, a 1-year highway bill. H.R. 3210 includes a different table V, a table V whose apportionment factors relate directly to program amendments which shift certain projections out of the basic interstate program into a new 4R or reconstruction program. When H.R. 3210 is enacted and signed into law by the President, those apportionment factors will supersede our action today. But in the meantime, States would be permitted to move forward with the full complement of options regarding the obligation of funds during the first quarter of fiscal year 1982.

Absent the approval of this concurrent resolution, and the enactment of H.R. 3210 by October 1, 1981, a factor for allocating the $8.2 billion obligation limitation contained in the Omnibus Reconciliation Act of 1981 would be missing, to wit: the interstate construction fund apportionment due to be made by that date. The Federal Highway Administration believes that they could distribute the $8.2 billion obligation limitation using as a factor the interstate construction fund apportionments made on October 1, 1980. It is their view that they could subsequently adjust and revise the distribution when Congress approves the 1981 interstate cost estimate either by concurrent resolution or by public law. I believe that such a procedure as FHWA contemplates would comply with both the spirit and intent of Congress as expressed in the Omnibus Reconciliation Act of 1981. However, the passage of this concurrent resolution would remove any ambiguity regarding the legality of that action. I intend to support H.R. 3210 and I am delighted that it will receive prompt attention this week. With the assurances of prompt consideration of the programmatic changes that we all agree are necessary, I support the concurrent resolution and urge your support.

□ 1450

Mr. CLAUSEN. Mr. Speaker, I have no other requests for time.

Mr. HOWARD. Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. HOWARD) that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 179.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

## OVERSEAS PRIVATE INVESTMENT CORPORATION AMENDMENTS ACT OF 1981

Mr. BINGHAM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3136) to amend the Foreign Assistance Act of 1961 with respect to the activities of the Overseas Private Investment Corporation.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. BINGHAM).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3136, with Mr. LEVITAS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from New York (Mr. BINGHAM) will be recognized for 30 minutes, and the gentleman from California (Mr. LAGOMARSINO) will be recognized for 30 minutes.

The Chair recognizes the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Overseas Private Investment Corporation (OPIC) is a program created by act of Congress in the early 1970's to supplement and enhance our foreign assistance program by encouraging private U.S. firms to undertake investments in the developing countries—investments particularly which would contribute to local economic development, and also benefit the U.S. economy. OPIC employs two major methods of doing that: It insures U.S. investors against political risks—expropriation, war and insurrection, and inconvertibility of funds. That insurance is issued directly to the U.S. investor, and he pays premiums for it.

OPIC also guarantees foreign investment loans against the same kinds of political risks. In such cases, typically, the guarantee is issued to a bank or other financial institution which loans money to a U.S. firm for a particular foreign investment.

OPIC also makes a small number of direct loans for foreign investments. Those are made only to facilitate foreign investment to smaller businesses which would otherwise be unable to engage in foreign investment.

The purpose of the bill before us is to extend OPIC's authority to continue these programs for an additional 4 years—through the end of fiscal year 1985. In the absence of this legislation, OPIC's operating authority would expire on September 30 of this year.

I want to emphasize, and the committee report on this bill emphasizes, that this bill does not authorize expenditure of any funds. While OPIC received some $100 million in appropriated startup funds when it was created, it has since operated on a self-sustaining basis. As the committee report notes, it has accumulated assets and reserves in excess of $600 million. Those reserves have come primarily from the insurance premiums I mentioned, and from liquidation of holdings that OPIC has obtained after paying claims. Over the years, OPIC has paid more than $100 million in claims to U.S. investors. At present, it is facing or anticipating claims of less than $50 million. On that basis, it is considered to be on sound financial ground from an accounting and actuarial point of view, and has been so certified by the General Accounting Office.

The fact that this bill does not call for authorization of any Government funds is confirmed by the Congressional Budget Office figures on this bill that are in the committee report, and to which I want especially to draw the Members' attention. Those figures indicate that OPIC operations under the authority proposed by H.R. 3136 will result in net gains to the U.S. Treasury of $1 million in fiscal 1982, $1 million in 1983, $6 million in 1984, $12 million in 1985, and $14 million in 1986. So this is a self-sustaining program which has no cost to the U.S. taxpayer beyond the funds which were originally appropriated, which OPIC still has, to which it has added through careful implementation of its insurance and guarantee programs.

I want to note, also, that the Congressional Budget Office projections of OPIC net income over the next several years takes account of the fact that this bill, H.R. 3136, would continue OPIC's direct loan program—the so-called DIF program. The administration, on budgetary grounds, had proposed to terminate that program. Its proposed continuation under this bill is the result of an amendment introduced by our colleague from California, Mr. LAGOMARSINO, the ranking minority member of the Subcommittee on International Economic Policy

and Trade, which I have the honor to chair. I am sure in his statement Mr. LAGOMARSINO will discuss in greater detail the need for the direct loan program. Suffice for me to say that I am pleased to support that provision. The Congress, in considering extension of OPIC's authority in 1977-78, gave a very clear directive to OPIC to do more in the way of supporting and promoting foreign investments by smaller businesses. Much of OPIC's insurance portfolio is, by necessity, devoted to the projects of larger firms. Through its direct loan program, however, OPIC can target help to smaller businesses. In fact, direct loans from OPIC are available only to smaller U.S. investors, and without that program it would be most difficult for OPIC to achieve the small business assistance responsibilities that Congress has mandated. So I join with my colleague in support of continuing the DIF program, and I congratulate him for his sponsorship of that provision which is in this bill, and also for his active support and assistance throughout the subcommittee's and the full committee's consideration of this legislation.

Mr. Chairman, I do not want to give the impression that OPIC insures, or guarantees, or provides loans for every U.S. foreign investment in a developing country that comes along. Quite to the contrary. OPIC projects must first meet very specific tests as to their actual contribution to the host country's economic development. Those tests are applied both before the investment, on the basis of data provided by the investor and the government of the host country, and also after the investment, on the basis of data on the project's actual operation. In addition, OPIC operates under several very important policy constraints. Again, these are reviewed in the committee report, but I want to emphasize one or two of them.

Probably the most important is the restriction, which is already in the law, that OPIC not support any project which would have harmful effects on U.S. employment. Those restrictions are formulated in such a way that they apply both to total U.S. employment, as well as employment in particular industries and sectors.

I cannot say that OPIC has never supported a project which might have had some negative impact on U.S. employment. In its startup years, before the present strict directives regarding U.S. employment were in the law, OPIC supported projects which at least raised questions as to their consistency with U.S. employment objectives. In recent years, however, the subcommittee which I chair has conducted quite extensive and detailed hearings in which we have reviewed many specific OPIC-supported projects. We have taken considerable care to look particularly at projects which appeared possibly to involve exportation of jobs—projects in the electronics industry, for example. In virtually all of the cases that this committee has examined, the details of the project indicated that it would not be likely to cost American jobs. So I feel comfortable in assuring the House that OPIC is taking special care to avoid any such projects, and has avoided such projects since the Congress has given clear direction on that point.

I would mention, in passing, that it is on the basis of this experience that the committee has proposed to eliminate certain specific restrictions in the act on, for example, citrus, sugar, palm oil, and copper projects. It is not that the committee anticipates OPIC will necessarily support such projects, although economic conditions have improved in some of those industries since Congress last considered OPIC legislation. But the general prohibitions in the statute against projects which would threaten U.S. employment, and the requirement that OPIC projects be consistent with the balance of payments and employment goals of the United States, are sufficient to insure that OPIC would avoid and reject projects in those or other sectors, which are at any given time extremely import sensitive, if a project were likely to result in further import pressures.

Finally, with respect to restrictions, I would remind Members that OPIC is required to take into consideration U.S. human rights policies in the countries where it operates, and with respect to the specific projects it supports. In fact, OPIC submits each project on a case-by-case basis to the Assistant Secretary for Human Rights and Human Affairs for its advice. During the previous administration it was the Christopher committee that reviewed OPIC projects and on one occasion recommended against OPIC support. That recommendation was followed. Under this administration, if the Office of Assistant Secretary on Human Rights has any doubts about a project, it can refer the matter to the Interagency Working Group on Human Rights and Foreign Assistance. OPIC has assured the committee that it will continue to reject any project which the State Department or the Interagency Working Group recommends be rejected. In addition, it has refrained on its own from supporting projects in Chile, Argentina, Uruguay, and several other countries for human rights reasons, among others. Although two of those countries—Argentina and Chile—would come within the new per capita income ceiling proposed by this bill, OPIC officials inform me they have no plans or intention of resuming support for projects in those countries.

Which brings me, Mr. Chairman, to the provisions of this bill which would slightly expand OPIC's operations. The most important of those would permit OPIC to issue insurance for a new category of political risks—namely losses that might occur due to civil strife. As the committee report notes, we examined very carefully just what was encompassed by the term civil strife, and the committee satisfied itself that this would not involve undue additional risk to OPIC, and that this type of insurance is not only desired by investors, but is practical and workable for OPIC to provide.

The bill also increases the per capita income ceiling beyond which OPIC may offer its programs only in exceptional circumstances. That ceiling is increased from $1,000 in 1975 dollars to $2,950 in 1979—a real—adjusted for inflation—increase of $1,200. This, quite obviously, will expand OPIC's ability to provide its services for U.S. investments not only in the least developed countries, but in some of the so-called middle-income developing countries. The committee feels that this is appropriate both to preserve OPIC's self-sustaining financial position, but more importantly, to offer evidence of active U.S. interest in the economic advancement in countries where, in many cases, direct U.S. foreign assistance is no longer provided.

The list of countries which would be affected by this increased ceiling is contained in the committee report, but I would note that simply because a country would now be within the ceiling does not mean that OPIC programs will necessarily be offered if other restrictions or considerations apply. As I mentioned just a moment ago, for example, persistent human rights violating countries will not be eligible even if they are under the per capita ceiling.

This increase in the per capita income ceiling is a compromise. The administration had proposed to remove the income restriction entirely. The committee preferred to retain at least this limit, and expects that OPIC's programs will still be concentrated in the least developed nations even with this change. OPIC projects in the least developed countries have now reached 67 percent of the dollar value of its portfolio, and the committee would expect that the concentration of effort in the least developed countries would continue at least at that level.

I believe the Members of the House will be interested, Mr. Chairman, in the fact that OPIC's programs, in addition to the developmental benefits they provide for less developed countries, contribute substantially to U.S. exports and the U.S. balance of payments. That contribution occurs both directly and indirectly. It occurs di-

rectly through immediate exports of equipment and supplies from the United States for use in the investment project. OPIC estimates that in the past 3½ years alone, projects it has insured or guaranteed have generated over $3.4 billion in such direct U.S. exports. These projects also generate indirect U.S. balance-of-trade benefits by retaining U.S. foreign markets that might otherwise be taken over by firms from other nations. But those are harder to measure. These export benefits are particularly important, Mr. Chairman, at a time when the U.S. balance of trade continues to be in substantial deficit, and I know that an increased number of Members are concerned about the need to stimulate U.S. exports. Certainly the OPIC program provides such a stimulus, and indeed the bill before us, H.R. 3136, adds positive trade benefits to the United States as one of the criteria OPIC should take into account in selecting projects and generally conducting its business.

Mr. Chairman, I believe that covers the major provisions of this bill. At the appropriate time during the amending process tomorrow I will offer two amendments requested by the Budget Committee technically to bring the bill into full compliance with the Budget Act. In conclusion, I would say to my colleagues in the House that I have been involved for some 6 years now in overseeing the Overseas Private Investment Corporation. It was subjected to very careful and even critical scrutiny by the House in 1977-78. Several important and, I think, useful amendments were adopted by the House. I think OPIC has responded very positively to those amendments, and that this program continues to be one of the very best bargains among all Government programs. It not only costs the taxpayer nothing, but it contributes very positively and importantly to America's image in the developing world, to economic development in less developed countries, and to our own economy and balance of trade. I commend this program and this bill extending OPIC to the Members of the House, and ask for your support.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank my colleague for yielding and would like to associate myself with his remarks. We have here an agency which is among all our Federal agencies indeed remarkable. It does not cost the taxpayers a dime. It is doing useful work. It is managed extremely well.

Hearings before our committee of which our distinguished colleague (Mr. BINGHAM) is chairman have shown the part it plays in the economy of this country and of our friendly trading nations. I hope very much this will receive the full approval of the House.

Mr. BINGHAM. I thank the gentlewoman for her remarks.

Before yielding the floor, Mr. Chairman, I would like to pay tribute to the ranking member of the subcommittee which has responsibility for this legislation, the gentleman from California (Mr. LAGOMARSINO). He has played a major role in the consideration of this legislation and is responsible for one of the major amendments that the committee incorporated in the legislation submitted by the administration. So I am very grateful to him for his work on this bill.

Mr. LAGOMARSINO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of H.R. 3136, legislation to reauthorize the operation of the Overseas Private Investment Corporation for an additional 4 years. The authority for OPIC's operation expires September 30, so it is imperative that we act expeditiously on this bill.

During its 11-year history, OPIC has admirably fulfilled its dual role of aiding development overseas and promoting U.S. exports. I have long favored the contribution that private investment offers for development. Secretary of State Haig, AID Director MacPherson, and U.S. Trade Representative Brock all strongly support OPIC and the part it has played in encouraging investment overseas. During our subcommittee's earlier consideration of this OPIC legislation, I received a letter from Ambassador Brock. He told me of the valuable role OPIC insurance of private investment plays in the expansion of our trade with the developing world.

In addition to the unanimous approval of this legislation by our subcommittee and the full Foreign Affairs Committee, the House Republican Policy Committee endorses this legislation to continue OPIC's program of insurance and direct lending authority.

The Republican policy statement points out that during the next 5 years OPIC projects are expected to result in $3 billion in U.S. exports, create a net gain of 9,800 jobs for American workers and taxpayers, and generate $247 million in capital flows back to the United States. It will do all that at the same time that it promotes projects approved by the host country designed to have significant development impact for that country.

I should note that some authorities have indicated the number of jobs created by increased exports would not be 9,800 but rather anywhere from 52,000 to 120,000. Even if the lowest figure were the result, it is still a significant contribution to the U.S. domestic economy.

OPIC operates on a self-sustaining basis, which requires no congressional appropriations. The initial capitalizations of OPIC of $106 million have grown to the point where it now has almost $700 million in total assets.

H.R. 3136 simply reauthorizes OPIC's operation for an additional 4 years, with three changes in its mandate: First, raising the per capita income restriction from $1,000 to $2,950, so that some middle income countries may become eligible for OPIC projects: countries like Turkey, Korea, the Barbados, Cyprus, and Brazil; second, explicit recognition of OPIC's contribution to expanding U.S. trade; and third, authorizing insurance coverage for civil strife.

For sometime, the Export-Import Bank and many other countries have permitted coverage for loss due to civil strife. Such coverage for OPIC could serve to encourage investments in countries where there are varying degrees of unrest, such as terrorism, sabotage, or riots, which do not necessarily reach the level of war, revolution, or insurrection, which are already covered by OPIC.

I would also like to make a few comments about one provision of H.R. 3136 which is the result of an amendment I offered during our subcommittee's markup: That is the continuation of lending authority for OPIC.

It seems to me, Mr. Chairman, that OPIC's direct loan authority, or the DIF as it is usually called, seems to have been an unintended victim of the administration's commendable efforts to pare back the direct lending activities of the Federal Government and to reduce Government spending generally. The reason I characterize it as an unintended victim is because the facts of the matter reveal that in contrast to other Government loan programs, OPIC's direct lending program not only lends at competitive rates to small businesses but also has been shown to make a profit for the Government.

But perhaps most important is the fact that OPIC's loan funds are internally generated and thus the Corporation does not turn to private credit markets directly or to the Federal financing bank. I know we all have been concerned with the so-called crowding-out effect of Government borrowing in credit markets and the effect that the Government's presence in credit markets has on high interest rates. But I can assure you that this is not the case with OPIC.

When OPIC was created, the Congress authorized OPIC to establish the direct loan program and to fund it with an initial $40 million capitalization. From the inception of OPIC operations, OPIC has earned $11.3 million in interest on the program through fiscal year 1980. Over the life

of the DIF, OPIC has not sought nor does it intend to seek further appropriations for additional funding of the program.

Mr. Chairman, as is clear from the wording of the provision restoring the DIF, we are not doing anything except reallocating OPIC's own earnings. In this case, what we are saying is that OPIC shall merely be authorized to utilize repayments of principal and interest to issue new loans in addition to which it may allocate 10 percent or more of its net income to its direct investment fund, the DIF. This formula would provide OPIC with an estimated $10 million for fiscal year 1982 which corresponds to the amount available under the DIF program this year.

I would also like to add that, as a member of the Inter-American Affairs Subcommittee, I am particularly aware of the importance of the administration's commitment to encourage development of the Caribbean basin countries. In this regard, OPIC's direct lending authority will provide an invaluable element of that regional policy. In the most recent fiscal year, OPIC made 18 direct loans, 16 of which were in the Caribbean basin area. Indeed, the fact that OPIC's direct loans can be targeted to specific countries and economic sectors that are of importance to U.S. foreign policy interests is one of the principal attractions of the DIF program.

Another aspect that must not be overlooked is that this program is essentially a program to encourage small business to make investments in overseas development. By law, only small business can participate in ths program and thus it serves the additional function of stimulating U.S. small business to venture into foreign markets.

Mr. Chairman, it is hard for me to understand how the elimination of a profitmaking venture will enhance the budgetary efforts of the administration given the fact that OPIC is not displacing any private borrower in the credit market.

I believe OPIC offers a valuable contribution both to America's own domestic economic health and to the developing countries, where private U.S. investment serves to promote both development and trade.

Mr. Chairman, I urge my colleagues to give their full support to H.R. 3136 to reauthorize the operation of OPIC.

● Mr. BROOMFIELD. Mr. Chairman, I support H.R. 3136, legislation reauthorizing the operation of the Overseas Private Investment Corporation for another 4 years. I want to emphasize that as a self-sustaining operation, OPIC does not require the Congress to authorize any additional appropriations for its programs. No funds have been appropriated for OPIC since 1974, and its capital and reserves now total almost $700 million.

During the recent Foreign Affairs Committee study mission to the Far East, I had an opportunity to discuss with American businessmen the need for a strong Government commitment to export promotion. Those businessmen strongly urged continued support for OPIC as part of the administration's efforts to improve America's international economic competitiveness.

While OPIC's primary function is to promote development, it serves the additional role of promoting America's export trade. It does this through promotion of private U.S. investment in the less developed countries. The administration believes, and I fully concur, that in a time of necessary budget restraint we must encourage U.S. companies to invest resources in worthy development projects overseas.

I might add the Committee for Economic Development in its study on transnational corporations and developing countries concludes, in part, that OPIC's programs in support of investment in the Third World should be reassessed with a view to extending their scope.

The very positive benefits of development for the LDC's and trade advantages for the United States make support for OPIC imperative. I urge my colleagues to give their strong support to H.R. 3136.●

□ 1500

Mr. BINGHAM. Mr. Chairman, I yield such time as he may consume to the distinguished chairman of the Committee on Foreign Affairs, the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Chairman, I first would like to commend the chairman of the Subcommittee on International Economic Policy and Trade, Mr. BINGHAM, and the ranking minority member, Mr. LAGOMARSINO, for the excellent work they have done in holding oversight hearings on OPIC and in developing this bill. For the first time in my memory, the bill was reported by the committee without controversy, largely due to the groundwork and efforts made by the subcommittee.

In its decade of existence, OPIC has proved itself an efficiently run quasi-governmental corporation that pursues public policy goals without taxpayer expense.

OPIC serves three important purposes: It promotes economic progress in developing countries through encouraging U.S. investment; in doing so, it promotes U.S. exports and more assured access to natural resources in other countries; and, its insurance has helped depoliticize investment disputes and allowed them to be resolved in a quiet fashion outside the political arenas.

OPIC has proved itself a worthwhile entity and I urge the Members to renew its mandate.

Mr. LAGOMARSINO. Mr. Chairman, I yield 1 minute to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, I rise in strong support of H.R. 3136, the legislation to amend and reauthorize the programs of the Overseas Private Investment Corporation.

OPIC is a unique Government agency—it successfully fulfills its mission of encouraging U.S. exports and promoting development in foreign countries, and it does so at no cost to the taxpayer. It is indeed a pleasure and a relief to support the reauthorization of an excellent program that requires no appropriation from this body.

The Subcommittee on International Economic Policy and Trade and the Foreign Affairs Committee held a lengthy and most revealing set of hearings on this legislation. Our hearings made it clear that OPIC's provision of political risk insurance, loan guarantees, and direct loans to U.S.-sponsored business projects abroad had the major effect of encouraging the sale of U.S. products abroad. In the past 3 years, OPIC has encouraged and assisted 306 development projects for a total investment of over $4 billion. The initial exports of U.S. machinery and equipment used to establish these products alone equaled $1 billion.

Just as importantly, the net effect of OPIC's support for these projects is to foster the creation and growth of private enterprise in the developing world. To the extent that OPIC is successful in encouraging private companies to invest in the less developed countries, the foreign aid bill to be paid by U.S. taxpayers will be reduced.

OPIC is and has been a fine program. It should be reauthorized, encouraged, and congratulated.

Mr. LUNGREN. Mr. Chairman, I rise in support of H.R. 3136 to reauthorize the Overseas Private Investment Corporation. In an increasingly interdependent world, foreign trade has become crucial to the well-being of the United States in both economic and strategic terms.

The activities of OPIC serve to enhance our position in international markets in two important ways. First, by encouraging the growth of private investment in developing countries, OPIC nurtures the economic base upon which our exporting industries rely. The developing nations do constitute an important part of our export markets, having absorbed fully 39 percent of U.S. exported manufactured goods and 32 percent of U.S. agricultural exports in calendar 1979.

About 6 percent of our total manufacturing work force is employed by virtue of this trade. So clearly, the United States has a strong interest in the vitality of Third World economies, which are themselves strengthened by the efforts of OPIC.

Second, on a more specific level, OPIC projects directly generate U.S. exports. Specific OPIC projects have directly resulted in procurement of more than $1 billion over the past 3 years and are projected to burgeon to $2 billion over the next 2 years.

Several new OPIC projects are expanding the dealership and distributorship networks for U.S.-made products overseas and assisting U.S. development projects by signing political risk insurance against losses due to volatile political situations.

But one of the OPIC activities which I find most beneficial to our interests by developing new and diversified foreign sources for strategic minerals which are not found in the United States. By encouraging the widespread development of strategic minerals, OPIC lends U.S. foreign policy a much needed flexibility in procurement of them.

For instance, when Zairean rebels caused the shutdown of cobalt mining operations there a few years ago, the price of that strategic mineral skyrocketed. But today, through the efforts of OPIC to expand the cobalt-producing capacities of Zambia and Botswana, the United States is no longer solely dependent on Zaire for this metal which is vital to our aerospace industry.

The functions performed by OPIC represent the very best characteristics of a free-market economy. Not altruistic in and of themselves, they expand the community of interest so that our domestic workers and workers in developing nations share in the greater universal prosperity which results.

I urge my colleagues to support H.R. 3136 so that OPIC can continue its very admirable pursuit of this goal.

● Mr. SHAMANSKY. Mr. Chairman, I rise in support of H.R. 3136 to renew the authority of the Overseas Private Investment Corporation. The Corporation plays an important role in strengthening the international competitive position of the United States. It also assists in the strategically important effort to assist the economic development of certain less developed nations.

The question has been raised before whether OPIC's mission is to foster development or aid U.S. business. The question seems to me to present an artificial dichotomy. OPIC's programs in practice not only benefit both U.S. businesses with overseas investments and the other countries in which those investments are located, but strengthens the global economy and increases the total world flow of goods and capital. OPIC's policy tries to match the resources of developing countries with the American private sector capital, technology, and experience necessary to boost development on a partnership basis.

Since the program is cost-free—OPIC by statute must be self-sustaining—everyone can win, even the U.S. taxpayer. Labor does not lose either, despite some criticism that OPIC exports U.S. jobs. Research shows clearly that foreign direct investment by the American private sector not only increases individual firms' exports but also boosts these companies' domestic employment.

Continuing research by the Business International Corp. has looked at U.S. foreign direct investment over the past 20 years. Its conclusion is that programs like OPIC's do increase both exports and domestic jobs. Focusing on the years 1970 to 1978, and nearly 100 American corporations with total sales of $430 billion, the researchers found a 203 percent jump in exporting to foreign affiliates. Exports to other purchasers rose 174 percent, and the value for both grew to $29 billion.

Foreign direct investment does not appear to reduce employment in the United States. The Business International Corp. study showed that while employment in the American manufacturing sector rose 3.5 percent from 1970–78, employment among firms participating in overseas investment grew by 12 percent. Companies with the most intensive foreign investment activities showed an employment increase of 14.8 percent, compared to a 4.3-percent increase among firms with the least overseas investment.

U.S. ventures overseas often lead to the growth of marketing networks to sell products manufactured in the local foreign economy as well as American imports from the parent firms. Without these U.S.-owned overseas marketing networks, both domestic local trade and our own export activity would be substantially lower. OPIC's activities help promote the development of such trading networks.

OPIC works primarily through insurance and finance programs. It provides protection against losses resulting from political upheavals faced by private investors in parts of the developing world, and also provides direct or guaranteed loans to foreign projects involving U.S. investors. In all this OPIC is differentiated from nearly all other U.S. foreign assistance programs by its self-supporting nature. Fiscal 1980 was OPIC's best year yet, with gross revenues of more than $76 million. By assisting with the flow of foreign investment to less developed countries, OPIC strengthens both the prosperity of those nations and the United States.

To those who question how the Corporation can support both international trade and internal development at the same time, I would answer, very well indeed. Thank you, Mr. Chairman.●

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Mr. BINGHAM. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. LAGOMARSINO. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. All time has expired.

Mr. BINGHAM. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. MURTHA, having assumed the chair, Mr. LEVITAS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3136) to amend the Foreign Assistance Act of 1961 with respect to the activities of the Overseas Private Investment Corporation, had come to no resolution thereon.

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## GENERAL LEAVE

Mr. BINGHAM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 3136.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

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□ 1510

## OPPOSE SALE OF AWACS TO SAUDI ARABIA

The SPEAKER pro tempore (Mr. MURTHA.) Under a previous order of the House, the gentleman from California (Mr. DYMALLY) is recognized for 30 minutes.

Mr. DYMALLY. Mr. Speaker, I join with the California Democratic delegation and others of my colleagues in opposing the sale of AWACS and the F-15 enhancement package to Saudi Arabia. I believe with my colleagues that the proposed sale is contrary to the overall interests of the United States, a peril to the security of Israel, and an excessive demand upon our already proven support for the Saudi Government. Moreover, this arms sale introduces a new level of sophisticated weaponry to a highly volatile region. The threat of increased tensions and instability in the Middle East from the transfer of this equipment far outweighs any arguments that may be put forth on behalf of the sale.

Once again, the administration has put forth the Soviet threat as the dominant factor in its foreign policy

decisionmaking. At some point—and the sooner the better—Congress needs to firmly opt for diplomacy, rather than arms proliferation, as the solution to international conflict. If we are genuinely committed to arms control, this is an opportune time to affirm that position.

I urge the Members of this House to pursue tactics for bringing peace and stability to the Middle East, and to refrain from an action which can only make the situation more volatile and less susceptible to lasting solution.

## POSSIBLE CUTS FOR THE DEPARTMENT OF EDUCATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANNEMEYER) is recognized for 30 minutes.

Mr. DANNEMEYER. Mr. Speaker, when speaking of programs costing billions of dollars, or a Federal budget containing hundreds of billions of dollars, or national debts topping $1 trillion, I believe it is far easier to talk about these figures than it is to understand them, because I do not think we can visualize what a trillion dollars is.

It simply cannot be translated into a common experience such as an 18-cent stamp, a 79-cent Arby's special, $400-a-month rent, an $8,000 car, or even a $100,000 mortgage.

Well, the gross national debt grew in fiscal year 1981, which ends on September 30 of this month, at an average rate of $251.5 million per day. That astronomical figure is boggling enough, but think of it in these terms: That quarter of a billion dollars would provide social security benefits for 58,000 people; the $91-plus billion added to the debt this year would provide coverage for 21 million recipients. The added funds alone would be more than enough to keep the social security system solvent.

Instead, we throw the money down the old deficit drain.

It should be clear to everybody in the Chamber what really needs to be done. Rather than throwing good money after the bad, we ought to trim spending in order to avoid those $90 billion additions to the debt.

The money saved will be reflected in lower inflation and interest rates, thereby alleviating the plight of those individuals to whom social security represents the difference between retirement and poverty.

The Members will recall that over the course of the last several sessions this Member has presented to the House for its consideration a work product of the Republican Research Committee's Economic Task Force Budget Study Subcommittee, of which this Member is chairman. This proposal lists 272 items which could be cut for fiscal year 1982, whereby we could reduce spending by some $52 billion.

On previous days, this Member has read 21 items relating to the legislative branch, 8 in the judicial branch, 4 in the Executive Office, 15 in funds for the President, 27 in Agriculture, 8 in Commerce, 15 in defense-military, 4 in defense-civil, and 13 in Energy. Today I propose to read those for the Department of Education, consisting of 9 items, and Health and Human Services, consisting of 16 items.

Those nine items of the Department of Education, if adopted, would reduce spending in fiscal year 1982 by $1,006,609,200, and the 16 items in Health and Human Services, if adopted, would save the taxpayers $9,409,050,800.

I want to make it clear that these are not necessarily recommendations but they are options for the Members of the House to pursue as a means of bringing the projected deficit for the next fiscal year, which varies anywhere from $42 billion to $80 billion, depending on whom you choose to believe, almost within balance.

I think that is a laudable objective and it is one that we should pursue if we are to give life to the vision that all of us have; namely, to drive down the cost of money in this country.

We should bear in mind that the prime rate today is at a historic high, and if we are to bring that down, it is time to consider some of those options.

Almost everyone today will say we must reduce Federal borrowing, we must reduce Federal spending. The difficult thing is how and where.

One way would be to take a percentage, say 5 or 10 percent, off everything we spend. Those who are opposed to any reductions would then respond to that suggestion that it is a meat-ax approach and irresponsible. And, indeed, it is probably true, because I do not think that we could realistically talk about reducing all items equally.

With those beginning remarks, I would like to resume the brief analysis of these various items to give the Members a flavor of what they consist of.

In the field of education, the Office of Postsecondary Education, higher and continuing education; we would eliminate the special program for disadvantaged and funding for developing institutions.

The General Accounting Office has acknowledged that the program for disadvantaged students has been a failure and that the feature of the program for developing institutions does not, as intended, help schools but rather goes to certain students regardless of learning enhancements. The General Accounting Office has also observed that the program is full of fraud and abuse, and should be abolished, thereby saving $319,278,000.

In the "Office of Postsecondary Education, college housing loans": We would recover, pursuant to the recommendations of the General Accounting Office, some 10 percent of the outstanding loans. If we did this, we would save, or retrieve, some $300 million.

In the "Office of Educational Research and Improvement, education research and statistics": We would eliminate what remains of the old National Institute of Education function of this program. Jack Anderson has pointed out on more than one occasion the horrible waste and fraud in this program.

If we permitted this program to expire in fiscal year 1982, we would save the taxpayers some $82,900,000.

In the "Office of Civil Rights, salary and expenses": We would allow a growth of 20 percent above what we spent in 1980. The proposed outlay in 1982 represents an increase of 245 percent over what was spent in 1980, which we consider to be excessive.

If this were eliminated, we would save $31,236,600.

□ 1520

"Departmental management, salaries and expenses": Here again we would allow a 20-percent growth above 1980. The proposed outlays represent a 42.1-percent increase since 1980, which we believe to be excessive. If implemented, this would save $37,621,400.

"Departmental management, special statistical compilation and surveys": We would allow a 20-percent growth above 1980. The proposed outlays represent a 47.3-percent increase since 1980, which we believe is excessive. If implemented, this would save $47,389,200.

"Office of Bilingual Education and Minority Language Affairs": We would eliminate this office on the grounds that in our judgment, it is unnecessary. It would save $7,384,000.

We would implement recommendations correcting accounting procedures, as proposed by the General Accounting Office, departmentwide, in the Department of Education, which, if followed, would save the taxpayers $47 million.

In the "Office of Postsecondary Education, student loan insurance": We would seek to recover 20 percent from defaulted loans through more efficient and persistent efforts of collection. Total defaults and their resultant costs are projected to be in the total of $669 million for 1982. If we collected just 20 percent of that, we could bring into the Treasury $133,800,000.

In the "Health and Human Services Agency," which is, by the way, the second largest item in the budget of the Federal Government, total cuts come to 16 items, for a total reduction of $9,409,050,800.

"Public Health Service, National Institutes of Health, general medical sci-

ences health research": We would allow a 10-percent growth above what was spent in 1981. If this were implemented, we would save $21,587,000.

"Public Health Service, National Institutes of Health, environmental health science, health research": Here again we would allow a 10-percent growth above 1981. If implemented, this would save $6,211,800.

"Public Health Service, National Institutes of Health, aging, health research": We would allow a 20-percent growth above 1980. This proposed agency has a budget increase in the next fiscal year of some 37.5 percent above what was spent in 1980. We believe that is excessive and unreasonable. If implemented this would save $9,625,200.

"Public Health Service, National Institutes of Health, research resources": We would allow a 10-percent growth above what was spent in 1981. This would save $7,072,200.

"Public Health Service, Food and Drug Administration": We would cut 10 percent from 1981. Research and regulations continue to be arbitrary and capricious in too many cases. If implemented, this would save $40,121,400.

"Public Health Service, Assistant Secretary of Health, management and assistance to States": We would rescind 20 percent from the proposed funding. We would eliminate family planning, cut 10 percent from maternal and child health, community health centers and migrant health centers, which constitute 20 percent of the programs. Many of these that I have just described are nothing more than social engineering schemes and if these suggestions were implemented, we could save $126,134,200.

"Public Health Service, Assistant Secretary of Health, health maintenance organization loan guarantees": We would allow 20 percent above 1980. The proposed 161.6-percent increase is excessive. If implemented, this would save $9,095,000.

"Health Care Financing Administration, payments to health care trust funds": We would allow 15 percent above 1981. Since this program covers costs which are not financed by employer-employee contributions, the 86.1-percent increase since 1980 is excessive. We would use the current CPI rate of 11.3 percent as a guideline. If implemented, this would reduce spending for this particular program by $3,464,384,000.

"Social Security Administration, SSI program": We would cancel outstanding uncashed checks totaling some $40 million. We would reduce payments to newly arrived persons in the country who are taking advantage of this program to the tune of $32 million, for a total savings, if implemented, here of $72 million.

"Social Security Administration, Federal old-age and survivors insurance trust fund": We would enforce prompt payment by State and local governments. The General Accounting Office has estimated that the loss of interest due to slow deposits of tax payments amounts to $1,100,000,000.

"Social Security Administration, Federal old-age and survivors insurance trust fund": We would calculate benefits rounded to the nearest penny instead of dime, pursuant to the recommendation of the General Accounting Office. This would save $8 million in the next fiscal year.

"Social Security Administration trust funds": We would institute periodic personal consumption expenditure index instead of automatic CPI indexing, recommended by the General Accounting Office and the Congressional Budget Office. One of the main reasons that this change in accounting methods is proposed is the consideration that, as part of the existing system, housing is included, and properly it should be, but people do not buy a house each month. Therefore, we think a change in the index is called for. If adopted, this would save in the next fiscal year $3,800,000,000.

"Human Development Services, grants to States for social services": We would eliminate family planning. Proabortion aid ought not to be taxpayer-financed. This would result in a reduction of $87 million.

"Human Development Services, work incentives": We would eliminate this program. It provides grants to States for bureaucratic "job planning" for AFDC recipients, duplicative child care, and CETA-type public service employment. Members will recall that under the existing CETA program, which is still funded in the budget, programs were adopted nationwide for the purpose of developing jobs for those who needed them. We do not believe it is necessary for the Federal Government to, in effect, set up bureaucracies and State governments to be doing the same thing. If implemented, this would save in the next fiscal year $364,803,000.

"Department management, Office of Consumer Affairs": We would eliminate this as redundant, the Director of which also serves as Presidential Consumer Affairs Adviser. It would save $2,013,000.

Finally, departmentwide recommendations made by the General Accounting Office, if adopted, would result in savings for this department of $291,004,000.

This completes the two categories that I have brought to the attention of the Members today relating to the Department of Education and the Department of Health and Human Services. There will be approximately 10 or 12 more days on which this Member will be privileged to read an analysis of the balance of the remaining 272 items.

Again, let me say, this is being done for the purpose of illustrating to the Members of this Chamber that there is a way to reduce spending in fiscal year 1982 in a proper way without a meat-ax approach, and in so doing, drive down the cost of credit.

Does anybody in this Chamber really wonder what would happen if the Federal Government would reduce its demand for borrowing in the next fiscal year by $40 billion or $50 billion? It is predictable that if we had the courage to do that, it would drive down the cost of the prime rate to at least 12 percent within 60 days and that would have, in this Member's opinion, a dramatic impact on the revival of the housing industry and also the automobile industry all across this land.

In short, the adoption of this program of reducing the Federal demand for credit would lay the foundation for the true economic revival of this country. That is a worthy objective and it is what we are here to do. I would commend it to the Members for their consideration.

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□ 1530

## THE FEDERAL RESERVE BOARD AND MONETARY POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. FRANK) is recognized for 60 minutes.

Mr. FRANK. I thank the Speaker. I do not expect to consume 60 minutes. If I got on "Sixty Minutes," that would be a different story, but I do not expect to consume it.

I want to call the attention of the House to what seems to me to be a somewhat disturbing development, and for reasons of historical accuracy alone, we ought to confront it. I think, in fact, it goes beyond that. It goes to the question of what the economic policies, and particularly the mix of monetary and fiscal policies of the country ought to be.

There have been in recent months, and particularly beginning the latter part of August and for this past month, a spate of suggestions and reports that the problem that the country is going through with excessive interest rates right now, which everyone agrees are excessive, is really nothing that can be at all associated with the Reagan administration, and indeed, there have been suggestions—the President himself said it when he was in California on his vacation—that it is the fault of the Federal Reserve Board. The President and some of those associated with him, both in his administration and those who supported him on the congressional side, have really gone to great lengths to point

out that the Federal Reserve Board is an independent agency. And there has been a strong effort really to disassociate the Reagan administration and its overall policies from the policies of the Federal Reserve Board.

I understand the need for that politically and economically. The Reagan administration made a series of projections earlier this year about interest rates which have simply proven untrue. In particular, we were told that if certain parts of the President's program were adopted, interest rates would begin to drop, not obviously overnight, to previously tolerable levels, but that the drop would begin and would be very speedy.

Nothing has been more inaccurate in this whole year than those projections regarding interest rates. We now have finally an admission by the administration that interest rates are far too high. But there has been a very desperate effort to try and disassociate from that, and one of the forms that effort has taken, is the launching of a rather new group of born-again populists who have suddenly discovered that Wall Street and the financial community do not have America's best interests at heart, at least as they see it, and we have gotten from various people in the Republican leadership descriptions of Wall Street which we are not used to hearing from that side of the aisle.

But we have also gotten from within the administration disclaimers of an association, really, with the Federal Reserve Board.

I think we ought to be very clear as to what has been happening so far this year. If the administration wishes to change its views vis-a-vis the proper monetary policy, they ought to say so, but it simply is wholly inaccurate and wholly unfair and really not a legitimate debate tactic for the administration now to pretend that the Federal Reserve Board's tight money policies were something they had no association with.

On July 23 of this year, the Committee on Banking, Finance and Urban Affairs of the House, pursuant to the Humphrey-Hawkins bill, held hearings on monetary policy, and one of those who testified was Beryl Sprinkel, the Under Secretary of the Treasury for Monetary Policy, who was there not as an individual, not even as simply an official of the Treasury, but as the official spokesperson for the Reagan administration on monetary policy. And the message Dr. Sprinkel gave the Congress on July 23 was, "the Federal Reserve Board is doing a terrific job; let us support them." He said it is true there were some tough technical problems to be worked out, but the thrust of his comments—and he said it again and again—was that "we support the Federal Reserve Board; they are following the proper interest rate policy; they are doing the right thing."

For an administration which stated that official position in late July, pursuant to its statutory duty to tell us what they thought of monetary policy, now to act as if the Fed was somehow a loose cannon on the deck of the ship of state, is simply unworthy of the kind of respect for historical accuracy we ought to have here.

There was no suggestion on the part of the people in the Reagan administration until very recently that the Federal Reserve Board might be acting with too tight a noose with regard to monetary policy. And because this has now come into question, it seems to me reasonable to read into the record here some of the things that Under Secretary Sprinkel had to say; again, not just as an individual or as a longtime monetarist, but as the spokesperson for the Reagan administration on interest rates.

I am reading here from the transcript of the committee hearings, July 23. For instance, on page 16, Mr. Sprinkel told the committee:

> The attack on inflation can be successful only if we stay on the course of persistent slowing in the rate of growth of the money supply with the ultimate goal of a permanent, steady, noninflationary rate of monetary expansion.

Now, it is true one can say that is one's goal, but that the Federal Reserve Board had bungled the job. We are getting some suggestions now along that line.

But here is, in fact, what Dr. Sprinkel had to say about the Federal Reserve Board, on page 18. This, by the way, is a prepared statement. This is not some, perhaps, rattled response which he was forced to give by the tough questioning of people like my colleague, the chairman of the Housing Subcommittee, or others. This was the considered, prepared testimony of Dr. Sprinkel, on page 18.

> Thus we—

"We," being the Reagan administration, I assume; there was no indication he was speaking only for himself and Ms. Sprinkel, if there is one—

> Thus, we are quite pleased with the stated policy and the apparent determination of the Federal Reserve to reduce the long-term rate of money growth.

Now, that is a fairly explicit statement on July 23 of the Reagan administration's complete support for the policy of the Federal Reserve. Note, by the way, that the budget cuts that the President now finds somewhat insufficient had already been enacted. This was not said in anticipation of budget cuts which did not come. This is July 23. Gramm-Latta I and Gramm-Latta II had both become law. The laws were not yet signed in the second case, but they were enacted. There was no further question about what, in fact, the budget cuts were going to be. So this is not a case of its being undone by an insufficiency of budget cuts.

I should add or interject here, from the standpoint of historical accuracy, the President is also showing a kind of a retroactive magnanimity toward Congress which I think we ought to reject.

People will remember—and I think it was fairly clearly documented—when Gramm-Latta II, for instance, was passed, I do not remember the President or Mr. Stockman or others saying, "Is it not too bad that Congress gave the President so little of what he wanted?" In fact, the mood out of the White House and the mood in the country about the President was one of triumphalism. The President had won an enormous victory; he had gotten his program through. Members will remember that what the House passed, in fact, was a document unknown to the minds of many here; that was David Stockman's magical mystery tour that the House accepted. So there was no suggestion that we did not do enough. It is only now that it is not working as they projected that they tell us it was not enough.

Mr. GONZALEZ. Mr. Speaker, will the gentleman yield?

Mr. FRANK. I would be glad to yield to the gentleman from Texas.

Mr. GONZALEZ. I thank my distinguished colleague on the committee, the gentleman from Massachusetts.

May I say at this point for the record that the gentleman from Massachusetts (Mr. FRANK) is one of the most impressive Members I have met, both as a full Member of the House and specifically as a Member assigned to the Banking Committee. And although the gentleman is considered a freshman because, as I understand it, it is his first year here, I certainly would never describe him that way. The gentleman comes from a tremendous background of experience. He has worked in this environment before. But he is also a man who does his homework terrifically, and I wanted the record to show that, and also to show that he, as a member of the Subcommittee on Housing, which I have the privilege of chairing at this time, has been outstanding in his service as a member of this particular subcommittee.

I would like to say that the gentleman performs not only from the standpoint of being a Member of the House and a member of the party, but in this respect, that in the area in which he is discussing, turns out to be the minority party; not only because of the Gramm-Latta, senior, but the son of Gramm-Latta, and what now we are being asked to have, the test-tube baby of Gramm-Latta.

Also, we ought to stress that it was right before the July 23 appearance of Secretary Sprinkel, right before the

adoption of hands across the aisle tax supportive of the budgetary cuts.

So that I think the gentleman performs a very valuable job of accountability.

I would like to stress the fact that in furtherance of the proposition he is advancing, that notwithstanding any attempt now for the administration, the President on down, supporters in and out of the Congress, to try to wash their hands of any association with the Federal Reserve, there is no question that the Federal Reserve Board never has worked as intimately and with as full support as this one has from this administration.

Now, there is not a forecaster I know of any consequence, whether he is an economist, a Wall Streeter, a bond dealer, ex-Secretary of the Treasury, ex-Deputy Secretary of the Treasury in charge of monetary affairs, that will tell you, not a one—and I would say almost 100 percent Republican—will tell you, and are saying, that President Reagan can meet his budgetary goals for one reason—high interest rates, which is what the Federal Reserve policy is predicated on. And it is very much, I would like to point out to my distinguished colleague, the case we read about of the snake devouring his own tail.

□ 1540

The only trouble is that now the prescription we are being asked to take, which is more of the same, literally means that after that snake has already eaten up his tail, where does he go?

Mr. FRANK. I thank the gentleman. I would like to emphasize particularly the point the gentleman made that July 23, the date we are talking about when this very enthusiastic endorsement of the Federal Reserve Board interest rate policies was promulgated on behalf of the Reagan administration, it was at a time when the budget cuts, Gramm-Latta II were already adopted, and the tax bill was already clear in its outlines. There were a few last-minute bargains to be settled in the basement for a couple more votes bought with a couple extra million dollars, but the fundamental outlines of the tax bill were set, and we are now being told, the President has said, "I didn't get enough cuts and I got too much tax reduction. That is why things are not working, why interest rates are being a problem."

I am sure the gentleman from Texas joins me in welcoming their conversion to the substance warnings we offered earlier this year. But we also agree, that the record ought to be straight, that it is a conversion, not something that they were saying all along. The reason for that is when people have been wrong once on policy, there is a need to look at why they were wrong, and perhaps to reexamine the premises or the policy.

Let me stress, on July 23, when the budget cuts were adopted and the tax bill was virtually set as to its outlines, there was no suggestion from the Reagan administration that we were going to have a problem because of high interest rates, or that the deficits would be too large. In fact, Mr. Sprinkel, on behalf of the Reagan administration, says explicitly in the transcript exactly the opposite. On page 28 he said:

In the Meantime, deficits of the magnitude which are contemplated in the budget plan would not inhibit the ability of the Federal Reserve to control money growth. With a steady deceleration of money growth, any effect of the impending deficits on interest rates would be more than offset by the reduction of inflationary expectations. The major portion of today's high interest rates is the inflation premium, which would decline steadily as the trend of money growth is reduced.

There he is saying it, very clearly:

Any effect of the impending deficits on interest rates would be more than offset by the reduction of inflationary expectations.

Understand that that is why many of us are now saying there are flaws in the program which we are now suffering from, because it is explicitly stated here by Dr. Sprinkel—after they knew the budget cuts, after they knew what would be in the tax bill—they denied that the deficit then contemplated on July 23 would cause some problems. They were not concerned that high interest rates would jeopardize their budget projections.

Let me just return to several more quotations to make it clear that the administration, as the gentleman from Texas has said, was working very closely with the Federal Reserve Board and to refute any suggestion that the Federal Reserve Board's independence in some way has led to a frustration of the administration's goal; any suggestion that this was a runaway Federal Reserve Board—this has been a lie-down Federal Reserve Board. They have worked with the administration. Any suggestion to the contrary is clearly dispelled by just three more quotations by Dr. Sprinkel. There are many more throughout the transcript.

On page 31 he says:

I am convinced that most Americans—

Public opinion polling is not his strong point. He is a pretty good economist, but he is not a great public opinion pollster—

together with the members of this committee, join with the administration in firm support of the Federal Reserve's noninflationary monetary policy.

This is July 23, after we know the tax cut; we know the budget cuts and Dr. Sprinkel says—

join with the administration in firm support of the Federal Reserve's noninflationary monetary policy.

Because he says, for those who think the Federal Reserve is the cause of our problem, on page 46:

Let me say first that the tight-money policy does not cause high interest rates.

So, he is absolving the Federal Reserve completely.

Then, on pages 62 and 63—this is in answer to a question—he says:

Now, the burden on the Fed—I understand they have a very difficult problem and I do not want to make their difficulties worse. We want to work with them and we are doing so, and we are quite supportive of their general strategy and the way they are going about getting money under control.

In other words, it is not simply the goal of wringing inflation out by tight money they are talking about, it is the specific, "way they are going about getting money under control," which the Reagan administration approved.

One last quote on pages 75 and 76, again just to make the point no longer debatable that the Federal Reserve was really operating as part and parcel of the overall Reagan plan, and can hardly be accused today of having undercut it:

Now there is one thing that's forgotten, it seems to me. Namely, if we slow the rate of growth in the money supply as we are planning, as the Federal Reserve is planning to do, and we're supporting, this will slow down the rate of rise in nominal spending—

I will read it one more time:

if we slow the rate of growth in the money supply as we are planning, as the Federal Reserve is planning to do, and we're supporting, this will slow down the rate of rise in nominal spending—

Note that this was in answer to a question, and to prove the point of the gentleman from Texas, Sprinkel has made a little slip here. The first time he says "we," he means the Federal Reserve Board. Here is the Undersecretary of the Treasury, and he says, "as we are planning," and then parenthetically, "as the Federal Reserve is planning to do." In other words, the identification between Treasury and the Fed has become complete in his mind.

So, Mr. Speaker, that is where we are in regard to interest rates and monetary policy. At a point when the Reagan administration knew exactly what it was going to get in the budget cuts and almost exactly what it was going to get in the tax cuts, it was wholly supportive of the Federal Reserve Board, and said that there was no problem with respect to interest rates. The Reagan administration said on July 23, "We have no problem. Don't worry about interest rates affecting deficits."

Things have not worked out as they projected. Many of us are not surprised. That is why we voted against the program that seemed to be based on wishful thinking.

The only point I want to stress is that it is misleading both as a matter

of historical accuracy and future policy of the administration to try inaccurately to scapegoat the Federal Reserve Board. The errors, the problems that we now confront cannot be laid by the Reagan administration at anyone else's door. They got what they asked for; they got what they asked for from the Congress in the budget area; they got what they asked for in the tax cut area; and they got what they asked for from the Federal Reserve in the area of monetary policy.

If the economy is not responding appropriately, if Wall Street and Main Street and individual investors are not responding appropriately, that ought to lead us to go back and reexamine the premises and the psychology on which all of this was based. It ought not to lead to this kind of scapegoating, totally inaccurately, of the Federal Reserve Board.

## GENERAL LEAVE

Mr. FRANK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

## EXTENSION OF AUTHORITY OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. McKINNEY) is recognized for 5 minutes.

● Mr. McKINNEY. Mr. Speaker, today we are considering H.R. 3136, a bill to extend the operating authority of the Overseas Private Investment Corporation to September 30, 1985, to remove certain restrictions which tend to hamper its effectiveness, and to broaden the scope of its services.

It is a rare occasion that we have the opportunity to vote on legislation for a program that plays a key role in strengthening our relationships with the some 100 nations of the developing world, provides needed support for the U.S. business community in the highly competitive international marketplace, generates growth and new jobs in the domestic economy, and does these things without using the taxpayers' money.

The Reagan administration is committed to the encouragement of private sector enterprise as the most effective means for fostering continuing economic growth and self-sufficiency in the nations of the developing world. At the same time, the administration is well aware that increased U.S. private investment abroad will be a critical factor in sustaining our own economic growth.

Traditionally, the major source of capital for support of badly needed economic and social programs in the developing countries has been government-to-government assistance or concessional aid. But the need to combat inflation and to reinvigorate industrialized economies has led to severe cutbacks, not only in the United States but in other countries as well, and this decline comes at a time when the needs of the Third World are accelerating. The hard fact of the matter is that their needs today are far in excess of capacity of public assistance programs and thus there is a widening development gap which must be filled. The most immediate and practical solution is the encouragement of more private sector investment, and virtually all of the friendly developing countries are actively seeking U.S. investment.

Foreign investment is not a one-way street. Obviously, host countries can derive many benefits from the infusion of foreign capital, which creates new jobs, brings with it management expertise and training, generates tax revenues, and helps people to help themselves. But it is also true that the type of investment supported by the OPIC political risk insurance and finance programs contributes to our own growth by providing access to new markets for goods and services, creating job opportunities, and making positive contribution to our balance of payments. In short, everyone can come up a winner.

In spite of all this, there are those who contend that all U.S. companies investing abroad are suspect and that they are exporting jobs, reducing our export capacity, and neglecting the need for domestic growth. Certainly there have been cases in which U.S. companies have sought out cheap labor, but I would point out that OPIC maintains a rigid screening process and provides support only for the kind of enterprise that will help the host country and return positive benefit to our own economy.

In fact, the job export theory has been largely refuted in a series of nine studies made by Business International, Inc., an independent research, publishing, and advisory organization based in New York City, which recently published "The Effects of U.S. Corporate Foreign Investment, 1970-79." This study involved 104 U.S. companies with combined worldwide sales of $459 billion, of which $202 billion were made to overseas customers. In 1979, they accounted for $28 billion in U.S. exports and their gross worldwide investment at the end of 1979 was $240 billion, of which 70 percent was in the United States.

Perhaps the most significant fact of all revealed by a study of U.S. manufacturing employment during the period 1970-79 showed that the companies in the study increased their domestic payrolls by 27.8 percent while U.S. manufacturers as a whole increased by 4.4 percent. The gross trade surplus for the manufacturing companies included in the sample rose from $5.5 billion in 1970 to $18.4 billion in 1979.

Highlighting the positive impact of private investment abroad and OPIC's role in U.S. foreign economic policy, the Wall Street Journal in an article on April 11 of this year said:

> Income in the form of dividends, interest, management fees, royalties and other payments from earlier U.S. foreign investment allows the United States today to show a small current account surplus despite a large balance of trade payment deficit. During the past decade, the annual earnings from U.S. direct foreign investments have risen five fold, from $8.2 billion in 1970 to an estimated $41 billion in 1981. OPIC has a unique and important role in the foreign assistance effort through its encouragement of the kind of investment that serves two objectives—development abroad and the growth of U.S. business at home.

Relating this more specifically to OPIC and its performance since its renewal in 1978, I would point out that it has insured or financed 337 projects in 58 developing nations with an estimated total investment of more than $4.6 billion. OPIC's participation includes an aggregate of $2.9 billion of insurance issued and commitments for $227 million in investment guaranties and $15.5 million in direct loans to enterprises involving small business. It is interesting to note that this record was achieved despite congressional imposition of a number of restrictions that would be modified or removed by the current legislative proposal H.R. 3136.

To round out the picture of these 337 projects, projections for their first 5 years of operation are that they will create 57,000 new host country jobs, generate annual tax revenues of more than $532 million, and account for net foreign exchange benefits of $1.5 billion. From the U.S. standpoint, they are expected to generate more than $3.4 billion in direct exports over the 5-year period and to create some 56,000 added man-years of U.S. employment.

The Corporation closed fiscal 1980 in the strongest position in its history with total assets of $699 million. Gross revenues amounted to $76.1 million and net income after operating expenses was $65.8 million. Projections for fiscal 1981 indicate continued growth and an even stronger position. And again, I would remind you that this small organization—only 125 people in all—continues to operate without the use of appropriated funds.

All of us recognize the growing challenges of an increasingly interdepend-

ent world and the need for innovative approaches that will provide mutual benefit both for the developing world and the industrialized nations. We need new markets, access to new energy sources and scarce materials if we are to sustain our own growth. The developing nations need capital, expertise, training, and all the other elements which will help them to help themselves in a changing and competitive world.

OPIC is an outstanding example of what can be accomplished through a working partnership between the private sector and the Government. I urge my colleagues to support H.R. 3136, which will continue a highly successful and critically important program at a time when it is needed most.●

## CONGRESSMAN G. V. MONTGOMERY, DISTINGUISHED AMERICAN AND GUARDIAN OF OUR NATIONAL INTEREST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina (Mr. NAPIER) is recognized for 5 minutes and to revise and extend his remarks and to include extraneous material.

Mr. NAPIER. Mr. Speaker, when hundreds of people gathered recently to join in the dedication of the G. V. Montgomery National Guard Complex in his hometown of Meridian, Miss., among them was Vice President GEORGE BUSH who joked about a massive sign with 5-foot letters spelling out the name of the facility.

The Vice President, tongue in cheek, said he was critical of the sign. He said it should have been larger. That way, it could be read 140 miles away in Biloxi.

It is fitting that the sign on the G. V. Montgomery National Guard Complex is larger than most, because Congressman SONNY MONTGOMERY'S life has been just like that—larger than most.

He has served with distinction in everything he has ever undertaken. His military record reads like a page from a Hollywood movie script about larger-than-life heroes. His service was noted with not only the stars of a general officer, but such revered awards as the Legion of Merit, the Bronze Star for Valor, the Meritorious Service Award Commendation Medal. He not only served his Nation in one war, World War II, but returned to answer the call of duty during the Korean conflict.

His civic record is just as glittering with accomplishments including the Mississippi Magnolia Cross Award, the Red Cross Certificate of Merit, the National Guard Association's Distinguished Service Medal, named "Mississippian of the Year" by the Mississippi Broadcaster's Association, and countless others too numerous to mention.

Since the voters of the Third District of Mississippi sent him here 15 years ago, Congressman SONNY MONTGOMERY has approached his appointed tasks as an elected official in typical Montgomery fashion, full speed ahead. His record in Congress speaks for itself. It is a star-studded record carved in legislative history by a man whose principles fit the mold of Thomas Jefferson, who said: "In matters of principle, stand like a rock."

SONNY MONTGOMERY has stood like a rock in Congress, in war, in peace, in his community, in everything he has ever done and said. It is fitting that a National Guard armory be dedicated in his name, for he has been a guard of our national interests throughout his long and energetic life.

I want to take this opportunity to share the news reports of this dedication ceremony with my colleagues:

[From the Commercial Dispatch]

REPRESENTATIVE MONTGOMERY'S SIGN COULD HAVE BEEN A LITTLE LARGER

(By Rebecca Simmons)

MERIDIAN.—The pilot of Air Force Two didn't need air traffic controllers Monday to find his way to Key Field. All he had to to do was look for the mammoth sign on the side of a building near the airport spelling out in five-foot white letters "G. V. Montgomery National Guard Complex."

"I'm critical of the sign," said Vice President George Bush who was in Meridian for the dedication of the National Guard facility. "It should have been bigger. Then they could read it from Biloxi!"

As it stands, though, the farthest away the sign can be read is by passing motorists on nearby Interstate 59.

Over 2,000 people gathered in the G. V. Montgomery National Guard Complex to dedicate 17 acres of land and several buildings to the Meridian congressman. While an impressive list of dignitaries sat on the platform, including the Vice President, two U.S. Senators, an ambassador and a number of congressmen and much of the talk was about the military, the dedication managed to avoid typical ceremonial gab.

If people sitting in the hangar where the ceremony was held expected no more than a glimpse at Bush and a few dry remarks, they were pleasantly surprised.

"This has been an exciting two days for the Bushes," said the Vice President. "Yesterday we were sitting in the dugout (at the All Star baseball game) rubbing shoulders with great baseball players," he said. "And today we're in Meridian."

Lt. Gov. Brad Dye was the first to draw laughter when he referred to the building bearing Montgomery's name as a "fine political sign."

Dye added that "it couldn't have happened to a nicer, more dedicated Mississippian." On behalf of Gov. William Winter, he honored Montgomery by deeming him major general of the National Guard.

"I guess this just proved," said Bush, "old soldiers never die, they just keep getting promoted."

As Mississippi's senior Sen. John Stennis rose to the podium, Vice President Bush leaned forward and listened intently. Stennis recalled Bush's confirmation as head of the CIA and his outstanding contributions as vice president. "I've been proud of him," Stennis said.

Stennis then called Montgomery "one of our most valuable, most effective men in Washington.

"You're my congressman," he told Montgomery, "so I'm going to call you Sonny * * * you contributed to a fine group that set a good pace for the National Guard of America."

Stennis called for more support for the national guard in his remarks.

"I believe that day will come when the guard will be given additional responsibilities, additional duties," he said.

Then Meridian Mayor I. A. Rosenbaum came to Montgomery's rescue in defense of the sign. "No federal money went into the sign," he said. "It was paid for by the people of Meridian—paid in grateful appreciation to Sonny Montgomery.

"Sonny and I were in grade school together," the mayor recalled. "We both had dreams and ambitions. I wanted to be a fireman. He wanted to be the night clerk in a hotel that catered to ladies of the evening.

"Ladies and gentlemen," he said after a pause, "you are looking at two failures.

"But," he said, "the congressman wanted a big sign and we have accomplished a truly big sign."

During his remarks, Bush recognized Montgomery's accomplishments, noting that "the veteran has no greater champion in Washington than Sonny Montgomery."

Montgomery responded to Bush's remarks by saying "thank you for coming to my hometown and saying so many nice things about me in front of the people who know me best. Because you've said so many nice things, the next time we play paddle ball, I might let you win.

"It would be less than truth," continued Montgomery, "if I didn't say that I like the sign very much.

"But," he said, looking around at Bush, "the vice president said it should be larger, and I have to agree."

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2,000 ATTEND EVENT

(By Rebecca Simmons)

MERIDIAN.—Vice President George Bush called for a strong military defense Monday as he spoke to an estimated 2,000 people at the dedication of the G. V. Montgomery National Guard Complex.

"No nation ever had to go to war because it was too strong," said Bush. "If we spend billions on defense, it is so that not one shot need ever be fired."

Bush referred to author Thomas Mann's definition of war, saying "war is only a cowardly escape from the problems of peace."

In a brief news conference following the dedication ceremony, Bush said Reagan's decision to proceed with full production of the neutron bomb "is a move that only enhances peace."

"It's not at all surprising that the Soviets, with an overwhelming tank advantage, would speak out so strongly against this decision," he said, pointing out that the decision concerned the "storage of the weapons, not a deployment on foreign soil.

"We have seen Russian tanks push ruthlessly in Afghanistan. We have seen uncertainty in Poland. We have seen simmering, ancient hostilities in the Middle East, genocide in Cambodia and we are seeing turmoil in Central America—turmoil not so far from our own border. We must recognize how precious our own peace is, and we must

work to keep this peace that is our only hope," he said.

Bush, while in Mississippi, attended a Republican fund-raiser in Biloxi where he pledged to "keep the screws tightened down" on government spending.

During a press conference in Biloxi, Bush committed himself to campaigning for Republican candidates in next year's Congressional elections—even if it meant campaigning against his good friends Sonny Montgomery and John Stennis.

Bush said he would campaign against Montgomery and Stennis, if necessary, to "get control of the U.S. House of Representatives for Republicans and keep control of the U.S. Senate for Republicans."

When asked if he would support Congressman Trent Lott should he decide to oppose Sen. Stennis in next year's Senate race, Bush said "I'll do in terms of campaigning what Trent Lott wants me to do."

Bush also backed President Reagan's handling of the air controllers' strike, saying, "He feels people should abide by the law."

Asked if he saw any signs that the vacationing president was softening his position, Bush said, "I see no change . . . I confidently expect he will not.

"Our policy cannot be dictated by unions supported by strikers," Bush said. Nor will it be affected by actions in other countries, he said, in an apparent reference to sympathy protests by Canadian controllers.

About 700 heard Bush speak in Biloxi at a $50-per-plate fund-raising dinner for Rep. Trent Lott, R-Miss., and local Republican organizations. Earlier Monday about 100 attended as Bush helped dedicate a new National Guard Armory in Meridian named in honor of Rep. G.V. "Sonny" Montgomery, D-Miss.

He told a news conference in Meridian that the administration was committed to a "disproportionate increase in defense spending," including higher pay, as a way of bolstering sagging military morale.

While at the banquet in Biloxi, Bush said, the Reagan administration had "reversed this trend of ever-increasing spending" and added, we are "going to keep the screws tightened down" on government spending.

He said such restraint would help people in lower income groups more than "if we created 100 new programs."

But spending cuts are not enough, Bush said. Federal regulations must be eased.

"It is just as important as tax relief," he said. As an example, he cited the auto industry which, he said, stands to save $50 billion over the next five years because of relaxed regulations.

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BUSH HELPS DEDICATE GUARD COMPLEX

(By Andy Kanengiser)

MERIDIAN.—Motorists on Interstate 20 in Meridian can't miss the new $2.3 million G. V. Montgomery Army National Guard complex—or the tremendous sign that towers above.

"The congressman wanted a big sign on the complex, and together we accomplished it," Meridian Mayor I. A. Rosenbaum said yesterday during ceremonies at the Key Field site attended by a host of dignitaries, including Vice President George Bush and Mississippi Sens. John C. Stennis and Thad Cochran.

And Bush told the crowd of about 1,000 people, the sign on the complex named for the state's 3rd District congressman "could have been bigger." The sign has 6-foot letters.

Later, the 61-year-old Montgomery, chairman of the House Veterans Affairs Committee, agreed with the vice president. "The sign should be larger."

The modern complex replaces an outdated World War II structure located near the site. The new complex took about a year to build.

In addition to having the complex dedicated in his honor, the congressman was given a promotion. Lt. Gov. Brad Dye announced for Gov. William Winter the promotion of Montgomery from brigadier general to major general in his retired status with the Mississippi National Guard.

Montgomery, who serves on the house Armed Services Committee, and is chairman of the oversight and investigations subcommittee, retired from the national guard in 1980 with the rank of brigadier general after more than 30 years of military service.

During his remarks yesterday, Bush praised Montgomery's "already distinguished" careers in public service and the military.

Bush said America must be strong. "Our times are witness to terrible events," including the Russian invasion of Afghanistan, genocide in Cambodia, turmoil and "uncertainty" in Poland, hostilities in the Middle East and turmoil in Central America.

"No nation ever had to go to war because it was too strong," the former CIA director said.

"If we spend billions for defense, it is so that not one shot need be fired," he said.

The vice president, who appeared in Meridian with his wife, Barbara, later told a news conference here that President Reagan's decision to produce the neutron warhead and store it at home, will "enhance" world peace. "The president has made the right decision."

The Soviet Union, however, has strongly condemned Reagan's move. Tass, the Soviet news agency, said the Kremlin could not "remain an indifferent bystander" to neutron warhead deployment.

But Bush said he is "never surprised" at the statements of the Soviets.

Montgomery said he supports Reagan's decision as a means of deterring the Soviets, who have a tank advantage over the United States. "We can't build enough tanks to stop them."

Cochran said Reagan has made the correct decision. The junior senator from Mississippi said he believes Reagan's decision to manufacture the neutron bomb gives the U.S. an extra means of protection.

The ceremonies during another hot summer day in Lauderdale County came to a noisy conclusion when the Mississippi Air National Guard's 186th Tactical Reconnaisance Group, based at Key Field, conducted a "flyover" with its RF-4 Phantom jet aircraft.

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[From the Clarke County Tribune]

BUSH LAUDS SONNY AT DEDICATION

Vice President George Bush, Monday, dedicated the new National Guard complex in Meridian honoring Congressman Sonny Montgomery and defended the President's decision to begin production of the controversial neutron bomb.

The Vice President joined Senators John Stennis and Thad Cochran, Lt. Gov. Brad Dye and local officials in praising Montgomery's service both as a U.S. Representative and as a National Guardsman.

Dye presented Montgomery with an additional star from Gov. William Winter raising him to the rank of Major General (retired) in the Army National Guard.

The Vice President said that Montgomery, a veteran of two wars, is an advocate of a "vigorous and ready National Guard." He added, "The veteran has not a greater champion in Washington than Sonny Montgomery."

At a press conference, Bush said Reagan's decision to produce the neutron bomb kept a promise made during the 1980 presidential campaign and would enhance world peace.

"It is a storage of the weapons, not a deployment on foreign soil," he said. "And I'm never surprised at the reaction of the Soviets, who hold a superiority in the number of tanks."

Bush hit hard on the military theme both during the press conference and in prepared remarks at the dedication ceremony. In honoring Montgomery at the formal opening of the $2.3 million complex, he said Montgomery understood the necessity of keeping America strong to deter Soviet aggression.

"No nation ever had to go to war because it was too strong," he said. "If we spend billions on defense, it is so that not one shot need be fired, ever, anyplace. Men like 'Sonny' Montgomery know that. He knows that's why one of the most vital aspects of our national defense is a vigorous and ready National Guard."

Bush quoted from author Thomas Mann's definition of war, calling it a "cowardly escape from the problems of peace," and said Americans must work hard to preserve times of peace.

"We have seen Russian tanks push ruthlessly into Afghanistan. We have seen uncertainty in Poland. We have seen simmering, ancient hostilities in the Middle East, genocide in Cambodia and we are seeing turmoil in Central America, turmoil not so far from our own border. We must recognize how precious our own peace is, and we must work to keep this peace that is our only hope," Bush said.

The National Guard complex honoring the Meridian-born Montgomery, an eight-term Democrat, includes an Army aviation support facility and a 200-man armory located at Key Field here. About 1,000 people turned out for the dedication, including Stennis, Cochran, Dye, Meridian Mayor I. A. Rosenbaum, congressmen from Arkansas, Texas and Alabama, and a number of other local and state officials.

Montgomery retired in 1980 from the Mississippi National Guard with the rank of brigadier general, but was honorarily promoted to major general at Monday's events. Much of the spotlight was on Montgomery, who paid tribute to Bush and Reagan for restoring confidence in American leadership. Montgomery also joked that a mammoth sign on the outside of the complex bearing his name wasn't big enough.

Bush agreed, and said, "If they made it bigger, they could read it in Biloxi," Bush flew late Monday to that coastal city to attend a fund-raiser for Fifth District Rep. Trent Lott (R-Miss.).

On whether the Reagan administration supports extending the 1965 Voting Rights Act, Bush said the President does support voting rights. "But he (Reagan) has not made a final decision on how that should be implemented."

Reagan has said he supports making the act, which provides for federal oversight of election procedures in several Southern states, eventually apply to all states.

Rosenbaum, in paying tribute to Montgomery, said as children the two had often discussed what their goals were in life.

"He (Montgomery) said he wanted to be a night clerk in a hotel that catered to ladies of the evening," Rosenbaum joked.

Stennis also praised Montgomery as well as Bush and said both worked to help the people. Stennis said Montgomery's military experience has made him a champion of veterans' rights in Washington.

Montgomery served in World War II and in Korea and has been awarded the Meritorious Service Metal and the Bronze Star for Valor. He became chairman of the House Veterans Affairs Committee earlier this year, and also serves as the chairman of the oversight and investigations subcommittee and as a member of the House Armed Services Committee, Montgomery is a former commander of the 150th Transportation Battalion, whose headquarters are in Meridian.

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POLITICOS GATHER TO HONOR MONTGOMERY AT DEDICATION

(By Andi O'Neill)

Old friends got together in Meridian Monday to say "thank you" to one of their own by dedicating a National Guard armory in his honor.

Vice President George Bush headlined a star-studded list of political dignitaries who came from around the U.S. to help dedicate the new $2.3 million G. V. Montgomery National Guard Complex.

About 1,200 local citizens packed into the armory's hanger to watch the most high-level political gathering in Meridian in about eight years.

Bush was joined by both U.S. senators from Mississippi, three U.S. congressmen and an array of military officials in paying tribute to the 3rd District's eight-term representative.

Also taking part in the hour-long ceremony were Meridian Mayor I. A. Rosenbaum and Lauderdale County Board of Supervisors President Ikie Ethridge.

The dedication was billed as a non-political event, and all six speakers praised Montgomery's record and his contribution to the 3rd District as well as to the nation's military establishment, national guard and reserves.

Rosenbaum drew the biggest laugh of the day when he told the gathering how he and the congressman had failed to achieve their boyhood career goals.

"Sonny and I were raised together, grew up together," Rosenbaum said. "I wanted to be a fireman and the congressman wanted to be a night clerk in a hotel that catered to ladies of the evening."

After waiting for a wave of giggles to subside, the mayor said: "You see before you two total failures."

In introducing the vice president, Rosenbaum called him a man who "epitomizes the revival of an era the president is trying so hard to bring about."

Bush, who in 1967 was a freshman congressman, as was Montgomery, spoke affectionately of his former colleague.

"We're all here to honor a friend—to dedicate, officially, the G.V. Montgomery Mississippi Army National Guard Armory and the G.V. Montgomery Army Aviation Flight Facility," the vice president said. He added his congratulations to Montgomery's most recent promotion, announced by Lt. Gov. Brad Dye Monday, to major general in the National Guard.

Bush told the crowd that by remaining strong, America remained at peace.

"If we spend billions for defense, it is so that not one shot need be fired, ever—any place," Bush said. "Men like Sonny know that.

"He knows that's why one of the most vital aspects of our national defense is a vigorous and ready National Guard," the vice president said.

Montgomery in his speech reiterated his former colleague's sentiments by telling those present never to "underestimate the importance of the National Guard and Reserve."

"The Soviets only respect a country with a strong military," Montgomery said. "A strong military could deter the Soviets from starting" a worldwide conflict.

The 3rd District congressman said that bigger incentives and better facilities were needed "to keep the Guard strong."

At a press conference after the dedication, the vice president briefly fielded questions from reporters before heading to Biloxi for a Republican fund-raiser.

Asked about the neutron bomb, Bush said the president's decision over the weekend to proceed with the controversial weapon's development was a "commitment kept to the American people."

Bush also told reporters the best thing for the nation's military morale was support.

"Support and recognition (are needed) to keep the military strong," he said. "General support for the military will keep the country strong.

"The best antidote for morale problems is support," Bush said.

But the vice president added that not even the military is exempt from budget cuts under the Reagan administration.

"The military will bear its share of the cuts—it has to," he said. "Everybody has to."

Bush also told reporters that the White House is "reviewing" the 1965 Voting Rights Act, a law targeted for extinction by a broad spectrum of Southern officials.

The policy of the Reagan administration, Bush said, is to show "support for voting rights to eliminate any vestige of discrimination." But he said White House officials have not decided whether the 1965 law, setting strict election procedures and providing for close oversight by the federal government, is still needed to counter discrimination.

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CROWD COUNTS VISIT A "GREAT DAY"

(By Tom Brennan and Sidney Cearnal)

Robin Holbrook was not impressed by the bunting, the band or the assembled political potentates gathered at the dedication of the G.V. Montgomery National Guard Armory Complex Monday.

For the 3-year-old daughter of Carol Holbrook and her husband Don, who is assigned to the Meridian Naval Air Station, the highlight of the day was meeting Vice President George Bush.

"He said he liked my pigtails and it was fun," Robin said after the nearly two-hour hoopla honoring the 3rd District congressman.

But for the adults in the crowd, it was a "GREAT DAY" when the second-highest ranking officeholder in the United States came to Meridian to help honor Meridian's favorite native son.

"It's a great day for Sonny (Montgomery)," Lauderdale County Chancery Clerk Hermon Gray Johnson said. "It's nice to honor the living while they are living."

Johnson was only one of a multitude of local and state officials gathered in the new multi-million-dollar maintenance facility. Although Gov. William Winter was unable to attend because of the National Governors Conference in Atlantic City, N.J. (where Bush was scheduled to speak today), he sent his regards and an extra star for Montgomery, a major general in the guard, through Lt. Gov. Brad Dye.

But for Dye, the honoree holds a special place too.

"I'm just honored to be here with Sonny Montgomery," Dye said shortly before the ceremonies began. Speaking of the five years they shared in the state legislature in the early 1960s Dye said, "I think it certainly speaks well for Mississippi that the vice president takes time from his busy schedule to appear in our state, and it's a tribute to the respect and esteem in which Sonny is held by the members of the (Reagan) administration."

"I'm just proud to be here," State Sen. Glen Deweese of Meridian said. "And proud we've got the vice president coming to Meridian, Mississippi.

"I'm proud that our congressman deserves to have the vice president come and dedicate this thing," Deweese said.

Also present was State Sen. Ellis Bodron of Vicksburg.

"There's almost no honor anybody can confer that Sonny Montgomery hasn't earned," that legislator said.

Another surprise guest was former Fayette mayor and civil rights leader Charles Evers, who said he had had a private meeting earlier in the day with Bush to discuss administration programs and their effect on state residents.

"I think it's great," Evers said of the day's events.

It was the almost overwhelming display of "patriotism" that caught the attention of Lauderdale County Board of Supervisors President Ikie Ethridge, who admitted he was nervous when he gave a welcoming address.

"It makes me feel so good to see this kind of patriotism again," Ethridge said. "I'm so proud for Sonny because he's served our area with dedication and distinction for 25 years.

"I just couldn't feel any better, I don't think, to know our congressman has these personal friends in Washington. It's a good feeling," he said.

Probably one of the most relieved persons after the day's events ended was the one who put the whole thing together, Montgomery's Meridian administrative assistant Jeannette Noe.

"I'm real pleased for the congressman that so many of his good friends turned out," she said. "I know I speak for him when I say he was well pleased and greatly humbled."

But Mrs. Noe laughed when asked if she would like to stage another dedication. "Let's wait awhile."

For some people at the dedication ceremonies, the day was long.

"I'll tell you I'm tired. Man, I'll be glad when it's over," said one employee of the firm catering a reception for dignitaries and friends of Montgomery.

But for one member of a military color guard, the heat and crowds were no problem.

"If it was anybody but Montgomery, it would be bad," said Sgt. 1st Class Ricky Posey. "I don't mind doing it for him. I just like him."

And, finally, it was a good day for 10-year-old Michael Alexander, who was attending the festivities with Cub Scout Pack 28 of Meridian.

"I liked it, yes ma'am."

□ 1550

## NOBLE CAUSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 5 minutes.

● Mr. MONTGOMERY. Mr. Speaker, our colleague, Congressman LES ASPIN, recently focused a lot of light on an important veterans' issue that rarely gets enough attention. He pointed out how our veterans' population is aging and soon will be in need of considerable nursing home care that addresses the particular problems of the aged.

As chairman of the House Veterans' Affairs Committee, I wish to commend Congressman ASPIN for his efforts to bring more public attention to this issue. I also wish to draw the attention of all Members to a recent editorial in the Federal Times, which discusses Mr. ASPIN's points and the needs of the aging veteran. I include the text of the Federal Times editorial of July 20, 1981, entitled "Noble Cause" at this point in the RECORD:

[From the Federal Times, July 20, 1981]

NOBLE CAUSE

A congressman who is quick to rap the military—indeed, he might be termed a knee-jerk military rapper—wants the Veterans Administration to live up to its obligation to millions of former military men and women who will reach age 65 in the next 10 years.

Rep. Les Aspin, D-Wis., ardent foe of the Vietnam War, persistent critic of major and minor defense spending and a man considered by many military leaders to be nothing but a continual pain in the rear end, ought to win praise from all military men for calling on the nation, through its VA, to get with it.

Aspin says, rightfully, that the time is now for VA to get off its duff and begin to somehow care for possibly millions of the ten million World War II veterans who will reach age 65 by 1985 and will be entitled to VA hospital help.

The congressman noted that VA hospitals, like other hospitals, are set up to provide short-term curative medical treatment. "They are not set up to be nursing homes for the aged veteran, but that is the new demand they will face in this decade," he said, adding this:

"It is time for VA to be sharpening its pencils and coming up with specific plans to meet the needs of World War II vets * * *. You can't convert acute care hospitals into geriatic facilities in six months. And you can't release emergency room teams and hire skilled geriatric staff overnight."

We agree. The need to do something about VA hospitals in this regard cannot be overestimated. By 1985, one-third of all living military veterans will be over 65. By 1990, that percentage will increase to one-half. This is a telling point because at age 65, a veteran who cannot afford civilian hospital care is entitled to VA hospital care whether his health problem is service-connected or not. And many, then as now, will be unable to afford the high price of civilian hospitalization and nursing homes.

The fact of the matter is that VA hospitals do not have enough beds and enough staff now, and Lord only knows what will happen when caseloads multiply enormously in a few years.

VA hospitals and VA nursing homes also need specialists in geriatrics. Apparently not many doctors specialize in geriatrics. That's another problem.

Currently, there are 91 VA nursing homes for long-term geriatric treatment, located adjacent to VA hospitals around the country. In addition to these, the agency runs another type of extended care facility for elderly veterans, called domiciliaries. There are 15 of these now.

That's not enough, as VA admitted in a 1977 report, "The Aging Veteran: Present and Future Medical Needs," noting "an acute shortage of nursing home facilities for the placement of veteran patients."

What will happen as more and more World War II veterans become 65 and older?

This is subject matter that should be brought to the attention of the President. The military brass has a large and effective lobby on Capitol Hill. The lobby for enlisted, indigent veterans is not as effective. The state of VA hospitals proves that.

If Mr. Reagan and his colleagues want to understand the problem, as they most certainly should, we suggest they talk to Rep. Margaret M. (Maggie) Heckler of Massachusetts. For some time now, she has been fully aware of the VA hospital problem and has done her best to bring it to the attention of others in Congress. She is a Republican and White House people may find it more comfortable to talk with her about this problem than with, say, Democrat Aspin.

We suggest that the Disabled American Veterans Organization could also help to educate White House people on this extremely serious problem. Norman Hartnett at DAV headquarters would be most helpful, we are sure. He has been fighting the good fight for veterans in VA hospitals for a long time.

We congratulate the so-called anti-military man, Les Aspin, for being properly concerned with old soldiers.

We are hoping that many others will join him in this noble cause.●

## LEGISLATION TO RESTORE THE SEMIANNUAL COLA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. BARNES) is recognized for 5 minutes.

● Mr. BARNES. Mr. Speaker, I urge my colleagues to join me in seeking to restore the semiannual cost-of-living adjustments for the millions of Federal civilian and military personnel. The COLA for September 1981, was repealed by the Omnibus Budget Reconciliation Act of 1981, so that retirees will now receive a single adjustment in March 1982. And now there are reports that the Reagan administration will seek to postpone even this reduced adjustment as part of its misguided campaign to fund its special interest tax breaks on the backs of the Federal retirement system and senior citizens generally.

The COLA issue is familiar to all Members of the House. We voted twice last year, 309 to 72, and 300 to 73, to reject efforts to tamper with the adjustments for the Federal retirement system. In 1976, Congress had reduced cost-of-living adjustments for Federal retireees and substituted the semiannual adjustment system. Now, only 5 years later, Congress has again disrupted the ability of Federal employees and retirees to make long-range career and retirement plans.

I have introduced, with the cosponsorship of Mr. FAZIO and Mr. HOYER, legislation which would restore the twice-yearly COLA adjustments in 1982 and subsequent years. I strongly urge Members to cosponsor the bill. The text of the legislation, H.R. 4467, follows:

H.R. 4467

A bill to amend title 5, United States Code, to restore semi-annual cost-of-living adjustments for Federal annuitants

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 8340(b) of title 5, United States Code, (as amended by the Omnibus Reconciliation Act of 1981) is amended to read as follows:

"(b)(1) The Office shall—

"(A) on January 1 of each year, or within a reasonable time thereafter, determine the percent change in the price index published for December of the preceding year over the price index published for June of preceding year, and

"(B) on July 1 of each year, or within a reasonable time thereafter, determine the percent change in the price index published for June of the preceding year over the price index published for December of the preceding year.

"(2) Except as provided in subsection (c) of this section, if in any year the percent change determined under either paragraph (1) A) or (B) indicates a rise in the price index, then—

"(A) effective March 1 of such year each annuity payable from the Fund having a commencing date not later than such March 1 shall be increased by the percent change computed such paragraph, adjusted to the nearest ⅒ of 1 percent, or

"(B) effective September 1 of such year each annuity payable from the Fund having a commencing date not later than such September 1 shall be increased by the percent change computed such paragraph, adjusted to the nearest ⅒ of 1 percent.".

(b) Section 8340(c)(1) of such title 5, United States Code, (as so amended) is amended to read as follows:

"(1) The first increase (if any) made under subsection (b) of this section to an annuity which is payable from the Fund to an employee or Member who retires, to the widow or widower of a deceased employee or Member, or to the widow or widower of a deceased annuitant whose annuity has not been increased under this subsection or subsection (b) of this section, shall be equal to the product (adjusted to the nearest 1/10 of 1 percent) of—

"(A) 1/6 of the applicable percent change computed under subsection (b) of this section, multiplied by

"(B) the number of full months (counting any portion of a month as a month)—

"(i) for which the annuity was payable from the Fund before the effective date of the increase, or

"(ii) in the case of a widow or widower of a deceased annuitant whose annuity has not been so increased, the number of months since the annuity was first payable to the deceased annuitant.".

SEC. 2. The amendments made by this Act shall take effect July 1, 1982, and shall apply to annuities which commence before, on, or after such date.●

□ 1550

## FEDERAL RESERVE BOARD IMPEACHMENT RESOLUTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, I rise in order to continue the brief 1-minute remarks that were made last Friday in respect to the introduction of two proposals, one a resolution and the other a bill, calling for the abolition of the Open Market Committee of the Federal Reserve Board. The resolution seeks the impeachment of the Open Market Committee in its entirety.

The Open Market Committee consists of the seven members of the Federal Reserve Board, plus five extraneous members, not Board members but some who are reported as private bankers and presidents of some of the banks in the system.

The proposal implements the first resolution I introduced before the break in August seeking the consideration of the impeachment of the Chairman of the Board, Mr. Paul Volcker.

Now, when Mr. Volcker appeared before the Banking Committee the day before the July 23 appearance of the Deputy Secretary of the Treasury for Monetary Affairs, I had a chance to confront him, and at that time I advised him what I was intending to do. I also said that it was not at all any personal thrust to him ad hoc or ad hominem, and that I intended to include the full Board, because it sounds drastic and it is drastic to consider the in extremis resort to impeachment.

But I want the record to clearly show that my action in this regard is no attempt to do so in a flight of fancy or out of an attempt to have a dramatic public relations type of approach.

I am sincere in my purposes for these actions. Extreme measures are needed to meet the dangerous conditions that confront every American—our standard of living. I have talked about these conditions even before this administration, so there is no partisan fervor motivating my actions. What motivates me is the stark reality confronting us, and the added dimension that I am very, very conscious and aware of my serious responsibility as a nearly 20-year member of the House Banking Committee. My resolutions have been referred to the Judiciary Committee, and I intend to follow through with further presentations to make sure that these proposals get serious consideration. That is all I ask, that we seriously consider these matters.

The impeachment resolutions are couched in general terms because I feel that if and until I do get serious consideration, it would be useless to be more specific. If I do get serious consideration, the bill of particulars will be drawn up. I have, not only general, but very specific documented occurrences to present to this body which, in effect, are contrary to what my predecessor speaker in the special order a few minutes ago was implying, that there is innocence in the actions and that it is not a runaway agency.

The Federal Reserve Board has been not only runaway, but it has been wholly unaccountable to the point that it has reached a degree of unacceptable arrogance. It is a creature of the Congress. It is not a body that was borne from the outpouring of the great god, Angus, as the Greeks used to describe it. It is a humanly created body. But as I told Mr. Volcker, its present Chairman, and as I have told everybody, including my colleagues in the Congress, the administrations, the Presidents, and the Federal Reserve Boards, we must look at the usurious high interest rate policy that is killing American business.

I am sure the Speaker will agree with me that we had always thought before that charging interest above a certain rate was illegal, and yet this Board has legalized usury on a national level. It has federalized and has sanctified usury and unconscionable interest rates at a level that no individual or collective body of citizens has experienced in the history of mankind. Even in the times of Jesus Christ it was wrong and illegal to even reach 10 percent of the current acceptable Federal level of interest rates that are now not only sanctified but talked about as if they are acts of God—and consequently something nobody can do anything about it. Why not bring them in and have them confront the charges?

□ 1600

What are those charges? What I am speaking of are high crimes and misdemeanors. Senators in their august and pristine grandeur across the Capitol dome, and us on the House side, especially my colleagues on the Banking Committee, have noted the arrogance with which the Federal Reserve Board condescends to take time and come before us and then to snort at us and say, "It is your fault; you have social programs you still must cut further." That is the whole blame.

These arrogant and wanton users of great power, the handmaidens of the malefactors of great wealth in and out of our country running the country and ruining the citizens, the businessmen in particular. Businesses are going out today in greater number and rates than ever before, approximating the depression level. They are going out, as I said earlier, like popcorn in a popcorn machine.

Can we afford to continue the complaisant and indulgent attitude of looking the other way and Pontius Pilate washing our hands and saying it is an act of God, what can we do?

What can you do? Do you mean you want to abolish the Federal Reserve Board?

Yes, I do. I introduced a bill to abolish the Federal Reserve Board and place its functions and duties where it belongs, and that is over in the Department of the Treasury, because then Presidents would be accountable as they should be. Abolish the Open Market Committee. Why? Nobody has advocated that. Oh, yes, you have dear colleague letters advocating we pass some kind of legislation that would restrict the activities of the Open Market Committee. Well, that is like Winston Churchill describing actions of some of his colleagues in the British Parliament when he said they acted like an 80 year old approaching a 16 year old virgin, tremulous, shaking in their boots, and fearful.

Since when has our American Government permitted the creation, the existence, and the perpetuation of a system where the most important constitutional power granted this Congress has been usurped by this body and then dares challenge the Congress as to its jurisdiction?

Of course, Lord Acton said unlimited, unreserved exercise of power not only tends to corrupt, it does corrupt. This institution is corrupted and it has been corrupted. It has sold our heritage for the mess of pottage while acting as the handmaiden for these great vested banking interests.

I told Mr. Volcker, and that is the only time he lost his cool, to his face that he has been responsive only to less than eight banks, not the general banking industry, the 14,000 or so of them that the Federal Reserve Board is supposed to be representing, but just the Chase Manhattans, the Chemical Bank and Trust, Continental Trust of Chicago, those that are the plutocrats of our financial markets in this country.

These words I speak, though they sound as if they are in anger, where restraint has been lost, I speak in measured form and after careful consideration of each word. I had to learn English and I love the two basic languages that have been my inheritance. I love them like nothing else. So, therefore, I am a great respecter and reverer of each word, and each word I have used has been evaluated and the problem is one that inescapably we must confront.

I feel sincerely that at this juncture, even if my recommendations were to be complied with, it may perhaps be too late. During the debates on the budget and on the tax measures I was told by some of my colleagues or asked "Henry, why fight? We should not obstruct the President because his program is wrong; it will end up wrong and then the tide will turn and we will be made to look right." That I think is wrong itself because I have never risen to oppose a program offered to us as a specific bill because it was any given President's program. There were many bills Presidents Johnson, Kennedy, Carter submitted that I voted against, argued against, criticized the administration, even sent telegrams to the President asking him to veto the passage of those that got by. I look upon it as an individual request for my vote and I evaluate it on that basis.

## SUMMARY OF EARLY WARNINGS ON SPENDING BILLS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. JONES) is recognized for 5 minutes.

● Mr. JONES of Oklahoma. Mr. Speaker, this week the House of Representatives is scheduled to vote on one appropriation bill that provides spending for fiscal year 1982—District of Columbia. Two other spending bills are also scheduled, the veterans' survivors benefits bill, which provides new entitlement authority, and the Federal aid highway bill, which appropriates new contract authority from the highway trust fund. I have asked the staff of the Budget Committee to continue the briefings that have been provided in the past to members of the Budget Committee and the House. The following materials factually compare the total amount of spending and credit provided in these bills with the targets for such spending and credit that resulted from congressional approval of the first budget resolution for fiscal year 1982. I intend to insert into the CONGRESSIONAL RECORD these staff analyses and analyses of all other appropriations, entitlement, or revenue bills as they are scheduled for floor action. It is my hope to provide these "early warnings" to interested Members every Monday. I believe that it is very important for the House to have information that compares such bills to the budget resolution—achievement of the resolution spending targets is not likely to occur unless the Members are clearly aware of the budget impact of their votes.

### SUMMARY OF EARLY WARNINGS ON SPENDING BILLS

#### H.R. 3995, VETERANS' AND SURVIVORS' COMPENSATION PAYMENTS

*This bill is basically in conformance with its Section 302 (Budget Resolution) targets.* It is under the President's request. The bill increases the rates of compensation for disabled veterans, with variable adjustments depending on the degree of disability. It also increases the maximum coverage of Servicemen's Group Life insurance and has a number of other miscellaneous provisions.

#### H.R. 4522, DISTRICT OF COLUMBIA APPROPRIATIONS

*This bill is under its Section 302 (Budget Resolution) targets and also under the President's Budget, both for budget authority and outlays.* The bill provides appropriations for payments and loans to the District of Columbia. The loan level is consistent with the credit targets in the resolution.

#### H.R. 3210, FEDERAL AID HIGHWAY ACT OF 1981

*This bill is under its Section 302 (Budget Resolution) targets.* It is a direct spending bill, providing budget authority from the Highway Trust Fund and specifying its use. The bill provides essentially the same amount requested by the President. The bill establishes limitations on highway construction and highway safety obligations. It redefines the total Interstate program and reduces its costs. It provides a new allocation formula, expands the 3R program to a 4R program by establishing reconstruction as a valid project. The bill eliminates the ½-of-1-percent minimum State allocation requirements.

#### EARLY WARNING REPORT

Bill: H.R. 3995, a bill to provide rate increases in Veterans' and survivors' compensation payments

This bill is under its target for new entitlement authority.

*Staff analysis*

Committee: Veterans' Affairs.

Subcommittee: Compensation, Pension, and Insurance.

Chairman: Mr. Hall (Texas).

Ranking minority member: Mr. Wylie (Ohio).

Scheduled: Monday, September 21, 1981 (Suspension).

*I. Description of bill*

The bill provides for variable rate adjustments in compensation payments to veterans with service-connected disabilities and an 11.3 percent inflation increase in dependency and indemnity compensation payments to veterans' survivors. Changes in the veterans' compensation payment schedule are shown below.

VETERANS' MONTHLY COMPENSATION

| Veterans disability rating (in percent) | Current law | H.R. 3995 | Increase over current law | |
|---|---|---|---|---|
| | | | Dollars | Percent |
| 10 | $54 | $58 | $4 | 7.4 |
| 20 | 99 | 109 | 10 | 10.1 |
| 30 | 150 | 165 | 15 | 10.0 |
| 40 | 206 | 229 | 23 | 11.2 |
| 50 | 291 | 325 | 34 | 11.7 |
| 60 | 367 | 415 | 48 | 13.1 |
| 70 | 434 | 505 | 71 | 16.4 |
| 80 | 503 | 595 | 92 | 18.3 |
| 90 | 566 | 680 | 114 | 20.1 |
| 100 | 1,016 | 1,131 | 115 | 11.3 |

The bill raises the maximum coverage of Servicemen's Group Life Insurance and Veterans Group Life Insurance from $20,000 to $35,000.

There are a number of other miscellaneous provisions, including a requirement that the Veterans' Administration (VA) and the Office of Management and Budget provide funds and employment ceilings established for the VA by Congress in the appropriations process.

*II. Comparison with target for new entitlement authority*

The bill is $17 million below the Compensation, Pension and Insurance Subcommittee target established in the Veterans' Affairs Committee's 302(b) report.

*III. Summary table*

[In millions of dollars]

| | New entitlement authority |
|---|---|
| 1. Amount in bill | 886 |
| 2. Prior action this session | 9 |
| 3. Total action to date | 895 |
| 4. 302(b) target | 912 |
| 5. Over(+)/Under(−) | −17 |
| 6. Amounts assumed but not yet considered | |
| 7. Over(+)/Under(−) | −17 |

*IV. Explanation of over/under*

The target allocation was established before the bill was finalized and the actual cost estimated. Therefore, the lower estimated cost reflects a technical remainder, not a substantive reduction.

*V. Comparison with the President*

The President's mid-session budget assumes $946 million in entitlement authority to fund an 11.2 percent across-the-board cost-of-living increase in veterans' and survivors' compensation benefits.

*VI. Amendments*

No amendments are permitted under suspension of the rules.

*VII. Definitions of terms in summary table, section III*

*Line 1.* Amount in bill: This amount is the estimated budget impact that will result from creating new entitlement benefits—in this case, higher VA compensation payments.

*Line 2.* Prior action: This amount reflects new entitlement authority (NEA) created through House-passed bills reported from the VA Subcommittee on Compensation, Pension, and Insurance.

*Line 3.* Total action to date: Line 1 plus line 2.

*Line 4.* 302(b) target: The target for new entitlement authority set for this Subcommittee by the Veterans' Affairs Committee.

*Line 5.* Over (+) or Under (−): Line 3 minus line 4.

*Line 6.* Amounts assumed but not yet considered: This reflects NEA amounts for legislation assumed in the First Budget Resolution which have not been considered by the authorizing committee.

*Line 7.* Over (+) or Under (−): Line 5 minus line 6.

Principal analyst: Martha Grundmann, Phone: X55792.

#### EARLY WARNING HOUSE BUDGET COMMITTEE

Bill: H.R. 4522, District of Columbia Appropriations.

This bill is under its targets for discretionary action.

*Staff analysis*

Committee: Appropriations.

Subcommittee: District of Columbia.

Chairman: Mr. Dixon (California).

Ranking minority member: Mr. Coughlin (Pennsylvania).

Scheduled: Tuesday, September 22, 1981.

*I. Description of bill*

This bill provides appropriations for payments and loans to the District of Columbia.

This bill as a whole is under the 302(b) targets for this subcommittee by $50 million in budget authority and outlays (the sum of lines 5 and 12 below). However, if amounts assumed in the Budget Resolution but not yet considered are added, the subcommittee would be under its targets by $37 million in budget authority and outlays (the sum of lines 7 and 14). The only mandatory amounts in this subcommittee's jurisdiction are outlays from prior-year budget authority.

*II. Comparison with target for discretionary appropriations action*

Pursuant to the Budget Act and House Budget Committee scorekeeping, the subcommittee has two targets: one for discretionary programs and one for mandatory programs. Since the Appropriations Committee is bound by existing entitlement law, it generally cannot effectively change the amounts required for the funding of mandatory programs. Its target for discretionary programs is therefore the main focus for this Early Warning report. Further, if the conference report on this appropriation bill exceeds the target for discretionary budget authority, the bill will be subject to the "delayed enrollment" provision of Section 305 of the fiscal year 1982 First Budget Resolution. As shown on line 7 below, the bill plus discretionary amounts not yet considered is below the 302(b) target for discretionary action by $37 million in budget authority and $38 million in outlays.

*III. Summary table*

[In millions of dollars]

| | Budget authority | Outlays |
|---|---|---|
| The amounts shown below are only for discretionary 1982 spending in this bill: | | |
| 1. Discretionary amounts in bill | 521 | 479 |
| 2. Prior action | | |
| 3. Total action to date | 521 | 479 |
| 4. 302(b) target | 571 | 530 |
| 5. Over (+)/Under (−) | −50 | −51 |
| 6. Amounts assumed but not yet considered | 13 | 13 |
| 7. Over (+)/Under (−) | −37 | −38 |
| The amounts shown below are only for mandatory appropriations included in this bill: | | |
| 8. Mandatory amounts in bill | | |
| 9. Prior action | | 32 |
| 10. Total | | 32 |
| 11. 302(b) target | | 32 |
| 12. Over (+)/Under (−) | | +1 |
| 13. Supplemental amounts needed | | |
| 14. Over (+)/Under (−) | | +1 |

*IV. Explanation of over/under*

The total of the 302(b) subdivisions made by the Appropriations Committee must equal the total amounts of the 302(a) allocation, but the assumptions which make up the subcommittee target need not be the same as the program assumptions that underlie the Budget Resolution. The specific assumptions behind the 302(b) target are not known—as a result, the specific programmatic reasons that the bill is over or under the subcommittee targets cannot be precisely identified.

The bill would appropriate $366 million for the Federal payment to the District of Columbia, $50 million less than the amount assumed in the Budget Resolution. Of this $50 million, $13 million was requested to fund the proposed transfer of some prosecutorial functions from the Federal government to the District of Columbia. The subcommittee passed over this request without prejudice pending completion of the authorization for the transfer.

*V. Comparison with the President's request*

This bill is below the President's request for discretionary items in this bill by $50 million in budget authority and $50 million in outlays.

*VI Credit—In millions of dollars*

The Budget Resolution contains non-binding targets for credit program amounts. This is the first year that there has been a credit scorekeeping system. There is no 302(a) and 302(b) allocation for credit program annual limits. For comparative purposes only, the table below shows the bill and First Budget Resolution assumptions. The budget authority and outlay effects of credit activity are reflected within the 302(a) and 302(b) allocation for budget authority and outlays.

[In millions of dollars]

| | Direct loan obligations | Primary guarantee commitments |
|---|---|---|
| 1. Credit program limits in the bill | 145 | |
| 2. Limits assumed in the Budget Resolution but not acted on in the bill | | |
| 3. Credit programs not subject to limit | | |
| 4. Total in bill | 145 | |
| 5. Budget Resolution assumptions | 145 | |
| 6. Over (+)/Under (−) | | |

The only credit activity in this bill is loans to the District of Columbia. The bill would limit those loans to $145 million in 1982, the same amount assumed in the Budget Resolution.

Principal analyst: Ed Brigham, Phone: 58797.

EARLY WARNING HOUSE BUDGET COMMITTEE

Bill: H.R. 3210, Federal Aid Highway Act of 1981.

This bill is consistent with the fiscal year 1982 budget resolution.

*Staff analysis*

Committee: Public Works and Transportation.

Subcommittee: Surface Transportation.

Chairman: Mr. Glenn Anderson (California).

Ranking minority member: Mr. Bud Shuster (Pennsylvania).

Scheduled: Wednesday, September 23, 1981 and the balance of the week.

*I. Description of bill*

The bill increases appropriations out of the Highway Trust fund so that overall Federal-aid highway contract authority (budget authority) is brought up to the Reagan administration level, which is $450 million over current law. It establishes limitations on overall highway construction and safety program obligations consistent with the Reconciliation bill and provides for a distribution formula for obligations to insure fair allocation of scarce Federal highway dollars. The legislation would also redefine remaining Interstate System costs to enable timely completion of the System and to provide a basis for apportioning fiscal year 1983 and future year Interstate construction funds. The current Interstate resurfacing, restoration and rehabilitation (3R) program would be expanded to include reconstruction (4R). The bill also eliminates the ½ of 1 percent guaranteed set-aside to States for Interstate funding.

*II. Comparison with target for direct spending action*

The bill funds the Federal-aid highway program at a level totally consistent with the amounts assumed in the First Budget Resolution for Fiscal Year 1982, which is the President's proposed level and is $450 million above current law budget authority.

*III. Summary table*

[In millions of dollars]

| | Budget authority | Outlays [1] |
|---|---|---|
| 1. Amounts in bill | 450 | |
| 2. Prior action | −273 | |
| 3. Total action to date | 177 | |
| 4. 302(a) target [2] | 940 | |
| 5. Over (+)/Under (−) | −763 | |
| 6. Amounts assumed but not yet considered | 600 | |
| 7. Over (+)/Under (−) | −163 | |

[1] Outlays are scored against the Transportation Appropriations Subcommittee.
[2] The 302(b) has not been reported by the Public Works Committee so comparison is made to the 302(a) allocation.

*IV. Explanation of over/under*

The level of spending for fiscal year 1982, including this bill, is lower than the First Budget Resolution ceilings because the Reconciliation bill included $149 million in highway safety reductions not assumed in the Resolution and because of a $14 million CBO scoring difference for total spending in the Surface Transportation Assistance Act of 1978.

*V. Comparison with the President*

The President's budget assumes $464 million in budget authority above current law for the highway program, the same as provided in this bill when adjusted for the CBO scoring difference.

*VI. Amendments*

None known at this time.

*VII. Definition of terms and table in summary table III*

*Line 1.* Amount in bill: This amount is the estimated budget impact that will result from creating new spending authority.

*Line 2.* Prior action: This amount reflects the enactment of the Reconciliation bill.

*Line 3.* Total action to date: Line 1 plus line 2.

*Line 4.* 302(a) target: The target for new spending set for this Committee by the House Budget Committee because the Public Works Committee has not submitted a 302(b) report.

*Line 5.* Over(+) or Under(−): Line 3 minus line 4.

*Line 6.* Amounts assumed but not yet considered: This reflects new spending authority assumed in the First Budget Resolution which has not yet been considered by the House but has been reported by the Public Works Committee (Airport Development and Planning program, H.R. 2643).

*Line 7.* Over(+) or Under(−): Line 5 minus line 6.

Principal analyst: Ken Leventhal, Phone: 58797.

SUMMARY OF AUTHORIZATIONS

H.R. 1952—CONSERVATION PROGRAMS ON MILITARY INSTALLATIONS AND PUBLIC LANDS

This bill would authorize conservation programs on military reservations and some public lands for fiscal years 1982–1986. $32.9 million would be authorized to be appropriated in fiscal year 1982. CBO estimates that if funded at that level, 1982 outlays would

be $28 million. The administration will not object to House passage of this bill.

H.R. 3016—TO GIVE PERMANENT EFFECT TO PROVISIONS OF THE FISHERMAN'S PROTECTIVE ACT OF 1967

This bill would permanently authorize a program of reimbursements to U.S. fishermen for certain losses resulting from seizures by foreign nations. The payments are funded by a combination of direct appropriations and appropriations of insurance reserves. The CBO estimates this bill authorizes $500,000 in budget authority for 1982, and that if used, it would result in $400,000 of outlays. However, the Commerce-State-Justice Appropriations bill, as passed by the House contains no appropriation for these payments. In addition, these payments are not assumed in the 1982 First Budget Resolution or the President's budget.

H.R. 1953, COUNCIL ON ENVIRONMENTAL QUALITY AUTHORIZATIONS

This bill authorizes appropriations for the operations of the Office of Environmental Quality and the Council on Environmental Quality during fiscal years 1982–1984. $500 thousand is authorized to be appropriated, which when combined with a permanent appropriation of $1.044 million would fund these programs at $1.5 million. CBO estimates that if funded at the $50 thousand level, 1982 outlays would be $473 thousand. These funds were not requested in the President's budget nor assumed in the budget resolution. The conference report on the HUD appropriation bill which has passed the House includes the $1.044 million assumed by the President, but does not include the $500 thousand authorized in this bill.

H.R. 4084—MARINE MAMMAL PROTECTION ACT AUTHORIZATION

This bill contains numerous technical and other amendments to the Marine Mammal Protection Act of 1972. The bill provides an authorization of $10.8 million in fiscal year 1983 and $11.9 million in fiscal year 1984. CBO estimates that if funded at these levels, fiscal year 1983 outlays would be $9.3 million and fiscal year 1984 outlays would be $11.7 million. No fiscal year 1982 authorization is necessary.

HOUSE CONCURRENT RESOLUTION 179—HIGHWAY ALLOCATIONS AUTHORIZATIONS

H. Con. Res. 179 is annually submitted legislation which allocates highway funding to the States. 23 U.S. Code 104(b)(5) requires Congressional approval for the Secretary of Transportation to allocate to the States the $3,235 million Interstate Highway program funding.

H. Con. Res. 179 has no budget impact. The program impact is to allocate to the States their fiscal year 1983 Interstate funding for advance planning.

H.R. 3136—OVERSEAS PRIVATE INVESTMENT CORPORATION (OPIC) AMENDMENTS

H.R. 3136 does not authorize the appropriation of any new funds. The bill extends the authority of OPIC from September 30, 1981, to September 30, 1985. It provides for the continuation of the Corporation's guaranteed loan and insurance program and earmarks a portion of the Corporation's earnings for use in its direct investment fund.

H.R. 4—INTELLIGENCE IDENTITIES PROTECTION ACT

H.R. 4 does not provide for the appropriation of any funds. It provides for penalties for the release of security information.

H.R. 1520—NATIONAL SCIENCE FOUNDATION AUTHORIZATION

This bill would authorize National Science Foundation activities for fiscal year 1982. $1,161 million is authorized to be appropriated. CBO estimates that if funded at that level, 1982 outlays would be $550 million. The President's budget request for NSF in fiscal year 1982 is $1,034 million which CBO estimates would provide $509 million in outlays. The HUD-Independent Agencies Appropriations Bill contains $1,071 million in budget authority which CBO estimates will result in fiscal year 1982 outlays of $520 million. This is the level approved by the conference committee and passed by the House. The conference report awaits Senate consideration.

H.R. 3377—AUTHORIZATIONS FOR THE NONPERFORMING ARTS FUNCTIONS FOR THE KENNEDY CENTER

This bill authorizes appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes. $4.5 million is authorized to be appropriated in 1982. CBO estimates that if funded at that level, 1982 outlays would be $4.1 million. These funds are consistent with the President's budget request and the budget resolution. The Interior appropriations bill which has passed the House included $4.3 million for this purpose.●

## PRESIDENT REAGAN AND THE FEDERAL WORK FORCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 5 minutes.

● Mr. FORD of Michigan. Mr. Speaker, one has to wonder if it is not President Reagan's ultimate goal to completely abolish the Federal work force. He seems to view these civil servants with total contempt.

Every time the President talks of cutting the budget, Federal workers are at the forefront of his list of victims. He appears to view them as the most expendable soldiers in the budget battle.

At the President's request last month, as part of the reconciliation debacle, the majority in Congress decided to eliminate twice-a-year cost-of-living adjustments for retired Federal workers, guaranteeing them less protection against soaring living costs without any guarantee the administration's program will reduce inflation.

Now the President wants to delay paying these retired workers any cost-of-living adjustment until October of 1982. He wants them, in effect, to pretend that nothing has happened to their purchasing power. Such disregard for reality is bound to have an adverse effect on the active Federal work force, whose morale is at low ebb.

Retired Federal workers received their last cost-of-living increase last March. One due in September was wiped out under budget reconciliation. The next one is due in March, but the President says cavalierly, let us delay that until October of 1982.

This would mean that these workers will have gone 19 months without any relief from inflation. The Congressional Budget Office estimates that in that same period the cost of living will have increased by about 13 percent—and this is an optimistic estimate. Are we going to tell these people already living on modest incomes to just ignore the fact that they will have to live on 13 percent less real income? I think this is pretty heartless.

Donald Devine, the Director of the Office of Personnel Management, recently has informed us that it will be necessary to reduce benefits of both working and retired Federal workers covered by the Federal employees health benefits program. This will be necessary, he said, to "protect the taxpayer" from an increase in insurance rates. In a real sense this will be tantamount to a reduction in income.

The White House wants as well to eliminate 75,000 more Federal jobs. The attitude seems to be that Federal workers are extra baggage that should be jettisoned.

We do not have Federal workers because we have tried to make work for people. We have them because there are jobs for them to do. When we eliminate Federal employees, we at the same time reduce or eliminate vital services to our citizens.

Maybe this is part of the administration's program to return us all to the era of rugged individualism where everyone takes care of himself and too bad for those who cannot.●

## POLAND: WHAT SHOULD THE UNITED STATES DO?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 5 minutes.

● Mr. ZABLOCKI. Mr. Speaker, I would like to bring to the Members' attention an excellent analysis of the economic situation in Poland and its implications.

Paul Marer, professor of International Business at Indiana University, recently sent me a copy of a statement entitled "Poland: What Should the U.S. Do?"

This paper provides a disturbing scenario on the possible outcome if Poland is unable to reverse its current economic decline and suggests a rational approach to the situation: a comprehensive economic stabilization and reform program supported by Polish membership in the IMF and World Bank and by a foreign assistance package financed by Western governments, international financial institutions, and private banks.

The analysis and suggestions in this paper, which follows, deserve our attention and consideration:

POLAND: WHAT SHOULD THE U.S. DO?

(By Paul Marer)

U.S. national interest in Poland is twofold. One is to preserve the political gains the Polish people have achieved through such institutions as the Church, private agriculture, and the trade union movement. It is vital to U.S. interests to assure Polish society's pluralism both for the sake of the Polish people and as an example to other countries of the direction in which a Communist society can evolve. The other is to prevent the outright repudiation of Poland's $26 billion debt to Western governments and banks, not only because the owed amount is large but because default is likely to trigger debt repudiation by other countries. The total impact could shake the Western financial system to its foundation.

If the U.S. and other Western countries continue to assume a "do nothing" or "do very little" political posture, here is the likely chain of events that can drag Poland (and our interests) into a disaster that nobody wants.

Poland today is in the midst of a tailspin economic crisis whose real causes go much beyond the sporadic strikes which make the headlines or the reduced workweek Solidarity negotiated. For decades, overriding priority has been given to heavy industry, making production simultaneously capital- and raw-material-intensive, thus, also import-intensive. The first half of the 1970s witnessed an almost indiscriminate expansion of industrial capacity, partly financed by Western credit.

Agriculture has been neglected. Shortages of inputs, a poor incentive system, bureaucratic interference, and unfavorable weather several years in a row have led to output levels much below their potential. Poland has had to import one-third of its grain at a cost of $1 billion annually.

Until the late 1970s the Polish leadership could sweep the problems under the rug by borrowing heavily from the West. Since 1979 Poland has been maneuvering desperately and, as we know, unsuccessfully to avoid forced rescheduling. It has cut imports, more and more of them essential, and pushed exports, more and more diverted from the domestic supply line, causing bottlenecks in industry, agriculture, transportation, and the retail sector. The outcome is a rapidly spreading under-utilization of productive capacity. Officially reported national income declined in 1979, in 1980, and a steep further decline of at least 15-20 percent is projected for 1981.

DEBT RESCHEDULING

Poland owes $10 billion to Western governments and $16 billion to commercial banks. So far rescheduling has involved only a portion of the total. In April Western governments agreed to defer 90 percent of the principal and interest on approximately $3 billion for 7 years, without imposing conditions that have real teeth, even though the Polish government is not coming to grips with the fundamental causes of its balance-of-payments problem. The reasons are: (1) Western creditors do not have a strong bargaining hand: what else can they do but reschedule? Default would hurt both sides. (2) West European governments and banks (under strong government influence) worry that if conditions were imposed, the East would accuse them of undermining detente. (3) Western policymakers are uncertain which steps would halt the Polish economy's nosedive, since the situation is unprecedented.

Rescheduling by commercial banks is under way and the banks are attempting to set conditions that have real teeth. The problem is that the Polish government has been unwilling to introduce, even as yet to propose, a comprehensive and feasible economic stabilization and reform program, except to raise retail prices steeply next January. Meanwhile Poland drifts.

This drift has ominous consequences. Because there is no program and because over the years Poland's leaders have reneged on many promises made to the people, Solidarity and other groups have no trust in the government's ability to lead the country out of crisis. Solidarity's leadership finds it increasingly difficult to control the anger of its rank and file.

Understanding the crisis-nature of Poland's economic situation, Solidarity in the past few months has reversed its earlier stand that it will negotiate only on issues that are the traditional concerns of labor unions and has taken the initiative proposing stabilization and reform programs. Solidarity now wants a constructive dialogue with the government since only a program supported by both the government and Solidarity has the chance to succeed. But the government stubbornly refuses to negotiate a comprehensive economic program with Solidarity.

Meanwhile, the international consequences of Poland's drift is that the foreign resources so desperately needed to help finance a stabilization and reform program are becoming unavailable from the West. Who can afford to continue to lend billions to a country whose leadership refuses to tackle seriously its own problems?

Unless the situation can be drastically turned around soon, Poland's economic tailspin will continue. The Polish government projects that the drastic drop in coal production and shortages of raw materials and spare parts will cause more than a third of industry to be idle by early 1982. Even if the first round of debt rescheduling allows all principal and interest due this year to be postponed, Poland will still be unable to generate enough exports to pay for essential imports.

The announced price rises will take effect in January, at a time when not only food and consumer goods but coal and electricity will also be in short supply. People will have to spend endless hours in lengthening queues, in freezing winter, to try to buy the essentials.

If the economy is allowed to drift, it can easily degenerate into total economic collapse and a breakdown of civil order. As Polish security forces and the military try to keep control, the scales will probably be tipped in favor of Russian troops intervening to preserve "law and order." In retaliation, the West will almost certainly stop selling commodities and extending credits to Poland and to countries that have participated in the invasion. Citing economic weakness and the Western embargo, Poland's new puppet government may be forced into a unilateral declaration of debt service moratorium of, say, five or ten years, which Western banks are likely to consider default. Banks will scramble to pull out their loans from the Soviet bloc which, along with the embargo, may well trigger default by some other bloc countries also.

This action-reaction sequence could bring East-West trade to a standstill although that would cause much greater problems for the Eastern countries, the blow for some firms and banks in the West will be severe. Seizing the default precedent and the confusion, it is possible that several large debtor countries outside the Soviet bloc will also insist on a moratorium on debt service, causing further panic in the international financial markets.

The Soviet Union will tell the East European countries: to keep your economies afloat, you now have no choice but to move toward greater economic integration with the USSR. The political price will of course be specified. If the Polish crisis happens to precede or coincide with a succession crisis in the USSR, a tough Russian stance vis-a-vis Poland and other East European countries will be even more likely, because no new Soviet leader would want to be tagged as responsible for "losing Poland."

U.S. LEVERAGE

Once Russia has opted for a military solution, the U.S.—having spoken repeatedly of its dire consequences—will have no leverage to alter fundamentally the scenario just described.

This is not the case today. While the U.S. has no power to control events in Poland or Soviet actions vis-a-vis Poland, it does have leverage to influence events. Our best political and economic interest is to forestall a military "solution" to the Polish crisis. The chances of a military solution would be greatly lessened if Poland's economic tailspin could be reversed, for which two conditions are essential. One is a comprehensive and feasible economic stabilization and reform program to which the Polish government, the party, the workers, and the peasants are irrevocably committed. The other is a foreign loan package to help finance such a program.

This is where U.S. leadership and leverage should enter. The U.S. government should take the initiative to put together a coalition of Western governments, private banks, and international financial institutions to arrange a three-year plan to reschedule all of Poland's debts and to provide Poland food, raw materials, and other types of long term credits under the following conditions.

A. That the Polish government put forth promptly a detailed and realistic economic stabilization and reform program, with a timetable of implementation, which has been approved by the elected representatives of Poland's workers and peasants. (Solidarity will have its national elections next month so its leadership will be in a good position to negotiate on government proposals soon thereafter.) Western creditors should not specify in detail the stabilization-reform program but should insist that an international task force be responsible for monitoring Poland's adherence to its own timetable. There should be clear understanding that new credits will be released only as program implementation proceeds as pledged. This is necessary in light of the fact that over the years the Polish government has provided its creditors targets of various sorts that have proved to be unrealistic and remained unfulfilled by wide margins.

B. That the Polish government accept certain specific recommendations regarding the earning and managing of hard currency. The recommendations should include:

(1) Joining the IMF and the World Bank. This makes sense not only because these organizations would be able to provide some of the new financing but also because they have the expertise to provide useful advice,

especially as it concerns the promotion of exports. (As of now, the IMF has much less expertise than some of the large international banks on how to restore external equilibrium in a centrally planned economy. Thus, it is important that membership in the IMF supplement and not supplant the other conditions.)

(2) Poland seeks external equity capital. This makes sense not only because any borrower is wise to rely on a mixture of debt and equity but because direct investment can help solve several problems simultaneously: increase ability to import machinery, equipment, and applied technology; contribute organizational, management and marketing expertise for the export sector; and provide employment for workers who may otherwise be without jobs as industries and enterprises are streamlined. Polish laws already permit foreign investment, but to attract long-term capital on a large enough scale, Poland will have to extend its scope and provide special incentives, such as free trade zones or export platforms similar to those currently operating in many countries.

RATIONALE OF THE RECOMMENDATIONS

U.S. leverage would apply pressure where it is most needed to avoid the collapse of Poland—on the Polish government which desperately needs food, raw materials, and spare parts to survive.

If the U.S. agreed to provide some resources, it would then also be in a position to pressure its allies to go along with its proposals. Since the plan would not impose political conditions on Poland and would not try to specify the content of economic reforms (only that its feasibility of implementation be demonstrated), the West could not be accused of interfering in Poland's internal affairs or trying to change the political-military map of Eastern Europe.

Among the lasting political benefits to the U.S. would be the gratitude of the Polish people (who are among the best friends this country has anywhere), both for our economic assistance and for pressuring their government to solve their problem. If the Polish government will not play ball, the U.S. will have lost nothing.

One obstacle is the expected political opposition in the U.S. to further loans to Poland at the time when so many domestic programs are cut. This could be overcome if the U.S. contribution required little or no immediate budget outlay, such as sending surplus agricultural commodities and other help to Polish agriculture on long-term credit and guaranteeing loans and investments provided by the private sector. The proposed program would be helped further by presidential leadership persuading the American people that it is in the U.S. national interest.

The question our policymakers must ponder is this: Will the U.S. stand idly by while events in Poland are rushing in a direction likely to be resolved against our vital interests or will the U.S. assume a leadership role and influence events toward a favorable outcome?●

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DANIELSON (at the request of Mr. WRIGHT), for September 21 through 24, on account of serving as a member of the Inter-Parliamentary Union delegation.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DANNEMEYER) to revise and extend their remarks and include extraneous material:)

Mr. DANNEMEYER, for 30 minutes, today.

Mr. MCKINNEY, for 5 minutes, today.

Mr. NAPIER, for 5 minutes, today.

Mr. DANNEMEYER, for 30 minutes, September 22.

Mr. DANNEMEYER, for 30 minutes, September 23.

Mr. DANNEMEYER, for 30 minutes, September 24.

Mr. EMERSON, for 30 minutes, September 22.

(The following Members (at the request of Mr. DYMALLY) to revise and extend their remarks and include extraneous material:)

Mr. MONTGOMERY, for 5 minutes, today.

Mr. BARNES, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. JONES of Oklahoma, for 5 minutes, today.

Mr. FORD of Michigan, for 5 minutes, today.

Mr. ZABLOCKI, for 5 minutes, today.

Mr. BONKER, for 60 minutes, on September 23, 1981.

Mr. WILLIAMS of Montana, for 60 minutes, on September 23, 1981.

(The following Member (at the request of Mr. GONZALEZ) to revise and extend his remarks and include extraneous material:)

Mr. DYMALLY for 5 minutes, September 22, 1981.

## EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. LUNGREN, during general debate on H.R. 3136 in the Committee of the Whole today.

(The following Members (at the request of Mr. DANNEMEYER) and to include extraneous matter:)

Mr. GOODLING.

Mr. PARRIS.

Mr. BROWN of Ohio.

Mr. DERWINSKI.

Mrs. HECKLER in two instances.

Mr. COLLINS of Texas in three instances.

Mr. COLEMAN.

Mr. FINDLEY.

Mr. NAPIER.

Mr. MICHEL.

Mr. MOORHEAD.

Mr. CONABLE.

Mr. CLAUSEN.

Mr. CONTE.

(The following Members (at the request of Mr. DYMALLY) and to include extraneous matter:)

Mr. PEASE in two instances.

Mr. FORD of Michigan.

Mr. COELHO in two instances.

Mr. FAZIO.

Mr. DOWNEY.

Mr. ZABLOCKI.

Mr. EDWARDS of California.

Mr. STUDDS.

Mr. AUCOIN.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. IRELAND.

Mr. FARY.

Mr. MCDONALD.

Mr. PEPPER.

Mr. FAUNTROY.

Mr. HOWARD.

Mr. LANTOS.

Mr. FRANK in three instances.

Mr. RODINO in two instances.

Mr. STARK.

## SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 101. Joint resolution designating "National High School Activities Week"; to the Committee on Post Office and Civil Service.

## ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 7 minutes p.m.) the House adjourned until tomorrow, Tuesday, September 22, 1981, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2217. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 81-12, finding that it is in the national interest for the Export-Import Bank to extend credit in connection with certain trade with the People's Republic of China, pursuant to section 2(b)(2) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

2218. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to provide for the transfer of the Alaska Railroad to the State of

Alaska; to the Committee on Energy and Commerce.

2219. A letter from the Assistant Secretary of State for International Organization Affairs, transmitting copies of various reports prepared by the United Nations Joint Inspection Unit, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2220. A letter from the Director, Defense Security Assistance Agency, transmitting the quarterly report on foreign military sales as of June 30, 1981, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2221. A letter from the Assistant Attorney General for Legislative Affairs, transmitting a draft of proposed legislation to amend the Trading with the Enemy Act to authorize the use of assets vested under that Act during World War II for an ex gratia payment of $20,000 to the Government of Switzerland and to provide for the deposit in the Treasury of the remainder of such assets; to the Committee on Foreign Affairs.

2222. A letter from the Acting Comptroller General of the United States, transmitting a report on the processing of Defense Department personnel security clearances (GGD-81-105, September 15, 1981); jointly, to the Committees on Government Operations and Armed Services.

2223. A letter from the Acting Comptroller General of the United States, transmitting a report on the reporting requirements of the Public Utility Regulatory Policies Act (EMD-81-105, September 14, 1981); jointly, to the Committees on Government Operations and Energy and Commerce.

2224. A letter from the Acting Comptroller General of the United States, transmitting a report on the Small Business Administration's implementation of the Public Law 95-507 subcontracting and surety bond waiver provisions (CED-81-151, September 18, 1981), pursuant to section 7(j)(3) of the Small Business Act, as amended; jointly, to the Committees on Government Operations and Small Business.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. RODINO: Committee on the Judiciary. House Joint Resolution 220. Joint resolution proclaiming Raoul Wallenberg to be an honorary citizen of the United States, and requesting the President to ascertain from the Soviet Union the whereabouts of Raoul Wallenberg and to secure his return to freedom; with an amendment (Rept. No. 97-152, Pt. II). Referred to the House Calendar.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT (for himself and Mr. SPENCE):

H.R. 4529. A bill to authorize the transfer of 15 excess naval vessels; to the Committee on Armed Services.

By Mr. COLEMAN:

H.R. 4530. A bill to authorize designated employees in the Office of Inspector General, Department of Agriculture, to carry firearms and to make arrests and searches in the performance of their duties, and for other purposes; to the Committee on Agriculture.

By Mr. CONABLE (for himself and Mr. FORD of Tennessee):

H.R. 4531. A bill to amend the Internal Revenue Code of 1954 to clarify the standards used for determining whether individuals are not employees for purposes of the employment taxes; to the Committee on Ways and Means.

By Mr. EDWARDS of Oklahoma:

H.R. 4532. A bill to amend the Internal Revenue Code of 1954 to make permanent the 22-percent rate of percentage depletion for independent producers and royalty owners; to the Committee on Ways and Means.

By Mr. ERDAHL:

H.R. 4533. A bill to amend the Internal Revenue Code of 1954 to allow the targeted jobs tax credit for certain wages paid to individuals who have attained age 14 and who are participating in work experience and career exploration programs; to the Committee on Ways and Means.

By Mr. FORD of Tennessee:

H.R. 4534. A bill to require the Secretary of Health and Human Services to continue in effect the medicaid requirement that States provide 60-days' notice of certain changes in reimbursement methods or levels; to the Committee on Energy and Commerce.

By Mr. HARKIN:

H.R. 4535. A bill to amend the Internal Revenue Code of 1954 to deny any deduction or credit to any manufacturer of any breastmilk substitute for any activity which is not consistent with the International Code of Marketing of Breastmilk Substitutes; to the Committee on Ways and Means.

By Mr. LEACH of Iowa:

H.R. 4536. A bill to repeal certain provisions of the Economic Recovery Tax Act of 1981 which reduce the crude oil windfall profit tax, and to provide that the additional revenues resulting from such repeals shall be transferred to the Federal Old-Age and Survivors Trust Fund; to the Committee on Ways and Means.

By Mr. PARRIS:

H.R. 4537. A bill to provide for a 7.55-percent Federal employee pay increase; to the Committee on Post Office and Civil Service.

By Mr. SHARP (for himself, and Mr. BROWN of Ohio):

H.R. 4538. A bill to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program; to the Committee on Energy and Commerce.

By Mr. YOUNG of Alaska:

H. Con. Res. 185. Resolution to provide for the designation of "National Guard Day"; to the Committee on Post Office and Civil Service.

## MEMORIALS

Under clause 4 of rule XXII,

185. The SPEAKER presented a memorial of the Legislature of the State of California, relative to Rudolf Hess; to the Committee on Foreign Affairs.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LAGOMARSINO:

H.R. 4539. A bill for the relief of Mark Suzuki; to the Committee on the Judiciary.

By Mr. WINN:

H.R. 4540. A bill for the relief of Julia Irene Moore; to the Committee on the Judiciary.

## ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 182: Mr. SOLOMON.

H.R. 478: Mr. FORSYTHE.

H.R. 1853: Mr. MCGRATH, Mr. COATS, Mr. ROBINSON, Mrs. BOUQUARD, Mr. PATMAN, Mr. GUNDERSON, Mr. GEPHARDT, Mr. REGULA, Mr. QUILLEN, Mrs. HOLT, Mr. MADIGAN, Mr. KRAMER, Mr. SILJANDER, Mr. CORCORAN, Mr. SNYDER, Mr. DANNEMEYER, Mr. BREAUX, Mr. WILLIAMS of Ohio, Mr. ROTH, Mr. BUTLER, Mr. LELAND, and Mr. JONES of Tennessee.

H.R. 2488: Mr. RITTER.

H.R. 2977: Mr. TRAXLER.

H.R. 3191: Mr. BAFALIS.

H.R. 3209: Mrs. FENWICK and Mr. RINALDO.

H.R. 3393: Mr. RANGEL.

H.R. 3394: Mr. RANGEL.

H.R. 3984: Mr. ROBERTS of South Dakota.

H.R. 4407: Mr. HYDE, Mr. BENJAMIN, Mr. ROTH, Mr. KRAMER, Mr. BARNARD, Mr. PETRI, Mr. MURPHY, Mr. SAM B. HALL, Jr., Mr. FORSYTHE, Mr. BAFALIS, Mr. WON PAT, and Mr. BADHAM.

H.R. 4409: Mr. OBERSTAR, Mr. FAZIO, Mr. EDWARDS of California, Mr. SIMON, and Mr. CONYERS.

H.R. 4449: Mr. BARNARD, MR. BEARD, Mr. BEVILL, Mrs. BOUQUARD, Mr. CARNEY, Mr. ROBERT W. DANIEL, JR., MR. DASCHLE, Mr. EVANS of Iowa, Mr. FORSYTHE, Mr. SAM B. HALL, JR., MR. HARTNETT, Mrs. HOLT, Mr. HOPKINS, Mr. HYDE, Mr. LEBOUTILLIER, Mr. LONG of Maryland, Mr. MARTIN of North Carolina, Mr. MOTTL, Mr. NELLIGAN, Mr. PARRIS, Mr. PETRI, Mr. PORTER, Mr. ROBERTS of South Dakota, Mr. ROTH, Mr. SOLOMON, Mr. STATON of West Virginia, Mr. STENHOLM, Mr. TRIBLE, Mr. WALKER, Mr. WATKINS, and Mr. WEBER of Minnesota.

H.J. Res. 168: Mr. CAMPBELL, Mr. HARTNETT, Mr. SPENCE, Mr. PETRI, Mr. GINGRICH, and Mr. ENGLISH.

H.J. Res. 214: Mr. BARNES, Mr. CARMAN, Mr. DASCHLE, Mr. DOWDY, Mr. EVANS of Iowa, Mr. FAUNTROY, Mr. FOWLER, Mr. HILER, Mr. HUCKABY, Ms. MIKULSKI, Mr. NELLIGAN, and Mr. WATKINS.

H. Con. Res. 100: Mr. FITHIAN.

H. Con. Res. 111: Mr. FITHIAN, and Mr. CARMAN.

H. Res. 142: Mr. DORNAN of California.

H. Res. 152: Mr. LANTOS, Mr. FITHIAN, and Mr. CARMAN.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

201. By the SPEAKER: Petition of M. V. Williams, et al., Bristol, Tenn., relative to citizens' band radio regulation; to the Committee on Energy and Commerce.

202. Also, petition of the City Council, Broadview Heights, Ohio, relative to Federal judges; to the Committee on the Judiciary.

203. Also, petition of the 49th annual convention, New York State Department, Polish Legion American Veterans, Kenoza Lake, New York, relative to veterans' benefits; to the Committee on Veterans' Affairs.

## AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

### H.R. 4

By Mr. BENNETT:

—Page 3, after line 21, insert the following:

"(d) Whoever falsely asserts, publishes, or otherwise claims that any individual is an officer or employee of a department or agency of the United States engaged in foreign intelligence or counterintelligence activities, where such assertion, publication, or claim prejudices the safety or well-being of any officer, employee, or citizen of the United States or adversely affects the foreign affairs functions of the United States, shall be imprisoned for not more than five years or fined not more than $50,000, or both."

—Page 3, after line 21, insert the following:

(e) Whenever, in the judgment of the head of any department or agency engaged in foreign intelligence or counterintelligence activities, any person is about to engage in conduct that would constitute a violation of this Act, the Attorney General, on behalf of the United States, may make application to an appropriate United States district court for an order enjoining such conduct. Upon a showing that the safety or well-being of any officer, employee, or citizen of the United States would likely be jeopardized or that irreparable damage to United States foreign intelligence or counterintelligence activities or foreign affairs functions would be likely to result if such conduct is carried out, a permanent or temporary injunction, restraining order, or other order may be granted. Any proceeding conducted by a court under this subsection for the purpose of determining whether any information constitutes the type of information described in this Act shall be held in camera.

### H.R. 4522

By Mr. BENNETT:

—Page 21, after line 3, insert the following new section:

SEC. 122. None of the funds appropriated in this Act may be used to grant a business license to any person who, after the date of enactment of this Act, offers drug paraphernalia (as defined in the Model Drug Paraphernalia Act drafted by the United States Department of Justice, August 1979) for sale in the course of the business for which such license is required.

By Mr. PARRIS:

—Page 21, after line 3, insert the following new section:

SEC. 122. None of the funds appropriated in this Act may be used for the implementation of a personnel lottery with respect to the hiring of firefighters or police officers.

# EXTENSIONS OF REMARKS

## COSTA RICA IS 160 YEARS OLD—AND NEEDS OUR HELP

HON. MICHAEL D. BARNES
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. BARNES. Mr. Speaker, September 15 was the independence day of Central America's only democracy and our best and oldest friend in the region—Costa Rica. It was a melancholy birthday, marking not only the 160th anniversary of Costa Rica's independence from Spain, but also the continuing precipitous decline of the country's economy.

To combat this decline, a group of Costa Rican businessmen has formed a national effort for export development (ENADE) in an attempt to revitalize the economy. Representatives of this group were in Washington last week trying to convince Americans of the necessity of supporting Costa Rica's democratic, private-sector-oriented development efforts before the economy deteriorates beyond saving.

They brought with them a brief document telling their story, which I would like to share with my colleagues. As the document demonstrates, the need is great. I am tremendously gratified that the Appropriations Committee last week voted out $20 million in economic support funds for Costa Rica. This is the least we can do. It will create a demonstration effect to help Costa Rica get from other sources the amounts of necessary credit cited in the document.

I urge my colleagues to consider the following information carefully, and to support our efforts to help our Central American friend.

### ENADE—National Effort for Export Development

Since our visit to Washington D.C., 5 months ago, Costa Rica's economic situation has deteriorated at an alarming rate.

The seriousness of the gap between our annual earnings from exports and the portion of our external debt that must be paid within the year is now known. While exports are expected to reach $1.5 billion this year, the debt service for the last quarter of 1981 and the whole of 1982 will represent a disbursement of $927 million (including $120.2 million in principal and interest already due). (See attachment I). Incidentally these figures do not include private sector indebtedness.

It is estimated that the current external debt, including that of the private sector, is in excess of 3 billion dollars (it increased by 50 percent in barely 18 months), which is approximately equivalent to the 1981 GNP at current prices.

The scarcity of dollars with which to pay for our essential imports has reached a critical point. The free rate of exchange continues to rise: it has tripled the official rate of exchange in under twelve months, while the most conservative estimates indicate that it could well quadruple the free rate before the year is over.

At the time of writing this report, the free rate of exchange was ¢25 per dollar, or 2.9 times greater than the official parity of ¢8.60 per dollar.

The impact of the increase in the free rate of exchange on imports of essential goods and raw materials exerts pressure on costs and on inflation. If, at the outset of the year, it was estimated that we would have an inflation of 40 percent (in 1980 inflation came to 20 percent), it is now expected that this figure will rise to 60 percent.

The standard of living of the Costa Ricans, which suddenly dropped to half in December 1980 as a result of the de facto devaluation of the colon, is currently a third of what it was nine months ago. In one year, unemployment rose from 5 percent to 7.50 percent (65,000 persons out of a job) and could reach 10 percent by the end of the year if the Government should find itself forced to put a halt on investment programs and the private sector may be forced to close down or reduce operations. Hidden unemployment or underemployment affects 200,000 persons, or 27.8 percent of the active population.

The consolidated deficit of the public sector (Central government, autonomous institutions and state enterprises) had originally been set at $250 million for the current year which is equivalent to 9 percent of GNP. As a result of the devaluation (an increase in the cost of obligations and purchases abroad), this deficit could reach 13 percent of GNP or $350 million.

Credit to the private sector has been seriously restricted and, consequently, so have the possibilities for expanding production. While in 1975, of the total domestic credit outstanding of the National Banking System 81.3 percent corresponded to the private sector and 18.7 to the public sector, in 1980, and 1981 the proportion changed radically: 57.6 percent to the private sector and 42.4 to the public sector. As a result, the private sector was forced to turn to external credits for financing, thus initially aggravating the problem of the country's indebtedness abroad. Although, there are no official figures, it is estimated that the external debt of the private sector amounts to some $650 million, most of it in short-term loans (See attachment II).

An ever greater participation by the State in economic activities can be appreciated from an analysis of the employment figures. In 1977, the private sector absorbed 83.7 percent of the economically active population, with 16.2 percent employed by the public sector. Four years later, the private sector accounted for 80.6 percent of total employment and the public sector for 19.37 percent. One in every five persons making up the labor force of the country are working for the State (See attachment III).

The Government has tried to correct the situation, but the problems have now reached unmanageable proportions. Since February last year, when the authorities observed the first symptoms of deterioration, a contingency agreement was being negotiated with the International Monetary Fund. By June 1980 it was common knowledge that the limits set by the IMF program had been exceeded and attempts were made to renegotiate these in August. These conversations continued laboriously until March, 1981, when the IMF agreed to grant an extended fund facility agreement for three years amounting to $325 million.

In the meantime, the Government had decreed the fluctuation of the colon (partial in September, 1980, and total in December of that same year), at the same time increasing the excise and sales taxes and attempting to reduce public expenditure by setting up a budget authority with jurisdiction over the entire public sector.

None of the foregoing proved sufficient. The burden of the short- and medium-term external debt, a unanimous Supreme Court ruling declaring that the fluctuation of the colon was unconstitutional (an historic and unprecedented judgment) and, notwithstanding the efforts made to contain imports, the growing balance of trade deficit, have all contributed to make the situation untenable. The IMF Agreement, based on the expectation of additional net capital inflows, was again broken and the disbursements stopped under the extended fund facility. The Government is striving to persuade the IMF to again renegotiate. At the same time, it has in fact declared a moratorium on the external debt, while awaiting the results of Kuhn Loeb and Lehmann's efforts to secure a renegotiation from the creditors.

The preliminary report from this firm indicates that, as of July 15, 1981, that debt amounted to $322.5 million in short-term obligations and $2.3 billion in terms over one year; in other words, a total of $2.6 billion (See attachment IV, Tables 1 to 6).

Of this amount, $120.2 million is already past due, while $806.8 million, of which $510 million is principal, will mature over the next twelve months. If the trade balance deficit is added to these obligations, the total resource gap over the next twelve months will amount to $1.3 billion.

Even if the external debt renegotiation were to become a reality next month, allowing for a grace period of between 3 and 5 years obtained from the commercial banks and bilateral creditors on all principal payments, $504.6 million will still be required over the next twelve months, which together with current account balance needs amounting to $378.5 million gives a total of $883.1 million of foreign exchange urgently needed by Costa Rica in the near term.

The only way to close the gap would be through a more stringent reduction of imports, a further lowering of the standard of living and increased capital inflows from official and private sources abroad.

In the meantime, the Government has not been idle. Apart from the increase in the free rate of exchange and the subsequent decrease in imports, on September 1st the Government implemented further controls through import licenses and prohibited all imports of vehicles and capital goods, with the exception of spare parts.

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Nevertheless, these measures appear to be insufficient and it is now clear that a long period of financial and fiscal disciplining is in store for this and future administrations as the economy will have to undergo far-reaching structural adjustments.

Substantial external assistance will be required if this disciplining and adjustments are to be achieved under the basic tenets of a democratic society and a market economy.

Allow me to illustrate another way the reasons why Costa Rica finds itself in the current situation. For at least four decades, Costa Rica has tried to achieve the double objective of improving the standard of living of its population while preserving its democracy. But social justice and strong, free political institutions are not easily attained within the framework of an underdeveloped country, where foreign earnings are vulnerable to declining international prices of the basic commodities and raw materials sold abroad and to soaring prices of the oil capital goods, financial resources and technology it must import.

These circumstances notwithstanding, from 1961 to date Costa Rica has achieved an excellent record in welfare indicators as shown in attachment V. Life expectancy, for instance, rose from age 61 to 68 in just 15 years. During that same period, the daily per capita intake of calories went from a below standard of less than 2,000 to a better average of 2,400.

Over a period of 24 years—from 1949 to 1973—two indicators also reflect substantial progress: the number of homes with electric or gas ranges rose from 25 to 44 percent, while the number of home owners rose from 38 to 50 percent.

Educational levels achieved by our population have long been a source of pride to the Costa Rican system: Registration in primary and secondary schools since 1960 has risen by a spectacular rate of over 320 percent (vs. an average population growth of two percent or better during the period), while the number of teachers has increased 260 percent and the number of schools 180 percent.

There are two indicators which portray our social development, the figures for electric consumption and telephone service underline the fact that the Costa Rican population has greatly benefited from economic progress. Per capita electricity consumption increased by 270 percent and although in 1960, 45 percent of the population had access to electrical service, by 1978 that percentage was 70. It should be pointed out that Costa Rica has abundant hydroelectrical resources and therefore does not need to import oil for electric generation.

In all fairness, this overall progress was too fast and too overwhelming, and perhaps one could argue that Costa Rica could not afford it. But we also have to admit that were it not for this sharing of the dividends of economic progress, Central America would have been deprived of this last functioning democracy.

The model proved its viability as long as international inflation was low, foreign resources and demand for our primary products assured us a continued net inflow of capital, and internal policies were sound and austere. But a combination of balance of payments difficulties, scarcity of foreign capital, deficit spending, oversupply of money and rising expectations of the Costa Rican people brought about by increasing social development is responsible for the current sad state of our affairs.

Few Costa Ricans disagree on what must be done. Under circumstances, we firmly believe the time has come to adopt severe and drastic limitations on public spending, plus a reduced dependence on foreign goods and adjusting our expectation to what we can actually afford. There is only one guarantee for the survival of our social and political system. If we want democracy to prevail in Costa Rica for a long time, and thus keep an option open for pluralistic societies in Central America, sound, private economic development—of the kind that has characterized our country in the last 40 years—must be allowed to flourish.

The only choice open to us at this time is to increase investments in the private sector in order to develop additional job opportunities and achieve a sustained growth. A nonprofit effort of the Costa Rican private sector aimed to promote and channel investment and capital resources to the country—known as ENADE (an acronym for National Effort for Export Development)—has been in the forming stages in the recent past. ENADE is by and large one of a very few programs so far designed with the aim of increasing production of goods marketable abroad, generating additional foreign exchange earnings so desperately needed for debt payment purposes and the continuation of an equitable distribution of wealth. BANEX, an AID-backed export bank and trading company is another Costa Rican effort with the same goals as ENADE.

Jamaica and Costa Rica are, for the moment, the only examples of Caribbean Basin countries whose democratic institutions are strong enough to provide an alternative to Marxism, terrorism or right-wing dictatorships. However, a distinction between the two countries must be made. Aside from the fact that neither Jamaica nor Costa Rica need military assistance for the time being, no other common ground exists between them. For all practical purposes, Jamaica has no influence over the Central American area, and, by the same token, Costa Rica does not have any influence in the Caribbean. Each country must, therefore, play its own role in an effort to neutralize the pressures on their respective areas resulting from the expansionist policies of the USSR and the open aggressiveness of its surrogate in the Hemisphere, Cuba. Different sets of policies must also be adopted in dealing with the social and economic weaknesses in both countries, allowing at the same time for adjustments in the differences in tradition, idiosyncrasies and political institutions.

The only hope for Costa Rica is a massive inflow of soft, long-term capital and technology, plus better access to markets in industrialized nations. We urgently need to fully develop our agro-industrial potential—a rich resource which is now practically untapped.

The ENADE group has returned to Washington with its homework done. Five months ago, ENADE was a possibility, a mere idea, presented in very sketchy form. We now have legally registered both the Foundation (FENADE) and the sister financial institution (COFEINADE). By way of example, we have selected twelve projects at the feasibility-study level to demonstrate how the ENADE concept would work. We are ready to channel financial resources immediately to reactivate the economy and help generate more employment and foreign exchange earnings.

ACOGE, as an association of entrepreneurs and business managers of long standing, can fully guarantee that ENADE does not pursue the personal interests of its members. The program we are pursuing for Costa Rica is aimed at producing a social impact with emphasis on the creation of more jobs and the redistribution of wealth.

We still believe that the answer to attacks on democracy lies in more democracy, more private enterprise, better income distribution. Militarization, repression or violence will only lead to greater injustice. We are capable of meeting the challenge of Marxism and terrorism armed with our civic resources and our traditional respect for human rights.

A New York Times article of August 19 said that while Costa Rica is generally believed to have an amateurish police force, it has in fact been unexpectedly successful so far in combating small guerrilla activity of recent origin. However, the long-term battle against destabilizing forces and Communism cannot be fought by Costa Rica alone.

Central America is in a state of revolution—with a post-revolution in Nicaragua, mid-revolution in El Salvador and pre-revolution in Guatemala. Before it is too late, Costa Rica must safeguard its model of democracy, free market economy and social justice from all contaminating influences. We are ready to accept our share of responsibility for the hardships we are enduring. The erosion of our standard of living, along with fiscal and financial discipline, are being stoically accepted by Costa Ricans. If we do not strengthen production and exports, however, it will be difficult to persuade our citizens that a free society and a market economy are consistent with sharing opportunities and progress.

Lack of substantial and timely economic support might be the one factor that could destroy our democratic structure. For the last 40 years a strong, dynamic and resourceful middle class has been emerging in Costa Rica, making it possible for the country to enjoy political stability and have confidence in the future.

Contemporary history in the Hemisphere, however, constantly reminds us that a political system based on a middle class is very vulnerable. The collapse of Uruguay, Argentina and Chile are tragic examples of the great amount of time and effort that is needed to bring back democratic institutions. With the help of our friends and by the Grace of God, I hope we can restore Costa Rica's economic health with preventive and timely medicine.●

## GARY HYMEL

### HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Mr. DE LA GARZA. Mr. Speaker, during the summer we lost from our midst Gary Hymel, a key individual in the operation of the Speaker's office. For 15 years, whether working with the Speaker's office, the majority whip's office, or the majority leader's office, this gentleman has been an invaluable resource upon whom we all have been able to reliably depend for information in meeting our legislative and political needs. As Gary enters the private sector he will be sorely missed, but this definitely is an apropos occa-

sion for use of the adage our loss is their gain.

That Gary Hymel has many, many friends in this body is no secret. In fact, Gary has a knack of making friends wherever he goes. Distinguished by his unfailing consideration for others, he is the kind of friend anyone would be proud to have.

His outstanding ability is clear to all who know him or have been privileged to work with him. A man of knowledge, he has never neglected the needs of those around him and he has contributed to the dignity and effectiveness of our body by being to my mind a shining example of what a leader should be like.

He is a dedicated public servant of the highest caliber and I would like to wish him satisfaction and success in all his future endeavors as well as extend to him my commendation for his dedication to duty—dedication that relates not only to his job but also, and above all, to the best interest of his country.

His family I know is mighty proud.●

## HONORING REV. E. W. RAIMER

### HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. FORD of Michigan. Mr. Speaker, these are busy days for us in Washington. While we, in Congress, wrestle with the problems of high interest rates, balancing the budget, and defense spending, we must never forget the many constituents in our districts who serve their communities in very important ways and do not receive adequate recognition. One of these individuals is my friend, Rev. E. W. Raimer, who is being honored by his parishioners and associates at a retirement gathering in his honor on October 9.

An examination of Reverend Raimer's résumé makes one aware of his lengthy pastoral responsibilities. During his tenure as pastor of the Wayne Assembly of God, some of his other accomplishments have been:

Membership on the Citizens Advisory Council for the city of Wayne during an urban renewal program south of Michigan Avenue;

Membership on the Citizens Advisory Council for the city of Westland under (former) Mayor Tom Brown;

Membership on the Citizens Advisory Council of Canton Township;

Service as president and vice president of the Wayne-Westland Ministerial Association;

Service as chaplain at the Annapolis Hospital for 10 years;

Service on the board of directors of the Wayne-Westland Community Federal Credit Union for 27 years.

In addition to all of these responsibilities, he has served as Metropolitan Detroit youth director and the home missions representative and Sunday school representative in the southeastern section for his church.

Reverend Raimer moved to the Detroit area when he was 5 years old. As a very young man, he ministered at the Wayne County Jail, the Howard Street Rescue Mission, and the Detroit Rescue Mission. In 1940, he married Nellie Wajda and they have been blessed with four fine sons and five grandchildren.

It has been a privilege to work with Reverend Raimer, and I am proud to call this marvelous man to the attention of my colleagues in the House of Representatives. The 15th District is privileged to have many outstanding residents, but certainly Reverend Raimer must be one of those on everybody's top list.●

## HON. CATHERINE DORRIS NORRELL

### HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. ZABLOCKI. Mr. Speaker, I deeply regret that I was unable to participate in the special order reserved on Tuesday by the distinguished gentleman and leader from Arkansas (Mr. ALEXANDER) to honor the memory of the late Honorable Catherine Dorris Norrell, former Congresswoman and outstanding public servant from that great State.

I had the privilege of serving with Mrs. Norrell in the 87th Congress, as well as with her husband before her, the late William Frank Norrell, who was a distinguished Member of the House from 1939 until February 1961.

Mrs. Norrell was an able and popular successor to her husband as a Member of this body, but she was also a talented and impressive individual in her own right. Her record as a legislator, an educator and musician, and as a Deputy Assistant Secretary of State is one of considerable achievement and distinction.

Aside from her official positions, however, Mrs. Norrell was a strong and effective local leader, who was active in church and community affairs. She was, I am informed, the first woman to be elected deacon in the Baptist Church of Hawaii, while serving as Director of the U.S. Department of State Reception Center in Honolulu, and she was also a member of numerous business, professional and charitable organizations.

To her surviving daughter, Julia J. Norrell of Washington, D.C., and her many friends and admirers from all sections of the country, I wish to express, albeit belatedly, my deepest sympathy as well as my highest regard for her dedicated service to her district, her State, and the Nation.●

## DEPARTMENT OF AGRICULTURE'S OFFICE OF THE INSPECTOR GENERAL

### HON. E. THOMAS COLEMAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. COLEMAN. Mr. Speaker, today I am introducing a bill that will give certain powers to the criminal investigators in the Department of Agriculture's Office of the Inspector General. My bill will permit these investigators, subject to regulations to be issued by the Secretary of Agriculture, to carry firearms, to make arrests without a warrant for any criminal violation of statutes administered by the Secretary of Agriculture committed in the presence of these investigators, to search the premises and seize evidence when making such arrest and to execute a warrant for the arrest, the search of the premises or the seizure of evidence.

Over the past several years the Department of Agriculture's Office of the Inspector General's workload of major criminal investigations has increased. Many of its investigations concern the food stamp program and the participation in this program has also markedly increased. In 1971 this program cost $1.6 billion. In 1981 it is estimated that the food stamp program will cost $11.5 billion. As the cost of the program increased, the criminal violations also increased. The Office of the Inspector General's criminal investigators began working undercover, developing informants, conducting surveillance of criminals and participating in searches and arrests.

It is charged with the responsibility of conducting investigations relating to the programs administered by the Secretary of Agriculture, one of which is the food stamp program. Some of you may have seen the recent national television program in which criminal activity in the food stamp program was exposed. Much of the film used on this program was obtained from the Office of the Inspector General and detailed the type of undercover operations it conducts. If you saw this program you can appreciate the dangerous situations in which these criminal investigators are placed—unarmed—dealing with criminals who usually are armed. These criminal investigators work closely with the U.S. attorneys and local law enforcement officials. However, it is often apparent, as with any undercover work, that immediate arrests should be made. I understand that many U.S. attorneys have asked

these criminal investigators to make these arrests and have expressed their concern that the investigators are unable to do so.

I believe that these criminal investigators should have certain limited law enforcement authority. Let me emphasize limited law enforcement authority. I also believe that they must continue to work closely with the U.S. attorneys and local law enforcement officials to insure coordinated efforts to combat criminal activities in the food stamp program and other programs administered by the Secretary of Agriculture.

In 1981 approximately 600 indictments have been returned for food stamp trafficking, based on the investigations of the Office of the Inspector General. Just last week 40 people were arrested or indicted as a result of a large-scale investigation in southeastern Virginia into criminal activity in the food stamp program. These arrests and indictments were a result of the efforts of the Office of the Inspector General working with the U.S. attorney and local law enforcement officials throughout the Tidewater area.

These criminal investigators undergo basic criminal investigative training at the Federal Law Enforcement Training Center in Georgia. They are classified as criminal investigators. They are qualified to conduct these investigations; however, they do not have the basic law enforcement authority afforded other investigators with similar responsibility.

This bill will give them this authority. The Secretary of Agriculture will issue the rules and this authority can be used only when the investigators are engaged in the performance of their official duties.

I urge you to support this bill, to give these criminal investigators within the Department of Agriculture's Office of Inspector General the authorities commensurate with their responsibilities.●

## TRIBUTE TO ANTONIE BREDEMEYER

### HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. BROWN of Ohio. Mr. Chairman, today I wish to call to the attention of my colleagues a special tribute to Mrs. Antonie Bredemeyer, a great supporter of the causes of the mentally ill in the State of Ohio. She fought hard to insure the rights of those who could not fight for themselves; she spoke in behalf of those whose voices otherwise would not be heard. The concerns of the mentally ill were her concerns, and she never forgot them.

As a former chairman of the Clark County Mental Health Board—the only person to ever hold that position for a period of 3 years—Mrs. Bredemeyer was a guiding force behind the county's efforts to seek a Federal community mental health grant in the midseventies. She directed her considerable talents toward achieving the goals of deinstitutionalization and assuring equal access to quality mental health care in the community.

Having sacrified considerable career opportunities in her homeland of West Germany in order to accompany her husband Hans to the United States, Toni fought selflessly, for the rights of the mentally ill in my district and the State of Ohio.

On September 28, 1981, the members of the Clark County Mental Health Board and several of her peers in the mental health community, will dedicate the broad conference room in memory of Toni Bredemeyer and her efforts on behalf of the mentally ill. I know that I speak for all those who knew Mrs. Bredemeyer when I extend our sincere sympathy to her husband Hans and their daughter Kara.●

## PROFESSIONAL CAREER AND FAMILY LIFE

### HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. DOWNEY. Mr. Speaker, one of the most difficult questions in contemporary American life is that of reconciling family and career. While most of us give first priority to our families in the abstract, when it comes to specific allocations of time many Americans instinctively give first priority to their work, particularly if husband and wife are both involved in challenging and demanding professions.

Recently I had the pleasure of meeting Randy and Michael Wertheimer, and observing their splendid way of handling the problem. Both are physicians in hands-on patient-care specialties. Yet they have decided to give first priority to their children and, by careful planning and determination, have been able to stand by this decision without impairing their careers. It has not been easy or painless, but it has worked.

Their story appeared recently in the University of Massachusetts Medical Center magazine, which I now insert in the RECORD:

REDEFINING ROLES

Randy and Michael Wertheimer met at Swarthmore College. Since then, they have married, graduated from medical school, completed medical residencies, accepted faculty appointments at UMass, and become the parents to two beautiful children.

What makes this couple stand out is not that both are physicians, but that in thirteen years of marriage, they have created a lifestyle which imbues both work and family with equal value.

When the Wertheimers first met, Randy was a college freshman and Michael a senior. Four years later, they married. By then, Michael was a graduate of the University of Pennsylvania Medical School and had accepted a residency in surgery at Beth Israel Hosptial in Boston. Randy had a B.A. in art history which she set aside to enter medical schoool at Boston University.

When Michael came to UMass Medical Center to complete his surgical residency (he is now an Assistant Professor of Surgery and of Family and Community Medicine and Assistant Dean of Student Affairs), Randy came to join the UMass Family Practice Residency Program.

"Luck was with us. Finding compatible positions can be very tricky, and I'm sure if I hadn't been accepted at Boston University and later at UMass, there would have been some serious problems to solve," Randy says.

At the end of Randy's first year as a Family Practice resident, Rachel was born, to be followed two years later by Benjamin. "It took me four years to complete a three-year residency program."

Although Randy was the first resident to attempt a flexible program schedule which would accommodate both family and medical training, she has not been the last.

"With great difficulty, it can be done." Randy, now on the staff of the Hahnemann Hospital Family Health Center in Worcester, feels strongly that this type of flexible arrangement should be encouraged not only for women in medicine, but men as well. "People should not be penalized for time spent with their families."

"This is a very serious issue," Michael points out. "The usual role model is the woman who decelerates her career during childbearing. Medicine relates in a serious way only to 'one hundred percenters.' I can't accept that standard. I want both a full professional and a full family life."

Although she knew what demands it would make on her time, Randy was interested in family medicine from the moment she entered medical school. "It really excited me. I love delivering the baby, the following through with the whole family. The obstetrical part of family practice adds more uncertainty to the work schedule, with guaranteed middle-of-the-night deliveries, but I would never give it up."

Michael, as a surgeon and a member of the Medical Center's trauma team, is also frequently on call, but he and Randy have been able to balance their obligations so that one or the other is with the children most of the time.

"Many of my colleagues find it hard to relate to my lifestyle; it's hard for them to understand the relationship I have with my family. It imposes an enormous amount of extra pressure, but it can be done, and it's worth it," Michael explains.

"I had to learn that I can't do everything," Randy says. "I strongly wanted us to take care of ourselves. I feel that's important in grounding you and making you feel attached to things and each other. But I know now if I use up the little time I have running to the stores and scrubbing floors, there will be no quality time left at home."

For both Randy and Michael, having children has meant a shifting of priorities. "During Randy's residency, she often had night calls and I spent those nights at home with Rachel. She comes with me on Satur-

days sometimes when I make rounds, and she's made many trips to the emergency room in her pajamas.

"Free time away from work is spent with the kids," Michael adds. "We do things as a family and with other families. What time we have with the children is very precious and we won't give it up for anything."

Michael feels that most fathers never get that kind of quality time with their children, that for many men, parenting is secondary, an hour at home in the morning and another at night. "That's simply not enough for me. On a difficult day, I'll rush home, organize dinner, let the sitter go, feed, bathe and diaper the baby, and then spend time with the children before I put them to bed. The asset of that would be an incredible primary relationship with my children."

Randy and Michael are convinced that at least for Rachel's first year of life, they were interchangeable as parents. "That's a special thing to me," Michael says. "I needed to do this then. I want to do it now. Perhaps I wouldn't have written the script this way ten years ago, but I can tell you I'm happy and fulfilled in my career and have an extraordinary family life."

Of course, to make it all work, Randy and Michael have to have some very good and reliable sitters. "And, all of this leaves very little time for anything but work and children right now," Randy points out.

Michael does not want to give the impression that these choices have been without significant stress. "It would be dishonest of us not to paint a clear and balanced picture of what this all means. It is not the norm and may be considered by some to be eccentric."

According to the Wertheimers, the pressure to succeed professionally as teacher, researcher and physician does not diminish, rather another dimension is added, the pressure to succeed as parents.

"Balancing these things and doing well at all of them is a continuing source of difficulty, uncertainty and guilt," Michael points out. "The dilemma of choosing between competing demands, each of which is equally desirable, isn't resolved without pain. . . . It is like the juggler forever working with five or six balls, losing contact with some of them for periods of time, but trying desperately not to lose control over any of them."

Michael and Randy point out that to make it work one has to be incredibly efficient and highly organized.

Although the Wertheimers recognize that many dual-professional couples have solved their scheduling problems by hiring someone full-time to care for the children, they do not consider this an acceptable solution for them.

"Sure I'd like to go to the Y more," Michael admits. "But this is a conscious decision I've made. I really enjoy immensely this 'little kid' stage. And it's very limited—just five years or so—Rachel is already three."

Michael is sure they're not alone. "More articles like this, which talk about the male side of the issue, will help to legitimize it, and perhaps medical centers will begin to develop support systems and attitudes which make the choice a little easier."

"It's time that institutions began to put a premium on family life and child rearing," Randy says. "We need a different role model for women in medicine that includes motherhood and family."

"We also need new role models for men," Michael adds. "We have to start from scratch . . . eliminate defined roles and move into more interchangeable roles. And it won't be easy because most men don't even recognize the problem. The nurturing role is, in the end, the essence of the physician's role as 'care giver' and what better training for this role than parenting."●

## ROY WILKINS

### HON. DON J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. PEASE. Mr. Speaker, America has lost a great leader with the death of Roy Wilkins, an individual who pioneered the Nation's oldest and largest civil rights organization—the NAACP.

Roy Wilkins survived harsh criticism and hostility from opponents who were enraged by his leadership in the battle for equality of opportunity for all Americans. He outlasted the attacks directed at him by some militants who thought of him as out-of-date and ineffective. Most importantly, he was tireless in pursuit of the betterment of American society.

We should remember Roy Wilkins for his contributions toward renunciation of the "separate but equal" doctrine by the U.S. Supreme Court in the case of Brown against Board of Education and toward enactment of the 1964 Civil Rights Act. These achievements bear witness to his steady leadership and outstanding public service.

With the silencing of Roy Wilkins, we have lost a great man, true of faith and strong in leadership, who lived for the sake of us all.●

## IRRESPONSIBLE SECRETARY OF INTERIOR

### HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. EDWARDS of California. Mr. Speaker, along with growing numbers of my colleagues and citizens throughout the country who care about the future of our environment, I join in opposition to the manner in which Secretary Watt has been using his position as Secretary of the Interior to exploit the natural resources of our great land.

I have worked with both Republicans and Democrats, liberals and conservatives, in opposing Mr. Watt's efforts to reopen the four northern basins in Outer Continental Shelf Lease Sale 53, a move which clearly overstepped the Federal authority which has been carefully laid out by Congress. In the face of the outraged outcry from State and local officials, and the California business community, the Secretary, with great reluctance, was compelled to retreat from his plans.

However, the Department has now issued its new plans for the OCS 5-year schedule. Mr. Watt has shifted radically from the carefully thought-out plan of former Secretary Cecil Andrus. Mr. Watt now proposes a new basin-wide program encompassing every tract in the lease sale. His logic is that by allowing oil companies to develop gas and oil products everywhere off the coast, regardless of possible harm to the fishing industry, tourism, or the environment, more energy will be produced for the Nation.

When the Congress approved the OCS Act of 1977, careful steps were taken to include the States in the deliberation of the leasing program. While recognizing that oil development must occur, the act was meant to insure that all development must be undertaken carefully to provide maximum protection to the environment. That is the law.

Under Mr. Watt's 5-year plan, it will be impossible to collect the environmental data needed for leasing simply because the area is too large for State and oil industry personnel to handle. Companies are not going to know whether it is worth their money to bid on particular tracts. A tremendous amount of litigation will arise and in fact the entire process of leasing OCS lands for energy development is going to slow down. Even the oil industry has criticized Watt for moving too fast. There is not going to be more energy production—instead, Mr. Watt is leading us down the road to no energy production.

The world is not going to change overnight. We have worked long and hard to see that a balance is struck between the protection of the environment, our clean water, our clean air, and our energy resources. Let us not turn our backs on these responsible and worthwhile goals by the frantic call of our irresponsible Secretary.●

## QUICK ACTION NEEDED ON MILK LAW

### HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. FINDLEY. Mr. Speaker, Friday the Senate passed a farm bill that more closely reflects the limitations we have placed on the agricultural functions of the budget. It is unclear, at this time, when the House will consider this legislation, or even which bill we will consider; however, it is essential that we move quickly, with an eye on the budget.

This is particularly true in the case of milk.

Passage of a farm bill by September 30, permitting the Secretary of Agriculture to set dairy prices at 70 percent to 90 percent of parity, is crucial to the economic well-being of the American consumer, as well as the success of the administration's economic recovery program. Unless this legislation is approved, milk support prices will be mandatorily and unnecessarily increased, thereby contributing simultaneously to higher food prices and greater Federal deficits.

The milk support program was originally established by the Agricultural Adjustment Act of 1949. This measure authorized the Secretary of Agriculture to set support prices between 75 percent and 90 percent of parity, the specific level to be determined on the basis of the price necessary to balance supply and demand conditions. The 1949 act worked reasonably well, but was amended in 1977, which has resulted in large dairy surpluses. The basic flaw in the 1977 farm bill was that it decreased the Secretary of Agriculture's discretionary authority. The bill mandated a support price not lower than 80 percent of parity and required semiannual price adjustments. The net effect of this legislation was to increase milk support prices more than the cost of production and even faster than the consumer price index.

The 1977 act expires on September 30, and unless the law is changed, the provisions adopted in the Omnibus Budget Reconciliation Act will prevail. This measure requires the Secretary of Agriculture to set support prices between 75 percent and 90 percent of parity, and mandates semiannual price increases effective April 1, 1983. The Secretary would be allowed to set support prices at the 75-percent minimum only when the following year's CCC net purchases are estimated to be greater than 5.5 billion pounds of milk equivalent.

When purchases were expected to be smaller than this amount, a sliding scale would require the price to be increased by 1 percent of parity for each 500 million pound decline in anticipated purchases. When purchases are estimated to be below 1 billion pounds the mandatory minimum support price would be 85 percent of parity. Basically, these are the proposals for the farm bill adopted by the House Agriculture Committee. They were incorporated into the Omnibus Budget Reconciliation Act. It is now the law of the land and will remain so for the next 4 years unless it is changed by the farm bill.

If present law is left intact, Government outlays for the dairy support program will total about $2.2 to $2.8 billion next year. Additionally, consumers will pay approximately three-quarters of a billion dollars in unnecessarily higher prices for dairy products. Thus, the total—Government and direct cost to consumers—will be about $3 to $3.5 billion.

This year the Government purchased about 9 percent of the dairy farmer's production. Next year, production is expected to greatly outpace demand for dairy products. Thus, Government support will increase above its already burdensome levels.

Currently, the Government is holding 765 million pounds of nonfat dry milk, 440 million pounds of butter, and 545 million pounds of cheese. This translates into over 1 years' commercial use of powder, 6 months' worth of butter, and the equivalent of 1½ months' commercial use of cheese. Storage space is already critically scarce and expensive. To unload the stock, CCC is selling these surplus goods at distressed prices to foreign countries and for animal feed uses. All of this at a time when we are supporting an administration in the White House committed to reduced inflation and lower Government spending.

To help bring supply and demand back into line, the administration is supporting a bill which would provide the Secretary with the discretion to support prices between 70 percent and 90 percent of parity, and if CCC expenditures exceed a certain level, to set support prices below 70 percent of parity. The Senate has adopted this provision. Those who have supported the President in his tax and budget-cutting programs must consider the economic importance attached to this issue. It cannot be categorized as a profarm or antifarm issue—but rather as a realistic effort to both protect the consumer from unwarranted food price hikes, and to uphold the cornerstone of the adminstration's policies—reducing unwarranted Government expenditures. According to recent cost studies, at 70 percent of parity, dairy farmers would still be assured of support prices which equal or exceed their cost of production.

Congress must act quickly to pass the farm bill, incorporating the administration's dairy support provisions. Therefore, I urge my colleagues to join me in supporting the dairy provisions in the farm bill passed Friday by the Senate.●

## SOVIETS DISSIDENTS

### HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. GOODLING. Mr. Speaker, when Secretary of State Alexander Haig meets with Soviet Minister Andrei Gromyko we on Capitol Hill would like Secretary Haig to make known American disquietude over Soviet dissidents whose only crime is to express a desire for such basic liberties as freedom of expression, the right to practice the religion of one's choice, or to emigrate. For this reason, I have cosigned two letters urging Secretary Haig to bring up the issue of Soviet treatment of dissidents to Gromyko. The first letter, written by Congressman FISH of New York, deals with a number of dissidents, including physicist Andrei Sakharov, Anatoly Shcharansky and Ira Nudel, as well as lesser known dissidents Victor Brailovsky, Vladimir Kislik and Kim Fridman, who were recently tried and condemned for their attempts at free expression. The second letter, written by Congressman FRANK of Massachusetts, centers on Anatoly Shcharansky. We all know the shocking story of Shcharansky's imprisonment hours after his marriage, and of his wife's subsequent deportment. Now Mr. Shcharansky's health is reported to be deteriorating daily, so that his life may well depend on whether or not he is released—for which reason his is one of the most pressing cases. Shcharansky, like Ira Nudel, suffers because he is Jewish and wishes to emigrate to Israel.

The resolutions presently before the House concerning Anatoly Shcharansky, Yuri Badzyo, and Yurij Shukhevych are of primary importance. It is absolutely pertinent that President Reagan remind the Soviets of their human rights obligations under the Helsinki agreement, as well as the U.N. Charter; the administration is noted for taking a tough stand vis-a-vis the Soviet Union, let it be especially tough on this important issue.

As for the Soviets, if they seriously want to open another phase of the SALT process, then let them make a gesture of good faith. Let them put into effect the human rights provisions of the Helsinki agreement which they signed and swore to uphold. When the leaders in the Kremlin allow Shcharansky to rejoin his wife in Israel, when Ira Nudel and Andrei Sakharov are allowed to join their relatives in the West, and when Badzyo, Shukhevych, and the other dissidents in Soviet prisons and mental institutions are released, then we in Washington will know that the Soviets are ready to come to meaningful agreements in military and economic sectors.●

## A-95 A VALUABLE TOOL

### HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. AuCOIN. Mr. Speaker, the concerned county commissioners of Polk County, Oreg., have alerted me that HUD Secretary Pierce has requested an exemption of all HUD programs from circular A-95 of the Office of

Management and Budget. I have determined that OMB is seriously considering adoption of this request.

The A-95 circular review procedure provides State and local officials the opportunity to participate in the review of proposed Federal grants and projects. Through this intergovernmental communications process, A-95 has proven to be a valuable tool for assessing local needs, coordinating resources, and preventing waste or duplication of government services. I am amazed that an administration which trumpets the philosophy of bringing the government decisions "closer to local people" is now attempting to slam the door on local government.

At a time when greater responsibility is being placed upon State and local governments, information of the sort produced by the A-95 process is crucial. At a time when all appropriations—including those for housing assistance programs—are minimal, it is more necessary then ever to insure that funds are utilized in the most effective way.

An old carpenter once told me: "Never tear down a wall until you know why it was built in the first place." In its zeal to cut and eliminate, the administration may be about to make this mistake. A-95 is not some ineffective, inefficient bit of bureaucratic redtape. I urge the administration to preserve the review, and to differentiate between rules which truly improve the quality of programs, and those which are indeed ineffective and burdensome.●

## A MORE EQUITABLE COST-OF-LIVING INCREASE FOR FEDERAL EMPLOYEES

### HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. PARRIS. Mr. Speaker, today I am introducing legislation that would give Federal employees a 7.55-percent pay increase in place of the 4.8-percent increase that has been requested by the President. This increase would request exactly one-half of the 15-percent increase transmitted to the President by his own pay agents.

In recent months, our former and current Federal employees have been the target of many budget reduction activities. Federal retirees have had their biannual cost-of-living allowances reduced to once a year and there have been attempts to reduce benefits under the Federal employees health benefits plan and the Federal Employment Compensation Act. Although I trust that further consideration of the possible merger of the Federal civil service retirement fund and the social security trust funds have been abandoned, there remains the possibility that it may be reconsidered in the future. Many thousands of Federal employees are now caught up in the reduction-in-force process which is having a devastating impact on their careers and the well-being of their families. Together, these actions are lowering the morale and expectations of those individuals who have contributed so greatly to our Nation.

On top of all these hardships and instability, Federal employees are now being asked to sacrifice even more by accepting a pay increase far too low to have any significant impact. The President's own pay agents have reported that Federal employees should receive at least a 15.1-percent pay increase.

As many of my colleagues know, I am dedicated to improving the Nation's economic condition. I believe that Government spending must be carefully controlled and Federal taxes reduced. I also believe that Federal employees, who like all Americans are reeling from the impact of soaring inflation and high taxes, agree with me that this Nation's economic policies must be altered if we are to avoid financial disaster in the future.

However, we must insure that whatever actions must be taken to restore this Nation's economic vitality must be taken in a way that does not disproportionately affect one segment or group of citizens. I believe that a 4.8-percent pay increase for Federal employees in addition to the other sacrifices they have been required to make, it unfair. We are asking the Federal worker to contribute to and bear an unequal burden in an effort to reduce Government spending and lower fiscal deficits.

If we want to attract and retain qualified and competent individuals to serve our Nation, we must provide them with realistic salary increases. In the interest of effective and efficient Government, I urge my colleagues to support this measure and allow Federal employees a 7.55-percent pay increase.●

## FUENTES: SALVADOR'S OPPOSITION

### HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. STUDDS. Mr. Speaker, the Governments of France and Mexico recently issued a statement which recognized the fact that those actively in opposition to the present Government of El Salvador now constitute a representative political force within that country. Yesterday, the noted Mexican writer Carlos Fuentes commented on this initiative in an article which appeared in the New York Times. Given the importance of this subject, and also given the eloquence and persuasiveness of Mr. Fuentes, I believe it is appropriate to bring this article to the attention of my colleagues:

[The New York Times, Sept. 16, 1981]

SALVADOR'S OPPOSITION

(By Carlos Fuentes)

MEXICO CITY.—When President José López Portillo of Mexico and President Reagan meet in Grand Rapids, Mich., on Friday at the opening of the Gerald R. Ford Library and Museum, the explosive Central American situation will have changed substantially since their last meeting, in Washington in June. The new factor is the joint Franco-Mexican declaration, issued Aug. 28, recognizing the opposition in El Salvador as a "representative political force."

The document, presented to the United Nations Security Council by Foreign Ministers Clause Cheysson of France and Jorge Castañeda of Mexico, has been denounced at "interventionist" by nine Latin American countries, among them Venezuela, a democracy, and Chile, a brutal dictatorship.

But here in Mexico City, public opinion is reasoning that the Salvadoran opposition—both the guerrillas of the Farabundo Marti National liberation Front and the political leadership of the Democratic Revolutionary Front—already have been given a powerful representative role by the militant policies of the Reagan Administration.

Washington's approach could internationalize the Salvadoran conflict by turning it into an East-West confrontation. But while this is only a potential danger, genocide has become an everyday occurrence: 25,000 Salvadorans have died, and it is not peace that is at hand but rather the prolonged horrors of a stalemated civil war in which the army and death squads murder indiscriminately while the ruling military-civilian junta desperately asks Washington for more and more military aid.

The Franco-Mexican initiative serves two immediate purposes. First, it deliberately creates a situation in international law that permits invocation of the Geneva convention for the protection of combatants in cases of civil strife and the application of a policy of neutrality toward all the parties in the conflict.

To argue that Mexico and France are intervening in El Salvador by asking everyone not to intervene is pure nonsense. But to argue that the junta has invited the United States to furnish it with arms and money, thus legitimizing United States intervention, is to evoke the parallel ghosts of Afghanistan, Czechoslovakia, and Vietnam. It might even incite a symmetrical Soviet action in Poland.

Since the Reagan Administration has cast the Salvadoran conflict in East-West terms, both the genocide and prospect of internationalization legitimately worry Mexico and France.

As for its second purpose, the joint document foresees, with reasonable hope, that the Salvadoran people are capable of comprehensive political negotiations that would both restructure the armed forces and create proper conditions for free elections.

The Franco-Mexican declaration seeks to open a realistic democratic process that cannot begin with elections but rather must recognize that without a previous negotiation process, the planned elections for a

constitutional assembly next March will be a sham.

Who will participate in elections under the shadow of the unregenerate army and security forces that only last winter murdered the top echelon of Democratic Revolutionary Front leaders and that in 1972 deprived President-elect José Napoleón Duarte and Vice President-elect Manuel Guillermo Ungo of their legitimate victories at the polls? President Duarte and Mr. Ungo, who now heads the Democratic Revolutionary Front, are rivals. Why should the army respect in 1981 what it so wantonly disregarded in 1972?

The present course of events in El Salvador will lead to large-scale extermination. The triumph of the extreme left in the field would provoke an extreme reaction by the United States, thus inviting even more merciless repression; the triumph of the extreme right would perpetuate uncontrolled genocide.

Presidents Lopez Portillo and François Mitterrand have acted to avoid all these extremes. They offer Mr. Reagan the opportunity to give up his phantasmagorical argument of Communist intervention.

El Salvador's representative forces are now recognized by two countries with close political, economic, and diplomatic ties to the United States. Neither France nor Mexico want a Sovietized regime in El Salvador but neither do they want a United States protectorate that is fated to suffer relentless violence. Their proposal would lead to a social democratic republic that is attainable only if the rights and duties of the opposition are recognized along with the social and economic causes of the Salvadoran upheaval, thus creating conditions for the implementation of a comprehensive democratic process.

Real friends are independent friends who speak truthfully and propose intelligent, even if difficult, solutions. Mexico and France have offered the United States a way out of the swamp. Mr. Reagan should seize the opportunity. Michigan is a good place to do it, and, since Prime Minister Pierre Elliott Trudeau of Canada also will be present, it might be a good time to demonstrate that in the Western Hemisphere, the United States prefers its friends to its satellites.●

## THE CRISIS IN THE EUROPEAN STEEL INDUSTRY—WRONG DECISIONS AND DISTORTIONS OF COMPETITION

**HON. JOHN L. NAPIER**

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. NAPIER. Mr. Speaker, as we race hurriedly toward the 21st century, there are several economic factors which are being formed now which will weigh heavily on the entire world. We have already witnessed a major transformation in the energy situation worldwide and watched as that crisis created a ripple effect in all other segments of the world economy.

One industry I would like to focus attention upon today is the steel industry, especially the European steel industry. As the world population continues to expand and the gross national product increases, there will be a continued increase in worldwide steel consumption. This fact has been rather eloquently described in a recent speech by Dr. Willy Korf, president of Korf-Stahl AG, Baden-Baden to the Frankfurt branch of the German-French Association and the Bank für Gemeinwirtschaft AG, Frankfurt.

Korf Industries is the mother company of Georgetown Steel, which is located in my district in South Carolina. I believe it is instructive to review European thought on this timely subject.

I commend Dr. Korf's remarks to my colleagues.

Ladies and Gentlemen, after seven years' duration the "crisis in the European steel industry", the subject of my address today, has now reached a climax.

Not a day has passed in recent weeks without a report appearing in the press on our industry's critical situation and possible solutions (some of them wishful thinking) being discussed. These articles carry headlines such as "extension of crisis article 58", "voluntary quota agreement through EUROFER II", "revision of subsidization code", "equalization levies or import quotas on subsidized steel from EEC countries", etc.

In these circumstances, an outsider could well ask (and with justification) why this industry has been going through a period of crisis for so long and why advantage is not taken of the cartels prescribed by the EEC Commission or the opportunities of forming cartels offered (something other industries can only dream of) in order to tackle the problems.

One point must be made clear in this connection: there is no such thing as a worldwide steel crisis, nor has there been one in recent years. The problem is without doubt a European one, with its own specific causes. This is evidenced by the fact that Japan and the USA, the major steel producing countries apart from Europe, achieved substantial profits in 1980. Despite a 16.4 percent decline in sales as against 1979, the US steel industry as a whole showed a profit after taxes of $1.6 billion or a cash flow of $3.5 billion (after depreciations of $1.9 billion). This is a remarkable result in a year when the US steel industry experienced its worst sales crisis for many years; at times plants were only operating at 50 percent capacity.

In order to get a better grasp of the steel industry's situation let us review its historical development.

In the traditionally industrial countries like the USA and Europe, especially Germany, industrialization really began with the foundation of the iron and steel industry in the 19th century. On the basis of local iron ore and/or coal deposits, blast furnaces were built with integrated steelworks and foundries, and related mechanical engineering enterprises were established. In the course of time large conglomerates grew up known as "heavy industry" which dominated the industrial scene for over a century and up to about 50 years ago accounted for around 80 percent of total industrial turnover. It was, therefore, not surprising that the steel industries and their managers regarded themselves as the economic overlords, the more so since steel used to be even more important in the manufacture of arms and hence of greater political significance than it is today.

The result of this monopoly status was that the steel industry failed to become competition-oriented; it was accustomed instead to allocating its products. As soon as marketing problems arose in times of economic crisis, the immediate reaction—at least in Europe—was to form cartels to deal with the crisis.

The importance of the steel industry for the overall economy has been considerably diminished by the new industries which have emerged since the Second World War, e.g. the aircraft, computer, chemical and electrical industries.

The steel industry's share of total industrial sales in the highly developed countries has thus fallen to 8–10 percent, but most steel industrialists still think they carry as much weight as their counterparts did 50 years ago.

Viewed in terms of the number of people employed, the steel industry also ranks far behind other sectors in importance today.

In 1980, for example, the employment figures in West Germany were:

| | |
|---|---|
| Mechanical Engineering Industry | 1,000,000 |
| Electrical Industry | 975,000 |
| Automobile Industry | 800,000 |
| Chemical Industry | 567,000 |

while the comparable figure for the steel industry was 284,000. The situation in the other EEC countries is similar.

Another consequence of the sector's inflexibility was that no significant technological innovations were made; the blast furnace has remained the chief method of extracting iron from ore for the last 150 years. The modern oxygen converters are merely more sophisticated versions of the old Thomas or Bessemer steelworks, the only difference being that all the units have increased in size, reducing the enterprises' potential for flexibility.

All the key developments such as continuous casting, direct reduction and the modern electric arc furnace technology originated either in pioneering small steel companies or in non-steelmaking enterprises.

If we look back at the situation in the Western World after the Second World War—say in 1950—the only important steel industries (consisting almost exclusively of large enterprises) were the U.S. and European ones, which operated in closed markets and supplied the rest of the world with exports.

There have been some major changes since then. For example, world steel production rose from just under 200 million tons in 1950 to over 700 million tons in 1980, i.e., in the space of only 30 years. In Japan a whole new steel industry with a capacity of over 120 million tons per year has grown up, meaning that today Japan produces the same amount of steel as the U.S., Europe, or the Soviet Union (as against five million tons in 1950).

The Japanese achievement shows that it was altogether possible to build modern, competitive steel industries in the Western World in the last 25 years, even when 90 percent of the raw materials required—i.e., iron ore and coal—have to be imported, as is the case in Japan.

Furthermore, developments in the field of electric arc furnace technology together with continuous casting methods have led to the birth of a completely new type of steelworks—the so-called mini steel plant. This permits the efficient production of steel from scrap or direct reduced iron in small production units. Suddenly steelmaking facilities no longer needed to be so gigantic. Worldwide there are now 300 mini

steel plants with a total capacity of 100 million tons, which achieve relatively better operating results than the huge integrated steelworks.

Another development in the last 20 years has been the establishment of steelworks in developing countries, whose industrialization programs are based on steel, just as ours once were. Brazil is a typical example, with a production volume of 14 million tons last year.

Let me now return to the crisis in Europe and comment on its causes, the numerous wrong decisions that have been taken and the distortions of competition that have persisted for many years.

The wrong decisions can be traced back primarily to the desire of many European governments to nationalize the major part of their large steel industries, as happened e.g. in the United Kingdom and Italy, or to their practice of reducing steel enterprises to a state of dependence by granting subsidies or government loans (e.g. France and Belgium). At the present time, 70 percent of all the steel companies in Europe are dependent on the state or on their governments.

As a result European steelworks made losses running into billions of dollars which were financed by their national governments by means of subsidies or loss takeovers. This situation is still going on and is, if anything, worsening. According to a German Steel Association survey, the subsidies paid since 1975 and promised up to 1983 total DM 60 billion—an unbelievable figure, which ought to be causing the finance ministers of the countries involved some concern.

It would appear, however, that political considerations, with respect to the loss of jobs have caused all economic caution to be thrown to the winds, which is a crucial mistake, since this trend is resulting in greater and greater distortions of competition and increased tension among the Common Market countries.

We have succeeded in Germany in restructuring and modernizing the steel industry by our own efforts and (almost) without any state aid. Since the emergence of the last steel crisis in 1975 the German steel industry has cut it work force by 50,000 without producing any strikes or social unrest. In any case the German steel industry's present structure enables it to complete with the world's most cost-effective producers. It cannot compete, on the other hand, with the combined forces of most of Europe's taxpayers, who subsidize their steelmakers to the tune of up to DM 150.—per ton. Even with the most modern facilities and an average sales price of DM 650.—per ton of ordinary steel, it is impossible to make up for an advantage of this kind.

Since I am addressing a meeting of the German-French Association it seems appropriate to trace briefly the development of the French steel industry from private ownership to nationalization.

When the Vth Republic was founded and General de Gaulle came into office in 1958, there were roughly 20 private steel companies operating independently of one another in France. These included such celebrated names as De Wendel, Sidelor, Knutange, Hayange, Neuves Maisons-Chatillon-Commentry etc. These enterprises benefited from the economic upswing in Western Europe along with all the other European steelworks, i.e., they sold their products not only in France but also exported them to the other countries belonging to the European Coal and Steel Community. This was set up in 1951 and permitted the duty-free exchange of steel products among the member countries.

De Gaulle's administration was anxious to boost and stabilize the French economy after the political confusion of the IVth Republic and especially to curb inflation. It therefore determined high-handedly the prices of various products—including steel—and controlled them, thus keeping them artifically below the true international market price and causing the companies concerned a loss in earnings. The French plants were compelled under the non-discrimination provisions of the ECSC Treaty to sell their steel in Germany and elsewhere in Europe at the same low prices as in France. This was very agreeable for the German steel consumers, which included my wire plant in Kehl at that time, especially in competition with the German steel companies. The result of this situation for the French steel mills was, however, that they did not earn sufficient money to create reserves and modernize their plants.

By the mid-1960's this emaciation process had advanced so far for some French steel plants "thanks to" state intervention that they were no longer viable without government support. With the assistance of the Chambre Syndicale Siderurgie—the French steel industry's commercial association—the Government granted these companies loans in order to enable them to survive. Simultaneously a wave of mergers occurred, with the result that there are only two groups, SACILOR and USINOR, which have swallowed up all the other French steel enterprises (excluding the special steels industry, i.e., Pechiney-Ugine-Kuhlman, Creusot-Loire and Pompey).

There are just a few small companies left like the Scoiete Metallurgique de Normandie, which belongs to the private Empain-Schneider group, and two mini steel plants, including the Scoiete Metallurgique de Montereau near Paris, in which my company has a 50 percent interest.

By the end of 1978 the loans and loan guarantees of the French Government to the steel industry had reached a total of FF 17 billion; since the companies concerned were unable to repay these loans due to the steel crisis which had commenced in 1975, the debts were converted compulsorily into capital. This capital was then combined, resulting in effect in the expropriation of the private majority shareholders, who only hold insignificant interests in the industry today.

In 1978 the French Government drew up a so-called "steel plan" which made provision for another FF 50 billion to be pumped into the steel industry, which was now nationalized. The official purpose of these funds is to finance modernization and social benefit schemes, but there is no question that they are also used to cover the current losses made by SACILOR and USINOR.

Without doubt the French steel industry's managers have made some mistakes in the last 20 years, especially by clinging to their rigid association policy and failing to make technical innovations. In retrospect, however, it was primarily the state's intervention in the free trade economy from the late 1950's onwards by restricting earnings artificially that brought about the nationalization disaster.

Another example of a government's harmful intervention in the steel industry is the United Kingdom, where the Labour Government nationalized almost the entire steel industry in 1968 and combined it into a mammoth enterprise. It became obvious very quickly that size alone was not a panacea; the management of the British Steel Corporation was unable to cope with the multifarious problems of the assortment of plants compulsorily amalgamated. Gigantic losses totalling millions of pounds were the result, which ultimately had to be paid for by the British taxpayer.

The case of British steel exemplifies particularly clearly that governments are no better at running large companies than wicked capitalists or their managers—quite the opposite, in fact.

Today the Thatcher Government is making great efforts to repair the damage by closing down the obsolete plants which have been kept alive artificially for years and encouraging the industry to contract and modernize.

The list of examples of harmful government intervention in the steel industry could be continued with countries such as Italy, Belgium and Luxemburg. The question inevitably arises as to why these governments are prepared to provide their steel industries with so much financial aid and to cover all their losses.

As I pointed out earlier, this cannot be attributed to the fact that the steel industries employ the most people—or even to the fact that individual national economies have come to rely on this sector. And if it is true that there is considerable excess capacity worldwide, shutting down some European steelworks would not necessarily lead to difficulties of supply, as steel is sold and transported around the world.

What impresses me as being the real cause is managers, trade unions and governments, which are lobbied by various pressure groups, dealing with questions concerning the steel industry too emotionally. In my opinion, the steel industry in Europe must reestablish sound business principles and economic practices, which have deteriorated in the past years. This whole crisis business would probably come to an end as soon as the executives of steel enterprises are uniformly judged on the basis of their financial results and are forced to compete once again.

German steel industry, which has received little or no government aid up to this point, suffers most from the crisis in the European steel industry: it must pay out of its own pocket for the subsidies received by the consumers of neighboring countries from their respective governments through the steel companies. As a result, equity capital and reserves have been practically exhausted. A significant aspect in this respect is the fact that the domestic steel prices in America, Japan or Brazil exceed European prices by DM 100.—to DM 150.—per ton, which is the amount subsidized by the European governments concerned.

What can be done to restore normal conditions to the European steel industry?

Any arrangements, be they compulsory or voluntary quotas or minimum price provisions, can only have a limited favorable effect because they do not correspond with the principles of competitive and free trade and because outdated structures are thus preserved. In order to prevent this, unprofitable facilities must be shut down once and for all so as to allow for an appropriate reduction of total capacity.

It is not clear how many tons per year are produced with excess capacity, since the figures concerning European steel industry are completely distorted. This is easily ex-

plained. Each country and each steel enterprise tries to come off well when the quotas, which are based on capacities, are distributed. As a result, according to EEC-statistics the Federal Republic's raw steel capacity allegedly amounts to 69 million tons per year although any expert knows that little more than 50 million tons could be produced in the case of a steel boom.

Presumably, a 20 million ton reduction of capacity (instead of a 40 million ton reduction as is sometimes demanded) would help solve the problem and ensure the existence of the remaining plants by allowing them to utilize 80 percent of their capacity. The fact that most American steel companies already achieve a break-even point of 60 to 65 percent is traceable to their more favorable equity position.

The large integrated steel enterprises must also realize that products such as reinforcing bars, steel bars and wire rod can be produced at lower costs in mini steelworks than with blast furnaces. Thus, restructuring implies that the large enterprises would no longer manufacture these products.

However, as long as the governments of our five neighboring EEC-countries mentioned earlier continue to finance the losses of their steel companies with subsidies or loss-takeover agreements, the above developments will not take place.

I am quite certain that if tomorrow a binding agreement were reached between the EEC-governments to the effect that losses were no longer to be financed, the European price of steel would immediately rise to the international level which exceeds the European price by DM 100.—to DM 150.—or 20 percent per ton. In other words, the managers of subsidized companies would be forced to either adjust their prices to production costs or to go bankrupt. Obsolete and outdated plants would disappear in the process, which development could be accelerated by establishing a system of shutdown bonuses; such systems have been introduced to other branches of industry before.

Of course, the shutting down of facilities would involve making many workers redundant. This would pose a serious problem which could, however, be dealt with by using the funds otherwise granted for subsidization to create new and productive jobs in other branches or sectors or, if need be, by using them to finance social plans.

In any case, there is no reason why the European steel industry should not recover if all participants are truly dedicated to this goal. European countries with steel companies which are government controlled or which depend on government aid ought to be glad to rid themselves of this financial burden. The most promising means of avoiding further subsidies would be to denationalize the nationalized steel enterprises after the necessary process of contraction and restructuring and, wherever required, dividing them up into more efficient units has taken place. Private stockholders and the money market would be willing to invest if the European steel industry once again became as profitable a sector as it is in other countries.

In conclusion, I would like to remark on the future prospects of the product steel in general:

Worldwide steel consumption will continue to increase due to the growing population and the increase in the GNP worldwide. However, rather than in the industrialized nations, this increase will take place mainly in the developing countries, which will become new and important steel producers. As world steel production, i.e., sales amounted to more than 700 million tons per year in the past years, a demand totalling nearly one billion tons per year can be expected in ten years. Considering the enormous capital investments required for erecting new steelworks today and the time that elapses between the point at which the decision to construct a steelworks is made and the point at which production fully commences, it appears doubtful whether the future increase in steel consumption can be handled despite the existing excess capacity in Europe. I do not wish to appear over-optimistic with regard to a temporary steel shortage, but such a shortage will develop, and it will bring about better times for the European steel industry.●

## ROBERT E. SEIDENGLANZ

### HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. MOORHEAD. Mr. Speaker, I would like to take this opportunity to congratulate Robert E. Seidenglanz and Compact Video Systems, Inc. of Burbank, Calif. on this their 10th anniversary celebration.

As founder, chairman of the board, president and chief executive officer of Compact Video, Bob Seidenglanz represents the classic American success story, the American dream come true.

Back in 1970, he left ABC's Wide World of Sports and went to work on what he knew to be a better idea. As an experienced television engineer, he understood the superior nature of video tape over film in the television industry.

He also understood its drawbacks. To shoot video tape required a 40-foot trailer jammed with video equipment, a 15-man crew and a day's setup time. It was costly and cumbersome.

Seidenglanz knew there was a lot of room for improvement and that is what he set out to prove just over 10 years ago in his Burbank garage. What emerged from those efforts was Compact Video Systems, Inc., currently a $57 million company that does three principle things.

First, it rents out video tape trucks and crews to shoot commercials and variety shows. Second, it manufactures and sells compact and efficient mobile tape facilities for up to $3 million and fixed television studios for up to $10 million. Third, it owns postproduction facilities where tapes shot by Compact Video or anyone else, can be edited, dubbed, or colored.

When Compact Video celebrates its first 10 years on September 24, it will open the new $30 million Compact Entertainment Center in Burbank. This center not only represents the foresight and progressive dynamism of Bob Seidenglanz and Compact Video but the vitality of the video industry as well.

I am especially pleased that this company is located in Burbank. It not only energized the economy of the community, but insures that Burbank will remain at the center of an expanding entertainment industry.

Mr. Speaker, Horatio Alger would have loved the saga of Robert Seidenglanz.●

## GREATEST NEED OF AGE NOT MET

### HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. PEPPER. Mr. Speaker, I am honored to submit for the perusal of my colleagues the following most poignant essay of the late Mrs. Gladys S. Eggers. Mrs. Eggers, of Alexandria, La., died in March of this year at age 82.

Among Mrs. Eggers' effects, her son, John W. Eggers, came across the following perceptive and beautifully expressed thoughts, which he kindly shared with me.

I commend Mrs. Eggers' sensitive observations to you with the assurance that, regardless, of age, you will indeed be enriched by them.

GREATEST NEED OF AGE NOT MET

What a baffling thing old age is. It doesn't bring the peace we were led to expect. The area that lies between "here and hereafter" is a difficult passage to travel. One must make the journey to fully understand it.

The pattern of today is such that at a certain point, it seems desirable that we should leave the mainstream and be channeled into a small tributary where the flow is at a gentler speed.

But even here there are obstacles. While our responsibilities lessen, our limitations and our frustrations increase and certain humiliations can be painful.

Our young folks want to be kind to us, I am sure, but they don't know how we feel. It seems to them all our needs are met. We are comfortably housed, well fed, protected from hazards, provided with companionship and thoughts reverting more and more to all those good times we had together.

What time is it? I don't know. Life is now regulated largely by impulse. The clock plays a minor part. Routine has been done away with. We have no one waiting for us. We are needed by no one. One thing old age teaches us is to tolerate monotony.

Length is only one dimension of life—our life is only concern about the state of our health. And we refuse to deny ourselves some "little pleasures" which we are told that are not good for us—if we want a drink of coffee at midnight, sit on the back porch, or play solitaire—what of it?

Our life has been a rich experience. When the time comes for us we shall go willingly with no consciousness. Will it be to a nursing home or hospital or shall we go directly with no stopovers?

Our new life is taking shape. The barriers of our little world are closing in on us. We are not sad or discontented—just tired.

My solace is our memories left untouched by the devastating hand of time. We have had good old days and enjoyed them and our memory and pictures will preserve them. The home in which we have spent our last years is quite pleasant and comfortable. All our possessions which mean nothing to others is what we have left of our past.

The telephone rings. For a few minutes we listen to a beloved voice. Distance is wiped away . . . .

We relive so many experiences of days long past. We find our diversions. What else do we need? It is the need to know there is a place where we belong. This is something no nursing home or retirement home or hospital can provide. There, institutions are staffed by dedicated people but it is not their function to soothe our yearning hearts.

Lack of physical strength keeps us inactive and often silent. Age creeps up so stealthily that it is often with shock that we become aware of its presence. Perhaps that is why so many of us reach old age utterly unprepared to meet its demands. Our interest in the goings on in the world outside, our ever-tightening barriers have not withdrawn—it is not interest we have lost but rather the means of getting around and the physical stamina to sustain us as we go.

The thought of where we shall go from here lurks in our bitterness but with tenderness toward our fellow travelers on our long journey.●

## DEDICATION OF THEODORE HERBERG MIDDLE SCHOOL

### HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. CONTE. Mr. Speaker, I would like to bring to the attention of my colleagues a history of solid achievements in a career all of us consider important to our Nation, and a much deserved recognition of those achievements.

One of my Pittsfield, Mass., constituents, and a very good friend, Mr. Theodore Herberg, will this week have a junior high school formally dedicated in his name. Of all of the people I have known over the years who have given the major part of their lives to educating our young people, I can honestly think of none more deserving than Theodore Herberg.

For over 50 years, this outstanding public servant has occupied virtually every capacity in the field of public education, ranging from teacher to curriculum coordinator to adviser to superintendent. It is impossible to measure the knowledge Theodore Herberg has, in these capacities, transmitted to young people over the years, just as it is impossible to measure the scope of the contributions he has made to the Pittsfield education community. What we can measure however, is the level of respect and admiration he has commanded over the years as evidenced in the dedicating of a school in his name. I can think of no better tribute to a more dedicated individual.

The day of September 25 will mark the formal dedication of the Theodore Herberg Middle School. But long after that ceremony, the citizens of Pittsfield, Mass., are going to remember a man whose name meant so much to public education.●

## TRIBUTE TO JAMES C. ROGERS, JR.

### HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. CLAUSEN. Mr. Speaker, I am saddened to report the shocking and violent death of one of the most able members of our professional staff of the Committee on Interior and Insular Affairs of the House of Representatives. James Carlisle Rogers, Jr., 34, a trusted employee and loyal friend of mine for many years, was murdered Saturday in his Georgetown home by an assailant who has not yet been identified.

That such a fine young man with a most promising career should be cut down in the prime of life is tragedy indeed; that it should happen in broad daylight in the heart of the Nation's Capital adds frustration and anger to the tragedy. Those of us who knew Jim and worked with him can only hope that the person responsible for this senseless and insane act will be apprehended and brought swiftly to justice.

Born October 30, 1946, in Eustis, Fla., Jim received his B.A. degree in economics at Florida Southern College in Lakeland, then went on to earn the juris doctor degree from Stetson University College of Law in St. Petersburg, Fla., in 1972. At Stetson University, he was faculty research assistant to the professor of international law and a member of the editorial board of the College of Law.

From 1972 to 1975, Jim served the U.S. Securities and Exchange Commission as a senior attorney-adviser for finance in the Division of Market Regulation, where he prepared regulations for international applicability and acted as liaison with the Departments of State and Treasury on securities/financial matters.

Before coming to the House of Representatives as professional staff member and special counsel to the Hon. Albert Johnson, the ranking Republican on the Committee on Banking, Finance and Urban Affairs, in 1976, Jim served for a year in the Office of the Secretary of the Treasury as financial program planner for Secretary William E. Simon.

His service on the Banking and Finance Committee included his providing liaison for the ranking Republican with the Departments of State, Treasury, and Commerce, as well as with the Securities and Exchange Commission, the Export-Import Bank, the International Bank for Reconstruction and Development, the Federal Reserve System, and the International Trade Commission.

Jim Rogers joined my staff in 1977. During my years as the ranking Republican on the Committee on Interior and Insular Affairs, his staff work was invaluable to me in the areas of energy and natural resources. He was a man who was committed to service: Service to his Maker, his country, to his fellowman, and to every cause he felt to be right and just.

He had an exceptionally fine investigative mind, which permitted him to represent the committee in an outstanding manner in Alaska, Panama, and other sections of the country as he attempted to evaluate problems and potential problems that related to our energy distribution system. He and I shared the view that an improved energy distribution network was essential to the security of this Nation.

Jim was also a patriot in the finest sense of the word. He served with distinction with the U.S. Army Reserve, took great pride in his work, and had great concern and love for his country.

In Jim's 5 years as a member of the Interior Committee staff, many of us grew to know him quite well and to appreciate his special kind of humor and personal qualities.

We will always remember him for his colorful way of dressing and his equally bright and friendly smile.

He could often be found at his desk before and after regular work hours pouring over the Wall Street Journal and the New York Times. He had a particular love for the financial world and an indepth understanding of the ups and downs of the stock market and prime interest rate.

Sadly, we will always remember one of his favorite sayings when we had finished debating a philosophical issue or an unresolved world matter, Jim would ask, "What does it all mean?" With the shocking announcement of his death at the hands of an assailant, his words echo in our minds. What does his death mean? it is tragic and unnecessary. He was struck down in the prime of his life with a promising and rewarding career ahead of him. He was an ambitious man and highly intelligent, qualities which we expected would lead him to greater public service and high Government office.

No words can really express the emptiness we all feel and the void which has been left. We hope and pray that his assailant is captured.

Our prayers go out to Jim's family. His mother and father were a major

part of Jim's life. He was truly devoted to them both and always mindful of their needs. He frequently visited them and stayed in close communication. We know what a terrible loss they have suffered and pray that God will give them strength.

There is no way, of course, that any of us can convey our feelings of sorrow and grief to his bereaved parents. We can only assure them that in all of his duties in the House of Representatives their son served his Nation loyally and well. He was a responsible man in a very responsible position, and everything he did reflected an upbringing based on the time-honored principles of personal integrity, professional excellence, and conscientious attention to duty.

Jim was recognized as a true professional by not only the committee staff and by my personal staff, but by all the other staff elements on Capitol Hill. His peers really had the highest respect and admiration for him, and all of Capitol Hill is in deep shock over his death.

Mr. Speaker, I know that all of my colleagues on the Interior Committee, along with the many other Members of Congress who knew Jim, join me in offering our heartfelt condolences to his parents in this dark hour.●

## THE SISTERS OF MERCY IN KNOXVILLE

### HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. DUNCAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

The Sisters of Mercy began their history of ministry in 1831, a history of unselfish labor, glorious service and outstanding progress and success. In Knoxville we have been privileged to have members of this order caring for our sick, educating our young, and feeding and clothing our poor for nearly 100 years. The work of the Sisters of Mercy stretches across denominational lines and provides a model of Christianity for all the people of east Tennessee.

I would like to take the opportunity to pay homage to this charitable community of women as it celebrates 150 years of many ministries given for the glory of God. Mother McAuley's dream has grown to encompass not only the ghettoes of Dublin, where the order was founded, but also many cities and towns in the United States and around the world. We in Tennessee are particularly proud of the noteworthy accomplishments and many services made by the sisters in the past 100 years.

The Sisters of Mercy first came to Tennessee November 1, 1866, in answer to the call of the Bishop of Nashville. These six women, headed by Mother Mary Clare McMahon, came to Nashville to teach the youth of the post-Civil War South. The order has remained in the State ever since; founding schools and hospitals, performing their religious duties, and offering spiritual guidance to generations of Tennesseeans.

It is rare to find a group so devoted to its cause, so filled with the serene knowledge that they have made the right choice in order to create a better world. Considering the sacrifices these women have made one is struck by their high spirits and good humor. They do not seek the monetary gain or power so many battle for today, but are content with a smile, or word of thanks.

They came to Knoxville to teach and began in St. Mary's and Holy Ghost Schools in the early 1900's. Just over 50 years ago they inaugurated St. Mary's Memorial Hospital which has expanded and modernized to meet the health needs of its east Tennessee patients.

I recall seeing the sisters who lived at the convent of St. Mary's School during my tenure as mayor of the city. I have since had many opportunities to meet with these good women and have always been impressed with their interests, attention, and courtesy. St. Mary's and Holy Ghost Schools have since closed, but the Sisters of Mercy continue to teach at St. Joseph's Sacred Heart, and Knoxville Catholic High School. The products of their teaching can be found in some of the most respected and prominent Knoxvillians today.

Teaching, as I have noted, is only a portion of the work the Sisters of Mercy perform. The city's residents think of them most often in connection with St. Mary's Medical Center. Since April of 1930 the hospital has not only provided the best in medical care, but also a spiritual care for its patients which is unencumbered by religious labels. This care and attention is recalled for many years afterwards by the center's convalescents. It broadens the respect felt for the sisters' mission to those of other faiths.

I can only say that if the work accomplished by the Sisters of Mercy has been half as successful in other cities as it has been in Knoxville, then many will be thankful for the 150 years of service by the Sisters.●

## THIRTY YEARS OF SERVICE

### HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. MICHEL. Mr. Speaker, I want to take this opportunity to express my thanks and appreciation to Mike Michaelson, the superintendent of our radio and TV gallery here in the House, for 30 years of dedicated and effective service.

As you know, Mike will be venturing into the private sector next month. He has accepted a position with C-Span.

Mike has endured more than any of us can imagine in his tenure here. He has been witness to and a participant in a dramatic technological revolution in mass communication. He has helped apply these revolutionary changes to the coverage of the House of Representatives in a manner that has served the best interests of the general public. Mike can be very proud of the role he has played and the historic milestones he has helped to achieve.

Throughout his years with us, he has been a true professional and a true friend, balancing the best interests of both the press and the body politic as no one else could. We own him a debt of gratitude.

It is comforting to know that while Mike is leaving, he is not going very far. C-Span is in the thick of the technological advancements that will enable millions of Americans to have a front row seat, not only for House floor deliberations, but also for committee proceedings. I know that Mike, with his vast experience on the Hill, will continue to do us a great service in this new assignment. As always, the public will be the greatest beneficiary of his talents.

I regret to see him leave and wish him well.●

## DIABLO CANYON

### HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. COELHO. Mr. Speaker, a crucial factor in the development and preservation of a healthy economy in any area is the availability of energy—particularly adequate electricity supplies. We all know that industrial growth does not occur without available energy, and it is for this reason that I believe it is now time to end the prolonged and sometimes bitter debate concerning the issuance of an operating license for Pacific Gas & Electric Co.'s Diablo Canyon Nuclear Powerplant in California.

Unit 1 has been complete since January 1981; Unit 2 was completed in June of this year. Diablo Canyon meets or exceeds every regulatory requirement, and all needed modifications to the plant have been made.

It has been estimated that the cost of this licensing delay to the consumers of California will be at least $500 million. The delay has already threatened to impair the reliability of the re-

gion's electrical generating capacity which would, of course, have a negative impact upon the area's economic vitality.

A recent editorial on this subject appeared in the August 3 edition of the Fresno [Calif.] Bee and is a well-reasoned argument for the plant's opening. I submit the editorial, "Diablo Canyon: Let It Go," to be reprinted here.

DIABLO CANYON: LET IT GO

It's time for an end to the protests. Opponents of Pacific Gas and Electric's Diablo Canyon nuclear power plant have had every opportunity to challenge the safety and the environmental impact of that plant. They have been heard in court and in public hearings, and federal regulators have responded to their concerns by requiring PG&E to make all sorts of studies and design and engineering improvements. In the wake of Three Mile Island, the regulators imposed new delays to recheck themselves and added new safety requirements.

One cannot fault the cautiousness or the openness of this regulatory process, and it has come to the point where one must, therefore, accept its conclusion. The federal regulators have decided that the Diablo Canyon plant is safe, can withstand any likely earthquake, and should be permitted to begin operational testing soon. While reasonable people might still disagree about the wisdom of allowing any nuclear power plant to open, there is no more information to be gained from further factfinding about Diablo Canyon, no more attention to be focused by further demonstrations. The controversy at this point is essentially political, and it must finally be left to the Nuclear Regulatory Commission, the arbitrator our political representatives have chosen, to resolve it.

It is much clearer now than it once was that utilities should be wary of constructing new nuclear power plants. The decline in building and the lack of funding for nuclear plants across the country attest to the fact that making nuclear power plants reasonably safe—and slogging through the lengthy regulatory procedures necessary to assure their safety—has turned into a very expensive proposition. But the Diablo Canyon plant has already been built, the money already spent and the regulatory process already nearly completed. By now it would be economically irrational to refuse to open it.

It is true that far more money has been spent on the Diablo Canyon plant than originally estimated (and its 14-year construction history does not offer much encouragement for new nuclear building). But these costs are still moderate compared to what it would cost to start building even a non-nuclear replacement plant today. Indeed, if oil prices keep rising the way they have been and if Diablo Canyon functions as well as it's designed to, the cost of electricity is actually likely to be lower for PG&E customers once Diablo Canyon is on line than it would be with continued oil use instead. Moreover, if Diablo Canyon does not go on line, PG&E would be in desperate financial trouble, and it would be the ratepayers who would finally have to bail it out.

The Diablo Canyon case is not yet closed. Operational tests must still prove the plant's reliability, and emergency plans must meet regulatory approval before the plant is permitted to go on line. But in a way the debate over Diablo Canyon is already a relic of an era when California utilities were still planning for enormous increases in electricity consumption and were still wedded to large power plants as the best way of meeting those needs.

By now, the experts have agreed that very little consumption growth is to be expected in California, and both the state's energy officials and the private utilities have endorsed future supply plans that depend on the more cost-effective options of conservation and the development of smaller, diversified power sources. In addition, Californians have passed a law prohibiting the siting of any more nuclear power plants in the state until the problems of nuclear waste disposal have been resolved.

Diablo Canyon's opponents have lost their battle, but while they were busy their war seems to have been won. It is time to go home.●

## FACING THE CONSEQUENCES OF STOCKMAN'S MISCALCULATIONS

**HON. DONALD J. PEASE**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. PEASE. Mr. Speaker, recent official estimates have put the Federal deficit for fiscal year 1982 in the neighborhood of $80 billion, much higher than OMB's current estimate of $60 billion and far beyond the administration's original estimate of $42 billion. The Reagan economic recovery program has been enacted virtually intact, for better or worse. We must now face the consequences.

This is a topic that I discussed in my two most recent weekly newspaper columns. They follow:

WASHINGTON REPORT, SEPTEMBER 16, 1981

As Congress returned to work last week after an August recess, all the talk was of the national economy and of high interest rates.

The immediate focus of concern was the high interest rates that are throttling the auto, home construction, real estate and savings industries. Congressmen heard plenty of complaints as they crisis-crossed their districts during the August recess.

The larger and even more serious issue is what lies behind the high interest rates—the apparent conviction of Wall Street financiers that President Reagan's recently enacted economic recovery plan will produce disastrously high federal deficits for at least the next three years.

In July's Mid-Session Review of the Budget, Reagan budget director David Stockman was still claiming that the federal deficit would be $42 billion in fiscal year 1982, $23 billion in 1983 and zero (a surplus of $500 million) in 1984.

Now Stockman's Office of Management and Budget is telling the Senate Budget Committee that the deficits will be more like $60 billion in fiscal year 1982, $72 billion for 1983 and $78 billion for 1984.

Many independent economists say the latest OMB deficit figures are too low. A budget deficit of $100 billion for 1984 is the more commonly used figure.

To put those figures into perspective, recall that, previously, the highest federal deficit in U.S. history was $66 billion in fiscal year 1976.

No wonder Wall Street and the Federal Reserve Board are keeping interest rates high.

To put it mildly, panic was starting to set in last week in Washington.

There was great concern generally. Every American—regardless of political party—has to worry about the effect on the whole nation of the economic outlook for the next three years.

In addition, there was great concern politically—at the White House and among Republican congressional leaders who pushed the Reagan economic recovery plan through Congress last summer. Said House Minority Leader Robert H. Michel: "Within 90 days, something's got to give. I'm a political creature, and our political futures (require) there's got to be some movement (on interest rates) before spring."

Panic is never a good atmosphere in which to make important decisions. My own concern is that the White House and Congress could rush into patchwork solutions over the next few weeks that would in the long run worsen an already-serious situation.

In my view, my former House colleague David Stockman made a dreadful mistake when he convinced President Reagan that he could simultaneously slash taxes, boost defense spending and balance the federal budget.

But that mistake is history now. It was ratified into law last summer. The task this fall is for the White House and Congress to summon up the statesmanship to face the consequences honestly and to adopt sensible solutions.

WASHINGTON REPORT, SEPTEMBER 23, 1981

Last week I wrote that my former congressional colleague, David Stockman, now director of the Office of Management and Budget, had made a dreadful mistake when he convinced President Ronald Reagan that he could cut federal taxes, increase defense spending and balance the federal budget all at the same time.

One of the serious consequences of that dreadful mistake is in the area of national defense.

The United States is sending confusing signals to the Soviet Union on defense. Surely, the current discussion of the defense budget is convincing the Soviets that the U.S. is a paper tiger on defense spending.

When President Reagan assumed office last January, he made it crystal clear that he wanted a large, steady increase in defense spending over the next several years.

You can argue the wisdom of that policy, but at least it was a definite, unambiguous policy. The Soviets, who have been steadily increasing their own defense spending for years, knew they were in for a taste of their own medicine. Certainly, clarity and consistency are virtues when dealing with the Soviet Union.

Unfortunately, David Stockman was wildly unrealistic when adding up his budget numbers. In July, Congress adopted the entire Reagan economic package virtually intact. In August, everyone discovered that the emperor had no clothes—that the budget deficits would be much higher over a three-year period than Stockman had forecast for the president.

Thus, in September, the Reagan Administration began talking about cutting back on its promised defense spending increases.

Stockman was urging cuts of $20 to $30 billion. Secretary of Defense Caspar Wein-

berger urged no cuts. Reagan approved $13 billion in cuts over three years. Senate Republican leaders said they would cut more than that.

What must the Soviets be thinking about our resolve to boost defense spending?

Adding to the confusion was Reagan's peculiar statement in August warning the Russians that they faced an arms race if they wouldn't negotiate arms limitations. It was the Reagan Administration which six months earlier pulled the rug out from under arms negotiations and said the U.S. would re-arm first and negotiate later.

I predict that our confusing signals to the Soviets will get even more confusing over the next three years. The magnitude of Stockman's miscalculations on the budget is still barely perceived. An anguished President Reagan and a reluctant Congress will be forced to deeper cuts in defense and every other governmental activity in a near-impossible effort to balance the federal budget over the next three years.

There is one solution which could balance the budget and also send an unmistakably strong message to the Kremlin. It is for President Reagan to say to the American people: "We're going to raise taxes enough to pay for the increased defense spending." But that won't happen, given Reagan's aversion to federal taxes.

So there will have to be cutbacks in defense spending plans. My aim will be to urge that (1) as much of the cuts as possible come from waste and fraud, (2) Congress resist buying every glamorous but expensive new weapons system being pushed by the defense industry, (3) defense dollars be targetted to manpower needs, better training, more adequate maintenance of existing equipment, and increased capabilities for our conventional forces.●

## NATIONAL HISPANIC HERITAGE WEEK

### HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. FARY. Mr. Speaker, I would like to bring your attention to the fact that last week was National Hispanic Heritage Week. This give us pause to enjoy a wonderful cultural event and to think seriously about the problems Hispanic Americans encounter as well as the special qualities they bring to our culture.

The Hispanic heritage is the heritage of all Americans, as many of the explorers and settlers of this continent were Hispanic. They have fought side by side with people of all origins to establish this great country of ours. The Hispanic community has given us generals, admirals, philosophers, statesmen, musicians, athletes, and Nobel Prize winners. Although honoring the contributions of Hispanics is important, it is not enough. This week we must pledge to work for the betterment of their condition in the United States. Despite the invaluable contributions of these people, they still have not been provided with adequate opportunities in housing, education, and labor. Hispanics are our fastest growing minority, yet we have barely begun to address the problems of immigration, voting rights, language, and the housing situation.

As we honor the contribution of our Hispanic brothers and sisters, let us not forget the contribution we could make to them in return.●

## TRIBUTE TO ROY WILKINS

### HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. GARCIA. Mr. Speaker, I want to pay tribute to a most distinguished American, Roy Wilkins. Undoubtedly, Roy Wilkins will stand out as a major contibutor toward the realization of equality for all. Great advances have been made in the civil rights cause of this Nation, and one individual who was intrumental in that achievement was Roy Wilkins. He headed a nonviolent movement for social change and was guided by the belief that there is equality and freedom for all. This was through one of the most difficult periods of our Nation's history—the sixties and early seventies. His departure means the loss of a great civil rights champion, who had spirit and vision. His persistence and manner of approach, enlightened Americans to the realities of black America and of the poor of all colors in our society. His love for his country was so great that he never gave up on her as so many did during those troubled years, despite the obvious contradictions. He pointed out the ills of our Nation, but he had the vision and and belief that our society was capable of more and better achievements. Roy Wilkins believed that equality and freedom for all would lead us as a nation, to heights of greatness never achieved before in the history of mankind.

In short, Roy Wilkins was an individual who labored to eradicate discrimination, racism, and the hatred that permeates America. His entire life was devoted to the attainment of equality and justice for all mankind. Through his leadership, the NAACP was recognized as the vanguard in the struggle for equality. Roy Wilkins was intrumental in the enactment of the antilynching laws, as shocking as it sounds. His presence was felt during the landmark Supreme Court case of Brown against Board of Education in 1954, which mandated an end to separate and unequal education. He marched on Washington to bring about social change and pressed for passage of important civil rights legislation. He was the force behind the successful passage of the Civil Rights Act of 1964 and the Voting Rights Act of 1965.

There is no question that his presence and drive for racial equality has made a difference in America. Let his departure rekindle a national awareness and commitment to his unfinished dream. Many have forgotten that discrimination and racism is still alive and well in America 1981. We must come together to assure that the gains made through the efforts of Roy Wilkins will not end, but will be recognize and enhanced.

P.S. We know you're up there looking down * * * we won't let you down.●

## NATIONAL CYSTIC FIBROSIS WEEK

### HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. FRANK. Mr. Speaker, during National Cystic Fibrosis Week, I would like to take this opportunity to salute the fine research program into this fatal disease that is going on at Boston's Children's Hospital. Scientists are working on the vexing problems of cystic fibrosis in the Nation's first research facility specifically committed to the basic study of cystic fibrosis and related respiratory diseases.

Operational in 1980, the Ina Sue Perlmutter CF Research Center is a project of the board of directors of the Massachusetts Chapter of the Cystic Fibrosis Foundation in cooperation with the Children's Hospital Medical Center of Boston. The nearly 8,000-square-foot facility is a new floor constructed over the pediatric research laboratory building in the center of the Children's Hospital complex.

The location provides CF scientists with access to many other research disciplines housed in the research building and enables them to consult with experts in other scientific fields.

Such a collaborative approach to the study of CF is necessary because of the complex nature of the disease. Scientists have yet to identify the basic genetic defect responsible for CF and many other critical questions related to cause, prevention, and treatment remain unanswered. Although dramatic gains during the past two decades have improved the length and quality of life for patients, cystic fibrosis remains the No. 1 killer of children and young adults in the United States.

Directing the Boston research center is Dr. Harvey R. Colten, with responsibilities for clinical operations and research projects. His background is as a physician, clinician, and research scientist with particular interest in host defenses, chronic inflammation, and lung disease.

Dr. Colten heads a research staff of six noted senior scientists, each having

expertise in a specific field of investigation. Each has a staff of junior scientists, fellows, and technicians assisting in the center. Professional staff members hold concurrent appointments to the department of pediatrics at Harvard Medical School and the department of medicine at Children's Hosptital.

According to Dr. Colten, interest and activity in CF research are at all-time highs. He attributed this enthusiasm to the heightened emphasis on basic research by the CF Foundation, to the increasing support of CF research by the National Institutes of Health, and to the widening awareness among scientists in related disciplines that their work may be relevant to CF.

Dr. Colten noted that cystic fibrosis, which primarily affects the lungs and digestive system by producing an abnormal accumulation of thick, gluelike mucus, is more and more being viewed as a basic biological problem. Broad, multidisciplinary research thus promises to yield the best results, he said, and the Boston center gives scientists the latitude to explore new and sometimes unpopular ideas.

Even prior to the opening of Boston's CF center, cystic fibrosis and Children's Hospital have been closely linked. Dr. Sidney Farber was one of the first doctors to recognize CF as a disease and identify its effects on many parts of the body, not just the pancreas. Children's Hospital's special reputation in the care of CF patients belongs to Dr. Harry Schwachman and his staff. Over the past four decades, they have provided national leadership in developing programs for diagnosis (including introduction of the sweat test, the simple and definitive test for CF) and care of children and young adults with the disease. Though recently retired as director, Dr. Schwachman remains active in the hospital's CF program as a special consultant.

Besides being the largest recipient of pediatric research grants in the world, funding more than 250 qualified scientists annually, the medical center also has the world's largest CF clinic. Of all the illnesses for which youngsters are admitted to Children's Hospital, CF ranks second in the number of patient days.

The number of CF patient care days has grown to nearly 3,500—representing 300 admissions to the hospital. Today, the hospital serves nearly 700 active CF patients referred to the hospital from most of the 50 States and many foreign countries.●

## A TRIBUTE TO DEAN K. CLOWSE

### HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. LANTOS. Mr. Speaker, I rise in tribute to Dean K. Clowse, a leader whose distinguished service to the American labor movement will be greatly missed. My condolences and those of my colleagues are extended to the Clowse family and the United Steelworkers of America who have suffered the loss of this great man.

Dean K. Clowse committed his life to the continual development of free trade unions throughout the world. His service to his Government and to the labor movement were outstanding. The void left by Dean's death will be great. He touched the lives of Presidents, foreign leaders, Members of Congress and countless Americans.

The Washington Post offered a glimpse of the outstanding activities of this man's lifetime. I submit the following article for the benefit of my colleagues and request that all of us reflect on the contributions of this important man.

[From the Washington Post, Sept. 8, 1981]

DEAN K. CLOWES, 58; FORMER OFFICIAL IN LABOR DEPARTMENT

Dean K. Clowes, 58, a Deputy Under Secretary of Labor for International Affairs from 1979 to 1981 and a former official of the United Steelworkers of America, died of cardiac arrest Thursday at George Washington University Hospital. He was a resident of Silver Spring.

Mr. Clowes began his union career as a CIO representative in Atlanta in 1948. From 1949 to 1953, he was a CIO adviser to the Marshall Plan, the aid program under which the economy of western Europe was restored after World War II, in Washington, France and Italy.

In 1953, he joined the Steelworkers as a representative in Canton, Ohio. He was assistant director of the United Steelworkers in Baltimore from 1956 to 1960 and then spent three years as the union's international affairs representative in Washington.

Mr. Clowes was deputy director of the AFL-CIO African-American Labor Center in New York from 1964 to 1968. He then returned to Washington and was director of the Steelworkers' political action and international affairs departments before joining the Labor Department in December 1979.

Mr. Clowes was a labor adviser in the Kennedy presidential campaign of 1960. In the 1964 campaign, he was a staff labor coordinator for vice president Hubert H. Humphrey and held a similar position in Humphrey's presidential bid four years later.

He was a member of the Charter Commission of the Democratic Party from 1973 to 1974. He served on the executive committee of the National Council on Aging and was a member of the labor advisory committee on multilateral trade negotiations.

Mr. Clowes, who was born in Pennsylvania, was a 1948 graduate of The Citadel in Charleston, S.C.

Survivors include his wife, Gladys, two daughters, Joan and Kathleen, and a son, Philip Dean Clowes, all of Silver Spring.●

## LEGISLATION TO CLARIFY THE TAX STATUS OF INDEPENDENT CONTRACTORS

### HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. CONABLE. Mr. Speaker, the distinguished gentleman from Tennessee and my colleague on the House Ways and Means Committee, HAROLD FORD, has joined with me in introducing legislation to maintain and advance national policies as well as to preserve our common-law treatment of the independent contractor. We will be seeking cosponsors as the Congress must address this issue in the near future.

The independent contractor is an important part of the American economy and is essential if individual entrepreneurship in small business is to flourish in the United States. Over the past several years the IRS has begun a campaign to change the tax status of small business people filing as independent contractors. As a result of harassment by the IRS, Congress enacted protective interim legislation in order to allow it time to study the entire independent contractor issue. The moratorium was extended to July 1, 1982, so our committee and the Congress will address the issue promptly in order to establish certainty and insure due process for taxpayers who would come under attack by the IRS after that date.

For that reason, Mr. FORD and I have introduced legislation that creates a clear "safe harbor" for independent contractors who have substantial capital assets invested, or whose income is subject to fluctuation because it is based on sales or other variable output rather than the number of hours worked. We have intentionally made the "safe harbor" coverage as broad as possible in order to eliminate excessive recourse to report language, a preferable approach in view of the U.S. Court of Appeals for the D.C. Circuit's recent decision in National Small Shippers Traffic Conference, Inc. against Civil Aeronautics Board. The article from the Congressional Quarterly, April 26, 1980, on this case, is included at the end of my remarks.

The report, however, will have to give attention to licensed professionals, though having invested considerable time and money to acquire credentials to practice, do not have a substantial investment in capital assets and are frequently compensated on a retainer or hourly fee basis. Mr. Ford

and I do contemplate that necessary report language must also avoid extending the scope of the bill to include nonprofessional workers who are paid on an hourly basis and who have not been traditionally held to be independent contractors, for this is consistent with the overall objectives of our bill and with the policy of the labor unions.

STATE INTENT IN LAW, NOT REPORTS, HILL TOLD

(By Irwin B. Arieff)

If Congress wants to make itself perfectly clear, it should state its legislative intent in the language of a statute itself, not in a committee or conference report.

That was the warning given by a three-judge panel in a recent federal appeals court decision. It could lead to a significant change in Congress' habit of explaining in committee reports how it wants a law implemented.

Some Washington lobbyists already have taken note of the decision and are changing their tactics accordingly.

The Feb. 11 decision by a panel of the U.S. Court of Appeals for the District of Columbia Judicial Circuit, in the case of *National Small Shipments Traffic Conference, Inc.* v. *Civil Aeronautics Board,* is significant because it has been common practice for Congress to provide instructions in committee and conference reports on how federal agencies shoud interpret and enforce the laws Congress passes. Traditionally, the courts have relied on these instructions in gauging Congress' intent.

The appeals court's action threatens to change that practice. The decision carries particular clout because the D.C. court reviews more appeals from federal agency actions than any other federal appeals court.

"It has enormous implications for the way things are done up here," commented one Senate aide. "People are always saying, 'We can take care of that in the report language.' Well, that may not be the case any more."

LOBBYISTS AFFECTED

Some lobby groups alreay have taken the court's advice to heart.

For example, during the Senate Commerce Committee's recent consideration of trucking deregulation legislation (S. 2245), trucking industry representatives carefully monitored the bill's drafting to ensure that the statutory language was as clear as possible, according to committee aides. (Weekly report, p. 1027.)

"They're afraid the courts will no longer look at the committee report," one staffer explained.

"In the past, we have looked to report language as a tool to help us keep the ICC [Interstate Commerce Commission] at bay," a trucking lobbyist said. The ICC regulates much of the industry's operations.

For example, the lobbyist pointed out, the language of the ICC's fiscal 1980 appropriations bill mentioned only the amount of money the agency could spend. However, the Senate report accompanying that measure warned the ICC not to implement any final trucking deregulation rules until Congress could act on a separate deregulation bill. (1979 Almanac p. 221)

Because of the court decision, the lobbyist said, the industry would try to avoid relying on such devices.

THE COURT DECISION

The appeals court's decision came in a case involving the authority of the Civil Aeronautics Board (CAB) to regulate the domestic air cargo transportation industry following the passage in 1977 of legislation (PL 95-163) deregulating that industry. (1977 Almanac p. 559)

In regulations issued in 1978, the CAB exempted domestic air cargo carriers from a number of regulatory duties, including a requirement that they file a "tariff" with the CAB before offering any new service.

The advance filing of tariffs serves to inform the agency and the public of the service the firm intends to offer and the rate it will charge for that service. However, the requirement also makes it practically impossible for one firm to get a competitive jump on another.

The filing exemption was immediately challenged in federal court by several shippers' groups, airline firms and the Air Transport Association of America. They charged that the exemption contradicted Congress' intent in passing the 1977 law.

The deregulation provisions had been tacked onto an unrelated House-passed bill on the Senate floor, so neither the House nor the Senate committee report on the legislation discussed them. Because the provisions were accepted by conferees, however, they were discussed in the conference report.

In attempting to determine Congress' intent, the court, therefore, had only two sources of information: the conference report (H. Rept. 95-773) and the law itself.

The conference report explicitly stated that the conferees "do not contemplate that the board will exempt carriers from the requirement of filing tariffs." Tariffs, the report explained, "provide valuable notice of rates to users of air transportation," and their filing would be "necessary for the board to effectively carry out its duties. . . ."

On the other hand, the law itself authorized the CAB to exempt cargo carriers from "any" requirement of existing aviation law "if it finds that the exemption is consistent with the public interest."

"UNMISTAKABLE LANGUAGE" LACKING

In its decision, the three-judge panel concluded that the CAB acted properly in following the language of the law itself rather than the language of the legislative history.

"Courts in the past have been able to rely on legislative history for important insights into congressional intent," stated Chief Judge J. Skelly Wright, writing for the panel. "Without implying that this is no longer the case, we note that interest groups who fail to persuade a majority of the Congress to accept particular statutory language often are able to have inserted in the legislative history of the statute statements favorable to their position, in the hope that they can persuade a court to construe the statutory language in light of these statements. This development underscores the importance of following unambiguous statutory language absent clear contradictory evidence of legislative intent."

"The only credible support that [the challengers in the case] offer," Wright went on, "is the statement in the conference report that the conferees did not contemplate that the board would grant exemptions from the tariff filing requirement."

"We must assume that if Congress had intended to limit the board's exemption authority in the manner suggested by the air carriers, it would have said so in unmistakable language," Wright concluded.●

## HARRY J. SULLIVAN

### HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. RODINO. Mr. Speaker, I want to share with my colleagues the sadness I am feeling at the passing of a close friend who served the people of New Jersey with distinction for several decades. When Harry J. Sullivan died on Sunday, my family and I lost a longtime friend and ally who was in my corner ever since he managed my first election campaign in 1946. The State of New Jersey lost one of its most trusted and dedicated public servants.

A lifelong resident of Belleville, N.J., Harry was best known as the director of the public safety department. But he also served as undersheriff in Essex County, as the director of New Jersey's Civil Defense and Disaster Control during World War II, and as past president of the League of New Jersey Municipalities. Harry was always involved in the community, giving hundreds of hours of his time to civic and church organizations. He was also a gold card member of the Police Benevolent Association.

Harry Sullivan was not well known outside of his home State. He never ran for higher public office. But his life is a lesson to all public officials everywhere—for he was a man who held sacred the public trust of his office. A man of the highest integrity, Harry Sullivan reminded all public officials that they were responsible to the men and women of their community. Harry enjoyed the confidence and friendship of the people of Belleville, who admired this reserved yet compassionate man.

They will miss him dearly, as I will. He leaves behind his wife Gladys, his daughters Mrs. Maryann Baxter and Patricia Pelszymski, his sons Harry J. Jr., John F., and Paul U., many grandchildren and great-grandchildren, and two sisters, Mrs. Mary Westlake and Mrs. Teresa Conklin.

I extend to all of them my deepest sympathies at their loss.●

## DON'T BLAME WALL STREET FOR REAGAN'S PROBLEMS

### HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. SEIBERLING. Mr. Speaker, the distinguished economics journalist Hobart Rowen, writing in the Wash-

ington Post of September 17, had some very pointed things to say about the effort of the White House and others to look for scapegoats for the economic mess that has already commenced as a result of the enactment of President Reagan's budget and tax program.

Under the headline indicated, Mr. Rowen notes that:

It's interesting—to say the least—to find an administration like Reagan's, theoretically committed to the free-enterprise system, grumbling at the market's response to its policies.

Mr. Rowen points out that from the very beginning respected Wall Street analysts warned that the arithmetic of Reaganomics did not add up. I personally brought some of those warnings to the attention of Congress before the tax bill was enacted. Those interested will find them in the CONGRESSIONAL RECORD. As Mr. Rowen says, no act of faith could change the numbers:

How could you cut taxes $732 billion over a 4-year cycle and come up with a balanced budget? They said. How could you brag about cutting civilian expenditures $40 billion this year at the same time you were making a $1.5 trillion commitment for defense by the year 1986? How could you stimulate economic growth when a stringent monetary policy would depress business activity?

As Rowen also points out, the President still has a chance to reduce the outlandish size of the defense commitment, and make other budget cuts as well. But the piddling $13 billion reductions—in proposed increases—in defense spending announced last weekend are not enough.

In my opinion, Mr. Speaker, Congress and the administration should also postpone or repeal some of the more irresponsible tax cuts too, particularly those that resulted from the bidding contest that took place between the administration and the Ways and Means Committee and resulted in giving away billions to the oil industry and other special interests who hardly fall into the category of the truly needy.

Rowen concludes that:

If there is a hopeful sign in a dismal picture, it is that Reagan may be beginning to recognize that he was sold a bill of goods by fanatics who told him that rose-colored expectations are a substitute for reality.

We must all join in that hope.

The full text of the Hobart Rowen article follows these remarks:

[From the Washington Post, Sept. 17, 1981]

DON'T BLAME WALL STREET FOR REAGAN'S PROBLEMS

(By Hobart Rowen)

Returning home after a couple of weeks in Japan, and reading the newspapers and newsmagazines, I am struck by two facts. First, the political pundits have discovered the economy and the importance of economic issues. Second, some of them join the Reagan administration in accusing Wall Street of "nonsupport" of Reaganomics.

My colleague, David S. Broder, for example, is concerned "to see the big wheels of Wall Street so callously scuttling the very program that American business, in a literally unprecedented fashion, had pressured Congress to pass just a few weeks ago."

In looking for scapegoats (apart from the White House and its ideologues) for the present mess, congressional Democrats would be a much more logical target than Wall Street. The Democrats, mesmerized by the president's political charisma, played a me-too game on Capitol Hill. In fact, Democrats on the House side bid up the ante on the tax bill enough to make the final legislation even more inflationary than the original Republican proposals.

It is true, as Broder says, that businessmen supported Reagan's budget cutting as well as personal and business tax-rate proposals. But businessmen, in or out of Wall Street, never were seduced, as was the Reagan administration, by the supposed magic of supply-side economics that could translate huge Treasury tax losses into Treasury revenue gains. Even if the process took time, the supply-siders told Reagan, the intervening budget deficits didn't really matter. Businessmen didn't buy that notion, either.

Reagan's monetarists also assured him that the deficits wouldn't be inflationary so long as the Federal Reserve didn't "monetize" the debt—that is, print money to cover the deficits. But in the real world, deficits do matter: The government is forced to borrow huge amounts of money, and the American economy doesn't generate enough savings to supply all of the demands for credit from the government and the private sector together.

What happens, of course, is that the people with money to lend insist on—and get—a higher rate of interest. And those who borrow have a choice: pay the rate or go without.

That's the way a market economy works, and it's interesting—to say the least—to find an administration like Reagan's, theoretically committed to the free-enterprise system, grumbling at the market's response to its policies.

A review of the facts will show that, from the very beginning, respected Wall Street analysts, notably Henry Kaufman of Salomon Bros. and Albert Wojnilower of the First Boston Corp., warned that the arithmetic of Reaganomics didn't add up, and no act of faith, for which the president had begged in his April 28 speech to Congress, could change the numbers.

How could you cut taxes $732 billion over a four-year cycle and come up with a balanced budget? they said. How could you brag about cutting civilian expenditures $40 billion this year at the same time you were making a $1.5 trillion commitment for defense by the year 1986? How could you stimulate economic growth when a stringent monetary policy would depress business activity?

Now that predictions made by Kaufman, Wojnilower and others are turning out to be highly accurate, we have a classic situation in which the messenger boy—in this case, Wall Street—is being chastised for the message conveyed on the ticker tape showing sharp declines in stock and bond prices. But jawboning Wall Street to be more supportive isn't going to work. Brokers and their customers still know how to add and subtract. Says Edgar Fiedler, vice president for research of The Conference Board, an association of industrialists in New York: "Seeing is believing—behavior has to change."

Unhappily, the genie may be out of the bottle on tax cuts, but the president still has a chance to reduce the outlandish size of the defense commitment, and to make other budget cuts as well. The piddling $13 billion reductions (in proposed increases) in defense spending announced last weekend aren't enough.

If there is a hopeful sign in a dismal picture, it is that Reagan may be beginning to recognize that he was sold a bill of goods by fanatics who told him that rose-colored expectations are a substitute for reality.

To me, the big mystery is not Wall Street's highly rational lack of confidence in Reagan, but why the Democrats continue to sidestep a golden opportunity to jump all over Reagan and Reaganomics. Where are Teddy Kennedy, John Glenn, Gary Hart, Jimmy Carter, Fritz Mondale, Hugh Carey, Jerry Brown, or any other Democrats with pretensions to high national office?

There appears, still, to be no Democratic alternative to Reaganomics. By default, the only effective political criticism I hear comes from the AFL-CIO.●

## CONTROL FEDERAL SPENDING

### HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mrs. HECKLER. Mr. Speaker, in this time of economic crisis it is incumbent on every Member of Congress to search for responsible means of controlling Federal spending. Only by eliminating the fat from the budget—by phasing out unnecessary and wasteful programs—can we have any hope of restoring public confidence and revitalizing our economy.

Budget cutting is by its nature a complex and politically difficult process. Yet there are within the Federal budget some examples of programs that are so clearly unnecessary—so obviously wasteful—so plainly negative in their effect on the public interest—that they should be at the top of the list of candidates for systematic reduction.

In recent years the Congress has twice defeated sugar price support programs which would have imposed heavy burdens on the American consumer and taxpayer. My distinguished colleague from New York, Mr. PEYSER, and I worked with a coalition of consumer groups to defeat the most recent effort to institute such a program—in 1979—by a vote of 158 to 249. And yet once again, the issue of sugar price supports has come before the House—this time an effort to establish a price level of 19.6 cents per pound.

The gentleman from New York has written a perceptive analysis of this program, which appeared in the September 10, 1981, edition of the New York Times. His article states clearly a point that many of us in this House have repeatedly made, and which we

will continue to make in the months ahead: at a time when the American public is being called upon to make very real sacrifices in the name of fiscal restraint, there should be no room in the budget for a program whose major effect is to foist artificially high prices on the American consumer.

As the professed goal of so many in this Chamber lies in finding responsible budget reductions, I would ask that this article be printed in the RECORD, and suggest to all my colleagues that they consider its message most seriously:

SUGAR DADDY

(By Peter A. Peyser)

WASHINGTON.—With food prices again leading the way in the recent surge of inflation, it seems incredible, but it is nevertheless true, that the Reagan Administration is continuing to back a sugar-loan program, an outdated peanut-allotment program, and an outrageous dairy-price-support program.

In its economic-recovery program, the Administration is saying that extensive budget cuts are in order and that the elderly must tighten their belts and look for reductions in Social Security benefits.

It is telling indigent students that their higher-education grants must be drastically reduced, and it is telling middle-income students that eligibility requirements for guaranteed student loans must be severely tightened.

It is telling the unemployed that extended benefits and job programs must be eliminated. Yet it is also saying that certain privileged special-interest groups—the sugar lobby, the peanut lobby, and the dairy lobby—will be protected.

With the budget cuts that the public has been asked to bear, how, in good conscience, can the Administration say to the taxpayers that they must provide the money to guarantee major corporate sugar growers a captive Federal market for all the sugar they grow? This in turn drives up the price for all commercial sugar products. These corporate growers have been reaping huge profits without a Federal sugar-support program for the last several years. Conservative estimates by the Congressional Budget Office show that a re-established sugar-support program would cost taxpayers at least $200 million in fiscal years 1982 through 1985, would require the Government to borrow more than $1 billion, further tightening credit markets, and would force consumers to pay $2 billion more for sugar products. A Department of Agriculture study in May indicated that the sugar program would add $5 billion to consumers' costs over the next four years.

Moreover, we are asked to accept a peanut program, which seems to survive whether there is a Democratic President from Georgia or a Republican from California in the White House. The advocates of the peanut program are actually proposing to Congress an increase of nearly 50 percent in their support level. They contend that this program does not really cost anything. This is untrue.

The consumer is paying the highest price ever for peanut butter yet the restrictive Federal peanut program prohibits farmers from growing peanuts unless they are among the privileged few who have peanut acreage that is passed down from generation to generation. Peanut butter prices could drop 25 to 30 percent if this antiquated, special-interest program was terminated.

Now for the biggest inequity: the $2.2 billion dairy-price-support program.

Congress has mandated that the Secretary of Agriculture support the price of milk by buying milk and milk products, such as cheese and butter. The price is being supported at an artificially high level, thereby driving up the price that the consumer pays for all dairy products. The program is extraordinarily wasteful and one need only look at one phase of it—butter—to realize this fact. The Government buys excess butter for $1.40 a pound. In the last eight months, the Government has bought more than 500 million pounds of this butter and is paying about $300,000 a day to store it in refrigerated warehouses. This equals $110 million a year for storage alone. You and I are paying $2.20 a pound for butter in the supermarket while we as taxpayers this year will foot nearly a billion-dollar bill for the Government to buy more than 600 million pounds of butter—25 percent of all the butter produced in 1980.

This ridiculous situation gets worse when we learn that the Administration has agreed to sell nearly 200 million pounds of this butter to New Zealand for 70 cents a pound. Eventually New Zealand's surplus butter will end up in the Soviet Union. In effect, taxpayers will be subsidizing the citizens of the Soviet Union to the tune of $140 million.

Congress will be acting on all these price-support programs in its consideration of the 1981 farm bill. Of these programs, Congress in recent years has had the courage to defeat only the sugar program. Now corporate sugar growers are moving to restore it.

With all the sacrifices that the Administration has asked the public to accept on behalf of its economic-recovery program, its approval of expensive and inflationary support programs cannot be justified.

Not only would the economic-recovery program be jeopardized, but also the Administration's credibility would also be seriously called into question by continuation of these outrageous programs.

It is time for the public to speak out and demand that these runaway programs be stopped.●

## WHY HIGHWAY DEATHS ARE CLIMBING AGAIN

### HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. HOWARD. Mr. Speaker, the death toll on our Nation's highways is rising. Poor enforcement of the 55-mile-an-hour speed limit, higher incidences of drunk driving and inadequate highway maintenance are major factors contributing to this trend.

I highly recommend to my colleagues the following two articles which briefly and succinctly analyze the problem. Both appeared in the September 14, 1981 issue of U.S. News and World Report.

WHY HIGHWAY DEATHS ARE CLIMBING AGAIN

Deteriorating roads and growing disregard for safety rules are creating more tragedy on the nation's highways.

Some 53,000 travelers, it's estimated, will lose their lives this year in traffic accidents and 2 million more will suffer disabling injuries.

With car travel up because of plentiful gasoline supplies and the air-traffic controllers' strike, experts fear that it won't be long before the death toll approaches the record 56,278 killed in 1972. Behind that worry:

An epidemic of drunk driving.

Mass disregard of speed limits.

Widespread failure to use seat belts and other restraints.

The mix of more smaller cars with ever bigger trucks.

Lagging highway maintenance.

Steps are being taken at both the federal and state levels to attack these hazards, but officials admit that so far it's a losing battle.

Says James King, chairman of the National Transportation Safety Board: "We're losing more than 50,000 people a year on the nation's highways, and we seem to be accepting that kind of carnage as a matter of course. People seem persuaded that nothing can be done about it.

At the top of the list for many safety officials is keeping drunk drivers off the road. Autopsies show that more than 50 percent of drivers killed in accidents were legally drunk at the time. In the past 10 years, more than 250,000 people have died in crashes involving intoxicated drivers.

Effort to end the slaughter center on tougher enforcement by police, steeper penalties and an increase in the minimum drinking age.

With the help of $150,000 in special federal funds to pay state troopers overtime wages, Maryland this year launched a crackdown on drunk drivers. More police are on the roads late in the evening and early in the morning to spot intoxicated drivers who give themselves away by taking wide turns at corners, neglecting to turn lights on, braking erratically or straddling dividing lines between lanes.

Through the first seven months of the year, the campaign has resulted in 6,275 arrests, more than the total for all of 1980.

In most states and cities, however, enforcement remains lax. Last year, there were about 1.2 million drunk driving arrests—an average of only 98 arrests per police department, according to analyst John Moulden of the National Highway Traffic Safety Administration (NHTSA).

"In no way does that tackle the problems, especially when drunk drivers get off with a slap on the wrist," says Moulden. "The federal government can't solve drunk driving, but we can keep getting information out and try to help build a citizens' lobby."

One group, Mothers Against Drunk Drivers, has 14 chapters that lobby state legislatures. Their efforts and those of others have helped to spur 20 statehouses into introducing bills that specify tougher penalties, license suspensions and rehabilitation programs for intoxicated motorists

NEW LEGISLATION

For instance, Montana now has a mandatory jail sentence of one day for a first offense and seven days for a second offense, along with a court-order rehabilitation program.

In Maine, a law going into effect this fall is aimed at repeat offenders and those who try to elude arrest or exceed the speed limit by 30 miles an hour while drunk. Violators will face a mandatory two-day jail sentence,

at least a $350 fine, a minimum 90-day license suspension and a criminal record.

In addition, concern over the problem of fatal crashes involving drivers under 21 has been a factor that has led 14 states to raise the minimum drinking age.

On the federal level, Representative Michael Barnes (D-Md.) has introduced a bill that would encourage states to fix a minimum mandatory sentence of 10 days of community service for first offenders. It also would require fines, license suspensions of up to one year and participation in alcohol-treatment and safety programs. Repeat offenders could get up to 10 days in jail and a mandatory license suspension of at least one year.

States not following the federal guidelines would risk losing federal highway-safety funds.

Others are urging tougher enforcement of the 55-mile-an-hour speed limit. Experts say the standard, adopted in 1974 after the Arab oil embargo, was instrumental in bringing highway deaths down from 55,511 in 1973 to 46,402 in just one year.

The toll dropped further in 1975, but since then fatalities—and highway speeds—have edged upward.

In many states, enforcement is slack and fines light. For example, Montana, Nevada and Idaho impose fines of only $5 for exceeding 55. Nor has any state lost federal highway funds, as the law dictates, because of lax enforcement.

Indeed, the Reagan administration appears to be looking the other way. Notes NHTSA Administrator Raymond Peck: "Questions of speed limit belong to the states."

Yet NHTSA's own task force on the issue concluded that the removal or substantial weakening of the 55-mph limit would result in as many as 20,000 additional crash deaths and hundreds of thousands of additional injuries over the next five years.

BUCKLE UP

The administration also appears to be in no hurry to order new forms of passive restraints in autos. Already on record against air bags, Reagan officials are expected to recommend a slower schedule for phasing in automatic seat belts than had been mandated by Carter's administration.

Many safety experts are recommending automatic restraints because nearly 90 percent of Americans who have seat belts in their cars are not using them, despite studies that show their value in preventing death and lessening injury.

Says Gary Butler, a safety expert at NHTSA: "We know that seat belts are at least 60 percent effective in reducing fatalities and injuries. If used, they could save up to 28,000 lives a year."

Others urge that people at least take precautions to restrain children when traveling. About a dozen states have education programs or laws mandating use of belts and car seats for children.

One of the toughest is Tennessee's, which requires that children from infants to 4 years of age be buckled in an approved car seat. If a motorist is caught without one, a state trooper can stop the car, install a seat and write a ticket to cover its cost. The driver returns the seat to authorities and has to prove that he or she has bought one.

Since the state began enforcing the measure in September, 1979, only one child in the age group affected has been killed in a traffic accident. In that time, police have issued some 3,000 such citations to parents.

Says Capt. Fred Schott of the state Department of Safety: "We have situations where other passengers are killed, injured or horribly disfigured but children under age 4 are unhurt, thanks to the child restraints."

BIG TRUCKS, LITTLE CARS

Highway officials are less sure about solutions to another highway worry: The trend toward smaller cars at a time when more and bigger trucks travel the roads.

NHTSA notes that in 1979 small cars were involved in 55 percent of all fatal crashes, even though they accounted for only 38 percent of the cars on the road. Agency figures also show that accidents involving heavy trucks—those weighing more than 10,000 pounds—increased by 48 percent between 1975 and 1979.

Federal officials say that in a crash between a subcompact and a full-sized car, the unrestrained occupant of the subcompact is 8.2 times more likely to be killed or seriously injured than are the occupants of the large car. In a collision with a heavy truck, occupants of small cars are 35.8 times more likely to be harmed.

Safety experts point out that most highways were designed for standardsized autos of the 1960s, not today's tinier models. Roads were built for drivers sitting at a higher level than they do in small cars, and barriers were intended to stop heavier, taller vehicles.

The driver's lower "height of eye" in a small car makes it more difficult for a motorist to see over a hill or around a curve. As for barriers, one Safety Board source says: "What we have are barriers that will save people from going over the bridge but kill them in the process."

Steps are being taken to solve these problems. A 1979 report on excessive truck weights by the General Accounting Office, the investigative arm of Congress, has led to new efforts to insure safety in a truck fleet that is expected to double by 1995.

Among other things, the report showed that 25 percent of tractor-trailers were running over their allowable weights, which GAO claimed causes major harm to highways. Since the report. Kenneth Pierson, director of the Department of Transportation's Bureau of Motor Carrier Safety, says that states have expanded their weighing programs to avoid losing federal highway funds.

The Federal Highway Administration also is trying to ferret out mechanical problems, which its studies show are found in at least 15 percent of tractor-trailers. Some spot checks have revealed that more than 40 percent of trucks were violating safety standards for brakes, tires and lights.

A federally funded program to improve safety-inspection teams in four states—Michigan, Utah, Idaho and Alaska—has helped to reduce truck accidents by 35 percent.

Still, Pierson estimates that about half the states do not have safety-inspection programs of their own for trucks. Other critics call for better braking standards for trucks and more-effective barrier devices on backs of trucks to prevent smaller vehicles from sliding underneath tractor-trailers.

BUMPY ROADS

Perhaps more serious than any of these problems is the deteriorating condition of the nation's highways. The backlog of immediate repairs on the 40,000-mile interstate highway system stands at more than 6 billion dollars, and some 17 billion will be needed for resurfacing and maintenance in the next decade.

The condition of roads outside the interstate system is even worse. One recent federal study showed that such highways are the scene of more than 90 percent of the nation's fatalities each year.

To raise more money for needed repairs, some 40 states are trying to increase their fuel taxes. Others, such as Michigan, are launching information programs over the radio and in newspapers to warn motorists of the most hazardous stretches of road.

One thing is certain: Aside from a renewed seat-belt program, Washington won't soon be starting any major highway-safety campaigns. In the fiscal year that begins October 1, federal aid for highways has been reduced from 9.01 billion dollars to 8.55 billion dollars, while funds for safety programs were cut by 70 percent, to 547 million.

Experts fear that less federal aid puts states in a vulnerable position at a time when traffic deaths are rising. Notes an official with NHTSA: "Many of the states are in pretty serious financial trouble when it comes to transportation. Safety will not be a top priority if states are left to finance projects on their own."

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NEW WAYS TO KEEP CARS ON THE ROAD

With only limited funds for new roads, States are focusing on what they can do to make their existing highways safer.

A report released in mid-August by the Road Information Program, a Washington, D.C., group, on just one State—Louisiana—blamed out-of-date roads for causing 85 accidents a day and costing 148 million dollars annually in medical bills, property damage and payments to victims and survivors.

To improve existing roads, State highway departments are relying more on such devices as brighter pavement markings, more-flexible barriers and improved lighting.

One of the most potent weapons in this campaign is a tiny glass bead no bigger than 6 millimeters. When mixed with white or yellow striping paint, the beads boost reflective power on center lines and edge lines, keeping motorists from veering into another lane or drifting off the side of the road.

Research shows that the improved markings can dramatically reduce accidents, particularly on dark, winding secondary roads. They are especially useful in protecting drivers whose vision and reactions are impaired by fatigue or alcohol.

A four-month test on a dangerous 5-mile stretch of Union Valley Road in West Milford Township, N.J., found that the number of accidents was cut by 44 percent after the reflectorized lines were introduced. At the same time, the accident rate on adjacent stretches of road without the new markings increased by 18 percent.

A three-year study by the Highway Commission of Kansas involving 389 miles of secondary roads showed a 16.5 percent reduction in accidents and a nearly 40 percent decline in fatalities with reflectorized lines. Tests in Arizona, Illinois, Ohio and Utah produced similar reductions in accidents.

Those results have led to introduction of the beads in several other states."It's a case of self-interest performing a public service," says General Balcar, vice president of Potters Industries, a New Jersey-based producer of the beads, which are fashioned from waste glass.

Potters, the 3M Company and General Electric are among the firms producing another important safety device: Reflectorized road-delineator posts. Placed at intervals of

150 to 200 feet—closer on curves—the posts also have been found to reduce accidents. In other applications, reflector squares are embedded in the edge lines.

Among other steps, roads are being resurfaced to include grooves that prevent tires from losing traction during rainy weather.

DESIGN TRENDS

Barriers and guard rails are being modified to minimize the damage to small cars. Used increasingly if the "New Jersey" barrier, a concrete median barrier that can withstand the force of large cars but is designed with a sloping face to prevent small cars from flipping over on impact.

William Cooper, chief engineer for the Arkansas State Highway Transportation Department, says such medians have eliminated most head-on collisions.

Crashes also are less serious, he points out, where curved guard railings are in place to deflect vehicles rather than stop them and where barrels are used as shock absorbers at ramp entrances and other danger spots.

In lighting, more road departments are using sodium-vapor lights that are more energy-efficient and can be left on longer without added costs. Also more common: Aluminum lighting poles and highway signs that break away on impact.●

## THE MX: FORGET IT!

### HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. FRANK. Mr. Speaker, James J. Kikpatrick is a very thoughtful conservative who recently offered President Reagan a bit of very useful advice. Mr. Kilpatrick has proposed one very obvious solution to some of the budget deficit difficulties which the President now finds himself in as a result of congressional adoption of the policies he has proposed to us. Mr. Kilpatrick's suggestion is to drop the MX altogether.

The MX makes very little sense militarily and it now becomes clear that it is a serious economic error to commit untold billions toward this project. By following James J. Kilpatrick's advice and dropping this project, the President could demonstrate his willingness to make substantial cuts in unnecessary defense expenditures, thus doing a great deal to restore some of the confidence of the financial community in his program. And he would also make our defense policy a good deal more sensible. Mr. Kilpatrick's article follows:

[From the Boston Globe, Sept. 17, 1981]

JUST FORGET IT!

(By James J. Kilpatrick)

WASHINGTON.—If there is to be any prayer of a balanced budget, the defense budget must be cut drastically. But how? Last weekend, the President proposed reductions of $13 billion over three years. The reaction on Wall Street was ho-hum. On the CBS Morning News, a leading financier said that if the Administration came up with $30 to $40 billion in cutbacks, the Street might conclude that Mr. Reagan meant business. And if not? The financier shrugged the shrug that bankers are born to shrug.

By nice coincidence, the question of how to cut the defense budget arises side by side with another pressing question: What should be done about the MX missile? Should 200 of these monsters be deployed in 4,600 shelters in Utah and Nevada? Or 100 of them in 2,000 shelters in Nevada alone.

It occurs to me that Mr. Reagan could cut this Gordian knot with a single whack. Drop the MX altogether! Just don't build the damned thing.

Such a solution has the virtue of simplicity: it also has the virtue of sanity.

The military planners who are selling this bill of goods rarely speak in military terms. They have taken up mind reading as a hobby. They would put Mr. Brezhnev into analysis: Lie down, Leonid, and tell us why, with your 5,000 warheads, you feel insecure. Then they work on the President. Lie down, Ronald, and let us see if another 200 missiles would cure the blues.

In any rational view our nation already is sufficiently equipped. Our missiles are poised to impose upon the Soviet Union devastation beyond imagination. At some point, enough must be enough. At some point, gauzy conjecture ought to yield to reality.

What reality? The reality of the prime rate. Our economy depends largely upon two industries, construction and automobiles. When they are sick, the economy is sick, and both are down with the wasting disease. And the virus of exorbitant interest feeds upon federal deficits. Once government borrowing is brought under control, the sick economy will start to recover.

The President's proposed $13 billion reduction in defense outlays will help: if we added the savings that could be achieved by abandoning the folly of the $20 billion MX, the picture would immensely improve.

The oldest rule for hunting ducks is to go where the ducks are. If Mr. Reagan is to bag his balanced budget, he need only look to the western deserts where this marvelous redundancy would be deployed. That is where the ducks are.●

## THE ROLE OF THE SOCIALIST INTERNATIONAL—PART III

### HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. McDONALD. Mr. Speaker, I now present the conclusion of the address by Count Hans Huyn of the West German Bundestag, in which he suggests the means of counteracting Socialist influence in the West. The reason for doing so is, of course, the basic one of physical survival, because the Socialist International which thrives with the enthusiastic assistance of the West's mass media is operating in open cooperation with the Communist Party of the Soviet Union. A "Freedom International" ought to be established, he says, in order to counter the deliberately demoralizing influence of the Socialist International.

There is in fact a sort of second government under Willy Brandt, which acts as an echo of the Kremlin and helps reinforce Moscow's minutely planned long-term "misinformation" campaigns in Germany and, with the help of the Socialist International, in the whole of Europe. The position has already been reached where Helmut Schmidt can take no decision in his own cabinet without first obtaining the agreement of the party—under the chairmanship of Willy Brandt—and the SPD parliamentary group—under the chairmanship of Herbert Wehner.

Another prominent member of the Socialist International, the former Swedish Prime Minister, Olof Palme, is chairman of the ICDSI (Independent Commission on Disarmament and Security Issues), the so-called Palme Commission. Attempts are continually made in this organization to further the Soviet Western policies rather than to effect genuine disarmament at the lowest possible level. Members carry on as if disarmament negotiations were valuable in themselves. At the Conference of Communist Party Leaders in Prague in 1978, the General Secretary of the Communist Party of the Soviet Union, Brezhnev, had the following to say:

As a result of détente we will have achieved most of our objectives in Western Europe by the year 1985. We will have extended our economy and there will have been such a decisive shift in the present balance of power that we will be in a position by 1985 to enforce our will whenever it is necessary.

It fits in very well with Moscow's ideas, of course, when so-called friends of peace stage anti-American demonstrations in the free part of Germany. This fits in very well with the strategy of uncoupling Germany and Europe from the United States. It does not require much imagination to see the effect that these events will have on our American friends when they are carefully filmed by left-wing media and delivered free to the American viewers. In the eyes of the American television viewers it is of course not "the Marxists or left extremists" but "the Germans", who are demonstrating against American protection, which preserves equilibrium and thus peace. The United States says quite correctly, "You are the ones under threat; if you haven't even the courage to say that you need assistance, why should we make sacrifices for your defense and protection?" Who could blame America if it withdrew under these circumstances? It would not be the first time that America went into isolation, but in all probability the results would be much more fateful than on previous occasions.

During the election campaign in 1980, the SPD tried to divide Germans into good and bad, i.e., into those who were for peace and those who were against peace or put it at risk. This is a

dialectical trick of Herbert Wehner, which he uses continuously in situations vital to the German Federal Republic.

The way in which left-wing circles in Germany are behaving in this respect is really shameful. They consciously poison the whole German-American relationship by untrue statements. They carry on as if the United States had demanded the deployment of atomic weapons in Europe at the time of the NATO rearmament resolution or as if the American Government were considering the strategy of a limited atomic war. All these activities serve the deliberate purpose of poisoning German-American relationships. Egon Bahr, the architect of the "Ostpolitik," tried to convince his readers in "Vorwärts" on the 12th of March 1981, that the Soviet Union was on the retreat everywhere in the world whereas the Americans were attempting to succeed with a policy of strength.

The new American Government knows that it cannot stop this development with kind words alone or only through disarmament negotiations. The West has to oppose the Soviet Union not only with a military equilibrium but with at least as strong a political will.

Europe plays a key role in the long-term strategy of Moscow. Europe, which is economically strong but politically weak, is decisive for the fate of the world. If the Soviet Union can extend its influence over the West, not even using military intervention but only by increasing political influence—either by military threats from the Warsaw Pact or blackmail of the Europeans by withholding raw materials and fuels—then Europe, if it tends more and more toward Moscow, will insure the Soviet Union a stronger world position relative to the United States.

The objective of Soviet politics is to hinder anything which connects European security with the United States in the Atlantic framework.

It is only too easy to understand that the way in which the Liberal/Socialist government is pushing the Federal Republic of Germany into a "self-Finlandization," and the terrifyingly well-developed decoupling process from the United States, has produced growing doubt about the loyalty of the Federal Republic of Germany to the Alliance not only in political leadership circles but widely throughout the United States. However, it is precisely this that the Soviet Union wishes to achieve and for this reason, renewed isolationism in the United States would fit in well with the calculations of Moscow. We must not let this happen.

We must take the offensive against this development. We need a "Freedom International" with the objective of intensive and regular cooperation between all the non-Marxist and free parties.

We can certainly learn from the other side with regard to method and intensity. The Soviet Union has adopted the quotation from Clausewitz: "The conqueror loves peace, he prefers to take over our country without war" and with some skill combines a further quotation from Carl von Clausewitz in the opposite direction. Clausewitz said that war is the continuation of politics by other means. In the CPSU leadership, they do not begin with politics, like Clausewitz, but with war—for Moscow, the cold war is the continuation of the "hot war" by other means and "détente" is the continuation of the cold war by other means.

For this reason, the present political challenges include the wide field of subversion and disguised aggression, so wonderfully understood by the Soviet Union. It occurs below the threshold level of a large-scale war, which we all fear. There is no field of action in society neglected by our opponents. I can only list a few here—public opinion, political parties, trade unions, schools, universities, even the churches. In my opinion, the first task of offensive public relations on the side of freedom is to inform the public.

I have tried to do this in my book "The Attack," which appeared in 1978. In it, I devoted a chapter to the use of international terrorism by the KGB as a means of destabilizing Western society. My other book, "Five to Twelve—The World After Afghanistan," appeared at the end of 1980. This book has two parts; the first is called "The Challenge" and the second "The Response." I have there attempted to indicate the possibilities which are open to the free societies of the West to oppose the Soviet advance in all fields.

First of all, it is necessary to insure the balance of power, to recognize Soviet strategy and to keep the public in the West well informed. The next point is the further development of the Atlantic Alliance, which really only protects the main entrance of Europe from Soviet attack. However, what use is the best alarm and security installation at the front door if the enemy can threaten us through the rear door? It is particularly important that we Europeans are clear that we do not only have to defend our freedom in the territory of the Atlantic Alliance but that our interests are much wider spread. It is not satisfactory to leave this task to our American friends alone. Furthermore, free Europe must develop more self-confidence in the security field and stronger responsibility within the Atlantic Alliance in order to fulfill its historical role as partner of the United States.

The way in which the actions of the Socialist International in Central and South America play into the hand of the Soviets can be easily seen from the praise given by the Moscow "Pravda," which in January of this year emphasized the "evolution of the foreign political concepts of the Socialist International in the last 10 years."

The SI openly supports the pro-Cuban regime in Nicaragua and the extreme left-wing guerrilla groups in El Salvador. The next Congress of the Socialist International is to take place in Managua. In Puerto Rico, they struggle together with Havana against the alleged "colonial status" of the island. Whereas the pro-Soviet mini-State of Grenada is accepted as a full member of the International, the East European Social Democratic Parties in exile have only an advisory function. In the Near East, the PLO is the favorite child of the International and in Africa, it is the Communist SWAPO. The SI is therefore very useful to the Kremlin. The Central Committee Secretary, Ponomarev, included the Socialist International in the "peaceful forces" of the world in April 1978.

We Germans and the European conservatives are very relieved to know that after years of uncertainty the United States has returned to a clear-cut line with respect to its foreign policy. We rejoice over evey unambiguous word from Washington. I am particularly thankful to President Reagan for his clear words on the occasion of the 20th anniversary of the building of the Berlin wall and the clarity with which he renewed the United States' guarantee for the freedom of West Berlin. In the statement of his belief in a future of freedom, the American President has given new strength for this future to many people who are not living in freedom.

We must accept the challenge. The task is to defend peace and our freedom. We must recognize that the final objective of Soviet politics is world domination and that they attempt to achieve this as far as possible quietly and undercover. They use tools some of which are very effective. We must develop our own instruments of protection and learn how to use them. We must also recognize another fact—in this struggle America and Europe cannot be victorious independently, they can only succeed jointly.

For years, efforts have been made in Europe to oppose the Socialist International with something comparable. I myself am a founder member of the European Peoples' Party, a combination of Christian Democratic parties in the European Parliament. We tried to include the conservative parties in the European Peoples' Party. This has unfortunately failed because of the veto of our Christian Democratic sister party in Holland. This was followed by the foundation of the EDU, the Euro-

pean Democratic Union, in which the conservative parties of the neutral European States are also represented. We therefore have a wide body for the exchange of ideas and information and for discussion. What we need is an improved coordination of operations. The EDU must naturally result in future in a Freedom International. Fortunately, the EDU has already made contact with sister parties in Japan, Australia, and New Zealand and included them in the work. It is important that we should also win over our American friends for joint activities. Only then can we meet the challenge of the popular front cooperation between Moscow and the International of Socialism and act against them as the defenders of freedom.

Peace alone is not the highest value. There is also the peace of the graveyard, the concentration camp and the GULAG Archipelago. We must maintain and secure for ourselves and our children peace in freedom. The first condition for the maintenance of freedom is the readiness and the courage to act for it.●

## RADICAL MANIPULATION OF SOLIDARITY DAY

**HON. LARRY McDONALD**
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES

*Monday, September 21, 1981*

● Mr. McDONALD. Mr. Speaker, on Saturday, September 19, 1981, an estimated 400,000 people made their way to New York's Central Park to be entertained by musicians Paul Simon and Art Garfunkle, two songwriters who as Simon and Garfunkle achieved fame during the 1960's. Mayor Ed Koch of New York City summed up the views of those 400,000 people in the Simon and Garfunkle audience, applauding it as a "terrific performance."

On the same day, at enormous monetary cost and at great administrative effort, the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO) brought to Washington, D.C., from across the country about half that number of people for a march and rally against the economic policies of President Reagan.

"Solidarity Day," as the AFL-CIO effort was known, has to be seen in the context, not only of the vast attendance in New York to hear Simon and Garfunkle, but also in context with the AFL-CIO's claim to represent 15 million workers. So despite fine weather, free cross-country transportation, free food, free entertainment, and in some instances payment of $50 to participants for demonstrating, the Solidarity Day organizers were able to bring only 1 percent of their active membership to Washington—supplemented by a band of leftist activists from a variety of partisan organizations, many of which are stridently hostile to the responsible leadership of the AFL-CIO.

The motivation of many attending Solidarity Day was made clear by the fact that the largest contingent in the protest came from the ranks of the leftist-led American Federation of State, County and Municipal Employees (AFSCME), a union whose manifest self-interest in maintaining and expanding bloated "big government" spending was reflected in the union's support for outworn, wasteful so-called social welfare programs and in AFSCME contingents chanting,

Reagan, Reagan we're no fools; you is [sic] just a capitalist tool.

However, according to its organizers, the purpose of "Solidarity Day" was more lofty than what was espoused by the AFSCME contingents. "Solidarity Day," said the AFL-CIO, was:

To demonstrate the widespread opposition to the Administration's assault on vital social programs and to promote jobs, justice and equality. The focus will be on the following areas of concern (in alphabetical order): Civil Rights, Education, Energy, Environment, Fair Trade, Fair Taxes, Health and Safety, Housing, Jobs, Justice, Lower Interest Rates, Social Security, Voting Rights and Women's Rights."

The members of the "Solidarity Day" advisory board responsible for the event were Lane Kirkland, AFL-CIO; Thomas R. Donohue, AFL-CIO; Arnold Aronson, Leadership Conference for Civil Rights (LCCR); Tony Bonilla, League of United Latin American Citizens (LULAC); Kenyon Burke, Division of Church & Society of the National Council of Churches (NCC); Jacob Clayman, National Council of Senior Citizens (NCSC); Sam Church, United Mineworkers (UMW); Murray Finley, Amalgamated Clothing and Textile Workers (ACTWU); Douglas Fraser, United Auto Workers (UAW); Dorothy Height, National Council of Negro Women (NCNW); Benjamin L. Hooks, National Association for the Advancement of Colored People (NAACP); Rev. Jesse Jackson, Operation PUSH; Vernon Jordan, National Urban League; Coretta King, Full Employment Action Council (FEAC); Henry Lacayo, LCLAA; Msgr. Francis J. Lally, Office of Domestic Social Development, U.S. Catholic Conference; Rev. Joseph Lowery, Southern Christian Leadership Conference (SCLC); Lloyd McBride, United Steelworkers of America (USWA); Joyce Miller, Coalition of Labor Union Women (CLUW); Gaylord Nelson, Wilderness Society; Charles Pillard, International Brotherhood of Electrical Workers (IBEW); Reese Robrahn, American Coalition of Citizens with Disabilities (ACCD); Bayard Rustin, A. Philip Randolph Institutes; Chuck Senci Concerned Seniors for Better Government (CSBG); Albert Shanker, American Federation of Teachers (AFT); Donald Slaiman, Jewish Labor Council (JLC); Eleanor Smeal, National Organization for Women (NOW); Jessica Smith, Frontlash; Sharon Stark, Consumer Federation of America (CFA); Douglas Tuthill, U.S. Student Association (USSA), and William Wynn, United Food and Commercial Workers (UFCW).

AFL-CIO President Lane Kirkland invited the participation of all trade unions, including those not currently affiliated with the federation, as well as other organizations that are affiliated with the Leadership Conference on Civil Rights and the Budget Coalition. Additionally, a number of national organizations—political, racial, professional, and other special interest—endorsed Solidarity Day and sent contingents to the Washington march.

Manifestly, the AFL-CIO has the right to make known its views on the economy through Solidarity Day-type demonstrations. As President Reagan said, "the frustrations of working people enduring a sluggish economy, persistent inflation and high interest rates and being asked to swallow economic medicine that is hardly sweet" is easily recognizable and understandable.

However, the partisan political views expressed by the Solidarity Day speakers and leftist-led contingents together with their indiscriminate wholesale rejection of the administration's economic measures indicates that the leaders of labor's intransigent left who were strongly represented on the Solidarity Day Advisory Board are manipulating the AFL-CIO leadership for their own purpose. That purpose is the destabilization of the Reagan administration by political action combined with illegal Federal union strikes and slowdowns.

It is also apparent that for some time Marxist-Leninist totalitarian organizations and extremists have been seeking to use the AFL-CIO event for their own purposes. When challenged on this matter in relation to Communist participation in Solidarity Day, the AFL-CIO leadership blandly stated that it would not "disinvite" any groups. Furthermore, too late to make any difference, the AFL-CIO said that it "did not welcome" Communists involvement.

Mr. Speaker, for the millions of anti-Communist trade unionists, this is not enough. George Meany never hesitated to call a Communist a Communist and "include them out" of AFL-CIO activities, as witness the 1975 Washington rally when a mass protest against unemployment came to an early end because of the disruptive behavior of uninvited radical groups.

In an effort to identify the totalitarian influences in this Solidarity Day

event, the authoritative Information Digest, the leading U.S. publication reporting on American political and social movements, has prepared a lengthy study of radical involvement in Solidarity Day from which I have developed the following information.

The Communist Party, U.S.A. (CPUSA) gave full coverage in the party press of Solidarity Day from its inception. On August 15, CPUSA General Secretary Gus Hall called for all-out Communist support of the September 29 protest, urging the "declaring of a state of national emergency on September 19, a day of new heightened struggle, new unity, new coalitions, new alliances" against the "corporate-Reagan offensive" and "policies of racism."

However, well before the CPUSA's official announcement of support for the September 19 demonstration, the party's front organizations had come out in support of Solidarity Day. For example, Women for Racial and Economic Equality (WREE), a CPUSA front group which is the U.S. section of the Soviet-controlled Women's International Democratic Federation (WIDF), adopted as its priority resolution during its July 9-12, 1981, convention support for the Solidarity Day rally. WREE is working closely with the Coalition of Labor Union Women (CLUW).

Two days before the AFL-CIO's Solidarity Day, the CPUSA made plain its agenda—destruction of the existing two-party system and creation of a new political party. In the words of a Daily World editorial:

> Only unity of labor and other people's organizations can achieve victory over Reagan's "give the rich everything" policies. * * * When the protesters go home from Washington, we will all have two important jobs—to defeat every "cutback representative" in Congress, and to take the steps to make sure that decent representatives replace them. We think a united people's party is an important tool in achieving both. Isn't a new people's party an idea whose time has come?

Labor Today, the official publication of the CPUSA's front for penetration of the trade unions, Trade Unionists for Action and Democracy (TUAD), was even more bluntly explicit, writing:

> Today's demonstration represents, in embryo, the new people's political alliance, based upon organized labor and encompassing every abused and aggrieved and insulted constituency across the land.

As one example of possible CPUSA manipulation, at Operation PUSH's 10th convention in Chicago, its leader, Rev. Jesse Jackson, called for full participation by his group in Solidarity Day. Rev. Jackson's top aide and adviser is Jack O'Dell, also known as Hunter Pitts O'Dell, formerly the CPUSA's top southern organizer. Under the alias "Cornelius James," O'Dell was a member of the Communist Party, U.S.A. National (now Central) Committee and at the same time was a top-level aide to Rev. Martin Luther King, Jr.

It should be noted that a book published this year entitled "The FBI and Martin Luther King, Jr.," reported that on June 22, 1963, President John F. Kennedy met with Reverend King and told him that two of his closest advisers, lawyer Stanley Levison and Jack O'Dell, were Communists and urged King to "get rid of them." But Reverend King did not "get rid of" either Levison or O'Dell and maintained a documentable yet semicovert relationship with them until his death.

Operation PUSH also supported the Solidarity Day demonstration at a labor breakfast during its convention attended by what the CPUSA's Daily World termed "some 500 secondary and top leaders of the trade union movement." Among those who attended were William Lucy, international secretary, AFSCME and leader of the Coalition of Black Trade Unionists (CBTU); Charles Hayes, district director and vice president, United Food and Commercial Workers Union (UFCW) and who is an identified CPUSA member active in the leadership of the Coalition of Black Trade Unionists (CBTU); Addie Wyatt, international vice president, UFCW, and president, CLUW; Frank Rosen, director, district 11, United Electrical Workers Union (UE) and an identified CPUSA member; Marc Stepp, past vice president, UAW; and James Balanoff, outgoing director, district 31, United Steelworkers of America (USWA).

From that point onward, most U.S. left groups including Communists, Trotskyites, black militant groups, and assorted "new leftists" joined the organizing effort to bring their members to Washington for the September 19 march. But they did not seek to have their members march as easily identified members of totalitarian Marxist-Leninist parties, but as members of trade union locals or assorted so-called peace groups.

Those present included:

Communist Party, U.S.A., the official Soviet-line Communist Party which serves as an agency for propaganda and Soviet covert action under the direction of the International Department of the Central Committee of the Soviet Communist Party. The CPUSA claims to have some 10,000 current members and 100,000 supporters. While the membership claim appears exaggerated, it is noted that the Communists now have more power on the New York City Council than ever before in their history.

Trade Unionists for Action and Democracy (TUAD) is the chief CPUSA front for penetration of the trade union movement. But the Communist Party, U.S.A. is active in other labor movement organizations such as the Coalition of Black Trade Unionists (CBTU) and Coalition of Labor Union Women (CLUW). The CPUSA retains strong influence in the remnants of several unions expelled from the CIO because of their Communist Party control. A number of officials from those old Communist-controlled unions have retained influence as their unions have undergone mergers such as the old Mine, Mill and Smelter Workers into the United Steel Workers of America (USWA); the United Packinghouse Workers into the Amalgamated Meatcutters and now the United Food and Commercial Workers; and district 65 (Distributive Workers) into the United Auto Workers (UAW).

Socialist Workers Party (SWP), a Trotskyite Communist Party that collaborates with the Soviet Union's efforts against the United States and which recently formed a strong alliance with Cuba. The SWP is the U.S. section of the Fourth International, the Brussels-based principal coordinating body for Trotskyist parties. The SWP and its youth arm, the Young Socialist Alliance (YSA) claim some 2,500 members.

The SWP has been conducting a major effort to "colonize" trade unions in key services and industries including the traditional steel and auto unions and the various public employee unions that organize teachers, social workers, and other white collar and bureaucratic employees.

Workers World Party (WWP), now a hardline "Stalinst" party strongly supportive of Cuba, North Korea, and the Soviet Union, the WWP was formed 20 years ago by a small group of ultramilitant Trotskyist backers of the Cuban revolution who split off from the SWP. The WWP has an estimated hardcore membership of 600. Its major fronts include the People's Anti-War Mobilization (PAM), Youth Against War and Fascism (YAWF), and the National Anti-Draft Network (NADN). WWP's trade union front, the center for United Labor Action (CULA) has been relatively inactive recently.

Puerto Rican Socialist Party (PSP), a Castroite Communist Party with a long record for violence that serves as the umbrella group under which the FALN and other revolutionary terrorist groups operate. The PSP has maintained an office in Havana since 1960. Its demands for Puerto Rican independence are backed internationally by the Soviet-controlled front organizations led by the World Peace Council and in the United Nations by Cuba and the Soviet bloc. On the U.S. mainland, the PSP claims 2,000 members.

The PSP controls several radical labor groups in Puerto Rico including the electrical workers union, UTIER,

and the United Workers Movement (MOU).

Various Trotskyite splinter groups including the violence-oriented Spartacist League (SL), the militant Revolutionary Socialist League (RSL), and the International Socialists (IS) which control Teamsters for a Democratic Union (TDU).

Democratic Socialist Organizing Committee/New American Movement, two organizations, the one the U.S. incarnation of the leftwing of "Euro-socialism" which is willing to collaborate with the Communists and the other, the U.S. expression of "Euro-Communism," which have ratified their merger. DSOC has traditionally worked within the leftwing of the Democratic Party. The groups together total some 4,000 members.

ACORN—the Association of Community Organizations for Reform Now—based in New Orleans and active in Arkansas and other States, ACORN is attempting to harness traditional American populism to Marxist socialism. Its organizers are veterans of the community organizing projects of Students for a Democratic Society (SDS), and appear to be attempting to build a grassroots political base for Marxists to gain public office disguised as populists and reformers.

Various black militant groups such as the explicitly anti-imperialist and anticapitalist National Black Independent Political Party.

Progressive Labor Party (PLP), an ultradoctrinaire self-described revolutionary Communist party with a long record for engaging in violent confrontations with rival totalitarian groups and with police. PLP and its front, the International Committee Against Racism (ICAR), maintain an extreme stance of opposition not only to the U.S. Government, but also to the leftwing of the trade union leadership.

During the Solidarity Day event, PLP attempted to stage a breakaway march calling for a general strike, and from the steps of the National Archives harangued the AFL-CIO contingents. When the PLP attempted to march into the trade union groups, prompt and effective action by the Metropolitan Police Department resulted in their being contained and subsequently dispersed.

Early in August, William Winpisinger, president of the International Association of Machinists, cochairman of SANE, and associate of the Institute for Policy Studies, invited a number of peace groups to join the IAM contingents on Solidarity Day.

The Militant, the publication of the Socialist Workers Party (SWP), reported that Winpisinger had sent out a special mailing encouraging peace groups to participate. The article quoted IAM staffer Barbara Shailor as saying:

We think it's very important to have a full turnout of peace groups on Solidarity Day.

As a result of Winpisinger's invitation, letters were sent by the peace groups to their members. Typically, the letters stated that the IAM had provided the peace groups with lists of the IAM's State coordinators as contacts about general Solidarity Day planning and for transportation to Washington.

I would point out that Winpisinger's next slap to the AFL-CIO is a planned trip to Moscow in October in order to meet with the leaders of the Soviet Union's phony union movement—the same Communist bureaucrats who today are taking the lead in attacking the free trade union movement in Poland, Solidarity.

Among the organizations who joined with Winpisinger in supporting his action, and who were invited to be present in the Solidarity Day demonstration with the IAM were:

American Friends Service Committee (AFSC), formed by a group of socialist Quakers opposed to the draft in World War I, the AFSC has been penetrated and used by Communists since the early 1920's when it sent Jessica Smith to the Soviet Union to determine famine relief needs in Russia which was suffering from the effects of forced collectivization of farms and the effects of civil war.

In its literature, the AFSC has publicly and consciously chosen to support revolutionary terrorist groups and has tried to justify revolutionary armed struggle and terrorism by claiming that the armed violence of the freedom fighters—terrorists—will bring a socialist utopia that will end the violence of the status quo, by which AFSC means the existence of poverty, social and economic inequalities, unemployment, and lack of a decent education.

In the early 1970's, the Philadelphia meeting of the Society of Friends withdrew its financial support from the AFSC as a result of its support of violence.

Committee Against Registration and the Draft (CARD), a Washington-based coalition of revolutionary, "peace," disarmament and socialist-pacifist groups including the American Civil Liberties Union (ACLU), SANE, American Friends Service Committee (AFSC), Mobilization for Survival (MFS) and Coalition for a New Foreign and Military Policy (CNFMP). CARD chapters in Detroit and some other areas have been taken over by the Socialist Workers Party (SWP), the U.S. section of the main coordinating body for Trotskyite Communist parties, the Fourth International.

Clergy and Laity Concerned (CALC), a self-described "anti-imperialist" organization founded by the National Council of Churches (NCC) to oppose United States support of South Vietnam. Led for a number of years by Rev. Richard Fernandez, CALC's representative in the leadership of the pro-Hanoi People's Coalition for Peace and Justice (PCPJ) which organized violent anti-Vietnam protests, and by Don Luce, an apologist for the Hanoi regime, CALC has interpreted "anti-imperialism" to include support for Soviet-backed Third World revolutionary terrorist movements and Marxist totalitarian regimes.

Coalition for a New Foreign and Military Policy (CNFMP), a Washington-based lobbying organization against U.S. defense spending. The CNFMP formerly was called the Coalition to Stop Funding the War and was the lobbying arm of the Communist-dominated anti-Vietnam coalitions. Members of the coalition and its projects range from several fronts of the Communist Party, U.S.A., through "peace" and "disarmament" groups to the Institute for Policy Studies (IPS), a Marxist think tank with which the CNFMP works closely. IPS has been characterized as the "perfect intellectual front for Soviet activities which would be resisted if they were to originate openly from the KGB."

Fellowship of Reconciliation (FOR), a socialist/pacifist group that has actively worked in Soviet-initiated disarmament campaigns and in backing the Marxist-Leninist terrorist movements in Southeast Asia.

Institute for Policy Studies (IPS), a Washington-based revolutionary think tank that has consistently supported policies that facilitate the foreign policy goals of the Soviet Union and weaken the position of the United States. This has been true whether the issue is disarmament—for the West—and transferring defense appropriations into social welfare programs, abolition of nuclear power—for the West, opposition to the activities of foreign and domestic intelligence agencies—for the West—or support for Soviet-backed revolutionary terrorist groups in Asia, Africa, Latin America, Western Europe, and the Middle East.

To put its policy recommendations into action, IPS has built networks of contacts among congressional legislators and their staffs, academics, government officials, and the media.

IPS has been described as the "perfect intellectual front for Soviet activities which would be resisted if they were to originate openly from the KGB."

Mobilization for Survival (MFS), an organization founded by two veteran Communists, Sid Peck and Sid Lens, both active for two decades with the Soviet-controlled World Peace Council and its affiliates. The MFS is designed to harness antinuclear and environmentalist activists to the campaigns to block development and deployment of new U.S. defense systems which, of

course, aids the U.S.S.R.'s drive for total military superiority.

The MFS calls for the transfer of U.S. defense appropriations to social welfare programs. Major MFS national members include the AFSC, FOR, USPC, WILPF, WRL, CNFMP, and numerous local antinuclear, disarmament and environmental groups.

The MFS international task force was organized and chaired by two WPC activists, Terry Provance, head of the AFSC's disarmament program and a former CNFMP staffer, and Katherine "Kay" Camp, a leader of the Women's International League for Peace and Freedom (WILPF). The leader of the MFS labor task force is Gilbert "Gil" Green, a longtime member of the CPUSA Political and Central Committees who served throughout the period of anti-Vietnam agitation as the Communist Party's official liaison in the leadership of the Communist-dominated anti-Vietnam coalitions.

National Alliance Against Racist and Political Repression (NAARPR), a CPUSA front organization formed in 1973, led by CPUSA Central Committee members Charlene Mitchell and Angela Davis. NAARPR's primary function is to serve as the Communist Party's spearhead in manipulating black community groups and civil rights organizations.

The NAARPR is active in supporting the "prison movement" which attempts to organize and radicalize violent convicted prisoners. It should be noted that a number of revolutionary convicts have become leaders of terrorist groups including the Symbionese Liberation Army and its predecessor, the Venceremos Organization (VO), the George Jackson Brigade in Seattle, Wash.; and the Black Liberation Army, a splinter from the Black Panther Party.

NAARPR's Communist Party leaders also have been active in antipolice agitation in racially tense communities suffering from riot and preriot conditions; and in supporting political prisoner status for convicted criminals.

On September 1, NAARPR executive secretary Charlene Mitchell released a statement that NAARPR

> Stands firmly committed to doing all within its capacity to turn all out for Solidarity Day * * * to reject Reaganomics and government repression. * * * the antilabor, antipeople, and blatantly racist policies of the Reagan administration are a clear and present danger to us all. Yet we firmly believe that labor and its allies can turn back the tide of racist and political repression, can lead our country to reorder its budget priorities so as to put human needs before profits and military adventurism. * * * sound the warning for those who take from the needy and give to the greedy.

National Conference of Black Lawyers (NCBL), a U.S. affiliate of the Soviet-front International Association of Democratic Lawyers (IADL). Although the NCBL merely an estimated 500 members as compared to the 6,000 in the predominantly white National Lawyers Guild, the NCBL is often used ahead of the NLG in "solidarity work" with Third World revolutionaries and in taking positions on radical issues in the United States for racial considerations.

National Lawyers Guild (NLG), organized with the assistance of the Comintern in 1936 as a Communist legal action front, the NLG remains the principal legal bulwark of the CPUSA, its fronts and controlled unions. While there are small numbers of Maoists, Trotskyites, and independent Marxist "New Leftists" in the organization, the NLG's international positions demonstrates that the real domestic control of the NLG lies with the supporters of the Soviet and Cuban Communist regimes.

The NLG is the largest U.S. affiliate of the International Association of Democratic Lawyers (IADL), described in a CIA report on Soviet propaganda operations prepared at the request of the House Intelligence Committee and published by the committee in 1978, as "one of the most useful Communist front organizations at the service of the Soviet Communist Party."

New Democratic Coalition (NDC), an organization founded in the mid-1960's by IPS leader Marcus Raskin as a vehicle for left-of-center progressives working within the Democratic Party reform movement.

Operation Push, a Chicago-based group headed by Rev. Jesse Jackson, a former leader of the Southern Christian Leadership Conference. Operation Push's international relations director, Jack O'Dell, alias Hunter Pitts O'Dell, still an editor of the CPUSA's Freedomways magazine, was formerly CPUSA's top southern organizer and a member of its National (now Central) Committee. In the early 1960's, O'Dell's high-level position as an aide to Rev. Martin L. King in the Southern Christian Leadership Conference caused a national controversy.

With O'Dell as Jackson's international adviser, Operation Push has become involved with pro-Palestine Liberation Organization activities as well as backing for Soviet-trained terrorist groups in southern Africa. CPUSA support for Operation Push dates at least to the early 1970's when the Communist Party pointed out Operation Push's basic anticapitalist tenor.

Sane, "a citizens organization for a sane world," was formed in the early 1960's as part of the disarmament ban-the-bomb movement. Sane has been active in drives against development or deployment of new U.S. weapons systems and against U.S. foreign policies that interfere with Soviet goals. Sane's tax-exempt funding arm, the Sane education fund, is controlled by members and veterans of the Institute for Policy Studies.

In May 1981, Sane cosponsored a Capitol Hill meeting against U.S. plans to strengthen NATO by deploying new medium-range missiles in Western Europe that featured foreign leaders of the World Peace Council and Richard Barnet, cofounder of IPS. Sane's cochairmen are Seymour Melman and IAM president William Winpisinger. Other top leaders of the group include IPS cofounder Marcus Raskin; Edith Tiger, director of the National Emergency Civil Liberties Committee (NECLC), a CPUSA front organization targeted against the U.S. internal security and intelligence programs; and David Cortright, Sane executive director and IPS veteran.

Southern Organizing Committee for Economic and Social Justice (SOCESJ), a Communist Party, U.S.A. front organization founded and led by Anne Braden, for many years one of the top CPUSA recruiters and organizers in the South. Braden is also active in the NAARPR, WILPF, and WREE.

U.S. Peace Council (USPC), the U.S. affiliate of the Soviet-controlled World Peace Council. USPC leaders include such CPUSA veterans as Abe Feinglass, a member of the WPC presidential committee; and Michael Myerson, a longtime functionary of the New York State Communist Party.

The World Peace Council is the Soviet Union's major international Communist front organization and has its headquarters in Helsinki, Finland. According to a 1978 CIA study prepared at the request of the House Intelligence Committee, the WPC operates under the joint control of the International Department of the Central Committee of the Communist Party of the Soviet Union (CPUSU) and the KGB. The WPC's primary function is to influence public opinion and governmental policies in non-Communist countries along lines favorable to Soviet policy goals. In other words, the WPC and its affiliates are vehicles for Soviet covert action.

War Resisters League (WRL), the U.S. section of the War Resisters International (WRI), an organization of militant socialist pacifists which has collaborated with the Communist-led peace and disarmament campaigns for many years. WRI sections in a number of countries including West Germany have fallen under the control of the pro-Soviet Communists. In its publications, the WRL has supported terrorist groups ranging from the Irish Republican Army and Palestine Liberation Organization to the West German Red Army Faction (Baader-Meinhof gang).

Women for Racial and Economic Equality (WREE), a CPUSA front organization which is the U.S. affiliate of the Women's International Demo-

cratic Federation (WIDF), another of the Soviet-controlled international Communist fronts that serve as vehicles for Soviet covert action. WREE's primary target as co-optation is the Coalition of Labor Union Women (CLUW), headed by Joyce Miller and UFCW vice president Addie Wyatt.

Women's International League for Peace and Freedom (WILPF), founded by socialist-pacifists opposed to World War I, WILPF has been thoroughly penetrated by the Communist Party. WILPF works closely with the WPC and WIDF and is highly active in the leadership of the U.S. antidefense and disarmament campaigns.

Other special interest groups ranging from gay rights advocates and the National Organization for Women (NOW) through the antinuclear and ecology groups to the supporters of the Soviet and Cuban-backed terrorist revolutionary movements in Latin America, Africa, and the Middle East were present in the Solidarity Day march in order to protest various aspects of the Reagan administration's policies.

While the responsible leadership of the AFL-CIO were able to exclude the most extreme revolutionary factions from the official Solidarity Day program, and prevent, by use of their own 400 platform security marshals, revolutionary groups from placing their banners in full TV camera range or from taking over the microphones, they were not able to prevent small acts of vandalism and violence by some of the extreme militant groups such as the Progressive Labor Party or to prevent an unprovoked attack on CBS news commentator Lem Tucker by their own security marshals—an attack which resulted in Mr. Tucker suffering three broken ribs and possibly severe internal injury, and which, although reported by the wire services, was largely ignored by the print media.

However, regardless of the minimal violence during Solidarity Day, tremendous damage was done to the democratic labor movement during the organizing for the event by the AFL-CIO's disinclination to exclude the Marxist-Leninists. The disciplined revolutionary left and spurious "peace" groups were able to make their impact because from the first announcement of Solidarity Day, these groups were among the most active in each local planning area.

They organized telephone banks, hired buses, and provided the manpower to insure a large participation by the far left in the demonstration. Working with the local trade union establishment, such as city and town labor councils, these leftist groups made themselves invaluable to the non-Marxist local trade union organizers of Solidarity Day. Local union officials were given little encouragement and direction by the AFL-CIO leadership how to keep out radicals.

Having achieved their penetration of organized labor and attained an acceptance and "respectable" status with local union officials, it was unlikely that the radicals would involve themselves either in confrontations or adventuristic violence during Solidarity Day. But long term, these groups, many of whom work with the Soviet Union's covert action and propaganda apparat, may have created a climate in which they can collect future political dividends.

The relatively small turnout of trade union activists indicates that the AFL-CIO leadership erred in allowing itself to be dragged along by their leftist fringe personified by William Winpisinger, Jerry Wurf, and Douglas Fraser.

The appearance of the Marxist-Leninist parties and Communist-controlled "peace" groups of Solidarity Day is a further embarrassment to the legitimate trade union movement which must result in both a loss of credibility and a demand by the rank-and-file for the removal of anti-Americans from their positions of leadership and influence.●

## SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, September 22, 1981, may be found in the Daily Digest of today's RECORD.

### MEETINGS SCHEDULED

#### SEPTEMBER 23

9:00 a.m.
*Small Business
To hold hearings on the impact of high interest rates on small business, and to examine their future credit needs.
424 Russell Building

Select on Intelligence
Closed business meeting.
Room S-407, Capitol

Joint Economic
Monetary and Fiscal Policy Subcommittee
To hold hearings to examine Social Security employment, savings, and retirement programs.
1224 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To resume hearings on S. 1593 and S. 125, bills revising and clarifying U.S. regulation of international liner shipping in the U.S. foreign trade.
235 Russell Building

Governmental Affairs
Governmental Efficiency and the District of Columbia Subcommittee
To hold hearings on S. Res. 207, disapproving certain action of the District of Columbia government relating to the reform of the sexual assault laws of the District of Columbia.
357 Russell Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold oversight hearings to review standard language to be included in all future block grant legislation.
3302 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Environment and Public Works
To resume markup of an original bill authorizing funds for the municipal wastewater treatment construction grant programs of the Clean Water Act.
4200 Dirksen Building

Foreign Relations
To hold hearings on the nominations of Thomas Aranda, Jr., of Arizona, to be Ambassador to Uruguay, and Frank Ortiz, Jr., of New Mexico, to be Ambassador to Peru.
4221 Dirksen Building

Judiciary
Business meeting, to consider pending calendar business.
2228 Dirksen Building

Labor and Human Resources
Investigations and General Oversight Subcommittee and Labor Subcommittee
To hold joint oversight hearings on the activities of the Occupational Safety and Health Administration.
4232 Dirksen Building

#### SEPTEMBER 24

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 1402, establishing uniform width and length standards for commercial motor vehicles on interstate highways.
1224 Dirksen Building

*Small Business
To continue hearings on the impact of high interest rates on small business and to examine their future credit needs.
424 Russell Building

9:30 a.m.
*Banking, Housing and Urban Affairs
Business meeting, to mark up S. 1230, authorizing the minting of special coins commemorating the 1984 summer Olympic games in Los Angeles, California
5302 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine Subcommittee
To continue hearings on S. 1593 and S. 125, bills revising and clarifying U.S. regulation of international liner shipping in the U.S. foreign trade.
235 Russell Building

Judiciary
*Constitution Subcommittee
To resume oversight hearings on the implementation of the Freedom of Information Act, and on S. 1247, S. 1235, and S. 587, bills providing for the protection of certain confidential information from the disclosure requirements of the Freedom of Information Act.
2228 Dirksen Building

10:00 a.m.
Armed Services
To hold hearings on the nominations of James F. Goodrich, of Maine, to be Under Secretary of the Navy, Thomas K. Turnage, of California, to be Director of Selective Service, and John S. Herrington, of California, to be an Assistant Secretary of the Navy, and routine military nominations.
212 Russell Building

Budget
To resume hearings on the proposed second concurrent resolution revising the Congressional Budget for the Federal Government for fiscal years 1982, 1983, and 1984.
6202 Dirksen Building

Energy and Natural Resources
To hold hearings on the nomination of Henry E. Thomas IV, of Virginia, to be an Assistant Secretary of Energy for International Affairs.
3110 Dirksen Building

Foreign Relations
To hold hearings on the proposed Convention with Canada with Respect to Taxes on Income and Capital (Ex. T, 96th Cong., 2d Sess.).
4221 Dirksen Building

Governmental Affairs
To hold hearings on the nomination of Loretta Cornelius, of Virginia, to be Deputy Director of the Office of Personnel Management.
3302 Dirksen Building

Joint Economic
To hold hearings on the Consumer Price Index figures for the month of August.
2154 Rayburn Building

2:00 p.m.
Budget
To continue hearings on the proposed second concurrent resolution revising the Congressional Budget for the Federal Government for fiscal years 1982, 1983, and 1984.
6202 Dirksen Building

Foreign Relations
To continue hearings on the proposed Convention with Canada with Respect to Taxes on Income and Capital (Ex. T, 96th Cong., 2d sess.).
4221 Dirksen Building

## SEPTEMBER 25

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Harold E. Shear, of Connecticut, to be Administrator of the Maritime Administration, Department of Transportation.
235 Russell Building

Finance
Taxation and Debt Management Subcommittee
To hold hearings on miscellaneous tax proposals.
2221 Dirksen Building

10:00 a.m.
Armed Services
To hold closed hearings on the military and technical implications of the Airborne Warning and Control System (AWACS) and the F-15 enhancements arms sales package to Saudi Arabia.
S-407, Capitol

Energy and Natural Resources
Energy Research and Development Subcommittee
To hold oversight hearings on the viability of the domestic uranium mining and milling industry.
3110 Dirksen Building

Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

Foreign Relations
To hold hearings on the nominations of Ronald I. Spiers, of Vermont, to be Ambassador to the Islamic Republic of Pakistan, and Harry G. Barnes, Jr., of Maryland, to be Ambassador to India.
4221 Dirksen Building

Joint Economic
To hold hearings to review the effects of high interest rates on the economy.
2154 Rayburn Building

## SEPTEMBER 28

9:00 a.m.
*Labor and Human Resources
Aging, Family, and Human Services Subcommittee
To resume oversight hearings on the role of the Federal Government in family planning programs of Title X of the Public Health Services Act.
4232 Dirksen Building

9:30 a.m.
Foreign Relations
International Economic Policy Subcommittee
To hold hearings on international investment policy.
4221 Dirksen Building

*Select on Indian Affairs
To hold hearings on S. 874, providing for additional protection of steelhead trout as a game fish.
6226 Dirksen Building

10:00 a.m.
Armed Services
To resume hearings on the military and technical implications of the Airborne Warning and Control System (AWACS) and the F-15 enhancements arms sales package to Saudi Arabia.
318 Russell Building

Judiciary
To hold hearings on proposed legislation to reform the Federal criminal laws and streamline the administration of criminal justice.
2228 Dirksen Building

## SEPTEMBER 29

9:30 a.m.
Energy and Natural Resources
To hold hearings on S. 1544, authorizing funds for fiscal years 1982, 1983, and 1984 for state and local energy block grant programs.
3110 Dirksen Building

Veterans' Affairs
Business meeting, to mark up S. 349, providing for limited judicial review of the administrative action of the Veterans' Administration, and for reasonable fees to attorneys representing legal counsel for veterans, and H. Con. Res. 76, expressing the sense of Congress that the Secretary of the Army provide for a plaque in Arlington National Cemetery honoring members of the U.S. Armed Forces who died during the rescue attempt in Iran.
412 Russell Building

10:00 a.m.
Governmental Affairs
To hold hearings on proposed legislation to extend certain provisions of the Inspector General Act of 1981 to the Departments of Justice, Defense, and Treasury.
3302 Dirksen Building

Governmental Affairs
Governmental Efficiency and the District of Columbia Subcommittee
To resume hearings on S. 744, authorizing the District of Columbia to issue general obligation bonds to pay specified eligible liabilities.
357 Russell Building

Judiciary
Business meeting, to consider pending calendar business.
2228 Dirksen Building

2:00 p.m.
Judiciary
To continue hearings on proposed legislation to reform the Federal criminal laws and streamline the administration of criminal justice.
2228 Dirksen Building

## SEPTEMBER 30

9:30 a.m.
Commerce, Science, and Transportation
To hold joint oversight hearings with the House Committee on Science and Technology on Federal patent policy.
235 Russell Building

Environment and Public Works
Transportation Subcommittee
Business meeting, to mark up S. 1024, authorizing funds through fiscal year 1986 for the construction and safety of Federal highways.
4200 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Judiciary
Immigration and Refugee Policy Subcommittee
To hold hearings on matters relating to the hiring of illegal aliens.
412 Russell Building

*Judiciary
Separation of Powers Subcommittee
To hold hearings on proposals to restrict the power of Federal courts in matters of school busing, focusing on the social impact of forced busing.
2228 Dirksen Building

2:00 p.m.
Environment and Public Works
Transportation Subcommittee
Business meeting, to continue markup of S. 1024, authorizing funds through fiscal year 1986 for the construction and safety of Federal highways.
4200 Dirksen Building

OCTOBER 1

9:30 a.m.
Foreign Relations
To hold hearings on the Airborne Warning and Control System (AWACS) and the F-15 enhancements arms sales package to Saudi Arabia.
1202 Dirksen Building

Labor and Human Resources
To hold hearings on the nomination of C. Everett Koop, of Pennsylvania, to be Medical Director in the Regular Corps of the Public Health Services and the Surgeon General of the Public Health Services, Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To resume hearings on S. 1542, prohibiting a company operating a common carrier railroad from holding Federal coal leases unless the coal is used for railroad purposes.
3110 Dirksen Building

Judiciary
Separation of Powers Subcommittee
To continue hearings on proposals to restrict the power of Federal courts in matters of school busing, focusing on the legal and constitutional issues of busing.
2228 Dirksen Building

2:00 p.m.
Foreign Relations
To continue hearings on the Airborne Warning and Control System (AWACS) and the F-15 enhancements arms sales package to Saudi Arabia.
318 Russell Building

OCTOBER 5

9:30 a.m.
Judiciary
*Constitution Subcommittee
To resume hearings on proposed constitutional amendments relating to abortion.
2228 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To resume hearings on S. 1182, improving the administration of the Longshoremen's and Harbor Workers' Compensation Act by removing certain inequities, reducing incentives for fraud and abuse, and assuring immediate compensation benefits and competent medical treatment for injured employees.
4232 Dirksen Building

2:00 p.m.
Judiciary
*Criminal Law Subcommittee
To hold hearings on S. 101 and S. 751, bills to eliminate and establish an alternative to the exclusionary rule in Federal criminal proceedings.
6226 Dirksen Building

OCTOBER 6

8:30 a.m.
Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To hold oversight hearings on the Department of the Interior's proposed five-year plan of oil and gas development in the Outer Continental Shelf.
3110 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 709, prohibiting the sale of beverage containers without a minimum refund value, and prohibiting the sale of metal beverage containers with detachable openings.
235 Russell Building

Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

Labor and Human Resources
Investigations and General Oversight Subcommittee
To hold hearings to explore the cause and effect of missing children, focusing on home environment, local law enforcement action, and citizen action groups.
4232 Dirksen Building

OCTOBER 14

9:30 a.m.
Judiciary
*Constitution Subcommittee
To resume hearings on proposed constitutional amendments relating to abortion.
2228 Dirksen Building

OCTOBER 15

9:30 a.m.
Judiciary
*Constitution Subcommittee
To resume oversight hearings on the implementation of the Freedom of Information Act, and on S. 1247, S. 1235, and S. 587, bills providing for the protection of certain confidential information from the disclosure requirements of the Freedom of Information Act.
2228 Dirksen Building

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

OCTOBER 16

10:00 a.m.
Judiciary
Separation of Powers Subcommittee
To resume hearings on proposals to restrict the power of Federal courts in matters of school busing, focusing on certain community problems.
2228 Dirksen Building

OCTOBER 19

10:00 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee and Water and Power Subcommittee
To hold joint oversight hearings on hydroelectric development and related licensing procedures.
3110 Dirksen Building

OCTOBER 20

9:00 a.m.
Labor and Human Resources
To hold oversight hearings on the implementation of the Comprehensive Employement Training Act (CETA).
4232 Dirksen Building

10:00 am.
Commerce, Science, and Transportation
Business, Trade, and Tourism Subcommittee
To hold hearings on S. 1233, establishing a service industries development program in the Department of Commerce.
235 Russell Building

Energy and Natural Resources
To hold joint hearings with the Subcommittee on Nuclear Regulation of the Committee on Environment and Public Works on S. 1606, to provide for a nuclear property damage insurance fund, and to provide funds for the cleanup of the contaminated nuclear facility at Three Mile Island.
3110 Dirksen Building

Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

Environment and Public Works
Nuclear Regulation Subcommittee
To hold joint hearings with the Committee on Energy and Natural Resources on S. 1606, to provide for a nuclear property damage insurance fund, and to provide funds for the cleanup of the contaminated nuclear facility at Three Mile Island.
3110 Dirksen Building

OCTOBER 21

10:00 a.m.
Commerce, Science, and Transportation
Business, Trade, and Tourism Subcommittee
To continue hearings on S. 1233, establishing a service industries development program in the Department of Commerce.
235 Russell Building

Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings to examine the impact of marihuana on youth, focusing on the areas of health and education.
4232 Dirksen Building

Labor and Human Resources
Education Subcommittee and Employment and Productivity Subcommittee
To hold joint oversight hearings on the implementation of vocational education and youth employment programs.
1224 Dirksen Building

OCTOBER 22

9:30 a.m.
Judiciary
Constitution Subcommittee
To resume hearings on S. 1554, S. 1253, S. 482, and S. 440, bills to amend the Federal Criminal Code with respect to the circumstances under which a person charged with or convicted of a crime may be released on bail or personal recognizance.
Room to be announced

Labor and Human Resources
To hold oversight hearings on activities relating to affirmative action of the Office of Federal Contract Compliance Programs, Department of Labor.
4232 Dirksen Building

OCTOBER 23

10:00 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee and Water and Power Subcommittee
To resume joint oversight hearings on hydroelectric development and related licensing procedures.
3110 Dirksen Building

OCTOBER 27

9:30 a.m.
Labor and Human Resources
To hold hearings on S. 1483, proposed Radiation Exposure Compensation Act.
4232 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To hold oversight hearings on America's role in the world coal export market.
3110 Dirksen Building

Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

OCTOBER 28

9:30 a.m.
*Labor and Human Resources
Labor Subcommittee
Business meeting, to consider S. 1182, improving the administration of the Longshoremen's and Harbor Workers' Compensation Act by removing certain inequities, reducing incentives for fraud and abuse, and assuring immediate compensation benefits and competent medical treatment for injured employees.
4232 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To continue oversight hearings on America's role in the world coal export market.
3110 Dirksen Building

OCTOBER 29

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

NOVEMBER 4

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 1541, proposed Retirement Income Incentives and Administrative Simplification Act.
4232 Dirksen Building

NOVEMBER 5

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To continue hearings on S. 1541, proposed Retirement Income Incentives and Administrative Simplification Act.
4232 Dirksen Building

NOVEMBER 11

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To resume hearings on S. 1541, proposed Retirement Income Incentives and Administrative Simplification Act.
4232 Dirksen Building

NOVEMBER 12

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To continue hearings on S. 1541, proposed Retirement Income Incentives and Adminstrative Simplification Act.
4232 Dirksen Building

NOVEMBER 17

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To resume hearings on S. 1541, proposed Retirement Income Incentives and Administrative Simplification Act.
4232 Dirksen Building

## CANCELLATIONS

SEPTEMBER 23

9:30 a.m.
Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To hold hearings on proposed legislation to apply the medicare tax to Federal employees and to increase the Government contribution to the Federal employees health benefit program.
1318 Dirksen Building

Judiciary
Constitution Subcommittee
To resume hearings on proposed legislation to amend the Federal Criminal Code with respect to the circumstances under which a person charged with or convicted of a crime may be released on bail or personal recognizance.
2228 Dirksen Building

10:00 a.m.
Judiciary
Separation of Powers Subcommittee
To hold hearings on S. 481, restoring the right of voluntary prayer in public schools and to promote the separation of powers.
2228 Dirksen Building

SEPTEMBER 24

10:00 a.m.
Judiciary
Separation of Powers Subcommittee
To continue hearings on S. 481, restoring the right of voluntary prayer in public schools and to promote the separation of powers.
2228 Dirksen Building

Labor and Human Resources
Investigations and General Oversight Subcommittee
To continue oversight hearings on the activities of the Occupational Safety and Health Administration.
4232 Dirksen Building

SEPTEMBER 25

10:00 a.m.
Judiciary
Juvenile Justice Subcommittee
To hold hearings to explore certain issues relating to the early detection of juvenile crime.
2228 Dirksen Building

SEPTEMBER 28

1:00 p.m.
Judiciary
*Juvenile Justice Subcommittee
To hold hearings to examine media response regarding its impact on juveniles.
2228 Dirksen Building

OCTOBER 1

9:30 a.m.
Labor and Human Resources
To resume hearings on S. 234, to encourage the establishment of home health care programs and to provide expanded coverage of home health services under the medicare and medicaid programs.
4232 Dirksen Building

NOVEMBER 2

10:00 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To hold oversight hearings on the implementation of Title I, establishing well head prices for natural gas, of the Natural Gas Policy Act (P.L. 95-621).
3110 Dirksen Building

NOVEMBER 3

10:00 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To continue oversight hearings on the implementation of Title I, establishing wellhead prices for natural gas, of the Natural Gas Policy Act (P.L. 95-621).
3110 Dirksen Building

# SENATE—*Tuesday, September 22, 1981*

*(Legislative day of Wednesday, September 9, 1981)*

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us pray.

Sovereign Lord of history and the nations, we are humbled before Thee as we contemplate the awesome duty of government in the light of history and the present situation. We remember the dedication, the sacrifice of those who have gone before. We recall the humble dependence upon Thee that is expressed in our founding documents. We are mindful of the values and priorities inherited from the Judeo-Christian tradition of our fathers. Forgive us God when we ignore or demean or violate the spiritual roots which launched this incredible Nation.

We praise and thank Thee for the incalculable resources of our land: Its mountains and plains, its lakes and rivers and streams, its vast forests and fertile soil, its industry and inventiveness, its rich mixture of people of every nation and race and language and culture and creed—a microcosm of the world.

As many nations look to the United States as the central stronghold of justice and freedom, help us to repent of our pride, sin, and failure; help us to be faithful to the mandate of our legacy—to what Senator Dirksen called our "divine rendezvous." Help us to see what is right and best for all peoples and to do Thy will on Earth as it is in heaven. In Jesus' name. Amen.

## RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

## THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

## THE GOVERNMENT BRAIN DRAIN

Mr. STEVENS. Mr. President, we still have a crisis on our hands. Yet, it is not receiving the attention it deserves. The crisis has been termed, "the Government brain drain."

This Nation can ill afford to lose its best thinkers, managers, scientists, engineers, lawyers and others at a time like this. Yet, that is exactly what is happening. Executive resignations and retirements in the various Federal agencies have doubled and tripled in the last 3 years.

At a hearing recently before the Subcommittee on Civil Service, the Director of the Office of Personnel Management stated:

The loss of seasoned executives is much worse in the high technology occupations. At a time when Government programs are becoming more and more scientific particularly in fields such as defense and health, the inability to attract and keep science administrators is clearly our most serious recruitment problem. Recent retirements from SES have included the Director of the Air Force's Turbine Engine Division, Solid State Sciences Division and Mathematical and Informational Sciences program. At HHS the Directors of the Laboratory of Molecular Virology and the Bureau of Medical Devices are examples of recent retirement losses.

Mr. President, these are only a few of the reams of examples we heard.

Another witness, Mr. John Otto, Executive Assistant Director, Federal Bureau of Investigation, revealed facts which have the potential of seriously undermining our Nation's law enforcement activities. Many years ago to promote efficiency among its personnel and in its programs, the FBI instituted a transfer program.

In this program, agents and supervisors are transferred around the country for various enforcement activities. Such transfers are normally accompanied by promotions. Mr. Otto testified that the FBI's career development and transfer program have almost come to a standstill.

No one will volunteer for such activities because the pay cap precludes any additional remuneration. How do we expect our laws to be enforced when we have no one to transfer to the areas where the laws are being violated?

Mr. President, there are many reasons why senior executives are leaving the Government in droves. However, the major factor is inadequate compensation. A short-term solution to plug up the dike is to lift the pay cap on the executive branch. I urge my colleagues to join with me in this effort today.

Finally, Mr. President, I ask unanimous consent that the testimony of a Mr. Gerard R. Esposito be printed in the RECORD at the conclusion of my remarks. Mr. Esposito is a regional director of an Internal Revenue Service operation, responsible for directing cases with proposed deficiencies in excess of $3 billion. His testimony clearly delineates his and his family's personal costs by his remaining with the Federal Government.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF GERARD R. ESPOSITO

I have worked for the Internal Revenue Service for more than 20 years. Beginning my career as a Revenue Agent at GS 5, I worked my way up through the technical ranks and then through the entry, middle, and top management levels. In 1973, I was selected for my organization's Executive Development Program which I completed successfully, and subsequently, I was promoted to the position of Assistant District Director in Seattle, Washington in March 1975. I was promoted to District Director in Fargo, N.D. in 1977, and about two years later, I received a promotion to the Regional Director of Appeals in N.Y.C., the position I now hold. I have dedicated myself to the advancement of the public interest, and I have continually sought to fulfill my appointed responsibilities to my utmost ability.

Each of these promotions required extensive relocations, greater responsibilities, and new demands upon me. For example, my most recent promotion was from Director of a District with less than 140 employees to a Regional Director of an operation which covers seven states. I now manage more than 320 employees with a workload of Appeals cases with proposed deficiencies in excess of $3 billion dollars. To effectively manage an operation of this size involves a great deal of time away from home at the various field offices to insure, among other things, that we effectively meet the needs of the public. This requires substantial sacrifices by my wife and 3 children as well as by myself.

I accepted these additional responsibilities willingly. Yet one would think that, with these greater burdens, I would have concomitantly received greater remuneration and benefits. In fact, however, because of the pay lid, inflation, moving expenses, increased mortgage interest payments, income tax on reimbursements, increased commuting costs, utilities and other necessities, my losses and cost of living have soared while my income has remained unchanged since 1978. First, allow me to substantiate these losses and the rise in my cost of living.

1. Sale of Personal Residence:

Although I made a small profit on the sale, I was forced to drop my price by more than $10,000 to sell the house in North Dakota quickly so that my family could relocate together. There were many other houses similar to mine on the market at the same time. The price reduction was designed to capture the only buyer in the market in our price range. While this may be considered a paper loss, it did leave us with $10,000 less available cash to put down on our new home.

2. Since moving into our new residence, we have had to invest about $6,000 to make our new home more liveable. Such items as storm doors and windows, carpeting and conversion of our heating system to save money and energy are very costly.

3. Moving Expenses:

Unfortunately, the Government inadequately reimburses us for the cost of relocation. More often, we in Government must subsidize part of the costs of moving. In my instance, this amounted to approximately $2,000 to move household goods, for temporary quarters, house-hunting costs and relocation of self and family.

4. Income Tax on Reimbursement:

The taxable amount of moving expense reimbursements added on to my income was about $4,500. The tax on this totaled nearly $2,200. This additional expense was particularly hard to accept since I had already lost so much on this move.

5. Increased Mortgage Interest Payments:

With less capital available to reinvest, we were forced to take a larger mortgage loan. Although our present home is nearly comparable with our former home, we have had to pay $130 more per month due to higher interest rates. Being unable to secure a conventional mortgage, we had to settle for a mortgage which requires a "balloon" payment of the unpaid principal in three years. This means that in about 15 months, I will have to pay off the loan or seek refinancing at interest rates that have already reached levels we cannot afford. We may be forced to sell our home before the 15 months expires for whatever we can get to avoid even greater losses when the loan falls due.

6. Increased Commutation Costs:

These costs increased from $40 a month in North Dakota to more than $189 per month in my present location. My commuting costs are scheduled to increase again in January 1982 to more than $235 per month, and additional increases are projected each January for several years thereafter.

In addition, to meet our special requirements for education and to stay within an affordable price range for homes, we had to settle in an area which extended my round trip commuting time from 30 minutes in North Dakota to 4 hours in my present location.

7. Utilities and Other Necessities:

My present cost of electricity and oil far exceeds that which I paid in North Dakota. It also appears that my electric bills will be increased shortly. This amounts to an increase of $100 per month.

One can see that up to now this move has cost me more than $10,000 out of my own pocket (not including the amount shown for sale of personal residence) and my net available cash each month has been reduced by more than $600. My wife has been forced to take a job to help offset most of this reduction. However, real estate taxes are due to increase next month by some undetermined amount, my commuting expenses will probably go up another $45 in a few months and my electric bills will also probably increase. Without a pay raise, it will be extremely difficult to manage even with my wife working.

These costs could have been better absorbed had my pay increased as I had anticipated it would. Instead, my present annual salary remains at the $50,112.50 pay cap ceiling as it has for the past three years. When I moved to NYC in 1980, there was discussion of lifting the pay cap and adjusting salaries to that proposed for the Senior Executive Service by the President, meaning that on October 1, 1981, I would be earning a minimum salary of $61,000.

This was a significant factor in deciding to move. On the other hand, had I remained in Seattle, Wash., I would be earning the same amount I am currently, but without the dislocation and disruption to my wife and children, greater costs (which forced my wife to take a job outside the home), and added responsibilities.

In retrospect, I would have been wiser to have foregone my promotions. Is this the Government's idea of incentive? Is this a means of gaining the most experienced people, of building morale, of promoting efficiency and diligence? How much longer can this dichotomy exist between reasonable expectation and reality?

I have worked energetically and honestly for the public good with my primary goal being to increase efficiency and productivity in government. This is an occupation I enjoy, feel successful at, and wish to remain in, but with the current pay situation, I am finding it harder to rationalize such a commitment.

I firmly believe that something must be done to alleviate these problems; to provide economic incentives to encourage rather than discourage promotion; to alleviate the financial burdens of relocation, and to maintain the experienced and proven successful individuals who now and in the past have maintained and run the best government mankind has ever fashioned.

I thank you for this opportunity to testify, and I am prepared to answer any questions you might have.

Mr. STEVENS. Mr. President, I yield the remainder of our time to the distinguished Senator from Wyoming.

The PRESIDENT pro tempore. The Senator from Wyoming.

Mr. WALLOP. Mr. President, I thank the acting majority leader.

## REVIEW OF TAPES AND RECORDINGS IN THE MATTER OF SENATOR WILLIAMS

Mr. WALLOP. Mr. President, I once again rise this morning, as I shall do throughout this week, to urge Senators to take advantage of the viewings of the tapes and recorded material in the matter of Senator WILLIAMS and the recommendation of the Senate Ethics Committee that he be expelled from the Senate.

It can only be fair, both to Senator WILLIAMS and to the Senate itself, in its ultimate reputation as the body of all Senators, that we treat this matter with the care, concern, and respect that it deserves. We are going to meet twice on Wednesday at 9:15 and 2:15, and at the same times on Friday in room 457 of the Russell Building. The presentation, in total, will take some 3½ hours of Senators' time. It is critical, Mr. President, that these tapes be viewed. Yesterday only nine Senators took advantage of the opportunity. There are but 4 more showings for the remaining 89 Senators to inform themselves.

Mr. President, it is my suggestion that Senators first view the tapes and then commit themselves to the study of the proceedings and the report of the Ethics Committee. Again, I say that any Senators who have questions may refer them to the attending committee staff at the viewings, or we shall make available to any Senator who so desires the wisdom and advice of special counsel as to the nature of the proceedings or as to any other questions that a Senator may have.

The committee has had its work praised as being scrupulously fair by counsel to Senator WILLIAMS. To keep it fair we require a commitment from individual Senators to devote their time and intellect to so serious a judgment as to expel a colleague.

We are under judgment by the public as we exercise our judgment on the fitness to serve of one of our Members. We should not be driven by anything but fair judgment of the factual material presented.

Each Senator has the obligation to Senator WILLIAMS and to the Senate to judge with knowledge. Our reputation as an institution is at stake. Senator WILLIAMS' personal reputation is at stake. I ask my colleagues: Do you dare do less than your best as you fairly and legitimately can? This judgment is serious.

If Members will look in the CONGRESSIONAL RECORD of September 15, they will see the schedule that takes place within those 3½ hours. It may not be necessary to commit to the full 3½ hours at any one time. One can take an hour-and-a-half, 2 hours, an hour, and stop at one point and then go back in and enter them at another point. We have tried to find as many hours as possible to make it achievable for Senators to view them all.

Mr. President, I urge my colleagues from the bottom of my heart to take this time. This judgment before us cannot be treated lightly. In fairness to the public, in fairness to the Senate, and in fairness to Senator WILLIAMS I urge Senators to take advantage of these showings, because the issue before us is so serious in every respect.

Mr. President, I thank the acting majority leader. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. LUGAR). The acting majority leader is recognized.

Mr. STEVENS. Mr. President, I reserve the remainder of our time and the time that was allocated to the distinguished Senator from Wyoming.

## RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. Under the previous order, the minority leader is recognized.

## THE REAGAN ADMINISTRATION ON INTEREST RATES

Mr. ROBERT C. BYRD. Mr. President, there has been a great deal in the Reagan administration's economic program that is inconsistent, or just plain wrong.

Few issues, however, have been as replete with turnabouts, inconsistencies, and doubletalk from administration officials as has the question of high interest rates.

I ask unanimous consent that a special report prepared by the staff of the Democratic Policy Committee entitled "The Reagan Administration on Interest Rates" be printed in full in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE REAGAN ADMINISTRATION ON INTEREST RATES

"If this program (President Reagan's economic program) is enacted, there is no need for interest rates at 15 percent."—Treasury Secretary Donald Regan, January 6, 1981.

". . . The turnaround that we have forecasted in interest rates is already a reality."—CEA Chairman Murray Weidenbaum, March 11, 1981.

". . . I think we are making major progress in getting interest rates down."—Treasury Under Secretary Beryl Sprinkel, March 20, 1981.

"Well, these things never happen overnight . . ."—Treasury Secretary Donald Regan, May 31, 1981.

"You cannot get inflation under control without having high interest rates."—Treasury Secretary Donald Regan, July 14, 1981.

". . . (interest rates) will begin to come down by the end of the year."—Deputy Press Secretary Larry Speakes, August 31, 1981.

" 'Generally, we have been in tandem with the Fed,' Speakes said."—The Washington Post, September 10, 1981.

A COMPARISON OF ECONOMIC ASSUMPTIONS—PROJECTED INTEREST RATES FOR 91-DAY TREASURY BILLS

[In percent]

| | 1981 | 1982 | 1983 | 1984 |
|---|---|---|---|---|
| Reagan administration: | | | | |
| February 1981 | 11.1 | 8.9 | 7.8 | 7.0 |
| July 1981 | 13.6 | 10.5 | 7.5 | 6.8 |
| Congressional Budget Office, September 1981 | 14.5 | 12.4 | 11.4 | 10.1 |

Following the 1980 presidential election and throughout the first few months of 1981, the Reagan Administration repeatedly predicted significant and rapid drops in interest rates over the course of 1981 and 1982.

December 1980:

"When interest rates peak and begin to decline, Mr. Regan predicted, they 'will come down almost as quickly as they came up.' "

Source: The Wall Street Journal, December 19, 1980.

January 6, 1981:

Treasury Secretary Donald Regan:

"If this program (President Reagan's economic program) is enacted, there is no need for interest rates at 15 percent."

Source: Senate Finance Committee Hearings.

February 18, 1981:

| Forecasted interest rates, 91-day Treasury bills: | *Percent* |
|---|---|
| 1981 | 11.1 |
| 1982 | 8.9 |
| 1983 | 7.8 |
| 1984 | 7.0 |
| 1985 | 6.0 |

Source: "America's New Beginning: A Program for Economic Recovery", released in conjunction with President Reagan's Economic Address to Congress.

February 20, 1981:

Treasury Secretary Donald Regan:

"All I will suggest is that interest rates are going to be heading down over the rest of 1981 and into 1982."

Source: House Budget Committee Hearings.

February 23, 1981:

"Stockman told reporters yesterday. 'We believe that if our full economic plan . . . is put into effect, interest rates in the private market, the prime rate and other sources of credit will fall equal to or below' the 8½ percent and 9½ percent rates presently charged by the Export-Import Bank 'within a very short period of time'."

Source: The Washington Post, February 24, 1981.

"When pressed later, Stockman said he had gone too far. 'I thought about that and I think I misspoke a little,' he said through spokesman Ed Dale. 'We do anticipate a substantial decline in interest rates, but I can't say that they will be down to 8.5 percent at any early time.' "

Source: The Chicago Tribune, February 25, 1981.

March 11, 1981:

CEA Chairman Murray Weidenhaub:

"I note that interest rates, such as the prime rate, have been declining very substantially in the course of 1981, so that the turnaround that we have forecasted in interest rates is already a reality."

Source: House Budget Committee hearing.

March 20, 1981:

Treasury Under Secretary Beryl Sprinkel:

"I would be very unhappy if we had to wait 1½ to 2 years to accomplish that objective of getting interest rates down . . . I am more optimistic than that, however, I think we are making major progress in getting interest rates down."

Source: Senate Finance Committee hearings.

A few months later, forced to take into account persistently high interest rates, the Administration retreated from its original predictions. Though it remained optimistic that interest rates would decline, its optimism became more guarded, and the Administration forecasted slower, less dramatic drops in interest rates which would not begin to occur until the end of 1981.

May 6, 1981:

"Mr. Regan said the prime rate was 'not going over 24 percent, but it may get to 20 percent or higher and stay higher for several months'."

Source: The New York Times, May 7, 1981.

May 31, 1981:

Treasury Secretary Donald Regan:

"Well, these things never happen overnight . . . Now, it won't be dramatic at first. But I suspect that by the end of the year, they'll (interest rates) be way down from the rates where we are right now."

Source: ABC News "Issues and Answer."

July 1, 1981:

". . . 'I think we'll get single digit interest rates in 1982,' Mr. Regan said, referring to the rate at which the Treasury sells its 13 week bills."

Source: The Wall Street Journal, July 2, 1981.

July 15, 1981:

| Forecasted interest rates, 91-day Treasury Bills: | *Percent* |
|---|---|
| 1981 | 13.6 |
| 1982 | 10.5 |
| 1983 | 7.5 |
| 1984 | 6.8 |

Source: "Mid-Session Review of the 1981 Budget".

August 31, 1981:

". . . Deputy White House press secretary Larry Speakes yesterday repeated the White House view that interest rates 'will begin to come down by the end of the year.'"

Source: The Wall Street Journal, September 1, 1981.

Throughout the first half of 1981, while predicting significant and immediate progress in achieving lower interest rates, the Administration responded to growing doubts and criticisms about its highly optimistic forecasts by insisting that its fiscal and monetary policies would bring about a definite decline in interest rates.

February 22, 1981:

Treasury Secretary Donald Regan:

". . . Up to this point . . . there has been no fiscal discipline. There's been no discipline on the part of the Federal Government. We intend to put that discipline into the Federal budget. When we do that, that will make the job of the Fed much easier. That will get inflation down, and along with inflation, interest rates."

Source: NBC's "Meet the Press."

March 11, 1981:

CEA Chairman Murray Weidenbaum:

"In terms of interest rates, it is my view and that of a great majority of the economic profession that the major reason for high and rising interest rates is their embodiment of inflationary expectations . . . Enacting the largest program of budget restraint in American history will be the largest, sharpest, clearest signal to financial markets at home and abroad that this Nation is determined to bring down inflation and, hence, that will turn around the inflationary expectations and truly bring down those interest rates according to our expectations."

Source: House Budget Committee hearings.

March 20, 1981:

Treasury Under Secretary Beryl Sprinkel:

"In my judgment, the Reagan Administration is pursuing a low-interest rate policy. The reason that I think it is a correct statement is that the level of interest rates, in my judgment is primarily a function of the level of inflation, and which in turn, is a function of how much money is pumped into the economy."

Source: Senate Finance Committee hearings.

June 22, 1981:

"Vice President Bush said that 'high interest rates will come down and come down relatively rapidly when people see that we're determined to grab control of the budget deficit' and Federal spending.

Mr. Regan applauded the Reserve Board's policy, saying, 'The Fed is in the process of getting money under control. We don't fight inflation with the weapon of high interest rates, we fight inflation with the weapon of cutting off money. That doesn't have to produce high interest rates'."

Source: The Wall Street Journal, June 23, 1981.

Only a week later, the Administration began to waiver and back away from its original argument that its economic policies would unquestionably lead to lower interest rates.

July 1981:

"Asked if it is better for the economy and the fight against inflation in the long run to have relatively high interest rates even with a sluggish economy, Regan replied: 'I'm not advocating this course. What I am advocating is that we continue to be strong on money and monetary policy. That is, that we continue to make certain that the growth of money is slowed and that it's as steady as we can possibly get it. And then we'll have to see what the effects on interest rates will be.' "

Source: The Washington Star, July 8, 1981.

In mid-July, the Administration completely abandoned its earlier position on interest rates. In a dramatic reversal of its previous statements, the Administration admitted that high interest rates were a painful, but necessary, part of its economic program.

July 12, 1981:

"Because of the 'bitter medicine' of high interest rates, 'our economy is slowing down, and I think that's healthy because we have to slow the economy to get inflation out of it,' said Treasury Secretary Donald Regan (on CBS News' "Face the Nation")."

Source: The Wall Street Journal, July, 13, 1981.

July 13, 1981:

Treasury Secretary Donald Regan:

"We are determined to get inflation under control. This is one of the main features of

President Reagan's economic package. You cannot get inflation under control without having interest rates. This is one of the side effects."

Source: That Washington Post, July 14, 1981.

As interest rates remained at extremely high levels, the Administration repeatedly reaffirmed its support and acceptance of such high rates by publicly expressing support for the Federal Reserve Board's policy of very slow money supply growth. While oftentimes attempting to criticize and blame the Federal Reserve for the persistently high interest rates, the Administration always qualified its statements to include support for the Board's tight money supply policy.

August 6, 1981:

Treasury Secretary Donald Regan:

"The Fed has to be careful to make sure it keeps its credibility so it has got to hang tough. . . The last thing we want (Paul Volcker, the Federal Reserve Board Chairman) to do is to reverse too quickly and slam the accelerator on."

Source: The New York Times, August 7, 1981.

August 27, 1981:

President Ronald Reagan:

"Let me point out one thing. The Fed, the Federal Reserve System, is independent, and they're hurting us in what we're trying to do as much as they're hurting everyone else."

Source: Remarks at a Republican fundraising reception.

August 28, 1981:

"Speakes said Presidential aides asked him (President Reagan) after the remarks if he meant to criticize board chairman Paul A. Volcker. 'No, I was talking about interest rates,' Speakes reported the President said. . . . 'He has complete confidence in the course that the Fed is pursuing now . . .'."

Source: The Washington Post, August 29, 1981.

August 31, 1981:

" 'Generally, we have been in tandem with the Fed,' Speakes said."

Source: The Washington Post, September 1, 1981.

September 9, 1981:

CEA Chairman Murray Weidenbaum:

"The Fed is steering a vehicle on a very rough road. Now it's off on the right shoulder, and we expect the next turn to put it back onto the road. . . . The one thing we should not have is monetary ease."

Source: The Washington Post, September 10, 1981.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Wisconsin.

## THE GENOCIDE CONVENTION AND LEGAL JURISDICTION

Mr. PROXMIRE. Mr. President, after 32 years, the Genocide Convention is still before this body. We have failed to ratify it in the past because of unfounded fears that the convention could somehow compromise the sovereignty of the United States.

This fear is based in part on a passage of the convention which states that one may be put on trial for genocide by "a competent tribunal of the State in the territory of which the act was committed * * *."

Some claim that this clause would allow Americans to be tried in foreign countries for such practices as hostile actions against a warring enemy. According to these critics, this clause strips the United States of jurisdiction over its own citizens.

These charges ignore the facts. The report of the Sixth Committee of the General Assembly, in explanatory remarks on the Genocide Convention, states that this part of the convention "does not affect the right of any state to bring to trial before its own tribunals any of its nationals for acts committed outside the state." Moreover, extradition could take place only where there is an extradition treaty in force.

Existing extradition treaties would be revised to include genocide, but this would have to be done separately by Congress. In addition, Congress would not be obliged to negotiate treaties with countries with which we do not now have them. Our extradition laws are rigorously drafted to prevent abuses of our citizens abroad.

In short, international laws governing jurisdiction are not altered by the Genocide Convention. This convention does not threaten our Government's jurisdiction over our citizens. We must not let false assumptions about the convention block its long overdue ratification. These assumptions have been refuted again and again. I urge immediate ratification of the Genocide Convention.

Mr. President, I thank the minority leader for yielding.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor at this time.

The PRESIDING OFFICER. The acting majority leader is recognized.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WALLOP. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## VITIATION OF TIME UNDER SPECIAL ORDERS

Mr. WALLOP. Mr. President, I ask unanimous consent that the remaining time under special orders allocated to the Senator from Wyoming and others be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ROUTINE MORNING BUSINESS

Mr. WALLOP. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business.

The PRESIDING OFFICER. The Chair states that under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 11:30 a.m.

Mr. WALLOP. Mr. President, I suggest the absence of a quroum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## COLUMN BY CARL ROWAN FAVORING AWACS SALE

Mr. THURMOND. Mr. President, a well-reasoned article by Carl Rowan in support on the sale of AWACS to Saudi Arabia appeared in the September 20, 1981 issue of the Savannah Morning News.

Mr. Rowan favors the sale because our friends in Saudi Arabia are threatened by many forces in the Middle East and their downfall would cut off the lifeblood of the Western industrial world. He also finds that Israel would not be endangered by the sale but would, in fact, in the longer run benefit from the sale.

The points made by Mr. Rowan on this issue show considerable foresight and are accompanied with a warning:

If the Congress blocks the AWACS sale, the longrun cost will be great for the United States and Israel.

Mr. President, I ask unanimous consent that this article which appeared under the heading "Let AWACS Be Sold" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LET AWACS BE SOLD

(By Carl Rowan)

WASHINGTON.—We are in for a time of nastiness as the debate intensifies over the proposed sale of five AWACS radar surveillance planes and other military equipment to Saudi Arabia. Already we hear charges that the U.S. is jeopardizing Israel just to get back 8.5 billion petrodollars and that senators opposing the sale are groveling for campaign donations from Jews.

When we sweep some of the emotion aside, a few points seem remarkably clear. The first is that for more than three decades the United States has honored its commitment to Israel, even at great financial and political cost.

In 1973, when Israel was in military peril, the United States launched an airlift that helped Israel to turn her war fortunes around—and the U.S. warned the Soviet Union that Israel would survive as long as the United States survives.

There is nothing about the proposed AWACS sale that suggests the U.S. is either abandoning or diminishing its commitment to Israel, so it seems to me that the Begin administration and its U.S. supporters are being shortsighted when they push Americans into strife over the AWACS.

Neither this sale nor 100 like it would make Saudi Arabia a credible threat to Israel's security. Beyond that, the U.S. has made it clear that it intends to keep Israel stronger than all her potential foes combined. Thus, I cannot swallow suggestions that this AWACS deal is going to leave Israel naked to her enemies.

On the other hand, there are myriad threats to Saudi Arabia. The Soviet Union,

some other Arabs, Moslem fanatics and several other nations and groups would love to oust the Saudi royal family, or to take other actions to gain control of the Saudi oil fields. Perhaps never in history has a nation had so much to defend and so little with which to defend it.

Whatever threatens Saudi Arabia also threatens the lifeblood of the industrial West, a point so obvious that the Israelis ought to be saying, "We understand why you must deal with Saudi Arabia on the basis of the same kind of respect you show us."

Instead, the Begin government is spreading a warning around this town that the U.S. errs in arming a "corrupt, anachronistic" regime in Riyadh that the Saudi royal family will go the way of the shah of Iran before the end of this century.

Even though the alarmists can suggest no feasible alternaitve to the royal family, some members of the Senate are so gullible as to fasten on the above argument, ignoring the Saudi contribution to the United States' security, and thus indirectly to Israel's.

America's current economic woes are modest compared with what they might be if Saudi Arabia had not worked so diligently to halt the spiral of petroleum prices.

Some opponents of the sale argue that we dare not entrust sophisticated weapons to the Saudis because the Russians will quickly get our secrets. This is a galling argument, given the fact that Great Britain has produced some celebrated traitors, West Germany has had communist spies right in the office of the chancellor, and other U.S. allies like Italy and France have huge Communist Parties, with communists in their Cabinets. When we entrust weapons and secrets to these countries, how do we say to the Saudis (who don't even have diplomatic relations with the Soviets): "We can't trust you the way we do our other friends"?

If the Congress blocks the AWACS sale, the long-run cost will be great for the United States and for Israel. It is easy for Israel to say to the U.S.: "If you are our friend, you cannot be Saudi Arabia's friend." But what does Israel do if the United States is crippled and must struggle on one economic leg?

The AWACS sale must go forward.

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## WHY THE AWACS SALE IS GOOD FOR US

Mr. THURMOND. Mr. President, an excellent article, authored by Richard Allen, National Security Adviser to President Reagan, in support of the AWACS sale to Saudi Arabia, appeared in the September 20, 1981 issue of the Washington Post newspaper.

Mr. Allen states why the national security interests of the United States would be enhanced by the sale and answers, point by point, the arguments which have been advanced by opponents of the sale.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### WHY THE AWACS SALE IS GOOD FOR US

(By Richard V. Allen)

The President's decision to sell equipment to enhance the air defense capabilities of Saudi Arabia has stimulated intense debate and considerable passion, which have sometimes obscured the core issues. The case for the sale of AWACS, however, can be stated simply and directly: AWACS and the other air defense equipment would make a substantial contribution to the security interests of the United States in a vital part of the world without endangering the security intercsts of Israel.

This is the studied conclusion of our best military and foreign policy experts. It is also the considered judgment of the president.

The proposed equipment package consists of conformal fuel tanks to extend the range of the F15 fighter aircraft, AIM9L Sidewinder air-to-air missiles, KC707 aerial tankers and E3A Airborne Warning and Control Systems (AWACS) aircraft.

But this sale is not simply an $8.5 billion transaction between an arms supplier and arms recipient. The Saudi equipment package is a central part of a comprehensive U.S. regional strategy to strengthen the stability and increase the security of friendly countries in an area of the world that is vital to the United States and its Western allies.

The proposed sale directly serves U.S. interests in the following ways:

First, it contributes to Saudi capabilities to defend its oil facilities—which are so important to us and our Western allies—from regional threats. In doing so, it responds to the legitimate security requirements of the country whose cooperation is central to the success of our regional security strategy.

Second, it enhances the effectiveness of our own military capabilities if we were ever called upon to deploy U.S. forces in the area. The Saudi AWACS aircraft themselves could help meet our requirements for an early warning network. Moreover, the extensive logistics base and support structure we will be providing as part of the equipment package will be fully compatible with U.S. military equipment.

Third, it advances our goal of enhancing the security of states throughout the Gulf area by laying the groundwork for greater U.S.-Saudi defense cooperation and by supporting the Saudi efforts to develop stronger air defense cooperation among the Gulf states.

Fourth, it helps to rebuild confidence in the United States as a credible arbiter of regional tensions by demonstrating our value as a reliable security partner. This sense of confidence and security is an essential ingredient in fostering a willingness among countries in the area to work for—and to take the political risks posed by—a durable Mideast peace.

In brief, the case for the air defense enhancement package is an impressive one. Yet the proposed sale has aroused widespread controversy and considerable opposition. Much of the opponents' case, however, is based on misunderstandings and misconceptions both about the capabilities of the equipment we are selling and about how that equipment would be used. If the administration is successful in debunking the mythology that surrounds AWACS, the result will be a clear and compelling case that will command overwhelming support in favor of the sale.

The following are some of the misconceptions most frequently heard about the Saudi equipment package:

Argument One: The United States will receive no political benefits—no quid pro quo—from this sale.

Our friendship with Saudi Arabia is not based solely on its role as an oil supplier. Saudi assistance has been crucial in the past in helping nations break away from Soviet influence. Saudi Arabia is playing an increasingly important role in assisting vitally important countries such as Pakistan to shore up their defenses against Soviet expansionism. It has played a key diplomatic role in defusing the crisis in Lebanon and in promoting security cooperation among moderate Persian Gulf states.

Cooperation with friends is not a commodity to be bargained or haggled over. Experience has shown that the quality of our relationship with Saudi Arabia is affected by the security environment that country faces. Events in Iran and the Yemens, Soviet intervention in the Horn of Africa, and the invasion of Afghanistan have all intensified legitimate Saudi security concerns and have taken their inevitable toll of Saudi confidence. We expect Saudi cooperation in fostering peace and stability to broaden as the Saudis become more secure.

Argument Two: AWACS would pose a significant threat to the security of Israel.

President Reagan and his administration are committed to the long-range security of Israel. We also understand Israel's deep and genuine concerns, which were the subject of extensive discussions between the president and Prime Minister Begin just last week. We recognize that the Saudi equipment package will have an effect on Israeli defense planning.

The fact is, however, that the Saudi equipment package—including AWACS—would not pose a qualitatively new threat to Israel or measurably affect her ability to defeat any combination of potentially hostile forces in the region. This judgment is the consensus of both military and intelligence experts.

There are some technical facts that need to be borne in mind: AWACS is essentially an unarmed flying radar platform that has no intelligence collection capabilities; it cannot detect ground targets such as tanks, and it cannot operate effectively with air forces of other countries without extensive joint training and a sophisticated communications network that only the United States could provide.

At least as important, however, are the practical considerations. It is a simple fact of life that AWACS aircraft are scarce, expensive and vulnerable. The five AWACS aircraft that would be sold to Saudi Arabia are sufficient to maintain one AWACS continuously in the air. This means that any AWACS deployments to other parts of Saudi Arabia would necessarily come at the expense of full coverage of the eastern province where the oil facilities and other vaulable assets are located (and which would benefit most from the improved early warning that AWACS would provide).

It is true that if the Saudis chose to expose their AWACS—which is as vulnerable to attack as the Boeing 707 aircraft from which it is derived—by operating it close to Israel, the aircraft could collect data on Israeli air activities. That information, however, would be valuable for only a few minutes and—as noted above—could not be effectively passed to non-Saudi aircraft.

But all of this is academic. Israeli's air defense system—as the Saudis fully recognize—is extraordinarily capable. Saudi missions into or near Israeli air space—either to engage Israeli aircraft or to strike Israeli targets—would be prohibitively costly and would leave Saudi Arabia vulnerable to air attack from every direction. The Saudis are all too aware of this reality.

The fact is that this sale will not alter the balance of power in the region or jeopardize Israel's security. We repeat: The president is irrevocably committed to protecting Israeli's security and to preserving Israel's ability to defeat any combination of potentially hostile forces in the region. The proposed Saudi sale neither casts doubt on that commitment nor compromises those Israeli capabilities.

Argument Three: The Saudis don't need and can't use AWACS. AWACS really is a

Saudi-imposed test of the U.S.-Saudi political relationship.

There can be no doubt that future U.S.-Saudi relations would be affected by a congressional rejection of this sale, as would the prospects for forging a strategic consensus and lasting peace in the region. But this does not make the equipment package a test of wills. It simply means that rejection would inescapably cause the Saudis to doubt American willingness and ability to meet legitimate Saudi defensive requirements and to work together in pursuit of common security and political objectives.

The vulnerability of the highly concentrated Saudi oil facilities is serious. As the Iran-Iraq war has demonstrated, the threat that these oil facilities could come under attack is real. As our own actions at the start of that war demonstrate, AWACS would be crucial in defense of the Saudi oil fields. The loss of Saudi oil for a prolonged period would be disastrous for the United States and our allies.

With current Saudi capabilities, an attack by low-flying aircraft could not be detected by ground-based radar until it was within two to four minutes of the oil fields. Even under the best conditions, no air force could respond to this threat in time.

AWACS will allow the Saudi air force to detect attacking enemy aircraft 150 miles or more from the oil fields. The Saudi air force will then have about 15 minutes' warning—enough time to scramble and intercept enemy aircraft before they reach the oil fields.

AIM9L Sidewinder air-to-air missiles give the Saudi air force the capability to intercept attacking aircraft head-on. This capability will greatly improve the chances of successfully intercepting hostile aircraft before they are able to bomb the oil facilities or other Saudi targets.

Conformal fuel tanks and KC707 tankers allow Saudi F15s to be based in west central Saudi Arabia, where they would not be vulnerable to a surprise enemy attack and from which they could sustain combat even if bases in eastern Saudi Arabia were put out of action. KC707 tankers also will allow AWACS to remain on station for extended periods of time.

In brief, the Saudis believe they have a legitimate defensive requirement for the AWACS and other equipment we propose to sell. U.S. military experts and policymakers agree with this assessment. The air defense package will improve Saudi capabilities to deter and, if necessary, defend against regional air attacks. The result will be a more secure Saudi Arabia, which will be an anchor of stability within the region and a bulwark against challenges and coercion from outside the region. Such a stable and secure Saudi Arabia clearly serves the security interests of the United States.

Argument Four: We should "lease" rather than sell AWACS to the Saudis.

After the outbreak of the Iran-Iraq war and at the request of the Saudis, the United States deployed four U.S. Air Force AWACS aircraft to Saudi Arabia to help defend the oil facilities. These aircraft are still in the area. Some have argued that, rather than sell AWACS, we should simply continue the present arrangement under a lease agreement in which the Saudis would pick up the tab.

This proposal is superficially attractive. It would appear to maintain close U.S. control over these assets while minimizing the risks that some people believe would be entailed by a sale. The fact is, however, that such an arrangement is unacceptable to the Saudis and unnecessary to secure our interests.

The Saudi government, like any sovereign regime, recognizes its right and responsibility to defend its own population and territory. Moreover, the Saudis have sound political reasons to want to minimize and overt foreign military presence in their country. In brief, the Saudis cannot accept a leasing arrangement because it would not satisfy the requirements of sovereignty nor respect political realities.

For the Saudis, it is not a case of AWACS or nothing. The British Nimrod has capabilities that are compatible to AWACS, while the French have aircraft/missile combinations that would be attractive alternatives to the F15/AIM9L.

The issue is not whether the Saudis will obtain an enhanced air defense capability, but who will sell it to them. The United States has the choice between benefiting from the closer cooperation and continuing presence that would flow from the sale of the Saudi equipment package or yielding that role to other suppliers. For the Israelis, the question is whether their long-term security interests are better served by a continuing and strengthened U.S. role in Saudi Arabia, or by a Saudi Arabia with substantially the same military capabilities but less responsive to U.S. advice and influence.

A lease arrangement provides the appearance of extensive U.S. control over the operation of the AWACS and safeguards against its misuse. In reality, however, there is no important difference between a lease and a sale. The nature of the AWACS is so complex that U.S. personnel will be required in-country to maintain key elements of the system for its entire life. The withdrawal of U.S. support for the AWACS—whoever owns the aircraft—would quickly result in the system ceasing to operate.

Argument Five: Selling AWACS to the Saudis would jeopardize U.S. security by risking the loss of sensitive technology that is at the heart of our own defense.

AWACS is a very capable system, but selling it to the Saudis does not pose serious risks that sensitive technology will be compromised. The reasons can be traced to the nature of the technology itself and to the arrangements that will be taken to safeguard it.

The AWACS as it will be delivered to Saudi Arabia in the mid-1980s is a system which was designed in the 1960s. The radar is now textbook technology and the computer is commercially available. The Saudi AWACS will not contain certain of the internal components that are restricted to U.S. or NATO use.

Only the computer software—which is the heart of the system—is regarded as sensitive. The information required to recreate this software will not be supplied to the Saudis (nor to NATO). If the software embedded in the AWACS computer should fall into Soviet hands, it would require a massive effort and several years to decipher. At the same time, we could easily change the software in U.S. AWACS within a matter of days, negating Soviet exploitation.

Despite their outstanding record of protecting senstive equipment and information, the Saudis recognize and have accepted the need for stringent safeguards in this case.

The analysis above demonstrates that the proposed air defense package for Saudi Arabia will make an important contribution to the security of all states in the region—Israel as well as Saudi Arabia—and will promote our efforts to forge a strategic consensus in the area. The package is not a political favor we are extending to the Saudis, but a balanced and effective component of a comprehensive regional strategy to counter Soviet adventurism and to create the conditions for a durable Mideast peace.

The proposed sale successfully balances the imperative of Israeli security with the need to respond to threats to essential natural resources and regional stability. It provides equipment that meets the defensive requirements of a close friend and key regional state in a way that also protects sensitive technology and makes a tangible contribution to U.S. military capabilities.

The concerns expressed about the Saudi air defense package are sincere. The dilemmas they highlight are difficult. But once the misunderstandings are clarified and the misconceptions are corrected, the case against AWACS surely will yield to the inherent logic of the case for AWACS. That is the basis for the president's confidence in the outcome of the current congressional debate.

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## A REPLY TO CRITICS OF THE PRESIDENT'S PROGRAM FOR ECONOMIC RECOVERY

Mr. MATTINGLY. Mr. President, as we are all too aware, the news media lately has been full of reports and commentary on the failure of President Reagan's program for economic recovery. No matter that the budget reductions and tax cuts do not take effect until October 1. The negative elements here in Congress, the special interest groups who live by the Federal dole, and the media are claiming the defeat of the President, the majority in Congress and the popular mandate of the American voters. As a general surrounded by the enemy once said to the Germans at the Battle of the Bulge; I say to those negative elements in our land: Nuts.

While the so-called Solidarity forces marched on Washington, 250,000 extremists claiming to represent the entire Nation, delivering the same old tired and failed rhetoric that has given us the economic crisis, the loss of opportunity and hope for the future that we face—a reporter for the Washington Post was visiting the town of Gainesville in my State of Georgia.

Gainesville is located in north Georgia, in the beautiful foothills of the Appalachian Mountains. The main product of this very American town is poultry. Besides being a major agricultural producing center, Gainesville is the second fastest growing area in the State. Gainesville, in other words, represents the best of the American economic system: progress, opportunity, and meaningful growth.

The reporter, Art Harris, did not talk to economists, or bureaucrats, or lobbyists, or Wall Street brokers. He talked to farmers, small businessmen, veterans, and mill workers. And the message he reported should lend courage to the heart and spine of every one of us here in this body and in the House. The message is that the people are still with us and the President. Americans are still willing to sacrifice for the greater good of their country. Main street understands the necessity of spending cuts, tax cuts and spending for an adequate defense even if Wall Street does not.

Let me take a minute to quote my fellow Georgians.

From a veteran who lost his Federal subsidized job when the grant ran out 5 months ago—

Ronald Reagan is the best thing that has happened to America since the pop-top beer can. I'm willing to give up my military retirement pay too, as long as everyone else gives up theirs if that's what it takes. The government doesn't owe me a thing. I'll make it on my own.

From a car dealer hit hard by interest rates—

But if that (high interest rates) are what it takes to stop inflation, let's do it. I'm willing to bite the bullet.

From a poultry plant manager on the program—

I'll have to bear with it. The cuts are hurting me and many other people, but there's no other way. We'll be nationally bankrupt otherwise.

There is much more to give those of us who have lately become weak in our resolve new heart. I want to commend this article of Monday, September 21, to my fellow Senators as proof of the continuing American strength. Those who govern have always derived their strength from the governed. That is the way the Founding Fathers planned it. That is the strength of democracy. I hope my fellow Senators will read this brief report and renew their resolve for what they were sent to Washington to do.

Mr. President, I ask unanimous consent to have printed in the RECORD the article from the Washington Post to which I have referred.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 21, 1981]

A COUNTERPOINT TO CONCERNS OVER BUDGET

(By Art Harris)

GAINESVILLE, GA.—Neal Evans lives in a $180-a-month room with stove in the Dixie Hunt Hotel here, watching his savings slip away, riding the back roads to find work. A certified welder, he has had interviews with a dozen companies since he lost his $12,000-a-year job weatherizing houses for the poor under a federal grant that ran out five months ago.

His job prospects look bleak, he says, slumping into a worn leather chair in the dreary hotel lobby, a victim of Reaganomics. A working man, he should hate the president's tight-fisted economics, like the more than 250,000 who marched in Washington in protest Saturday. But he doesn't.

"Ronald Reagan is the best thing that has happened to America since the pop-top beer can," says Evans, 47, a retired Navy chief petty officer who was wounded twice in Vietnam.

He adds that he's willing to give up his military retirement pay, too, "as long as everyone else gives up theirs," if that's what it takes to balance the budget. "The government doesn't owe me a thing. I'll make it on my own."

Beyond the Potomac, people like Evans offer a counterpoint to the rising level of concern over Reagan budget policies expressed by the throngs who marched in the largest Washington rally since civil rights days. They were mad as hell, fed up.

But walk down Main Street in this conservative southern town, billed as the Chicken Capital of the World for its processing plants, where 700,000 birds are plucked and packaged a day, and you'll find dozens of working-class people like Evans, middle managers, small businessmen, Democrats and Republicans who exhibit a remarkable spirit of self-sacrifice.

Many say they'll stay behind the president, even as his policies nibble away at their American dreams.

"The man-on-the-street interviews we do show a good deal of support for the president," said Robert Campbell, the balding, bespectacled editor of The Gainesville Times. "The general feeling is, 'Give Reagan a chance' " to let his policies take effect.

The town, population 35,000, lies 50 miles north of Atlanta. This is the heartland of Carter country, in the only Deep South state to vote against Reagan last November. But Campbell describes that vote as "more pro-Carter than anti-Reagan, Carter being the home boy."

In the Dixie Hunt Hotel bar, a crowd of insurance agents, lawyers, real estate salesmen, secretaries and school teachers celebrated that it was Friday and toasted the Georgia Bulldogs.

One patron, a federal agent, has a wife, three children and a mortgage, but was almost upbeat about the news that Reagan planned to ax his whole department, the Bureau of Alcohol, Tobacco and Firearms.

"Some may call me a naive fool, but I've been a bureaucrat 16 years and if it takes my job to get this country back on track, so be it," he said, nursing a drink with friends. "This country has been going for the last 50 years borrowing from Peter to pay Paul. There comes a time when you have to 'fess up."

High interest rates have kept buyers away from his used car lot, said Bill Millican, 45, a Goldwater Republican. "But if that's what it takes to stop inflation, let's do it," he said. "I'm willing to bite the bullet." He's slashed the price on his cars; he hopes the bar "cuts the price on their beer. It's got to stop somewhere, hopefully."

Cutbacks in federal aid to the handicapped have forced county officials to slash special education programs like the one that trains Robert Carr's 15-year-old retarded daughter, "my pride and joy." But Carr isn't bitter.

"I'll have to bear with it," says the 48-year-old poultry plant personnel manager. "The cuts are hurting me and many people, but there's no other way. We'll be nationally bankrupt otherwise."

Not everyone hereabouts remains thrilled over falling stock prices, soaring interest rates, tax reductions, budget cuts, a tight-fisted monetary policy and plans to slash Social Security, as Washington policies trickle down to these rustic foothills of the Great Smokey Mountains.

At a shopping mall on the outskirts of town, grim-faced farmers in overalls lowered the tailgates on mud-caked pickups and talked of their hard times as they began hawking okra, tomatoes, snap beans, relish.

Johnny Redd, 68, a farmer who voted for Reagan, raises gourds and corn on 126 acres just outside town. The cost of fertilizer has doubled since Reagan took office, he groused. He wants to trade in his 1966 Chevrolet pickup, but doesn't have $14,000 for a new one.

The little money he earns at open air markets "don't go nowhere. I can't get a dollar ahead. It was bad enough when Carter was in there, but now it's worse. Don't know who to blame it on, but prices have got to stop someplace."

He came out of retirement after Reagan took office. "I had to go back to work," he said. "He's put all us old folks back to work." He waved a callused hand toward the gray-haired farmers in the parking lot. "Look at all these old folks out here."

Beyond the town square, where a bronze statue of a Confederate soldier stands watch just a stone's throw from a 30-foot marble monument to a rooster, Wayne McGee, 50, cooks up perhaps the tastiest fried chicken in town at the L&K Cafeteria, where he earns $200 a week. He's still keeping the faith with Reagan, he says, even though high interest rates have made it hard for him to borrow what he needs to build an extra bedroom.

"I figure if we stick with his policy, it will bring rates down. But we've got to let his tax cuts and cuts on all the programs take effect. We gotta give him time."

At the L&K, mill workers sit side-by-side with the millionaires who own some of the town's mills and poultry plants. McGee, who conducts his own straw poll outside the kitchen, says "the millionaires are for him and the workers are for him. We only have a couple who aren't" for Reagan's policies.

"I like everything he's doing except for Social Security cuts," he says.

Kevin Brown, 24, a black who earns $4.92 an hour as a poultry worker, says he voted for Reagan and would vote for him today. "At least he's trying," he said. "He's done everything he said he would do. But he needs to cut more programs. A lot of people need help, but there are a lot of people on welfare who could get a job."

Real estate appraiser James Patterson, 68, spooning some cherry cobbler, said. "I'm a Democrat, but I'm with Reagan. With Carter, we were going to hell down a one-way street."

Yet, he sympathized with those who felt the squeeze. "I don't want anyone to suffer. I've been down and out myself. I just don't want to pay for parasites," he said.

"I say cut waste from federal programs, make 'em hard-nosed. Everybody should have an opportunity, but no one should have a premium. It's going to hurt, but the only way to save ourselves is to get up off the floor and fight, hit the other guy more than he hits you."

Bob Williams sells whiskey, and Reagan, he says, has started people drinking the hard stuff like nothing he's ever seen. He adores the president's policies. "People are buying anything to kill the pain of inflation," he says.

"The worse the economy is, the better my business is. People are drinking and getting divorced. When Reagan finishes cutting all the CETA workers, I'll make a fortune selling cheap wine."

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## COMPETITION FROM THE JAPANESE SPACE PROGRAM

Mr. CANNON. Mr. President, on April 20 of this year a prestigious committee of Japanese industrial and academic leaders issued a report on the current status of the Japanese space industry and the steps that Japan should take during the next 10 to 20 years to increase substantially its share of this high technology industry. The Japanese committee's report illuminates some of the competition that the United States is likely to face in the space area in the future.

Currently the Japanese import approximately as much space-related equipment as they export. This amounts to approximately 20 percent of the total sales of their space industry. In order to reduce their imports, they are seeking to eliminate their dependence on U.S. space technology and at the same time develop their own national capability. Recently, Japan's National Space Development Agency, their equivalent of our NASA, indicated its desire to increase the use of Japanese produced equipment in its own space systems. While they are seeking to eliminate their need for imports during the 1980's, they are planning to increase their exports. By 1990

the Japanese hope to increase their level of exports from 20 percent to more than 30 percent of their total sales.

The Japanese report estimates that the annual sales of the Japanese space industry will grow from its present level of 100 billion yen (about $400 million) to 500 billion yen a year in 1990, and to 1 trillion yen a year in the mid-1990's.

Thus, during the 1980's Japan's space industry would grow to five times its current size and continue this growth during the 1990's. The Japanese not only expect to share in the growth in demand for satellites but also in the manufacturing of various products in space and in developing and launching their own rockets.

The Japanese space program will be based upon a coordinated effort by the Japanese Government, industry, and universities in a manner similar to NASA's arrangements in this country. There is, however, one important difference. Whereas U.S. support for NASA has declined substantially over the past 15 years and shows no sign of reversal, the Japanese commitment to a growing space program appears to be quite strong.

The Japanese realize the value of such a high technology program as a stimulus for their economy and as a means to improve the quality of life in Japan. Their support of high technology and innovation is well placed. A recent item in the Wall Street Journal indicates that Japan now expects to pass the United States in per capita GNP by 1990. We ought to realize, as the Japanese do, that our civilian space program is not just another line item in the Federal budget. Not all Federal expenditures are the same. Some are investments that will provide many long-term benefits.

The Japanese, by becoming the world leader in the production of steel and manufacture of automobiles, have shown that they can be a strong international competitor with U.S. industry. With increased competition from the Japanese as well as the European space industries at a time when there is a decline in U.S. funding for space-related R. & D., I hope that we do not lose our preeminence in space.

Mr. President, I had the entire Japanese report translated and found it quite interesting. I mentioned some of their expectations, but rather than insert the entire report in the RECORD, I would like to include only the table of contents and the introduction and conclusion. If any of my colleagues would be interested in seeing the entire report, I would gladly make it available to them.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REPORT OF THE DELIBERATION COUNCIL ON BASIC PROBLEMS IN THE SPACE INDUSTRY

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INTRODUCTION

1. A new page in space utilization was written when, on April 15, the manned space shuttle Columbia returned safely to earth after its maiden flight of 54 hours.

In 1969, when man first reached the moon in Apollo II, the world heralded the feat as a triumph in man's scientific achievement. However, the success of the space shuttle as formally inaugurating the space utilization age was coolly received.

2. Now man, supported by modern scientific progress, has succeeded in developing rockets and satellites and in acquiring the means of his own access to space. In space development initiated primarily by the U.S. and U.S.S.R. after World War II, the objective was mainly the establishment of a rocket and earth satellite technology, but owing to the subsequent 30 year-accretion of technology, space utilization has already commenced with intelsat employed as international telephone relay, international television relay, weather satellites for meteorological observations, telecommunications, broadcasting, and terrestrial observations, and man has already been enjoying their benefits. In this sense, man, while advancing space development and enjoying its fruits, is awaiting the dawn of the space age.

Looking at space development and space utilization prospectively into the 21st century, we can envision space factories, electrical resources from planets, space colonies, and the like expanding without limits and, hopefully, which will go a long way toward solving man's important problems of energy resources and population.

3. In Japan's space development and utilization program since the successful launching of the satellite Osumi in 1970, Japan has succeeded in launching 20 satellites to date, but in technical standards, there is a big gap compared to the U.S. and Europe.

The space industry which supports Japan's space development and utilization has been instrumental in the following ways:

(1) Through satellites and rocketry-use facilities, it has made possible the utilization of air space and has contributed to the improvement of life.

(2) By attaining a very high level of technology and relying on its diffusion effect, it has upgraded Japan's industrial technology.

(3) It has advanced Japan's creative knowledge-intensive industry.

(4) It has been an indispensable industry for Japan's economic security and stability.

(5) It has presented a new dream to mankind.

However, in observing the actual situation of Japan's space industry, it is characterized by:

(1) A frail technical base;

(2) A narrow-based demand market;

(3) The onus of existing regulations on technology induction is troublesome, and ways must be found to overcome the burden.

However, recent technological progress makes us take notice: no one ever thought of reaching the moon after only 60 years since the Wright brothers' flight.

4. On the basis of the afore-mentioned situation, the Space Industry Basic Problems Deliberation Council was established last year in November to study the current state of the space industry, its future course, problematical points, and furtherance.

This was the first attempt in Japan to systematically take up the space industry as an industry, and this report shows the results obtained through a course of seven meetings held by the Deliberation Council. The scale of Japan's space industry has barely reached 100 billion yen in annual sales,

but has begun to attain the status of an industry as such. It is at this juncture that we hope that this report will be helpful in the development of Japan's space industry.

CONCLUSION

Japan has the future prospect of advancing a high-level welfare society, but there are many matters which must be resolved, such as energy resources and economic security and stability.

Japan's GNP is second in the Free World and Japan's scientific and technological standards, especially in electronics and machinery is second to none.

However, Japan's space industry which is trying to stand on its own feet and space utilization lag behind those of U.S. and Europe.

Owing to the recent space shuttle success, the world is in a major transitional stage to enter the space utilization age, and Japan, too, should ride on the wave of the future and move steadily forward.

In this sense, more than ever before, the demand for fostering the space industry is great.

In the future, in order for Japan's development of the space industry in line with the U.S. and Europe, it is necessary to plan for its furtherance from the standpoint of a long-range view and global outlook.

To this end, the government's vigorous implementation of its policy is desirous, and it is hoped that this report will form a guide for its implementation.

## A BALANCED NATIONAL ENERGY POLICY

Mr. JACKSON. Mr. President, many of us have seen or read about a DOE memorandum dated September 15 that purports to indicate how the DOE intends to meet its revised fiscal year 1983 budget targets assigned by the Office of Management and Budget. It is my hope that this document is a misprint, perhaps an early draft that already has been rejected by the administration.

On the other hand, if it is accurate, then the Department of Energy apparently will seek to achieve its budget cuts by phasing out the fossil fuels program, the energy conservation program, the renewable energy program and finally by slashing nearly in half the budget for the strategic petroleum reserve.

Mr. President, if this document has any veracity, we are launched on a course of sheer madness. What kind of a signal are we sending to the world and especially to OPEC with such a hard about turn in national energy policy? Have we so soon forgotten that energy is a major aspect of national security and our foreign policy?

For example, the strategic petroleum reserve is our most important energy program for national security in this decade. We have a quarter billion barrel stockpile in sight now—projections show 240 million barrels will be in storage by December 31 of this year. An adequate SPR is attainable if we continue buying oil aggressively and the time is right to buy oil.

Moreover, Congress has created an off-budget account to fund the SPR, so the administration can buy oil aggressively without contributing to the perceived deficit. I would prefer that we fully fund the SPR on-budget, but if the funds are not available on-budget, as this DOE document indicates, then let us keep the SPR off-budget. And if pleasing Wall Street is the primary objective of the administration, I would venture to say that most people on Wall Street understand the need for it (perhaps better than OMB Director Stockman) and would approve of full funding of the SPR.

Mr. President, the proposed abolition of our energy conservation programs is equally disturbing.

This administration is fortunate indeed that there is an oil glut in the world today due to decreasing demand for oil. Let us not forget what is causing that oil glut.

While domestic production of crude oil is down by 0.6 percent for the first 253 days of this year as compared to last year, we are importing 22.7 percent less oil (excluding SPR) as compared to last year. Besides Saudi oil production, energy conservation is acknowledged to be a major factor here.

Energy analysts have recently noted that U.S. oil savings between 1979 and 1980 accounted for over half of the Free World's reduction in oil consumption between 1979 and 1980. In fact, our oil savings in that period were as much as the total oil consumption in many industrialized nations in Western Europe and Asia.

No other oil-importing nation can maintain that world oil glut as well as the United States, simply because of the magnitude of our oil imports and our potential for energy conservation.

What signal are we sending abroad if we phase out our programs to weatherize our buildings and to perform research on more efficient furnaces, water heaters, and appliances? Earlier, the DOE said that we should accept a 79-percent cut in the fiscal year 1982 conservation budget because the energy tax credits were sufficient incentive. Now the Wall Street Journal reports that the administration is considering abolishing these tax credits. And this DOE memo contemplates a further 84-percent cut in conservation programs and preparation for a shutdown case.

If this memo is accurate, Mr. President, I have to conclude that this administration totally fails to understand how much it has benefited from energy conservation.

Then there is a proposal contained in this memo that the fossil energy program prepare for a shutdown. What signal are we sending to our allies if, first, they see us dismantling our fossile energy program; second, they see the electrocardiogram on the Synthetic Fuels Corporation is nearly flat; and third, they see that the dredging of our coal exporting ports is stalled by a philosophical opposition to Government involvement? At such a rate, Mr. President, will OPEC ever have anything to fear from the Saudi Arabia of coal, as we are often called?

My colleagues know that I am a staunch supporter of nuclear energy in this country. Yet I take little consolation that this DOE memo shows an increase over the fiscal year 1982 request in the nuclear programs among all the budget options listed. While this funding is needed, and it is essential, we still are not moving toward what the nuclear industry needs worst of all—nuclear waste legislation and standardized designs. What signal, Mr. President, are we sending when we fail to establish the necessary Federal nuclear waste program because of philosophical opposition to Government involvement, even if, as approved by the Senate last year, the costs of that involvement would be fully reimbursed?

The real danger in this memorandum, assuming it has some validity, is that it proposes that the United States severely restrict its options for our energy future. I reject the notion that fossil fuels development, energy conservation, renewable energy resources (including solar) have no role in a Federal energy policy. Our national security demands that we maintain and develop a balanced set of options.

Mr. President, once again we hear proposals to abolish the Department of Energy. Before, I could excuse this talk as uninformed campaign rhetoric. I thought surely these newcomers would learn that even prior to the last election well over half of the DOE's budget was devoted to defense and the strategic petroleum reserve.

Are we to believe that the energy security of the United States is now assured? Or are we to believe that by abolishing the DOE we will achieve energy security?

Mr. President, I do not believe that balancing the budget requires that we abandon a balanced national energy policy or that we jeopardize the attainment of energy security. I certainly hope that this memorandum and the rumors of efforts to abolish the DOE do not reflect the views of this administration.

I ask unanimous consent that this document be included in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF ENERGY

REVISED FISCAL YEAR 1983 OMB BUDGET REQUEST

As a result of the Presidential review of the overall Federal budget, the Department must stringently reduce fiscal year 1982 and 1983 budget authority and outlays. Achieving these reductions will require a substantial downward adjustment of fiscal year 1983 budget requests, as well as reductions of fiscal year 1982 and prior year funds. Because of the time lag between budget authority and outlays in any given year, significant reductions to budget authority may be required, in order to reduce outlays by the required amount. This is especially true in the case of fiscal year 1983. The attached formats are to be prepared by your organization and will serve as the primary decisional documents in determining how the deductions will be spread to the various decision units. These forms are to be received in the Office of Budget no later than C.O.B., September 21, 1981.

Attachment A is a table reflecting the allocation to your organization of the re-

duced ceilings. In some cases, this allocation reflects several reduction levels. The table is stated in terms of budget authority and outlays. Departmental components must distribute the allocation to the various decision units and identify reductions in their fiscal year 1983 budget, as well as reductions in fiscal year 1982 and prior year funds which must be proposed in order to comply with the budget authority and outlay ceilings.

An analysis, in the format of Attachment B, must be completed for each decision unit. The starting point for the analysis for fiscal years 1983 is the first decrement below the original Department request (previously known as "Revised OMB Target"). For fiscal year 1982, the starting point is the President's budget request currently pending before Congress. The analysis provides for identification of reductions to budget authority and outlays in both fiscal years 1982 and 1983. The format provides for a listing of reductions and subtotals for each funding level included in the attached allocation of reductions. The second part of the analysis requires a narrative explanation of the impact of the reduction. The narrative should be objective and explain what will be accomplished at the reduced funding levels, as well as what will not be accomplished. The reductions included must reflect the true priorities of the Department. No attempt should be made to offer up activities which have a high priority in an effort to avoid reduction.

Departmental organizations should also prepare a summary schedule in the format of Attachment C. A separate summary table should be prepared for budget authority and budget outlays.

As indicated above, Attachments B and C are due to the Office of Budget on September 21. Hearings before the Secretary, Deputy Secretary and Under Secretary will be scheduled the week of September 21. Final revised allowances will be distributed September 25. Revised budgets reflecting the Secretary's allowance will be due to the Office of Budget on October 2. Additional guidance, as necessary, will be provided as developed.

DEPARTMENT OF ENERGY—OMB BUDGET CASES

[In millions of dollars]

| | Budget authority | | | | Outlays | | | |
|---|---|---|---|---|---|---|---|---|
| | | Fiscal year 1983 | | | | Fiscal year 1983 | | |
| | | | Revised | | | | Revised | |
| | 1982 | OMB target | Case 1 | Case 2 | 1982 | OMB target | Case 1 | Case 2 |
| Defense programs | 4,661 | 5,450 | 4,905 | 4,905 | 4,346 | 4,928 | 4,437 | 4,437 |
| Energy research | 1,533 | 1,533 | 1,425 | 1,425 | 1,562 | 1,545 | 1,326 | 1,326 |
| Nuclear energy | 1,648 | 1,792 | 1,658 | 1,658 | 1,328 | 1,807 | 1,583 | 1,583 |
| Fossil Energy | 438 | 348 | 314 | [1] 182 | 915 | 445 | 314 | 182 |
| EP (exclude SPR) | 305 | 266 | 235 | 235 | 349 | 318 | 288 | 288 |
| SPR | 3,883 | 3,133 | 2,667 | 2,000 | 3,270 | 3,468 | 2,997 | 2,800 |
| Total, EP | 4,188 | 3,399 | 2,902 | 2,235 | 3,619 | 3,786 | 3,285 | 3,088 |
| CE—Solar | 193 | 167 | 166 | [1] 79 | 351 | 206 | 166 | 79 |
| CE—Other | 99 | 82 | 81 | [1] 53 | 166 | 111 | 81 | 53 |
| Conservation | 193 | 66 | 66 | [1] 30 | 656 | 291 | 191 | 175 |
| PMA's | 244 | 275 | 234 | 234 | 18 | 570 | 400 | 400 |
| Total, CE | 729 | 590 | 547 | 396 | 1,191 | 1,178 | 838 | 707 |
| FERC | 82 | 85 | 85 | 85 | 81 | 85 | 85 | 85 |
| ERA | 17 | 8 | 7 | 7 | 66 | 8 | 7 | 7 |
| H. & A | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| EIA | 80 | 74 | 67 | 67 | 87 | 74 | 67 | 67 |
| Department Administration: | | | | | | | | |
| M. & A | 320 | 353 | 318 | 318 | 312 | 318 | 286 | 286 |
| Less revenue to Treasury | −76 | −67 | −67 | −67 | −76 | −67 | −67 | −67 |
| PPA | 15 | 14 | 12 | 12 | 16 | 14 | 12 | 12 |
| IA | 4 | 3 | 3 | 3 | 4 | 3 | 3 | 3 |
| CP | 7 | 7 | 6 | 6 | 7 | 7 | 6 | 6 |
| Total, DA | 270 | 310 | 272 | 272 | 263 | 275 | 240 | 240 |
| Total, DOE | 13,650 | 13,592 | 12,185 | 11,235 | 13,463 | 14,134 | 12,185 | 11,725 |

[1] In addition, these programs are to prepare a shutdown case.

## CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

## ORDER OF BUSINESS

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, what is the business now before the Senate?

The PRESIDING OFFICER. As to the business before the Senate, the majority leader has authority to call up the following bills from the calendar: Calendar Order No. 233, S. 1365 the Bankruptcy Act Amendments; Calendar Order No. 237, S. 1475 Extension of Energy Policy and Conservation Act; Calendar Order No. 85, S. 306 the Hydroelectric bill; and Calendar Order No. 117, S. 1135 the Defense Production Act; not necessarily in that order.

Mr. BAKER. I thank the Chair.

## BANKRUPTCY ACT AMENDMENTS

Mr. BAKER. Mr. President, pursuant to the authority granted on yesterday, I call up Calendar Order No. 233, and ask for its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1365) to amend the Bankruptcy Act regarding farm produce storage facilities, and for other purposes.

The Senate proceeded to the consideration of the bill.

Mr. BAKER. Mr. President, the distinguished chairman of the Finance Committee and the manager on behalf of the minority, I am advised, are available and will be here shortly.

The bill is now before the Senate. I announce, however, that it is my intention shortly to ask the Senate to recess over until 2 p.m. So I do not anticipate that there will be any significant amount of debate on this measure at this time.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is S. 1365.

UP AMENDMENT NO. 404

(Purpose: To provide for Clarification of Ambiguities, and for other purposes)

Mr. DOLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an unprinted amendment numbered 404.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 10, add the following after the word "quantities":

"; however, such term shall not be construed to include any retail grocery business operation."

On page 3, strike out lines 14 through 18, and insert in lieu thereof the following:

"(5) Fifth, allowed unsecured claims of farmers or other persons engaged in farming operations arising from the sale or conversion of farm produce to or by a debtor engaged in the business of operating a farm produce storage facility—

(A) where such sale or conversion occurred within 180 days before the date of the filing of the petition or before the cessation of the debtor's business, whichever occurs first; but only

(B) to the extent of $2,000 for each such individual."

On page 4, strike out lines 2 through 4, and insert in lieu thereof the following:

"(a) Notwithstanding any other provision of this title, in a case filed under such title by, or with respect to, a person engaged in the business of operating a farm produce storage facility, the court"

On page 5, line 9, delete the word "the" which follows the phrase "physical assets of", and insert in lieu thereof the word "all"; and on line 10, delete the word "facility" and insert in lieu thereof the word "facilities".

On page 6, strike out lines 20 through 23, and insert in lieu thereof the following:

"(i) a quantity of farm produce sold by the trustee was held by the debtor as bailee only, without benefit of legal or equitable title, and that title to such produce was vested in the claimant; or"

On page 7, line 2, insert the following after the word "value": "or burdensome".

On page 7, line 24, strike out all through page 8, line 3, and insert in lieu thereof the following:

"(A) With respect to claimants who have established to the court's satisfaction that the trustee sold farm produce as to which title lies in the claimant, the"

On page 9, line 3, insert the following after the word "value": "or burdensome."

On page 9, strike out lines 21 through 25, and insert in lieu thereof the following:

"(D) Expenses and compensation of the court or trustee incurred pursuant to the liquidation and abandonment of farm produce and proceeds thereof shall be paid, in conformity to the provisions of section 330 of this title, in the following manner:"

On page 11, strike out lines 5 and 6, and insert in lieu thereof the following: "rights of ownership to farm produce, legal or equitable title to which does not exist in the debtor, as reflected by the"

On page 13, strike out lines 11 through 19, and insert in lieu thereof the following: "council pursuant to such section. The appeal shall be perfected in accordance with the rules applicable to the prosecution of appeals under this title. The district court (or bankruptcy panel) shall rule upon the issue of whether or not the order of stay so entered is appropriate, in consideration of the provisions of Rule 62 of the Federal Rules of Civil Procedure and the law applicable thereunder, within thirty days after the docketing of the appeal."

On page 14, strike out lines 16 through page 16, line 2, and insert in lieu thereof the following:

"(g) In actions filed under this title in any State wherein an agency exists which operates under the supervision of that State's government, and which is charged with the responsibility for presiding over the liquidation of an insolvent farm produce storage facility licensed under the laws of such State, the bankruptcy court shall appoint the director of such State agency to act as co-trustee together with the private trustee, if any, appointed under this title, and such party shall perform the duties required of the trustee under this section until the completion of the distribution of the proceeds of farm produce required by this section: Provided, that such co-trustee shall not be relieved of its responsibilities before the orders of abandonment required to be entered under this section are made. Said co-trustee shall perform all duties required of the trustee under this section, but shall not be required to perform any duties of the trustee mandated by any other provisions of this title. Said co-trustee shall not recover any compensation out of the assets of the estate for the services performed under this section.

"(h) In actions filed under this title by a debtor in the business of operating a farm produce storage facility licensed under the United States Warehouse Act, the bankruptcy court shall appoint the Administrator of the Agricultural Marketing Service of the United States Department of Agriculture to act as co-trustee together with the private trustee, if any, appointed under this title; and such party shall perform the duties required of the trustee under this section until the completion of the distribution of the proceeds of farm produce required by this section: *Provided*, that such co-trustee shall not be relieved of its responsibilities before the orders of abandonment required to be entered under this section are made. Said co-trustee shall perform all duties required of the trustee under this section, but shall not be required to perform any duties of the trustee mandated by any other provisions of this title. Such co-trustee shall not recover any"

On page 17, add the following after line 21:

"SEC. 11. Section 545(2) is amended by striking the semicolon following the word "exists", and adding the following: ", except that this section shall not apply to a lien interest arising by virute of the provisions of 7 U.S.C. s. 262(a);"

Mr. DOLE. Mr. President, the Senator from Kansas is pleased to bring up S. 1365 for consideration, together with certain amendments thereto which I have filed with the clerk today. I would like to make a few comments for the record concerning the bill and these amendments.

S. 1365 is the result of the inquiry of the Judiciary Subcommittee on the Courts into problems posed for the agricultural communities of our Nation by farm produce storage facility bankruptcies. Over the past few years, in a number of States of the Central Midwestern and Southeastern parts of the United States, there has been a steady annual increase in the number of crop elevator insolvencies which have detrimentally affected farm producers, elevator financiers, and other segments of the agribusiness community.

Perhaps the most serious result of these bankruptcies has been that farm producers have, in most cases, been unable to obtain quick distribution of the crop assets they hold in storage in those defunct elevators. Farmers in Missouri, Kansas, Indiana, Iowa, Nebraska, Illinois, and Arkansas have seen thousands of bushels of grain, soybeans, and other cash crops tied up in bankruptcy courts under circumstances making it difficult, if not impossible, for those farmers to recover the crops, owned by them, which had been deposited with those elevators on storage contracts.

In response to this problem, hearings were held before the Subcommittee on the Courts of the Judiciary Committee with the objective of examining what changes might be made in current bankruptcy law and procedures to expedite the abandonment of crops which are not part of the estate of a bankrupt elevator operator, as well as those secured to the extent of their market value, which have no equity value for the estate.

Two days of hearings, at which abundant written and oral testimony was presented, and the research of Judiciary Committee staff elicited the need for the changes in law and procedure which are embodied in this bill.

Mr. President, the Senator from Kansas will not take the time now to detail the provisions of the bill. A complete statement detailing the circumstances surrounding this legislation, the events that gave it impetus, and the various provisions of the bill and their effect on existing law and practice will be inserted in the RECORD at the conclusion of my remarks.

In essence, the bill provides for an expedited abandonment procedure for crop assets held by an insolvent elevator operator: It provides for the granting of a statutory lien to farm producers on crop assets held by an insolvent elevator warehouse upon a sales contract for which the producer has not been paid: And it grants a priority position to farm producers in any distribution of assets to unsecured creditors, where those producers have, even after distribution, still suffered a loss due to shortage of crop assets on hand.

It would also bring the State and Federal agencies who have statutory responsibility for supervising the liquidation of insolvent elevators into bankruptcy proceedings to act as cotrustee in directing the liquidation of farm produce and distribution of assets, thus ending conflicts in jurisdiction between bankruptcy courts and those agencies.

The amendments which I have offered to the bill would make several minor changes which have been requested by the Departments of Agriculture and Justice. The amendments are primarily technical in nature, and do not affect the thrust of the legislation: they are based upon comments received from those agencies after the committee report was filed.

Most of them involve substituting language of greater specificity for passages perceived as ambiguous by those who have had opportunity to review the bill, or correcting erroneous cross referencing citations; and they are self-ex-

planatory. I would, however, call attention to the fact that a $2,000, 6-month limitation is placed upon the priority created in the bill for farm producers who wind up in the position of general insecured creditors in a storage facility bankruptcy by these amendments. This will conform the priority provision in the bill to other, similar sections of the bankruptcy code, and will be more equitable to other creditors in the bankruptcy proceeding.

I have proposed this change because, as I have pointed out in previous statements, I am concerned that this bill not be viewed as class legislation designed to benefit farmers at the expense of other creditors in bankruptcy. Also, I note that these amendments provide for the exemption of the new statutory lien for farmers from the effect of section 545(2) of title 11, the lien avoidance section of the code.

The previous amendments I filed on July 27 (amendment No. 523) have been incorporated into the amendments I filed today, and I urge favorable action by the Senate on the amendments filed today and the bill as amended thereby.

Mr. President, the only concern which have been expressed to me about the content of our final legislation as modified by these amendments relate to, first, the statutory lien created for farmers; and second, the requirement in this legislation that the trustee in bankruptcy liquidate crop assets and distribute the proceeds of those assets to the farmers and other owners of grain. With respect to the first matter, I call attention to the final language of the statutory lien section, which limits that lien to a period of 60 days from the date the contract for sale is formed.

This limitation was placed upon the lien after suggestions received by banking groups that there be a time limitation imposed. Some have expressed concern that this provision might inhibit the financing flexibility of smaller elevators: However, I am of the opinion, after exploring this issue with a number of persons who are directly involved in the elevator financing end of the business, that it will result in a more careful analysis, by the lending institutions in the field, of the financial stability of local elevators. Further, the fact that the lien is for a limited duration means that a financing bank need only conduct an examination of the books of the elevator to determine the amount of produce purchases for the preceding 60 days and discount any loan by an equivalent amount to protect its position.

On the matter of liquidation, I would note that every agency with which my staff has had discussions concerning the problems of distribution has emphasized the importance and efficiency of following the practice of straight liquidation of farm produce and distribution of the proceeds thereof, rather than attempting to distribute crops in kind. The reasons for this are fourfold: First, the problems of shrinkage and spoilage would require that an insolvent elevator be emptied and reloaded to accurately assess the quantity and quality of produce on hand; second, the inevitable administrative problems that will result when some owners request distribution in kind, while others request distribution in cash: third, the problem of protecting the security and quality of produce which is held by the trustee pending any appeal of abandonment orders; and fourth, the increased administrative costs which result from these problems.

My legislation avoids all of these problems by requiring liquidation of the crop assets at the outset of any bankruptcy proceedings. And there are advantages for the farm producer: First, the value of his produce is not diminished by spoilage or theft (as is often the case under present procedure, where the produce sits untended in a warehouse for months or years on end); second, in the event of an unsuccessful appeal of abandonment orders—where a stay on distribution of proceeds is ordered by the bankruptcy court—the owner of grain who is entitled to distribution gets his share with interest, plus the difference between his original share value as liquidated, and any higher intermediate price which that share would have obtained on the open market during the pendency of appeal.

Under the procedure incorporated in this bill, the farmer can take his cash distribution and within a day of final distribution repurchase his position in the crop if he believes market conditions warrant it.

For these reasons, Mr. President, I submit that this legislation is more than adequate to protect the interests of grain owners caught in the web of an elevator bankruptcy.

Mr. President, I ask unanimous consent to have printed in the RECORD the purpose of the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1365

I. PURPOSE OF THE BILL

The purpose of the bill is to amend the Bankruptcy Reform Act of 1978, and Chapter 10 of Title 7 U.S.C. (U.S. Warehouse Act), to accomplish the following objectives:

(1) Create a procedure which would require expedited abandonment of farm produce required to be abandoned under provisions of the bankruptcy code which is held by a debtor in bankruptcy who is engaged in the business of operating a farm produce storage facility;

(2) Create a procedure to govern distribution of abandoned farm produce which protects the ownership interests of parties who have delivered such farm produce over to a debtor engaged in the business of operating a farm produce storage facility upon a contract of bailment;

(3) Create a statutory lien in favor of farm producers who have delivered farm produce to a storage facility upon a contract of sale but have not received payment therefor, for a maximum period of sixty days from the date of the execution of the contract of sale, such lien to attach to any farm produce then owned by the debtor;

(4) Create a priority position, in the distribution of assets to general unsecured creditors in bankruptcy, in favor of farm producers with respect to debts arising out of the sale or conversion of farm produce to or by a debtor in bankruptcy engaged in the business of operating a farm storage facility;

(5) Prohibit the scheduling of the business debts of a person engage in the business of operating a farm produce storage facility in wage-earner proceedings under Chapter 13 of the bankruptcy code; and

(6) Prohibit the involuntary bailment of farm produce owned by third parties to a debtor who, being engaged in the business of operating a farm produce storage facility, seeks reorganization of such business under the provisions of Chapter 11 of the bankruptcy code.

II. INTRODUCTION

Mr. President, S. 1365 was introduced by the Senator from Kansas on June 15, 1981. The bill is designed to respond to the concerns and needs of the farm producing community with respect to farm produce storage facility bankruptcies, as those concerns and needs were expressed during hearings held before the Judiciary Committee's Subcommittee on the Courts on April 6th and May 18th, 1981. These hearings were prompted by the circumstances surrounding the bankruptcy of three farm produce storage companies which owned and operated thirteen crop storage facilities in the states of Missouri and Arkansas. Testimony of Mr. Thomas Hopkins, Coordinator of the Grain Regulatory Services Program of the Missouri Department of Agriculture, before the Subcommittee reflected that these elevator companies (commonly owned by three brothers, d/b/a/Frisbee Cotton Company, James Gin and Elevator Company, and James Agri-Center, Inc., and hereinafter referred to as the James Brothers Elevators), filed voluntary petitions in bankruptcy in the United States Bankruptcy Court for the Eastern District of Arkansas on August 11, 1980. Two of these companies applied for liquidation under Chapter 7 of Title 11; the third (James Agri-Center) filed for reorganization under Chapter 11 of that title.

Mr. Hopkins related that immediately prior to the filings in bankruptcy, the James Brothers had, on August 8, 1980, notified the Missouri Department of Agriculture that all their legal entities were unable to comply with the requirements of the Missouri Grain Warehouse Law and that they wished to voluntarily surrender possession of the five Missouri warehouses to the Department. By orders dated August 12, 1980, the Director of the Missouri Department of Agriculture was appointed receiver of each of the Debtors' warehouses by those Circuit Courts of Missouri in accordance with the authority set forth in Section 411.519.6 of the Missouri Grain Warehouse Law. Upon such appointment, employees of the Department took possession of each of the five warehouses.

Within a short time of the filings in bankruptcy on August 11, 1981, the Arkansas bankruptcy court appointed an interim trustee for the partnership debtors. The bankruptcy trustee obtained an order dated August 27, 1980, from the bankruptcy court authorizing him to operate the business of the partnership debtors, which included the right on his part to perform grain purchase agreements that the debtors had made with farmers. Upon request, he was also given the right to resell the grain so purchased to other parties pursuant to certain contracts of purchase and sale, which involved large quantities of grain. Some of the farmer-sellers were even being required to sell additional grain to the trustee, who refused to release their stored grain. Because of their ability to take possession of their own property, the farmer-depositors took possession of, and barricaded others from entering, the Ristine, Missouri, grain warehouse administered by the bankruptcy trustee. The bankruptcy trustee responded with a motion to the court for orders finding the farmers in

contempt of court, which asserted that these Missouri farmer-depositors were guilty of unlawful possession, criminal trespass, and blockade.

On September 17, 1980, the bankruptcy court granted an order directing the United States Marshal for the Eastern District of Arkansas and the United States Marshal for the Eastern District of Missouri to remove all persons blockading the facilities and directing that the marshals arrest and bring before the bankruptcy court any persons found to be blockading or barricading the James Brothers facilities or interfering with the trustee's "capacity to operate the debtor's business"; United States Marshals appeared at the premises in force. In response to demands of the trustee in bankruptcy, the Missouri Receiver involuntarily surrendered possession, and, on September 17, 1980, the Missouri Department of Agriculture's employees turned over the keys to the bankruptcy trustee, his emloyees and agents. The Missouri Department of Agriculture's employees surrendered to the trustee only because they were threatened with contempt.

After consideration by the Missouri Attorney General and the Missouri Department of Agriculture of the options available to the state of Missouri to preserve the integrity of its Grain Laws, the state of Missouri filed enforcement proceedings in the Circuit Court of New Madrid County, Missouri, on October 20, 1980. After an ex parte hearing, that Circuit Court issued a temporary restraining order prohibiting the bankruptcy trustee from exercising any jurisdiction with respect to the grain located in Missouri. Immediately thereafter, the legal representatives of the Missouri Department of Agriculture were advised that contempt proceedings against the Circut Court would be held in the Bankruptcy Court on October 22, 1980. On October 30, 1980, the state of Missouri filed a Petition for Writ of Prohibition in the District Court in Arkansas and, on December 2, 1980, that Court decided the Bankruptcy Court had jurisdiction with respect to the grain located in Missouri.

That decision held, in effect, that the bankruptcy court properly exercised preliminary jurisdiction over crop assets in which the debtor held a possessory interest, subject to final determination of ownership interests as between holders of warehouse receipts (documents of title) and scale tickets (receipts) obtained from the debtor as documentary evidences of ownership of crop assets delivered to the debtor upon contracts of bailment, on the one hand, and the debtor and the debtor's assignees, on the other. (*In Re State of Missouri, et al* vs. *United States Bankruptcy Court for the Eastern District of Arkansas*, Nos. 80–2198 and 89–2179 [8th Circ. 1981].)

Farm producer-depositors became increasingly impatient during the litigation process described above, and on February 16, 1981, one producer forcibly removed approximately 33,000 bushels of soybeans from the Ristine, Missouri elevator under jurisdiction of the Bankruptcy Court, which he owned and had deposited therewith. This was done in violation of orders of the Bankruptcy Court and with the assistance and support of several hundred farmers. The soybeans removed were taken to a nearby elevator and redeposited. As a result of this action, that producer was arraigned on federal charges relating to these acts in early March of 1981. The charges were subsequently drooped by a federal grand jury on March 20, 1981.

The events in the James Brothers case were symptomatic of similar problems experienced by farm producer groups and state Department of Agriculture officials in farm storage facility bankruptcies throughout the United States during the past several years. Testimony before the Subcommittee on the Courts established that the following problems, encountered in the James Brothers cases, have repeatedly hindered the proper distribution of farm produce located in storage facilities that are the subject of proceedings in bankruptcy:

(1) Delay in abandonment of crop assets owned by parties who have delivered such assets to the debtor upon a contract of bailment, with delays in excess of two years not uncommon;

(2) Conflicts in jurisdiction between the bankruptcy courts and state agencies charged with the responsibility of supervising the liquidation of insolvent storage facilities;

(3) The requirements of present law which mandate that owners of crop assets held by the debtor solely on the basis of his status as a bailee must share grain assets held by the trustee in bankruptcy on a pro rata basis with any creditor holding a security interest in assets of a similar type which are owned by the debtor, such that the bailors of such storage contract crop assets have the value of their property diminished for the benefit of such creditors when there is a shortage of produce on hand;

(4) The unprotected status, as unsecured creditors in bankruptcy, of farmers who have sold crops to a farm produce storage facility but have not received payment for that crop;

(5) The reluctance of some courts to accept warehouse receipts and scale tickets, the principal documents used in warehouse business to establish record of ownership of crop assets stored in warehouse facilities on bailment contracts, as evidence of ownership in bankruptcy abandonment proceedings; and

(6) The tendency of certain bankruptcy courts to attach bailed property for the payment of trustee fees and expenses incurred in performing services unrelated to that bailed property.

The Subcommittee on the Courts received testimony from officials of the United States Department of Agriculture, state warehouse regulatory and licensing agencies, farm producer organizations, the National Grain and Feed Association, and representatives of various banking associations which detailed the occurrence of these problems in warehouse bankruptcies in twenty-two states of the midwest and southeastern areas of the United States during the past two years. Witnesses further described hardships thus created for the agricultural communities affected by storage facility bankruptcies, including disruption of local commodity markets; economic stress upon farmers (in many cases forcing farmers to incur increased debt obligations) with a resulting "ripple" effect on local agribusiness companies; and tensions between local farmers, businesses, and officials of government agencies involved in the problem (law enforcement authorities, Courts, and state and federal agricultural officials).

In response to the events surrounding the James Brothers cases, the Senator from Kansas drafted and introduced, on March 31, 1981, S. 839, a bill designed to address these problems. After hearings were completed, a substitute bill was prepared and introduced as S. 1365 on June 15, 1981. S. 1365 incorporates many of the original provisions of S. 839, in addition to further measures recommended by witnesses who appeared at the hearings, or submitted written comment. S. 1365 was polled out of the Subcommittee on the Courts on June 22, 1981, and was considered and was ordered reported favorably by the full Committee on the Judiciary on June 25, 1981. The Committee Report was filed on July 27, 1981.

After the bill was ordered reported, the committee received the Administration's views on the bill by letter from Secretary of Agriculture John Block, who expressed some concern regarding (1) what law would be applicable to the determination of the status of storage facility receipts as evidence of ownership of crops and (2) an ambiguous cross referencing cite in the bill.

The concerns of the Department of Agriculture relating to the applicability of state law to the determination of ownership interests in property mandated to be abandoned under the bill reported have been addressed in the comments contained in the sectional analysis included as part of the Committee Report. Specifically, the comments accompanying section 1, subsection (3), and section 6, subsection (a)(3)(A) of the new section 555 created by section 6 of the bill, mandate that state or federal law (whichever is applicable), usages of trade, and the nature of the contract between the parties shall be referred to in determining questions of ownership.

Finally, the Department's suggestion that subparagraph (a)(4)(D) of the new section 555 created by section 6 of the bill be amended to clarify cross references relating to the payment of fees and expenses of the court and trustee is endorsed by the Senator from Kansas. Due to the delayed receipt of the Department's comments upon the bill, this change could not be made prior to the Committee vote on reporting out the bill. Accordingly, the change suggested by the Department has been incorporated into the amendment which the Senator from Kansas filed. In addition, the amendment which the Senator from Kansas filed addresses another matter which was of concern to him throughout the hearings on this matter. That concern is, that the bill not appear to be "class" legislation favoring farmers at the expense of other creditors in bankruptcy. The focus of the Senator from Kansas' concern is the priority created for farm producers who, having suffered ultimate loss at the hands of the operator of a storage facility in bankruptcy due to a shortage of crop assets in the storage facility, become unsecured creditors in bankruptcy to the extent of that loss. As the bill is reported, there is no time or dollar limitation upon that priority, in contrast to other priorities—such as wages and pension plan payments—which are contained in the bankruptcy code. The amendment offered by the Senator from Kansas deals with this problem by placing a one-year/two-thousand dollar limitation upon that priority payment to farm producers, thus affording more equity to other unsecured priority claimants in the bankruptcy proceedings.

Mr. President, the Senator from Kansas would request that a summary of the bill, and a sectional analysis thereof which has been prepared by staff, and reviewed and approved by the Senator from Kansas, be printed in the RECORD following these remarks.

### III. PROVISIONS OF S. 1365: SUMMARY AND SECTIONAL ANALYSIS

#### *A. Summary*

The bill reported by the Committee contains provisions which respond to the problems identified by witnesses as areas of primary concern in six principal ways, as detailed below:

(1) The bill creates a statutorily mandated timetable to govern abandonment of farm produce in a bankruptcy filed by a debtor operating a farm produce storage facility, which timetable would require abandonment of bailed grain and grain secured to the extent of its market value within 110 days of the filing of the bankruptcy petition (except in cases posing unusually complex issues);

(2) The bill creates a two-tiered method of distribution of crop assets required to be abandoned under provisions of the bank-

ruptcy code which is designed to protect persons who have delivered crop assets to the debtor upon a bailment contract from having their property interest diminished for the benefit of creditors holding a security interest in crop assets owned by the debtor;

(3) The bill contains measures requiring the appointment of state or federal agencies charged with the responsibility of liquidating farm produce storage facilities as interim trustee to supervise the liquidation of crops on hand in a bankrupt storage facility;

(4) The bill contains measures requiring the bankruptcy court to accept value warehouse receipts and scale tickets (designated as storage facility receipts in the bill reported) as proof of ownership of crop assets possessed by the debtor upon contracts of bailment;

(5) The bill creates a statutory lien in favor of farm producers who have sold farm produce to a bankrupt facility but who have not received payment for such produce, which lien extends from the date of the contract for sale for a period of sixty days under the bill as reported;

(6) The bill incorporates measures which would act to prohibit an involuntary bailment of crop assets owned by third parties to a farm produce storage facility which is the subject of reorganization proceedings under Chapter 11 of Title 11, U.S.C.; and

(7) The bill grants farm producers a priority position in the distribution of assets of the bankrupt to general, unsecured creditors when those farm producers have suffered a loss as a result of sale or conversion of farm produce to or by a debtor operating a storage facility, after trustee and court expenses, wages of employees, and pension plan payments.

The bill contains additional sections which are designed to inhibit frivolous appeals of abandonment orders, and eliminate the possibility of a debtor engaged in the business of operating a storage facility seeking adjustment of the debts of that business in wage-earner proceedings under Chapter 13 of Title 11, U.S.C.; as well as certain definitional and technical amendments.

*B. Sectional Analysis*

The amendments contained in sections one through six, and eight through ten of this bill are amendments to Title I of the Bankruptcy Reform Act of 1978, public law 95-598 (Title 11, U.S.C.). In these sections, all section and subsection references are to title I of the Reform Act, unless otherwise indicated.

Section seven of this bill amends Chapter 10 of Title 7 of the U.S. Code, 39 Stat. 488 et seq.

Sec. 1. Provides for definition of terms used in this bill, by addition of definitional sections to s. 101 of Title 11.

Subs. (1)(19). Defines "farm produce" to include all crops (from whatever source), poultry, livestock, and dairy products in an "unmanufactured state". The term "unmanufactured state" is intended to be broadly construed so as to encompass produce which, although initially subjected to a refinement process of some type by the producer thereof for such purposes as preservation, elimination of impurities, or similar processing steps necessary to the preparation of the produce for sale or storage, nevertheless retains its character as the result of the production effort in bulk form. The term is intended to include such items as milk, cheese, honey, and fruit produce.

Subs. (1)(20). Defines "farm produce storage facility" to include business entities which either store farm produce on bailment contracts, and/or purchase it in bulk quantities from persons engaged in farming operations.

Subs. (2). Technical amendment, renumbering affected sections.

Subs. (3)(43)). Defines "storage facility receipt" to include any document of the type routinely issued by the operator of a farm produce storage facility as evidence of ownership of farm produce stored in a bankrupt facility. The term includes, but is not limited to, documents known as "warehouse receipts", "scale tickets", or other similar designations provided they are issued for the purpose indicated. It is intended that resolution of the question of the purpose for which the document was issued be accomplished by reference to state or federal law (whichever is applicable), usages of trade, and the nature of the contract between the parties. It is intended only that the identity of the original bailor be required to be recorded on the face of the document, so as to facilitate verification.

Sec. 2. Amends title 11, U.S.C. s. 109(e) to prohibit a debtor operating a farm produce storage facility from seeking to schedule the debts of that business in a Chapter 13 wage-earner proceeding under Title 11. The intent is to confine relief for a debtor operating a farm produce storage facility to that available under the provisions of Chapters 7 and 11, so as to avoid unnecessary disruption to agricultural communities occasioned by unduly lenient wage-earner plans.

Sec. 3. Technical amendment, renumbering affected sections.

Sec. 4. Technical amendment, renumbering affected sections.

SEC. 5(1). Amends s. 507(a)(5) of Title 11 to substitute new language for the section. The new language creates a priority in the distribution of assets to general, unsecured creditors, in favor of farm producers who suffer loss pursuant to the sale or conversion of farm produce to or by a debtor engaged in the business of operating a farm produce storage facility. Together with the amendments made by s. 5(2) and (3) of the bill, this section restructures the distribution of assets to such creditors so as to allow farm producers to participate in priority distribution after those distributions made from trustee and court expenses, wages and pension plans, and before distributions made to individuals on account of the deposit of money in connection with the purchase, lease, or rental of property or the purchase of services not delivered or provided. Thus, the priorities contained in the present section 507(a)(5) and (a)(6) are subordinated to the new priority, and the present section 507(a)(5) and (a)(6) are renumbered as (a)(6) and (a)(7) by sections 5(2) and 5(3) of the reported bill.

The priority so created is a new one which is designed to enhance the other protections afforded under this bill to farm producers in an effort to cushion them from the threat posed to their economic viability by a farm * * *.

Mr. DOLE. I should like to state for the information and knowledge of the distinguished minority leader and others who have an interest that this is the same proposal that Senator DANFORTH, Senator EAGLETON, and other Senators proposed and which was adopted as a part of the farm bill which passed the Senate last Friday.

It is our hope that this amendment will become a part of the farm bill but, if not, we hope that passing it by itself will go directly to the House Judiciary Committee where Congressman GLICKMAN and others, Congressman GLICKMAN from Kansas, have an interest in the bill and will be working with Chairman RODINO in an effort to move the bill out of that committee.

I know of no objection to the proposal. It was adopted unanimously as a part of the farm bill last, I think it was, last Thursday.

Mr. ROBERT C. BYRD. Mr. President, I am informed that Senators HEFLIN and BIDEN are supportive of the bill and have no objection to the amendment offered. Therefore, there is no objection on this side.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

The amendment (UP No. 404) was agreed to.

● Mr. DANFORTH. Mr. President, ruinous hardship can result from a grain elevator bankruptcy.

The farmer who has faced down the escalating costs of seed, fertilizer, machinery, and other supplies; who has survived the uncertainty of weather and market prices; who has invested in the harvest and transport of his crop to storage; who depends on the sale of his product to finance the next season's production—this farmer should not have to see his crop tied up for years in litigation or, worse yet, sold to satisfy other creditors if the warehouse in which it is stored goes belly up.

Yet, under present bankruptcy law, the farmer can find himself in precisely this fix: deprived of the fruits of his labor, through no fault of his own, at the very moment that his need for cash is most pressing.

Missourians are all too familiar with the troubles that can occur under current law. The colossal failure of the Ristine elevator near New Madrid threw a harsh spotlight on its shortcomings.

Although very few grain elevators ever go bankrupt, I am advised that in Missouri alone more than $7 million in unsettled claims remain on the books; some of these claims date from 1975.

S. 1365 would address the shortcomings of current law. S. 1365 is a revision of the measure amending the Bankruptcy Act introduced by Senator DOLE and myself on March 31. On July 27, the measure was favorably reported by the Judiciary Committee.

In its essence, S. 1365 would accomplish three things. First, it would enable producers with crops in storage to establish title to the grain quickly, thus giving them a position from which to protect their assets. Second, the bill would establish strict timetables and methods for the distribution of assets. Finally, farmers would be in a more favorable position to secure their share of the assets than provided under present law.

I commend Senator DOLE for his hard work in fashioning the necessarily complex provisions of S. 1365 and for his able handling of the bill in the Judiciary Committee.

I strongly urge the passage of S. 1365. There are too many farmers in Missouri and other States who have been forced—

through no fault of their own—to learn that justice delayed can be justice denied.●

The PRESIDING OFFICER. If there are no further amendments, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and to be read a third time.

The bill (S. 1365), as amended, was read the third time and passed as follows:

S. 1365

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 101 of title 11, United States Code, is amended—

(1) by adding after paragraph (18), the following:

"(19) 'farm produce' means the product of a person engaged in a farming operation, including crops, poultry, livestock, or dairy products in an unmanufactured state;

"(20) 'farm produce storage facility' means any business enterprise operated by any person for the purpose of (A) providing facilities for the temporary storage of farm produce; or (B) purchasing farm produce from persons engaged in farming operations in bulk quantities; however, such term shall not be construed to include any retail grocery business operation;";

(2) by renumbering paragraphs (19) through (40) as paragraphs (21) through (42), respectively; and

(3) by adding after paragraph (42) as renumbered by this section, the following new paragraph:

"(43) 'storage facility receipt' means any document of the type routinely issued by a debtor operating a farm produce storage facility for the purpose of establishing a record of ownership of a quantity of farm produce which is stored with such facility by any person upon a contract of bailment. Such term shall include a warehouse receipt or a scale ticket, provided identification of the owner of the produce represented thereby is clearly noted upon the face of such document.".

SEC. 2. Section 109 of title 11, United States Code, is amended in subsection (e) by inserting after "commodity broker," the following: "or a person engaged in the business of operating a farm produce storage facility (with respect to the debts of that business),".

SEC. 3. Section 502(i) of title 11, United States Code, is amended by striking out "507(a)(6)" and inserting in lieu thereof "507(a)(7)".

SEC. 4. Section 503(b)(1)(B) of title 11, United States Code, is amended by striking out "507(a)(6)" and inserting in lieu thereof "507(a)(7)".

SEC. 5. Section 507(a) of title 11, United States Code, is amended—

(1) by adding after paragraph (4) the following:

"(5) Fifth, allowed unsecured claims of farmers or other persons engaged in farming operations arising from the sale or conversion of farm produce to or by a debtor engaged in the business of operating a farm produce storage facility—

"(A) where such sale or conversion occurred within one hundred eighty days before the date of the filing of the petition or before the cessation of the debtor's business, whichever occurs first; but only

"(B) to the extent of $2,000 for each such individual.";

(2) by striking out "(5) Fifth" and inserting in lieu thereof "(6) Sixth"; and

(3) by striking out "(6) Sixth" and inserting in lieu thereof "(7) Seventh".

SEC. 6. Title 11, United States Code, is amended by adding after section 554 the following:

"§ 555. Expedited abandonment of farm produce

"(a) Notwithstanding any other provision of this title, in a case filed under such title by, or with respect to, a person engaged in the business of operating a farm produce storage facility, the court shall follow the procedures herein stated, unless otherwise indicated.

"(1) Within ten days after the filing of the petition, the court shall direct the trustee who has been appointed to supervise liquidation and management of the estate to conduct an examination of the debtor, and of the debtor's books, records, and accounts to determine the identity of persons—

"(A) who either have or may claim to have an ownership interest in farm produce delivered over to the trustee by the debtor by virtue of having—

"(i) retained title to farm produce stored with the debtor upon a contract of bailment;

"(ii) purchased produce from the debtor which was then, in turn, bailed to the debtor for storage purposes;

"(iii) taken assignment of, or title by judgment to, the debtor's ownership interests in produce owned by the debtor; or

"(iv) taken assignment of the ownership interest of any such parties; and

"(B) who claim status as secured creditors of the debtor arising out of a security interest in any farm produce which is delivered over to the trustee by the debtor, which farm produce is property of the debtor's estate.

"(2) Within thirty days after the filing of the petition, the trustee shall conduct an examination of the debtor and his records and, if necessary, shall conduct an audit of the physical assets of all farm produce storage facilities operated by the debtor for the purpose of determining the quantity, quality, and type of farm produce, if any, which has been delivered over to the trustee by the debtor. The trustee shall then sell such farm produce for its then current fair market value, and place the proceeds of such sale on deposit in an interest-bearing account of a type which will obtain the maximum return on such proceeds as may be practical.

"(3)(A) Within sixty days after the filing of the petition, the court shall, after notice to interested parties (including those persons identified by the trustee as having or claiming a direct ownership interest in farm produce delivered to the trustee, or a secured interest therein) conduct a hearing, at which all requests for abandonment of the proceeds of farm produce held by the trustee brought pursuant to the provisions of section 554 of this title shall be heard and determined. No request for abandonment of farm produce proceeds shall be considered which is not filed by a claimant with the court at least five days before the commencement of the hearing: *Provided,* That the court may grant leave for the filing of a request after such time period upon a finding by the court of excusable neglect justifying delay. No such request may be considered by the court after the distribution of farm produce proceeds by the trustee which is provided for herein commences, except in cases where notice or actual knowledge of the pendency of the proceedings was not provided to a claimant due to fraud, negligence of the trustee, or other cause beyond the control of the claimant. The court shall order abandonment of the proceeds of farm produce held by the trustee, in the manner specified below, with respect to each claim of an affected creditor or other party in interest who establishes, to the court's satisfaction, that—

"(i) a quantity of farm produce sold by the trustee was held by the debtor as bailee only, without benefit of legal or equitable title, and that title to such produce was vested in the claimant; or

"(ii) a quantity of farm produce sold by the trustee which was determined to be part of the debtor's estate is (at the time of the hearing) of inconsequential value or burdensome to the estate in consideration of a valid security interest existing therein in favor of the claimant.

"(B) Any claimant's production to the court of a valid storage facility receipt held by that claimant as evidence of ownership of a quantity of farm produce sold by the trustee shall be sufficient to establish a right to possession in such claimant of a share of the proceeds equal in value to the quantity, quality, and type of farm produce specified in such document. In any case where a claimant has placed the original of such document on deposit with any party as collateral for a loan, without assigning ownership interests in the farm produce over to such party, an affidavit from such party verifying ownership of such receipt by the claimant shall be sufficient to establish a prima facie claim of right to possession of proceeds in such claimant.

"(4) Within ninety days after the filing of the petition, the court shall direct the trustee to effect abandonment of the farm produce proceeds found to be subject thereto in accordance with subsection (a)(3) of this section, in the following manner:

"(A) With respect to claimants who have established to the court's satisfaction that the trustee sold farm produce as to which title lies in the claimant, the trustee shall apportion to each claimant out of the whole sum of farm produce proceeds held by the trustee that claimant's pro rata share (in comparison to the shares of like claimants) of the proceeds held by the trustee which are equivalent in value to the quantity, quality, and type of commodities which were originally delivered by such claimant, or the claimant's predecessor in title, to the debtor upon the contract of bailment. The value of such produce shall be calculated by reference to the price obtained for it at the time of sale. Distribution shall take place with respect to each of such claimants only after the deduction from such claimant's share of the proceeds of any commercially reasonable storage charge then due the debtor's estate from the particular claimant, plus any commercially reasonable charge for the expense of removing the particular claimant's farm produce from the storage facility.

"(B) With respect to claimants who have established to the court's satisfaction that the estate's interest in quantities of farm produce which (i) are part of the debtor's estate, and (ii) are subject to a security interest existing in favor of such claimants, is of inconsequential value or burdensome to the estate by virtue of such security interest, the trustee shall next distribute from the remaining proceeds of the liquidation of farm produce required by subsection (a)(2) of this section, a share of such proceeds to each of such claimants according to the value of their secured interests in the farm produce sold, as the same may be entitled to under law. Distribution shall take place with respect to each of such claimants only after the deduction from such claimant's share of any commercially reasonable charge for the expense of removing the farm produce represented by the proceeds distributed to that claimant.

"(C) Distribution of farm produce proceeds which are ordered abandoned by the court, shall commence within twenty days of the entry of the orders of abandonment.

"(D) Expenses and compensation of the court or trustee incurred pursuant to the liquidation and abandonment of farm produce and proceeds thereof shall be paid, in conformity to the provisions of section 330 of this title, in the following manner:

"(i) first, out of the funds retained by the trustee for storage charges and produce delivery charges, to the extent feasible;

"(ii) second, out of accrued interest on farm produce proceeds, to the extent feasible; and

"(iii) third, out of the whole quantity of farm produce proceeds held by the trustee prior to distribution of such proceeds.

No other expenses of the court or trustees shall be deducted from farm produce proceeds.

"(E)(i) If, after satisfaction of the claims of those persons entitled to abandonment of the proceeds of farm produce held by the trustee, there be any remaining proceeds of farm produce held by the trustee, such unclaimed proceeds shall be retained by the court in an interest bearing account, for the benefit of any persons who may present an untimely claim of right to abandonment in accordance with subsection (a)(3)(A) of this section, for a period of one year from the date of the entry of the orders of abandonment. At the expiration of such period, such funds shall be distributed in accordance with section 726 of this title

"(ii) The trustee many conduct such examination of the debtor or other persons as may be necessary for the purpose of determining the identity of any persons to whom have been assigned the rights of ownership to farm produce, legal or equitable title to which does not exist in the debtor, as reflected by the books and records of such debtor and for which no claim has been made; and shall provide notice of the pendency of the action to any person who is so identified.

"(b) This section shall be applied by the court solely for the purpose of effectuating abandonment of farm produce which is not property of the estate, or is of inconsequential value to the estate, and shall not be construed to limit the right of any party to seek abandonment of any other property delivered over to the trustee in accordance with section 554 of this title.

"(c) Distribution of farm produce ordered abandoned by the court pursuant to this section shall not be delayed due to the pendency of any appeal from the orders of abandonment, except that a stay of orders entered pursuant to this section may be entered by the bankruptcy court under the following circumstances:

"(1) the party filing the request for stay, except for the United States, shall post a bond or other security in an amount equal to the amount of farm produce proceeds, distribution of which is affected by the requested stay; and

"(2) the parties entitled to distribution of farm produce proceeds under the terms of the abandonment orders affected by the stay shall, if successful in defending the appeal, be awarded their pro rata share of the proceeds of the liquidation; plus a sum equal to the difference in value between the awarded share and the highest intermediate value (between the date of the entry of the order of stay and the date of final distribution) of the produce sold which was owned by, or secured to, such parties; plus interest on the amount of the original award at the prevailing rate allowed by law upon judgments, with interest to accrue from the date of the entry of the order of stay. The interest payment, and differential payment, provided for herein shall both be satisfied out of the bond posted by the party requesting the stay, to the extent feasible. In the case, of an appeal by the United States, it shall be satisfied out of accrued interest on the proceeds on deposit, to the extent feasible. The party or parties requesting such stay and prosecuting such appeal shall, if successful on appeal, be entitled to interest at the prevailing rate allowed by law upon judgments upon any sum which the court may ultimately award, such interest to be calculated from the date of the entry of the original order of abandonment appealed from.

"(d) Any order of stay entered by the bankruptcy court pursuant to subsection (c) of this section shall be immediately appealable as of right by any aggrieved party, to the district court for the division and district wherein the bankruptcy court exercises its jurisdiction; or, to a panel of bankruptcy judges as provided by section 405(c)(1) of title 28, United States Code, if the same has been ordered by the circuit council pursuant to such section. The appeal shall be perfected in accordance with the rules applicable to the prosecution of appeals under this title. The district court (or bankruptcy panel) shall rule upon the issue of whether or not the order of stay so entered is appropriate, in consideration of the provisions of Rule 62 of the Federal Rules of Civil Procedure and the law applicable thereunder, within thirty days after the docketing of the appeal.

"(e) In any action brought pursuant to chapter 11 of this title, the provisions of this section shall govern the abandonment of farm produce held by the trustee or debtor in possession of a farm produce storage facility business for which reorganization is sought, which farm produce is not property of the debtor's estate but is held by the debtor upon a contract of bailment only. The abandonment of any quantity of such produce shall take place only upon the request of the owner thereof, and shall be done regardless of its effect upon any existing or proposed plan of reorganization.

"(f) The time limits set forth in this section may be extended by the court for good cause shown; however, the distribution of farm produce ordered abandoned by the court shall not be deferred beyond one hundred and forty days after the date of the filing of the petition, unless the court finds that—

"(1) the interests of justice so require in light of the complexity of the case; and

"(2) the interests of those claimants entitled to distribution upon their claims will not be materially injured by such additional delay.

"(g) In actions filed under this title in any State wherein an agency exists which operates under the supervision of that State's government, and which is charged with the responsibility for presiding over the liquidation of an insolvent farm produce storage facility licensed under the laws of such State, the bankruptcy court shall appoint the director of such State agency to act as cotrustee together with the private trustee, if any, appointed under this title; and such party shall perform the duties required of the trustee under this section until the completion of the distribution of the proceeds of farm produce required by this section: *Provided*, That such cotrustee shall not be relieved of its responsibilities before the orders of abandonment required to be entered under this section are made. Said cotrustee shall perform all duties required of the trustee under this section, but shall not be required to perform any duties of the trustee mandated by any other provisions of this title. Said cotrustee shall not recover any compensation out of the assets of the estate for the services performed under this section.

"(h) In actions filed under this title by a debtor in the business of operating a farm produce storage facility licensed under the United States Warehouse Act, the bankruptcy court shall appoint the Administrator of the Agricultural Marketing Service of the United States Department of Agriculture to act as cotrustee together with the private trustee, if any, appointed under this title; and such party shall perform the duties required of the trustee under this section until the completion of the distribution of the proceeds of farm produce required by this section: *Provided*, That such cotrustee shall not be relieved of its responsibilities before the orders of abandonment required to be entered under this section are made. Said cotrustee shall perform all duties required of the trustee under this section, but shall not be required to perform any duties of the trustee mandated by any other provisions of this title. Such cotrustee shall not recover any compensation out of the assets of the estate for the services performed under this section.".

SEC. 7. (a) Chapter 10 of title 7, section 255, of the United States Code, is amended by inserting a comma after the word "storage", and by inserting the following language between the words "storage" and "in" thereof: "marketing, handling, shipping, or other disposition"; such that the section, as amended, shall read as follows: "Any person who deposits agricultural products for storage, marketing, handling, shipping, or other disposition in a warehouse licensed under this chapter shall be deemed to have deposited the same subject to the terms of this chapter and the rules and regulations prescribed thereunder.".

(b) Chapter 10 of title 7, United States Code, is amended by adding after section 262 thereof the following:

"262a. Statutory lien, pending payment for agricultural products sold to a warehouseman

"Any farmer (as defined in title 11, U.S.C. 101) who, having delivered agricultural products to a warehouseman licensed under this chapter upon a contract for sale, or having sold to such warehouseman products previously delivered upon a contract for storage, and who has not received the consideration agreed upon for the sale of said products from the warehouseman, shall have a lien against like products in the licensed facility in excess of that required to satisfy receipted or other storage obligations; against like products in transit for which payment has not been made to the warehouseman; and against unencumbered products held in other locations for the account of the warehouseman, or the proceeds from any of the foregoing, to the extent of the consideration agreed upon for the purchase of the product sold. Such lien shall attach at the time of the formation of the contract for sale and shall continue until the obligations of the warehouseman to the seller of the products are satisfied, or the expiration of sixty days, whichever is earlier.".

SEC. 8. Section 1123(a)(1) of title 11, United States Code, is amended by striking out "or 507(a)(6)" and inserting in lieu thereof "507(a)(5) or 507(a)(7)".

SEC. 9. Section 1129(a)(9)(B) of title 11, United States Code, is amended by striking out "or 507(a)(5)" and inserting in lieu thereof "507(a)(5), or 507(a)(6)".

SEC. 10. Section 1129(a)(9)(C) of title 11, United States Code, is amended by striking out "507(a)(6)" and inserting in lieu thereof "507(a)(7)".

SEC. 11. Section 545(2) of title 11, United States Code, is amended by striking the semicolon following the word "exists", and adding the following: ", except that this section shall not apply to a lien interest arising by virtue of the provisions of section 262(a) of title 7, United States Code;".

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. I thank the distinguished minority and majority leaders and the cosponsors of the bill. There are a num-

ber of cosponsors, and I ask unanimous consent that their names may be added.

The PRESIDING OFFICER. Without objection, it is so ordered.

The cosponsors are: Senators DANFORTH, JEPSEN, KASSEBAUM, GRASSLEY, GORTON, PERCY, RANDOLPH, DURENBERGER, WALLOP, and EAGLETON.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## RECESS UNTIL 2 P.M.

Mr. BAKER. Mr. President, there are meetings now that must be conducted off the floor on both sides of the aisle of an official nature which I believe will contribute to the further progress of the Senate's agenda.

I ask unanimous consent that the Senate stand in recess until the hour of 2 p.m. today.

There being no objection, the Senate, at 12:02 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. MCCLURE).

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HEINZ). Without objection, it is so ordered.

## EXTENSION OF SECTION 252 OF THE ENERGY POLICY AND CONSERVATION ACT

Mr. STEVENS. Mr. President, I ask that the Chair lay before the Senate, Calendar Order No. 237, S. 1475, the International Energy Agency Act.

The PRESIDING OFFICER. The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 1475) to extend the expiration date of section 252 of the Energy Policy and Conservation Act.

The Senate proceeded to consider the bill.

Mr. MCCLURE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. MCCLURE. Mr. President, is there a unanimous-consent agreement limiting the time on this bill?

The PRESIDING OFFICER. There is no unanimous-consent request.

Mr. MCCLURE. I thank the Chair.

Mr. President, on July 29 the Committee on Energy and Natural Resources favorably reported S. 1475, without amendment. The vote was 17 to 0. S. 1475 was introduced by myself, together with Senator JACKSON, on July 14. The bill would amend section 252 of the Energy Policy and Conservation Act by extending the expiration date of section 252 from September 30, 1981, to June 30, 1985.

Section 252 of the Energy Policy and Conservation Act authorizes U.S. oil companies to participate in voluntary agreements for implementing the allocation and information provisions of the agreement on an international energy program. That program provides a mechanism for an oil allocation system to be utilized by the participating countries in the event of a major oil supply disruption. Section 252 also provides a limited defense against any antitrust suits that may be brought against U.S. oil companies participating in the international energy program. The antitrust defense is limited to actions taken in implementing the allocation and information provisions of the program.

As I previously noted, the current expiration date of section 252 is September 30. If the Congress fails to act by that date and section 252 is allowed to expire, U.S. oil companies participating in the international energy program would be compelled to cease their participation in the program. If that should occur, the allocation mechanism of the program could not operate effectively in the event of any new disruption of oil supplies in the international oil market.

The Committee on Energy and Natural Resources held a hearing on S. 1475 on July 20. Testimony was provided by witnesses from the Department of Energy, the State Department, and the Justice Department. It was evident from the testimony presented at the hearing that the administration continues to take the position that maintaining the antitrust exemption is an extremely important component of our national energy policy. I certainly concur with that assessment.

If the expiration date of section 252 were extended to June 30, 1985, as proposed in S. 1475, the expiration date of the antitrust exemption would be synchronized with the expiration of titles I and II of the act. Those titles relate to domestic energy supplies, the strategic petroleum reserve, and standby energy authorities, including authorities with respect to the international energy program.

Mr. President, I will offer an amendment to S. 1475. The amendment would change the expiration date of section 252 from June 30, 1985 to April 1, 1982. This amendment is the result of recent discussions I have had with Senator METZENBAUM and Senator THURMOND. This short-term extension will provide the Committee on Energy and Natural Resources with sufficient time to consider more permanent legislation, following oversight hearings on the operation of the international energy program and the participation of the United States in that program.

Although the Committee on Energy and Natural Resources has primary jurisdiction over legislation on this matter, I have agreed to a sequential referral of subsequent legislation to the Committee on the Judiciary. The sequential referral would be for a limited period of time, following introduction of new legislation during the short-term extension of section 252 beyond September 30, 1981. The referral would enable the Committee on the Judiciary to consider the antitrust implications of section 252.

The Congress has extended the expiration date of section 252 on four previous occasions. Three extensions occurred during 1979, and the fourth occurred in March of this year, when the date was extended from March 15 to September 30. A fifth extension, also on a short-term basis, presumably will be approved by the Congress prior to the end of this month.

Mr. President, it is my judgment that we would best serve our Nation's foreign policy interests if we ultimately extended section 252 well beyond another 6-month period. Short extensions of only 6 months raise questions in the minds of our allies as to the degree of commitment of our Government to international energy cooperation. There should be no doubt about our commitment, because this Nation and its allies continue to face the very real possibility that new oil import disruptions will occur.

The international energy program serves as a partial deterrent to such disruptions, at least to the extent that it would reduce the effectiveness of planned embargoes. The U.S. Government should send to the oil exporting nations a strong signal of support for the international energy program. That signal would be a long-term extension of the antitrust exemption in section 252.

The agreement creating the international energy program was originally signed in 1974 as the result of an effort by the United States to promote cooperation among major industrial countries in reducing dependence on imported oil. There are presently 21 signatories to the agreement, consisting of most of the principal industrialized oil consuming nations. The agreement provided for creation of the International Energy Agency as an automonous entity within the Organization for Economic Cooperation and Development.

The agreement also provided that the IEA would serve as the medium for the operation of an international oil sharing system for use during oil supply emergencies. It also required each country to establish an emergency petroleum storage program, and to have a means for restraining demand for petroleum products in the event of an interruption of petroleum supplies to the IEP countries.

Section 252 of EPCA sets out procedures applicable to the development or carrving out of voluntary agreements and plans of action to implement the allocation and information provisions of the international energy program. Under this authority, U.S. oil companies entered into the voluntary agreement and plan of action to implement the international energy program. At present, 22 U.S. oil companies, including both major international oil companies and independent oil companies, are participants in the voluntary agreement.

Participation by the United States in the International Energy Agency is central to the pursuit of our long-term international energy objectives. In general terms, the IEA provides a unique and effective forum for consultations and joint actions with our principal allies in the industrialized world. It represents a shared commitment to cooperate in dealing with one of the most critical issues of our time. More specifically, in terms of facing oil shortages, the United States benefits from the IEA emergency sharing commitment.

Our participation in the allocation program reduces our vulnerability to politically inspired embargoes directed solely at the United States. Moreover, during a general triggering of the system, member countries would share the shortfall equitably, and the result would be a reduction in the devastating racheting of prices that otherwise would result from individual members scrambling for oil on their own.

Mr. President, the Senator from Ohio (Mr. METZENBAUM) is a member of the Committee on Energy and Natural Resources and is also an active member with interest in the antitrust areas within the Judiciary Committee. He has expressed a concern that, rather than a long extension of the antitrust provisions of this act, that we have a shorter extension to permit both the Energy and Natural Resources Committee and, if desired, the Judiciary Committee, to look at the functioning of the International Energy Agency and U.S. Government participation and the participation of U.S. oil companies in that mechanism.

I have agreed that, in order to accommodate that review, rather than extending section 252 for 4 years, as was agreed in the committee action and as expressed in the bill, that I would, together with the Senator from Ohio, offer an amendment to extend it only to April 1, 1982. We would then, early in the next calendar year, have legislation introduced which would effect or seek to effect a longer extension of that antitrust provision. Without settling the jurisdictional question between the Committee on Energy and Natural Resources and the Committee on the Judiciary with respect to their responsibility in the antitrust area, we would, in the next extension to be offered early next year, have a sequential referral of any such legislation introduced in the next calendar year so that both the Committee on Energy and Natural Resources and the Committee on the Judiciary would have the opportunity to examine the functioning of the program as well as the antitrust aspects that are within the concern of the Judiciary Committee.

It was also my statement that I made on the floor last Thursday and I would reiterate here that it would be my intention to have oversight hearings held by the Committee on Energy and Natural Resources with respect to the functioning of the program, how well it is functioning, what is our Government's participation in it, and what kind of participation has there been by U.S. oil companies and other commercial entities that operate in conjunction with the International Energy Agency.

I believe that at the appropriate time, then, the Senator from Ohio and myself will offer that amendment. I know of no objection to the amendment. I hope that it can be adopted expeditiously and that we can then go on to the passage of the bill.

For those who may be listening or are interested in what the procedures may be, I know of no request for a rollcall on this relatively short extension of the provisions of section 252. It is not now my intention to ask that there be a rollcall.

With that, I am pleased to yield to the Senator from Ohio.

Mr. METZENBAUM. Mr. President, the Senator from Idaho, the chairman of the committee, accurately states the understanding.

I am not clear on one point. It occurs to me—and I am not certain that it can be done—that it might be more helpful, more expeditious, if we can work it out, within the limitations of the time that we are always under in this body, so that the hearings might be held this year, both by the Energy Committee and the Judiciary Committee. I am suggesting that we leave the timing of the hearings an open question; it being my thinking that, rather than trying to run ourselves up against a deadline around April 1 of next year, we would try to go forward and explore these subjects at an early point, assuming we could find the appropriate witnesses to address the issue.

Mr. McCLURE. Will the Senator yield?

Mr. METZENBAUM. Yes.

Mr. McCLURE. I note, on my part, with respect to the scheduling of such matters before the Energy and Natural Resources Committee, I certainly have not ruled out the possibility of handling it yet this calendar year. It is just a commitment that we will do it before we get to that date next year.

Mr. METZENBAUM. I should like to urge my good friend, the chairman of the committee, that there is much merit in doing it as early as possible. Once we get back in January, it is an election year. There will be all sorts of pressures on. I think that we can do it in a more orderly manner. I make that as a suggestion, not as a demand.

Mr. President, I support the amendment which is to be offered, because I think the limited extension of section 252 is appropriate. I recognize that the current authorization for our participation in IEA expires in 1 week and I would not wish to cause any permanent changes in our IEA role at this time.

However, Mr. President, I must be candid. I have very grave reservation about our Nation's participation in IEA. I doubt the value of IEA to the American public, to the American consumer, to our Nation. I doubt that IEA can effectively allocate world oil supplies during a severe shortage. I doubt the United States could fulfill its emergency obligations under IEA without wreaking havoc domestically, especially with this administration's laissez faire attitude toward emergency preparedness.

Perhaps most importantly, Mr. President, I doubt the wisdom of providing an antitrust defense to U.S. oil companies participating in IEA. Allowing the oil companies to operate jointly in the international oil market has tremendous implications for the enforcement of our antitrust laws, implications which must be carefully examined.

I agreed to this short extension, Mr. President, only because I reached an understanding with the chairman of the Committee on Energy and the chairman of the Committee on the Judiciary that a bill providing for more permanent action will soon be introduced and referred to both the Energy Committee and the Judiciary Committee for their prompt, careful, and thorough consideration.

Mr. President, the real issue is, what do we gain from our participation in IEA? What do we gain by permitting major oil companies to collaborate in sizing up and shaping the world oil markets free of any liability whatsoever under our antitrust laws?

I am afraid the answer, Mr. President, may be that we gain very little—very little at all. And I am not alone in this assessment. The GAO has just released a major, comprehensive study of the IEA which was requested by Senator BAUCUS and myself. Its conclusions are devastating.

Mr. President, I ask unanimous consent that portions of the report be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. METZENBAUM. First, Mr. President, the study concludes that the emergency sharing system—the core element of the IEA's allocation program—probably will not work. IEA grew out of Henry Kissinger's proposal that oil consuming nations band together to share the burdens of short-term oil supply disruptions such as the 1973 Arab oil embargo.

The mechanism for apportioning each country's share of oil during a supply crisis is the emergency sharing system. Now the GAO says this system probably will not work. Because of data error, lack of a comprehensive price dispute mechanism, and a misleading representation of emergency oil stocks, GAO has serious questions about the system's workability. And, Mr. President, I might add, the GAO is not alone in this conclusion. The Congressional Research Service came to a similar conclusion in an October 1980 report; and the U.S. Department of Energy—the Agency coming to Congress asking for an extension of the EPCA authorities for IEA—reached a similar conclusion itself in March 1981.

It is no wonder that the emergency sharing system has never been triggered. Member countries are most likely afraid to trigger it because that would demonstrate the stark reality—the "emergency sharing system," the linchpin of the IEA, the rationale for its existence—just will not work.

Mr. President, I am not unaware of the fact that the criteria that triggers

the allocation system has not actually been reached. But the fact is that the nations themselves are concerned as to whether it would work and the GAO and the Department of Energy itself have questioned the workability.

Second, the GAO also concluded that the IEA has not decreased member countries' vulnerability to oil supply disruptions as shown by the recent international oil crises of 1979 and 1980. Again, the GAO study is not alone in its conclusion. Here is what a recent article by Brian Donovan in the APF Reporter had to say about the 1979 crisis:

During the puzzling oil crisis of 1979, while oil companies and their critics argued over the reasons for gas lines and soaring prices, one little known public official, Dr. Joachim W. Koenig (Director of IEA's Division of Emergency Planning and Preparation) had more inside information about what was going on than anyone else outside the industry . . .

Koenig's findings raised new questions about the actions of major oil companies during the crisis. The IEA documents portray the world's oil consuming countries as the losers in a struggle for information on why the world price of oil was doubling and what, if anything, the countries could have been doing to stop it . . .

After the crisis, Koenig wrote a report that infuriated some company officials in the IEA's advisory committees. Although the report has never been released, its findings are outlined in other IEA documents. According to those documents, Koenig found that:

Major oil companies exacerbated a relatively minor shortage by building up "excessive" stockpiles of oil and gasoline during the spring and summer of 1979, instead of releasing the supplies to the market place.

The companies did not give enough facts to the IEA and the consuming nations' governments, creating what Koenig called a "crisis of information" instead of a "crisis of volume."

As a result, the consumer governments, especially the United States Government, grew excessively worried about heating oil supplies for the winter of 1979–80 and took actions that helped worsen the gasoline shortage and drove up world oil prices . . .

Mr. President, I want to point out that that is an absolutely devastating statement, coming from a totally responsible source, that the consumer governments, including our own, became excessively worried about heating oil supplies for the winter of 1979–80 and took actions that helped worsen the gasoline shortage and drove up world oil prices.

It is predicated on the fact, as the article also points out, that the companies did not give enough facts to the IEA and the consuming nations' governments and created a crisis of information instead of a crisis of volume.

Mr. Donovan's quote continues:

An examination of the shortage, based on documents and interviews with company officials and outside experts raises points that reinforce Koenig's conclusions.

For instance:

Despite sworn statements to Congress by Exxon and Gulf that they distributed oil without regard for expected profit margins in different countries, executives of both companies wrote memoranda which make it clear that the opposite was true. . . .

While the Carter administration was telling the Congress and the public in the spring of 1979 that a 2-million-barrel-a-day world shortage existed, it had access to IEA reports saying there appeared to be no significant shortage.

Mr. President, many of us on the floor of the Senate and throughout the countryside indicated previous occasions that it was an artificial shortage, that the shortage was not a real one.

Now we find confirmed that the IEA and the companies and the Carter administration, all working hand in glove, caused a "shortage" to exist that in reality did not actually exist. The public, in the spring of 1979, were told that there was a 2-million-barrel-a-day shortage, but the facts as reported in confidential memoranda that were available indicated that that was not a true statement.

To continue Mr. Donovan's article:

The IEA Secretariat's confidential analysis on March 28, 1979, said: "Oil is flowing from the wells and being imported by consuming countries but, through justifiable prudence perhaps reinforced by a speculative element, it appears to be sticking in the distribution system."

These are not the words of a U.S. Senator, Mr. President. These are the words of the IEA Secretariat's confidential analysis. And this analysis means that the companies were holding oil back and were not letting it flow. The article continues:

DOE proprietary figures show many major companies in the U.S. held more gasoline in storage during the May and June gaslines than they had had the previous year.

A Texaco spokesman said:

There were, in retrospect, sufficient oil supplies in the first half of 1979 to have avoided the shortages that occurred.

The administration stuck with its assertion of a 2-million-barrel-a-day shortage to justify price decontrol for crude oil even though it knew a key assumption behind that figure was wrong . . .

Mr. President, if ever there was a confirmation of the fact that the American people had been misled for the purpose of swelling the treasuries of the oil companies of the world, and particularly of this Nation, these confidential memoranda do indeed confirm just that.

IEA accomplished nothing during the 1979 "shortage." As Mr. Donovan found, oil-consuming countries were the big losers and the international oil companies were the big winners. Individual consumers waited in gas lines and saw the price of gasoline and heating oil soar. The oil companies watched their profits go through the ceiling.

Third, in virtually every circumstance, the GAO concludes, the United States would end up having to export some of its oil abroad. Only if there were a repeat of something like the 1973 oil embargo—an eventuality most experts do not believe likely—would the American consumer receive any oil supplies from the 20 other IEA participating countries. That means one thing and one alone. That means that our participation in the IEA is a one-sided deal. That means that there is no benefit to the American consumer, no benefit to the American public, no benefit to this Nation. What are we getting in return for a commitment of this immense magnitude?

Mr. President, we must have satisfactory answers to these questions before we vote on the next extension of the antitrust defense and EPCA's other authorizing provisions for IEA.

If the only gainers are the oil companies and other countries' consumers, then we ought to think very carefully about the commitment we have made.

We should question whether our further participation is warranted, whether the antitrust exemption should continue. What logical purpose is there for us to be in the IEA? That is one of the reasons why I am particularly pleased that the chairman of the Energy Committee and the chairman of the Judiciary Committee have indicated that there will be hearings to determine whether or not our further participation is warranted.

Fourth, not only would American consumers lose net oil supplies in most emergency scenarios, but, according to the GAO, it is unlikely that we could respond domestically to the disruptions caused by our having to export oil abroad.

Let me emphasize: Part of our participation in the IEA is a requirement that in the event of a shortage worldwide, we will give up our oil. Mr. President, what have some of the other IEA nations done for this Nation? When have they indicated in recent years their willingness to be of help? In this instance, we are willing to help them at the expense of the American consumer.

It is a problem, if we have to export oil abroad, and it is especially a problem because this administration endorses no emergency allocation system for distributing oil domestically in times of an emergency. The President wants to let price be the allocator. You and I know what that means. It means only the rich will be able to drive their cars. It means only the rich will be able to heat their homes.

That is what has come about by reason of this combination of our being in the IEA and the President having decontrolled the price of oil. It means that everyone but the privileged few will suffer a serious setback in their standard of living. It means that many will have to choose between eating and staying warm. This is an intolerable situation, Mr. President. Not only would our participation in IEA cause us to export oil during most emergency situations, but also, we do not even have the mechanism for coping with the disruptions that would result here at home.

Fifth, apparently it is not enough that the IEA has been a failure so far in insulating member countries from international supply disruptions. Now, according to GAO, the IEA is trying to move in a direction not originally envisioned by Congress when it initially authorized our Government's participation in IEA and provided the antitrust defense to participating oil companies. Now IEA staff want it to become a manager of international oil markets in nonemergency situations.

Of course, the oil companies will have to participate in this. And of course the oil companies will need an even broader antitrust defense to participate in this

elaborate process of regulating their own supply actions.

Frankly, Mr. President, I do not like it. According to GAO, IEA is attempting to move into areas not authorized under current law, and I think we need to examine this new direction very, very closely. If we are not getting anything worthwhile out of the current system in exchange for giving the oil companies a significant antitrust defense, then why should we broaden IEA's mandate and broaden the defense? If the U.S. consumers stand to lose as a result of emergency sharing system allocations, how would they fare under these nonemergency measures?

What justification is there for permitting IEA to head in this direction? These are all questions that we must examine very, very carefully in both the Energy and Judiciary Committees before any subsequent measure is acted upon.

Sixth—and I believe this is very significant according to the GAO study, the public accountability mechanism set up by EPCA to provide a check on oil company activities has been a failure. Although EPCA required that transcripts of industry advisory meetings be kept and made available to the public, the State Department routinely classifies so much of these transcripts that they are useless to the public.

It is about time that the State Department butted out of issues of this kind. The State Department does not do its own job very well, without getting into the international oil situation and trying to tell IEA how to operate and trying to tell Congress what we may have as information and what the GAO may obtain as well.

But the gray-strips boys in the State Department want to move in, and they have been continuing to move in. When I attended the IEA meeting, it was not the Energy Department that was speaking up; it was the State Department.

As the GAO study says:

> Unless this classification problem is addressed, the transcripts appearing in the DOE public reading room will continue to represent an incomplete record of what transpired at the meetings.

Mr. President, this is a serious defect not contemplated by those who originally agreed to provide an antitrust defense to the oil companies. Transcripts of industry IEA meetings were to be made available to the public so that potential victims of industry anticompetitive behavior could monitor oil company involvement in IEA. But the GAO tells us those transcripts are worthless for monitoring purposes.

This is a glaring problem that I hope the oversight hearings and the hearings with respect to the pending legislation will address. This is a problem that must be rectified before we are again asked to extend the defense.

Moreover, Mr. President, the State Department has not only denied the public meaningful access to the IEA transcripts, it has also kept GAO—Congress investigatory arm—out of the IEA ministerial meetings as well.

I personally was involved with other Senators in attempting to prevail upon the State Department to take some action in this connection, but they resolutely refused to do so. How can we in Congress hope to evaluate the efficacy of the IEA, if our own investigators are not permitted to attend IEA meetings for the purpose of preparing a report to Members of this body? This is simply unacceptable.

I urged, I cajoled, I importuned, I tried as hard as possible to get the State Department to permit the GAO to attend the meetings so that they might learn what was going on, on behalf of the Congress of the United States, and their answer was, "No."

Mr. President, I am saying to the State Department now, I am saying to the chairman of the Energy Committee, and I am saying to the chairman of the Judiciary Committee that this Senator will insist that those transcripts no longer be kept private. There is no reason. What is so secret about them?

Oil companies meet together and have their deliberations, absent any antitrust liability. The people of this country are not permitted to know, through their elected representatives, and we in Congress are not permitted to know through our designated investigative arm. That will be a condition precedent before we conclude the final legislation on this subject.

Finally, we must be concerned about who is making our international energy policy decisions. According to the GAO report, in the current administration, the Office of Management and Budget has played a key role in preparing our Government's position at IEA ministerial meetings.

It is interesting that it is no longer the Department of Energy that is involved in international energy policy. Now the State Department also is getting shoved aside by the Office of Management and Budget. Mr. Stockman does not have enough to do in attempting to balance the budget, but now he is also making international oil policy for this country.

I want to know which Member of this body in which I serve consented to the appointment of Mr. Stockman as head of OMB so that he could make international energy policy. I know this is one Senator who never contemplated that Mr. Stockman would be making those decisions or that anyone else at the OMB would be making those decisions. I wish to question Mr. Stockman closely about how he or his representatives are arriving at their policy decisions with respect to international oil policy.

What factors do they weigh? To what extent do they take into consideration the impact of their decisions on the American consumer?

Mr. President, there are too many unanswered questions about our participation in IEA to simply continue the status quo for another 4 years.

I am pleased that the chairman of the Energy Committee has agreed with the amendment that is to be proposed that the expiration date will be extended to April 1, 1982 and that during that interim period a full exploration of all the issues in connection with the IEA will be held.

I have previously stated that I will cooperate in bringing about final disposition of this issue by April 1, 1982. I know, as I previously indicated, that that assumes we will be able to have adequate time and adequate hearings with respect to the issues at stake.

I hope both committees with relevant jurisdiction promptly undertake a thorough review of our involvement in this agency and the implications it has for the American public and our Nation.

I thank my good friend, the chairman of the Energy Committee, for recognizing the need for such a joint review. And I thank my distinguished colleague, the chairman of the Judiciary Committee, for his support in this effort.

I look forward to working with both of them as well as the ranking minority member of the Energy Committee, Senator JACKSON, who has given this subject much attention and has his own concerns and support for the legislation. I look forward to working with all of them as we explore the issues in connection with this subject.

I thank the President.

EXHIBIT 1

REPORT BY THE COMPTROLLER GENERAL OF THE UNITED STATES

DIGEST

The International Energy Agency (IEA), established in 1974 and composed of 21 oil consuming countries, is a multilateral organization designed to facilitate responses to short-term energy disruptions and long-term supply problems. IEA's Emergency Sharing System is the mechanism available to respond primarily to short-term supply interruptions. As IEA's principal proponent, the United States contributed 25 percent ($2.45 million) of the agency's budget for fiscal year 1981.

The IEA serves as an energy policy coordinating forum for consuming nations. It has improved member countries' understanding of the oil market and provided them with a better sense of what needs to be done on an international and national level during a period of continuous supply uncertainty.

The IEA's success in a rapidly changing market environment depends greatly on the willingness of participating countries to support its basic objectives of (1) sharing supplies in an emergency, (2) developing a comprehensive oil market information system, (3) establishing a long-term cooperation program emphasizing import controls and accelerated development and use of alternative fuels, and (4) improving consumer-producer relations.

This review was requested by Senators Max Baucus and Howard M. Metzenbaum of the Judiciary Committee.

IEA ORGANIZATION AND MANAGEMENT

The IEA is an autonomous organization of the Organization for Economic Cooperation and Development (OECD). Although the IEA's annual budget ($9.8 million in fiscal year 1981) is part of the OECD budget, the IEA Governing Board, composed of delegates from each participating country, controls IEA's budget and overall operations.

An international Secretariat of 126 staff prepares many of the IEA's market analyses and policy option studies. A voluntary group of 47 oil companies (21 from the United States) provides data on the oil market and implements emergency allocation decisions. A smaller advisory group drawn from the industry group, the Industry Advisory Board, advises and consults with the Secretariat and representatives of the Governing Board.

Although industry influence is significant in the IEA, the Governing Board is the final decisionmaker. It meets frequently and makes decisions on a consensus basis.

At Governing Board meetings, only government representatives of participating countries and the Secretariat attend. No transcripts of Governing Board meetings are made. Written conclusions, which are not made available to the public by the IEA, are sent to participating governments. (See pp. 21 and 22.)

Meetings between the IEA and industry are not open to the public. Members of Congress and their designees are permitted to attend, however, and monitors from the Departments of Justice, Energy, and State and the Federal Trade Commission attend for antitrust purposes. Justice and the Federal Trade Commission make semiannual summary reports of industry IEA activities to the Congress. (See pp. 22, 23, and 86 through 89.)

SUPPLY DISRUPTIONS

IEA's complex Emergency Sharing System suffers from data errors, lack of a comprehensive price dispute settlement mechanism for member countries, and a misleading representation of emergency reserves, which raise serious questions about the System's workability. A March 1981 appraisal of the most recent test of the System by the Department of Energy's Economic Regulatory Administration underscored these deficiencies. (See ch. 3.)

Under most supply disruption scenarios involving the IEA Emergency Sharing System, the United States will be obliged to divert oil imports to other IEA countries. In situations similar to the Arab Oil Embargo of 1973–74, when the United States was the boycotted country, the United States would benefit under the System.

Sharing supplies during an emergency is the heart of the IEA system and is considered to be in the broad economic, foreign policy, and national security interests of the United States. Without IEA, the United States would be forced to compete with many of its allies for scarce oil supplies, with potentially harmful effects to relations with them. GAO's assessment of IEA member countries' efforts to cope with future oil supply disruptions indicates that IEA member countries have established an institutional framework and developed broad policy objectives but have yet to greatly reduce their vulnerability. (See pp. 44 and 45.)

OIL MARKET INFORMATION

With the cooperation and assistance of the oil companies, IEA countries have developed information systems on crude oil costs, crude oil import prices, and financial operations of international oil companies. A framework for consultation with oil companies was created which allows representatives of the Governing Board and the Secretariat to discuss energy policy with individual oil companies that would not be covered in a regular reporting system. However, the IEA information system falls far short of being a comprehensive global system capable of describing the market's total operation and structure. (See ch. 4.)

LONG-TERM COOPERATION

IEA countries have agreed to general long-term principles focusing on intensified conservation, reduced import dependence, and expanded research and development, but individual country performance has not always reflected these commitments because of differing national energy policies, programs, and procedures as well as levels of implementation. These problems are further exacerbated by national political differences and general economic policy conflicts which, coupled with environmental concerns in some countries, have produced significant obstacles to long-term cooperation. Nevertheless, the IEA seems to have heightened member countries' awareness of the effects of oil dependence and encouraged them to establish target goals and coordination. (See ch. 5.)

U.S. POLICY TOWARD AND MANAGEMENT OF U.S. PARTICIPATION IN THE IEA

Management of U.S. participation in the IEA, an informal process involving the Executive Office of the President and the Departments of State and Energy, has generally been effective. However, some international energy policy decisions have been inconsistent with U.S. positions in the IEA. This was apparent in the U.S. 1979 decision to temporarily subsidize distillate oil imports for home heating purposes, which contradicted its position as a member of the IEA to reduce oil imports. It was also apparent at the 1979 Tokyo Summit when U.S. participants prepared for the conference without integrating actions already taken or under consideration in the IEA.

The current administration is reviewing U.S. policy toward the IEA. Although the review has not been completed, the Secretary of Energy, as the chief U.S. delegate to the June 1981 IEA ministerial meeting, reaffirmed that the IEA will remain the focus of U.S. international energy policy. He emphasized that it is the central mechanism for protecting industrialized countries from unexpected and unwarranted oil supply disruptions and, in the long-run, for reducing dependence on insecure foreign sources of oil. While reiterating its support for the IEA, he underscored the new administration's commitment to market forces and stock draws as the primary response to international supply crises and emphasized that the formal IEA Emergency Sharing System should be used only as a last resort. He also stressed that in subcrisis situations, the United States supports ad hoc measures that would be defined in the event the market mechanism and stock drawdown did not work. (See ch. 6.)

ANTITRUST ISSUES

U.S. participation in the IEA reflects a dichotomy between the operational role of the Departments of State and Energy and the regulatory role of the Department of Justice and the Federal Trade Commission. Under the Energy Policy and Conservation Act of 1975, as amended, Justice and the Federal Trade Commission are primarily responsible for monitoring the participation of U.S. oil companies in the IEA for antitrust purposes. In recent years, antitrust considerations have increasingly intruded upon energy and foreign policy objectives in U.S. representation in the IEA. Foreign governments and oil companies in particular have reacted negatively to the extension of U.S. antitrust law into a multilateral organization.

Nevertheless, assuming that the United States and other participating countries desire some form of international emergency allocation, the existing antitrust system, accompanied by strict monitoring of oil company activities, appears far preferable to unilateral oil company allocation decisions.

U.S. legislation and the Voluntary Agreement governing U.S. oil company involvement in the IEA provide the United States with the unusual opportunity of observing the oil industry in action during an emergency. This is in marked contrast to the situation in 1973, when industry managed the shortage and reallocated supplies without direct Government involvement.

EFFECTS OF THE CHANGING ROLE OF THE IEA ON THE UNITED STATES

IEA participating governments and companies expressed concern about the failure of member countries to restrain rising oil prices and the failure of the current formula for computing oil allocation rights and obligations to adequately consider the differing economic needs and capabilities of member countries. The 1979 Iranian crisis, which sparked a 160-percent increase in world petroleum prices in the absence of a serious supply shortage of 7 percent or more, revealed the vulnerability of the IEA. Efforts by participating countries to reduce anticipated consumption by 5 percent failed to prevent the crisis.

In the wake of the Iranian crisis, IEA governments have attempted to become more involved in implementing and monitoring joint energy policy. Following the onset of the Iraq-Iran war in September 1980, IEA adopted two new activities that particularly affect price.

The first is a system for consultation between governments and industry on oil stock policies. IEA member countries decided that oil stocks should be used flexibly to meet short-term market disruptions, thereby discouraging purchases on the spot market and reducing upward pressures on price.

The second essentially is an informal sharing system to correct petroleum supply imbalances. It was designed primarily to moderate potential market pressures on prices during the latter part of 1980 and the first quarter of 1981 due to potentially serious supply imbalances resulting from the Iraq-Iran conflict.

Whether the informal sharing system is covered by U.S. legislation implementing the International Energy Program which established the IEA has been questioned.

Legislation implementing U.S. obligations under the Program was based on the assumption that the international oil allocation would not arise until the threshold of a 7-percent shortage in oil consumption was reached.

The informal sharing system substantially changes this obligation: imbalances are not limited to 7-percent or greater oil supply shortfalls before certain actions are taken, and international oil allocation has become an instrument for restraining rapid spot market oil price increases by correcting supply imbalances. The informal sharing system also has the potential for supplanting the use of the selective trigger under the International Energy Program.

Particular concerns about the informal sharing system that Congress should be aware of include its impact on U.S. antitrust issues and other complementary energy legislation. (See ch. 8.)

AGENCY COMMENTS AND GAO'S EVALUATION

Several agencies commented that GAO's report presented a useful and comprehensive overview of IEA's structure, operation, and problems. However, the Departments of State, Energy, and Justice, and the Federal Trade Commission disagreed with several of GAO's conclusions.

Energy and Justice argue that the 1980 test of IEA's Emergency Sharing System clearly demonstrates the workability of the System.

State claims that the United States would have no allocation obligation to give up oil supplies in certain non-embargo situations.

Justice and the Federal Trade Commission disagree with some aspects of GAO's evaluation of the U.S. antitrust clearance procedure.

Justice disagrees with GAO's negative characterization of foreign reaction to U.S. antitrust monitoring in the IEA.

State and Energy disagree with GAO's description of IEA's 1980 decisions concerning sharing of supplies and stock management in the wake of the Iraq-Iran war.

Despite these disagreements, GAO remains convinced that (1) the 1980 test of the Emergency Sharing System challenges the System's viability in an actual emergency, (2) in the majority of supply disruptions, the United States would have to divert oil supplies to other IEA countries, (3) decisions stemming from the interagency antitrust

clearance process should be explained, (4) foreign reaction to U.S. antitrust monitoring of U.S. industry involvement in IEA activities remains negative, and (5) IEA Governing Board decisions in late 1980 responding to the Iraq-Iran war represented for this event the establishment of an informal sharing system and a flexible stock management policy.

Specific agency comments and GAO's evaluation appear in chapters 3, 7, and 8 of the report.

The PRESIDING OFFICER (Mr. D'AMATO). The Senator from Washington is recognized.

Mr. JACKSON. Mr. President, once again I am pleased to speak in favor of legislation to extend the expiration date of certain authorities pertaining to the allocation and information provisions of the international energy program.

As I have said on the floor many times before, I am a supporter of the international energy program. I want to see it continue to operate, and to be made even more effective.

This section has been extended four times before. This will be the fifth. Each time Congress has acted to extend the section it has been on a temporary basis, supposedly for the purpose of providing the executive branch with sufficient time to complete a comprehensive analysis of the program.

I am beginning to believe that we are pulling the wool over our own eyes. It is becoming clear that the administration does not plan any in-depth analysis of our international energy situation. While I must congratulate them for their willingness to fill the strategic petroleum reserve, I must also observe that that seems to be the extent of their international energy policy. Otherwise they are prepared to give blind faith to the free market to protect us from what could be a free world economic disaster.

The Senator from Idaho (Mr. McCLURE) and I have discussed this matter on a number of occasions. He and I introduced S. 1475, a bill to extend the antitrust exemption to June 30, 1985, in order to get the administration's attention on the need to give a serious look at the IEA and specifically the need for new legislation to met our international obligations once the Emergency Petroleum Allocation Act expires at the end of this month. In addition, the Senator from Idaho has introduced legislation, S. 1503, which we are in the process of marking up in the Energy Committee to give us the protection we need in times of a severe petroleum supply shortage.

I state for the record, that I am pleased and impressed with the manner in which the Senator from Idaho has been proceeding on the emergency preparedness legislation. I commend him for his efforts and pledge my full support. And I might add that the committee is proceeding without the benefit of the administration's assistance because they appear blind to the international security implications of a petroleum supply crisis.

The administration's only analysis of the IEA and the issues involved in responding to oil supply interruptions was submitted to the committee on July 23, 1981. That paper, entitled "Domestic and International Energy Emergency Preparedness," explains why the administration has chosen to rely on the free market to allocate and price our most precious commodity, even in times of a supply interruption.

Mr. President, I simply cannot agree with that analysis. In my opinion, it is woefully inadequate. I do not believe that most of the members of the Energy and Natural Resources Committee agree with that analysis. Nor do I believe that most of our allies agree with that analysis.

I am not one of those who believes that Government knows best how to allocate and price all commodities. Nor am I one who believes that we, as public policymakers, should abdicate our responsibilities and turn the protection of our population in times of crisis over to the major corporations in the world. I might point out that none of the witnesses who testified before the committee on this subject agreed with the notion that we should leave ourselves unprotected in time of a crisis. Even the most optimistic assessments I have seen show that the free world will be dependent upon Persian Gulf nations for a majority of our vital crude oil supplies for the foreseeable future.

I hope that the Energy Committee will report an amended version of S. 1503 to the Senate floor in the very near future. Perhaps that will get the administration's attention.

We need to conduct a thorough examination of the mechanisms available to us and to our allies for sharing vital energy supplies in times of a supply interruption. The International Energy Agency's international energy plan is a vital part of emergency plans. Perhaps a thorough review of the Agency would reveal areas in which the IEA and IEP programs could be strengthened. I note that the Senator from Idaho (Mr. McCLURE) has agreed with the request of the Senator from Ohio (Mr. METZENBAUM) that the Energy and Natural Resources Committee hold hearings concerning the efficacy of U.S. participation in the IEA. I look forward to those hearings. I intend to explore the possibility that the U.S. commitment to, and role in, the IEA be strengthened, rather than weakened. In addition, I hope that we will explore mechanisms to make it possible for the IEA to respond to member countries' needs before the 7-percent crude sharing mechanism is triggered.

I must admit that I am not particularly comfortable with the attention that our efforts on the energy emergency legislation have been given to date. That is why I chose this opportunity to comment on the subject.

At a minimum, our Government has a responsibility to the American people to be prepared to protect them in times of crisis. We have no less of a responsibility to our allies to help do what we can to protect all of us from the economic havoc a cutoff of Persian Gulf oil supplies could bring. Even the most ardent free marketeers recognize the legitimate role of Government in times of crisis.

Let us not wait too long to get on with the task.

I yield the floor.

UP AMENDMENT NO. 405

(Purpose: To amend the bill to change the expiration date to April 1, 1982)

Mr. McCLURE. Mr. President, I send an amendment to the desk on behalf of myself and the Senator from Ohio (Mr. METZENBAUM) and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Idaho (Mr. McCLURE), for himself and Mr. METZENBAUM, proposes an unprinted amendment numbered 405.

Mr. McCLURE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, line 5, delete "'June 30, 1985'" and insert in lieu thereof "'April 1, 1982'".

Mr. McCLURE. Mr. President, this is the date change that I discussed in my introductory remarks and to which the Senator from Ohio made reference.

I know of no objection to the amendment. I move its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 405) was agreed to.

Mr. McCLURE. Mr. President, in conclusion, let me indicate to those who may be observing our actions today both here in this country and overseas, that the change in date and the temporary extension should not be taken as any backing away by the United States of its IEA responsibilities, nor do they indicate any predisposition to judge the question of how we will respond to those responsibilities.

We do recognize that the consumption of energy in the United States does have an impact upon the world energy supplies and upon the world economies.

Those foreign observers who may look at this date change should not be under any illusion concerning the determination of the American public, the Congress, and the administration to respond to our responsibilities in whatever way we may determine, but in a very positive and affirmative way.

I know of no further objection.

I think we are ready for final consideration of the bill.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (S. 1475), as amended, was passed, as follows:

S. 1475

An act to extend the expiration date of section 252 of the Energy Policy and Conservation Act

*Be it enacted by the Senate and House of Representatives of the United States of*

*America in Congress assembled*, That section 252(j) of the Energy Policy and Conservation Act (42 U.S.C. 6272(j) is amended by striking "September 30, 1981" and inserting in its place "April 1, 1982".

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. JACKSON. Mr President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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## CONSTRUCTION, OPERATION, AND MAINTENANCE OF HYDROELECTRIC POWERPLANTS AT CERTAIN WATER PROJECTS

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. 306, Calendar No. 85.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 306) to authorize the Secretary of the Interior to construct, operate, and maintain hydroelectric powerplants at various existing water projects, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alaska?

There being no objection, the Senate proceeded to consider the bill (S. 306) which had been reported from the Committee on Energy and Natural Resources with amendments, as follows:

On page 2, line 9, strike "(g), (h), or (i)" and insert "(e), (f), or (g)".

On page 3, line 2, after "from", insert "Federal";

On page 3, line 11, after "such", insert "Federal";

On page 4, strike line 1, through and including line 4;

On page 4, line 5, strike "(d)", and insert "(c)";

On page 4, strike line 9 through and including line 12:

On page 4, line 13, strike "(f)" and insert "(d)";

On page 4, strike line 17, through and including line 19, and insert the following;

(e) Red Bluff powerplant unit, Central Valley project, California, consisting of four turbine generator units of two thousand five hundred kilowatts each at Red Bluff Diversion Dam.

On page 5, line 1, strike "(h)", and insert "(f)";

On page 5, line 4, strike "(i)", and insert "(g)";

On page 5, strike line 7, through and including line 16, and insert the following:

(h) Palisades powerplant enlargement, Palisades project, Idaho-Wyoming, consisting of one or more turbine generator units so as to increase the powerplant capacity by ninety thousand kilowatts.

(i) Anderson Ranch powerplant unit, Boise project, Idaho, consisting of a turbine and generator unit to increase the powerplant capacity by thirty thousand kilowatts.

(j) Minidoka powerplant rehabilitation and enlargement, Minidoka project, Idaho-Wyoming, consisting of a turbine generator unit of thirty thousand kilowatts in replacement of existing units one through six.

On page 6, line 9, after "The", insert "Federal";

On page 6, line 16, strike "Canyon Ferry powerplant enlargement";

On page 6, line 19, strike "Pick Sloan program power marketing program", and insert "Eastern Division, Pick Sloan Missouri Basin program power marketing program; and";

On page 6, strike line 22, through and including page 7, line 7, and insert the following:

(3) Palisades powerplant enlargement, Anderson Ranch powerplant unit, and Minidoka powerplant rehabilitation and enlargement shall be marketed through the Federal Columbia River Power System.

On page 8, line 4, strike "January 1979", and insert "October 1981";

On page 8, line 12, after "the", insert "Federal";

On page 8, line 13, beginning with "In", strike through and including page 9, line 10, and insert the following:

(b)(1) Friant powerplant unit, $25,390,000.

(2) Whiskeytown powerplant unit, $3,390,000.

(3) Yellowtail Afterbay powerplant, $24,200,000.

(4) Buffalo Bill Dam powerplant replacement, $26,100,000.

(5) Red Bluff powerplant unit, $38,030,000.

(6) Stony Gorge powerplant unit, $4,020,000.

(7) Monticello powerplant unit, $11,830,000.

(8) Palisades powerplant enlargement, $65.300,000.

(9) Anderson Ranch powerplant unit, $13,200,000.

(10) Minidoka powerplant rehabilitation and enlargement, $60,000,000.

On page 10, strike line 3, through and including line 13.

So as to make the bill read:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Acts of June 17, 1902, 32 Stat. 388 and Acts amendatory thereof and supplemental thereto), is authorized to construct, operate, and maintain hydroelectric powerplants at existing reclamation project facilities at locations and in the approximate capacities set forth in section 4 of this Act: *Provided*, That construction by the Secretary of the Interior of a powerplant designated in subsection (a), (e), (f), or (g) of section 4 of this Act may not proceed prior to October 1, 1983, or if a license has been issued prior to such date to a non-Federal entity pursuant to section 4(e) of the Federal Power Act (16 U.S.C. 797) to construct such powerplant. In carrying out the purposes of this Act, the Secretary of the Interior is authorized to modify the capacity of a powerplant designated in section 4 as determined to be necessary or desirable during postauthorization study and design, and after consultation with the Secretary of Energy.

SEC. 2. The Secretary of Energy is authorized to construct, operate, and maintain transmission facilities as required physically to connect the hydroelectric powerplants authorized in this Act to existing power systems and as he determines necessary to accomplish distribution and marketing of power generated by powerplants constructed pursuant to this Act, and to purchase replacement capacity, energy, or both in order to maintain deliveries to customers during unit outages which result from Federal construction of the powerplants authorized in this Act.

SEC. 3. During Federal construction of powerplants authorized in this Act, the Secretary of the Interior and the Secretary of Energy shall seek to minimize the loss of capacity, energy, or both to power customers due to unit outages which result from such construction. The Secretary of Energy shall seek to maintain deliveries of capacity, energy, or both at contract prices to customers affected by unit outages resulting from such Federal construction.

SEC. 4. (a) Friant powerplant unit, Central Valley project, California, consisting of—

(1) a turbine generator unit of two thousand seven hundred kilowatts on the river outlet from Friant Dam;

(2) a turbine generator unit of five thousand kilowatts on the outlet to the Madera Canal at Friant Dam; and

(3) a turbine generator unit of fifteen thousand kilowatts on the outlet to the Friant-Kern Canal at Friant Dam.

(b) Whiskeytown powerplant unit, Central Valley project, California, consisting of a turbine generator unit of three thousand kilowatts on the outlet works of Whiskeytown Dam.

(c) Yellowtail Afterbay powerplant unit, Pick-Sloan Missouri Basin program, Montana, consisting of a turbine generator unit of ten thousand kilowatts on the outlet works of Yellowtail Afterbay Dam.

(d) Buffalo Bill Dam powerplant replacement, Shoshone project, Wyoming, consisting of a turbine generator unit of twenty thousand kilowatts in replacement of an existing unit of five thousand kilowatts at Buffalo Bill Dam.

(e) Red Bluff powerplant unit, Central Valley project, California, consisting of four turbine generator units of two thousand five hundred kilowatts each at Red Bluff Diversion Dam.

(f) Stony Gorge powerplant unit, Orland project, California, consisting of a turbine generator unit of three thousand kilowatts on the outlet works of Stony Gorge Dam.

(g) Monticello powerplant unit, Solano project, California, consisting of a turbine generator unit of sixteen thousand kilowatts on the outlet works of Monticello Dam.

(h) Palisades powerplant enlargement, Palisades project, Idaho-Wyoming, consisting of one or more turbine generator units so as to increase the powerplant capacity by ninety thousand kilowatts.

(i) Anderson Ranch powerplant unit, Boise project, Idaho, consisting of a turbine and generator unit to increase the powerplant capacity by thirty thousand kilowatts.

(j) Minidoka powerplant rehabilitation and enlargement, Minidoka project, Idaho-Wyoming, consisting of a turbine generator unit of thirty thousand kilowatts in replacement of existing units one through six.

SEC. 5. (a) Hydroelectric power generated by Federal facilities constructed pursuant to this Act shall be delivered to the Secretary of Energy for distribution and marketing through existing Federal hydroelectric power marketing programs in accordance with existing law and policy consistent with the provisions of this Act.

(b) The Federal powerplants authorized in this Act shall be financially integrated with and the power marketed under rate schedules in effect for the several programs as follows:

(1) Friant, Red Bluff, Whiskeytown, Stony Gorge, and Monticello powerplant units shall be marketed through the Central Valley project power marketing program;

(2) Yellowtail Afterbay powerplant unit, and Buffalo Bill Dam powerplant replacement shall be marketed through the Eastern Division, Pick-Sloan Missouri Basin program power marketing program; and

(3) Palisades powerplant enlargement, Anderson Ranch powerplant unit, and Minidoka powerplant rehabilitation and enlargement shall be marketed through the Federal Columbia River Power System.

SEC. 6. Powerplants authorized in this Act shall be designed, constructed, and operated in such a manner as to be compatible with valid existing water rights or water delivery to the holder of any valid water service contract.

SEC. 7. The interest rate used for computing interest during construction and interest on the unpaid balance of the reimbursable cost of a powerplant authorized in this Act shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction of such powerplant commenced, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for fifteen years from the date of issue.

SEC. 8. (a) There are hereby authorized to be appropriated beginning October 1, 1981, to the Secretary of the Interior for construction of the powerplants authorized in this Act the amounts set forth in subsection (b), on the basis of October 1981 price levels, plus or minus such amounts as may be justified by reason of ordinary fluctuations of construcion cost indexes applicable to the type of construction involved herein. There are also authorized to be appropriated to the Secretary of the Interior such additional sums as may be required for the cost of replacement capacity, energy, or both purchased under section 2, and for the operation and maintenance of the Federal powerplants authorized by this Act.

(b) (1) Friant powerplant unit, $25,390,000.

(2) Whiskeytown powerplant unit, $3,390,000.

(3) Yellowtail Afterbay powerplant, $24,200,000.

(4) Buffalo Bill Dam powerplant replacement, $26,100,000.

(5) Red Bluff powerplant unit, $38,030,000.

(6) Stoney Gorge powerplant unit, $4,020,000.

(7) Monticello powerplant unit, $11,830,000.

(8) Palisades powerplant enlargement, $65,300,000.

(9) Anderson Ranch powerplant unit, $13,200,000.

(10) Minidoka powerplant rehabilitation and enlargement, $60,000,000.

(c) There are also authorized to be appropriated beginning October 1, 1981, such sums as may be required by the Secretary of Energy to accomplish the purposes of section 2 of this Act.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that further reading of the committee amendments be dispensed with and that they be considered and agreed to en bloc and that the bill as thus amended be treated as original text.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I rise in strong support of the passage of S. 306. Those of us from the Pacific Northwest know the value of hydroelectric power. Hydro development, particularly in these times of energy uncertainty, will provide a lasting legacy for the future. Recently I was privileged to be present at the dedication ceremony of the Russell D. Smith Hydroelectric Powerplant on the Columbia Basin project in Washington State. The plant was developed as a cooperative venture by the three irrigation districts on the project and has a capacity in excess of 6 megawatts. The districts have plans to develop an additional 100 megawatts of new hydropower on the project.

S. 306 allows time for local interests to develop some of the sites authorized in the bill. This is a good provision. As all of us recognize, there have been problems with Federal development because of the time it takes from the initial project proposal to when the power actually comes on line. In the case of the Russell D. Smith Powerplant, the elapsed time from the first application to the Federal Energy Regulatory Commission to dedication was just a little over 2 years, a remarkable effort. In those instances such as in the Columbia Basin project where non-Federal development can be undertaken with the assurance that Federal project and water user interests are protected, I would certainly hope that others will follow the lead set in the Columbia Basin.

As for the projects which are exclusively authorized for Federal development in S. 306, I would urge that the Congress act as expeditiously as possible to assure adequate funding. One of our best expenditures of Federal dollars in the energy area at this time is for the development of our hydropower resources. This has certainly been true for the Federal Columbia River power system.

I compliment the chairman of the Subcommittee on Water and Power, Mr. MURKOWSKI, and the chairman of the committee, Mr. MCCLURE, for their efforts on this important legislation.

Mr. MATSUNAGA. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. Yes.

Mr. MATSUNAGA. I fully subscribe to the statement made by the Senator from Washington. I ask unanimous consent that I may be added as a cosponsor of the measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCLURE. Mr. President, I am very pleased that the Senate is able to consider S. 306. As many of my colleagues will recall, similar legislation which I had cosponsored passed the Senate in the 96th Congress, but too late for the House to consider prior to adjournment.

Although the projects authorized in S. 306 are all physically located in the Western United States, in reality S. 306 is a national bill. As noted in the committee report, the hydroelectric projects will have the potential of generating the equivalent in energy of over 1 million barrels of oil each year. This energy will not be subject to rising fuel costs or foreign embargoes. It is domestic energy dependent upon domestic resources and is subject to the control of no foreign power. To the extent that these projects will reduce our dependence upon oil—all citizens of the United States will benefit.

Mr. President, the Congress has a major responsibility for the fiscal well-being of our Nation and the wise expenditure of funds by the Federal Government. Funding of these projects will not constitute a loss to the Treasury. On the contrary, the Government and the taxpayer will be repaid, with interest, by the ratepayer.

At today's costs, the projects in S. 306 are a bargain to the consumer. By utilizing existing dams we can minimize the cost of new energy. I am hopeful that as the Committee on Energy and Natural Resources examines further the potential for more hydroelectric power development additional opportunities will be found. Already, as a result of legislation which was approved by the Congress last year, the Department of the Interior's Bureau of Reclamation has the authority to undertake detailed feasibility investigations of an additional 800 megawatts of potential hydropower capacity. I am hopeful that the results of these studies will be forwarded as rapidly as possible to the Congress.

Mr. President, I wish to thank my colleagues on the committee and particularly the distinguished chairman of the Subcommittee on Water and Power (Mr. MURKOWSKI) for his efforts in assuring the timely consideration of this measure by the full Senate.

Mr. President, I want to conclude by echoing the remarks made by the Senator from Washington in complimenting the Senator from Alaska who is the chairman of the Subcommittee on Water and Power.

Mr. MURKOWSKI has done a remarkably fine job in managing that subcommittee in all of its deliberations, and I want to underscore his participation in the floor management and in the passage of this legslation.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Washington.

UP AMENDMENT NO. 406

(Purpose: To authorize federal construction of hydroelectric power facilities at Whiskeytown Dam, but not before October 1)

Mr. JACKSON. Mr. President, I send to the desk an amendment for the senior Senator from California (Mr. CRANSTON).

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON) on behalf of Mr. CRANSTON proposes an unprinted amendment numbered 406.

Mr. JACKSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is a follows:

On page 2, line 9, after "(a)," insert "(b),"

Mr. JACKSON. Mr. President, I have a statement by Senator CRANSTON which I ask unanimous consent to have printed in the RECORD.

● Mr. CRANSTON. Mr. President, this amendment would authorize the Department of the Interior to construct hydroelectric power facilities at the Whiskeytown Dam in California, but not before October 1, 1983, or if a license has been issued prior to that date to a non-Federal entity. The purpose of the amendment is to permit the city of Redding, Calif., to pursue its plans to install power facilities at Whiskeytown Dam itself. The city of Redding received a preliminary permit from the Federal Energy Regulatory Commission in October 1980 and is now in the process of applying for a license. The city has already invested considerable time and taxpayers' money in pursuing the project.

S. 306 as reported from the Senate Energy and Natural Resources Committee provides conditional Federal authorization of hydroelectric facilities at various other Federal sites where a non-Federal

entity has already obtained a preliminary permit from FERC. I believe that the same consideration should be given to the city of Redding in connection with the Whiskeytown Dam project.

I would like to note that in the situation where a non-Federal entity is licensed to construct a hydroelectric generation facility at an existing Federal dam owned by the Department of the Interior, it would be necessary for that entity to enter into a contract or agreement with the Department with regard to the operation of the powerplant. One of the primary purposes of such contracts and agreements is to establish an understanding that the operation of the plant would be consistent with and not jeopardize the interests of the existing water users and other authorized uses and purposes. It is my understanding that the contract or agreement would be specific with respect to when the powerplant would be operated and under what conditions operations would need to be reduced or suspended. Of course, the licensing process of the Federal Energy Regulatory Commission would involve extensive review by the Department of the Interior and ample opportunity would be provided to address any potential operational problems which may surface.

In addition, I understand that S. 306 does not exempt these projects from compliance with NEPA, the Fish and Wildlife Coordination Act, or other existing environmental review procedures. There will be opportunity to avoid or mitigate potential fishery problems through early consultation under the Fish and Wildlife Coordination Act between the Bureau of Reclamation and State and Federal fish and wildlife agencies in the case of Federal development, or through the FERC licensing procedures in the case of private development. These procedures will give resource agencies adequate time to recommend incorporation into project construction plans of fish screens, release control structures, fish flows, and other appropriate conservation measures so that a balance can be maintained between important power and fishery needs.

Since this is the case, I understand that my amendment regarding the Whiskeytown Dam is acceptable to the managers of the bill. I ask that it be adopted.●

Mr. MURKOWSKI. The Senator from California's proposed amendment was a matter of discussion before the Committee on Energy and Natural Resources during the May 7 business session and was given recognition in the committee report. I ask unanimous consent that the appropriate portion of the committee report addressing the amendment be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

FURTHER DISCUSSION

During Committee discussion of S. 306, it was noted that Senator Cranston had urged that the bill be amended so as to provide a "conditional authorization" for the Whiskeytown powerplant unit as is presently provided in the bill for the Friant, Red Bluff, Stone Gorge and Monticello proposals. The Committee recognizes the validity of Senator Cranston's proposal but is reluctant to provide such an opportunity for non-Federal development in the absence of information regarding the compatibility of non-Federal development with existing project operation and obligations. It is noted that although the Administration in its testimony identified the Whiskeytown powerplant unit as the subject of interest by non-federal entity for the development—no recommendation was made to provide the project with a conditional authorization. The Committee decided to order S. 306 reported with the Whiskeytown authorization as is, but with the understanding that Senator Cranston's concern may be addressed on the floor of the Senate if information indicates that non-Federal development would be compatible with existing project operations and obligations.

Mr. JACKSON. I understand there is no objection to the amendment. It has been cleared all the way down.

The PRESIDING OFFICER. The question is on the agreeing to the amendment of the Senator from California.

The amendment (UP No. 406) was agreed to.

UP AMENDMENT NO. 407

(Purpose: To authorize federal construction of hydroelectric power facilities at Boca Dam and at Prosser Dam in California and Nevada)

Mr. JACKSON. Mr. President, again in behalf of Senator CRANSTON I have an amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON) for Mr. CRANSTON proposes an unprinted amendment numbered 407.

Mr. JACKSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 6, following line 2, insert the following new paragraph:

(k) Boca powerplant unit, Truckee storage project, California-Nevada, consisting of a turbine generator unit of nine hundred kilowatts on the outlet works of Boca Dam.

(l) Prosser powerplant unit, Washoe project, California-Nevada, consisting of a turbine generator unit of one thousand kilowatts on the outlet works of Prosser Dam.

On page 7, following line 11, insert the following new paragraph:

(4) Boca powerplant unit and Prosser powerplant unit shall be marketed under arrangements to be made by the Secretary of Energy in accordance with authority set forth in section 5(a) of this Act.

On page 9, following line 22, insert the following new paragraphs:

(11) Boca powerplant unit, $840,000.

(12) Prosser powerplant unit, $1,240,000.

Mr. JACKSON. Mr. President, I have a statement of Senator CRANSTON with respect to this amendment, and I ask unanimous consent to have it printed in the RECORD.

● Mr. CRANSTON. Mr. President, this amendment would authorize the Department of the Interior to construct hydroelectric power facilities at the Boca Dam, a part of the Truckee storage project in the States of California and Nevada, and at the Prosser Dam, a part of the Washoe project also in California and Nevada. Together the two projects would provide 1,900 kilowatts of power and cost $840,000 and $1,240,000 respectively.

As originally introduced, S. 306 provided for the authorization of Federal construction of powerplants at the Boca Dam and Prosser Dam sites. However, the Senate Energy and Natural Resources Committee deleted these two projects from the bill in response to administration testimony that non-Federal entities were interested in developing the resources and that such development would not adversely affect existing project operations or obligations.

Since that time, I have been informed by the non-Federal entity involved—the Truckee-Donner Public Utility District—that it does not intend to proceed with construction of the hydroelectric power facilities in spite of the fact that the district has received a preliminary permit from the Federal Energy Regulatory Commission.

The Department of the Interior is developing power at Stampede Dam which is located within a radius of 4 miles of Boca and Prosser. The Truckee-Donner PUD believes the same entity should develop all three sites since single entity development would serve to reduce operation and maintenance costs.

Mr. President, I understand that there is no objection in restoring the provisions on Boca and Prosser Dams to S. 306, and I ask that the amendment be adopted.●

Mr. MURKOWSKI. I thank the Senator from Washington and the Senator from California, and I am persuaded that the questions raised by the committee have been fully addressed.

Mr. JACKSON. Mr. President, I understand there is no objection to the amendment. It has been cleared all the way around, and I suggest we go to a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

The amendment (UP No. 407) was agreed to.

● Mr. HATFIELD. Mr. President, as my colleagues will recall, during the 96th Congress, the Senate considered and approved a measure similar to S. 306. Unfortunately, the House was not able to consider the measure prior to adjournment and valuable time was lost in moving forward with these important energy projects. In order that we may move forward in a timely fashion to develop these sources of clean energy, I urge my colleagues to endorse S. 306 this afternoon.

Mr. President, I would like to point out that funding for these projects has already been anticipated in our projected spending targets: That construction and operation of these 12 projects would add over 236 megawatts of generating capacity while not requiring the construction of any new dams or reregulating structures.

Hydroelectricity is truly our only renewable energy resource and is one of the few energy sources which can have an immediate impact on enhancing our domestic energy supply situation. I urge immediate passage of this legislation.●

Mr. MURKOWSKI. Mr. President, as chairman of the Subcommittee on Water and Power of the Committee on Energy and Natural Resources it was my privilege to chair the hearing to take testimony on S. 306, which would authorize the Secretary of the Interior to construct hydroelectric power developments at existing projects of the Bureau of Reclamation.

This is a good bill and the projects which will be authorized in S. 306 are the most economical renewable energy resources that can be developed at this time. I am hopeful that additional opportunities for this kind of development will be called to the attention of the subcommittee as the 97th Congress progresses.

During the May 7 markup on S. 306, the full committee recommended the amendment of the bill to include authorization of three additional projects which had not been included in the original bill. All of these projects are located in Idaho, and, as in the rest of the bill, the proposals involve only existing Bureau of Reclamation projects.

The three projects, Palisades, Anderson Ranch, and Minidoka, have already been the subject of extensive study by the Bureau of Reclamation and I am convinced that it is appropriate that they be added to this bill.

I should point out that all three projects have good benefit-to-cost ratios and that related benefits will accrue to the entire area served by the Federal Columbia River power system.

Mr. President, I could not help but think during the hearing on S. 306 of my own State of Alaska where the opportunity for additional hydroelectric development is greater than any other single State.

Well over 32,000 megawatts of hydroelectric capacity at 64 different sites in Alaska have already been identified and I am confident that additional sites exist.

The role that hydroelectric resources have played in the development of the conterminous United States has been important and will continue to be a strong one, but the role that such development could play in Alaska could be even more significant.

Mr. President, as subcommittee chairman, I lend my strong support to passage of S. 306 and urge its adoption by the Senate, but I must admit I am looking forward to the time when my own State of Alaska will be able to move ahead on the timely development of needed hydroelectric plants.

Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 97–61), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

BACKGROUND

In 1977, the Department of the Interior's Bureau of Reclamation (now the Water and Power Resources Service) published a report entitled "Western Energy Expansion Study." The report, as part of the WPRS general investigations program examined the potential for the development of hydroelectric power, including pumped storage, at both new sites and existing WPRS facilities in the seventeen Western States. A total of 127 proposals for development of hydroelectric resources were examined of which 61 proposals were recommended for further study at that time

Because of the renewed interest in the development of hydroelectric resources due to the rising costs of fossil and nuclear electric generation, the late Senator Lee Metcalf introduced on October 10, 1977, legislation to authorize the Secretary of the Interior to construct additional generating units at eight of the sites which had been examined in the Western Energy Expansion Study. Similar legislation had also been introduced in the House of Representatives but the 95th Congress adjourned prior to final action on either bill.

With the 96th Congress, similar legislation (S. 1420) was introduced but with the benefit of additional studies undertaken by the Water and Power Resources Service the measure authorized construction of powerplants at thirteen existing water resource development projects. An amended version of S. 1420 was passed by the Senate on December 5, 1980 but was not considered by the House prior to adjournment of the 96th Congress. In the 97th Congress, S. 306, identical to the version of S. 1420 which had passed the Senate was introduced on January 29, 1981.

As ordered reported by the Senate Committee on Energy and Natural Resources, S. 306 authorizes the addition of hydroelectric generating capacity at ten sites with an installed additional capacity in excess of 234 megawatts and an annual generation of approximately 662 million kilowatt-hours; or the equivalent in energy of over one and a half million barrels of oil.

For comparative purposes, a brief summary of the project statistics of S. 306 as introduced and as ordered reported by the Committee follows:

S. 306: SUMMARY—AS INTRODUCED

| Project | Capacity (megawatts) | Cost (millions) | Generation (million kilowatt-hours) |
|---|---|---|---|
| Friant, Calif.[1] | 22.7 | $19.15 | 101 |
| Whiskeytown, Calif. | 3.0 | 2.57 | 11 |
| Canyon Ferry, Mont. | 90.0 | 87.6 | 55 |
| Yellowtail, Mont. | 10.0 | 19.5 | 62 |
| Hoover Dam, Ariz./Nev. | 500.0 | 279 | 0 |
| Buffalo Bill, Wyo. | 20.0 | 20.3 | 60 |
| Red Bluff, Calif.[1] | 15.0 | 21 | 53 |
| Stoney Gorge, Calif.[1] | 3.0 | 1.92 | 11 |
| Monticello, Calif.[1] | 16.0 | 8.77 | 43 |
| Boca, Calif. | 2.0 | .93 | 3 |
| Prosser, Calif./Nev. | 1.0 | 1.24 | 3 |
| Blue Mesa, Colo. | 55.0 | 36.3 | 0 |
| Total | 737.7 | 498.28 | 402 |

S. 306: SUMMARY—AS ORDERED REPORTED

| | | | |
|---|---|---|---|
| Friant, Calif.[1] | 22.7 | $25.39 | 101 |
| Whiskeytown, Calif. | 3.0 | 3.39 | 11 |
| Yellowtail, Mont. | 10.0 | 24.2 | 62 |
| Buffalo Bill, Wyo. | 20.0 | 26.1 | 60 |
| Red Bluff, Calif.[1] | 10.0 | 38.03 | 53 |
| Stony Gorge, Calif.[1] | 3.0 | 4.02 | 11 |
| Monticello, Calif.[1] | 16.0 | 11.83 | 43 |
| Palisades, Idaho | 90.0 | 65.3 | 158 |
| Anderson Ranch, Idaho | 30.0 | 13.2 | 19 |
| Minidoka, Idaho | 30.0 | 60 | 144 |
| Total | 234.7 | 307.64 | 662 |

[1] Conditional authorization.

● Mr. SPECTER. Mr. President, while the committee report on S. 306 states that under current law, capital and operating costs of hydroelectric powerplants and reclamation sites are reimbursable to the Federal Government over the operating life of the facility, usually 35 years, I should like to note that section 7 of S. 306 provides that the interest rate for computing interest both during construction and on the unpaid balance of the reimbursable costs shall be determined on the basis of the computed average interest rate payable to the Treasury on the obligation.

This is, in fact, a hidden, off-budget subsidy to a section of the country where energy costs, according to a recent study by the Northeast-Midwest Institute, are substantially below the costs of the Northeast and Midwest.

Our low-head hydro possibilities, as disclosed by a recent Corps of Engineers analysis, provides an opportunity for more equitable treatment to Pennsylvania and other States of the Northeast.

I shall, therefore, soon be calling on the Congress to redress these present fiscal inequities.●

● Mr. WALLOP. Mr. President, I am here to lend my support to S. 306 because I believe that every decision we make regarding our country's abundant, yet precious, resources today, will shape the very livelihoods of future generations of Americans tomorrow.

Energy exploration and development, specifically harnessing our available resources and probing for new ones will top the list on the domestic agenda for the rest of this century. S. 306 will help America make maximum use out of one of our resources—water—and its tremendous existing potential for generating electric power. This bill seeks to upgrade and retrofit existing plants, rather than building new ones which is a very sound approach considering our current budget-trimming atmosphere.

One project mentioned in the proposal, for example, is the Shoshone powerplant in my State of Wyoming. In upgrading this particular plant, the existing and somewhat obsolete 5 megawatt powerplant will be increased to 20 megawatts, will be more efficient and yet remain a clean method of generating a greater amount of electrical power for the people of Wyoming.

I am pleased with one particular aspect of S. 306—its environmental soundness. Rather than attempting to clear new sites for new plants, this legislation strives to upgrade our existing facilities which will maintain and protect the environment of each State while harnessing a greater amount of an available source of energy in the process.

I commend Senator MURKOWSKI and the Senate Energy Committee staff for the good work done in bringing this bill to the floor.●

Mr. JACKSON. I believe there are no further amendments, and I believe we can go to third reading.

The PRESIDING OFFICER. If there are no further amendments, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and to be read a third time. The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass? (Putting the question.)

The bill (S. 306), as amended, was passed as follows:

S. 306

An act to authorize the Secretary of the Interior to construct, operate, and maintain hydroelectric powerplants at various existing water projects, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Acts of June 17, 1902, 32 Stat. 388 and Acts amendatory thereof and supplemental thereto), is authorized to construct, operate, and maintain hydroelectric powerplants at existing reclamation project facilities at locations and in the approximate capacities set forth in section 4 of this Act: *Provided,* That construction by the Secretary of the Interior of a powerplant designated in subsection (a), (b), (e), (f), or (g) of section 4 of this Act may not proceed prior to October 1, 1983, or if a license has been issued prior to such date to a non-Federal entity pursuant to section 4(e) of the Federal Power Act (16 U.S.C. 797) to construct such powerplant. In carrying out the purposes of this Act, the Secretary of the Interior is authorized to modify the capacity of a powerplant designated in section 4 as determined to be necessary or desirable during postauthorization study and design, and after consultation with the Secretary of Energy.

SEC. 2. The Secretary of Energy is authorized to construct, operate, and maintain transmission facilities as required physically to connect the hydroelectric powerplants authorized in this Act to existing power systems and as he determines neecssary to accomplish distribution and marketing of power generated by powerplants constructed pursuant to this Act, and to purchase replacement capacity, energy, or both in order to maintain deliveries to customers during unit outages which result from Federal construction of the powerplants authorized in this Act.

SEC. 3. During Federal construction of powerplants authorized in this Act, the Secretary of the Interior and the Secretary of Energy shall seek to minimize the loss of capacity, energy, or both to power customers due to unit outages which result from such construction. The Secretary of Energy shall seek to maintain deliveries of capacity, energy, or both at contract prices to customers affected by unit outages resulting from such Federal construction.

SEC. 4. (a) Friant powerplant unit, Central Valley project, California, consisting of—

(1) a turbine generator unit of two thousand seven hundred kilowatts on the river outlet from Friant Dam;

(2) a turbine generator unit of five thousand kilowatts on the outlet to the Madera Canal at Friant Dam; and

(3) a turbine generator unit of fifteen thousand kilowatts on the outlet to the Friant-Kern Canal at Friant Dam.

(b) Whiskeytown powerplant unit, Central Valley project, California, consisting of a turbine generator unit of three thousand kilowatts on the outlet works of Whiskeytown Dam.

(c) Yellowtail Afterbay powerplant unit, Pick-Sloan Missouri Basin program, Montana, consisting of a turbine generator unit of ten thousand kilowatts on the outlet works of Yellowtail Afterbay Dam.

(d) Buffalo Bill Dam powerplant replacement, Shoshone project, Wyoming, consisting of a turbine generator unit of twenty thousand kilowatts in replacement of an existing unit of five thousand kilowatts at Buffalo Bill Dam.

(e) Red Bluff powerplant unit, Central Valley project, California, consisting of four turbine generator units of two thousand five hundred kilowatts each at Red Bluff Diversion Dam.

(f) Stony Gorge powerplant unit, Orland project, California, consisting of a turbine generator unit of three thousand kilowatts on the outlet works of Stony Gorge Dam.

(g) Monticello powerplant unit, Solano project, California, consisting of a turbine generator unit of sixteen thousand kilowatts on the outlet works of Monticello Dam.

(h) Palisades powerplant enlargement, Palisades project, Idaho-Wyoming, consisting of one or more turbine generator units so as to increase the powerplant capacity by ninety thousand kilowatts.

(i) Anderson Ranch powerplant unit, Boise project, Idaho, consisting of a turbine and generator unit to increase the powerplant capacity by thirty thousand kilowatts.

(j) Minidoka powerplant rehabilitation and enlargement, Minidoka project, Idaho-Wyoming, consisting of a turbine generator unit of thirty thousand kilowatts in replacement of existing units one through six.

(k) Boca powerplant unit, Truckee storage project, California-Nevada, consisting of a turbine generator unit of nine hundred kilowatts on the outlet works of Boca Dam.

(l) Prosser powerplant unit, Washoe project, California-Nevada, consisting of a turbine generator unit of one thousand kilowatts on the outlet works of Prosser Dam.

SEC. 5. (a) Hydroelectric power generated by Federal facilities constructed pursuant to this Act shall be delivered to the Secretary of Energy for distribution and marketing through existing Federal hydroelectric power marketing programs in accordance with existing law and policy consistent with the provisions of this Act.

(b) The Federal powerplants authorized in this Act shall be financially integrated with the power marketed under rate schedules in effect for the several programs as follows:

(1) Friant, Red Bluff, Whiskeytown, Stony Gorge, and Monticello powerplant units shall be marketed through the Central Valley project power marketing program;

(2) Yellowtail Afterbay powerplant unit, and Buffalo Bill Dam powerplant replacement shall be marketed through the Eastern Division, Pick-Sloan Missouri Basin program power marketing program;

(3) Palisades powerplant enlargement, Anderson Ranch powerplant unit, and Minidoka powerplant rehabilitation and enlargement shall be marketed through the Federal Columbia River Power System; and

(4) Boca powerplant unit and Prosser powerplant unit shall be marketed under arrangements to be made by the Secretary of Energy in accordance with authority set forth in section 5(a) of this Act.

SEC. 6. Powerplants authorized in this Act shall be designed, constructed, and operated in such a manner as to be compatible with valid existing water rights or water delivery to the holder of any valid water service contract.

SEC. 7. The interest rate used for computing interest during construction and interest on the unpaid balance of the reimbursable cost of a powerplant authorized in this Act shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction of such powerplant commenced, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for fifteen years from the date of issue.

SEC. 8 (a) There are hereby authorized to be appropriated beginning October 1, 1981, to the Secretary of the Interior for construction of the powerplants authorized in this Act the amounts set forth in subsection (b), on the basis of October 1981 price levels, plus or minus such amounts as may be justified by reason of ordinary fluctuations of construction cost indexes applicable to the type of construction involved herein. There are also authorized to be appropriated to the Secretary of the Interior such additional sums as may be required for the cost of replacement capacity, energy, or both purchased under section 2, and for the operation and maintenance of the Federal powerplants authorized by this Act.

(b) (1) Friant powerplant unit, $25,390,000.

(2) Whiskeytown powerplant unit, $3,390,000.

(3) Yellowtail Afterbay powerplant, $24,200,000.

(4) Buffalo Bill Dam powerplant replacement, $26,100,000.

(5) Red Bluff powerplant unit, $38,030,000.

(6) Stoney Gorge powerplant unit, $4,020,000.

(7) Monticello powerplant unit, $11,830,000.

(8) Palisades powerplant enlargement, $65,300,000.

(9) Anderson Ranch powerplant unit, $13,200,000.

(10) Minidoka powerplant rehabilitation and enlargement, $60,000,000.

(11) Boca powerplant unit, $840,000.

(12) Prosser powerplant unit, $1,240,000.

(c) There are also authorized to be appropriated beginning October 1, 1981, such sums as may be required by the Secretary of Energy to accomplish the purposes of section 2 of this Act.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized in the engrossment of S. 306 to make any necessary technical and clerical corrections.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURKOWSKI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

(Mr. GORTON assumed the chair.)

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, what is the pending business?

The PRESIDING OFFICER. There is no pending business.

## EXTENSION OF DEFENSE PRODUCTION ACT OF 1950

Mr. STEVENS. Mr. President, I ask that the Chair lay before the Senate S. 1135, Calendar Order No. 117.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (S. 1135) to extend by 5 years the expiration date of the Defense Production Act of 1950.

The Senate proceeded to consider the bill (S. 1135) which had been reported from the Committee on Banking, Housing, and Urban Affairs with an amendment as follows:

On page 2, line 2, strike "1986", and insert "1982":

So as to make the bill read:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the first sentence of section 717(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2166(a)) is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1982".

## RECESS UNTIL 4 P.M.

Mr. STEVENS. Mr. President, the managers of the bill will not be available until 4 o'clock. I ask unanimous consent that the Senate stand in recess until 4 p.m.

There being no objection, the Senate, at 3:07 p.m., recessed until 4 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. EAST).

## EXTENSION OF DEFENSE PRODUCTION ACT OF 1950

The PRESIDING OFFICER. The clerk will state the pending business.

The assistant legislative clerk read as follows:

A bill (S. 1135) to extend by 5 years the expiration date of the Defense Production Act of 1950.

The Senate continued with the consideration of the bill.

Mr. BAKER. Mr. President, the managers of this bill will be available shortly.

Mr. President, for the moment, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I believe that the managers of the Defense Production Act are not ready yet to proceed with the consideration of that matter. I ask unanimous consent that there now be a brief period for the transaction of routine morning business to extend not longer than 10 minutes in which Senators may speak, with the other proviso that at the close of morning business, according to the order just entered, the Senate resume consideration of the Defense Production Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

## OPPOSITION TO COMPENSATION FOR IRANIAN HOSTAGES

Mr. PRESSLER. Mr. President, I rise to say that I sent a letter to the President in opposition to paying those citizens who were hostages in Iran financial compensation in addition to their hardship pay and regular pay. This was a difficult decision, but I do it for a number of reasons.

As a Vietnam veteran—and I believe as the only current U.S. Senator to have actually served in ground operations in Vietnam—I can attest that this payment is blatantly unfair to Vietnam veterans. We cannot find enough money to fund properly the agent orange legislation—and Vietnam veterans benefits are at about 35 percent on a parity basis with World War II veterans. Take the case of a young person drafted into combat in Vietnam. He served for 13 months against his will with no escape. He came home to scorn and derision. He received no such compensation. Why should we not vote him some special compensation? The principle is the same.

Furthermore, it is my conviction that those people who choose to enter a profession—be it military or the Foreign Service or a similar occupation—do so at certain risks, and we establish a bad precedent by paying compensation of so much per day. I think it is proposed to be about $5,500 per hostage in this case. I know it sounds, that one is not taking a grateful position to the hostages. Indeed, I am very grateful for what they did. They have been recognized—and they deserve it. For example, according to the September 22, 1981, New York Times:

State Department and Pentagon officials say that efforts have been to accommodate requests for special assignments at home or abroad. Many requests have been for assignments to posts in Western Europe.

Mementos and gifts for the former hostages still pour into the liaison group's Washington headquarters. While the flow is slackening, there appears to be little slackening in requests for speeches by former hostages.

If we trace back even in recent history there have been many hostages who have not been paid compensation. Foreign Service officers have the benefit of travel, excellent jobs—and people are lined up to join. There are some risks, too.

I believe in paying the salary, I believe in paying the combat pay, I believe in paying the hardship duty post pay, but I do not believe in paying extra compensation if something goes wrong. We are establishing a bad precedent here that somehow violates principle. There are people waiting in line to get into the Foreign Service—if you are in the Foreign Service of your country, indeed, there are many attractions to serving abroad, the privilege of being a Foreign Service officer, the privilege of representing our Government abroad, the travel benefits, the educational benefits. We have people waiting in line for these jobs—we should not have a precedent to pay people cash if something that can be reasonably expected to occasionally happen does occur.

Also, there has now been a demand from some of the hostages for additional compensation. I am shocked at this concept of public service.

But my main objection is the basic principle that we compensate people in dollar amounts for being hostages. I think it is a very bad precedent.

Let me repeat that I think our Vietnam veterans—not the ones who were prisoners of war, but the veterans—should be offended by this, should take offense, and the reason being that we have been unable to come up with appropriations that amount to very much for such things as agent orange. It is true we did classify agent orange as a disease for consideration, but we did not add any additional appropriations. The parity for Vietnam veterans, in terms of the veterans' benefits compared to World War II veterans, is below 40 percent.

I am not saying that Vietnam veterans necessarily deserve anything for having served their country. Many of us do not want any special consideration. We merely want the opportunities that usually go with being a veteran, and I say that as a Vietnam veteran.

But this matter is bothersome to me, the payment of additional compensation, in addition to salaries, in addition to time off, and in addition to rehabilitation. We are taking care of these hostages on many fronts, and we have already given them extraordinary recognition.

There have been so many precedents in American history where hostages have been held and we have not paid compensation. We have followed the basic principle of saying to someone that:

You serve your country abroad and we will pay you this salary. This is the deal. You go. There are certain risks involved. You are not being drafted. You may resign anytime. There may be hardships. You may be captured. It is public service.

This is in sharp conflict with what was said to most Vietnam veterans who actually served—

You are drafted, you must go, you cannot resign, you will fight for your life in a disease-infested environment, and you will be scorned at home.

Who should be compensated?

So, the point is, to the Vietnam veteran, this appears very unfair. As a Vietnam veteran myself, I tend to agree.

Yes, I think Vietnam veterans should and will take it as an insult, because it is giving more monetary recognition to a group of people who served this country well, granted I am not saying anybody did not. I am not critical in any way of the hostages. I do not even know if most of them wanted this much money. But I have talked to Vietnam veterans who are very upset about this, it is another indication at a time when Congress is in a budgetary deficit, at a time when Congress cannot appropriate more money for the veterans and GI bills, similar to what was after World War II, they find this "passing strange" to put it mildly.

Finally, I think it is a bad precedent in principle. You serve your country, you get a certain level of pay, in this instance they were also getting hardship pay. There are certain risks and benefits in the Foreign Service and serving abroad. When you join the military you take certain risks but you also get certain benefits. And one of the great benefits is one of public service. These people got their pay, their promotions, they also got many other recognitions, many more than the

Vietnam veterans did. To pay each of them $5,500 more is a great mistake. I shall oppose it.

## UNANIMOUS-CONSENT AGREEMENT

Mr. BAKER. Mr. President, I have consulted at some length now with the minority leader and with other Senators who are directly involved with the measures I am about to identify. I would like at this point to propound a unanimous-consent request.

Mr. President, I ask unanimous consent that at any time after 1 p.m. on Wednesday, September 23, 1981, the majority leader, after consultation with the minority leader, be authorized to proceed to the consideration of S. 1196, the foreign assistance bill.

I further ask unanimous consent that any time on Thursday, September 24, or thereafter, the majority leader, after consultation with the minority leader, be authorized to proceed to the consideration of House Joint Resolution 325, a continuing resolution, provided, however, that House Joint Resolution 325 has then reached the Senate Calendar of Legislative Business.

Mr. President, I further ask unanimous consent that in the event the Senate proceeds to the consideration of House Joint Resolution 325 on the basis of this order or any other basis, that S. 1196 be temporarily laid aside and that a call for regular order will not bring S. 1196 as the unfinished business.

Mr. President, in the request there are four words, "or any other basis," referring to the basis on which the foreign assistance bill is laid aside and we proceed to the consideration of the joint resolution. I strike those four words from the unanimous-consent request and otherwise repropound the request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. I thank the Chair, the minority leader, and all Senators for making it possible to gain this agreement. The net effect of this, Mr. President, is to let us finish the bill now pending, the Defense Production Act, this afternoon. I know of no other significant legislative or executive business that can be transacted by the Senate today. So I expect that we will recess shortly after the completion of that measure. Then the Senate will turn to the consideration of the foreign assistance bill tomorrow, but not before 1 p.m.

## ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. I inquire of the Chair, is there an order for the convening of the Senate on tomorrow?

The PRESIDING OFFICER. There is an order to convene at 10 a.m.

Mr. BAKER. Mr. President, I ask unanimous consent that the time of the convening of the Senate be changed to the hour of 11 a.m. on tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ORDER OF PROCEDURE

Mr. BAKER. At 1 p.m. the majority leader is authorized to ask the Senate to proceed to the consideration of S. 1196, the foreign assistance bill. I hope the foreign assistance bill can be completed promptly.

On tomorrow I will inquire further about the possibility of a time agreement for amendments or for final disposition of that measure. In any event, it will be necassary, as soon as possible, to proceed to the consideration of the continuing resolution, House Joint Resolution 325. I expect that the Senate will be occupied with the foreign assistance bill, with the continuing resolution, and perhaps the debt limit bill, or one of the two or both of the debt limit bills, for the balance of this week and for most of next week.

I will have a further update on the outlook for the Legislative Calendar, I trust, either tomorrow or the following day.

## BEST WISHES TO JOE STEWART

Mr. BAKER. Mr. President, all staffs are not created equal, because all employees are not created equal. Joe Stewart has worked in the U.S. Senate since 1951, and he is far from equal.

This year, Joe is leaving the Senate, and I want to take this opportunity to tell him that he will be missed.

Joe most recently had served as the Secretary for the Minority in the Senate, but that position is merely the culmination of an impressive list of Senate capacities, all of which he served distinguishedly.

Joe first came to Washington as a page for Senator Holland of Florida. After his graduation from Capitol Page School, he was named to the staff of the Democratic cloakroom. Throughout this period in his career, Joe attended undergraduate and law school, as a night student, maintaining full-time employment with the Senate.

Following graduation from law school, Joe became a member of the Senate Committee on Appropriations staff, where he remained until he became a legislative assistant to Senator ROBERT C. BYRD. In 1977, Joe was named as assistant to the majority leader for floor operations. In 1979, he was elected Secretary for the Majority.

I am sure that I speak for all my colleagues in the Senate in expressing a debt of gratitude to Joe Stewart, and extending to him all the best in the years to come.

## ADDRESS BY SENATOR STAFFORD AT THE 68TH INTERPARLIAMENTARY CONFERENCE

Mr. BAKER. Mr. President, the distinguished President of the Interparliamentary Union, Senator STAFFORD, has just returned from an intrepid trip to Havana, where he represented the United States in the 68th Interparliamentary Conference.

Unfortunately, the conference was besieged by unjust lambasting and behavior which was repugnant to international diplomacy.

Nonetheless, I want to take this opportunity, Mr. President, to congratulate Senator STAFFORD on his conduct in the face of such conditions. His presence proved to be a stablizing force for many who were shocked at the outbursts of Mr. Castro.

I am proud of my appointment of Senator STAFFORD, he has served the Senate and the entire Nation befittingly.

At this time, I ask unanimous consent that Senator STAFFORD's speech at the conference be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ROBERT T. STAFFORD

Mr. President, Fellow Delegates: The purpose of the IPU is to foster mutual understanding and to seek, by means of dialogue, to attain the common objective of world peace. Dialogue and debate are really the only ways for this organization to survive—dictatorial and violent rhetoric, repetition of time-worn slogans will, I fear, lead the Union to sterile encounters and ultimate ruin.

My delegation came to this meeting in Havana, despite certain controversy in our own country, with the clear intention of being constructive. We are still of this mind. However, I can only state that as a member of U.S. delegations to the IPU during the past 10 years and having attended at least 20 opening conference sessions, yesterday's outrageous "lecture" causes me to wonder whether this organization is not being transformed into a propaganda forum for individuals who do not share the same regard for truth and decency as those truly experienced in genuine parliamentary traditions.

In every opening ceremony I can recall, the head of state of the host government has welcomed the conference membership and has wished us well in our deliberations. None has ever used the position of host to further personal ambition and attack a guest state or group of states with distortions and lies.

The U.S. delegation was astounded yesterday to find ourselves—in a supposedly opening ceremony—under the most severe attack ever mounted in our memory of the IPU. Even though Mr. Castro stated he intended to criticize the policies of an administration and not of a people, it is very difficult for us to treat his polemic in that vein. His remarks went far beyond credibility and decency for us not to take them personally as citizens of the United States.

The attack violated the spirit of the IPU. It was without factual basis. It was an insult to the United States and its delegation to this conference. We deeply resent the attack and will not forget it.

I will not dwell on the many absurd assertions of yesterday's diatribe. Let me simply conclude this portion of my statement by saying that far from using biological weapons against Cuba, the United States, through the Pan American Health Organization has actually been sending a chemical, "abate," to Cuba to help combat the dengue fever epidemic—a humanitarian act of which I suspect the Cuban people are largely unaware. Similarly the Castro government, recently from a port not very far from this site, threw off its undesirables, its convicts and its mentally incapacitated, along with those who wanted to go, and forced a tremendous social and humanitarian burden on the United States which, frankly, has required difficult efforts in my country to handle.

But really, I say fellow delegates, we are here today to discuss more than vicious rhetoric.

We are to discuss today what we, as parliamentarians, can do to uphold and promote the objectives of disarmament. Yet this concern cannot allow us to forget that disarmament is not really an end in itself. Disarmament can only be a means to a more important objective—that of promoting world peace and security. Let us not forget that our real objective, as responsible parliamentarians in a dangerous world, is to seek, promote and use every appropriate means available—short of armed force or other forms of coercion—to create and sustain a world as secure and peaceful as possible so that civilizations can survive, cultures can flourish, nations can progress and individual humans can enrich themselves and live long lives free from threats of catastrophic war.

Arms control and disarmament, if properly implemented, lead us in that direction.

Sometimes, I fear there are those among us in certain capitals of the world who overlook the ultimate aim we should strive for—peace and security and a world free from the threat of nuclear holocaust. Debates on disarmament have had a lack of orientation and worse have been used by some as a propaganda tool aimed at deflecting attention from real and ongoing uses of arms in conflict—from persistent aggression and subversion which are clear and active threats to world peace and security.

In this regard, it is difficult for many of us in my country and elsewhere to take very seriously the commitment of the Soviet Union to promote world peace and security when its forces continue to occupy the formerly independent, non-aligned country of Afghanistan, in complete disregard of world opinion. We further doubt Soviet sincerity when we consider its bankrolling of armed aggression of other states elsewhere in the world.

On this point, I should like to echo the comments expressed earlier by the Canadian, Australian, United Kingdom and Federal Republic of Germany delegates concerning the decision of the steering committee regarding the amendment proposed by Western groups reiterating the call of the IPU concerning Afghanistan. In my view, the decision in effect suppresses a free vote on an issue important to many in this hall. Certainly it is relevant to the discussion of arms control and disarmament. I hope this decision which tends to undermine the parliamentary process will be reversed.

The aggression in Afghanistan jeopardizes peace and security. Americans abhor this aggression, they abhor subversion. In this hemisphere, we live uncomfortably with attempts by Cuba and the Soviet Union to upset elected governments and try to make resort to arms the only available option for nations wanting benefits for their peoples.

Given the use of force in international relations today, we are increasingly aware of the need to work to prevent conflict. Arms control and disarmament proposals offer a partial guide to achieve this goal and would contribute mightily to reducing tensions in the world. The United States looks forward to progress in the various negotiations.

However, let us not be misguided in our pursuit or arms reductions. Arms reductions effected by one side alone hardly provide for the security we would hope to achieve.

We have heard about the so-called U.S. attempts at gaining military superiority. However, there was little recognition that, in the past few years, the Soviet Union has taken distinct military advantages. While reference has been made about U.S. moves, none was made of Soviet activity in Europe. The Soviet Union has deployed a whole new generation of nuclear weapon systems, particularly the SS–20 missiles that threaten all of Europe with nuclear devastation. Soviet advance in this area has been steady, comprehensive and in no sense a reaction to NATO's defense program which, frankly, has hardly matched the velocity of the Soviet momentum. Add to the SS–20 missiles, the long range Backfire bombers and an array of other Soviet nuclear missiles and nuclear capable aircraft, all of which are already deployed, and it is no wonder that Party Secretary General Brezhnev calls for moratorium in Europe—the Soviet Union wants moratorium because it wants to preserve its own advantages in nuclear superiority.

Similarly, the Soviet Union propagandizes loudly about the so-called "neutron bomb" precisely because this weapon poses the possibility of countering advantages which the Soviet Union has already developed and deployed in ground forces, particularly tank capability, in Europe.

It is not some new found altruistic or humanitarian vision that motivates the intensity of the Soviet campaign. In fact, the Soviet Union itself has the ability to deploy neutron weapons.

Weapons development and deployment is not taken lightly in the United States. In fact, we have had extreme debate in our own Congress on whether to and how to develop numerous systems. We have controls which we proudly show the world and public scrutiny of arms control implications of all new developments. I suspect the weapons procurement decisions in the Soviet Union are much less subject to public scrutiny and control. I strongly suspect Soviet citizens have little or no control over the future of Soviet arms developments—which proceed at tremendous speed.

Arms control has been a primary policy objective of Americans for years. We have tried for strategic controls, theater controls, testing controls, and conventional arms controls. Agreements have been consummated, and we all live in the world today with many more reins placed on the means of destruction. There are in fact proposals—such as the one before the Madrid meeting on security and cooperation in Europe—that look toward disarmament and which the Soviet Union has opposed. We must move ahead.

This very month, Secretary Haig will meet with Soviet Foreign Minister Gromyko to start their discussions on, among other things, theater nuclear forces. By the end of this year, productive exchanges between American and Soviet officials could occur.

These arms control discussions cannot survive in a world of aggravated tension. World leaders and parliamentarians must work to create a climate conducive to disarmament. We have to proceed to obtain peaceful solutions to problems. The European Community has proposals for solving the Afghanistan problem. The United Nations and Southeast Asian nations have concrete recommendations for solving the Kampuchean problem.

On the Mideast, an extremely volatile area with tremendous implications for world peace, the United States has attempted in the past, and still is striving to bring peace to that area by encouraging reasoned discussion of issues and productive, step-by-step negotiation. The Camp David accords still offer, we believe, the most fruitful prospect for bringing peace to the Middle East. After all, and despite criticism, there is a peace treaty, Israel has withdrawn from some occupied territory and promise continues for productive efforts on autonomy talks.

Moreover, colleagues, the United States helped facilitate a ceasefire in Lebanon—only the most recent example of the efforts of many lands to restore peace to that strife-torn country. To seek to impugn our motivation is ridiculous and not worthy of further comment. Suffice it to say that, Mr. President and colleagues, the United States will seek every opportunity to promote harmony among the great peoples of the Middle East.

In conclusion, there are ideas, and countries willing to press them, that can promote a more secure and peaceful world. However, implementation of these ideas will require more than unproductive rhetoric—we have to explore, debate and negotiate rationally and honestly. The risk of catastrophe is far too great for us to deal any other way.

## CONCLUSION OF MORNING BUSINESS

Mr. BAKER. Mr. President, I know of no further morning business to be transacted, and I am prepared to yield the floor.

The PRESIDING OFFICER. If there is no further morning business, morning business is closed.

## EXTENSION OF DEFENSE PRODUCTION ACT OF 1950

The Senate continued with the consideration of the bill (S. 1135).

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. Mr. President, this bill is simply a 1-year extension of the Defense Production Act, which has been unanimously agreed to by the Banking Committee.

Mr. PROXMIRE. Mr. President, the Senate will today consider a 1-year extension of the Defense Production Act. The administration asked for a 5-year extension of the Defense Production Act. This committee has reported out a bill extending the act for 1 year only. There is some indication that the act may be used to subsidize and establish floor prices for certain strategic materials or provide loan/guarantees. The Senate should be on notice that any such program will be given the most thorough and careful scrutiny.

This administration has taken great pride, and properly so, in its advocacy of free market principles. Competition not regulation, the administration, argues is the best way for an economy to allocate scarce resources. Inflation is this Nation's No. 1 problem. In a free market prices fluctuate up or down depending on demand. But price fixing by private monopolists or by Government flat clearly prevents the free market from serving as the best anti-inflationary medicine.

Establishment of floor prices for certain commodities would remove the discipline of the free market on prices and create a situation where prices would ratchet only up not down. Floor prices on commodities would create a subsidy and build in a strong inflationary bias. No industry should be favored by such bailout subsidies contrary to the free market. At a time when everyone is being asked to make sacrifices no sector of the economy should be given favored treatment by guaranteed floor prices.

Mr. President, I make that statement not because this bill would fix prices or provide for a floor, but it is, as I say, a 1-year extension, not a 5-year extension. I am concerned that there will be pres-

sure, as there always is from the interested parties, to put a floor under their price and in doing so. as I say, remove the fluctuations of the market which alone can give us the kind of price stability and can counteract inflation over the long run.

Mr. President, I thank my good friend from Utah. I yield the floor.

Mr. SCHMITT. A parliamentary inquiry, Mr. President. The clerk reported a bill for a 5-year extension. Has the committee amendment been agreed to?

The PRESIDING OFFICER. The committee amendment has not been agreed to. Once agreed to, it will read a 1-year extension instead of a 5-year extension.

Mr. SCHMITT. Mr. President, a further parliamentary inquiry.

Is it necessary to amend the title to reflect that?

The PRESIDING OFFICER. There is a committee amendment to the title.

Mr. SCHMITT. The correct procedure would be, prior to the clerk reading, to amend the title, is that correct?

The PRESIDING OFFICER. After passage.

Mr. SCHMITT. Mr. President, I commend the distinguished chairman of the Banking Committee, the Senator from Utah, for proceeding in an expeditious way on this extension.

In answer to the distinguished Senator from Wisconsin, the only reason that I can see for us to extend this for only 1 year is to have the opportunity for the Banking Committee to fully examine the applicability of the Defense Production Act in assisting the administration, the Congress, and the country to move forward in a much broader recognition of the problems that face this country with respect to its strategic mineral supplies. In addition it would be worthwhile to examine the Defense Production Act thoroughly during this coming year to see if it, in fact, will support the variety of initiatives that might be necessary for the administration to take in order to insure that this country will not face a serious embargo of a particular strategic commodity, and that it can, in fact, survive such an embargo either through domestic productions under the provisions of allocation or the provisions of substitutes for such a mineral commodity.

I am sure the Senate will agree to this bill and I shall certainly give my commitment to my colleagues that during this coming year, I shall cooperate fully with the chairman of the full committee to see that we do move forward with hearings so that we fully understand how this act can assist the Nation to overcome what is truly a crisis today; that is, our vast dependence on a wide variety of strategic minerals and materials imported from abroad.

Mr. President, before we move to pass the bill itself, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The committee amendment will have to be acted upon before floor amendments will be in order.

The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

UP AMENDMENT NO. 408

(Purpose: To extend the reporting date for the Commission studying the role of gold in monetary systems)

The PRESIDING OFFICER. The clerk will state the amendment of the Senator from New Mexico.

The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. SCHMITT) proposes an unprinted amendment numbered 408.

At the end of the bill add the following new section:

GOLD COMMISSION EXTENSION

Section 10(b) of Public Law 96-389 (31 U.S.C. 822a note) is amended by striking out "one year after the date of enactment of this Act" and inserting in lieu thereof March 31, 1982".

Mr. SCHMITT. Mr. President, this amendment, as is obvious, would extend the reporting date for the Gold Commission to March 31, 1982. The Banking Committee has unanimously voted to report legislation to extend the life of the Commission until that time.

Mr. President, on June 16, 1980, the Senate agreed to an amendment to S. 2271, the Bretton Woods Agreements Act, which established a Gold Commission to "conduct a study to assess and make recommendations with regard to the policy of the U.S. Government concerning the role of gold in domestic and international monetary systems." The Commission was directed to transmit its report to Congress no later than 1 year after the date of enactment, October 7, 1981.

Due to the change in administration, members of the Commission were not appointed until late spring, and the first meeting did not occur until July 16, 1981. The second meeting occurred on September 18, only 3 weeks before the deadline for the Commission's report to Congress.

It seems clear that an issue as complex as the role of gold in the domestic and international economy cannot be carefully studied in only two meetings, under the pressure of a fast approaching deadline.

In fact, a great deal of the discussion at the last Commission meeting was on the question of extension of the deadline. This date represents a rough consensus of where that ought to lie. The vote actually was tied between dates not too far removed from this. I think it is clear that the Commission generally will support this date, although it will be hard to tell that from the discussion we have had.

Nevertheless, there was not a feeling that we ought to go for a full year, nor was there a feeling that we ought to confine ourselves just to a few more weeks. So I submit to my colleagues that this is probably the best general date that we could come up with.

Mr. President, the report resulting from the procedure, if it were conducted under the October 7 deadline, could not do justice to the subject which the Commission is supposed to study and cannot provide clear guidance to the Congress on this controversial issue. For this reason, I am offering this amendment to extend the life of the Commission until March 31, 1982. This will provide time for a full examination and public discussion of the role of gold in our economy.

If we fail to extend the time limit, the report that results from the Commission will fail to provide the definitive statement I think the Congress would like to see.

I realize that there are Members who feel strongly that the United States should return to a gold standard at the earliest possible date. Others think that such a step would lead to economic chaos. I for one have not made up my mind on this matter, nor do I understand the issue fully enough to agree that a conclusion can be reached. Still, I think the Commission is correct that a study must be done before clear conclusions can be reached. But whether one favors or opposes a return to a gold standard, I think we can all agree that it would be preferable to have the issue resolved with this Commission, than to have the matter perpetuated with an incomplete and inconclusive report.

Mr. President, I believe the distinguished Senator from Connecticut wishes to enter into this colloquy and I yield to him at this time.

Mr. DODD. I thank the Senator for yielding.

Mr. President, I support the amendment being offered by the distinguished Senator from New Mexico to extend the old Commission's deadline for filing its report on the role of gold in the domestic and international monetary systems.

I could not agree more with the Senator from New Mexico about the confusion surrounding this issue of the gold standard and I have not made up my mind, either. I look forward to the meetings of the Commission so we shall be able not only to report back to this body but to the American people on the Commission's conclusions.

As the Senator from New Mexico pointed out, there was a general feeling that the Gold Commission's report deadline should be extended. A bare majority of the Commission members supported a March 31 deadline. This seemed to be a reasonable time for the Commission to do its work.

The Secretary of the Treasury has accurately pointed out, and I believe those sentiments have been expressed by the Senator from New Mexico, that the Commission members could not even agree on the historical facts, let alone a policy. So we have our work cut out for us.

Mr. President, this is a reasonable amendment, one that enjoys almost total support on this side. I am pleased that the Senator from New Mexico has offered it.

Mr. SCHMITT. I thank the Senator and I do enjoy the opportunity to work with him on the Commission.

Mr. GARN. Mr. President, I compliment both of my colleagues, the Senator from Connecticut and the Senator from

New Mexico, for agreeing to this compromise and this extension. Under the circumstances. I think it is a wise decision and certainly, on behalf of the majority, I am willing to accept the amendment of the Senator from New Mexico.

Mr. SCHMITT. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment (UP No. 408) was agreed to.

Mr. GARN. I move to reconsider the vote by which the amendment was agreed to.

Mr. SCHMITT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GARN. Mr. President, I know of no further amendments. I move third reading.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. GARN. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 2903.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2903) to extend by 1 year the expiration date of the Defense Production Act of 1950.

The PRESIDING OFFICER. Without objection, the Senate will proceed immediately to the consideration of the bill.

Mr. GARN. Mr. President, I move to strike all after the enacting clause of H.R. 2903 and to substitute therefor the text of S. 1135, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Utah.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 2903) was passed.

Mr. GARN. I move to reconsider the vote by which the bill was passed.

Mr. SCHMITT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GARN. Mr. President, I ask unanimous consent that S. 1135 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

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## THE PEACE CORPS

Mr. HAYAKAWA. Mr. President, 20 years ago to this day, on September 22, 1961, President John Kennedy signed a bill creating the Peace Corps. In my judgment, the Peace Corps has proved to be one of the finest expressions of American idealism and one of the most effective instruments of our foreign policy.

During the past 20 years, over 80,000 volunteers have served as ambassadors of peace, concern, and friendship in almost 90 underdeveloped countries. We bring to these countries our knowledge and skills in health, nutrition, agriculture, engineering, and education.

We have been to such strange places as Solomon Islands and Papua, New Guinea. We have been in many countries in Africa. We have been all over the place, helping with the lumber industry, the fishing industry, the care of children, education, drainage, cleaning up water pollution. Everything conceivable that is needed for the health and comfort of underdeveloped countries we have contributed freely.

I recall that when I was in Liberia, I met a young lady from the United States who was living by herself just outside a Liberian village, in a little hut, living just like the Liberians did in that rather impoverished village. She was devoting her whole life to learning the language, taking care of the children, and introducing methods of child care that were unfamiliar to the Liberian population there. This kind of dedication is to be found all through the Peace Corps.

In return, we learn not only of foreign cultures and languages, but we develop a sense of international responsibility and brotherhood, while we are teaching new means to improve the material well-being of the world's poor, we are gaining a better appreciation of our own good fortune to be Americans. The careers of some of our most capable professors, international businessmen, and foreign service officers have been inspired and built upon a Peace Corps experience. Some former volunteers have even become U.S. Senators.

As a long-time supporter of the Peace Corps, I am proud of the fact that there are more Peace Corps volunteers from California than from any other State. While on my recent trip through Southeast Asia, I saw, in Thailand and Malaysia, the enthusiastic attitude of our volunteers and the wonderful work they are doing.

I believe it was in Malaysia that I attended a Peace Corps party. Wonderful people of various ages, more young than old, were having a sort of celebration; and the idealism and dedication they had toward their work was clearly visible in the way they talked about their jobs and about their friendship with each other and about their friendship with the local people.

Regrettably, the Peace Corps has recently come under attack as being "an unpleasant vestige of Kennedy liberalism." I can only surmise that these detractors are uninformed as to the objectives and accomplishments of the Peace Corps in the less-developed world.

Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Washington Post in which the attack upon the Peace Corps from the far right is reported and, to a considerable degree, refuted.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PEACE CORPS, IN ITS 20TH YEAR, UNDER ATTACK FROM THE FAR RIGHT

(By James Naughtie)

The Peace Corps, in its 20th anniversary year, is at the center of an increasingly bitter administration battle over its independence and its budget, a battle that officials say could damage its work overseas.

The corps is under strong attack from hard-line conservative groups with access to high administration officials, and at the same time is facing budget cuts that could reduce the number of volunteers going abroad.

As a result, according to well-placed sources in the Peace Corps, Director Loret Ruppe is spending valuable time defending the corps' work and countering accusations from the far right that it is "anti-Reagan." The effect, the sources said, has been to reduce morale among full-time officials and to discourage prospective volunteers.

Much of the irritation among Peace Corps workers is directed at staff members of the Action agency, which is linked administratively to the corps. Although an executive order by President Carter in May, 1979, guaranteed autonomy for the Peace Corps, with only some shared support services, the two organizations share the same building and there are close management links.

According to one Peace Corps official, there is constant friction between the staffs, leading to such incidents as the appearance on walls and elevators in the Action offices of copies of an article highly critical of the Peace Corps that appeared in the conservation publication "Human Events."

The article attacked the corps' 20th anniversary celebration in June, which it claimed became a forum for "virtually every anti-Reagan freak around." The Peace Corps was described in the article as "a dangerously anti-Reagan instrument."

The accusations caused considerable distress in the Peace Corps, because they were considered unfounded and because copies were known to have been circulated at the White House. Ruppe, according to officials close to her, was outraged by the article.

She is reportedly convinced of President Reagan's support for the Peace Corps but dismayed by conservative attacks on her, because she believes that the work of the corps in the Third World should be attractive to those who profess to believe in "self-help."

The main focus of the anti-Peace Corps campaign is legislation to separate the corps completely from Action. That move is opposed by the administration, on the grounds that it would cost about $3 million a year more to run separate organizations. The bill, passed by the Senate, faces some House opposition, but a congressional staff source said Friday that the bill is expected to become law.

It was introduced in the Senate earlier this year as part of the campaign by liberals to block the nomination of Thomas Pauken as head of Action. One of the arguments used against Pauken, a Republican congressional candidate in Texas last year, was that his connection with military intelligence in Vietnam would be damaging to the Peace Corps, because it would provide opportunities for the Soviet Union to charge volunteers with intelligence links.

As a result of the controversy surrounding his nomination, and his reputation as a hard-line conservative, Pauken is regarded warily by many Peace Corps officials, and the friction with Action staff has tended to confirm their initial fears, according to sources in the corps, despite an apparently good working relationship between Pauken and Ruppe.

Pauken has made it clear that one of his main aims as Action director is to launch an

assault on the VISTA program, established in the 1960s to help depressed areas in the United States by organizing teams of volunteers to advise on various topics.

However, what concerns some Peace Corps staff members is that Pauken, who has publicly expressed support for the corps, is closely associated with some of the far right groups now calling for it to be brought under stricter control.

On June 19, for example, Pauken addressed a meeting of the Kingston Group, a private discussion group set up by several conservative organizations, including the Conservative Caucus and the Committee for the Survival of a Free Congress, which meets regularly in the back room of a private house on Capitol Hill.

During this meeting an 11-page list of VISTA programs was circulated. According to a participant at the meeting, the list was handed out by Pauken, who said the programs were "leftist" and were to be dissolved.

Pauken denied in an interview that he had handed out any list at the meeting, but said his staff might have done so. He said the Action staff was examining individual programs to see if they fulfilled the criteria laid down for the agency.

One of the participants at the Kingston Group meeting, who was invited as part of a Conservative Progress Briefing in Washington, described the session as "a shock" because of the passionate antagonism to federal programs displayed and the intolerance to any one not associated with the far right.

The open hostility of some Action officials to the Peace Corps is causing fears that this year's budget cuts may be the prelude to a more severe cutback. The 1982 appropriation has dropped to $95 million, from $106 million in fiscal 1981, and activities are expected to be concentrated in fewer countries. By 1983 the number of volunteers is expected to be about 20 percent below the figure planned for 1982 by the Carter administration. There are currently 5,400 volunteers in 60 countries.

Yet Ruppe and her staff are convinced that the Peace Corps delivers a large benefit to the nation, at a relatively small cost. One report from a senior official now circulating in the office describes a lengthy tour to African countries where volunteers are at work and concludes: "The United States does not yet realize the incredible impact that the Peace Corps has on these smaller nations—an incredible impact on their societies, world outlook, identities, and conceptualization of the West."

Tuesday is the 20th anniversary of the signing of the Peace Corps Act, and an atmosphere of celebration might be expected. But instead, many officials are frustrated and distressed by the attacks which are forcing them to spend time on defensive bureaucratic maneuvers and which they believe could discourage volunteers. They are also concerned that President Reagan's support for the corps might be undermined by hardliners who regard it as an unpleasant vestige of Kennedy liberalism.

As a result, Peace Corps officials believe they may even be facing a battle for survival.

Mr. HAYAKAWA. Mr. President, I am convinced, as is Peace Corps Director Loret Miller Ruppe, that President Reagan heartily supports the Peace Corps. Certainly those who profess to believe in the virtues of self-help should be strong backers of the Peace Corps, as self-help is the essence of the Peace Corps message.

The Peace Corps unit is successful when they are no longer needed in the particular place to which they have been assigned. That is their definition of success. It means that the capacity for self-help has been developed in that region.

In closing, I wish to congratulate the Peace Corps for its magnificent record throughout the world, many underdeveloped countries, large and small, have benefited from the work of dedicated Americans. Equally important, America is richer for the experience.

Happy birthday, Peace Corps, and many happy returns.

Mr. SCHMITT. Mr. President, will the Senator from California yield?

Mr. HAYAKAWA. I yield.

Mr. SCHMITT. Mr. President, I compliment the Senator, as I often enjoy doing with respect to the issues about which he chooses to address this illustrious body.

I shall reminisce a little. I was not in the Peace Corps, but I did have the opportunity to be an exchange student in a developed country, Norway, back in 1957 and 1958. At that time, I had an opportunity to interact with many exchange students in residence at the University of Oslo who were from the now-termed developing countries of the world. In that interaction and exchange, the idea that we should have some kind of a more technically and experience-oriented exchange of people to people came out of those discussions; and I included that in my report to the U.S. Educational Foundation in Norway when I left that country. A short time later, President Kennedy came forth with the Peace Corps, which was exactly what I believe a great many of us of that generation were waiting for.

The next contact I had with the Peace Corps was in traveling through the developing countries of the world as an astronaut, after my return from the most recent mission to the Moon, Apollo 17, and discovered that in many of the consulates and in the embassies, but mostly in the consulates in the back country of these developing countries of Africa, Asia, and Latin America, where I was traveling, you would find the graduates of the Peace Corps who were serving as tremendously capable and experienced lower echelon Foreign Service officers. They had moved out of the Peace Corps into the Foreign Service, with a tremendous knowledge of the language, customs, and mores of the particular countries in which they served. So, obviously, it was doing a great deal of service to our foreign activities.

The only disappointment was that we were treating—and still are treating—these younger members of the Foreign Service very shabbily in terms of the compensation we offer them for the service they do the country in these very out-of-the-way but important assignments.

The unfortunate thing that happened to the Peace Corps was that the management of it, for an interim period, began to concentrate on the more social disciplines, in terms of the people they were bringing into the Peace Corps—the younger, less experienced people who did not really fit the early mold of the Peace Corps; whereas, we had been getting people with something in their background and experience that was directly applicable to the needs of a particular community or set of individuals within a developing country.

That is why the Peace Corps was successful initially: It was a transfer of know-how, of experience, from Americans to the people of these countries. We sort of digressed from that lesson for a few years; and I believe that, as a result, the Peace Corps fell into some disrepute, and perhaps some of it was deserved.

I have had the opportunity recently to talk with Tom Pauken, the new administrator of ACTION, under which the Peace Corps is located administratively, and I am tremendously encouraged by his belief that we must continue the movement back to the experience-based orientation of the Peace Corps.

His commitment to the Peace Corps is as strong as anyone that I have run into, and I am tremendously excited that we may once again be able to rejuvenate and expand this opportunity for young Americans and old Americans—older Americans——

Mr. HAYAKAWA. Yes.

Mr. SCHMITT [continuing]. To move forward with the transfer of know-how into the developing world.

If we do not make that a base of our foreign policy, that transfer of know-how from developed nations like our own into developing nations such as the Peace Corps has served, then, frankly, I think we are doomed to failure in our entire conduct of foreign policy relative to these countries.

The transfer of dollars has not served those countries or our own foreign policy well in most instances, but the transfer of know-how, the money that goes into the mind, rather than money that goes into the pocket, is what again and again the middle class or the incipient laboring and business middle class of these countris told me was the absolute essential ingredient for their progress. Money will not do it because money never gets to the level where it is necessary for progress. But know-how can always get where it is necessary for progress in these countries, and that was the essence of the Peace Corps and I think can and should be the essence of the Peace Corps in the future.

Again, I compliment the Senator from California for his excellent statement on the history and progress of the Peace Corps, and certainly they have an additional friend in the Senator from New Mexico.

Mr. HAYAKAWA. I thank the distinguished Senator from New Mexico for his support of my comments, and I thank him also for the addition of his experience to mine in commenting on the Peace Corps' record.

I emphasize again what Senator SCHMITT has said that people who have skills to contribute rather than simply money to contribute are of tremendous importance, and it is not to be forgotten, and I think we should remind our constituents, that people who are retired and still in good health are perfectly welcome in the Peace Corps, and people who are retired from skilled professions, machinists, farmers who know how to dig a well, farmers who have had agriculture experience of a variety of kinds,

all sorts of people from manual occupations who find themselves with early retirement and good health are perfectly welcome because they especially are needed in some of these areas where these technical skills are extremely rare.

So, it is not only a matter of young, idealistic people trying to see the world; it can be for older, idealistic people, also, and they also can see the world and profit from it.

Mr. SCHMITT. As usual the Senator makes exactly the right point in defining what is and I believe should be the essence of the Peace Corps: It is the transfer of skills and experience from one population of people who are free to populations who yearn to be free, not only free from the political shackles they live under but also equally free from the dangerous shackles of an economy that will not support either their lives or their ability to raise and feed a family.

Mr. HAYAKAWA. I thank the Senator from New Mexico and I thank the Chair.

## THE 20TH ANNIVERSARY OF THE PEACE CORPS ACT

Mr. TSONGAS. Mr. President, 20 years ago today, on September 22, 1961, the Congress created what has come to be one of the most successful, yet undervalued elements of our Nation's foreign policy—the Peace Corps. In commemoration of this historic event, I would like to bring to the attention of my colleagues the accomplishments of this outstanding organization.

The Peace Corps is America's only truly "people-to-people" foreign aid program. Working at the local level, Peace Corps volunteers deliver development assistance directly to the less fortunate people of the world while offering these people a very personal view of American values and commitments. Dollar for dollar, the Peace Corps has excelled as an effective, yet inexpensive foreign assistance program.

However, this has not been a one-way street. After they have spread good will by taking our basic values overseas, Peace Corps volunteers bring world awareness back to their own communities. I, for one, can personally testify to this two-way role of the Peace Corps. As one of the several hundred members of the first Peace Corps contingent, I spent 2 years working with the people of Ethiopia. Nothing before or after that time has shaped my view of the world so deeply. As an American, I was overwhelmed by the numerous obstacles to progress in a developing country.

As a Peace Corps volunteer, I was able to share my talents in helping these deserving people overcome the barriers to progress. Today, I am sure that more than 80,000 present and former volunteers would join me in affirming the effectiveness of the Corps as a vehicle for human development and intercultural understanding.

As we prepare to meet the challenges of a new decade, one thing is certain: global interdependence is a reality. At a time when a quarter of the world's population lives in abject poverty and when the next serious conflict between nations could mean the obliteration of mankind, the need for the Peace Corps is greater than ever. Third World nations, in the face of world economic stagnation and Soviet adventurism, have never needed support from the West as much as they do now. And the United States, in the face of increasing economic competition from Europe and Japan, has never needed to invest in the Third World as it does today.

The world needs a credible exponent of basic democratic and humanitarian values. These values are rooted in our culture and history, and we should champion them. Third World people need to have us honor this principle because if we do not, no one effectively will. And ultimately, it is the moral and economic strength of America that will count, not just our military might.

The reality of the Third World dictates a particular American policy in order to be effective—and that policy happens to coincide with the best of our moral principles. The 20-year success of the Peace Corps demonstrates that these two goals are fully compatible. Let us opt for both morality and reality—let us continue to support the Peace Corps.

Mr. President, the morning newspaper carried the story of the starvation, malnutrition, and general despair of those who are victims of the war between Ethiopia and Somalia, those living in the Ogaden region. Those are very real people and, as I speak, they suffer and they die, and that suffering will someday have its impact upon all of us.

One of the things the Peace Corps has done is to sensitize us to the condition of people around the world, and I hope as the Peace Corps enters its third decade the Senate, indeed the House as well, will support it, will support it strongly, and realize that it is worthwhile not for its own sake but for the people it helps and, most importantly, for our own country as well.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CHAFEE). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DODD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## THE 20TH ANNIVERSARY OF THE PEACE CORPS

Mr. DODD. Mr. President, on this day 20 years ago, President John F. Kennedy signed the Peace Corps Act, strengthening America's Commitment to the poor and disadvantaged of the world. In its creation, he accurately foresaw an organization that would be defined by a people-to-people character. The Peace Corps was created in order to give everyday American citizens the unique opportunity to represent the best humanitarian instincts of the American people in assisting less fortunate people around the world. For 20 years this organization has nobly fulfilled its duties without wavering from its original purpose.

Along with the great wealth of our national inheritance—the people and riches of our country—comes the responsibility to use our resources for the benefit of all mankind. Under the banner of the Peace Corps, American men and women leave the familiarity and security of home to help others in distant lands. The volunteers in this program respond to this highest calling by toiling diligently against the frontiers of poverty, ignorance, and underdevelopment. In this process these volunteers offer the world a very personal view of Americans putting their ideals and commitments on the line.

The Peace Corps is defined by purpose, involvement, and caring. One only has to visit a country where the Peace Corps is present in order to understand this. It has a strong and positive impact on the host nations—an impact on their societies, world outlook, identities, and conceptualization of the West. Prime Minister Edward Seaga of Jamaica summarized the importance of the Peace Corps in the world community by remarking that—

> The Peace Corps . . . is wanted, needed, and loved by so many countries of the world.

In this era of cost-benefit analysis, we can see that the Peace Corps brings benefits to our international stature that far outweigh the cost. Dollar for dollar, the Peace Corps has excelled as an effective yet inexpensive American aid program. In addition, the more than 90,000 returned volunteers have made significant contributions to our society as a result of their experience in this organization.

The successful future of mankind is to no small degree dependent upon global interdependence. The Peace Corps brings to other nations the best of our society and in return, we receive a greater understanding of the cultures with whom we share this Earth.

President Kennedy remarked that—

> In some small village, volunteers will lay a seed which will bring a rich harvest for us all in later days.

On this anniversary 20 years to the day, its validity remains unquestioned.

As a former Peace Corps volunteer myself, I take particular pride in honoring the Peace Corps on this special day.

## ORDER FOR RECOGNITION OF CERTAIN SENATORS TOMORROW

Mr. STEVENS. Mr. President, I ask unanimous consent that there be special orders tomorrow morning, following the time under the standing order for the two leaders, for Senator WALLOP for 5 minutes, Senator BUMPERS for 15 minutes, Senator BAKER for 15 minutes, and Senator PERCY for 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ORDER FOR AUTHORITY FOR BUDGET COMMITTEE TO FILE SENATE RESOLUTION 203

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on the Budget have the authority to file Senate Resolution 203, a budget waiver,

with respect to the consideration of Senate bill No. 10 until 6 p.m. today.

The PRESIDING OFFICER. Hearing no objection, it is so ordered.

## THE CALENDAR

Mr. STEVENS. Mr. President, I ask unanimous consent that the Chair lay before the Senate calendar order No. 253, S. 892; calendar order No. 254, S. 187; calendar order No. 255, S. 634; calendar order No. 256, S. 763; calendar order No. 257, S. 764; calendar order No. 258, H.R. 618; calendar order No. 259, H.R. 2218; and calendar order No. 272, Senate Resolution 198; that all of those calendar items be considered en bloc, that the amendments be adopted en bloc, and that the motion to reconsider that action be in order en bloc.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I shall not object, these various measures have been cleared in the caucus today and the minority is ready to proceed en bloc.

## AMENDMENT OF FEDERAL GRANT AND COOPERATIVE AGREEMENT ACT

The bill (S. 892) to amend the Federal Grant and Cooperative Agreement Act, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 892

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 10(d) of the Federal Grant and Cooperative Agreement Act of 1977 (Public Law 95–224; 41 U.S.C. 501 note) is amended by deleting the sentence: "This authority shall expire one year after receipt by the Congress of the study provided for in section 8 of this Act.".

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## TRANSFER OF CERTAIN LANDS IN MONTANA

The Senate proceeded to consider the bill (S. 187) to authorize the Secretary of the Interior to convey certain lands near Miles City, Mont., and to remove certain reservations from prior conveyances, which had been reported from the Committee on Energy and Natural Resources with amendments, as follows:

On page 2, line 7, strike "tract Q,", and insert "tract Q and tract S"; and

On page 2, line 21, strike "Sec. 31.", and insert "Sec. 3.".

So as to make the bill read:

S. 187

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Interior be, and he hereby is, authorized and directed to convey by patent to the city of Miles City, a municipal corporation organized and existing under the laws of the State of Montana, to wit: Lots 9, 17, 21 (all presently encumbered by the Miles City public water system); lots 28, 31, and 32, all in section 32; lots 16 and 17 in section 33, township 8 north, range 47 east, Principal meridian, Montana, and *tract Q and tract S,* townships 7 and 8 north, range 47 east, Principal meridian, Montana.

SEC. 2. The Secretary of the Interior is authorized and directed to convey to the city of Miles City, Montana, such evidence as is necessary to remove the reversionary provisions for public lands previously patented or conveyed by act of Congress, to wit: Patent numbered 1021511, tracts A and B; patent numbered 1122295, tracts E and F; patent numbered 1173770, tract G; patent numbered 1173768, tract K; patent numbered 1173769, tract L; patent numbered 1178764, tract M; patent numbered 1219817, tract P, all located in townships 7 and 8 north, range 47 east; and tract D located in township 8 north, range 47 east Principal meridian Montana.

SEC. 3. The Secretary of the Interior is further authorized and directed to convey to county of Custer, State of Montana, such evidence as is necessary to remove the reversionary provisions for public lands previously patented, to wit: Patent numbered 1023689, tract C; patent numbered 25–76–0099, tract T, located in townships 7 and 8 north, range 47 east, Principal meridian, Montana, and patent numbered 25–76–0100, lot 20, located in section 33, township 8 north, range 47 east, Principal meridian, Montana.

SEC. 4. The patents and documents issued pursuant to sections 1, 2 and 3 of this Act shall contain a reservation to the United States of all gas, oil, coal, and other mineral deposits as may be found in such lands and the right to the use of the lands for extracting and removing same.

SEC. 5. No conveyance shall be made pursuant to this Act until payment has been made for the fair market value of the interest being conveyed. Where initial conveyance of these lands was conditioned upon payment of a reasonable consideration on the basis of use, the Secretary is directed to determine the basis for the payment made at the time of the original conveyance. If such payment reflected fair market value without any reduction in that price because of the reverter, no additional payments shall be required.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## EXCHANGE OF CERTAIN LANDS IN IDAHO AND WYOMING

The bill (S. 634) to authorize the exchange of certain lands in Idaho and Wyoming, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 634

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, notwithstanding any other provision of law, the Secretary of Agriculture (hereinafter referred to as the "Secretary") is hereby authorized to exchange the parcel of land described in section 2 (parcel A) currently owned by the United States, for the parcel of land described in section 3 (parcel B) and any improvements thereon, currently owned by Richard Hendricks of Preston, Idaho. Such exchange shall be made without additional consideration and in lieu of receiving monetary payment.

SEC. 2. For the purposes of this Act, parcel A shall consist of the following described tract of land consisting of approximately 81.78 acres: Township 33 north, range 119 west, 6th principal meridian, Lincoln County, Wyoming, section 14, southeast quarter northwest quarter and southwest quarter northeast quarter, containing approximately 80 acres, and township 35 north, range 119 west, 6th principal meridian, Lincoln County, Wyoming, section 28, beginning at the southwest corner of lot 2, thence north 15 rods, thence east 19 rods, thence south 15 rods, thence west 19 rods to the point of beginning.

SEC. 3. For the purpose of this Act, parcel B shall consist of the following described tract of land, consisting of approximately 5.9 acres: That portion of the southeast quarter southwest quarter of section 8, township 9 south, range 42 east, Boise meridian, Caribou County, Idaho, beginning at the southeast corner of the southeast quarter southwest quarter of section 8, thence west 376 feet, more or less, to an intersection with the easterly right-of-way of the Oregon Shortline Railroad, thence north 7 degrees 10 minutes east, 131 feet to a point of spiral; thence northerly along a curve to the left, the said centerline of main track has a spiral angle of 3 degrees 30 minutes with 6 by 38 foot chords, a distance of 232 feet to a point of spiral curve; thence along a curve to the left with a radius of 2,010.1 feet a distance of 520 feet; thence south 87 degrees 22 minutes east a distance of 269 feet, thence north 428 feet, more or less; thence east 30 feet; thence south along the east line of said southeast quarter southwest quarter 1,320 feet, more or less, to the point of beginning.

SEC. 4. Upon the conveyance of parcel B and any improvements thereon from Richard Hendricks by warranty deed to the United States acting through the Secretary, the Secretary is authorized and directed to convey by quitclaim deed, all right, title, and interest of the United States in parcel A to Richard Hendricks: *Provided,* That the conveyance of parcel A shall be subject to valid existing rights of third parties and a reservation by the United States of all mineral interests and of the existing road right of way in land section 14; *And provided further,* That the conveyance of parcel B to the United States may be subject to a reservation of all mineral interests therein to Richard Hendricks.

SEC. 5. The lands acquired by the Secretary by this Act shall, upon acquisition, become part of the Caribou National Forest and shall be administered in accordance with the laws, rules, and regulations applicable to the National Forest System.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## TRANSFER OF CERTAIN FEDERAL LANDS

The bill (S. 763) to authorize and direct the Secretary of the Interior to convey, by quitclaim deed, all right, title, and interest of the United States in and to certain lands that were withdrawn or acquired for the purpose of relocating a portion of the city of American Falls out of the area flooded by the American Falls Reservoir, was considered, ordered to be

engrossed for a third reading, read the third time, and passed, as follows:

S. 763

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Interior is hereby authorized and directed to convey by quitclaim deed to the city of American Falls, Idaho, without cost, the following real property located within or adjacent to the city limits of said city of American Falls, reserving all right-of-way and oil and gas in land to the United States:

(a) The area identified as the Campbell Stebbins Park, containing approximately 41.5 acres, including the park area located between the Oregon Trail Highway and the Oregon Short Line Railroad, and the area identified as a Public Square, containing approximately 8.8 acres, all as shown on the official plat of the Reclamation Addition to the city of American Falls approved October 18, 1923, and recorded in the county of Power, Idaho, as instrument numbered 32042.

(b) Block 44 of the original townsite of American Falls; containing approximately 3.3 acres,

(c) A tract of land containing 11.7 acres, more or less, described as follows:

Beginning at the northwest corner of the southwest quarter of section 21, township 7 south, range 31 east, Boise meridian;

thence south 45 degrees 16 minutes east, a distance of 1,870.3 feet, more or less, to the southeast corner of said southwest quarter;

thence north 58 degrees 28 minutes west, a distance of 96.3 feet;

thence north 68 degrees 17 minutes west, a distance of 1,339.2 feet, more or less, to a point on the west section line of said section 21, and said point being 548.2 feet north of the southwest corner of said section;

thence north along the west section line a distance of 770.5 feet, more or less, to the northwest corner of the southwest quarter of said section 21, the point of beginning.

(d) A tract of land containing 8.79 acres more or less in the south half of the southwest quarter, section 28, township south, range 31 east, Boise meridian, Idaho, and more particularly described as follows:

Beginning at the southwest corner of said section 28;

thence north 44 degrees and 38 minutes east, 1,868.6 feet to the 16/17 corner of said section;

thence east along the north boundary of the southeast quarter southwest quarter of said section 28, 367.2 feet to a point;

thence south 324.9 feet to a point;

thence north 89 degrees and 59 minutes west, 92.8 feet to a point;

thence south 49 degrees and 23 minutes west, 361.9 feet to a point;

thence south 78 degrees and 34 minutes west, 708 feet to a point;

thence south 26 degrees and 55 minutes west, 333.7 feet to a point;

thence south 61 degrees and 51 minutes west, 271.6 feet to a point;

thence south 43 degrees and 29 minutes west, 280.3 feet to a point on the south boundary of said section 28;

thence south 89 degrees and 59 minutes west along the south boundary of said section 28, 34.9 feet to the place of beginning.

(e) A tract of land containing 8.0 acres, more or less, located in the west half of the southwest quarter, section 28, township 7 south, range 31 east, Boise meridian, Idaho, and more particularly described as follows:

Beginning at the southwest corner of section 28;

thence north 44 degrees 38 minutes east, a distance of 1,886.6 feet to the northeast corner of the southwest quarter southwest quarter, of section 28;

thence north a distance of 1,320 feet to the northeast corner of the northwest quarter southwest quarter of section 28;

thence west, a distance of 30 feet to a point on the east edge of Hillcrest Avenue;

thence southwesterly along a curve on the side of Hillcrest Avenue a distance of 2,955 feet to a point on line between sections 28 and 29;

thence south 65.0 feet to the southwest corner of section 28, the place of beginning.

Such property shall be conveyed subject to the reservation of rights-of-way for ditches, canals, and pipelines constructed by the authority of the United States and to other existing rights-of-way of record. The conveyance of such property shall contain a reservation to the United States of all oil and gas in the land, together with the right to prospect for, mine, and remove the same under such regulation as the Secretary of the Interior may prescribe.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## PROTECTION OF THE JOHN SACK CABIN

The bill (S. 764) to provide for the protection of the John Sack Cabin, Targhee National Forest in the State of Idaho, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 764

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, for the purpose of providing for the public use and enjoyment of the John Sack cabin, Targhee National Forest, State of Idaho, and to protect and preserve such cabin as a unique example of craftsmanship, the Secretary of Agriculture, in consultation with the Island Park Interpretive Association and other interested organizations, shall take such action as may be necessary in order to provide for the protection and maintenance of the John Sack cabin and associated structures. In carrying out the requirements of this Act, the Secretary is authorized, in accordance with existing law, to enter into a cooperative agreement with, or to issue a special use permit to, an appropriate person or organization pursuant to which such person or organization shall provide such protection and maintenance.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## TRANSFER OF CERTAIN INTERESTS IN PUBLIC LANDS TO THE CITY OF ANGELS, CALIF.

The bill (H.R. 618) to convey certain interests in public lands to the city of Angels, Calif., was considered, ordered to a third reading, read the third time, and passed.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## TRANSFER OF CERTAIN NATIONAL FOREST SYSTEM LANDS IN THE STATE OF NEVADA

The bill (H.R. 2218) to direct the Secretary of Agriculture to convey certain National Forest System lands in the State of Nevada, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## RELEASE OF BENEDICT SCOTT FROM IMPRISONMENT IN THE SOVIET UNION

The Senate proceeded to consider the resolution (S. Res. 198) expressing the sense of the Senate that Benedict Scott (Vytautas Skuodis) be released from imprisonment in the Soviet Union.

Mr. PERCY. Mr. President, there are unfortunately many prisoners of conscience in the Soviet Union, but it is rare indeed that one of them has a claim to American citizenship.

Benedict Scott (Vytautas Skuodis in Lithuanian) was born in Chicago on March 21, 1929, and is an American by right of birth. His parents returned to then-free Lithuania while he was still a small child, and he and they were caught there in 1940 by the Soviet invasion and annexation of Lithuania.

Young Scott grew up to be a respected scientist in hydrology and geological engineering at the University of Vilnius, and a committed Roman Catholic. For his work in support of the Lithuanian national and religious movement, and his membership in the Catholic Committee for the Defense of Believers' Rights in Lithuania, and the Lithuanian Helsinki monitoring group, he was arrested in January 1980.

Last December he was tried and sentenced to 7 years in a hard labor camp, followed by 5 years of internal exile, for "anti-Soviet agitation and propaganda." Last June he is reported to have begun a hunger strike in prison in protest of the violations of human rights and spiritual deprivations of Soviet authorities.

Senate Resolution 198, which I have introduced and which Senators DIXON, HAYAKAWA, DODD, SPECTOR, RIEGLE, LEVIN, and DOMENICI join in cosponsoring, supports continuing efforts of the administration to protest this imprisonment of an American citizen, and calls directly on the Soviets to release him. The Soviets do not recognize Scott's still valid American citizenship, and it is up to Americans to continue to press his claim on his behalf. I urge my fellow Senators to support this worthy cause.

The resolution (S. Res. 198) was considered and agreed to.

The preamble was agreed to.

The resolution, and the preamble, are as follows:

S. RES. 198

Whereas Benedict Scott (Vytautas Skuodis) was born on March 21, 1929, in Chicago, Illinois, and is by right of birth a citizen of the United States of America; and

Whereas Scott and his parents emigrated to the independent Republic of Lithuania in 1930, which in June 1940 was invaded and annexed by the Union of Soviet Socialist Republics; and

Whereas Scott is a highly respected scientist, having served on the faculty of the University of Vilnius as a lecturer on hydrology and geological engineering, and is a founder of the Lithuanian environmental protection group; and

Whereas Scott fully supported the work of the Lithuanian national and religious movement, assisted in the work of the Catholic Committee for the Defense of Believers' Rights in Lithuania, and joined the Lithuanian Helsinki Group; and

Whereas on January 9, 1980, Benedict Scott was arrested in his home, tried and sentenced on December 22, 1980, to seven years in a hard labor camp and five years internal exile under article 68-1 of the Lithuanian SSR Criminal Code for "anti-Soviet agitation and propaganda", a sentence he is currently serving in a Soviet prison camp in the Mordovian ASSR; and

Whereas on June 15, 1981, it is reported that Scott began a hunger strike to protest violations of human rights and spiritual deprivations by Soviet authorities; and

Whereas the Government of the United States has never recognized the occupation and annexation of Lithuania into the Soviet Union; and

Whereas the United States has repeatedly expressed its support for the right of self-determination for Lithuania; and

Whereas it is the responsibility of the Government of the United States to protect and support its citizens unjustly held captive by foreign governments; Now, therefore, be it Resolved, That it is the sense of the Senate that—

(1) Benedict Scott be released from prison and be allowed to emigrate to the land of his birth, if he so chooses, and

(2) the Senate urges the President, the Secretary of State and the United States Delegation to the Madrid Conference on Security and Cooperation in Europe to express at each opportune moment and in the strongest terms the opposition of the United States to the imprisonment of Benedict Scott.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## SOCIAL SECURITY

Mr. MITCHELL. Mr. President, the President has made clear his true intentions in proposing to cut social security benefits. As part of his plan to reduce the deficit in fiscal year 1982, he has renewed his proposal to delay by months the cost-of-living increases for social security recipients. This proposal lacks the support of the American people and the Congress, and I call on the President to withdraw it.

I have for months said that the true motivation for the President's social security proposals was to balance the budget, not to correct the problems with social security. Highly pessimistic economic assumptions were used to justify social security reductions, in sharp contrast to the optimistic forecast used in the budget and tax debates.

Inclusion of the proposal to delay cost-of-living increases in the spending reduction package confirms its true purpose.

The administration has failed to make the case for its proposed reductions. The public has not been convinced, nor has the Congress.

A recent Congressional Budget Office study of social security financing firmly refutes the case for the COLA delay. Under CBO's economic assumptions, interfund borrowing, when combined with the reductions in benefits already enacted or part of the President's original budget cuts, is sufficient to solve the short-term financing problem. Even under CBO's pessimistic forecast, the combined trust fund reserves do not fall below critical levels until 1985. The haste with which the President is requesting congressional action is unwarranted.

In direct contradiction to the President's repeated promise, this proposal directly affects the benefits that current retirees will receive. The administration's announcements on social security have needlessly alarmed our retirees and those workers paying into the system. I believe that the President should end his efforts to balance the budget through social security cuts and withdraw his proposal for a delay in the inflation adjustment from consideration by the Congress.

The task facing the Congress is not only to put the social security system on a solid financial basis but also to restore confidence in the social security system which has been shaken by the administration's actions. If the following actions are taken, we would accomplish these objectives.

First, the Congress should reject all efforts to balance the budget by cutting social security benefits. The Senate, in a 96-to-0 vote, has already accepted this in principle. As we approach specific legislation, we should reaffirm this position.

Second, the President should withdraw his proposal to delay by 3 months the cost-of-living adjustment for retirees. This is the most blatant attempt to cut social security to reduce next year's deficit. Faith in Congress ability to handle the financing issue in a fair and effective way would be enhanced by withdrawal of this unwise proposal.

Third, transfer of funds among the three social security accounts should be authorized. This move would resolve the short-term financing problem.

Fourth, the minimum benefit should be restored for those currently receiving the minimum. The capricious termination of the minimum benefit, which was proposed by the administration, has shaken the faith of retirees that the Federal Government will live up to its commitments. According to the CBO figures, this measure could be accommodated without threatening the short-run solvency of the system, once interfund borrowing is allowed.

Fifth, measures to improve the interest earned by the trust fund reserves should be taken. Investment practices followed in the past have resulted in lower-than-average returns. At a time when significant benefit cuts are being debated, we should settle for nothing less than the maximum return on trust fund balances.

## MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

## EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

## DEVELOPMENTS WITH RESPECT TO DECLARATION OF EMERGENCY IN IRAN—MESSAGE FROM THE PRESIDENT PM 79

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which were referred to the Committee on Banking, Housing, and Urban Affairs.

*To the Congress of the United States:*

Pursuant to Section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. Section 1703(c), I hereby report to the Congress with respect to developments since my report of February 24, 1981, concerning the declaration of national emergency with respect to Iran in Executive Order No. 12170 of November 14, 1979. This declaration and previous actions under it were described in earlier reports submitted to the Congress.

1. Pursuant to my decision, reflected in Executive Order No. 12294 of February 24, 1981, that the January 19, 1981 agreements with Iran should be implemented, the Department of the Treasury, acting under my delegation of authority to the Secretary of Treasury, issued a series of regulations to implement Executive Orders Nos. 12276–12285, signed by President Carter on January 19, 1981, and my Order of February 24. Among other things, these regulations revoked certain trade and financial sanctions against Iran, provided for the transfer of blocked Iranian assets to Iran and to a security account for U.S. claimants against Iran, and suspended certain claims of U.S. nationals against Iran pending review by the Iran-U.S. Claims Tribunal. With the exception of regulations issued July 6 and August 17, which are attached herewith, regulations issued since February 24, 1981 have been provided to Congress in accordance with the National Emergencies Act, 50 U.S.C. Section 1641(b).

2. On July 2, 1981 the Supreme Court in the case of *Dames & Moore* v. *Regan*, 49 U.S.L.W. 4969 (U.S. July 2, 1981) (No. 80-2078), upheld the President's authority to nullify attachments and other judicial orders with respect to assets of Iran, to order the transfer of those assets

pursuant to the agreements with Iran, and to suspend certain claims of U.S. nationals against Iran and Iranian entities.

3. Following the Supreme Court decision and pursuant to certain of the Executive Orders mentioned above, financial assets exceeding two billion dollars held by persons within the United States were transferred to the Federal Reserve Bank of New York in mid-July. The agreements provided that a total of one billion dollars of the assets formerly held by domestic banks was to be transferred to an interest-bearing security account in a foreign bank to be used for payment of Claims Tribunal awards to U.S. nationals against Iran. The remainder of the assets was to be transferred through a foreign bank to Iran.

The technical arrangements for the establishment of the security account were concluded on August 17 by the Central Bank of Algeria, Bank Markazi Iran, the Federal Reserve Bank of New York, and the N.V. Settlement Bank of the Netherlands, a subsidiary of the Netherlands Central Bank. In connection with the arrangements, the U.S. agreed to provide special liquidity support of up to $500 million to the Netherlands Central Bank if lawsuits or other proceedings involving the security account impair the bank's ability to defend the guilder.

On August 18, the funds were transferred by the Federal Reserve Bank of New York to the Settlement Bank. Because of the delay in concluding arrangements for the security account, this transfer was delayed one month from the original transfer date of July 19 contemplated under the agreements.

4. Certain questions concerning the security account which were not resolved in our negotiations with Iran will be referred to the Claims Tribunal, which is expected to decide the issues shortly. These questions concern (1) the disposition of the interest accruing in the funds in the security account; (2) indemnification of the Settlement Bank of the Netherlands and the Netherlands Central Bank, as manager of the funds deposited with the Settlement Bank, against any claims relating to the security accounts; (3) payment of the administrative fees of the Settlement Bank; and (4) payment of settlements with U.S. claimants worked out directly between the U.S. claimants and Iran.

As now constituted, the Claims Tribunal consists of three Iranian, three U.S., and three neutral arbitrators (two from Sweden and one from France). The Tribunal has held preliminary organizational meetings and is expected to receive claims during the three-month period beginning October 20.

5. Other financial questions remain unresolved. U.S banks and Bank Markazi Iran are continuing to negotiate concerning the repayment of nonsyndicated loans and disputed interest from the $1.418 billion escrow account which is held by the Bank of England. To date, no payments have been made out of this account.

6. Pursuant to the January 19 agreements, the transfer of certain nonfinancial Iranian property, such as tangible merchandise, is to be made in accordance with directions from Iran. In many cases, there are questions concerning the exact nature of Iran's interest in these properties. Under my delegation of authority, the Treasury Department is reviewing those cases brought to its attention in which the entitlement of Iran is challenged or in which Iran has not paid claims or charges against the properties. In exercise of its discretion, Treasury has the power to license various transfers involving these properties.

7. Although the hostages have been released and certain assets returned to Iran, several financial and diplomatic aspects of the crisis with Iran have not yet been resolved and continue to present an unusual and extraordinary threat to the national security and foreign policy of the United States. I shall continue to exercise the powers at my disposal to deal appropriately with these problems and will continue to report periodically to Congress on significant developments.

RONALD REAGAN.

THE WHITE HOUSE, *September 22, 1981.*

## MESSAGES FROM THE HOUSE

At 2:37 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 65. Joint resolution proclaiming Raoul Wallenberg to be an honorary citizen of the United States, and requesting the President to ascertain from the Soviet Union the whereabouts of Raoul Wallenberg and to secure his return to freedom.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 106. A concurrent resolution to provide for the printing of the brochure entitled "How Our Laws Are Made".

## HOUSE CONCURRENT RESOLUTION REFERRED

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 106. A concurrent resolution to provide for the printing of the brochure entitled "How Our Laws Are Made"; to the Committee on Rules and Administration.

## APPLICATIONS CALLING FOR CONSTITUTIONAL CONVENTIONS

(Applications calling for a constitutional convention, received since 1974, are as follows:)

ABORTION

State, date received by the Secretary of Senate:
Alabama, May 7, 1980.
Arkansas, May 17, 1977.
Delaware, June 9, 1978.
Georgia,[1] March 8, 1979.
Idaho, March 21, 1980.
Indiana, February 22, 1977.
Kentucky, March 22, 1978.
Louisiana,[2] July 22, 1976.
Massachusetts, May 23, 1977.
Mississippi, February 26, 1979.
Missouri, May 5, 1975.
Nebraska, May 3, 1978.
Nevada, June 25, 1979.
New Jersey, April 5, 1977.
Oklahoma, April 24, 1980.
Pennsylvania, April 25, 1978.
Rhode Island, May 17, 1977.
South Dakota, April 19, 1977.
Tennessee, May 1, 1980.
Utah, May 2, 1977.

[1] Adopted by Georgia House of Representatives only.

[2] Received by U.S. House of Representatives only.

BALANCED BUDGET

State, date received by the Secretary of the Senate:
Alabama, March 13, 1979.
Arizona, April 10, 1979.
Arkansas, March 8, 1979.
Colorado, April 5, 1979.
Delaware, February 25, 1976.
Florida, March 1, 1979.
Georgia, February 6, 1976.
Idaho, March 1, 1979.
Indiana, May 1, 1979.
Iowa, June 18, 1979.
June 25, 1979.
Kansas, May 18, 1978.
Louisiana, July 13, 1978.
July 19, 1979.
Maryland, January 28, 1977.
Mississippi, April 29, 1975.
Nebraska, March 7, 1979.
Nevada, January 29, 1980.
New Hampshire, May 15, 1979.
New Mexico, March 1, 1979.
North Carolina, February 6, 1979.
North Dakota, May 3, 1979.
Oklahoma, May 2, 1978.
Oregon, March 21, 1979.
Pennsylvania, March 12, 1979.
South Carolina, May 26, 1978.
South Dakota, March 1, 1979.
Tennessee, April 25, 1978.
Texas, August 15, 1978.
March 1, 1979.
March 15, 1979.
Utah, March 8, 1979.
Virginia, March 29, 1976.
Wyoming, May 15, 1978.

SCHOOL BUSING

State, date received by the Secretary of Senate:
Kentucky, September 8, 1975.
Massachusetts, April 5, 1978.

FEDERAL JUDICIARY

Delaware, February 2, 1978.
Tennessee, April 25, 1978.
Alabama, September 14, 1981.

PRESIDENTIAL VETO

Tennessee, June 29, 1977.

REPEAL OF 16TH ARTICLE OF AMENDMENTS TO CONSTITUTION

Arizona, May 21, 1979.

STATE LAW VERSUS FEDERAL REGULATION

Louisiana, July 17, 1979.

WITHHOLDING OF FEDERAL FUNDS

Arizona, May 14, 1980.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOMENICI, from the Committee on the Budget, without amendment and without recommendation:

S. Res. 203. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 10.

By Mr. HATFIELD, from the Committee on Appropriations, with amendments:

H.R. 4121. An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1982, and for other purposes (Rept. No. 97–192).

## EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. ROTH, from the Committee on Governmental Affairs:

Charles A. Bowsher, of Maryland, to be Comptroller General of the United States for a term of fifteen years.

THE NOMINATION OF CHARLES A. BOWSHER

REPORT TO THE SENATE

The Committee on Governmental Affairs, to which was referred the nomination of Mr. Charles A. Bowsher, of Washington, D.C., to be the Comptroller General of the United States, having considered the same, reports favorably thereon and recommends that the nomination be confirmed subject to the nominee's commitment to respond favorably to requests to appear and testify before any duly constituted committee of the Congress.

SUBMISSION OF NOMINATION

The Senate formally received the nomination of Charles A. Bowsher, of Washington, D.C., to be the Comptroller General on August 19, 1981. The nomination was subsequently referred to the Committee on Governmental Affairs.

EDUCATION AND EXPERIENCE OF MR. BOWSHER

Mr. Bowsher spent his undergraduate years at the University of Illinois, where he finished with a Bachelor of Science Degree in 1953. He then studied Business Administration at the University of Chicago. He was granted an M.B.A. in 1956. In 1957, the nominee was certified as a Public Accountant.

After receiving his degree from the University of Illinois, and while pursuing his Masters at the University of Chicago, Mr. Bowsher held two different positions. In 1953, he worked with the Internal Audit Staff of the Chrysler Corporation for a short period of time before joining the U.S. Army as a private. He was in the Army from 1953 until 1955, when he left the service with a rank of Private First Class.

Mr. Bowsher has spent the majority of his career with Arthur Andersen & Company. He commenced his service with the firm in 1956, and became a partner in 1967. At that time he was working with the Chicago office. In 1967 he left the firm to come to Washington to serve as the Assistant Secretary of the Navy for Financial Management with the Johnson Administration. He remained in that position through the early years of the Nixon Administration until returning to Arthur Andersen in 1971.

Mr. Bowsher is married to the former Mary C. Mahoney. They have two children—Kathryn who is now 16 years old and Stephen, who is presently 13.

COMMITTEE ACTION

Under procedures established by the Committee for considering nominations, a detailed biographical and financial information questionnaire was submitted to Mr. Bowsher. The Committee also requested that the nominee respond to pre-hearing questions in writing. These questions concerned both substantive policy matters relating to the mission of the General Accounting Office and specific actions Mr. Bowsher intends to take as Comptroller General of the U.S. Both the biographical information and the responses to the prehearing questions are appendices to this report. It is the policy of the Committee that a nominee's financial disclosure statement is not reproduced or published. However, this information is retained in the Committee offices for inspection by the public.

Also enclosed as an appendix to this report is a description of the duties of the Comptroller General and Summary of the duties and activities of the General Accounting Office.

Committee procedures call for an independent review of a nominee's background. This includes a review of any investigative reports compiled concerning the nominee, including the Federal Bureau of Investigation's summary report on the background of the nominee and an interview with the nominee. All of these requirements were met during the Committee's investigation, and a confidential staff report, which concluded that no further investigation is necessary, was filed with the Chairman and the Ranking Minority Member and made available to all other Members of the Committee.

On September 17, 1981, Mr. Bowsher appeared before the Committee on Governmental Affairs to testify on his appointment to be Comptroller General of the United States.

COMMITTEE RECOMMENDATION

Based on its review of the nominee's responses to the biographical and financial questionnaire, the FBI investigative report, the responses to the prehearing questions, personal interview with the nominee, and the testimony and responses to questions at the hearing itself, the Committee believes that Mr. Bowsher is well qualified by reason of training, education, experience and integrity to be the Comptroller General of the United States.

ROLLCALL VOTE IN COMMITTEE

On September 18, the Chairman took a vote to recommend that the nomination of Charles A. Bowsher to be Comptroller General of the United States be confirmed. The response was as follows:

Yeas: Senators Roth, Percy, Stevens, Cohen, Durenberger, Mattingly, Rudman, Eagleton, Chiles, Nunn, Glenn, Sasser, Pryor, and Levin.

Nays: 0

A. BIOGRAPHICAL INFORMATION

1. Name: Charles A. Bowsher.

2. Address: 4503 Boxwood Road, Washington, D.C. 20016.

3. Date and Place of Birth: May 30, 1931, Elkhart, Indiana.

4. Marital Status: Married. Mary C. Mahoney.

5. Names and ages of Children: Daughter—Kathryn M. Bowsher—16 years; Son—Stephen C. Bowsher—13 years.

6. Education: University of Illinois, Bachelor of Science, 1953; University of Chicago, M.B.A., 1956; Certified Public Accountant (CPA), 1957.

7. Employment Record: 1953—Chrysler Corporation, Internal Audit Staff; 1953–55—U.S. Army; 1956–67—Arthur Andersen & Co., Partner, 1967–69—West Washington, Chicago, Ill.; 1967–71—Assistant Secretary of the Navy (Financial Management), The Pentagon, Washington, D.C.; 1971–81—Arthur Andersen & Co., Partner, 1666 K Street, N.W., Washington, D.C.

8. Government Experience: 1953–55—U.S. Army (Private to Private First Class); 1967–71—Assistant Secretary of the Navy (Financial Management).

In November, 1967, I was nominated by President Johnson as Assistant Secretary of the Navy (Financial Management). I was confirmed by the U.S. Senate and assumed that office on December 18, 1967. I was reappointed by President Nixon and served until June 30, 1971, when I resigned to return as a Partner of Arthur Andersen & Co.

As the Assistant Secretary of the Navy (Financial Management), I had the responsibilities of the Comptroller and Chief Financial Officer. This included direct supervision of an annual budget of over $20 billion, a budget department of 250 people, an accounting and systems department of 4,500, and an internal audit staff of 500. In addition, I had the coordination responsibility for both the Senate and House Appropriations Committee, the Office of Management and Budget, and the General Accounting Office.

1971–81—As Managing Partner of Arthur Andersen & Co.'s Government Services Industry Program and Chairman of the American Institute of Certified Public Accountants (AICPA), Executive Committee on the Federal Government, I have spent a decade working with and advising government leaders on financial and general management problems at the national, state and local levels.

I have been instrumental in Arthur Andersen's efforts to encourage public discussion on the need for sound financial reporting within the public sector. In 1975, Arthur Andersen & Co. initiated a research project to review the financial reporting of the Federal government. A summary of findings, conclusions, and an illustrative set of consolidated financial statements for the United States Government was published in a booklet entitled Sound Financial Reporting in the Public Sector. In 1976, the firm published a second booklet, entitled Sound Fiscal Management in the Public Sector, which raises some of the questions and issues that should be considered by public officials, civic groups, and concerned citizens to assess whether their government has adequately met the requirements of sound fiscal management. I was the supervisory partner on both of these efforts.

I had firm-wide responsibility for engagements involving compliance with the new election laws and supervised the writing and publication of the firm's booklets, Financial Management Systems for Political Campaigns and Audit Criteria for Federal Political campaigns. During the Presidential campaign of 1976, Arthur Anderson & Co. was appointed accountants and auditors for both President Ford and President Carter. In 1978, we performed a review of the audit process for the Federal Election Commission. In 1980, we assisted President Carter's and President Reagan's campaigns.

I have supervised many professional engagements in the public sector. Two of the more important engagements involved work with New York City and the District of Columbia. Arthur Andersen & Co. was retained to advise the Secretary of the Treasury of the United States on various financial and accounting matters with respect to the "New York City Seasonal Financing Act." I also supervised the engagement that the firm conducted for the U.S. Senate Committee on the District of Columbia.

Since 1971, I have also supervised engagements for the Department of Interior, the Department of the Treasury, the Price Commission (Phase II), the Federal Energy Office (FEO), the General Accounting Office (GAO), the Agency for International Development (AID), the Federal Reserve System and AMTRAK.

I served on the Advisory Committee to the Secretary of Health, Education and Welfare (HEW) and Commissioner of Social Security on Medicare Administration in 1973–74.

I served as a member of the Secretary of the Navy's Navy and Marine Corps Acquisition Review Committee (NMARC), and a member of the Deputy Secretary of Defense Acquisition Advisory Group in 1974–75.

I served on an Advisory Committee to the

Administrator of the General Services Administration (GSA) in 1978.

9. Business Relationships: I have been associated with Arthur Anderson & Co. for 25 years (as a Partner since 1967) except for the three and one-half year period I served in the Federal government as Assistant Secretary of the Navy.

Our firm and professional ethics prohibit partners of CPA firms serving as directors/officers of other business oganizations.

During my career with Arthur Andersen & Co., I have served as a consultant to many large, medium and small business clients, plus a significant number of non-profit clients.

10. Memberships: American Institute of Certified Public Accountants (AICPA); Chairman—Federal Government Executive Committee; Chairman—Subcommittee, Relations with the General Accounting Office (GAO); Chairman—Subcommittee, Federally Assisted Programs, National Security Industrial Association (NSIA); Trustee, Member of Executive Committee; and Chairman, Finance Committee.

Alumni Council—University of Chicago Graduate School of Business; Alumni Board—Pi Kappa Alpha (University of Illinois); Past Chairman of Board of Visitors—Defense Systems Management School; Past Member of Public Sector Advisory Committee, Metropolitan Washington Board of Trade.

11. Political affiliations and activities: I have not held office with a political party nor have I been a candidate for any public office. Arthur Andersen & Co. has been the auditors for the Republican National Committee and the Democratic National Committee since 1973. In addition, the firm has provided professional services to Republican and Democratic candidates in Presidential, Senate and House races.

12. Honors and Awards: Navy Distinguished Public Service Award (1969 and 1971); Department of Defense Distinguished Public Service Award (1971).

13. Published Writings: The Federal Budget, Cost-Based in the 1980's (With Arthur Schoenhaut and Rear Admiral Stanley S. Fine, USN (Ret.)).

Federal Taxation of Political Activities (1980);

Financial Management Guide for Federal Elections (1979);

Some Thoughts on Financial Audits in the Public Sector (1979);

The Wage/Price Program (1979);

Sound Fiscal Management in the Public Sector (1976);

Sound Financial Reporting in the Public Sector (1975);

Federal Tax Aspects of the Political Process (1975);

Audit Criteria for Federal Political Campaigns (1974); and

Financial Management System for Political Campaign (1972).

14. Speeches: The Federal Budget—Cost-Based in the 1980s; Some Thoughts on Financial Audits in the Public Sector; Sound Financial Reporting in the Public Sector; Sound Fiscal Management in the Public Sector; Financial Management Guide for Federal Elections; and Federal Taxation of Political Activities.

15. Selection: a. Do you know why you were chosen for this nomination by the President?

I was chosen for the Comptroller General position from a list of eight candidates selected by the Congressional Commission. I believe the President reviewed the background and qualifications of all eight candidates and selected me on the basis of my qualifications.

b. What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

I have had twenty-five years of professional experience both in the private sector and in the public sector. I have previously served as Assistant Secretary of the Navy for nearly four years and have served as a consultant an advisor to government at all levels during the past ten years.

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RESPONSES OF CHARLES A. BOWSHER

I. NOMINATION PROCESS AND POTENTIAL CONFLICTS

*Question 1.* Were any conditions, expressed or implied, attached to your nomination to be the Comptroller General?

Answer. There were no conditions, in any manner or form, attached to my nomination to be the Comptroller General.

*Question 2.* What commitments have you already made with respect to the policies and programs you will attempt to implement as Comptroller General?

Answer. I have made no commitments to any policies or programs I will attempt to implement as Comptroller General. When the President nominated me, however, he stressed the importance of the Office of the Comptroller General and the need for me to objectively assure that, through GAO's work, the government would be better accountable to the public for proper and effective expenditure of their tax dollars. I am committed to that policy, a policy which the past Comptroller Generals have also effectively adhered to.

*Question 3.* Are there any issues involving GAO from which you may have to disqualify yourself? If so, please explain.

Answer. At this time I cannot identify any particular matter that is likely to pose a conflict of interest. However, my duties as Assistant Secretary of the Navy (Financial Management) from 1967–1971 and as managing partner of Arthur Andersen's Government Services Industry Program brought me into close contact with the fiscal and procurement problems of various Federal agencies and State and local governments. To the extent that GAO audits may address those particular problem areas, it is possible that my personal involvement in a particular matter may give rise to an appearance of a conflict of interest.

If confirmed as Comptroller General, I would recuse myself from direct involvement in, or giving advice on, the specifics of any particular matter in which I participated personally and substantially as Assistant Secretary of the Navy and as a partner in Arthur Andersen & Co. I do not believe that this recusal need extend to matters of a general policy or rule making character, nor do I anticipate that the necessity to recuse myself from a particular matter will interfere with my fulfilling the obligations of the Office of the Comptroller General.

Insofar as my retirement and insurance arrangements with Arthur Andersen are concerned, I believe that those continuing financial interests are too remote to affect the integrity of my service as Comptroller General. Accordingly, I have requested a waiver from Mr. Fielding, Counsel to the President, as authorized by law, to obviate any conflict of interest impilcations rgearding any particular matters in which I may become involved which concern Arthur Andersen & Co.

*Question 4.* What special talents do you feel will make you particularly effective as Comptroller General?

Answer. I have had twenty-five years of professional experience both in the private sector and in the public sector. I have previously served as Assistant Secretary of the Navy for nearly four years and have served as a consultant and advisor to government at all levels during the past ten years.

II. RESPONSIBILITIES OF THE COMPTROLLER GENERAL

*Question 1.* What do you believe are the most important functions of the position to which you have been nominated?

Answer. The fundamental underlying strength of GAO as an important agency of government lies in its credibility as an objective, non-partisan analyst and reporter of conditions surrounding government program administration and design. I believe the most important function of the Comptroller General is to assure that the GAO effectively assists the Congress in its oversight of the management of government operations while maintaining the public's confidence and respect in the non-political, objective nature of the analyses provided under his leadership.

There are many other critical functions of the Comptroller General:

Being the final arbiter within government as to the legality of a wide range of public expenditures.

Prescribing accounting principles and standards and related requirements for executive agencies and approving executive agency accounting systems.

Being a spokesman in various forms for efforts to improve generally the management of government institutions.

Being the leader of the dedicated core of men and women of the GAO and the concomitant responsibility to assure that the GAO staff is the best possible to effectively fulfill its mission.

All these functions need to be carried out in a way that enhances the usefulness of the GAO to the Congress as an objective voice within government reporting on how well the government works.

*Question 2.* How do you envision the relationship and responsibilities of GAO to a) the President b) the Congress c) other executive branch agencies?

Answer. GAO must continually concern itself with how the executive branch carries out congressional intent. The relationship of GAO to the President is essentially through his administrative agencies. GAO has to be able to carry out effective, objective analyses of the operations of the executive branch to provide the Congress information that it can use in its various legislative roles. In assessing the extent to which agencies carry out congressional intent GAO should also try to bring about improvements in the operations of the federal government. Thus, in its relations with the executive branch GAO must operate in an arms-length fashion to assure that it can be an objective, constructive critic. But, if GAO is to be successful in bringing about improvements in government, it must also be practical and relevant regarding the problems and issues faced by the executive branch.

It is essential that GAO officials have interaction with executive branch officials. While GAO has no responsibility to implement executive branch policies and programs, it must have an indepth understanding of the problems related to implementation of such matters so that it can be an effective mechanism for improving the operations of the government. A positive, constructive, yet arms-length relationship with the executive branch of government facilitates GAO's mission. For example, to be most effective, GAO's standards for accounting and auditing need to be developed in a spirit of partnership with the agencies that must use them. To help improve management in the government GAO needs to have good working relationships with OMB and to continue its support for such efforts as the Joint Financial Management Improvement Program.

GAO is an organization that reflects the checks and balances the founding fathers envisioned when they drafted the constitu-

tion. Yet, even with the necessary checks and balances among the three branches of government, we must keep in mind that we all work toward the common good. I believe the relationships that the GAO should have with executive branch should take place within that broad fundamental precept of our government.

I understand that GAO has a good, close working relationship with congressional committees and their staffs and I would continue to encourage GAO staff to maintain those relationships. Whether by request of a committee or Member, or pursuant to GAO's basic statutes, GAO should strive to meet the current and foreseeable needs of the Congress. Thus, it is fundamental that GAO cannot be an effective support agency of the Congress unless it is carrying out work that is directly related to the responsibilities provided it in its basic statutes and which is useful to the Congress.

My reading of GAO's basic legislation indicates that the Congress envisioned the GAO being able to provide it a wide range of legal, auditing, and evaluative services all related to enabling the Congress to more effectively carry out its legislative, appropriation, and oversight responsibility. The statutes also make clear that GAO is to be a non-partisan, objective reporter to the Congress. Thus, the GAO has a responsibility to the Congress to assure that its reports and analyses are well-reasoned and objective, and can be used by all parties to a debate on an issue to provide them useful information with which to reach decisions.

*Question 3.* What do you feel the most important accomplishments of GAO have been in the past several years

Answer. Not having been intimately involved with the General Accounting Office it is difficult for me to answer this question other than on the basis of my general knowledge of the GAO and its role in government. But, as an observer of the operations of government it has been clear to me that GAO has been an effective force in improving the operations of the government. It is also clear that as the Congress has become more sophisticated in its analyses of legislative matters, the GAO has played a more extensive role in assisting the Congress to effectively fulfill its responsibilities. GAO has also been an effective, constructive critic of government operations and appears to me to have played an important role in bringing about improvements in government operations by publicly reporting on issues and problems. Its ability to provide the Congress and the public extensive information on the way in which government programs have operated has, in no small part, been an effective catalyst to spur government officials to correct many inefficiencies that otherwise may not have even come to their attention.

*Question 4.* What do you feel the greatest shortcomings are in the record of the General Accounting Office?

Answer. Again, it is difficult for me to comment in depth about this matter because I have not been intimately involved with the operations of the GAO. But, as a former official in the Department of Defense and through other readings and contacts, I already know of two concerns that I intend to address. One is to provide the Congress better assurance that GAO effectively follows up on recommendations it makes to the executive branch. GAO should not view itself merely as a reporter of events. It should have a continuous concern to assure that its work results in more effective operations of the government.

GAO also needs to assure that its work is timed to key in closely to the decisionmaking timeframes of the Congress or indeed the executive branch officials who must act on GAO's work. I intend to give this matter great attention because GAO cannot be an effective force in government if the information it is developing is not presented to either the congressional or executive officials within the timeframes that are most useful to them.

*Question 5.* You have had extensive experience in the private sector. What do you feel the public can learn from non-government organizations?

Answer. Two key factors to success in the private sector are the efficient use of your resources and delivering a quality product on a timely basis. Timeliness and quality of the reports are two areas in which I intend to devote considerable time during my first few months as Comptroller General. I believe it is important that the General Accounting Office and all government agencies have as great a concern about productivity as the private sector. It is important that we use valuable resources, namely our people, on an efficient and effective basis. I hope to determine if we can prepare our reports in a more concise manner and in a format that would be more readable to the members of Congress and to the public.

I also plan to ask the staff to be alert to present government regulations and government operations that place an unduly burdensome cost on the private sector. Government regulation is certainly appropriate in certain areas of the private sector, but even when it is necessary, it should be done in a manner that requires the minimum cost to our private firms.

III. THE FUTURE OF GAO

*Question 1.* Do you, as the nominee for the position of Comptroller General, have any plans to reorganize the General Accounting Office? If yes, please explain.

Answer. I am not yet familiar enough with the organization or operations of the GAO to state whether or how I will reorganize the Office. I intend to carefully review the operations of the GAO before I implement any major changes.

*Question 2.* Congress relies extensively on the investigations of the General Accounting Office and its reviews of all programs and procedures of all government agencies. What do you feel can be done to make these investigations even more valuable?

Answer. It is critical to me that GAO's work be of value to the Congress. It must be timely, clearly written, and concise in terms of the actions it recommends. If the Members of the Committe have any other views or suggestions that they believe could make GAO's work more valuable to them I would welcome the opportunity to discuss them.

*Question 3.* There has been some problem in the past with fragmentation within the GAO. It seems at times that many people and many different departments have been looking into the same issue at the same time. Do you feel that this is a problem? What do you think could be done to help correct the problem?

Answer. It does appear that there have been some problems with the way GAO has addressed certain areas, and I am concerned with this problem. It is obvious that the issues and problems that the government deals with are very complex. It is not always possible to clearly distinguish whether a certain problem or issue clearly falls within the jurisdiction of a particular entity within an organization. For example, the government's concern about energy shortages involves not only the Energy Department policies but tax policies, land development policies, defense issues, and foreign policy issues, just to mention five. The Executive and Legislative branches both have problems focusing on the interrelationship. Some overlap is necessary to recognize and understand the interrelationships.

I will try to assure that GAO's efforts are effectively coordinated so that its resources are deployed in an efficient manner.

*Question 4.* Timeliness is, in fact, one of the biggest complaints heard about GAO. What do you plan to do to improve the response time of GAO to congressional requests?

Answer. As I said in a response to an earlier question, even on the basis of my general knowledge of the GAO, it is apparent that many people are concerned about its ability to respond to the information needs of the Congress in a timely manner. I intend to give this matter close attention. It is my understanding that GAO's most frequent form of communication with the Congress is informal briefings and meetings that its staff have with the staff of the Committees and Members. I strongly endorse the continued efforts to explore different ways by which GAO can communicate its findings to the appropriate congressional Committees and Members so that they can have the information when it is most useful to them.

The time it takes to do a job is secondary compared to delivery of information on time for decisionmaking. It often takes time to do high quality work that involves gathering and analyzing extensive empirical data. Such efforts have to be well planned so they are completed on time for the decisionmakers. I intend to examine closely how GAO carries out its work to see if there are actions that could be taken to streamline the policies and procedures of the GAO so that its work can be most responsive to the needs of the Congress.

*Question 5.* We have entered an era in which federal spending is likely to be reduced rather than expanded. If the demand for fiscal restraint continues, GAO's role must change from that it has had in previous years when federal program funding levels were continuously rising. What is GAO's role in this period of reduced federal funding levels?

Answer. GAO, pursuant to its basic statutes, will always have an important role to play in terms of advising the Congress how efficiently and effectively federal programs are being carried out, regardless of the level at which they are funded. The current debate about spending levels deals with how much the budget should be increased, not by how much it could actually be reduced. So GAO will continue to have an important role in assisting the Congress oversee the way the executive branch spends an increasing, absolute amount of tax dollars.

However, there will undoubtedly be a need for GAO to reassess its audit and evaluation approach if more federal funds are provided to states and local governments through the block, as opposed to categorical, grant method. GAO's primary responsibility should be to serve the Congress in its oversight role and to carry out audits that are consistent with the audit authority granted GAO in the statutes. I would expect the GAO staff to discuss with the appropriate congressional committees their concerns and information needs before undertaking work in programs that have undergone drastic changes either in terms of funding levels or in the way in which funds are provided.

I can assure you that GAO will not consider that it is business as usual when it undertakes audits and evaluations of any new block grant programs. GAO should be attentive to the changing relationships that may evolve between the federal and state and local governments. But GAO's concern that government be accountable to the public for the expenditure of their tax dollars should not change. What may well change is how that accountability is defined and the focus of responsibility for assuring that accountability. I look forward to working with the Congress to design accountability requirements tailored to accomplishing the goals

articulated by the statutes and the committees of the Senate and the House.

*Question 6.* GAO has an extensive clearance process for its reports to Congress. This enormous review process has two effects; it increases the time necessary for preparation of GAO reports and it encourages the development and release of possibly less critical reports. Is this matter a serious problem in your view and if so, what are your plans to change the process?

Answer. It is difficult to give a detailed answer to this question without having been involved in the operations of the General Accounting Office. However, I am concerned if GAO has a clearance process for its reports that adversely affects the presentation of timely information to the Congres and intend to give this matter close attention.

I am not aware that there has been any substantiation to concerns that GAO's review process results in reports that are less critical than they might have otherwise been. Indeed, I am aware that the Brooks Committee review of GAO in 1978 noted that in the cases the staff traced they found no instances where changes or deletion of material dictated by higher level or other review officials resulted in watering down GAO reports. The Committee did report instances in which supplementation or strengthening of findings resulted from input triggered by the review process.

My concern would be that any review process assure that the findings, conclusions, and recommendations are supported by the evidence brought to bear. GAO should say no more and no less than what it can support, and should have the minimum levels of review needed to produce quality, timely products. I can assure the Committee that these matters will be of continuing concern to me.

*Question 7.* There have been several studies which have described the potential conflicts between GAO, CRS, and other congressional support agencies. What do you see as GAO's role in comparison to CRS and OTA? How might coordination and potential conflict between these agencies be minimized?

Answer. The legislative branch support agencies, the Congressional Budget Office, Congressional Research Service, General Accounting Office, and Office of Technology Assessment, all perform different roles for the Congress. In general, GAO evaluates the effectiveness and efficiency of existing programs and agencies on the basis of information and evidence gathered at the site of delivery of programs, CBO analyzes alternative fiscal, budgetary, and programmatic policies, OTA provides assessments of the impact of technological applications, and CRS provides information, reference and research work on a broad range of issues. The other legislative support agencies usually respond exclusively to requests of Committees and Members. The Congress looks to GAO as the independent evaluator of the operations, programs, and management of the executive branch.

I understand that, in response to congressional concerns, the agencies have developed a series of processes to coordinate their respective efforts. The best way to assure that there is effective coordination is for there to be good communication among the staff of the four agencies working in the same general areas. I intend to meet soon with the heads of the other three agencies to obtain their views regarding the adequacy of coordination and cooperation to assure that potential conflicts are minimized.

*Question 8.* GAO has concentrated on assessing the efficiency of programs and ways to improve administrative process more than on evaluating results and the consequences of such findings. Do you think that this approach presents any problems? If so, how do you believe the problems should be approached?

Answer. It is relatively easier to identify and deal with problems of administrative efficiency and to recommend and achieve actions to correct them than it is to identify and correct problems uncovered when reviewing the results of programs. Problems related to program results tend to be more directly related to program goals and objectives, as well as to program designs—areas that are often difficult to change.

But GAO should do both types of jobs. The information the Congress needs at various times varies with the decisions it must make. During the appropriation process it is essential that GAO be able to provide the appropriate committees information on how program efficiencies can be realized so federal funds can be spent more effectively. During the program authorization and oversight process it is essential for GAO to be able to provide the appropriate congressional committees information concerning the results of programs and what alternatives may be available to the Congress to better realize legislative intent of the programs being reviewed.

I shall assess GAO's efforts to assure that the Office is capable of effectively meeting the diverse information needs of the Congress as it deals with the complex issues of today. I do not believe GAO should concentrate on any single type of effort. Rather, it must be able to meet whatever demands and responsibilities the Congress gives to it so the Congress can more effectively carry out its responsibilities.

*Question 9.* GAO has evolved from an agency with almost sole interest in accounting and bookkeeping to a much more diverse agency with an active role in overall good government. Do you expect this trend to continue, or do you feel that GAO should return its focus to its more basic accounting functions?

Answer. I believe it would be a mistake to turn the clock back and have GAO focus solely on its basic accounting functions. The nature of government and the issues that must be dealt with have changed greatly since the GAO was established in 1921. GAO's role, as defined in various statutes, has evolved along with the way the Congress deals with problems and issues. Were GAO to narrow its focus, the Congress would lose a valuable source of information and analysis to deal with the complex issues facing it. But, it is very important that GAO increase its efforts to bring about improved financial management in the executive agencies. I intend to pay special attention to GAO's efforts in this area.

IV. RELATIONS WITH CONGRESS

*Question 1.* As you well know, GAO is a part of the legislative branch of the government. Do you feel that there is any lack of independence from the Congress due to this close association? In the event that a Member of Congress were to make a request, and that particular person is known to have a special interest in the given area, do you feel that the substance of the report could be influenced, especially since GAO is dependent upon the Congress for its funding?

Answer. GAO initiates many jobs at the request of congressional committees or Members. Thus, it is appropriate that Members be able to influence the subjects GAO studies. But how GAO studies a subject and what it reports as its findings, conclusions, and recommendations, are dictated by GAO policies and procedures. To have it any other way would compromise the objective, nonpartisan nature of the GAO.

*Question 2.* As you know, this committee has oversight jurisdiction of the General Accounting Office and we intend to exercise this responsibility.

Do you agree without reservation to respond to any reasonable summons by this committee to provide such information as required and to appear and testify if you are confirmed?

Answer. Yes.

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THE OFFICE OF THE COMPTROLLER GENERAL

The Comptroller General is the principal officer of the General Accounting Office, which was created as an arm or agent of the Congress. The Comptroller General is directly responsible to the Congress.

The Comptroller General is appointed by the President with the advice and consent of the Senate. The law provides that the Comptroller General shall hold office for 15 years, and shall be subject to removal only by joint resolution of the Congress for specified causes or by impeachment. The Comptroller General is not eligible for reappointment.

Pursuant to provisions of the General Accounting Office Act of 1980, a new procedure was initiated to nominate the sixth Comptroller General. A congressional commission recommended individuals to the President for appointment to the Office. The commission consists of the Speaker of the House of Representatives, President pro tempore of the Senate, majority and minority leaders of the House of Representatives and the Senate, and the chairman and ranking minority member of the Committee on Government Operations of the House of Representatives and of the Committee on Governmental Affairs of the Senate. The commission was required to submit to the President for consideration the names of not less than three persons.

THE GENERAL ACCOUNTING OFFICE

The General Accounting Office (GAO) headed by the Comptroller General of the United States, was created by the Budget and Accounting Act in 1921, independent of the executive departments, to assist the Congress in its legislative and oversight functions. GAO, on the basis of on-site evaluations of how government programs operate, provides the Congress information and recommendations to help it determine (1) the levels at which Federal programs should be funded, (2) how programs could be operated more efficiently and effectively, and (3) whether programs are achieving intended results. GAO's basic responsibilities have been modified by numerous statutes since 1921.

The more significant of these include the Corporation Control Act of 1945 (31 USC 841 et seq.), the Legislative Reorganization Act of 1946 (31 USC 60), the Federal Property and Administrative Services Act of 1949 (40 USC 486–487), the Accounting and Auditing Act of 1950 (31 USC 65 et seq.), the Legislative Reorganization Act of 1970 (31 USC 1151 et seq.), the Congressional Budget and Impoundment Control Act of 1974 (31 USC 1400 et seq.), and the General Accounting Office Act of 1980 (Pub. L. 96–226 amending 31 USC 42, 53, 54, 67).

PRINCIPAL FUNCTIONS

As a legislative branch agency, and pursuant to provisions of law, the General Accounting Office performs the following principal functions:

Audits and Evaluations of Programs, Activities, and Financial Operations of Federal Departments and Agencies and their Contractors and Grantees:

GAO is required by its basic statutes to review the operations of essentially all Government agencies. GAO is also required by statute to perform audits and evaluations at the request of Committee Chairmen. Thus, GAO has the dual role of directly assisting the Congress through requested efforts as

well as independently auditing and evaluating Federal agencies and programs to provide the Congress information on their economy, efficiency, and effectiveness.

GAO's audits and evaluations answer questions on how Federal resources are managed, controlled and accounted for; how economically programs are carried out; and whether they are meeting intended objectives.

Where practical, or appropriate, reports on GAO audits and evaluations include recommendations to the Congress and to executive branch agencies on how the economy, efficiency or effectiveness of Federal programs can be improved.

To carry out its audit and evaluation responsibilities, GAO representatives are authorized broad access to books, documents, papers and records. The General Accounting Office Act of 1980 strengthened GAO's authority to enforce its statutory right of access to records at both Federal agencies (through litigation authority) and private contractors (through subpoena authority) (Section 102 of Pub. L. 96–226 amending 31 USC 54).

Substantive Support to Congressional Appropriations, Authorization and Oversight:

Pursuant to law, GAO provides advice and assistance to congressional committees to assist them in fulfilling their legislative and oversight responsibilities. At the request of a Committee Chairman, the Comptroller General or other GAO representatives testify on proposed legislative actions, relevant GAO reports or other Office issuances, and provide program-related questions to ask of prospective witnesses.

On request, GAO provides committees with comments on proposed legislation or proposed changes in legislation and assists in developing statements of legislative objectives and goals. Having firsthand knowledge of agency programs and activities, GAO objectively advises how a program can be expected to work out, whether a better alternative exists to meet program goals, and how the attainment of goals can best be evaluated.

GAO's reports to the Congress include recommendations for corrective legislation where GAO audit and evaluation work discloses that program economy, efficiency or effectiveness would be improved by changes to legislation.

Pursuant to provisions of law, GAO works with committees and Members of Congress to identify their needs for fiscal, budgetary, and program related information. It works with the Congressional Budget Office, the Treasury and the Office of Management and Budget to standardize terminology, definitions and classifications so that executive agency information systems will more directly support Congress' information needs.

Prescribing Accounting Principles and Standards and Approving Federal Agencies' Accounting Systems:

The Comptroller General is required by law to prescribe principles, standards and related requirements for accounting by Federal agencies. The agencies are responsible for developing and maintaining their accounting systems but those systems are to conform with GAO prescribed principles, standards and related requirements.

The General Accounting Office cooperates with the agencies in the development of their accounting systems, reviews those systems for adherence to GAO requirements, and approves them when they are determined to be adequate.

Comptroller General Decisions and Legal Opinions:

The Comptroller General is required by law to render decisions as to the legality of expenditures of public funds to heads of executive departments or independent agencies, or disbursing or certifying officers, who are authorized to apply for a decision upon any question involving a payment to be made by or under them or pursuant to their certification. In addition, many legal questions arise in the audit and settlement work of the General Accounting Office which require determination.

Under certain circumstances, contracting officers may request advance decisions on questions involving the awarding of a contract. Also, any bidder may request a decision on the legality of a proposed or actual award of a contract adversely affecting him.

By law, the decisions of the Comptroller General are final and conclusive on the executive branch of the Government and establish the validity of the individual payment and in some instances, the legality of entire programs.

GAO also issues advisory opinions to committees and Members of Congress to assist Congress in its legislative and oversight functions.

Review of Rescissions and Deferrals:

The Budget and Impoundment Control Act of 1974 requires the Comptroller General to review and report to the Congress the facts surrounding rescissions or deferrals of budget authority by executive agencies. As part of this function, GAO reports impoundments which executive agencies fail to submit to the Congress or submit with an incorrect classification.

Settlement of Accounts of Accountable Officers:

The General Accounting Office is responsible for settling the accounts of disbursing and collecting offices who are accountable for public funds and for making settlements with certifying officers when payments have been improperly certified.

Claims Settlement and Debt Collection:

By provisions of law, GAO settles claims by and against the government when the departments and agencies have not been given specific authority to handle their own claims, and when they involve (1) doubtful questions of law or fact (2) appeals of agency actions or (3) waivers of certain erroneous payments for pay, etc. GAO also endeavors to collect certain debts owed the Government when executive agencies are unable to collect them.

SUMMARY OF GENERAL ACCOUNTING OFFICE ACTIVITIES

Following is a summary of the activities of the General Accounting Office as they appeared in GAO's most recent annual report, which covered the fiscal year ended September 30, 1980; with additional information for fiscal year 1981.

During fiscal year 1980 GAO issued 935 reports on audits or special studies. About 76 percent of these were submitted to the Congress or to its committees and members. In addition, copies of many of the 221 reports addressed to Federal agency officials were also provided to interested committees or members.

During the first ten months of fiscal year 1981, GAO issued 818 reports, of which 77 percent were to the Congress or its committees and members.

For fiscal year 1980, GAO identified an estimated savings of $3.7 billion attributable to its work. It should be noted, however, that these dollar accomplishments, while impressive, are not the total—or even the most important—of GAO's accomplishments. Many savings resulting from management improvements frequently cannot be measured, nor can improvements which make programs work better, but not cheaper. (For fiscal years 1977 through 1980, congressional and agency actions on GAO recommendations saved $14.5 billion, or $20 for each dollar appropriated to GAO.)

Although fiscal year 1981 analyses are not yet completed, GAO already has identified an estimated savings of $5 billion attributable to its work.

In fiscal year 1980, GAO operating divisions received 679 requests from committees and 665 requests from Members for specific work. Nearly every committee and subcommittee has requested GAO to furnish information and assistance. Many requests from committees and Members concern information needed in their legislative and oversight roles. Others involve controversial matters affecting congressional districts and States. GAO also responded to 589 Member requests concerning claims by and against the U.S. Government involving Government contracts, employee pay and allowances, and travel and transportation.

From October 1980 to August 1981, GAO received over 450 requests from committees and 629 requests from Members for specific work. GAO also responded to 218 Member requests concerning claims by and against the U.S. Government involving Government contracts, employee pay and allowances, and travel and transportation.

The Comptroller General and his principal assistants testified before congressional committees on 178 occasions during fiscal year 1980. This compares to 69 occasions, five years ago and only 45, ten years ago. Such an increase recognizes GAO's growing ability and capacity to serve the Congress on critical issues, investigations, and pending legislation.

From October 1980 to August 1981, the Comptroller General and his principal assistants testified before congressional committees on 145 occasions.

On request, 89 GAO staff members were assigned during the fiscal year 1980 to staff of 18 committees and subcommittees. On request, 72 GAO staff members were assigned between October 1980 and August 1981.

During fiscal year 1980, GAO provided 169 reports on pending bills—86 to the Senate, 77 to the House, and 6 to miscellaneous units. Between October 1980 and August 1981, GAO received 170 requests from Congress to comment on pending legislation.

During fiscal year 1980, GAO performed assignments in the United States, Puerto Rico, the Virgin Islands, American Samoa, Guam, Midway and 65 countries. At any time, GAO had about 1,300 assignments underway. During the first ten months of fiscal year 1981, GAO had about 730 jobs underway.

GAO's Special Task Force for the Prevention of Fraud and Abuse, created in 1979, continues to accept reports of alleged fraud and waste on its national hotline. GAO's regional offices also respond to calls of this nature. In fiscal year 1980, about 12,000 calls were received on the hotline. Of these, 2,979 were referred for appropriate action. About 27 percent of the cases referred fell into the category of mismanagement, while 73 percent involved intentional wrongdoing.

From October 1980 through July 1981, the hotline had received 8,100 calls, 1,100 of which were referred for appropriate action.

During fiscal year 1980, GAO's Office of the General Counsel disposed of 5,301 separate legal matters involving procurement law, personnel law, transportation law, general government matters, and special studies and analysis. For the first ten months of fiscal year 1981, the Office handled 4,560 legal matters.

During fiscal year 1980, GAO approved 5 statements of accounting principles and standards in 5 agencies. GAO also approved the designs of 9 systems in 9 agencies. At year's end 297 of the 301 systems subject to GAO approval were covered by approved principles and standards, and 193 of the 301 specific system designs had been approved.

As of September 1981, GAO had approved the designs of six additional complete systems and segments of two others. However, the unapproved systems include some of the most important systems, many of which are in DOD and HHS, which account for the expenditure of over half of the Federal budget.

In fiscal year 1930, GAO settled 6,805 claims for $443.1 million. During the same period GAO disposed of 16,314 debt claims and collected over $4.7 million and granted 1,334 full or partial waivers of repayment of erroneous pay and allowances, out of 1,978 requests—a total of $3.0 million out of $4.3 million. From October 1980 through July 1981, GAO settled 5,346 claims for $404.9 million; disposed of 7,380 debt claims and collected over $2.8 million; and granted 902 full or partial waivers of repayment of erroneous pay and allowances, out of 1,082 requests—a total of $1.8 million out of $2.2 million.

During 1980 GAO continued its participation in the international arena by sponsoring its second International Auditor Fellowship Program. Participants were from Costa Rica, Egypt, Indonesia, Malawi, Malaysia, Nepal, Nigeria, Philippines, Saudi Arabia, Thailand, and Trinidad/Tobago. Over 200 foreign visitors, including many Auditors General visited GAO during fiscal year 1980.

The fiscal year 1980 appropriation for GAO was $204.3 million. Total operating expenses for the period were $197.3 million. Personnel compensation and benefits and travel comprised about 87 percent of the budget.

GAO's fiscal year 1981 appropriation, including the pay raise supplemental, was $221.1 million. Total obligations as of June 30, 1981, were $159.7 million. About 85 percent of that amount was for personnel compensation and benefits and travel.

As of September 30, 1980, GAO had 5,193 employees, a slight increase over last year. Of these, 4,164 or 80 percent were members of its professional staff. Not too many years ago relatively few professional staff members had backgrounds other than accounting, auditing and law. Employees from other disciplines now make up about 52 percent of GAO's staff. As of June 1981 GAO had 5,159 employees, of whom about 81 percent were professionals.

GAO's equal opportunity employment profile continued to improve as it hired, trained, and promoted minorities and women, who comprised 40 percent of its total work force in fiscal year 1980. As of June 1981 about 44 percent of GAO's work force was women and minorities.

From time to time statutes establishing special commissions or councils have named the Comptroller General as a member. In fiscal year 1980 he served as a member of the Advisory Council for the Office of Technology Assessment, the President's Management Improvement Council and the Chrysler Corporation Loan Guarantee Board. During the year the Comptroller General also served as Chairman of the Cost Accounting Standards Board, which completed its activities on September 30, 1980. Public Law 97-35, the Northeast Rail Review Act, makes the Comptroller General a member of the United States Railway Association's Board of Directors.

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. SASSER (for himself, Mr. ROBERT C. BYRD, Mr. STENNIS, Mr. RANDOLPH, Mr. HART and Mr. COCHRAN):

S. 1649. A bill to improve the highway bridge replacement and rehabilitation program; to the Committee on Environment and Public Works.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SASSER (for himself, Mr. ROBERT C. BYRD, Mr. STENNIS, Mr. RANDOLPH, Mr. HART, and Mr. COCHRAN):

S. 1649. A bill to improve the highway bridge replacement and rehabilitation program; to the Committee on Environment and Public Works.

NATIONAL BRIDGE IMPROVEMENT ACT OF 1981

● Mr. SASSER. Mr. President, today I am introducing legislation, S. 1649, to improve the Federal program for bridge repair and replacement. My bill, the National Bridge Improvement Act of 1981, would improve the procedures by which Federal funds for repairing or replacing bridges are allocated. It would also improve information on the condition of our Nation's bridges. These two provisions will make the most of limited Federal dollars available for this effort.

Bridge repair is an enormous task. We now have over 200,000 deficient bridges in the Nation. Repairing or replacing these bridges may ultimately cost $42 billion.

Unsafe bridges cause traffic deaths, injuries, and property damage in the case of bridge collapse, and add to fuel consumption, air pollution, and the cost of goods and services in the case of bridges being posted or closed.

S. 1649 is based on a recently released study by the General Accounting Office which reviewed the national bridge inspection and highway bridge and rehabilitation programs for their effectiveness. The GAO report concludes that current information about bridge conditions is inadequate, and that current procedures and standards necessary to allocate funds to those bridges most in need of attention do not exist. The GAO report stressed the importance of bringing about full compliance with bridge inspection standards and timetables.

Let me proceed to describe the components of the legislation.

The problem of targeting starts with the age and inadequacy of bridge inspection information on the sufficiency of bridge conditions. This bill would require the Department of Transportation to review and encourage the compliance of all States and Federal agencies with current national bridge inspection standards. Moreover, the standards would be improved by the Department. The time lapse allowed between inspections would be decreased, and the methodology for rating the sufficiency of bridges would be more precisely defined.

The targeting of funds within each State, as well as within the national "special bridge" discretionary program, needs to be tightened up. This legislation would revise the criteria for assigning priorities for bridge rehabilitation and replacement. Using these criteria, the Secretary will establish administrative guidelines for the States distribution of apportioned funds—with provisions guarding State administrative flexibility—and establish formal procedures for selecting bridges for funding under the national "special bridge" discretionary program.

In sum, this legislation would revise the criteria, priorities and selection processes for funding allocation so as better to concentrate limited funding on bridges most in need of repair or replacement, in accordance with the original intent of Congress when the bridge repair program and the inspection program were begun in 1968.

There are other provisions which would amend section 144 of the highway portion of the United States Code.

The bill would establish procedures to insure the rapid completion of the national bridge inventory, particularly in the case of bridges maintained by the Federal Government.

The bill would provide for a public information program so that citizens may find out the current status of any bridge they care to know of. Too much time is spent, both in Congress and by concerned citizens, when trying to find out local problems and hazards.

Finally, the bill would provide for a report to Congress to be prepared by the Department of Transportation on the implementation of this legislation. This report shall offer recommendations for improving State distributions of funds, inspection standard compliance, and the allocation of funds to off-system bridges.

This last topic is very crucial to the future of bridge repair fund targeting. Off-system bridges account for about 50 percent of the bridges in the Nation's inventory, and these bridges are generally in worse condition than Federal aid bridges. Many more off-system bridges were posted and closed, and about four times as many had sufficiency ratings of 50 and below. The average sufficiency rating of all off-system bridges was 59 compared to 76 for Federal aid bridges, and these unsafe bridges can effectively isolate rural residents and their businesses. In some cases, schoolbuses, service vehicles including ambulances, and commercial trucks have to be rerouted to avoid inadequate structures.

I believe it is time to consider giving the States more flexibility in targeting bridge funds, once the States are fully informed of their own bridge needs.

I would like, at this time, to thank my colleagues Senator ROBERT C. BYRD, Senator STENNIS, Senator COCHRAN, Senator RANDOLPH, and Senator HART, who have joined me by cosponsoring this legislation. I hope that others will join me in supporting this legislation which will add no more to the budget, but which will help resolve one of our worst transportation problems today.

Mr. President. I ask unanimous consent that the bill and a summary of a GAO report be printed in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 1649

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this

Act may be cited as the "National Bridge Improvement Act of 1981".

REFERENCES AND DEFINITIONS

SEC. 2. (a) Except as otherwise specifically provided, whenever in this Act a reference is expressed in terms of a section or other provision, the reference shall be considered to be made to a section or other provision, respectively, of title 23, United States Code.

(b) As used in this Act—

(1) the term "Secretary" means the Secretary of Transportation;

(2) the term "bridge" means a structure on which a highway crosses over waterways, other topographical barriers, other highways, and railroads;

(3) the term "highway" shall have the meaning provided in section 101(a);

(4) the term "Federal-aid system" shall have the meaning provided in section 101 (a);

(5) the term "improvement" includes replacement and rehabilitation;

(6) the term "deficient" means structurally deficient or functionally obsolete;

(7) the term "highway bridge replacement and rehabilitation program" means the highway bridge replacement and rehabilitation program established under section 144; and

(8) the term "national bridge inspection standards" means the national bridge inspection standards established under section 116(d).

FINDINGS AND PURPOSE

SEC. 3. (a) The Congress finds that—

(1) of the more than 515,000 bridges in the United States, almost four out of every ten are deficient;

(2) deficient bridges increase the potential for traffic deaths, injuries, and property damage, and add to fuel consumption, air pollution, and the cost of goods and services; and

(3) the total cost to replace and rehabilitate deficient bridges nationwide is rapidly approaching $42,000,000,000.

(b) The purpose of this Act is to make effective revisions of the highway bridge replacement and rehabilitation program in order to ensure the replacement and rehabilitation of the deficient bridges in the United States in a timely and efficient manner, the fair distribution of Federal funds within the various States for replacement and rehabilitation of bridges, and the compliance of the States with the national bridge inspection standards.

BRIDGE IMPROVEMENT PROGRAM

SEC. 4. The Secretary shall—

(1) revise, consistent with the provisions of section 144 (b) and (c), the criteria for assignment of priorities for bridge replacement and rehabilitation under such section to concentrate Federal funding on bridges most in need of replacement and rehabilitation;

(2) establish a formal procedure for the exercise of the Secretary's discretion in selecting highway bridge replacement and rehabilitation projects for the obligation of funds under section 144(g) to ensure consideration of the costs and benefits of each such project and the classification of the bridge under section 144 (b) and (c) in each such project;

(3) establish administrative guidelines for the distribution of highway bridge replacement and rehabilitation apportioned funds throughout each State under section 144(j) with provisions for flexibility with respect to State administration of the apportioned funds; and

(4) monitor the distribution of highway bridge replacement and rehabilitation program apportioned funds throughout each State under section 144(j).

NATIONAL BRIDGE INSPECTION STANDARDS

SEC. 5. (a) The Secretary shall—

(1) review each State's compliance with the national bridge inspection standards;

(2) revise such standards—

(A) to improve inspection requirements, including decreasing the maximum time lapse between inspections;

(B) to define precisely the factors to be considered and the methods used in rating the condition of bridges; and

(C) to establish a standard for timely processing data resulting from inspections under such standards;

(3) assess the need for greater State and local government authority for inspection of bridges;

(4) encourage the States to take the actions necessary fully to comply with the national bridge inspection standards relating to posting limits on bridges and closing bridges; and

(5) ensure that all Federal agencies maintaining bridges comply with the national bridge inspection standards.

(b)(1) No later than January 1, 1983, the Secretary shall prepare and, to the extent permitted by law, implement a plan of action designed to result in full compliance by the States and local governments with the national bridge inspection standards.

(2) In preparing the plan required by paragraph (1) of this subsection, the Secretary shall consider the imposition of penalties and other sanctions against the States and local governments not fully complying with such standards.

NATIONAL BRIDGE INVENTORY

SEC. 6. Not later than January 1, 1983, the Secretary shall—

(1) establish procedures to ensure the rapid completion of accurate inventories of bridges under section 144 (b) and (c); and

(2) inventory all bridges maintained by Federal agencies.

PUBLIC INFORMATION

SEC. 7. The Secretary shall prepare a plan for a public information program with respect to the weight limits, closings, and hazards, if any, of each bridge. The Secretary shall include in such plan provisions for administration of such program by the States.

REPORT TO CONGRESS

SEC. 8. The Secretary shall prepare and transmit to the Congress, not later than July 15, 1983, a report on the administrative actions taken under the provisions of this Act and the results of such actions. Such report shall include—

(1) recommendations for legislative action as the Secretary considers necessary to ensure that—

(A) the bridges most in need of replacement and rehabilitation are always selected for funding under the highway bridge replacement and rehabilitation program;

(B) there is a fair and equitable distribution of such funding throughout each State; and

(C) the States fully comply with the national bridge inspection standards, and

(2) the Secretary's recommendations with respect to whether the Congress should increase the maximum per centum of apportioned funds which may be expended under section 144(g) for projects to replace or rehabilitate highway bridges located on public roads, other than on a Federal-aid system.

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COMPTROLLER GENERAL'S REPORT TO THE HONORABLE JAMES R. SASSER, U.S. SENATE

BETTER TARGETING OF FEDERAL FUNDS NEEDED TO ELIMINATE UNSAFE BRIDGES

The United States has more than 500,000 bridges and slightly over 200,000—or almost 4 out of every 10 bridges—are deficient. The Federal Highway Administration currently estimates that it will cost $41.1 billion to rehabilitate or replace these bridges.

National bridge inventory data shows that about 98,000 bridges are structurally weak or unsound and must be closed, restricted to lighter vehicles, or immediately rehabilitated to prevent further deterioration and collapse. The other 102,000 deficient bridges are functionally obsolete because they are narrow, have inadequate underclearances, have insufficient load-carrying capacity, or are poorly aligned with the roadway and can no longer safely service today's traffic. In total, it is reported that about 120,000 bridges are or should be posted for lower weight limits; over 3,700 bridges are reported as closed to all traffic.

The December 1967 collapse of the Silver Bridge over the Ohio River between West Virginia and Ohio killed 46 people and focused national attention on bridge conditions. Shortly thereafter, the Congress established two major bridge safety programs: a program of periodic inspections to identify bridge conditions, maintenance needs, and safety problems and a program to provide Federal funds to the States specifically to help replace unsafe bridges. (See p. 1.)

GAO reviewed these programs at the request of Senator James Sasser of Tennessee and found that limited Federal bridge program funds are not always used on bridges most in need of attention. GAO also found that Federal agencies, States, and local governments are not fully complying with national standards for bridge inspection.

BETTER TARGETING OF FEDERAL BRIDGE FUNDS NEEDED

The Federal Government has become the major source of funds—particularly through the Federal bridge program—to replace or rehabiiltate deficient bridges, and many State and local governments depend heavily on these funds. (See p. 25.) Bridge program funding authorizations have totaled $5 billion from the program's beginning in fiscal year 1972 through fiscal year 1982. Authorizations average about $120 million per year for the program's first 7 years and slightly over $1 billion for the last 4 years. (See p. 18.) Initially limited to bridges on the Federal-aid highway system, subsequent legislation in November 1978 expanded the programs to also include bridges off the Federal-aid system.

Under the bridge program, the Federal Government contributes up to 80 percent of replacement or rehabilitation costs, and State and/or local governments provide the rest. Some bridges are being replaced or rehabilitated under other Federal-aid programs and some are being replaced or rehabilitated solely with State and local funds. However, at current funding levels, it will take years to eliminate the deficient bridges already identified. Additional bridges will need replacing during this period, and continued inflation at the current rate would more than double the cost in 10 years.

In view of the size of the bridge problem and the limited amount of funds available it is essential that program funds be used for bridges most in need. However, GAO found that—

The Federal Highway Administration's project eligibility criteria do not concentrate on bridges in the worst condition and most in need;

Many worthy projects are funded, but bridges most in need are not always selected; and

Funds have been apportioned to the States based on incomplete and outdated needs data.

Most of the program funds are apportioned to the States. However, $200 million annually are to be used as discretionary funds by the Secretary of GAO who found that State and local governments have made progress since the program's start, but they are not fully complying with the standards. For example:

Some inspectors do not meet the minimum qualifications for training and experience.

Some State and local governments are not inspecting their bridges at least every 2 years

as required by the standards, and some local governments are not inspecting their bridges at all.

The initial inventory and inspection of bridges, particularly bridges of the Federal-aid highway system, has not been completed.

Structurally weak bridges are not always being properly closed or posted for lower weight limits to protect against bridge collapses. Even if bridges are properly posted or closed, the postings and closings are often ignored by the public. Bridge weight limit enforcement is limited, and fines for violations are small and ineffective.

Federal agencies, such as the Bureau of Land Management, the Forest Service, and the National Park Service, own about 14,000 bridges. These agencies are not required to comply with the National Bridge Inspection Standards for most of their bridges, but they do have inspection programs. However, the agencies were not always complying with their own requirements, and some of the programs did not conform to the national standards. GAO believes that the public should be able to expect the same degree of safety when traveling in national parks and on other Federal lands as the standards provide for on State and local government bridges.

RECOMMENDATIONS

GAO is recommending that the Secretary of Transportation direct the Administrator of the Federal Highway Administration to assess the States' and local governments' compliance with the National Bridge Inspection Standards and develop a strategy for bringing about full compliance.

GAO is also recommending that the Congress require Federal agencies that own bridges to comply with the National Bridge Inspection Standards.

AGENCY COMMENTS AND GAO'S EVALUATION

To expedite report issuance, Senator Sasser directed GAO to obtain only Federal Highway Administration's oral comments. Its officials told GAO that their comments do not necessarily represent those of the Secretary of Transportation.

Federal Highway Administration officials generally agreed with GAO's recommendation to use the latest needs data to allocate Federal bridge funds. The officials said that they will continue to encourage the States to select bridges in the lower range of sufficiency ratings. However, they also said that State and local officials need flexibility when selecting projects, and factors other than the sufficiency rating must be considered.

GAO also believes that selecting officials need flexibility. However, the bridges most in need of immediate attention are not always being selected. The bridge program, which is currently funded at slightly over $1 billion per year, cannot effectively be directed at all deficient bridges, which the Federal Highway Administration estimates would cost $41.1 billion.

Federal Highway Administration officials said that they have established an implementation plan and factors such as sufficiency ratings, costs, and benefits have been and will continue to be considered when selecting discretionary projects. They stated, however, that the program has received much congressional direction through the legislative history process.

The 1978 Surface Transportation Assistance Act gives the Secretary of Transportation broad discretion to select projects for discretionary funding. In GAO's opinion, it is the Secretary's responsibility to select the most worthy projects, and the current selection method does not ensure that this is done.

Federal Highway Administration officials did not indicate agreement or disagreement with GAO's recommendation concerning State and local government compliance with the National Bridge Inspection Standards. The officials commented on the items that GAO said should be considered during development of a strategy for bringing about full compliance. (See pp. 84, 85, and 98.)

Federal Highway Administration officials' comments on GAO's other recommendations are contained in the body of this report.●

## ADDITIONAL COSPONSORS

S. 306

At the request of Mr. MATSUNAGA, his name was added as a cosponsor of S. 306. a bill to authorize the Secretary of the Interior to construct, operate, and maintain hydroelectric powerplants at various existing water projects, and for other purposes.

S. 613

At the request of Mr. THURMOND, the Senator from Idaho (Mr. SYMMS) was added as a cosponsor of S. 613, a bill to amend section 1951 of the United States Code, and for other purposes.

S. 1131

At the request of Mr. DANFORTH, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 1131, a bill to require the Federal Government to pay interest on overdue payments and to take early payment discounts only when payment is timely made, and for other purposes.

S. 1215

At the request of Mr. PROXMIRE, the Senator from Colorado (Mr. ARMSTRONG), and the Senator from Nebraska (Mr. EXON) were added as cosponsors of S. 1215, a bill to clarify the circumstances under which territorial provisions in licenses to distribute and sell trademarked malt beverage products are lawful under the antitrust laws.

S. 1365

At the request of Mr. DOLE, the Senator from West Virginia (Mr. RANDOLPH), the Senator from Illinois (Mr. PERCY), and the Senator from Missouri (Mr. EAGLETON) were added as cosponsors of S. 1365, a bill to amend the Bankruptcy Act regarding farm produce storage facilities, and for other purposes.

SENATE JOINT RESOLUTION 107

At the request of Mr. ROBERT C. BYRD, the Senator from Nevada (Mr. CANNON), the Senator from Alabama (Mr. DENTON), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Kentucky (Mr. FORD), the Senator from Hawaii (Mr. INOUYE), the Senator from Wisconsin (Mr. KASTEN), the Senator from Mississippi (Mr. STENNIS), the Senator from Delaware (Mr. ROTH), the Senator from Oklahoma (Mr. BOREN), the Senator from Missouri (Mr. EAGLETON), the Senator from Alabama (Mr. HEFLIN), the Senator from Arizona (Mr. GOLDWATER), and the Senator from North Dakota (Mr. ANDREWS) were added as cosponsors of Senate Joint Resolution 107, a joint resolution to designate the 7th day of October 1981 as "National Guard Day."

UP AMENDMENT NO. 368

At the request of Mr. DOLE, the Senator from Oklahoma (Mr. NICKLES), the Senator from Wyoming (Mr. WALLOP), the Senator from Iowa (Mr. GRASSLEY), the Senator from Washington (Mr. GORTON), and the Senator from Minnesota (Mr. DURENBERGER) were added as cosponsors of UP Amendment No. 368 proposed to S. 884, a bill to revise and extend programs to provide price support and production incentives for farmers to assure an abundance of food and fiber, and for other purposes.

## AMENDMENTS SUBMITTED FOR PRINTING

### DEPARTMENT OF JUSTICE AUTHORIZATION, 1982

AMENDMENT NO. 554

(Ordered printed and to lie on the table.)

Mr. HEFLIN submitted an amendment intended to be proposed by him to the bill (S. 951) to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1982, and for other purposes.

### INTERNATIONAL DEVELOPMENT AND SECURITY ASSISTANCE ACT OF 1981

AMENDMENT NO. 555

(Ordered to be printed and to lie on the table.)

Mr. CHILES submitted an amendment intended to be proposed by him to the bill (S. 1196) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize appropriations for development and security assistance programs for the fiscal year 1982, to authorize appropriations for the Peace Corps for the fiscal year 1982, to provide authorities for the Overseas Private Investment Corporation, and for other purposes.

AMENDMENT NO. 556

(Ordered to be printed and to lie on the table.)

Mr. HATCH submitted an amendment intended to be proposed by him to the bill S. 1193, supra.

## NOTICES OF HEARINGS

COMMITTEE ON THE BUDGET

Mr. DOMENICI. Mr. President, the Budget Committee will meet for hearings on Thursday, September 24, at 10 a.m., to consider matters relating to the second concurrent budget resolution. Witnesses will be Dr. Jerry Jordan, Council of Economic Advisers; Mr. Larry Kudlow, Office of Management and Budget; and Dr. Beryl Sprinkel, Treasury Department. The hearings will be held in room 6202 of the Dirksen Senate Office Building.

For further information, contact Lynn Pearson of the Budget Committee staff at 224-0544.

SUBCOMMITTEE ON LABOR

Mr. NICKLES. Mr. President, the Labor Subcommittee of the Labor and Human Resources Committee will hold a 1-day hearing October 5, on S. 182, the Longshoremen's and Harbor Workers' Compensation Act, to receive testimony from the administration. The hearing

will begin at 9:30 a.m. in room 4232 of the Dirksen Senate Office Building.

## ADDITIONAL STATEMENTS

### INFLATION AND HIGH INTEREST RATES

● Mr. EAST. Mr. President, like every other Member of this body, I have lately been subjected to a barrage of letters, telegrams, and phone calls pleading for an end to high interest rates. I appreciate how the high cost of borrowing is hurting certain elements of our economy, and I appreciate that many of these appeals are prompted by dire need. But I am profoundly disturbed at the number of people who think that this problem can be blamed on a convenient scapegoat, or that the resuscitation of their own particular enterprise should take precedence over restoring health to the economy as a whole.

I was therefore most gratified to receive a letter from the leadership of six of the most hard-pressed industries of the United States urging an intelligent, impartial, and courageous solution to the problem. The authors of this letter recognize, as I do, that until budget deficits are brought under control, there is no escaping the grim choice between high interest rates and high inflation.

Accordingly, they urge the President and Congress to make whatever additional spending cuts that may be necessary, even if that means further reductions in programs that affect their own members. They also pledge their continued support and assistance.

Mr. President, I commend the American Bankers Association, the Mortgage Bankers Association of America, the National Association of Homebuilders, the National Association of Mutual Savings Banks, the National Association of Realtors, and the United States League of Savings Associations for their clear-sighted analysis of this grave national problem, and the exemplary public spirit that characterizes their proposed solution. I ask that the complete text of this letter be printed in the RECORD.

The letter follows:

AMERICAN BANKERS ASSOCIATION, MORTGAGE BANKERS ASSOCIATION OF AMERICA, NATIONAL ASSOCIATION OF HOME BUILDERS, NATIONAL ASSOCIATION OF MUTUAL SAVINGS BANKS, NATIONAL ASSOCIATION OF REALTORS, UNITED STATES LEAGUE OF SAVINGS ASSOCIATIONS,
*September 11, 1981.*

DEAR SENATOR: We write to share with you our views on the need to change economic policy to bring down inflation and interest rates.

In a joint communication to the President last February 13, 1981, we urged that the tax cuts not exceed the budget reductions in order to cut the inflationary federal deficit and create an economic climate in which interest rates could decline. Since then, we have supported efforts to slow the growth of federal spending including the Budget Reconciliation Act. Many tens of thousands of our members have worked with their Senators and Representatives to bring budget legislation to a successful conclusion.

However, we must stress the need to restrain the budget even more to lower the inflationary federal deficit. In particular, we urge you to seek additional budget cuts to hold the federal deficit to less than $42.5 billion in fiscal 1982 and to balance the budget by fiscal 1984. We are concerned about anticipated budget overruns of $10-$20 billion or more in fiscal 1982, which, in turn, will require greater federal borrowing, thereby crowding private borrowers out of the capital markets and keeping interest rates at record levels.

We fully appreciate the fact that restraining spending requires all of us to support you and others in the Congress in taking the difficult actions. It will require deferrals and cuts in defense and non-defense expenditures, and, if necessary, further cuts in programs that affect our members. We urge you and others in the Congress to implement these additional cuts and deferrals on the pending appropriations bills, the Second Budget Resolution and the Continuing Appropriations bill.

High interest rates have been devastating to all sectors of our economy. Particularly hard hit have been housing sales, construction, small business, agriculture and consumers attempting to finance automobiles and other durable goods. In the case of housing, record high interest rates have made it impossible for more than 90 percent of first time home buyers to qualify to purchase today's average priced home.

We believe this solution to the problem of excessively high interest rates deserves your immediate attention and action by the Congress. We have similarly urged the President in a recent letter to take action on this problem. We pledge our support and assistance.

Respectfully,

LEE E. GUNDERSON,
*President, American Bankers Association.*
THOMAS T. SHEALY,
*President, Mortgage Bankers Association of America.*
HERMAN J. SMITH,
*President, National Association of Home Builders.*
ROBERT T. MASTERTON,
*Chairman, National Association of Mutual Savings Banks.*
JOHN R. WOOD,
*President, National Association of Realtors.*
ROLLIN D. BARNARD,
*President, U.S. League of Savings Associations.*●

### THE CONSEQUENCES OF DEFEAT

● Mr. TOWER. Mr. President, consideration of the Reagan administration's proposal to sell airborne warning and control system (AWACS) aircraft and F–15 enhancement equipment to Saudi Arabia represents one of the most difficult foreign policy decisions the Senate will have to make this year.

Much concern has been expresed regarding the consequences to the U.S. position and strategy in the Persian Gulf should Congress block these sales. In this regard, in the Washington Post of September 21, 1981, columnists Rowland Evans and Robert Novack have cogently and, I believe, accurately assessed the consequences of congressional disapproval of the sales.

Mr. President, I submit the text of the Evans and Novak column to be printed in the RECORD.

The column referred to is as follows:

THE CONSEQUENCES OF DEFEAT
(By Rowland Evans and Robert Novak)

The specter of defeat for his promised sale of AWACS radar planes to Saudi Arabia, raising damaging implications of presidential weakness, has compelled Ronald Reagan to order his Mideast strategists back to the drawing board to devise a new plan to defend that important region from Soviet penetration.

Reagan was struck by the prospect of defeat last Monday, when he made his first lobbying foray for the AWACS deal. Soft-selling the plan to a bipartisan group of 27 senators in the White House, he discoverd that Israeli Prime Minister Menachem Begin had done his own lobbying too well. Minds had been made up during Begin's 10-day visit. Reagan had ordered his own aides not to lobby for the AWACS sale while Begin was here, out of courtesy to him. The Israeli had been under no such restraint.

Immediately following the Monday session, an aroused and angry Reagan ordered Secretary of State Alexander Haig to fly to New York for one more talk with Begin. Haig's mission: tell Begin to cease and desist on the AWACS; warn him that the sale was the cornerstone of Reagan's whole Mideast plan to keep the Russians out.

Haig's aides say he talked tough to Begin, but at that late stage the seeds planted during Begin's 10 days in Washington and New York had already produced solid anti-AWACS votes. What was needed was a fallback position to save whatever could be saved from the devastating defeat of Reagan's first major foreign policy request to Congress.

The answer: not much could be saved. The president's national security chiefs, back at the drawing board, are trying to locate new defense lines against Soviet infiltration of the Middle East to substitute for the Saudi Arabian anchor—if, as now seems likely, the Senate blocks the AWACS sale. The prospect is dismal.

U.S. defense installations now being built at immense cost in Egypt, the Gulf state of Oman, Saudi Arabia itself and the Indian Ocean will be sacrificed.

Instead, lacking the secure position on the Persian Gulf that would be provided by an AWACS-armed Saudi Arabia, the new anti-Soviet lines would be redrawn with Turkey on the north and Pakistan on the east as its twin anchors. The Eastern Mediterranean would replace the Indian Ocean for large concentrations of U.S. naval power.

For the United States and its Western allies, withdrawal from the Persian Gulf region is ominous. Yet administration officials believe that if Reagan cannot deliver on his agreement with Saudi Arabia, no Persian Gulf state will accept any American military installations. Israel is too far removed to substitute for Saudi Arabia.

But for the Russians, the retreat of the major U.S. defense lines to relatively far-off Turkey and Pakisan would be a strategic 10-strike. The Soviets would no longer have to divide their southern land forces if the United States is unable to operate in Persian Gulf regions. Instead, the Russians could concentrate those forces further east, against Pakistan.

The president had not come to grips with any of these realities until that first confrontation with senators last week. Nor had Haig—until the last few days—showed much alarm. Instead, the president's most senior aides have proceeded on the will-o'-the-wisp theory that no president as popular as Ronald Reagan could lose such a crucial test in a Senate dominated by his own party.

Top Reaganites at the State and Defense departments and on the White House national security staff fear that it may be too late to transform their soft-sell lobbying campaign against senators into a hard sell. The astute Israeli prime minister now has 50 senators pledged to vote against the AWACS deal, with a half-dozen others claimed for reserve.

Yet Reagan himself, although urged by some senior aides, has not yet agreed to take his case for the AWACS sale to the country

in a personal appeal. Despite his immense stake in the outcome, the president seems reluctant to say the words publicly that Haig has privately been passing to anyone who would listen: the United States and its president will appear pitfully weak to the world when the leader of Israel shows more political clout in the U.S. Senate than the president himself.●

## THE 20TH ANNIVERSARY OF THE PEACE CORPS

● Mr. KENNEDY. Mr. President, 20 years ago, on this date, September 22, President Kennedy signed the Peace Corps Act, establishing an organization which has since touched the lives of millions of people throughout the world. As the Peace Corps celebrates its 20th anniversary today, let us all reflect on the goals and accomplishments of that special group of dedicated Americans who have contributed so much to international understanding and development.

Peace Corps volunteers have changed sometimes distorted images of the United States and conveyed a sense of what this country can be at its best—a nation of idealism, compassion, and cooperation. But what must be understood by all of us is that however much the thousands of volunteers have contributed to development in the slums and villages around the world, it is they, the volunteers, and through them, this Nation which has benefited many times over. Their understanding of other cultures, of other nations and of how others see us, has enriched our perspective and policies.

Peace Corps volunteers have returned from overseas to be counted among our Nation's most prominent Government and professional leaders. Former volunteers enrich the ranks of our Foreign Service, of Government agencies, and of private business and industry. Two of our Nation's Senators are former Peace Corps volunteers.

On this 20th anniversary, let us reaffirm our commitment to the ideals of the Peace Corps, to the goal of helping people help themselves, in the hope that the world will see an end to suffering and injustice. We, as Americans, know that our most valuable resource is our people, and we must continue to develop and use that resource for the benefit of the less fortunate in the world.●

## UNION VIOLENCE IN GALATIA, ILL.

● Mr. EAST. Mr. President, I am proud to be a cosponsor of S. 613, a bill to amend the Hobbs Act. This bill, introduced by my colleague, Senator THURMOND, is designed to overrule the Supreme Court's unfortunate Enmons decision in 1973, and make the act once again an effective means of preventing violence and extortion in labor disputes.

This reform is urgently needed. Labor unions have not yet abandoned threats and force to gain their ends. A recent editorial by nationally known columnist Anthony Harrigan eloquently attests to this fact. I ask that the text of Mr. Harrigan's editorial be reprinted in the RECORD.

The editorial follows:

UNION VIOLENCE IN GALATIA

(By Anthony Harrigan)

A thousand union miners converged on a non-union mine construction site in Illinois Aug. 18, tearing down fences, breaking windows in vehicles, burning at least one truck, flattening the car tires of reporters, and seizing the cameras of newsmen.

The Chicago Tribune properly featured these civil rights violations on its front page. The Washington Post, the principal journalistic voice of liberalism, found it worthy of only a four-paragraph item on page 8.

It's shocking that this type of union violence occurs in the United States. It is almost as shocking that the story of this violence is so often buried in the liberal media.

Imagine how the Post would have treated a thousand-man mob attack if the story had a minority conflict element. What one sees in the Post's non-coverage of a major story is a double standard on violence and civil rights violations.

The Kerr-McGee Co., which owns the mine, and the non-union workers it employs have the same civil rights as anyone else. Unfortunately, liberals see no evil, hear no evil when unions violate the civil rights of those who don't choose to join a union.

The smug, sanctimonious media liberals elect to downplay the union violence that takes place in communities across the land. They ignore the bombings, shootings, beatings, and general hoodlumism in labor disputes.

The outbreak of union violence in Galatia, Ill., brings to mind a recent comment by John Davenport, a former editor of Barron's and Fortune magazine.

In a letter to the New York Times, Mr. Davenport said that "From the passage of the Wagner Act forward, unions have been granted by government privileges that are given to no other private group."

The union assault in Galatia is an example of this. The country has allowed unions to act as though they owned jobs, as though they have the exclusive right to say who occupies certain jobs.

Union members certainly have the right to withdraw their services from an employer. As Mr. Davenport pointed out, however, the aim of a strike today "is not to allow men to resign but to shut down the employer's facilities and to prevent those who want to work from working."

The strike in this perspective, Mr. Davenport rightly noted, "is a form of industrial warfare."

Such warfare is intolerable. An organized group cannot be permitted to wage war on other citizens. That's precisely what happened in the union attack on the Kerr-McGee coal mine. The assault was so violent that the Illinois state police found it necessary to spray tear gas from helicopters in order to disperse the mob of union miners.

In a free society, no private group can be above the law. No private group can be permitted to coerce citizens. The type of behavior engaged in by the union miners in Illinois is contrary to the fundamental concepts of a democracy.●

## AT RISK RULES TO THE INVESTMENT TAX CREDIT CONTAINED IN H.R. 4242

● Mr. WALLOP. Mr. President, I submitted an amendment to section 211(f) of the bill regarding the application of the at risk rules to the investment tax credit. That amendment, which was passed by the Senate, was modified in conference. It is my understanding that, as modified in conference, the bill will treat a taxpayer as being "at risk" with respect to the acquisition of property utilizing nonresource financing, provided that, among other things, the taxpayer has at least a 20-percent "at risk" investment in the property, the lender is not related to the taxpayer, and the lender is not a person from which the taxpayer acquired the property.

It is my understanding that certain lenders make loans in the form of "conditional sales" under which they acquire property from the taxpayer or the manufacturer pursuant to binding commitments to contemporaneously resell the property to the taxpayer—or lease such property to the taxpayer on terms which, under present law, cause the transaction to be treated as a conditional sale or financing arrangement. It is my understanding that, so long as the other requirements of the bill are satisfied, the fact that the lender acts as nominal seller will not cause the taxpayer to lose the benefits afforded by the exception to the application of the at risk rules to the investment tax credit.

There is another issue relating to the at risk rule that should be clarified. Under this rule, investment credits are generally allowed to individuals and closely held corporations only on that portion of the basis of qualifying property for which the taxpayer is at risk. A taxpayer generally is at risk only to the extent that amounts invested in the property represent amounts the taxpayer has contributed to the purchase price and borrowed amounts upon which he has personal liability.

An exception to this general rule provides that the proceeds of loans made or guaranteed by Federal, State, or local governments and the proceeds of loans from certain qualified lenders are considered at risk even if these loans are nonrecourse. However, for this safe harbor rule to apply, the taxpayer must be at risk—determined without regard to the safe harbor rule—for an amount equal to at least 20 percent of the basis of property eligible for the credit. Similarly, a special safe harbor rule which applies for certain borrowings with respect to energy property requires that the taxpayer be at risk with respect to 25 percent of the basis of eligible property.

Where money is raised through equity and debt contributions to a project, such as construction and operation of a fuel alcohol plant, which involves expenditures for other items as well for the purchase of eligible property, it is not clear how these "20 percent at risk" and "25 percent at risk" rules should apply. It seems to me that, for purposes of determining whether these rules are satisfied, debt and equity contributions to a project should be allocated pro rata among the purchase of property and other uses of funds such as working capital and start-up expenses even though all of the debt is secured by the property.●

## FDA REGULATIONS

● Mr. EAST. Mr. President, I share with many Senators the concern with avoiding Government waste and excessive regulation. I am particularly troubled with a problem which was brought to my attention by a constituent who is involved in the sale of dental materials and equipment—products used by dentists in their professional practices. Under Public Law 94–295, Congress gave the Food and Drug Administration the authority to issue classification regulations which would determine how stringently a particular product should be regulated, depending upon the safety of the product and any risks to health which it poses.

In that legislation, Congress wisely recognized that FDA does not have thorough experience with the many thousands of different medical devices, and so Congress established advisory panels of clinical experts who were paid from appropriated funds to use their experience to develop a comprehensive set of recommendations to FDA on how each device should be classified.

After the panel, composed of some 20 dental experts, had conducted its study over 7 years, and made its recommendations—which study was conducted under FDA supervision—the FDA published proposed regulations to classify dental devices in December 1980. In its proposal, FDA disregarded the panel recommendations on 68 percent of the products, in every case choosing a more stringent level of regulation than had been deemed necessary by the expert dental professionals who have used these products on a daily basis. These are generally safe, effective, innocuous products, some of which have been used safely in treating dental patients for over 50 years, according to the experts.

Excessive regulation increases the cost of products to the detriment of American consumers. I hope that FDA will take a more realistic attitude and modify its regulations to reflect the recommendations of its expert panel of dentists.●

## NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS

● Mr. WALLOP. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD this notice of Senate employees who propose to participate in a program, the principal objective of which is educational, sponsored by a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign organization.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Dr. James K. Galbraith of the Joint Economic Committee to participate in a program on "The Political Economy of the United States" organized by the Institut Auguste Comte pour l'Etude des Sciences de l'Action in Paris from September 10 to 12, 1981.

The committee has determined that Dr. Galbraith's participation in the program, with his travel expenses paid by the Institut, is in the interests of the Senate and the United States.●

## ORDER FOR RECESS

Mr. STEVENS. Mr. President, I ask unanimous consent, if there be no further business to come before the Senate with the exception of a statement to be made by the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD), that following his statement the Senate stand in recess until that hour.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Alaska, my friend the acting Republican leader.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I will just take 30 seconds. I wish to thank the distinguished Senator from Alaska for making provision for me to have this time in which to continue my series of statements on The United States Senate. I am prepared to make my 46th statement in the series, which began on March 21, 1980.

But there is plenty of time to make that statement. Rather than keep the Senate in today, I think I shall just wait another day. I again express my appreciation to the acting Republican leader, and I yield the floor.

## RECESS UNTIL 11 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until 11 a.m. tomorrow.

Thereupon, at 5:16 p.m., the Senate recessed until Wednesday, September 23, 1981, at 11 a.m.

## NOMINATIONS

Executive nominations received by the Senate September 22, 1981:

DEPARTMENT OF JUSTICE

Joe D. Whitley, of Georgia, to be U.S. attorney for the middle district of Georgia for the term of 4 years, vice D. Lee Rampey, Jr., resigned.

Dan K. Webb, of Illinois, to be U.S. attorney for the northern district of Illinois for the term of 4 years, vice Thomas P. Sullivan, resigned.

Ronald E. Meredith, of Kentucky, to be U.S. attorney for the western district of Kentucky for the term of 4 years, vice J. Albert Jones, resigned.

Stanford O. Bardwell, Jr., of Louisiana, to be U.S. attorney for the middle district of Louisiana for the term of 4 years, vice Donald L. Beckner, term expired.

Leonard R. Gilman, of Michigan, to be U.S. attorney for the eastern district of Michigan for the term of 4 years, vice James K. Robinson, resigned.

Robert J. Wortham, of Texas, to be U.S. attorney for the eastern district of Texas for the term of 4 years, vice John H. Hannah, Jr., resigned.

79–059 O–85–34 (Pt. 16)

# HOUSE OF REPRESENTATIVES—*Tuesday, September 22, 1981*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

*So you will walk in the way of good men and keep to the paths of the righteous.*—Proverbs 2: 20.

O God, we thank You for all people who, through courage and selfless devotion, have carried the banner of righteousness before us and have pointed the way to the high ideals of human dignity that are the handiwork of Your creation. May Your blessing be upon men and women everywhere who risk themselves in the pursuits of freedom and may we ever be inspired in our lives to do what we can that all Your people will know peace in their hearts and in the world. Encourage us to serve those about us who are in need, for by so doing we serve You, our Lord and our Creator. Amen.

## THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## CRUEL AND UNJUST ATTACK ON NATION'S ELDERLY AND DISABLED

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, the President's proposal to defer cost-of-living increases for social security beneficiaries is a cruel and unjust attack on our Nation's elderly and disabled.

Today, I am introducing a sense of the Congress resolution with 48 cosponsors, expressing opposition to this delay, which would indiscriminately cut needed benefits for 36 million Americans dependent on social security. The President's proposal makes a mockery of our commitment to protect the elderly and disabled from the devastating impact of inflation.

A delay in the cost-of-living increase would imperil the vital security that the program affords its beneficiaries. Even the current 1-year adjustment lags substantially behind price increases and leaves the elderly at a distinct disadvantage in their battle with inflation. A further delay would force many social security recipients to join the already swollen ranks of the elderly poor.

Strengthening the financial integrity of social security must be done in an equitable and humane way rather than by sacrificing the future of those entitled to the system's protection. I invite my colleagues to join me in opposing the President's recommendation as well as in assuring the American people that our promises to them will not be broken.

## PRESIDENT REAGAN: DON'T JEOPARDIZE ENERGY SECURITY TO INCREASE TAX REVENUES

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, I understand the Treasury Department is floating a proposal that we need to make sure never gets off the ground and is outrageous. The proposal, designed to offset the revenue loss due to the just-enacted tax bill, would repeal tax incentives put into place over the last several years to spur energy conservation improvements by businesses and homeowners and production of alternative fuels, such as alcohol fuels. To repeal these tax incentives would simply sell our energy future short and is pure, plain nonsense.

Yes; we have a temporary glut of gasoline, but it is absolutely absurd to think for a minute that we do not still have a long-term energy problem. To repeal these incentives aimed at getting the private sector involved in developing alternatives to expensive OPEC oil—and improving the energy efficiency of their operations would be a big mistake—particularly in the aftermath of budget cuts which seriously weakened Government programs aimed at bringing alternative fuels on line quickly, would be perhaps the highlight of idiocy.

I think we can nip this idea in the bud if we act quickly, but to do so, I need the help of my colleagues. Yesterday I circulated a "Dear Colleague" inviting Members to join in a letter to the President urging him not to lend his administration's support to this idea. Since a decision is likely very shortly, I will be having the letter hand-delivered this afternoon. So I hope you will have your staff call my office right away so that your name will be added to the letter.

There is too much at stake to forfeit our energy future, certainly when the only purpose is to bring more tax dollars into the Federal Treasury.

## TRANSNATIONAL TERRORISM

(Mr. McDONALD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McDONALD. Mr. Speaker, last night's terrorist bombing in Schenectady, N.Y., at the offices of the Eastern Rugby Football Association, should strengthen our resolve not to give in to terrorist demands to cancel the U.S. tour of the South African Springbok rugby team, as called for in House Concurrent Resolution 183.

This bombing is an example of "transnational" terrorism—that is, a terrorist act carried out by a group in one country on behalf of their terrorist comrades in a second country. In this case, the beneficiary of the terrorism in America was the African National Congress (ANC), a South African terrorist group controlled by the Soviet Union and the South African Communist Party.

As we deliberated yesterday, a terrorist bombmaker prepared the device that exploded last night, clearly an attempt to intimidate this body into yielding to demands that we should condemn the visit of the Springbok rugby football team to America.

We must not vote for passage of the resolution, because to do so would be seen as a cowardly acquiescence to terrorist thuggery and a victory for anarchy, not only in South Africa but in our own country. Again, we must not support House Concurrent Resolution 183.

## SQUEEZE ON AMERICAN FARMER'S INCOME

(Mr. DE LA GARZA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DE LA GARZA. Mr. Speaker, I noted on the news wires earlier this week an item reporting that, according to USDA officials, the Department will raise interest rates on its price support and storage facility loans October 1 if current regulations for setting these rates are continued. Under these regulations, USDA adjusts the interest charges each April 1 and October 1 on the basis of the cost of money to the Commodity Credit Corporation in the preceding month.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The CCC paid 14.5 percent for its money in the month before the current 14.5-percent rate was set last spring, and USDA analysts reportedly say the cost of money this month will be 16.5 percent. This could mean another 2-percent increase in the interest farmers must pay on these loans for 6 months beginning October 1.

I do not intend to single this incident out especially, but it is a symptom of the brutal and tightening squeeze on the American farmer's income during a period in which farm prices are too low to be fair by any standard. Maybe another 2-percent increase in interest rates on crop support loans does not sound like much, but Mr. Speaker, we are in a situation in which every little bit hurts. When farmers are in the kind of economic situation they face today, every extra dollar in additional production costs of any kind is a painful kick in the teeth.

We all know how farm costs have escalated in recent years in almost every category. We know that fuel, machinery, and virtually everything else the farmer must buy in order to produce our food and fiber has gone up dramatically. And in this situation, the interest rates producers are paying for both mortgage and operating credit have become one of the most critical factors in today's crunch in agriculture.

Administration leaders have been telling us that interest rates are going to come down. I hope they turn out to be right before we reach the point at which farmers are forced out of business. In the case of some loan programs in which rates are revised only twice a year, like CCC support loans, the fact is that even if market rates began falling today, it would be next spring before farmers got any benefit. With net farm income down sharply last year, and showing little improvement this year—if any—we face many critical issues in agriculture. One of those critical issues is the fact that current interest rates are a serious threat to our farm economy.

## TRIBUTE TO MIKE MICHAELSON

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, it is a real privilege to take this opportunity to pay tribute to Mike Michaelson who is leaving his post in the House radio and TV gallery to go on to new challenges as the executive director of Cable Satellite Public Affairs Network. It has been a pleasure to work with Mike over the years. His professionalism and sense of fairness are top rate. During my years as minority leader, I had many an occasion to call upon Mike's services, and was consistently impressed by his smooth handling of each new challenge.

Probably no better incident demonstrates Mike's thorough-going approach to his responsibilities than the arrangements he made for the National Republican Unity Day—which was observed just 1 year ago this month. While the event was planned for a gathering of Republican candidates for public office on the west front of the Capitol—Washington's notoriously unpredictable weather necessitated alternate "rain" plans for an indoor gathering. Mike took care of all the details—arranging for radio and TV coverage both in front of the Capitol and in the Cannon caucus room in the event the elements drove the observance inside. Fortune smiled on the Republicans that day as they met in the sunshine on the west front of the Capitol. And I know my colleagues in the GOP share my wish that good fortune will smile on Mike Michaelson every day in his new career with C-SPAN. Good luck and best wishes, Mike.

## SUPPORT HOUSE CONCURRENT RESOLUTION 183 ON SOUTH AFRICA

(Mr. MITCHELL of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MITCHELL of Maryland. Mr. Speaker, and my colleagues in the House: On yesterday we debated House Concurrent Resolution 183, the resolution which would express the sense of Congress that the national rugby team of South Africa should not play in the United States.

During the course of the debate, every Member of the House who participated stood up and said that he or she found the apartheid policies of the Union of South Africa to be racist and abhorrent. There is no doubt in my mind, and no doubt in the minds of most Americans, that this is the most racist regime that exists. It entered into the murder of a black South African leader, Steven Biko. It destroyed the squatters in Johannesburg. It has a pass-identity system that is abominable, which prevents blacks from moving freely around the country.

I would say to all of my colleagues who rose during the debate to speak out against apartheid that today they will have more than a chance just to speak out; they will have a chance to do something about it. By their action in voting for House Concurrent Resolution 183, they will be expressing their contempt and disdain for that apartheid system. By failing to do so, by failing to vote for the resolution, it will be but another indication that this Nation and the Reagan administration is tilting toward South Africa, contrary to every other posture that we have assumed toward that country in the past.

I would urge support for that resolution (H. Con. Res. 183), and I yield back the balance of my time.

## THE 1984 OLYMPICS IN JEOPARDY

(Mr. DYMALLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DYMALLY. Mr. Speaker, yesterday, during the course of the debate on House Resolution 183, I yielded most of my time to the gentleman from Georgia and did not have an opportunity to give another reason why I think we should seriously consider the passage of the resolution today.

What we are talking about with reference to the Olympics is not Russia, it is not China, it is not communism. What we are talking about is jeopardizing the games for which so much has been given in Los Angeles in 1984. That, to me, is a central issue.

The past experience with rugby in New Zealand taught us a very, very painful lesson, and that was the boycotting of the Montreal Olympics. Those Members who come from Los Angeles, those of us who come from California, indeed, those of us who come from this country, should be very cognizant of the fact that Soviet-bloc nations, some of the African nations, are this day meeting to discuss the possibility of boycotting the 1984 Olympics.

Now, we are embarked on a new experiment in Los Angeles, and that is the private sector, not the Government, funding the Olympics. I hope that the Members would vote favorably on this resolution without dealing with the question of Russian communism. We are dealing with the question of saving the Olympics for 1984.

I thank the Speaker very much and I yield back the balance of my time.

## AN ILL-ADVISED INVITATION

(Mr. FASCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FASCELL. Mr. Speaker, I rise in support of House Concurrent Resolution 183.

Last week, the South African Springbok National Rugby Team arrived in the United States and is now in the midst of what was originally scheduled to be a three-city tour. Much of that tour has been cancelled and games are being conducted in secret.

In my opinion, this invitation to visit the United States with the approval of the Reagan administration is ill-advised and regrettable. Such athletic

good will exchanges with a country that advocates a morally reprehensible policy of apartheid can too easily be construed as an endorsement of its legitimacy, as a betrayal of our allies in Africa and the Third World, and an insulting insensitivity to American blacks. Many of these Third World nations responded in good faith when we in the United States asked that they boycott the 1980 Olympics. We should not turn our backs on them now.

Moreover, we should not provide the Soviet Union with ammunition for its own sort of revenge concerning the 1984 Olympics. While it is ridiculous to equate the U.S. tour of Springbok with the Soviet invasion of Afghanistan, I have little doubt that the Soviets will attempt to make use out of just such an incident to ask that the 1984 Olympics be moved from Los Angeles. Already, as many as 50 countries have threatened to pull out of the 1984 games because of the visit.

As one who has a particular interest in human rights, and as an individual who abhors the policy of apartheid, I join in supporting this timely resolution.

## DOMESTIC SUGAR INDUSTRY ON BRINK OF COLLAPSE

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, there has been considerable misinformation circulated about the effect of the nonrecourse loan provision for sugar in the farm bill. Among other things, it has been alleged that enactment of a sugar loan program will be harmful to the interests of lesser developed countries (LDC's) which export sugar to the United States. Nothing could be further from the truth.

Because we operate under the generalized system of preferences in trading with other nations, LDC's actually receive a better price for their exports of sugar to the United States. For those not familiar with it, the generalized system of preferences allows LDC's to qualify for duty-free export of specified commodities to the United States. One such commodity is sugar. In 1980, 37.2 percent of our sugar imports from poorer nations such as Belize, Nicaragua, Malawi, Mozambique, and the Fiji Islands, entered our country duty free. Any change in duty affecting our major suppliers such as Australia and Brazil has a positive effect upon our trade with LDC's. Lesser developed countries will be the first to benefit from access to the U.S. market if the loan program for sugar is passed into law.

My point in addressing this issue is not to argue for a program for sugar based upon duties or fees. Since the demand for sugar is highly inelastic, a change in the duties on sugar imports will have little, if any, effect on our level of imports. Only the collapse of the domestic sugar industry would cause our imports to rise dramatically.

The reality is that the domestic sugar industry is on the brink of such a collapse. If the situation is allowed to worsen and if the domestic sugar industry is not given adequate protection from years when prices are at ruinous levels, the price consumers pay for sugar will be left to the mercy of foreign producers.

This process has already begun in the Northeast section of the United States, an area which has long been dominated by foreign sugar. The Department of Agriculture reports that the cost of sugar to consumers in the Northeast is 2.6 cents per pound higher than it is in the West and Midwest regions. Without the loan provision for sugar provided in the farm bill, consumers nationwide will be forced to pay high prices for foreign sugar during years when production shortfalls cause the price to climb dramatically.

I urge my colleagues to support the sugar provisions of the farm bill.

□ 1215

## H.R. 4528 INTRODUCED, TO DELAY EFFECTIVE DATE OF REVENUE RULING 81-216

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. SMITH of Nebraska. Mr. Speaker, without warning on August 24, 1981, the Internal Revenue Service issued a ruling that will have the effect of depriving small farmers and small businesses of much needed sources of capital for farmland, equipment, and plant facilities.

The ruling became effective the same day it was issued, without the benefit of a public hearing, and consequently jeopardizes hundreds of millions of dollars involved in loan programs across the country.

I have introduced H.R. 4528 to delay the effective date of Revenue Ruling 81-216, which denies tax exemptions for industrial and agriculture development bonds of $1 million or less that are pooled and issued as a single bond offering by States and localities.

This ruling will eliminate State ability to offer tax-exempt financing to farmers and small businesses at a time when interest rates are at record highs and other forms of Government aid for these groups is being cut. My bill will delay this ruling to give Congress needed time to examine the wisdom of this new tax policy.

## THE 20TH ANNIVERSARY OF THE PEACE CORPS

(Mr. COURTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COURTER. Mr. Speaker, today marks the 20th anniversary of one of our finest programs to improve our foreign relations and image abroad. I am referring to the Peace Corps, an organization which I at one time served in, working with the people of Venezuela, in the late 1960's.

As was the case 20 years ago, the Peace Corps continues to strive to provide technical, agricultural and health-care assistance to the world's poor and disadvantaged. The Peace Corps has a primary commitment to assist the world's poor, particularly in the Third World, to become self-sufficient in taking care of their hunger and medical needs, as well as to develop technical skills needed for survival and even small industry.

One other major goal and accomplishment is the people-to-people contact that is part and parcel of the Peace Corps program. Many people in the Third World are curious and sometimes hostile toward Americans. Much information about America is distorted or comes second hand. It is only when they meet and work with Americans, that the stereotypes disappear, and people look at each other as human beings, not as colonizer and colonized. The friendships that are made last many years after a tour is completed, and many people visit one another whenever they can. This aspect of the Peace Corps does much to dispel the myth of the ugly American.

Finally, the Peace Corps is a tremendous training ground and experience for those who served or currently do serve. One develops as an individual, while serving his or her Nation, while helping others to be self-sufficient and even having a good time. The Peace Corps continues to do the job on a shoestring budget, while at times its members are subject to the dangers of being in unstable areas.

I believe that our Nation owes a debt of gratitude to these ambassadors of good will and for their personal sacrifices on behalf of our Nation. I believe that under the stewardship of Loret Ruppe, the Peace Corps' tradition to excellence will continue.

## A GOOD SUGAR PROGRAM IS A STABILIZING INFLUENCE

(Mr. MORRISON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MORRISON. Mr. Speaker, Washington State used to produce 2.5 million tons of sugar beets per year.

No more. We still have the newest and largest sugar beet processing plant in the world. It is there silent and abandoned, a multimillion-dollar monument to the termination of the stabilizing influence of a sugar program. The story of the loss of thousands of jobs and millions of dollars worth of farm machinery you do not want to hear.

Now, many of those 97,000 acres are producing wheat because the farmer has no choice—and the Government stabilizes the price. It is a silly, expensive, and painful game that we are playing, and American consumers are the ultimate losers.

My district can reveal the impact on farm communities of losing the stabilizing influence of a sugar program. All of you, as Members of Congress, can cite the impact on consumers of wildly fluctuating prices and supplies of sugar. I combine these two impacts to conclude that we are all better off with a reasonable mechanism to guarantee that we continue to have a domestic sugar industry in the United States.

## HONORARY CITIZENSHIP OF RAOUL WALLENBERG

Mr. RODINO. Mr. Speaker, on behalf of the gentleman from Wisconsin (Mr. ZABLOCKI) and myself, I move to suspend the rules and to pass the joint resolution (H.J. Res 220) proclaiming Raoul Wallenberg to be an honorary citizen of the United States, and requesting the President to ascertain from the Soviet Union the whereabouts of Raoul Wallenberg and to secure his return to freedom, as amended.

The Clerk read the joint resolution as follows:

H.J. RES. 220

Whereas the United States has conferred honorary citizenship on only one occasion in its more than two hundred years, and honorary citizenship is and should remain an extraordinary honor not lightly conferred nor frequently granted;

Whereas during World War II the United States was at war with Hungary, and had no diplomatic relations with that country;

Whereas in 1944 the United States Government through Secretary of State Cordell Hull requested the cooperation of Sweden, as a neutral nation, in protecting the lives of Hungarian Jews facing extermination at the hands of the Nazis;

Whereas Raoul Wallenberg agreed to act at the behest of the United States in Hungary, and went to Hungary in the summer of 1944 as Secretary of the Swedish Legation;

Whereas Raoul Wallenberg, with extraordinary courage and with total disregard for the constant danger to himself, saved the lives of almost one hundred thousand innocent men, women and children;

Whereas Raoul Wallenberg, with funds and directives supplied by the United States, provided food, shelter, and medical care to those whom he had rescued;

Whereas the Soviet Union, in violation of Wallenberg's Swedish diplomatic immunity and of international law, seized him on January 17, 1945, with no explanation ever given for his detention and subsequent imprisonment;

Whereas Raoul Wallenberg has been a prisoner in the Soviet Union since 1945;

Whereas reports from former prisoners in the Soviet Union, as recent as January 1981, suggest that Raoul Wallenberg is alive;

Whereas history has revealed that heroic acts of salvation were tragically rare during the massacre of millions of innocent human beings during World War II; and

Whereas the significance of this symbol of man's concern for his fellow man has been tainted by the wall of silence that surrounds the fate of Wallenberg: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. Raoul Wallenberg is proclaimed to be an honorary citizen of the United States of America.

SEC. 2. The President is requested to take all possible steps to ascertain from the Soviet Union the whereabouts of Raoul Wallenberg and to secure his return to freedom.

The SPEAKER pro tempore (Mr. MOAKLEY). Is a second demanded?

Mr. FISH. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New Jersey (Mr. RODINO) will be recognized for 20 minutes, and the gentleman from New York (Mr. FISH) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Joint Resolution 220, a bill to grant Raoul Wallenberg honorary American citizenship, and to request the President to press the Soviet officials on his whereabouts so that he will be released, if he is still alive, was ordered reported favorably, as amended, by the Judiciary Committee on September 15, 1981. The joint resolution which has some 300 sponsors has also been favorably reported by the Foreign Affairs Committee.

I want to add my personal support for the resolution. Mr. Wallenberg's courageous actions to save the lives of tens of thousands of Hungarian Jews threatened with Nazi extermination are without parallel. A wealthy Swedish businessman, Mr. Wallenberg could have spent the war relaxing at his home. Instead, he voluntarily stepped forward, and at great risk to himself and with the support his own Government, took on a perilous mission in Budapest.

His efforts received moral and financial backing from the U.S. War Refugee Board, which was established by President Roosevelt in 1944 to try to save the lives of Jews threatened during the holocaust.

Mr. Wallenberg disappeared in 1945 into the hands of Soviet officials in Hungary, and to this day the Swedish Government has not received a satisfactory explanation of his whereabouts.

I am hopeful that passage of this joint resolution will spur the Soviets into a proper response to requests for information about Mr. Wallenberg.

Awarding honorary American citizenship to an individual is probably the highest honor this country can bestow. Honorary citizenship has been awarded only once previously, to Sir Winston Churchill in 1963. We in this country value our citizenship highly. We realize it is an honor that should be bestowed upon only the most exceptional individual for the most exceptional act. Passage of this joint resolution cannot in any way be seen as a precedent for other awards of honorary citizenship, any more than the resolution honoring Sir Winston was a precedent.

I should point out that honorary citizenship is a symbolic act. Passage of this joint resolution does not afford Mr. Wallenberg any legal rights in this country or in international law. The Soviet Union is still responsible for responding to the Government of Sweden about Mr. Wallenberg's whereabouts, for he remains a Swedish citizen.

In conclusion, I support this resolution which honors a truly great humanitarian and trust that it will act as a symbol of our everlasting gratitude to those countless others who risked their lives to save those victims of Nazi persecution.

Mr. FISH. Mr. Speaker, I yield myself so much time as I shall consume.

Mr. Speaker, I am proud to express my wholehearted support for the adoption of House Joint Resolution 220, proclaiming Raoul Wallenberg to be an honorary citizen of the United States, and requesting the President to ascertain from the Soviet Union the whereabouts of Raoul Wallenberg and to secure his return to freedom. Raoul Wallenberg's extraordinary record of saving the lives of countless thousands of Jews during the holocaust, at great personal risk and sacrifice, amply justifies this Nation conferring upon him its highest honor by proclaiming him an honorary citizen of the United States.

Mr. Wallenberg undertook his perilous mission at the behest of the United States and the American War Refugee Board. The passage of House Joint Resolution 220 will represent a ringing affirmation of America's commitment to the survival of the Jewish people and our tremendous esteem for someone who risked his own life to try to save so many Jewish lives from Nazi extermination.

A number of bills have been introduced over the years to confer honorary citizenship on various persons, but the only successful effort to date related to Sir Winston Churchill. The conferral of honorary citizenship on Raoul Wallenberg, however, will not establish a precedent for similar action on behalf of a number of other heroic figures. The fact that our action today will not serve as such a precedent is clear for a number of reasons:

Raoul Wallenberg's valiant efforts to save thousands of Jews from the holocaust provide an appropriate basis for distinguishing this bill from bills introduced on behalf of others. Conferral of honorary citizenship on Wallenberg, unlike any other honorary citizenship bill Congress has considered heretofore, will symbolize our commitment as a Nation to remember the holocaust and vigilantly guard against the possibility of any recurrence. Congressman LANTOS, who introduced this joint resolution, testified before the Subcommittee on Immigration, Refugees, and International Law that—

> We need to establish a clear record for posterity that America, through Wallenberg, did act to prevent the holocaust in its final days.

During the subcommittee hearings, I requested Congressman LANTOS to develop this idea further and place Mr. Wallenberg's actions in the context of other actions, or even inaction, by the United States to prevent the holocaust. Congressman LANTOS' answer, I believe, should be brought to the attention of the House, and for that reason, I will quote from it at some length:

> It is important to underscore that Wallenberg was not a diplomat. Wallenberg was a young man living in the comfort and safety and affluence of neutral Stockholm during the brutal closing days of World War II.
>
> He left behind a most promising career as the son of Sweden's most prominent family, the safety, the security, the comfort of Stockholm, to voluntarily assume the task of saving human lives. * * *
>
> So Raoul Wallenberg did not think of this mission himself. This was not an activity that stemmed from his own plans. It was a mission that he undertook at the specific request of the Secretary of State of the United States.
>
> The United States, therefore * * * bears a very heavy responsibility for the untold numbers of years that this young Swede spent under the nightmarish conditions of the Gulag Archipelago. Whether he died earlier or whether he is alive today, it is we, the United States, who are responsible for his tragedy and for his lost life. * * *
>
> * * * (A) great deal of criticism has emerged over the course of years concerning the failure of the Western Powers to act in decisive ways to stop the slaughter.
>
> Questions such as why weren't the railroads bombed? Why wasn't there an attempt to liberate the camps earlier?
>
> Here is a tangible demonstration that the United States officially acted and successfully acted to save approximately 100,000 people. Our record for World War II is a better record because of the actions of Raoul Wallenberg undertaken at our own behest.

Honorary citizenship is singularly appropriate in the Wallenberg case, not only because of the place the holocaust occupies in the history of human depravity and our national commitment to the survival of the Jewish people. The fact that Wallenberg acted at the behest of the United States and suffered untold misery as a result of it, establishes our interest as a Nation in giving this special recognition to him. The Soviet Union, in addition, never satisfactorily has accounted for what happened to Mr. Wallenberg. The conferral of honorary citizenship on him may give the United States added leverage with the Soviet Union in determining whether he is still alive and possibly in securing his release.

Honorary citizenship is exactly what its designation implies—namely, an "honor" that does not confer on either Mr. Wallenberg or any members of his family any rights or privileges under the Immigration and Nationality Act. The concept of honorary citizenship must be distinguished clearly from citizenship itself. No member of Mr. Wallenberg's family, as a result of our action today, can possibly claim any derivative rights under our laws. Even Mr. Wallenberg himself will not be recognized as an American citizen under United States domestic law or under international law if he is found to be still alive. Conferral of honorary citizenship in no way can be described as giving away anything tangible. The meaning and significance of our action today is entirely symbolic—but it is a critically important symbolic gesture in an age when many nations treat human life so cavalierly.

A few of the statements in the legislative record underscore the critical significance of the step we are about to take today. Secretary of State Alexander M. Haig, Jr., said that Mr. Wallenberg's "contribution during the dark days or World War II in Hungary stands out as a beacon to all those who respect human rights and dignity." He expressed his full support for this legislation. Assistant Secretary of State Richard Fairbanks informed the Judiciary Committee that—

> The conferral of honorary U.S. citizenship on Wallenberg would serve to underscore the seriousness with which the American government and people view Soviet behavior in the Wallenberg case. Conferral of honorary U.S. citizenship on Wallenberg would also serve to reaffirm to the Government of Sweden that the United States firmly supports the quest to resolve Wallenberg's fate.

Former Secretary of State Edmund Muskie informed two subcommittees of the House Committee on Foreign Affairs that—

> (T)he chronological record * * * of State Department and war refugee cables and communications * * * documents the U.S. Government's position of responsibility for the selection of Wallenberg, the directive and funding for his activities, the appreciation for his work, and the deep distress over his disappearance.

Mr. Muskie concluded that it is—

> The uniqueness, the extraordinary link between a man, Raoul Wallenberg, and our Nation's conscience that makes this action appropriate.

Mr. Muskie went on to say:

> Raoul Wallenberg's mission on behalf of the United States, behind Nazi lines in World War II, was without precedent. What he accomplished, on our behalf, risking his own life to save the lives of tens of thousands of people, is unparalleled in our history. The cost to him, the years of his life, can never be repaid.
>
> The action of bestowing honorary citizenship on Wallenberg, undertaken by the Congress of the United States, will recognize his humanitarian sacrifice under our direction. This is an important part of American history. This adoption of Raoul Wallenberg as our own citizen makes clear to our posterity that the American government did act to save lives threatened by the Holocaust.

I can add nothing further to the eloquent statements submitted by numerous witnesses before subcommittees of both the Committee on Foreign Affairs and the Committee on the Judiciary—witnesses who underscored the critical importance from both a national and international perspective of recognizing Raoul Wallenberg in this unique way for the unprecedented things he did at our request.

□ 1230

Mr. FISH. Mr. Speaker, I yield such time as he may consume to the ranking minority member of the Committee on Foreign Affairs, the gentleman from Michigan (Mr. BROOMFIELD).

Mr. BROOMFIELD. Mr. Speaker, in the course of deliberations in this august body, only occasionally do we encounter issues which cut to the core of our existence as human beings. Only occasionally do we touch upon a subject that truly reflects man's purpose in life and his obligations to his fellow man. House Joint Resolution 220, granting honorary citizenship to Raoul Wallenberg, is such a matter. It deserves our enthusiastic support.

I am sure that by now everyone here is familiar with the Raoul Wallenberg case. For many, especially the 100,000 Hungarian Jews whose lives were saved by Wallenberg's heroic acts, his case represents a sorrowful tragedy in our time. As a Swedish businessman and later as an attaché to the Swedish legation in Budapest during World War II, Wallenberg issued documentation, provided a safe haven, and otherwise assisted 100,000 Jews at great risk to his own life. His intervention with local government officials spared countless numbers of Jews from certain death in Nazi concentration camps.

The scale of Wallenberg's actions is perhaps unparalleled in history. I do not make such a statement lightly. In the heart of Nazi-occupied territory, under the eye of history's most monstrous regime, Wallenberg devoted himself to the liberation of those persecuted millions who were marked for extinction merely because of their religion. His success was beyond the limits of what was thought possible. But at the crowning moment of his accomplishment, at a time when liberation for all appeared within reach, Soviet troops seized Wallenberg in January 1945.

Despite Soviet statements that Wallenberg died in 1947, repeated reports have indicated that Wallenberg was alive over the years and is still believed to be languishing in a Soviet prison today. For such a fate to be inflicted upon a man who has given so much of himself is a tragedy beyond proportion. Only an inhumane system such as the Soviet Union's would commit such a heinous crime as holding Wallenberg over all of these years. I do not know or understand why the Soviets would keep Wallenberg imprisoned all this time, but the Soviets have never abided by Western standards of decency and continue today to commit further acts of atrocity among their own people and in Afghanistan.

We have before us a clear opportunity to send a strong message to the Soviet Union on the fate of a heroic individual. Wallenberg is not only a symbol of everything that is decent in mankind, but his spirit is embodied in thousands of Hungarian Jews who are still alive today because of his efforts.

I know of no better way of repaying mankind's debt to Wallenberg than to grant him honorary citizenship and demand that the Soviet Union account for his presence.

Mr. RODINO. Mr. Speaker, I yield 4 minutes to the distinguished chairman of the Committee on Foreign Affairs, the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I rise in support of House Joint Resolution 220, proclaiming Raoul Wallenberg to be an honorary citizen of the United States, and requesting the President to ascertain from the Soviet Union the whereabouts of Raoul Wallenberg and to secure his return to freedom, as amended.

At the outset, I would like to heartily commend the Honorable TOM LANTOS, the initiator and chief sponsor of House Joint Resolution 220, for his persevering efforts on behalf of the resolution. Congressman LANTOS has worked very diligently on the measure which honors the Swedish diplomat, Raoul Wallenberg, with U.S. citizenship. Congressman LANTOS credits his life and that of his wife to the courageous efforts of Raoul Wallenberg.

The resolution before us, as amended, is identical to Senate Joint Resolution 65. In the House, House Joint Resolution 220 was co-referred to the Committee on the Judiciary, chaired by our distinguished colleague, the Honorable PETER W. RODINO, JR., and to the Committee on Foreign Affairs. Both committees considered the resolution and ordered it favorably reported. The Foreign Affairs Committee filed its report—97-152, part 1—on June 17, 1981. The Judiciary Committee reported a version identical to that passed by the Senate. The Committee on Foreign Affairs concurs with the amendment added by the Senate and the Judiciary Committee. That amendment makes it clear that the conferring of honorary citizenship on Raoul Wallenberg is an extraordinary measure, and is not to be regarded as setting a precedent.

During World War II, Raoul Wallenberg, who exhibited unparalleled bravery, was instrumental in saving the lives of an estimated 100,000 Hungarian Jews. In 1945, Wallenberg was imprisoned by the Soviets in violation of his Swedish diplomatic immunity and international law. There have recently been reports indicating that Raoul Wallenberg may still be alive.

The resolution recognizes the extraordinary heroism of Raoul Wallenberg and grants him honorary U.S. citizenship—an extremely unusual action. Further, the measure calls on the President to press the Soviets for a determination of Wallenberg's whereabouts, and to secure his return to freedom.

Mr. Speaker, I urge the adoption of House Joint Resolution 220, as amended.

Mr. FISH. Mr. Speaker, I yield 3 minutes to my colleague, the gentleman from New York (Mr. KEMP).

Mr. KEMP. Mr. Speaker, I appreciate my friend's yielding to me this time, and I wish to congratulate him, as well as the gentleman from Michigan (Mr. BROOMFIELD), Mr. RODINO, the distinguished chairman of the Committee on the Judiciary, and Mr. ZABLOCKI, the distinguished chairman of the Committee on Foreign Affairs.

I commend also our colleague, the gentleman from California (Mr. LANTOS) and his wife, Annette, whose tireless efforts for this cause have brought this moment to pass.

Mr. Speaker, in the New Testament of the Bible it says to "let your light so shine before men that they may see your good works and glorify the Father who art in Heaven." I really believe Raoul Wallenberg was such an individual. Today we can see better how to combat the darkness in the world because of the inspired life of Raoul Wallenberg.

Mr. Speaker, I had the honor of testifying on this joint resolution of which I'm a cosponsor as a representative of the Simon Wiesenthal Institute on the Holocaust in Los Angeles, Calif. It was the great efforts of the people at the Institute, Mr. Speaker, that helped alert many Members of Congress to the need in the world today to study and remember the Holocaust to assure the world, Jew and Christian alike, that there will never again be a time such as we experienced in this world during the 1930's and 1940's.

Raoul Wallenberg is one of those rare individuals whose light not only shone in terms of his ability to safeguard Jewish lives but whose light shines to all of us today as a humanitarian. I think he is alive and I happen to believe that the Soviet Union knows where he is and that this resolution will force open his case for all the world to see.

I want the world to know that there are Members of Congress on both sides of the aisle who testified during the hearings, as reflected today in this joint resolution, who not only cosponsored it but who would willingly vote for it. It will then be signed by the President, and I hope the President signs it with the type of ceremony that will send a signal that will shine across the world, right in the deepest and darkest places of the Gulag Archipelago and say to the Soviet Union that America and its people, Jew and Gentile alike, refuse to forget Raoul Wallenberg, and that we stand beside him and what he did, not only on behalf of Jews but for all people who suffer. I want this light to shine for other people unjustly imprisoned by the Soviets, who have no other hope for freedom than our intervention, like Anatoly Shcharansky, who has been languishing in a Soviet prison for over 4 years, and whose wife calls me from Israel to plead on his behalf, and for Ida Nudel and all others like them.

It is important to note that Raoul Wallenberg acted on behalf of the United States. It is through him that we can claim that we did intervene to help save the Jewish people from total annihilation, that we did not just stand aside and allow this to happen.

We do not bestow this honor lightly, that of honorary citizenship. This is an action we are taking to enable us to recognize one man who had the courage to take a stand in a German-occupied country, and singlehandedly save thousands of lives, acting in the name of the United States as well as his native Sweden. He should be justly rewarded for his efforts and I can think of no reward greater or more fitting than to acknowledge his actions for our country by giving him our citizenship.

And there is poetic justice in granting Raoul Wallenberg U.S. citizenship. One of his most successful tactics was to issue papers to the Hungarian Jews giving them Swedish citizenship and

protection. We are now doing for this one man what he did for 100,000. Honorary citizenship for Raoul Wallenberg will give us the diplomatic leverage we need to pursue this matter with the Soviets, and, Mr. Speaker, we must do this, tenaciously, with the same motivation and success with which Raoul Wallenberg acted so many years ago. We must not allow the Soviets to bury him or his memory, which is so very much alive to all of us today.

Raoul Wallenberg is a true hero. He has proven that the human spirit is capable of achieving great things, for no personal gain. It is by his act of courage, of sacrifice, of selflessness, that all of humanity is redeemed. He did more than save thousands of lives. He was, and continues to be, a symbol of hope to millions who suffer at the hands of tyrants. His very name is a ray of light illuminating the darkness and the depths of those who suffered at the hands of the Nazis in World War II, and who suffer now at the hands of the Soviet oppressors.

Raoul Wallenberg has symbolized all of this for the past 40 years. His contribution to civilization is immeasurable and, while we honor him with our citizenship, we too should be honored that he chose to act on our behalf.

I am pleased to be a part of this effort. I particularly appreciate the wonderful leadership of my friend, the gentleman from California (Mr. LANTOS), and I appreciate all the efforts of the distinguished Members on both sides of the aisle who cosponsored this joint resolution.

Mr. RODINO. Mr. Speaker, I yield 4 minutes to the distinguished chairman of the Subcommittee on Immigration, Refugees, and International Law, the gentleman from Kentucky (Mr. MAZZOLI).

Mr. MAZZOLI. Mr. Speaker, House Joint Resolution 220 proclaims Raoul Wallenberg to be an honorary U.S. citizen and requests the President of the United States to ascertain from the Soviet Union Mr. Wallenberg's whereabouts and to take any necessary steps to secure his freedom if he is found to be alive.

It was my pleasure to serve as the subcommittee chairman during hearings on this joint resolution, before which, of course, appeared the gentleman from California (Mr. LANTOS), who deserves the praises that have been heaped on him today. We held the hearings to hear the testimony directly of the heroic actions and ultimately the very courageous actions taken by Mr. Wallenberg to protect the lives of tens of thousands of Hungarian Jews.

Mr. Wallenberg took those actions in almost reckless disregard of his own safety. He took those steps because he was deeply moved by the plight that was exhibited by these people, and even though he was not an American citizen and had no direct contact with the American Government, the actions he did take were not only sanctioned by the Government but were, of course, in the highest tradition of free nations in trying to protect the lives of people who were then oppressed.

During the course of the hearings and markup, Mr. Speaker, the gentleman from Kentucky, the chairman of the subcommittee, did bring up some concerns that he had with respect to the nature of the tribute. There is no question about the need to memorialize this gentleman and to give some evidence of the highest regard that this Nation has for his heroic actions, but the gentleman from Kentucky was concerned then, and is concerned today, with the nature of the tribute.

The use of the bestowal of honorary American citizenship is one which has only been done once before in our history, and that was with respect to Winston Churchill whose mother, of course, was an American citizen.

The gentleman from Kentucky's concern was that this might then become a tribute or an honor which we would confer frequently and perhaps to people who may not have taken the kinds of actions which Mr. Wallenberg took.

At the same time, the gentleman from Kentucky feels that if honorary U.S. citizenship is to be awarded and if the House is to take this action (because of an amendment the gentleman from Kentucky was able to put in the resolution, at the full committee, this resolution is not to be considered as a precedential action). I do as chairman of the subcommittee feel that there is no person more worthy of this honor than this gentleman, Raoul Wallenberg.

And if he is alive—and we all hope he is—I believe the action the House will take could help locate him and, upon that fact, help to free him and to return him to his homeland.

Mr. Speaker, I support the resolution despite my reservations.

Mr. FISH. Mr. Speaker, I am very pleased to yield 3 minutes to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Speaker, I suppose that today we are taking one of those rare actions of which we can all be proud, one which will make it clear not only to this country but, as my colleagues have said, to many countries around the world, that we are prepared to take a stand and at least to speak for principles which we believe to be important, for those values for which so many sacrifices have been made in so many parts of the world.

This is an honor for a man whose determination and courage saved the lives of so many people. It is an honor for us also, as Americans, that he should join us in this honorary citizenship. He acted against one of the greatest threats to world peace and freedom, and he represents the highest ideals toward which we can hope to strive.

Many of us would like to believe that we have taken actions in our lives to help those less fortunate than ourselves and to speak for justice. But how many of us have sacrificed our own personal fortunes and endangered our lives in the defense of the persecuted? There are not many people who can say that they have done what this man has done. He left a comfortable life in his native home and endangered his life in order to save thousands of individuals. Those who worked with Raoul Wallenberg were instilled with the same fearlessness. We have among our Members of Congress the distinguished gentleman from California who also endangered his life in working with Mr. Wallenberg. I speak, of course, of our distinguished colleague, the gentleman from California, Mr. TOM LANTOS.

During those terrible war years, many people in this world did not object to the atrocities that were committed around them.

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Only when their own religious, racial, or ethnic group was singled out for harm did they raise their voices in protest. Wallenberg did not wait for his own security to be threatened. He volunteered to act on behalf of mankind.

The great physicist Andrei Sakharov said last year, in discussing the plight of those in prison or psychiatric hospitals or exile in the Soviet Union, that—

> Our only protection is the spotlight of public attention on our fate by friends around the world.

The least that we can do for Raoul Wallenberg is to focus attention on his case. By making him an honorary American citizen, our State Department can pursue his case more aggressively.

I think we must insist that the Soviet Union tell us what has happened to this man. Raoul Wallenberg was a true hero, a hero in the classic mold, and this savage century has produced few to match him.

Mr. RODINO. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. LEHMAN).

Mr. LEHMAN. Mr. Speaker, I have joined with my distinguished colleague TOM LANTOS of California in introducing legislation to make Raoul Wallenberg an honorary American citizen, and I strongly urge my colleagues to support this legislation.

Its passage will increase the international pressure needed to have the So-

viets reopen the Wallenberg case. As an honorary American citizen, Raoul Wallenberg will receive the attention he deserves from our Government.

As most of my colleagues know, Raoul Wallenberg was a Swedish diplomat assigned to the Swedish Legation in Budapest, Hungary, at the request of the American Government. His work was secretly funded by the War Refugee Board. He was responsible for saving the lives of hundreds of thousands of Hungarian Jews between July 1944 and January 1945. On January 17, 1945, he was arrested by Soviet authorities and imprisoned. He has not been heard from since. Despite the announcement by Soviet authorities that Wallenberg had died in 1947, numerous reports from former prisoners have provided evidence that he was seen alive as recently as 1975.

Wallenberg's actions in Europe were a unique contribution to humanity during those dark days of the holocaust. Our efforts to determine the fate of Raoul Wallenberg and to honor him and offer him some solace if he is alive will be a modest gesture to this man and the humanitarian ideals for which he was willing to risk his life.

Mr. RODINO. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from California (Mr. LANTOS) who has worked so tirelessly championing the cause of Raoul Wallenberg and who has expressed, indeed, those sentiments of gratitude that all of us here feel for the great work of Raoul Wallenberg. Mr. LANTOS has, indeed, been our conscience to do justice. I applaud him and his efforts.

Mr. LANTOS. Mr. Speaker, this is a rare moment in the history of the Congress of the United States. It is only the second time in our national life that we are going to honor a man with the highest tribute that this Nation can bestow, honorary citizenship. Only Winston Churchill has ever before received this honor, together with the gratitude and recognition of the American people and, indeed, people who are committed to freedom across this planet, for his inestimable contributions to the preservation of free and open societies.

I am delighted that my colleagues who preceded me repeatedly emphasized that this is a nonprecedential, extraordinary act, because what we are talking about is an unprecedented and extraordinary human being. We are talking about a wealthy, young Swede living in the comfort and luxury and security of neutral Stockholm, who at the request of the Secretary of State of the United States of America went to war-torn Hungary for the sole purpose of defending lives there, of putting his own frail body between the intended innocent victims and the Nazi war machine, and succeeded with a degree of creativity and heroism unprecedented in the annals of history in saving 100,000 human beings, only to be rewarded by the Soviet Union with arrest and imprisonment for three and one-half decades in the dungeons of the Soviet Union in the Gulag Archipelago where he probably is today as we are honoring him.

I would like to express my deepest appreciation, Mr. Speaker, to my friends and colleagues on both sides of the aisle. I have received incredible support from my Republican friends and colleagues, for which I am profoundly grateful. I have received unprecendented help and support from my fellow Democrats, both here in the House and in the other body. I want to publicly acknowledge my debt to one person in particular, my wife, Annette, who is the founder of the International Free Raoul Wallenberg Committee, without whose commitment and dedication and perseverance this could not have happened.

The Secretary of State, the President of the United States, as a matter of fact, all of us have come together on behalf of this legislation, which should be an indication to our enemies that, while occasionally we have our disagreements and disputes, when it comes to fundamental principles the American people stand as one. The Secretary of State and the President now have the obligation to raise with the Soviet Union at the highest level the case of Raoul Wallenberg and the Russians have an obligation, if he is alive, to let him go free, and, should he no longer be with us, to finally come clean and tell the truth of what, in fact, happened to this man who has made all of us proud to be members of the human race.

I would like to express my deepest appreciation to my colleagues.

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. LANTOS. I am happy to yield to my colleague from New York (Mr. WEISS).

Mr. WEISS. Mr. Speaker, I want to commend the gentleman in the well and his lovely and dedicated and committed wife, Annette, because the two of them together, long before the gentleman's arrival in these Halls, focused international attention on the achievements and the plight of Raoul Wallenberg. Their magnificent efforts are crowned today. Not only do we honor Raoul Wallenberg, we honor ourselves as well by adopting this resolution. Hopefully, too, perhaps our action will help to save his life.

Mr. Speaker, I wholeheartedly support House Joint Resolution 220, which bestows honorary citizenship on Raoul Wallenberg, who almost singlehandedly was responsible for saving 100,000 Hungarian Jews from Nazi death camps during World War II.

With the passage of this resolution, Raoul Wallenberg would join Winston Churchill as only the second foreign national to be so honored. As Churchill richly deserved his citizenship, so does Wallenberg deserve his. His name is not a household word, but his deeds show him to be the rarest kind of hero, one who, day in and day out, risked his life to save the lives of others he did not know and in whose country he had never lived. He is an international hero and an inspiration to all humanity.

Wallenberg did his work with the most uncertain of tools: His status as a neutral diplomat, and his personal courage. He used those tools as well as they could be used, almost beyond conception. In a frantic, wartime situation charged with prejudice and fear, he managed to convince hostile authorities to respect Swedish protective passports he distributed. At times, he even managed to intimidate those with power of life and death over him and over those he saved. He prevented the massacre of 70,000 residents of Budapest's Jewish ghetto by the Hungarian Nazis, the Arrow Cross, by threatening the German commander in the city with eventual hanging as a war criminal if he did not stop it. The German general did as Wallenberg requested.

We do not know Wallenberg's fate. Taken prisoner by the Russians in 1945, he may have died in a Soviet prison, or he may remain alive in one. The Soviets have claimed he died in 1947. Yet reports persist that he was alive much later, even in January of this year.

This resolution gives Wallenberg, if alive, no additional legal rights under U.S. or international law, according to the Committees on the Judiciary and Foreign Affairs. Yet I hope it can give the quest for accurate information about his fate even more urgency, and aid our continuing efforts to find him.

As sponsor of a resolution adopted last year to honor Wallenberg, I have long been familiar with his story. Now perhaps we can come closer to giving that story an ending.

Again, I commend the gentleman from California and his distinguished wife, Annette, for their unflagging leadership in this historically significant cause.

Mr. RODINO. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. HUGHES).

Mr. HUGHES. Mr. Speaker, I thank the gentleman from New Jersey (Mr. RODINO), chairman of the full Judiciary Committee, for yielding.

I rise in strong support of the resolution.

On rare occasions in human history, extraordinary circumstances have brought about unique acts of heroism by brave individuals. World War II was such an occasion. Hungary in 1944 provided the circumstances. And

Raoul Wallenberg, a young Swede, was the unique and courageous individual.

Wallenberg's heroic actions are credited with having delivered over 90,000 Jews from near certain death in the insane waning months of Nazi rule. Yet, instead of receiving the acclaim and honor due a person of such fantastic accomplishment, he was apparently imprisoned by Soviets when they took control of Budapest. According to Soviet accounts, the young Wallenberg died of a heart attack in a Soviet prison in 1947. Were this the end of the story, it would be a tragic and inexcusable end to the life of a man who had risked so much to preserve the lives of others.

But this was not the last to be heard of Raoul Wallenberg. Reports began to emerge that this almost legendary individual was not dead, but living in captivity in the Soviet Union's shameful Gulag. The Soviet Union complacently denies such accounts, yet provides no conclusive evidence to the contrary. Perhaps ashamed to admit their treatment of this fine man, or perhaps shamelessly flouting world opinion, Soviet leaders have maintained their account of his death, and provided nothing else.

We cannot allow the matter to rest as it is. We in the Congress must act now to the full extent of our power to seek a legal, diplomatic means to rescue Wallenberg if he is alive, just as he used every possible means to rescue Jews from Hungary. I urge my colleagues to approve this resolution, and persist in our efforts to save this savior of thousands.

Mr. RODINO. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. Mr. Speaker, I appreciate the gentleman yielding. I want to join in paying tribute to the very dedicated and inspiring work of Congressman LANTOS and of his wife, who really, I think, have given us all an opportunity to join in a moment of which the House can be proud.

By honoring Raoul Wallenberg we are doing two things. First of all, we are paying an unusual tribute to an extraordinary human being, a man who, as the gentleman from California described his work, performed an extraordinary feat on behalf of humanity. Second, we honor a man who was one of the genuine heroes of the holocaust, and we do a unique act today because we are dealing with a uniquely terrible act, the holocaust. It is appropriate, I think, that we take this extraordinary and unique action on behalf of this individual, both to honor him and, by so honoring him, to express our determination that that terrible event will never happen again. Finally, we put whatever pressure can then be put, hopefully, on the Soviet Union.

As the gentleman from California (Mr. LANTOS) said, they barbarously rewarded one of the great acts of compassion in human history with arrest, imprisonment, and with an attempt to make one of the heroes of our time a nonperson. Today, we do what we can to urge the Soviet Union to close its persecution of Raoul Wallenberg.

Mr. FISH. Mr. Speaker, I yield 5 minutes to my colleague, the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding and I rise to express my support for the passage of House Joint Resolution 220, which proclaims Raoul Wallenberg an honorary citizen of the United States and requests that the President ascertain his whereabouts and secure his freedom.

Mr. Speaker, I want to commend the distinguished chairman of our Foreign Affairs Committee, the gentleman from Wisconsin (Mr. ZABLOCKI); our ranking member, the gentleman from Michigan (Mr. BROOMFIELD); the chairman of the House Judiciary Committee, the gentleman from New Jersey (Mr. RODINO); and the chairman of the Subcommittee on Immigration and Refugees and International Law, the gentleman from Kentucky (Mr. MAZZOLI); and the ranking minority member on the committee, the gentleman from New York (Mr. FISH), for their efforts in bringing this resolution to the floor today.

We have long awaited the passage of legislation which would honor, and secure a commitment to locate and aid Raoul Wallenberg. During the 96th Congress, some of us were privileged to work for the passage of legislation honoring Mr. Wallenberg. We owe particular thanks to our colleague, the gentleman from California (Mr. LANTOS) and wife Annette for the outstanding work in securing the passage of House Joint Resolution 220, which is directed toward fulfilling the responsibility of the United States to aid humanitarians of the world.

Raoul Wallenberg has often been called "the lost hero of the holocaust." He succeeded in securing passports for some 30,000 Jews in Budapest in 1944, which permitted them to leave the country and escape death at the hands of the Nazis. It has been reported that more than 100,000 Jews were able to escape persecution largely due to the efforts of Raoul Wallenberg.

Wallenberg's mission in Budapest was due in part to a request from the American Refugee Board. Entering Hungary in July of 1944 as Sweden's First Secretary at the Legation in Budapest, he courageously worked to rescue thousands of Jews from the Nazis until his disappearance behind the Iron Curtain in January of 1945. Shortly thereafter, the Soviet Foreign Ministry reported that Wallenberg had been taken into "protective custody." Two years later, in 1947, the Soviets announced that Wallenberg "must have died" during the fighting in Budapest. During the years that followed, the Swedish Foreign Ministry received several reports from former prisoners of war who claimed to have seen or heard of Wallenberg while in prison in Moscow. The Soviet Government then revised its statement, saying that Wallenberg had suffered a heart attack and died in 1947.

The family of Raoul Wallenberg, along with many of us here in the Congress who have taken an interest in his case, do have reason to believe that Raoul Wallenberg might still be alive. If this is the case, then the Soviet Union has, by its lack of cooperation, violated the Helsinki accords, in which it agreed to protect the human rights of its citizens.

Raoul Wallenberg demonstrated over and over again his humanitarian concerns. Indeed, it is so widely acknowledged that Wallenberg acted out of a passion for humanity that in 1949 Albert Einstein recommended that Raoul Wallenberg be awarded the Nobel Peace Prize. Surely our Nation should recognize and reward these outstanding qualities, and further acknowledge Wallenberg by insisting that the Soviet Union provide us with information regarding his whereabouts, in the name of humanitarian concern.

Thirty-six years have passed since Raoul Wallenberg disappeared in Budapest. Let us wait no longer to honor and seek the freedom of this great humanitarian.

Accordingly, I urge my colleagues to support this resolution.

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Mr. FISH. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. RODINO. Mr. Speaker, I yield 1 minute to the gentleman from Washington (Mr. BONKER).

Mr. BONKER. Mr. Speaker, I am pleased to rise in support of House Joint Resolution 220, as amended, granting honorary U.S. citizenship to Raoul Wallenberg and requesting the President to ascertain from the Soviet Union Mr. Wallenberg's whereabouts and to take steps to secure his freedom.

The Subcommittee on Human Rights and International Organizations last session conducted a series of hearings on the problem of disappearances. At that time we identified the Raoul Wallenberg case as a human rights problem as it related to the phenomenon of disappeared persons. The subcommittee conducted several hearings, and the full committee had an opportunity to hear from the gentleman from California (Mr. LANTOS) and his wife. While they spoke eloquently for themselves and their own personal

experience under Nazi occupation in Hungary, I think they spoke for tens of thousands of Jewish people who experienced a different fate. But nonetheless, we have raised this case, this courageous, wonderful person's name, and to grant him honorary citizenship I think will give our Government an opportunity to renew its efforts to secure Raoul Wallenberg's identity and possible release from the Soviet Union.

The Subcommittee on Human Rights and International Organizations, which I chair, first raised the issue of Raoul Wallenberg in the 96th Congress. I asked then, Why is it a crime to have saved tens of thousands of lives? Wallenberg's disappearance in January 1945 after the Russians had captured Budapest is one of the oldest cases of the phenomenon of disappearances. The Soviets insist that he died in 1947, but over the ensuing 3 decades there have been reports that Wallenberg is alive and in a Soviet prison.

In response to a request from the American War Refugee Board and the World Jewish Congress, Swedish diplomat Raoul Wallenberg went to Budapest in 1944 after the Nazis began deporting Hungary's 700,000 Jews to extermination camps. Working personally for 7 months, Wallenberg is credited with saving about 100,000 Hungarian Jews from extermination.

During the 96th Congress, we passed House Concurrent Resolution 434, to honor Raoul Wallenberg, and to express the sense of the Congress that the U.S. delegation to the Madrid Conference on Security and Cooperation in Europe urge consideration of the case of Raoul Wallenberg at that meeting, and to request that the Department of State take all possible actions to obtain information concerning his present status and secure his release.

House Concurrent Resolution 434 passed the House on October 2, 1980, and the Senate on November 19, 1980.

Today, it is fitting that we pass House Joint Resolution 220 as amended. I want to specially commend our distinguished colleague, TOM LANTOS, for his work and sponsorship of this resolution. He and his wife, Annette, must be commended for their continuing efforts to find the whereabouts of our genuine hero of this generation.

● Mr. YATES. Mr. Speaker, it is with a deep sense of pride and honor that I join with my good friend, TOM LANTOS, in supporting and cosponsoring House Joint Resolution 220, bestowing honorary citizenship upon Raoul Wallenberg. It is an unprecedented moment in the history of the House that we give this recognition, the highest within our Nation's power for a noncitizen, to this distinguished citizen of Sweden and, truly, of the world.

The action we take today carries many meanings. It conveys the belated acknowledgment and gratitude of the United States for the heroic actions taken by Wallenberg at the request of then Secretary of State Cordell Hull, an association which may well have been the cause of his imprisonment. It recognizes the debt which all free people owe to one whose work saved the lives of over 100,000 innocent victims of totalitarianism. It sends a signal to the Soviet Union that the United States has not forgotten its historic commitment to human rights, a voice which seems to have been lost in the recent cacaphony of arms buildup and the new cold war. Finally, it represents the culmination of years of effort by TOM and Annette Lantos in raising the consciousness, and the conscience of the Congress and the American people to the work and the plight of Raoul Wallenberg.

The story of Raoul Wallenberg is one of courage, devotion, and supreme humanitarianism. While those such as he lie imprisoned, no one can be truly free.●

● Mr. FIELDS. Mr. Speaker, throughout history certain unique individuals have willingly sacrificed much to save their fellow man. In my judgment, Raoul Wallenberg is one such individual.

In the darkest hours of World War II, when much of the world attempted to ignore the Nazis' atrocities, this young Swedish diplomat came forth, at great personal risk, and sacrificed his freedom so that thousands of fellow human beings could be saved from extermination.

Like so many of his contemporaries, Raoul Wallenberg could have spent the war in comfort and safety. Instead, he choose to give up this safety by traveling to war torn Hungary, where he printed thousands of Swedish passports of his own design and began literally pulling Jews off the cattle trains bound for Auschwitz claiming them as Swedish citizens.

And, when confronted with threats to his own life, Wallenberg would respond, "Sure, it gets a little scary, sometimes. But for me there is no choice. I have taken on this assignment and I would never be able to go back to Stockholm without knowing inside myself I had done all a man could do to save as many Jews as possible."

Mr. Speaker, the world is now aware of Raoul Wallenberg's tireless efforts and ceaseless dedication. Unfortunately, however, even now, more than 30 years later, we are still waiting to thank him for his extraordinary accomplishments.

While the Russians would have us believe that he died many years ago, a number of people who have survived the horrors of Russian prison life in recent years, claim to know that Raoul Wallenberg lives.

I believe we have a responsibility to solve this mystery surrounding Raoul Wallenberg's fate, and I believe we must do whatever we can, even at this late hour, to determine what happened to this great humanitarian.

Had Raoul Wallenberg decided to safeguard only his own freedom, thousands of Hungarian Jews would not have survived the Nazi holocaust, as we all know, one of those survivors is with us here today—Congressman TOM LANTOS—and he is to be commended for his leadership and his dedication to this noble cause.

Mr. Speaker, Raoul Wallenberg is the lost hero of the holocaust. He remains a living legend for the Jews of Budapest. Few men have ever done so much to save so many, We must not let the world forget the horrors of the holocaust nor the accomplishments of this courageous man.

Let us hope that 1 day in the not too distant future we will have an opportunity to meet this rare human being.

I urge the immediate adoption of this legislation (H.J. Res. 220) which will not only honor this brave and humane man, but will reaffirm our own country's dedication to the principles for which Raoul Wallenberg sacrificed so much.●

● Mr. HOLLENBECK. Mr. Speaker, I rise to join my colleagues in urging the swift passage of House Joint Resolution 220 making the Swedish hero Raoul Wallenberg an honorary American citizen. I believe that our approving House Joint Resolution 220 this afternoon would send a very clear message to Soviet authorities who I accuse of deliberately withholding information relevant to Mr. Wallenberg's continued existence. It would relay to these officials that the U.S. Congress is unwilling to sit idly by while a great injustice is being perpetrated against an individual whose only crime should have made him a hero of epic stature. I know that a majority of my colleagues in this distinguished Chamber share my commitment to ascertaining the truth concerning Wallenberg's whereabouts and will not hesitate to approve the resolution before us and thereby provide the vehicle through which this country's investigation can proceed.●

● Mr. WAXMAN. Mr. Speaker, I wish to express my strong support for House Joint Resolution 220, which would grant honorary U.S. citizenship to Raoul Wallenberg. As many of us know, Raoul Wallenberg embarked on an effort to save the lives of Jews threatened by the Nazis in Hungary during the Second World War. He received support for his mission from President Roosevelt and the American War Refugee Board, and from his homeland of Sweden. He succeeded in helping 200,000 Jews escape the Nazi death camps.

Mr. Wallenberg was taken into custody by the Soviets in 1945, and has not been heard from since. In 1957, the Soviet authorities notified the Swedish Government that Mr. Wallenberg had died in prison in 1947. As late as last January, however, former prisoners have reported seeing Mr. Wallenberg in Soviet prisons.

Mr. Wallenberg is a true hero, to whom the world is indebted for an outstanding act of courage and sacrifice in a moment of great danger to Jews and to us all. The Soviets' reasons for imprisoning him are unfathomable. I hope that in granting citizenship to Mr. Wallenberg we will communicate to the Soviets the depth of our concern and increase our leverage in securing his release.

I also want to express my deepest appreciation to TOM LANTOS, who has been the conscience of this House, and of our country, on this issue. Because of his efforts, we are taking a step that should have been done a long time ago. Our vote today is a tribute to TOM and his wife, Annette, who have devoted themselves so tirelessly to ascertaining the fate of Raoul Wallenberg.

Mr. Speaker, I urge the unanimous adoption of this resolution.●

● Mr. BOLAND. Mr. Speaker, I strongly support House Joint Resolution 220, legislation which would bestow honorary U.S. citizenship on Raoul Wallenberg.

As my colleagues know, the capture and subsequent disappearance of Mr. Wallenberg was one of the great international tragedies of World War II. He arrived in Budapest, Hungary, in the summer of 1944 on a mission of mercy. While posted as First Secretary of the Swedish Legation, Wallenberg's purpose in being in Hungary was to direct efforts aimed at saving Jews from Nazi extermination camps. While precise figures are not obtainable, it is likely that Wallenberg gave direct protection to at least 20,000 Jews through the issuance of protective passports, and, through diplomatic means, saved 100,000 more. These efforts, which should have earned Wallenberg the thanks and praise of humanity, were instead rewarded with imprisonment and perhaps death in the Soviet Union.

For the last 36 years, various individuals, groups, and governments have attempted to ascertain the truth about what happened to Mr. Wallenberg after he presented himself to a Soviet street patrol in Budapest on January 13, 1945. These efforts have not been successful because the Soviet Union has chosen not to cooperate with them. Since Mr. Wallenberg undertook his mission in large part because of a request by the American War Refugee Board, I believe that the United States has a special obligation to demonstrate its concern to the Soviets over the handling of the Wallenberg case. For that reason, I cosponsored House Joint Resolution 220 and urge my colleagues to approve it. I commend the gentleman from California (Mr. LANTOS) for his leadership on this issue and the chairmen of the Foreign Affairs Committee and the Judiciary Committee for their efforts to ensure that the House had an opportunity to vote on this legislation. I hope that the passage of House Joint Resolution 220 will generate a level of international publicity sufficient to make it impossible for the Russians to continue to less than fully disclose the facts on the Wallenberg matter.●

● Mr. BIAGGI. Mr. Speaker, I rise in support of House Joint Resolution 220, which will grant honorary American citizenship to Raoul Wallenberg. Mr. Wallenberg, a Swedish diplomat, is responsible for saving thousands of Hungarian Jews from extermination in Nazi concentration camps. Soon after the Soviet occupation of Hungary in 1945, Mr. Wallenberg disappeared and he has not been seen nor heard from since that time.

It is my privilege to join Representative LANTOS as a cosponsor of this legislation. American citizenship will provide the United States with the authority to formally approach the Soviet Union for information on Mr. Wallenberg's fate. At this time, we do not know if Mr. Wallenberg is dead or alive even though the Soviet Government has claimed that Mr. Wallenberg died in prison in 1947. Several former inmates of Soviet prisons have claimed that they saw or heard of a Swedish prisoner by the name of Wallenberg—who is still alive.

I find the Soviet Government's arrest and detention of Mr. Wallenberg to be reprehensible. I find it even more distressing that the Soviet officials refuse to provide the free world with details of Mr. Wallenberg's fate.

I would like to commend the Swedish Government for its efforts to obtain information on Mr. Wallenberg. Their efforts have been consistent and untiring. However, the United States, as a world power can exert even greater influence on the Soviet Government once Wallenberg is an American citizen.

I want to take this opportunity to commend Judiciary Committee chairman, PETER RODINO, and his staff for promptly reporting this legislation to the full House. I also want to bring to my colleagues' attention the efforts of the Members of the Helsinki Commission, the U.S. State Department and representatives of the American Embassies in Sweden and the Soviet Union for their untiring efforts in appealing to the Soviet Government to release information about Wallenberg's fate.

I urge my colleagues to vote in favor of House Joint Resolution 220.●

● Mr. BINGHAM. Mr. Speaker, I rise in support of this resolution which would confer honorary citizenship on Raoul Wallenberg. Raoul Wallenberg is clearly one of the century's great heroes. During a time of unspeakable horror Raoul Wallenberg stepped forward and risked his life and his freedom to aid the imperiled Jews of Hungary. Raoul Wallenberg's courage was all too rare during the dark days of the holocaust but his example demonstrates that individual courageous acts, like Wallenberg's, could have saved countless Jewish lives. He, and he alone, was perhaps responsible for saving 100,000 Jews.

Wallenberg paid a heavy price for his courageous acts. He was arrested by Soviet occupation authorities at the conclusion of the war and whisked off to exile somewhere in the Soviet Union. Press reports now indicate that the Soviet officer who ordered the arrest of Wallenberg was none other than Leonid Brezhnev. We have yet to learn why Wallenberg was taken prisoner but there is reason to believe that it was because he told the Soviet authorities that his rescue work was done at the behest of President Franklin Roosevelt and the U.S. War Refugee Board. For whatever reasons, Wallenberg vanished into the Soviet gulag and has only been seen on a handful of occasions since.

There is reason to believe that Wallenberg may still be alive. Accordingly this resolution makes a great deal of sense. In bestowing honorary citizenship to Wallenberg we are telling the Soviet Government that we are deeply concerned with his fate. If he is alive, he must be allowed to go home. If he is dead, we must know the circumstances of his death and the reasons for his imprisonment. I am proud to support this resolution. In conferring citizenship on this great man, we not only honor Wallenberg, we also bring credit to our own country.●

● Mrs. HECKLER. Mr. Speaker, the holocaust in Europe was a time of horror that all of us pray will never recur—and yet it will never end, either. The memory of the atrocities that occurred, the images of a world seemingly gone mad, have been embedded in our national consciousness, never to be forgotten.

Neither will we forget the accounts of heroism and honor with which the victims of the holocaust, and those who sought to rescue them, defied the siege of terror.

We cannot afford to forget. The lessons of that horrible era are too vital—they strike too close to the essence of modern society—for us to let them fade with time.

The leaders of the Soviet Union want the world to forget. It is in their interest to obscure the memory of the Jewish persecution—and to obliterate

the record of valiant struggle waged by the Jews of Europe, and those who dared defend them, against the purveyors of genocide.

Raoul Wallenberg is an integral figure in the drama of the holocaust.

He was, in the purest sense of the word, a hero. The son of a wealthy Swedish family, he could have chosen to live a life of ease. Instead he chose to risk his life in defense of a people with whom he shared only the common bond of humanity.

Because of Raoul Wallenberg's determination and courage, as many as 100,000 Hungarian Jews were saved from extermination by the Nazis. He demonstrated that defense of human life and liberty—regardless of race or religion—is the noblest endeavor any person can undertake.

What Raoul Wallenberg did, as part of a program conceived by President Franklin Roosevelt, was to show that the love of freedom can transcend the powers of a totalitarian state—that individual courage and hope can defeat the marshaled forces of repression.

That is a dangerous message for the Soviet Union to admit. It flies in the face of that nation's own horrible repression of the Jews and other dissidents, and puts the lie to the myth of the monolithic worker state.

That is why the Soviets arrested Raoul Wallenberg in 1945, why they reported him dead in 1947, and why they have continually refused attempts to account for him.

The Soviets do not want Raoul Wallenberg's story to be told.

And that is why we must make sure that the world does not forget this man.

Today's resolution, to grant Raoul Wallenberg honorary American citizenship and to ask the President to press for the truth about his case, is an entirely appropriate tribute to a man whose life and actions exemplified the highest American ideals of freedom and courage. It honors his past actions—in the same way that the Congress honored Sir Winston Churchill for his heroism and leadership—and it also takes a very real step toward gaining his freedom in the future.

Granting honorary citizenship is, of course, an extraordinary step. We have taken it today to honor an extraordinary man. I believe our Nation's highest honor is the only fitting way to express our gratitude to a man who has lived according to its highest principles.●

Mr. RODINO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. RODINO) that the House suspend the rules and pass the joint resolution (H.J. Res. 220) as amended.

The question was taken.

Mr. GORE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule 1, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all the additional motions to suspend the rules on which the Chair has postponed further proceedings on Monday, September 21.

This will be a 15-minute vote.

The vote was taken by electronic device, and there were—yeas 396, nays 2, not voting 35, as follows:

[Roll No. 212]

YEAS—396

| | | |
|---|---|---|
| Akaka | Conable | Foglietta |
| Albosta | Conte | Foley |
| Alexander | Conyers | Ford (TN) |
| Anderson | Corcoran | Forsythe |
| Andrews | Coughlin | Fountain |
| Annunzio | Courter | Fowler |
| Anthony | Coyne, James | Frank |
| Applegate | Coyne, William | Frenzel |
| Archer | Craig | Frost |
| Aspin | Crane, Daniel | Fuqua |
| Atkinson | Crane, Philip | Gaydos |
| AuCoin | D'Amours | Gejdenson |
| Badham | Daniel, Dan | Gephardt |
| Bafalis | Daniel, R. W. | Gilman |
| Bailey (MO) | Dannemeyer | Gingrich |
| Bailey (PA) | Daschle | Ginn |
| Barnard | Daub | Glickman |
| Barnes | Davis | Gonzalez |
| Beard | de la Garza | Goodling |
| Bedell | Deckard | Gore |
| Beilenson | DeNardis | Gradison |
| Benedict | Derrick | Gramm |
| Benjamin | Dickinson | Gray |
| Bennett | Dicks | Green |
| Bereuter | Dingell | Gregg |
| Bethune | Dixon | Grisham |
| Bevill | Donnelly | Guarini |
| Bingham | Dorgan | Gunderson |
| Bliley | Dowdy | Hagedorn |
| Boggs | Dreier | Hall (OH) |
| Boland | Duncan | Hall, Sam |
| Boner | Dunn | Hamilton |
| Bonior | Dwyer | Hammerschmidt |
| Bonker | Dymally | Hance |
| Bouquard | Dyson | Hansen (ID) |
| Bowen | Early | Hansen (UT) |
| Breaux | Eckart | Harkin |
| Brinkley | Edgar | Hartnett |
| Brodhead | Edwards (CA) | Hatcher |
| Brooks | Edwards (OK) | Hawkins |
| Broomfield | Emerson | Heckler |
| Brown (CA) | Emery | Hefner |
| Brown (CO) | English | Heftel |
| Brown (OH) | Erdahl | Hendon |
| Broyhill | Erlenborn | Hertel |
| Burgener | Ertel | Hightower |
| Burton, Phillip | Evans (DE) | Hiler |
| Butler | Evans (IA) | Hillis |
| Byron | Evans (IN) | Holland |
| Campbell | Fary | Hollenbeck |
| Carman | Fascell | Hopkins |
| Carney | Fazio | Howard |
| Chappie | Fenwick | Hoyer |
| Cheney | Ferraro | Hubbard |
| Chisholm | Fiedler | Huckaby |
| Clay | Fields | Hughes |
| Clinger | Findley | Hunter |
| Coats | Fish | Hutto |
| Coelho | Fithian | Ireland |
| Coleman | Flippo | Jacobs |
| Collins (TX) | Florio | Jeffords |
| Jeffries | Moorhead | Shaw |
| Jenkins | Morrison | Shelby |
| Johnston | Mottl | Shumway |
| Jones (NC) | Murphy | Shuster |
| Jones (OK) | Murtha | Siljander |
| Kastenmeier | Myers | Skeen |
| Kazen | Napier | Skelton |
| Kemp | Natcher | Smith (AL) |
| Kildee | Neal | Smith (IA) |
| Kindness | Nelligan | Smith (NE) |
| Kogovsek | Nelson | Smith (NJ) |
| Kramer | Nowak | Smith (OR) |
| LaFalce | O'Brien | Smith (PA) |
| Lagomarsino | Oakar | Snowe |
| Lantos | Oberstar | Snyder |
| Leach | Obey | Solarz |
| Leath | Ottinger | Solomon |
| LeBoutillier | Oxley | Spence |
| Lee | Panetta | St Germain |
| Lehman | Parris | Stangeland |
| Leland | Patman | Stanton |
| Lent | Patterson | Stark |
| Levitas | Paul | Staton |
| Lewis | Pease | Stenholm |
| Livingston | Pepper | Stokes |
| Loeffler | Perkins | Stratton |
| Long (LA) | Peyser | Studds |
| Long (MD) | Pickle | Stump |
| Lott | Porter | Swift |
| Lowery (CA) | Price | Synar |
| Lowry (WA) | Pritchard | Tauke |
| Lujan | Pursell | Tauzin |
| Luken | Quillen | Taylor |
| Lundine | Rahall | Thomas |
| Lungren | Railsback | Traxler |
| Madigan | Rangel | Trible |
| Markey | Ratchford | Udall |
| Marks | Regula | Vander Jagt |
| Marlenee | Rhodes | Vento |
| Marriott | Richmond | Volkmer |
| Martin (IL) | Rinaldo | Walgren |
| Martin (NC) | Ritter | Walker |
| Martin (NY) | Roberts (KS) | Wampler |
| Matsui | Roberts (SD) | Washington |
| Mattox | Robinson | Watkins |
| Mavroules | Rodino | Waxman |
| Mazzoli | Roe | Weaver |
| McClory | Roemer | Weber (MN) |
| McCloskey | Rogers | Weber (OH) |
| McCollum | Rose | Weiss |
| McCurdy | Rosenthal | White |
| McDade | Rostenkowski | Whitehurst |
| McDonald | Roth | Whitley |
| McEwen | Roukema | Whittaker |
| McGrath | Rousselot | Whitten |
| McHugh | Roybal | Williams (MT) |
| McKinney | Rudd | Williams (OH) |
| Mica | Russo | Wilson |
| Michel | Sabo | Winn |
| Mikulski | Santini | Wolf |
| Miller (CA) | Sawyer | Wolpe |
| Miller (OH) | Scheuer | Wortley |
| Mineta | Schneider | Wright |
| Minish | Schroeder | Wyden |
| Mitchell (MD) | Schulze | Wylie |
| Mitchell (NY) | Schumer | Yates |
| Moakley | Seiberling | Yatron |
| Molinari | Sensenbrenner | Young (AK) |
| Mollohan | Shamansky | Young (FL) |
| Montgomery | Shannon | Young (MO) |
| Moore | Sharp | Zablocki |

NAYS—2

| | |
|---|---|
| Ashbrook | Hyde |

NOT VOTING—35

| | | |
|---|---|---|
| Addabbo | Dornan | Jones (TN) |
| Biaggi | Dougherty | Latta |
| Blanchard | Downey | Moffett |
| Bolling | Edwards (AL) | Nichols |
| Burton, John | Evans (GA) | Pashayan |
| Chappell | Ford (MI) | Petri |
| Clausen | Garcia | Reuss |
| Collins (IL) | Gibbons | Savage |
| Crockett | Goldwater | Simon |
| Danielson | Hall, Ralph | Wirth |
| Dellums | Holt | Zeferetti |
| Derwinski | Horton | |

□ 1315

The Clerk announced the following pairs:

On this vote:

Mr. Nichols and Mrs. Collins of Illinois for, with Mr. Danielson against.

Until further notice:

Mr. Garcia with Mr. Dornan of California.
Mr. Zeferetti with Mr. Edwards of Alabama.
Mr. Addabbo with Mr. Derwinski.
Mr. Chappell with Mrs. Holt.
Mr. Biaggi with Mr. Dougherty.
Mr. Crockett with Mr. Clausen.
Mr. Dellums with Mr. Latta.
Mr. Jones of Tennessee with Mr. Goldwater.
Mr. Wirth with Mr. Horton.
Mr. Savage with Mr. Petri.
Mr. Reuss with Mr. Pashayan.
Mr. Downey with Mr. John L. Burton.
Mr. Evans of Georgia with Mr. Blanchard.
Mr. Moffett with Mr. Ralph M. Hall.
Mr. Simon with Mr. Ford of Michigan.

So (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution, as amended was passed.

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. MAZZOLI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the joint resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MAZZOLI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table a similar Senate joint resolution (S.J. Res. 65) proclaiming Raoul Wallenberg to be an honorary citizen of the United States, and requesting the President to ascertain from the Soviet Union the whereabouts of Raoul Wallenberg and to secure his return to freedom, and ask for its immediate considerations.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

S.J. RES. 65

Whereas the United States has conferred citizenship on only one occasion in its more than two hundred years, and honorary citizenship is and should remain an extraordinary honor not lightly conferred nor frequently granted;

Whereas during World War II the United States was at war with Hungary, and had no diplomatic relations with that country;

Whereas in 1944 the United States Government through Secretary of State Cordell Hull requested the cooperation of Sweden, as a neutral nation, in protecting the lives of Hungarian Jews facing extermination at the hands of the Nazis;

Whereas Raoul Wallenberg agreed to act at the behest of the United States in Hungary, and went to Hungary in the summer of 1944 as Secretary of the Swedish Legation;

Whereas Raoul Wallenberg, with extraordinary courage and with total disregard for the constant danger to himself, saved the lives of almost one hundred thousand innocent men, women, and children;

Whereas Raoul Wallenberg, with funds and directives supplied by the United States, provided food, shelter, and medical care to those whom he had rescued;

Whereas the Soviet Union, in violation of Wallenberg's Swedish diplomatic immunity and of international law, seized him on January 17, 1945, with no explanation ever given for his detention and subsequent imprisonment;

Whereas Rauol Wallenberg has been a prisoner in the Soviet Union since 1945;

Whereas reports from prisoners in the Soviet Union, as recent as January 1981, suggest that Raoul Wallenberg is alive;

Whereas history has revealed that heroic acts of salvation were tragically rare during the massacre of millions of innocent human beings during World War II; and

Whereas the significance of this symbol of man's concern for his fellow man has been tainted by the wall of silence that surrounds the fate of Wallenberg: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. Raoul Wallenberg is proclaimed to be an honorary citizen of the United States of America.

SEC. 2. The President is requested to take all possible steps to ascertain from the Soviet Union the whereabouts of Raoul Wallenberg and to secure his return to freedom.

The Clerk read the Senate joint resolution, as follows:

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House joint resolution (H.J. Res. 220) was laid on the table.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed on Monday, September 21, 1981, in the order in which that motion was considered.

Votes will be taken in the following order: House Concurrent Resolution 183, by the yeas and nays; H.R. 1953, de novo.

As previously announced by the Chair, pursuant to rule I, these votes will be reduced to 5 minutes.

## SENSE OF CONGRESS THAT THE NATIONAL RUGBY TEAM OF SOUTH AFRICA SHOULD NOT PLAY IN THE UNITED STATES

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and agreeing to the concurrent resolution, House Concurrent Resolution 183.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI) that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 183, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 200, nays 198, not voting 35, as follows:

[Roll No. 213]

YEAS—200

| | | |
|---|---|---|
| Akaka | Foley | Moakley |
| Albosta | Ford (TN) | Murtha |
| Alexander | Fowler | Neal |
| Anderson | Frank | Nelson |
| Andrews | Frost | Nowak |
| Annunzio | Fuqua | Oakar |
| Aspin | Gejdenson | Oberstar |
| Atkinson | Gephardt | Obey |
| AuCoin | Gilman | Ottinger |
| Bailey (PA) | Ginn | Panetta |
| Barnes | Glickman | Patterson |
| Bedell | Gonzalez | Pease |
| Beilenson | Goodling | Pepper |
| Benjamin | Gore | Peyser |
| Bingham | Gray | Price |
| Boggs | Green | Pritchard |
| Boland | Guarini | Pursell |
| Boner | Gunderson | Rangel |
| Bonior | Hall (OH) | Ratchford |
| Bonker | Hall, Sam | Richmond |
| Bouquard | Hamilton | Rinaldo |
| Breaux | Harkin | Rodino |
| Brodhead | Hatcher | Roe |
| Brown (CA) | Hawkins | Roemer |
| Brown (CO) | Heckler | Rose |
| Brown (OH) | Hefner | Rosenthal |
| Burton, Phillip | Heftel | Rostenkowski |
| Byron | Hertel | Roybal |
| Chisholm | Holland | Sabo |
| Clay | Hollenbeck | Scheuer |
| Coelho | Howard | Schneider |
| Conable | Hoyer | Schroeder |
| Conyers | Hughes | Schumer |
| Coughlin | Jacobs | Seiberling |
| Coyne, James | Jones (NC) | Shamansky |
| Coyne, William | Jones (OK) | Shannon |
| D'Amours | Kastenmeier | Sharp |
| Daschle | Kildee | Smith (IA) |
| de la Garza | Kogovsek | Smith (PA) |
| Deckard | LaFalce | Snowe |
| DeNardis | Lantos | Solarz |
| Derrick | Leach | St Germain |
| Dicks | LeBoutillier | Stark |
| Dixon | Lehman | Stokes |
| Donnelly | Leland | Studds |
| Dorgan | Lent | Swift |
| Dwyer | Levitas | Synar |
| Dymally | Lewis | Tauke |
| Dyson | Long (LA) | Tauzin |
| Early | Long (MD) | Traxler |
| Eckart | Lowry (WA) | Udall |
| Edgar | Luken | Vento |
| Edwards (CA) | Lundine | Walgren |
| Emery | Markey | Washington |
| Erdahl | Marks | Waxman |
| Ertel | Matsui | Weaver |
| Evans (IA) | Mattox | Weiss |
| Evans (IN) | Mavroules | Whitley |
| Fary | McCloskey | Williams (MT) |
| Fascell | McGrath | Wolpe |
| Fazio | McHugh | Wright |
| Fenwick | Mica | Wyden |
| Ferraro | Mikulski | Yates |
| Fish | Miller (CA) | Yatron |
| Fithian | Mineta | Young (MO) |
| Florio | Minish | Zablocki |
| Foglietta | Mitchell (MD) | |

NAYS—198

| | | |
|---|---|---|
| Anthony | Beard | Brinkley |
| Applegate | Benedict | Brooks |
| Archer | Bennett | Broomfield |
| Ashbrook | Bereuter | Broyhill |
| Badham | Bethune | Burgener |
| Bafalis | Bevill | Butler |
| Bailey (MO) | Bliley | Campbell |
| Barnard | Bowen | Carman |

| | | |
|---|---|---|
| Carney | Hyde | Regula |
| Chappell | Ireland | Rhodes |
| Chappie | Jeffords | Ritter |
| Cheney | Jeffries | Roberts (KS) |
| Clinger | Jenkins | Roberts (SD) |
| Coats | Johnston | Robinson |
| Coleman | Kazen | Rogers |
| Collins (TX) | Kemp | Roth |
| Conte | Kindness | Roukema |
| Corcoran | Kramer | Rousselot |
| Courter | Lagomarsino | Rudd |
| Craig | Leath | Russo |
| Crane, Daniel | Lee | Santini |
| Crane, Philip | Livingston | Sawyer |
| Daniel, Dan | Loeffler | Schulze |
| Daniel, R. W. | Lott | Sensenbrenner |
| Dannemeyer | Lowery (CA) | Shaw |
| Daub | Lujan | Shelby |
| Davis | Lungren | Shumway |
| Dickinson | Madigan | Shuster |
| Dowdy | Marlenee | Siljander |
| Dreier | Marriott | Skeen |
| Duncan | Martin (IL) | Skelton |
| Dunn | Martin (NC) | Smith (AL) |
| Edwards (OK) | Martin (NY) | Smith (NE) |
| Emerson | Mazzoli | Smith (NJ) |
| English | McClory | Smith (OR) |
| Erlenborn | McCollum | Snyder |
| Evans (DE) | McDade | Solomon |
| Fiedler | McDonald | Spence |
| Fields | McEwen | Stangeland |
| Findley | McKinney | Stanton |
| Flippo | Michel | Staton |
| Forsythe | Miller (OH) | Stenholm |
| Fountain | Mitchell (NY) | Stratton |
| Frenzel | Molinari | Stump |
| Gaydos | Mollohan | Taylor |
| Gingrich | Montgomery | Thomas |
| Goldwater | Moore | Trible |
| Gradison | Moorhead | Vander Jagt |
| Gramm | Morrison | Volkmer |
| Gregg | Mottl | Walker |
| Grisham | Murphy | Wampler |
| Hagedorn | Myers | Watkins |
| Hammerschmidt | Napier | Weber (MN) |
| Hance | Natcher | Weber (OH) |
| Hansen (ID) | Nelligan | White |
| Hansen (UT) | O'Brien | Whitehurst |
| Hartnett | Oxley | Whittaker |
| Hendon | Parris | Whitten |
| Hightower | Patman | Williams (OH) |
| Hiler | Paul | Wilson |
| Hillis | Perkins | Winn |
| Hopkins | Pickle | Wolf |
| Hubbard | Porter | Wortley |
| Huckaby | Quillen | Wylie |
| Hunter | Rahall | Young (AK) |
| Hutto | Railsback | Young (FL) |

NOT VOTING—35

| | | |
|---|---|---|
| Addabbo | Dornan | Latta |
| Biaggi | Dougherty | McCurdy |
| Blanchard | Downey | Moffett |
| Bolling | Edwards (AL) | Nichols |
| Burton, John | Evans (GA) | Pashayan |
| Clausen | Ford (MI) | Petri |
| Collins (IL) | Garcia | Reuss |
| Crockett | Gibbons | Savage |
| Danielson | Hall, Ralph | Simon |
| Dellums | Holt | Wirth |
| Derwinski | Horton | Zeferetti |
| Dingell | Jones (TN) | |

□ 1330

The Clerk announced the following pairs:

On this vote:

Mrs. Collins of Illinois and Mr. Garcia for, with Mr. Nichols against.

Until further notice:

Mr. Addabbo with Mr. Derwinski.

Mr. Dingell with Mrs. Holt.

Mr. Jones of Tennessee with Mr. Pashayan.

Mr. Reuss with Mr. Petri.

Mr. Zeferetti with Mr. Dougherty.

Mr. Moffett with Mr. Edwards of Alabama.

Mr. McCurdy with Mr. Dornan of California.

Mr. Danielson with Mr. Horton.

Mr. Biaggi with Mr. Latta.

Mr. Crockett with Mr. Clausen.

Mr. Dellums with Mr. Savage.

Mr. John L. Burton with Mr. Simon.

Mr. Evans of Georgia with Mr. Wirth.

Mr. Blanchard with Mr. Downey.

Mr. Ford of Michigan with Mr. Ralph M. Hall.

Mr. CRAIG changed his vote from "yea" to "nay."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

## OFFICE OF ENVIRONMENTAL QUALITY REAUTHORIZATION

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill, H.R. 1953, as amended.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from North Carolina (Mr. JONES) that the House suspend the rules and pass the bill, H.R. 1953, as amended.

The question was taken.

Mr. DANNEMEYER. Mr. Speaker, on that I demand a recorded vote.

A recorded vote was ordered.

The vote was taken electronic device, and there were—ayes 360, noes 42, not voting 31, as follows:

[Roll No. 214]

AYES—360

| | | |
|---|---|---|
| Akaka | Carney | Erdahl |
| Albosta | Chappell | Erlenborn |
| Alexander | Chappie | Ertel |
| Anderson | Chisholm | Evans (DE) |
| Andrews | Clay | Evans (IA) |
| Annunzio | Clinger | Fary |
| Anthony | Coats | Fascell |
| Archer | Coelho | Fazio |
| Aspin | Coleman | Fenwick |
| Atkinson | Conable | Ferraro |
| AuCoin | Conte | Fiedler |
| Bafalis | Conyers | Fields |
| Bailey (MO) | Corcoran | Findley |
| Bailey (PA) | Coughlin | Fish |
| Barnard | Courter | Fithian |
| Barnes | Coyne, James | Flippo |
| Beard | Coyne, William | Florio |
| Bedell | Crockett | Foglietta |
| Beilenson | D'Amours | Foley |
| Benedict | Daniel, Dan | Ford (TN) |
| Benjamin | Daniel, R. W. | Forsythe |
| Bennett | Daschle | Fountain |
| Bereuter | Daub | Fowler |
| Bethune | Davis | Frank |
| Bevill | de la Garza | Frenzel |
| Bingham | Deckard | Frost |
| Blanchard | DeNardis | Fuqua |
| Bliley | Derrick | Gaydos |
| Boland | Dicks | Gejdenson |
| Boner | Dingell | Gephardt |
| Bonior | Dixon | Gibbons |
| Bonker | Donnelly | Gilman |
| Bouquard | Dorgan | Gingrich |
| Bowen | Dowdy | Ginn |
| Breaux | Downey | Glickman |
| Brinkley | Dreier | Goldwater |
| Brodhead | Duncan | Gonzalez |
| Brooks | Dwyer | Gore |
| Brown (CA) | Dymally | Gradison |
| Brown (CO) | Dyson | Gray |
| Brown (OH) | Early | Green |
| Broyhill | Eckart | Guarini |
| Burgener | Edgar | Gunderson |
| Burton, Phillip | Edwards (AL) | Hagedorn |
| Butler | Edwards (CA) | Hall (OH) |
| Byron | Emerson | Hall, Ralph |
| Campbell | Emery | Hall, Sam |
| Carman | English | Hamilton |
| Hammerschmidt | McCollum | Scheuer |
| Hance | McCurdy | Schneider |
| Hartnett | McDade | Schroeder |
| Hatcher | McEwen | Schulze |
| Hawkins | McGrath | Schumer |
| Heckler | McHugh | Seiberling |
| Hefner | McKinney | Sensenbrenner |
| Heftel | Mica | Shamansky |
| Hendon | Michel | Shannon |
| Hertel | Mikulski | Sharp |
| Hightower | Miller (CA) | Shaw |
| Hiler | Miller (OH) | Shuster |
| Hillis | Mineta | Siljander |
| Hollenbeck | Minish | Skeen |
| Hopkins | Mitchell (MD) | Skelton |
| Howard | Mitchell (NY) | Smith (IA) |
| Hoyer | Moakley | Smith (NE) |
| Hubbard | Molinari | Smith (NJ) |
| Huckaby | Mollohan | Smith (PA) |
| Hughes | Moore | Snowe |
| Hunter | Morrison | Snyder |
| Hutto | Murphy | Solarz |
| Hyde | Myers | Spence |
| Ireland | Napier | St Germain |
| Jacobs | Natcher | Stangeland |
| Jeffords | Neal | Stanton |
| Jeffries | Nelson | Stark |
| Jenkins | Nowak | Staton |
| Jones (NC) | O'Brien | Stokes |
| Jones (OK) | Oakar | Stratton |
| Kastenmeier | Oberstar | Studds |
| Kazen | Obey | Swift |
| Kemp | Ottinger | Synar |
| Kildee | Oxley | Tauke |
| Kindness | Panetta | Tauzin |
| Kogovsek | Parris | Taylor |
| Kramer | Patman | Thomas |
| LaFalce | Patterson | Traxler |
| Lagomarsino | Pease | Trible |
| Lantos | Pepper | Udall |
| Latta | Perkins | Vander Jagt |
| Leach | Peyser | Vento |
| LeBoutillier | Pickle | Volkmer |
| Lee | Porter | Walgren |
| Lehman | Price | Wampler |
| Leland | Pritchard | Washington |
| Lent | Quillen | Waxman |
| Levitas | Rahall | Weaver |
| Lewis | Railsback | Weber (MN) |
| Livingston | Rangel | Weber (OH) |
| Long (LA) | Ratchford | Weiss |
| Long (MD) | Regula | White |
| Lott | Rhodes | Whitehurst |
| Lowery (CA) | Richmond | Whitley |
| Lowry (WA) | Rinaldo | Whittaker |
| Lujan | Ritter | Whitten |
| Luken | Roberts (KS) | Williams (MT) |
| Lundine | Robinson | Williams (OH) |
| Madigan | Rodino | Wilson |
| Markey | Roe | Winn |
| Marks | Roemer | Wolf |
| Marlenee | Rogers | Wolpe |
| Marriott | Rose | Wortley |
| Martin (IL) | Rosenthal | Wright |
| Martin (NC) | Rostenkowski | Wyden |
| Martin (NY) | Roth | Wylie |
| Matsui | Roukema | Yates |
| Mattox | Roybal | Yatron |
| Mavroules | Russo | Young (AK) |
| Mazzoli | Sabo | Young (FL) |
| McClory | Santini | Young (MO) |
| McCloskey | Sawyer | Zablocki |

NOES—42

| | | |
|---|---|---|
| Applegate | Goodling | Murtha |
| Ashbrook | Gramm | Paul |
| Badham | Gregg | Roberts (SD) |
| Broomfield | Grisham | Rousselot |
| Cheney | Hansen (ID) | Rudd |
| Collins (TX) | Hansen (UT) | Shelby |
| Craig | Johnston | Shumway |
| Crane, Daniel | Leath | Smith (AL) |
| Crane, Philip | Loeffler | Smith (OR) |
| Dannemeyer | Lungren | Solomon |
| Dickinson | McDonald | Stenholm |
| Dunn | Montgomery | Stump |
| Edwards (OK) | Moorhead | Walker |
| Evans (IN) | Mottl | Watkins |

NOT VOTING—31

| | | |
|---|---|---|
| Addabbo | Burton, John | Dellums |
| Biaggi | Clausen | Derwinski |
| Boggs | Collins (IL) | Dornan |
| Bolling | Danielson | Dougherty |

| | | |
|---|---|---|
| Evans (GA) | Jones (TN) | Reuss |
| Ford (MI) | Moffett | Savage |
| Garcia | Nelligan | Simon |
| Harkin | Nichols | Wirth |
| Holland | Pashayan | Zeferetti |
| Holt | Petri | |
| Horton | Pursell | |

Mr. DREIER changed his vote from "nay" to "yea."

The Clerk announced the following pairs:

On this vote:

Mr. Addabbo with Mr. Pashayan.
Mrs. Boggs with Mr. Derwinski.
Mr. Nichols with Mr. Dougherty.
Mr. Reuss with Mr. Petri.
Mr. Zeferetti with Mr. Nelligan.
Mrs. Collins of Illinois with Mr. Pursell.
Mr. Biaggi with Mr. Dornan of California.
Mr. Holland with Mr. Clausen.
Mr. Danielson with Mr. Horton.
Mr. Dellums with Mrs. Holt.
Mr. Jones of Tennessee with Mr. Harkin.
Mr. Ford of Michigan with Mr. Garcia.
Mr. Moffett with Mr. Savage.
Mr. Simon with Mr. Wirth.
Mr. Evans of Georgia with Mr. John L. Burton.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's table a similar Senate bill (S. 1210) amending the Environmental Quality Improvement Act of 1970, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. WALKER. Reserving the right to object, Mr. Speaker, I reserve the right to object because of the noise, I could not hear exactly what the subject matter of the bill was.

Mr. JONES of North Carolina. Mr. Speaker, if the gentleman will yield, I would say to the gentleman from Pennsylvania that this procedure is taking from the Speaker's desk subject to the approval of the House the Senate version and substituting the House version.

Mr. WALKER. Could the gentleman tell me which bill this is? When the Clerk was announcing the bill, I could not hear exactly which bill they were talking about.

Mr. JONES of North Carolina. It is the authorization for the Environmental Quality Council, 1982. It was a fixed sum and is providing for the same authorization as might be funded in 1983 and 1984.

Mr. WALKER. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1210

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 205 of the Environmental Quality Improvement Act of 1970 (40 U.S.C. 4374) is amended by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"(a) $1,544,000 for the fiscal year ending September 30, 1982.".

MOTION OFFERED BY MR. JONES OF NORTH CAROLINA

Mr. JONES of North Carolina. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. JONES of North Carolina moves to strike out all after the enacting clause of the Senate bill, S. 1210, and to insert in lieu thereof the provisions of H.R. 1953, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "A bill to authorize appropriations for the operations of the Office of Environmental Quality and the Council on Environmental Quality during fiscal years 1982, 1983, and 1984."

A similar House bill (H.R. 1953) was laid on the table.

A motion to reconsider was laid on the table.

## PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON FOREIGN ASSISTANCE AND RELATED PROGRAMS APPROPRIATIONS BILL, FISCAL YEAR 1982

Mr. LONG of Maryland. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on a bill making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1982, and for other purposes.

Mr. KEMP reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

## DISTRICT OF COLUMBIA APPROPRIATIONS, 1982

Mr. DIXON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4522) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1982, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Pennsylvania (Mr. COUGHLIN) and myself.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. DIXON).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4522, with Mr. RATCHFORD in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous consent agreement, the gentleman from California (Mr. DIXON) will be recognized for 30 minutes, and the gentleman from Pennsylvania (Mr. COUGHLIN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California (Mr. DIXON).

Mr. DIXON. Mr. Chairman, I yield myself such time as I may consume.

□ 1345

Mr. Chairman, I am pleased to bring to the House the District of Columbia appropriation bill for fiscal year 1982. This bill provides funding for the operation of the District of Columbia government during the coming fiscal year, and appropriates all of the local revenue collections as well as various Federal funds.

COMPARISON WITH BUDGET RESOLUTION AND PRESIDENT'S BUDGET

At the outset, let me point out that the bill is below the President's revised budget request by $49.6 million in both budget authority and outlays, and $50.4 million below the budget resolution in both budget authority and outlays. Let me point out that $36.6 million was recently authorized in this current session of Congress but the budget request was received too late for consideration by the committee. If this additional amount is subsequently included in the bill prior to final action by Congress, the bill will still be under the President's budget request and the budget resolution by $13 million.

FEDERAL FUNDS

The bill includes a Federal payment of $300 million to the District of Columbia government for fiscal year 1982. This is the same level as was appropriated in fiscal year 1981. Other Federal funds consisting of $52,070,000 as the Federal contribution to the

police, and fire, teachers, and judges pension system, $13.5 million for water and sewer services furnished to Federal facilities, and $155 million in Federal loans for the city's construction program, are also included in the bill. These loans are repaid to the Federal Treasury at the going rate of interest usually over a 30-year period.

All of these Federal funds, Mr. Chairman, total $520,570,000 for fiscal year 1982, and reflect an increase of $25,187,300 or 4.4 percent above the fiscal year 1981 level, but $49.6 million below the budget request for fiscal year 1982.

DISTRICT FUNDS

We recommend a total of $1,868,658,200 out of the District of Columbia treasury. Of this amount, $1,657,137,100 is for operating expenses and $211,521,100 is for capital outlay. The total amount of $1,868,658,200 reflects a net increase of $103,576,700 or 6 percent above the amount appropriated for fiscal year 1981.

EMPLOYMENT LEVEL

Much is said about the number of employees on the District's payroll. I am indeed pleased to report that the bill now before you includes 34,261 positions, a reduction of 5.4 percent or 1,943 positions below the fiscal year 1981 level. When compared with the fiscal year 1980 level of 39,105 positions, the 34,261 recommended in this year's bill is 4,844 or 12.4 percent below the level 2 years ago. This shows a true commitment on the part of District officials to use their ingenuity and creativity in providing essential services to all who live, work, and visit in our Nation's Capital while at the same time paring the payroll.

GOVERNMENTAL DIRECTION AND SUPPORT

Mr. Chairman, we recommend a total of $84.7 million for the various activities funded under this appropriation. An increase of $85,400 to offset inflationary cost increases is provided for the Council of the District of Columbia, the District's legislative body. Funds are included in the Corporation Counsel's budget to hire 14 additional employees to provide a higher level of representation for the District government and to improve the legal support capability of the office. We recommend the approval of $290,000 for the District's share of the federally funded low-income energy assistance program which will provide 20,000 low-income households with cash assistance for inflated home heating costs. This program will be operated through the Office of the City Administrator. For the Office of Financial Management, the committee recommends approval of $1.2 million to cover the costs of the annual citywide audit. The audits for fiscal years 1979, 1980, and 1981 were financed by the Temporary Commission on Financial Oversight whose funding authorization has been exhausted. An increase of $600,300 for 4 permanent and 10 temporary positions is recommended for the Department of Finance and Revenue to administer the newly enacted Unclaimed Property Act, District of Columbia law 3-160, which is expected to yield $14 million in revenues for fiscal year 1982. The committee recommends an increase of $373,400 and nine positions for the Office of Business and Economic Development. This office is responsible for stimulating new employment opportunities and promoting new investments in the establishment of new businesses in accordance with the city's comprehensive plan. The Board of Elections and Ethics will oversee two elections in fiscal year 1982 as compared to one in 1981, and an additional $257,300 is recommended to cover the costs of the additional election.

The District of Columbia Retirement Board was created by the District of Columbia Retirement Reform Act, Public Law 96-122, to control and manage the three retirement funds for police officers and firefighters, judges, and teachers. Section 121(f)(1) of that law requires the appropriation of all funds necessary for the operation of the Board. The bill includes language appropriating the total budget request of $1,348,300 for the operation of the Board during fiscal year 1982, and specifying that $312,700 will be provided from the general fund and $1,035,600 from investment income. To eliminate any confusion over what is included under the term "administrative expenses," the committee has included language in the bill making these funds available for all fees and expenses of the Board, including but not limited to management fees, legal fees, and investment advisory fees. It seems clear to the committee that through Public Law 96-122, the Congress intended for the Board to have a budget sufficient to allow it to pay for all expenses necessary in carrying out the responsibilities placed on it by the Congress, regardless of the source of funding, with the understanding that the Board's total budget would be provided through the appropriations process and thus, be subject to the same congressional scrutiny as the budgets of other departments and agencies as well as that of the local courts.

Mr. Chairman, the District of Columbia Tort Claims Settlement Authority Act gives the District of Columbia unlimited settlement authority, and consistent with the policy underlying that law, we recommend $3,366,300 for the settlement of claims and suits in fiscal year 1982. The bill also includes the requested $150,000 for startup costs to implement the District of Columbia statehood constitutional convention initiative approved by District voters on March 10, 1981.

ECONOMIC DEVELOPMENT AND REGULATION

The committee recommends a total of $28.1 million for the various departments and agencies funded through this appropriation. A total of $2.8 million is provided for the Office of Planning and Development. Mr. Chairman, this office is responsible for producing the District's comprehensive plan which was mandated by Public Law 93-198, the so-called Home Rule Charter, and the committee has included language in its report making it clear that ample funding has been provided for this purpose and the committee therefore expects District officials to perform whatever work is necessary to complete the comprehensive plan by the end of fiscal year 1982. Increases of $5.8 million are recommended for various programs aimed at providing housing opportunities to District residents at the low- and moderate-income levels. The committee has approved $1 million of the $2 million requested to cover various costs to enable the District of Columbia Housing Finance Agency to issue $100 million in single-family mortgage revenue bonds which will be used to make homeownership available to low- and moderate-income residents of the District. Proceeds from the sale of these tax-exempt bonds will provide mortgage funds for owner-occupied housing, including single-family dwellings, condominiums, and tenant sponsored cooperatives.

The bill includes the full request of $298,000 for the Washington Convention and Visitors Association which has been designated as the official sales organization for the city's new Washington Convention Center. The $98.7 million center is scheduled to open in the fall of 1982 and is expected to add 3,000 to 4,000 more jobs from additional convention business and increase the District's tax revenues by $15 million to $20 million annually. With the competition for conventions being what it is, District officials are requested to give appropriate consideration to the funding level of the association so that the center's full potential can be realized.

The committee has approved an increase of $24,000 for the District's Chamber of Commerce, and increases of $798,000 for the Public Service Commission and $109,200 for the Office of People's Counsel have also been approved. The People's Counsel is a law office that represents that ratepayers when a regulated company requests a rate increase, a change in service, or when a customer has problems. On the other hand, the Public Service Commission regulates the companies and is obligated under adjudicatory function to balance the interest of the ratepayer and the investors

but does not have the authority to represent the ratepayer.

Mr. Chairman, the committee does not recommend the $628,000 requested to establish the Lottery and Charitable Games Control Board. The committee was advised that the 1983 budget is predicated on $25 million in gambling revenues. In denying the request to fund the Board, the committee recognizes that revenues planned for fiscal year 1983 will not be forthcoming and therefore urges the authorizing committees to give serious consideration to increasing the Federal payment authorization above the present $336.6 million level so that District officials will be provided with a level of revenues to finance future budgets comparable to what would have been available through the gambling initiative.

PUBLIC SAFETY AND JUSTICE

Mr. Chairman, a total of $363.8 million is recommended for the District's public safety and justice activities. The committee's recommendation for the Metropolitan Police Department totals $114.7 million and reflects an increase of $4.5 million above the budget request to restore funding for 259 police officer positions. With the crime rate up 13 percent for the first 6 months of 1981 and a sharp 33-percent rise in the number of robberies, it is essential that the number of police officers be increased. The committee has received assurances from the Mayor that the city has been able to work through the technical problems related to the hiring of additional police officers, and that he now expects to hire 100 additional police as soon as possible and bring the strength of the force to over 3,800 sworn personnel by February 1, 1982. With this assurance, Mr. Chairman, we are confident that the police force will be increased in accordance with the committee's directives.

For the Fire Department, the committee has approved increases of $618,600 to fund an additional fire company to maintain the Department's 50 fire company program, and $948,000 and 39 positions for 3 additional emergency ambulance units required in order to reduce the current response time and manage the increase that is occurring in the number of emergency calls. The present response time now averages 8.6 minutes and the Department's goal is to meet the nationally recommended time frame of 4 to 6 minutes.

Increases have been approved for the courts to cover the judicial pay raise for local judges resulting from the recent Supreme Court decision, United States against Will. The committee has approved the requested increase of $3.6 million and 194 new positions which will allow the Department of Corrections to operate an additional correctional facility and thereby relieve overcrowding and provide for an expected increase in the incarcerated population. The correctional facilities now in use are presently overcrowded, and as a result, two court cases have been filed against the District government.

PUBLIC EDUCATION SYSTEM

The committee recommends a total of $365.7 million for the activities funded under the public education system. The public schools will receive an increase of $10,405,100 above the fiscal year 1981 level for a total of $256.2 million from District funds in fiscal year 1982. Included in these amounts is an increase of $2.4 million under the contingent services fund which will be made available to the schools upon the successful implementation of an agreement between the Mayor and the Board of Education. The agreement calls for the Board to provide office space in surplus school buildings for the Department of Human Services. The funding level recommended by the committee will provide a pupil-teacher ratio in fiscal year 1982 of 25 to 1 as compared to 26.6 to 1 in 1981.

For the Commission on the Arts and Humanities, the committee recommended $696,600 and seven positions for fiscal year 1982, a reduction of $112,900 and one position below the 1982 request but an increase of $145,500, or 24.6 percent, and one position above the 1981 level. The budget for the Commission has increased 333 percent over the past 3 years, from $160,900 in 1979 to $696,600 recommended in 1982, and 95 percent since 1980. Mr. Chairman, I am very supportive of the arts, as you can see from the increases that I just referred to, and in a year when many agencies are forced to either cut back or maintain the prior year's funding level the committee feels fortunate to be able to provide a 1-year increase of 24.6 percent for the Commission.

HUMAN SUPPORT SERVICES

We recommend a total of $394.3 million for the 11 agencies and activities funded under this account. A total of $11.4 million is recommended for the District's disability compensation program, an increase of $5.6 million above the 1981 level. District officials testified that this increase is attributed to several factors including the two cost-of-living increases per year mandated for disability compensation, skyrocketing medical costs which have increased 30 percent since 1980, and an increase in the number of claimants. Mr. Chairman, we recommend $3.8 million for 1982 for the programs administered by the Office of Aging for the District's estimated 105,000 senior citizens. The committee's recommendation reflects an increase of $1.3 million above the 1981 appropriation and will allow the Office to expand its long-term care service delivery system which has as its primary aim the postponement of institutionalizing senior citizens by providing in-house health and homemaker services, home-delivered meals, and transportation services.

The committee has approved the full request of $10.4 million to fund the four programs, including the summer youth jobs program, designed to provide employment opportunities to various categories of unemployed persons. Last year, the Congress approved the transfer of the responsibility for administering the workers' compensation program for private sector employees from the Federal Department of Labor to the District government. A total of $964,700 and 13 positions are for the operation of this program in 1982. The committee recommends a total of $493,600 and 20 positions for the operation of the disability compensation program for injured District employees. This program, like the private sector workers compensation program, was transferred from the Federal Department of Labor in 1981.

Mr. Chairman, we recommend the full budget request of $20.6 million and 820 positions for Forest Haven, the city's facility for the care and treatment of the mentally retarded and developmentally disabled. The District government is currently under a court order to move the residents of Forest Haven to community-based facilities and has deinstitutionalized 115 patients since the program began in 1980. Present plans are to transfer 101 residents in 1981 and an additional 100 in 1982. Even though the level of appropriations has increased from $15.5 million in 1979 to $20.6 million recommended for 1982, Forest Haven lost its medicaid accreditation certificate as of August 31, 1980, and as a result, is losing $400,000 a month in much-needed Federal assistance. Department officials testified that most of the deficiencies have been corrected and they expect Federal officials to reaccredit the facility by September 30, 1981. The committee has requested the Department to submit monthly progress reports.

Mr. Chairman, the committee continues to be concerned with the error rate in the public assistance program and the fact that the estimated $11 million that is being paid to ineligibles could better serve the truly needy families. District officials are again directed to maintain the Office of Eligibility Review at the level of 45 permanent positions with adequate clerical support, and to provide the committee with quarterly reports.

TRANSPORTATION SERVICES AND ASSISTANCE

Mr. Chairman, the bill includes $123.7 million for transportation services and assistance for 1982. This allowance is $16 million above the 1981 level and will provide the increases requested to cover the cost of electrical

energy and the District's share of the operating subsidies for metrobus and metrorail operations in fiscal year 1982. The total regionwide operating subsidy for both metrobus and metrorail operations is estimated at $190.7 million for 1982 with $134.9 million attributable to metrobus operations, of which the District's share is 48 percent, and $55.8 million is due to metrorail with the District's share being at approximately 45 percent. The 101-mile metrorail system is expected to be completed in 1989 with 86 stations at a total cost of $8.2 billion.

Mr. Chairman, I know many Members are interested in the city's right-turn-on-red program. District officials testified that 64 percent of intersections now permit right-turn-on-red either full-time or part-time compared with 21 percent a little over 1 year ago. At the District's request, the International Traffic Engineers Association is performing a peer review of the District government's right-turn-on-red standards to justify modifications to the standards for judging whether an intersection should allow right-turn-on-red. The committee has asked to be kept advised of the results of the association's review.

ENVIRONMENTAL SERVICES AND SUPPLY

For the Department of Environmental Services, we recommend a total of $100.4 million from both the general fund and the water and sewer enterprise fund. This allowance reflects a reduction of $13.6 million and 222 positions below the 1981 level.

PERSONAL SERVICES

Mr. Chairman, the bill includes $19.6 million for cost-of-living salary increases for District government employees in fiscal year 1982. This allowance is $2.8 million over the budget request due to actions by the committee in disallowing increases requested in other areas and transferring part of those increases to this appropriation. Even so, the amount recommended will only fund an overall 2 percent cost-of-living salary increase for District employees. Since the percentage rate of increase will be determined by collective bargaining, which is in various stages at this time, the District government has proposed, and the President has approved, the use of part of the additional $36.6 million Federal payment, which is not included in this bill, as a method of paying these costs. If it looks as though these funds will have to be added in conference, we would definitely hold a hearing before anything is done to determine the city's need for these additional funds.

REPAYMENT OF LOANS AND INTEREST

We recommend approval of the requested $126.1 million and the reestablishment of this central appropriation account for fiscal year 1982. These funds, Mr. Chairman, go the Federal Treasury as repayments of amounts borrowed to finance the city's construction program. This amount consists of $25.8 million in principal and $102.3 million in interest payments.

REPAYMENT OF GENERAL FUND DEFICIT

Mr. Chairman, we recommend approval of the request for $10 million as the first installment to be applied toward reducing the District's reported accumulated deficit of $388 million. In an effort to eliminate the deficit and assure potential investors who may be interested in purchasing local municipal bonds that the city is acting responsibly in managing its finances, District officials have decided to set aside funds from future budgets until the deficit is eliminated. The $10 million for 1982 represents current year revenues that will not be available for current year services. District officials have testified that as much as $30 million a year may be set aside in future years for this purpose.

CAPITAL IMPROVEMENTS

The bill includes $211.5 million for the city's fiscal year 1982 construction program. Mr. Chairman, we recommend approval of all 54 projects requested, and the amount we recommend to finance these projects is $10.1 million below the 1981 level. We recommend $29.8 million for the Department of Transportation which expects to receive $75.4 million in Federal funds and have a total capital program of $105.2 million in 1982. The Department plans a major bridge, street, and highway rehabilitation program in 1982, and the committee's action will provide the financing required to carry out that program. We recommend $4 million in matching funds to establish a job and tax development public works investment fund. This program will generate $6 million to $8 million in Federal public works funding for use in making infrastructure improvements and thereby encourage private economic development projects. We recommend $33.3 million for comprehensive improvements at public housing projects and the construction of infrastructure work involving street and public facilities at the Fort Lincoln New Town urban renewal project. For the fire department, the sum of $6 million is recommended to allow the equipment replacement and the construction of a new fire station at South Capitol and Atlantic Streets SE. A total of $9.7 million is included in the bill for major improvements and renovations for facilities located throughout the city, including those operated by the public schools, the University of the District of Columbia, the public library and the Department of Recreation. The bill includes $2.1 million for modernization and renovation work at the Cedar Knoll Institution, the District's facility for juvenile delinquents at Laurel, Md., and $1.8 million will be used to renovate offices and clinics as well as improvements to the city's Rehabilitation Center for Alcoholics. D.C. General Hospital will receive $15.6 million to construct a new ambulatory and critical care center which will result in improved services being provided to more patients with lower per patient operating costs. For the Metro system, we recommend $51 million as the District's share of the mass transit system's construction costs. These funds will provide for Metrorail construction as well as a new garage for buses and other maintenance facilities. For the Department of Environmental Services, we recommend $33 million for several continuing projects involving sewer and water service work. Included in this $33 million is $19.6 million to complete the crosstown water main which will carry filtered water to the Anacostia area.

WASHINGTON CONVENTION CENTER ENTERPRISE FUND

For the Washington Convention Center enterprise fund, we recommend the full request of $1.2 million for 1982. As I noted earlier, the center is expected to open in the fall of 1982 at a total cost of $98.7 million and is expected to accommodate more than 300,000 new out-of-town delegates a year.

GENERAL PROVISIONS

The committee has retained language under section 118 of the bill, identical to that in the 1980 and 1981 acts, prohibiting the use of Federal funds to perform abortions except to save the mother's life or in cases of rape or incest.

CONCLUSION

Mr. Chairman, these are the highlights of the bill. The committee report is available to all Members and explains the committee's action in much more detail.

Our committee has worked very hard in trying to bring to the floor a bill that protects the Federal interest while at the same time preserving the integrity of local home rule.

I want to thank the members of the subcommittee for the outstanding job they have done: Mr. NATCHER, of Kentucky; Mr. STOKES, of Ohio; Mr. WILSON, of Texas; Mr. LEHMAN, of Florida; Mr. COUGHLIN, of Pennsylvania, the ranking Republican member of our subcommittee; Mr. GREEN, of New York; and Mr. PORTER, of Illinois.

This is a good bill, Mr. Chairman, it provides the city with a Federal payment of $300 million, the same level as the city received in 1981; it provides a balanced budget in that obligational authority does not exceed anticipated revenues; it provides for a modest increase of 6 percent above the 1981 budget; and it is below the budget resolution and the President's revised budget request in both budget authority and outlays.

I recommend that the bill be adopted.

Mr. Chairman, I reserve the balance of my time.

Mr. COUGHLIN. Mr. Chairman, I want to say that the subcommittee chairman, JULIAN DIXON, has described the bill very well, and he has done a superb job of balancing the various competing interests which exist in this difficult bill. He runs a very good subcommittee.

I would like also to congratulate the other members. BILL GREEN, JOHN PORTER, BILL NATCHER, LOU STOKES, CHARLIE WILSON, and BILL LEHMAN have all contributed to the bill we have before us today.

Let me also thank the staff, Migo Miconi and Mary Porter for the majority, and Kenny Kraft for the minority.

Mr. Chairman, this is a bill that everybody can support. It is $50.4 million below the section 302 budget allocation in both budget authority and outlays. It is $13 million below the President's budget request in both budget authority and outlays.

Basically, the bill does two things. It provides a Federal payment of $300 million, which was the fully authorized amount when the committee marked up. A subsequent increase of $36 million was authorized. Any spending plan District officials submit for this additional money should be handled in a supplemental.

The bill also provides a budget for the District of Columbia of $1,868,658,200.

Now, many cities, including Washington, D.C., have troubles these days. Washington, D.C., is certainly no exception. There are all the problems inherent in any large city, and particularly ones found at the Nation's Capital.

The committee is always trying to balance the competing interests that occur in this Capital of our Nation. We want to give the District of Columbia as much independence as possible. There are certain areas where the District, of course, is involved in its position as the Nation's Capital. In two areas we did mandate action because we felt an overriding Federal interest existed. First, in the area of police, we required a strength of 3,880 uniformed officers. We were initially ignored by the Mayor, but finally got an agreement, only to learn that that agreement will be carried out by lottery rather than by hiring the best qualified. We will hear more about that later, I am sure.

Second, the subcommittee recommended that there be no money for gambling, for a Lottery and Charitable Games Control Board, even though a referendum had been approved to that effect. People object to gambling on many grounds, but at least in the judgment of this Member it is not appropriate in our Nation's Capital, and would be offensive to many of the people who come here from all over the country and regard this as their city, too.

The committee has expressed concern in a number of different areas. First, the committee is disturbed by the reported $388 million cumulative deficit through fiscal year 1980. This bill includes the first $10 million installment to be applied toward reducing the deficit, but there is a long way to go. The committee refused to grant approval of deficiency spending and officials responsible for unjustifiable overspending are subject to the penalty set forth in the Anti-Deficiency Act.

The committee is concerned over the District plan to implement further changes in the city's financial management system. The General Accounting Office approval is required before any further change is made.

The committee is concerned about the quality, costs, and management of the automatic data processes in the city. Missing or incorrect water and sewer bills are examples of ADP failures.

In short, the Congress does have rights and duties, as provided in article I, section 8, of the U.S. Constitution, toward the District of Columbia. We want the city to have "limited" home rule. However, where that impinges on the rights all Americans hold in this Federal City, the Congress is indeed required to act.

Mr. Chairman, I reserve the balance of my time.

Mr. DIXON. Mr. Chairman, I yield 5 minutes to the gentleman from the District of Columbia (Mr. FAUNTROY).

Mr. FAUNTROY. Mr. Chairman, I rise, of course, in reluctant support of the Appropriations Committee recommendation.

We recognize that the $300 million Federal payment level is the highest yet recommended to the House, but clearly, given the extent to which the Federal Government takes from the tax rolls of the Nation's Capital both in terms of taxable land and taxable income, the $300 million obviously is below that which we who are elected by the people of the District of Columbia feel is adequate. However, we are grateful to the committee for the careful consideration which they have given to all but one of the requests of the local elected government, with respect to the appropriations for items in our budget.

I will be speaking to the House later with respect to several amendments which have to my understanding developed overnight which will be offered to H.R. 4522, and will respectfully urge the Members of the House to endorse the well-considered judgment of the committee.

I yield back the balance of my time.

Mr. COUGHLIN. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Chairman, in these days when we are talking about austerity and balancing the budget, we certainly look with cautious appraisal at this District of Columbia appropriation.

The District of Columbia sets a bad example for our country when it comes to fiscal integrity and general financial responsibility. The District is increasingly dependent on the Federal Government, requires more and more money to run less and less efficiently, and is currently running a $388 million deficit. I want my colleagues to look at some examples of irresponsible policies of the District and join with me in believing the time for fiscal self-discipline in the District of Columbia has come.

The District is subsidized by more efficient States that pay more in taxes than they get back from the Government. The District of Columbia pays about 32 cents for every dollar it receives from the Federal Government. My own State of Texas, in contrast, pays $1.40 for each dollar it receives from Washington. Federal payments to the District of Columbia have increased from $58 million in 1967 to $300 million next year. That is an increase of over five times the 1967 level. Total Federal funding for the District of Columbia is $520,570,000.

Despite this tremendous Federal aid, District of Columbia unemployment as of last April was over 8 percent as compared to 3.7 percent at the same time for Dallas. As Federal expenditures on the District of Columbia have increased, so has District unemployment. In 1971, when District of Columbia Federal appropriations were $131 million, 3.6 percent of the District work force was looking for a job; in 1981, when Federal appropriations had climbed to $300 million, District of Columbia unemployment has soared to 8.4 percent.

There are too many people on the public payroll in the District. The fact that the District of Columbia performs the functions of both State and local government does not account for the large number of people working for the District when compared with cities of comparable size. For example, Phoenix, Ariz. is a city of comparable size to Washington and employs 9,323 people. The District had 45,473 persons on the payroll last October.

Additionally, District employees are comparatively among the highest paid in the Nation. The average yearly salary for District of Columbia employees is $21,300 while public employees in Texas average $14,316 annually. The average District of Columbia employee is paid over $5,000 more than

the average public employee in the United States.

We need to carefully look at each of the operating categories in the District budget to see the contradictions present, but I will just use two as illustrations. First, District public education is characterized by continually declining pupil enrollments and high per pupil costs. Pupil membership has declined from over 145,000 in 1969 to about 94,000 this year. Yet the District spends $3,205 per student a year to produce academic results far below those attained, for example, by the Dallas school system which spends only $2,406 per student. Continuing high expenditures on fewer and fewer students to produce continually lower academic achievement does not make sense.

The history of public assistance programs in the District illustrates that problems indeed tend to get worse as money is thrown at them. First, there is a 13-percent error rate in District of Columbia welfare payments that results in about $11 million being paid to ineligible recipients. This does not account for wrongful payments in medicaid, food stamp, and social service programs. There is enough waste in the identifiable losses to pay for the education of 3,432 District school children for 1 year.

Second, as Federal aid to public assistance programs has gone up, so has the number of people on the public rolls. For example, in 1969, the Federal Government contributed over $12 million to the District of Columbia welfare programs. At that time there were about 38,447 monthly recipients. This year, when Federal aid has grown to $43.8 million, the number of average monthly recipients has ballooned to 90,919 people. In other words, about 14 percent of the District of Columbia population will receive public assistance this year.

I hope my colleagues will join with me in sending a call for self-discipline to the District government and those in Congress willing to indulge in excessive spending that must be financed by taxpayers. There is no justification for taxing our people back home to provide tax money to pay for higher salaries than workers receive in the other sections of America.

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I mean, they are really well paid compared to what municipal employees make throughout the country. The average yearly salary for District of Columbia employees is $21,300. Public employees in Texas average $14,316 annually. Get that. They are paying them $21,000 here and they are getting $14,000 in Texas, and they are asking us to subsidize the District of Columbia. That does not sell in Peoria and it does not sell in Texas.

Mr. McDONALD. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I will be glad to yield.

Mr. McDONALD. Mr. Chairman, I appreciate the gentleman's remarks. I certainly want to associate myself with his remarks.

Did I understand the gentleman correctly when he said that the District of Columbia has five times greater employment of city personnel than, say, a comparable area of Phoenix, Ariz.?

Mr. COLLINS of Texas. I just took Phoenix, which is a hard-working, industrious city out west. Look at the salaries of the District of Columbia here, and you know why they have so many public employees.

Mr. McDONALD. That is an astounding comparison. What is the reason for the massive increase for the District of Columbia? Is there any justifiable reason, or is it just padding the payroll?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. COUGHLIN. Mr. Chairman, I yield 5 additional minutes to the gentleman from Texas.

Mr. COLLINS of Texas. I would like to say that apparently there is a very strong development program throughout the District of Columbia in trying to get on the District of Columbia payroll. When you think about the fact that the average salary in the District of Columbia is $21,000 and you realize that the average salary for all of the States in America on the public payroll is $16,000, you can realize that one really has a plum if one gets one of these District of Columbia jobs. So, apparently that is the main incentive in Washington, to get on the city payroll.

Mr. McDONALD. I would like to commend the gentleman from Texas for bringing these figures to our attention and I certainly hope that we will take some corrective steps on this problem.

Mr. COLLINS of Texas. I thank the gentleman very much. I would like to discuss something about other operating categories in the District budget. They have several contradictions, and I would like to give the Members two.

First, public education in the District. If we watch it closely, we have a continual decline, decline, decline. As an example, there were 145,000 students enrolled in the District of Columbia in 1969. Today, the latest figures I have seen, there were 94,000 students enrolled. They dropped from 145,000 to 94,000. Everybody is taking their children out of public school if they possibly can.

I want to tell the Members the cost in the District of Columbia is $3,205 per student per year to produce academic results of which the District of Columbia is among the lowest in the Nation. I compared that to my own school system, which is a very similar city, and we have all the costs of a big city and all of that, yet our average student cost is $2,406 per student. It costs $2,400 in Dallas; here in the District it costs $3,200.

Now, if you look at these figures, there is another thing that impresses one, and I must say that it is a negative impression. There is a 13-percent error rate in District of Columbia welfare payments. That results in about $11 million being paid to ineligible recipients. This does not include the wrongful payments that are made in medicaid and food stamps and social service programs. There is enough waste specifically to pay for the education of 3,432 students in town.

In 1969, the Federal Government contributed $12 million to the District of Columbia welfare program. At that time, there were 38,000 monthly recipients. Today, the monthly recipients have ballooned up to 90,000. It has gone from 38,000 to 90,000 just since 1969.

About 14 percent of the Washington, D.C., population will end up getting some public assistance this year. There is no justification for taxing our people back home to provide tax money to pay for higher salaries in the District of Columbia than the workers in other sections of America are receiving. There is no justification for paying for schools that are producing less in the way of quality education, but costing more. It is time that the District of Columbia faced up to the averages. If we are paying an average of $16,000 per public worker throughout the rest of America, we should not be paying $21,000 here in the District, with the rest of America subsidizing the District of Columbia to get this money.

Remember this: the District of Columbia only pays 32 cents in taxes for every dollar they get back from the Federal Government. If they want to receive more, they ought to pay more taxes for those benefits.

Mr. DIXON. Mr. Chairman, I have no requests for additional time, and I reserve the balance of my time.

Mr. COUGHLIN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. PORTER).

Mr. PORTER. Mr. Chairman, I want to commend my colleague the gentleman from California, who in chairing the District of Columbia Subcommittee has been eminently fair in all matters and has been a strong and steadying influence toward thoughtful legislating. Likewise, the ranking minority member, the gentleman from Pennsylvania, has brought to bear on this process his considerable experience and expertise as well as a wealth of legislative insights, as he does in all of our House deliberations.

The product, however, this bill, is perhaps overly generous at a time of Federal budget stringencies and cutbacks. The District government receives the full 1982 budget request of $1.87 billion with a $300 million Federal payment, the full amount that was authorized at the time this bill was marked up. Since that time, the Congress has raised the authorization to $336.6 million, so that possibly either by Senate or conference action, we can expect an additional amount to be back before us some time in the future.

In any case, approval of the full budget request and full Federal payment must raise for the Congress the entire issue of how the District of Columbia is conducting its financial business. As I have said on this floor before: Not very well, with an accumulated budget deficit of nearly $400 million and no acceptable plan to address it.

As the economic problems of this Nation were not created by President Reagan, those of the District were not created by Mayor Barry. But they are his problems now and a plan to finance a past operating deficit by floating a revenue bond issue—a violation of basic precepts of municipal finance—will not only cost District taxpayers untold extra millions, something like $600 million over the long term, to pay for it, but on the District's first incursion into the bond markets, will lead it straight to the bottom of the financial ratings.

Furthermore, there has been a decided lack of cooperation between the District and the subcommittee on the vital issue of crime control at a time when violent crime, particularly drug-related crime in the District of Columbia, is heading off the graph. I am not yet sure that the District administration will carry out the mandate of the last Congress to hire the additional 221 policemen that were deemed essential. Certainly if the President cannot impound Federal funds, the Mayor ought not to be able to do so. Perhaps, in the absence of the fulfillment of this mandate, the Congress should explore the possibility of earmarking the Federal payment to insure that the relatively few requirements Congress makes are in fact accomplished.

I know that the Mayor and the District administration feel that Congress role—and of course that of our subcommittee—in all this is superfluous and as some have said smack of paternalistic politics. In the Mayor's position, I might feel the same way. But this is unlike any other city—it is a Federal city, to the extent of Federal Government facilities and their environs, at least—the city of all Americans. There are legitimate Federal interests and it is as much my job to protect them as it is the Mayor's to protect those he deems his. I believe in home rule for District residents, but I also see a proper Federal role. I suspect the adjustment of each interest will be a subject of perpetual debate.

As I said before, the budget request is fully granted and the Federal payment is at the $300 million level.

I support them. But before Federal funds should be added by the Congress, the District administration should present a realistic and strong plan to prevent future budget deficits, reduce and eliminate the present one, and bring order out of the general chaos that has characterized the Districts finances for too long a time.

Mr. LEHMAN. Mr. Chairman, I rise in support of H.R. 4522, District of Columbia appropriations for fiscal year 1982.

This is my first year on the District of Columbia Appropriations Subcommittee, and I have been most impressed by the way in which the chairman, Mr. DIXON, carries out his duties. I commend him for the excellent job he does chairing the subcommittee. It is quite often a very difficult task to balance the interests of the District government and the interests of the Federal Government.

Because of the District's unique role as the seat of our Nation's Capital, the Congress has the responsibility to review the District's budget and enact it into law. It is our job to make sure that the Federal interest is protected, and I believe we have done so in this legislation. In these tight budgetary times, it is particularly worth noting that the bill contains nearly $50 million less than the amount requested by the administration.

I strongly support the bill as it was reported from the Appropriations Committee, and I urge my colleagues to vote in favor of H.R. 4522.

The CHAIRMAN. Are there further requests for time? If not, the Clerk will read.

The Clerk proceeded to read the bill.

Mr. DIXON (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there any points of order against the bill? The Chair hears none.

Are there any amendments to be offered at this point?

AMENDMENT OFFERED BY MR. PARRIS

Mr. PARRIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PARRIS: Page 20, after line 25, insert the following new section:

SEC. 122. None of the funds appropriated in this Act may be used for the implementation of a personnel lottery with respect to the hiring of firefighters or police officers.

Mr. PARRIS. Mr. Chairman, a few weeks ago, not far from this Capitol, a police officer named Louis Green attempted to arrest a robbery suspect. The suspect grabbed for Officer Green's revolver and the two men began to struggle in a dimly lit hallway on the 3rd floor of a building on 13th Street.

As the struggle began, Officer Green called for assistance. And then as he waited for the help he knew would come, he fought for his life with a man he did not know, a man who was trying to shoot him with his own gun.

In any city in this world, the call "officer in trouble" or "officer needs assistance," gets an immediate response. Those who are sworn to protect us must also protect themselves.

But in this city, the Nation's Capital, that is becoming increasingly difficult, because the District of Columbia government has begun implementing personnel policies that are systematically stripping the city of the qualified manpower needed to maintain adequate public safety.

It took 13 minutes to get help to Officer Louis Green. Thankfully, he was not injured and the robbery suspect he battled for almost a quarter of an hour was arrested.

Officer Green was fortunate. But the next police officer may not be. Or perhaps the next person in trouble will not be a police officer, but one of the millions of Americans who visit this city each year, a constituent of one of our colleagues visiting the Nation's Capital.

As a result of the personnel policies which now exist in the District of Columbia as they relate to the police and fire departments, the average response time for police assistance is 30 minutes.

As a result of personnel practices that are now imposed on the police and fire departments by the District of Columbia, the average time for an ambulance response in the Nation's Capital is twice the national average.

As a result of personnel policies mandated by the District of Columbia in connection with the hiring and training of firefighters, instruction of new recruits at the District of Columbia Fire Department Training Academy has been reduced from 11 weeks to 6 days.

As a result of personnel policies laid down by the District of Columbia in connection with the hiring and training of firefighters, a passing score on the District of Columbia Police Department employment test has been lowered to 35.

Public safety in the District of Columbia has been deteriorating for some time. The report by the Appropriations Committee which accompa-

nies the legislation we are now considering contains some of the most critical language in recent memory.

In hearings before the Appropriations Committee on this legislation, there were a number of heated exchanges in which committee members accused the District of Columbia government of ignoring the wishes of the Congress and ignoring public safety needs in the Nation's Capital. During those hearings, several of our colleagues warned District of Columbia officials that things had to improve.

I am here today as the ranking member of the Government Operations and Metropolitan Affairs Subcommittee of the House District of Columbia Committee to tell you that things are not improving. They cannot improve under the shortsighted and misguided personnel policies that are being imposed on the police and fire departments of this great city.

The latest and by far the most damaging personnel directive issued by the District of Columbia government calls for the implementation of a personnel lottery for the hiring of police officers. A similar directive calling for a personnel lottery for firefighters is being prepared.

The Firefighters Association, the Fraternal Order of Police and the Washington Post, among others, have correctly labeled the use of a personnel lottery in the Nation's Capital as an improper attempt to achieve arbitrary quotas which will destroy a public safety system that is already facing serious problems.

I agree. I believe the Post's William Raspberry said it very well when he commented:

The District of Columbia government's insistence of bending rules and requirements until they produce some arbitrary personnel quota is illegitimate, fundamentally unfair, and destructive of popular support for affirmative action.

My amendment is designed to correct that inequity by prohibiting the use of a personnel lottery in the District of Columbia as it relates to the hiring of police officers and firefighters. It will insure that individual merit and legitimate qualifications will continue to be the sole criteria for public employment.

I believe that if the District of Columbia is to maintain an adequate level of public safety it must be prohibited from the use of a personnel lottery in connection with the hiring of people in these very critical public safety areas. I hope that a majority of my colleagues share that belief and will support this amendment.

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Mr. DIXON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Virginia (Mr. PARRIS).

The gentleman from Virginia sent to the Members a "Dear Colleague" letter that is very artfully drawn, and he read from that letter just a few moments ago. I would like to read from the same letter to demonstrate to the Members that what he talked about in the well has no relationship to the amendment.

He says in his letter, and he mentioned on the floor, that—

The instruction for new recruits at the D.C. Fire Department Training Academy, which included emergency medical training, has been reduced from 11 weeks to 6 days.

That is only half true. As a matter of fact, they did receive 6 days of training, but all applicants will receive full training academy requirements beginning October 1981, and must successfully complete these requirements.

So it was merely a temporary situation to get more people on the job in a short period of time. That is not uncommon in any jurisdiction.

The gentleman also quoted from a Bill Raspberry column that appeared recently in the Washington Post, and his quote was absolutely correct, except that the Raspberry column has nothing to do with this amendment. In fact, it talked about the Fire Department and its hiring procedures. And Mr. Raspberry, after discussing the issue of the Fire Department, said, and I quote:

It would have made more sense if Shelton had ordered the establishment of a cutoff score for success on the entrance exam, with selections to be made randomly from those who passed the exam, as Mayor Barry did in the case of the police department.

So what the gentleman from Virginia (Mr. PARRIS) has done is suggest that as the Raspberry column relates to his amendment, which goes to the police department, William Raspberry agrees with him. That is absolutely not the fact. In fact, if we were to use this column, we would find that Mr. Raspberry supports the random selection procedure and would be opposed to what the gentleman from Virginia (Mr. PARRIS) is doing.

But that really is not the issue here. It just goes to point out how one can take quotes from the newspaper and distort the facts in a "Dear Colleague" letter.

Now, what are the facts in this issue? The city has gone to a pass-fail system. That is certainly not unheard of in many jurisdictions for many kinds of job applications.

Why has the city gone to a pass-fail system? It is their opinion—and I do not know if it is correct or not—that the test is in violation of title 7 of the Civil Rights Act of 1964.

Now, what is the proper forum to determine if their procedure is in violation? Either an administrative body or ultimately the courts. Certainly not the Congress. So the remedy, if anyone thinks that the system of pass-fail is not appropriate, is to sue the courts.

Second, what does this have to do with the qualifications of the policeman who is brought on the force. I suggest to the Members that it has nothing whatsoever to do with whether or not the police officer will be a successful police officer. There is no empirical evidence that says the ultimate police officer who scores 100 and is brought onto the force will be better than the other officer who scored 70. There are many other ingredients, many other factors, besides the examination that go into the recruitment of police officers.

I have heard that this pass-fail system would allow people who are not otherwise qualified to obtain jobs on the police force. That is absolutely untrue. This pass-fail system merely sets up the priority of hiring, assuming they have all the other requirements which, by the way, have not been changed.

The CHAIRMAN. The time of the gentleman from California (Mr. DIXON) has expired.

(By unanimous consent, Mr. DIXON was allowed to proceed for 2 additional minutes.)

Mr. McDONALD. Mr. Chairman, will the gentleman yield?

Mr. DIXON. I will not yield at this point.

Mr. Chairman, if in fact one of those individuals who took the examination and who scored very high has lost his hand in the interim, he will not be hired. If in fact there are any individuals in the drawing who have a felony conviction, that in itself disbars them from being a member of the Police Department, and of course they will not be hired. If in fact there is a person who does not get through the academy, that person will not be hired.

Now, the practical effect of this amendment is to go against what we on the committee and in the House have consistently worked for—and this is what the gentleman from Illinois (Mr. PORTER) alluded to and stated in his opening comments—we have been systematically applying pressure to the District of Columbia to bring its police force up to a strength of 3,880 sworn personnel.

What will this amendment do as a practical matter? It will invite a lawsuit, because there are many people who think the test violates title VII of the Civil Rights Act of 1964. So we will be tied up in litigation for at least the next 18 months to 2 years while the courts decide whether or not this test is valid. The testimony at the hearing was that, in fact, there was strong suspicion that there was a violation of the Civil Rights Act.

In summary, Mr. Chairman, to adopt this amendment means that we will go against the Committee on Appropriations and the House in expediting the employment of 200 officers in the

Police Department, because as sure as we are standing here, someone is going to file a lawsuit, and it will be 18 months to 2 years before it is resolved.

So, Mr. Chairman, I say to the Members that this amendment really has no merit as to the quality of the Police Department, and it will impede what the committee and the House have systematically tried to do, and that is to get qualified people on the police force.

I would urge my colleagues to vote against the gentleman's amendment.

Mr. ASHBROOK. Mr. Chairman, I rise in strong support of the amendment offered by the distinguished gentleman from Virginia (Mr. PARRIS).

Mr. Chairman, the gentleman from Virginia (Mr. PARRIS) seeks a prohibition on the use of Federal funds for the implementation of a personnel lottery with respect to the hiring of firefighters and police officers in the District of Columbia. It is a timely amendment and, unfortunately, an absolutely necessary one.

New District of Columbia personnel policies, as explained by the gentleman, represent the concept of affirmative action at its very worst. In the past, we have learned of the countless headaches caused businessmen as a result of congressional action and Labor Department regulations in the area of job quotas. Today, we are not talking about bureaucratic harassment and redtape. We are talking about the safety of this city's inhabitants and the safety of the millions of Americans who annually travel to the Nation's Capital.

In an effort to promote increased minority representation on the District's Police Department, the Barry administration has added a new twist to the affirmative action debate. And it poses a very serious problem. The local government has decided to throw applicant testing results out the window in favor of a lottery system for the hiring of police officers. I do not know how my colleagues react to this plan but this Member is greatly concerned, indeed outraged.

Most people know that Washington, D.C., is the Nation's Capital. Unfortunately, more and more Americans are beginning to think of this city as a crime capital as well. The newspapers are full of stories about an undermanned and overworked police force and a dangerously high crime rate. In fact, this morning's Washington Post reports that four persons were stabbed to death just this last weekend. Add that to the growing problem of criminal-coddling judges who matter of factly return suspected, and sometimes convicted felons to the streets and you have a real problem.

Now, Mayor Barry and the District government would like to exacerbate the crime problem in the city by passing over qualified applicants for the District Police Department in favor of those who may not otherwise be qualified for service. All in the name of affirmative action. That is much too high a price to pay.

Mr. Chairman, I believe that the amendment offered by my good friend from Virginia is a sensible one and I believe that it should be adopted. I urge my colleagues to support the Parris amendment.

Mr. FAUNTROY. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, the distinguished chairman of the subcommittee has more than adequately outlined the compelling arguments for opposition to this amendment. This amendment, like others which have been noticed, is subject to the objection, of course, that it seeks to legislate on an appropriations matter.

Putting that aside, Mr. Chairman, I rise in opposition to this amendment. The District of Columbia government has designed a system modeled after systems which have been used in other jurisdictions—a system aimed at providing equal employment opportunity in hiring police and firefighters.

The system is fair in that it allows for the selection of individuals to fill these slots through the use of a lottery. Moreover, each of these individuals has been screened, based upon criteria and requirements which meet the demands of the job. Thus all candidates in the lottery are well qualified for the position.

Mr. Chairman, to accept this amendment would frustrate the letter and spirit of the Home Rule Act which provided for the establishment of a local personnel system independent of the Federal Government. It would also have a seriously dampening effect on the ability of the District of Columbia government to take corrective measures when it is faced with an unsatisfactory personnel matter.

It also should be noted that, of course, no other State or local government is limited in the use of its funds in the manner prescribed by the proposed amendment, and I respectfully urge the Members to vote no on the amendment in response to the arguments made both by the chairman of the subcommittee and myself.

Mr. PARRIS. Mr. Chairman, will the gentleman yield?

Mr. FAUNTROY. I am very pleased to yield to the gentleman from Virginia.

Mr. PARRIS. Mr. Chairman, I appreciate the gentleman's yielding, and I would ask him simply this:

As reported from the committee, the bill already currently contains provisions that bar expenditures for such things as installing meters in taxicabs, payment of overtime compensation, partisan political activities, implementation of a gambling lottery, lobbying for legislation before this Congress or any other State body, and funding of abortions. These limitations are already in the bill before us.

This limitation that is contained in my amendment would simply add to that list. Does the gentleman oppose the balance of those prohibitions?

Mr. FAUNTROY. I do oppose many of the limitations that are included in the bill.

Mr. PARRIS. But not all?

Mr. FAUNTROY. But not all. And I certainly oppose this and would hope that the House would follow the well-considered judgment of the full committee.

Mr. ASHBROOK. Mr. Chairman, will my colleague, the gentleman from the District of Columbia, yield?

Mr. FAUNTROY. I am happy to yield to the gentleman from Ohio as well.

Mr. ASHBROOK. Mr. Chairman, I thank my colleague for yielding, and I will say to him that while I sometimes disagree with him, I always listen to him on the District of Columbia because he is a hard-working Member and speaks honestly.

One thing I noticed as I listened both to the subcommittee chairman and to my friend, the gentleman from the District of Columbia (Mr. FAUNTROY), was that they were saying these applicants are all well qualified. Let me ask the gentleman a question about that.

I notice that the description has been carefully crafted, because the subcommittee chairman and the gentleman from the District of Columbia did not say they were highly qualified, they did not say they were greatly qualified, or they did not say they were equally qualified, adequately qualified, or superbly qualified—just well qualified.

If they are well qualified, what is wrong with taking the most qualified among the well-qualified applicants? That is what bothers many of us, because I do not care whether we are talking about our own applicants for Academy positions or any other applicants, most of my applicants are well qualified. They probably would not try if they were not. But when I see the test results and when I analyze them, I find that some are much more qualified, and if we take those who are more than just well qualified, we end up with the best qualified.

□ 1430

Are we not dropping a little bit when we just say well, they are all well qualified so any one of them would be all right? I raise that as an honest question and I would like my colleague to respond to it.

Mr. FAUNTROY. I will attempt to respond honestly. I think the chairman made it very clear that there cer-

tainly is no objective basis for determining that persons who score highest on exams are most qualified. There are a number of criteria which have to be taken into account, and the criteria taken into account under this system would assure that all persons who ultimately are hired meet all of the demands of the job.

I would add that in light of the statistics which were stated by the distinguished gentleman from Virginia, he might well have been arguing that we do something different. The duly elected officials of home rule government of the District of Columbia agree and, in this case, have acted to assure that our police force does indeed hire those best qualified to serve.

The CHAIRMAN. The time of the gentleman from the District of Columbia has expired.

(At the request of Mr. DIXON and by unanimous consent, Mr. FAUNTROY was allowed to proceed for 1 additional minute.)

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. FAUNTROY. I am delighted to yield to the gentleman from California.

Mr. DIXON. I think our colleague from Ohio (Mr. ASHBROOK) makes the point very well, but he may not want to accept it.

The only way that one can tell the best qualified person for a job is after that person has applied himself on the job for a reasonable length of time. That is exactly what we are saying. The physical examination will not tell who is the best qualified. The written examination will not tell who is the best qualified. Nor will the academy tell who is the best qualified. Only after some reasonable time on the job will one be able to identify the best qualified officers, assuming that all of them are qualified. So that is just the point we are making.

The CHAIRMAN. The time of the gentleman from the District of Columbia has again expired.

(At the request of Mr. ASHBROOK and by unanimous consent, Mr. FAUNTROY was allowed to proceed for 1 additional minute.)

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. FAUNTROY. I yield to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. I thank my colleague. The chairman makes a very valid point. I would be honest to say in my years in the Congress some of the ones I have appointed that I felt were the most qualified washed out after 6 months. The gentleman is absolutely right.

Yet in my experience of working with the academies, and I think policemen and firemen are exactly the same, there is an almost absolute problematical percentage of how an applicant will fare over the 4 years based on the tests that they give. My colleague has seen those before. They can show that there is 1 chance in 50 that this person will continue in the academy for 4 years based on the test results.

Now, some test results have a pretty good track record, and I have watched the academies very carefully and they normally have a very good track record on the qualifications going in. I think it is exactly the same thing here.

That is why if we go to the lottery system we, in effect, throw all that we have learned and know about the tests out the window.

The CHAIRMAN. Time of the gentleman from the District of Columbia has again expired.

(At the request of Mr. DIXON and by unanimous consent Mr. FAUNTROY was allowed to proceed for 1 additional minute.)

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. FAUNTROY. I am happy to yield to the gentleman from California (Mr. DIXON).

Mr. DIXON. The gentleman from Ohio (Mr. ASHBROOK) makes a very valid point. I would totally agree as far as he takes the illustration.

Certainly the written score as it relates to the academy will project who is going to stay in the academy and have the best academic record. But it will not tell you who is going to be the best pilot or the best infantryman once that person leaves the academy and goes in the field. So as long as the individual is in that captured environment, the academy—yes, the gentleman makes a very valid point; there is a high correlation between entrance exam marks and how one will fare in the academy. But it does not tell you whether that person is going to be a good soldier.

Neither the written score nor the academy can do that. The only way success in the field can be determined is through spending a reasonable time on the job.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. FAUNTROY. I am happy to yield to the distinguished gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. I would ask for a minute because I really would like to speak on this point. I have not only been a member of the District of Columbia Committee, but I was director of consumer affairs in my own State. The finest mediator I had, the finest that I had in the whole division was a man who could not pass the civil service examination.

If that did not tell you that that examination was not constructed in such a way as to measure the abilities for that particular job, there is where the problem is. That man could not pass a civil service exam. But I will never forget, time after time, and one day I remember this, a woman wrote to me and said,

> I have never known anyone like Mr. Smith, when the man who had given me that phony icebox and was going to have to give me a brand new one, and he got up and he shook hands with Mr. Smith and said that he had never parted with $494 with more pleasure.

That is the kind of an inspector and mediator you want. But the examinations would not produce him. In fact, they barred him.

I said to the Governor, "I do not care about the Civil Service Commission. If he is fired, I am leaving," because that was the measure, the best was so far away from the measure of the abilities.

Now, I do think, and I will be honest, that this lottery business is madness. That is not the way to do it.

Mr. FAUNTROY. I would like to take my time back now.

Mrs. FENWICK. That is not the way to get my friend, the deacon from the church in Newark.

Mr. FAUNTROY. The gentlewoman was doing fine.

Mrs. FENWICK. He might not have won the lottery.

Mr. McDONALD. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise in support of the amendment offered by my distinguished colleague from across the Potomac.

I find it appalling that the District of Columbia, our Nation's Capital, has abandoned the time-honored principle of choosing the best qualified candidates for available positions within the District of Columbia Police Department and the District of Columbia Fire Department. No longer are police officers and fire department personnel selected and rewarded on the basis of their merit, but now they are chosen by chance—by luck—in the form of a personnel lottery.

Without question, police and fire protection are the most important and vital services that a government entity can provide. These are exceptionally difficult occupations; occupations that require a tremendous amount of skill and training and a high degree of professionalism. Therefore, those selected for these occupations should not be selected haphazardly, but should be selected using high standards and because they are the best personnel available. To make the choice in any other manner is to reduce the efficiency and the competency of these very fine departments. The selection of these key personnel by chance will result in greater danger for the residents of the District, greater danger

for our constituents who are visiting the District, and much greater danger for their fellow police officers and firefighters who must risk their lives with less than the best support at their sides.

The personnel lottery is being advanced in the name of "equal opportunity." If there is bias in the method or standards by which candidates are selected, then let us erradicate the problem. Equal opportunity means that all have the same opportunity to compete on an equal basis for available positions, and not having it handed to you on the basis of pure chance.

The question becomes this: If you are faced with an emergency situation, would you want the person responding to your distress to be a person selected by merit and the basis of skill and ability or a person who happened to be lucky in a lottery?

For that reason, I support this amendment.

Mr. BLILEY. Mr. Chairman, I move to strike the requisite number of words and rise to speak in favor of the amendment.

I would like to follow up on what my colleague from Georgia has said. We talk about equal opportunity and that is, indeed, what we should have, for this city belongs not only to the citizens who live here but to the entire country. We should not condone a process in which not the best qualified are hired and a lottery leaves a lot open to chance.

I would like, if I could, to engage the patron of the amendment in a colloquy for a moment. I would ask the gentleman from Virginia (Mr. PARRIS) what is the passing score that they decided on after all?

Mr. PARRIS. Mr. Chairman, will the gentleman yield?

Mr. BLILEY. I yield to the gentleman from Virginia (Mr. PARRIS).

Mr. PARRIS. It is my understanding that the passing score is a level of 35 of the questions that are asked on the examination.

Mr. BLILEY. These are going to be, some of them, police officers?

Mr. PARRIS. In order to be placed on a list that is called qualified applicants one must have a passing score in this examination. It is designed to measure communicative ability, reasoning, that sort of thing.

I would like to take this opportunity to remind the gentleman and the chairman of the subcommittee, (Mr. DIXON) and the gentleman from the District of Columbia, for whom I have the highest possible regard, mentioned the question of the legality, if you will, of test 21. I would remind my colleagues that in a case in 1976 this test was taken to the Supreme Court of the United States against the then Mayor of this city, Walter Washington, in a case called Washington against Davis. The Supreme Court said as the result of the decision in that case that "The Constitution does not prevent the Government from seeking through test 21," which is the test we are talking about today, "modestly to upgrade the communicative abilities of its employees rather than to be satisfied with some lower level of competence, particularly where the job requires special abilities to communicate orally or in writing."

I submit to my colleagues that in police work, which is inherently violent, there is something bad about the presence of a police officer or he would not be there, in order to have a gentleman serving in that capacity, who in some instances cannot communicate, communicate with the people involved, will inevitably lead to more violence in that situation. I submit that I think that is part of the reasoning of the Supreme Court just 4 years ago when they said that this test which is being used for the testing of police officers and has been since 1948, 32 years now we have been determining the capacity of individuals in our society to serve as police officers through the use of this test.

Also, 5 or 6 years ago, in June 1976, the Supreme Court said this is a legitimate test of job performance.

All I am really trying to do here is make sure, as the gentleman from Ohio has indicated, that we get not just the qualified but the very best qualified people who apply for these positions of public employment.

Mr. BLILEY. I thank my colleague and yield back the balance of my time.

Mr. JOHNSTON. Mr. Chairman, I move to strike the requisite number of words and rise in support of the amendment.

We have an expression down where I come from, "If it ain't broken, don't fix it." We have a situation in the District of Columbia that is obviously broken.

As the distinguished gentleman from Texas so eloquently pointed out, the cost of running this city is exhorbitant, relative to running comparable sized cities throughout this country. Yet the fact remains, in spite of these millions and hundreds of millions of dollars that we have invested in this city, it is so unsafe that U.S. Senators walking three blocks from their office to their home can get mugged.

In spite of the fact that we supposedly have the most able group of people in the country, the Congress of the United States, overseeing the conduct of its municipal affairs, it is, in fact, a terribly unsafe, violent city.

I do not think the proponents of affirmative action or equal employment ever envisioned the pursuit of mediocrity as the purpose of these acts. Yet that is precisely what is now being done in the name of affirmative action. A 35-percent passing score, does anybody fail the test? Yet from a group of people no more selectively chosen than to achieve a 35-percent score, a lottery is drawn.

What is wrong with seeking the best and the brightest and the most able? What is wrong with the idea of going after winners, not just losers? Is this what America was founded on?

□ 1445

Is this the idea that built this country and caused it to grow great, that we pick the mediocre, the less able, in the name of affirmative action, in order to keep a few people happy?

This is precisely what is being voted on here today—whether achievement, whether talent, whether ability should triumph, or whether we leave it to blind chance.

This amendment warrants anyone's consideration on the basis of the principles that this country was built on. I do not see how we can stand up here and profess to believe in the American system, which is a system of winners and losers, and let the Capital of this country conduct its personnel selection on the basis of a lottery.

Mr. PARRIS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSTON. I yield to my colleague, the gentleman from Virginia.

Mr. PARRIS. I just want to reiterate for the benefit of my colleagues one thing that should be self-evident.

There is, I think, some misinformation, perhaps, in the Halls and in the corridors of the Capitol.

My amendment does not affect in any way whatsoever the gambling lottery, which is also the subject of some attention by the subcommittee. I do not address that issue.

The lottery to which my amendment applies deals solely with the personnel lottery for individual applicants for public employment in the police and fire departments. It does not apply to anything other than in areas of public safety employment. It applies solely to police personnel and firefighters.

Mr. JOHNSTON. As I understand the gentleman's bill, it would require a merit type selection.

Mr. PARRIS. If the gentleman will yield, it would leave the selection of employees up to the District of Columbia governing authorities, just like it does now. The only thing it would do is prohibit them using these funds that are being appropriated for the purposes of a personnel lottery in the selection of their public safety employees.

Mr. JOHNSTON. As I understand it, the selection of a lottery is now the procedure being used; is that correct?

Mr. PARRIS. That is the procedure that has been stated by the Mayor and the appropriate authorities of this city and that is being used in the selection of these police officers. As I indicated in my earlier statement, it is our infor-

mation that a firefighters lottery on the same basis is now being prepared and will be implemented in the near future.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. PARRIS).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. DIXON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 305, noes 96, answered "present" 1, not voting 31, as follows:

[Roll No. 215]

AYES—305

| | | |
|---|---|---|
| Akaka | Dreier | Hutto |
| Albosta | Duncan | Hyde |
| Anderson | Dunn | Ireland |
| Andrews | Dyson | Jeffords |
| Annunzio | Early | Jeffries |
| Applegate | Edwards (AL) | Jenkins |
| Archer | Edwards (OK) | Johnston |
| Ashbrook | Emerson | Jones (NC) |
| Atkinson | Emery | Jones (OK) |
| Badham | English | Jones (TN) |
| Bafalis | Erdahl | Kastenmeier |
| Bailey (MO) | Erlenborn | Kazen |
| Barnard | Ertel | Kemp |
| Barnes | Evans (DE) | Kindness |
| Beard | Evans (IA) | Kramer |
| Bedell | Fenwick | LaFalce |
| Benedict | Ferraro | Lagomarsino |
| Bennett | Fiedler | Latta |
| Bereuter | Fields | Leach |
| Bethune | Findley | Leath |
| Bevill | Fish | LeBoutillier |
| Bliley | Flippo | Lee |
| Boland | Florio | Lent |
| Boner | Foley | Levitas |
| Bonker | Forsythe | Lewis |
| Bouquard | Fountain | Livingston |
| Bowen | Fowler | Loeffler |
| Breaux | Frenzel | Long (MD) |
| Brinkley | Fuqua | Lott |
| Brooks | Gaydos | Lowery (CA) |
| Broomfield | Gephardt | Lujan |
| Brown (CO) | Gibbons | Luken |
| Brown (OH) | Gilman | Lungren |
| Broyhill | Gingrich | Madigan |
| Burgener | Ginn | Marks |
| Butler | Glickman | Marlenee |
| Byron | Goldwater | Marriott |
| Campbell | Gore | Martin (IL) |
| Carman | Gradison | Martin (NC) |
| Carney | Gramm | Martin (NY) |
| Chappell | Gregg | Mazzoli |
| Chappie | Grisham | McClory |
| Cheney | Gunderson | McCloskey |
| Clinger | Hagedorn | McCollum |
| Coats | Hall (OH) | McCurdy |
| Coleman | Hall, Ralph | McDade |
| Collins (TX) | Hamilton | McDonald |
| Conable | Hammerschmidt | McEwen |
| Conte | Hance | McGrath |
| Corcoran | Hansen (ID) | McKinney |
| Coughlin | Hansen (UT) | Mica |
| Courter | Hartnett | Michel |
| Coyne, James | Hatcher | Miller (OH) |
| Craig | Heckler | Minish |
| Crane, Daniel | Hefner | Mitchell (NY) |
| Crane, Philip | Heftel | Molinari |
| D'Amours | Hendon | Mollohan |
| Daniel, Dan | Hightower | Montgomery |
| Daniel, R. W. | Hiler | Moore |
| Dannemeyer | Hillis | Moorhead |
| Daschle | Holland | Morrison |
| Daub | Hollenbeck | Motti |
| Davis | Hopkins | Murphy |
| Deckard | Howard | Murtha |
| DeNardis | Hoyer | Myers |
| Derrick | Hubbard | Napier |
| Dickinson | Huckaby | Natcher |
| Dicks | Hughes | Neal |
| Dowdy | Hunter | Nelligan |
| Nelson | Santini | Stump |
| O'Brien | Sawyer | Synar |
| Oxley | Scheuer | Tauke |
| Panetta | Schneider | Tauzin |
| Parris | Schulze | Taylor |
| Patman | Schumer | Thomas |
| Paul | Sensenbrenner | Trible |
| Perkins | Shamansky | Vander Jagt |
| Petri | Shannon | Vento |
| Pickle | Sharp | Volkmer |
| Porter | Shaw | Walker |
| Price | Shelby | Wampler |
| Pritchard | Shumway | Watkins |
| Pursell | Shuster | Weber (MN) |
| Quillen | Siljander | Weber (OH) |
| Railsback | Simon | White |
| Ratchford | Skeen | Whitehurst |
| Regula | Smith (AL) | Whitley |
| Rhodes | Smith (IA) | Whittaker |
| Rinaldo | Smith (NE) | Whitten |
| Ritter | Smith (NJ) | Williams (OH) |
| Roberts (KS) | Smith (OR) | Wilson |
| Roberts (SD) | Smith (PA) | Winn |
| Robinson | Snowe | Wolf |
| Roemer | Snyder | Wortley |
| Rogers | Solomon | Wright |
| Rose | Spence | Wylie |
| Rostenkowski | St Germain | Yatron |
| Roth | Stangeland | Young (AK) |
| Roukema | Stanton | Young (FL) |
| Rousselot | Staton | Young (MO) |
| Rudd | Stenholm | Zablocki |
| Russo | Stratton | |

NOES—96

| | | |
|---|---|---|
| Aspin | Foglietta | Obey |
| AuCoin | Ford (TN) | Ottinger |
| Bailey (PA) | Frank | Patterson |
| Beilenson | Frost | Pease |
| Benjamin | Garcia | Pepper |
| Bingham | Gejdenson | Peyser |
| Blanchard | Gonzalez | Rahall |
| Boggs | Green | Rangel |
| Bonior | Guarini | Richmond |
| Brodhead | Harkin | Rodino |
| Brown (CA) | Hawkins | Roybal |
| Burton, Phillip | Hertel | Sabo |
| Chisholm | Jacobs | Savage |
| Clay | Kildee | Schroeder |
| Coelho | Kogovsek | Seiberling |
| Conyers | Lantos | Solarz |
| Coyne, William | Lehman | Stark |
| Crockett | Leland | Stokes |
| de la Garza | Long (LA) | Studds |
| Dingell | Lowry (WA) | Swift |
| Dixon | Lundine | Traxler |
| Donnelly | Markey | Walgren |
| Dorgan | Matsui | Washington |
| Downey | Mattox | Waxman |
| Dwyer | Mavroules | Weaver |
| Dymally | McHugh | Weiss |
| Eckart | Mikulski | Williams (MT) |
| Edgar | Miller (CA) | Wolpe |
| Edwards (CA) | Mineta | Wyden |
| Evans (IN) | Mitchell (MD) | Yates |
| Fascell | Nowak | |
| Fazio | Oakar | |
| Fithian | Oberstar | |

ANSWERED "PRESENT"—1

Alexander

NOT VOTING—31

| | | |
|---|---|---|
| Addabbo | Dougherty | Nichols |
| Anthony | Evans (GA) | Pashayan |
| Biaggi | Fary | Reuss |
| Bolling | Ford (MI) | Roe |
| Burton, John | Goodling | Rosenthal |
| Clausen | Gray | Skelton |
| Collins (IL) | Hall, Sam | Udall |
| Danielson | Holt | Wirth |
| Dellums | Horton | Zeferetti |
| Derwinski | Moakley | |
| Dornan | Moffett | |

□ 1300

The Clerk announced the following pairs:

On this vote:

Mr. Fary for, with Mr. Moffett against.

Mr. Nichols for, with Mrs. Collins of Illinois against.

Mr. HERTEL and Mr. FITHIAN changed their vote from "aye" to "no."

Mr. HUGHES and Mr. LUJAN changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. JAMES K. COYNE

Mr. JAMES K. COYNE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAMES K. COYNE: Page 20, after line 25, insert the following new section:

SEC. 123. (a) None of the funds appropriated by this Act may be used to transport before December 1, 1981, any output of the municipal waste system of the District of Columbia for disposal at any public or private landfill located in any State, excepting currently utilized landfills in Maryland and Virginia.

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. JAMES K. COYNE. I yield to the gentleman from California.

Mr. DIXON. I thank the gentleman for yielding.

Mr. Chairman, I have reviewed this amendment and have no opposition to it.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. JAMES K. COYNE. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman on his amendment. I think the point is very well taken. There are a number of questions that need to be resolved before this particular proposal is put into effect, and I commend the gentleman for his diligence and certainly accept the amendment.

Mr. JAMES K. COYNE. Mr. Chairman, I am compelled to broach this unpleasant subject because the sewage disposal plan recently proposed by the District of Columbia may adversely affect my constituents.

Just 2 weeks ago, I was abruptly informed by a newspaper reporter that the District of Columbia had entered into a tentative agreement to transport some 500 tons of sludge every day to GROWS landfill in Falls Township, Pa.—a landfill that is situated in close proximity to the Delaware River, the main source of drinking water for millions of people in the greater Philadelphia area. This is the only operating landfill in the eighth Congressional District of Pennsylvania.

This proposal not only raises serious questions environmentally, it also raises questions of fiscal responsibility and threatens the public safety of the

people of Pennsylvania's Eighth Congressional District. And beyond that, this hasty proposal ultimately does not provide a meaningful answer to the questions facing the people of the District of Columbia.

Mr. Chairman, this proposal is, in my view, a classic example of short-sighted, last-minute decisionmaking. It provides a short-term solution for the District of Columbia but creates a long-term problem for the people of my District. That problem, with which the District of Columbia is only too familiar, is the regrettable fact that there is only so much landfill area to go around.

The reason the District of Columbia is in this current crisis is because it has exhausted the landfill sites that had previously been available to it. The Eighth Congressional District does not want to find itself facing a similar situation a few years down the road.

Currently, GROWS landfill handles somewhere between 100 and 150 tons of sludge per day from various sources primarily in suburban Philadelphia. The additional influx of sewage from the District of Columbia will triple—or perhaps quadruple—the amount of sludge being deposited into the GROWS landfill each day. Estimates vary as to the lifespan of the GROWS landfill. Even the most optimistic projection, however, predicts that the GROWS landfill will be exhausted withins 8 short years.

Mr. Chairman, perhaps a few statistics would help place this issue in perspective for my colleagues. The District of Columbia plans to truck 500 tions of sludge over the 15-month durartrict. That adds up to over 200,000 tons of slugde over the 15-month duration of the proposed contract with GROWS.

Shipping 500 tons of sludge on a 175-mile one-way trip is an expensive proposition. Mr. Chairman, it has been estimated that the transportation costs alone over the next 15 months will cost a staggering $25 a ton—or some $4.5 million over the next 15 months. A minimum of twenty to twenty-five 21-ton trucks will be required to haul this extraordinary amount of sludge, contributing to the congestion and deterioration of the local roads and highways.

Moreover, these wastes will be hauled every day through the cities of Washington, D.C., Baltimore, Wilmington, and Philadelphia—one of the most heavily populated corridors in the country. Surely a less expensive and hazardous method of disposal can be found.

Mr. Chairman, I would like to emphasize that I am not alone in my opposition to this extravagant proposal. In response to the public outcry, the supervisors of Falls Township have sent a telegram to the Department of Environmental Resources of the Commonwealth of Pennsylvania urging them to deny GROWS landfill permission to implement this plan, and requesting that a public forum be provided. I, too, have petitioned DER to reject the GROWS proposal until certain determinations have been made.

In response to the objections raised by myself and others, DER has requested that GROWS provide information on the environmental impact of this proposal, as well as a detailed analysis of the sludge content. Furthermore, DER has urged the District of Columbia to explore alternative methods of disposal.

Mr. Chairman, I sympathize with the plight of the District of Columbia. Yet, I do not believe that running roughshod over the citizens of the Eighth Congressional District provides an equitable solution for the problem of sewage disposal.

I believe that the taxpayers of this country should be assured that this is the most efficient and effective plan available.

For this reason, I request a 60-day delay in the implementation of this plan in order to give the organizations involved in the proposal time to adequately answer the questions that have been submitted by the Commonwealth of Pennsylvania and to give Pennsylvania time to effectively evaluate those answers and make an informed decision on the soundness of this proposal.

My amendment does not preclude the eventual use of these funds or the disposal of this sludge but it provides some assurance to the people of the Eighth Congressional District that they are not the victims of a capricious and hastily conceived scheme.

Mr. Chairman, as a freshman Congressman I had hoped to bring Washington closer to my constituency—but truckloads of sewage sludge was not what I had in mind.

Mr. Chairman, I thank the gentleman from California (Mr. DIXON) for his cooperation and I thank the ranking minority member, the gentleman from Pennsylvania (Mr. COUGHLIN).

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. JAMES K. COYNE).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BENNETT

Mr. BENNETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENNETT: Page 20, after line 25, insert the following new section:

SEC. 124. None of the funds appropriated in this Act may be used to grant a business license to any person who, after the date of enactment of this Act, offers drug paraphernalia (as defined in the Model Drug Paraphernalia Act drafted by the United States Department of Justice, August 1979) for sale in the course of the business for which such license is required.

Mr. DIXON. Mr. Chairman, I reserve a point of order on the amendment.

Mr. BENNETT. Mr. Chairman, I rise today to offer an amendment to H.R. 4522, to prohibit the use of Federal funds to license any establishment within the boundaries of our Nation's Capital that sells drug paraphernalia.

Narcotics abuse today, especially among young children, is growing at an alarming and an intolerable rate. Yet, we have allowed a paraphernalia industry which, in the words of former DEA Director Pete Besinger, "preys on the drug fantasies of our youth," to flourish.

This despicable industry of drug paraphernalia has developed into a multimillion-dollar business that not only facilitates, but glamorizes drug use. To allow its existence in our Nation's Capital is a national outrage.

Today in the District of Columbia, there are at least 15 wholesalers who market these devices which are designed primarily for the use of illegal drugs. They in turn stock the countless numbers of street vendors and so-called head shops which flourish even in the shadow of the Capitol. Many of these vendors blatantly distribute their paraphernalia on the sidewalk in the plain sight of even the youngest child.

It is no wonder that our young people are confused for they must contend with the paradox that while drugs are illegal, devices to administer them are not. It is no wonder the rest of the world questions our resolve to fight drugs when faced with the paradox of an America which asks them to destroy their marihuana and poppy crops, but allows the sale of drug paraphernalia to flourish in its own Capital City. This clearly a national problem which we must address.

My amendment will prohibit the use of Federal funds to grant a business license to any establishment in the District of Columbia which sells drug paraphernalia as defined by the Drug Enforcement Administration's model act that has now been passed by 23 States, over 200 local governments, and covers over half the population of our country.

Its constitutionality has been affirmed in court cases throughout the county.

I am pleased to note the endorsement of my amendment today by the National Federation of Parents for a Drug Free Youth which represents over 1,000 parent groups in all 50 States.

The thrust of this important amendment attacks the root of the narcotics problem: The tacit acceptance by society of the drug culture.

Mr. Chairman, if we are serious about eliminating illegal drugs from our society, then we must eliminate

those devices which facilitate their use. I urge the passage of this amendment which will be found on page 21471 of the September 21, CONGRESSIONAL RECORD, and Mr. Chairman, I have walked through the streets of the District of Columbia and observed myself in Georgetown and other areas where people are out on the streets with invitations to use these paraphernalia for the use of illegal drugs, clearly saying get high on these drugs, be head of the household, clearly appealing to the youngsters who walk the streets, particularly of Georgetown, but also elsewhere in the District of Columbia. This is a crime. It ought to be prohibited.

I would hope that the vast majority of the Members of Congress would agree with me. I realize it may have some point of order difficulties, but in view of the necessity of going forward and fighting drug traffic today in our country, I hope if there is anything wrong with this from the standpoint of parliamentary matters, it will not be raised because we are here dealing with something that is very serious with the welfare of our country and the welfare of our Nation.

So I hope it could be agreed to by the committee.

□ 1515

The CHAIRMAN. Does the gentleman from California (Mr. DIXON) insist upon his point of order?

Mr. DIXON. Yes, Mr. Chairman.

The CHAIRMAN. The Chair will hear the gentleman.

POINT OF ORDER

Mr. DIXON. Mr. Chairman, I make a point of order that the amendment of the gentleman violates clause 2 of rule XXI of the House in that it would impose additional duties on the District's licensing officials who have to either inspect all places that are doing business to determine whether they are selling such items; but probably more importantly, they would have to determine the intent for which such items would be used.

The CHAIRMAN. Does the gentleman from Florida wish to be heard on the point of order?

Mr. BENNETT. Well, Mr. Chairman, I have somewhat addressed it in a nonlegal way, a non-legal point, in the hope that something so important would not be thrust aside because of a technicality; but I would like to say that inherent in this amendment I have offered is the impossibility of amending it to meet the objection which arises, because this has been passed upon and the words that the gentleman referred to are words that the court feels are important, as I understand it, to the constitutionality of this act.

I would just hope that the point of order would not be sustained, because I do not feel it puts any heavy responsibility upon anyone.

As a matter of fact, there are already people in the District of Columbia who have to make a similar decision anyway.

A case in point on this matter is the fact that the amendment does not impose any additional duties, because the term drug paraphernalia is very specifically defined in the DEA's Model Act, which has been adopted already by 23 States and, of course, it would not create additional duties, because the District already employs license inspectors who routinely visit establishments of vendors who have such a license.

The CHAIRMAN. Does the gentleman from California wish to be heard further on the point of order?

If not, the Chair is prepared to rule.

The question is a difficult one, but after consultation with the Parliamentarian and in reviewing precedents, the Chair finds, and quotes directly from page 537 of the House Rules and Manual:

> Where an amendment to or language in a general appropriation bill implicitly places new duties on officers of the government or implicitly requires them to make investigations, compile evidence, or make judgments and determinations not otherwise required of them by law, such as to judge intent or motives, then it assumes the character of legislation and is subject to a point order.

The Model Act incorporated by reference in the amendment requires a determination that the drug equipment being sold be intended for use in connection with drug preparation or use.

The Chair, therefore, rules that the point of order is well taken and the point of order is sustained.

AMENDMENT OFFERED BY MR. COLLINS OF TEXAS

Mr. COLLINS of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLLINS of Texas: Page 20, immediately after line 25 insert the following new section:

"SEC. 124. None of the funds provided in this Act shall be available for the compensation of any full-time employee in an authorized position in the District of Columbia government during any month when the number of such employees is greater than 19,050."

Mr. COLLINS of Texas. Mr. Chairman, the purpose of my amendment is to give the District a limiting guideline as to what size employment they should have for the staff of the District of Columbia.

Now, there are many operations in municipalities throughout the country that operate on 2 percent of the total population to take over all the public sector jobs. Some, I think, operate on 1 percent.

All we are asking here is that we place a number, and I would rather use a percentage, but by the law you need to name numbers, so we named 19,050, which is a 3-percent figure, a 3-percent figure for them to use as a guideline.

Now, when you see San Jose out in California, when you see Milwaukee in Wisconsin, when you see Phoenix in Arizona, when you go all over the country and see municipalities that are run efficiently, you wonder why here in our Nation's Capital we have such an overstaffed municipality.

I want to quote some of the factors that are involved, because it is not a shortage of money. They are spending money so fast here; we keep talking about $300 million. Why, $300 million is less than one-third of what they get from the Federal Government. In other words, the total Federal funds is $1,068,471,000. How that is represented, it is discussed here as Federal payments of $300 million. That is what we are talking about, Federal payments of $300 million. That is only the start.

Congress contributes to their retirement fund. Congress does not contribute to the retirement fund of the firemen or policemen in your town, but Congress gives them $52 million.

Then we have $13 million in what you call payment in lieu of.

Then we have for capital outlays, $155 million.

Then there is $19 million of revenue sharing.

After this we get into some real large ones. The Federal grants—this is absolutely amazing—the Federal grants for the District of Columbia are $513 million.

SUMMARY OF FEDERAL GRANT ASSISTANCE TO THE DISTRICT OF COLUMBIA

| Agency | 1982 estimate [1] |
|---|---|
| Governmental Direction and Support: | |
| Office of the Inspector General | $487,900 |
| Office of the Corporation Counsel | 224,600 |
| Office of the City Administrator | 5,855,000 |
| Office of Personnel | 90,000 |
| Office of Business and Economic Development | 386,000 |
| Total, Governmental Direction and Support | 7,043,500 |
| Economic Development and Regulation: | |
| Department of Housing and Community Development | 47,015,600 |
| Public Service Commission | 80,000 |
| Total, Economic Development and Regulation | 47,095,600 |
| Public Safety and Justice: | |
| Office of Emergency Preparedness | 217,300 |
| Office of Criminal Justice Plans and Analysis | 292,600 |
| Total, Public Safety and Justice | 509,900 |
| Public Education System: | |
| Board of Education (Public Schools) | 44,226,800 |
| University of the District of Columbia | 6,008,800 |
| Public Library | 410,600 |
| Commission on the Arts and Humanities | 356,900 |
| Total, Public Education System | 51,003,100 |
| Human Support Services: | |
| Office on Human Rights | 151,200 |
| Office on Aging | 3,621,100 |
| Department of Employment Services | 53,917,900 |
| Department of Recreation | 1,105,900 |
| Department of Human Services | 188,387,900 |
| D.C. General Hospital | 208,000 |
| Total, Human Support Services | 247,392,000 |
| Transportation Services and Assistance: | |
| Department of Transportation | 2,489,700 |

SUMMARY OF FEDERAL GRANT ASSISTANCE TO THE DISTRICT OF COLUMBIA—Continued

| Agency | 1982 estimate [1] |
|---|---|
| Washington Metropolitan Area Transit Authority | 13,407,700 |
| Total, Transportation Services and Assistance | 15,897,400 |
| Environmental Services and Supply: Department of Environmental Services (General Fund) | 1,228,000 |
| Capital Outlay (General Fund) | 142,818,900 |
| Water and Sewer Enterprise Fund: Department of Environmental Services | 138,000 |
| Total | [1] 513,126,400 |

[1] Amounts as submitted in the budget for the District of Columbia Government for 1982 (H. Doc. 97-17).

The Federal reimbursement is $15 million.

The total is over $1 billion of Federal funds for the District of Columbia.

I want to commend the District Committee for the excellent appraisal and the very fair approach that they made in presenting the committee's report. Time and again in its report they refer to the fact that they have a management problem down there at city hall. They hired Arthur Andersen & Co., and they hired Lucas Tucker—these are management consultant firms, accounting firms—to make a management appraisal. I want to quote from their record:

A separate report providing greater detail on the weaknesses noted in the District's central systems and data processing activities. In addition to weaknesses in systems, these reports identified numerous weaknesses that were attributable to poor performance and non-performance by District personnel.

The Committee urges the District to respond to each of the items of weakness noted in the Andersen report as soon as possible and suggests that the managers responsible for the weaknesses be given extensive training in management and supervision techniques.

What I am suggesting is that we do not need to teach them management. We need to put them in another type of business. If they do not know how to run city hall, if they are big spenders; then they should be, they ought to be in another business, whatever it is, whether it is selling tires or whether it is working in a grocery store; but obviously, they do not know how to run city hall.

It is our responsibility when we realize how President Reagan has called on Congress day in and day out to balance the budget, to cut expenses, that right here in our hometown would be a good place to start.

Every time I think of what we do for the District, I am amazed. We provide them with the Capitol Hill Police. We provide them with the White House Police. We provide them with the Park Police. We have the FBI, all this does not go in their budget.

The biggest business in town is the convention business. The Capitol, the Government, is what stimulates the biggest business in town. There are so many services that we provide for them in addition to this billion dollars.

What I am asking in my amendment is to just have them work under a reasonable ceiling, just spend twice as much, just have twice as many people, as most cities have, but limit it to 19,000 in personnel for the District of Columbia.

FEDERAL FUNDS

| Item: | Amount |
|---|---|
| Federal payment | $300,000,000 |
| Federal contribution to police officers, firefighters, teachers, and judges retirement funds | 52,070,000 |
| Payment in lieu of reimbursement for water and sewer services to Federal facilities | 13,500,000 |
| Federal loans for capital outlay | 155,000,000 |
| Federal revenue sharing | 19,239,000 |
| Subtotal (Federal funds included in this bill) | 539,809,000 |
| Federal grants | 513,126,400 |
| Federal reimbursements | 15,535,700 |
| Total, Federal funds | 1,068,471,100 |

Mr. FAUNTROY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the chairman in somewhat amazement that the gentleman from Texas would question the well-considered judgment of the Subcommittee on Appropriations for the District of Columbia, which has addressed itself assiduously over recent years to improving the efficiency of the District government and reducing the number of District employees.

The gentleman, to our amazement, has suggested that we cut the level of District employment in 1 year by nearly 50 percent.

Surely the House will not agree to this clearly outrageous amendment.

In commending the committee for its careful attention to the efforts of the mayor and the city council to provide necessary city services that it has over the past 2 years alone eliminated some 4,800 District positions, a reduction of some 12 percent over a 2-year period.

The committee only this year has come in with an additional 1,943 jobs eliminated, or 5.4 percent of the level of employment which was maintained in District government during the fiscal year 1981.

I simply urge the Members to respect the fact that our committee has spent long hours examining the conduct of the District government, assessing its need for personnel and agreeing to recommend the level of 34,000 this year, a drop of nearly 2,000 over the level which was allowed the year previously.

Ms. FIEDLER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I was wondering if I might inquire of the representative of the District several questions.

I wonder if the gentleman could tell me what kind of an attrition rate occurs in the District's employment each year.

Mr. FAUNTROY. Mr. Chairman, if the gentlewoman will yield, it is my understanding that the attrition rate is at a level of 3 to 5 percent.

Ms. FIEDLER. Three to five percent?

Mr. FAUNTROY. Yes.

Ms. FIEDLER. That would be, roughly, how many employees does the gentleman say—32,000?

Mr. FAUNTROY. As we indicated, 5 percent is roughly 1,900.

Ms. FIEDLER. What kind of a growth factor has there been in the employment rate of the city over, let us say, the past 3 to 5 years? Has it been going up or has it been declining?

Mr. FAUNTROY. As I indicated in my remarks, the employment level has been going down by 12 percent over the past 2 years.

Ms. FIEDLER. I thank the gentleman very much. I was just struck by the figures in terms of the overall expenditures. The city of Los Angeles has over 3½ million people and their budget is $1.1 billion approximately.

I was just trying to make some kind of an equation between the 750,000 population which exists in the District, as articulated by the gentleman from Texas, and the total expenditure, which seemed very high to me. I was just interested in the actual picture over a period of time, plus attrition. When you have a fairly high attrition rate, often simply by dealing with attrition you can begin substantially to reduce the amount of employment without having to remove people from their jobs and let that attrition help to reduce the overall employment level and save funds.

Mr. FAUNTROY. If the gentlewoman will yield further, as the gentlewoman participates in the discussions of District affairs from time to time, the gentlewoman will become aware of the fact that the District of Columbia government, unlike that of many municipalities, encompasses functions which are provided by both State, county, and municipal governments, in most of our communities.

Thereby, it cannot be compared to the burden of service delivery that is assumed by the average city in the country.

□ 1530

Ms. FIEDLER. I thank the gentleman.

Mr. COLLINS of Texas. Mr. Chairman, will the gentlewoman yield?

Ms. FIEDLER. I yield to the gentleman from Texas.

Mr. COLLINS of Texas. The gentlewoman has raised a most interesting question about attrition, which is amazingly low, but I would like to remind my colleague that the average salary in Washington, D.C., is $21,000

in the public sector, whereas, the average salary for public employees in America is $16,000. Having a public job in Washington, D.C., is like having a taxi medallion in New York City. You really do have something you grab hold of and hold onto for life.

I was amazed when the gentlewoman talked about the size of Los Angeles, but we have these tremendous grants that we give to the District of Columbia which we do not give to Los Angeles. We are giving $44 million for the Board of Education. We give $188 million for the Department of Human Services. We have $142 million in capital outlays.

The benevolence of the Congress in behalf of the District of Columbia is overwhelming. That is why I ask for some limit to the number of people on the public staff.

I thank the gentlewoman.

Ms. FIEDLER. I thank the gentleman for his contribution.

Mr. DIXON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman and Members, for over 3 years the Subcommittee on District of Columbia Appropriations on a bipartisan basis, has systematically examined the employment level and hiring practices of the District government. I think they have done a good job. No doubt they could do better. But over the last 2 years, District officials have reduced their work force by more than 12 percent—12.4 percent. To just arbitrarily say at this time that there should be only 19,000 employees in a city where we have made speeches saying we are so proud of what they are doing, I think, is totally inconsistent.

Second, for most cities, with the exception of the District of Columbia, there are States and counties that provide moneys to supplement the activities and revenues of those cities. The District of Columbia does not enjoy that benefit. In that sense, the District does have additional responsibilities for which it must carry the financial burden.

Certainly no one would think that Federal grants have been preempted by the District of Columbia. Just as the cities, the counties, and the States receive Federal grants, so does the District of Columbia receive grants. The District of Columbia has no special window that it goes to for these grants.

Most importantly, and I think this is one of the areas where the committee has been very sensitive and has worked closely with the city, the District government is showing results by reducing the employment level by over 12 percent since 1980. Therefore, Mr. Chairman and Members, I would ask everyone to oppose the gentleman's amendment. It simply does not recognize the progress the District government had made and is continuing to make in reducing its employment base.

Mr. COUGHLIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I am reluctant to oppose the amendment of my good friend, the gentleman from Texas, but the bill does presently limit the number of permanent authorized positions in the District of Columbia to 32,922. The number of personnel is something that the subcommittee does look at each year. But the most critical thing is, of course, to examine where we would take the kind of cuts of the magnitude that the gentleman is suggesting.

We have been trying to force the city, for example, and the Mayor, to hire additional employees. They have reluctantly agreed to do so, only with the prodding of the committee. So the first place I suspect they would look to to cut their employment would be in the very area in which we are trying to force them to employ more people.

The bulk of the employees of the city are in a limited number of areas—police, fire, teachers, corrections, sanitation workers. So we would have a difficult time finding where we would take cuts of that order of magnitude.

Mr. COLLINS of Texas. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from Texas.

Mr. COLLINS of Texas. What figure did you suggest for police and fireman in the budget?

Mr. COUGHLIN. The police are pegged at 4,500, roughly; and fireman at 1,500.

Mr. COLLINS of Texas. In other words, 6,000 for police and fireman.

Mr. COUGHLIN. The gentleman is correct. And then if you add in the Department of Corrections, that is another 1,700, which ties in with that.

Mr. COLLINS of Texas. About 7,700. How many are in the Department of Education?

Mr. COUGHLIN. There are approximately 10,000.

Mr. COLLINS of Texas. Is that not a little overstaffed for a public school enrollment of 95,000 students?

Mr. COUGHLIN. Well, we have been examining that and resisting the attempts of the District of Columbia to increase that even further. In fact, it is lower than the requested figure for that department.

Mr. COLLINS of Texas. That gives them about 1 person in the administration to every 9½ students. Is that not about the highest record in America?

Mr. COUGHLIN. Well, this, of course, includes teachers and administration.

Mr. COLLINS of Texas. I understand that. Well, then, where does the rest of this preponderance come from? Is that handling the welfare?

Mr. COUGHLIN. It is a whole variety of departments. I do not have the details. I was taking some of the larger figures.

Mr. COLLINS of Texas. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. COLLINS).

The amendment was rejected.

AMENDMENT OFFERED BY MR. ERTEL

Mr. ERTEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ERTEL: Page 20, after line 25, insert the following new sections:

SEC. 122. None of the Federal funds provided under this Act shall be obligated or expended to provide a personal cook, chauffeur or other personal servants to any officer or employee of the District of Columbia.

SEC. 123. None of the Federal funds provided in this Act shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated miles per gallon average of less than 22 miles per gallon. This section shall not apply to security, emergency rescue or armored vehicles.

Mr. ERTEL. Mr. Chairman, it is my understanding that this will be accepted by the committee.

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. ERTEL. I would be happy to yield to the gentleman from California.

Mr. DIXON. Mr. Chairman, we on this side have examined the gentleman's amendment and we have no objections to it on our side.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. ERTEL. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, as I note, the amendment only applies to Federal funds, so I guess it would not be affected, and there is no objection to it on this side.

Mr. ERTEL. Just to respond, this only applies to Federal funds. What the city of Washington does with its funds and how it allocates them is a matter for the constituency of Washington to determine, not for the Federal Legislature. When we put funds forward, I think it is for us to decide. Therefore, that is why it is Federal funds.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. ERTEL).

The amendment was agreed to.

The CHAIRMAN. Are there any further amendments?

Mr. DIXON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be

agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore. (Mr. ROSTENKOWSKI) having assumed the chair, Mr. RATCHFORD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4522) making appropriations for the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1982, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. COLLINS of Texas. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 299, nays 105, not voting 29, as follows:

[Roll No. 216]

YEAS—299

| | | |
|---|---|---|
| Akaka | Bingham | Coelho |
| Albosta | Blanchard | Conable |
| Alexander | Bliley | Conte |
| Anderson | Boggs | Conyers |
| Andrews | Boland | Corcoran |
| Annunzio | Boner | Coughlin |
| Anthony | Bonior | Coyne, James |
| Aspin | Bonker | Coyne, William |
| AuCoin | Bouquard | Crockett |
| Bafalis | Bowen | D'Amours |
| Bailey (MO) | Breaux | Daschle |
| Bailey (PA) | Brinkley | Daub |
| Barnard | Brooks | Davis |
| Barnes | Brown (CA) | de la Garza |
| Beard | Brown (OH) | Deckard |
| Bedell | Burton, Phillip | DeNardis |
| Beilenson | Byron | Derrick |
| Benedict | Carman | Dicks |
| Benjamin | Carney | Dixon |
| Bereuter | Chappell | Donnelly |
| Bethune | Chisholm | Dorgan |
| Bevill | Clay | Dowdy |
| Biaggi | Clinger | Downey |
| Duncan | Jenkins | Rahall |
| Dunn | Jones (NC) | Railsback |
| Dwyer | Jones (OK) | Rangel |
| Dymally | Jones (TN) | Ratchford |
| Dyson | Kastenmeier | Regula |
| Early | Kazen | Rhodes |
| Eckart | Kemp | Richmond |
| Edgar | Kildee | Rinaldo |
| Edwards (AL) | Kindness | Rodino |
| Edwards (CA) | Kogovsek | Roe |
| Emery | Lantos | Roemer |
| Erdahl | Leach | Rogers |
| Erlenborn | LeBoutillier | Rose |
| Ertel | Lehman | Rostenkowski |
| Evans (DE) | Leland | Roth |
| Fascell | Lent | Roukema |
| Fazio | Levitas | Roybal |
| Fenwick | Livingston | Sabo |
| Ferraro | Long (LA) | Savage |
| Findley | Long (MD) | Sawyer |
| Fish | Lott | Scheuer |
| Fithian | Lowry (WA) | Schneider |
| Flippo | Luken | Schumer |
| Florio | Lundine | Seiberling |
| Foglietta | Madigan | Shamansky |
| Foley | Markey | Shannon |
| Ford (TN) | Marks | Sharp |
| Forsythe | Marriott | Shaw |
| Fountain | Martin (IL) | Siljander |
| Fowler | Matsui | Simon |
| Frank | Mattox | Skeen |
| Frenzel | Mavroules | Skelton |
| Frost | Mazzoli | Smith (IA) |
| Fuqua | McClory | Smith (PA) |
| Garcia | McCloskey | Snowe |
| Gaydos | McCollum | Snyder |
| Gejdenson | McCurdy | Solarz |
| Gephardt | McDade | St Germain |
| Gibbons | McGrath | Stanton |
| Gingrich | McHugh | Stark |
| Ginn | McKinney | Staton |
| Glickman | Mica | Stokes |
| Goldwater | Michel | Stratton |
| Gonzalez | Mikulski | Studds |
| Goodling | Miller (CA) | Swift |
| Gore | Mineta | Synar |
| Gradison | Minish | Tauzin |
| Gray | Mitchell (MD) | Thomas |
| Green | Mitchell (NY) | Traxler |
| Gregg | Molinari | Trible |
| Guarini | Mollohan | Udall |
| Gunderson | Moore | Vander Jagt |
| Hagedorn | Murtha | Vento |
| Hall (OH) | Napier | Walgren |
| Hamilton | Natcher | Wampler |
| Hammerschmidt | Neal | Washington |
| Hansen (UT) | Nelligan | Waxman |
| Harkin | Nelson | Weber (OH) |
| Hartnett | Nowak | Weiss |
| Hatcher | O'Brien | White |
| Hawkins | Oakar | Whitehurst |
| Hefner | Oberstar | Whitley |
| Heftel | Ottinger | Whitten |
| Hightower | Oxley | Williams (OH) |
| Hillis | Panetta | Wilson |
| Holland | Parris | Wolf |
| Hollenbeck | Patman | Wolpe |
| Hopkins | Patterson | Wortley |
| Howard | Pease | Wright |
| Hoyer | Pepper | Wyden |
| Hubbard | Perkins | Wylie |
| Huckaby | Peyser | Yates |
| Hunter | Pickle | Yatron |
| Hutto | Porter | Young (FL) |
| Hyde | Price | Young (MO) |
| Jacobs | Pritchard | Zablocki |
| Jeffords | Pursell | |

NAYS—105

| | | |
|---|---|---|
| Applegate | Coleman | Evans (IN) |
| Archer | Collins (TX) | Fiedler |
| Ashbrook | Courter | Fields |
| Badham | Craig | Gilman |
| Bennett | Crane, Daniel | Gramm |
| Brodhead | Crane, Philip | Grisham |
| Broomfield | Daniel, Dan | Hall, Ralph |
| Brown (CO) | Daniel, R. W. | Hance |
| Broyhill | Dannemeyer | Hansen (ID) |
| Burgener | Dickinson | Heckler |
| Butler | Dreier | Hendon |
| Campbell | Edwards (OK) | Hertel |
| Chappie | Emerson | Hiler |
| Cheney | English | Hughes |
| Coats | Evans (IA) | Ireland |
| Jeffries | Morrison | Smith (AL) |
| Johnston | Mottl | Smith (NE) |
| Kramer | Myers | Smith (NJ) |
| LaFalce | Obey | Smith (OR) |
| Lagomarsino | Paul | Solomon |
| Latta | Petri | Spence |
| Leath | Quillen | Stangeland |
| Lee | Ritter | Stenholm |
| Lewis | Roberts (KS) | Stump |
| Loeffler | Roberts (SD) | Tauke |
| Lowery (CA) | Robinson | Taylor |
| Lujan | Rousselot | Volkmer |
| Lungren | Rudd | Watkins |
| Marlenee | Russo | Weaver |
| Martin (NC) | Santini | Weber (MN) |
| Martin (NY) | Schroeder | Whittaker |
| McDonald | Schulze | Winn |
| McEwen | Sensenbrenner | Young (AK) |
| Miller (OH) | Shelby | |
| Montgomery | Shumway | |
| Moorhead | Shuster | |

NOT VOTING—29

| | | |
|---|---|---|
| Addabbo | Dornan | Murphy |
| Atkinson | Dougherty | Nichols |
| Bolling | Evans (GA) | Pashayan |
| Burton, John | Fary | Reuss |
| Clausen | Ford (MI) | Rosenthal |
| Collins (IL) | Hall, Sam | Walker |
| Danielson | Holt | Williams (MT) |
| Dellums | Horton | Wirth |
| Derwinski | Moakley | Zeferetti |
| Dingell | Moffett | |

□ 1545

The Clerk announced the following pairs:

On this vote:

Mr. Fary for, with Mr. Nichols against.

Until further notice:

Mr. Addabbo with Mr. Pashayan.

Mr. Dingell with Mr. Derwinski.

Mr. Zeferetti with Mr. Dougherty.

Mr. Wirth with Mr. Clausen.

Mr. Moakley with Mr. Dornan of California.

Mr. Moffett with Mr. Horton.

Mr. Danielson with Mrs. Holt.

Mrs. Collins of Illinois with Mr. Walker.

Mr. Williams of Montana with Mr. Ford of Michigan.

Mr. Reuss with Mr. John L. Burton.

Mr. Evans of Georgia with Mr. Atkinson.

Messrs. RUSSO, RALPH M. HALL, and KRAMER changed their vote from "yea" to "nay."

Mr. SKELTON changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. DIXON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and to include extraneous matter, on the bill just passed.

The SPEAKER pro tempore (Mr. BAILEY of Pennsylvania). Is there objection to the request of the gentleman from California?

There was no objection.

## OVERSEAS PRIVATE INVESTMENT CORPORATION AMENDMENTS ACT OF 1981

Mr. BINGHAM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3136) to amend the Foreign Assistance Act of 1961 with respect to the activities of the Overseas Private Investment Corporation.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. BINGHAM).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3136, with Mr. LEVITAS in the chair.

The Clerk read the title of the bill.

□ 1600

The CHAIRMAN. When the Committee of the Whole rose on Monday, September 21, 1981, all time for general debate had expired.

Pursuant to the rule, the Clerk will now read the substitute committee amendment recommended by the Committee on Foreign Affairs now printed in the reported bill for the purposes of amendment.

The Clerk read as follows:

H.R. 3136

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SHORT TITLE

SECTION 1. This Act may be cited as the "Overseas Private Investment Corporation Act of 1981".

CREATION, PURPOSE, AND POLICY

SEC. 2. Section 231 of the Foreign Assistance Act of 1961 (22 U.S.C. 2191) is amended—

(1) in paragraph (2)—

(A) by striking out "$520 or less in 1975 United States dollars" and inserting in lieu thereof "$680 or less in 1979 United States dollars"; and

(B) by striking out "$1,000 or more in 1975 United States dollars" and inserting in lieu thereof "$2,950 or more in 1979 United States dollars"; and

(2) in subsection (i) by inserting immediately before the semicolon the following: ", and to seek to support those developmental projects having positive trade benefits for the United States".

ORGANIZATION AND MANAGEMENT

SEC. 3. (a) The first paragraph of section 233(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2193(b)) is amended—

(1) by striking out in the first sentence "eleven" and "six" and inserting in lieu thereof "fifteen" and "eight", respectively;

(2) by inserting after the second sentence the following: "The United States Trade Representative shall be the Vice Chairman of the Board, ex officio, except that the United States Trade Representative may designate the Deputy United States Trade Representative to serve as Vice Chairman of the Board in place of the United States Trade Representative.";

(3) by striking out "Six", "six", and "two" in the fourth, fifth, and seventh sentences of such section, as amended by paragraph (2), and inserting in lieu thereof "Eight", "eight", and "three", respectively;

(4) by striking out in the fifth sentence of such section, as amended by paragraph (2), "one" the first place it appears and inserting in lieu thereof "two"; and

(5) by striking out in the fourth sentence of such section, as amended by paragraph (2), "also serve as a Director" and inserting in lieu thereof "serve as a Director, ex officio".

(b) The second paragraph of such section is amended by inserting "including an official of the Department of Labor," after "United States,".

INVESTMENT INSURANCE AND OTHER PROGRAMS

SEC. 4. Section 234 of the Foreign Assistance Act of 1961 (22 U.S.C. 2194) is amended—

(1) in subsection (a)(1)(C), by striking out "or insurrection" and inserting in lieu thereof ", insurrection, or civil strife";

(2) in subsection (a)(2), by striking out "total" and "financing" at the end thereof;

(3) in subsection (a)(3), by striking out "authorized to issue under this subsection" and inserting in lieu thereof "permitted to have outstanding under section 235(a)(1)";

(4) in subsection (b), by striking out in the last proviso "authorized to issue under this subsection" and inserting in lieu thereof "permitted to have outstanding under section 235(a)(2)";

(5) in subsection (f)(1), by striking out "(A)" and by striking out ", and (B)" and all that follows through the end of the paragraph and inserting in lieu thereof a period; and

(6) in the last paragraph of subsection (f), by striking out in the second sentence "exceed $600,000,000 in any one year, and the amount of such reinsurance shall not".

ISSUING AUTHORITY, DIRECT INVESTMENT FUND AND RESERVES

SEC. 5. (a) Section 235(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(a)) is amended—

(1) in paragraph (2), by striking out ": Provided" and all that follows through the end of the paragraph and inserting in lieu thereof a period;

(2) by redesignating paragraph (3) and (4) as paragraphs (4) and (5), respectively; and

(3) by inserting the following after paragraph (2):

"(3) The Corporation shall not make any commitment to issue any guaranty which would result in a reserve less than 25 per centum of the maximum contingent liability then outstanding against guaranties issued or commitments made pursuant to section 234(b) or similar predecessor guaranty authority.".

(b) Section 235(a)(5) of such Act, as redesignated by subsection (a)(2) of this section, is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1985".

(c) Section 235(b) of such Act is amended by adding at the end thereof the following: "Notwithstanding any other provision of law, the Corporation shall transfer to the Fund in the fiscal year 1982, and in each fiscal year thereafter—

"(1) at least 10 per centum of the net income of the Corporation for the preceding fiscal year, and

"(2) all amounts received by the Corporation during the preceding fiscal year as repayment of principal and interest on loans made under section 234(c), to the extent such amounts have not been expended or obligated before the effective date of the Overseas Private Investment Corporation Amendments Act of 1981,

and the Corporation shall use the funds so transferred to make loans under section 234(c) to the extent that there are eligible projects which meet the Corporation's criteria for funding.".

GENERAL PROVISIONS RELATING TO INSURANCE AND GUARANTY PROGRAM

SEC. 6. (a) Section 237(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2197(f)) is amended by amending the first sentence to read as follows: "Compensation for insurance, reinsurance, or guaranties issued under this title shall not exceed the dollar value, as of the date of the investment, of the investment made in the project with the approval of the Corporation plus interest, earnings, or profits actually accrued on said investment to the extent provided by such insurance, reinsurance, or guaranty, except that the Corporation may provide that (1) appropriate adjustments in the insured dollar value be made to reflect the replacement cost of project assets, and (2) compensation for a claim of loss under insurance of an equity investment may be computed on the basis of the net book value attributable to such equity investment on the date of loss.".

(b) Such section is further amended by striking out the last sentence.

DEFINITIONS

SEC. 7. Section 238(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2198(a)) is amended by inserting "or commitment" after "includes any contribution".

GENERAL PROVISIONS AND POWERS

SEC. 8. Section 239 of the Foreign Assistance Act of 1961 (22 U.S.C. 2199) is amended—

(1) in subsection (d), by inserting after the last semicolon the following: "to collect or compromise any obligations assigned to or held by the Corporation, including any legal or equitable rights accruing to the Corporation;";

(2) in subsection (e)—

(A) by striking out "Auditor-General" each place it appears and inserting in lieu thereof "Inspector General"; and

(B) by striking out in the first sentence "shall have the responsibility for planning and directing the execution of audits" and inserting in lieu thereof "may conduct"; and

(3) by striking out subsections (f), (j), and (k) and redesignating subsections (g), (h), (i), and (l) as subsections (f), (g), and (i), respectively.

REPORTS

SEC. 9. Section 240A of the Foreign Assistance Act of 1961 (22 U.S.C. 2200a) is amended—

(1) in subsection (a)—

(A) by striking out "(a)";

(B) in paragraph (1), by striking out "239(i)" and inserting in lieu thereof "239(h)"; and

(C) in paragraph (2)(A), by striking out "239(l)" and inserting in lieu thereof "239(i)"; and

(2) by striking out subsection (b).

Mr. BINGHAM (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment

in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENT OFFERED BY MR. BINGHAM

Mr. BINGHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BINGHAM: Page 5, line 17, insert "(1)" after "(b)".

Page 5, after line 20, insert the following:

(2) The authority of the Overseas Private Investment Corporation to enter into contracts under section 234(a) of the Foreign Assistance Act of 1961 shall be effective for any fiscal year beginning after September 30, 1981, only to such extent or in such amounts as are provided in appropriations Acts.

Mr. BINGHAM. Mr. Chairman, the amendment the Clerk has read is to section 5(b) of the bill, and that is agreeable to me. This is one of the technical amendments that is offered to bring the bill into compliance with the Budget Act.

Under section 401(a) of the Budget Act, any bill which provides new contract authority must specify that such authority is effective only to the extent provided for in an appropriations act, and the authority to issue insurance is such contract authority. So this amendment takes care of that technicality.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. BINGHAM).

The amendment was agreed to.

Mr. McCLORY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of H.R. 3136, a bill to provide for the continuation of OPIC insurance and guarantees for an additional 4 years.

In creating the Overseas Private Investment Corporation, Congress declared the purpose of the Corporation to be mobilization and facilitation of the participation of U.S. private capital and skills in the economic and social development of less developed friendly countries and areas. The creating legislation specifically spelled out that the activities of OPIC were to complement the development assistance objectives of the United States.

Since the Congress last reviewed OPIC's operations, in 1977-78, the Corporation's revenues and net income have grown steadily in excess of 10 percent per year. Revenues totaled $76 million in fiscal 1980, with net income of $65 million. Since 1974, OPIC has paid all of its operating costs from its income from insurance premiums and other charges to user of its programs and has built up its capital and reserves to almost $700 million.

Mr. Chairman, the activities of the Overseas Private Investment Corporation help to further two of our primary national goals. First, they encourage and facilitate developmentally sound investment projects by providing insurance and other support for foreign investment, giving a boost to American firms engaged in exporting. As my colleague from Illinois, Mr. FINDLEY, has noted OPIC has been especially helpful in encouraging exports of American agricultural products. Certainly, strengthening the American export posture is one of our important national priorities.

Second, OPIC furthers the long-range goal of U.S. assistance to less developed countries, the so-called LDC's, with the aim of making them better partners in world trade, an important objective both economically and politically.

H.R. 3136 extends OPIC authority through fiscal 1985. The objective of the legislation is commendable, the track record of the Corporation has been shown to be impressive, and I believe it is in the best interests of the Nation for the activities of the Overseas Private Investment Corporation to be further extended. I urge passage of the bill.

AMENDMENT OFFERED BY MR. BINGHAM

Mr. BINGHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BINGHAM: Page 3, after line 25, add the following:

(c) The amendments made by this section shall take effect on October 1, 1981.

Mr. BINGHAM. Mr. Chairman, this is also a technical amendment to bring the bill into conformity with the Budget Act. All the amendment does is to say that the section of the bill expanding the Board of Directors shall not go into effect prior to October 1, 1981.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. BINGHAM).

The amendment was agreed to.

Mr. BINGHAM. Mr. Chairman, I move to strike the last word.

Mr. Chairman, my colleague, the gentleman from New York (Mr. SOLARZ), is attending a hearing. Had he been here, he would have addressed the following question to me as chairman of the subcommittee in charge of this bill: "Since the papers prepared for the new OPIC bill show that Taiwan now qualifies under the higher per capita income limits, can we take this to mean that the report language will show and the fact will be that investments in Taiwan can, as has always been the case, continue normally to receive OPIC guarantees?"

Mr. Chairman, in response to that question, my answer is in the affirmative, it does.

AMENDMENT OFFERED BY MR. AKAKA

Mr. AKAKA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AKAKA: Page 8, strike out lines 3 through 5 and insert in lieu thereof the following:

(3) by striking out subsections (f) and (j) and redesignating subsections (g), (h), (i), (j), (k), and (l) as subsections (f), (g), (h), (i), (j), and (k), respectively.

Page 8, line 15, strike out "239(i)" and insert in lieu thereof "239(k)".

Mr. AKAKA. Mr. Chairman, there is a sleeper in this bill which would, if adopted by the House today, effectively allow OPIC to subsidize the dumping of foreign sugar on our market.

Under the terms of this bill, specific categorical restrictions against OPIC support of projects involving copper, citrus, palm oil, and sugar would be lifted.

Mr. Chairman, I rise in strong opposition to lifting the restriction on OPIC investments in projects for the growing of sugar. Section 231 of the Foreign Assistance Act of 1961 requires OPIC to decline support for any project likely to reduce U.S. employment significantly in a particular industry.

How is OPIC to know when the domestic sugar industry is being hurt when we in this country still have no domestic sugar policy? Currently, there is no statement of U.S. sugar policy available for the simple fact that we do not have one. Given this fact, how is OPIC going to determine when a particular project in a lesser developed country is going to hurt our domestic sugar industry?

Sugar now contributes over $3 billion to our gross national product. The economies of 17 different States rely on sugar as a major part of their economic base.

The facts are simple: Sugar is a major United States crop. It ranks 10th in terms of acreage and 6th in terms of income of farmers during the 1980 sugar-producing year.

Nearly 100,000 Americans are directly dependent on the domestic sugar industry for their livelihoods; hundreds of thousands more rely on the domestic sugar industry for related work.

Our domestic sugar industry is a fragile industry. And, every time a foreign country dumps its sugar on the world market, our domestic industry suffers more.

To allow OPIC to fund the development of the sugar industry in foreign countries is to give OPIC carte blanche to further weaken our domestic sugar industry.

Judging from OPIC's past performance on agricultural projects, OPIC's level of expertise is woefully inadequate. This kind of decisionmaking power does not belong in the hands of OPIC.

If we do not amend this bill today, we will, in effect, be encouraging OPIC to help foreign countries develop a sugar surplus which they can then dump on the world market.

The U.S. Congress has no business allowing a private investment corporation to subsidize those foreign sugar markets with which we compete.

I ask that my colleagues join me in restoring the language of section 239 which prevents OPIC from supporting projects involving copper, citrus, palm oil, and sugar.

□ 1610

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I fully appreciate the gentleman's (Mr. AKAKA) concern with the sugar problem, knowing of the importance of sugar to his State.

Let me say first that in omitting the provisions that appeared in the law the last time we extended it we followed the recommendations of the administration. The matter was discussed briefly in the committee and no amendment similar to the one offered by the gentleman from Hawaii (Mr. AKAKA) was offered in the committee.

The reason the committee went along with the administration, and the explanation for our position today, is that the amendment is unnecessary. OPIC has never insured the type projects the gentleman is worried about. OPIC has no intention of going into fields such as citrus or palm oil or sugar.

The general provisions in the bill, which require OPIC to avoid projects which might have an impact on the U.S. balance of payments or which might interfere with the U.S. exports or might encourage imports to the United States, those prohibitions and those principles are sufficient to prevent the kinds of projects being entered into that the gentleman from Hawaii is worried about.

So it seems to us that rather than clutter the bill with these specific provisions once again, we should rely on the general provisions and not reintroduce the prohibitions which appeared in the bill the last time around.

However, I have to say that since OPIC has no intention of going into these fields, by the same token the gentleman's amendment is unnecessary; it is probably also harmless. So while I am opposed to it, I am not opposed to it all that strongly. Since the gentleman feels very strongly about it, my vote on this will be a rather mild "No."

Mr. MOORE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to join my colleague from Hawaii (Mr. AKAKA) in this amendment. I was the author of the amendment in 1978 that first inserted this language prohibiting OPIC making loans to finance the production of palm oil, citrus, and sugar enterprise loans.

While I agree with the chairman of the subcommittee that OPIC has not entered into, up to this point, these kinds of loans, the point is I do not see any harm in having the specific language in there that has now been in there for some 3 years prohibiting that. I have read very closely the language that exists in the bill, section 231, subsection L, which is the general protection the chairman of the subcommittee is referring to. While I think his interpretation of that subsection is correct, I feel a whole lot safer with the language which originally was put in there, and since it does not do any harm, I would urge it stay there for the simple reason that I do not want to give, by virtue of legislative history here, by taking this section out of the bill, we would not want to have somebody think we have reversed our position and OPIC is now able to make those sorts of guaranteed loans.

So I would urge passage of the amendment offered by the gentleman from Hawaii (Mr. AKAKA) leaving the language that is in the law now still in there.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the chairman of the subcommittee, the gentleman from New York (Mr. BINGHAM), has said that he is going to cast a weak "no" vote on this amendment. I guess it would be accurate to portray my position as being in the position of casting a weak "aye" vote. I think what the chairman says is entirely accurate. I think the bill as it comes before my colleagues does take care of the problem.

But, on the other hand, there are people in this country who are concerned about this and who are concerned about what they see as a change. Whether it has the effect they think it does or not is open to dispute. But, in any event, they see this as a change that could cause them some problems.

I think, on the other hand, it is certainly in the interest of no one, the U.S. Government, the developing countries, and particularly OPIC itself, to insure or finance projects which will increase the supply of a commodity beyond the projected level of demand. This would be contrary to OPIC's basic development mandate to support those projects which contribute to economic development.

Further, before any project is approved, OPIC undertakes a sectoral analysis designed to analyze the effects on the U.S. economy of the proposed overseas investment. OPIC will neither finance nor provide insurance for those projects, commodity-related or otherwise, which adversely affect U.S. economic interests.

So while I certainly understand and agree that the bill, even without this amendment, takes care of the problem, I see no harm really, I must admit, in adopting the amendment so that the concerns of people, whether those are justified or not, are met.

I yield back the balance of my time.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the reason we have weak "ayes" and weak "noes" being promised in defense of this amendment is because the amendment has a very weak basis. I am sorry that the gentleman from Louisiana (Mr. MOORE) reminded us that he was the author of this pernicious piece of work because up until then I was content to blame it on the gentleman from Hawaii (Mr. AKAKA).

It is true, as the chairman and ranking member have suggested, that the law contains plenty of language to keep OPIC out of trouble; that is, to keep it from supporting operations abroad that would tend to reduce employment or economic activity within the United States.

In my judgment, that general direction is preferable to the specific local, perhaps selfish is too strong a word, chauvinistic yearnings of each of our Members, because after we have put in palm oil to satisfy the gentleman from Louisiana and sugar to satisfy the gentleman from Hawaii, we will have to put in widgets to satisfy somebody else, and anything anyone else has made around this country, and there will be eventually a prohibition that we no longer want to keep, but we will have cemented it into the law because of local considerations for people who must be perceived as defenders of some local industry.

We are far better off with the general restrictions that are in the law. I intend to make a very audible "no" when this amendment is called for a vote.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. I would like to associate myself with these remarks. We have really got to play it straight, it seems to me.

The bill is clear and good and it does not need amendment. I think it is a mistake to put amendments in it.

Mr. FRENZEL. I thank the gentlewoman from New Jersey and yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Hawaii (Mr. AKAKA).

The question was taken; and on a division (demanded by Mr. AKAKA) there were—ayes 9, noes 10.

Mr. AKAKA. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

□ 1620

Mr. MOORE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to enter into a colloquy with the distinguished chairman of the subcommittee, if I could.

Mr. Chairman, under section 231(1) of the Foreign Assistance Act of 1961, there is a provision, which I read in part:

To decline to issue any contract of insurance or reinsurance or any guarantee or to enter into any agreement to provide financing for an eligible investor's proposed investment, if the corporation determines that such investment is likely to cause a significant reduction in the number of the employees in the United States.

My question to the Chairman is: Does the number of employees mean the number of employees in a specific company or the number of employees in an entire industry, such as the sugar industry or the citrus industry or the oil bean industry?

Mr. BINGHAM. If the gentleman will yield, in that particular subsection, the reference is a general one to the industry, in my opinion.

Mr. MOORE. And, second, does the ban here that applies also cover producers under the term "employee"? In other words, many times you have a farmer, and maybe the only employee is he and his wife. Would it include the farmer-producer?

Mr. BINGHAM. I think in that situation, you come under the more general provisions with regard to the U.S. balance of payments and the economy. But certainly it is the intention of such provisions that that type of enterprise not be interfered with by any project that OPIC enters into.

Mr. MOORE. Mr. Chairman, further, I have been informed that OPIC has received but never approved loan requests for palm oil, citrus, or foreign sugar production, and we dispensed with the language in the statute that would prevent that.

It is my understanding, from the answers the gentleman just gave, from the administration and from the gentleman's committee, you delete this redundant language but not the protection that exists in section 231(1) that we have just gone over, or elsewhere in the act, to see to it that no such loan or guarantees would be made should there be a significant reduction in employees or a danger to the existing domestic industries. Is that correct?

Mr. BINGHAM. The gentleman is absolutely correct.

Let me say, further, that I cannot conceive of OPIC going into a project providing for assistance to the production of sugar when world prices are depressed and sugar is in oversupply. It would not make sense, from a business point of view. So I cannot conceive of OPIC going into it.

In addition, the answer to the gentleman's question is that he is absolutely right.

Mr. MOORE. I thank the subcommittee chairman.

Mr. IRELAND. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to enter into an additional colloquy with my associate, the gentleman from New York.

The same dialog that we have just discussed concerning sugar, would this apply to citrus, as well?

Mr. BINGHAM. It most certainly would, I say to my friend.

Mr. IRELAND. The gentleman sees no instance where, in an industry that would have a long-term effect, such as something which requires 5 years to mature, that OPIC would be getting into this without some oversight by the Congress?

Mr. BINGHAM. Not only that, I cannot conceive of OPIC getting into this, if it means that the impact on U.S. exports is going to be negative. In the case that the gentleman is referring to, the citrus industry, the problem, I take it, is the fear that new citrus production in foreign countries would interfere with U.S. exports.

Mr. IRELAND. Absolutely.

Mr. BINGHAM. That is a little different from the problem of imports back into this country. But in either case, OPIC would be remiss to proceed with a project of that kind which would be damaging to American industry.

Mr. IRELAND. I thank the gentleman.

AMENDMENT OFFERED BY MR. HARKIN

Mr. HARKIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARKIN: Page 8, insert the following after line 17:

RETURN OF FUNDS TO TREASURY

SEC. 10. The Secretary of the Treasury shall, during the 4-year period beginning on October 1, 1981, transfer to the miscellaneous receipts of the Treasury $106,000,000 from the funds of the Overseas Private Investment Corporation, except that—

(1) funds from the Direct Investment Fund of the Corporation, and

(2) funds which are determined by the Secretary of the Treasury to be necessary for reserves and expenses of the Corporation or necessary to meet the requirements of section 240 of the Foreign Assistance Act of 1961,

may not be so transferred. If the Secretary of the Treasury determines that, taking into account the exception contained in the preceding sentence, $106,000,000 is not available to carry out the preceding sentence, the Secretary shall transfer the largest lesser amount that is so available.

Mr. HARKIN. Mr. Chairman, my amendment is simple. It requires that the Secretary of the Treasury transfer over a 4-year period of time $106 million from OPIC to the U.S. Treasury.

This will not do this in a way that would either interfere with the operations of OPIC or do injury to congressionally mandated efforts to encourage the participation of small businesses in OPIC programs.

If the Secretary of the Treasury determines that the $106 million will not be available because of necessary reserves or expenses, or the activities on behalf of small business, then he shall transfer the largest lesser amount that is available.

Now, why am I doing this? Because from 1969 until 1974, Congress appropriated $106 million for OPIC operations and reserves—appropriated taxpayers' dollars.

When President Nixon first offered OPIC legislation, he said that OPIC was "expected to break even or to show a small profit."

Well, last year OPIC had a net income of $65 million, and its reserves stood at $669 million at the end of fiscal year 1980.

We are an era of austerity and retrenchment. All kinds of vital programs are being forced to cut back. Small Business Administration, energy research assistance, the school lunch program, student loans, in short, almost every program area of the Federal budget, we are cutting back. But OPIC is not cutting back; it is expanding. The committee bill is expanding the insurance coverage to include civil strife and raising the per capita GNP ceiling to end restrictions on OPIC operations in 18 countries.

OPIC's income has been increased every year and will probably increase with this expansion.

Now, there is a provision in present law for OPIC to pay dividends to the Treasury from its earnings; but it never has.

The Export-Import Bank pays dividends every year, as does the Federal Reserve.

OPIC can expand its operations and still have excess funds.

All I am saying with this amendment is that part of OPIC's excess should be returned to the taxpayers of this country. The amount of $106 million from 1981 to 1984 is not the equivalent of the $106 million that OPIC was appropriated from 1969 to 1974. If we were to use constant dollars, the equivalent figure in July 1981 dollars would be roughly $229 million.

So OPIC is still making out quite well.

Again, all I am saying is that all of the money that we appropriated to OPIC from 1969 to 1974, $106 million, now be paid back to the U.S. Treasury over a 4-year period of time, and this will not severely damage OPIC. As I said, last year they had a net income of $65 million. Their reserves are at $669 million. So over a 4-year period of time the payback is $106 million, roughly $25 million a year. They can

do it out of their net income that they are making a year.

□ 1630

I think it is a small thing to ask of OPIC. We set them up. We funded them with taxpayers dollars. Now that they are making a profit how about paying back to the U.S. Treasury the money that we initially appropriated.

I believe that OPIC can contribute its share to reducing our deficit, to helping us retrench, as we are in Federal programs, and they can do it without any damage to its functions.

I urge the adoption of my amendment.

AMENDMENT OFFERED BY MR. BINGHAM AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. HARKIN

Mr. BINGHAM. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. BINGHAM as a substitute for the amendment offered by Mr. HARKIN:

Page 8, insert the following after line 17:

RETURN OF APPROPRIATED FUNDS

SEC. 10. Title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 240B. RETURN OF APPROPRIATED FUNDS.—The Corporation shall return to the general fund of the Treasury, in a manner consistent with the objectives set forth in section 231, amounts equal to the total amounts which were appropriated to the Corporation before January 1, 1975, pursuant to section 235(f). In order to carry out the preceding sentence, the Corporation shall, in each fiscal year, pay to the Treasury an amount equal to 25 percent of the net income of the Corporation for the preceding fiscal year, after making suitable provisions for transfers to reserves and capital, until the aggregate amount of such payments equals the amounts required to be returned to the Treasury by the preceding sentence.".

Mr. BINGHAM (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BINGHAM. Mr. Chairman, I think the gentleman from Iowa has offered a constructive amendment. It probably is necessary to prod OPIC to do what it has not done to date, which is to start repaying some of the funds that were advanced to it prior to 1975. The substitute I have offered would do the same thing, but it has some differences from the amendment offered by the gentleman from Iowa.

It preserves essentially a greater degree of independence from the bureaucracy that OPIC has enjoyed up to now. It would not give to the Secretary of the Treasury the directive to transfer the amounts. Indeed, I am not sure that is appropriate because the amounts are OPIC's to transfer and it should be left to OPIC to determine the amount that it could pay over and above the necessary amounts set aside for the preservation and building up of necessary reserves.

It also would not impose a 4-year deadline on OPIC to achieve this objective.

So, it recognizes the wisdom of the objective that the gentleman from Iowa (Mr. HARKIN) has in mind. But it leaves implementation in the hands of OPIC as a semi-independent agency consistent with the directives of the Congress.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Minnesota.

Mr. FRENZEL. I thank the gentleman for yielding.

Like the gentleman from New York, I think the amendment of the gentleman from Iowa is overenthusiastic.

Does the gentleman from New York believe that under his amendment OPIC will be able to carry out its charge under the bill and to accept some of its new responsibilities with respect to trade expansion, which the gentleman and his colleagues have put into the bill?

Mr. BINGHAM. Yes, I believe so, because the substitute that I have offered directs the corporation to pay to the Treasury in each fiscal year an amount equal to 25 percent of the net income of the corporation after making suitable provisions for transfers to reserves and capital.

I think it puts the Congress on record that OPIC better bear in mind that it was advanced these funds. It boasts of being a self-sustaining operation, and the sooner it repays to the Treasury the moneys that it was given to start up with, the better. But it gives a degree of flexibility to accomplish that end that the Harkin version——

Mr. FRENZEL. If the gentleman will yield further, I thank the gentleman for his explanation. I think he and his colleagues on the subcommittee have done a splendid job and have given us a good bill and certainly I am going to follow his suggestion on the amendment.

Mr. BINGHAM. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think what we have to consider here is that after a brush with insolvency some years ago OPIC has recently been a beneficiary of two things; low levels of claims and high interest earnings on its reserves.

Hopefully the second will not obtain in the future. Hopefully interest rates will go down and while that will be perhaps to the good of the country and many individuals, it will change the situation with regard to the earnings of OPIC.

Also, as I mentioned, the claims have been low. Hopefully that will continue, but there is certainly no guarantee.

We are all aware of unrest throughout the world. In fact, one of the very purposes of OPIC is to guarantee investments in the kind of countries where that is in fact a danger and a threat, otherwise we are not doing our job.

Certainly it could happen, as it has in the past, that there could be a high level of claims.

I would mention one other thing. The bill amends the law to provide that OPIC can also now insure against civil strife, and while we have a pretty good idea what that means, I must add that we do not know exactly what that will result in, how many claims might arise because of that.

So, I think that it would be the wise and right thing for the committee to accept the substitute. We can see how that works in effect and to reject the Harkin amendment.

I would ask the committee to accept the substitute.

Mr. HARKIN. Mr. Chairman, I move to strike the requisite number of words.

I would like to ask the distinguished chairman of the subcommittee a question or two.

I am just curious if the gentleman has any idea about what figures we might be looking at here over the next 4 years?

As I understand, there is no time limit in the gentleman's amendment as to when they have to pay this back in the aggregate amount, but they have to pay back an amount equal to 25 percent of the net income each preceding fiscal year.

Does the gentleman have any idea what this might be over the next 4 years? Is there any way of anticipating that?

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

I think it is difficult to say exactly. I would point out that in his amendment the gentleman has a figure that is 25 percent of $106 million to be paid each year. That, however, is subject to a condition precisely the same as my amendment, that the funds to be repaid are to be over and above what is deemed to be necessary for reserves and expenses. And it is impossible to know exactly how much that will be.

Now, in his amendment the gentleman leaves that to the Secretary of the Treasury to determine. In the case of the substitute it is left up to OPIC to determine; but in neither case is

there a fixed amount to be transferred.

Mr. HARKIN. The gentleman anticipated my second question. I was wondering why leave it up to OPIC to determine? Why not leave it up to the Secretary of the Treasury to determine after OPIC submits its final report as to what its necessary income is, what its reserve requirements are? Why not let the Secretary of the Treasury determine that?

Mr. BINGHAM. As I suggested in my original remarks on the substitute, OPIC has established a record of responsibility in its operations of carrying out the directives of the Congress. I think it should not be subjected to decisions made essentially by a separate agency.

OPIC has been established by Congress as a semi-independent agency. It has performed well, and I think we should give it the vote of confidence that it will carry out the will of Congress in this respect.

Mr. HARKIN. I thank the gentleman for his answers, and while I would have preferred to hold OPIC's feet to the fire over a shorter period of time, and to mandate that they pay back the money within that set period of time, I believe the gentleman's substitute will accomplish that same purpose over a longer period of time, and certainly the next time when this legislation comes up again, we will have to look at what OPIC has done in terms of paying back this money.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. BINGHAM) as a substitute for the amendment offered by the gentleman from Iowa (Mr. HARKIN).

The amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. HARKIN), as amended.

The amendment, as amended, was agreed to.

□ 1640

AMENDMENT OFFERED BY MR. BINGHAM

Mr. BINGHAM. Mr. Chairman, I offer a technical amendment.

The Clerk read as follows:

Amendment offered by Mr. BINGHAM: Page 8, line 5, insert "(h)," immediately after "(g),".

Mr. BINGHAM. Mr. Chairman, this amendment simply corrects a typographical error in the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. BINGHAM).

The amendment was agreed to.

Mr. HARKIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, again I wonder if I could engage the distinguished gentleman, the chairman of the subcommittee, in a colloquy.

I am concerned about some OPIC activity that may be coming up in Guatemala, a country whose government is widely recognized as one of the worst violators of human rights in the Western Hemisphere.

OPIC has recently made public its pending approval of at least one project in Guatemala. The name of the company cannot be disclosed until the fiscal year begins, but some details are known. OPIC plans to provide political risk insurance to a firm expanding its manufacturing operations in Guatemala. The insurance policy will cover up to $135 million in losses.

Now, consider the wording of the OPIC title. Section 239(1) states that the Corporation "shall take into account in the conduct of its programs in a country all available information about observance of and respect for human rights and fundamental freedoms in such country."

My question is, Was this done in consideration of the approved project again which is pending approval by OPIC in Guatemala?

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield.

Mr. BINGHAM. I cannot answer the gentleman's specific question about the alleged project in Guatemala. I do know that nothing has been done in Guatemala in the past year by OPIC.

I would certainly expect that Guatemala's human rights record would be very definitely taken into account by the agency in making a decision on any such project.

Mr. HARKIN. I thank the gentleman. I know of the gentleman's strong feeling in this area. I just have one last question then.

Section 239(1) also states that the provisions of section 116 of the Foreign Assistance Act, "shall apply to any insurance, reinsurance, guarantee or loan issued by the Corporation."

Section 116 prohibits foreign assistance to governments "which engage in a consistent pattern of gross violation of internationally recognized human rights."

In light of Guatemala's miserable human rights record, in light of Amnesty International's finding that the Guatemalan Government is engaged in "a program of political murder," and in light of the explicit wording of sections 239 and 116, would the gentleman consider that the prospective OPIC project in Guatemala be a violation of U.S. law?

Mr. BINGHAM. This gentleman is reluctant to make a judgment on that without knowing precisely what the proposed project is and to what extent the Guatemalan Government might benefit from it. But in general, I certainly agree that the criteria of section 116 should apply to OPIC's operations.

As I say, in this particular case that the gentleman raises, I would be very much surprised and very concerned if there were the intention of proceeding with a project in Guatemala.

Mr. HARKIN. I thank the gentleman. As I said, I know of the gentleman's feelings in this area. I did not want to put the gentleman on the spot without knowledge of this particular instance.

I just wanted to raise the issue in light of the pending approval of this project. I trust that the gentleman and the subcommittee will take a look at that project when it comes up.

Mr. BINGHAM. If the gentleman will yield further, we surely will do that. I appreciate the gentleman bringing it to my attention and once again salute the gentleman for all his outstanding work in developing section 116 in its various ramifications.

Mr. HARKIN. I thank the gentleman.

● Mr. LEACH of Iowa. Mr. Chairman, I want to indicate my strong support for H.R. 3136, a bill to reauthorize the Overseas Private Investment Corporation (OPIC).

OPIC is one of the few U.S. development assistance organizations that works hand-in-hand with private enterprise to assist the development of friendly developing countries—and manages to do so at a profit. It is also well-known that OPIC, through its unique ability to marshal private capital and technology, encourages development on a free market basis.

Perhaps what is less well-known is the extent to which U.S. business, manufacturers, and farmers alike, benefit from OPIC programs. In the debate on OPIC's renewal back in 1978 a question was posed by a Member from a farm State as to what benefit U.S. farmers could possibly enjoy as a result of OPIC's programs. In answer, our former colleague, Mr. Cavanaugh from Nebraska, stated that U.S. farmers benefit in two principal ways. First, an increased standard of living among the less developed countries of the world increases their consumptive capacity thereby providing an outlet for U.S. agricultural surplus. Second, a great many agricultural projects overseas produce products we are not able to produce here in this country, but which utilize other goods and services that we do produce.

In retrospect, and attesting to the wisdom of my friend from Nebraska, Mr. Cavanaugh, since 1978 OPIC has encouraged 50 agricultural or agribusiness projects in 25 less developed countries. During the first 5 years of operation, these projects will purchase more than $470 million of U.S. farm commodities and manufactured products. Major U.S. farm exports will be corn, wheat, soybeans, milo, and poultry breeding stock. Other OPIC-sup-

ported projects have included animal feed and flour mills, powdered milk reconstitution plants, poultry farms, and bulk storage facilities which will create important and continuing export markets for U.S. farm products and farm equipment manufacturers. I should also note that other OPIC projects, such as mining and energy development projects, indirectly stimulate U.S. farm exports by strengthening developing country economies and earning or saving the foreign exchange necessary for the less developed countries to increase their imports.

Following are some examples of OPIC projects that increase U.S. farm exports:

An animal and poultry feed plant on Taiwan. Annual U.S. exports will total 500,000 tons of corn and feed grains;

A flour mill in Grenada involving annual exports of $2.9 million worth of U.S. wheat;

A poultry breeding and broiler operation in the Dominican Republic, requiring annual American exports of $1 million worth of soybeans and other grains and $350,000 of chicken breeding stock;

A bulk grain storage and handling facility in Korea which will import more than 2 million metric tons of U.S. wheat, milo, barley, and corn annually;

Expansion of a flour mill in Nigeria. Additional American exports will total 5.75 million bushels of wheat and 1.85 million bushels of corn annually;

A soybean processing facility in Jamaica. U.S. soybean exports will total $18 million annually.

I will only add that OPIC does not encourage foreign agricultural projects which compete with American farmers or farm exports. OPIC does not provide assistance to projects which will export to the United States such products as palm oil, sugar, citrus fruit, or products which are in surplus in this country. The agricultural production projects which OPIC does encourage either grow tropical products, such as tea, coffee, or natural rubber; raise poultry or other animals for local sale; or, in a very few cases, produce off-season crops for processing and export to Europe or this country.

In sum, OPIC is a developing agency that merits our support. It represents limited cost development which both assists some of the poorer developing countries improve their agricultural situations and, at the same time, helps the American farmer to market his product more effectively.●

● Mr. BONKER. Mr. Chairman, I am pleased that my distinguished colleagues voted to amend and reauthorize the operating authority of the Overseas Private Investment Corporation, as detailed in H.R. 3136. As chairman of the House Export Task Force, I am keenly interested in seeing legislation passed that will assist the American exporter and provide the new-to-export, small- and medium-sized firms with incentives to export. H.R. 3136 will work to achieve those objectives.

The Overseas Private Investment Corporation (OPIC) was created by Congress in 1971 as a self-sustaining U.S. Government agency to foster economic development in less developed countries by encouraging long-term U.S. capital investment. OPIC is key in the effort to enlist private business in foreign assistance programs in order to reduce Government spending and to reinforce private enterprise in the developing world.

Investment in less developed countries may involve unusual political risks not normally faced in other countries. To overcome some of these disincentives, OPIC provides political risk insurance to U.S. investors against loss due to expropriation, war or revolution, and the inability to convert currency into U.S. dollars. In addition, OPIC provides limited amounts of loan guarantees and direct loans to help finance U.S.-sponsored projects when long-term financing is not available. Consequently, OPIC's financing can fill critical gaps that otherwise would preclude smaller or particularly pioneering ventures from getting underway.

The Overseas Private Investment Corporation encourages the participation of small businesses in its programs. In addition, it screens proposed investments and projects to insure they do not adversely affect the U.S. economy or compete with U.S. jobs, and it screens the environmental effect of ventures it sponsors. OPIC operates on a profitmaking, self-sustaining basis.

The reauthorization of OPIC comes at a critical time when we are attempting to combat inflation and revitalize the U.S. economy. OPIC projects open and expand markets for U.S. goods and services, thus creating additional jobs for American workers and improving our balance of trade. I commend my colleagues for their support of this important piece of legislation. It serves to reaffirm our commitment to promoting exports and expanding our role in international trade.●

The CHAIRMAN. Are there further amendments? If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MURTHA) having assumed the chair, Mr. LEVITAS, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H.R. 3136) to amend the Foreign Assistance Act of 1961 with respect to the activities of the Overseas Private Investment Corporation, pursuant to House Resolution 216, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. BINGHAM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries.

## REPORT CONCERNING DECLARATION OF NATIONAL EMERGENCY WITH RESPECT TO IRAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-92)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs, and ordered to be printed:

(For message, see proceedings of the Senate of today, September 22, 1981.)

## NEW YORK'S ACTION ON RUGBY TEAM OUTRAGEOUS

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, the action taken by the Governor of New York to prevent the visiting Springboks rugby team from playing an exhibition game in his State is an example of the hypocritical double standard

applied by so-called liberals in their approach to constitutional rights.

For the Governor of one of the country's largest States to buckle under to the threat of mob action directed against a team of foreign visitors to this country is a disgraceful abdication of executive responsibility. It gives the unruly, the rioters, the agitators veto over public policy.

It is all the more outrageous when you consider that the standard being applied to South African athletes by New York State is not equally applied to visiting athletes from Communist countries with repressive regimes which deny human rights to their citizens.

If athletes from Soviet Union, Hungary, East Germany, and other repressive communistic states can come to the United States and be given the protection due foreign visitors, the same protection is due the athletes of South Africa. To inject these issues into sports is reprehensible.

The question of whether and under what circumstances politics should affect international sports is open to debate. But if political standards are to be applied, as they obviously are in the State of New York, I think those standards should be consistent under our country's constitutional principles.

I also think that New Yorkers, who have over the years enjoyed the benefits of serving as hosts to international events, including the Winter Olympics of 1980, have an obligation to assess the actions taken by their public officials regarding the banning of the Springboks team, and to ask themselves whether those actions serve the best interests of their State and Nation.

As an Ohioan, I am certain that the Springboks rugby team, were it to schedule a game in Ohio, would be given the full protection of the law. In fact, even if the team is denied the right to play in New York State, I would welcome their coming to my native State of Ohio for an exhibition, if only to demonstrate to the world that there are areas of the United States where the threat of mob violence does not deter public officials from carrying out their constitutional duties fairly and consistently. I know our Governor, Jim Rhodes, would not take such a disgraceful action.

## U.S. RAILWAY ASSOCIATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BENJAMIN) is recognized for 5 minutes.

● Mr. BENJAMIN. Mr. Speaker, the initial months of this 97th Congress will certainly be remembered for our efforts to improve the Nation's economic prospects by reducing Federal expenditures. I think it important to recognize and pay tribute to those individuals who already feel the impact of our fiscal restraint, namely the Federal employees whose jobs are being eliminated following the enactment of the Omnibus Budget Reconciliation Act of 1981.

The U.S. Railway Association is the Federal corporation established by the Regional Rail Reorganization Act of 1973 to perform two vital tasks. First, USRA is the Federal banker for Conrail, the northeastern railroad which replaced the Penn Central and several other rail carriers that went bankrupt during the early 1970's. Second, USRA represents the Federal Government in the complex litigation to determine the value of the properties transferred by the bankrupt carriers to create the Conrail system.

The recent settlement of portions of the valuation litigation and a legislative redefinition of USRA's responsibilities as Conrail's banker, coupled with our comprehensive efforts to reduce Federal outlays, has led to a substantial reduction in the scope of activity at USRA. The fiscal year 1982 appropriations measure for the Department of Transportation and related agencies approved by the House of Representatives on September 10 cuts USRA's annual budget to $13 million, compared with $29 million for the current fiscal year.

USRA has always been viewed as an agency with a finite lifespan. Its employees, many of them experts from the railroad and legal communities, do not enjoy civil service status. Thus, the Chairman of the Association, Stephen Berger, informs me that the reduction in USRA's budget and work force came as no real surprise for the members of his staff. But the lack of surprise does not compensate for the fact that this is a very difficult time to be looking for a job in most parts of the country, certainly including Washington, D.C.

As the chairman of the Appropriations Subcommittee on Transportation, I am familiar with USRA's work and I wish to express my deepest appreciation to the employees of the Association for a job well done. Approximately 100 of USRA's present 300-person work force will be leaving their jobs by October 1. To these individuals, I extend special thanks for their valuable contribution to a satisfactory solution to the northeastern rail problem. I wish them every success in their new endeavors.●

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CLAUSEN (at the request of Mr. MICHEL), for today, on account of attending a funeral.

Mr. ADDABBO (at the request of Mr. WEISS), for today, on account of official business in district.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BLILEY) to revise and extend their remarks and include extraneous material:)

Mrs. HECKLER, for 10 minutes, today.

Mr. ASHBROOK, for 30 minutes, today.

Mr. WAMPLER, for 5 minutes, on September 23.

(The following Members (at the request of Mr. LOWRY of Washington) to revise and extend their remarks and include extraneous matter:)

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. OBERSTAR, for 5 minutes, today.

Mr. BENJAMIN, for 5 minutes, today.

Mr. ANNUNZIO, for 10 minutes, on September 23.

## EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. LEHMAN, during general debate on H.R. 4522, in the Committee of the Whole, today.

(The following Members (at the request of Mr. BLILEY) and to include extraneous matter:)

Mr. BROOMFIELD.
Mr. GOODLING.
Mr. LEBOUTILLIER in two instances.
Mr. MARLENEE.
Mr. YOUNG of Alaska.
Mr. SOLOMON.
Ms. FIEDLER in two instances.
Mr. RUDD.
Mr. WEBER of Ohio.
Mr. LEACH of Iowa in two instances.
Mr. PETRI.
Mr. WALKER.
Mr. FIELDS.
Mr. MCCLOSKEY.
Mr. ROBERTS of South Dakota.

(The following Members (at the request of Mr. LOWRY of Washington) and to include extraneous matter:)

Mr. BARNES in two instances.
Mr. LUKEN.
Mr. ASPIN.
Mr. STOKES in two instances.
Mr. HALL of Ohio.
Mr. FAZIO in two instances.
Mr. MOFFETT.
Mr. MOTTL.
Mr. FAUNTROY.
Mr. STARK.
Mr. SCHUMER.
Mr. RODINO.
Mr. YATRON.
Mr. KILDEE.
Mr. YOUNG of Missouri.
Mr. SHELBY in two instances.
Mr. RICHMOND.
Mr. ROE.
Mr. EDGAR.

Mr. SIMON.
Mr. GUARINI
Mr. SOLARZ.
Mr. BEDELL.
Mr. CONYERS.

## ADJOURNMENT

Mr. LOWRY of Washington. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 50 minutes p.m.) the House adjourned until tomorrow, Wednesday, September 23, 1981, at 10 a.m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2225. A letter from the Secretaries of Transportation, Commerce, and Housing and Urban Development, transmitting a report on the methods by which Federal funds from the Departments are being coordinated to assist and encourage public and private redevelopment in the vicinity of urban rail stations on the Northeast corridor, pursuant to section 704(c)(2) of the Railroad Revitalization and Regulatory Reform Act of 1976, as amended; to the Committee on Energy and Commerce.

2226. A letter from the Secretary of Health and Human Services, transmitting the fourth annual report of the National Center for the Prevention and Control of Rape, covering fiscal year 1980, pursuant to section 231(b)(1)(B) of the Community Mental Health Centers Act, as amended (89 Stat. 328); to the Committee on Energy and Commerce.

2227. A letter from the Administrator, Energy Information Administration, transmitting reports covering the month of May 1981 on petroleum market shares of refined petroleum products and retail gasoline, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Energy and Commerce.

2228. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of certain defense equipment sold commercially Malaysia (Transmittal No. MC-23-81), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2229. A letter from the Deputy Administrator of General Services, transmitting a draft of proposed legislation to amend the act of May 3, 1945 (40 U.S.C. 293) by adding a provision authorizing the expenditure of moneys through the existing working capital fund operating within the General Services Administration for such additional purposes as internal mail processing, library facilities, and other centralized services; to the Committee on Government Operations.

2230. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a report on abnormal occurrences at licensed nuclear facilities, covering the first quarter of calendar year 1981, pursuant to section 208 of Public Law 93-438; jointly to the Committees on Energy and Commerce and Interior and Insular Affairs.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DANIELSON: Committee on the Judiciary. H.R. 1026. A bill to transfer responsibility for furnishing certified copies of Miller Act payment bonds from the Comptroller General to the officer that awarded the contract for which the bond was given (Rept. No. 97-236). Referred to the House Calendar.

Mr. DANIELSON: Committee on the Judiciary. H.R. 1029. A bill to amend section 1 of the Act of June 5, 1920, as amended, to authorize the Secretary of Commerce to settle claims for damages of less than $2,500 arising by reason of acts for which the National Oceanic and Atmospheric Administration shall be found to be responsible; with amendment (Rept. No. 97-237). Referred to the Committee of the Whole House on the State of the Union.

Mr. MOORHEAD: Committee on the Judiciary. H.R. 2896. A bill granting the consent of Congress to the agreement between the States of North Carolina and South Carolina establishing their lateral seaward boundary (Rept. No. 97-238). Referred to the House Calendar.

Mr. MOORHEAD: Committee on the Judiciary. H.R. 4048. A bill granting the consent of Congress to the agreement between the States of Kansas and Missouri establishing their mutual boundary in the vicinity of the French Bottoms near St. Joseph, Mo., and Elwood, Kans. (Rept. No. 97-239). Referred to the House Calendar.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 4437. A bill to promote energy conservation by providing for daylight saving time on an expanded basis and for other purposes (Rept. No. 97-243). Referred to the Committee of the Whole House on the State of the Union.

Mr. LONG of Maryland: Committee on Appropriations. H.R. 4559. A bill making appropriations for Foreign Assistance and related programs for the fiscal year ending September 30, 1982, and for other purposes (Rept. No. 97-245). Referred to the Committee of the Whole House on the State of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DANIELSON: Committee on the Judiciary. H.R. 1608. A bill for the relief of Mrs. Frieda Simonson (Rept. No. 97-240). Referred to the Committee of the Whole House.

Mr. DANIELSON: Committee on the Judiciary. H.R. 1635. A bill for the relief of the Jefferson County Mental Health Center, Incorporated, and of certain current and former employees thereof (Rept. No. 97-241). Referred to the Committee of the Whole House.

Mr. DANIELSON: Committee on the Judiciary. H.R. 3127. A bill for the relief of Staff Sergeant Anne M. Fisher, United States Army Reserve (Rept. No. 97-242). Referred to the Committee of the Whole House.

Mr. DANIELSON: Committee on the Judiciary. H.R. 1231. A bill for the relief of the Washington Post, the Washington Star, the Dispatch (Lexington, North Carolina), the Brooklyn Times, Equity Advertising Agency, Incorporated, the Seattle Post-Intelligencer, and the News Tribune (Rept. No. 97-244). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WRIGHT:

H.R. 4541. A bill to amend title 5, United States Code, to provide survivor annuities to subsequent spouses of certain additional classes of deceased annuitants who died after making available survivor annuities for previous spouses at time of retirement, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MOAKLEY:

H.R. 4542. A bill to amend title 5, United States Code, to provide that National Guard Technicians who are found to be physically disabled for duty as members of the National Guard under the provisions of the National Guard Technicians Act shall be considered disabled and suffering a disability within the meaning of chapter 83 of title 5, United States Code; to the Committee on Post Office and Civil Service.

By Mr. BRINKLEY:

H.R. 4543. A bill to amend title 10, United States Code, to provide for the sharing with State and local governments of amounts received by the United States from the sale of timber produced on military installations; to the Committee on Armed Services.

By Mr. BROWN of California:

H.R. 4544. A bill to amend the Domestic Volunteer Service Act of 1973 to eliminate the chronological age requirement with respect to foster grandparent services provided for mentally retarded individuals; to the Committee on Education and Labor.

By Mr. MATSUI (for himself, Mr. ROUSSELOT, Mr. FAZIO, Mr. COELHO, Mr. GIBBONS, Mr. FORD of Tennessee, Mr. DUNCAN, Mr. GEPHARDT, Mr. HEFTEL, Mr. SCHULZE, Mr. SHANNON, and Mr. BAILEY of Pennsylvania):

H.R. 4545. A bill to amend the Internal Revenue Code of 1954 to provide uniform periods for returns and payments of certain excise taxes; to the Committee on Ways and Means.

By Mr. DICKS:

H.R. 4546. A bill to reinstate U.S. oil and gas lease numbered OR-13713; to the Committee on Interior and Insular Affairs.

By Mr. GEJDENSON:

H.R. 4547. A bill to provide that certain trusts shall not be treated as private foundations; to the Committee on Ways and Means.

By Mr. GINGRICH:

H.R. 4548. A bill to amend title 5 of the United States Code to insure that civil service retirees do not receive annuities which are in excess of the salaries received by individuals working in the positions from which the retirees were retired; to the Committee on Post Office and Civil Service.

By Mr. SAM B. HALL, JR.:

H.R. 4549. A bill to require that imported meat and meat food products made in whole

or in part of imported meat be subjected to certain tests and that such meat or products be identified as having been imported; to require that the cost of conducting such tests, inspection, and identification procedures on imported meat and meat food products be borne by the exporters of such articles, and for other purposes; to the Committee on Agriculture.

By Mr. LEACH of Iowa:

H.R. 4550. A bill to repeal certain provisions of the Economic Recovery Tax Act of 1981 which reduce the crude oil windfall profit tax, to establish a trust fund which is financed from revenues from the windfall profit tax and which is used as a reserve for the Social Security Trust Fund, and for other purposes; to the Committee on Ways and Means.

By Mr. MICA:

H.R. 4551. A bill to promote the development of the Haitian people and provide for orderly emigration from Haiti; to the Committee on Foreign Affairs.

By Mr. RANGEL:

H.R. 4552. A bill to prohibit all U.S. assistance and exports (except for food and medicine) to, and all imports of articles from, any country which produces and exports opium or its illicit derivatives, jointly; to the Committees on Foreign Affairs and Ways and Means.

By Mr. SHARP (for himself and Mr. BROWN of Ohio):

H.R. 4553 A bill to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program; to the Committee on Energy and Commerce.

By Mr. SHELBY (for himself, Mr. GRAMM, Mr. MADIGAN, Mr. BLILEY, Mr. BONER of Tennessee, Mr. HUBBARD, Mr. SNYDER, Mr. LEBOUTILLIER, Mr. PASHAYAN, and Mr. BADHAM):

H.R. 4554. A bill to repeal titles XV (relating to health planning) and XVI (relating to health resources development) of the Public Health Service Act; to the Committee on Energy and Commerce.

By Mrs. SNOWE (for herself and Mr. TAUKE):

H.R. 4555. A bill to revoke the application of Revenue Ruling 81-216; to the Committee on Ways and Means.

By Mr. LONG of Maryland:

H.R. 4559. A bill making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1982, and for other purposes.

By Mr. FAUNTROY:

H. Con. Res. 186. Concurrent resolution expressing the sense of the Congress that September 23, 1981, should be designated and considered as the "Nation's Capital Salute to Sugar Ray Leonard Day"; to the Committee on Post Office and Civil Service.

By Mr. GEJDENSON:

H. Con. Res. 187. Concurrent resolution expressing the sense of the Congress that Secretary of State Haig should, in his upcoming discussions with Soviet Foreign Minister Gromyko, raise the issue of the basic rights of Soviet citizens, particularly freedom of immigration and of religion; to the Committee on Foreign Affairs.

By Mr. LEBOUTILLIER:

H. Con. Res. 188. Concurrent resolution expressing the sense of the Congress that the National Hockey League, the American Hockey League, the National Collegiate Athletic Association, and the Amateur Athletic Union should bar all teams from the United States from participating in any sports event involving the Soviet Union; to the Committee on Foreign Affairs.

By Mr. WEISS (for himself, Mr. ROSENTHAL, Mr. RICHMOND, Mr. KILDEE, Mr. SMITH of Pennsylvania, Mr. ROE, Mr. HOWARD, Mr. FORD of Tennessee, Mr. APPLEGATE, Mr. HAWKINS, Mr. JONES of North Carolina, Mr. ALBOSTA, Mr. DIXON, Mr. BEILENSON, Mr. BINGHAM, Mrs. CHISHOLM, Mr. DELLUMS, Mr. DICKS, Mr. DYMALLY, Mr. EDWARDS of California, Mr. LELAND, Mr. JOHN L. BURTON, Mr. DOWNEY, Mr. WAXMAN, Mr. CROCKETT, Mr. PEPPER, Mr. VENTO, Mr. BONKER, Mr. COELHO, Mr. WOLPE, Mrs. COLLINS of Illinois, Mr. RANGEL, Mr. UDALL, Mr. ADDABBO, Mr. KASTENMEIER, Mr. FRANK, Mr. BARNES, Mr. RODINO, Mr. FORD of Michigan, Mr. SCHUMER, Mr. ST GERMAIN, Mr. YOUNG of Missouri, Mr. PERKINS, Ms. FERRARO, Mr. MATSUI, Mr. DOWDY, Mr. BROWN of California, Mr. EDGAR, Mr. TRAXLER, Mr. CORRADA, Mr. MCHUGH, Mr. OTTINGER, Mr. SOLARZ, Mr. LEHMAN, Mr. DASCHLE, Mr. LONG of Maryland, Mr. HOYER, Mr. PATTERSON, Mr. MARKS, Mr. DE LA GARZA, Mr. RATCHFORD, and Mr. WYDEN):

H. Con. Res. 189. Concurrent resolution expressing the sense of the Congress that the schedule of cost-of-living increases in benefits under title II of the Social Security Act should be maintained as currently in effect; to the Committee on Ways and Means.

By Mr. RANGEL:

H. Res. 229. Resolution to express the sense of the House of Representatives with respect to economic and military assistance to nations that are involved in heroin production; to the Committee on Foreign Affairs.

## MEMORIALS

Under clause 4 of rule XXII,

186. The SPEAKER presented a memorial of the Legislature of the State of Arizona, relative to the central Arizona project and the Tucson Aqueduct; to the Committee on Interior and Insular Affairs.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BADHAM:

H.R. 4556. A bill for the relief of Samuel C. Willett; to the Committee on the Judiciary.

By Mr. BROOMFIELD:

H.R. 4557. A bill for the relief of Maria and Timofei Chmykhalov, and for Lilia, Peter, Liubov, Lidia, and Augustina Vashchenko; to the Committee on the Judiciary.

By Mr. GOODLING:

H.R. 4558. A bill for the relief of Miss Refugio (Cuqui) Martha; to the Committee on the Judiciary.

## ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 27: Mr. ARCHER, Mr. BIAGGI, Mr. BOLAND, Mr. BONER of Tennessee, Mr. BROYHILL, Mr. CLAUSEN, Mr. CONTE, Mr. DE LA GARZA, Mr. HOLLAND, Mr. HYDE, Mr. JEFFORDS, Mr. JEFFRIES, Mr. LATTA, Mr. LEATH of Texas, Mr. LOTT, Mr. MCCLORY, Mr. MATSUI, Mr. NELSON, Mr. NICHOLS, Mr. PEYSER, Mr. SHUMWAY, Mr. SMITH of Pennsylvania, Mr. WINN, and Mr. WORTLEY.

H.R. 52: Mr. ARCHER, Mr. BONER of Tennessee, Mr. CARMAN, Mr. GILMAN, Mr. MCEWEN, Mr. MINISH, Mr. NEAL, Mr. NOWAK, and Mr. STUMP.

H.R. 65: Mr. CHENEY, Mr. MICA, Mr. ANDREWS, Mr. SKELTON, Mrs. SNOWE, Mr. DINGELL, Mr. KEMP, Mr. CARNEY, Mr. PATTERSON, Mr. EDWARDS of Oklahoma, and Mr. MCCOLLUM.

H.R. 116: Mr. FRANK and Mr. KRAMER.

H.R. 845: Mr. DERWINSKI.

H.R. 1127: Mr. PASHAYAN.

H.R. 1918: Mr. BENJAMIN, Mr. CARMAN, and Mr. DYSON.

H.R. 2036: Mrs. ROUKEMA, Mr. THOMAS, Mr. ROE, Mrs. SCHNEIDER, Mr. COLLINS of Texas, Mr. COELHO, Mr. ROTH, Mr. MORRISON, Mr. BONER of Tennessee, Mr. STENHOLM, Mr. DORGAN of North Dakota, Mr. VANDER JAGT, Mr. LIVINGSTON, Mr. ROBINSON, Mr. BETHUNE, Mrs. BYRON, and Mr. MOORHEAD.

H.R. 2239: Mr. JEFFORDS.

H.R. 2251: Mr. HARKIN, Mr. SCHUMER, Mr. HUTTO, Mr. GLICKMAN, Mrs. BOUQUARD, Mr. WOLPE, and Mr. HANSEN of Utah.

H.R. 2347: Mr. HUTTO and Mr. TRIBLE.

H.R. 2439: Mr. JEFFORDS.

H.R. 2488: Mr. GINGRICH.

H.R. 2832: Mr. SAWYER.

H.R. 2936: Mr. WATKINS.

H.R. 3108: Mr. DERRICK, Mr. MITCHELL of Maryland, Mr. FORSYTHE, Mr. EVANS of Georgia, Mr. MINETA, Mr. KRAMER, and Mr. SOLOMON.

H.R. 3139: Mr. JEFFRIES.

H.R. 3191: Mr. OBERSTAR, Mr. DWYER, and Mr. PEPPER.

H.R. 3475: Mr. TAUKE.

H.R. 3636: Mr. SPENCE, Mr. WHITE, Mr. STENHOLM, Mr. STANTON of Ohio, Mr. SHUMWAY, Mr. MADIGAN, Mr. CRAIG, Mr. JEFFRIES, Mr. LEATH of Texas, Mr. FOLEY, Mr. BAFALIS, Mr. LAGOMARSINO, Mr. WAMPLER, Mr. FRENZEL, Mr. GLICKMAN, Mr. BUTLER, Mr. PETRI, Mr. BROYHILL, Mr. ROBINSON, Mr. ROBERT W. DANIEL, JR., Mr. GOLDWATER, Mr. WHITEHURST, Mr. MORRISON, Mr. FAZIO, Mr. BLILEY, Mr. RAILSBACK, Mr. DAN DANIEL, and Mr. ASHBROOK.

H.R. 3637: Mr. OTTINGER.

H.R. 3774: Mr. DANIEL B. CRANE and Mr. NEAL.

H.R. 3820: Mr. SIMON.

H.R. 3883: Mr. FORSYTHE, Mr. MINISH, Mr. COLLINS of Texas, Mr. BAFALIS, Mr. MCDONALD, Mr. PEPPER, Mr. LAGOMARSINO, Mr. SHUMWAY, Mr. MURPHY, Mr. PETRI, Mr. WHITEHURST, Mr. MCCOLLUM, Mr. ZEFERETTI, Mr. BARNARD, Mr. SHAW, Mr. SAWYER, Mr. DERWINSKI, Mr. PORTER, Mr. FRENZEL, Mr. DORNAN of California, Mr. BEVILL, Mr. CARNEY, Mr. SIMON, Mr. TRIBLE, Mr. DOUGHERTY, Mr. STENHOLM, Mr. COELHO, Mr. WATKINS, Mr. SMITH of Pennsylvania, Mr. MCCLORY, and Mr. NAPIER.

H.R. 4250: Mr. MURPHY and Mr. SIMON.

H.R. 4374: Mr. PRITCHARD.

H.R. 4390: Mr. WHITEHURST.

H.R. 4461: Mr. NELLIGAN and Mr. BEVILL.

H.R. 4467: Mr. WOLF, Mr. PARRIS, Mr. WEISS, Mr. SANTINI, and Mr. SCHUMER.

H.R. 4504: Mr. RODINO, Mr. HAWKINS, Mr. FORD of Michigan, Mr. BRODHEAD, Mr. BONKER, and Mr. MOFFETT.

H.J. Res. 72: Mr. ERTEL, Mr. ROBERTS of Kansas, Mr. WHITEHURST, Mr. MONTGOMERY, Mr. SKEEN, Mrs. BOUQUARD, Mr. WOLF, Ms. MIKULSKI, and Mr. DWYER.

H.J. Res. 145: Mr. BROWN of Ohio, Mr. MARKEY, Mr. DYMALLY, Mr. SUNIA, Mr. BOLAND, Mr. LUNGREN, Mr. FAUNTROY, Mr. BROYHILL, and Mr. CLAY.

H.J. Res. 197: Mr. ANDERSON, Mrs. FENWICK, and Mr. JENKINS.

H.J. Res. 243: Mr. WEBER of Minnesota, Mr. HOLLENBECK, Mr. BARNARD, Mr. BINGHAM, Mr. JOHN L. BURTON, Mr. DIXON, Mr. DONNELLY, Mr. ERDAHL, Mr. FASCELL, Mr. GONZALEZ, Mr. HOWARD, Mr. CORRADA, Mr. SCHUMER, Mr. CARNEY, Mr. CORCORAN, Mr. JAMES K. COYNE, Mr. LENT, Mr. RITTER, Mr. BROOMFIELD, Mr. SAVAGE, Mr. FOWLER, Mr. DOUGHERTY, Mr. FROST, Mr. LELAND, Mr. WASHINGTON, Mrs. COLLINS of Illinois, Mr. PRICE, Mr. MAZZOLI, Mr. EDWARDS of Alabama, Mr. TAUKE, Mr. TAYLOR, Mrs. SNOWE, Mr. LEBOUTILLIER, Mr. ROUSSELOT, Mrs. SCHNEIDER, Mr. ROUKEMA, and Mr. HUGHES.

H.J. Res. 254: Mr. SMITH of Alabama and Mr. HYDE.

H.J. Res. 260: Mr. MOORHEAD, Mr. MCGRATH, and Mr. RUDD.

H.J. Res. 273: Mr. HOWARD, Mr. WATKINS, Mr. GOLDWATER, and Mr. MAZZOLI.

H. Con. Res. 103: Mr. ROSENTHAL, Mr. FAUNTROY, Mr. MATSUI, Mr. LAGOMARSINO, Mr. YATRON, Mr. HANSEN of Idaho, Mr. BARNARD, Mr. PEPPER, Mr. DUNCAN, Mr. BREAUX, Mr. BENJAMIN, Mr. MCDONALD, Mr. DANIEL B. CRANE, Mr. BAILEY of Pennsylvania, Mr. ROBERT W. DANIEL, JR., Mr. FORSYTHE, Mr. BEARD, Mr. CORRADA, Mr. GINGRICH, Mr. DORNAN of California, Mr. ERTEL, Mrs. SCHNEIDER, Mr. LANTOS, and Mr. OXLEY.

H. Con. Res. 151: Mr. SIMON and Mr. MCHUGH.

H. Con Res. 159: Mr. MCDONALD, Mr. JEFFRIES, Mr. EMERY, Mr. RAHALL, Mr. DUNN, Mr. FORSYTHE, Mr. ATKINSON, Mr. KRAMER, Mr. BLILEY, Mr. LENT, Mr. BEARD, and Mr. RUDD.

H. Con. Res. 175: Mr. BLILEY, Mr. WON PAT, Mr. MCCLORY, Mr. TRIBLE, Mr. MAVROULES, Mr. HORTON, Mr. ROE, Mr. OTTINGER, Mr. ROSENTHAL, Mr. MARTIN OF NEW YORK, Mr. RICHMOND, Mrs. FENWICK, Mrs. BOGGS, Mr. DOUGHERTY, Mr. SMITH OF PENNSYLVANIA, Mr. MCCLOSKEY, Mr. FORSYTHE, Mr. GINGRICH, Mr. WORTLEY, Mr. ROBINSON, Mr. PEYSER, Mr. DWYER, Mr. WHITEHURST, Mr. CLAUSEN, Mr. ROTH, Mr. DE LA GARZA, Mr. HANSEN OF IDAHO, Mr. WAMPLER, Mr. WEBER OF OHIO, Mr. LAGOMARSINO, Mr. NAPIER, AND Mr. GUARINI.

H. Con. Res. 178: Mr. BLILEY, Mr. SENSENBRENNER, Mr. WINN, Mr. PARRIS, Mr. MARLENEE, Mr. GUNDERSON, Mr. KRAMER, Mr. RHODES, Mr. ASHBROOK, Mr. FORSYTHE, Mr. WYLIE, Ms. FIEDLER, Mr. MYERS, Mr. KINDNESS, Mr. BADHAM, Mr. SYNAR, Mr. CRAIG, Mr. HOPKINS, Mr. DANIEL B. CRANE, Mr. MCCURDY, Mr. WOLF, Mr. STUMP, Mr. DORNAN of California, Mr. CHENEY, Mr. MATSUI, Mr. HEFTEL, Mr. SOLOMON, Mr. LUNGREN, Mr. SMITH of Oregon, Mr. FIELDS, Mr. YOUNG of Missouri, Mr. CAMPBELL, Mr. BONER of Tennessee, Mr. RUDD, Mr. STATON of West Virginia, Mr. ROBERTS of Kansas, Mr. SKELTON, Mr. BENEDICT, Mr. VENTO, Mr. WHITTAKER, Mr. DASCHLE, Mr. HAGEDORN, Mr. MOLLOHAN, Mr. MCEWEN, Mr. GRAMM, Mr. BARNARD, Mr. DAUB, Mr. EVANS of Georgia, Mr. CHAPPELL, Mr. EDWARDS of Oklahoma, Mr. DORGAN of North Dakota, Mr. HOLLAND, Mr. BAILEY of Missouri, Mr. DOWDY, Mr. RAHALL, Mr. WATKINS, Mr. WAMPLER, Mr. ROBERT W. DANIEL, JR., Mrs. BOUQUARD, Mr. ROBINSON, Mr. MARRIOTT, Mr. ENGLISH, Mr. HANSEN of Utah, Mr. HAMMERSCHMIDT, Mr. COLLINS of Texas, Mr. SKEEN, Mr. EVANS of Iowa, Mr. JEFFRIES, Mr. MORRISON, Mr. HUBBARD, Mr. ALEXANDER, Mr. JOHNSTON, Mr. MCDONALD, Mr. VOLKMER, Mr. WEBER of Minnesota, Mr. BETHUNE, Mr. GREGG, Mr. MOORHEAD, Mr. EMERSON, and Mr. KOGOVSEK.

H. Res. 208: Mr. STATON of West Virginia, Mr. WEBER of Minnesota, Mr. RUDD, and Mr. DANIEL B. CRANE.

H.Res. 211: Mr. NICHOLS and Mr. GUNDERSON.

## PETITIONS, ETC.

Under clause 1 of rule XXII,

204. The SPEAKER presented a petition of the annual meeting of the National Association of Attorneys General, Jackson Hole, Wyo., relative to nuclear waste disposal; which was referred jointly to the Committees on Energy and Commerce and Interior and Insular Affairs.

## AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

### H.R. 4

By Mr. ASHBROOK:

—Page 3, strike out lines 11 through 21 and insert in lieu thereof the following:

(c) Whoever, in the course of a pattern of activities intended to identify and expose covert agents and with reason to believe that such activities would impair or impede the foreign intelligence activities of the United States, discloses any information that identifies an individual as a covert agent to any individual not authorized to receive classified information, knowing that the information disclosed so identifies such individual and that the United States is taking affirmative measures to conceal such individual's classified intelligence relationship to the United States, shall be fined not more than $15,000 or imprisoned not more than three years, or both.

—Page 3, lines 13-14 strike out "but the fact of such identification or exposure."

Page 4, lines 14-15, strike out "by the fact of such identification or exposure."

—Page 3, after line 21 insert the following new subsection:

(d) Whoever intentionally discloses to any individual not authorized to receive classified information any information that purports to identify a U.S. official overseas as a covert agent, under circumstances that place a person in imminent danger of death or serious bodily injury, shall be fined not more than $25,000 or imprisoned not more than 5 years or both.

—Page 7 line 10, strike "and".

Page 7, strike lines 11-13.

—Page 7, strike lines 17-18, add "who is or was an agent of or informant."

Strike line 21 and "acting" on line 22, add "acts or has acted".

—Page 8 after line 15 add:

"A source of operational assistance is any individual who aids in the activities of an intelligence agency or who cooperates with an intelligence agency in the course of a confidential relationship protecting the identity of such individual from public disclosure."

Adjust numbers that follow.

By Mr. PEASE:

—Page 3, line 13, insert "legal" before "foreign intelligence".

By Mr. SOLOMON:

—Page 7, strike out lines 4 through 25 and insert in lieu thereof the following:

"(4) The term 'covert agent' means—

"(A) a present or former officer or employee of an intelligence agency, or a present or former member of the Armed Forces who is or was assigned to duty with an intelligence agency—

"(i) whose past or present identity as such an officer, employee, or member is classified information, and

"(ii) who is serving outside the United States or has within the last five years served outside the United States;

"(B) a United States citizen whose past or present intelligence relationship to the United States is classified information and—

"(i) who resides and acts outside the United States (or who resided and acted outside the United States) as an agent of, or informant or source of operational assistance to, an intelligence agency, or

"(ii) who at the time of the disclosure is or was at any time acting as an agent of, or informant to, the foreign counterintelligence or foreign counterterrorism components of the Federal Bureau fo Investigation; or"

By Mr. WEISS:

—Page 3, strike out lines 11 through 21, inclusive.

Page 3, on line 15 after "any" and continuing on line 16, strike "information" and insert in lieu the following: "properly classified information not previously in the public domain,".

Page 4, after line 21, insert the following new section:

SEC. 602. (d) It shall not be an offense under section 601 to transmit or disclose information previously available from public sources or unclassified materials.

Page 6, on line 8 after "material" insert "properly".

### H.R. 3210

By Mr. STARK:

—Page 11, after line 10, insert the following:

SEC. 16. The State of California shall not restrict or require the restriction of the use of any lane on any Federal-aid highway in the unincorporated areas of Alameda County, California, to high occupancy vehicles, exclusive of approaches to toll roads or bridges.

Page 11, line 11, strike out "SEC. 16." and insert in lieu thereof "SEC. 17.".

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# EXTENSIONS OF REMARKS

## THE REAGAN ADMINISTRATION'S SPENDING HABITS VERSUS ITS BUDGET PLAN

HON. LOUIS STOKES
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. STOKES. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues a disturbing article which appeared in the New York Times on the flamboyant lifestyle of the President, his staff, members of the Cabinet and his close friends.

Mr. Speaker, I am in no way bringing this article to the attention of my colleagues to imply that there should be no pomp or ceremony associated with the Office of the President. Similarly, I am not advocating restricting Government officials' use of their own money.

However, it seems to me that the merrymaking, frivolity and lifestyles of many key officials have gone too far. My candid assessment of the situation is that the administration, at best, can be categorized as going overboard and, at worst, as being insensitive and hypocritical about the dire economic situation that plagues Americans.

Mr. Speaker, on one hand, we have the President telling the country how bad off we are economically and how all of us will have to tighten our belts. He then unleashed David Stockman and his budget ax on minorities, the poor and disadvantaged of our Nation.

Then, on the other hand, we have the President, key staffers and some Cabinet members living in lavish homes. They give and attend extravagant parties complete with all the status symbols of the elite in our society while still tooting the horn of fiscal conservatism. It is the classic "do as I say but not as I do" scenario.

Mr. Speaker, what is even more ludicrous and totally abominable is the fact that one of the President's "kitchen cabinet" members is quoted in the New York Times article as saying that he believes Americans enjoy viewing the luxurious Washington way of life of the Reagan administration. Mr. Speaker, I for one, do not. I know that my constituents, many of those who will be dropped from the food stamp program in the next few days, do not either.

I cannot believe that this individual is as politically naive as his statement suggests. I believe, rather, that he and other administration officials who continue in this excessive merrymaking while the poor and working classes struggle to survive under the budget cuts are callous hypocrites. For them, the rhetoric about concern for the poor and that invisible safety net are nothing more than cocktail chit-chat.

Mr. Speaker, as we and the poor of this Nation brace for another round of budget cuts from the President, I think we should keep in mind the budget cutting rhetoric of the Reagan administration versus the lifestyle they embrace. No where is it more evident that the poor have become passe and the rich the "in crowd" than in the Reagan administration.

At this time, I would like to ask my colleagues to read an article which appeared in the New York Times entitled, "Reagan Aides Show Capital Luxury Style" written by Lynn Rosellini.

[From the New York Times, Aug. 16, 1981]

REAGAN AIDES SHOW CAPITAL LUXURY STYLE

(By Lynn Rosellini)

WASHINGTON, Aug. 15.—William French Smith tied on his black tie, stepped into a chauffered sedan and went to a party one night not long ago.

The evening was marked by strolling musicians, silver candelabra, trees strung with Christmas lights and a dinner for 250 under a green-and-white-striped tent on the Mall. In addition to the Attorney General, there were lots of other Cabinet members, White House officials and important Republicans, which is not surprising.

SPENDING THEIR OWN MONEY

In Ronald Reagan's Washington, many Republicans go to parties six nights a week. They also ride about town in chauffeured limousines. They live in the most expensive sections of town and have vacation homes in California and Maine.

As officials, advisers and friends of President Reagan, they endorse austerity in Federal spending, but in their personal lives many of the most visible Administration players have shown a fondness for conspicuous spending of their own money in their first six months in Washington.

When they arrived here last January, the Reagan Republicans, many of them successful in business and industry, brought with them their accustomed way of life, one that emphasizes good living and the use of social occasions to smooth professional relations.

Signs of the new luxury are everywhere: in the jewelry, clothes, cars, homes and restaurants favored by the newcomers.

James A. Baker 3d, White House chief of staff, lives in a $715,000 house. Caspar W. Weinberger, Secretary of Defense, has a $707,000 house with a swimming pool. Treasury Secretary Donald T. Regan attended 28 social functions in one 30-day period recently. Nancy Reagan and her friend Betsy Bloomingdale wear designer gowns and elaborate jewelry.

"This is a fun Administration," says Robert K. Gray, co-chairman of the 1981 Presidential Inaugural Committee. "This President enjoys his position, and so do those around him. They work hard during the day and they like to have a good time at night."

And that, in part, makes them different not only from the recently departed members of the Carter Administration but also from other Republicans who have come to Washington. In the past, Republican Presidents often found it difficult to lure fellow party members to take Government jobs. But the Reagan Republicans seem to enjoy Washington whirl more than their predecessors.

And if members of the new Administration feel any conflict between their personal luxuries and public sector's belt-tightening, no one is apologizing.

"The preponderance of these people are self-made," said Charles Z. Wick, a member of Mr. Reagan's "kitchen cabinet" and director of the International Communications Agency. "They followed the American dream."

AMERICANS SAID TO ENJOY WATCHING

Mr. Wick said he thought that economically pinched Americans of today enjoyed viewing the luxurious Washington way of life of the Reagan Administration members, much as Americans who suffered in the Depression enjoyed watching Hollywood stars in the movies.

"During the Depression," said Mr. Wick, "when people were selling apples and factories were still and guys were jumping out windows because they lost everything, people would go to the movies. They loved those glamour pictures showing people driving beautiful cars and women in beautiful gowns, showing that people were living the glamorous good life."

That many members of the Reagan team live the good life is reflected almost daily in the social pages of local newspapers. Although July is normally a slow period in Washington's social calendar, the last month included an array of entertainments:

The black-tie dinner on the Mall was held in honor of Senator Paul Laxalt of Nevada, who ran the Reagan campaign. Mr. Gray, the host, served cold tenderloin of beef and provided fans powered by an electric generator to cool his guests.

A lawn party, a Western-style barbecue for 300 at the $765,265 home of Raymond J. Donovan, Secretary of Labor, was marked by two bands, a mechanical bull, open pits of sizzling beef and pork and guests in cowboy hats. Vice President Bush and David A. Stockman, the budget director, were there.

A birthday party for Mrs. Reagan was thrown by her old California friends. They rented a Virginia plantation, chartered a bus, hired a country music band and flew in food from Chasen's restaurant in Beverly Hills. Drinks were served on the bus by Frank Sinatra.

The gifts presented at such occasions are elaborate and sometimes public spirited, too. Mrs. Reagan's friends chipped in $3,900 to repair a local swimming pool for the handicapped as a birthday present. Senator Laxalt received a $1,000 check to help pay for an elephant to be given to the National Zoo.

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Setting the tone for the Administration are the President and his wife. In Mr. Reagan's White House, their mark is seen in the return of white-tie formality at diplomatic receptions, in the color guard that precedes the Reagans and their guests of honor at state dinners, in the elaborate menus and the growing fleet of White House limousines.

After initial published reports on the new Reagan style, the White House has attempted to play down the Reagans' free-spending image. For example, a proposal to buy a new Presidential yacht was scuttled a few months ago after it was deemed symbolically inappropriate. But if the Reagans themselves are sensitive about their image, others connected with the Administration are not.

"I've never noticed anybody in past Administrations divesting themselves of their assets and giving them to the poor," observed Jean Smith, wife of the Attorney General. "I don't think it's any different from any other Administration."

In some ways, Mrs. Smith is correct. Even the Carter Administration, known for its homespun style, included wealthy men such as Bert Lance, the budget director, and Harold M. Williams, chairman of the Securities and Exchange Commission.

EXPENSIVE HOMES

Yet the predominant impression made by the newcomers remains one of wealth. Many of them, for instance, bought homes in the area's most expensive neighborhoods. Peter McCoy, Mrs. Reagan's chief of staff, paid $460,000 for his home in Spring Valley, a section of the capital. Secretary of State Alexander M. Haig, Jr. paid $415,000 for a house just over the District of Columbia line in Maryland.

Others have more than one house, Donald Regan has homes in Virginia, New Jersey, and Florida, Lee Annenberg, the chief of protocol, and her husband, Walter, have a suite at the Watergate Hotel, which they share with a maid and a butler, plus a mansion on Philadelphia's Main Line, a chalet in Sun Valley, Idaho, and a 250-acre desert estate in Palm Springs, Calif.

Many of the Reagans' wealthy California friends—the Justin Darts, Alfred Bloomingdales, Armand Deutsches, Earle Jorgensens and William Wilsons—either maintain apartments or rent hotel suites at the Watergate complex for their frequent visits.

In fashion, the tone is set by Mrs. Reagan and Mrs. Bloomingdale. Mrs. Reagan arrived here last January with a $25,000 inaugural wardrobe that included a $10,000 dress and a $1,650 handbag. Since then, such luxuries have become the First Lady's signature.

Her Los Angeles manicurist, Jessica Vartoughian, has visited the White House to do her nails, and her hairdresser, Julius Bengtssen, has traveled abroad with her to do her hair.

When Mrs. Reagan attended the wedding of Prince Charles in London recently her entourage included Mr. Bengtssen and a nurse, and her baggage included hundreds of thousands of dollars worth of jewelry borrowed from Bulgari, the international jewelers, four hatboxes and about 20 dresses, including eight ball gowns.

Many Reagan Republicans will spend part of August in California or in Northeastern coastal resorts. When they return in September, one of the first events on their social schedules will be a frontier extravaganza planned by Mr. Gray. The dance will be held outdoors on a square overlooking the C. & O. Canal in Georgetown.

"I'm going to have Western music and bales of hay," said Mr. Gray the other day. "It's terribly important., if you're going to have a party, that you do something besides feed people."●

## BRIDGING THE GAP FOR SURVIVAL

### HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. RODINO. Mr. Speaker, hundreds of people in my home city of Newark will join in a day of workshops this Friday on surviving under the Reagan administration budget cuts.

The day-long conference, entitled "Bridging the Gap for Survival," is a citywide effort of over 65 social service and community agencies to inform the young, the elderly, and the low-income residents of Newark about how the Federal budget reductions will directly affect their lives.

In a city that faces a disturbing crime rate, double-digit unemployment and a shortage of decent, affordable housing, the Reagan administration's extreme cutbacks in social programs are having an extremely cruel effect. But the citizens of Newark, through this conference, are proving that even the Reagan administration's callous attitude toward the cities of America will not dampen their spirit.

This conference is a grassroots response to the policies that have brought us the following:

There are 7.6 million people in America who cannot find jobs. This is an unemployment rate of 7.2 percent at a time when the Reagan budget eliminated 300,000 CETA jobs and trimmed job training programs.

Joblessness among black Americans has reached 15 percent, and among black teenagers it is an unbelievable 50 percent.

The 3 million Americans who receive minimum social security benefits each month will have to get along without them, as it now stands. While some will be able to survive, at least 500,000—mostly elderly women living alone—will find it almost impossible to exist.

College will become an impossible dream for over 1 million high school students of middle-income families denied guaranteed student loans.

About 100,000 families in need of decent housing will have to wait indefinitely for the public housing that they were promised by the Federal Government.

About 1 million Americans living on the edge of poverty will no longer be eligible for food stamps because of budget cutbacks.

Roughly 3 million schoolchildren may have to drop out of school lunch programs because the Federal Government will reduce its support by $1.6 billion.

The conference will try to counteract these cutbacks by having social service agencies and groups work more closely together to close the gaps in the services they offer. It also will try to close the generation gap to encourage our younger citizens to learn from the wisdom of our senior citizens.

The conference workshops will focus on seven chief areas of concern: Crime prevention; health maintenance; social services to help individuals and families obtain food, clothing, and shelter; educational opportunities; employment training; income maintenance; and tenant rights and responsibilities. The underlying theme throughout all of the workshops will be improving conditions where people live, specifically in public housing. The motivation behind this extremely important conference is the Newark Day Center, New Jersey's oldest social service agency which has been a vital force for helping disadvantaged people since 1803. The Newark Day Center's Executive Director Trish Morris has worked with the conference chairpersons Virginia Scott and George Branch to reach out to all people in Newark who are concerned about the city's survival. The conference is the fourth step in a five-stop plan initiated by the Newark Day Center last spring to inform people about how they can fight back against the threat of poverty and feelings of despair.

For my part, I pledge to continue to oppose cruel and unnecessary cutbacks in essential human services because when we stop investing in people, our cities and our Nation will have no future at all. I am proud to have been asked to be honorary chairperson at Friday's conference because I am very proud of the people associated with it. I believe they will serve as an example to other cities in these most difficult times.●

## AMENDMENT TO PROTECT FORMER AGENTS

### HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. SOLOMON. Mr. Speaker, during consideration of H.R. 4 I will offer an amendment to protect the identities of former intelligence agents and operatives from unauthorized disclosures. By protecting former agents, my amendment will strengthen this legislation in three vital ways: First, it will protect former agents from possible harm as a result of the disclosure of their true identities; second, it will protect active operatives who may have assumed the former agent's posi-

tion; and third, it will protect the entire intelligence network which may have been established by a former agent and passed on to the former agent's successor.●

## EXCISE TAX REFORM ACT

### HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. FAZIO. Mr. Speaker, I am especially pleased to join with my colleagues BOB MATSUI and JOHN ROUSSELOT in the introduction today of legislation to correct a glaring inequity in our system of collecting excise taxes. This bill, H.R. 4545, is the product of over 2 years of development, and shifts the focus of legislative activity from the Appropriations Committee on which I serve to the Ways and Means Committee where it must ultimately be resolved.

Excise taxes are collected by the Federal Government on a variety of manufactured goods, such as motor vehicles, tires, coal, sporting goods, firearms, distilled spirits, and tobacco products. We collect approximately $11 billion of our revenues from the producers of certain commodities. These taxes are imposed on the products from the time of shipment from the place of production. Those subject to this type of tax must report bimonthly on shipments and consequent tax liability and are required to make their tax payment within a relatively short time thereafter, ranging from 3 to 25 days, depending upon the type of commodity which is being taxed. The producer normally pays the tax before receiving revenue from the purchase of the product. This system imposes a harsh burden, particularly on small business; particularly in times of high interest rates; particularly in times of recession.

The genesis of this bill was a proposal by the Treasury Department 2 years ago to require the payment of the excise taxes for tobacco and liquor industries by an electronic funds transfer system further decreasing the amount of time between production of the goods and the payment of the taxes. The initiative by the Treasury Department galvanized the first coalition of taxpayers interested in the reform of the excise tax collection system. The support from a range of interests affected by the excise taxes and the cooperation among my colleagues on the Appropriations Committee enabled us to successfully block the Treasury proposal on the funding bill. Unfortunately, this has become an annual—occasionally semiannual—effort by all the affected industries. Our success in the appropriations process, however, encouraged us to develop a permanent change in the excise tax collection system which will make the collection period uniform for all products subject to an excise tax, and to extend the time of collection so as to conform more nearly to the period of time which is normally associated with the receipt of payments by the manufacturers.

As introduced, the Excise Tax Reform Act seeks to free taxpayers from the burden of prepayment of this tax, which often necessitates borrowing funds and seeks also to reduce the volume of costly paperwork involved. It would cut paperwork in half by requiring only 12 reports annually in place of the 24 now required. It would also, when fully in effect, grant excise taxpayers 90 days from the end of each month to pay the tax on that month's shipments.

Clearly, a tax bill of this nature will have an impact on the collection of Federal revenues, but the only money which will be lost to the Government will be the interest costs which the Government will have to pay on funds borrowed in order to cover the interruption of revenues required by this bill. The same amount of taxes will be collected, and the bill does not take effect until fiscal year 1983 when there are prospects for an improved fiscal picture. Once the transition period is over, Federal revenues from the excise taxes will be equal to the amount now collected. Indeed, there are persuasive arguments to suggest, as in the arguments for supply side tax cuts, that the effect of this bill would be to actually increase revenues. Furthermore, I believe that the elimination of a system that requires certain businesses to pay a tax on their products before they have had a reasonable opportunity to receive revenue from sales would have beneficial effects on investment, employment, and price levels.

I am pleased that my colleagues BOB MATSUI and JOHN ROUSSELOT will be taking the lead on this issue in the Ways and Means Committee. Few members of the committee are more respected for their ability than my friends from California. They are committed to a fair system of taxation, one that does not seek to collect taxes before the business has made any money from its products. It is time for this issue to be resolved, and in a manner which reduces the burden upon our businesses. I urge you to support the work of BOB and JOHN in the committee so that this bill receives an early hearing and favorable consideration. I also urge you to join with us in sponsoring this legislation, H.R. 4545.●

## PHOTOVOLTAICS—ARE THE JAPANESE GETTING AHEAD AGAIN?

### HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. BROWN of California. Mr. Speaker, with talk of more budget cuts by the administration and the elimination of the Department of Energy, I found the article below on U.S. cutbacks in photovoltaic research appearing in the Christian Science Monitor particularly timely.

We are amazed at the leaps and bounds taken by the Japanese since World War II in the quality and competitiveness of their products, particularly in the area of electronics. And yet the current administration proposes to phase out the photovoltaics research and development efforts underway in this country, an area in which we have traditionally excelled and in which the Japanese are rapidly overtaking us.

Will we ask the Japanese to voluntarily curtail their trade with the United States while espousing free market ideology in the area of photovoltaics as we did with the automobile industry? I hope we do not ask the American public to accept mediocre and expensive energy alternatives simply because we have not chosen to support them. The Government can play an effective role in our energy future by providing flexibility and a range of options for further research and development by the private sector; I hope it will.

I hope my colleagues take a few minutes to consider the ramifications of actions which may appear to be straightforward budget cutting, but which have much greater implications for future U.S. trade and available energy options.

The article follows:

[From the Christian Science Monitor, Aug. 20, 1981]

U.S. CUTS IN SOLAR CELL FUNDING MAY LET JAPAN TAKE THE LEAD

(By David F. Salisbury)

DENVER.—When solar cells, perhaps the most revolutionary energy source under development in the laboratories of the world, come of age, will they be stamped "Made in USA" or "Japan Inc."?

This is the biggest question raised by the Reagan administration's cutbacks in the federal solar cell (photovoltaics, or PV) program. The administration has pushed for an overall reduction in this program of more than 60 percent, down to $63 million in 1982. Congress has restored $30 million to the program, but the White House is expected to try to return the budget to the lower level. And, according to Department of Energy (DOE) sources, the budgetary ax will cut even deeper in 1983.

"By 1984 we're looking at a $10 million per year program of university research,"

predicts one DOE solar official gloomily. He could talk only off the record because he and his colleagues have been ordered not to discuss their programs with the press.

Many experts consider photovoltaics the most revolutionary of the solar technologies. They have several reasons. Solar cells are second cousins to the transistor. They convert light into electricity without any moving parts, or pollution.

Like the transistor, if the technical problems can be solved, it should be possible to produce the cells quite inexpensively. Since the Arab oil embargo, the price of electricity produced by solar cells has fallen from $1,000 per peak watt to $10 a watt. And if the cost can be cut to $2 a watt, PV will be economically competitive with conventional electric power. Further cost reductions, if possible to less than $1 a watt, would make electricity from the sun a real energy bargain.

Testament to PV's potential is the fact that, in the United States, the big oil companies have moved aggressively into the field. Overseas, the Japanese government has made it a major element in their national energy program, and Saudi Arabia also has an extremely ambitious effort under way.

Until now, the US has held a clear lead in solar cell development. They are an American invention, having been developed as part of the space program. Following the Arab oil embargo, the US government initiated a major program to adapt this space age technology to terrestrial use.

Many materials have been found that convert light into electricity, and the US has been exploring a dozen different approaches simultaneously. Federal purchases of photovoltaic arrays helped fledgling companies start up production lines and reduce the cost of these cells.

Japan, starting from behind, adopted a different strategy. "The Japanese have undemocratically chosen what—in their best judgment—are the most promising processes," explains Steven Strong, president of Solar Design Associates. As a result, they have caught up and passed the US on one promising new approach, amorphous silicon.

With the current US cutbacks, Japan, for the first time, will "have the advantage of spending a higher total number of government and business dollars (on PV research than the US)," observes Jack Stone, a photovoltaics expert at the Solar Energy Research Institute.

As a result, "the Japanese will blow over us like a typhoon," predicts Mr. Strong, who has designed several photovoltaic homes. This view is shared by Rodale Press, publisher of the Organic Gardening magazine and a booster of alternative energy sources.

Not all experts in the field agree with so dire an assessment, however. "The Japanese are probably not as far ahead as we think. We get a lot of press reports and rumors which are probably exaggerated," says one DOE official.

At the same time, there is a feeling that, while the devastation of the federal program will significantly slow the pace of development of photovoltaics in the US, the private PV industry is healthy enough to go it alone. Several years ago, the amount of private investment in PV surpassed federal spending here. The administration's rationale for the massive federal cutbacks is that private enterprise can do the job better.

There is at least an element of truth in this assessment. "I have been very pleased with the private sector response to the cutbacks. Several new corporations are getting in. It's still looking good from that point of view," reports Paul Maycock, who recently resigned as head of the DOE photovoltaics program.

Despite the cutbacks, Mr. Maycock foresees a very competitive world market, with the leadership alternating between the US, Japan, and, perhaps, other countries. "American firms currently have 90 percent world market while the Japanese have close to 0. This is a considerable advantage to overcome," he points out.

"We have the technological edge. We should have more confidence in American enterprise," says the director of one large privately funded laboratory. However, he admits they have hedged their investment by entering into a joint venture with a Japanese company, something several large US firms involved in this technology have done.

Most of the heads of private PV efforts, while praising much of the federal program, feel that certain aspects, particularly those involving "commercialization," now can be gradually phased out. However, a number are not enthusiastic about the manner in which the current cutbacks are being made.

"From what I hear through the grapevine, the cuts are not being made with enough selectivity," says one laboratory director. Too much basic research and development is being cut and too many commercialization programs are being redefined and kept, he objects. As a result, the reduction in what he considers the most useful and appropriate federal efforts are greater than he would like.

Until now, the US has been taking a low-risk approach to solar cell development. By funding research into a large number of approaches in parallel, when any given approach does not pan out, the overall rate of progress is not slowed substantially.

As result of the cutbacks, the range of federally funded research is being cut back radically. The result is greater risk of failure. If the cutbacks had come two years ago the government would have dropped work on amorphous silicon, the approach which now, because of an unexpected breakthrough, looks so promising that the Japanese have focused almost exclusively on it, points out one researcher.

In addition, as many as one-third of the researchers in the field are being forced to look for funding from private sources or turn to another area, experts say. Many, perhaps two-thirds of these, will be able to continue their work if they wish to.

However, research teams are being broken up and valuable experience splintered. Furthermore, uncertainty over the future will adversely affect those who continue to work on government grants.

"It's irritating to be in this country, working on a technology where overseas everyone envies us our leadership but which your own government fails completely to recognize," observes Joseph Lindmayer, head of Solarex.

He objects to the manner in which the cutbacks have been made as much or more than their substance. "The cuts are too much, too fast. And, at the same time, the administration is making negative statements about PV, and I have already lost one contract as a result," he complains.

He and a number of other photovoltaic entrepreneurs fear that this cutback will be viewed by U.S. investors and by foreign nations as a vote of no confidence in the technology.●

## STATE DEPARTMENT IS RIGHT IN DENYING CUBAN VISAS

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. LEBOUTILLIER. Mr. Speaker, after 22 years, it is a national disgrace that Fidel Castro still controls a country only 90 miles from America's shores and is able to project military power with impunity throughout Africa, and Central and South America. In 1975, Castro dispatched nearly 20,000 troops to assist pro-Marxist forces assume control in Angola. Shortly thereafter, Castro mounted a campaign in Ethiopia with an additional 20,000 troops. Within the past 6 years, and in 17 countries throughout Africa and the Middle East, Castro's 50,000-man Afrika Korps has conducted a Communist crusade of terror while the United States stood by idly, appearing impotent to meet the challenge.

Closer to home, Cuban anti-American activity ranges throughout the Caribbean Basin. Cuba itself has been transformed into a Soviet base servicing Soviet reconaissance aircraft, electronic intelligence, and a sophisticated electronic listening post monitoring U.S. military communications. The Soviet naval presence in Cuba, the 3,000-man Soviet combat brigade, Soviet pilots flying Cuban aircraft, and the KGB's direct control of Cuban intelligence are further evidence of Soviet dominance of Cuba and the danger the regime represents to the United States.

On the mainland of the Americas, Castro has aided the Sandinistas in Nicaragua and is actively assisting the overthrow of pro-Western governments in El Salvador, Honduras, and Guatemala.

In spite of a clear pattern of aggression, the U.S. Government has attempted to normalize relations with Cuba throughout this period. In fact, one of the first foreign policy initiatives of the Carter administration was the promotion of normalization. Influential Members of both the House and the Senate gave their support to this process and many traveled to Havana as symbolic gestures of renewed relations.

Recent actions by the State Department, however, indicate that the Reagan administration does not intend to proceed in the same direction.

On September 16, the State Department announced that visa applications by four members of the Cuban Ministry of Foreign Affairs, including Ricardo Alarcon, Vice Minister of Foreign Affairs, were denied. The four were to participate in the Center for Cuban

Studies symposium, "The U.S. and Cuba: Prospects for Dialogue," to be held this week in House and Senate Office Buildings. The purpose of the symposium was to promote the normalization of relations with Cuba.

The visas were denied under section 212827 of the Immigration and Naturalization Act, which authorizes such action on foreign policy grounds. A spokesman for the State Department said that the visas were rejected "to reflect opposition to Cuban intervention and promotion of armed violence in Central America, Africa, and elsewhere."

Mr. Speaker, I applaud these actions. The time for talking normalization with Cuba is over. Now is the time to begin a policy reflecting the fact that the Cuban people can and should be set free from Castro's dictatorship. Let us hope that the administration's recent action is only the beginning of a series of steps designed to achieve that end.●

## NATIONAL GUARD TECHNICIANS DISABILITY REFORM ACT OF 1981

### HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. MOAKLEY. Mr. Speaker, I am today introducing the National Guard Technicians Disability Reform Act of 1981 (H.R. 4542) which is designed to correct a grave injustice in existing Federal retirement laws.

National Guard technicians are civilian employees of the Defense Department who provide the continuing core of specialized professional and skilled services needed to maintain equipment and other support at readiness levels. As a condition of employment, these technicians must also be members of their National Guard components on the same basis as other guardsmen.

If a technician is unable to meet the full requirements of the annual military physical, he automatically loses his civilian employment. But, because the disqualification is not made based on his or her civilian employment, the technician is ineligible for any benefits although both civilian and military coworkers would be eligible for some form of disability benefits in similar situations.

My proposed legislation would remedy this inequity. Mr. Speaker, I recognize that there are several approaches that the Committee on Post Office and Civil Service could recommend to Congress to deal with this unfair situation but I believe that this bill represents a reasonable approach and hope it can serve as a basis for a careful inquiry by that distinguished committee.●

## THE CONCANNON VINEYARD

### HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. STARK. Mr. Speaker, the other day I took a few moments to talk about a family in my district that grows grapes which are made into wine. In an area rich with wineries, like the Livermore Valley, we have many beautiful vineyards, and charming wineries. One of those is the Concannon Vineyard, which will celebrate its 100th anniversary in just 2 years.

The Concannon Vineyards have been in the family for three generations. James Concannon; his son, Joseph; and his grandsons, Joseph, Jr. and James have all contributed to the family tradition.

Many wine critics have expressed their pleasure at the wines of the Concannon Vineyards. The vineyard has always been innovative in its winemaking, and has introduced superior wines from grapes that had never before been grown in this country.

I am including an article on the Concannon Vineyards, and want to personally commend this institution for its continued dedication to the tradition of fine California wines.

CONCANNON NEARS CENTURY MARK

In two years, in 1983, Livermore's Concannon Vineyard will be one century old.

In that time, three generations of Concannons have run the winery. First there was James, born in Ireland in 1847. A self-educated immigrant, he got into winemaking through friendship with San Francisco's first archbishop, producing sacramental wines originally, then expanding into the premium table wine field. His son Joseph carried on, followed by Joseph's sons Joseph Jr. and James.

"It should be no surprise that wines often reflect the character of the people producing them," wrote wine columnist Richard Paul Hinkle in a September 1979 edition of the San Francisco Examiner, thus beginning a column about the Concannon Vineyard.

He characterized the Concannons as people of "defined character" who produce wines "of definition." Speaking of the wines being made today, Hinkle observed, "Jim Concannon is a man of moderation. His wines reflect his low-key, hardworking, tasteful approach to life. You'll not see the splash of expensive advertising from the Concannons. There will be no trumpets to announce the arrival of a Concannon wine."

The winery has been a highly innovative one ("quietly so," observed Hinkle). In 1970, it bought cuttings of the Russian grape Rkatsiteli (pronounced rah-kot-suh-tel'ee) from the University of California at Davis and planted an experimental one-acre plot, which began bearing in 1973. The wine produced that year was the first American wine of this grape. According to Hinkle, Concannon's first Rkatsitelis "did not display a defined character," but such character has emerged since, with the maturation of the vines.

Of special pride to Concannon has been Petite Sirah. Concannon was the first winery in the United States to produce a varietal wine from this grape, releasing it in 1964. Besides being a big success for Concannon, the wine made people rethink a long-held attitude about Livermore Valley vineyards in general, that they were capable of producing premium white wines but not red wines of similar quality.

Hinkle wrote that Concannon's Petite Sirah showed a defined character right from the start. "While many Petite Sirahs reflect the supposedly coarse nature of the grape, the Concannon Petite Sirahs have been broad, soft wines of superb flavor. . . .

"A clue to the character of the Concannon Petite Sirahs lies in the fact that at the core of the wines are grapes from head-pruned vines planted on their own roots in 1911. Those vines have thrived in the rocky ground nearly as long as the Concannons, and continue to produce fine wines, without fanfare but not without distinction. In that respect, they are much like the Concannons themselves."

Following the death of Joseph Jr. in 1978, James found it necessary to seek additional financial and managerial resources. He established a partnership with Agustin Huneeus, a well-known wine producer. James has continued as president of the vineyard. The partnership has provided opportunity for expansion. Contracts have been signed with vineyards in several areas that produce grapes comparable to those grown in the 200-acre Concannon Vineyard on Tesla Road. The winery plans to closely supervise the growing of these grapes.

Recently, Sergio Traverso was named vice-president and winemaker. Traverso, holder of a doctorate from the University of California at Davis, was winemaker at Domaine Chandon in Yountville during the mid 1970's, followed by employment as oenologist-winemaker at Sterling Vineyards in Calistoga.

Speaking of Concannon Vineyard's future direction, a brochure put out by the winery says Concannon and Huneeus both place great emphasis on wines being identified with a sense of place and of origin. "They feel certain that the nationwide interest in wine will continue to grow and that consumers will more and more frequently associate the quality of a wine with the region in which its grapes are grown. Mr. Concannon and Mr. Huneeus intend to expand on Concannon Vineyard's reputation as the premier winery of the Livermore Valley."●

## PROTESTERS GIVE VOICE TO THEIR ANGER AND FEARS

### HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. SCHUMER. Mr. Speaker, on September 19, 1981, 250,000 people gathered at the steps of the Capitol to protest Reagan's economic program and to assert demands for economic and social justice. Challenging the President's assertion that his economic program is based on a "mandate" that he received from the American people, senior citizens, factory workers, municipal employees and others of all ages and races denounced the cuts in education and social programs, and

defended agencies under attack, such as OSHA. The fears and concerns of several of the demonstrators were printed in the following Washington Post article, of September 20, entitled "Protesters Give Voice to Their Anger and Fears":

PROTESTERS GIVE VOICE TO THEIR ANGER AND FEARS

(By Judith Valente and Tom Sherwood)

Ron Wellman, 56, Army veteran, diehard Republican and Pennsylvania maintenance worker, stood near the Washington Monument yesterday, getting ready for the Solidarity Day rally, his Western-style string tie flying in the breeze, and a plaid polyester jacket on his back.

Wellman was a long way from home, home being near Erie, Pa., just outside Edinboro State College where he shovels snow in winter and cleans up the school grounds in summer to feed his family.

When America picked a president last year, Wellman voted for Ronald Reagan because he was "100 percent" for a stronger national defense. Wellman said he wanted to see the Russians put in their place and lazy Americans taken off welfare. But now Wellman says he is perplexed.

All he says he sees coming from the Reagan administration is that "the poor people, the little people, are getting ripped off, and this administration is favoring the rich."

Just this complaint brought Wellman and thousands like him to Washington yesterday—people who work on assembly lines, sew clothes, pick crops, transport food and clean streets and government buildings—to tell Reagan that the little people still form the backbone of this nation and that they are being hurt.

Even from those who had once enthusiastically supported Reagan, from burly steelworkers and young Hispanic busboys to elderly ladies who place the union label on thousands of garments each year, the message was clear.

"We got sold out," said Thomas Ramsey, a sugar hauler who had traveled all night Friday by bus from South Bay, Fla., with 46 fellow sugar industry workers to participate in the Solidarity Day protest.

Ramsey says he remembers vividly the television ads during the presidential campaign last year that highlighted Reagan's years as a union organizer for the Screen Actors' Guild, and now he says he resents the fact that most of the benefits of Reagan's tax package will go to the wealthy.

"He's taking bread out of the mouths of the American people," said Ramsey, who has a wife and two children. " ... If they want to cut the budget and fix everything up in the economy, why don't they start with the politicians. Some of them are making $80,000, $90,000 a year and they ain't doin' anything. Me, I work seven days a week, 12 hours a day in our busy season from October to March, and I'm makin' $17,000 a year."

Though Ramsey is only 30 and far from retirement age, he wore a red, white and blue sign that said, "Organized Labor is Opposed to Social Security Cuts."

But bricklayer Ernest DiFranco, 61, of Pittsburgh, is close to retirement and doesn't like Reagan's proposal to cut benefits sharply for people retiring in the future at 62 instead of 65.

"I've been picking up bricks every day of my life for 40 years," said the silver-haired DiFranco, son of Italian immigrants. "I don't want to work until I'm 68 or 70. I might not make it. I might be six feet under by the time I get to receive my benefits. My back is broke now," he added as he joined a crowd of miners and state and municipal employes boarding a Metro train at RFK Stadium.

"I paid into Social Security for 40 years; it's mine, not his," said 68-year-old Woodrow Wellington, a retired maintenance man from Newark, Del., as he sat in the shade by the Washington Monument in a ten-gallon hat and cashmere jacket. Wellington, who carries his AFL-CIO lifetime membership card in his pocket and calls himself a "hardline Democrat," said it irks him that Reagan often played up his past as a union organizer during the presidential campaign.

"He made out like he was this big labor person. But I don't think he ever done much work but play with that toy pistol on Death Valley Days," Wellington drawled.

Many other protesters yesterday voiced concern about Reagan's various deregulation proposals, especially those that they say would severely weaken the occupational safety standards.

For evidence, Bill Haynes, a Long Island, N.Y., painter, shows his wrists. They have been burned red and are peeling from constant contact with paint removing chemicals, he says.

"A lot of us [In the International Brotherhood of Painters and Tradesmen] work in painting where we have to go on scaffolding, in sandblasting and handling toxic materials," said Haynes, who, like other painters, marched along Constitution Avenue wearing a hard hat. "Without OSHA [Occupational Safety and Health Administration] behind us, our jobs could become even more dangerous."

Many in the crowd, especially young blacks and Hispanics, said they had benefited from federal job training and other government-funded programs, such as national defense student loans, and had provided community service in return.

John Richardson, 30, had a Comprehensive Employment and Training Act job cleaning up trash from back yards and vacant lots and exterminating rats in tenements in New York City's Harlem. But this year, several of those jobs, including his, were abolished, he said, even though health problems in Harlem remain as severe as ever.

"You can't imagine how many cases there are of rats crawling into cribs and biting babies. . . . We were really needed," he said of the CETA workers. Many of them had been in the program as long as five years and some even got married thinking they would have a steady income. "But there's no security now," Richardson said.

As the afternoon wore on and the signs and banners were discarded and the crowd began to dwindle, many of those who had arrived in the morning full of enthusiasm, ended the day with mixed feelings about how effective their message had been.

"We should have been here during the week to shut down Washington," said Ron Weissen, president of a steelworkers' local in Homestead, Pa. "We came to show union support, but it's not going to change a thing, really."

But said John Patterson of Local 1842 of the Machinists union in Pittsburgh, "If this march doesn't work, we'll be back again."●

## TRIBUTE TO THE MEMORY OF PAUL F. BURNUM

### HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. SHELBY. Mr. Speaker, Tuscaloosa County, in Alabama's Seventh Congressional District, suffered a great loss recently with the death of Paul F. Burnum, 79, of Tuscaloosa. It is my privilege today to offer a tribute to the memory of this wonderful man.

Not many people achieve the measure of admiration and respect that Paul F. Burnum enjoyed. He earned that admiration and respect because he genuinely cared about people and about the welfare of his community.

He was a rarity—a man who had the vitality and know-how to be extremely effective in getting things done, yet warmth and sensitivity that made him a beloved leader.

Burnum, a native of Cullman, graduated from the University of Alabama in 1923 and was the first football coach at Barbour County High School. He also coached at Tuscaloosa High School, leading the football team to a 42-0-1 record from 1925 through 1929. He also was a pioneer in women's athletics, coaching the girls' basketball team during his tenure at Tuscaloosa High.

After coaching high school sports, Burnum served 13 years as an assistant coach at the University of Alabama, where he tutored a soon-to-be famous end, Paul "Bear" Bryant, whom he helped recruit out of Arkansas.

"We as a community and a school lost a dear friend, an outstanding human being," said Coach Bryant when told of Burnum's death. Continuing on he added, "Personally, I will miss Coach Burnum in many, many ways. He was very loyal to me and to Alabama and helpful to both of us for many years."

Paul F. Burnum will be remembered for many outstanding achievements and accomplishments. He built the first lighted football field in Alabama, organized the first Quarterback Club in Tuscaloosa, serving as president of it for 2 years and director for 3.

He served as president of the Exchange Club for 2 years, was a member of the board of directors of the Tuscaloosa Chamber of Commerce 2 years, and a member of the A-Club at the university.

Continuing on in his vein of always helping others, Burnum served as chairman of the Advance Drive for the Red Cross 1 year, chairman for the YMCA fund drive 1 year, and organized the "Back the Bear" Club that rasied funds for lighting Bryant-Denny Stadium in Tuscaloosa.

I am pleased to know that this year Coach Burnum has been nominated for induction into the Alabama Sports Hall of Fame. I can think of no other individual who is worthy and deserving of this honor and recognition.

Surviving are his wife, Mrs. Susie Burnum, Tuscaloosa; a son, Dr. John Burnum, Tuscaloosa; a daughter, Mrs. Paula Sue Burnum Hayes, Tuscaloosa; three grandsons, Paul Hayes, Andrew Wilson Hayes and John Moseley Hayes, all of Tuscaloosa; four granddaughters, Susan Burnum, Birmingham. Lessie Burnum, Tuscaloosa, Fran Burnum Griffin, Birmingham, and Susanna B. Hayes, Tuscaloosa; three sisters, Mrs. Alma Oswald, Haverton, Pa. Mrs. T. A. Smith, Cullman, and Mrs. Thelma Roberts, Bessemer; and a number of nieces and nephews.

Paul F. Burnum's life should serve as a memorial to him for all time in Tuscaloosa, Tuscaloosa County, and the State of Alabama, for he truly devoted it to serving the people that he loved and cared for. He left many fond memories and I am sure that this fine, outstanding gentleman will never be forgotten.

Mr. Speaker, it is indeed an honor for me to share this tribute with my colleagues in the House of Representatives. He will be deeply missed by me and all others who were touched by his wonderful life.●

## ROY WILKINS; 1901-81

### HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. HUGHES. Mr. Speaker, the individuals who have made our country great were those who perceived our people's ideals and worked in unique ways to achieve in our society a more perfect realization of these ideals. Roy Wilkins was such a man.

Grandson of a man who had suffered the worst perversion of our Nation's goals—slavery—Roy Wilkins became the leader of an organization which sought to rid our society of all vestiges of this terrible institution. Wilkins fought lynching, segregation, and discrimination in order to improve a society born of the ideals of equality and democracy for all citizens. From 1957 until 1977, he led the NAACP in combating racism in its many manifestations, in his own dignified and compelling manner.

Roy Wilkins lived to see great strides for blacks and for our society as a whole. He saw an end to formal condonation of separate treatment of the races, through Brown against Board of Education and the civil rights acts of the sixties, events which he was instrumental in bringing to pass.

Throughout his career, he faced frustration, derision, and dissension, but he maintained his support for the system within which he worked. Possessed with a remarkable faith and optimism, he rejected violent and separatist approaches to the problems of blacks, and set a sterling example of what can be accomplished within the established political and legal system to improve our imperfect society.

All of us are the beneficiaries of the more equal society which Roy Wilkins helped to create. Thus all of us must help to bear the responsibility which such benefits carry—to assure that we continue to work toward perfecting our Nation, and to guarantee that minorities are provided equal opportunities to live, vote, work, and enjoy freedom in our society. We must regretfully bury Roy Wilkins, but let us forever preserve his memory and pursue his enduring ideals.●

## HALSEY UNITED METHODIST CHURCH CELEBRATES ITS 150TH ANNIVERSARY

### HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. KILDEE. Mr. Speaker, it is with great satisfaction and pride that I bring to the attention of the Congress the 150th anniversary of the Halsey United Methodist Church near Grand Blanc, Mich.

The membership at Halsey United Methodist Church, located at Baldwin and Halsey Roads in Grand Blanc Township, Mich., is very much aware of the early pioneers and ministers who made it possible for people to enjoy worship there. To walk into the building is to become aware of the work and worship of people of years gone by. It is a history of involvement by a community as they seek to worship God.

Like many churches, Halsey started out as a stop on a circuit. The first minister to preach in Grand Blanc was Reverend Gilruth, a Methodist circuit rider. He preached his first sermon there in 1831. Services and meetings were held in log houses or barns as the occasion required. Later meetings were held in the Smith, Butler, and Halsey schoolhouses. Some walked to church, others rode in wagons drawn by oxen. The pioneer community believed that unless the Sabbath was respected, the settlement would not prosper.

In 1837 a log cabin school was built, the first Halsey school. This was a one-room building with two windows in the south side and one window in the east, and was built in the woods a short distance from the present church site. Services were held here for 11 years, until 1848, when a new schoolhouse was built on the site of what is now known as Halsey Park. Union church services and Sunday school were held in this building for 37 years. We owe so much to these early pioneer Christian men and women who worshiped together for 54 years, first in their homes, then in the log schoolhouse, and later in the frame schoolhouse which many of our present-day members attended in their youth.

Mr. and Mrs. Charles Case, who were early pioneers and leaders of the religious and school life of the community, lived on what is now known as the Arthur Somers farm, corner of the Baldwin and Halsey Roads. They deeded land for a new church to the Methodist Society on June 22, 1885. The society purchased the unused Congregational Church, located at the corner of South Saginaw and Holly Roads, for the sum of $100. The men of the Halsey community helped to take down the church, move it several miles to its present site, and rebuild it, using the old lumber and furnishing additional new material where it was needed to build the church steeple. Church sheds were built behind the church to shelter the horses, buggies and wagons which brought the worshipers to church. Each family furnished the lumber for their own shed. The church was finished and dedicated in 1886.

For nearly 10 years union services were held in the church, Methodist one Sunday and Congregational on the next, with the services finally taken over by the Methodists. In 1906 the remaining Congregational members transferred their membership to the church in Newark, located nearly 3 miles south, just off Holly Road.

For many years the church was part of a three- and then two-church ministry, and was the center of the religious and social life of the community. Improvements in the building have been made at various intervals. In 1926 a kitchen was added, in 1941 a basement and dining room. A woodshed had been added to the church to hold the cord of wood used to build fires in the two stoves used to heat the sanctuary. The woodshed became a cloakroom when the oil furnace was installed. A major building effort took place in 1957, when, through the combined work of all the people in the church, a parsonage was built. Like the early reassembling and adding on to the church building itself, this required the participation of many people.

Halsey United Methodist Church remains as a community church, just beyond the edge of greater Flint and its suburbs. It serves an increasingly suburban, yet still rural area between Grand Blanc and Holly. It is known for its community events, for ice cream socials and dinners. Yet it serves the community in other ways. It was one of the early churches in the midfifties to support the UNICEF col-

lection drives. It has contributed to area projects such as the Dort-Oak Park project in Flint, and been involved in supporting the United Methodist retirement homes. Members have a pardonable pride in the knowledge that their church is one of the pioneer churches in Genesee County, as well as the State of Michigan.

Plans are now being made for a special celebration in observance of the 150th anniversary. Heritage Sunday was held on September 20, when old photographs, historical data, and memorabilia were exhibited. Homecoming Sunday will be September 27 when former pastors and former church members and friends are invited to return for a worship service and dinner. On October 4 the congregation will celebrate Futures Sunday as church members look forward to challenges and opportunities in the future.●

## DESEGREGATION PLAINTIFF NOW AGAINST BUSING

### HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. MOTTL. Mr. Speaker, I would like to bring to the attention of my colleagues a recent newspaper column by Dick Feagler of the Cleveland Press that should be of great interest. The article describes how Robert Anthony Reed III, the student who was the plaintiff in the Cleveland school desegregation case, has decided he is against court-ordered busing. He has seen firsthand the harmful effects that forced busing has wrought upon the once proud Cleveland public school system.

His decision is also noteworthy because the House Judiciary Committee is currently holding hearings on the impact of court-ordered busing. I hope that the committee and other Members take note of the article which follows:

[From the Cleveland Press, September 21, 1981]

DESEGREGATION PLAINTIFF NOW AGAINST BUSING

(By Dick Feagler)

Robert Anthony Reed III, the student who was the plaintiff in the Cleveland school desegregation case, has decided he is against forced busing. He telephoned me to say he wanted to meet and talk about it.

"Maybe it's a story for you," he said. "I'm even thinking about supporting Rep. Ron Mottl's anti-busing amendment. I wanted to tell you about it because you interviewed me before."

In 1976 I had interviewed Reed when the NAACP won its desegregation case against the school system.

In 1973 Reed was named the first plaintiff in the suit. Fourteen other persons, including his brother Darryl and mother, Wyona Reed Willis, were also named to represent all black people similarly affected.

At that time, the family lived in a single-family home in a modest, working-class, well-tended area of Garfield Heights but within the Cleveland school district.

Previously the Reeds lived in the Glenville area of Cleveland, where Robert attended Iowa-Maple and Hazeldell Elementary Schools.

When the suit was filed, Reed was attending Robert H. Jamison Junior High School, which was 99.6% black. He asked to be transferred to A. B. Hart Junior High School because it was integrated and he believed it was a better school.

However, the school district's attendance bureau turned down the transfer request. In a furor, Mrs. Willis marched into the NAACP office to file a complaint.

When Federal Judge Frank J. Battisti found the schools guilty of segregation in 1976, Reed said, "I feel good that they won the case. The lawyers did all the work but I feel good about it."

The changes that the lawsuit caused did not affect Reed. He was graduated from John Adams High School and has worked at a succession of part-time jobs while trying to decide what to do with his life.

He is 22 years old now and is saving money from his part-time job at a downtown fast-food restaurant to take more courses in computer programming. He divides his time between his parents' house in Bedford Heights and a bachelor apartment in Cleveland.

"I've watched the busing going on and I don't think it's the right answer," he told me.

"I don't think it's good for kids of any color to leave their neighborhoods and go to strange schools. It's tough enough being a kid without that kind of pressure.

"I'd support an anti-busing amendment as long as it wasn't racist. I think there's a better way to right past wrongs besides busing.

"For instance, suppose they took all this money wasted on busing and used it to build fine schools and other institutions in the black community. That would help make up for the fact that the community had been deprived," he said.

"Then they could open those schools to all. White kids would know they were the finest places in the city and would be free to enroll," he said.

"That makes more sense to me than busing. Especially now that the kids are riding RTA. Listen, it's hard enough for adults like me to ride RTA," he said.

Reflecting on his role in the desegregation case, Reed said, "Philosophically speaking, if a person is responsible for starting a situation (that turns) out bad, he should rectify it, if able.

"I feel I am able to assist in helping solve some of the problems happening in the schools."

Reed said he has tried to talk about his ideas with area congressmen.

"They are all in Washington so all I got to talk to was their aides," he said.

He says he also discussed his views with NAACP lawyers.

"They just listened to me," he said. "But they didn't say much."●

## CONDEMNATION OF UNESCO'S NEW WORLD INFORMATION ORDER

### HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. GOODLING. Mr. Speaker, it is with disappointment that I note that House Resolution 142 sponsored by Congressman SHAMANSKY and Congresswoman FENWICK, was deleted from the list of bills to be considered yesterday. As you know, the resolution expressed the House's objection to UNESCO's proposed New World Information Order which could stop the free flow of information that is so necessary to the survival of freedom and democracy. It is true that the Beard amendment to the State Department appropriations bill had already put down the House's firm objections to the New World Information Order, but that particular bill was not passed as a whole, and hence I feel it necessary to reiterate our objections on this particular issue: we must make sure that UNESCO has not the least shadow of a doubt about our attitude to this latest assault on the free world.

The Beard amendment to the State Department appropriations bill is of fundamental importance, and must be included when appropriations to the State Department are finally made. The New World Information Order makes a travesty of human rights. Freedom of thought and expression is a fundamental human right, the curtailment of which would be the first step toward the eradication of all human rights. The United States has, since its birth, been a beacon of human rights in an otherwise desolate world. Thus we cannot condone, much less be a party to, UNESCO's sinister designs on the freedom of the world press.

UNESCO has long been the seat of such mischiefmaking: were we to withhold funding from UNESCO, it would not be without precedent. The United States withheld funding from UNESCO in 1975 and 1976 because of the blatantly leftist course that organization was then taking. Now it wants to tell us what we may or may not think, say, or read. Enough of this nonsense. Let us answer the New World Information Order with a loud and resounding, "No!"

We know what forces are behind UNESCO's latest suggestion—and it is but a subtle extension of the never-ending war they are waging against us. The Soviets are of the opinion that we Americans will sell them the rope which they will use to hang us with. In recent years there has been a grim sense of truthfulness to this remark: we have continually looked the other

way when something threatening was done; we have tried to explain and excuse actions that are inexplicable and inexcusable, and all the time we have treated with them as if they were our moral equals. Well, no more of this! Until such time as Representative BEARD'S amendment is incorporated into a bill passed by Congress, we must continue to reaffirm our opposition to the New World Information Order in every way possible. In so doing we will disprove the aforementioned Soviet opinion of us, and show the world that we are prepared to stand up and defend that which is right.●

## UNESCO: BLAME ENOUGH FOR ALL

**HON. GEORGE E. BROWN, JR.**
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. BROWN of California. Mr. Speaker, last week during consideration of H.R. 3518, the Department of State authorizations, we considered amendments dealing with the New World Information Order and the role of the United Nations Educational, Scientific, and Cultural Organization (UNESCO) in this area. The amendment sought to block the U.S. contribution to UNESCO if that organization acted to restrict the freedom of the international press or sought to enforce a code of journalistic ethics. I voted against that amendment, and would like to explain why.

Freedom of speech, a free press, the free and open exchange of ideas and information are the basis of a just society. These concepts are the cornerstone of our Nation and are the elements of freedom that we seek for all of mankind. Where these elements are absent, mischief and evil have occurred and humanity's potential is lost.

Censorship is the extreme form of the abrogation of these rights and is unfortunately practiced in many countries today. As was pointed out in the debate last week, the Communist bloc countries are especially guilty of censorship and the denial of a host of other basic human rights. I join my colleagues in the condemnation of these practices. But it is not a Communist-inspired move toward censorship that, by itself, has led to our current policy problems.

Flows of information are the currents of political, economic, and social power. Many developing countries have felt denied information vital to their development needs while being flooded with other information which is extraneous and even detrimental to the accomplishment of these needs. From the perspective of these countries, the developed world is insensitive to their needs and goals.

It is, in many instances, easier for a developing country to obtain reruns of "I Love Lucy" in their language than it is to obtain educational programing. Resource development companies in developed countries have more complete satellite remote sensing data than is available to the developing country being surveyed. And the news sources for the developing countries are not found in the developing world, but are developed-country sources such as UPI, BBC, Reuters, and the rest.

This last element is the key to the problems that we have been encountering over the last 5 years. Just as people in this country complain about our overemphasis on negative news—fires, disasters, and so forth—many developing countries object to a seeming emphasis on the negative. Floods, famines, revolutions, and the failings of incompetent leaders are reported more often than success stories; at least this is the position of many developing nations.

What these countries want is more positive reporting, called by some development journalism, akin to the reporting in the metropolitan and features sections of our newspapers. But without their own news agency and the money and equipment to make it work, the developing world remains dependent again on the developed countries.

In 1976, the issue came to a head at the UNESCO meeting in Nairobi. The Communist countries and totalitarian nations in the world began to formally press for conditions to be placed on information entering and leaving a country. Many nonalined countries, long frustrated with what they saw as an imbalance in global information flows, joined this effort. The United States was certain to lose a democratic vote, test vote, and successfully had the issue tabled by promising to take steps to aid developing countries in their information and communications efforts.

By the time of the next UNESCO meeting in 1978, little had been done and the information issues were raised again. The U.S. position became inflexible as we dug in our heels to thwart what we had cast as a Soviet move toward global censorship. Lost were legitimate grievances of imbalances of information flows. Lost was the ability to exploit the differences of opinions and policies that run through the nonalined movement. Again promises were made and a disastrous policy setback was avoided.

In 1979, the World Administrative Radio Conference (WARC) was held to divide the broadcast spectrum among different uses and different countries. The developed countries had much at stake since the allocations resulting from this Conference remain in effect for 20 years. After some initial rancor, we managed to again gain a consensus and avoided another potential setback, although many of the issues have yet to be resolved at a series of regional meetings.

Then we have the latest UNESCO meeting at which the New World Information Order and a journalistic code were presented again. This time the debate heated up, fueled by the impatience of the nonalined countries and the mischief of the Soviets. We dusted off our old policies and our old newspaper editorials and avoided disaster again. And we once again avoided a great opportunity.

Since 1977, I have been pressing for a different U.S. position on this issue. I have proposed that we make our information and communications technologies available to developing countries to assist their development efforts and gain their good will so that we are able to accomplish something more than avoiding disasters at international meetings. I firmly believe that if we had made a genuine and visible effort following the 1976 UNESCO meeting, we would not be having to debate the issues we are taking up today.

We could have linked developing country centers of knowledge, via satellite, with our centers. We could have trained developing country workers in remote sensing data interpretation on a larger scale and made the imagery available to them. We could have helped meet developing country broadcast spectrum needs by doing a better job of helping them aggregate users and develop time-sharing arrangements. We have done much to dispel the mixture of envy and suspicion with which these countries view the developed world's domination in this field, envy and suspicion which strengthen the Soviet position.

We would also have gained an economic advantage. Sixty percent of the world's population lives in the developing world. This market will be seeking increasingly sophisticated goods and technologies, such as communications technologies, in the coming decades. A sensitivity to the needs of these countries and a record as a reliable supplier of goods and training will reap tremendous economic rewards in the near future. The Japanese have noted this and recently gave a telephone transmission facility to Sri Lanka, a key nonalined country, both politically and geographically.

Instead of seizing this opportunity to do good by doing right, we are continuing to adhere to a policy that presents us with increasing headaches. Instead of aggressively seeking to deny the Soviets a support base in the nonalined movement, we debate policies that will provide them with a propaganda victory to be used amongst those countries. Instead of finding

new ways of fighting this threat to our cherished values of free speech and a free press, we are working within boundaries set by our aggressors.

Much of the cause of our current dilemma originates from our own insensitivity and lack of imaginative policy. I am reminded of a passage from an essay by Paul Valery, "The Greatness and Decline of Europe," written in 1927:

> More than one nation is deeply convinced that, in and of itself, it is pre-eminent, the elect of the endless future, the only nation capable of aspiring . . . to the supreme development of whatever potentialities it arrogates to itself. Each finds an argument in the past or the possible. None likes to regard its troubles as its legitimate offspring.

Until this country begins to recognize the need for new policies in the area of international communications, we will be stuck with our present narrow range of options. And the real threat to our basic freedoms will grow.●

## THE PEACE CORPS AT 20

### HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. LEHMAN. Mr. Speaker, 20 years ago today, President John F. Kennedy signed the Peace Corps Act into law. I would like to take a few moments to congratulate the Peace Corps' thousands of current and former volunteers and staff. They have given the world 20 years of selfless service, and have improved the lives of millions, both directly and through the people they have lived with, worked with, and taught.

As a member of the Appropriations Subcommittee on Foreign Operations, which provides funding for the Peace Corps, I have had several opportunities to visit Peace Corps volunteers and staff in the field, in Africa, Asia, and Central and South America. I have been very favorably impressed by the abilities and dedication of these people, and by their willingness to give up comfortable Western lives to go live in the villages of the Third World and try to make a difference in the ways the world's poorest people survive.

It seems to me that there is no more cost-effective way to help people to better their daily lives than working with them at the local level in the critical areas of health, nutrition, agriculture, and education. And this work cannot be done without a knowledge of the languages, cultures, and conditions within which changes and improvements must take place. Indeed, in my experience, Peace Corps people are the only official U.S. representatives abroad who speak the languages and dialects and live in the cultures and conditions of the people our development assistance programs are meant to help.

And, Mr. Speaker, having had this very special experience, Peace Corps people come home, bringing their new knowledge of and sensitivity to the real problems and needs of the developing world to share with the rest of us. They are a unique national resource, helping to broaden our awareness of an increasingly interdependent world.

I would again like to congratulate the Peace Corps for its 20 years' service, and I wish it 20 years more, or however long it takes to finish the job.●

## SELF-HELP AND SELF-RELIANCE

### HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mrs. CHISHOLM. Mr. Speaker, the drastic reduction in Federal support for social programs indicates dismal days ahead for many Americans who depended on these programs. Alternatives must be sought as we attempt to cope with the effects of the Federal budget reductions. To accomplish this, new modes of promoting social change will have to be explored. One of the modes that may not be new but perhaps has not been developed as productively as it should is the church.

Churches are becoming more concerned about their communities. They are sponsoring day care facilities, senior citizen centers, after school tutorial programs, job referral/placement services, and housing programs.

This view of the church as an instrument for social change can be seen with crystal clarity when we look at the St. Paul's Community Baptist Church and the pastor, Rev. Johnny R. Youngblood. A New York Times article which appeared on September 5, 1981, highlights the work of Reverend Youngblood and his church in the east New York section of Brooklyn, N.Y. This article is being submitted for my colleagues' attention.

IN POVERTY, A CHURCH IS THRIVING

(By Kenneth A. Briggs)

Although he had injured his right leg the day before in a touch-football game and was limping noticeably in his office, the Rev. Johnny R. Youngblood had shown no sign of difficulty moving about during the service at St. Paul's Community Baptist Church in Brooklyn. It is part of his self-image as someone who must lead by example.

"In black religion, the element of contagion must be considered," he said, his shirt still damp with perspiration from the energy expended during the 45-minute sermon. "I don't want people to see me hopping to the pulpit. If I'm seen in need, they're in need. If I'm seen healthy, they're healthy."

Articulate, energetic and strong-willed, Mr. Youngblood is still maturing professionally, reaching for the top of his form. He stands in the tradition of the black preacher, the figure W. E. B. DuBois, the educator, called the most original character in the centuries of American Black history.

Seven years ago, at the early ministerial age of 26, Mr. Youngblood was unanimously elected by the 72 church members as the pastor of St. Paul's. At the time, the struggling church, founded in 1927, was meeting in a brownstone on Prospect Place in the Brownsville section of Brooklyn.

WORD FROM THE LORD

"We had our backs to the wall," said William Brandon, president of the church deacons, recalling the depths to which the congregation had fallen, "so we decided to just turn him loose and see what happened."

A lot happened. Today the church has 1,200 members, more than half of whom tithe, donating a tenth of their income. Two years ago it moved into a spacious former synagogue on Hendrix Street in the East New York section. Even with two services and seating capacity for nearly 600, overflow crowds are frequent. They come to hear the choir and to see each other, but mostly to hear Mr. Youngblood.

"There is no substitute for preaching," he said. "I don't care what else a preacher does in the community or what causes he promotes, the people want to know on Sunday morning whether there's a word from the Lord."

A RENEWED RESPECT

St. Paul's has plans for ambitious social projects, including a private junior high school, a meeting place for tenant groups and a center for the elderly. Like many black churches, it is feeling a new sense of urgency, spurred by expectations that the Reagan Administration's cuts in social programs will bring new hardship and scarcity into their neighborhoods.

"Mr. Reagan will do a lot to fill the churches," Mr. Youngblood said wryly. "In the black church, we really preach for survival. When folks have no other resources, God is always there."

Though social activists have criticized some black preachers for counseling passivity and spirtiual escapism in the face of racial oppression, the leadership of the Rev. Dr. Martin Luther King Jr. and hundreds of other black ministers in the civil-rights movement helped bring the church renewed respect. And after the social progams of the Great Society had mostly come and gone, many blacks noted that the church was still there—65,000 places of worship in the United States—as a bulwark of black community life.

Mr. Youngblood stated the case in his own terms. "Dr. King," he said, "helped us to see that there is much more to our work than preaching and praying."

His success has brought him to a new challenge in his ministry. He is at the helm of a growing, vibrant institution in the midst of a neighborhood of poverty, drug abuse and street crime. Against the tide, the church has prospered both in numbers and income; each month's expenditures exceed $25,000, and its buildings are fully paid for.

He is increasingly regarded as a leader on a broader scale. One sign is his enlarged role in the East Brooklyn Churches, a coalition of 29 churches organized by the Industrial Areas Foundation, a group formed by the late social activist Saul Alinsky. Recently, 425 people from the churches met at St.

Paul's and the host pastor gave the keynote address.

"It provides the tools to implement Christian theory," Mr. Youngblood said of the coalition. "We talk about love, power and Christian confrontation."

"He is a key pastor," said Mike Gecan, the professional staff member for the organization. "The church's long-term survival depends on what happens to the neighborhood. There are many churches in Brooklyn sitting in the midst of devastation."

"We came into the community to help," Mr. Youngblood remarked during a stroll through a building that the church is renovating as its junior high school. "We are right at home in the graveyard."

He foresees the school as a place where Christian values can permeate a sound educational program, where children will be subject to discipline and inculcated with manners. Mr. Youngblood, who holds an undergraduate degree from Dillard University in New Orleans and a Master of Divinity degree from Colgate Rochester Divinity School in Rochester, places great emphasis on education as a chief means to combat poverty.

Each September, at the start of the school year, he takes time during the services to underscore the benefits of schooling. Youngsters are encouraged to bring their report cards to church after each grading period. The minister reads grades aloud and, he noted with delight, "I'm even getting some of the bad ones now."

The church also has its own scholarship fund, which a growing number of members are using to help finance college education.

Recognition is a staple of life in the congregation. The church is a place to be somebody, a haven of dignity where to be a deacon or deaconess is a position of honor. Mr. Youngblood presides over the creation of a community of people who he believes can be helped to feel worthy and important in the midst of everyday stresses.

He acknowledges the academic achievers, and in the next breath speaks in the language of less-educated people, sprinkling his messages with the "y'alls" and "ain'ts" of street talk. "The trick," he said, "is to push education without saying that God only likes folks who have one."

Mr. Youngblood said he believed he must guard against complacency and egotism after having done so much, so soon. "If I have the power people say I have," he said, "then I don't want to know about it."

He believes that dark days are ahead, particularly for poor people. "My first responsibility to people is to let them know someone genuinely cares for them," he said ruefully, "and then to be willing to create alternative ways of helping."

"Washington will hear from the black church," he said. "We've got to teach and preach something in the meantime. It's not the first time we've been under this kind of a regime. We know how to survive in a storm."●

## MARKED MEN

### HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. YOUNG of Alaska. Mr. Speaker, ever since he took office, Secretary of the Interior Watt has been the victim of hysterical and unjustified criticism from special interest groups. The critics have accused the Secretary of all sorts of diabolical crimes against the environment without showing any evidence of the supposed destruction.

However, the time may be at hand when many "environmentalists" are willing to step back from their nonstop rhetoric and examine the facts. I do not believe that anyone would mistake the New Republic for a conservative, prodevelopment publication. Yet, its publisher's comments on Mr. Watt's performance stand in stark contrast to the vast majority of ranting about the Secretary, as evidenced in the following column from the September 9, 1981, issue of the New Republic. I would urge some of my colleagues who have themselves been involved in the rhetoric to investigate Mr. Peretz' remarks for a more balanced view of Mr. Watt from a well-known liberal individual's views.

The column follows:

MARKED MEN

Even though Secretary of the Interior James Watt believes the end of the world is near he moved last week to guarantee that the extinction of the humpback whale does not happen first. This has won Watt the favor of environmentalists, something he has not had before. Many of these same folk were pleasantly surprised to note that he'd also come down hard on the commercial water users of the Wetlands Water District in California, insisting that they at least pay the costs of what they use. This is something they don't want to do, and have taken Watt to court in order not to. The Environmental Defense Fund has entered the case on his behalf. In many other places, however, the fund is plaintiff against the secretary—in one instance representing 12 grizzlies whom his policies are alleged to endanger. I'm just back from a riding and rafting expedition in Wyoming, the fifth-largest state, with a population that barely entitles it to its single seat in the House of Representatives; and it wasn't until this trip that I fully understood the incredulity a Dutch journalist friend recently expresses at the common worry of liberals that the U.S. is being used up. And he'd only traveled through the south Atlantic states. What would he think of this hysteria about the exhaustion of unspoiled America if he'd seen the empty vastness of Wyoming or Idaho or Montana or Arizona, or, for that matter, upstate New York? In six days and 60 miles of far and wide as the eye can wander we saw two backpackers, one herd of sheep, and one shepherd. No more than others do I want the physical patrimony of America despoiled. But there are difficult trade-offs between benefit and beauty, need and nature. Some of the more strenuous partisans of the pristine come from the places like Los Angeles and Washington, and, indeed, it is nice to have huge stretches of the country preserved pure for the ten days every two or three years one likes to play Lewis and Clark. But this can mean hardship and restrictions on the locals. Watt has tried to address some grievances of these people. He is also and most controversially in favor of the exploitation of oil and minerals in selected wilderness areas. Rigs in the Badger National Park won't look pretty, but no one contemplates more than a few. Moreover, it may be that, as with other instances of abundance, we'd care more for our wilderness if we had less.●

## ON SOLIDARITY DAY

### HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. LeBOUTILLIER. Mr. Speaker, on Saturday, thousands of laborers convened in Washington for a day of protests and speeches against the latest attempts to roll back bloated Federal budgets. Their convocation was a worthy exercise in participatory democracy, but it was led by leaders who presume to understand what the working citizen of America is concerned about.

I suggest that this is not true.

Every year, the percentage of laborers who belong to a union declines. Between 1978 and 1980, union membership dropped by 652,000. Compared to the total U.S. labor force of 106.8 million, union membership constitutes only 20.8 percent of the work force.

It should also be pointed out that the two biggest unions promoting Saturday's solidarity day activities, the Machinists and Aerospace Workers and the United Auto Workers, suffered the greatest membership declines. The Machinists lost 19.1 percent of their membership, while the UAW declined by 9.5 percent in 2 years. All of this, by the way, happened before Ronald Reagan had even been sworn in as President.

One must wonder. If union leadership were doing such a great job of providing for their members, why have so many union members chosen to leave?

Additionally, as any good political scientist can tell you, the percentage of rank-and-file union members who vote for the candidates endorsed by their centralized leaders is declining.

All of which leads one to solidly suspect that the union membership is not being very adequately represented by their leadership.

Organized labor serves a definite and constructive purpose through the many functions it performs. Unionism is one of the most sacrosanct ways that people can assure themselves of human and political rights. Unfortunately, American union leadership acts as a lobby group without the ideological support of its contributing constituents.

No one seems to know, or at least no one seems to want to state for the record, how much money was spent by the AFL-CIO on Saturday. We do know, however, that all of the hundreds of thousands of dollars were financed through the mandatory contributions of the average union member,

who wishes only to provide a living for his family and to see himself prosper and advance.

These are the same union members who, in a poll financed by the Committee on Political Education (COPE), declared a 65-percent preference for a constitutional amendment to balance the budget. By a 3-to-1 margin, these workers blamed Government for the economy's malaise. Even Lane Kirkland, the most stalwart old-line liberal in the labor movement, concedes that he received a great deal of mail from members who said that they supported President Reagan last November.

If the AFL-CIO wishes to lobby, why do they not lobby in favor of a balanced budget amendment, which is what their own membership desires?

And now, in Saturday's Washington Post, we find that union leadership is once again thumbing their collective noses at the union member.

The unions in America are expected to contribute $1 million to the Democratic National Committee's annual budget this year. Thus far, the drive has produced $445,000 in contributions and commitments, and no one seems to have any doubt that the $1 million goal will be achieved.

Each union president is expected to kick in $15,000 in "hard money" and $100,000 in "soft" money to the DNC. "Hard" money is defined as money which can be utilized for Federal candidates, while "soft" money is defined as that used for operating expenses, voter registration drives, and other activities not aimed specifically at the election of a particular candidate. It is thoroughly legal under Federal election law.

But one has to wonder what the average laborer thinks of it all, and whether this is the way he really wants to see his money spent. After all, this $1 million will be financed through the mandatory "contributions" of union members—Republican and Democrat alike.

Mr. Speaker, I have met a great many working men and women, members of unions. They are good and decent people. Some are conservative and some are liberal. Some are Democrats and some are Republicans.

The point is that organized labor is not one homogeneous group, monolithically dedicated to opposing President Reagan's economic recovery program. Only the leadership is, but the rank and file is forced to contribute to these activities.

Mr. Speaker, we appreciate the concerns of the working men and women of this country. They are tired of enduring a sluggish economy, persistent inflation and high interest rates. They want only to achieve that most common of American dreams—to leave their children more than they themselves started out in life with.

The economic factors we face are consequences of 40 years of untarnished and unchecked Government growth.

Despite the fact that Ronald Reagan has been in office for less than 10 months; despite the fact that his economic program does not even begin until next month, we are asked to believe that he is the one who shoulders the blame for this economic morass.

Those who organized Saturday's solidarity demonstration must believe the American people to be fools. A truly cognizant union leadership marches with its membership, not against it.

America's labor force is unrepresented by those who organized Saturday's demonstration, and they are solid in their determination to see President Reagan's economic recovery program succeed.●

## CONGRESSMAN LABELS EASTERN SHORE MIGRANT CAMPS "TRAVESTY"

### HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. FAUNTROY. Mr. Speaker, on Saturday, September 19, 1981, the Subcommittee on Housing and Community Development, chaired by our very able colleague and my close friend, HENRY GONZALEZ, held a series of field hearings and tours of migrant farmworker camps that are located within a few hours of this Capitol Building.

What they found is appalling beyond belief in this day and age. Unheated corrugated metal barracks supplied with water labeled as unsafe for drinking because it was nitrate-poisoned, and communal kitchens that featured stopped up sinks and squadrons of buzzing flies surely deserve to be labeled a "travesty," as indeed they were by Congressman GONZALEZ.

These conditions are only slightly short of slavery. I commend Congressman GONZALEZ for leading us to this blot on the American way of life. I commend him for the rightness and justice of his efforts to end such misery. I also commend him for the personal risk that I believe he and the staff of the subcommittee undertook in uncovering for all Americans this "travesty."

Ward Sinclair of the Washington Post has written an article about what Congressman GONZALEZ saw. The words themselves are vivid and convey a most disgusting and abominable situation that we must correct. They merely scratch the surface for as terrible as the events conveyed by this story might be, the stark reality is that he could have told more. He has spared our sensitivities but he has not spared us the intellectual terror that we must all experience in knowing that camps like these still exist to prey upon the poor, the downtrodden, the weak and the newcomer to our shores. Those who have fled terror elsewhere should not, in this land of freedom and liberty, hope and justice, be forced to endure such degradation and inhumanities.

I have attached the story Ward Sinclair has written. I urge each Member to read and reflect upon it.

EASTERN SHORE FARM CAMPS DISTURB TEXAS CONGRESSMAN

(By Ward Sinclair)

WESTOVER, MD.—Representative Henry B. Gonzalez (D-Tex.) was disturbed by the condemned water, the ramshackle housing, the lack of cooking and sanitary facilities he'd been seeing all day, but it took the case of the Catholic nun to tell the whole story.

As Gonzalez toured the controversial Westover migrant farm worker camp in Somerset County as part of a day-long investigative tour of farm labor housing on the Delmarva Peninsula, Sister Jane Houtman was outside looking in—labeled an "agitator" by the camp's owners and blocked from entering.

The Texas congressman came to the Eastern Shore of Maryland and Virginia Saturday on the first leg of what he intends to be a full-scale national study aimed at pushing farmers and the federal government toward quick improvement in housing for migrant farm laborers.

The incident involving Sister Jane, a nurse to migrants on the shore for seven years who has been critical of the growers, capsulized what Gonzalez heard all day long from workers and others—that housing problems are only one facet of a constant grappling between labor and management, a constant clashing of wills over what is right for the migrants.

Sister Jane and other nurses from the Daughters of the Holy Spirit have wrangled with farmers for months over conditions in the camp. Finally, the 12 owners of Westover decided that she and the other nurses will not be allowed on the camp next season because of their "agitation" among migrants.

For all that, there was at least one new development. Gonzalez and staffers from the House Banking, Finance and Urban Affairs Committee heard farmers on the Delmarva Peninsula, where more than 6,000 migrants worked in vegetable fields this summer, admit for the first time that the housing they provide is inadequate.

The Somerset farmers and Philip McCaleb, a Belle Haven, Va., grower and chairman of the Virginia Migrant and Seasonal Farm Worker Commission, conceded they have problems, but urged Gonzalez and his housing and community development subcommittee to ease their quandary over federal regulations.

"Housing is a major problem," said McCaleb, "and it contributes as much as anything to other problems, such as health . . . Farmers don't pay enough attention to housing. They don't see housing as a productive investment."

He and Somerset farmers Edwin Long and Dennett Butler complained—and Gonzalez readily agreed—that requirements of the Farmers Home Administration are so complex and unrealistic that few farmers are

willing to take advantage of the long-term loans available at 1 per cent interest for migrant housing.

But they hardly needed to concede there was a problem, after what Gonzalez had found in his day of visiting labor camps and taking testimony at a hearing in Melfa, Va. At one point, after visiting Haitian refugees in a desolate Maryland camp, the congressman shook his head and lamented "the unbelievable travesty."

That was at the Wanex and Groton camp near Hurlock, in Dorchester County. A typewritten notice, taped to a wall by the county health department, warned in three languages that under no condition should babies drink the nitrate-poisoned water. All water used for drinking must be boiled. Clean bottled water is available to workers willing to pay, the notice said.

At the John N. Wright Jr. Canning Co. labor camp at Federalsburg, Md., a crew of Mexican-American cucumber harvesters told Gonzalez that the early fall coolness has made living difficult in their unheated corrugated metal barracks. The congressman was visibly touched after a woman from Texas recognized him and pleaded for help.

"God is watching you," she told him in Spanish as her six young children milled about. She complained about heat in the summer, cold in the fall and no sunlight in the one-story metal buildings. "You need to do something," she said. "People want to work, but they need help—these conditions are not good."

At the nearby Washington Cemetery Road camp, Haitians played a spirited game of dominoes in the yard as fellow workers crowded around. Women were cooking beans and hot chocolate in an open-air communal kitchen, featuring a stopped-up sink and squadrons of buzzing flies.

At Westover, Gonzalez and aides negotiated with camp manager Bill Webster for more than 30 minutes before being allowed to see some of the two dozen buildings, once part of a holding pen for German prisoners during World War II.

At the Farmex camp at Tasley, Va., he found more of the same—workers and children huddling in unheated, unlighted rooms; pools of water dotting the common yard; filthy latrines and rustic cooking facilities.

At Melfa, Gonzalez took testimony from farmers, from workers representing Mexican-American, Haitian and American black migrants, a Catholic priest, and nurses from the Delmarva Rural Ministries, who provide health care for migrant and seasonal workers on the peninsula.

Sister Jane and Linda K. Miller, nursing coordinator for the ministries, stressed that it is impossible to separate housing from overall migrant problems of health and safety. "As much as 30 percent of our nursing encounters document illness and trauma that are directly related to camp conditions," Miller said.

The nun, however, laid it on the line. As overwhelming as the problems seem, Sister Jane said, "people tolerate their situation because they want to work." She said better housing would quickly alleviate some other migrant woes.

But, she added, the problem of caring for the migrant is everyone's and "basic attitudes" won't change until people begin to speak out. For her part, the nun said, "I cannot remain silent." The audience, including grower McCaleb, broke into applause.●

## FEDERAL HEALTH PLANNING SYSTEM

### HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. SHELBY. Mr. Speaker, I, along with several of my colleagues, have introduced a bill today that would bring an end to the Federal role in health planning. The bill would repeal titles XV and XVI of the Public Health Service Act effective September 30, 1982.

As a member of the Energy and Commerce Health Subcommittee with jurisdiction over the Federal health planning program, I have had the opportunity to study it carefully, and I have been disturbed at what I have found. The 7 years that have passed since the creation of the program in Public Law 93-641 have made it clear that the program has failed, and the law should be repealed. The result of the law has not been planning, but regulation. The predominant activity is the certificate-of-need process, which is not a planning tool, but a means to control the health care system.

The 93d Congress envisioned a community based planning system with decisionmaking and control at the local and State level. Instead, the current system is dominated by the Federal Government. Federal funds finance the program. Federal regulations and standards control every aspect of the State and local agencies' activities. All decisions are ultimately made by the Federal Government. This is national, not local, planning, and regulation. The State and local agencies exist only to carry out Federal mandates.

The focus in health planning has been cost containment, but there is no reliable evidence to show that any money has been saved. In fact, other studies indicate that the CON process actually increases health care costs. One study found that, over a 2-year period, delays in the CON process added $25 million to the cost of projects under review. Another study showed that applying for a CON was also expensive, and added ultimately to the cost of the project.

Cost problems are further aggravated because health planning is anticompetitive. Its emphasis is on constricting the health care system, not expanding the number of participants. In effect, it is a franchising system that favors and protects existing entities by making it difficult for new providers to enter the market.

The law sets out goals of improving the accessibility and availability of health care; however, the current system has failed in this also. The emphasis has been entirely on reducing the number of beds, services, and hospitals. Cutting back resources does not improve accessibility and availability.

Another reason for the failure of the system is that it has tried to provide a single Federal solution to diverse health care needs and problems. In a State like Alabama, the health problems of a large city are very different from those of a rural area. Only a flexible, community based planning program, the antithesis of Public Law 93-641, could accommodate these legitimate differences.

Finally, health planning has been an expensive program. In the first 6 years of its existence from 1975 up through 1980, the program cost the taxpayers almost $729 million, including $157.7 million in 1980 alone. And this does not include the hidden cost of higher insurance and medical bills caused when providers have to recoup the dollars the CON program has cost them.

Apparently a majority of our colleagues both in the House and Senate agree that, at a minimum, curbs must be placed on this program. Provisions of the recently enacted Omnibus Budget Reconciliation Act reflect a loss of faith in the ability of the health planning system to achieve the goals Congress had in mind when the program was created. However, although I am pleased that role of Federal health planning has been somewhat circumscribed, I see no justification in retaining the program even at a reduced level.

For the general reasons I stated earlier, along with several stories related to me concerning specific incidents of bureaucratic bungling, I believe repeal of this program must be pursued. We know it is not working, so why prolong the agony?●

## MICHAEL V. DISALLE

### HON. ED WEBER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. WEBER of Ohio. Mr. Speaker, on September 15, our Nation lost one of its most devoted public servants, Michael Vincent DiSalle.

From his humble birth, the son of immigrant parents, "Mike"—as he was always known—grew up to be the only Toledoan ever to be elected Governor of the State of Ohio.

My first and most lasting recollection of Mike DiSalle comes from a time when he was mayor of the city of Toledo. As part of my high school civics course, I attended a meeting of the city council at which he presided. I can recall the polite, good humored, yet forceful way in which he managed that meeting.

In addition, to his years of service to the people of Toledo and later the

State of Ohio, Mike DiSalle also served the Nation as Director of the Office of Price Stabilization during the administration of President Harry Truman. He earned the respect of all those who knew him.

Mr. Speaker, as Representative of the Ninth Congressional District, and on behalf of my constituents, I join the numerous personal and political friends of Michael Vincent DiSalle in this recognition of his public service and express our sympathy to Mrs. DiSalle and the members of his family.●

## RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SACRAMENTO RELATIVE TO H.R. 3215

### HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. FAZIO. Mr. Speaker, in April of this year I introduced H.R. 3215, a bill to amend the Internal Revenue Code of 1954 to permit the 10-year averaging of lump-sum distributions from deferred compensation plans of State and local governments. The need for this legislation was first brought to my attention by Mr. Abe Goldman of Sacramento, Calif. At this time, I would like to draw the attention of my colleagues to a resolution adopted by the Board of Supervisors of the county of Sacramento in support of this measure.

The resolution follows:

RESOLUTION 81-937

WHEREAS Congressman Vic Fazio has introduced into the Congress H.R. 3215 to amend the Internal Revenue Code of 1954 to permit the ten-year averaging of lump-sum distribution plans of State and local governments; and

WHEREAS the bill applies to those deferred compensation plans established under section 457, Internal Revenue Code; and

WHEREAS such plans are available to State and local governmental employees throughout the country; and

WHEREAS because section 457 plans are not classified as "trusts" in the legal sense, members currently are denied the use of ten-year averaging for lump-sum distribution; and

WHEREAS the use of ten-year averaging is available to private sector qualified pension, profit-sharing, or stock bonus plans; and

WHEREAS this proposal simply seeks to equalize the treatment for public sector plans to use ten-year averaging in an identical manner to private sector plans: Now, therefore, be it

*Resolved,* That the Board of Supervisors is in support of this legislation; be it further

*Resolved and ordered,* That the Clerk of the Board of Supervisors tramsmit a suitably prepared copy of this resolution to Congressman Fazio and members of the Congressional delegation representing Sacramento County.

On a motion by Supervisor Bryan, seconded by Supervisor Johnson, the foregoing resolution was passed and adopted by the BOARD OF SUPERVISORS of the County of Sacramento, State of California, this 11th day of August, 1981.●

## ARIZONA LEGISLATURE URGES COMPLETION OF CAP

### HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. RUDD. Mr. Speaker, I am pleased to submit to the House a recently approved memorial by the Arizona State Legislature urging the commitment of the Secretary of the Interior to the completion of the central Arizona project.

Last week I had the pleasure of meeting with Secretary Watt in Arizona to discuss the future of this vital program. During 3 days of discussions and hearings, the Secretary continually expressed his support for both the Tucson Aqueduct and the completion of CAP. I hope that the Congress will show the same interest and concern for the long-term objectives of our growing State.

THE SECRETARY OF STATE,
PHOENIX, ARIZ.,
*September 16, 1981.*

HON. ELDON RUDD
U.S. REPRESENTATIVE IN CONGRESS,
STATE OF ARIZONA,
WASHINGTON, D.C.

DEAR ELDON: The Arizona State Thirty-fifth Legislature, First Special Session, 1981, unanimously adopted House Concurrent Memorial 2001, urging the Secretary of the Interior to support the Central Arizona Project and approve and expedite the construction of the Tucson Aqueduct.

The members of the Arizona State Legislature have asked me to transmit the enclosed copy of this Memorial to you for your consideration.

Sincerely,

ROSE MOFFORD,
*Secretary of State.*

Enclosure.

STATE OF ARIZONA,
DEPARTMENT OF STATE.

I, Rose Mofford, Secretary of State, State of Arizona, do hereby certify that the annexed document is a true, correct, and complete copy of House Concurrent Memorial 2001, Arizona State Legislature, Thirty-fifth Legislature, First Special Session, 1981, urging the Secretary of the Interior to support the Central Arizona project and approve and expedite the construction of the Tucson Aqueduct; that I am the official of the State of Arizona in custody and control of the original of said document and the legal keeper thereof.

In witness whereof, I have hereunto set my hand and affixed the great seal of the State of Arizona. Done at Phoenix, the Capital, this 16th day of September, 1981.

ROSE MOFFORD,
*Secretary of State.*

HOUSE CONCURRENT MEMORIAL 2001

A CONCURRENT MEMORIAL URGING THE SECRETARY OF THE INTERIOR TO SUPPORT THE CENTRAL ARIZONA PROJECT AND APPROVE AND EXPEDITE THE CONSTRUCTION OF THE TUCSON AQUEDUCT

To the Secretary of the Interior of the United States, the Honorable James Watt:

Your memorialist respectfully represents:

Whereas, it is of the greatest importance to the citizens of the State of Arizona that the Central Arizona Project be completed with as few delays as possible; and

Whereas, the resolution of the groundwater overdraft problem in southern Arizona depends to a significant extent upon the provision of Central Arizona Project water to the area; and

Whereas, this delivery of water cannot occur until the Tucson Aqueduct phase has been completed; and

Whereas, it is therefore essential that construction of the facilities needed to bring Central Arizona Project water to the Tucson metropolitan area be completed as soon as possible; and

Whereas, completion of the facilities needed to bring Central Arizona Project water to the Tucson metropolitan area cannot be accomplished until the size and the location of the terminus of the Tucson Aqueduct have been determined; and

Whereas, completion of the Tucson Aqueduct is contingent upon continued federal funding of the Central Arizona Project. Wherefore, your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

1. That the Secretary of the Interior of the United States continue his support of the Central Arizona Project.

2. That he direct the United States Bureau of Reclamation to determine the size and the location of the terminus of the Tucson Aqueduct.

3. That construction of the Tucson Aqueduct be completed at the earliest possible time.

4. That the Secretary of State of the State of Arizona transmit a copy of this Memorial to the Secretary of the Interior of the United States and to each Member of the Arizona Congressional Delegation.

Unanimously adopted by the house September 3, 1981.

Unanimously adopted by the senate September 4, 1981.

Filed in the Office of the Secretary of State September 4, 1981.●

## MRS. ERMA SHEARER, DEDICATED PUBLIC SERVANT

### HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. YATRON. Mr. Speaker, I wish to take this opportunity to share with my colleagues the occasion of a milestone which I believe to be of significance. I refer to the 50th anniversary in public service of my constituent, Erma Shearer.

Mrs. Shearer began her service as an employee of Berks County, Pa., in May 1930. Discounting a short period during a maternity leave, she has continuously served the people of Berks

County, and served them exceedingly well, since that date. September 30, 1981, will mark Mrs. Shearer's golden anniversary of service to the county and I am sure the Members of the House will want to join with me in noting this achievement and in both congratulating and commending Mrs. Shearer.

We live in a era when public service is often deprecated. However, Mrs. Shearer's career is testimony to the fact that there are many fine, conscientious men and women whose lives are dedicated to improving the welfare of our society and the operations of our governments. Mrs. Shearer's record is unprecedented in the history of Berks County, Pa., and perhaps, in that of the Nation.

I hope the Members of the House will join with me in saluting Mrs. Erma Shearer not only on her longevity as a public servant but also on a job well done. It seems to me that Mrs. Shearer's career should serve as an example for all of us in public service. I commend her on her devotion to the public welfare and extend to her congratulations and all good wishes.●

## FOOD PROGRAM'S ADVOCATES FEAR CUTBACKS WILL WIPE OUT GAINS IN NUTRITION

### HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. RICHMOND. Mr. Speaker, much of the gains in the Nation's fight against hunger and malnutrition, which was uncovered in shocking amounts during the late 1960's, may soon be lost. It is unfortunate with the new wave of fiscal austerity and regulatory reform that many Americans, especially young children from poor families will be shortchanged. The long-term health consequences of shortchanging Americans on nutrition will no doubt show up in increased health care costs years later.

The demise of the food assistance programs in the United States may be rooted in the misperceptions harbored by many people in this country. Critics of these programs cite the fraud and abuse as justification for reducing Federal funding in this area. In the past few years, Congress has made significant progress in reducing the waste, fraud, and abuse in the food stamp program. This effort to root out any real fraud or perception that fraud may be occurring will continue. At the same time, Congress must not jeopardize the health of Americans who must depend on Federal assistance for their very survival for what can only be short-term savings.

I share with my colleagues this critical review of the food programs in the United States by Gregory Jaynes.

The article follows:

[The New York Times, Sept. 18, 1981]

FOOD PROGRAM'S ADVOCATES FEAR CUTBACKS WILL WIPE OUT GAINS IN NUTRITION

(By Gregory Jaynes)

ATLANTA.—In 1967, six pediatricians were dispatched to the South on a search for hunger, and they found it in appalling quantity. Ten years later a second medical team came here for a look and concluded that although the diet of America's poor would still displease nutritionists, there was food in the icebox. The doctors agreed that in the decade that had passed, the corner would not have been turned without huge increases in the budget for Federal food aid programs.

Since 1967, the budget for such programs has risen about 3,000 percent, from $585.5 million to about $16 billion. However, in the fiscal year that begins Oct. 1, the programs will be cut by $3 billion, a move that would, among other things, disqualify one million of the 23 million Americans now receiving food stamps and reduce the amount of food stamps for the remaining recipients by about 10 percent.

The cuts were proposed by President Reagan and approved by Congress as part of their effort to hold down Federal spending with an eye to improving the national economy and, by extension, the lot of all Americans. But critics contend that the result will be increased hunger and malnutrition.

FRUSTRATION AND FURY

"We are frustrated, furious, frantic, disbelieving that people would cut back on these programs," said Nancy Amidei, director of the Food Research and Action Center, a law firm and advocacy center in Washington that specializes in Federal food programs. "God knows there are a lot of people who still go without food, who still go hungry, but God knows it's a whole lot better than it was 13 years ago."

Just how much better has not been solidly documented, however. In 1969 the Harvard University psychiatrist Robert Coles could write a book called "Still Hungry in America," published on the heels of an extensive national survey on nutrition, but today no comprehensive picture of the state of America's bellies exists. Advocates of food programs say the United States Government, which at present has an overseas food aid program that amounts to $1.6 billion, knows more about hunger in the Third World than it knows about empty iceboxes here.

For its part, the Reagan Administration says "safety nets" built into the systems will catch acute needs for food and other social services. Administration officials argue that families who will lose their food stamps altogether earn as much as $14,000 a year and are well able to get by without Government help, and that those who will have their benefits reduced will still receive enough assistance so that they will not go hungry.

Since there has been no systematic examination in recent years of hunger in America and the ability of Federal programs to relieve the problem, the effect of the budget cuts cannot be known until after they take effect.

Widescale hunger, apparently, was of little concern to any administration until the beginning of World War II, when thousands of young men too malnourished to be drafted came under the stethoscopes of military service physicians. A committee on nutrition for national defense was established. Nutritional standards were worked out, and for a short while there was a fledgling and not all that successful food stamp program. In 1946, a school lunch act was passed as a measure of national security.

Over the years, the Agriculture Department had a commodities program that relied on national surpluses and county bureaucrats to get food to the poor. Sometimes it worked, and sometimes it did not. Its effectiveness was never extensively measured. But all the while, the authority to do something about hunger and malnutrition in America lay on the books, as a measure of national security, and it was this authority that President Kennedy, after having seen the distended bellies of West Virginia while campaigning in 1960, seized to set up the food stamp program in 1961. It was 1967, however, before the issue touched a national nerve.

That was when the Field Foundation, a nonprofit research organization based in New York, sent the first team of pediatricians here. The doctors examined several thousand children across the South.

"Wherever we went and wherever we looked," they reported back to Congress, "we saw children in significant numbers who were hungry and sick, children for whom hunger is a daily fact of life, and sickness in many forms, an inevitability. The children we saw were more than just malnourished. They were hungry, weak, apathetic.

FINDINGS ON NUTRITION

That Congressional testimony led to the establishment of the Senate Select Committee on Nutrition and Human Needs. Its mandate was to determine the amount of hunger and malnutrition in the United States. In 1968, the most extensive survey this country has ever conducted on nutrition was begun by the Department of Health, Education and Welfare. About 47,000 people were examined. The findings, along with some independent surveys of the time, were that millions—some estimates went as high as 35 million—of Americans suffered from serious vitamin deficiencies.

Some researchers read the data and determined that as many as 10 million Americans were hungry, and others said the estimate was high. The only thing everyone agreed upon was that malnutrition and little or no income were related. Every year thereafter substantially more funds were found to feed and shore up the incomes of the poor, and country and western singers began warbling about people on welfare driving Cadillacs.

When the Field Foundation sent its second medical team here for a survey in 1977, along with teams to Appalachian Kentucky, the Bronx, Mexican-American ghettos of Texas, migrant work camps in Central Florida and coastal South Carolina the overall conclusion was encouraging.

"Our first and overwhelming impression is that there are far fewer grossly malnourished people in this country today than there were 10 years ago," the teams reported. "Malnutrition has become a subtler problem. In the Mississippi Delta, in the coal fields of Appalachia and in coastal South Carolina, where visitors 10 years ago could quickly see large numbes of stunted, apathetic children with swollen stomachs and the dull eyes and poorly healing wounds characteristic of malnutrition, such children are not now to be seen in such numbers. Even in areas which did not command national attention 10 years ago, many poor people now have food and look better off."

"In fact, the facts of life for Americans living in poverty remain as dark or darker than they were 10 years ago. But in the area of food there is a difference. The food stamp program, the nutritional component of Head Start, school lunch and breakfast programs, and, to a lesser extent, the women-infant-children feeding programs, have made the difference."

A CRITICAL IMPERATIVE

In 1979, the foundation said, "While only the barest subsistence needs are being met by Federal food programs, those programs are proving a critical imperative to the nation's health." The organization also lamented that "the nation continues to be plagued with a lack of sophisticated data about its nutritional well-being." According to health officials in Washington, there has not been another Federal survey the scope of the one conducted in the late 1960's because of the enormous cost, and because there has not been enough political or popular pressure to justify mounting another one.

Food program advocacy groups these days monitor two continuing studies, one by the national Center for Disease Control here and the other by the National Center for Health Statistics in Washington, both of which in the last decade have indicated continuing improvement in nutrition across the country.

The Atlanta center says its studies lately have caused more concern for anemia and obesity than for hunger.

MORE FOUND OVERWEIGHT

In the second quarter of 1980, the period for which the most recent statistics are available, the center determined that of 58,000 records from public clinics in 25 states, 14.8 percent of people of all ages had symptoms of anemia, and that of 61,000 records from the same sources, 3.4 percent of the people were significantly underweight, and 9.7 percent were significantly overweight. Since the records come from public clinics, most of the patients examined tend to be from low-income families.

The surveys by the National Center for Health Statistics, which do not deal specifically with the poor, have, according to Director Robert Murphy, "found virtually no one with classical signs of starvation." Results from the center's 1980 survey will not be available until later this year, but he said there was some indication that the population was becoming more anemic.

Elsewhere, independent researchers report that while cases of starvation are isolated and rare, households where the head of the family is poor and poorly educated are where much of the anemia, obesity and vitamin deficiency occur in the United States.

AREAS WITH WORST DIETS

Some of the worst diets in the nation, according to researchers, exist in the American Indian populations of the South and the Southwest, the migrant labor camps of central Florida and rural black communities from Texas across the Southeast to the Atlantic.

Nonetheless, in interviews here and elsewhere in the country, social workers and advocates of food programs said that bad diets were better than none, and they expressed bitterness about a national conservatism that would move against the impoverished.

Here in Atlanta, the executive director of the Georgia Coalition Against Hunger, Sandra Robertson, said, "In a sorry economy, people need to blame somebody, and what this Administration did was clearly see that poor people are the problem."

In Georgia, Mrs. Robertson said, 25,000 recipients will be "knocked off food stamps immediately," and 30,000 recipients of Aid to Families with Dependent Children will come off the rolls Oct 1. "Another 10,000 will get drastically reduced benefits," she said.

"Malnutrition and hunger still affects a lot of people and a lot of families," Steve Suitts, director of the Southern Regional Council, an organization with deep roots in the civil rights movement, was saying in his Atlanta office the other day. "But it just doesn't grip the national conscience anymore.

"South of this town, south of Montgomery, you see and hear people who'll tell you when they last ate and they'll show you there's not much in the pie safe. We just gave the folks the proverbial half a loaf."

Mr. Suitts said he felt that "we saved some lives with the infant feeding programs; we gave some hope with school lunches." He added, "But we didn't have the national resolve to keep it up. I don't think I'm exaggerating too much to think we've abandoned it in the name of the national good. I read they're going to cut another $40-to-$60-billion, and it doesn't take Solomon's wisdom to figure out where they'll start."

A DIFFERENT VIEW

Critics of this country's welfare system in general, and the food stamp program in particular, take a view far different from Mr. Suitts'.

The most prominent, Ronald Reagan, said earlier this year that the program was begun to "insure adequate nutrition for America's needy families" and that it went on to function as "a generalized income transfer program" unrelated to nutritional needs.

Less prominent critics argue, with reason, that the program has been a breeding ground for fraud and abuse, and polls earlier this year showed that food stamps were rated the most umpopular welfare program by a wide margin.

But south of Montgomery, just as Mr. Suitts said, there are people who will open their refrigerators and show what little is there to social workers, and who will explain that the refrigerator would contain nothing if not for food stamps. Lowndes County, Alabama, one of the 20 poorest of the 3,142 counties in the country, is just such a place, and Mattie Lee Moorer, a volunteer for Vista, and Sadie Wallace, who lives in a tumbledown shack with five children aged 4 to 19, carried out just such an exercise the other day.

A BARE KITCHEN

Mrs. Wallace, who receives $225 in food stamps each month, feeds her family on that, and on what she can grow, and on what her neighbors give her. Mrs. Moorer happened to visit toward the end of the month, four days before Mrs. Wallace's food stamps were due, and so the kitchen was pretty bare. Mrs. Moorer found two pounds of bologna, about two pounds of frozen peas, half a loaf of bread, two packs of Kool-Aid and about two cups of sugar.

Both women seemed to think that what Mrs. Wallace had on hand, plus a little bit of credit down at the country grocery, would feed a family of six over the next four days. Mrs. Moorer told Mrs. Wallace that harder times were coming, though, and told her to plant her fall garden early.

"You can get your turnips, your collard greens and your snap beans in," said Mrs. Moorer, "and that's things you won't have to buy. A lot of things we ain't been doing, we better start to do. I see more bad diets coming. I see folk not able to get the foods they should eat. One or two foods ain't enough. But one or two might be all, wintertime that is."●

## THE UNITED PRESBYTERIAN CHURCH, U.S.A. RESOLUTION ON THE EMERGING PATTERN OF NATIONAL POLICY

### HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. STOKES. Mr. Speaker, what we have come to call Reaganomics and the impact of the administration's conservatism on the future of our citizens are key conversation topics today in the House of Representatives. As the budget cuts become more of a reality, the President's austere economic plan and new conservative public policy also have become the subjects of increasing concern and action by the poor and working class citizens.

Recently, Rev. Robert I. Miller of the Eliza Bryant Center in Cleveland brought to my attention a resolution drafted by the General Assembly of the United Presbyterian Church, U.S.A. The resolution is characteristic of the kind of comments many of us are hearing increasingly on the President's economic plan.

Mr. Speaker, the United Presbyterian Church, U.S.A. resolution is an accurate barometer of the mood of the poor and working class in this Nation on Reaganomics. Additionally, it analyzes and projects the effects of this administration's policies on the vital needs of this large but seemingly forgotten sector of our population.

This inclusive document touches on such pertinent issues as public lands policies, human services budget cuts, energy, and military escalation. It is my opinion that the voices of the people who are the victims of the budget and the shift in governmental priorities are becoming more audible. We need to listen to them.

At this time, Mr. Speaker, I would like to insert the General Assembly resolution of the United Presbyterian Church, U.S.A. entitled, "The Emerging Pattern of National Policy" in the RECORD.

[From the Presbyterian Layman, June/July 1981]

GENERAL ASSEMBLY RESOLUTION ON "THE EMERGING PATTERN OF NATIONAL POLICY"

The Advisory Council on Church and Society submitted the following resolution on "The Emerging Patterns of National Policy." It was approved by the General Assembly with revisions as recommended by the Assembly Committee on Social Justice and Human Rights of Persons.

Whereas the 192nd General Assembly (1980) expressed its commitment "to the inalienable right of every person of basic access to food and sustaining nutrition" and urged Congress "to maintain at least the existing level of support of the domestic programs in nutrition, housing, education, welfare, social security and employment"; and

Whereas the 191st General Asembly (1979) in its action on "Tax Cutting and U.S. Budget Priorities" urged "the subordination of narrow, short-sighted, self-serving considerations to an insistence upon society's responsibility for conditions whereby such basic needs of all citizens as jobs, housing, education, and health care can be satisfactorily met"; and

Whereas the 191st General Assembly (1979) further urged in budgeting decisions "priority consideration to the employment, health, welfare, education and other needs of the poor, the aged, children and the disabled"; and

Whereas the 188th General Assembly (1976) commended for study, "Economic Justice Within Environmental Limits" and emphasized the importance of church dialogue on economic policies in the United States, with special attention to ethical questions; and

Whereas the changes in national policy proposed by the President and his administration clearly violate the criteria adopted by previous General Assemblies cited above; and

Whereas the Governing Board of the National Council of Churches has prepared and adopted a paper entitled, "The Re-Making of America? A Message to the Churches," which analyzes the reversal of economic policies and the gravity of its implications, therefore, the 193rd General Assembly (1981):

1. Receive and commit for study the Message to the Churches prepared by the Governing Board of the National Council of Churches entitled: "The Re-Making of America?" (appended);

2. Calls upon the Program Agency to make copies of the above Message available to congregations and to provide resources for utilization by congregations in their consideration of various points of view of the significant changes in national policy proposed by the current administration;

3. Requests the Advisory Council on Church and Society and the Program Agency to continue to analyze the development of national policy in the light of concerns expressed by the General Assembly; and to prepare program resources, studies, and policy recommendations as appropriate in order to assist judicatories, churches and church members to understand and respond effectively to the issues of justice in the life of the nation and the world.

THE RE-MAKING OF AMERICA?

A Message To the Churches from the Governing Board of the National Council of the Churches of Christ in the U.S.A.

In thousands of news stories and editorials the public record of the dramatic changes in national policy proposed by President Ronald Reagan and his administration has been written in the past few months. The Governing Board of the National Council of Churches, on the basis of that record, calls to the attention of member communions that these proposals "to get America back on track" represent not merely a shift of emphasis—a little less here or a little more there. They are, rather, a reversal of direction for this country as a whole, and threaten the vision of America as the model and embodiment of a just and humane society.

*I.*

Consider the following evidences of that reversal:

A. The new Administration asks us to annul an understanding of America's government as responsible in a fundamental way "to promote the general welfare."

Since the havoc of the Great Depression, administrations of both parties have recognized an ultimate responsibility in the federal government to promote the conditions in which all members of this society have enough to eat, a decent place to live, a basic education, and the necessities of a minimum standard of living, not as a matter of charity but of entitlement.

That goal has never been attained, but for half a century the nation has been moving toward it—until now. The policy of the new administration is not just to cut back on human services, but to deny that people are entitled to them. By its budget recommendations, which eliminate many human service programs and sharply curtail others, it seeks not to slow the nation's progress toward the goal but to reverse its commitment. When inflation has rendered the current "poverty level" obsolete, to cut back even farther to a so-called "safety net" for the "truly needy" is to abandon the working poor to hopelessness and destitution, particularly in a time of limited economic growth. It is a turn backward from the effort to build an economic floor for the whole society to a former time when America was officially indifferent to the suffering of those whose best efforts were not enough.

B. The new administration asks us to turn back from an understanding of America's public lands as held primarily for public enjoyment.

Since at least the presidency of Theodore Roosevelt, the policy of the nation has been to build and hold a public possession of national parks and forests, of clean air and pure waters, for current enjoyment and as a legacy for future generations. The new administration would turn back from that goal to a bygone era when the continent and its riches were seen as the rightful booty of those who were able to exploit them for their private gain.

Giving away the public inheritance to private entrepreneurs is more than an about-face. It is an offering to "the sheer, naked, untrammeled greed that once made this country great." And no future change of heart can reverse the destruction of this legacy. In a similar approach to the common riches of the sea, the new administration abruptly withdrew from participation in the final consideration of the international Law of the Sea Treaty, seven years in the making, in order "to improve assured access for private industry to mine the deep sea bed"—an access already assured. These examples of administration solicitude for the "truly greedy" stand in stark contrast to its lack of solicitude for the poor, as expressed in the doctrine of "no entitlement to human services."

C. The new administration asks us to slow America's movement toward a safe, efficient and renewable energy future.

Faced with sharply increasing costs and the need to shape an energy future not dependent on oil, the nation has been moving slowly but certainly toward policies and programs to promote conservation, more efficient use of energy, and the development of alternative sources that will be renewable or reliable over a long period. That movement is to be reversed. The new administration's budget virtually eliminates residential weatherization programs and the Solar Energy Conservation Bank, and substantially reduces energy assistance programs for the poor. Energy Secretary Edwards has announced, with regard to fossil fuels, "The voters have sent a clear message to us in Washington: Produce, produce, produce." Pushing aside concern over the possible perils of nuclear energy generation and the problem of nuclear waste disposal, the administration seeks to reduce support for renewable energy technologies and expand support for nuclear energy. Ignoring the specter of excess capacity now clouding the future of the nation's utilities, Secretary Edwards resolutely asserts that "we need to get the nuclear power industry back on track."

D. The new administration asks us to mute America's advocacy for the rights of all human beings everywhere.

Concern for human freedom and inalienable rights has been a constant theme of the United States. Particularly since the organization of the United Nations in 1945, America has been one of the leading exponents of concern for human rights everywhere in the world, even though its own actions were not always what they should have been. The previous administration attempted to make human rights a primary operative foundation of the nation's foreign policy, but now that effort is to be abandoned.

It is not simply that America will relinquish its leadership in championing human rights—imperfect as it may have been. It is not simply that this nation will relax its efforts and subside to a common level of low concern. Rather, in a significant reversal, the new administration asks the nation to lead the retreat from international commitment to the realization and protection of human rights, and to abandon the nations and peoples that have shared America's commitment and hoped in America's constancy.

Among other consequences of this reversal, the United States would shore up repressive regimes around the world by military assistance; recede from arms sanctions against South Africa, and repeal the Clark Amendment banning covert aid to guerrilla forces inside Angola.

The positive concern for human rights has been replaced by a selective preoccupation with "terrorism." When concern about terrorism—admittedly a serious problem—becomes the rationale for supporting repression in other nations, many Americans can only feel anxious about their own nation, remembering the hysteria of the McCarthy era when "national security" was invoked to justify the repression of dissidents in the United States.

E. The new administration asks us to turn from America's search for peace through negotiation in order to seek it through military predominance.

Since the end of World War II and the concurrent beginning of the nuclear age, this nation has attempted to seek and maintain peace through diplomatic rather than military means, through multilateral more than unilateral channels, through negotiation rather than coercion (the exception of Vietnam notwithstanding). It has relied on the concept of "mutual assured destruction" to provide an uneasy umbrella for this fragile enterprise in the world—the assurance that the consequences of nuclear exchange

are too devastatingly costly for any nation to risk it. Now all that is to be reversed. Nuclear superiority and the capacity to project overwhelming military power anywhere in the world are proposed as basic national policies. Resources that previously contributed, however inadequately, to efforts to improve life are now to be diverted to produce more weapons of death, increasing inflation and accelerating the international arms race. The United States and the Soviet Union both have more than enough strategic nuclear warheads to kill the earth's people several times over, yet further weapons escalation is proposed.

Reversing an increasing willingness to see the world in its real diversity and pluralism, the new administration is determined to turn away from the uneasy detente of the past decade and revive the distorted vision of the bi-polar Cold War world, in which all adverse occurrences, at home or abroad, are attributed to the machinations of a single force—Communism. Turning from the growing satisfaction of being one of a world-wide community of nations, this administration proposes to make America "Number One" in the world. Not number one in literacy, life expectancy, or assistance to less developed nations. Not number one in freedom from infant mortality, drug addiction, crime or suicide. But rather number one in military dominance, in the ability to impose our will on others or to kill multitudes in the attempt.

There are real dangers in the world, and the behavior of other nations sometimes threatens peace and justice—witness Afghanistan. Those dangers are not lessened by this nation's turning from the path of patient strength.

*II.*

There have been numerous criticisms of the particular elements in these and other changes of direction proposed by the new administration, pointing out the specific pain and peril each imposes. But the overriding moral and political issue for the nation is not so much in the specific proposals as the pattern that they pose, in the vision of America and its values that lies behind them. Congressman Michel is correct: "The issue is not one of figures but philosophy . . . who we are and where we're going." In the new Administration's philosophy, the nation confronts a cross-roads choice between alternative visions of the meaning and purpose of America.

The alternative vision of who we are as a nation held out by the new Administration has been embedded in a budget, distracting many from its true dimensions. Its sweeping changes are proposed to meet an economic emergency purportedly created by runaway government spending and unbearable tax burdens—in this wealthiest of nations that now collects a smaller portion of its wealth in taxes and spends a smaller percentage of it for public purposes than any European democracy! To remedy this alleged condition, however, the Reagan philosophy requires not a cut in government spending so much as a massive transfer of public money from people assistance to military procurement—the most massive such shift in peacetime history. It further proposes not so much a reduction in taxes as a use of the tax system to effect a substantial redistribution of wealth to those already wealthy. Together, these two changes quite simply mean the use of the nation's government to serve the interests of those who least need help at the expense of those who need it most.

All of this is offered in the name of an economic theory not so much untested as repudiated. It was once called the "trickle down" system. It is not a radically new and imaginative solution to America's social and economic problems, but, with the other elements of the administration's philosophy, a replay of an old and seductive vision of what America is all about, a vision that has been present from the beginning and still competes tenaciously for the nation's soul.

What are the elements of this vision? From the first, there were those who saw America as a rich treasure waiting to be exploited for the benefit of those daring enough and strong enough to take it. They came first for gold, for spices, for furs, for tobacco; then for land and iron and silver and copper and trees. In this vision of America, the fittest survive and prosper, and there is little room for public purpose since it interferes with private gain. Compassion is a weakness in the competitive struggle of each against all, and charity is the voluntary option of individuals. Government is at best a necessary evil which must be strong enough to protect privilege from assault but kept weak to impose public responsiblity on private prerogative. In this vision, America is seen principally as Empire—"Manifest Destiny," "54-40 or Fight," "Remember the Maine"—with a mission to extend its power and commerce throughout the continent, the hemisphere, the world.

But another vision of America has been present from the beginning also. This second alternative vision has deep roots in religious faith and biblical images of divine intent and human possibility. The precious possession of Pilgrims and padres, it was a vision of creating in the New World a new model of human community—the New Jerusalem—free from the oppression and misery that entrenched power and privilege perpetuated in the Old World they had fled.

In this America, it was envisioned, government would promote the common welfare and secure the blessings of liberty for all. The dignity and worth of each person would be respected and protected as a matter of policy as well as piety and each person's potential would be developed to the fullest. Justice and compassion would reign in alabaster cities that stretched from sea to shinning sea, and the bountiful resources of a favored land would be thankfully received and gladly shared with the whole human family, as the nurturing providence of the Creator meant them to be. This America would be known in the world for its compassion, its deep desire for peace and justice, its commitment to human rights and human decency. It would stand as a beacon and a model, a city set on a hill, its power stemming from the irresistible example of a just, caring and peaceful people sharing life and treasure generously with all the people of earth.

This vision of America has never been fully realized, but it has never been abandoned. It has been of immense significance to the rest of the world, where echoes and adaptations of it are seen in the revolutions and the constitutions of many nations. It has been a constant magnet in this nation's domestic life, drawing it away from slavery and sweatshops, chain-gangs, and lynch mobs toward broader opportunity, deeper compassion, fuller equality and greater justice for all.

*III.*

These alternative visions of America have vied for supremacy throughout the nation's history. Both have been given religious sanction in different ways and at different times by America's churches. Both are still deeply rooted in the heart of America and the hearts of Americans. Yet even in those past times when the first vision—America as private opportunity and empire—dominated American practice, the second vision—America as public responsibility and compassionate neighbor—maintained its foothold in the deepest recesses of the nation's soul. Glimmering in the founding documents and echoing in inaugural addresses and Fourth of July speeches down the years, it is acknowledged by nearly all Americans as the vision that best expresses who we truly long to be and where we truly wish to go.

Now the new Administration seeks emphatically and forthrightly to reverse the record of half a century and shape the nation decisively to the first vision once again. It claims a mandate from the people to do so; and indeed it would not have the opportunity to try if that vision were not still so strong in so many of us. Nevertheless, as the real intent and scope of the administration's philosophy become clearer and clearer, the American people will themselves decide whether they conferred a mandate for such a vision of the nation.

The Executive Committee of the NCCC, on February 20, 1981 stated its "fundamental disagreement with the proposal to increase our death-dealing capacity while cutting back on life supports for our citizens," noting that "The budget cuts proposed by the Administration demand intolerable sacrifice from the nation's needy and place a disproportionate burden on minority groups, the elderly, and families headed by women." The Governing Board of the NCCC reaffirms that fundamental disagreement with the new Administration's vision of "who we are and where we are going," and expresses deep concern about the probable consequences of its implementation. We do so not in the service of "special interests," as the President refers to those who question his approach, but in the sure conviction that the vision of America the nation is now asked to espouse is not in the common interest of Americans or the world.

When Christians have lived most fully according to the Gospel they have urged the nation toward care and compassion, not away from them. The Scriptures call us to a vision that supersedes all social visions, to a vision of a "good and broad land," a new earth and a new heaven. Jesus of Nazareth launched this new age, as Mary envisioned it in the Magnificat:

"He has shown strength with his arm, He has scattered the proud in the imagination of their hearts, He has put down the mighty from thrones, and exalted those of low degree; he has filled the hungry with good things, and the rich he has sent empty away."

—LUKE 1:51-53.

And as he proclaimed it in his own first public message, quoting Isaiah:

"The spirit of the Lord is upon me, because he has annointed me to preach good news to the poor.

"He has sent me to proclaim release to the captives and recovering of sight to the blind, to set at liberty those who are oppressed, to proclaim the acceptable year of the Lord."

—LUKE 4:18-19.

The Christian Church has not always served this vision-above-all-visions well, often more concerned for its own institutional success or survival than for the plight of the poor. In these days, when economic anxiety lures fundamental fears and selfish-

ness to the surface of human motivation and the nation is tempted to make them the basis of policy, we must never forget that "judgment begins with the household of God." The Governing Board calls upon the units of the National Council of Churches and its constituent communions to give serious study and continuing attention to the development of resources and programs that will assist churches and church members to understand and respond effectively to the issues of justice in the life of the nation and the world as they participate in the public debate over national purpose and goals.

Let us pray for the wisdom, courage, and strength to serve God and nation faithfully in the days that lie ahead.●

## THE 20TH ANNIVERSARY OF THE PEACE CORPS

### HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. PETRI. Mr. Speaker, as a former Peace Corps volunteer in Somalia during the 1960's, I join with many others in marking the 20th anniversary of the Peace Corps.

Much has been said and written about the Peace Corps, and I have seen firsthand that a well conceived and well run Peace Corps program can have a positive impact on the education and development of a country.

The strength of the Peace Corps is that it is people to people, rather than government to government or elite to elite.

Morever, Peace Corps programs have benefited our country. It gives Americans a greater understanding of how our society compares to other people in the world. The Peace Corps helps others understand our country and values. It helps to counter negative propaganda about the United States.

Operating on a relatively inexpensive budget, the Peace Corps has provided an important way of demonstrating American interest and support of the development of other nations.

On a small Federal investment, the return has been impressive.

I salute the Peace Corps as it celebrates today its 20th anniversary.●

## MILITARY MANPOWER

### HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. McCLOSKEY. Mr. Speaker, this past week, 34 individuals of varied backgrounds and viewpoints met at Mount Kisco, N.Y., under the auspices of the American Assembly of Columbia University and under the direction of Lt. Gen. Brent Scrowcroft, former National Security Adviser to President Ford. Participants included high-ranking people from the White House, Defense Department, leaders from the armed services, manpower experts, Congressman LES ASPIN, and myself.

The subject for discussion was military service in the United States and current policy options relating to the All-Volunteer Force, the draft, and a national youth service.

The findings of the group may be summarized as follows:

1. Current manning of U.S. Armed Forces is inadequate to meet our national needs.

2. The All-Volunteer Force has failed to meet necessary quality standards.

3. The Reserve and National Guard are wholly inadequate to current needs.

4. Universal military service is not an appropriate response; compulsory military service at this time is neither desirable nor necessary.

5. A high quality military force is essential; a new targeted educational incentive program would be most effective in promptly increasing the supply of high-quality recruits.

Excerpts from the conclusions reached at Mount Kisco follow:

FINAL REPORT OF THE 60TH AMERICAN ASSEMBLY

At the close of their discussions, the participants in the Sixtieth American Assembly on "Military Service in the United States," at Seven Springs Center, Mt. Kisco, New York, September 17-20, 1981, reviewed as a group the following statement. This statement represents general agreement; however, it should not be assumed that every participant subscribes to every recommendation.

Current manning of the military forces in the United States is inadequate to our national needs. The problems involved in manning the armed forces of the United States are complex, have developed over a substantial period of time, and cannot be ascribed solely to the all-volunteer force (AVF). Nonetheless, manpower in adequate numbers and quality is so central to our security needs that this issue demands our priority attention. We face a fundamental national decision to determine whether we will attempt to deal with this problem through purely voluntary measures, through a return to some form of compulsory service, or through some combination of measures involving elements both of inducement and compulsion.

FORCE REQUIREMENTS

The international environment of the decade of the 1980s is likely to be more turbulent and more unstable than was that of the decade just past. Potential demands on U.S. military forces, as a consequence, can be expected to increase. In the past, force structure and size have been based in theory on a political determination of the number, scale, and duration of the contingencies U.S. military forces should be prepared to meet simultaneously. The present military force structure, for example, was based upon the need to be able to fight simultaneously one major and one minor conflict. There are two important factors to consider when analyzing a force posture constructed on the basis of such a concept.

The first is that there is an element of arbitrariness about the determination of the number of simultaneous contingencies; that is, they often do not represent the full range of the actual "threat" against which the U.S. government may in the event perceive that military force should be employed. The other factor is that not for some time if ever have U.S. military forces been adequate to meet the requirement even of the "defined threat."

Therefore, rather than start with an analysis of the forces required to meet an actual threat or one specified for force planning purposes, it is more realistic to use as a point of departure the current force posture. This includes both active duty and reserve component forces. The current active force size is not adequate, nor was it so designed, for conflicts of more than brief duration or for major conflicts such as a war in Europe; for such contingencies a pretrained combat reserve force and a responsive system of mobilization are also essential.

Since the need for military forces in the coming years is anticipated to be greater than in the past, there should be no thought of reducing the force structure below its current level. On the other hand, while force increases would be desirable in the future, the first priority should be to correct the serious inadequacies in the current force.

The AVF, which in 1973 replaced the draft, has, in general, met the quantitative goals which have been set for the active force over the coming decade, however, it is clear that a decline in cohort size will occur. This will magnify the problems of the AVF, and, especially if it is accompanied by a decision to increase significantly the active force size, the ability of the AVF to meet force goals could be in considerable doubt.

Even more serious are questions such as quality of the force under the AVF and various apparent societal consequences. Indeed, in meeting the quantitative goals of the active AVF, there continues to be a shortage of recruits from the higher mental categories, particularly in the Army.

It was the unanimous view of the participants that the Army reserve and national guard forces are wholly inadequate to current need. In many anticipated deployment scenarios, the reserve components, especially in the Army, could not be expected to perform their assigned missions adequately.

Concern was expressed that, in the event of a conflict, overrepresentation of blacks in the Army would result in a black casualty rate sharply higher than the proportion of blacks in the general population. This could stimulate serious charges of inequity at a critical or sensitive time.

As a final point on this issue, it was agreed that social representativeness, except as it might contribute to the fighting effectiveness of the force, should not be an objective of high priority.

It was the unanimous view of the participants that military effectiveness should be the principal, if not exclusive, goal of military manpower policy. To the extent that manpower policies are designed to assist in the achievement of other societal goals they should not detract from military effectiveness.

The quality of the Army's active military force is not adequate, and the Army reserve forces require improvements in both quantity and quality.

PROPOSALS CONSIDERED

Systems of universal military service (UMS) were dismissed because they require a force structure substantially larger than current needs, and result in costs beyond reason.

Some participants believed that a return to compulsory service could satisfactorily cure the ills of the present AVF. A small minority thought that only such a move could deal adequately with the problem. One possible concept was to register all males, encourage volunteers, and draft by lottery to two years of service, either in the active or reserve forces. Educational benefits would be provided for the career force and volunteers; in addition, the career force would receive increased pay. Pay for recruits would be cut from current levels, and no educational benefits would be provided for draftees. A "skill bank" would be created from the registered cohort to facilitate mobilization in an emergency.

A substantial majority, however, was of the opinion that a return to compulsory service at this time was neither necessary nor desirable in order to correct the deficiencies in the AVF. With requirements for additonal manpower being very small relative to the size of the present cohort, this majority felt that the perceived inequities, even of the lottery draft, would make such a system politically infeasible. Of greater significance, improving the quality of the recruit force by more than a marginal amount would require substantial reductions in the volunteer component. In addition, the problems created by those compelled to serve would more than offset the military advantages.

Of this majority, there were several who believed that a return to compulsory service at some point in the future had a probability sufficiently high to make prudent a careful examination now of the circumstances likely to require such a move and the optimum characteristics of such a draft. Among the issues deserving of study are appropriate triggering events, political reactions associated with a return to the draft, adequacy of the current standby draft system and plans for its activation, characteristics of those to be drafted and exempted, terms and types of service, compensation, postservice obligations and benefits, and the relationship between volunteers and draftees.

Most believed that remedies other than compulsion existed that could sustain the AVF in some amended form for the present, at least in the absence of a significant increase in required force size. There was a variety of opinions as to how much of an inducement would be required, the kind of measures which would produce the most desirable results, and the extent to which any solution should focus on or differentiate between the active and reserve forces. There was, however, a general consensus that an improved educational benefit program should be enacted for both the active and reserve forces, directed toward obtaining high quality recruits for areas of demonstrated need, such as the combat arms. The program should include the right to use the benefit while in service and on reenlistment and could include the right to "cash in" the benefit or possibly to transfer it to dependents. Any such benefit would have to be substantially in excess of those presently available to college students. There was as well a discussion of terminating federally sponsored educational benefits for all but those volunteering for service in lieu of adding an increment above current benefits for those who volunteer for military service. Others felt that future budget cuts were likely to produce those same results and separate prior action in that direction was, therefore, unnecessary and undesirable. No conclusions on this latter issue were reached.

A number of options based on various combinations of voluntarism and compulsion were discussed. They generally addressed four separate components. The first component would provide substantially new educational grants for two-year volunteers in areas of special military need. Their pay would be lower than present enlistment standards, and they would assume a substantial reserve commitment. A second choice would offer lesser educational benefits for those volunteering for a six-month period of active duty training and an extensive reserve commitment. A third component, requiring substantial study, would be the provision of educational benefits along the lines now available through federally sponsored programs for those volunteering for approved national civilian service. An element of compulsion would be added to this conceptual scheme by automatic placement of nonvolunteers in a realistic standby draft pool.

CONCLUSIONS

The participants unanimously stressed the need to assure a high quality, professional career force. There must be continued emphasis upon sufficient compensation and amenities to attract and keep trained people.

A significant majority of the participants agreed that a new, targeted educational incentive program would be most effective in promptly increasing the supply of highly qualified recruits.

There was general agreement among the participants that while some reserve and national guard units are extremely good, some serious overall shortcomings in the reserve components demand special attention. Many believed that substantial restructuring was essential in order to provide the necessary pretrained forces. This may include selected relocation of reserve units. However, even if restructuring proves infeasible, there are actions that can and should be taken to improve the readiness and morale of the reserve components. Increased support must, in fact, be accorded to the reserve components by the active establishment. Increased funding for equipment and training must be provided, but so too must energy and imagination be expended to ensure that service in the reserve components is more relevant to the primary mission and more challenging. If necessary to ensure higher readiness, larger numbers of active duty cadre should be assigned to Army reserve component units, similar to the practice of the Marine Corps. Closer relationships should be established between reserve component forces and the active duty units they support or with which they affiliate.

It is the judgment of the majority of this group, however, that the proper course of action at this time is to dedicate ourselves to the determined application of remedies, such as those here examined, within the overall framework of a volunteer force.

PARTICIPANTS—THE 60TH AMERICAN ASSEMBLY, MT. KISCO, N.Y., SEPTEMBER 17-20, 1981

Les Aspin, Representative from Wisconsin, United States Congress, Washington, D.C.

Doug Bandow, Special Assistant to the President for Policy Development, The White House, Washington, D.C.

Jayne Gilbert Benz, Harriman Scholar, Middlebury College, Middlebury, Vt.

Sue E. Berrymann, Social Scientist, The Rand Corp., Santa Monica, Calif.

Antonia Handler Chayes, Csaplar & Bok, Boston, Mass.

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Janet C. Fleishhacker, Trustee, The American Assembly, San Francisco, Calif.

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Lt. Gen. Robert G. Gard, Jr., USA (ret.), (formerly President National Defense University), Paris, France.

Adm. James R. Hogg, USN, Director, Military Pesonnel Policy, United States Navy, Washington, D.C.

James R. Hosek, Associate Director, Manpower Mobilization & Readiness Program, The Rand Corp., Santa Monica, Calif.

Michael Howard, Regius Professor of Modern History, Oxford University, Oxford, United Kingdom.

Richard W. Hunter, Assistant Director, Compensation Program Development, U.S. Office of Personnel Management, Washington, D.C.

Lawrence Korb, Assistant Secretary of Defense for Manpower, Reserve Affairs & Logistics, U.S. Department of Defense, Washington, D.C.

James L. Lacy, Senator Research Fellow, Research Directorate, National Defense University, Washington, D.C.

William Laughlin, Founder, Saga Corp., Woodside, Calif.

Paul N. McCloskey, Jr., Representative from California, United States Congress, Washington, D.C.

Charles C. Moskos, Professor, Department of Sociology, Northwestern University, Evanston, Ill.

Roger A. Munson, Chairman, National Security Commission, The American Legion, Washington, D.C.

Gary R. Nelson, Associate Director for Compensation, U.S. Office of Personnel Management, Washington, D.C.

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Stanley R. Resor, Debevoise, Plimpton, Lyons & Gates, New York, N.Y.

Lt. Gen. Brent Scowcroft, USAF (ret.), Washington, D.C.

James L. Tanner, Harriman Scholar, Indiana University, Indianapolis, Ind.

Lt. Gen. Maxwell R. Thurman, USA, Deputy Chief of Staff for Personnel, United States Army, Washington, D.C.

George F. Travers, Manager, Human Resources Analysis & Development, Chase Manhattan Bank, New York, N.Y.

Gen. Volney F. Warner, USA (ret.), The Vertex Corp., Rockville, Md.

Gen. William C. Westmoreland, USA (ret.), Charleston, S.C.

John P. White, Chairman, Interactive Systems Corp., Santa Monica, Calif.

Eddie N. Williams, President, Joint Center for Political Studies, Inc., Washington, D.C.

R. James Woolsey, Shea & Gardner, Washington, D.C.

Adam Yarmolinsky, Kominers, Fort Schlefer & Boyer, Washington, D.C.●

## IN TRIBUTE TO THE LATE HONORABLE FRANK J. BECKER

### HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. ROSTENKOWSKI. Mr. Speaker, it is with a sense of great loss and sorrow that I now pay tribute to the late Honorable Frank J. Becker.

Having served 8 years in the New York State Legislature prior to coming to Washington, Frank was a man who dedicated his life to public service. He was a diligent, hardworking Representative for the people of New York. And in his years of service to this Chamber he was a consistent advocate of a strong national defense.

I would like to make special mention that Frank and I were neighbors on the seventh floor of the Longworth Building. There I had a chance to realize that Frank Becker was not only a helpful but also a genuinely kind individual.

Frank J. Becker, a dedicated public servant, a man of integrity, a dear friend, will long be missed by this Member of Congress.●

## ACCESSIBILITY FOR THE HANDICAPPED

### HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. BARNES. Mr. Speaker, today, September 22, 1981, the Architectural and Transportation Barriers Compliance Board will meet to consider elimination of the Board's minimum guidelines and requirements for accessible design which were created to insure that federally funded and constructed facilities are usable by physically handicapped citizens. These guidelines have fallen victim to the administration's regulatory review efforts, and are viewed as an example of unnecessary Government regulation and expenditure.

The following is a letter which I recently sent to the Board's General Counsel, expressing my strong concern regarding the lack of adequate public information or opportunity for discussion which preceded this action. It is both irresponsible and counterproductive to deny handicapped citizens the right to participate as working and contributing members of society. I hope that the Members will join me in protesting the elimination of these minimum accessibility guidelines.

The letter follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
*Washington, D.C., September 17, 1981.*

Mr. CHARLES D. GOLDMAN,
*General Counsel, Architectural and Transportation Barriers Compliance Board, Washington, D.C.*

DEAR MR. GOLDMAN: I wish to register my strong opposition to the proposal by the Architectural and Transportation Barriers Compliance Board to rescind its Minimum Guidelines and Requirements. The Compliance Board should not act precipitously in the name of undisclosed cost factors, particularly in this the International Year of Disabled Persons.

The Board in its Notice of Proposed Rulemaking has set forth a single question, a referendum on the continuation of its rule. The Board is proposing to eliminate, after a 45-day comment period, a rule which took a year to develop. Such a comment period is simply not adequate public notice, particularly where the Board has noted, but not disclosed major concerns over the cost of its regulations.

I am very disturbed that the Board did not disclose the cost information which has prompted its action. Such information is essential for the public to have a basis on which to comment. I also find distressing the complete lack of mention of the benefit of eliminating or preventing architectural barriers. An accessible environment makes disabled persons taxpayers, not tax users, and benefits all of society, including the very young and the elderly.

It is my view that the Compliance Board should refrain from taking any action until it conducts public hearings on the cost of its regulation. As a former public service commissioner and as Representative to the U.S. Congress from Montgomery County, Maryland where active citizen participation is common practice, I know well the benefits of public hearings. Only by having such hearings and carefully weighing their results can the Board issue a realistic regulation.

The ATBCB meeting on September 22 should be an occasion to undertake plans for opening fully the rulemaking process. It must not rescind its rule.

Sincerely,

MICHAEL D. BARNES.●

## LOS ANGELES: STARTING A THIRD CENTURY

### HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. PANETTA. Mr. Speaker, I would like to join my colleagues in paying tribute to the city of Los Angeles as it celebrates its 200th anniversary. Over the past 200 years, the city of Los Angeles has grown to become the third largest city in the United States. This great city attracts millions of tourists and visitors each year who seek to experience the magnificent features this area has to offer. From Hollywood to Watts, from Westwood to El Monte, the city of Angels has become a melting pot rich in cultural diversity. Recognized around the world as a major international entertainment center, Los Angeles and its founding fathers should be proud of its development since its inception as a tiny Spanish pueblo. The ingenuity of the people of Los Angeles is well known, and has made Los Angeles and the United States a leader in the fields of communications, entertainment, electronics, and energy. The city of Los Angeles has contributed much to the development of our Nation, and I am pleased to share in this celebration as Los Angeles enters its third century.●

## RETIREMENT OF MIKE MICHAELSON

### HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. BOLLING. Mr. Speaker, we will all miss Mike Michaelson who is retiring on October 1 as superintendent of the House Radio and TV Gallery. Mike is a kind and helpful human being, a thoughtful and conscientious public servant and a skillful and pleasant manager of a difficult and pressure-filled assignment. I want to add my best wishes to those of many others to Mike in his new job as executive vice president of the Cable Satellite Public Affairs Network (C-SPAN).●

## DISTRICT OF COLUMBIA FIRE DEPARTMENT'S RACIAL HIRING POLICIES

### HON. ROBERT S. WALKER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. WALKER. Mr. Speaker, I would like to enclose in the RECORD the following editorial by William Raspberry, who accurately describes the District of Columbia Fire Department's racial hiring policies: "Fundamentally unfair and destructive of popular support for affirmative action." The article illustrates what happens when the concept of merit is abandoned, standards are ignored and the rules of the game changed, and race is substituted as the decisive factor in the apportionment of jobs. Although even the District of Columbia's black administrators and Human Rights Department have not suggested that discrimination has occurred in the Fire Department, District of Columbia officials press ahead with their plan to guarantee a racial proportionality in the work force which satisfies their own specifications. The American people are sophisticated enough to know the difference between fairness to minorities in hiring practices and brazen discrimination against nonminorities. I believe

the Fire Department's policies will be identified as the latter, and will lead to the unfortunate consequences of increased racial prejudice, defeatism among workers, and a loss of respect for legitimate affirmative action programs.

RACE, MERIT AND JOBS

(By William Raspberry)

Back in 1972, a federal judge ordered the Alabama Department of Public Safety to hire one black highway patrolman for every new white trooper until the overall force was 25 percent black.

I thought the order made sense.

In 1981, the D.C. Office of Human Rights ordered the District fire department to fill 60 of its 70 vacancies with minority applicants and, after that, to give preference to minorities until the racial makeup of the department approximates the racial makeup of the city.

I don't know whether that one makes sense or not, and neither, so far as I can tell, does human rights director Anita Shelton, who issued the order.

In the Alabama case, the problem was clear-cut racial discrimination. There were some 600 state troopers, and all of them were white. A federal judge found evidence of overt discrimination and was upheld on appeal.

There has been no similar finding of discrimination against minorities by the local fire department. The principal evidence—so far as I can tell, the only evidence—of bias is the fact that in a city whose population is some 70 percent black, 63 percent of the fire-fighters are white.

And on the basis of that evidence, Shelton ordered the department to fill 60 of its 70 vacancies with minority applicants, even though most of those who made the top scores on the entrance exam were white.

She has now been ordered by the city administrator's office to hold public hearings to determine whether the skewed racial makeup of the department is the result of racial discrimination. It's something that might have occurred to Shelton without prodding from Veronica Pace, the aide who issued the order.

While there are superficial similarities between the 1972 situation in Alabama and the 1981 situation in the District, there are also important differences. All the relevant officials involved in the Alabama case were white. White people ran the state and were quite obviously determined to run it for the benefit of white people.

In the District, the key officials—the mayor, the city administrator, the fire chief—are black. It takes a good deal of imagining to suppose that these officials are guilty of discriminating in favor of white firefighter applicants.

Indeed, Shelton has not made such a charge. Her contention is that the discriminatory instrument is the entrance exam, on which white applicants tend to score higher than blacks. But for this fact to translate into discrimination, there ought to be some showing—in public hearings or otherwise—that the test is biased in favor of whites in ways that have nothing to do with competency in firefighting or in training for the job.

It would have made more sense if Shelton had ordered the establishment of a cutoff score for success on the entrance exam, with selections to be made randomly from those who passed the exam, as Mayor Barry did in the case of the police department.

The unspoken issue is whether jobs and other privileges are to be awarded on the basis of merit, however, determined, or on the basis of racial proportion. A case can be made either way.

You can establish criteria and make appointments based on how well applicants meet those criteria, without regard to race or other considerations. Or you can make the appointments reflect the racial makeup of the city, without regard to test scores or other measures of merit. You can even combine the two, ordering in effect, the establishment of two lists, one white, one black, with 30 percent of the appointments to be made from the top of the white list, 70 percent from the highest-scoring blacks. The same choices hold for promotions to supervisory ranks. One of the two assistant chief positions could be reserved for blacks; two of the five deputy chiefs would be white. The chief would automatically be black, since more than half the population is black.

My suspicion is that those who support Anita Shelton's order would want no part of such a two-track personnel system. If the five best-qualified applicants for the deputy jobs were black, they would insist that the five blacks be appointed.

In other words: merit, where merit works to the advantage of blacks; proportional appointment where merit favors whites.

Isn't it about time we opted for simple fairness? It's legitimate to debate the qualities (intelligence, reliability, physical condition and so on) we want in fire-fighters; it's legitimate to argue about how best to measure these qualities.

What strikes me as illegitimate, fundamentally unfair and destructive of popular support for affirmative action is to insist on bending the rules and requirements until they produce some arbitrary racial proportion.●

## SEPTEMBER 21, BELIZE'S INDEPENDENCE DAY

### HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. BARNES. Mr. Speaker, yesterday, September 21, Belize celebrated its independence from Great Britain. It is a pleasure to welcome this new nation to the family of American states. I hope that our Government will actively express our support of the newly gained sovereignty of Belize. But more than that, I trust that our country will help this new nation with the serious problems it faces: constraints on economic development, the creation and preservation of a democratic society, and the safekeeping of its national autonomy.

Unfortunately, there are dark clouds threatening this nation. I am referring to the Guatemalan Government's refusal to recognize the independence of Belize. For many years the Guatemalans have been claiming jurisdiction over this territory, which was previously known as British Honduras. In addition to the Government's declarations, the ultrarightist Movement of National Liberation, headed by Mario Sandoval Alarcon, declared the month of September to be "black September," symbolizing the loss of the Guatemalan "Province of Belize." A committee, "Belize Now," has also been created to oppose the independence of Belize. An indication of the degree of the perceived threat is the fact that Great Britain is leaving 1,600 troops in Belize at the request of Premier George Price.

Although there is ample disagreement among Members of Congress on what U.S. policy toward Guatemala should be, I am certain that all of us here in Congress strongly believe in the inalienable sovereignty of nations. I trust that the administration will be able to convey this message loudly enough to our friends in Central America. In times when the whole region is confronting economic dislocations, political turmoil, and military conflicts, we should be glad to see a nation gaining its independence, fulfilling its ambitions, achieving its rights to participate fully in the international community of nations, and assuming the responsibilities of a self-governing state.●

## IN SUPPORT OF THE PRESIDENT'S VETO

### HON. ALBERT LEE SMITH, JR.

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. SMITH of Alabama. Mr. Speaker, yesterday, Representative SCHULZE and I presented a letter signed by 154 Republican Representatives to President Reagan, pledging to support any veto the President may choose to exercise to carry out his economic recovery program.

The text of the letter was as follows:

We are very concerned about the economic direction of our Nation. We feel your plan for economic recovery heads us in the right direction and is a necessary departure from business as usual.

Accordingly, we urge you to stand firm by your public resolve and to veto any economic package which damages your program in the aggregate. Further, to assure you of our commitment, we hereby pledge to support any veto you may exercise to achieve your budgetary aggregate.

The delivery of this letter was timed to coincide with the current deliberations on appropriation bills. These funding measures will be the real test of congressional resolve. It is essential Congress stand firm on the budget cut decisions reached with bipartisan support earlier this year in the first budget resolution.

The letter we presented to President Reagan affirms that he can veto with confidence any fiscal year 1982 appropriation which exceeds the maximum

spending targets already set. The letter is not intended to pledge the signers with regard to future budget decisions, but it certainly does demonstrate we are united in our desire to bring Government spending under control and to hold firm with regard to the present appropriation legislation.

At this point I am submitting the names of those Republican Members who joined with me and signed this letter to President Reagan:

MEMBERS OF CONGRESS SIGNING LETTER TO SUSTAIN VETO

Bill Archer (R-Tex.), John M. Ashbrook (R-Ohio), Robert E. Badham (R-Calif.), L.A. "Skip" Bafalis (R-Fla.), Wendell Bailey (R-Mo.), Robin L. Beard (R-Tenn.), Cleve Benedict (R-W. Va.), Douglas K. Bereuter (R-Nebr.), Ed Bethune (R-Ark.), Tom Bliley (R-Va.), William S. Broomfield (R-Mich.), Hank Brown (R-Colo.), James T. Broyhill (R-N.C.), Clair W. Burgener (R-Calif.), M. Caldwell Butler (R-Va.).

Carroll A. Campbell, Jr. (R-S.C.), Greg Carman (R-N.Y.), William Carney (R-N.Y.), Gene Chappie (R-Calif.), Richard Bruce Cheney (R-Wyo.), Don H. Clausen (R-Calif.), William F. Clinger, Jr. (R-Pa.), Daniel R. Coats (R-Ind.), E. Thomas Coleman (R-Mo.), James M. Collins (R-Tex.), Barber B. Conable, Jr. (R-N.Y.), Tom Corcoran (R-Ill.), Lawrence Coughlin (R-Pa.), James A. Courter (R-N.J.), James K. Coyne (R-Pa.).

Larry Craig (R-Idaho), Daniel B. Crane (R-Ill.), Philip M. Crane (R-Ill.), Robert W. Daniel, Jr. (R-Va.), William E. Dannemeyer (R-Calif.), Hal Daub (R-Nebr.), Robert W. Davis (R-Mich.), H. Joel Deckard (R-Ind.), Larry DeNardis (R-Conn.), Edward J. Derwinski (R-Ill.), William L. Dickinson (R-Ala.), Robert K. Dornan (R-Calif.), David Dreier (R-Calif.), Jack Edwards (R-Ala.). Bill Emerson (R-Mo.).

David F. Emery (R-Maine), Arlen Erdahl (R-Minn.), John N. Erlenborn (R-Ill.), Cooper Evans (R-Iowa), Thomas B. Evans, Jr. (R-Del.), Bobbi Fiedler (R-Calif.), Jack Fields (R-Tex.), Hamilton Fish, Jr. (R-N.Y.), Edwin B. Forsythe (R-N.J.), Newt Gingrich (R-Ga.), Barry M. Goldwater, Jr. (R-Calif.), William F. Goodling (R-Pa.), Judd Gregg (R-N.H.), Wayne Grisham (R-Calif.), Steve Gunderson (R-Wis.).

Tennyson Guyer (R-Ohio.), Tom Hagedorn (R-Minn.), John Paul Hammerschmidt (R-Ark.), George Hansen (R-Idaho), James V. Hansen (R-Utah), Thomas F. Hartnett (R-S.C.), Bill Hendon (R-N.C.), John Hiler (R-Ind.), Elwood Hillis (R-Ind.), Marjorie S. Holt (R-Md.), Larry J. Hopkins (R-Ky.), Duncan Hunter (R-Calif.), Henry J. Hyde (R-Ill.), Jim Jeffries (R-Kans.), Eugene Johnston (R-N.C.).

Jack F. Kemp (R-N.Y.), Thomas N. Kindness (R-Ohio), Ken Kramer (R-Colo.), Robert J. Lagomarsino (R-Calif.), Delbert L. Latta (R-Ohio), Jim Leach (R-Iowa), John LeBoutillier (R-N.Y.), Gary A. Lee (R-N.Y.), Norman F. Lent (R-N.Y.), Jerry Lewis (R-Calif.), Bob Livingston (R-La.), Thomas G. Loeffler (R-Tex.), Trent Lott (R-Miss.), Bill Lowery (R-Calif.),

Manuel Lujan, Jr. (R-N. Mex.), Dan Lungren (R-Calif.), Edward R. Madigan (R-Ill.), Dan Marriott (R-Utah), David O'B. Martin (R-N.Y.), James G. Martin (R-N.C.), Lynn Martin (R-Ill.), Paul N. McCloskey, Jr. (R-Calif.), Bill McCollum (R-Fla.), Bob McEwen (R-Ohio), Stewart B. McKinney (R-Conn.), Robert H. Michel (R-Ill.), Clarence E. Miller (R-Ohio), Guy V. Molinari (R-N.Y.), W. Henson Moore (R-La.), Carlos J. Moorhead (R-Calif.).

Sid Morrison (R-Wash.), Stan Parris (R-Va.), Charles Pashayan, Jr. (R-Calif.), Ron Paul (R-Texas), Thomas E. Petri (R-Wis.), John Edward Porter (R-Ill.), Joel Pritchard (R-Wash.), James "Jimmy" H. Quillen (R-Tenn.), John J. Rhodes (R-Ariz.), Don Ritter (R-Pa.), Clint Roberts (R-S. Dak.), Pat Roberts (R-Kans.), J. Kenneth Robinson (R-Va.), Harold Rogers (R-Ky.), Toby Roth (R-Wis.).

John H. Rousselot (R-Calif.), Eldon Rudd (R-Ariz.), Harold S. Sawyer (R-Mich.), Richard T. Schulze (R-Pa.), F. James Sensenbrenner, Jr. (R-Wis.), E. Clay Shaw, Jr. (R-Fla.), Norman D. Shumway (R-Calif.), Joe Skeen (R-N. Mex.), Albert Lee Smith (R-Ala.), Chris Smith (R-N.J.), Denny Smith (R-Oreg.), Virginia Smith (R-Nebr.), Gene Snyder (R-Ky.), Gerald B. H. Solomon (R-N.Y.), Floyd Spence (R-S.C.).

J. William Stanton (R-Ohio), David Mick Staton (R-W. Va.), Mark D. Siljander (R-Mich.), Gene Taylor (R-Mo.), William M. Thomas (R-Calif.), Paul S. Trible, Jr. (R-Va.), Guy Vander Jagt (R-Mich.), Robert S. Walker (R-Pa.), Ed Weber (R-Ohio), Vin Weber (R-Minn.), G. William Whitehurst (R-Va.), Robert "Bob" Whittaker (R-Kans.), Lyle Williams (R-Ohio), Larry Winn, Jr. (R-Kans.), George Wortley (R-N.Y.), Chalmers P. Wylie (R-Ohio), C. W. "Bill" Young (R-Fla.), Don Young (R-Alaska), Michael G. Oxley (R-Ohio).●

## TRIBUTE TO MIKE MICHAELSON

### HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. BROOMFIELD. Mr. Speaker, I rise to pay tribute to Mike Michaelson, superintendent of the Radio and Television Gallery and one of the most valued employees of the House, who will retire on October 1.

For 30 years, Mike has devoted himself to the problems and needs of the Members of this body in a friendly and accommodating manner. He deserves our thanks for the special effort and extra consideration he has never failed to display.

His career paralleled the expansion of television news, and he has grown with the industry.

When he came to work in the Radio and Television Gallery in 1951, its membership was small, and television was just beginning to come of age.

By the time Mike became superintendent in 1974, television news had become a major force in American journalism. Today, his gallery is one of the largest, with 1,300 members.

Always friendly and willing to please, he earned the respect of five Speakers of the House for whom he worked, countless Members of this body, and of the media.

Fortunately, he will not really be leaving the House when he retires. He is just moving across the street.

As executive vice president of the Cable Satellite Public Affairs Network (C-SPAN), he will be involved in the day-to-day televised coverage of House proceedings.

He will enter the cable television industry at a time when it is expanding its horizons in much the same way as television news was 30 years ago.

No one knows the House better than Mike, and few are better equipped to pioneer cable television's expanded coverage of its sessions.

All of us who have worked with him for so many years will miss his warm personality and professional manner in the gallery.

I know his many friends in the House and in the media join in wishing him well in his new career.●

## GREEN BERETS STEP UP HONDURAS ROLE

### HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. EDGAR. Mr. Speaker, I would like to call to the attention of the House the following New York Times article which reveals American military activity in Honduras. I visited the refugee camps in La Virtud, Honduras last January; however, there was no American military activity there at that time. As is explained in the article, La Virtud is in the border area of Honduras and El Salvador. With the help of American advisers, Honduran troops are now patrolling this area because of suspected guerrilla activity in this area. It has also been reported that Salvadoran troops have crossed the border and engaged in operations in the La Virtud area.

Mr. Speaker, I saw no evidence of guerrilla activity when I visited La Virtud. I did listen to the stories of Salvadoran refugees who had been driven from their homes by the Salvadoran authorities. Charles Bazoche, the representative of the U.N. High Commission on Refugees who guided my voyage into the Honduran border country, says there is no proof that any international relief for the refugees is going to the guerrillas.

In light of the tremendous concern and controversy surrounding U.S. involvement in the current Salvadoran conflict, I am greatly disturbed about reports of American military activity in Honduras. I think that the administration has a responsibility to explain the purpose and scope of this activity. Very little has been made known to Congress and the public about what American Green Berets are doing patrolling the Honduras-El Salvador border.

The article follows:

[From the New York Times, Aug. 9, 1981]

GREEN BERETS STEP UP HONDURAS ROLE

(By Raymond Bonner)

LA VIRTUD, HONDURAS.—This village's isolated mountain valley, as oppressively muggy by day as it is bleak by night, is nonetheless attracting its share of visitors. They include peasant refugees fleeing from neighboring El Salvador, Salvadoran Government troops and American military advisers.

"This dump is the center of the world now," a United States Army officer said when he was here for three days at the end of July. The officer, Capt. Michael Sheehan, is a member of the Army's elite Special Forces, known popularly as the Green Berets.

Captain Sheehan was accompanied by two senior enlisted men with extensive experience in Vietnam. All three wore camouflage jungle uniforms and carried M-16 automatic rifles.

They said they were from a Special Forces battalion based in Panama and that they and five other American soldiers from the same unit had been assigned to help the Honduran Army patrol the border. Their primary objective, they said, was to control the Salvadoran refugees streaming in to escape the upheaval in their country.

AID MAY BE REACHING GUERRILLAS

But there is a special dimension to this duty: The American advisers in La Virtud say that many of the refugees are from the families of leftist guerrillas and guerrilla sympathizers and that at night some of them sneak out of the Honduran refugee camps carrying food and other supplies through the rugged mountain gorges to the rebels in El Salvador.

While the United States has long supplied Honduras with a limited number of military advisers, their presence along the Salvadoran border is believed to represent the first time they have been engaged in a mission connected with the conflict in El Salvador.

Captain Sheehan said that the National Security Council had approved the use of Special Forces units in Honduras in support of the military effort against Salvadoran guerrillas. A Special Forces unit would soon be based in La Virtud, he said.

The Reagan Administration has requested an increase in United States military aid from $5.4 million this year to $10.7 million next year. In April, four military advisers were on temporary assignment in the country.

SALVADORANS LAND IN AREA

Early in July, an American-trained battalion of the Salvadoran Army landed in this area then crossed back into El Salvador in an operation to squeeze the guerrillas out of the mountains on the Salvadoran side of the border.

The day after the landing, the Mayo of Vallodolid, a small village up the deeply rutted mountain road from here told local reporters that she had seen American soldiers in the area a few days before the landing.

According to an official in the San José office of the United Nations High Commissioner for Refugees, 70,000 Salvadoran refugees have entered Honduras out of about 305,000 who have fled El Salvador in the last year.

REFUGEES LIVE UNDER TARPS

On the bank of a river, in an area slightly larger than a football field, more than 60 incandescent green and orange tarpaulin sheets, normally used to cover truck cargos, provide shelter for several hundred Salvadoran families. The soil here is cement-like, but astonishingly a few cornstalks, surrounded by crude stick fences, stretch more than 10 feet high.

Several international relief groups, including Caritas Honduras, part of the Roman Catholic relief organization, have set up tin-roofed schools and a medical clinic. All of the work is being coordinated by the Evangelical Committee for Development and National Emergencies, which is known as Ceden, its initials in Spanish. It is affiliated with the World Council of Churches.

The effort has not been without controversy. The United States Embassy in Honduras has been embroiled in a dispute growing out of charges that international aid intended for the refugees has been reaching Salvadoran leftist guerrillas.

REPORTS DIFFER ON GUERRILLA AID

In June, the country's major newspapers reported that Ambassador Jack Binns had said that 50 percent of the international aid intended for the refugees was going to the guerrillas.

In letters to the directors of Ceden and Caritas, Ambassador Binns said he had not been the source of the reports. But he said that there was "circumstantial evidence" that "small quantities" of the aid was reaching the guerrillas.

"There is no proof that any of the international aid for the refugees is going to the guerrillas," Charles-Henry Bazoche, director of the Honduras office of the United Nations High Commission on Refugees, said in a recent interview. "We have established tight controls."

Militarily, it would be easy to control the refugees, the American advisers here said, but there would be an international outcry about human rights if more military control were exercised. Mr. Bazoche has protested to the Honduran Government that the Honduran Army is treating the refugees brutally.

THREE RUFUGEES REPORTED KILLED

Mr. Bazoche said that in March three refugees were killed after being taken from a camp by the Honduran Army and turned over to Salvadoran soldiers. He said that army incursions into the camps have "somewhat lessened, but it remains a serious concern of ours."

A major problem now, he said, is that refugees are being turned back at the border by the Honduran Army. Refugees reaching Honduras say that hundreds of others are unable to leave El Salvador becausc the Salvadoran Air Force bombs the fleeing columns of peasants.

In La Virtud, naked children, older boys playing soccer and grunting black pigs share the weed-infested, garbage-littered central area surrounded on four equal sides by crumbling adobe buildings. Widespread hepatitis and malaria have disabled even the foreign doctors working here.

A DINNER SHARED WITH AMERICANS

One evening, in a ramshackle adobe building where torrential rains easily penetrate the gaps in the red tile roof, four American and Honduran soldiers shared a kerosene lamp-lighted dinner with the French, West German and Honduran doctors that are part of the relief effort in La Virtud.

When the discussion turned to the refugees, Captain Sheehan, a 1977 graduate of the United States Military Academy at West Point said, "They have no human rights." He said they have a "right to food and a roof." And medicine, he added, realizing he was among medical people.

Captain Sheehan told the international doctors that a Special Forces medical team and other military personnel were being sent to La Virtud. International volunteers were solemn and angry, and they verbally sniped at Captain Sheehan, who again came to dinner, this night uninvited.

La Virtud has survived the poverty of underdevelopment for generations, they said. A medical team from the Special Forces is coming more for military than humanitarian reasons, they said.●

## RESOLUTION TO OPPOSE REDUCTION IN SOCIAL SECURITY COST-OF-LIVING ADJUSTMENTS

### HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. WEISS. Mr. Speaker, the resolution I introduce today expresses congressional opposition to proposals to reduce cost-of-living adjustments for social security beneficiaries.

The social security cost-of-living adjustment mechanism became effective in 1975. It protects the purchasing power of older Americans, disabled persons, survivors and their families.

This measure was the result of bipartisan action from Democrats and Republicans alike. The cost-of-living adjustment mechanism still enjoys solid bipartisan support because it has helped to remove politics in determining the amount and timing of social security increases.

However, President Reagan has recommended that the 1982 social security automatic adjustment will be delayed by 3 months.

The administration's proposal strikes at the very heart of cost-of-living protection principle. At a time when the elderly need all the help they can muster to cope with inflation, the President would arbitrarily push back the social security increase due to them by law.

Social security beneficiaries now receive cost-of-living increases each July, provided the inflation rate is at least 3 percent. The adjustment is computed by determining the rise in prices from the first quarter in the previous year—January, February, and March—to the first quarter in the current year. For example, the 11.2-percent increase this past July was based upon the inflation rate from the first quarter in 1980 to the first quarter in 1981.

The cost-of-living adjustment mechanism provides valuable protection for older Americans and other social security beneficiaries, but it still only enables them to play a catch-up game with inflation. The span of time from the first month for measuring the inflation rate for the adjustment and

the actual receipt of the check is 18 months.

President Reagan wants to make elderly and other social security beneficiaries wait an additional 3 months. This multibillion dollar cut strikes at those Americans who are least able to defend themselves in the current economic crisis. Older Americans have been paying higher prices for food, fuel, electricity, and other necessities. and now, they will be asked to shoulder perhaps the greatest burden of any group in our Nation.

It is high time that the administration stop trying to balance the budget on the backs of the sick, the disabled, and the elderly.

Nearly 600,000 persons 65 or older were added to the poverty rolls during the past 2 years, from 3.3 million in 1978 to 3.9 million in 1980. This represents the sharpest increase since poverty statistics were first tabulated more than two decades ago.

Poverty is a bare bones existence: Less than $3,941 a year for a single aged person and $4,954 for an older couple.

If the Reagan proposal to postpone the cost-of-living adjustment and other administration cutbacks is adopted, many more older Americans will be added to the poverty rolls.

Congress has already enacted substantial social security reductions—cuts which I strongly opposed—in the Omnibus Budget Reconciliation Act.

Social security's financial integrity can be maintained for the immediate future through the use of interfund borrowing among the social security trust funds under Congressional Budget Office assumptions.

My proposal would also protect others whose benefit increases are pegged to the social security cost-of-living adjustments. These individuals would include supplemental security income recipients, railroad retirement annuitants, and veterans receiving non-service-connected disability pensions.

My resolution would make it clear that Congress will not be a partner in reducing the purchasing power of people who are hardest hit by inflation.

For these reasons, I urge prompt and favorable action on my resolution.

This proposal for the cost-of-living adjustment delay is not needed. It is unfair. And, it deserves to be soundly rejected.

H. CON. RES. 189

Concurrent resolution expressing the sense of the Congress that the schedule of cost-of-living increases in benefits under title II of the Social Security Act should be maintained as currently in effect

Whereas the social security system is the major source of financial protection for most of our Nation's elderly and disabled;

Whereas many of the 36,000,000 social security benefit recipients depend on benefits under the social security system to shield them from the devastating impact of inflation;

Whereas the proposal of the President to delay cost-of-living increases in social security benefits would erode this vital protection and jeopardize the economic security of countless older or disabled Americans; and

Whereas the Congress intends to keep its long-standing promise to the American people who have labored to build the social security system: Now, therefore, be it

*Resolved by the House of Representatives (the Senate concurring)*, That it is the sense of the Congress that the schedule of cost-of-living benefit increases under title II of the Social Security Act as in effect on the date of the adoption of this resolution should be maintained.●

## CONGRESSIONAL SALUTE TO THE HONORABLE RAYMOND V. ARNOLD, GRAND EXALTED RULER OF THE BENEVOLENT AND PROTECTIVE ORDER OF ELKS, UPON THE COMMEMORATIVE TRIBUTE OF WAYNE LODGE 2181

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. ROE. Mr. Speaker, I am pleased to call your attention to a special testimonial and commemorative program that is taking place in my hometown of Wayne in tribute to the grand exalted ruler of the Benevolent and Protective Order of Elks (B.P.O.E.), the Honorable Raymond V. Arnold of Michigan, under the sponsorship and leadership of Wayne Lodge 2181 of B.P.O.E. and its esteemed officers:

The Honorable Alfred Greig, exalted ruler; Ronald Del Balso, leading knight; Thomas Wolke, loyal knight; Raymond Favocci, lecturing knight; Harry Avogardo, secretary; Bernard Brozowski, treasurer; Herb Deeths, tiler; Norman Gilman, esq.; James Randazzo, chaplain; Harold Morganfruh, inner guard; William Tylka, organist; Anthony Fiorello, justice of the subordinate forum; Leon Noorigan, trustee; Joseph Buckley, trustee; John Stefanacci, trustee; Charles Werkley, trustee; John Riccardi, trustee; Louis V. Messercola, past exalted ruler and banquet chairman; together with two outstanding dignitaries of the Elks: The Honorable Edward Van Vooren, State president of the New Jersey Elks Association; and William Jay Jernick, past grand exalted ruler.

Mr. Speaker, on Tuesday, September 29, the residents of Wayne, our Eighth Congressional District, and State of New Jersey will join with these exemplary leaders of the Wayne, State, and national Elks in testimony to the lifetime of good works of a distinguished citizen, outstanding community leader, and good friend, the Honorable Raymond V. Arnold, whose standards of excellence in the principles of charity, justice, brotherly love, fidelity, and American patriotism under the auspices of the B.P.O.E. have earned him the highest office and most respected national title of grand exalted ruler—the chief officer—of the Elks. I know that you and our colleagues here in the Congress will want to join with me in extending our warmest greetings and felicitations to Raymond Arnold and share the pride of his good wife, Eleanor, and their family in this milestone of achievements in their family endeavors.

Mr. Speaker, we are all aware of the charitable and benevolent activities of the Elks which span the needs and concerns of all of our people—young and adults alike—and especially their generous contributions to God's special children who are physically handicapped. The Elks have provided assistance to needy and unfortunate individuals. It has helped victims of the Chicago fire, given to flood relief, contributed to the work of the Red Cross, aided Scout work, supported hospitalized veterans, and provided scholarships for the education of our young people—to name but a few of their vast endeavors of benevolence. They are particularly identified with their devotion to Americanism and have brought an added quality of life and way of life to the people of our Nation.

It is fitting and appropriate that we take this opportunity to commend and express our heartiest congratulations to the grand exalted ruler of elkdom, the Honorable Raymond V. Arnold, who has recently been elected the chief officer to serve the membership of this most prestigious fraternal organization nationwide during the current fiscal year 1981–82.

Mr. Speaker, insert at this point in our historic Journal of Congress a profile of Ray Arnold as prepared by the Jackson, Mich., Lodge No. 113 upon presenting his as their candidate for the office of grand exalted ruler with confidence that his experience, quality of leadership, and devotion to the B.P.O.E. would eminently qualify him as an outstanding candidate for this most esteemed and highest office of the B.P.O.E. His résumé reads, as follows:

Raymone V. Arnold is a member of Jackson, Michigan Lodge No. 113, located in the gently rolling farmland hills of South Central Michigan with an economic base closely tied to the auto industry of Detroit.

Brother Arnold was born in Erie, Michigan, on September 27, 1925, to parents who had immigrated to the United States from Europe. He attended the Trinity Lutheran Grade School in Monroe, Michigan, and moved to Toledo, Ohio, then to Addison, Michigan, where he attended high school, taking some extra courses in his senior year in order to graduate mid-year to enlist in the United States Army Air Force which he did in March of 1944 becoming a pilot cadet in the Air Force program. With the ending of the war he moved to Jackson, building

tires at the Goodyear Tire & Rubber Company, and at the same time being a full time student at Jackson Junior College. He was able to enter the combined curriculum program at the University of Michigan Law School and graduated in 1952 after six years rather than the normal seven years, with a degree of Juris Doctor.

He was associated in the practice of law with C. E. Bigg, and also in the operation of Central Adjusting Bureau specializing in tort law and basically doing defense work for insurance companies. Upon Mr. Bigg's retirement in 1960, he was a sole practitioner until 1965 when he became associated with Felix F. Best, forming a partnership in 1966 and then a professional corporation now operating under the name of Best, Arnold, Gleeson & Best, P.C., and still specializing in negligence defense work, and in which he is now one of six full time attorneys.

Over the years he has held memberships in the American Bar Association, Michigan Bar Association and Jackson County Bar Association, and is admitted to practice in the State of Michigan and before the Federal Court. He is also an arbitrator for the American Arbitration Association.

Brother Arnold has been deeply interested in sports and is a member of several sports organizations including archery, horseshoes, golf and bowling. In bowling he has been associated with the American Bowling Congress since 1965, first as a director, then Vice President since 1972, and in 1980 as President of this sports organization of 5,000,000 members. He was inducted into the Jackson Bowling Association Hall of Fame in June of 1980.

Initiated in the Jackson Elks Lodge No. 113 on June 7, 1954, he immediately became active and several weeks later was appointed Chaplain, and in 1955 to the office of Esquire, and then progressed through the chairs becoming Exalted Ruler in the year 1959-60. He became a member of the Past Exalted Rulers Association of his home lodge, being a past secretary and past president of that organization. He was twice elected as trustee of his home Lodge and served on all of the Lodge committees over the years. In recognition of his distinguished service to Elkdom and to the community of Jackson, the Jackson Lodge voted him an honorary life membership in 1960.

Brother Arnold was appointed to the Michigan State Elks Law Committee in 1963, and he has been on that committee each year since that date being its chairman for 15 years. In 1970 he was District Deputy Grand Exalted Ruler to Honorable Glenn L. Miller. He was on the Grand Lodge Judiciary Committee from 1972 to 1980, being its chairman for the last two years.

At the annual convention of the Michigan Elks Association on May 16, 1980, he was honored by the Past Presidents of that association and the delegates in session who elected him as an Honorary Past State President.

Brother Arnold and the former Eleanor McQuillin were married on June 15, 1946, and were blessed with two fine boys, Thomas, age 33, and Robert, age 27. They now have two granddaughters, Kim and Kris, ages 14 and 12, and one grandson, Joshua, age 1½.

Mr. Speaker, I am pleased to join with our Wayne Lodge 2181, B.P.O.E., in this testimony to the grand exalted ruler of the B.P.O.E. and seek this national recognition of Raymond Arnold for his outstanding contribution to the American way of life and the American dream. He has labored in the vineyard with other community leaders and our veterans in many, many social, civic, and charitable endeavors. His standards of excellence and exemplary service have truly enriched our Nation. We do indeed salute a most distinguished citizen, community leader, and great American—the Honorable Raymond V. Arnold, the grand exalted ruler of the Benevolent and Protective Order of the Elks.●

## TRIBUTE TO RILEY "B. B." KING

### HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. CONYERS. Mr. Speaker, "B. B." King, a great artist and talented entertainer, just passed a significant milestone. He has just completed his 40th benefit concert for prison inmates. The achievement is even more remarkable, given the fact that it was accomplished in a little over 9 years.

In 1972, B. B. King and trial attorney F. Lee Bailey founded the Foundation for the Advancement of Inmate Rehabilitation and Recreation (FAIRR). FAIRR is a nonprofit organization dedicated to improving the morale and rehabilitation efforts of prisons through cultural exposure to entertainers, writers, musicians, and public figures, and better quality libraries and available music, films, and literature. B. B. King's efforts toward prisoners and prison rehabilitation through FAIRR have been remarkable and the value of his help, immeasurable.

In a sense, it is puzzling that a man who has never been convicted or imprisoned can be so compassionate about such forlorned and forgotten people, but one only has to listen to B. B. King's music to understand. B. B. King sings the "blues," the expressions of joy and sorrow of the black experience in the rural South. Many prison inmates share roots with B. B. and his blues and he is sensitive to this. In fact, B. B. King's early life is probably indistinguishable from many of the inmates he recently performed for at Parchman Prison in Mississippi. He left school after the 10th grade to earn a living by picking cotton on a plantation in the Mississippi Delta. Fortunately for music lovers the world over, he took up the guitar in late adolescence and began playing the blues, one of the few occupations open to black people in the delta, at that time, that promised deliverance from a lifetime of manual labor. He moved to Memphis and eventually landed a job with WDIA, the first black operated radio station in the country. His real name is Riley, but a local disc jockey nicknamed him the "Beale Street Blues Boy" and it stuck. Later the nickname was shorten to "B. B." and the rest is history.

Thankfully, B. B. King, in his illustrious career, has never forgotten his heritage, nor the deep compassion such an experience can produce. He constantly reaffirms this compassion through his music and his humanitarian works.●

## BRASS BICUSPID AWARD

### HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. ASPIN. Mr. Speaker, perhaps we should award the Navy a "Brass Bicuspid Award" for running such an inefficient executive dining room that it costs more than $31 to serve a simple lunch based around a western omelette.

I do not mean to be entirely tongue-in-cheek when I suggest the overall efficiency of the services can be judged by the way they run their exclusive, members' only dining rooms for their top brass.

The cost of lunches ranges from $12 in the Air Force's private dining nest, to $15 in the Army's and $31 in the Navy's. Once again the Navy—home of the $2 billion aircraft carrier—comes in with the most expensive approach imaginable.

The costs really would not matter if the generals and the admirals were picking up the tab. But no admiral no matter how flush is about to lay out $31 for his broiled filet of sole. No; he asks the taxpayer to cough up $26.98 while he pays an average of only $4.05.

It has been said you can tell a man by what he eats. I think you can also tell the brass by what they spend to eat. The spendthrift attitude that prevails in the closed-door dining rooms carries over after lunch.

I want to make clear that the pricey meals don't mean the admirals are lunching on pheasant under glass every day. The problem is the regal style in which the 125 admirals choose to dine with staff galore to look after their needs. The Navy's executive dining room had a staff of 22 to serve 13,500 meals last year while its Air Force counterpart had a staff of 20 to serve 28,000 meals, more than twice as many. That indicates an egregious case of overstaffing in the Navy and is a key reason the taxpayer is subsidizing the admirals' tuna especialle served with fruit sections and cottage cheese to the tune of $26.98.

But it does not mean the Air Force is terribly efficient. The charbroiled Delmonico steak topped with onion rings, which sells for $1.75, is subsidized by the taxpayer to the tune of $10.12 in

the Air Force executive dining room—not exactly a bargain meal for the Treasury—although the $2.22 the generals pay on average is a bargain meal for them.

There are two other executive dining rooms in the Pentagon, one for the officials of the Office of the Secretary of Defense and one for the principal staff working for the Chairman of the Joint Chiefs of Staff. All are heavily overstaffed, with a ratio of only 4.2 meals per employee served each day. All are heavily subsidized with appropriated funds, with the total subsidy for the five dining rooms coming to $1,438,322 in fiscal year 1980, or an average of $14.28 per meal.

PENTAGON EXECUTIVE DINING ROOMS—FISCAL 1980 COST DATA

| | Income from meals | Appropriated funds | Total |
|---|---|---|---|
| OSD—26,004 meals served; 19 staff: | | | |
| Total | $74,739.00 | $313,588.00 | $388,325.00 |
| Per meal | 2.87 | 12.06 | 14.93 |
| CJCS—11,068 meals served; 12 staff: | | | |
| Total | 32,298.00 | 187,462.00 | 219,760.00 |
| Per meal | 2.92 | 16.94 | 19.86 |
| Army—21,876 meals served; 18 staff: | | | |
| Total | 42,240.00 | 286,389.00 | 328,629.00 |
| Per meal | 1.93 | 13.09 | 15.02 |
| Navy—13,505 meals served; 22 staff: | | | |
| Total | 54,737.00 | 364,414.00 | 419,151.00 |
| Per meal | 4.05 | 26.98 | 31.03 |
| USAF—28,297 meals served; 20 staff: | | | |
| Total | 62,768.00 | 286,469.00 | 349,237.00 |
| Per meal | 2.22 | 10.12 | 12.34 |
| Total—100,750; 91 staff: | | | |
| Total | 266,782.00 | 1,438,322.00 | 1,705,104.00 |
| Per meal | 2.64 | 14.28 | 16.92 |

I am frequently asked, "What about the dining room for Members of Congress?" So let me note here that according to the auditors' report for fiscal year 1980, the same time period covered by my data for the Pentagon, the House of Representatives Members' dining room lost a total of $42,010, just looking at food sales. While I do not have a figure on the number of meals served, that works out at a loss averaging $95.69 per member for the entire year. That compares with a loss at the Pentagon averaging $1,832.26 for each of the 785 members of the private dining rooms at the Pentagon.

The entire House restaurant system, incidentally, showed a profit of almost $11,000 last year, largely due to the highly profitable tobacco sales. This is not a defense of the Members' dining room loss. I believe that as a matter of principle it should not be subsidized even to the tune of a penny a meal. But I think it speaks volumes to see that the House, which has never been criticized for ignoring perks, enjoys a meal subsidy totaling at best 5 percent of that found in the austere Pentagon.●

## SMALL BUSINESS INNOVATION LEGISLATION

### HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 22, 1981*

● Mr. BEDELL. Mr. Speaker, I am pleased to note the addition of another two dozen cosponsors of H.R. 4373, the proposed Small Business Innovation Research Act of 1981. This brings to 83 the number of Representatives who are cosponsors of this bill, which was introduced on August 4 by Mr. McDADE and myself.

A similar measure in the Senate is cosponsored by 82 Members of that body. I am happy to report that the Senate Small Business Committee today voted unanimously to report that legislation.

Here in the House, Congressman LAFALCE last week held hearings on innovation in his Small Business Subcommittee on Oversight. In addition to the Bedell-McDade bill, the hearing considered other innovation proposals, including those put forward by NEAL SMITH, PARREN MITCHELL, JERRY LEWIS, and JOHN LAFALCE. All of the bills are quite similar in concept and effect, and the small business community strongly supports this sort of legislation.

Mr. Speaker, the need for this legislation is obvious to all who have studied the issue. The small business community is by far the most productive and innovative segment of our economy. Yet it receives the smallest portion of the Federal Government's expenditures in support of research and development. This is wasteful and counterproductive.

H.R. 4373 and similar bills simply require that a portion of Government R. & D. outlays go to small businesses. The shame of it is that we even need to consider legislation to force the bureaucracy to do what is so obviously sensible.

Based on the Senate committee's enthusiastic action this morning and the strong support this legislation enjoys here in the House, I am hopeful that small business innovation research legislation can be enacted before the year's end. That would be something we all could be proud of.●

# SENATE—*Wednesday, September 23, 1981*

*(Legislative day of Wednesday, September 9, 1981)*

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us pray.

Blessed God who art all powerful, we humans find it very difficult to exercise power without being corrupted by it. Sometimes, O Lord, those of us who have little power with little prestige are most impressed with ourselves and flaunt our petty position. Give us the wisdom of all people to take ourselves least seriously.

In this unique body, which wields such enormous power, protect us from its seductive, destructive influence. Inoculate us against the virile infection of self-importance. As we drink the heady wine of power, may we humble ourselves in the presence of the One in whom dwells all power and authority, remembering that those who rule do so at His pleasure.

May we realize that the mark of human insubordination is to lord it over others and the mark of greatness is to be everybody's servant. Temper our awareness of privilege in this place with humility and love toward each other and especially toward our spouses and children. We pray this in the name of Him who was servant of all. Amen.

## RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

## THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

## ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that, following the time allocated to the two leaders following the standing order and the special orders heretofore entered for this day in favor of the Senator from Wyoming (Mr. WALLOP), the Senator from Arkansas (Mr. BUMPERS), the Senator from Tennessee (Mr. BAKER), and the Senator from Illinois (Mr. PERCY), there be a period for the transaction of routine morning business not to extend beyond the hour of 1 p.m. today, in which Senators may be permitted to speak for not more than 5 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

## ORDER FOR CONSIDERATION OF S. 1196 AT 1 P.M. TODAY

Mr. BAKER. Mr. President, I have advised and consulted with the distinguished minority leader on this matter and, indeed, spoke to this subject yesterday so Senators may have maximum notice.

I ask unanimous consent, Mr. President, that at 1 p.m., in accordance with the authority of the order previously entered, the Senate proceed to the consideration of S. 1196, the foreign assistance bill.

The PRESIDENT pro tempore. Without objection, it is so ordered.

## ORDER FOR RECESS UNTIL 9:30 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in recess until the hour of 9:30 a.m. on tomorrow.

The PRESIDENT pro tempore. Without objection, it is so ordered.

## LEGISLATIVE SCHEDULE

Mr. BAKER. Mr. President, at 1 p.m. today, after the recognition of the two leaders, four Senators on special orders, and the transaction of routine morning business, the Senate will proceed to the consideration of the foreign assistance bill, S. 1196. The leadership expects that the Senate will be asked to remain in session until approximately 6 p.m. today, our normal and more or less regular time to conclude the business of the Senate on days other than Thursdays.

It is my hope that, tomorrow, the Senate can temporarily lay aside S. 1196 under the order previously entered and proceed to the consideration of House Joint Resolution 325, the continuing resolution, if that resolution is available and on the calendar of legislative business. That will be Thursday, Mr. President, and Senators are on notice and should be reminded that Thursdays can be expected to be late evenings if a late session is necessary in the course of a regular week. I cannot now estimate how late the Senate will be in session tomorrow, but well past the dinner hour would be my expectation.

Mr. President, if, indeed, the Senate does proceed to the consideration of the continuing resolution tomorrow, I hope that passage of that measure will occur either on tomorrow—most likely late in the evening—or on Friday if necessary. I am sure I need not remind Senators that it is urgently important that we complete action on the continuing resolution, since the regular appropriations bills have not been passed and since, at midnight on September 30, our fiscal year ends. Without the continuing resolution, substantial parts of the Government would not be in a position to function.

I also call to the attention of Members the letter from former Attorney General Benjamin Civiletti to the effect that, absent appropriations by regular appropriations bills or continuing resolutions approved by both Houses of Congress and signed by the President, it is not possible for the Government to function except in a custodial capacity. That opinion was confirmed in a letter by the present Attorney General, William French Smith, this year. Therefore, I repeat, Mr. President, it is urgently important that we complete our deliberations on the continuing resolution before the end of this fiscal year.

In addition to that, Mr. President, we have, as well, the companion issue of the debt limit extension, which must also be passed as a practical matter before the end of this fiscal year.

So, I hope that we can finish the continuing resolution tomorrow or, if necessary, on Friday; then, on Friday, that the Senate can proceed to the consideration of the House Joint Resolution 265, which is on the calendar.

If we can reach the debt limit extension on Friday, I hope, then, that we can finish it on Monday or at the latest on Tuesday. I do not believe there is a Member in this Chamber who enjoys less the business of trying to legislate on an emergency, panic basis, hours before or sometimes hours after the stroke of midnight at the end of the fiscal year. So I urge Members to consider that we should pass both the continuing resolution and the debt limit, not on Wednesday at midnight, which is the 30th of September, but well in advance of that, perhaps by Tuesday.

LATE SESSIONS NEXT WEEK

I do not expect a Saturday session this week. If there is to be a Saturday session because of unforeseen circumstances of an emergency nature, I shall consult with the minority leader and I shall try to give Senators as much notice as possible. But Senators should be on notice that, because of the exigencies of the time that I have just described, the Senate may be in session late on Monday, Tuesday, and Wednesday of next week, if that is necessary to complete action on both the continuing resolution and the debt limit.

I regret to make that statement, Mr. President, because I wish to abide by the informal policy of having late sessions only on Thursdays, but I am sure each Member will understand the necessity for the announcement in view of the necessity to deal promptly with the debt limit and continuing resolution.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

After the debt limit and continuing resolution are disposed of, the foreign assistance bill will recur as the pending business.

## SCHEDULING OF VOTES DURING ROSH HASHANAH

Mr. BAKER. Mr. President, there is only one other matter I should address at this time in terms of the schedule and activities of the Senate.

Prior Senate practice has established the precedent that no votes would occur between sundown Monday and sundown Tuesday during the observance of the Jewish holiday, Rosh Hashanah. While the Senate will be in session on Monday and Tuesday during that period, it would be the intention of the leadership to ask unanimous consent to stack any rollcall votes that might be ordered during that time until after sundown on Tuesday, the 29th of September.

Mr. President, I yield to the Senator from Alaska.

## LOSSES OF YOUNG EXECUTIVES TO THE PAY CAP

Mr. STEVENS. Mr. President, I again wish to address some of the negative effects of the executive pay cap. I have generally listed the losses of some of our executive corps including specific individuals and positions. Those listed have generally been at the Senior Executive Service level. Most have left Federal service by retiring. As important as these may be, the greatest loss to us may be those young managers who are the pool of potential executives for our Senior Executive Service. We must recognize that these individuals who rise to this pre-SES level at a young age are the cream of the management corps. These are the very high achievers whom we must compete for with private industry if we are to improve Government service and efficiency.

I would like to quote several instances where this effect is being seen in agencies. The best Government-wide indication of these types of losses is supplied by the OPM figure of 363 career executive resignations from the Federal Government over the last 2 years. These individuals were obviously not old enough for retirement yet received lucrative offers from private employers. The Nuclear Regulatory Commission lost six senior executives and 13 GS–15's through resignations over the last year or two. The Department of Housing and Urban Development lost 18 executives since 1978 through resignation. The National Labor Relations Board has lost one-third—11—of their regional directors through resignation in the last 2 years, several of whom were in their thirties and early forties.

The Department of Defense is replete with similar instances of executive losses at nonretirement ages to private industry. Mr. President, I shall present for the RECORD the letter I received from the Department of Defense in which they describe these losses.

Similar to resignations, another indicator of the adverse impact of this pay cap on our younger managers is the less than enthusiastic interest in applying for Senior Executive Service developmental programs and positions. Again DOD offers several examples, such as:

Only 1 of 8 senior GS–15- employees applied for a Senior Executive Service position which was recently advertised at the Air Force Accounting and Finance Center.

Only 196—21 percent—of 935 Air Force employees at the GS–15 level applied last year for the SES candidate development program. None of those who applied were considered the best qualified for entry into the SES.

The Department of Commerce recently posted an SES vacancy, only 15 GS–15 employees applied. When the pay cap was continued in the continuing resolution, 11 of those 15 applicants withdrew their applications.

These examples demonstrate that we cannot persuade individuals to assume positions of higher level responsibilities without a corresponding increase in compensation. Moreover, we cannot afford to train and develop young managers, usually our most talented people, at great time and expense only to lose the benefits of this developed talent to private industry. We must pay our executives what they are worth.

Mr. President, I ask unanimous consent that the letter from the Assistant Secretary of Defense may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ASSISTANT SECRETARY OF DEFENSE,
*Washington, D.C., September 4, 1981.*

Hon. TED STEVENS,
*Chairman, Subcommittee on Civil Service, Post Office and General Service, Committee on Governmental Affairs, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in further reply to your letter of July 31, 1981, to the Secretary of Defense in which you requested information regarding problems of recruiting and retaining senior executives.

Recruitment and retention of senior executives are matters of major concern throughout the Department of Defense. As both executive salaries in the private sector and the cost of living continue to rise, while salaries for our senior executives remain unchanged, the situation becomes worse. As an illustration, since 1969, the Consumer Price Index has increased 141% and the Hourly Earnings Index has increased 132%, yet our senior executives have received pay increases of only 43%. Since March of 1977, the pay limitation imposed on our senior executives by 5 U.S.C. 5308 has increased only 5½%, while the cost of living has increased over 47%. As a result, we are now losing senior executives through retirements and resignations at an abnormally high rate and are finding it extremely difficult to attract quality replacements.

As requested in your letter, we are providing in the attachment examples of recruitment and retention problems. These examples are indicative of the types of problems being encountered and represent only a portion of the volume of such cases. We have also attached a copy of a letter which was sent to the Office of Personnel Management last year in connection with the quadrennial review of executive salaries; we believe its observations are still valid.

Your interest in this matter and the opportunity to provide you with this information are appreciated.

Sincerely,

LAWRENCE J. KORB,
*Assistant Secretary of Defense,*
*(Manpower, Reserve Affairs and Logistics).*

EXAMPLES OF SENIOR EXECUTIVE RECRUITMENT AND RETENTION PROBLEMS

OFFICE OF THE SECRETARY OF DEFENSE AND DEFENSE AGENCIES

1. Separations from the Senior Executive Service during calendar year 1981 have been at an annual rate of 18.85 percent. During calendar year 1980, the annual rate was approximately 20 percent.

2. Since the inception of the Senior Executive Service, separating individuals have cited on official documents a financial motivation for leaving, as follows:

A 47-year-old career executive who worked for the Deputy Under Secretary of Defense for Policy cited "need money to put children through college" as a reason for leaving.

A promising 42-year-old scientist manager cited "financial limitation (pay cap)."

Another scientist manager in his forties stated that he was leaving for the "opportunity to . . . make more money."

A promising 39-year-old official left to accept a position in industry at "substantially increased pay."

A 43-year-old scientist cited "a substantial salary increase that is not possible within the Senior Executive Service" as his reason.

3. In addition to those who have stated in writing their reasons for leaving, the servicing civilian personnel office is also aware of the following separations for compensation reasons:

A high level official in the critical area of undersea surveillance has announced that the reason for his acceptance of a position with industry was the significant loss of real income that he has suffered over the last few years as a federal employee. He stated that his reasons for leaving "are strictly financial."

Significantly more money was also informally reported as the reason two high level advanced research managers left DOD for employment wtih TRW and COMSAT, that eight officials moved to private industry, and that two officials went into private practice of law.

4. The following are examples of recent recruiting problems:

A selectee for the position of Assistant to the Secretary of Defense (Atomic Energy)/Chairman, Military Liaison Committee was interviewed and declined the offer because of the pay cap.

A selectee for the position of Deputy Under Secretary of Defense (International Programs and Technology) declined because of the pay cap.

A selectee for the position of Deputy Under Secretary of Defense (AM) declined because of the pay cap.

The position of Staff Specialist for Propulsion in the Office of Engineering Technology had to be advertised a second time because there were no qualified applicants the first time.

DEPARTMENT OF THE ARMY

1. The following are examples of declinations and resignations directly related to pay:

The selection for the position of Assistant Director for Maintenance Management, Office of the Deputy Chief of Staff for Logistics, Washington, D.C., was made on 12 March 1980. The selectee's qualifications were approved by an Office of Personnel Management

(OPM) Qualifications Review Board (QRB) on 13 March 1980. The selectee subsequently notified the selecting official that due to the high cost of housing in the Washington metropolitan area, he was declining the position.

The selection for the position of Director, Study Management Program, Office of the Chief of Staff, Army, Washington, D.C., was made on 12 May 1980. OPM's QRB approved the selectee's qualifications on 18 June 1980. On 23 June 1980, the selectee declined, to accept a position in private industry with better pay.

The selection for the position of Army Spectrum Manager, Office of Assistant Chief of Staff for Automation and Communication, Washington, D.C., was made on 8 January 1981. The selectee's managerial qualifications were approved by OPM on 26 March 1981. On 3 April 1981, the selectee notified the servicing personnel office of his declination for a combination of reasons including the Congressional continuation of the pay cap and a stronger counter offer from his present employer which made it financially impossible to accept the offer.

The Director, Data Processing Directorate, Ballistic Missile Defense Advance Technology Center, Huntsville, Alabama, resigned on 27 February 1981 to accept employment in the private sector. He stated telephonically that he was offered an initial salary increase of 30 percent and much better incentives. He also stated that raising the pay cap and imposing fewer restrictions on incentives would have had a definite bearing on his decision to remain with the Federal Government.

2. In efforts to fill vacant scientific and engineering senior executive positions, numerous companies in the private sector were contacted to solicit applications from interested employees. Attached are samples of the typical letters of response from those companies.

DEPARTMENT OF THE NAVY

1. Prior to July of 1979, the Department of the Navy had an average annual attrition rate of 7 percent at the senior executive level. Since July of 1979, the attrition rate at this level has been approximately 20 percent.

2. Four SES positions were filled at Office of Naval Research headquarters during 1980. Recruiting costs for these positions totalled just over $80,000. Of the 28 applicants who were considered best qualified, only 6 were from outside government.

3. A GS–15 position at the Naval Ocean Research and Development Agency was advertised in 1976, and there were approximately 100 qualified applicants, one-third of whom were from outside government. The same position was recently advertised again. There were only 9 qualified applicants, with only one of these from outside government.

4. The Navy Secretariat recently lost a top attorney to the private sector for nearly twice the salary he was earning as a member of the Senior Executive Service.

5. The Deputy Comptroller of the Navy recently was unable to attract his first choice for a top financial job when he could not match the pay increase offered by the candidate's current employer.

DEPARTMENT OF THE AIR FORCE

1. At the Air Force Accounting and Finance Center, only one of eight senior GS–15 employees applied for a Senior Executive Service position which was recently advertised.

2. The Principal Deputy Assistant Secretary of the Air Force for Research, Development and Logistics recently resigned after only about one year in the job, to work for ITEK Corporation at a substantially higher salary.

3. A recent selectee for the position of Deputy Assistant Secretary for Systems declined the position because the personal cost of relocating from California to Washington was anticipated to be too great in light of almost no possibility of a pay increase in the foreseeable future.

4. A Deputy Assistant Secretary in the research and development area resigned and is now working for Sperry Corporation at about twice his Air Force salary. The position has remained vacant because a suitable replacement cannot be found.

5. Last year, a candidate development program for the Senior Executive Service was announced. Of 935 Air Force employees at the GS–15 level, only 196 (21%) applied for the program. Those who applied generally were not considered by the top functional managers the best qualified for entry into the Senior Executive Service.

## ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I ask unanimous consent that I may transfer the control of the time allocated to me under the special order to the distinguished Senator from Illinois, for his control and disposition.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, if I have any time remaining under the standing order, which I doubt, I am prepared to yield it back or to yield it to the control of the distinguished minority leader.

Mr. ROBERT C. BYRD. I thank the distinguished majority leader.

## RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. DURENBERGER). The Chair recognizes the minority leader.

## GETTING THE COAL ON THE ROAD

Mr. ROBERT C. BYRD. Mr. President, high interest rates, proposals to cut social security, and budget deficits are dominating the minds of policymakers at present. However, the obvious importance of these issues should not totally obscure another crucial area—the need to maintain a balanced national energy policy.

The first 9 months of this administration's tenure have been spent in dismantling and undercutting the development of several different types of alternatives to imported oil. Research in fossil fuels has already been cut by two-thirds. Further cuts in fossil fuel research are likely to be proposed. Energy conservation and solar power programs are targets for additional deep cuts. One scenario reportedly required of the Energy Department by the Office of Management and Budget would shut down all fossil, solar, and conservation research programs.

It is clear that the administration has not been paying attention to the energy developments of our recent past. Oil gluts have appeared and disappeared over the past 7 years at irregular intervals. International politics has as often as not been the cause of wild fluctuations in the price and supply of foreign oil. It is extremely unwise and shortsighted to be complacent about our oil supply situation.

The United States is not alone in its substantial dependence on imported oil. Our European allies import even larger portions of their total energy supply than we do. Their interest in developing a natural gas pipeline to deliver supplies from the Soviet Union is an indication of European dependence on outside fuel supplies.

Coal produced in America can and should make a contribution to lessening our own dependence on foreign oil. American coal exported to Europe and Japan can alleviate some of the economic and political burdens borne by those countries as part of the price of oil.

One traditional supplier of coal to Europe has been Poland. Poland's coal production is currently 20-percent lower than last year, and European customers for Polish coal have had to look elsewhere for fuel supplies.

In short, the world energy supply situation should not be regarded as fixed. We have seen the effects of unexpected shifts in world energy supplies: inflation, unemployment, and fuel shortages. The Western countries must continue to cooperate in long-term energy planning, and must seek to develop a variety of alternative supplies to fuel our economies.

The vast American storehouse of coal cannot be overlooked in this effort. To insure that this energy ace-in-the-hole is used will require a strong commitment on the part of this administration.

American coal development also requires that a serious effort be made to remedy coal transportation problems. The state of our ports, handling facilities, railways, and waterways is far from adequate. It is ironic that the world's most economically advanced nation has a crumbling transportation system for the world's largest coal reserves. Former ambassador Henry Owen, who was involved with the economic summit meetings of the Western nations and Japan from 1977 until 1980, has written an aritcle in The New York Times of September 20 that addresses the question of coal exports from the United States. I commend the article to the attention of my colleagues, as it explores a key aspect of a balanced American energy policy.

I ask unanimous consent that the article, entitled "Getting the Coal on the Road," be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GETTING THE COAL ON THE ROAD

(By Henry Owen)

If the dredging of channels in a few United States ports is not begun in the next several years, American efforts to beat stagflation will be significantly hampered. To say that this connection is not widely appreciated would be a vast understatement. But the connection is there, and unless we take account of it, we will suffer.

The 1970's showed that sharply rising oil prices meant more inflation and less economic growth in the industrial countries. Oil prices are no longer rising steeply, in part because these countries have reacted to higher prices by reducing their oil consumption and increasing their use of alternative energy sources.

The most important of these alternatives is coal. When the leaders of the seven main industrial countries met at the 1980 economic summit conference in Venice, they pledged their countries to double coal trade in the coming decade. Whether this pledge is fulfilled will do much to determine whether the present relative stability of oil prices continues, or fades away as the current recession wanes and unforeseen interruptions in oil supply occur.

The obstacle to doubling coal trade is not lack of supply in the main exporting countries: The United States, Australia, Poland, and South Africa have sufficient reserves to increase enormously their production of coal for sale abroad.

Nor is the obstacle any lag in demand: Conversion of oil-burning facilities to coal and creation of new coal burning facilities is proceeding so rapidly in Western Europe and Japan that demand for coal imports by these regions is expected to increase fourfold from 1979 to 1980. Despite present softness of the coal spot market in Europe, a very substantial long-term increase in demand remains likely.

The obstacle to increased coal trade lies in artificial restraints in the coal exporting nations: Unstable conditions in Poland, which have reduced its coal output; fear of interracial strife in the future and an equivocal government policy in the past, which have made importers reluctant to rely unduly on South Africa; periodic labor difficulties in Australia, reflected in last year's strike, and inadequate port facilities in the United States, which have provoked bitter complaints from our trading partners.

The problems in Poland, South Africa, and Australia are not susceptible to rapid resolution. So the United States will remain a key residual supplier—the more so since most coal importers are anxious to diversify their sources of supply in order to reduce their vulnerability to untoward events in other countries. The United States role is so large as to make it unlikely that world coal trade will be doubled unless restraints on that role created by inadequate ports are overcome.

There is a good deal of misunderstanding about these restraints. Three separate problems need to be distinguished from each other:

There are the short-term problems of adjustment that caused large numbers of European ships to wait long periods to load coal at United States East Coast ports last spring. These problems have been eased not only by the end of the Australian strike but also by innovative procedures that have made it possible to schedule waiting ships at our East Coast ports more efficiently and by increased coal exports from our Gulf Coast ports.

There is the medium-term problem of structural change: United States coal loading and storage port facilities were designed for lesser amounts than must now be moved, and were designed primarily for metallurgical coal, rather than the steam coal that is now in growing demand abroad. So these facilities must be expanded and modernized. The private companies that own the piers and the relevant port authorities are taking effective steps to these ends.

There is the longer-term problem of channel depths. Even if the improvements in coal loading and storage facilities described above are achieved, United States coal ports will remain inadequate, because European and Japanese coal importers want to shift some of their coal commerce from the present Panamax 60,000-ton ships to larger ships (100,000 tons and over), which can transport coal more economically. Present water depths in most world coal ports are too shallow to take these ships. Steps are being taken to remedy this condition in some European, Australian, and South African ports, but not in the United States.

The United States lag is due to a legislative problem: The Administration has concluded that dredging should not and cannot, in present budgetary circumstances, be financed by the Federal Government. This means that a bill will have to be passed by the Congress defining how this function is to be transferred to the states and local authorities. And it has proved damnably difficult to get Congressional agreement on such a bill. Many coastal states are involved, and their immediate interests and financial capabilities differ.

Until it is clear that a few United States coal ports will be dredged, some European and Japanese coal importers will be reluctant to sign long-term contracts to buy greatly increased amounts of American coal. In the absence of such contracts, some American companies will be reluctant to make the long-term investments needed to fulfill United States coal export potential. This will not only limit world coal trade but also hurt those Americans who make their living producing and transporting coal.

The Administration is cutting red tape on dredging. Legislative action in the next 12 months is also needed, and is feasible. But this will require that two things occur:

That the Administration take the lead in seeking legislative consensus.

That public demand for port dredging be felt, making it easier for the members of Congress principally concerned to compromise.

Failing this, the great United States export coal boom that people talk about for the 1980's will turn out like the great United States domestic coal boom that people used to talk about for the 1970's—a dazzling vision that is only partially reflected in expanded sales of the hard black stuff that substitutes for oil.

Without a United States coal export boom, the link between oil consumption and economic growth in the industrial world will not be broken—a link that condemns us to recurring inflation and low growth, whenever the balance between oil demand and supply tilts, as it may periodically, against the oil importing nations.

There is an excellent chance of solving our coal port problem. But only if a lot more public attention is paid to it than is now the case.

## ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I will be glad to yield my remaining time to the Senator from Wyoming, if he wishes additional time.

Mr. WALLOP. Mr. President, I thank the minority leader. He is always considerate in accommodating Senators and the time of the Senate.

Mr. ROBERT C. BYRD. If the Senator from Wyoming does not wish any additional time, does the Senator from Arkansas (Mr. BUMPERS) need any additional time?

Mr. BUMPERS. Mr. President, I have a special order for 15 minutes. I should like to increase that to 20, if I may.

Mr. ROBERT C. BYRD. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Six minutes and thirty-four seconds.

Mr. ROBERT C. BYRD. I ask unanimous consent that I may transfer that 6 minutes to the control of Mr. BUMPERS, at such time as he executes his special order.

Mr. BUMPERS. I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Wyoming.

Mr. WALLOP. I thank the minority leader.

## REVIEW OF TAPES AND RECORDINGS IN THE MATTER OF SENATOR WILLIAMS

Mr. WALLOP. Mr. President, I rise again today, as I have each morning this week, and will for the remainder of this week, to urge Senators to take advantage of the special showings of the taped material and the audio material in the matter of Senator WILLIAMS, and to urge Senators, as well, to study carefully the report of special counsel and the report and response of the counsel to Senator WILLIAMS.

As of this morning, only 18 Senators have availed themselves of the opportunity of viewing those tapes and listening to those recordings. That leaves some 80 of us who have not seen this material and who will come to the floor at some moment to make a judgment on the reputation of not only a colleague but also the Senate itself, with less than adequate knowledge.

Some Senators have said to me, "I really would like to see those, if only I had the time." I am here today to urge my colleagues to consider that there is no more valuable time that a Senator can spend than in fulfilling the constitutional role that is required of us to judge the fitness of the Members of this body.

This recommendation of the committee is the collective recommendation of a group of people who sat throughout the hearings and who have been familiar with the material, but it is not the judgment of the Senate. It is a recommendation to the Senate, and it cannot be used as a crutch by individual Senators to accommodate the judgments that ultimately each of us will have to make.

I believe it is fair to say that any one of us can judge the arguments of the committee's counsel, Dean Griswold, or the counsel to Senator WILLIAMS on the basis of their logic. But consider how much better it would be to judge it on the basis of your own logic, your own familiarity with the data and material that have been gathered and presented to you.

I am not here urging the Senate to do one thing or another thing with regard to its ultimate judgment. I am urging it to inform itself so that that judgment when it is made can be made on the basis of an informed mind troubled by the matter that has been brought in front of it.

It is not the reputation of Senator WILLIAMS alone that hangs in the bal-

ance. The public perception of every sitting Senator will hang on the judgment the Senate makes and Senators will be fairly asked by that same public to defend that judgment, whatever it is, that is made.

So, too, will be affected in the public's mind the reputation of every Senator who has ever held that title. Historically, it will go back in time.

The Senate has not expelled one of its Members except for treason and it has not expelled one of its Members since the Civil War.

This is no lighthearted recommendation that your Committee on Ethics brings to you. This is a matter of the utmost gravity and it is the public's faith and perception of this institution, whatever judgment it makes, that will hang as well in the balance as the individual reputations of the people involved.

The public has a right to feel that we have taken this matter seriously. The public has a right to feel that the judgment has been made fairly. Senator WILLIAMS' counsel has continued to praise the committee's performance as extraordinarily fair. I think that it would be wise of the Senate to have Senator WILLIAMS' counsel appraise the performance of the Senate as extraordinarily fair, and it is my judgment that it cannot be fair without the personal information and personal involvement of each and every Senator as we reach that judgment.

I do not mean to stand and preach every morning. I am simply trying to bring to my colleagues' attention the gravity of the matter that is in front of us, the seriousness of the recommendation, and the historic nature of it.

Your friend and colleague has a stake in this matter which requires that we judge him fairly. Your public, your constituencies, and all America has a stake in this matter which requires that we judge fairly.

Again I urge my colleagues to take advantage of the showings which remain yet, one more this afternoon and two more on Friday. Time schedules of the viewings are in your offices in the "Dear Colleague" letter.

I rest again until tomorrow when I shall again urge my colleagues to take advantage of the showings remaining on Friday.

I yield the floor.

The PRESIDING OFFICER. The Chair thanks the Senator from Wyoming for that bit of advice.

## RECOGNITION OF SENATOR BUMPERS

The PRESIDING OFFICER. Under the previous order the Senator from Arkansas (Mr. BUMPERS) is recognized for 21 minutes and 19 seconds.

Mr. BUMPERS. Thank you, Mr. President.

## A POSITIVE APPROACH TO DEFENSE SPENDING

Mr. BUMPERS. Mr. President, I wish to speak on the subject of defense, and I wish to take a considerably more positive approach than many have recently taken on that subject.

The Reagan administration has finally and mercifully begun to factor economic reality into its proposed rearmament of America. Most senior officials now recognize that the ability of the Department of Defense to absorb funds in order to prepare for every possible military contingency is almost infinite, and that the only way to avoid national economic chaos is to make some tough choices and establish priorities among competing military demands. These are positive steps because, for the first time since at least the beginning of the 1980 Presidential campaign, we now may be in a position to jettison the rhetoric that has so inhibited serious debate of this subject. As the administration and Congress begin to wrestle with the dilemma of how and where to trim the $1.5 to $1.7 trillion, 5-year Reagan defense plan, it will be useful for us to consider some basic themes which could help in the development of a positive, bipartisan consensus on defense spending issues.

First. The United States is in a better military position and condition than some are arguing. The problems in our military force structure are not all attributable to President Carter, and the sooner we quit beating that horse, the better off we will all be. At the same time, I wish to say that nothing in this speech should be considered an apologia for the previous administration. I simply wish to state some observable facts. Our current military problems are a result of a disaffection of a substantial portion of the American people caused by the Vietnam war, and the precipitous decline in defense spending that occurred between 1969 and 1976. But between fiscal years 1976 and 1981, DOD total obligational authority rose from $96 billion to $178 billion in current dollars, includes fiscal year 1981 supplemental, an increase of 86 percent in current dollars, and almost 20 percent in constant fiscal year 1982 dollars. The result has been a steady improvement in our conventional forces. Since 1975, the number of active Army maneuver battalions has increased by more than 10 percent; the modernization of our Navy has begun, with average displacement and ship-for-ship capabilities of new vessels increasing steadily. We will add over 50 capital ships to our Navy between now and 1984. The Senate must bear in mind that the average shipbuilding time is around 5 years now.

The point should be made again and again that our Navy is almost twice the size of the Soviet Union in terms of tonnage, and this is the result of a conscious choice on our part. Major strides have also been made in the modernization of our tactical aircraft. From 1975 to 1980, the total number of tactical aircraft in our inventory increased from 1,958 to 2,606. Much more capable F–16's, F–15's, and F–14's are replacing older, technologically outmoded aircraft, and soon F–18's and AV–8B VSTOL aircraft will be entering Navy and Marine Corps inventories. Because of the enormous lags in the production of military equipment, particularly aircraft and ships, we are just now beginning to see the payoffs from military investment decisions made during the 1977–80 period.

The final defense budget submitted by Secretary Brown called for a steady increase of about 5 percent annual real growth through 1986. Total expenditures under that budget would have reached about $1.3 trillion in current dollars—$1.1 trillion in constant dollars—hardly a trivial sum. On the other hand, the Reagan plan, prior to his call for a $16 billion cut over the next 3 years, calls for a 14.6-percent real increase in fiscal year 1982, and about 7 percent annual growth from fiscal year 1983 to fiscal year 1986. That works out to about $1.5 trillion during the fiscal year 1982–86 period, or about $200 billion more than President Carter had recommended.

I believe this administration would do well to go back and look at the Brown defense budget more closely. They would find that it was carefully crafted to generate sustained military growth without producing huge budget deficits. It also recognized and sought to correct the shortage of raw materials and the weakened state of our industrial base, particularly at the subcontractor level and that is where the bottlenecks and unacceptable leadtimes in military production have caused us unnecessary problems. However, it probably did not go far enough in terms of management reform. The new administration has tackled this persistent and difficult problem head on, and Deputy Secretary Carlucci's 31-point reform package, especially multiyear contracting on mature systems, should receive bipartisan endorsement and support. But if the President should propose to stretch out procurement of F–15's, M–1 tanks, and guided missile frigates for example, it would be pennywise and pound foolish.

Also, the administration should use more realistic inflation projections in its defense budget proposals. Otherwise, all the management and procurement planning reforms will fall victim to the stretchouts and cancellations required to adjust to the shortfalls created when actual inflation exceeds overly optimistic projections.

Second. Defense expenditures should be targeted at improving existing forces and not, at this stage, be used to expand our force structure. While significant progress in force modernization has been made in recent years, we still have a long way to go before much of our existing force will be combat ready. Improvements in force readiness will occur only if DOD makes a sustained commitment to fully fund readiness programs required for existing and newly acquired weapons systems, and to correct the serious manpower problems afflicting the services. Attempts to expand our forces before correcting existing deficiencies would not result in increased military capabilities.

On the contrary, they would stretch personnel resources even thinner, put the operations and maintenance budget in direct competition with money for new procurement, and create tremendous

pressure for reinstitution of the draft. While we may want to consider bringing back the draft, such a decision should result only from a conscious decision on the part of Congress and not be forced upon us as a result of a sudden need to man the ships and fill the new divisions created by an expanded force structure.

The three major manpower problems are the quality of the recruits, retention of skilled personnel, and the decreasing difference in pay between ranks—so-called pay compression. The Jepsen-Exon targeted pay bill, which passed the Senate last week by a vote of 81 to 0, addresses the retention and pay compression issues, and a new GI bill may help attract better recruits.

Until the numerical strength and quality of our military personnel have improved, the Army should shelve its plan to add 2 more divisions, which would cost about $14 billion over the next 5 years, and the Navy should defer increasing the number of carrier battle groups to 15. And instead of creating a specially designated rapid deployment force, DOD should reconsider whether existing forces, particularly the Marine Corps, could fill the role at considerably less expense and organizational complexity.

Third. Procurement of conventional weapons should be guided by the need to create a high-low force mix for each service. I agree with the notion that our most sophisticated, high-technology weapons do provide us with force multipliers which partially offset the numerical advantages enjoyed by the Soviet Union and the Warsaw Pact. But if current trends continue, the pact will soon have such numerical superiority that Western defenses will simply be overwhelmed.

For example, according to a recent DIA report, the Soviet Union produced about 3,000 tanks, 5,500 other armored vehicles, and 1,300 fighter planes in each year of the past 5 years. The United States, on the other hand, produced about one-fourth as many tanks, one-third as many armored vehicles, and about one-half the number of fighters as the Soviet Union in 1980.

There is nothing magical about the Soviet economy or the reasons why the Soviet Union has gained this disturbing production advantage. In contrast to the United States, which has emphasized revolutionary changes in weaponry requiring long leadtimes, significant research and development funding, and high unit production costs, the Soviets have mass produced proven weapon designs, with incremental improvements made only when there is a clear military need.

They have financed this system, not with any recent massive jump or surge in defense spending, as is constantly suggested, but by an unwavering commitment that has allowed them to increase their defense budget in real terms by about 3 to 4 percent every year for the last two decades.

Mr. President, as an illustration of my point that the Soviets and the Warsaw Pact have not engaged in any big surge, I ask unanimous consent that a comparative table showing NATO against Warsaw Pact expenditures, be inserted in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

NATO VERSUS WARSAW PACT MILITARY SPENDING 1970–79

[Billions of 1979 dollars]

| Year | NATO | Warsaw Pact | NATO advantage over Warsaw Pact |
|---|---|---|---|
| 1970 | 201.8 | 149.5 | 52.3 |
| 1971 | 192.8 | 153.7 | 39.1 |
| 1972 | 195.6 | 159.4 | 36.2 |
| 1973 | 190.9 | 166.7 | 24.2 |
| 1974 | 193.9 | 173.4 | 20.5 |
| 1975 | 190.5 | 178.6 | 11.9 |
| 1976 | 186.6 | 186.2 | .4 |
| 1977 | 193.5 | 186.8 | 6.7 |
| 1978 | 195.4 | 190.7 | 4.7 |
| 1979 | 205.6 | 194.6 | 11.0 |
| Total | 1,946.6 | 1,739.6 | 207.0 |

Sources: Figures for 1970–78 are from "World Military Expenditures and Arms Transfers 1963–78," U.S. Arms Control and Disarmament Agency. ACDA relies on CIA estimates of Soviet military spending. 1979 figures are from "Department of Defense Annual Report, Fiscal Year 1982."

Mr. BUMPERS. In contrast, our procurement has been hampered by wide fluctuations in the defense budget. However, our basic problem has been that we have been replacing large numbers of older, less sophisticated equipment with fewer numbers of extraordinarily expensive, state-of-the-art systems. A–4 and A–7 aircraft are to be replaced by F–18's, and AV–8B's costing $30 million each; M–48 and M60–A1 tanks are being replaced by M–1 tanks that cost $3 million each; F–105's and F–4's are being replaced by F–15's at $20 million each and F–16's at $10 million each.

New destroyers now cost upward of $800 million a piece, and a new carrier costs $3 billion, not including the aircraft that it carries. With these unit costs, we will never be able to match Soviet inventories, nor should we try to achieve a numerical balance. But we should significantly ease the strain by supplementing these weapons at the high end of the technology and cost spectrum with larger numbers of simpler weapons at the lower end of that scale.

For example, the Air Force should consider procuring the F–5G, which is more than a match for all but the Mig–25's and some versions of the Mig–27's, and costs less than $8 million; and the Navy should consider supplementing its high-cost ships with surface-effect ships and diesel-electric submarines in its effort to increase the numerical size of the active fleet.

Fourth. With regard to nuclear weapons, we should establish a clear doctrine and tailor procurement to fit our strategic objectives rather than letting the acquisition of nuclear weapons determine our strategy. A few programs, such as improvements in the command, control, and communication (C3) system, are adaptable to a number of nuclear strategies.

The value of most strategic modernization proposals, however, is dependent on the role envisioned for the various components of the nuclear force. Before proceeding with programs that will cost hundreds of billions of dollars, we need to address some fundamental questions, such as: Exactly how vulnerable is the land-based ICBM force? What role would a manned bomber play in a nuclear exchange? What is the basic strategy that would underlie the use of air, ground, and sea-launched cruise missiles? What would be the strategic implications if the Soviets deployed an ABM system in response to a U.S. decision to do so?

Only when we have answers to these questions will we be in a position to evaluate all the force modernization proposals currently before us on the basis of their strategic merits.

Fifth. The strategic and economic advantages of arms control negotiations and agreements must be recognized, and talks should start immediately. It is wishful thinking of the highest order to assume that the Soviet Union will sit back and wait until the United States regains strategic superiority. Yet, this is precisely what the administration has laid down as a precondition for the resumption of substantive arms control talks. The longer SALT II languishes, the more likely we are to find ourselves in an all-out nuclear arms race, a race that would produce the combined results of a disastrous economy and a greatly enhanced probability of nuclear war.

We should look at all arms control negotiations—strategic, theater nuclear forces, ABM, and regional nuclear or conventional arms limitations discussions—as opportunities for devising means to constrain the Soviets, reduce the economic burden of military spending, and increase mutual understanding.

The Reagan administration has now been in office for 9 months, and if there was one area where we expected the team to "hit the ground running," it was defense. However, Congress and the American people are still waiting to be told where and how much the administration proposes to spend on defense. We need decisions, action and more information out of the administration if we are to develop and maintain a strong bipartisan consensus with regard to defense issues. For example:

Some indication of what the administration proposes to do concerning the MX missile,

Decisions on the B–1 and Stealth bombers,

An announcement concerning whether the administration is proposing moving from a one and one-half war to a two or two and one-half war strategy,

A 5-year shipbuilding plan, and

Dates for the initiation of both theater and strategic nuclear weapons arms control discussions.

Mr. President, I am hopeful that we can have a bipartisan approach on defense, but Congress must be given the answers to these questions and more if we are to achieve such bipartisanship. As

the old adage goes, if we try to be strong everywhere, we will almost surely wind up being weak everywhere, a result we all want to avoid.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. DURENBERGER). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STEVENS). Without objection, it is so ordered.

## SUPPORT OF A FREE AND DEMOCRATIC GREECE

Mr. PERCY. Mr. President, I would like to express today support of our country's foreign policy toward the nation of Greece, and my strong support of a free and democratic Greece. Given its crucial geopolitical location and our mutual security interests, Greece's continued close relationship in the NATO context with the United States is of vital importance.

Greece and the United States are deeply intertwined nations. Many of America's leading citizens are of Greek lineage. The essence of our political cultures are the same. America's system of government is descended from that of Greece, the cradle of democracy.

Over 500 years before Christ was born, the Greek city-state of Athens adopted a constitution that set the parameters for the conduct of government, much as ours does today. Their government was of a representative nature, the citizenry entrusting much of the government's decisionmaking authority to its chosen representatives. As many citizens as possible were permitted to take an active part in government, with no discrimination because of rank or wealth.

Greece's great contributions to political thought helped make America what it is today. A continued and even closer relationship of cooperation and understanding between the Greek and American people and our respective governments is the best guarantee for the maintenance of Western democracy.

Mr. President, if I could comment also from a very personal standpoint, at the bottom of the Depression our family lived in Chicago, Ill. My father had lost his position as a banker and had been out of work for some time, one of 17 million Americans who just simply, after highly productive lives, because of economic conditions could not get a job. We at that time lived in a two-flat building in Chicago. The owners of the building, a Greek family, occupied one of the apartments and we the other. It became apparent that we were not going to be able to pay our rent.

I can remember my father approaching our Greek neighbors, explaining the circumstances, indicating that he would do everything he possibly could to pay the rent but that we were not able to make the payment that month and possibly not for several months until he got back on his feet somehow.

He made it clear that at any time they felt we had to be evicted, we could be evicted. He would not protest at all. Our landlord could not have been more understanding.

But over a period of time the situation changed. We were in a better position. But I will never forget as long as I live the generosity, the friendship, the sympathy of that Greek family.

Through them, through the years, we learned a great deal about Greek-Americans. Our landlord owned a restaurant on Bryn Mawr Avenue. With them and their friends we engaged in many of the ceremonies, such as at the beginning of the year with a loaf of bread in which the coins were placed, and we saw the affection and love they had for one another and the pride that they had in their traditions.

So when my wife and I decided—just before we came to the Senate—to take our children on a trip, we chose Greece and took a boat from Greece on a tour called the tour of antiquity. Just as the Greeks fanned out from Athens, then we went to various places in Africa where Greeks had settled, to see the Greek ruins and study them.

On the ship there was an historian who discussed the history of Greek civilization and its growth through the years. I thought that was a good way to have our children better understand the cradle of democracy and the great civilization from which the ideas of a free people had come, to take that kind of a trip and see through their own eyes how the Greeks had taken their culture, their architecture, and their ideas to other countries.

It is with a sense of personal emotion, as well as a personal relationship that I have had with the Greek-American community in Chicago through the years, that I speak today. They have, as a people, contributed immensely to the strength of American life.

They are industrious, hard working, and resourceful. They are wonderful Americans.

But the great beauty of this country is, as the symbol says on our coin, "E Pluribus Unum," "Out of Many, One." Of many peoples, cultures, background, languages, we are, when we are in the United States of America, one people. But we never forget our heritages, nor would we want to, because they contribute to the greatness of this country.

That is the strength of this Nation and it is why we can be and should be a tremendous symbol to the world.

So as Greece engages in its struggles, as we look at the problems it has faced in Cyprus, and other problems, we value their contribution to our common defense. We value their contribution to NATO. Greece is an area vital to the security and peace of the free world.

Today we pay tribute to Greece and to its people, and to the support that we in the United States of America maintain toward a free and democratic Greece.

Mr. LUGAR. Mr. President, as chairman of the European Affairs Subcommittee of the Senate Committee on Foreign Relations and as a friend of Greece, I join with my colleagues today in reaffirming the U.S. support for Greek democracy and for the warm and friendly relationship between the American and Greek peoples.

Greece and the United States share many values, ideals, and aspirations. We also face common challenges and dangers. Through even closer cooperation and understanding, we can meet these challenges and dangers together successfully.

Mr. President, the North Atlantic Treaty Organization provides the best framework for both the United States and Greece in harmony with our other allies to safeguard and maintain the ideals of democracy formulated for the first time in ancient Greece.

The relationship between the United States and Greece is of benefit to both our countries and both our peoples.

Mr. PERCY. Mr. President, I am very happy to yield to my distinguished colleague from Maryland (Mr. SARBANES), who can speak with even greater wisdom than the Senator from Illinois can about Greek democracy.

The PRESIDING OFFICER (Mr. HUMPHREY). The Senator from Maryland is recognized.

Mr. SARBANES. Mr. President, I thank the distinguished Senator from Illinois, the chairman of the Senate Foreign Relations Committee for yielding. I commend him, and the Senator from Indiana (Mr. LUGAR) for their thoughtful and perceptive statements about Greek democracy and about the close ties which have existed between the United States and Greece from the very early years of our Republic.

As the distinguished Senators pointed out, Greece and our own country share a common political tradition. Greece is truly the cradle of democracy. The very principle and premises upon which our own democracy rests is derived from the Greek political system, which was evolved so many years ago and which was the first to place such great emphasis on the importance of the individual, his responsibility for self-governance, and the ability of the individual to determine his own future.

Mr. President, the United States-Greek ties have grown stronger and matured over the past two centuries. There are literally millions of Americans of Greek heritage who while deeply committed to this Nation and to building the strength of America, at the same time recall with pride and remain close to their Hellenic heritage and traditions. Greek-Americans in this country have prospered and, in the course of prospering, have worked to contribute to the strength of the United States and to

deepen the values upon which this Republic is based.

This is especially true where education is concerned. It is interesting to note that according to U.S. Census data, in the early years of Greek immigration into this country, Greeks ranked 18th out of 24 nationalities in median educational attainments. Yet in one generation, through the tremendous emphasis placed upon education by Greek-American families and the response of the children of those families, they have moved to the point of now being No. 1 amongst American ethnic groups where median educational achievement is concerned. This sharpening of skills and abilities redounds to the benefit of the United States, and the results are evident in the enormous contribution which Greek-Americans have made to science, to the arts, to the professions and to business, to the academic world and to government and, indeed, to all walks of our life.

Mr. President, the deep friendship and respect between the United States and Greece, of course, has been reflected particularly in congressional attitudes over the years toward Greece and toward independence and freedom in that country. Among the first Members of Congress to speak out in support of the ideals of the 1821 Greek revolution, by which Greece first won its independence, was Daniel Webster, a Member of this august body. That close tie has continued into our own time. Greece, suffering under a brutal wartime occupation, remained a steadfast ally.

Subsequent to World War II, President Truman proposed and Congress adopted a broad program of economic and military assistance to Greece at a time when Greece was faced with very severe threats to its freedom. Congress was very strongly supportive of that program.

In recent years, Congress has again emphasized the importance of democratic freedoms and civil liberties in Greece, and has sought to maintain a close working alliance and relationship with that country. Congressional spokesmen expressed strong opposition to the denial of freedom by the colonel's junta. Most recently Congress has sought peace and justice on Cyprus following the Turkish aggression in the summer of 1974.

Mr. President, Greece has been of enormous strategic importance to the United States, a close ally in both world wars. It occupies a unique strategic geographic position in the world. The United States-Greek relationship is based both on mutual strategic interests and on a shared respect for the Western values that we hold so important—indeed Greece is the source of so much of Western values. This is a friendship resting upon shared history, shared values, and shared interests.

I am very pleased to join my colleagues today in stressing the warmth and strength of the friendship between the two countries, underscoring particularly the importance of shared democratic values to that friendship, and commending the Greek people for making democracy work in the land which even today is known throughout the world as the cradle of democracy.

I thank the chairman of the Committee on Foreign Relations (Mr. PERCY) for his very thoughtful and perceptive remarks and for initiating the discussion on a very important topic.

Mr. PERCY. Mr. President, I thank my distinguished colleague.

● Mr. NUNN. Mr. President, as we approach consideration of the International Security and Development Cooperation Act of 1981, it is appropriate to review the traditionally close ties between the peoples of Greece and the United States.

Events in Greece have always had a special significance for Americans and Western Europeans because the legacy of Greece has transcended national boundaries and given life to Western civilization for more than 2,000 years. Ancient Greece produced a people as gifted and innovative as any in history. As the originators of political democracy, the Greeks gave the world an institution that has inspired enlightened governments for centuries. Indeed in every area of human accomplishment—science, philosophy, art, architecture, medicine, literature—we find our heritage in the Golden Age of Greece. Much of what is best in modern society had its origins in Greece. In that sense, we are all heirs to the Greek tradition.

Americans have long recognized our debt and close ties to the people of Greece. When the Greeks rose up against the Ottoman Empire in 1821, Americans, fresh from their victorious struggle for independence, also rose up in sympathy for the gallant freedom fighters.

Ministers and politicians delivered sermons and speeches, legislatures passed resolutions of solidarity with the Greek people, money was raised to support the Greek cause, and many Americans even left their homes to cross the Atlantic and join the Greek patriots.

Since achieving their independence, the Greek people have faced powerful threats to their freedom and sovereignty. In just the last 40 years, they have endured two invasions, 4 years of harsh military occupation, a bitter civil war supported by Soviet-backed regimes outside Greek borders, and 7 years of dictatorship.

Each time, the democratic impulse and fierce independence of the Greek people have reasserted themselves, and the challenge has been met successfully.

Throughout the past 160 years, the strong bonds of friendship forged between the people of Greece and America during the Greek war for independence have grown steadily stronger. Our two nations fought side by side as allies during World War II and the Korean war and became permanent partners when Greece joined NATO in 1951. Marshall plan aid helped Greece rebuild its war-torn economy, and the Truman doctrine assisted the Greek people in turning back a determined Communist threat.

Just as this American aid has been important to Greece, the contributions of Greeks in the United States have enriched American life. Greeks have played a key role in American history since the early European explorations.

Greeks in America have compiled distinguished records in the arts, politics, business, and the professions. Many groups have come to America in search of economic opportunity, but none has exceeded the achievements of the innovative, resourceful Greek-Americans. Greeks helped to build modern, industrial America, and Greek workers and businessmen continue to be prominent in our Nation's economic life. Greek institutions—churches, newspapers, fraternal and community organizations—have strengthened the Greek-American community and helped to preserve the values of Greek culture.

Today, Greece occupies a position of critical importance to Western security. Increasing adventurism by the Soviet Union and its proxies combined with the Soviet naval buildup in the Mediterranean and instability in the Middle East have dramatically increased the importance of NATO's southern flank in recent years.

Located strategically along the shores of the eastern Mediterranean, Greece guards the lifeline over which Middle Eastern oil flows to Western Europe. Greece also blocks the land route between the Warsaw Pact countries and the Mediterranean.

Together with Turkey, Greece stands as the Western outpost closest to a Soviet strike against the oilfields of the Persian Gulf. At a time when U.S. naval force reductions have significantly affected the balance of power in the Mediterranean, NATO strategic planning must take into account the new realities along its southern flank as well as the Alliance's expanded requirements in the Middle East.

Greece must play a key role in the security posture of the West. As Adm. William J. Crowe, Commander in Chief of Allied Forces in Southern Europe asserted earlier this year, NATO "must bear in mind that the loss to the Soviets of even a portion of the Mediterranean could be a fatal blow to the Alliance."

For these reasons, Greece's agreement to resume full military partnership in NATO and Greek entry into the European Economic Community are among the most positive developments of recent months.

Just as importantly, Greece and Turkey have begun to reach agreements on some of the issues concerning rights in the Aegean Sea. The continuing rivalry between these two NATO allies remains a cause for serious concern, but we should all be encouraged by the accords that have already been reached and the promise of future progress. At a time when greater efforts are required of all members of NATO, it is imperative that both Greece and Turkey participate as full, cooperating partners in the Alliance.

All of these developments—entry into the Common Market, reintegration into

the NATO military organization, negotiations with Turkey—together with the restoration and maintenance of democracy and improved relations with the United States strengthen the Western Alliance and demonstrate the huge strides taken by Greece in recent years.

In the coming months, new challenges must be faced, and close cooperation between Greece and the United States will continue to be vital. I am pleased that the foreign assistance bill that we will consider shortly includes substantial military assistance for Greece. This assistance will strengthen the partnership between Greece and the United States and enhance Greece's critical role in NATO.●

THE IMPORTANCE OF UNITED STATES-GREECE RELATIONS

Mr. CHAFEE. Mr. President, it is fitting that today we acknowledge the importance of our ties to Greece and to the Greek people. I am sure that no Member of the Senate needs to be reminded of the impressive contributions made by people of Greek heritage to the development of the American cultural tradition and, indeed, to the development of Western civilization itself.

Today, however, Mr. President, I would like to focus not on the past contributions of Greece and her people to our way of life, but rather to emphasize the bright future for relations between our two countries.

It gives me great pleasure to observe that Greece is now fully reintegrated into the NATO military command structure. The strategic importance of Greece to the Western Alliance can hardly be overstated. Our close relations and our mutual efforts to enhance Greek security extend back over 35 years, and predate the formation of the NATO Alliance itself. I believe it is most noteworthy that all existing agreements and arrangements between the United States and Greece, some dating to as far back as 1953, are still in force and are serving both countries well.

We have recently been involved in negotiations concerning the future status of U.S. bases in Greece. These bases serve important U.S. and NATO interests, and their existence reemphasizes the importance of Greece to the strategic framework of the Alliance. These negotiations are currently suspended, and when they resume I am confident that the remaining outstanding issues will be resolved. I am certain that an agreement which respects Greek sovereignty fully and which fosters further cooperation in defense matters can be reached.

We will undoubtedly face a number of additional critical issues in the coming years, issues affecting the immediate region of the Mediterranean and Europe as a whole. I am certain that all of us who value the contributions made by Greece to Western security and who hope for even closer relations in the future will work hard to insure that U.S. policy contributes to that objective. Similarly, I am confident that the long tradition of cooperation between Greece and the United States will enable us to overcome any minor difficulties and to work together to build a peaceful and stable future.

UNITED STATES RELATIONS WITH GREECE: FRIENDSHIP AND COOPERATION

Mr. PELL. Mr. President, I am delighted to join my colleagues in paying tribute to our country's longstanding friendship with Greece. For many years, the United States and Greece have enjoyed a relationship characterized by warmth, friendship, mutual cooperation and support. Our people share a common devotion to democratic ideals and individual freedoms. Indeed, America's democratic system of government is descended from that of the Greeks.

American citizens of Greek ancestry have made and continue to make important contributions to our cultural, economic, and political development. The close ties between the people of Greece and the Greek-American community help to strengthen the bonds between our two nations.

On many occasions, Greece has proven itself to be a loyal and reliable ally of the United States. Greece has fought with distinction at the side of the United States in World War I and World War II. Greece's contribution to the Allied Powers in World War II was enormous both in human terms—9 percent of the entire Greek population sacrificed their lives during the war—and in its impact on the Allied effort.

Greece's defeat of Mussolini provided the Allied forces with their first victory. The extraordinary German paratrooper losses suffered at the hands of the citizens on the island of Crete caused Hitler to eliminate massive airdrops from his war strategy. Many experts credit Greece's interruption of Hitler's timetable as the reason that his troops moved into the Soviet Union in the winter. This move contributed to the ultimate defeat of the Nazis. During the Korean war, Greece contributed nearly 1,000 troops to the United Nations effort on behalf of freedom and defeat of Communist aggression.

Over the years, the United States has demonstrated its support for Greece as well. In 1946, the United States began to send economic aid to help rebuild Greece after World War II. Under the Truman doctrine, vital military assistance to Greece began. American economic and military assistance enabled Greece to effectively prevent the expansion of Communist influence and to maintain Greece as the cradle of democracy.

The American people and their representatives in Congress supported the continuation of economic and military aid to Greece until the military junta usurped the democratically elected government of Greece in 1967. At that time and until civilian government and democratic processes were restored in Greece in 1974, Members of Congress stood in support of the rights and liberties of the Greek people and in opposition to the undemocratic policies of the junta.

During the 7 years of the military regime in Greece, I vigorously opposed the junta and called for a return to constitutional government. I also urged the U.S. Government to embark upon a review of American policy, to end its unquestioned support of the military regime, and to support the democratic elements in Greece. The restoration of a democratic form of government in Greece in 1974 was a development welcomed by the American people and Members of Congress, myself among them.

With the Turkish invasion of Cyprus, the U.S. Congress demonstrated its support for Cypriot Greeks by imposing an embargo on arms to Turkey. I vigorously opposed lifting that embargo and supported the many efforts to resolve the conflict between our two NATO allies, Greece and Turkey, over the Cyprus issue and the Greek-Turkish dispute in the Aegean Sea.

The United States also provided, at my urging, assistance to Greek Cypriot refugees. The close relationship between the United States and Greece is further demonstrated by the successful negotiation of an agreement which accommodates U.S. and Greek interests in the operation of American military bases on Greek territory.

By joining NATO and the European Community, Greece has demonstrated its commitment to Western defense and democratic values. Geographically, Greece plays an important role in NATO strategy for the defense of the Mediterranean and in insuring the integrity of NATO's southeastern flank. By virtue of its position and facilities, the island of Crete provides effective control of East-West air-and-sea communications to Israel, Egypt, and the Middle East. Politically, Greece, today, stands as a symbol of freedom and democracy for those members of the Soviet bloc which are positioned on its borders.

Mr. President, the contributions which Greece has made and continues to make to the defense of freedom and democratic values must not go unnoticed. The mutual ties and interests between the United States and Greece are many and far reaching. In the past, we have been able to build upon these bonds to develop a strong and mutually beneficial relationship. It is my fondest hope that the dedication to cooperation and spirit of friendship characteristic of United States relations with Greece will continue as we move through the decade of the 1980's and beyond.

A STRONG U.S.-GREEK RELATIONSHIP

Mr. KENNEDY. Mr. President, I am proud to join my colleagues in expressing deep support for strong United States relations with Greece. Greece has been a strong and true ally of the United States, and has made major contributions to America and the West through its civilization, through its tradition of democracy, and through new generations of Greek Americans.

By successfully reforming the immigration laws of 1965, we were able to raise the annual number of eligible Greek immigrants from 308 to 20,000. I

take pride in this achievement. Greek Americans helped to make this country great in the past, and will help to make it great in the future.

We care deeply about the future of Greece and the Greek people, and we should support both their democratic institutions and their aspirations of social and economic justice. Our national interest, and the international interest in the stability of the eastern Mediterranean, demand a more active American role in settling conflicts between Greece and Turkey over the Aegean Sea and over Cyprus.

What is needed is a lasting political settlement based on the legitimate rights of both the Turkish minority and the Greek majority in Cyprus, a solution that addresses both the constitutional issues and the territorial disputes in a just and viable manner. Such a solution is long overdue. I call on the administration to play an active role, without delay, to help bring lasting peace to the island of Cyprus.

In addition, America welcomes Greece's renewed participation in NATO, which strengthens our collective stability and security by bolstering the alliance's southern flank against the Warsaw Pact. The United States should strongly support continued, full Greek participation in NATO and should maintain a balance in our aid to Greece and Turkey.

Mr. President, I care deeply about the people of Greece and about the continued friendly relations between our two nations. It is in our mutual interests to build upon the friendship which characterizes our relationship today, and which holds so much promise for the future.

UNITED STATES-GREEK RELATIONSHIP: A COMMON HERITAGE AND STAUNCH ALLIES

Mr. ROBERT C. BYRD. Mr. President, I take this opportunity to commend the distinguished chairman of the Senate Foreign Relations Committee (Mr. PERCY) for organizing this colloquy on the importance we attach to Greece, both as a strategic ally and as an historic friend.

As the Senator who led the fight to lift the arms embargo against Turkey, imposed in the aftermath of the last Cyprus crisis, I welcome this opportunity to discuss the importance I attach to Greece as a friend and ally.

We, as Americans, should never lose sight of the influence Greek political thought played in the establishment of our own democracy. More than 500 years before the birth of Christ the city state of Athens formulated, and adopted, a constitution which laid out the parameters for the conduct of government. A representative democracy was established whereby much of the government's decisionmaking authority was entrusted by its citizenry to chosen representatives.

In 390 B.C., Aristophanes first exercised the political right that Americans cherish so much today—the right of dissent, or to publicly criticize governmental policies. Our Founding Fathers turned to ancient Greece, studied its democratic political thought, analyzed it, debated it, and determined that our basic constitutional principles should be based upon a foundation of representative government. Therefore, we owe much to Greece as the cradle of modern day democratic political thought.

To a certain extent, it is somewhat tragic that America did not have the benefit of major waves of Greek immigration until 1900. We had adopted and refined ancient Greek political thought to fit our needs for representational government. Yet it was not until 1900 that the first wave of Greeks came to this country, enriching our already diverse culture. These new citizens, ambitious and hardworking, moved quickly up the ladder in this country. Through their extraordinary drive and adaptability, Greek-Americans fast became very successful in this Nation.

According to our own Bureau of Census data, the first Greeks who became U.S. citizens ranked 18th among 24 nationalities in their median educational attainment. However, their children have accomplished one of the most impressive feats of any group of people in the world. They quickly rose to the top and now rank at the top among American ethnic nationalities in median educational attainment. Today, there are literally thousands of Greek-Americans throughout this Nation playing major roles in their communities, cities, and States.

The interrelationship among the people of Greece and those of the United States is crucial to an understanding of the remarkable support each nation has provided for the other during their times of need. It behooves our countries to continue this critical relationship.

But the history of friendship between the United States and Greece goes beyond our common democratic heritage and the cultural enrichment that Greek immigrants have brought to this country. Greece is also very strategically important to the United States. Lying on the southern tip of the Balkan Peninsula, the land mass and isles of Greece constitute the geographical link between Italy to the West and Turkey to the East. It is also a bridge between the continents of Europe, Asia, and Africa.

Thus, Greece is pivotal to the defense of both Turkey and Italy. Whoever controls Greece can isolate Turkey and outflank Italy. Greece insures the strategic integrity of NATO's southeastern flank and provides early warning and air defense coverage for allied naval forces operating in the Mediterranean. In addition, the Greek islands dotting the Aegean form successive defense lines against an attack from the North, effectively denying Mediterranean access to a hostile force.

By virtue of its central position, its splendid natural harbor of Suda Bay, and its military airport facilities, the Island of Crete can effectively control East-West air and sea communications to Israel, Egypt, and the oil rich Middle East.

There are numerous considerations in looking at the strategic assets Greece brings to the NATO alliance and I shall not go into every one in detail here. However, I do want to take this opportunity to go to the crux of my remarks. I am disappointed that no agreement has been achieved on the future of U.S. bases in Greece. These bases serve both United States and Greek interests.

I urge that we move expeditiously to resolve the impasse in these negotiations and conclude the agreement just as soon as possible. America's foreign policy toward Greece should be as supportive as possible. Greece has been an unswerving ally in all major international confrontations, and we should recognize the sacrifices we have made together. It is now time to cement that relationship once again with a base agreement.

Mr. PERCY. Mr. President, I thank the distinguished minority leader for his statement. I know of no Senator who has a greater reverence for the Constitution of his own country and the democratic process, who practices it as an art and a science more diligently, and who contributes, year after year, more to the working of this process in our country to pay tribute, as he has, with others of our colleagues, to the cradle of democracy, Greece, and the strength of the Greek people, particularly as they approach another election in their country. I know we all very much appreciate the words expressed so eloquently by our distinguished minority leader, Senator ROBERT C. BYRD, of the great State of West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished chairman of the Committee on Foreign Relations for his very generous remarks.

GREEK-AMERICAN FRIENDSHIP

Mr. ROTH. Mr. President, I rise today to offer a few remarks on the enduring friendship between the United States and Greece. As a nation, we trace our history back 4,000 years to the city-states of Greece where the idea of democracy was born. The word itself comes from the Greek language, meaning "rule of the people."

But perhaps even more important than this rich cultural and philosophical heritage is the rich contribution to American life and society that has been made by the millions of Americans who are of Greek ancestry. At the beginning of this century, desperate conditions in Greece coupled with the opportunities available in the United States brought thousands of Greeks to our shores. During these early years, nearly one in four Greek males between the ages of 15 and 45 left Greece for America.

Although those first Greek immigrants by and large had very low educational levels—in fact, opportunities for education was one of the major incentives for leaving their homeland—they brought with them skills, energy and a zest for life that enabled them to quickly improve the condition of life for themselves and their children.

Today many of our most prominent citizens are of Greek ancestry. William Tavoulareas, president of Mobil Oil, and John Brademas, an eight-term Congressman who is now president of New

York University are just two among the thousands of Greek-Americans making outstanding contributions to our national life.

Yet even third generation Greek-Americans have not forgotten their ancestral origins. The ties between the Greek-American communities in this country and the people of Greece remain extraordinarily strong. Despite ups and downs in the political fortunes of Greece, the peoples of both our countries have remained true to the common values that we have both inherited from ancient Greece.

Greece and the United States fought side by side in both world wars. Over 60,000 Greeks died fighting in World War II. In a nation of only 7 million, that equates to fully 9 percent of the population.

After World War II, Greece stood up to and defeated the Soviet-backed Communist efforts to take over the country. The valor of the Greek patriots was such as to prompt President Truman to reverse the drift of U.S. policy and make a firm stand against the advance of Soviet power into the strategic Middle East.

In the Korean war, the valor of the Greek troops was legendary.

Today Greece still guards the southern flank of NATO by spending about 32 percent of its national budget and nearly 6 percent of its GNP on defense. Nothing could show more clearly the determination of the people of Greece to defend the values we hold in common.

Every effort should be made to assure the continuation of a close and ccoperative relationship between our two countries. In addition to the bonds of friendship rooted in cultural and historical affinities, Greece has great strategic importance to the Western security system. In addition to its geographical location, the great shipping resources of Greece which are the third largest in the world, would be critical to the allied effort in an emergency.

This is why we must not let misunderstandings or technical disputes stand in the way of strengthening our ties. I would, hope, for example, that our two countries could soon resolve our differences over new U.S. bases agreement. And I would hope that the U.S. Government could continue its strong economic support for Greece.

Regardless of the issue of the day, however, I know that solidarity between the people of Greece and America will persist in their unbreakable bonds of friendship.

GREECE AND AMERICA

Mr. TSONGAS. Mr. President, I would like to speak today in support of the foreign aid package to Greece. Being of Greek descent myself, I can appreciate the close bonds shared by Greece and America in many aspects of our societies.

Greek American political traditions are closely bonded by shared democracies. The interrelationships of the Greek and American people runs very deep. The essence of a nation is in its people and many of our historic and cultural ties with Greece reflect common democratic ideals.

In 1900, the United States welcomed many Greek immigrants in what was Greece's major exodus. One in every four Greek males between the ages of 15 and 45 departed for the United States. These immigrants became intermingled in U.S. society as shoemakers, drycleaners, and restaurateurs. My grandfather was one of these pioneers searching for a new life in America.

Greek families retained the tradition of the strong nuclear family, with close ties to their relatives in Greece.

Education has always been important to the Greek family as evidenced by U.S. Census Bureau figures this year ranking the children of Greeks first in median educational attainment among ethnic groups.

Greece and the United States have mutual defense and security interests. We cannot underestimate the strategic importance of Greece as a member of NATO, as a location for U.S. military bases, and as a power in the Aegean. This year, Greece allocated 32 percent of its national budget and 6 percent of its GNP to defense.

From 1946 to 1976, the United States appropriated over $4 billion in military and economic aid to Greece. From 1977 to the present we have allocated an additional $825.3 million in military grants, credits, and guarantees to Greece. For fiscal year 1982 I offered an amendment in the Foreign Relations Committee to add $20 million to the administration's military aid request of $260 million. I will strongly support the foreign aid increases that have been added to the administration's request in the House and Senate.

I also strongly urge the administration to recognize Greek concerns regarding American bases in Greece so that an agreement can be signed as soon as possible. In my view, America's foreign policy toward Greece should be as supportive as possible.

● Mr. HUMPHREY. Mr. President, it is with great pleasure that I express support and appreciation for years of positive Greek-American relationships. Greek traditions are democratic and have served as a cornerstone of American democratic ideals.

In matters of mutual security interest, the United States and Greece have worked together to encourage European nations to act within a collective framework both militarily and economically. The United States continues to support Greek participation in NATO and the European Economic Community (EEC). It is my opinion that Greece participation in NATO and EEC has helped to foster democracy in that country. In addition, the U.S. bases in Greece have served as a deterrent to any potential aggressor.

I cannot stress enough the contribution of Greek people in this country. Their mark can be found in every area of American life.

In conclusion, I salute the Greek people and will continue to support those efforts that foster a close relationship.●

## ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 1 p.m., during which Senators may speak for 5 minutes each.

## AWACS

Mr. DIXON. Mr. President, foreign policy decisions, like all decisions, are seldom clear-cut choices between right and wrong. However, the administration's insistence on selling AWACS and F–15 enhancements to Saudi Arabia has caused more division among informed observers than similar debates of the recent past.

Advocates and opponents of the proposed sale have molded their views into tight frameworks since early this year, when details of the sale were first made known.

Members of Congress have had 6 months to contemplate the purported benefits of this sale. Now, they are asked to ponder the matter a while longer, as the administration presents its case. The deadline, however, is approaching, and the fine print of the sale cannot change the overall picture.

Therefore, I reiterate my firm opposition to the $8.5 billion package, and note I am a cosponsor of the resolution of disapproval introduced by Senator PACKWOOD.

The sale has strategic, military and diplomatic ramifications that do not serve America's best interests.

It is argued that AWACS and F–15 add-ons lay the groundwork for a "strategic consensus" against Soviet or Soviet-sponsored incursions into the Persian Gulf. Yet, I am convinced that the proposed sale would increase tension and escalate violence in the Mideast.

The administration says the Saudis have acknowledged the "strategic consensus" theory, but it is not beyond reason to think they may have their own notions about an Arab "strategic consensus" that is diametrically opposed to American Mideast policy.

Saudi Arabia has undermined repeatedly U.S. efforts to achieve a lasting peace in the area. It has actively opposed the Camp David peace treaty, financed the Palestine Liberation Organization and threatened holy war against Israel.

Most recently Saudi Arabia joined an Arab condemnation of the United States after American fighters returned the fire of two Libyan jets over international seas. We were denounced for an act of "international piracy." In return, the Congress is asked to approve a sale of weaponry that the United States does not entrust to our NATO allies without the assurance of joint American command.

I share the concern voiced by many of my colleagues that internal problems in Saudi Arabia further add to the risk of selling it this advanced weaponry.

AWACS, in particular, are on the cutting edge of American technological sophistication—so far ahead of any system currently operated by the Soviet Union that our loss would be Russia's quantum leap of military advancement.

I will not debate the issue of Saudi stability. Whether the Government will survive for 2 years, two decades, or two centuries is not the point: Without guarantees of democratic stability from one ruler to the next, and acknowledging the possibility of internal uprisings, I am not prepared to support this sale of staggeringly advanced military hardware.

These are admittedly disturbing conclusions to arrive at, in light of the President's decision and the possible diplomatic fallout between Saudi Arabia and the United States. However, if there is to be a downward spiral in relations, the Congress cannot be blamed for an exercise of its duty to oversee transactions of this nature, as enunciated in the Arms Export Control Act.

A promise was not the President's to give. Only the Congress can consent to the President's decision.

We must continue to attempt to solve the burning issues of the Mideast, but not by renewing an arms race, or threatening the groundwork already laid. We must pursue strengthened relations with the Saudis, but in a clear-headed manner, wary of their intentions.

I am deeply concerned that the administration has started down the wrong road. It is my great hope that, we, as a nation, can correct these missteps before the Mideast again explodes.

The first order of business is to say no to the $8.5 billion arms sale to Saudi Arabia.

## THE MANPOWER PROBLEM

Mr. GOLDWATER. Mr. President, in recent years, the manpower problems of our military services have gotten increased attention from those who care about our national defense. This I regard as a healthy sign since the care and feeding of our troops has a definite bearing on their morale. Too often we have become wrapped up in the weapons systems and not enough attention has been paid to the people who must operate them. As a result, we have seen young men and women either retire as soon as possible or leave the services prior to retirement because their training and expertise allows them to obtain better jobs in the civilian world. In order to keep these highly trained and highly motivated people, we must get serious about giving them better pay and better working conditions. This very problem has been addressed in one of the periodic reports issued by the Association of the United States Army.

I ask unanimous consent that the text of this report be printed in the RECORD for the benefit of my colleagues and to show that there are manageable answers to the manpower problem.

There being no objection the article was ordered to be printed in the RECORD, as follows:

LONGER MILITARY CAREERS—WHAT MUST WE DO TO MAKE THEM ATTRACTIVE AND PRODUCTIVE?

In a recent letter to The Washington Post, Rep. Les Aspin (D–Wis.) decried the fact that so many members of our armed forces voluntarily end their careers after 20 years of service and pointed with special alarm to the fact that last year 1,744 servicemen and women retired at the age of 37. Mr. Aspin called upon the President and the secretaries of the armed services to exercise their statutory authority to keep people on active service longer.

Whether he realized it or not, Rep. Aspin was pointing out two very real needs for efficient military manpower management. First requirement is to make a military career more bearable. If we can eliminate the kinds of negative features like frequent moves and extended family separations; if we can make sure that a service member who moves in response to reassignment orders need not incur a personal debt; if we provide comparable pay and if we can assure both married and single service members a decent place to live—then we will have eliminated the largest drives toward early retirement. If a soldier does not find himself asking his wife to "hang on for just a few more years" of discomfort and deprivation, early retirement will lose much of its allure. The elimination of all these negatives is clearly within the constitutional purview of Congress.

Second, and just as important, Mr. Aspin was calling renewed attention to the need for modernizing the retirement system. The present system has evolved over the years as a result of many stop-gap actions. It is poorly understood by the Congress that oversees it and even by the military people who are its beneficiaries. It has been studied in depth by the Defense Manpower Commission during 1974–1976 and by the President's Commission on Military Compensation in 1977–1978, but none of the maze of resulting recommendations was ever given a close look by Congress.

Needless to say, there are ways to encourage longer service and, at the same time, to equitably compensate those careerists whose service must be foreshortened in order to keep a healthy mix of fighters, technicians and administrators. Armed with those equitable means, the service secretaries would be better motivated to manage their personnel more in accord with the needs of the service and less out of deference to individual choice.

## MORTGAGE REVENUE BONDS: THE FUTURE OF HOUSING IS NOW

Mr. SASSER. Mr. President, the Mortgage Subsidy Bond Tax Act of 1980, which was passed as an amendment to the Omnibus Reconciliation Act, contained a number of provisions which inadvertently made it impossible for State and local governments to issue tax-exempt mortgage revenue bonds. These provisions created some technical problems that still require remedy, since these problems were unresolved in the regulations published by the Internal Revenue Service on July 1 of this year.

The legislation I have introduced to correct this situation, S. 1348, now has 25 cosponsors. I am glad to see the broad bipartisan support this legislation is drawing from every region in the country. The mortgage bond program is a good approach for providing desperately needed affordable mortgages for first-time homebuyers, and it should be allowed to work. I should also note that the Joint Committee on Taxation has assessed the bill as incurring no cost to the Treasury, a key factor in any legislation up for consideration in this Congress.

The Mortgage Subsidy Bond Tax Act of 1980 did place some significant limitations on the nature and scope of the mortgage bond program. Among the principal limitations to be preserved under S. 1348 are the State ceilings on overall bond volume. The State ceiling for any calendar year is 9 percent of the average annual aggregate principal amount of mortgages executed during the immediately preceding 3-calendar years for single-family owner-occupied residences in the State, or $200,000,000, whichever is greater.

The IRS, using data prepared by the Department of Housing and Urban Development and the Federal Home Loan Bank Board, has issued a revenue procedure setting out mortgage bond safe harbor estimates of average single-family nonfarm residence purchase prices for certain areas. Under the 1980 act, and S. 1348, the maximum purchase price is 90 percent of the average area purchase price (AAPP) in nontargeted areas and 110 percent of the AAPP in targeted areas. Revenue procedure 81–36 also includes computations of State ceilings.

I have attached tables showing the ceilings for each State, as well as the HUD/FHLBB/IRS designations of the highest and lowest cost housing in each State. Since these figures are subject to variation within each State, and qualified home buyers (income less than 80 percent of area median) would not be eligible to purchase the higher priced homes, the precise number of units cannot be determined with pinpoint accuracy. But these tables will show a broad estimate of the potential gains for home buyers and homebuilders on a State-by-State basis.

Mr. President, the average mortgage rate nationwide has hit 17 percent. Ninety-five percent of the home-buying public has been frozen out of the market. Even if rates do subside by a point or two in the foreseeable future—and that is a big if—it will be only the wealthiest buyers who can stay in the market, and practically no first-time buyers. The statistics of devastation in the construction industry are well known: Unemployment climbing toward 20 percent, over a third of this country's contractors out of the homebuilding business, and the situation is deteriorating. The mortgage bond program will not solve these problems overnight. But it will allow State and local governments and local lending institutions to help make it possible for significant numbers of first-time home buyers to own their first home. As the

attached table shows, between 200,000 and 285,000 potential first-time home buyers would be able to finance new or existing homes if S. 1348 became law. Passage of S. 1348 is a necessary step toward once again making homeownership an affordable dream for thousands of American families.

Mr. President, I ask that a table indicating the number of new or existing housing units and corresponding average area purchase price data for all 50 States as these are affected by S. 1348 be printed in the RECORD.

The table follows:

| State (ceiling) | New | | Existing | |
|---|---|---|---|---|
| | AAPP [1] | Units [2] | AAPP [1] | Units [2] |
| Alabama ($200,000,000) | $64,700 | 3,091 | $56,100 | 3,565 |
| Alaska ($200,000,000) | 107,700 | 1,987 | 82,900 | 2,411 |
| Arizona ($203,500,000): | | | | |
| High | 89,100 | 2,284 | 79,800 | 2,550 |
| Low | 76,300 | 2,667 | 61,400 | 3,314 |
| Arkansas ($200,000,000): | | | | |
| High | 64,400 | 3,106 | 61,400 | 3,257 |
| Low | 62,100 | 3,221 | 58,500 | 3,419 |
| California ($2,217,600,000): | | | | |
| High | 132,800 | 16,699 | 144,800 | 15,400 |
| Low | 66,700 | 33,247 | 57,800 | 38,367 |
| Colorado ($308,800,000): | | | | |
| High | 80,000 | 3,860 | 70,200 | 4,399 |
| Low | 78,500 | 3,394 | 54,900 | 5,625 |
| Connecticut ($200,000,000): | | | | |
| High | 142,000 | 1,408 | 142,600 | 1,403 |
| Low | 73,700 | 2,714 | 59,800 | 3,344 |
| Delaware ($200,000,000) | 75,200 | 2,660 | 58,100 | 3,442 |
| District of Columbia ($200,000,000) | 100,100 | 1,998 | 93,200 | 2,146 |
| Florida ($614,900,000): | | | | |
| High | 80,300 | 7,658 | 70,300 | 8,747 |
| Low | 55,500 | 11,079 | 38,400 | 16,013 |
| Georgia ($201,500,000): | | | | |
| High | 88,100 | 2,287 | 67,000 | 3,007 |
| Low | 59,300 | 3,398 | 46,900 | 4,296 |
| Hawaii ($200,000,000): | | | | |
| High | 152,200 | 1,314 | 112,800 | 1,773 |
| Low | 117,000 | 1,709 | 109,900 | 1,820 |
| Idaho ($200,000,000) | 78,500 | 2,548 | 67,100 | 2,981 |
| Illinois ($632,200,000): | | | | |
| High | 82,100 | 7,700 | 71,300 | 8,867 |
| Low | 73,400 | 8,613 | 43,400 | 14,567 |
| Indiana ($221,200,000): | | | | |
| High | 85,600 | 2,584 | 49,900 | 4,433 |
| Low | 56,500 | 3,915 | 46,100 | 4,798 |
| Iowa ($200,000,000) | 70,900 | 2,821 | 51,600 | 4,287 |
| Kansas ($200,000,000): | | | | |
| High | 71,900 | 2,821 | 51,600 | 4,287 |
| Low | 54,400 | 3,676 | 41,600 | 4,808 |
| Kentucky ($200,000,000): | | | | |
| High | 72,100 | 2,774 | 50,200 | 3,984 |
| Low | 58,400 | 3,425 | 44,300 | 4,515 |
| Louisiana ($200,000,000): | | | | |
| High | 93,000 | 2,151 | 74,800 | 2,674 |
| Low | 76,900 | 2,601 | 56,200 | 3,559 |
| Maine ($200,000,000) | 73,500 | 2,721 | 58,200 | 3,436 |
| Maryland ($240,400,000): | | | | |
| High | 84,500 | 2,845 | 58,700 | 4,095 |
| Low | 55,100 | 4,363 | 56,500 | 4,225 |
| Michigan ($362,700,000): | | | | |
| High | 99,300 | 3,653 | 56,200 | 6,454 |
| Low | 77,500 | 4,680 | 45,000 | 8,060 |
| Minnesota ($239,800,000): | | | | |
| High | 93,200 | 2,573 | 68,800 | 3,485 |
| Low | 70,900 | 3,382 | 56,100 | 4,214 |
| Mississippi ($200,000,000) | 65,700 | 3,044 | 47,100 | 4,246 |
| Missouri ($220,900,000): | | | | |
| High | $82,800 | 2,668 | $51,400 | 4,298 |
| Low | 58,800 | 3,757 | 47,100 | 4,690 |
| Montana ($200,000,000) | 79,300 | 2,522 | 62,300 | 3,210 |
| Nebraska ($200,000,000): | | | | |
| High | 62,500 | 3,200 | 51,300 | 3,899 |
| Low | 50,700 | 3,945 | 40,000 | 5,000 |
| Nevada ($200,000,000) | 98,000 | 2,041 | 94,500 | 2,116 |
| New Hampshire ($200,000,000) | 62,300 | 3,210 | 54,400 | 3,676 |
| New Jersey ($319,700,000): | | | | |
| High | 107,900 | 2,962 | 87,600 | 3,650 |
| Low | 77,500 | 4,125 | 71,000 | 4,503 |
| New Mexico ($200,000,000) | 64,900 | 3,082 | 46,400 | 4,310 |
| New York ($412,900,000): | | | | |
| High | 93,600 | 4,411 | 79,400 | 5,200 |
| Low | 65,500 | 6,304 | 41,800 | 9,898 |
| North Carolina ($200,000,000): | | | | |
| High | 88,800 | 2,252 | 59,300 | 3,373 |
| Low | 44,800 | 4,464 | 43,200 | 4,630 |
| North Dakota ($200,000,000) | 79,300 | 2,522 | 62,300 | 3,210 |
| Ohio ($540,400,000): | | | | |
| High | 86,200 | 6,269 | 59,600 | 9,067 |
| Low | 62,600 | 8,663 | 44,400 | 12,171 |
| Oklahoma ($200,000,000): | | | | |
| High | 95,600 | 2,092 | 66,600 | 3,003 |
| Low | 67,600 | 2,959 | 46,200 | 4,329 |
| Oregon ($200,000,000): | | | | |
| High | 76,500 | 2,614 | 61,800 | 3,236 |
| Low | 65,600 | 3,049 | 52,400 | 3,817 |
| Pennsylvania ($430,400,000): | | | | |
| High | 77,100 | 5,582 | 57,800 | 7,446 |
| Low | 46,800 | 9,917 | 33,300 | 12,925 |
| Rhode Island ($200,000,000): | | | | |
| High | 73,500 | 2,721 | 58,200 | 3,436 |
| Low | 71,800 | 2,786 | 51,400 | 3,891 |
| South Carolina ($200,000,000): | | | | |
| High | 80,500 | 2,484 | 64,500 | 3,101 |
| Low | 53,000 | 3,794 | 49,600 | 4,032 |
| South Dakota ($200,000,000) | 79,300 | 2,522 | 62,300 | 3,210 |
| Tennessee ($200,000,000): | | | | |
| High | 82,000 | 2,439 | 62,900 | 3,180 |
| Low | 47,800 | 4,184 | 45,100 | 4,435 |
| Texas ($775,400,000): | | | | |
| High | 111,400 | 6,961 | 86,200 | 8,995 |
| Low | 64,200 | 12,078 | 50,500 | 15,354 |
| Utah ($200,000,000): | | | | |
| High | 91,700 | 2,181 | 54,900 | 3,643 |
| Low | 76,600 | 2,611 | 54,300 | 3,683 |
| Vermont ($200,000,000) | 58,400 | 3,425 | 47,900 | 4,175 |
| Virginia ($309,000,000): | | | | |
| High | 85,500 | 3,614 | 60,700 | 5,091 |
| Low | 67,500 | 4,578 | 49,800 | 6,205 |
| Washington ($239,900,000): | | | | |
| High | 76,400 | 3,140 | 76,500 | 3,136 |
| Low | 72,600 | 3,304 | 57,400 | 4,179 |
| West Virginia ($200,000,000) | 56,000 | 3,571 | 50,900 | 3,929 |
| Wisconsin ($200,000,000) | 70,300 | 2,845 | 55,200 | 3,623 |
| Wyoming ($200,000,000) | 79,300 | 2,522 | 62,300 | 3,210 |

[1] AAPP = Average area purchasing price.

[2] Units = Number of units that can be financed at indicated average area purchasing price under State mortgage bond ceiling limitation.

## REPORT ON THE ACTIVITIES OF THE INTELLIGENCE COMMITTEE

Mr. GOLDWATER. Mr. President, I send to the desk a report required by Senate Resolution 400 on the activities of the intelligence committee and ask unanimous consent that 1,000 copies be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

## OBSERVANCE BY THE RICHMOND COUNTY BICENTENNIAL COMMISSION OF VICTORY AT YORKTOWN

Mr. HARRY F. BYRD, JR. Mr. President, as we celebrate the 200th anniversary of the Battle of Yorktown, I think it is important that we remember those lesser-known figures and events which nonetheless contributed materially to the American victory.

Therefore, I commend the Richmond County, Va. Bicentennial Commission, which on September 19, 1981 commemorated the role of Richmond and neighboring counties on Virginia's historic Northern Neck in the Yorktown victory.

I am indebted to Mr. Charles H. Ryland of Warsaw for casting interesting sidelights on the battle in an excellent address given during that commemoration.

He told of how Northern Neck residents provided the allied American-French forces under George Washington with supplies at a critical moment in the struggle, and he recounts how the Northern Neck militia held Gloucester Point, thus sealing the only possible escape route to the hard-pressed British forces.

I ask unanimous consent that Mr. Ryland's address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS DELIVERED BY CHARLES H. RYLAND

I was highly honored when the Committee invited me to present a Historical Address here at Mt. Airy on the occasion of the celebration of "Victory at Yorktown."

It was my pleasure to speak here in 1967 on the history of our County in connection with its 275th birthday. It was also my privilege to speak here in 1976 at our County's celebration of the Bicentennial of our Nation.

This occasion, our third here at Mt. Airy, may well be our last for some years and, as the Senior Senator Byrd remarked at the dedication of the new Downing Bridge, when

it was suggested that the time had come for the group to leave—"Let's take our time and savor this occasion, for it will not happen again in our lifetime."

Many of us here will recall the celebration fifty years ago at Yorktown—the French Warships, and the refreshments served on board, the arrival of President Hoover, and the festive occasion which marked the sesquicentennial of the victory at Yorktown. Today all of us are fortunate that we can take part in honoring the events of two centuries ago.

The key note of this celebration should be Victory Bought at a Price.

Shakespeare, in his Julius Caesar, epitomized this event in the oft-quoted speech of Brutus when he said:

"There is a tide in the affairs of men,
Which, taken at the flood, leads on to fortune;
Omitted, all the voyage of their life is bound in shallows and in miseries."

What took place in the Town of York on the 19th of October, 1781, is a landmark in our history, for without it this western world would have been quite different. If Yorktown had not occurred, we might well have today a Commonwealth status with Great Britain and many of the milestones in our history of the last two centuries would not have occurred.

We all know of the elements that combined together so fortunately in so short a time—and how the movement of Washington's Army—the support of Lafayette and of the Virginia militia—the arrival of the French Fleet—all conspired to bring about the resulting surrender of the British Forces under Lord Cornwallis. The odds against this happening were tremendous—and into the making of this victory went the sacrifices of many unsung heroes.

For a few moments this morning, I want to talk about an aspect of Yorktown that few histories record.

Surrounded on the South side of the river and bottled up in the Town of York, Cornwallis prudently fortified Gloucester Point, under the command of the notorious General Banastre Tarlton, for Gloucester Point was his back door, which he was saving as an escape route.

Realizing this, Washington directed Brig. General George Weedon, of Fredericksburg, to gather militia from the surrounding counties and march to Gloucester to keep that back door closed. Militia from the four lower Northern Neck Counties of Richmond, Westmoreland, Lancaster and Northumberland were ordered into active duty for three months. They were later joined by the French Legion of some 600 troops under the command of Duke de Lauzun, and 800 French marines furnished by Admiral DeGrasse. The stage was set and General Weedon waited for Cornwallis to make his move.

But another factor appeared, which almost proved fatal—the continuing necessity of furnishing supplies to these troops in Gloucester and to the French fleet—Gloucester and Mathews Counties having been thoroughly stripped by the British and allied forces of available food and supplies.

When the tide of war had come to Virginia in 1780, Thomas Jefferson, then Governor, in June of that year, appointed in each of the eastern counties a Commissary under what was then known as the "Provision Law," to obtain—by impressment if necessary—supplies for the Army. Robert Hill was the Commissary appointed for King and Queen County. So General Weedon turned to the adjoining County of King and Queen and on September 27th, only three weeks before the surrender, wrote a letter to Robert Hill. The letter is quite remarkable. It was altogether in Weedon's own handwriting; it was written from his headquarters at Gloucester Courthouse undoubtedly by candlelight. It was sent by Sgt. Hawkins on a fast horse and the letter stated in most positive terms—and I quote:

"A warrant for immediately impressing cattle, sheep, flour, meal, waggons, horses and vessels for the use of the allied Army under his Excellency Genl. Washington will be delivered to you by Sgt. Hawkins claiming your utmost aide in the execution thereof. The present position of our affairs require the most extraordinary exertions. A Fleet & Army greatly exceeding calculation we had formed of assistance from our Great & Good Ally is now to be Fed and Supported. I have therefore to require you with the utmost activity to draw from your County the several articles specified in the above mentioned warrant and to take means in conjunction with the Sergeant for their immediate transportation."

Acting promptly, Robert Hill produced the "Extraordinary Exertions" requested in Weedon's letter, and the transportation of supplies began immediately—and perhaps only just in time, for Cornwallis on the night of October 16th made his move to escape Yorktown through his back door at Gloucester Point.

A principal part of the British Troops were transported across the York River but a "violent storm" prevented the remaining troops from crossing. Weedon's command stood firm. The next day Cornwallis called for a 24 hour truce and both sides met at the Moore House just outside of the Town of York. We know about the surrender by Cornwallis of his troops on Surrender Field, just outside of Yorktown. We know about Lord Cornwallis' indisposition and the parts played by Generals Lincoln and O'Hara.

Little is known, however, of the surrender at Gloucester Point. At 1:00 P.M. on October 19th, one hour before the capitulation at Yorktown began, two of the British Redoubts at Gloucester Point surrendered and at 3:00 P.M., to the sound of trumpets and drums playing a march, the British infantry, with shouldered arms, and the Cavalry with swords drawn, marched between two columns of the allied forces and LAID DOWN THEIR ARMS.

We recall from our history the short reign of Richard the III of England, and how on Bosworth Field, King Richard's forces were soundly defeated by an Army under the Earl of Richmond. Richard was killed. The Earl of Richmond became King Henry the VII.

From the folklore of that battle has come to us the story of the Horseshoe Nail—

"For want of a nail, a shoe was lost,
For want of a shoe, a horse was lost,
For want of a horse, a rider was lost,
For want of a rider, a message was lost,
For want of a message, a battle was lost,
For failure of battle, the kingdom was lost;—
And all for the want of a Horseshoe Nail."

Many horseshoe nails could have been lost on the road to Yorktown.

If George Weedon, a native of Westmoreland County, had not been available; IF the militia from the Northern Neck had not marched to the defense of Gloucester; IF the French Legion had been ordered elsewhere; IF Admiral DeGrasse had not ordered the French marines ashore; IF General Weedon had not waited for Cornwallis' attempt to open his back door and saved his forces for that stormy night; IF Robert Hill had not acted promptly and impressed the supplies needed—(and we can be sure it did not increase his popularity among his own people)—and IF the supplies had not reached Gloucester in time—

These events that did occur—and many hundreds of others like them—are the slender threads which supported the Victory at Yorktown—the horseshoe nails which enable us today to celebrate the bicentennial of our victory.

Today, we are the inheritors of those who sacrificed and lost their lives and fortunes to bring freedom to this western world.

Many, many, many centuries ago, someone far wiser than we are, put these thoughts together as we read from the Book of Deuteronomy:

And it shall be, when the Lord Thy God shall have brought Thee into the land which he swore unto Thy Fathers, to Abraham, to Isaac, and to Jacob, to give Thee great and goodly cities, which thou didst not build, and houses full of all good things, which thou didst not fill, and cisterns hewn out, which thou didst not hew, and vineyards and olive trees, which thou didst not plant, and when thou shalt have eaten and be full—then take heed lest thou forget the Lord, who brought Thee forth out of the land of Egypt, and out of the house of bondage. . .

## HIGH INTEREST RATES

Mr. BOREN. Mr. President, during the course of the past several days, I have had the opportunity to crisscross the United States to fulfill some speaking obligations and at the same time to continue my assessment of the mood of Americans regarding the economy in general and persistent high interest rates in particular.

To say that I found a great deal of uncertainty and alarm would be an understatement. The only consistent thread that ran through the many conversations I have had was that interest rates were too high and that if some action were not taken soon the economic chaos that has marked many segments of our economy would deteriorate even further and result in the collapse of industries such as housing, small business, the automobile industry, and large segments of agriculture.

If it is proper to say that confusion can be a constant, then it is, when applied to the numerous newspaper articles, private reports, television, and radio newscasts, and other means of mass communication that have deluged the American people with every conceivable theory of what causes high interest rates and how they can be cured.

It is small wonder, Mr. President, that people lack confidence in the ability to effectuate needed reforms when every idea is met with a cacophony of pronouncements detailing why it will not work. These precursors of doom usually follow their demolition of someone else's idea with a mandate that the President and the Congress and the country must accept their plan, because it is, after all, the only reasonable method to solve the dilemma in which we find ourselves.

Thus, we are told that interest rates will remain high until we return to the gold standard, or until we actually balance the budget, or until we persuade the Federal Reserve Board to open the

money spigots full blast, or until we persuade Wall Street that the Congress is serious about reducing the Federal deficit, or until we prevent corporate mergers that soak up needed capital from the money market, or until we increase productivity, or until we do any one of a hundred other things.

Mr. President, I do not mean to imply that people who advocate these sorts of remedies are necessarily wrong. In fact, I have and I continue to support some of these ideas myself. I do mean to say that the American public is greatly confused by the profusion of these ideas, and alarmed by the thought that if no one can agree on a solution, there will be no solution. In addition, these theories all seem to come separately, rather than as a part of an overall strategy designed to attack on several fronts what is a highly complex economic problem.

All of these suggestions, in other words, seem to imply that the only way to overwhelm the high interest rate castle is a single frontal assault with one super weapon. Instead, I believe that it will take a wide variety of weapons and cooperation among many different people and segments of our society to overwhelm that castle.

The first step in achieving a kind of broad assault on interest rates that I feel is absolutely necessary, Mr. President, is to gather together the varying elements charged with dealing with this problem and giving them a mandate to come up with a workable scenario. The only person who can call such an economic conference is the President of the United States. At the same time, I believe the President should direct members of his administration such as Secretary Regan and Chairman Volcker and others to stop making inflammatory remarks and issuing statements that either cannot logically be believed or are in conflict with statements made by others in his own administration.

What do I mean by that, Mr. President? I would invite the attention of my colleagues to an insertion made in the CONGRESSIONAL RECORD yesterday by the distinguished minority leader of the Senate, Senator BYRD of West Virginia. That insertion contained statements made by members of the administration over a period of time which they had to know were not, and were unlikely to ever, be accurate. For example, the Chairman of the Council of Economic Advisers saying in March of this year "the turnaround that we have forecast in interest rates is already a reality."

The record is repleted with statements made by administration officials which within days were either contradicted, clarified, or modified by other members of the administration or, in some cases, by the very person who made the original statement.

This sort of thing does nothing but sow the seeds of confusion and uncertainty at a time when we must be promoting a sense of stability, purpose, and direction.

It also does very little good, Mr. President, for the Chairman of the Federal Reserve Board to appear before a Senate committee and say that the only solution to high interest rates is for the Congress to slash even deeper into the budget than we have done so far. That sort of inflamatory rhetoric does nothing to enhance the possibilities of cooperation necessary to achieving the broad-based solutions needed.

Certainly, it is true that further spending cuts now and in future fiscal years will be required to reduce the Federal deficit and achieve a balanced budget. No one disputes the desirability of removing the Federal Government from the credit market.

One only has to realize that during the last quarter of this year the Government will have to borrow $33 billion in order to meet its obligations, to understand the depths to which the Federal Government is involved in the money markets. This is the largest single dip into the credit pool that the Government has ever made. Mr. President, one-half of all savings, other than that needed just to replace worn-out plants and equipment, goes to finance the Government's deficits.

But to contend that further budget cutting is absolutely the only solution to this problem is untrue and misleads the American public.

The policies of the Federal Reserve Board itself have an immense impact on the economy. The manipulation of the money supply, the so-called "tight money" policy that the Board has had in place since October 1979, has had as much to do with producing high interest rates as has the failure of the Congress to balance the budget.

Just as I believe that the entire blame for and the solution for high interest rates does not rest on Capitol Hill, I also do not suggest that a complete reversal of the Federal Reserve Board's policies is in order. However, Congress can help the situation by budgetary actions, and the Federal Reserve Board can assist by moderating its policy.

To a very limited extent, they have already done so, and I note with interest that some in the administration have suggested that they could do some more.

I understand the argument that to greatly increase the money supply could lead to an increase in inflation, which mercifully has been declining recently and that the anticipation of a new inflationary spiral could produce higher interest rates rather than lowering them.

However, that does not mean that no increase in the money supply can be achieved. I believe that a moderate increase by the Fed in conjunction with other actions in other segments of the public and private sector, would be an acceptable component of an overall plan of action.

At the same time, the Congress must recognize its own responsibilities as another component in that over-all plan. We must approach the possibility of additional spending cuts with an open mind. That does not mean that we must automatically endorse deeper slashes in programs without assessing their impact. It does mean that we should consider all possibilities open to us. No section of the budget, including defense and entitlement programs, should be absolutely sacrosanct.

If, as I have been saying for many weeks, and many of my colleagues have proclaimed, the economic crisis we face is a matter of survival for the Nation, then we should not and cannot afford to play political games or to ignore any possible solution.

Now, lest I be misunderstood, Mr. President, let me make it very clear that in the areas of social security and defense, I am not advocating wholesale slaughter. No one in this body or in this Congress or in this Nation feels more strongly than I do about the absolute need for a solid, viable national security program. However, it would be less than candid if I did not admit that out of a one trillion dollar budget over the next 5 years, some savings are not possible.

In the same vein, I yield to no person in my dedication to protect the rights and the health of those people in our society who depend upon social security and similar assistance programs to maintain themselves in the latter years of their lives with the dignity to which they are entitled.

But, again, it is not a favor to social security recipients, or to the Nation as as whole, to allow the economy of the country to reach such a point that collapse is imminent—a collapse that would mean that payments of this type could be jeopardized even further or completely.

Returning to my theme that the solution to the interest rate problem lies in a broad base assault by all segments of our Nation, Mr. President, I say that the private sector must also do its part.

To fail to achieve a solution because the private sector is unwilling to believe that a solution could be found, would be a great tragedy. It is frustrating for those of us in the Congress to go through the soul-searching exercise of voting for spending cuts in needed and justified programs, to then be told that we are not serious.

In many respects, the successful completion of a project rests on the faith of those involved that it can be completed. In many instances, Mr. President, if you enter a contest believing you will fail, you will, in fact, fail. History, and I might say American history, is filled with examples of battles won against tremendous odds because people believed they could be won.

Financial markets and the people of the United States who invest in them must be willing to take the risk of believing that budget deficits can be reduced and a balanced budget can be achieved and that interest rates can come down.

Perhaps this is the most difficult component of this battle—to define and to articulately set forth. It is psychological and elusive and at the same time very important to achieve.

There is no doubt that problems abound. I have pointed out before the statistical evidence of the devastating effect of high interest rates. The scarcity

of mortgage money has so depressed housing activity that starts for new homes fell in August to a seasonally adjusted annual rate of 937,000 units, the lowest level in 5 years. The figure for single family houses was 591,000, a record low. Mortgage interest rates are 17 percent or more, and no turnaround is in sight.

As a recent article in the Washington Post noted, interest rates have similarly stymied businesses, long-term borrowing plans and have limited the prospect of increased investment in new plants and equipment next year.

Similarly, gloom pervades the world forecasts for economic activity. I am certain that when finance ministers and world bankers come to Washington for the annual meeting of the World Bank and International Monetary Fund, you will be able to cut the gloom with a knife.

At the same time, each small molecule of good news is immediately dashed on the rocks of dire prediction. For example, the prime rate dropped one-half of 1 percent recently and was immediately followed by a front page story in the Wall Street Journal headlined "Many Analysts Grow Gloomier on Outlook of Interest Rates."

The article says that analysts remain pessimistic, despite the drop in the prime rate. The conventional wisdom is that it is temporary only and that heavy Treasury and corporate borrowing later this year will put renewed upward pressure on interest rates.

Such outlooks form at least part of the basis for the reason that despite the decline in the inflation rate, interest rates remain high, thus running contrary to the historic condition that interest rates normally run only 2 to 3 percent above the inflation rate. In this instance, we find interest rates running 7 and 8 percent or more above the inflation rate. Gloomy forecasts which cause investors to believe that the Federal Reserve will not maintain a reasonable control of the money supply or that the Congress and the President will not be able to reduce deficits and balance the budget cause interest rates to remain at record levels as a hedge against the perceived coming failure.

So what are we to do? I return to my original premise, Mr. President, that viewed singly, the gold standard, tight money, reducing the deficit, balancing the budget, creating faith in Wall Street, are not answers. Taken in combination, perhaps they are. But, it will take the cooperation and the understanding and the faith of all the apostles of these various theories to find an achievable solution. I call again on the President to bring these elements together and make a sustained effort to devise an emergency broad-based plan.

Mr. CHAFEE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ARMSTRONG). Without objection, it is so ordered.

## CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The period for the transaction of routine morning business has expired..

## INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1981

The PRESIDING OFFICER. The Chair advises the Senate that, under the previous order, the time for morning business having expired, the Senate will now proceed to the consideration of S. 1196, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 1196) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize appropriations for development and security assistance programs for the fiscal year 1982, to authorize appropriations for the Peace Corps for the fiscal year 1982, to provide authorities for the Overseas Private Investment Corporation, and for other purposes.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. PERCY. Mr. President, today the Senate will consider the International Security and Development Cooperation Act of 1981. The funds this bill authorizes are intended to assist developing countries provide for their security and improve their economic welfare. By doing so, the security and economic interests of the United States will be substantially enhanced.

The provisions of this bill also set important foreign policy directives for the United States. It is for this reason that the President of the United States places a very high priority on passage of this legislation.

Consideration of the foreign assistance bill is never an easy task, Mr. President. It is particularly difficult to address these programs now, when we are in the midst of another painful process of cutting back many domestic programs in order to produce an austere Federal budget.

Taking all of this into account, Mr. President, and certainly, the President of the United States is in the best position to take that into account, I should like now to read a letter dated September 22, 1981, from President Ronald Reagan:

DEAR MR. CHAIRMAN: As the Senate begins its deliberation of the foreign assistance authorization bill, I want to emphasize the importance of this legislation to my entire agenda for foreign affairs.

America today faces some of its most serious challenges abroad from the adventurism of the Soviet Union and its proxies in such areas as Southwest Asia, the Carribean, and Africa. This legislation, which I have requested, will provide vital tools to assist us in meeting these challenges and promote and protect America's interests abroad. The reduction of these assistance programs would have serious repercussions on our foreign policy and would endanger our national security objectives.

As you are aware, well over half the authorization request is allocated to security assistance. These funds are designed to help our friends develop the means to deter regional threats, and the funds therefore promote our vital interests. I have also taken steps to ensure that this legislation contains the necessary resources to help less developed countries make progress in coping with their serious economic problems.

I appreciate your assistance and leadership in guiding this crucial bill through the Senate.

Sincerely,

RON.

Mr. President, all of us on the Committee on Foreign Relations were fully aware of the need for budget austerity as we deliberated on this year's bill. We were determined to produce legislation which was as lean as possible. When the new administration came into office, they reviewed the Carter budget for the programs in this bill and reduced the development programs by $570 million, while increasing the security programs by $1 billion. Overall, while engaged in an extraordinary effort to cut the Federal budget, the new administration nonetheless deemed it necessary to increase the request for these programs by over $400 million.

We on the committee took a hard look at each program and produced a package which reduced the Reagan budget by $900 million. This reduction makes the proposed fiscal year 1982 foreign aid program fully consistent with the first concurrent budget resolution and the reconciliation legislation as passed by Congress.

The reductions made by the committee included large cuts in both security and development aid programs; for example, the proposal cuts an additional $105 million from development programs over and above the $570 million already cut by the Reagan administration.

Many of us on the committee were not happy about those cuts, any more than we were about the reductions we have made on many domestic programs. But we believed it was necessary to make these reductions and still maintain a core program which would allow the administration to pursue a dynamic foreign policy.

While we recognized the need to reduce the Federal budget, we were also aware of the need for the United States to have a full array of foreign policy instruments at its disposal to protect our interests in the international arena.

The committee strongly believes that any further budget reductions for these programs would be quite detrimental to our national interest.

At the same time, the managers of the bill believe that increases that may be proposed to this bill should be kept to an absolute minimum. I would hope that any proposals to increase programs would be accompanied by an offsetting proposal for an equal reduction elsewhere in the bill. By the same token I hope my colleagues will recognize the large cuts we have already made and, therefore, will not propose additional cuts here.

The American public, the administration, and the Congress will agree that

our relative defense capabilities have deteriorated over the past years.

Thus, even during a general period of budget cutting, there is a consensus that the defense budget should be increased significantly from last year's level.

We dedicate those resources to defense not because of an obsession with new weaponry for its own sake, but because we believe the United States must have the capacity to defend itself in an increasingly complex world, to discourage others from taking steps which would be detrimental to our own security, and to provide a better overall base to carry out an effective foreign policy.

The programs in the bill we are considering today address some of the same issues. Our defense expenditures are made primarily in the hope that our military forces will not have to be used in battle.

It is, therefore, important to help friendly countries build the military capacity they need to defend themselves and provide also for the common defense. Such strength will lessen the attractiveness for neighbors or other powers to take actions which would threaten their stability or territorial integrity.

Such assistance should reduce the possibility that American men and equipment would be directly engaged in conflicts. Of equal importance, economic and development assistance can help friendly nations provide the economic growth and improved standards of life for their citizens which over the long run will build more stable, Western-oriented societies.

We are currently engaged in evaluating what kind of relationship we should have with the world's other superpower. That is appropriate, and the Committee on Foreign Relations will expend considerable time on that subject.

But we must not lose sight of the fact that our relationships with the developing countries is also of great importance. Indeed, much of the East-West conflict which is now the center of our attention is played out in the South—in the developing world.

We might note that of the tens of thousands of American lives and hundreds of billions in American dollars lost to conflict since World War II, all have been expended in conflicts in the developing countries.

Mr. President, the developing world is also particularly important to the United States because it is the source of many critical raw materials and it provides a market for roughly 40 percent of our exports. The fastest growing markets for our food and manufactured goods are in the Third World.

Finally, I should not neglect to note that in spite of all our domestic problems, the United States still represents nearly one-fifth of the world's wealth, with only 4 percent of the world's population. I think most Americans agree that we have some moral obligation to help those whose needs are desperate as compared to ours.

The millions of Americans who support private voluntary activities to assist people in the developing world attest to that belief.

The bill we are addressing today is thus not a giveaway program. but an investment in America's future. The United States, with our democratic form of government and market-oriented economy, is well suited to live in a world of diversity and change.

We want to promote an international political and economic system where diversity and change are respected, and we want to promote social and economic development in individual countries which also increases respect for such diversity and change.

It is in that kind of world, and with those kind of societies, that the United States will best be able to pursue its own interests and live at peace in the future. These programs will help bring about that kind of world.

Let me briefly summarize the main provisions of the bill, Mr. President.

The bill authorizes a foreign military loan program of $4.1 billion, of which $990 million would be forgiven by the President. The major beneficiaries of this program would include Israel, Egypt, Turkey, Greece, South Korea, Spain, and the Sudan.

In addition. $31 million is authorized for grant military assistance and $42 million for international military education and training.

Also in the military field, the bill establishes a new special defense acquisition fund financed primarily from FMS receipts. The fund would reduce the lead-time needed to deliver military equipment to U.S. allies. The commercial arms sales ceiling is repealed in the bill, while increased congressional control and new regulations for defense articles leasing authority is also included.

Finally, the bill increases emergency military assistance authorities by $50 million and defense article stockpiling by $100 million.

The bill authorizes $2.5 billion in economic support fund programs for fiscal year 1982, including $806 million for Israel, $771 million for Egypt, $300 million for Turkey, $100 million for Pakistan, $50 million for the Philippines, $50 million for the Sudan, $40 million for El Salvador, and $40 million for Jamaica.

In the development assistance area, authority is provided for appropriations of $1.6 billion for AID's programs in fields such as agriculture, population planning, health, education, and energy, plus AID operating expenses.

Additional authorizations of $102 million is provided for the Sahel development program, $27 million for international disaster assistance, $7 million for trade and development program, and $12 million to support American schools and hospitals overseas.

The bill also attempts to improve the efficiency with which foreign assistance is provided. The International Development Cooperation Agency is abolished, as the committee believes IDCA is an unnecessary bureaucratic layer. Dozens of reporting requirements are consolidated and several outdated provisions of the Foreign Assistance Act of 1961 are repealed.

Appropriations of $105 million are authorized for the Peace Corps, and the Peace Corps is separated from ACTION. This latter provision has already been passed by the Senate as an amendment to the State authorization bill.

The authority for the Overseas Private Investment Corporation is extended until September, 1985, and several current restrictions on OPIC's operations are liberalized, including raising the annual per capita income ceiling on countries in which OPIC can operate.

The authority for the housing guaranty program is also extended until September 30, 1983, and the program is allowed to deposit fees and other income in interest-bearing U.S. obligations.

An authorization of $38 million is provided for the international narcotics control programs in fiscal year 1982. In addition, the ban on using U.S. funds to support the spraying of marihuana with paraquat and other herbicides is repealed.

Restrictions on programs in several countries are also modified. The prohibition on foreign assistance for Argentina is repealed, if the President determines that substantial progress has been made in the human rights situation in that country.

The Clark amendment on covert assistance to forces in Angola is repealed, but the President is required to make certain determinations if such assistance is contemplated. A national security waiver to section 669 of the Foreign Assistance Act—the Symington amendment on nuclear programs—is granted for military and economic assistance to Pakistan.

Finally, the President is required to make certain certifications to the Congress on conditions in El Salvador if he wishes to provide assistance to that country.

Mr. President, I firmly believe that the Committee on Foreign Relations has produced a bill which is supportive of the President's programs, while holding expenditures to an absolute minimum.

I would like to thank my colleagues on the committee for the time they have spent in developing reasoned positions on many difficult issues related to this bill.

I would especially like to thank the Senator from Rhode Island, Senator PELL, for his leadership role and cooperation in the development of this bipartisan bill.

Passage of this bill will clearly signal to our friends overseas that the United States continues to have a strong and sincere interest in their security and economic welfare. I strongly commend S. 1196 to my colleagues in the Senate.

Mr. President, S. 1196 includes as Title V provisions concerning the Overseas Private Investment Corporation (OPIC). OPIC is a U.S. Government corporation created in 1969 to insure U.S. private investments in developing countries against political risks. OPIC is backed by the full faith and credit of the United States of America.

OPIC's purpose is: "To mobilize and facilitate the participation of U.S. private capital and skills in the economic

and social development of less developed countries and areas, thereby complementing the development assistance objectives of the United States."

With the intention of increasing OPIC's ability to realize its developmental purposes, the Foreign Relations Committee has reported favorably a number of statutory changes. I will take time to mention a few of the major changes, but refer my colleagues to the committee's report for a more thorough description of the recommended changes in law.

The legislation would extend OPIC's operating authority for 4 years, through September 30, 1985; 4 years is the customary period of extension of OPIC authority, and was requested by the administration.

The current statutory restriction on OPIC support for investments in countries with average annual per capita incomes of $1,000 or more in 1975 U.S. dollars would be raised to a level of $2,950 or more in 1979 U.S. dollars. The restriction is not a prohibition, and has not been regarded as such by OPIC. The committee report includes a lengthy list of exceptions used by OPIC to justify support for investments in high-income developing countries despite the statutory restriction.

OPIC has also used a case-by-case exception where the general exceptions did not apply. I assume OPIC will continue to use the case-by-case exception as well as the general exceptions in the same manner and as conservatively as they have in the past.

OPIC has agreed to report to the Foreign Relations Committee regularly on the justification for case-by-case exception. With these policies and understandings, I believe OPIC will have sufficient operating flexibility, but the purpose of the statutory restriction on support in high-income countries can be retained.

The committee report also mentions that OPIC is expected: "To scrutinize closely all proposals for insurance or other OPIC assistance for projects in higher income developing countries,***"

I wish to state for the record that the committee did not intend in its comments to imply that OPIC does not currently give sufficient scrutiny to proposals which come before it, nor to establish any tests or standards not contained in nor reasonably inferred from statutory provisions.

The committee expects OPIC to scrutinize closely all proposals, regardless of the income level of the country in which the investment is to be made.

The legislation would also add a provision requiring OPIC, when deciding whether to insure projects, to "seek to support those developmental projects having positive trade benefits for the United States." OPIC has repeatedly assured me that this new provision, "will in no way denigrate OPIC's prime developmental purpose." I understand that OPIC will continue to evaluate thoroughly the development impact of proposed investments, and will not lower by a single millimeter the threshold of acceptable development impact it applies.

Mr. President, the purpose of the new provision is not to encourage OPIC to support investments which do not have an acceptable level of development benefits just because there would be positive trade benefits for the United States.

The purpose of the amendment is to emphasize OPIC's positive contribution to U.S. trade.

OPIC supports only investments which are expected to have positive net trade benefits for the United States, and where OPIC's financial ability to support investments is limited, OPIC will give priority to supporting those investments meeting its development impact standards which have the highest net positive trade benefits for the United States.

The legislation also authorizes OPIC to begin offering insurance against civil strife risks to U.S. investments in developing countries. OPIC would be required to report to the Foreign Relations Committee in detail on its plans for such insurance coverage before actually offering such insurance.

The bill also adds two new members to the OPIC Board of Directors: A representative of the Department of Labor and an additional small business sector representative.

These additional members should assist OPIC in carrying out the intent of Congress and the recommendations contained in the report of the General Accounting Office dated February 27, 1981.

The bill also adds a provision requiring OPIC when deciding whether or not to support investments in developing countries to consider whether the investment is likely to be made without OPIC support. I recognize that there may be instances in which OPIC might come to the conclusion that there was very little likelihood of additionality, but OPIC might support an investment for reasons of U.S. national interest. I would consider such action consistent with the overall statutory framework in which OPIC operates.

The bill also contains a provision intended to address the growing detrimental impact on U.S. trade arising from the application by foreign governments of performance requirements to U.S. investments.

Such requirements include local content and reexport requirements which tend to distort trade flows to the disadvantage of the United States. The provision would require OPIC to refuse to support any investment subject to incentives or performance requirements which would tend to reduce significantly the positive U.S. trade benefits which would otherwise arise from the investment.

OPIC and a number of users of OPIC have expressed concern that this provision could discourage U.S. investors. The provision leaves considerable discretionary judgment to OPIC, however, including the assessment of the impact of the performance requirements and the magnitude of the reduction in trade benefits sufficient to preclude OPIC support for an investment.

In any case, OPIC does not support investments which do not have net positive trade benefits to the United States, and there would be few cases in which the positive trade benefits were significantly reduced without becoming negative and therefore precluding OPIC support. Foreign governments should not, in any case, be led to expect the United States to subsidize investments through Government insurance, when those foreign governments apply measures which impose significant trade losses on the United States.

Mr. President, to the best of my knowledge, outside of a possibility of a contingency fund request from the administration, despite a $900 million cutback in the so-called Percy-Pell amendment, I do not believe that the administration will request a restoration of funds. It was almost as if my distinguished colleague, the ranking minority member of the committee, and our distinguished staffs, who worked so hard on this measure, were prophetic about the fact that the very day we are introducing this legislation—which calls for a budget reduction of $900 million in the Reagan administration budget—with some foresight, we might have known that we would be going through another budget crunch and that the President would be digging every place to find domestic programs that can be cut back, and that recommendations along these lines would be offered by the congressional leadership.

So that at this time, when this program is before the Senate, I believe that, on behalf of my colleague, Senator PELL, myself, and other members of the Committee on Foreign Relations, we can certify and testify to the fact that this is a lean, hard, tough budget.

As the President aptly said in his letter, cuts below this would seriously endanger our security assistance programs, which are an integral part of our national security effort and our defense effort and would undercut the stability of the world. Certainly, this Nation's well-being depends upon that stability.

This is particularly so when we take into account that in the developing parts of the world where we have assistance programs, we are finding that those countries are the largest markets, and increasingly large markets, for our own products—services, agricultural products, and manufactured goods.

Forty percent of our manufactured goods that are exported go to developing countries. They are increasing in sales at the rate of 20 percent compounded each year. That is far faster than markets are developing in developed parts of the world and certainly faster than our own domestic markets, which are a long way from compounding in growth at the rate of 20 percent a year.

When we take into account that virtually 80 percent of all the raw materials used in our factories across the country, which provide employment to our people, come from abroad, we can recognize that the stability of the world and its well-being are in the interests of the people of the United States of America.

As I go around, I hear aspersions cast against foreign aid, and I have never hesitated to comment that when we cut

budgets this year in Congress, we have cut foreign aid and foreign assistance along with other budgets.

Every President and every Congress has recognized the necessity of maintaining assistance programs abroad, not only security assistance to buttress and strengthen our own security efforts but also the necessity of assisting countries in volatile parts of the world where, without that assistance, whether it is through multinational sources of bilateral sources, we would have less stability, we might have turmoil and chaos, we would lose raw materials vital to this country, and we would lose markets that are important to the future generations of our Nation.

Mr. President, after the distinguished Senator from Rhode Island (Mr. PELL) completes his remarks, I urge Members of the Senate to come forward with amendments at the earliest possible time, because this measure will be set aside tomorrow. We cannot get back on it again until next week. We would like to finish up as much as we can today.

Mr. PELL. Mr. President, I am pleased to join the distinguished chairman of the Senate Committee on Foreign Relations in recommending to the Senate, S. 1196, the International Security and Development Cooperation Act of 1981.

The Committee on Foreign Relations unanimously approved a favorable report on S. 1196 after 19 days of hearings and 4 days of markup on the administration's fiscal 1982 foreign assistance legislation. During our consideration of this legislation, the committee reduced the President's request by a total of $900.1 million, or 14 percent.

Among the reductions approved by the committee are the following: $95.6 million in development assistance; $208 million in the proposed contingency fund for economic support fund programs; and $590.9 million in military assistance, including elimination of a proposed $100 million contingency fund for the military assistance program (MAP) and $496 million in a new direct credit foreign military sales program.

The committee undertook these reductions cognizant of its responsibility to maintain economic and security assistance programs at a reasonable level, while also mindful of its fiscal responsibility to keep these programs lean. Consequently, the committee adopted most of the increased security assistance requested by the Reagan administration, while actually authorizing less funds for development assistance than were approved for fiscal 1981.

Mr. President, the United States faces some of the gravest foreign policy challenges in the post-World War II era. The continuing Soviet occupation of Afghanistan, chaos in Iran, the festering conflict between Iran and Iraq, political and military conflict in southern Africa, potential threats to the vital Persian Gulf, and the need to insure continued progress in the Middle East peace process, and the increasing turmoil throughout Central America and the Caribbean, are all notable examples of the challenges which confront our Nation at this time.

Mr. President, these challenges underscore the need for the United States to strengthen its existing alliances and friendships abroad. It is in this context of international challenge that the Committee on Foreign Relations also sought to provide the President and the Secretary of State with greater flexibility in order to respond to an ever changing international climate fraught with danger, but also presenting opportunities to advance U.S. interests.

This year, as in 1980, the Committee on Foreign Relations considered security and development as one single piece of legislation. This is because both of these efforts are inextricably linked to the national security interests of the United States. For fiscal 1982, $6.68 billion has been proposed for security assistance and related programs, only $3.123 billion of which will require actual appropriations by the Congress. Almost 65 percent of this security assistance is destined for the Middle East, with Israel designated to receive 33 percent and Egypt 25 percent of the total security assistance provided in fiscal 1982 recommendations.

Having reduced the President's request by an additional $95.6 million, the committee recommends an authorization of $2.145 billion for development assistance efforts. This amount actually represents a $21 million reduction from the fiscal 1981 authorization level, approved last year. In supporting this reduced level of development assistance, the committee reasserts its firm conviction that U.S. security interests abroad must be bolstered by a strong commitment to meeting the basic human needs within the developing nations of Africa, Asia, and Latin America.

The committee report on S. 1196 has made mention of the important confluence of interests between development and security assistance. This confluence of interest will continue to grow in importance, directly affecting the U.S. economy and security over the next 20 years. Over 1 million American jobs are presently dependent on U.S. exports to the developing nations. Nearly one-third of the U.S. wheat, rice, and cotton crops is purchased by these same nations. And while our exports have expanded to the developing nations, we have become increasingly dependent on them for imports of strategic minerals and other raw materials. The United States imports 75 percent of its cobalt, 90 percent of its bauxite, 100 percent of its tin and natural rubber, and 56 percent of its mercury from the developing countries.

Mr. President, certainly these statistics remind us that the United States has a vital stake in the present and future economic and political stability of these countries. I would submit to my colleagues in the Senate that our development assistance program is a primary resource with which the United States can assist these societies in building a solid economic and political structure.

Mr. President, if we are, as Abraham Lincoln once said of the United States, "the last best hope of earth," then we must proceed to approve this essential legislation for President Reagan as he attempts to fashion his foreign policy at this challenging juncture of history. The Committee on Foreign Relations has provided the President with strong bipartisan support in this endeavor, and I join with Chairman PERCY and the full Senate Committee on Foreign Relations in recommending that the Senate approve the International Security and Development Corporation Act of 1981.

UP AMENDMENT NO. 409

Mr. PERCY. Mr. President, the first amendments to be offered are technical amendments.

During the committee markup, Senators KASSEBAUM and LUGAR offered amendments which consolidated several reporting requirements in current law. This was a very useful amendment designed to clean up the Foreign Assistance Act and Arms Export Control Act.

Several technical amendments are required to conform their effort to current law and other provisions in the bill. It was clear during the markup that neither Senator KASSEBAUM nor LUGAR intended to make policy changes with their amendment.

Technical amendments one to seven make changes related to the Kassebaum-Lugar amendment.

Technical amendment eight makes clear the intention of the committee that funds for Costa Rica be earmarked in the bill.

I send the amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Illinois (Mr. PERCY) proposes an unprinted amendment numbered 409.

Mr. PERCY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(1) On page 3, line 3, delete the period and add a comma in lieu thereof, followed by quotation marks and a semicolon.

(2) On page 9, delete lines 10 through 13.

On page 18, delete lines 11 through 17.

(3) On page 67, between lines 7 and 8, insert the following and renumber the paragraphs accordingly.

"(5) the aggregate dollar value and quantity of defense articles and defense services, and of military education and training, furnished by the United States to each foreign country and international organization, by category, specifying whether they were furnished by grant under chapter 2 of the Arms Export Control Act, by commercial sale licensed under section 38 of that Act, or by other authority."

(4) On page 72, line 4, add the following sentence: "This report shall include—"

(5) On page 76, strike lines 10 through 23 and, in lieu thereof, insert the following:

(12) (A) a full and complete description of the practices regarding the observance of and respect for internationally recognized human rights (within the meaning of sections 116(a) and 502B of this Act) in each country proposed as a recipient of foreign assistance and in all other countries which are members of the United Nations, with consideration being given to (i) relevant findings of appropriate international organi-

zations, including nongovernmental organizations such as the International Committee of the Red Cross, and (ii) the extent of cooperation by the government of the country in permitting an unimpeded investigation by any such organization of alleged violations of internationally recognized human rights; and

(B) a description of the steps the Administrator of the agency primarily responsible for administering part I of this Act has taken to alter United States programs under such part in any country because of human rights considerations;"

(6) On page 79, line 10, strike "502B(b)" and on line 12, after the number "668," insert the following: "the first sentence and the words 'report or' in the second sentence of section 502B(b),"

(7) On page 79, between lines 3 and 4, add a new subsection (b) as follows:

"(b) Section 624(f)(2)(B) of the Foreign Assistance Act of 1961 is amended by inserting 'and section 634(a)(12)' immediately after 'section 502B.'"

(8) On page 23 between lines 4 and 5 insert the following:

"(d) Of the funds authorized to be appropriated to carry out this chapter for the fiscal year 1982, $2,500,000 shall be available only for Costa Rica in order for that nation to meet its international obligations, and its increasing debt burdens."

Mr. PERCY. Mr. President, I point out that the need for the amendment was originally pointed out to me in a letter dated September 14, 1981, from Senator CLAIBORNE PELL, the ranking minority member, and I express appreciation to Senator PELL for pointing out the necessity for the technical amendments which are under consideration now, which have been agreed to by Senator KASSEBAUM and Senator LUGAR.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 409) was agreed to.

AMENDMENT NO. 525

(Purpose: To provide that funds may be made available for the Special Defense Acquisition Fund only to such extent or in such amounts as are provided in advance in appropriation Acts)

Mr. PERCY. Mr. President, I call up amendment No. 525.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Illinois (Mr. PERCY) proposes an amendment numbered 525.

Mr. PERCY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 11, line 19, before the period at the end of the line, insert the following: "except that in any fiscal year such funds shall be available only to such extent or in such amounts as are provided in advance in appropriation Acts".

Mr. PERCY. Mr. President, this amendment is consistent with other provisions of law relating to similar funds.

Senators KASTEN, HATFIELD, DOMENICI, INOUYE, PROXMIRE, and HOLLINGS have submitted an amendment to limit the special defense acquisition fund to the extent provided for in appropriation acts. The majority manager of the bill accepts this amendment; and if it is acceptable to my distinguished colleague, we can move along.

● Mr. KASTEN. Mr. President, this amendment is offered on behalf of myself; the chairman of the Appropriations Committee (Mr. HATFIELD); the chairman of the Budget Committee (Mr. DOMENICI; Senator INOUYE, the ranking minority member of the Foreign Operations Appropriations Subcommittee, which I chair; and the ranking members of the Appropriations and Budget Committees (Messrs. PROXMIRE and HOLLINGS).

Mr. President, I will not take much time explaining this amendment inasmuch as it is a very straightforward one, and it is my understanding that the managers of the bill have no objection to it.

The Senate Foreign Relations Committee has reported out a provision which creates a special defense acquisition fund, in its original form a revolving fund, which would be used to procure military equipment in advance of actual need. The problems this addresses are the many instances where our foreign friends need military equipment on an urgent basis which, therefore, must be taken directly from U.S. forces. Perhaps the best example of this was in 1973 when our own supply of ammunition became dangerously low as a result of the provision of ammunition to Israel. This fund is desired to procure equipment in advance so that such situations do not occur again.

I strongly support the creation of this fund, although I and the cosponsors have one housekeeping problem which the amendment I am offering seeks to remedy. The problem basically is that this provision creates new spending which under the Budget Act must be provided through the appropriations process. Without this technical change, I understand that the Budget Committee would make a point of order against this provision, and I, speaking for myself, would have to likewise object on the same basis. Therefore, we are offering the amendment.

I want to emphasize that the amendment uses the word "provided," and not "appropriated," and as the chairman of the Foreign Operations Appropriations Subcommittee, it would be my intention to provide a limitation and not an appropriation, the latter being likely to create problems.●

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment (No. 525) was agreed to.

Mr. PERCY. Mr. President, we have a number of amendments that we know will be proposed by Members. Because the managers of the bill have no further amendments to be proposed at this time, we urge our colleagues to come to the Chamber and to propose the amendments that they might have to this bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PRESSLER). Without objection, it is so ordered.

## GERMAN PARLIAMENTARIANS VISIT SENATE

Mr. PERCY. Mr. President, I announce to our colleagues that we have the great distinction and honor of hosting a coffee at 3 p.m. for a group of German Parliamentarians in the Senate Foreign Parlations Room, S. 116, with Senator LARRY PRESSLER as the host of that group. The German Parliamentarians are here on official business and I know that as many of our colleagues as possible would want to pay their respects. If they cannot stay for the full coffee, they can stop by to introduce themselves and be introduced to our foreign relations counterparts in the German Parliament.

Mr. President, I suggest the absence of a quorum.

## INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1981

The Senate continued with consideration of the bill.

AMENDMENT NO. 555

(Purpose: To make available funds under the Foreign Assistance Act of 1961 for Haiti only if the President determines that the Government of Haiti has cooperated with the United States in halting illegal emigration from Haiti, and for other purposes)

Mr. CHILES. Mr. President, I call up my amendment No. 555 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Florida (Mr. CHILES) proposes an amendment numbered 555:

On page 84, between lines 2 and 3, insert the following:

"SEC. 716. (a)(1) It is the sense of the Congress that funds made available under chapter 1 of part I or chapter 2 or chapter 5 of part II of the Foreign Assistance Act of 1961 should be used for programs in Haiti which would ameliorate the conditions of poverty and underdevelopment which contribute to the emigration of Haitian citizens and which would assist Haiti to deal with the problem of illegal emigration.

"(2) To the maximum extent practicable, assistance for Haiti for the fiscal year 1982 under chapter 1 of part I of the Foreign Assistance Act of 1961 should be provided through private and voluntary organizations.

"(b) Funds available for the fiscal year 1982 to carry out chapter 1 of part I or chapter 2 or chapter 5 of part II of the Foreign Assistance Act of 1961 may be expanded for Haiti, and credits and guarantees extended for the fiscal year 1982 under the Arms Export Control Act may be approved for use for Haiti only if the President determines that the Government of Haiti—

"(1) is cooperating with the United States in halting illegal emigration from Haiti;

"(2) is not aiding, abetting, or otherwise supporting illegal emigration from Haiti;

"(3) has provided assurances that it will cooperate fully in implementing United States development assistance programs in Haiti (including programs for prior fiscal year); and

"(4) is not engaged in a consistent pattern of gross violation of internationally recognized human rights.

"(c) Six months after the date of enactment of this Act, the President shall prepare and transmit to the Congress a report on the extent to which the actions of the Government of Haiti are consistent with paragraphs (1), (2), (3), and (4) of subsection (b) of this section.

"(d) Notwithstanding the limitations of section 660 of the Foreign Assistance Act of 1961, funds made available under such Act for the fiscal year 1982 may be used for programs with Haiti if such funds are used to assist in halting significant illegal emigration from Haiti to the United States.".

On page 84, line 4, strike out "SEC. 716." and insert in lieu thereof "SEC. 717.".

Mr. CHILES. Mr. President, all of us are vitally concerned with the massive influx of illegal immigrants into this country, a situation which has strained our social service network to the limit and made a mockery of our immigration laws. It is a crisis which demands a prompt and firm response. Part of that response must be the development of a workable immigration policy which will limit and control the flow of refugees into the United States. Another aspect of that response must be an immediate effort to use all of our potential resources to stem the flow of illegal immigration. The amendment I am proposing today seeks to insure that we will use one of these resources, namely foreign assistance, to deal with the continued stream of refugees from Haiti.

The Haitian problem was aptly described in the opening paragraph of a recent Tampa Tribune editorial:

Two boats carrying 175 Haitians glided ashore at the usual spot on Miami's beaches yesterday, following a ferry route Floridians can almost set their watches by.

Each week that goes by brings more Haitian refugees to Florida's shores, aggravating an already overwhelming problem. The burden of these refugees has fallen directly on the State of Florida and the people of south Florida. The ability of local government to cope is past the breaking point. An inhumane and dangerous situation exists at the Krome North facility in Dade County where over 1,000 Haitian refugees are housed under appalling conditions.

For most Americans, Mr. President, immigration is an abstract problem that does not affect their daily lives. The people of south Florida have to live with this problem every day. They are worried and frustrated and they should be. The handling of the Haitian refugee problem by the Federal Government, or perhaps I should say "mishandling," is a monument to Government at its worst.

Our task now must be to redress that situation as soon as we can. South Florida cannot wait while the wheels of Congress and the administration turn slowly to develop a new immigration statute. They need action now to stop the flow of illegal aliens. One step we can take is to seek and in fact insist upon the cooperation of Haiti in restraining illegal immigration. That is the purpose of this amendment.

This amendment addresses the two factors that are causing the flow of illegal immigrants to the United States; the difficult economic conditions in Haiti and the question of human rights.

It provides that funds made available to Haiti will be used to address the conditions of poverty and underdevelopment that contribute to immigration from Haiti and to assist with programs to deal with the problem of illegal immigration.

It provides that to the maximum extent possible assistance to Haiti should be provided through private and voluntary organizations. It further stipulates that military or development assistance funds will be approved for use in Haiti only if the President makes a determination that the Government of Haiti—

First, is cooperating with the United States in halting illegal immigration from Haiti;

Second is not aiding, abetting, or otherwise supporting illegal immigration from Haiti;

Third, has provided assurances that it will cooperate fully in implementing U.S. development assistance programs in Haiti; and

Fourth, is not engaged in a consistent pattern of gross violations of internationally recognized human rights.

The Government of Haiti cannot be allowed to either encourage illegal immigration as a means of solving its internal problems or to fail to cooperate with the United States in resolving this dilemma. The administration has indicated it recognizes that the causes of illegal immigration are international in scope and will require an international solution. Negotiations are being pursued with Haiti. Making the provision of both military and development assistance conditional on full-fledged cooperation by the Government of Haiti will provide the leverage to insure that such cooperation is forthcoming.

Mr. President, this amendment represents a sensible and prudent action we can take right now to alleviate the critical problem of Haitian immigration. Whatever the ultimate U.S. policy for stemming the flow of refugees, it cannot succeed if the Government of Haiti does not enforce its own immigration laws. I believe approval of this amendment by the Congress will help to staunch the flow of illegal immigrants and I urge its adoption.

Mr. PERCY. Mr. President, I commend my distinguished colleague, Senator CHILES, for this amendment.

I can well remember earlier this year, when I was visiting my brother in his home in Palm Beach, that a ship came in with Haitians and hit the beach. They headed for parts unknown, and they were just absorbed into the population, ending up on welfare rolls or payrolls or whatever; but there was no due process of immigration whatsoever.

The problem is a very grave one, and it is a problem for my own native State of Florida and a concern of the distinguished Senator from Florida.

In my judgment, this amendment is a constructive effort to deal with this extremely difficult problem.

Basically, this amendment urges that we continue programs in Haiti to alleviate poverty and help stem the flow of illegal immigrants to the United States if the Haitian Government provides us with adequate evidence that we can work with it with some hope of success. The amendment requires that the President report to the Congress on the degree to which the character and actions of the Haitian Government are consistent with continued United States assistance. The administration has indicated it can accept this position.

I point out that our colleagues in the House have recently looked over the Haitian situation, and the GAO is also beginning a study of our programs there. I believe our committee will also take a close look at our activities in Haiti later this year. These actions, plus this amendment, should assure that our programs will do the job or be terminated.

The amendment also provides a 1-year exemption to allow some assistance to Haiti to help stem the flow of illegal immigrants to the United States. This is part of a larger question of assistance to law enforcement agencies. It is a particular problem in the Caribbean region, which is beset by problems of drug trafficking and illegal emigrant flows, which are often the responsibility of police forces in countries with small or nonexistent military structures. We may have to take a look at the adequacy of current legislation to deal with these problems. This amendment in no way prejudges the conclusion of such a review, and it is clearly limited to an exemption for a single purpose in a single fiscal year for a single country.

On behalf of the majority side, we are willing to accept this amendment; and I turn to my distinguished colleague, the ranking minority member of the Foreign Relations Committee, for his reaction and comments.

Mr. PELL. Mr. President, this amendment has been worked out with the staff on both sides of the aisle and the staff of the Senator from Florida. It seems to be an excellent amendment, and I recommend its acceptance.

Mr. CHILES. I thank the distinguished ranking minority member and the distinguished chairman, and I urge adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 555) was agreed to.

UP AMENDMENT NO. 410

Mr. DODD. Mr. President, I have an amendment that I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. DODD) for himself, Mr. DURENBERGER, Mr. HELMS, and Mr. ZORINSKY proposes an unprinted amendment numbered 410.

On page 23 between lines 4 and 5 strike subsection (d) which was added as a technical amendment and insert in lieu thereof the following new subsection (d):

"(d) Of the funds authorized to be appropriated to carry out this chapter for the fiscal year 1982, $15,000,000 shall be available only for Costa Rica for the purposes of economic assistance."

The PRESIDING OFFICER. Let me interrupt the Senator from Connecticut.

The Parliamentarian has raised a point which is that the amendment is not in order at this time and it requires unanimous consent for the amendment to be considered.

Mr. DODD. Mr. President, I ask the Chair for the basis of that.

The PRESIDING OFFICER. It amends a previously agreed to amendment. The Senator will have to seek unanimous consent for the amendment to be in order.

Mr. DODD. Mr. President, I so make that unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. Mr. President, I ask unanimous consent that the distinguished Senator from Minnesota (Mr. DURENBERGER) be listed as an original cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. Mr. President, this amendment would earmark an additional $12.5 million in economic support funds for Costa Rica.

The Foreign Relations Committee has already earmarked some $2.5 million for Costa Rica in the bill.

I would stress that this amendment is not an add on. We are not asking the Senate to fund additional moneys for Costa Rica but rather to take from the existing funds of some $2.4 billion the $12.5 million that I am adding onto the $2.5 million already in the bill to provide needed economic assistance for Costa Rica.

Most Members here, of course, are fully aware that Costa Rica among the Central American nations has been a bastion of democracy and a free market economy over the years in what would otherwise be one of the most troubled spots in the world. In a region beset by civil strife, military rule, and guerrilla warfare, Costa Rica has managed to maintain a unique democratic government since 1948.

In a region where military solutions to problems are often preferred Costa Rica has no standing army. They do not have a military. They have a national police force which numbers 1,000 which is in fact fewer than the number of police who protect this very building in the Capitol Police Force.

Costa Rica has been traditionally an ally of the United States and yet because of its economic plight Costa Rica now needs our help desperately.

Costa Rica is now experiencing its most severe economic crisis in decades.

Huge increases in the price of oil and a depressed coffee market have drained Costa Rica's foreign reserves. Its external debt has grown to $3 billion, an increase of over 50 percent in 18 months, and inflation is expected to reach 60 to 70 percent this year. National unemployment has doubled between November 1979 and July 1980.

The Government, I quickly add, has taken some serious steps on its own to get the economy under control. Its currency was devalued by 100 percent in 1981 in an effort to control imports.

In May 1981, the Government negotiated a 3-year economic stabilization program with the International Monetary Fund. While this program may have to be renegotiated it is evident that Costa Rica will accept a long period of austerity and economic discipline in order to stabilize its economy.

Mr. President, to conclude, I think it is noteworthy that Costa Rica's efforts to stabilize its economy is based on controlling public spending and strengthening the private sector. The current economic crisis has precipitated instances of violence in recent emonths. Costa Rica is not as stable as it was only a few short months ago.

A relatively modest increase in funds for Costa Rica could help bolster an allied, democratic government to help forestall the possibility of leftist exploitation of Costa Rica's current economic difficulties.

Such assistance I believe is an investment in our own future.

Mr. President, the House of Representatives, I might add, has earmarked some $25 million for Costa Rica. My amendment would total $15 million, and I stress again this is not an add-on but rather comes out of the funds that have been authorized presently in the bill.

Mr. President, I ask unanimous consent to add as cosponsors the Senator from North Carolina (Mr. HELMS) and the Senator from Nebraska (Mr. ZORINSKY).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. Mr. President, I ask for adoption of this amendment and yield back my time.

Mr. ZORINSKY. Mr. President, I enthusiastically support Senator DODD's amendment to increase economic assistance to Costa Rica. We would have to search far and wide for a case that is more deserving than Costa Rica of this special consideration.

Tiny Costa Rica has been the bulwark of democracy in Latin America ever since 1948 when the nation's leaders transformed the political, economic, and social system into one of the most successful governmental systems in the world. Costa Rica's democratic governments have been very close friends of the United States and could always be counted on to support our international positions. Now the time has come to show Costa Rica that we appreciate this support by increasing the economic assistance funding by a relatively modest amount.

Today Costa Rica is beset by economic and political problems to which that nation is unaccustomed. A depressed coffee market plus a high bill for imported oil has contributed to a very real economic crisis in Costa Rica. Costa Rica's external debt has risen to $3 billion. Inflation is at about 70 percent this year. Unemployment has doubled in less than a year.

Costa Rica is trying. That is the Costa Rican way. The government has taken drastic steps to control the economy such as the 100-percent currency devaluation. An economic stabilization program is being worked out with the IMF which will mean austere times for the good people of that country.

Aside from the important reasons that I have just discussed, I think it is especially significant to note to the American people that the earmarking of the $15 million for Costa Rica is not an add-on. No additional funding is required. It comes out of the economic support fund total.

It is important for my colleagues to vote their approval of this amendment so that Costa Rica can maintain its time-honored tradition of being a stable, democratic nation in a sea of turmoil in Central America.

Mr. DURENBERGER. Mr. President, I have a long-standing interest in Central America as my colleagues are aware, and I have traveled to Costa Rica on many occasions. During the past 3 months, I have had the opportunity to speak with Mr. Bernd Niehaus, the Costa Rican Foreign Minister, and with such other notable Costa Ricans as Francisco Sotto Harrison, former Ambassador to the Court of Saint James and a prominent attorney.

From these conversations, one point has emerged with absolute clarity. The Costa Rican economy is in trouble, largely because the world prices for Costa Rican exports have fallen dramatically. This in turn has created inflation, and the value of the colon has fallen against the dollar. The result is the added punishment of decreased foreign investment.

I am satisfied that the Costa Rican Government is taking firm measures to bring its economy under control. But it needs assistance if it is to do so. And this assistance is clearly in our own national interest. With the increased and overdue attention to Central America by all Americans, it should be self-evident that Costa Rica plays a crucial role in the stability of the region. Costa Rica is a stable democracy which is so peaceful that it is able to boast that it has no army. But, like any democracy, it cannot long withstand the erosion of confidence created by continued inflation.

I am therefore very happy that Senator DODD has introduced his amendment, and wish to commend him for addressing an urgent problem.

Mr. PELL. Mr. President, I think this amendment has a great deal of merit. As has been pointed out, it does not add a nickel to the bill. It merely identifies where some money should be spent. It earmarks funds for a particularly sensitive part of the Americans, and I hope, very much indeed, that it will be accepted by our colleagues.

Mr. PERCY. Mr. President, I commend my distinguished colleague from Connecticut for his amendment.

Costa Rica has been a staunch ally of the United States and has the oldest surviving democracy in Latin America. The House Foreign Affairs Committee has provided $25 million in ESF for Costa Rica.

This amendment would not add money to this bill. It would simply increase the existing earmark from $2.5 to $15 million.

Costa Rica's economic plight has deteriorated sharply over the past 2 years. Interest rates jumped from 18 percent to 23 percent over the past year, while re-

tail prices rose 17.8 percent and wholesale prices soared a whopping 22 percent.

Costa Rica is a traditional ally of the United States, amidst a turbulent sea of civil strife, military coups and guerrilla warfare in the region, and boasts a unique, democratic government which has been in place since 1948. It has no standing army and maintains a national police force of 1,000 men, less than the Capitol Hill Police Force here in Washington.

On behalf the majority, as manager of the bill, I accept the amendment.

I think we are ready for a vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut.

The amendment (UP No. 410) was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

UP AMENDMENT NO. 411

(Subsequently numbered amendment No. 562).

Mr. LUGAR. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Indiana (Mr. LUGAR) proposes an unprinted amendment numbered 411:

S. 1196

On page 59, line 17, strike out "(a) Funds" and all that follows through page 62, line 18 and insert in lieu thereof the following:

"SEC. 707(a). The Congress finds that peaceful and democratic development in Central America is in the interest of the United States and of the community of American States generally, that the recent civil strife in El Salvador has caused great human sufferings and disruption to the economy of that country, and that substantial external assistance to El Salvador is necessary to help alleviate that suffering and to promote economic recovery within a peaceful and democratic process.

"(b) It is the sense of the Congress that assistance furnished to the Government of El Salvador, both economic and military, should be used to encourage—

"(1) the realization of the U.S. policy objective of achieving a peaceful and democratic resolution to the strife in El Salvador;

"(2) full observance of internationally recognized human rights in accordance with sections 116 and 502B of the Foreign Assistance Act of 1961;

"(3) full respect for all other fundamental human rights, including the right of freedom of speech and of the press, the right to organize and operate free labor unions, and the right to freedom of religion;

"(4) continued progress in implementing essential economic and political reforms, including land reform and support for the private sector;

"(5) a complete and timely investigation of the deaths of all United States citizens killed in El Salvador since October 1979;

"(6) an end to extremist violence and the establishment of a unified command and control of all government security forces in this effort;

"(7) free, fair an open elections at the earliest date, the modalities of which should be negotiated between all groups which renounce and refrain from further military or paramilitary opposition activity in pursuit of an equitable political resolution of the conflict;

"(8) increased professional capability of the Salvadoran Armed Forces in order to establish a peaceful and secure environment in which economic development and reform and the democratic process can be fully implemented, thereby permitting a phased withdrawal of United States military training and advisory personnel at the earliest possible date.

"(c) Within six months after the date of enactment of this section, the President shall report to the Congress concerning the status of his efforts in implementing the U.S. policy objective of a peaceful and democratic resolution to the strife in El Salvador and shall identify any remaining obstacles to achieving that objective."

Mr. LUGAR. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LUGAR. Mr. President, the amendment which I have just offered is a sense of the Senate resolution dealing with the questions about aid to El Salvador which arose during markup of that portion of the Foreign Assistance Act dealing with El Salvador.

I rise to offer this amendment to section 707 of the bill and in place of the language in the bill I propose to substitute language which expresses the goals of American assistance to El Salvador.

I do this deliberately because during the excellent conversation which the Committee on Foreign Relations enjoyed with President Napoleon Duarte yesterday the point made by President Duarte again and again was that he very much supports the goals, and he emphasized that word "goals," which goals are expressed in the original committee language and in the language which I have presented in the form of an amendment today.

The point I shall make repeatedly is that there is a profound difference between goals and conditions. President Duarte made the point that for a great power such as the United States to impose conditions on a sovereignty such as El Salvador is not an acceptable situation. He would have felt on the face of it that it was unacceptable, given the relationship we have, and he went over the language that has just been made a part of this amendment word by word, agreeing explicitly with the goals that are represented, as do I and, as I suspect, do all of our colleagues.

But, Mr. President, the gist of the language that came forth from the Committee on Foreign Relations and became a part of the bill we are considering today imposes very stringent conditions, and those conditions, after original certification and then once every 6 months, could bring an end to all of our aid to El Salvador.

I offer this amendment for several reasons: In recent months many Americans have become deeply aware of the violence which has torn apart El Salvador. Americans have seen and heard of the murders, abductions, disappearances, and other acts of senseless violence which occur in El Salvador each day. El Salvador experiences tragedy and violence which is almost beyond comprehension.

We all deplore this. No one defends it. The question is, however: What are we to do about it? Our revulsion toward brutality is by itself no policy at all. Our deep feelings of compassion for the people of El Salvador cannot and will not substitute for hard thinking about our responsibilities.

Some in our country would just as soon wash their hands of the entire matter. They would say, "Withdraw all military assistance to El Salvador and let the people of El Salvador solve things themselves." But if we withdraw our support for the one force which is committed to free elections, the people of El Salvador will not solve things themselves. A small group of guerrillas, supported by outside assistance, will seize power and establish a repressive dictatorship. It is very fine to speak of self-determination; the fact is that there will be no self-determination in El Salvador without continuing and unwavering American assistance to the democratic forces in that country.

Let us consider the alternatives before us today. The language in the bill places restrictions and certifications upon the President's conduct of policy toward El Salvador. Indeed, the language of the bill contains the most restrictive language to be imposed on the Presidential conduct of foreign affairs in years.

And I stress that point, Mr. President, because this is not a set of mild-mannered conditions. This is the most restrictive net placed upon any relationship that our State Department, in the hands of either party, has seen in years.

First, it requires a Presidential certification that five separate conditions are being met prior to each and every provision of military assistance, provision of military trainers, and provision of credits or loans. What the bill requires is a lengthy Presidential certification every time one single bullet is provided to El Salvador; every time a military trainer is rotated to El Salvador, and every time one penny of credit or loan is offered. Whatever one may think of affairs in El Salvador, this is surely not the way to make good law.

Second, it requires a similar—and redundant—certification by the President every 6 months.

Third, before any of these certifications can proceed, the bill requires a prior certification regarding the investigation into the murders of the six American citizens in El Salvador.

Fourth, the bill requires an immediate cutoff of assistance if at any time a Presidential certification is not able to be made.

Mr. President, this is not good law; this is not good constitutional precedent for the relations between the legislative and executive branches of Government; and it is not good foreign policy.

In place of this I am offering a different, more positive approach. I do not propose a simple repeal of the language in the bill. Rather, I believe that the language of the bill represents a very real attempt to give expression to the concern which all of us share about the violence in El Salvador. My amendment gives expression to the deep concern of Members

of this body about the importance of human rights in El Salvador and about the necessity of American policy to support free and democratic government in that country.

But it does so in a realistic and constructive way. It does not impose conditions only upon the Government of El Salvador. It will not send to the guerrilla groups and their supporters the message that the Congress can be counted upon sooner or later to undermine the administration's support for the Government of El Salvador. We cannot and we should not give partial control of our decisions to guerrilla groups which can and will frustrate our best intentions.

What we are being asked to do in the language of the bill is to cast continuing doubt upon our support for the genuinely democratic forces in El Salvador. And who does this help?

Does it help the political parties which are now struggling to organize themselves in the face of systematic terrorism?

Does it help the Government of El Salvador which is committed to elections next March?

Does it help President Duarte?

President Duarte met with the Foreign Relations Committee yesterday afternoon, as I have said. He said that conditions imposed upon our aid would not help him or his government. He said that he supports the goals—and he stressed the word "goals"—of free, democratic government, an end to random violence, and the participation of all people who renounce violence as a means of taking governmental power.

The fact is that conditions imposed upon American assistance will help only those who hope to see the end to American support for El Salvador. For these reasons, the administration opposes the language now contained in the bill. Secretary Haig has written to the committee about this provision. In a letter dated May 11, Secretary Haig said:

> Our opposition is not to the bill's objectives. Indeed, the specific conditions cited in the amendment parallel many of the elements of our policy or the objectives of the Government of El Salvador itself.

And in another quote, he said:

> Our concern, however, is that the bill is not likely to lead to those objectives that we share. Its effect could well be the opposite for the following reasons:
>
> El Salvador's rightist terrorists or the Marxist guerrillas and their foreign communist supporters will conclude the legislation that they can force an end to U.S. assistance to the established government by stepping up their violence to the point where it blocks further progress on the reforms or undermines the election process.
>
> The measure could work to delay the peaceful solution that we all seek by encouraging extremists of the left and right to persist in their internal attacks and their external propaganda in the belief that their persistence would ultimately be rewarded with a Congressional curtailment of U.S. support for the Salvadoran Government.

That is why our Ambassador to El Salvador, the U.S. Ambassador to El Salvador, Deane Hinton, also opposes the original language of the bill.

I urge my colleagues to support the provision which I have introduced which preserves the worthy objectives of the language of the bill, but removes the harmful effects. The substitute language which I have presented is, I believe, a constructive step forward.

Now, Mr. President, it will be argued that it is perfectly proper for the Congress of the United States to impose whatever conditions it wishes to upon executive activity. It will be argued in a constitutional sense that, indeed, the President does have certain authority under the Constitution to move foreign affairs in behalf of this country, but that a checks and balance system persists and that clearly the checks aspect is at work in the Foreign Relations Committee work.

Mr. President, as I pointed out, this is an extreme form of checks and balances. It comes, I suspect, from the very real concerns that many Americans feel that the United States might become bogged down in El Salvador in a seemingly interminable and seemingly unwinnable situation. I respect those sentiments. There is a legitimate debate in this country as to whether the United States should be invloved in El Salvador at all. Clearly, it is not the scope of our debate today to recite the doleful history of that small country.

But the fact is that El Salvador has been a battlefield, it has been an area of unhappiness, an area of dire poverty, and an area in which millions of citizens now and in the past have cried out for liberty and for better conditions of life. It is ripe for change. And indeed, the drama of the visitor yesterday, President Duarte, is very pointed if one considers that President Duarte was a candidate for national office in El Salvador in 1972 and apparently had won the election only to see it set aside by military rulers in that country at the time. President Duarte was imprisoned, was tortured, and went in exile for 7 years. Now this man, Napoleon Duarte, with whom we visited in our midst yesterday, is not a repressive ruler and someone attempting to hold down reforms. Quite to the contrary, President Napoleon Duarte has attempted to institute, under very tough conditions, land reform, banking changes, changes with regard to foreign trade, and a very, very wide-sweeping program trying to open up ownership and opportunity to his fellow citizens.

It has been a remarkable program.

The problem of our intervention in this situation comes because most Americans say, "Why not support El Salvador in an economic way? Why not try to bring about reform through our money, through our expertise, through humanitarian missionaries of all sorts in this country?"

I think there is no argument. Why not? We should. We have.

But, Mr. President, I would simply point out that our citizens who attempt to help in a humanitarian way are not safe in doing so if, in fact, anarchy and chaos prevail in El Salvador.

It is all too clear that, in a sense, both the left and the right of the political spectrum on this issue come together, and on the left persons throughout the world would argue, "Let the guerrillas have a go at it." They would argue that history is on the side of the leftist, revolutionary, guerrilla groups, who inevitably wear down the patience if not the strength of whatever the prevailing power might be, and eventually come into their own. There is that point of view in this country on occasion, or widespread throughout the world.

There is the point of view on the right that the United States ought to stay out of it altogether, too, because, some would argue, the ruling group that was there might still be there if we were not involved, if the United States of America was not trying to help a centerist regime, if we were not there attempting to encourage elections, providing money for land reform, doing a number of things that are a radical change from the regime that has been deposed.

Indeed, extremists of the right and the left could very well say to the United States, "Get out and stay out, because we believe either we will have to repress the dictatorship of the right or the left and we are not interested, when it comes down to it, in the niceties of democratic elections, in trying to get a middle-class market enterprise situation going, trying to spread genuine ownership and equity in land."

Mr. President, I see very little in the program of either the Marxist guerrillas or the far right, many of whom are now exiled in Miami, Fla., from El Salvador that points to very much promise of economic reform, of the ordinary person in El Salvador progressing to much exercise of political liberty.

Here comes the United States in this situation. We are saying in the finest of humanitarian traditions, "We believe that El Salvador is a close neighbor. We believe that we ought to help. We resent interference from outside this hemisphere, whether it be encouragement by the Soviet Union, encouragement by Cuba, encouragement by anyone, for that matter, who might, with the network operatives of the Soviet Union and the Cuban surrogates, attempt to foment difficulty. At the same time, we resent attempts by deposed El Salvadoran leaders, operating wherever they are, to try to take back control from the Duarte government, to try to seize back the initiative before elections can be held."

This is why the debate we are having in a sense is unfortunate, Mr. President, because our Secretary of State in very explicit terms in his letter of May 11, 1981, which I have quoted to the Senate today, said that the language adopted by the Foreign Relations Committee in its markup, is an open invitation to obstruction. The difficulty with the language in the bill is simply that a group of either the left or the right can create enough unhappy conditions because of the certification which is demanded at the outset and every 6 months, and on every occasion of a single piece of military equipment or a troop or any sort of economic

aid. Every time a certification occurs it is an open invitation simply for the United States to be unable, under the law, to provide assistance to El Salvador.

This number of certifications, this degree of overbureaucracy, this number of subjective judgment calls, in my judgment, is unprecedented and unwarranted.

The purpose of the original language was, in fact, simply to make certain we get out of El Salvador, those who want to see the United States withdraw now and for good. That purpose is accomplished with great strength. It would not take great skill, Mr. President, for someone who did not share the idealism of any of the members of the Foreign Relations Committee, the President of the United States, or the Secretary of State to use the language of this original bill and make very well sure we were out of El Salvador within a 6-month period of time. I think Senators need to see that point.

I have great respect for my colleague from the State of Connecticut, Senator DODD, who has worked diligently within the committee and subsequently to think through the implications of this language. I know that he will want to respond with his own thoughts, which are important ones, based upon personal experience, personal visitations with many of the parties involved.

I would submit that at least one of the arguments that I have heard the distinguished Senator from Connecticut propose is that the language in this bill provides to President Duarte a club to use against the military or against other forces within his country that do not favor his sense of reform; in essence, that we, in our legislation, are propping up President Duarte, or we are giving him an argument so that he can go to El Salvadoran officials and say, "Here, I have the Senate bill, and if we do not comply with these things the aid is gone and, therefore, we have to comply." It is an interesting argument and I think one worthy of attention.

But, Mr. President, the facts of life are that others, quite apart from President Duarte, or people with whom he is visiting in El Salvador, or members of the Foreign Relations Committee who had a debate on this at one point may all be in one camp in interpreting this law, but others, as I read it, who have not followed this thing that closely, or with not so much concern for the evolution of affairs in El Salvador, will simply pick up the language in this committee bill and point out that as best they can see affairs are not proceeding along the lines of the goals of President Duarte or ourselves and, for that reason, the United States ought to cut off aid and do so immediately.

That I think would be unfortunate.

Mr. President, attempts have been made to try to find a combination in this area and they have been unsuccessful. I will say that candidly. That is the reason that I offer this as a sense of the Senate resolution, that type of language as opposed to a set of conditions. It is a deliberate attempt to break this thing open, and to give our foreign policy a chance to rise in the process. I think it is an important option for our Secretary of State to have in this embattled condition that he finds himself in this particular issue.

Furthermore, it seems to me it is an affirmative step we might take to indicate our support of Napoleon Duarte, our good friend who has been with us, and in whom we share a great deal of confidence because he is the best thing we find, those who have compassion for the people of El Salvador.

Mr. President, let me add one further point. It will be suggested that when this language came before the Foreign Relations Committee, the vote on the amendment presented by the distinguished Senator from Connecticut, Senator DODD, was passed by a vote of either 12 or 13 to 1. The number escapes me, but the one vote against the motion at that time was, in fact, myself. Why would I do such a thing like that? Well, of course, I was holding the letter of the Secretary of State in hand. The Secretary of State wrote to us before the vote.

I think we really have to give some attention on occasion to our Secretary of State, who has appealed to us on this issue before.

Let me also point out in fairness, Mr. President, that I was not present at the time my vote was cast. It was a proxy vote. I and a great number of other members, unfortunately, of the Foreign Relations Committee were engaged on that very day in another one of the farm bill markups.

Senators will recall mention throughout last week of the 24 days, or some such, of markup. That occupied us right through the debate on El Salvador. So we really were not up to speed, I think, as a committee. The chairman did his best to get members there and was diligent throughout this in trying to excite our attention, but the distinguished Senator from North Carolina, the chairman of the Committee on Agriculture, was involved with the farm bill, understandably. So were Senator BOSCHWITZ, as I recall, and Senator ZORINSKY was over there a good bit in those days. I was there. A number of us were preoccupied with that. Once we began to rivet our attention on this question, we felt it was important to bring the situation to the attention of the Senate as a whole.

Mr. President, I see the distinguished chairman of the very committee I have just mentioned that was involved in all of these markups at the time the discussion on El Salvador was going on. I am pleased to yield to the Senator from North Carolina for a comment if he has one.

Mr. HELMS. Mr. President, I ask unanimous consent that the Senator may yield without losing his right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I have listened with great interest to the able Senator from Indiana. He is exactly right. Members of the Committee on Foreign Relations know that we met informally with President Duarte. He is an exceedingly impressive man and, I think, an absolutely genuine person. He has problems in that country which we cannot even imagine in our own land. To load him down with all sorts of restrictions and limitations and requirements is simply going to play into the hands of those who have no friendship for the United States. The least that we can do is give President Duarte a fair shot at getting his country straightened out. That is why the amendment of the distinguished Senator from Indiana is so essential at this time.

Mr. President, we talked yesterday about his crops. There has been an increase in cane production if he can keep the terrorists from burning it up. There has been an increase in cotton if he can keep the terrorists from destroying it. To hamstring this man, who has come to this country, making clear his friendship, is the wrong course of action. I simply do not think that we ought to tie his hands behind his back to any degree whatsoever.

Mr. President, we are not talking about central Asia; we are not talking about central Africa; we are talking about Central America, our own front yard. We are talking about this hemisphere. Anybody who even takes a casual glance at the news is bound to understand that the Soviet Union, through its surrogates, is doing everything possible to destroy freedom in this hemisphere and we had better help our friends now, because we may not have any friends left to help.

Mr. President, I commend the distinguished Senator from Indiana for his amendment and I certainly hope the Senate will support it.

Mr. LUGAR. Mr. President, I thank the Senator from North Carolina for his support and the cogency of his argument. Very clearly, Mr. President, the foreign policy of the United States has many objectives, but one of the most important must be friendship, prosperity, and movement within our own hemisphere.

The exciting reason we are involved in El Salvador is that we and others in the Western Hemisphere believe that conditions of land reform, the growth of new businesses, the political participation of citizens party to free elections are very important objectives. We likewise see the dire circumstances by which all of these are likely to be precluded in El Salvador without our vigorous participation.

Mr. President, the purpose of my amendment is simply to make certain that the world knows that we shall be constant, that Congress is not about to pull the rug out from under our President and the Secretary of State under the pretext of 6-months certifications, of endless hassles, of bureaucratic snafus; that, in fact, having said that we are going to help, for the goals that we have stated and for those reasons, we shall be constant in that fight.

Mr. President, I yield the floor.

Mr. CRANSTON. I am an original cosponsor of S. 869, the El Salvador Assistance Act, which was reported out of the Foreign Relations Committee. I believe

it is important for Congress to establish some specific limits on the use of U.S. military aid and personnel in the war in El Salvador.

The situation in El Salvador has not improved. There continue to be reports of killings and terrorist activities in that country. We must make certain that U.S. taxpayer dollars and personnel to El Salvador are being used in ways that promote goals which we can fully support.

Conditional U.S. military and economic assistance to El Salvadoran authorities insures that the government we are supporting is prepared to make certain political, social, and economic changes. These reforms are essential to drying up the limited popular support for leftist opponents of the current government.

The American people will not support military aid to El Salvador unless it is clear that our involvement is helping to resolve the current civil war and establish enduring peace for the El Salvadoran people. We must be responsive to U.S. taxpayers as well as to the people of El Salvador. That is why I urge support of the bipartisan compromise language adopted by the Senate Foreign Relations Committee under the sponsorship of Senator DODD.

The minority has been once more accommodating on the floor on this matter to take into account the views of the chairman of the committee and others on the majority side. I think Senators on the majority side will respond in a reciprocal way.

UP AMENDMENT NO. 412

(Subsequently numbered amendment No. 563)

Mr. HELMS. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER (Mr. JEPSEN). The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 412 to amendment numbered 411.

Mr. HELMS. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the language proposed by Mr. LUGAR, substitute the following:

"SEC. 707. (a) The Congress finds that peaceful and democratic development in Central America is in the interest of the United States and of the community of American States generally, that the recent civil strife in El Salvador has caused great human sufferings and disruption to the economy of that country, and that substantial external assistance to El Salvador is necessary to help alleviate that suffering and to promote economic recovery within a peaceful and democratic process.

"(b) It is the sense of the Congress that assistance furnished to the Government of El Salvador, both economic and military, should be used to encourage—

"(1) the realization of the U.S. policy objective of achieving a peaceful and democratic resolution to the strife in El Salvador;

"(2) full observance of internationally recognized human rights in accordance with sections 116 and 502B of the Foreign Assistance Act of 1961;

"(3) full respect for all other fundamental human rights, including the right of freedom of speech and of the press, the right to organize and operate free labor unions, and the right to freedom of religion;

"(4) continued progress in implementing essential economic and political reforms, and support for the private sector;

"(5) a complete and timely investigation of the deaths of all United States citizens killed in El Salvador since October 1979;

"(6) an end to extremist violence and the establishment of a unified command and control of all government security forces in this effort;

"(7) free, fair and open elections at the earliest date, the modalities of which should be negotiated between all groups which renounce and refrain from further military or paramilitary opposition activity in pursuit of an equitable political resolution of the conflict;

"(8) increased professional capability of the Salvadorean Armed Forces in order to establish a peaceful and secure environment in which economic development and reform and the democratic process can be fully implemented, thereby permitting a phased withdrawal of United States military training and advisory personnel at the earliest possible date.

"(c) Within six months after the date of enactment of this section, the President shall report to the Congress concerning the status of his efforts in implementing the U.S. policy objective of a peaceful and democratic resolution to the strife in El Salvador and shall identify any remaining obstacles to achieving that objective."

Mr. HELMS. Mr. President, this amendment modifies the Lugar amendment in only one sense. That is to strike the reference to land reform, because that is covered elsewhere in the bill.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PERCY. Will the distinguished Senator yield?

Mr. HELMS. I am happy to yield, Mr. President.

Mr. PERCY. Mr. President, Senator WEICKER is on his way from New York and will be here at 4 p.m. May I ask if it is the feeling of the distinguished Senator from North Carolina that we may withhold voting on this amendment until the Senator from Connecticut may be here?

Mr. HELMS. Mr. President, I certainly want to accommodate Senator WEICKER and any other Senator.

Mr. PERCY. I thank the Chair.

UP AMENDMENT NO. 413

Mr. PELL. Mr. President, I send to the desk a perfecting amendment to the bill that makes two changes to the basic provisions of the bill. It provides that the certifications will occur just three times a year, not four times a year plus other times, as in the bill today. Also, it modifies some of the language of the original bill in paragraphs 1 and 4. It somewhat weakens them, maybe, but makes them more acceptable, I hope, to the majority of my colleagues.

The PRESIDING OFFICER. The Chair advises the distinguished Senator that the amendment he sent to the desk was a substitute amendment and therefore is not in order. A perfecting amendment would be in order but not a substitute.

Mr. PELL. Could the Chair repeat what he said? I could not hear.

The PRESIDING OFFICER. Yes; the Chair advises the Senator that the amendment he sent to the desk is a substitute amendment and therefore is not in order. A perfecting amendment would be, but not a substitute amendment.

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. HELMS. Mr. President, for the moment, I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will continue the call of the roll.

The legislative clerk continued the call of the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. I thank my colleague from North Carolina.

Mr. President, I send to the desk a perfecting amendment that would remove all the language in the Lugar amendment on pages 2 and 3 and would substitute for it the language I am sending to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Rhode Island (Mr. PELL) proposes an unprinted amendment numbered 413.

Mr. PELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 1, strike out through the end of the amendment and insert in lieu thereof the following:

"SEC. 701. (a) In fiscal years 1982 and 1983 funds may be obligated for assistance for El Salvador under chapter 2 or 5 of part II of the Foreign Assistance Act of 1961, letters of offer may be issued and credits and guaranties may be extended for El Salvador under the Arms Export Control Act, and members of the Armed Forces may be assigned or detailed to El Salvador to carry out functions under the Foreign Assistance Act of 1961 or the Arms Export Control Act, only if every 120 days after enactment of this act, the President makes a certification in accordance with subsection (c).

"(b) If the President does not make such a certification, then the President shall immediately—

"(1) suspend all expenditures of funds and other deliveries of assistance for El Salvador which were obligated under chapters 2 and 5 of part II of the Foreign Assistance Act of 1961 after the date of enactment of this Act;

"(2) withhold all approvals for use of credits and guarantees for El Salvador which were extended under the Arms Export Control Act after the date of enactment of this Act;

"(3) suspend all deliveries of defense

articles, defense services, and design and construction services to El Salvador which were sold under the Arms Export Control Act after the date of enactment of this Act; and

"(4) order the prompt withdrawal from El Salvador of all members of the Armed Forces performing defense services, conducting international military education and training activities, or performing management functions under section 515 of the Foreign Assistance Act of 1961.

Any suspension of assistance pursuant to paragraphs (1) through (4) of this subsection shall remain in effect during fiscal year 1982 until such time as the President makes a certification in accordance with subsection (c).

The certification required by subsections (a) and (b) is a certification by the President to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate of a determination that the Government of El Salvador, to the extent not precluded by forces outside its control—

(1) is making a concerted and significant effort to control gross violations of internationally recognized human rights;

(2) is moving to achieve control over all elements of its own armed forces, so as to bring to an end the indiscriminate torture and murder of Salvadoran citizens by these forces;

(3) is making continued progress in implementing essential economic and political reforms, including the land reform program;

(4) is committed to the holding of free elections at an early date and to that end has demonstrated its willingness to negotiate an equitable political resolution of the conflict with any group which renounces and refrains from further military or paramilitary opposition activity.

Each such certification shall discuss fully and completely the justification for making each of the determinations required by paragraphs (1) through (4).

(d) On making the first certification under subsection (a) of this section, the President shall also certify to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate that he has determined that the Government of El Salvador has made good faith efforts both to investigate the murders of the six United States citizens in El Salvador in December 1980 and January 1981 and to bring to justice those responsible for those murders.

Mr. PELL. Mr. President, this amendment provides that the certification will occur each 120 days, or three times a year. This seems a good compromise between the almost infinite number proposed in the original bill and the single certification that the administration desired.

It also softens some of the langugage on page 2 of the bill, discussing the questions of a concerted and significant effort to control gross violations of internationally recognized human rights and the language in paragraph 2 which says that the Government of El Salvador is moving to achieve control over all elements of its owned armed forces, so as to bring to an end indiscriminate torture and murder of Salvadoran citizens by these forces.

This amendment seems a reasonable compromise between both views, and I hope it will secure the acceptance of this body.

Mr. DODD. Mr. President, will the Senator yield?

Mr. PELL. I yield to the Senator from Connecticut.

Mr. DODD. Mr. President, I support the language offered by the distinguished Senator from Rhode Island (Mr. PELL). As the author of the original language in the bill, I believe this language is reasonable.

I had preferred the language contained in the committee bill. However, I recognize that, with respect to those who are somewhat uneasy about the certification process, requiring it once every 120 days is not an unreasonable request. Therefore, I will support this language as a modification of the language presently in the committee bill.

Mr. President, I take this opportunity to try to put this entire issue in perspective.

This is the first opportunity in this Congress that we have had an opportunity to debate the issues of El Salvador, despite the fact that the events in that war-torn nation have dominated the headlines and news reports for the last 6 or 7 months.

So I welcome the opportunity to raise the issues that surround the events in El Salvador and our commitment to the government of Napoleon Duarte and a chance to discuss the importance of a certification process in placing some sort of conditions or, if you will, to use the language of President Duarte yesterday, some mutually agreed-upon goals in El Salvador.

Mr. President, daily, as I mentioned, the grim reality of El Salvador is there for all of us to see. It is there on the front page of our morning newspaper. And it is there again on the evening television news. More and more it is a media event, and slowly but surely it has become a part of the national consciousness. Not surprisingly, I suppose, the grotesque nature of this human tragedy has taken on something of a surrealistic quality, despite the fact that the story behind it is all too familiar, all too common. Indeed, it is a story which for all practical purposes dates back to the dawn of time.

But as ancient as the story may be, each generation needs, or so it seems, some reminder of the horrors of war; some reminder of the revulsion that comes from civil strife, human suffering and more bloodshed; some reminder of the utter brutality of armed conflict. El Salvador has it all. And unfortunately, it helps to provide such a reminder for this generation and for our time. For in that tragic and unhappy land, those who would be king have, as Shakespeare wrote, "Let slip the dogs of war."

The burden of political power, the abuse and corruption of it and the consequences that flow from such abuse and corruption are as much a part of the recent political history of El Salvador as they are a part of so many Shakespearian tragedies. The tragedy of King Richard the Second—in setting the stage for Civil War in England, a less than popular King Richard, still determined to hold on to the political reigns of the kingdom, lashes out—in wanton disregard of the consequences of his action—"cry woe, destruction, ruin and decay: the worst is death and death will have his day." The drama, the calamity of civil conflict. Shakespeare said it well.

Today, the drama has become the reality—the deadly drama, the deadly reality—of El Salvador. This is a nation at war with itself. A nation engulfed in the flames of civil violence. The origin of the violence can easily be traced to the abuse of political power, to the repeated disregard for that abuse and to the eventual corruption of it. The price of that corruption, and the price of the evil which it has spawned, mounts with each passing day. No segment of Salvadoran society has escaped or been spared the agony and the grief that now wracks that war-torn nation—a nation which otherwise would largely go unnoticed; a nation of coffee trees, cotton and rice; but a nation caught between the feudal structure of the old order and the political imperatives of the new. And the clash between old and new has taken a heavy toll.

Thousands of ordinary people lay silent: nuns and priests, labor leaders—the rank and file, businessmen and professionals, educators and students, politicians and government officials, landlords and compesinos, the haves and the have-nots. All elements of society in El Salvador, from the very top of the social ladder to the very bottom, have been victimized by the mindless and seemingly perpetual violence that now grips the Salvadoran psyche like some curse or plague from the distant past.

The death toll for this past year alone is estimated at somewhere between 10,000 to 15,000 people.

The fact that we were not even able to say whether it is 10,000 or 15,000 people should speak more loudly than any other words than I could utter and at this juncture most observers, regardless of their political persuasion, agree there is no end in sight for the violence in El Salvador. Yes, at this point, as the foreign policy wags are accustomed to saying, "if there is a light at the end of the Salvadoran tunnel, it is only the glow from the headlamp of the oncoming train."

How did it all happen? What's the political prognosis? Where do we go from here? The questions seem relatively simple. The answers, at least by comparison, are more complex and complicated. But regardless of how complex and complicated they are, they are urgently needed and with this purpose in mind, I want to bring to the attention of my colleagues three recent articles which serve to analyze the Salvadoran political situation and our Government's role in it.

The first article is from the summer, 1981 issue of International Security. It is entitled, "A Splendid Little War: Drawing the Line in El Salvador" by Prof. William Leogrande. Professor Leogrande serves as director of political science in the School of Government and Public Administration at the American University, here in Washington, D.C. The second article, "Death as a Way of

Life" comes from Mr. Christopher Dickey, a reporter and writer for a local newspaper, the Washington Post here in this city, who has lived and been in charge of the Mexico City bureau for some years. The third and final article is the work of Mr. Loren Jenkins, who also serves as a foreign correspondent for the Washington Post and whose article "El Salvador: From Conquistadores to Communists, Why the Killing Will Never End," can be found in the August 16, 1981 issue of the Sunday Washington Post magazine.

Each of these articles, I believe, makes a substantial contribution to better understanding the Salvadoran civil war. And each, in its own way, raises serious questions about the nature of the Salvadoran Government, particularly the military and security forces component of it, and about the nature of our commitment to it. These are the key questions. These are the key issues. And I strongly urge my colleagues and the public at large to give very careful consideration to the views and comments contained in these articles, which I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DODD. Mr. President, like many other observers, including the ones noted above, I do not know whether the government of President Napoleon Duarte can survive or not.

As I said to him yesterday at a closed-door briefing in the presence of my colleagues on the Foreign Relations Committee, I do not take a back seat to anyone in my continued support and admiration for Jose Napoleon Durate.

The record that he has established as a politician in that country has gone unchallenged, and he is someone who has been a victim of torture, been incarcerated and understands political exile, having had to live in Venezuela for some 7 years. He is certainly a man to be admired and his efforts to bring about reform in that country should be supported by all of us who believe in economic justice and certainly the democratic process.

The backing of the U.S. Government to this particular government and to this particular individual is absolutely necessary if the centrist reform-minded Duarte is to survive at all. But our support will not be decisive, or the critical factor in whether or not the Duarte government succeeds or not any more than Cuban or Soviet support will be the decisive or the critical factor for the insurgence in that country, and I suspect that President Duarte would agree with that conclusion himself.

What will be decisive, in my opinion and in the opinion of many others, including President Duarte, is the extent to which his government is able effectively and expeditiously to implement the kind of social, political, and economic reforms which El Salvador so desperately needs. If the Duarte government can make significant progress in the reform effort and if it can do so while reducing the level of violence and repression, then it has some chance of success.

If it succeeds, then we all also will succeed and so will be the democratic forces throughout the hemisphere.

Similarly, if it fails, then it is our failure too and a real setback for the forces of political moderation elsewhere in the region will be felt.

The stakes are high and the chances for success are, I believe, even money at best. The fact is the Duarte government's record to date is less than encouraging despite their good intentions. And in all honesty, the outlook is not promising. This suggests, in my opinion, that it is all the more incumbent upon the United States to do everything it can to help strengthen President Duarte's hand within his own government. Plain and simple, he needs all the help he can get. He needs it because of the disunity, the marked divisions within his government, the divisions between the civilians and the military, the divisions between the reformist and the antireformist elements even within his own government.

These divisions must be overcome and they must be overcome decisively. There can be no "ifs," "ands," or "buts." They must be overcome—period. They must be overcome so that the reform program can go forward, so that it can deliver on the promises it has made, so that it can undermine the appeal of the armed insurgents and finally, so that it can instill a measure of hope in those who believe they have less and less to lose, namely, the great bulk of the people of El Salvador.

This is a very tall order. Whether Duarte and company can fill it remains to be seen. I certainly have my doubts, as I expressed earlier, but I do believe and I am certain that the United States can help. It can help strengthen President Duarte's hand. We can help move the reform program along. We can help overcome the divisions and the disunity within the Salvadoran Government. We can do all of this, we can provide this help if we have the wisdom and the courage to insist on certain fundamental conditions before sending additional military equipment and advisers to the government in San Salvador.

If we do this, if we insist, then, we will provide President Duarte with the kind of political tool, the kind of political weapon that he can use effectively against the more recalcitrant, if not more repressive elements within his own governmental circle. If we do not give him this kind of weapon, if we deny him, then, we will have turned our back on the reform effort and left it and Napoleon Duarte and a lot of other decent people "to twist slowly in the wind."

Make no mistake about it. If we continue to provide military aid, sales, and advisers to El Salvador on unconditional terms, we will, for all intents and purposes, have sealed the fate of President Duarte and of the moderate elements in his government. That is all there is to it.

Mr. President, because of the strong convictions I hold on this issue, convictions based on several years of first-hand experience in the Latin America region, I introduced earlier this year S. 869, the El Salvador Assistsance Act of 1981.

Very briefly, this measure would require President Reagan to certify that five conditions have been met before additional U.S. equipment and advisers could be sent to El Salvador.

I said at the outset that I support the modifications being offered by the Senator from Rhode Island which would require that certification be given once every 120 days rather than as could be interpreted by the original language at the time, before every single soldier or every jeep or piece of military equipment that were to go to that country, and I will accept that modification. But the principle of certification is absolutely necessary.

These conditions include certification that the Salvadoran government is not engaged in a consistent pattern of gross violations of internationally recognized human rights; that it has achieved substantial control over its own security forces; that it is making continued progress in implementing essential economic and political reforms, including land reform; that it is committed to holding free elections at an early date; and that it has demonstrated its willingness to negotiate an equitable political solution to the conflict.

In addition, the measure would require the President to certify that the "government of El Salvador has made good faith efforts both to investigate the murders of the six U.S. citizens in El Salvador in December 1980, and January 1981, and to bring to justice those responsible for those murders."

This proposal, in a slightly revised form, has been adopted by vote of 12 to 1 by the Committee on Foreign Relations and it is now part of the proposed International Security and Development Assistance Act of 1981, S. 1196, with the new proposal by the Senator from Rhode Island's modification.

The committee's report accompanying the bill spells out clearly the reason for its virtually unanimous decision:

> This section represents the committee's bipartisan view concerning El Salvador. The committee believes that the amendment would strengthen President Duarte's ability to undertake the basic reforms necessary to bring peace to his nation.

I ask unanimous consent that the text of the El Salvador provision as approved by the committee, together with the full explanation of it from the committee's report, be inserted at the appropriate point in the RECORD following the conclusion of these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. DODD. I also want to point out that the House Foreign Affairs Committee by vote of 26 to 7 has adopted a similar measure. This vote, as well as the vote in the Foreign Relations Committee, is a pretty solid expression, I think, of how Congress and the public view the issue of future military aid to the Government of El Salvador and of how determined

they are not to provide it with yet another blank check.

Finally, Mr. President, I fully subscribe to the general rule that one should always be leary or skeptical of simple explanations and descriptions in assessing or making a judgment about the political affairs of other nations. As we know from bitter experience, such explanations, such descriptions fall, all too often, way short of the mark. Vietnam and Iran come readily to mind. But, by the same token, I also recognize that we cannot be a prisoner to the past.

Accordingly, and at some risk to violating the rule laid down above, I want to conclude with an observation made many years ago by a poet, W. H. Auden. It is a brief observation, but one which I believe can add immeasureably to our understanding of and appreciation for the political nightmare in El Salvador. In 1939, Auden wrote:

> I and the public know
> What all schoolchildren learn
> Those to whom evil is done
> Do evil in return.

In a nutshell, these few lines from the poet's pen come as close as possible, I believe, to explaining the cycle of violence and counterviolence that is currently sweeping El Salvador. That cycle must be broken. And the United States can make a contribution to it by terminating unconditional military assistance to the Salvadoran Armed Forces.

Mr. President, I fully respect the intentions of my distinguished colleague from Indiana and the purpose behind his proposal to have a sense of the Congress. Many of the provisions which he has included in his resolution are, in fact, views which I hold, which we share together, which are, in effect, included in my own original amendment to the committee bill.

But I would like to stress our fundamental difference is not to the common goal stated in his resolution nor the goals stated in my amendment for, in fact, yesterday President Duarte went over the very provisions that were included in the committee bill, he laboriously went over them one by one, and explained to the committee how he fully endorsed the goals as stated in every single one of the provisions included in that bill, and was candid enough to say he would not take a position on the certification issue, for that is indeed a domestic consideration in this country, but that he embraces and that he endorses the goals included in that bill, which is something that I think is worth noting.

So the issue is not over whether or not we ought to have the protection of human rights and agrarian or land reform in that country or whether or not there ought to be control of the armed services in trying to restrain the level of violence that goes on or that we ought to proceed to investigate the murders of Americans in that country. We all agree on that. The administration agrees, President Duarte agrees, those of us in this body agree as well.

The issue is whether or not we ought to require the administration to certify that those things are occurring before we are willing to send down additional military assistance.

As I mentioned earlier, I accept the modification of 120 days. That is designed specifically to say to those within the Duarte government, "If you have any intentions of taking action which can undermine the Duarte government in any one of the areas mentioned here, then the consequence of that action would be that we would terminate military assistance."

That is what we want as a message to go there, that we want them to understand that the success of Duarte, the success of this reform movement, depends upon those conditions being met.

Unless human rights are recognized, unless the reform movement, democratic process, and social justice, are the center piece of this effort, then Duarte and his government will fail. Of that much I am sure, and I think the majority of my colleagues on both sides of the aisle would agree with that.

This amendment, this language, with the modifications as suggested will do that. It will shore up his government, it will give them the opportunity to face those who would do otherwise and say, "We will not accept that."

So, Mr. President, I want to urge my colleagues to support the modification being offered by the distinguished Senator from Rhode Island. With all due respect to the efforts by my colleague from Indiana, the distinguished Senator from North Carolina who, I believe, as well endorses these goals and concepts, this is a better way to go. This is a way in which we can guarantee the kind of outcome we all want to have in El Salvador, that is, an end to the violence, an end to the bloodshed, a restoration of the democratic process and social justice in that country.

I yield back to my distinguished colleague from Rhode Island.

EXHIBIT 1

A SPLENDID LITTLE WAR—DRAWING THE LINE IN EL SALVADOR

(By William M. LeoGrande)

In the midst of the presidential campaign, a skeptical reporter asked one of Ronald Reagan's foreign policy advisers whether he and his candidate really believed their own rhetoric about the communist menace in El Salvador. "El Salvador itself doesn't really matter," the adviser replied, "we have to establish credibility because we're in very serious trouble."

The Reagan Administration has moved quickly to establish that credibility by "drawing the line" against "communist aggression" in El Salvador.[1] During his first two months in the Oval Office, President Reagan fired the Carter Administration's reformist Ambassador to that country; launched a major political offensive in Europe, Latin America, and on Capitol Hill to convince anyone who would listen that the insurgency in El Salvador is "a textbook case of indirect armed aggression by the communist powers"; and moved to more than double both economic and military assistance to the beleaguered Salvadoran government.[2]

A nation of virtually no inherent strategic or economic interest to the United States, El Salvador has suddenly become a symbol—a vehicle through which the Reagan Administration hopes to set the tone, by dint of example, for its whole foreign policy. Because the war in El Salvador looks like an easy victory, it provides a perfect opportunity for the new administration to demonstrate its willingness to use force in foreign affairs, its intent to de-emphasize human rights, and its resolve to contain the Soviet Union. In short, the conflict in El Salvador is a splendid little war, made to order for an administration determined to repudiate much of its predecessor's foreign policy.

There is no doubt that Ronald Reagan intends to vanquish the incipient regionalism of the Carter Administration's international outlook and restore globalism to its traditional place of pre-eminence in America's strategic thinking. Whether reality will be so amenable is less clear.

HUMAN RIGHTS IN CENTRAL AMERICA: THE REFORMIST INTERLUDE

Jimmy Carter's decision to make the promotion of human rights a major objective of U.S. foreign policy was at once the most celebrated and excoriated of his international initiatives. From the outset, the policy was presented in moral terms—it was an approach to the world as good and decent as the American people themselves.

It was also intended to distance the United States from the brutal excesses of decaying autocracies, rather than wager the prestige and interests of the nation on their doubtful survival. It made more sense, according to Carter's analysts, to adapt U.S. policy to the currents of history than to try vainly to stem the tide. They argued that right-wing dictatorships bent on preserving anachronistic social orders make bad security risks; that the more they rely upon brute force to sustain themselves, the more rapidly they mobilize and radicalize their opponents. For the United States to enlist wholeheartedly in support of right-wing dictatorships would actually endanger national security; ultimately, such regimes would collapse, and an angry populace would bitterly recall—as it did in Iran—that the United States has sided with the tyrants. The Carter Administration believed that the best strategy for preserving national security was to help create pluralist democracies with relatively egalitarian social structures. Such states would tend to be cul- When crucial allies were involved (e.g., South Korea, the Philippines, the Shah's Iran), the turally and philosophically closer to the United States than to the Soviet Union and, moreover, would be politically stable.[3]

Despite the complaints of Carter's conservative critics,[4] human rights were never allowed to overshadow immediate national security concerns of a more traditional kind. issue of human rights was always muted. But in Latin America, where there appeared to be no immediate security threats in 1977, the human rights policy was applied full force. This was especially true in Central America, where the four nations of the northern tier (Nicaragua, Honduras, El Salvador, and Guatemala) were all ruled by military dictatorships notorious for their systematic repression. By reducing or terminating economic and military assistance to these regimes Washington sought to force them to improve their human rights practices.

The revolution in Nicaragua threw the Carter Administration's human rights policy into crisis. As stability slipped away in Nicaragua after the assassination of opposition leader Pedro Joaquin Chamorro, the objective of promoting human rights was forced once again to compete with the desire to preserve order. Washington could not bring itself to break completely with Somoza, but was equally unwilling to re-enlist wholeheartedly on the side of his increasingly brutal National Guard.[5] During the last eight months of the Nicaraguan insurrection, the unambiguous objective of U.S. policy was to prevent a Sandinista victory. Only the means for achieving this were at issue: should Somoza be forced out in favor of a government

Footnotes at end of article.

of moderates or should he be given the military wherewithal to defend himself, whatever the cost in bloodshed? The failure of policy in Nicaragua was the failure to actually select one strategy or the other. For nearly a year, leaders of Nicaragua's moderate opposition waited in vain for Washington to call for Somoza's resignation, while the Carter Administration persisted in the naive hope that it could somehow conjure up a reformed Somoza to reign over a stable Nicaragua.

The Sandinista victory in Nicaragua set in motion a full-scale review of U.S. policy toward Central America—a review aimed at devising a more effective strategy for preventing similar leftist victories in El Salvador, Guatemala, and Honduras. At issue was the question that had not been adequately addressed during the Nicaraguan crisis: how could the Administration reconcile its commitment to human rights with its desire to preserve political stability? Hardliners within the government argued that these objectives were inherently contradictory, and that stability ought to take precedence even at the expense of human rights. They argued for restoring military aid to the region's anti-communists—in essence, a return to the Kissingerian policy of supporting dictators so long as they were "friendly" ones.

Defenders of the human rights policy replied that military aid could not buy stability in the region and that Washington should instead press for progressive social and political reforms. As in the Alliance for Progress, evolutionary change was prescribed as the antidote to revolutionary upheaval. This option won the bureaucratic battle in Washington, and was put into effect almost immediately in an effort to avert the approaching civil war in El Salvador.

CARTER AND THE SEARCH FOR ORDER IN EL SALVADOR

For generations, the government of El Salvador served as the guardian of the landed oligarchy, suppressing by force of arms any challenge to the nation's rigid social order. The army seized power in 1932 in order to crush a peasant rebellion, which it did successfully at the cost of 30,000 lives. The military's monopoly on political power was retained for the next half century through alternating periods of modernization and retrenchment. But throughout these five decades, two political characteristics held constant: the policies of the regime never threatened the socio-economic foundations of oligarchic power and the military never allowed the political system to become so open that reformist civilians might actually win control of the government.[6]

The process of political polirization in El Salvador began to accelerate in 1972 when the Christian Democrats (PDC) led by Napoleon Duarte won the presidential election, but were cheated out of victory by the military's fraudulent counting of the ballots. In the wake of this electoral fiasco, the armed forces unleashed a wave of repression against the PDC which drove most of its leaders into exile. Despairing of the prospects for peaceful change, many rank and file Christian Democrats began looking to the radical left as the only viable opposition. The mid-1970s witnessed the rapid growth of both the guerrilla left and the "popular organizations"—grass roots community groups of urban and rural poor who enforced their demands for economic reforms by mass demonstrations and civil disobedience.

The rising tide of popular opposition prompted the military government of General Humberto Romero to enact, in 1977, the Public Order Law—a legal license to terrorize the population into silence. The Public Order Law instituted full press censorship, outlawed stikes, banned public meetings, and suspended normal judicial proceedings. Its effect was to demolish the remnants of the centrist political parties, further polarizing the political situation. The clandestine guerrilla organizations proved to be beyond the reach of the security apparatus; the repression served only to bring them new recruits. The oligarchy and its extremist allies within the armed forces were terrified by the growing strength of the left and the government's inability to contain it. They undertook a private solution—the formation of the death squads, which proceeded to wage a campaign of assassination against priests, students, and trade union leaders.

By the summer of 1977, political order in El Salvador was decaying rapidly. Washington, armed with its new reformist strategy for the region, began pressuring General Romero to ease the strictures of his military rule and to initiate social and economic reforms to stem the growing strength of the revolutionary opposition. Romero refused and in October was ousted by progressive military officers who promised the sorts of changes he had resisted. The new junta quickly incorporated civilian leaders from the centrist opposition parties and even suggested its willingness to reach some sort of accord with elements of the radical left. The regime promised to create democratic institutions and to enact social reforms that would break the socio-economic dominance of the landed oligarchy. This government was a seemingly perfect vehicle for Washington's new regional policy of reformism; the Carter Administration quickly pledged to support it.

Unfortunately, the October junta proved to be incapable of carrying out its promises—a failure due largely to the internal politics of the Salvadoran armed forces and to the reticence of the United States to carry its support for reformism to its logical conclusion. While the Salvadoran military had traditionally governed in ways congenial to the oligarchy, it also had a tradition of allowing progressive officers to initiate modernizing reforms as long as they did not threaten the basic structure of the existing social order. The October coup was very much in this tradition, but the reforms it promised were more radical than those of the past. Whenever the progressive officers and their civilian allies proposed reforms of any significance, rightists within the armed forces blocked them as being too extreme. The result was paralysis of the government which could only have been overcome if the progressive officers had been willing to break with their rightist brethren and take full control of the ideologically divided military.

This they were unwilling to do—partly because of institutional loyalty and partly because the United States was unwilling to stand behind them. Though Washington favored social reform, it balked at the October junta's willingness to bring elements of the radical left into partnership with the government. The Carter Administration's strategy was to isolate the radical left politically, not to allow it to share power.

The October junta's paralysis demolished any hope of accord with the radical left, which proceeded to escalate its insurrectionary activities. The mere suggestion of real socio-economic change terrified the oligarchy, which in turn escalated its paramilitary terrorism. Amidst this spiral of political violence, the moderate civilians within the government sought a showdown with the officers, demanding that reforms be implemented and that the rightist Defense Minister, General Jose Guilermo Garcia, be removed. The military refused, the civilians resigned, and the government moved sharply to the right. At this critical juncture, the United States did nothing to preserve the moderate reformist character of the government. In fact, despite this fundamental shift in the balance of political forces within the government, U.S. policy changed not at all. The Carter Administration continued to provide both economic and military aid to the regime, justifying its policy with claims that it was supporting a moderate centrist government under attack from extremists on both the left and the right.

REFORM WITH REPRESSION: LAND REFORM AND THE RIGHTWARD SHIFT OF THE JUNTA

Since January 1980, the moderation of the Salvadoran government has been more chimerical than real. The key difference between the junta formed in January and its predecessor lies in their strategy for resolving the nation's political crisis. While the October junta sought to create a political opening to the left, the January government has sought to defeat the left militarily. At the insistence of the United States, the government grudgingly undertook some social reforms, the most touted of which has been the agrarian program, but this strategy of "reform with repression," as Archbishop Oscar Romero characterized it, has been considerably more repressive than reformist.

Under the stewardship of Ambassador Robert White, the U.S. pursued four interrelated objectives during 1980:

To pressure the government into implementing real social reforms designed to undercut the left's popular support;

To urge the government to reduce the level of official terrorism by reining in its own security forces, even if that required the removal of some rightist officers;

To protect the government from a coup by the extreme right; and

To entice the moderate left away from its alliance with the guerrillas, thus opening the way for a negotiated settlement that would leave the radicals isolated on the political periphery.

By year's end, it was apparent that this reformist strategy had failed. The agrarian program, the cornerstone of an otherwise modest package of reforms, was at a standstill. The level of official violence had risen dramatically rather than subsiding, and there was no evidence whatsoever that the government was making any serious effort to curtail it or to bring its perpetrators to justice. The extreme right had not overthrown the government, but the government itself had moved so far to the right that its extremist opposition was quiescent.

The agrarian reform program had come to symbolize the moderacy of the Salvadoran government, but its progress offers a microcosm of the political dynamics blocking real social reform. Phase One of the program, promulgated on March 6, 1980, expropriated large landed estates (those in excess of 1,250 acres) and transferred them to the resident peasants to be run as cooperatives. This reform affected only 14.7 percent of the arable land, and many of these estates encompassed the least fertile farm acreage in the country. The implementation of Phase One was accompanied by a state of siege and carried out by the security forces who, with or without the consent of higher authorities, used it as an opportunity to conduct military operations against the peasants in regions with a history of leftist sympathies. Statistics compiled by the Salvadoran Catholic Church show that the flow of refugees and the number of peasants killed by security forces in 1980 were highest in those areas affected by Phase One of the reform.[7] An evaluation of the program prepared by AID notes that this violence has produced "an oppressive atmosphere of uncertainly, insecurity, and fear among the people on intervened farms throughout the country."[8]

Phase Two of the reform would nationalize estates between 250 and 1,250 acres, and distribute the land in the form of family farms. This phase would affect approximately one-third of the coffee fincas, which occupy

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the most productive acreage and have long been one of the principal sources of agricultural wealth. There are no plans to implement Phase Two in the foreseeable future, and U.S. officials concede that is unlikely it will ever be carried out.

Phase Three of the reform was enacted by Decree 207 on April 28, 1980. It gives all renters ownership of the land they work and has been optimistically described by its promoters as "self-implementing." [9] Designed by Dr. Roy Prosterman, Phase Three is named "Land to the Tiller," after Prosterman's earlier effort in South Vietnam, which served as a model for the Salavadoran reform. The AFL–CIO's American Institute for Free Labor Development (AIFLD) has been deeply involved in the implementation of Decree 207, and internal evaluations conducted for both AIFLD and AID indicate that the program is in shambles. Titles to the land have only just begun to be distributed and landlords have been evicting renters so they cannot claim titles. According to the AID report, forcible eviction by "private guards or national security forces" has been "widespread." Moreover, the reform is opposed and often actively obstructed by both the Ministry of Agriculture and the Institute for Agrarian Transformation (ISTA)—the two agencies charged with carrying it out. In May 1980, for example, the Minister of Agriculture suggested that Decree 207 be restricted to peasants who held written rental agreements—a condition which would have rendered over 80 percent of the renters ineligible. This proposal was not adopted, but such resistance to the reform from within the government prompted ISTA Director Rodolfo Viera to threaten to resign last year and lead his Salvadoran Peasants Union into opposition.[10] Shortly thereafter, Viera and two AIFLD advisors were assassinated.

Both the AID and AIFLD evaluations report that Decree 207 has had little effect. An AIFLD survey of beneficiaries of the reform found that 93.4 percent thought they were still renters rather than owners. While most respondents claimed to have heard of the decree, 89.6 percent did not think it had altered the ownership of the land they were renting, and 68.4 percent could not say when it would. By the terms of the decree, all these people now own the land they work, though almost none of them are aware of it. According to the AID report, rental arrangements continue "as if the law had never been announced." [11]

Though the Salvadoran land reform has not significantly altered the socioeconomic condition of the nation's 2.5 million peasants, it has nevertheless been, in a perverse sense, a success. From the outset, the principal objectives of the reform package were political rather than socio-economic. For the Salvadoran government, it was a way of satisfying U.S. demands for reform without alienating rightist officers like Defense Minister Garcia who hold the real reins of power For the United States, it was tangible "proof" —indeed, the only proof—that the government of El Salvador was truly as moderate and reformist as the Administration portrayed it. For if the agrarian reform is a sham or a failure, it is difficult to imagine on what grounds the Salvadoran government might qualify as either moderate or reformist. Certainly not in the political sphere. Ambassador White's hope of consolidating the position of the moderates within the government had even less success than the agrarian reform.

### THE LOOSENING GRIP OF THE MODERATES

The pivotal political issue over the past year has been whether the Christian Democratic civilians and the progressive military officers within the government could muster the influence to win control of the security forces away from the right. Such control would have allowed the moderates to remove extremists officers from command positions, punish those guilty of political murders, crack down on the death squads, and thereby curb the repression which took the lives of some 10,000, 80 percent of which were civilian deaths ascribed to state security forces.[12]

Not only were the moderates unable to restrain the security forces; they were unable even to maintain what little influence they had. The right-wing coup which Ambassador White labored so diligently to prevent occurred slowly, by degrees, not in the streets but in the high councils of the officers corps. As the rightist officers lost patience with reform, they slipped quietly into agreement with their more extremist compatriots, becoming convinced that the only way to meet the challenge of the left is with violence—however much violence that might take.

Over the past year, the rightist officers—the same officers who blocked the reforms of the October 1979 government—have consolidated their hold on power by reducing the Christian Democrats and the progressive officers to impotence. The steady stream of resignations by Christian Democrats over the last twelve months stands as testimony of the rightist character of the regime. Almost without exception, each letter of resignation has cited the intransigence of the rightists and the inability of the moderates to circumvent them.[13]

The progressive officers within the government have fared worse than the Christian Democrats. In mid-summer of 1980, the rightist officers began a campaign to systematically strip the progressives of their command positions, demoting or reassigning them to diplomatic posts.[14] Shortly thereafter, several of the most prominent progressives were assassinated by death squads, and in November their leader, Colonel Adolfo Majano, was finally removed from the five-member governing junta. Majano was later arrested and sent into exile. The progressive faction within the officers crops, which was powerful enough in 1979 to overthrow Romero's government, has now ceased to be a significant political force.

Without allies in the armed forces, the Christian Democrats serve at the pleasure of the rightist officers. The appointment last November of Christian Democratic leader Napoleon Durate as president should not be mistaken for a significant realignment of political forces. The leadership shuffle that placed Durate in the presidency left the senior military command basically intact, leading one diplomat to describe Durate as an "adornment." [15]

Durate may have his own agenda, but he does not have the political power to carry it out. This is apparently by his inability to act in his own interests: for example, Durate can neither proceed with the agrarian program nor can he dismiss his military opponents. Like the agrarian reform, the restructuring of the government came at the insistence of the United States. The Carter Administration needed it to preserve the centrist image of its client in the wake of the murders of four North American religious women, and the Salvadoran officers acquiesced to it in order to mollify the State Department. But the reorganization has not altered the structure of political power in El Salvador one iota. The government was and remains a rightist military regime with a civilian facade.

Nothing demonstrates this more clearly than the practices of the government itself. The violence of the security forces accelerated in 1980; despite the pleas and promises of the Christian Democrats, the reign of official terror was much worse than under the openly reactionary government of General Humberto Romero. So too, the atrocities committed by the death squads.

Not one person has been arrested for the hundreds of murders of Salvadorans for which the extreme right took "credit" in 1980.[16] Officers on the extreme right who have been caught plotting against the government have not even been punished. Major David D'Aubuisson, who led a coup attempt last May, was arrested and then released after the officers corps voted not to place him on trial. The Vice-Minister of Defense, also implicated in the plot, was not even removed from his post.[17]

### THE OPPOSITION OF THE LEFT

Despite U.S. efforts to portray the Salvadoran regime as a centrist government beset by both the left and the right, there are really only two sides to the conflict in El Salvador: the rightist government and its leftist opposition, which is no more a "Pol Pot" left than the government is "centrist." The opposition includes a broad, politically heterogeneous array of groups organized under the political rubric of the Revolutionary Democratic Front (FDR), and the military command of the Farabundo Martí Front for National Liberation (FMLN). The FDR unites middle class social democrats, Christian Democrats who have split from Duarte, professional associations, trade unions, and the popular organizations whose ideology is best described as a homegrown amalgam of Marxism and liberation theology. The FDR's President, Guillermo Ungo, was Napolean Duarte's vice-presidential running mate in the election of 1972.

The FMLN unites the various guerrilla armies which span the ideological spectrum of Marxism from Trotskyist to Castroist to orthodox Marxist-Leninist. Since early 1980, the FDR and the FMLN have pursued a coordinated political, diplomatic, and military strategy to defeat the rightist government. This collaboration has resulted in a moderation of the guerrillas' socialist political program and the joint adoption of a social democratic platform for a revolutionary government modeled on the Nicaraguan example. The platform calls for radically redistributive socio-economic reforms, but promises an economic role for the private sector, the preservation of political pluralism, and a foreign policy of nonalignment.[18] The viability of such a program is by no means certain, but would depend, as in the Nicaraguan case, upon a host of internal and external circumstances.

The left clearly failed to create an irreversible military situation before Ronald Reagan entered the Oval Office, but the January 1981 offensive was hardly a great victory for government forces either. Though the guerrillas were unable to defend any of their initial territorial gains, they demonstrated their ability to launch coordinated assaults throughout the country and to operate with impunity in many rural areas. Never before had the various guerrilla groups demonstrated such a capacity for coordinated action. Indeed, the threat posed by the January offensive was severe enough to prompt the Carter Administration to radically reverse its own policy. Lethal military aid had been withheld from El Salvador since 1977 on human rights grounds, and $5.7 million in "nonlethal" [19] aid was suspended in November pending the outcome of the investigation into the murders of the North American missionaries. On the very eve of leaving office, the Administration restored the "nonlethal" aid and rushed an addition $5 million in lethal material to the Salvadoran armed forces, though the offensive was thwarted before the aid arrived.

Ironically, the Carter Administration's decision to restore military aid came on the same day as Carter's Farewell Address in which he offered a stirring rhetorical defense of his human rights policy. Nothing could have better symbolized the contradictions of Carter's policy in Central America. Ulti-

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mately, the Administration's commitment to social and political reform could not compete with Washington's traditional fear of leftist governments.

The current military situation appears to be one of stalemate; the left does not yet have the capacity to defeat the armed forces, but neither do the armed forces have the capacity to exterminate the guerrillas. The January offensive was by no means the final battle of El Salvador's civil war—more likely, it was only the opening shot fired. The future course of the war could well depend as much upon external actors as upon the domestic principals, and a great deal more than the tranquility of El Salvador may be at stake.

REGIONAL/INTERNATIONAL ALINEMENTS

The conflict in El Salvador has never been a purely domestic affair. The long succession of rightist regimes there have always relied upon Washington's military and political support to help cow their opponents. As political strife escalated in 1980, so too did the level of international involvement, and no external actor was more prominent than the United States. In addition to providing nearly $100 million aid, Washington was intimately involved in the internal politics of both the Salvadoran government and its armed forces.

The United States has not been the only patron of the Salvadoran government; support from Venezuela and Costa Rica have been crucial for maintaining the regional legitimacy of U.S. policy. Venezuelan President Herrera Campins has lobbied hard within the international Christian Democratic movement to gain acceptance for Duarte's government, and Venezuela has provided considerable economic assistance to San Salvador. Venezuelan opposition leaders accuse their government of covertly shipping arms to the Salvadoran security forces, but Herrera Campins denies the charges. Costa Rica's Christian Democratic president, Roddigo Carazo has also been supportive of U.S. policy and maintains cordial relations with Duarte's government, though Costa Rica does not have the resources to make any major material contribution to the conflict.[20]

Guatemala and Honduras are allies of the Salvadoran regime, a fact which the U.S. government has been less than eager to spotlight. Both nations are ruled by right-wing military governments which perceive the possibility of a leftist victory in El Salvador as a threat to their own internal security. Over the past year, both have sought closer ties with the rightist officers in the Salvadoran armed forces rather than with the government *per se*. During the left's January 1981 offensive in El Salvador, Honduran and Guatemalan forces were mobilized along the border, ostensibly to prevent the fighting from spilling across the frontiers. In effect, however, they were providing an anvil against which the Salvadoran military hoped to pound guerrillas. There were numerous reports, though unconfirmed, that some Honduran and Guatemalan units crossed the frontier to operate jointly with their Salvadoran allies.

Whether or not such reports are accurate, there is little doubt that the Guatemalans are predisposed to intervene in El Salvador if the left appears to be gaining militarily. The Guatemalan armed forces have a history of coming to the aid of the Salvadoran right in times of crisis (in 1932 and again in 1972), and the Guatemalan government has spoken openly of the need to halt the "communist tide" before it reaches Guatemalan shores. Finally, U.S. intelligence reports reveal that both the Guatemalan and Honduran governments are assisting in the creation of paramilitary groups within their territories, groups composed of former Nicaraguan National Guardsmen and anti-Castro Cubans whose objective is to wage war against communism on a regional scale.[21]

The left, too, has its international allies, among whom Mexico, Nicaragua, and Cuba have been the most vocal. Though Mexico has not formally broken relations with El Salvador, the Mexican government and ruling Institutional Revolutionary Party (PRI) are firm supporters of Salvadoran leftists. Mexico City is the principal base of operations for the FDR's efforts to build diplomatic support.

Mexico and the United States are father apart on the issue of El Salvador than on any other. Within hours of Reagan's election, President José López Portillo publicly warned the incoming Administration against intervention in Central America. Mexican protests escalated in January when the Carter Administration restored military aid to El Salvador; Foreign Minister Jorge Cástaneda warned the United States to let the Salvadorans "solve their own problems," and PRI President Gustavo Carvajal promised that the party would support any people that "fights for its freedom." That same week, 25,000 Mexicans marched against U.S. intervention in El Salvador—the largest such demonstration in recent years.[22] In February, when General Vernon Walters travelled to Mexico City to present Washington's evidence of Cuban involvement in El Salvador, he was denied an audience with President Portillo. Portillo then followed Walters' visit with a speech in which he went out of his way to stress Mexico's close relations with Cuba, calling it the Latin American state "most dear" to Mexico.[23]

Mexican policy is based upon an assessment of Central American reality not so different from that of the Carter Administration. The Mexicans are convinced that the military governments of El Salvador, Guatemala, and Honduras cannot long survive the growing demands of the poor for social change. Stability in the region therefore requires that these narrowly-based dictatorial regimes be replaced with popular governments willing to dismantle the oligarchic land-owning systems and distribute the benefits of development to a broader crosssection of the populace. While the Mexicans have no desire to see pro-Soviet Marxist-Leninist regimes predominate in Central America, they see fundamental change as inevitable and believe that strong international support for social democratic opposition elements offers the best hope for long-term stability. The Mexicans, unlike the Carter Administration, have not been afraid to carry this policy through to its logical conclusion, i.e., supporting the revolutionary oppositions in El Salvador and Guatemala. Based upon their experience of peaceful coexistence with Cuba, the Mexicans are confident that they can live cordially with whatever form of revolutionary government emerges.[24]

Mexico's view is widely shared within the Socialist International, which has provided finanical assistance and diplomatic support to the FDR. A number of key European Democratic parties, including those in Germany, Sweden, Holland, and Norway, are on record as supporting the FDR and opposing any deeper U.S. military involvement in El Salvador. Sweden's support for the left has been so vocal that the Reagan Administration was moved to lodge a formal protest in February—the first such protest made to a West European nation since the war in Vietnam.

The breadth of the FDR's European support prompted Washington to launch a major diplomatic offensive on the continent in an effort to counter it. Assistant Secretary of State for European Affairs Lawrence Eagleburger was dispatched to Germany, France, Belgium, the Netherlands, and the United Kingdom to convince the allies that Cuban and Soviet arms shipments to the Salvadoran left constituted a "textbook case of indirect armed aggression" requiring a coordinated allied response.[25] He did not meet with stirring success. Most of the Europeans were unwilling to enter in the Administration's crusade against communism in El Salvador until the Administration provided more detail on how it proposed to respond. None of the Europeans were anxious to see the United States escalate its military involvement; all expressed support for a negotiated political settlement rather than a military solution.[26]

The role of socialist and radical states, especially Cuba and Nicaragua, has received great attention because of the State Department's report on "communist interference" in El Salvador. Up until the last few months of 1980, Cuban and Nicaraguan aid to the left was more political than military. Both states had openly endorsed the Salvadoran opposition and were routinely providing it with advice. Managua, like Mexico City, served as an important center of diplomatic and political activity for the FDR and FMLN, but U.S. intelligence could discern only a trickle of arms from Nicaragua to El Salvador. As late as September, 1980, Washington certified that the Nicaraguan government was not materially promoting the revolution in El Salvador and was therefore in compliance with the Congressionally-imposed condition for the release of $75 million in economic aid.

THE TIDE TURNS: PRESIDENTIAL TRANSITION AND COMMUNIST INVOLVEMENT

In the midst of the guerrillas' January offensive, the Carter Administration reversed itself, claiming that it had "compelling evidence" that Cuba, Vietnam, and the Soviet Union had begun channelling massive arms shipments into El Salvador via Nicaragua.[27] This sudden flood of arms, along with the exigency of the guerrilla offensive itself, were cited as justifications for the resumption of U.S. military aid to the Salvadoran armed forces. At the same time, economic aid to Nicaragua was suspended in an effort to force the Nicaraguans to close the arms conduit.

In February, the Reagan Administration released a White Paper documenting the charges initially levelled by Carter. Compiled from a variety of intelligence sources, the report argued that Cuba and the Soviet Union orchestrated the shipment to El Salvador of 200 tons of arms supplied by a number of socialist and radical Arab states.[28] Most of these arms were said to have been shipped through Nicaragua. While the report left little doubt that sizable quantities of arms were in fact provided to the Salvadoran left by the socialist camp, the report was virtually silent about other supply channels, merely acknowledging in passing that they exist.

Whatever its accuracy, the White Paper is a quintessentially political document in that it was designed not so much to clarify the international dimensions of the Salvadoran civil war as to provide a justification for the Reagan Administration's determination to cast the issue of El Salvador in East-West terms.[29] This effort would have been seriously compromised had the Administration detailed the FDR's contacts with foreign social democrats as meticulously as it documented the FDR's travels within the socialist bloc, or if the report had explored the extent of arms shipments to the left from Panama and Mexico as well as from Cuba and Nicaragua. Even if every allegation in the White Paper is accurate, it still provides only a partial view of the complexity of international involvements in the Salvadoran civil war.

The White Paper serves effectively as a justification for the Reagan Administration's decision to escalate U.S. military involvement in El Salvador. Armed with the report, briefing teams were dispatched to Europe, Latin America, and Capitol Hill in a well-orchestrated effort to build domestic and international support for a change in U.S.

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policy. But the basic thrust of this new policy was determined long before the arms build-up described in the White Paper. Early in the presidential campaign, Reagan and his foreign policy advisors targeted Carter's human rights policy, especially as applied in Central America, as a major focus of attack. The insurgency in El Salvador was portrayed as resulting primarily from Cuban and Soviet subversion rather than domestic social and political conditions,[30] and Carter's strategy for achieving stability through reform was denounced as idealistic and foolish, merely aiding the cause of international communism.[31]

The Administration's new policy for El Salvador is one of keeping the left from coming to power, whatever the cost. Within days of assuming office, Reagan increased economic aid by 63 percent and began a full review of policy toward the Salvadoran government. Shortly thereafter, Ambassador White, who was closely identified with the Carter Administration's effort (albeit unsuccessful) to promote reform, was fired. He was replaced by Chargé d'Affairs Frederic Chapin, reassigned from the Defense Department where he had been preparing contingency plans for a major increase in U.S. military aid to the Salvadoran armed forces. Secretary of State Alexander Haig's pledge to shift the focus of U.S. policy away from human rights toward the battle against "international terrorism" was quickly followed by an announcement that U.S. aid to El Salvador would no longer be contingent upon either reforms or human rights.[32] The next day, Department of State's William Dyess tried to dispel the impression that the Reagan Administration was indifferent to reforms in El Salvador, but the afterthought served only to reinforce the obviously tertiary nature of the concern.

The likelihood that this new policy will have the effect of curtailing social reform and encouraging the terrorism of the security forces seems beside the point for the Reagan Administration. The parallels between El Salvador and Vietnam are not merely the constructs of the Administration's liberal critics. Reagan himself seems to see the light of victory in Vietnam at the end of the Salvadoran tunnel. The Administration appears to be less interested in El Salvador per se than in creating a symbol of U.S. resolve to use military force abroad and to get tough with the Soviet Union.[33] El Salvador provides what appears to be a geopolitically safe testing ground on which the United States can probe the depths of Soviet commitment to national liberation struggles, assess the cooperativeness of the allies, and begin to purge the national psyche of the "Vietnam syndrome" that Reagan has so denounced.

EL SALVADOR AND THE LESSONS OF VIETNAM

The parallels between El Salvador and Vietnam apply not so much to the military circumstances of the two cases, which are quite different, but to the way in which U.S. policy is unfolding. El Salvador, like Vietnam before it, is being transformed from an internal war into an international test of will between East and West. The domino analogy has been resurrected to characterize the nations of Central America, falling in chain reaction from El Salvador north to Guatemala and Mexico, south to Costa Rica and Panama. As candidate Reagan warned, "We are the last domino." [34]

Claims of an East-West confrontation distort reality in two ways—by making it sound as if the Salvadoran revolution is a Cuban creation, and as if it is a purely military struggle that can be won merely by countering the flow of arms from abroad. The revolution in El Salvador began long before the first Cuban arms shipments and it will not fade away if those shipments are halted. By failing to focus on the socio-economic causes of political turmoil, the Reagan Administration betrays a narrowly military conception of national security and a preference for using military means to manage political problems. Revolutions spring from deep social and political fissures in the very foundations of a society—problems that cannot be solved by simply throwing guns at them. Though massive fire-power failed to bring about victory in Vietnam, Administration policies reflect a considerable faith in the efficacy of arms.

By declaring El Salvador to be a test of will with international communism, the Reagan Administration is wagering U.S. prestige and credibility on the survival of one of the weakest, most brutal, and least popular governments in the hemisphere. A nation of virtually no inherent strategic or economic interest to the United States is thus cast, like Vietnam before it, onto the world's centerstage, and the success or failure of U.S. policy takes on implications it would never have otherwise. Once begun, the process of investing blood and treasure in this exemplary case provides its own rationale for incremental escalation.

Policymakers in Washington have already been seduced by the view that just a little more aid, a few more advisors, or one additional reorganization of the government will somehow produce success. Since January 1980, the United States has been drawn almost imperceptibly into a position so totally identified with the Salvadoran government that to disassociate from it would be viewed as a radical change in policy.

American aid has not produced a strong, stable government; it has only fostered dependency. The Salvadoran economy is already comatose, surviving solely on the life support system of U.S. largesse. With the munificence of the United States as a crutch, the rightist military regime has no incentive to make the kinds of political concessions and compromises necessary to achieve a lasting peace. Large-scale military aid to the Salvadoran armed forces will not strengthen them; it will only allow them to continue to ignore political reality. The Reagan Administration promises that it will never send American troops to fight in El Salvador. But if, a year from now, the Salvadoran government is on the verge of collapse, as Saigon was in 1965, how will this Administration respond?

One of the clearest parallels between El Salvador and Vietnam is the way in which the Reagan Administration, and the Carter Administration before it, have waged the public relations war at home. The selling of the war began, as in Vietnam, with a natural effort to put the best possible face on U.S. policy. The Salvadoran government was described as "centrist" even as it engaged in repression worse than its "rightist" predecessor; the opposition was labelled a "Pol Pot left," even though it bore closer resemblance to the Sandinistas than to the Cambodians.

In mid-1980, the Carter Administration evolved a conscious policy of attempting to manage U.S. public opinion on El Salvador by encouraging media coverage favorable to the government. The objective, according to a dissent document purportedly prepared by foreign policy analysts within the Administration, was to prevent the creation of a positive image for the Salvadoran left of the sort enjoyed by the Sandinistas.[35] It was then that truth became hostage to policy; the Carter Administration began making public pronouncements sharply at variance with internal reports—on the effectiveness of the agrarian reform, for example.

The Reagan Administration has continued in this vein. Throughout 1980, Carter's State Department acknowledged that the right in El Salvador was responsible for the overwhelming majority of political murders. One official called the mortality statistics gathered by the Salvadoran Catholic Church "the best data we have." Reagan's State Department now claims that the guerrillas have been committing most of the atrocities, and the same official who acknowledged the veracity of the church's data in January now solemnly contends that the church's figures are unreliable because it sympathizes with the communists. Truth has indeed become the first casualty.

Despite strenuous efforts, the Reagan Administration's public relations campaign to justify American involvement in the Salvadoran conflict has not met with overwhelming success. Domestic opposition to the war is mounting and is already greater than was opposition to Vietnam at a comparable stage of the war. On May 3, 1981, some 25,000 people marched in Washington in an anti-war demonstration reminiscent of the 1960s. The Reagan Administration appears to recognize that it cannot sustain U.S. military involvement in El Salvador without the support of the U.S. public. What the Administration appears not to recognize is that public support cannot be manufactured by good public relations; it is inextricably tied to the nature of the conflict itself. A massive counterinsurgency effort against a popular insurgency inevitably requires widespread brutality against the civilian populace if it is to succeed. The lesson of Vietnam at home is that the people of the United States will not long tolerate a policy that necessitates such brutality.

The Reagan Administration's narrow military view of the domestic political situation in El Salvador is matched by its narrow geopolitical view of the conflict's international context and the implications of committing massive economic and military resources there. The Administration seems to believe it can confront the Soviet Union in Central America with relatively little risk—that the Soviets will retreat rather than try to match U.S. escalation in a region far from the areas vital to Soviet national interest. All this is true enough, but it by no means follows that a major U.S. economic and military commitment in El Salvador bears no serious cost. On the contrary, its cost is potentially immense.

THE U.S.-LATIN AMERICAN RELATIONS ANGLE

Reagan's policy places the United States on a collision course with Mexico at the very time that Mexico is unveiling a more activist foreign policy that seeks to extend Mexican influence throughout its "area of concern"—Central America and the Caribbean. While Mexico wants to maintain good relations with the United States, President López Portillo has repeatedly warned against the very policy Washington now seems intent on pursuing. A direct American intervention in El Salvador would demolish relations with Mexico just when it has emerged as the most important Latin American nation for the United States.

Even Venezuela and Costa Rica, two principal regional supporters of the United States on the issue of El Salvador, could not suffer U.S. intervention in silence. In both countries, the social democratic oppositions have harshly criticized their ruling Christian Democratic parties for supporting the Salvadoran government. Deeper U.S. involvement will intensify that opposition and could easily lead those governments to begin distancing themselves from American policy. A direct U.S. intervention could cause their support to evaporate immediately. Indeed, the Organization of American States would probably condemn such an intervention with only a few nations dissenting.

American relations with Nicaragua would

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probably not survive a major escalation of U.S. involvement in El Salvador. The insurrection there has already become the principal flash point in bilateral relations, with the Reagan Administration charging that Nicaragua has served as a conduit for arms shipments to the FMLN, and threatening to cut off economic aid to Nicaragua in reprisal. Virtually all observers agree that a cutoff of aid would provoke a severe deterioration of U.S.-Nicaraguan relations, a rapid radicalization of domestic Nicaraguan politics, an unavoidable economic dependence on the Soviet Union, and an increased Nicaraguan role in El Salvador.

DIPLOMATIC COSTS OF INVOLVEMENT: EUROPE AND THE THIRD WORLD

The repercussions beyond the hemisphere of escalating U.S. involvement in El Salvador would be no less damaging. The cool reception encountered by emissaries sent to brief the allies on the Cuban and Soviet role in El Salvador suggests that Reagan will find little support for his policy in Europe. Most of the Western European states would probably be content to leave El Salvador to the United States, but if Washington continues to insist that events in El Salvador will determine whether the United States enters into arms limitation talks with the Soviet Union, the issue will cease to be one which the allies can afford to ignore.[36] Given the strength of European social democracy and its support for the Salvadoran opposition, Reagan may well find that his policy exacerbates tensions within the North Atlantic Community rather than forging a new unity and resolve to resist "communist aggression" in the third world.

In the third world, Reagan's policy of deepening U.S. involvement in El Salvador will undo most of the diplomatic gains accruing from Carter's human rights policy. Third world suspicions, focused in recent years upon the Soviet Union because of its interventions in Ethiopia and Afghanistan, would shift back to the United States if Reagan were to intervene directly in El Salvador. The Soviets have had the good sense not to stake their prestige or credibility on the Salvadoran left, so its defeat would damage the Soviet Union not at all. But the sort of commitment by the United States required to defeat the left (if that is possible at all) would damage U.S. relations with the rest of the hemisphere, strain the Western Alliance, erode U.S. prestige in the third world, and prompt a new wave of domestic recriminations in the United States itself. Not incidentally, it would hand the Soviet Union a custom-made sphere of influence argument to justify its policy in Afghanistan and Poland.

THE COSTS OF MILITARY INVOLVEMENT: TUMBLING INTO WAR

The military implications of Reagan's policy are even more sobering than the diplomatic ones. By siding with the right in El Salvador and justifying a deeper U.S. military involvement with claims of Cuban intervention, the United States, intentionally or not, lowers the barriers against direct intervention by Honduras and Guatemala. If massive U.S. aid can be justified as merely a necessary response to Cuban subversion, cannot Guatemalan or Honduran intervention be similarly justified? The Guatemalan government is faced with a major guerrilla insurgency of its own, and the Guatemalan left would surely respond to Guatemalan intervention in El Salvador by escalating its activities and extending its cooperation with the Salvadoran left. The Salvadoran war would thus become a transnational war of left against right in which national boundaries would cease to have any practical meaning.

The danger in Honduras is somewhat different since guerrilla forces there still number only a handful. But Honduras borders Nicaragua, and relations between the two states are strained because of attacks launched on Nicaraguan border areas by former National Guardsmen based in Honduras, and clashes between Honduran and Nicaraguan border guards. Guatemalan or Honduran intervention in El Salvador would be viewed by Nicaragua as a clear and present threat to its own internal security. In such an atmosphere, the former Guardsmen might well try to provoke a conflict between Nicaragua and Honduras by launching a major border attack. If they should succeed, the whole northern tier of Central America would be engulfed by war.

Unfortunately, the danger does not end there. Nicaragua at war would be forced to turn to Cuba and the Soviet Union for major infusions of military aid. If the war were to go badly and Nicaragua were to call for Cuban troops to help defend Nicaraguan territory, Cuba would probably provide them, for the scenario would fit exactly the circumstances under which Cuba has in the past deployed combat troops abroad—at the request of a friendly government threatened by external attack. The arrival of Cuban troops amidst war in Central America would surely call forth a response by the United States—most probably a naval blockade. The stage might then be set for a re-enactment of the Cuban Missile crisis, but without the 3 to 1 U.S. nuclear superiority that is thought to have determined the outcome in 1962.[37]

IS THERE NO EXIT? PURSUING THE "ZIMBABWE SOLUTION"

Ironically, all the actors in the Salvadoran drama profess to recognize the need for a political rather than military solution to the civil war. Thus far, the obstacle to negotiations between the government and opposition has been the conviction of each party that the other lacks sincerity. Such suspicions produce negotiating proposals which are so clearly unacceptable that they must be understood as propaganda ploys rather than as serious initiatives. Yet even these spurious overtures serve to place the combatants on record favoring some sort of negotiations, thereby opening the possibility, however remote, that an appropriate coalition of international actors might be able to devise a workable negotiating formula.

There is little doubt that most of the international supporters on both sides in the civil war truly desire a political solution, and several have been actively pursuing a way to get the process started. Social Democrats in Western Europe, led by the Germans and Swedes, have attempted to cast themselves and their Christian Democratic counterparts in Germany and Italy as intermediaries between the Salvadoran government and opposition, thus far to no effect. In Latin America, Mexico, Venezuela, Brazil, Costa Rica, and even Nicaragua are also searching for an acceptable mechanism to initiate a dialogue.

Since there is no measure of trust whatsoever between the Salvadoran government and opposition, three necessary conditions must be met before negotiations can begin: (1) each side must be convinced that it has no hope of winning a military victory in the near term; (2) each must be certain that its opponent will not be able to gain military advantage during the negotiations themselves; and (3) each much be assured that the other will have to abide by the outcome of whatever political process emerges from a peace conference. Even then substantial political pressure will probably have to be exerted by the international allies of both sides to bring them to the bargaining table.

The military stalemate that currently exists in El Salvador provides what may be the last opportunity for arranging a political solution, but it is fleeting. As the Reagan Administration begins to provide massive amounts of economic and military aid to the Salvadoran government, the armed forces there become increasingly convinced that their drive for military victory will be underwritten by Washington. By announcing that aid will no longer be tied to reforms or human rights practices, the Administration is sending the Salvadoran security forces the message, whether intended or not, that the United States will tolerate and abet whatever level of violence pacification requires. Instead of providing unconditional military support of the Salvadoran government, the Reagan Administration ought to be cooperating with European and Latin American efforts to convene a peace conference modelled loosely on the Lancaster House negotiations which produced peace in Zimbabwe.

Indeed, the role of the United States is crucial to meeting all the conditions necessary to launch such a conference. As the premier foreign source of material aid to the Salvadoran government, only the United States has the ability to restrain the Salvadoran Army's quest for military victory, to bring the Salvadoran government to the negotiation table, and to assure that it will abide by any agreements reached (on pain of a cutoff of aid). Germany, Mexico, and Nicaragua can probably bring the FDR–FMLN to the bargaining table, just as the "front line states" brought the Patriotic Front to the Lancaster House conference; only the United States can play the role of Britain by assuring the participation of the Salvadoran government.

Unfortunately, the Reagan Administration's determination to make El Salvador a global example of U.S. resolve probably makes negotiations impossible. Indeed, for Washington, they are counterproductive. It would hardly do to "draw the line" against communism in El Salvador and then fail to win a clear victory. The Reagan Administration gives every indication of believing it can "win" in El Salvador, even if it has to destroy the country in order to save it. As Washington maps this initial gambit in its game of global chess with the Soviet Union, it is Salvadoran pawns that stand in the front rank, about to be sacrificed.

FOOTNOTES

[1] The phrase "drawing the line" was first used by Secretary of State Alexander Haig when he briefed the Congressional leadership on the State Department's White Paper, *Communist Interference in El Salvador*, Special Report Number 80, February 23, 1981 (reported in *The New York Times*, February 18, 1981).

[2] *Ibid.*

[3] For an excellent description and evaluation of Carter's human rights policy by one of the participants, see Richard E. Feinberg, "U.S. Human Rights Policy: Latin America," *International Policy Report*, Vol. 6, No. 1 (Center for International Policy), October 1980.

[4] See, for example, Jeane Kirkpatrick, "Dictatorships and Double Standards," *Commentary*, November 1979, pp. 34–35.

[5] A more detailed explanation of this argument appears in William M. LeoGrande, "The Revolution in Nicaragua: Another Cuba?" *Foreign Affairs*, Vol. 58, No. 1 (Fall 1979), pp. 28–50.

[6] William M. LeoGrande and Carla Anne Robbins, "Oligarchs and Officers: The Crisis in El Salvador," *Foreign Affairs*, Vol. 58, No. 5, (Summer 1980), pp. 1084–1103.

[7] Legal Department of The Archdiocese of San Salvador, *Repression Carried Out by the National Army . . . The Military Corps of National Security . . . and Paramilitary Organizations* (San Salvador, 1980): Volumes 1–4.

[8] This internal report, prepared by AID, is entitled "El Salvador: Agrarian Reform Organization Project Paper," July 25, 1980. On the whole, the best assessment of the agrarian reform is the report by Laurence R. Simon and James Stephens, Jr., "El Salvador Land

Reform: 1980–81: Impact Audit" (Boston: Oxfam America, 1981).

[9] Roy Prosterman and Mary Temple, "Land Reform in El Salvador," *Free Trade Union News*, Vol. 35, No. 6, June 1980, pp. 1–4.

[10] *The Washington Post*, January 5, 1981.

[11] AFL–CIO, American Institute for Free Labor Development, Preliminary Report: Survey of Beneficiaries of Decree 207."

[12] This widely cited estimate of 80 percent originated with the Salvadoran Catholic Church (*supra* note 7). During the Carter Administration, State Department officials were willing to acknowledge in private that these were the most reliable figures available.

[13] Cynthia Arnson and Delia Miller, "Background Information on El Salvador and U.S. Military Assistance to Control America" (Institute for Policy Studies), June 1980.

[14] *The Washington Post*, September 5, 1980.

[15] *The New York Times*, December 14, 1980.

[16] Two Salvadoran rightists were recently arrested however, for the murders of Rodolfo Viera and his two AIFLD advisors.

[17] Vice Minister Carranza was eventually transferred in November 1980 as part of the government reorganization in which Duarte became President.

[18] The Platform of the Democratic Revolutionary Front is included as an appendix to Robert Armstrong and Janet Shenk, "El Salvador: A Revolution Brews," *NACLA Report on the Americas*, Vol. 14, No. 4 (July-August 1980). See also, *The New York Times*, January 26, 1981.

[19] The designation "non-lethal" must be understood in a technical sense rather than literally; it includes transportation and communications equipment essential for counter-insurgency warfare.

[20] *The Washington Post*, January 17, 1981.

[21] This report, entitled "Dissent Paper on El Salvador and Central America," was circulated in Washington, D.C. during November 1980. For a synopsis, see *The Boston Globe*, November 28, 1980. The report has a rather mysterious history. The State Department denies that it was an official dissent channel document, but several Department officials have told the author that the paper cites existing intelligence reports accurately. This suggests it was either written by analysts within the government or by someone with access to classified material.

[22] *The Washington Post*, January 25, 1981.

[23] *The New York Times*, February 21, 1981.

[24] For an excellent report on the Mexican position, see the interview in *The New York Times*, January 4, 1981.

[25] This phrase is from the State Department White Paper, "Communist Interference in El Salvador," *op. cit.*

[26] *The New York Times*, February 2, 1981.

[27] *The New York Times*, January 1, 1981.

[28] Department of State, "Communist Interference in El Salvador," *op cit.*

[29] In describing the imolications of the White Paper, Acting Assistant Secretary of State for Latin American Affairs John Bushnell was explicit: "This outside interference dramatically changes the nature of the struggle in El Salvador from a national one to an international one with East-West dimensions." U.S. Congress, House of Representatives, Statement before the Subcommittee on Foreign Operations, House Committee on Appropriations, February 25, 1981.

[30] National Security Advisor Richard Allen, for example, promised that a Reagan Administration would undertake "quick action against Fidel Castro's Soviet directed, armed, and financed marauders in Central America, specifically Nicaragua, El Salvador, and Guatemala," Latin America *Weekly Report*, November 14, 1980.

[31] See, for example, Jeane Kirkpatrick, "Dictatorship and Double Standards," *op cit.*

[32] The delinking of aid from reform issues was announced shortly thereafter by State Department Spokesman William Dyess, quoted in news reports of *The New York Times*, February 18, 1981. Alexander Haig's statement of this shift came in his press conference of January 28, reported in *The New York Times*, January 29, 1981.

[33] *The New York Times* and *The Washington Post*, February 14, 1981.

[34] NBC News, White Paper, *The Castro Connection*, aired in October, 1980.

[35] See *supra* note 21.

[36] President Reagan said in February that the Soviet "invasion" of El Salvador would have to be "straightened out" before a resumption of arms control talks would be possible. See *The New York Times* coverage of February 28, 1981.

[37] Indeed, there is even a possibility that the Administration itself might seek to provoke such a superpower confrontation. Several Administration officials have suggested that the United States might act directly against the "source" of subversion in El Salvador, i.e. Cuba. See, for example, White House Chief of Staff Edwin Meese's comments reprinted in *The New York Times*, February 23, 1981.

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[From the Playboy Magazine, October 1981]

DEATH AS A WAY OF LIFE

(By Christopher Dickey)

October 15, 1979. The general expected the call, but when it came, he wasn't ready.

For two years, he had been the president of El Salvador, the last in a 50-year line of carefully selected dictators. He had been picked by the general who preceded him because he was tough, and he had set out to show that his reputation was justified. His government would suffer no dissent from Communists who wanted to restructure the society of his little country. They would be taken care of as they were always taken care of. They could leave the country, or they could disappear, or they could die.

But now everything seemed to be going wrong. Everywhere the general turned, more Communists were springing up. They seized factories, government buildings, churches, embassies. In the countryside, they somehow managed to train 30,000 peasants workers and students. They brought them into the city and marched them through the streets and nothing seemed to stop them. What was the point of having 80,000 paramilitary men in Orden if they let that kind of thing happen?

Three months earlier, Nicaragua had fallen to the Communists and everything pointed to El Salvador as their next target. Mother of Jesus, if Somoza could fall, anything could happen. Thousands of Somoza's national guardsmen had been rounded up and thrown into jail. Some had escaped to El Salvador to tell stories of defeat and chaos, and the general's soldiers had listened to them. Horrified.

Now his troops were getting restless and disillusioned. He could see it. There were Communists in their ranks and constant reports that they were plotting a coup. The troops were saying they had never had a voice in picking him for the job, but why should they? Nonetheless, they resented him. He paid them, applauded them, and they hated him still.

In August, the general had called several of the most obvious conspirators to the Casa Presidential. Of course, they denied everything. Where could he turn? Washington was no help. The Yankees were always throwing their weight around, but they were never there when you needed them. Now they were full of this human-rights talk. Human rights was nothing but Communist propaganda, but Mr. Carter up in the White House played right along. The general would have no part of it. He refused to take a single Yankee gun for his troops rather than listen to such nonsense.

Besides, today there was a more immediate problem. All morning long, the general's aides had been calling the cuartels and no one was answering. Now there was a phone call for the general from one of those colonels—Jaime Abdul Gutirrez—who had denied everything in August.

This was too soon. It was the wrong time of day. Coups always came at midnight on a weekend in El Salvador, and this was a Monday morning. Outside the breeze-blown palace, beyond the scar-faced guardsmen with their machetes and machine guns under the trees, traffic was moving normally. The city seemed peaceful, more peaceful than usual.

"Señor Presidente," said the voice, "the armed forces of El Salvador have decided to remove you from the presidency of the republic. We have declared ourselves in rebellion."

Within five hours, General Carlos Humberto Romero was on an airplane bound for Guatemala. His key ministers and his high command were with him.

Two young colonels, Gutiérrez and Adolfo Arnoldo Majano, were now in command—vowing economic reforms, respect for human rights and the beginning of a new democracy.

On the other side of the city, behind the reinforced concrete and the bullet-proof glass of the American Embassy, there was palpable relief. "We weren't promoting a coup," an American policymaker said coyly. "We were just promoting things that the general's government wasn't doing."

U.S. officials knew what the young officers were up to weeks before they finally made their move. And October 15 was not a moment too soon as far as the State Department was concerned. A bloodless coup averts a bloody insurrection. For once, reform had a chance to beat out revolution. The left would be co-opted, its banners removed. El Salvador would not be another Nicaragua.

Maybe the Salvadorans didn't understand all the ramifications and maybe their culture, their history and society gave them no preparation for such a more. But now they would learn to do things with American guidance. The basic principles were easy enough to understand.

Washington, winter 1979. A cold drizzle was freezing on 36th Street in Georgetown, but the air inside F. Scott's bar was thick with warm congeniality. Jean-Pierre told three stories that night. One was about the murdered husband, one about the Nazi funeral and one about artillery on the mansion's lawn. Jean-Pierre's English was not good and his memory may have been tinged by the champagne. And probably they were not stories he told often, because so few people had heard of El Salvador and so few cared.

This was before the troubles there became the war and before the White House drew a thick red line around the country warning world communism to keep out. It was before Ronald Reagan was President, before advisors and helicopters and secret slaughter on a massive scale. America was watching Iran for the hostages to be released, for the United States to bomb Tehran in vengeance, for something to restore the nation's crippled pride. Ted Kennedy was on the campaign trail. Carter was in the Rose Garden. Reagan was waiting to make his move. There had been a brief flurry of interest in the Nicaraguan war, but now that it was over, Central America had slipped back to the cliched recesses of America's mind. Picturesque peasants, comic-opera dictators, bearded revolutionaries, Bananas.

The occasion was a goodbye dinner for one of Jean-Pierre's friends at a back table amid F. Scott's art-deco flash. The friend was a reporter, a novice correspondent about to leave for Central America on his first foreign assignment, and Jean-Pierre had lived in El Salvador with his first wife in the early Sixties. As the champagne flowed, he started talking about his ex-wife and Los Catorce, the Fourteen Families. His wife was one of them and he had traveled among them, a Frenchman among Francophiles. Rich Latins seem always to be Francophiles or Anglo-

philes or Italophiles; they want so desperately to be European, something other than what they are. Even the idea of Fourteen Families, a journalist's fancy in the Fifties, became a cult among the Salvadorans. Really, there were perhaps 100 families that controlled the wealth of the country, but every one of them tried to prove it was one of the Fourteen.

They told Jean-Pierre all sorts of stories, but there were these three incidents he could not forget.

A young woman of the Fourteen married an American. They lived part of the year on the family's finca—a sprawling estate, a hacienda, a world of its own, where the couple were absolute rulers. The American developed a taste for peasant women. Often he returned to his own bed only late at night.

His wife was proud and beautiful, like so many daughters of the Salvadoran rich. She knew too well what the gringo was doing, and one night, as he returned to her side, she ordered him to make love. He apologized: He was tired. She ordered. He demurred and she pulled a revolver from the drawer next to the bed and put it to his side and again demanded love. There was none. Of course, there couldn't be. And she shot him through the liver. It took him three months to die. Then his body was shipped back to the States with no questions asked. None would ever be.

Jean-Pierre smiled and shook his head. "They are that way," he said. "They could always do whatever they wanted. It is like another universe."

It is a universe that accepts brutality and loves the trappings of power. During World War Two, its leaders were quietly sympathetic to the Nazis, breaking relations with Germany only under heavy pressure from the United States. Afterward, a certain kind of German found El Salvador—like the feudal Paraguay and Guatemala—a comfortable place to settle.

The final solution held little horror for the Salvadoran powers that were. Although some of the supposed Fourteen were Jews, they understood the need to rid the country of its dangerous socialist refuse. In 1932, some Communists led by Farabundo Marti ignited a peasant revolt. The military government slaughtered at least 17,000 peasants—maybe 30,000; there was no one really interested in counting. To the Fourteen, it was a satisfactory final solution.

Jean-Pierre knew all that. Still, he was surprised when he saw the honor guard in full Nazi regalia escorting a funeral cortege in San Salvador more than 15 years after the fall of Berlin.

Yet he had grown comfortable in Salvadoran society. It was full of comfortable people—articulate, well educated, self-confident and competent in the management of their often vast holdings. Even the decadence had a certain appeal. It is fascinating to be rich in a country where the rich are supremely different from everyone else.

But the dinner party changed all that for Jean-Pierre. It made the comfort and the difference seem despicable. The house was one of the most spectacular in San Salvador. Looking back on it, Jean-Pierre smiled. It seemed incredible. The table was set with the finest silver and cyrstal, of course, but what stuck in the mind was the floor, made of glass, above an aquarium full of exotic fish.

The families gathered there that night would have gone on dining in their accustomed opulence and obliviousness if the troops had not arrived. The soldiers asked at the door and the owner permitted them to come around the side of the house to set up their light guns on the lawn beneath the terrace overlooking the city.

There was trouble below, a student demonstration to be crushed. Champagne was brought out to the terrace, along with such binoculars as could be found, and the ladies in their evening dresses and the men with their cigars flinched a little and called out "Good shot" when the guns went off.

An artillery captain, informed that Jean-Pierre had been in the French artillery, gallantly offered to let him fire a few rounds.

"I shouted at him," said Jean-Pierre, "I couldn't believe it. I went inside. I couldn't watch anymore."

A few months later, he went home to France.

Almost 20 years afterward, as the fledgling correspondent heard the stories, they seemed wicked fairy tales. Over the next year in El Salvador, he looked for the house with the glass floor. Behind the high walls and menacing guards of the rich, he never found it. But killing, guns and that same savage disregard for life were everywhere.

The old Communist was 50, but his face was heavily lined. Salvador Cayetano Carpio had once been a seminary student, then the leader of the breadmakers' union in San Salvador. He gradually rose to be secretary general of the Communist Party. He was arrested and tortured many times. For a while, he lived in Mexico. There were also trips to Havana.

He talked of "guerra popular prolongada," a long war leading like Fidel's from the mountains to the cities. He called himself Marcial. Years later, left-wing Latin journalists would call him the Ho Chi Minh of the Americas.

But 1970 was a bad year for Marcial, and 1971 was worse. In those first two years of the decade, El Salvador was moving toward democratic government. Guerrillas seemed superfluous.

The Christian Democratic Party was steadily building a popular base as a fresh alternative to the military regimes of the past. The Christian Democratic leader, José Napoleón Duarte, had been elected to three successive terms as mayor of San Salvador. In 1972, Duarte was running for president and his party had allied itself with every liberal and leftist opposition group in the country. There seemed no way the coalition could lose. All but the oligarchs and the army were behind Duarte, and even they were letting him run. He had to win.

After he did, the army moved in. The elections were voided. There were guns in the streets. The university was shut down and Durate was jailed, beaten, threatened with execution, forced into exile. Suddenly, in the eyes of so many defeated liberals, students, priests and peasants, Marcial's way appeared, as he had always said, the only way. With new confidence, Marcial gave his group a name: the Farabundo Marti National Liberation Forces. Like all political groups in El Salvador, it came to be known by its initials: the F.M.L.N.

Within a few months, another group was formed as well. Its members were looking for a strategy that was not so prolonged, that would fight not just for the hills but, right away, for the cities. Those guerrillas were younger and brasher and their Popular Revolutionary Army—the E.R.P.—went in for direct fund-raising activities. One after another, leading oligarchs and foreign businessmen were snatched from the streets and ransomed for millions of gun-buying dollars.

The soul of the E.R.P. was a student poet named Roque Dalton. He shared leadership with Ernesto Jovel, his closest friend, and with Ferman Cienfuegos and Joaquin Villalobos.

At first, all were caught up in the excitement of their revolutionary commitment to social justice and democracy. But as one, two, three years passed, Dalton began to have doubts about their tactics. He saw his group becoming a collection of freebooting renegades—saw that for all its rigorous militarism, it had garnered no great popular following. For hours on end, he would debate with Villalobos and others, who began to suspect that Dalton's ideals—and, worse, his ideology—were tainted.

The end came suddenly for Dalton. In 1975, he was given a "people's trial" and summarily executed.

Jovel and Cienfuegos were furious. They broke away and formed their own guerrilla group, the F.A.R.N. Following Dalton's thinking, they believed that organization must be the key to insurrection. The masses must be mobilized.

The F.A.R.N. spawned F.A.P.U. The F.P.L. created the Bloque. The E.R.P. finally created the LP–28. The strength of the left instantly started to grow as unions and peasant groups were pulled together into those new "popular organizations."

By the late Seventies, although guerrillas continued their kidnappings and small-scale assaults on the military, the popular organizations were the new vanguard. New leaders emerged. They were bitter, charismatic young men like Juan Chacón of the Bloque, whose peasant parents were slaughtered by the security forces. Chacón led fights for basic issues such as the price of food. People flocked to him.

From their poster-covered offices in obscure corners of the university—in back of the law school stage, in a little room behind the student-union offices—these lords of the streets could virtually paralyze the country at will. And when they were arrested or tortured, their friends would seize an embassy or call a strike and set them free once again.

Yet they were taken by surprise the day General Romero was ousted. The young colonels who were now in command announced that they were bringing all the popular organizations' intellectual allies, even the avowed Communists and socialists, into the government.

Should a truce be called? Chacón briefly thought so. But to call a truce was to abandon the fight for ultimate power when it seemed almost ready for the taking.

Then, too, the security forces seemed uninterested in the colonels' promises. They denied having any political prisoners. They said they just couldn't seem to find any. And while the generals and scores of other officers were dismissed, many whom the left believed were guilty of countless crimes remained in powerful positions. The killing was increasing, not subsiding.

There was no truce.

The reporter packed up his desk in the vast Washington newsroom, sorted files, made an occasional phone call, getting ready to head south. He needed to know more about the new Ambassador the Carter Administration was sending to El Salvador.

It seemed this Robert White would have a tough time with conservatives at his confirmation hearings. He was Ambassador to Paraguay and blasted the corrupt old dictatorship there for human-rights abuses every chance he got. Now Senators who thought dictatorship was a useful ally against international communism would get a shot at him.

The Carter people at State thought White was just what they needed in El Salvador. He was tough, outspoken, direct, a perfect point man for the Administration's plan. The reporter called one of his friends, a liberal Senator's aide. They talked about how hopeless the Salvadoran situation seemed, how relentlessly bloody and confused.

"White has a lot of enemies already," said the aide. "I don't know what to make of it, but, you know, there are some people saying he's being sent down there to end his career."

Soldiers who heard the tape recording laughed like children who overhear an adult's obscenity. La Puteada, they called it, a kind of "——— you song" the military high command used to force out all the civilians

in the government ten weeks after bringing them in.

It was never a comfortable union. The civilians blamed the military for continuing violence and repression. Especially they blamed the minister of defense, Colonel José Guillermo Garcia, and his tight-knit clique in the high command.

Garcia was a short round-faced, quick-smiling man with a large, unsightly mole on his chin. He was about as physically unimposing as anyone who wore a uniform. But he was part of the old order. At one point, before General Romero edged him out, Garcia seemed to be in line for the job of president-dictator. Moderate leftists both inside and outside the government believed he still wanted the job. They wanted him out and they wanted all the armed forces restructured.

With tacit backing from Colonel Majano, the civilians tried to foster a kind of democratic council of young and low-ranking liberal officers to which everyone in the armed forces would be accountable.

It was a bad move. It gave Garcia all the excuse he needed.

The Salvadoran army has a fixation about its integrity. Many of the soldiers who supported the ouster of the generals were lukewarm on the reforms supposed to follow. But they saw that the corruption of the high command was damaging their beloved institution. They also saw that the civilians in the government were getting nothing done and now those same civilians were openly attacking the entire foundation of the army.

The showdown came at the end of December. The cabinet and the junta were meeting when suddenly commanders from all over the country marched in and seated themselves around the room.

The commander of the Guardia Nacional, Eugenio Vides Casanova, stood up and told the civilians that they were sons of whores, unfit to govern anything. The military, he announced, would not listen to them, would not follow them, and gave its entire allegiance to Garcia.

The civilians were shocked. Some were terrified. What did the armed forces want them to do? For days after the confrontation, they went around asking the question. But the army didn't want them to do anything except get out. It was already negotiating with the Christian Democrats to replace them.

Afterward, White would say that the civilians in the first government were the best people El Salvador had to offer. But by then, most of them were on the side of the guerrillas.

The Pentagon had an idea. Zbigniew Brzezinski on the National Security Council liked it. The Central Intelligence Agency thought it seemed logical and was putting together information that made it seem more so.

A Deputy Secretary of Defense told Congress there was "evidence of Cuban efforts to orchestrate Communist movements in Central America." He didn't say what the evidence was. "There are also indications that the Cubans currently appear to be involved in the situation in El Salvador." He didn't say what the indications were, but he had begun laying the groundwork for the new idea.

It was quite simple—send American advisors down to show the Salvadoran army how to fight guerrillas while, of course, respecting human rights. Send them transportation and communication equipment to help them fight more effectively. (They already had plenty of guns.) Generally, shore them up, then let them go out and clobber the agents of international communism.

White was livid. Not yet Ambassador, his confirmation stalled by Senator Jesse Helms of North Carolina, he already found himself in the middle of a policy showdown.

"The Pentagon has this driving need to get in there and show they can win a guerrilla war," he fumed in private.

The Salvadoran armed forces were butchering people in wholesale lots. They had destroyed the best chance for a political solution by ousting the civilians from the first coalition. The Christian Democrats were already dividing in the second junta because their paper agreement with the colonels proved, within weeks, to be nothing more than that.

And now the Pentagon, with information that some of the guerrillas had been trained in Cuba—ignoring the fact that they were ill-armed and their support among the people, their real strength, would only grow if the United States endorsed the bloody excess of the military—wanted to give the military everything its chiefs desired.

White was supposed to oversee this lunacy?

"If we are prepared to back a government this shaky," he told a friend, "we have to look at what our options are down the road. I believe that 75 percent of this is political within the United States—a fear by the Administration that it will be accused of 'losing' something else like it 'lost' Iran, Nicaragua and the Panama Canal."

Six American advisors had secretly been sent to El Salvador for a few weeks in November. Now there might be 36. That, White and his allies in the State Department were convinced, would be only the beginning of a new quagmire in Central America. There would inevitably have to be more and more advisors.

If any U.S. troops went in, White made it clear, he would not.

The El Salvador international airport was completed in the last few months of General Romero's rule. It stands gleaming white and modern on the costal plain, surrounded by the tidy plots of farmland. San Salvador, the capital, is 40 miles away, but the beaches are right at hand. The airport was intended to service international tourists flocking to the wide expanses of gray Pacific sand.

But on the day the young reporter arrived in mid-February, the airport was all but deserted. The only crowd was at the ticket counter for outgoing planes. Anyone who had enough money to get out was leaving El Salvador and, if they were smart and could afford it, they took everything they had with them. Well-groomed men in dark business suits stood waiting, while their bodyguards—square-built thugs wearing dark glasses and carrying briefcases—watched over them. At the boarding area, a sign advised passengers that they would be searched lest they carry guns on board "by accident."

The superhighway leading from the airport to San Salvador dissolves in dirt after about ten miles and taxis must take a seemingly endless, twisted road to complete the trip. The reporter thought about ambushes all the way to the hotel. By the time he got there, he wanted a drink.

At the bar, a pudgy, pig-eyed man with small hands and an obscene voice sat down on the stool beside him. The man laid a wrist wallet showing the butt of a .38 Colt on the bar.

"You always carry that?"

"I am a wealthy man. I take precautions. In my car, I have an UZI. You know the gun?"

The reporter looked down into his drink and the man started telling anyone who would listen what whoresons the members of the government were.

"Well," said the reporter cautiously, "where would you say you are on the political spectrum here?"

The man stared. He would have seem ludicrous if it weren't for the pistol. "I am not capitalist. I am not Communist," he said in his whiny voice. "I am National Socialist. You know—a Nazi."

The reporter cut the conversation off as quickly as he could. It was too much. El Salvador was not a nation of Nazis. Nothing was as simple as that. But already he was being confronted by the mad bitterness, the striving after simple, final solutions. "We must kill all the snakes," said the man.

Old money was more tactful than that. The Fourteen were more secretive and more subtle in their schemes, even if the end were the same. But this was a self-made man, the kind who couldn't get out to Miami as the Fourteen could. He was a madman trapped in a madhouse—believing that murder was the only way out.

Hundreds of people—most of them poor, some in rags—came to listen to the soft, humble voice of the archbishop. There were also some in the crowd who carried notebooks and tape recorders, and at the beginning of his homily, the gray-haired little pastor made what seemed a joke about people who thought "our Masses were more political rallies and that people came out of political curiosity." But this was a serious matter.

"What I intend is in no way to make policy," said the archbishop. "If because of the need of the moment I am illuminating the politics of my homeland, it is as a pastor reading from the Gospel."

Archbishop Oscar A. Romero made that statement in various ways countless times. But there was little doubt that his was the most powerful political voice in the country.

Few priests have ever been so intensely loved or hated. To many of the poor, he seemed a saint. Visiting the shacks that smothered the ravines in the capital, the hovels made of sticks in the countryside, Romero brought the people hope. To the radical left, he was not only an ally but an authority, a figure of international standing—and also a moderating force they found nowhere within their own ranks. To the right and much of the military, he was a Communist demagog.

His platform was the pulpit of the Metropolitan Cathedral, perhaps one of the ugliest buildings in the world. He left it unfinished because he felt the money was better spent on the poor. Its concrete-and-brick had faded, and rusting iron reinforcing rods protruded from its spires. Where stained glass might be, there was only corrugated fiberglass, its only design the random points of light left by bullet holes.

On this Sunday, the archbishop had heard that the United States might be sending men and military equipment to the Salvadoran government. He had written a letter to President Carter and he read it to his people. The aid would only make things worse, he said. The Salvadoran military was already killing more people than under any previous regime. If the equipment being sent was, indeed, designed to make the soldiers more efficient, whether the equipment itself was lethal or not, then they would only be able to kill more people with more impunity.

"I hope that your religious sentiments and your sensibility for the defense of human rights will move you to accept my decision," Romero wrote to Carter, "thereby avoiding a greater spilling of blood in this suffering country."

To the extent that he could, the reporter ignored the burst of gunfire outside the hotel. He sat on his bed, watching El Salvador's newest television star—a slight, muscular man, a young-looking 40 with thick black hair, who sat behind a studio desk asking his countrymen why so many Communists were still in the government.

Before the October coup, Major Roberto D'Aubuisson was chief of intelligence for the Salvadoran Guardia National. He was reputed to have a rather rough way of ques-

tioning people, and some of the officers who seized the government from the generals thought D'Aubuisson might have been planning his own right-wing coup at the time, so they discharged him along with the old high command.

Instead of retiring, however, the major went straight into politics. Taking advantage of the new freedom of speech, his backers bought him television time every few nights to blast the liberals in the government and identify the Reds.

D'Aubuisson was well trained to track down Communists. He had studied at the International Police Academy in Washington, D.C., before the Congress found out torture was on the curriculum and shut it down. He went on to refine his antiterrorist techniques with the police in Uruguay and Taiwan, then briefly did a stint with the U.S. Green Berets in Panama during the early Seventies.

Few people would have guessed that he would be so charismatic on the screen. His appearance and his opinion quickly made him the darling of the conservative Salvadoran middle class. After years of living in the shadow of the oligarchy and struggling their way up through any opening in their country of limited opportunity, the burghers of San Salvador had finally found a voice. The left never took them into account—the guerrillas wanted their war to be a class war and the bourgeoisie was the incarnation of evil. The middle class was small, but it had grown in the past decade as El Salvador began to industrialize; and now that most of the Fourteen had abandoned the country, it was up to the middle class to save it. They were being kidnaped and killed, and as far as they were concerned, they were at war. D'Aubuisson might get money and guns from the Fourteen in Miami, but he had the hearts of middle class.

Tonight he was talking about the Communist reforms the junta was getting ready to announce and he was focusing attention on the Christian Democrats in particular. This man, Mario Zamora Rivas, was a Communist. Why was he allowed to serve as a minister of the government, as the "attorney general for the poor"? Why do the great Salvadoran people endure a travesty?

Children climbed trees to look over the crowd and down through the shattered windshield of the car. The reporter squeezed among the cluster of spectators. Through their sweat came the butchershop smell of the corpses.

Two women had already been taken to the hospital. There was no rush for the men. One in the back seat of the little Toyota was slumped over on his side. Puckered, dime-size holes showed through the torn fabric of his shirt. The man sitting in front of him in the driver's seat was apparently the main target. There was nothing left of his face. An eyeball hung in the vicinity of what was once his cheek. There were some teeth visible in that general area. But so many heavy-caliber bullets had been pumped into his head that it had collapsed like a melon rotted in the field.

The reporter wanted to find some way of putting meaning to what he saw. That was why he had come out here. The only dead he had ever seen before were relatives in funeral homes, the embalmers' wax replicas of people he had known. He wanted to see death as the Salvadorans saw it.

But death, presented like this, on a street full of the curious in a quiet suburban section of the city, without mourners, without even the trappings of officialdom—there were no policemen, no medics—seemed meaningless. The reporter found himself thinking, like the children around him, could he look at it again? He could. He could have looked at it all day, if there had been any point in that. There was not even a story in these deaths. Murder on the streets was a commonplace, not news at all, in El Salvador. But the reporter began asking questions of the bystanders.

It seemed a pickup truck had pulled in front of the little car and slammed on its brakes. Two men riding in the bed stood up with automatic rifles, G-3s, the kind the army used, and started shooting.

The killers had lingered a bit at the scene. One had drawn a large skull on the wall beside the car and another had taken a glob of the driver's brain and lobbed it into the middle of the drawing—a little message from the Union of White Warriors.

But why were these men killed? An old woman said they had worked for the attorney general of the poor. One of them, the driver, may have looked a little like Mario Zamora. "But they were just clerks on their lunch hour," said the old woman. "They never got involved in politics."

Apparently, the message had gone to the wrong man.

The party was still going on at one in the morning. Most of the Christian Democratic leaders were there telling political jokes and stories while Zamora or his wife kept their glasses filled with Scotch. It took a while for everyone to relax, but they had protection—their bodyguards were stationed near the door.

The death squad came in through the skylight. There were perhaps a half-dozen men in all, but nobody remembers very clearly. Everybody was ordered face down on the floor. One by one, the partygoers were asked their names.

"We don't want to make any mistake," said a gunman. "What's your name?"

"Mario Zamora Rivas."

"Get up. Come on."

No one heard any shots. The gunmen left. When Zamora's body was found in the bathroom, he had more than a dozen bullets in his head.

The Christian Democrats flatly blamed D'Aubuisson for the murder, and privately they said his tactic was obvious. He was trying to intimidate or eliminate anyone who might be a bridge to the moderate left, who might be able to begin negotiations for a peaceful settlement. If he could force them out of the government altogether, he would succeed.

Already the Christian Democrats were badly split. Zamora's death was the final blow for some members. Héctor Dada Hirezi, one of the two Christian Democrats on the junta, resigned from the government and the party and left the country. He was replaced by Duarte.

The military promised a thorough investigation of Zamora's death. No suspect was ever found. There was, in fact, no investigation.

The rhythm of killing was approaching some kind of climax, but it was impossible to say what that would be. The left had slowly pulled its ranks together. All the guerrilla factions except the E.R.P. had joined a coordinating directorate. The leading civilians from the first junta formed the Democratic Revolutionary Front to lobby for world-wide support of the rebels.

Although the Salvadoran government finally began its reform program in March 1980—after nearly six months of unfulfilled promises—the archbishop was edging ever closer to endorsing insurrection and he continued to blast the government at every opportunity. The reforms were good, he said, but they had to be taken in "the context of the dead and the annihilation."

Something was going to happen, but the reporter was sick and would not wait for it. After only a few days, he returned to the apartment he kept in Mexico. He telephoned the woman in the United States he had been seeing—or trying to see—for more than a year and, on impulse, they decided to get married immediately, before some new horror show dragged him back to El Salvador. It would take just four days in Philadelphia for the blood tests to clear and the papers processed.

He didn't tell the office where he was going, just that he would be gone. When he saw his bride-to-be at the Philadelphia airport—how strange and quiet and peaceful even that crime-ridden city now seemed to him—he told her that nothing could stop them from marrying now except . . .

"They're going to kill Romero. I don't know when, but soon. If it happens this weekend, I'll have to go back down. That's all there is to it."

It seemed, in Philadelphia, so melodramatic to say that. It was just a feeling, after all.

D'Aubuisson's failure to carry off a February coup against the Christian Democrats was a setback, but hardly a defeat. His people reorganized and now, as the Presidential race in the United States was fully under way and Reagan took the lead, they were regaining confidence. Some of them already had contacts among Reagan's entourage who recognized the danger of letting communism sweep over El Salvador and saw what quasi-Communists the Carter Administration had put in power.

Men in the Senate like Helms and his staffers understood the danger and could be talked to. This was a time of phone calls and meetings, a time to build a base of political backing in what D'Aubuisson and his people were sure would be the new administration.

But there were other things to be done as well, and to be done right now, before the chaos worsened and the left had the guns to mount a full-scale insurrection. Notes made by D'Aubuisson and his friends at the time refer to something called Operation Pineapple. A gun was bought—a .22-caliber rifle with a telescopic sight. Money was deposited in a Miami bank account.

There is a hospital for the incurable in San Salvador. The archbishop lived there and often said evening Mass in the adjoining chapel.

This night there was a special service, a memorial Mass for the mother of one of the few leftist publishers still in the country. It was a pleasant evening, with the doors of the chapel open, as always, to let the cool night breeze circulate.

In his Sunday homily the day before, the archbishop had denounced the violence of both the left and the government, but, as so often happened—because there were so many more examples of government violence to cite—he had seemed to be attacking only the regime. More boldly than ever before, he had made an appeal—a demand—for the violence to end. He had directed his words to the troops: "I ask you, I pray you, in the name of God, I order you to stop the repression!"

But this evening his words were quieter. He talked of the need for any Christian to involve himself in the world, despite the risks. "He who wants to withdraw from danger will lose his life," said the archbishop. But the person who gives himself to the service of others will be like a grain of wheat that falls to the ground and dies—but only apparently dies, for by its death, its wasting away in the ground, a new harvest is made.

The archbishop prepared the Eucharist and raised the chalice to God.

He never saw the gunman just inside the chapel doors.

An awkward calm settled over San Salvador in the days following the archbishop's death. Everyone was waiting for the funeral on Sunday, but the violence did not increase.

Chacón warned his people that they were

being tempted into a trap. Stay quiet, he said, the government is trying to produce an insurrection before we are ready. The spontaneous uprising never came, but the tension remained, a palpable bitterness and despair settling over the barrios.

Conservatives openly gloated. Of course, they didn't approve of murdering priests, they said, but one had to admit that Romero got what he deserved. When you put yourself in politics in this country, you have to expect this kind of thing.

Ambassador White had been in El Salvador for three weeks. A personally conservative and religious man, a New England Irish Catholic whose faith was somehow strengthened by decades in Foreign Service posts where suffering was always visible. White was appalled at what he saw in El Salvador.

"When we have cuerpos de seguridad who commit more crimes than they solve, it is a very sad situation," he said. There was no applause that week when he appeared before a chamber-of-commerce luncheon. It was not a friendly audience and White was not friendly to it.

"The violence in the countryside continues," he said. "The excesses of the security forces continue," causing disaffected workers and peasants to join the ranks of the militant left. "They are being killed and tortured and I have talked to them and I know who is doing it."

White looked around the room grown arctic with silence. Reporters at the rear began furiously taking notes.

The series of right-wing assassinations was an abomination, White continued. What was gained by the killing of Mario Zarmora? By the murder of the archbishop? By the killing, just today, of Juan Chacon—

Several reports dashed out of the room to telephones.

Chacon dead? They began checking furiously. He was not dead. He was at the university, as surprised as anyone at White's remarks.

The import of White's speech that day was lost in embarrassment and backtracking. He had been assured at least twice that morning his military and intelligence people that Chacon had been killed. They had either lied to him or been lied to by their Salvadoran contacts. Either their information was grossly erroneous or someone was setting White up for a fall.

Palm fronds waved above the heads of the crowd. It was Palm Sunday. The reporter had forgotten.

People were everywhere, filling the cathedral square and spilling over into the side streets. Many, perhaps most, were women and children—50,000 mourners for the archbishop. A folk choir sat around the coffin on the cathedral steps, singing, "You are the God of the poor." No troops, no guns were in sight. The only people in uniforms were boy scouts manning the ropes that kept the crowd off the sidewalk in front of the high steel gate at the bottom of the steps. The morning sun was hot, and near the rope, where the crowd was most tightly packed, women were fainting.

The funeral oration was begun. A Mexican cardinal delivered a long, droning message of Christ that carefully sidestepped all the volatile issues once addressed by the man now lying in the heavy casket. Above the coffin sat the archbishop's chair, symbolic and empty.

The reporter listened awhile from the shade of trees at the corner of the cathedral, then moved out onto the sidewalk in front of the fence.

A cheer went up from the crowd. The muchachos—"the boys"—of the popular organizations had arrived after marching through the city. The crowd somehow managed to pull apart to let them through. Many of the boys and girls wore kerchiefs over their faces, and some carried banners. Many others carried the plastic bags and satchels and the long, thin boxes that the reporter knew from experience held Molotovs, pistols and rifles. At the sides of the crowd, two embassy officials observing the funeral decided to return to their offices.

The cardinal kept speaking. A wreath of plastic flowers in the yellow-and-red colors of the Bloque was passed forward above the crowd and placed on the coffin. Another cheer went up. The muchachos raised their fists in salute and chanted a revolutionary slogan. The cardinal paused a moment, then went on.

An explosion.

Everyone turned to see where it came from—somewhere near the closest corner of the National Palace diagonally across the plaza, leaflets were floating through the air. The muchachos often used little bombs to launch their propaganda above the heads of a crowd, but this——

Another explosion. Another. A quick burst of shots.

The only place for the reporter to go was over the fence and he surprised himself with his speed as he vaulted it. He shouldered his way up the stairs through the crowd of clerics, but at the top, the priests blocked his way.

Panic had swept the crowd. Shots were going off everywhere now and people were running, most of them toward the cathedral steps.

The priests seemed oblivious to what was happening. "Calm down. Calm down," they said to the wailing masses. "There's nothing to worry about."

Automobiles exploded at each corner of the plaza, sending liquid flame spreading out across the pavement. The barrier rope had disappeared and now hundreds, thousands of people were pressing against the fence. It was still locked. Some were making it over, but many were not. Old women were being crushed to death, their faces squeezed between the bars.

The screams, the shooting, the bombs were deafening, and the priests—their cries for calm now altogether lost—fell back into the cathedral, stumbling, knocking over the archbishop's chair, some of them trying to drag the coffin with them. The reporter made his way to the stairs leading into the choir loft and spires, but they were already blocked by masked muchachos, pistols drawn.

The gates were forced open and people poured into the cathedral. Desperately, they sought out friends, relatives, some touch of safety. Within minutes the cathedral was so crowded that is was impossible to move. Men who stripped off their shirts and twirled them above their heads to keep the air circulating found themselves so tightly pressed they couldn't get their hands back down to their sides. Childen were lifted onto shoulders.

Behind the reporter, an old man was expiring. The people around him were shouting for room. The old man was naked from the waist up, his chest deformed, his eyes staring at nothing. For 30 minutes he was wrestled through 20 feet of crowd toward one of the areas in the church more exposed to bullets but with more air to breathe.

On his hands and knees, the reporter worked his way up the stairs past women and children and old men who were praying amid the rattle of machine guns and the blast of Molotov cocktails pushing in at them from outside. Finally, in a choir loft, he could begin to study the situation. Most of the shots were outgoing. The muchachos were blasting away from all three entrances to the cathedral and from high in the spires. Others were prone in the street, firing at any sound or movement. Some were children, perhaps ten years old, almost overwhelmed by the pistols in their hands.

Everyone's immediate fear was that the military would appear and start firing into the building or even invade it to clear out the snipers. But the army, the police, the Guardia were nowhere to be seen.

The shooting died out slowly in the cathedral square and slowly, very slowly, people began to trickle outside. Smoke from burning cars still hung heavy on the scene. The reporter looked at the shoes piled near the fence where their panicked owners had lost them, at the leaflets with Romero's face on them, at the bodies. Volunteer rescue teams had appeared. They were loading unconscious mothers and grandmothers, old men and boys—the possibly alive—into trucks and ambulances to be taken away.

Off to one side of the cathedral was a muchacho who had seen a photographer taking his picture when the shooting started. He had struck a revolutionary pose with his Molotov and it had blown up in his hands. Now he lay on the sidewalk, the bones showing at the stumps of his arms, a hole under his chin where a bit of shrapnel had entered, the back of his head gone and the brain spilling where it had exited.

Perhaps he had spun around as he fell or perhaps somebody had come along later and done it. The boy's body was wrapped in a banner of the popular organizations.

The debate about who, how, what had started the massacre would go on for months and never be resolved; but in the end, the question was irrelevant. Anyone could have started the madness and the panic that day. It was the culmination of so many months and years of fear and hatred and hopelessness, and it ultimately made the hopelessness worse. These were the boys who were asking for the people's faith, who were preparing to lead them in a glorious revolution, and the boys had panicked with everybody else. They had kept firing long after there was anything to fire at—if, indeed, there had ever been—and more than 30, perhaps more than 40 people lay dead for nothing.

A goal of the terrorism all along had been to make the people cry out, "Basta ya!"—Enough!—bring us peace, no matter what you have to do. The guerrillas thought "the masses" would believe, as they did, that insurrection was the only answer. The rightists were certain that the great people of El Salvador would support a ruthless crackdown on the troublemaking Communists. But no side looked as if it could win quickly or would deliver what it promised if it did. The people turned inward and with resounding apathy said to their would-be saviors, "To hell with you all."

But the patterns of power-grabbing competition within the government, the embassy and the left continued. They were well established by April 1980 and over the next eight months, the militarists would be strengthened on all sides. Within the government, the pre-eminence of Garcia and Gutiérrez would continue to grow. At the embassy, the Pentagon would find ways to work around White and, in deference to President Carter, put a human-rights veneer on its initiatives. On the left, the popular organizations would steadily lose their power to mobilize the masses, but the guerrillas themselves would begin to get the guns they had wanted and needed for so long.

This was a waiting time, the period of "the phony war," as one disillusioned Marxist called it. The casualties were real enough, but there was a growing consciousness on all sides that each little maneuver, each little skirmish, might be used to influence world opinion.

Delegations of civilians who had once served in the government and now sided with the guerrillas traveled all over the world to establish links with Social Democratic parties and convince potential Western friends that the regime the insurgents

wanted would be a democratic paradigm, not a Marxist dictatorship. Duarte and his party lobbied the Christian Democrats of Europe and South America, looking for allies to join the United States in its support of their regime. They were embattled moderates, they said, caught between the extremes of a Neanderthal right and a Pol Pot left, but the reforms were winning them more support every day and their troops had the country under control. D'Aubuisson and his followers traveled mainly to Miami and Washington, with occasional side trips to the sympathetic regimes of Guatemala, Honduras and the southern cone. All they wanted was a real democracy like the one described in the U.S. Constitution, where free men could work and thrive in a truly capitalist economy.

The left was easily taken care of, they said—it didn't have the support of the people. It might be necessary to use some severe measures against the subversives and their sympathizers for a while, but that was the price you had to pay for freedom.

The hotel was as empty as it had ever been, and after five days in El Salvador, the reporter was glad to be getting out. It was Thanksgiving Day. He tried not to think about it, just listened to the radio as he packed his bags.

"We have it confirmed," came the voice breaking into the music, "Enrique Alvarez, Juan Chacon and four other leaders of the Revolutionary Democratic Front have been arrested."

Jesus, there was no getting out of here.

The reporter called everyone he could think of—Church officials and Garcia, White and the commander of the embassy military group. It was the usual culpability merry-go-round.

The Church claimed that the Democratic Front leaders were getting ready to hold a press conference when men in civilian clothes backed up by uniformed troops broke in and dragged them away. White and Duarte said it must have been right-wing extremists trying to destablize the regime—but they didn't rule out the chance that some of the security forces helped. Garcia said he had no knowledge of any arrests and had no information on the incident, which had taken place at a Catholic boys' school in the center of the capital. Later in the afternoon, after calling around to all the cuartels, he would refine his statement to say there had definitely not been any arrests and the military had had nothing to do with the affair.

There were no clear answers, but the consequences were extreme. In the next few hours, the bodies of the revolutionaries, strangled and shot, were found littered outside the city.

Already the Christmas Muzak drifted through the hotel bar as the reporter sat talking with Jean Donovan and Dorothy Kazel the day before the funeral. The left was trying to explain away the expected small turnout—people were going to show up but not really in force, because you know what happens under this genocidal government and there is no point in having your people slaughtered needlessly. Dorothy and Jean, who spent most of their days with the peasants around La Libertad, were skeptical of the relationship, but they were in constant contact with the fear.

Dorothy was a nun, but the kind of nun one meets so often in Central America. More frequently than a habit, she wore blue jeans and a checked shirt. Jean was younger, a lay worker who looked like a nun. It wasn't their clothes that made them so obviously religious women, it was their manner, their smiles and their thinking—their seemingly boundless concern about other people's suffering.

"Things have changed so much in the past year," said Dorothy. "There's such hatred everywhere."

The reporter called it an atmosphere of vendetta. Everyone was looking for some kind of revenge. Often, he said, the clergy were vulnerable targets.

"We're OK," said Jean. "The safest person in El Salvador has to be a blonde, blue-eyed gringa."

The reporter was called to the phone and Dorothy and Jean decided to leave. They waved goodbye as they went out the door.

"Let's stay in touch. . . ."

"I'll call you in a few days," said Dorothy.

Robert White knew what he was going to see and he dreaded it. The black bulletproof Cadillac and its two chase cars drove on and on through the parched dry-season countryside. For a while, they seemed headed for the airport along the winding, rough-surfaced little road. Another time, White might have been concerned about the possibility of an ambush laid out from the high banks on either side of the narrow pavement. But he hardly thought of such things anymore. It wasn't worth it. The security men would worry about that. So far, no attempts against him had come even close. He had luck or Providence to thank for that, he supposed. Sometimes it occurred to him that he had been taking up an inordinate amount of God's time since he arrived in El Salvador.

He wanted to get there. That was all he cared about. Get there and see who the gringas were in the shallow grave, hoping—— But there was no hope. He knew who they were. He and everybody at the embassy had been calling everywhere for more than a day. The military had said it had no information. Finally, the Church had gotten a tip.

Two of the women had stayed in White's house just two nights before. They had come over for dinner with the priest they worked with and they had stayed up too late to drive all the way back to La Libertad. So White and his wife had asked them to stay.

It was just the next night that they had gone to the airport to pick up Sisters Ita Ford and Maura Clarke, and then they had just disappeared.

The Cadillac turned off the airport road and headed east toward—what was the name of the little town?—San Juan Nonualco. There were other little villages on the way. Peaceful. Ordinary. As if nothing had

The violence was widespread but so viciously selective. Graham Greene had written about such things. "Cruelty swept through the country like a spotlight." The Ambassador had been reading and rereading Greene. The books seemed to say a lot about White himself, about his God, about these people—"the torturable class." It had once seemed that certain people were immune to the viciousness, but now anybody, everybody was eligible. Torture had become a great equalizer.

The Cadillac stopped among the reporters' cars plastered with signs telling the world they were PRESS, as if that would do any good. They were clustered around a mound of dirt in a little patch of land like all the other little patches of land, dry and dusty, with a few trees and bushes.

The grave was opened and there were a couple of Guardia standing around, watching nothing in particular, and an officious little justice of the peace who had to oversee such things and the reporters and photographers wondering whether or not to look—not knowing not to. The smell of the dead ran like a poisonous current through the still air.

One by one, the bodies were pulled out. Jean. It must be Jean, but her face had been exploded by a bullet in the back of the head. Her pants were half unzipped. Her underwear somehow hung from her ankle. Now Dorothy, Sisters Ita and Maura, being dragged like sides of meat from the pit.

Reporters were talking to White, but he didn't hear. He turned and stared at the Guardia, the little judge, the camera crews, stared all around, trying to control himself.

One day after the nuns' bodies were discovered, all United States aid to El Salvador was temporarily suspended. A special commission was appointed in Washington to go down and investigate what appeared to be a cover-up of the killings. Every bit of the evidence that existed, and there was not much, pointed to members of the security forces—most probably the national guard—as the murderers. They had set up a roadblock where the nuns might have been stopped, and it was clear that the military in the area knew where the nuns were buried but had said nothing about it in answer to the embassy's inquiries.

"They've got an old-boy network," said White. "They know damn well who did it, but they're not saying."

More than moral indignation was at work here. There was also coldly observed political opportunity for the Christian Democrats to gain the upper hand in forging an agreement with the army. They would have the full backing of the United States and they might at last force the military to clean its ranks from the bottom to the top.

The right saw an opportunity as well. D'Aubuisson returned from Guatemala. Reagan was already President-elect of the United States. If D'Aubuisson's friends in the military could just hold out a little longer, another six weeks, then the Reagan Administration would take office and the pressure would be off.

All the powers in the country were moving to take advantage of the regime's confusion in the wake of the killings. Some changes were bound to take place and some officials were going to lose out.

The first to go was Adolfo Majano.

He had dithered and plotted for too long and, in his frustration at steadily losing power, he had begun to make thinly veiled criticisms of the high command. Majano was a chess player, one of the best in El Salvador, and he played politics like he played the game—full of infinite calculation and subtle maneuvering. But in Garcia and Gutiérrez he was up against a pair of linebackers who simply threw over the board. At a secret meeting of the military's commanders—to which Majano was not invited—a vote was taken and by an overwhelming majority, they voted to remove the colonel from the junta. He was assigned to an insignificant diplomatic post, the usual exile, the kind so many of his former backers had gone to. Instead, he went into hiding.

White was calling on all his powers to resolve the crisis in the Christian Democrats' favor. But his powers were waning. Word had leaked in Washington of a Reagan transition-team "hit list" that named White as one Ambassador sure to be sacked. He appeared a lame-duck envoy of a lame-duck Administration and El Salvador's conservatives saw less reason than ever to listen to him.

White sent a steady barrage of cables to Washington, asking for public support from Reagan's people. For a while, he seemed to get it. Reagan foreign-policy advisor Richard Allen said on national television that the Reagan Administration would continue to support a moderate, reformist regime in El Salvador.

But, at the same time, Cleto DiGiovanni had come to town. He was not exactly a member of Reagan's team, but close to it. A former CIA man, D'Giovanni had contacts with Reagan's advisors on Latin America

as well as with D'Aubuisson's people in El Salvador. White was not sure what DiGiovanni was telling those people, but he suspected—and many of the D'Aubuisson crowd believed—that the hidden message he brought was exactly what they wanted to hear: "Do what you want and need to do. The Reagan Administration will back your play."

One by one, the officers walked into the Casa Presidencial with their pistols drawn. The reporter standing in the doorway of the waiting room got a little nervous. He walked down to the guard post to see what was happening and, to his relief, saw a long table piled hight with pearl-handled .45s and customized .357 Magnums, UZ's, nine-millimeter automatics with extra-long clips. Good idea to leave them down here, he thought. Somebody might get angry.

Upstairs on the balconies above the tropical courtyard, the final decision on the new structure of government was being made. Majano was now officially out. The four other junta members would remain in place, but Duarte would get the title of president. Real power would remain, however, with Gutiérrez, now the vice-president and commander in chief, and with García, still ensconced as defense minister. All that would be made public later in the day. There was another, secret agreement—the price the Christian Democrats demanded for staying in the government.

Certain key members of the military would have to be removed from their commands. Most prominent on the list was deputy minister of defense Nicolas Carranza. A year before, he had voted against bringing the Christian Democrats into the junta. He wanted a military regime with technocrats handling day-to-day administration. That was close to the D'Aubuisson scheme of things and the Christian Democrats suspected Carranza of being their most dangerous opponent within the army. He would have to go in January.

At the same time, a couple of other commanders would be relieved of their posts, and by the beginning of February, the chief of the treasury police was also supposed to go.

It was not an agreement the soldiers liked, but it would do for the moment. And, some considered, it could always be amended.

They picked up their guns and left.

"Let the Yankee Pentagon make no mistake. If it attacks the Salvadoran people, it will have another thorn in its side."

The Havana auditorium erupted in long, enthusiastic applause, and Salvador Cayetano Carpio stood back and soaked up the adulation. After so many years underground, the 60-year-old guerrilla leader was at the peak of his power, speaking before his socialist brothers at the second party congress of Cuba. Representatives were there from all over the Communist world, and he wanted to thank them for the help that was going to make his revolution possible at last.

For months now, arms bound for El Salvador from Vietnam, Ethiopia, Cuba, Eastern Europe and the Soviet Union had been flowing into Nicaragua—so many that bottlenecks were forming. They couldn't be moved fast enough. But they were on their way nonetheless and the Salvadoran guerrillas—with all the people behind them, they said—were going to present Reagan with an "irreversible military situation" by the time he took office on January 21.

"Revolution or death!" shouted Carpio.

"Viva Salvador," screamed the crowd. "Viva!"

But later, when the first shots of the long-awaited "final offensive" came, they missed pretty badly. A guerrilla squad attacked Ilopango, the military air base just outside San Salvador, with some newly arrived American-made, Cuban-supplied recoilless rifles. Every round they fired soared over the barracks, over the planes and helicopters they were trying to hit and over the long, broad runway to land harmlessly in a weed patch on the other side.

It was not an auspicious beginning for the guerrillas and things would get worse. The government army was supposed to split. Except for a few minor incidents, it stayed united. The people were supposed to rise up en masse, as they had in the Nicaraguan revolution, to build barricades and hit the soldiers hard wherever they appeared. But the people did not rise up. Attacks were mounted on cuartels throughout the country and the guerrillas demonstrated a level of coordination they had never shown before. But not a single cuartel was taken.

After those first few days in January 1981, the guerrillas declared that the final offensive was actually a general offensive. It really wasn't supposed to be final at all, just a beginning.

It was that. The phony war came to an end with the attack on Ilopango airport. In San Francisco Gotera, where some of the heaviest fighting took place, bodies lay rotting on the streets for days. They were burned to help kill the stench and disease until there was nothing left but charred meat on sets of ribs and femurs with perhaps a recognizable foot attached. The same scenes were repeated in Zacatecoluca, in Suchitoto. Soon the countryside would be nothing but deserted fields and clusters of buildings become bullet-riddled ghost towns.

The reporter was sick of it. The bloodshed, the venal idiocy of it all. It meant so little, finally. At least 13,000 people had died in El Salvador since his arrival there almost a year before. One could play games with a statistic like that, could say that proportionate to its population, the United States would have to lose 500,000 people to political violence in order to sense the same social and human cost.

But, of course, death isn't measured that way. Numbers of corpses don't count until you know one, or two, or a dozen of them, or, at least, until you can see them as some part of yourself—as an American or as a journalist or as a nun. There are cynical axioms in the newspaper business to cover such things. One dead hometown boy is worth ten dead Englishmen is worth 50 Australians is worth 200 dead Chinese or Indians on Salvadorans or. . . .

But even the Salvadorans came to look at the numbers of the dead with a numb, sometimes vicious detachment. In their less discreet moments, some of the more extreme rightists would talk of the need to kill 200,000 leftists in order to clean up the country. No one was immune anymore. Everyone was somebody else's Communist or imperialist. No place was safe.

The war had become so much bigger than El Salvador. It was a symbol of the new battle between East and West, and individuals get lost in symbols. After the United States voted in November 1980 to make America tough and strong once again, to bring back its respect, no politician in Washington wanted to be remembered as "the man who lost El Salvador" in the face of the Kremlin's maneuvering.

Robert White tried in his sometimes clumsy, sometimes belligerent and excessive way to keep perspective. In his mind, the issue should have been whether anyone in Washington wanted to be remembered as a supporter of a "genocidal, nun-killing regime." But even White finally rolled with the tide.

When four or five oversize dugout canoes full of armed men landed on a Salvadoran beach just across the Gulf of Fonseca from Nicaragua, White all but called it an invasion. Nobody else, not even Duarte, went that far; but White had just signed off on a complete renewal of "nonlethal" U.S. military aid to the Salvadoran government, and this was an opportunity to make the point that it was justified.

The intelligence reports about massive deliveries of guns to the guerrillas had persuaded White that the U.S. aid was necessary. The memory of the nuns stayed with him. He was bitter at what he saw as a non-investigation of their deaths. But the size of the threat, the hundreds of tons of arms supposedly going to the Communists, forced him to go along with the Pentagon at least that far.

Within days, the resupply was extended to include, for the first time since 1977, lethal weapons—$5,000,000 worth of M-16 rifles, grenade launchers, recoilless rifles and four Huey helicopters. Accompanying them would be U.S. advisors. Just for mechanical training. No combat personnel. Again, White went along with the decision. He hadn't wanted to escalate the war. But the Communists had already done it and the United States could not just sit back and watch. The Salvadoran troops had held off the final offensive "without a single cartridge" from the United States, but now they had started to run out.

There were worries, though. While White was playing them down, at least in public, his aides were despondent. They could see the door opening for the next Administration. Reagan was not even President yet, but Carter, old human-rights Carter, was setting up a Statue of Liberty play, handing him the ball and letting him sprint toward the goal. Carter had only a week left in office, but he was taking responsibility for endorsing the Salvadoran military with gifts of bullets and bombs and American soldiers. Reagan could put in more bullets, more bombs, more Americans, and they would be only increments, not the crucial first step.

Yet even that was not enough for the Pentagon. On the eve of Reagan's Inauguration, Colonel Eldon Cummings, head of the embassy's military group, the U.S. Army's main man in El Salvador, went to White and asked him to sign off on 75 more U.S. advisors Cummings said the Salvadorans had requested.

White exploded. This finally was too much. Let Reagan make the decision tomorrow; White was sure as hell not going to do it. A year ago, he had seen the quagmire coming, had seen the potential for the Vietnamization of El Salvador. He was not going to sign off on it now.

Within a month, Alexander Haig, the new Secretary of State, called White to Washington. Haig was not happy with his work as Ambassador and White was relieved of his post. As a career Foreign Service officer, he had to be assigned to some new position of equal rank. Haig made him some offers he had to refuse, then effectively fired him from the diplomatic corps.

Colonel Jaime Abdul Gutiérrez took a cigarette from the reporter and loosened his tie. The colonel was relaxing in the Casa Presidencial as he reminisced about the October coup some 15 months before. He smiled as he talked about his feud with Majano, who, after all, had never been a commander as he had, had never been in private enterprise as he had. The fall of the first junta brought a laugh. Now the Christian Democrats were irritated because the head of the treasury police was still at his post, contrary to their little agreement. But that could be worked out. Duarte had proved to be very flexible.

The war was going all right. Of course, Gutiérrez couldn't say that it would be over in four months or one year or two. The guerrillas were pretty heavily dug in in the mountains of the north. There was always the danger that if they pulled off some spectacular victory, the people who thus far had stood apart from them would suddenly and finally rush to their sides as saviors. But the government reforms were working better than anybody—especially Gutiérrez—ex-

pected they would, and maybe the government had won more hearts and minds than anyone knew.

Of course, the problem, thought the reporter, was that no one knew. No one ever knew anything. Elections were being planned with the idea that the people could finally express their preference for one man, one course of action or another. Gutiérrez was very enthusiastic about the idea. It would give the Salvadoran government some legitimacy. But both the left and the right were rejecting the elections as a ploy by the Christian Democrats.

Ah, politics. Gutiérrez just wanted to save his country from the Communists and his army from disintegration and humiliation, and always there were these politicians complicating things.

But finally Washington had come around. As Gutiérrez sat talking to the reporter, there were American cargo planes unloading new guns a few miles away. The Hueys patrolled the skies. Scattered around the country were 54 U.S. advisors to turn his troops into crack units. If more equipment were needed, more advisors, the Yankees now seemed to be dependable suppliers.

The reporter had met some of the advisors. Clean-faced and enthusiastic, full of talk about the great morale of the Salvadoran army and the fight against international communism. They were going to show the Salvadorans how to fight a guerrilla war "even better" than the way the United States had fought it in Vietnam, as Colonel Cummings used to say.

So the colonel had many reasons to be confident about the future. But he was a Salvadoran, and the future, he knew, was never certain.

What if there were peace? That worried him.

"I want to tell you," said Gutiérrez, "my impression is that peace is tougher than war. What I mean is that in this condition, in this present circumstance, you are concentrating everything on one objective. And no matter how many different trends there are in the army, you can manage, because there is one enemy, because there is danger because of lots of things. But when all that ends, then comes the question of how to bring together all these forces afterward."

But, Colonel, aren't you worried that there might be some other Gutiérrez out there plotting against you? Would you know it if there were?

He thought for a moment. "No," he said, smiling at the reporter, "you can't know that. Really, when these things happen, the last to know. . . ."

Outside the Casa Presidencial, the streets were quiet, more quiet than usual.

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EL SALVADOR: FROM CONQUISTADORES TO COMUNISTAS, WHY THE KILLING WILL NEVER END

(By Loren Jenkins)

(NOTE.—Last month, after Loren Jenkins had left El Salvador, government troops came again to La Bermuda. This time, special correspondent Alma Guillermoprieto reported, the troops swept up all the 600 peasant refugees who still remained at the camp and took them six miles away to the Government prison at Suchitoto, where they were crowded into cells under military guard.

(Col. Adolfo Cotto, a military spokesman, said, "I know both places, the camp and the prison, and they are better off in the prison."

(The commander of the Guardia Nacional in Suchitoto, who supervised the transfer, asserted, "There are people in that camp who have been very closely connected to the guerrillas, and the Suchitoto community is afraid they might try something funny."

(La Bermuda itself was burned to the ground.)

La Bermuda is not a place mentioned in the public pronouncements, official communiques and white papers offered up to a puzzled world to explain the savage conflict tearing apart the minuscule Central American nation of El Salvador. The omission is understandable; La Bermuda does not easily reinforce the official wisdom about the nation's crisis. Though it sits a mere 17 miles northeast of San Salvador, the capital, it is never visited by those who speak so volubly about the issue being only a question of a demonic communist subversion, armed and guided by Havana. And when authorities from the capital do send emissaries, they come in jeeps and trucks bristling with guns and waste no time chatting about the state of the hearts and minds of those they profess to defend.

It is in La Bermuda and in hundreds of similarly sad communities across the breadth of this weeping and wild land that the grim daily realities of life and death challenge the pat political analyses of those who make policy and war. Whatever thin veneer of civilization once existed there has been stripped bare, exposing darker, more complex and primitive forces at play than those that so hypnotize the political theorists of our times.

The tragedy that is El Salvador today is an ancient human drama that has been trying to play itself out since 1525 when the first conquistadores moved south from Mexico to claim for the Spanish crown the land and the Nahua tribes that inhabited it. The imperial feudalism that was imposed then with the warrior's sword and the priest's cross set the tone for a Salvadoran society that has changed little over the past four centuries. Neither national independence in the 19th century, the age of industrialism, successive political coups d'etat, local wars with neighboring nations, or peasant uprisings against the landed oligarchs, has done much to alter the legacy of violence and exploitation handed down by the Spanish conquistadores.

To visit La Bermuda now is to understand how little really has changed in the lives of the rural campesinos, or peasants, who make up the vast majority of the nation's population. Life in the countryside remains, in the words of the 17th century philosopher Thomas Hobbes, "poor, nasty, brutish and short."

In another era not that long past, La Bermuda was one of those bucolic rural oases that could have been a setting for a story by Gabriel Garcia Marquez, the Colombian writer. Carved out of a rough tropical countryside at the foot of a massive, now-dormant, volcano named Guazapa, La Bermuda was one of El Salvador's oldest haciendas, or estates. Built in the 19th century, its white plastered adobe outbuildings and the stately wide sweep of the main house's thick-beamed veranda still speak of a time when the land-owning gentry gathered in the cooling shade of sundown to sip iced rums while watching the campesinos troop home from the fields with the last rays of daylight flailing their backs.

That was before this tiny, overpopulated nation of 4.7 million souls went to war with itself in the wake of the captains' coup of 1979 that not only antagonized the rich oligarchs with its promises of reform but also alienated the hopeful because of the few changes they brought. The new age of democracy, justice and social equality promised by the coup-makers has not materialized. And now in the second year since the dictator, Gen. Carlos Humberto Romero, was ousted and relegated to the dustbin of history, La Bermuda has become just another grim testimonial to the revival of an ancient barbarism that is being variously called a civil war, a subversion from abroad, or simply "la violencia," the violence.

The idyll that—for landed gentry, at least—was once La Bermuda, has been transmogrifted into a Goyaesque ghetto stalked by pestilence, war, famine and death. The hacienda owner and his family have long since fled to well-protected villas in the capital or lavish suburban homes in Miami, where their class has established its capital-in-exile to dream and plot their return. In their stead have come some 5,000 terrified campesinos fleeing the now-scorched neighboring countryside which, in the ways of modern anti-guerrilla warfare, has become just another free-fire zone where anything that moves by day or night is fair game for the armed bands of soldiers and guerrillas who hunt each other.

After days in the surprisingly still-bustling San Salvador, La Bermuda is a shock to the senses. The once-elegant hacienda is now but a muddy slum of pathetic bamboo and thatch hooches, hellishly smoking communal cook fires, banners of tattered laundry on the dry, and aswarm with gaunt and skittish beings wandering aimlessly through a squalor that is almost medieval.

What haunts most is the women. They stare out with frightened eyes from behind an undulating sea of sick and undernourished children and when they determine that the stranger is not one of those who comes to harm, they begin to move forward, hesitantly at first, then in a determined surge. They group around urgently and in voices as soft as rustling palms they beg for help in discovering what has happened to their missing loved ones.

"Please help me," says the first to speak up to the stranger, her voice unwavering with the stoicism of one familiar with the ubiquity of tragedy. "They came and took away my husband last week. He is 52 and is called Antonio Morales and he is all I have left in the world. Please ask someone if he is alive or dead. He did nothing."

One by one the women—old, young, middle-aged—take their turns at reciting the names of their missing, sometimes two or three or even four, their ages, and dates of disappearance from La Bermuda. The recitation takes on the monotony of a litany, a rote incantation of pain and fear of those dying in spirit, if not yet in body.

There are tales of murders, too, men dragged off in front of their eyes and killed and women raped, then shot. But it is the disappearances that oddly are more unsettling. None vanished on their own accord; they were all taken by armed and uniformed men who ride into the camp in olive-drab vehicles with the regularity of a harvest moon. At gunpoint the refugees are lined up, then the unfortunate are brusquely yanked out of line, seemingly at random with no explanation ever given, finally to be marched off down the road never to be seen again.

The sweep that carried Antonio Morales away numbered eight in all; the oldest was 59, the youngest, a boy of 14, and with them went a mentally retarded 16-year-old. Another 28 were seized the next month, bringing the total since January to more than 75. The story of the "disappeared" of La Bermuda is one a traveler across El Salvador today stumbles across everywhere, every day. Only the names, dates, ages and locales vary.

According to the conservative count of the U.S. Embassy, which cables a daily "Grimgram" to Washington to update its figures, the number of the dead and missing since the captains' coup is more than 10,000. The Catholic Church, with contacts throughout the country at once broader and more reliable, places the number now at 18,000—8,316 in the first six months of this year alone. For the purpose of comparison, in the United States the same percentage of the total population would be half a million dead or vanished.

The only real difference between the dead and the disappeared lies in the degree of torture such classifications inflict on the liv-

ing. The dead have bodies that can be recovered, cleaned, prayed over. The disappeared are but disembodied names existing as little more than futile hopes in the tormented memories of those from whom they were taken.

The overwhelming number of those killed are not casualties of war, in the classic sense, but victims of political murder: cold, simple, final. In the capital not a day goes by without someone being ambushed at a traffic light, ice cream stand, restaurant or shopping center or gunned down by a passing car at the doorsteps of his own home. But it is at night, after the government begins to enforce its no-nonsense 10 p.m.-to-dawn curfew, that the real slaughter begins. Sometimes the shooting by the death squads, the "escuadrones de la muerte," is so close in the back streets behind the luxury hotels where the few visiting foreigners stay that it sends guests fleeing from the cold comforts of the bar. More often it is further away in the suburbs, discernible as a hollow popping that reminds of firecrackers.

By the first light of day the pulse of the violence is measured, as people go out to pick up their dead. There are days when only a handful of corpses are found scattered in city streets or abandoned on rural roads. Other days there are as many as a dozen bodies in one neighborhood alone, the corpses grotesquely draped across the street with drying rivulets of blood trailing toward the sidewalks.

Whole families have been found slaughtered in pajamas still in their homes, the doors they refused to open battered down. So callous has the killing become that in the eastern city of San Miguel recently residents woke to find that 11 of the city's habitual drunks had all been shot in the head and dumped in a park with two dozen slain stray dogs under a hand-lettered sign that said: "Limpieza de San Miguel"—cleansing of San Miguel.

The standard form of execution is a bullet to the temple or a blast in the chest from semiautomatic G–3 rifles that are the favorite weapon of both the guerrillas and the government forces. But not a day goes by without evidence of many gruesome and sadistic modes of dispatch. Bodies turn up regularly with their heads or limbs severed by machete, the traditional weapon of the land that still is carried by troops in full battle dress. Other cadavers have been found charred by a torturer's blowtorch or with their skin peeled off their faces or with steel spikes driven through their ears. "How can we talk of civilization here," asks a shaken Catholic priest who like most people is afraid to have his name used lest he too become a target. "These are barbaric times we are living."

For an outsider, even one conditioned over a decade to the standard savageries of Asian wars and African rebellions, El Salvador is a nightmare beyond comprehension.

There are no battle lines, no safe sanctuaries, no neutral corners. No one is safe and everyone knows it. Anybody and everybody is a potential victim. One need not even have taken a political stance for or against the ruling junta that the captains have installed to be marked for execution. A malicious rumor from a personal enemy or a suspicion based on nothing more than an individual's family background, education or profession will do.

The lucky are only those with the money, mainly the very rich of the old oligarchy of famous families, who have moved their bank accounts and bodies abroad, either to Miami or Guatemala City. Those who can not afford such luxury have been reduced to turning their comfortable homes into fortresses protected by steel doors and high concrete fences, and patrolled by armed guards. If they can, they drive about in armored Cherokee vans (a status symbol in Salvador to rival Mercedes-Benz), wear bulletproof vests and pack handguns tucked into their waistbands. The rest, the majority of the population, just go on about their lives as best they can, caught up in the numbing fatalism of those who have always been aware that they have no control over their destiny.

The daily newspapers, cautious, conservative and self-censored, try to keep up with the fallen the best they can, giving over their pages to the identification portrait photographs of the victims over brief captions giving their names, means of death and place felled.

The list of victims runs the gamut of society from peasants to socialites, taxi drivers to businessmen. But reading through the names carefully over a period of time, it becomes apparent that it is a special strata of the society that is clearly getting the worst of it: the doers, leaders, managers, educated. It is as if a decision had been made to eliminate the very people on whom the country's future depends.

In the countryside the main victims are those who emerged as community leaders under church-inspired comunidades de base (grassroots communities), activists in the peasants' union or those who have tried to administer new cooperatives created by the first stage of the government's land reform. In the towns it is the school teachers, nurses, church catechists, neighborhood leaders and secondary students who are killed most. In the city it is those feared to be the most likely to have political views: politicians (those that have not fled or gone underground), university professors, lawyers, labor organizers, students, professionals, administrators and managers.

In the country at large the target is the Catholic Church, a pillar of the established order before it turned to a liberation theology that has allied it with the poor. Twelve priests have been gunned down, including Archbishop Oscar Arnulfo Romero (no relation to the ousted dictator), who was assassinated last year while saying mass in the capital. A tearful woman in the western city of Santa Ana put it like this recently, as she described how her 23-year-old engineering student son was shot to death in her arms while she pleaded with the assassins who had invaded her home: "They just don't want this country to have any talent. To think today is to be dangerous."

There are probably as many different groups involved in the bloodletting as there are methods of killing. There are the death squads funded by the rich and reactionary discomfited by the 1979 coup that go by such names as the "white warriors union" and the "anticommunist armed forces of liberation." There are such murderous vestiges of the ancient dictatorships as ORDEN, an uniformed rural militia set up to terrorize peasants into obeisance at the whims of the landowners and the military that supported them. There are also groups of dissident soldiers and police, extreme leftist urban guerrillas, anarchists, four left-wing guerrilla groups in the hills and the armed forces themselves with the three ill-disciplined security forces under their command.

Despite this multiplicity of agents of death, the consensus, supported even by U.S. diplomats backing the ruling junta, is that most of the killings are the work of rightists, either those believing in the pre-coup order or those backing, or even belonging to, the present military-dominated regime. One diplomat estimates the breakdown at 40 to 60 percent in favor of the right; another puts the rightist killings higher still but no one is in any position to prove the case.

U.S. officials embarrassed by these conclusions try to rationalize them by predicting, as is their habit in such cases, a "bloodbath" should the left, backed by the guerrillas of even more extreme views, ever come to power. With no hard evidence to justify such a conclusion, they predict the left would kill 100,000 people if they ever won. In almost the same breath, however, these same diplomats admit that Roberto d'Aubuisson, a former Army major who is the darling of the reactionary right, has openly talked of the need to kill 200,000 to 300,000 people to restore peace to El Salvador.

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To make any sense of El Salvador's current tragedy, one is forced to probe its past. And nothing in its long black history explains events today better than the aborted revolt in 1932, the last serious uprising against the nation's rulers. That event labeled by history books as "La Matanza," the butchery, was the death of 10,000 to 40,000 Salvadorans.

The stage was set in 1931 when the then-minister of war, Gen. Maximiliano Hernandez Martinez, overthrew the nine-month-old government of President Arturo Arrujo, to this day the only person to have ascended to the presidency of El Salvador by a free and democratic election.

Arrujo, the engineer son of a wealthy landlord, was a liberal whose vague notions about bettering social conditions in the country were quickly taken as dangerous heresies by the coffee and sugar plantation oligarchs, and the military who diligently served their interests.

The revolt against Hernandez's coup was the brainchild of Agustin Farabundo Marti, a mestizo of peasant ancestry who was one of El Salvador's first genuine communists. (He discovered Marx while attending, but failing to graduate from, the National University in 1914.) Though Marti's 1932 revolt has often been termed Latin America's first communist uprising, few other communists other than Marti were involved. There were few around. Most of the rebels were angry campesinos or young radicals who were incensed that their hopes of changing El Salvador's plantation feudalism once again had been stifled by the landowners and the military.

The revolt was a disaster. Marti and his two closest collaborators were arrested four days before the Jan. 22 date that had been planned for the uprising. Their followers, mostly from around the small towns of the western provinces of Sonsonate and Ahuachapan, revolted on schedule anyway, even though martial law had already been decreed to dissuade them.

Armed only with machetes and the odd pistol or hunting rifle, the rebels were disorganized and badly led and never had a chance. They took over half a dozen small towns, killed a few dozen local officials or landowners, and marched around the countryside waving their machetes in the air. The military routed them easily, first chasing them out of the towns, then hunting them down in the countryside. For all intents and purposes the revolt, which began Jan. 22, was over by Jan. 25, 1932. In all, counting rebels, police, soldiers and civilians, no more than 100 persons were estimated to have died.

With the passage of time the facts about the rebellion have been intentionally blurred by the military men who have ruled uninterruptedly since Hernandez's coup. As taught to schoolchildren in doctored history books, Marti's revolt was a savage class war where peasants, armed and led by hard-core communists, fell upon sleeping provincial towns and massacred the innocent caught in their beds by the tens of thousands.

The true story of the Matanza is more chilling. As University of Nebraska historian Thomas P. Anderson discovered while doing research for his book, Matanza, the first objective history of the 1932 revolt, the real killing only began after the rebellion had been put down.

"The Matanza began against anyone caught with a machete, or who looked too dark, or Indian, or too campesino," Anderson writes in describing the military actions that followed the revolt's failure. "Tied by their thumbs in groups of 50, they were led to walls where they were executed by machine guns mounted on trucks." By the thousands they were slaughtered and buried in huge pits throughout western El Salvador. Marti and his two colleagues were given a summary court-martial and hanged. Estimating that 10,000 died in the repression (others count the victims as many as 40,000), Anderson notes that his figure means the government "exacted reprisals at the rate of 100 to one."

In San Salvador today the Army leaders, who remain the dominant force behind the junta, angrily reject any suggestion that such repressive military traditions of their past might account for the ferocity of the killings going on today. As the doctored histories of the Matanza blamed all the 1932 deaths on the rebels, today's military men seek to blame the recent wave of killings and disappearances on the "subversivos," their term for the rebels who—as in times past—are depicted all as communists armed and directed through the international communist movement.

That there are communists involved in today's rebellion is beyond doubt, just as Marti's allegiances were not hidden in 1932. But the communist party of El Salvador is only on of four leftist groups fighting in the countryside and at least two of those have very little time for Havana or Moscow. Supporting or sympathetic to this armed struggle are many who are actually anti-communists—social democrats, liberals, Catholics. To tar the whole opposition movement against the government with the brush of communism, as the State Department clumsily attempted with its error-filled white paper, is to miss the point of the real issues in El Salvador.

Today's military leaders in San Salvador, however, persist in identifying their critics as communists. In the convoluted official logic of autocracies, the killings and disappearances are offered as evidence that the junta is winning the hearts and minds of the populace.

"The guerrillas have failed militarily," boasts Col. José Guillermo Garcia, the defense minister and current military strongman. "When the subversivos failed to trigger a popular rising in January they were reduced to terrorism against the people who did not join them. Because of that the people are now against them."

The boast ignores the evidence that the guerrillas have mastered the elusive art of hitting and running and that the government's forces suffer the greater numbers of casualties when they encounter the guerrillas in the bush. The notion that the people have turned against the rebels is not the view of things that an inquisitive outsider comes away with after a month of wandering around the countryside, visiting places that policymakers never visit and talking to the simple people to whom they rarely talk. In a code that in this land of death and retribution quickly states the unstatable, those the government calls subversivos are usually referred to sympathetically as los muchachos, the boys. After a while, one concludes that fear more than lack of sympathy prevented a popular uprising.

Rural peasants, country villagers and refugees admit that los muchachos occasionally come to population centers to demand food and supplies, to recruit new members when they can, or to execute those believed to be orejas (ears)—government informers, collaborators or ORDEN or the local representatives of the junta. But for every tale of guerrilla excess a visitor hears, he is told 10 of more methodical and random repression by members of Col. Garcia's own security forces.

At La Bermuda, for instance, the women with their tales of grief insist that the raiders of their camp are not any of the muchachos who operate from bases on the Guazapa volcano.

Those who have come to kidnap and kill and rape all ride in military vehicles, they say. Though some wear motley civilian clothes, most are dressed in the unmistakable black helmets and olive-drab fatigues of the Guardia Nacional, one of the Defense Ministery's paramilitary security forces created at the turn of the century to impose the government's writ on the countryside, where 60 percent of the populace lives. The same noncommissioned officer from La Guardia, the women say, always has led the raids on their camp.

Official disclaimers of responsibility for the national terror have suffered of late. In April, 30 bodies, some of children, most in pajamas, were found one dawn in the streets of a suburb of the capital named Soyapango. Neighbors who in the past would have kept their mouths shut, were so outraged that they contradicted the official explanation that the killings resulted from an after curfew clash between security forces and guerrillas. The witnesses said that the dead had all been hauled out of their homes in the middle of the night and shot by uniformed members of the Finance Police, another security force, which is commanded by Col. Francisco Moran. One western diplomat contemptuously labels Moran the "Darth Vader" of the armed forces.

In May, after six months of junta foot-dragging and bitter internal debates within the military, U.S. pressure—and an FBI analysis of the evidence—forced the reluctant junta to arrest six members of the Guardia Nacional on "suspicion" of involvement in the killing of four U.S. missionaries—three nuns and a lay woman—last December after the group was stopped at a roadblock. The military's grudging admission that its forces are not, after all, blameless was speedily followed by an insistence that such cases are exceptions, not the rule.

"This has nothing to with the armed forces," Col. Garcia claimed at a press conference in which he announced the guardia arrests while flanked for support by his fellow brass. "If they did what they are accused of doing, they did not do so under orders. Hence they [the killings] are individual acts that the armed forces cannot be held responsible for."

The military's many critics in the land are not prepared to buy this view. "What you foreigners do not seem to understand is that the real issue in El Salvador is the armed forces and the power they still wield in this country," says a lawyer, a social democrat, over dinner in his home in the capital. Other guests, a university professor and an agronomist, nod in agreement, "The issue here is not ideology, or even the poverty and misery of most of our people. What has fueled the leftist movement, the guerrillas, is simple outrage at the injustice and repressiveness of the military that is ruling us today just as it ruled us in the past. What you have here is what we've always had: a war of the military against its people."

The real failure of the expectations that flowered with the 1979 coup, its opponents argue, is that the military refused to relinquish any of the prerogatives of power and control that had long been its monopoly. The officers moved against Gen. Romero not because they opposed military rule but because his style had become an embarrassment at a time the popular Sandinista revolt in Nicaragua to the South had just swept out the dictatorship of Anastasio Somoza. The colonels who rule today were appalled at how quickly Somoza's National Guard was disbanded and persecuted after his fall and were eager to appear to move with the times to avoid a like fate in El Salvador.

The colonels argue that the changes they have tried to introduce have not been merely cosmetic. They point out that they were prepared to share power by bringing three eminent civilians to join their two representatives on the junta, Cols. Jaime Abdul Gutiérrez and Adolfo Arnoldo Majano. Didn't they also agree to a sweeping land reform program which if ever fully implemented would finally alter the plantation feudalism that lies at the root of so many of the country's ills? Didn't they sack all military generals and many, though hardly all, of the most neolithic of their fellow officers? Hadn't they agreed that national elections will be held in 1982?

True. But all the eminent civilians brought into the junta quit within months to run to exile in Mexico after denouncing the military for refusing to share actual power and failing to halt the repression. Col. Garcia, a man who might have been dictator back in 1975 had he not been outmaneuvered at the time by Gen. Romero, has refused all requests that he quit and instead has emerged as the real strongman of the government. President José Napoleon Duarte, a Christian Democrat with previously impeccable credentials, was eventually brought into the junta to replace the civilians who quit, but though he was named president, he has proven increasingly powerless.

And Col. Majano, one of the few certifiable liberals in the military hierarchy, was forced out of the junta six months ago and now lives in the United States. In El Salvador, there is a warrant out for his arrest.

President Duarte remains the junta's most eloquent salesman. A former mayor of San Salvador and politician who built his career on opposing the military regimes of the past, he stunned the armed forces in 1972 by beating their own hand-picked choice in a presidential election whose displeasing results the armed forces quickly abrogated. His expressionless, immobile visage testifies to the ministrations of military torturers, who broke most of the bones in his face in a concerted effort to convince him of the evil of his political ways before sending him off to seven years of exile in Venezuela.

Few doubt that Duarte is sincere and honorable. He and his moderate Christian Democratic party, at most a collection of several thousand centrist politicians, are the only civilians of any stature still prepared to work with the military. Duarte's role has become more ceremonial than executive under the colonels and his efforts to push reforms, including the land reform, have stalled.

His association with the military has eroded his past support and credibility in the country and his own party is split over the benefits of continued links with the military at a time when all other political groups have rallied to the leftist antigovernment coalition led from Mexico by Guillermo Ungo, a social democrat and one of the three civilians in the original junta.

Duarte's enemies accuse him of clinging to the presidency because of his long-frustrated ambition to hold the job. The more charitable say he continues hopeful that his presence will put at least some brake on the military. The military leaders seem happy to keep him as windowdressing to impress Washington, on which they realize their ultimate survival depends.

In recent days U.S. officials for the first time have begun to mutter about the possibility of seeking some negotiated settlement to the Salvadoran crisis, but the armed forces remain adamant that the solution is a military elimination of the guerrilla forces. "The problem is they know any negotiation means compromise," says Salvador Samayoa, a former philosophy professor and minister

of education under the junta's first government. Today he is one of the Mexico-based strategists for the umbrella group representing the dozen-odd political, professional and labor organizations that are seeking politically and diplomatically to undermine the junta. "Even a minimum compromise would affect military power directly and that is something they will not allow. Military power is the issue."

With negotiations ruled out by the military, Duarte has put all his political efforts into convincing his skeptical citizens and the world that the only way to resolve the tragedy of their nation is by having free elections in 1982, a strategy initially recommended by the United States. Such a proposal is hard to argue with in principle, but one has only to look at Duarte's wounded face to understand why to Salvadorans such promises of free—and binding and unreversible—elections have a hollow ring. The only free election in the country's history was Arrujo's in 1931 and that led to the military coup that produced the Matanza a year later and left a legacy of 50 uninterrupted years of military rule.

For the moment it is difficult to see a future for El Salvador much different than its present. The political situation is clearly blocked by refusals of any negotiations by the military. The land reform is barely in motion. The economy, even without the serious disruptions of violence is collapsing with the collapse of the world coffee and sugar prices on which it depends. Despite the infusion of $35 million dollars of military aid this year for helicopters, weapons, and the U.S. advisers to teach their use, the war in the hills is stalemated, with the guerrillas proving increasingly able to punish El Salvador's 18,000-man armed forces. That point alone bodes ill for those attracted to the seeming simplicity of military solutions.

By now it should have begun to become clear to the policymakers of the Reagan administration that bombast and hyped white papers attacking Nicaragua, Cuba and the Soviet Union are no real alternatives to a serious policy to deal with a crisis that would exist anyway whether or not those countries existed and regardless of what aid they really give the rebels.

Until such a policy can be formulated, and El Salvador's colonels can be induced to accept it even at the diminishment of their political monopoly on power, it seems difficult to see how the present Matanza, which has probably already exceeded the horrendous carnage of 1932, can realistically be brought to an end.

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EXHIBIT 2

Provision relating to military aid to El Salvador as contained in the proposed International Security and Development Cooperation Act of 1981 (S. 1196), reported from the Committee on Foreign Relations May 15, 1981.

EL SALVADOR

SEC. 707. (a) Funds may be obligated for assistance for El Salvador under chapter 2 or 5 of part II of the Foreign Assistance Act of 1961, letters of offers may be issued and credits and guaranties may be extended for El Salvador under the Arms Export Control Act, and members of the Armed Forces may be assigned or detailed to El Salvador to carry out functions under the Foreign Assistance Act of 1961 or the Army Export Control Act, only if prior to each such obligation, issuance, extension, or assignment, the President makes a certification in accordance with subsection (c) and that certification takes effect.

(b) Thirty days after the date of enactment of this section and at the end of each succeeding six-month period thereafter, the President shall make a certification in accordance with subsection (c) if he is able to make the determinations required by paragraphs (1) through (5) of that subsection. If at any of the times specified in the preceding sentence of this subsection the President does not make such a certification, then the President shall immediately—

(1) suspend all expenditures of funds and other deliveries of assistance for El Salvador which were obligated under chapters 2 and 5 of part II of the Foreign Assistance Act of 1961 after the date of enactment of this Act;

(2) withhold all approvals for use of credits and guarantees for El Salvador which were extended under the Arms Export Control Act after the date of enactment of this Act;

(3) suspend all deliveries of defense articles, defense services, and design and construction services to El Salvador which were sold under the Arms Export Control Act after the date of enactment of this Act; and

(4) order the prompt withdrawal from El Salvador of all members of the Armed Forces performing defense services, conducting international military education and training activities, or performing management functions under section 515 of the Foreign Assistance Act of 1961.

Any suspension of assistance pursuant to paragraphs (1) through (4) of this subsection shall remain in effect until such time as the President makes a certification in accordance with subsection (c) and that certification takes effect.

(c) The certification required by subsections (a) and (b) is a certification by the President to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate of a determination that the Government of El Salvador—

(1) is making a concerted effort and significant progress in controlling indiscriminate and gross violations of internationally recognized human rights;

(2) is moving to achieve control over all elements of its own armed forces, so as to bring to an end the indiscriminate torture and murder of Salvadoran citizens by these forces;

(3) is making continued progress in implementing essential economic and political reforms, including the land reform program;

(4) is committed to the holding of free elections at an early date; and

(5) has demonstrated its willingness to negotiate an equitable political resolution of the conflict with any group which renounces and refrains from further military or paramilitary opposition activity.

Each such certification shall discuss fully and completely the justification for making each of the determinations required by paragraphs (1) through (5).

(d) The President may not make the first certification under subsection (a) of this section until after he has certified to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate that he has determined that the Government of El Salvador has made good faith efforts both to investigate the murders of the six United States citizens in El Salvador in December 1980 and January 1981 and to bring to justice those responsible for those murders.

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REPORT NO. 97-83

Excerpt from Report (No. 97-83) on the proposed International Security and Development Cooperation Act of 1981 by the Committee on Foreign Relations.

SECTION 707—EL SALVADOR

Section 707 was introduced by Senator Dodd. It requires as a condition for U.S. assistance to El Salvador that the President certify that the Government of El Salavador is meeting five specific tests relating to human rights, control over the armed forces, economic and political reforms, free elections and a negotiated solution to the present conflict.

Subsection 707(a) requires a Presidential certification for El Salvador prior to each (1) obligation of MAP or IMET funds; (2) issuance of letters of offer for an arms sale; (3) extension of FMS financing; or (4) assignment of U.S. Armed Forces personnel to El Salvador.

Subsection 707(b) requires similar certifications each six months. If the President is unable to make such a certification, due to the failure of the Government of El Salvador to pursue those objectives in accordance with these standards, then the President is to take various actions to suspend aid and remove military personnel. Those actions include: (1) suspension of all assistance funds and deliveries under chapters 2 and 5 of Part II of the Foreign Assistance Act; (2) withholding all FMS credits approvals for new uses of previously extended and guaranties; (3) suspending all deliveries of defense articles, defense services and construction services; and (4) prompt withdrawal from El Salvador of all U.S. Armed Forces personnel providing services under the Foreign Assistance Act and the Arms Export Control Act.

Subsection 707(c) sets forth the conditions required by the certification to be made in subsections (a) and (b). The five conditions are that the Government of El Salvador:

(1) is making a concerted effort and significant progress in controlling indiscriminate and gross violations of internationally recognized human rights;

(2) is moving to achieve control over all elements of its own armed forces, so as to bring to an end the indiscriminate torture and murder of Salvadoran citizens by these forces;

(3) is making continued progress in implementing essential economic and political reforms, including the land reform program;

(4) is committed tao the holding of free elections at an early date; and

(5) has demonstrated its willingness to negotiate an equitable political resolution of the conflict with any group which renounces and refrains from further military or paramilitary opposition activity.

Each criterion is to be discussed fully and completely as part of the certifications. In considering these five conditions, the Committee adopted suggestions by the Chairman to make changes in items (1) and (3). These changes brought the conditions more closely into line with reasonable expectations given the current situation in El Salvador.

Subsection 707(d) requires a one-time certification that the Government of El Salvador has made good faith efforts both (1) to investigate the murders of the six United States citizens in El Salvador; and (2) to bring to justice those responsible for those murders.

In adopting section 707, it is not the intent of the Committee to preclude the continuation of assistance to El Salvador in the event that one or more of the standards set in subsection (c) was not met due to actions by other parties or events outside the control of the Government of El Salvador.

This section represents the Committee's bipartisan view concerning El Salvador. The Committee believes that the amendment would strengthen President Duarte's ability to undertake the basic reforms necessary to bring peace to his nation.

The provisions of the amendment also closely parallels the Administration's stated objectives in El Salvador. With respect to economic and political reforms, a recent letter to the Chairman by Under Secretary of State James Buckley (see below) reemphasizes the Administration's support for Duarte's social and economic reforms.

UNDER SECRETARY OF STATE
FOR SECURITY ASSISTANCE,
SCIENCE AND TECHNOLOGY,
*Washington, D.C., May 13, 1981.*

Hon. CHARLES H. PERCY,
*Chairman, Science Foreign Relations Committee, Dirksen Senate Office Building, Washington, D.C.*

DEAR MR. CHAIRMAN: As your Committee continues its deliberations over the foreign assistance authorization bill for fiscal 1982, I thought it appropriate to take the opportunity to restate the Administration's strong support for the Duarte Administration's efforts to achieve social and economic reforms. The success of those efforts represent a necessary component of our national security posture in Central America.

In March, 1980, the moderate government of President Duarte initiated a large-scale land reform program which will ultimately provide land to some 300,000 rural families. The Administration believes that it was in good measure the successful initial implementation of this program which thwarted the efforts of revolutionary groups to seize control of the government earlier this year. It is our view that the continued success of the Duarte program is necessary if that government is to retain popular support in its efforts to resist renewed leftist threats to its political and economic life. I strongly believe it to be in the best interest of the United States to continue our support for this program.

I hope you find these remarks useful as you proceed through mark-up of the foreign assistance bill.

Sincerely,

JAMES L. BUCKLEY.

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SECTION 707 (EL SALVADOR)

Mr. KENNEDY. Mr. President, I welcome the steps the Committee on Foreign Relations has taken to press the administration toward a new policy in El Salvador. The committee has moved to condition further military assistance to El Salvador on Presidential certification that the Government of El Salvador is meeting five specific tests relating to human rights, control over the armed forces, economic and political reforms, free elections, and a negotiated solution to the present conflict, as well as pursuing the investigations into the murders of six Americans in El Salvador.

Since 1977, I have spoken and worked against U.S. assistance which could be used to increase repression or to escalate violence in El Salvador.

Last March, my friend and colleague, Senator PAUL TSONGAS, joined with me in legislation (S. 728) which would go much further than section 707 of the International Security and Development Cooperation Act of 1981 (S. 1196), by suspending all U.S. military assistance and support unless important conditions are met. Only after both the Senate and the House were satisfied that the conditions had been fulfilled could military assistance and support be resumed.

Senators BURDICK, LEAHY, LEVIN, and WILLIAMS have joined us as cosponsors of this legislation, which is supported by a wide spectrum of religious leaders in the United States.

Senator TSONGAS and I have worked with the committee and the sponsors of section 707 to insure that it reflects as many elements as possible of our own bill. Despite the opposition of the administration, notable progress has been achieved in the committee.

However, we continue to believe that the United States should end its military aid and support, and should pursue instead a mediated and negotiated political solution. We are prepared to bring our bill to a Senate vote if section 707 does not have its desired effect and administration policy remains unaltered. That policy aids and abets continued repression and violence in El Salvador, and it should be ended.

Mr. President, the provisions of section 707 constitute the minimum set of conditions for U.S. support to the Government of El Salvador. But it is sadly evident that these conditions—particularly with regard to violence and human rights abuses—are not being met today by that Government. Unless there is prompt and very substantial improvement in the situation, military assistance should therefore no longer be supplied to that Government.

It is important to bear in mind what we are talking about when we say that violence and human rights abuses are occurring in El Salvador. In El Salvador, violence and human rights abuses do not mean isolated cases of brutality by a new recruit in a remote district of the country.

Violence and human rights abuses mean deliberate, planned abductions by members of the security forces and right-wing death squads of teachers, labor representatives, leaders of respectable, middle-of-the-road political parties, priests, sisters, doctors, lawyers, and peasants. It means subjecting them to the worst tortures before casting their mutilated bodies on the street to perpetuate an atmosphere of fear. And none of these people are combatants or can be called guerrillas. They are not in any way legitimate targets of force.

Violence and human rights abuses mean the unsolved murder, in cold blood, of an archbishop of the Catholic Church. They mean the unsolved murders, in cold blood, of American women. They mean the unsolved murders, in cold blood, of American labor representatives.

They mean a pattern of gross and continued abuse of a defenseless population. In short, they mean a government incapable, by all intents unwilling, to control itself or other perpetrators of enormous and outrageous injustices against the people of El Salvador.

During 1980, some 12,000 persons were killed in El Salvador, which, in terms of the size of the population of the United States, would have meant the deaths of 500,000 Americans.

Already during 1981, more than 9,000 persons have been slain, so that, since the escalation in American military aid, the rate of killing has increased, not decreased. Thousands more persons have been wounded. And the United Nations High Commission for Refugees now estimates that at least 600,000 Salvadorans, or fully 12 percent of the population of El Salvador, have been displaced. This includes 100,000 refugees in Mexico, 60,000 in Guatemala, 45,000 in Honduras, 10,000 each in Costa Rica and Nicaragua, 15,000 in Panama, and 5,000 in Belize. The vast majority is made up of women, children, and older people.

The International Commission of Jurists, in their June 1981 review of human rights in El Salvador, amply document these abuses and violations. As one of their members summarized the Salvadoran situation before the United Nations Commission on Human Rights:

> There has been a spectacular increase in the violations of human rights, and this small country is plunged in a bloodbath.

I ask that a section of the ICJ review entitled, "Status of Other Human Rights," be entered in the RECORD at the conclusion of my remarks.

No one can any longer talk about the government with its military high command and its security forces standing somehow in the center between violent extremes of left and right. It is the people who are in the center. The opposition to the government includes those who have committed themselves to violence, many certainly because of their adherence to extremist philosophies, but most because opportunities for democratic change have been denied to them.

But included among those in power are those who have committed themselves to violence to maintain a grossly unequal social system— and among that group on the right are the government's security forces.

Only a few weeks ago, the Apostolic administrator of San Salvador, Bishop Arturo Rivera Y Damas, who wrote me in April to plead for an end to outside military intervention in his country, and who has no identification at all with any armed insurgency, publicly accused the government security forces of being responsible for a vast amount of killing of innocent people in that country and for harrassment of the Catholic church.

The bishop has pleaded for negotiations to end the suffering of the Salvadoran people. I request that my exchange of letters with Bishop Rivera Y Damas be placed in the RECORD at the conclusion of my remarks.

Within these same few weeks, we have seen numerous reports in the press and by respected nongovernmental organizations, including Amnesty International, which have stated, for example:

That on July 17, 13 teachers were abducted by the security forces and have disappeared;

That on July 4, Edgar Vallejo, a well-known writer, aged 23, not known to be involved in politics, and father of an 18-month-old child, was abducted in San Salvador by masked men in plainclothes and driven away in a Jeep without number plates;

That on July 6, two women were abducted by plainclothes officials of the national police and held incommunicado;

That on July 7, 28 peasants were murdered, their bodies mutilated and buried under a bridge by security forces;

That on July 30, at least 19 persons were taken away from their homes by soldiers and slain after a roadside quarrel, murders publicly condemned by Bishop Rivera Y Damas;

That, and I quote from a report by Amnesty International:

> The majority of reported human rights violations in El Salvador including torture,

"disappearances" and deliberate cold-blooded killings, have been carried out by the security forces and have been directed against people not involved in guerrilla activities.

Testimonies received by Amnesty International implicate all branches of the Salvadoran security forces, whether nominally military, military police or paramilitary, in violations which have occurred on such a scale that they constitute a gross and consistent pattern of human rights abuses. Amnesty International has documented case after case of abduction, murder, and torture by troops and police of nonviolent opponents, human rights workers, priests, teachers, students, journalists, medical workers, and others.

At the end of August, two countries close to the United States in friendship and alliance—Mexico and France—declared that the Frente Farabundo Marti Para La Liberacion Nacional and the Frente Democratico Revolutionario are a representative political force in El Salvador, which should be able to participate in seeking a negotiated political solution to the crisis.

This is an important development, and an opportunity to break the stalemate in El Salvador and end the violence.

In September, the United Nations Subcommission on Prevention of Discrimination and Protection of Minorities, of the Commission on Human Rights, adopted their own resolution on El Salvador, emphasizing concern over human rights abuses. I ask that the important and timely resolution of the UNCHR subcommission be inserted into the RECORD at the conclusion of my remarks.

Mr. President, it is abundantly clear that the present policy of the United States toward El Salvador is failing and is even making matters there worse. I say this in full recognition of the recent statement by Assistant Secretary of State Thomas Enders, which offers the well-intentioned but mistaken thesis that the present course of U.S. policy should not be changed if El Salvador is to overcome its problems.

I believe that the present course of U.S. policy can and should be changed, and section 707, as I have stated, provides the minimum set of conditions designed to produce such a change. It is most unfortunate that even this minimum set of conditions is not being fulfilled.

To see that this is, sadly, the case, let us examine these conditions one by one.

Section 707 requires, before military aid can continue, that the administration must certify that El Salvador has made good-faith efforts both to investigate the murders of the six American citizens killed in El Salvador last December and January, and to bring to justice those responsible.

Despite an occasional report in the press that progress has been made in these investigations, it is painfully obvious that little is happening. Those arrested in the murders of the missionaries are not known—their names and addresses have not been officially revealed.

In fact, disturbing reports have appeared recently that suggest that there is evidence connecting individuals in official places above the level of soldiers manning roadblocks, with these savage murders; and if this evidence is being acted upon, neither the administration nor the government of El Salvador has seen fit to tell us about it.

I call on the administration to apply all its available influence now to see that these outrageous murders are fully investigated and justice is brought to bear.

Second, section 707 requires certification that the Salvadoran Government is making a concerted and significant effort to control gross violations of internationally recognized human rights; and is moving to achieve control over each and every part its armed forces, in order to stop the indiscriminate torture and murder of Salvadorans.

Mr. President, I think it is completely obvious that the Government of El Salvador, whatever efforts it might be making, is failing dismally to make significant progress in controlling indiscriminate and gross violations of internationally recognized human rights. The statements of Amnesty International are ample testimony to this fact. Again, the minimum conditions of section 707 are not being satisfied.

Section 707 imposes the further condition that the Salvadoran Government must make continued progress in implementing essential economic and political reforms—reforms essential to a strong and continued civilian component in the government. The administration's increased military support is having the effect forecast months ago by Ambassador Robert White: The conversion of the Junta into a right-wing dictatorship, controlled by the military in the service of the most unrepresentative elements in Salvadoran society.

Again, there must be strong United States and international pressure for control of the military by the civilians in the Salvadoran Government, for meaningful land reform to give the dispossessed and wretchedly poor in El Salvador some small chance for an improved lot—and to make it possible to bridge the chasm between rich and poor in that society.

And finally, section 707 requires that the Salvadoran Government must demonstrate its willingness to negotiate an equitable political resolution of the civil strife there with any group that renounces and refrains from further military or paramilitary opposition activity.

I regret to say that not only is the administration not actively encouraging international efforts to reach a negotiated, mediated solution to the Salvadoran violence with an in place truce and no foreign military intervention—efforts being undertaken by Mexico, Venezuela. the Socialist International, by the Salvadoran Catholic Church, by the Organization of American States, and by other friends and allies of the United States, But it appears to be discouraging such efforts. The chilly response by the administration to the August 28 Franco-Mexican declaration is an unfortunate example of this policy.

Nor has the Salvadoran Government indicated a willingness to negotiate such a resolution of the conflict. The Congress should judge the administration's future request for assistance to El Salvador by evidence of a change in this mistaken and misguided policy.

And I repeat the call made by Bishop Rivera y Damas, that a dialog between the contesting parties should be initiated.

Section 707 requires that the Salvadoran Government be committed to the holding of free elections at an early date. The administration has placed considerable emphasis on the declarations of the Salvadoran Government to hold elections, and has recently stated that discussions or negotiations on electoral issues among opposing parties could play a role leading up to elections.

I agree that elections are essential when they can indeed be free elections providing genuine choices for the Salvadoran people.

But I also believe that present conditions are such that a mediated, negotiated solution to the basic conflict, and an internationally monitored cease fire are required so that competing parties can campaign in freedom from fear of abduction and murder, which has been the fate of opposition politicians during the past months.

Recognizing this situation, the Salvadoran Bar Association has concluded that condtions are impossible for holding elections, and has therefore decided to decline to participate in the work of the election commission which has been set up to prepare for elections in the spring of 1982.

With regard to the conditions for negotiation and for elections, section 707 requires that some consistent and coherent attempt be made to establish a future in El Salvador with political agreement and ballots, instead of military power and bullets.

The people must know that the security forces of the Junta are not determining who can campaign, who can vote, who can speak, who can hold rallies, and who will count the votes. Only a process that permits full participation by the Junta and the opposition in establishing the electoral rules and framework in which such an election will occur. And that process requires an outside mechanism of mediation to permit the parties "to negotiate an equitable political resolution of the conflict."

An election without that element, as the experience with the abortive internal settlement in Zimbabwe shows, will yield nothing.

It will not halt the fighting and the killing and it will not produce any new possibility to end the distintegration of the fabric of society in El Salvador.

I fear, Mr. President, that the administration may close its eyes to the realities of the situation in El Salvador and may attempt to certify that the conditions imposed by section 707 are being met. If that becomes the case, and the situation in El Salvador continues as it is now, then full and open hearings should be held on any such certification. The administration should know that it is not form that counts, but that the substance of U.S. policy is at issue.

and that it will have to make a considerably better case than that contained in Assistant Secretary Enders' recent remarks for the certification to be accepted by the Congress.

As I have noted, Mr. President, the legislation which Senator TSONGAS and I have sponsored (S. 728) goes considerably further than the provisions of section 707. Our legislation requires a suspension of all military assistance and support to El Salvador until the United States actively encourages—and El Salvador cooperates in—international efforts to reach a fair and peaceful mediated solution to the conflict, to obtain an in-place truce between the parties involved, to seek a conference of these parties, and to oppose the introduction of any arms or military personnel from any foreign source into El Salvador.

Military assistance and support would be suspended until the United States vigorously investigates reports of, and prosecutes any individual in the United States found to be responsible for, the financing of assassination squads or other terrorist activities in El Salvador.

Our bill would also require that the Government of El Salvador carry out a thorough and complete investigation of the murders of the six American citizens, and take definitive steps to bring to justice those responsible for such murders, before military aid could be provided. The Salvadoran Government would also have to investigate and seek the prosecution of individuals—inside or outside the security forces—responsible for acts of murder and terrorism.

Salvadoran citizens would have to continue to have a substantial role in the decisionmaking and leadership of their government, and specific written requests by El Salvador for any future aid would be required.

I believe that reliance on a military solution to the tragedy of El Salvador continues to be a grave error on the part of the administration. The administration should read in section 707 a clear warning to reconsider its policy and to pursue the avenues for peace urged by many of my colleagues, by our friends and allies, by American religious leaders, and by the church in El Salvador.

I believe that the administration should resolve to get at the bottom of the murders of American citizens in El Salvador, and I believe that the administration should change its policy toward the great numbers of homeless cast out of El Salvador by the violence there, and to grant Salvadoran refugees the same status that refugees from conflicts in Southeast Asia and elsewhere are granted.

It is clear that American arms and American military personnel have not improved the situation in El Salvador. I am concerned that the American military presence continues to expand in the area, now including reports of green berets in neighboring Honduras.

And no one in the administration has faced the question: What will the United States do if one of these American soldiers is killed in guerrilla fighting in El Salvador? As the violence and murders and suffering continue unabated, the junta gives precious little evidence of responding to the real needs of the people. Only a mediated and negotiated solution to that civil strife, only more representative government, only social and economic justice for all the people of El Salvador will bring to an end the violence and devastation in that tortured land.

I have already mentioned the finding of Amnesty International that the Salvadoran security forces have engaged in a gross and consistent pattern of human rights abuses. In view of the requirements of section 502(b) of the Foreign Assistance Act, I believe that the administration has a prior obligation to stop all security assistance to the Government of El Salvador forthwith, or immediately to provide the Congress with its justification of extraordinary circumstances warranting, in its opinion, the continuation of this assistance.

I believe, furthermore, that the Committee on Foreign Relations, or the Senate as a whole, should request the Secretary of State to provide the statement on observation of human rights in El Salvador as specified in section 502b, paragraph (C).

In conclusion, Mr. President, I wish to point out that the House version of section 707 of the Senate bill contains certain provisions which impose more stringent conditions on the continuation of military assistance to El Salvador.

I hope that, in conference, the conferecs will recognize the considerable sentiment in the Senate to move beyond the conditions as expressed in section 707, and accede to the House version.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Letter from Apostolic Administrator of San Salvador]

ARZOBISPADO, EL SALVADOR, C.A.,
*April 10, 1981.*

HON. EDWARD M. KENNEDY,
*U.S. Senator,*
*Boston, Mass.*

DEAR SENATOR KENNEDY: Your warm greetings to me on the occasion of my visit to Harvard were most gratefully received. I am likewise pleased at your sentiments of support for the purpose of my visit which is to make contribution as best I can toward a solution of the problems afflicting my country.

May I be so presumptious to ask that you use your position in the Congress of the United States to see that military aid to my country will cease and that support is given to a process of dialogue that will bring about a just and peaceful solution to the present conflict and violence.

I am especially heartened by your pledge of assistance to do what you can to further a political solution, end military intervention and to see that the conflict of our country be resolved in a political way rather than military.

In order to achieve that it is needed that the military sectors of El Salvador receive the necessary pressures so they might open themselves to dialogue and negotiations.

Sincerely yours in Christ,
ARTURO RIVERA Y DAMAS,
*Apostolic Administrator,*
*Archdiocese of San Salvador.*

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U.S. SENATE,
*Washington, D.C., May 5, 1981.*

Most Reverend ARTURO RIVERA Y DAMAS,
*Apostolic Administrator,*
*Archdiocese of San Salvador.*

DEAR BISHOP RIVERA Y DAMAS: Thank you very much for your thoughtful letter of April 10, which I have just received.

I completely agree with you that military aid to El Salvador should cease and that all our efforts should be devoted to dialogue and negotiations leading to a just and peaceful solution to the present tragic conflict. I wish to assure you that I will do all I can to press for this policy in the United States Senate, and I am enclosing a copy of the legislation I have introduced with Senator Paul Tsongas and others to this end.

I very much welcomed your recent visit to the United States. I pray for the success of your efforts to achieve peace, justice and reconciliation in El Salvador, and I hope that you will let me know if there is anything further that I can do to help from the United States.

With my deep respect and best personal wishes,

Sincerely,

EDWARD M. KENNEDY.

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RESOLUTION ON EL SALVADOR ADOPTED BY THE UNITED NATIONS SUB-COMMISSION ON PREVENTION OF DISCRIMINATION AND PROTECTION OF MINORITIES

Question of the violation of human rights and fundamental freedoms, including policies of racial discrimination and segregation and of apartheid, in all countries, with particular reference to colonial and other dependent countries and territories: Report of the Sub-Commission under Commission on Human Rights Resolution 8 (XXIII).

Draft resolution submitted by: Mr. Chowdbury, Mr. Eide, Mr. Foli, Mr. Joinet, Mr. Khalifa, Mr. Martinez Baez, Mr. Masud, Mr. Mubanga-Chipoya, Mr. Mudawi, Mrs. Odio Benito, Mrs. Perdomo de Sousa, Mr. Tosevski, Mr. Whitaker, Mr. Yimer.

The Sub-Commission on Prevention of Discrimination and Protection of Minorities,

Guided by the principles and purposes of the Charter of the United Nations, the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, particularly articles 1 and 25 of the Covenant which relate to the right to self determination, and the provisions of the Geneva Conventions, particularly article 3 which is common to those Conventions,

Emphasizing that suppression of the will of a people or a group, and gross violations of their human rights are incompatible with the right to self-determination,

Recalling the well-respected principle that peoples under suppression of any form, or under domination, have the right to resist such suppression or domination, and should be supported by the international community,

Recalling that in its resolution 35/192 the General Assembly expressed its deep concern at the grave violations of human rights and fundamental freedoms in El Salvador and requested the Commission on Human Rights to examine, at its thirty-seventh session, the situation of human rights in that country,

Taking note of the decision taken by the Commission on Human Rights in its resolution 32 (XXXVII) of 11 March 1981 to designate a special representative with the mandate to investigate the reports about grace violations of human rights in El Salvador and make recommendations as to what steps the Commission could take to help to secure the enjoyment of human rights and fundamental freedoms, including economic, social and cultural rights,

Deeply alarmed by information submitted to the Sub-Commission at the present session from which it appears that the situation of human rights in El Salvador continues to gravely deteriorate,

Convinced that only respect for article 25 of the International Covenant on Civil and Political Rights will assure to the Salvadorean nation, though the participation of all political forces, the full exercise of its fundamental rights in establishing a democratically elected Government,

Convinced also, however, that at the present time the conditions for holding truly democratic elections do not exist in El Salvador,

Agreeing with the call addressed by the Commission to all parties to bring about a peaceful settlement and to seek an end to acts of violence in order to end the loss of lives and the suffering of the people of El Salvador,

Expressing the need for all the Salvadorean political forces to contribute to the initiation of this peaceful settlement and that all efforts to this end should be welcomed,

Recalling meanwhile that the Commission referred, in its resolution 32 (XXXVII) to the rules of international law, particularly to article 3 common to the Geneva Conventions of 12 August 1949 concerning the law of war, which are applicable to armed conflicts not of an international character and which require the parties to the conflict to apply a minimum standard of protection of human rights and of human treatment,

Convinced in this respect of the necessity for urgent humanitarian intercession, in the spirit of the Geneva Conventions and the Protocols thereto, especially by the International Committee of the Red Cross,

1. Recommends to the Commission that it continue to consider the situation of human rights violations in El Salvador as long as the necessary conditions for a just solution are not present;

2. Decides to request the Secretary-General to bring to the attention of the Commission and its Special Representative the information received by the Sub-Commission concerning the grave violations of human rights and fundamental freedoms;

3. Takes note of the co-operation shown the International Committee of the Red Cross, the humanitarian actions of which contribute to lessening the grave suffering of numerous groups of civilian population and hopes that such action spreads to persons who are in conflict on both sides.

4. Requests the Secretary-General to inform the Sub-Commission at its thirty-fourth session of the action of the Special Representative of the Commission and of the deliberations of the Commission on this matter as well as of any consideration which may be given to it by the General Assembly, the Economic and Security Council or the Security Council.

(NOTE.—This resolution was approved 9 September 1981. Twenty-three countries voted in favor and one against (Argentina).)

The PRESIDING OFFICER. The Chair recognizes the Senator from North Carolina.

UP AMENDMENT NO. 414

Mr. HELMS. I thank the Chair.

Mr. President, I send an unprinted perfecting amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 414 as a perfecting amendment to the bill.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 59, line 18, strike out "(a) Funds" and all that follows through page 62, line 18 and insert in lieu thereof the following:

"SEC. 707(a) The Congress finds that peaceful and democratic development in Central America is in the interest of the United States and of the community of American States generally, that the recent civil strife in El Salvador has caused great human sufferings and disruption to the economy of that country, and that substantial external assistance to El Salvador is necessary to help alleviate that suffering and to promote economic recovery within a peaceful and democratic process.

"(b) It is the sense of the Congress that assistance furnished to the Government of El Salvador, both economic and military, should be used to encourage—

"(1) the realization of the United States policy objective of achieving a peaceful and democratic resolution to the strife in El Salvador;

"(2) full observance of internationally recognized human rights in accordance with sections 116 and 502B of the Foreign Assistance Act of 1961;

"(3) full respect for all other fundamental human rights, including the right of freedom of speech and of the press, the right to organize and operate free labor unions, and the right to freedom of religion;

"(4) continued progress in implementing essential economic and political reforms, and support for the private sector;

"(5) a complete and timely investigation of the deaths of all United States citizens killed in El Salvador since October 1979;

"(6) an end to extremist violence and the establishment of a unified command and control of all government security forces in this effort;

"(7) free, fair and open elections at the earliest date, the modalities of which should be negotiated between all groups which renounce and refrain from further military or paramilitary opposition activity in pursuit of an equitable political resolution of the conflict;

"(8) increased professional capability of the Salvadoran Armed Forces in order to establish a peaceful and secure environment in which economic development and reform and the democratic process can be fully implemented, thereby permitting a phased withdrawal of United States military training and advisory personnel at the earliest possible date.

"(c) Within six months after the date of enactment of this section, the President shall report to the Congress concerning the status of his efforts in implementing the U.S. policy objective of a peaceful and democratic resolution to the strife in El Salvador and shall identify any remaining obstacles to achieving that objective."

Mr. HELMS. The perfecting amendment is almost precisely the same as the amendment of the Senator from Indiana.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 415

Mr. PELL. Mr. President, this seems to be a parliamentary day, and I rise again to offer an amendment to the perfecting amendment to section 707 of the bill. The perfecting amendment to the text of the first-degree amendment would have on page 1, line 17, before the word "funds" insert the words "in the fiscal years 1982 and 1983".

I send the rest of the text to the Chair.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Rhode Island (Mr. PELL) proposes an unprinted amendment numbered 415.

The PRESIDING OFFICER. The Chair would advise the Senator from Rhode Island that the amendment is drafted to the language of the bill and it must be directed to the perfecting amendment proposed by the Senator from North Carolina.

Mr. PELL. Mr. President, my understanding, then, is that the amendment is in order.

The PRESIDING OFFICER. The amendment is not in order.

Mr. PELL. In what way is it not in order?

The PRESIDING OFFICER. The amendment is directed toward the language of the bill. In order for the amendment to be in order, it must direct itself to the perfecting amendment filed by the Senator from North Carolina.

Mr. PELL. In that case, would it be in order to ask the Chair if I could modify my amendment to have it dependent upon the language of the Senator from North Carolina? I would move my language be so modified.

The PRESIDING OFFICER. The Senator can modify his amendment at any time until such time as the Senate has taken action on it. But we must have the modification sent to the desk.

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I know there is no time limitation on this, but, for purposes of judging my own time, I yield myself 10 minutes.

## THE BUDGET SITUATION: WHERE WE STAND NOW

Mr. DOMENICI. Mr. President, after several weeks of public discussion and intensive private meetings, the Nation's leaders are faced with a most typical situation: The Federal budget seems likely to produce deficits larger than economically healthy and politically acceptable.

This situation occurs annually. That it occurs again this year should surprise no one. After all, relatively large deficits were projected by President Reagan for the fiscal years 1983 and 1984 when he transmitted his budget message in March. He noted that in order to achieve a balanced 1984 budget, we would have to cut about $30 billion in 1983 and $44 billion in 1984, beyond what we had cut through reconciliation.

In short, total cuts in 1983 would amount to about $77 billion and total cuts needed in 1984 would reach about $100 billion below what current policy as of January of this year would produce.

The Congress has already been through one large budget cutting exercise, an exercise we all knew was only the first step. Wall Street knew months ago what the

facts were. All of us in policy positions knew months ago what we faced. The present projected deficits are no shock and no surprise.

They are entirely part of what the President has already told us. And, more pessimistic economic projections—as speculative as any that either the administration might use or any other group trying to predict events 30 months away—would yield theoretically larger deficits. This, of course, is no surprise, either.

That the President is now under some pressure to reveal his plan for continuation of budget cuts is also no surprise. We need some outline of where further cuts might be proposed so that we could begin planning for the budget process for the rest of this year and next year and even into 1984. And, with a jittery Wall Street so sensitive to interest rate movements, any plan that holds the promise for suppressing future deficits seems especially timely right now.

There is nothing new in all this. What is new is a surprising vague consensus that things are going wrong, that the economy is getting worse—and that there is nothing we can do about it.

I am surprised that Members of Congress are expressing that consensus, if that is what it is, particularly Members of my own party in the Congress.

Did we think we could solve the economic problems of this country in 8 months? Had we not been saying, literally for years, that drastic measures would be needed, that sustained and long-range budget restraint would be needed to bring down the Federal budget deficit and move toward a balanced budget? That is what I had been saying, and what I am still saying, as chairman of this Senate's Budget Committee.

Here is our current situation, as I see it. The Federal Government's accounts can be grossly summarized as follows: Defense spending, entitlement spending, discretionary appropriated accounts other than defense, and revenues. If you want to change the deficits projected, you must take some actions in these areas. And, using these general categories, we find that Federal spending projections between now and 1984 reveal just where our opportunities are for spending restraint and/or deficit reduction.

First, entitlements, all pensions, AFDC, medicaid, and similar programs and interest on the debt, will comprise about 57 percent of the Federal budget by 1984—the single largest category of spending.

Second, defense spending as a percentage of the budget will increase to about 29.4 percent of outlays by 1984.

Third, discretionary appropriated accounts—all other programs under the Federal Government—will make up 20 percent of spending, if none of those $44 billion in additional cuts are made; or will comprise about 16.7 percent of Federal spending in 1984, if we assume that most of that $4 billion will come from this category. Either way, discretionary appropriated accounts will decline as a percentage of the budget.

Our National Government will receive less revenue than before, as we return to our people large quantities of what would otherwise have been taxed away from them, all of which occurs automatically because of the tax package.

I would think that such a clear picture would rapidly yield a consensus for action. After all, without any action, we could confront historically large deficits, perhaps nearing $100 billion by 1984.

Such deficit projections have contributed to high interest rates, the market slowdown, and the general pessimism that has grasped part of the marketplace. We all know that even if interest rates come down, absent any action aimed at the 1983 and 1984 deficits, those rates will surely rise again.

Yet, in recent days, the newspapers have carried the dismal story: We—the Members of Congress—apparently think we can do nothing. Or, at least, we think that doing nothing is preferable to doing anything about the four elements of fiscal policy within our control, or even some of them.

There has been entirely too much political rhetoric. For example, surrounding suggested changes in the way we would like to handle entitlements over the next few years. What this Senator would ask of those who receive Federal pensions is this: Would you refuse to take a 20-percent, instead of a 30-percent, increase over the next 3 years, if it would make the social security system solvent for all time, and remove the fear we have engendered in our elderly people?

Or are you telling us that you are not willing to put off a pay raise for yourselves for 6 months, or a year, while your country works its way out of economic crisis?

I do not believe the question has been put to Federal pensioners in that way. Instead, the people are asked if they want to cut social security, a question aptly designed to create panic among our old people. That causes obvious political problems, problems many of us cannot seem to face.

Others are saying that attempting to cut appropriations by large amounts beyond the cuts we have already imposed is politically impossible. Still others say that any cuts in national defense larger than those recently proposed by the President would endanger our Nation's security and send the wrong signal to both our allies and our adversaries.

And, where revenues are concerned, I see no consensus to raise revenues by delays or deferrals of the recently enacted tax cuts or by elimination of special tax treatment, and I see no move to address the myriad possible user and excise taxes that are on the books.

And, yet, we still turn to the President for action. I must ask: What action can he propose that we will accept?

It seems to me that what we have been saying to the President and the people is that maybe all our problems will go away.

Perhaps we will survive the interest rates we see now and the downturn in the economy that seems to be taking place. Maybe it will work out without our help.

Perhaps we will not have to bite any more bullets. Perhaps problems in social security insolvency will miraculously disappear without our intervention. Perhaps indexed programs will decrease instead of increase. Perhaps events will solve our problems for us.

My experience tells me that none of this will happen and that we are like railroad engineers watching two trains headed for a collision, hesitating as we reach for the switch because we hope someone else will intervene.

My view is that we have to intervene. The President cannot do it alone. Now is the time to act.

Mr. President, the second concurrent budget resolution will soon be before us. My committee will have to face within the next few weeks the problems so many seem unable to face this week. Because the Budget Act orders it, and because it is good policy to do so, we will prepare a second budget resolution.

Many of those solutions that we seem to reject out of hand this week may very well be among those solutions that my committee will recommend to our colleagues.

We will not do so with any great enthusiasm, and not with any illusions that we will prevail if others disagree with our prescriptions. But, we will do so because good public policy and the needs of the Nation dictate that we do so.

We will recommend some changes in the entitlement programs and their increasing cost. I believe that we can run, but we cannot hide from entitlements and other problems I have discussed. They are too large a part of the Federal budget and they are growing too fast.

When the President presents his spending reduction goals tomorrow night, I will do all I can to help him achieve those goals in this Congress, and the next. I believe that that is my job as chairman of the Senate Budget Committee and as a Senator concerned.

I know I can count on the members of the committee, on both sides of the aisle, to carefully and objectively consider the President's proposals, to develop proposals of their own, and to work to give you a second concurrent budget resolution that truly faces and addresses the economic problems facing us today. I do not expect this Senate to panic before the need to exert leadership. We cannot escape but we must proceed.

We must face these problems. We were elected to do this. Good public policy and the needs of the Nation dictate that we do so.

Mr. President, I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Carolina.

Mr. HOLLINGS. I thank the distinguished Chair.

Mr. President, I agree that we should have a second budget resolution. In fact, it should have been adopted by September 15. However, work on it has been

delayed by the administration's recent change in signals.

Let us talk about those changes in signals so we will understand the task that is ahead of us with the second budget resolution, and its relationship to President Reagan's program for economic recovery.

On February 18, the President presented his plan of spending cuts for 1982. At that time, Mr. President, he said it was a complete and full revision of the fiscal year 1982 budget. That fully revised budget was submitted to Congress on March 10.

When we had that program submitted, we heard various rumors about further cuts. Shortly thereafter, Mr. Stockman testified before the Budget Committee that there would need to be further cuts of $30 billion in 1983 and $44 billion in 1984. But he emphasized in his statement that those were cuts to be proposed in future years.

The truth of the matter is, as the distinguished chairman of the Budget Committee knows, there was a tentative list of further cuts that had been worked out at OMB which got characterized as a doomsday list.

I was told at one time that a similar list was presented to our distinguished chairman by Mr. Stockman. Upon hearing the list of added cuts, Mr. Stockman was told to close the black notebook and leave. His list of further cuts would only make the job of passing 1982 budget more difficult.

The Director of the Office of Management and Budget said he would refine those cuts later this year and submit them next year.

That brings us to tomorrow night and the remarks of the distinguished chairman of our Budget Committee. There is no nationwide effort to change the Reagan program except by President Reagan himself. Tomorrow night he will ask to change his own program and he will ask for further spending cuts now that he told us would come in the future.

This Senator, as everyone knows, thought that we ought to make the budget reductions specific and not rely on unspecified cuts in the future because the market would not react to future-year promises.

It is ironic that an administration that complained of gyrating fiscal policy has now changed its own budget. It is the distinguished President himself who is changing the Reagan economic plan by cutting defense. He came to Washington pledging to increase defense. We knew of those increases. Now he says we need cuts.

So, the administration is making two major changes to its plan. These changes are not being made by panicky Senators or others. They are being made tomorrow evening by the President himself.

Mr. President, let me get right to the core of the problem. Then I shall be glad to yield, because other Senators want to talk. Suppose President DOMENICI came to me and said, "Now, Hollings, I want you to write me a talk on spending cuts; I have to go on national TV tomorrow. We have to outline our plan and you have to make the talk realistic, plausible, appealing—you know, I am a great communicator, and you have to write me a very persuasive talk on how to cut spending."

I would say, "Mr. President, you have certain things that you are not going to be able to cut through the Appropriations Committee. You have $48 billion in the medicare account. You have some $20 billion for unemployment compensation. That is almost $70 billion. You have $20 billion, President DOMENICI, in retirement pensions for Senators and civil service workers. Then you have $15 billion for the veterans."

Instead of decreasing that, they increased it yesterday afternoon in the House.

So I would say, "Mr. President, you cannot touch that $100 billion. You cannot touch $116 billion in interest payments. That is over $200 billion. You cannot touch the $200 billion in defense; you have already cut that enough. And you have the social safety net, so you cannot cut social security. So that is $560 billion out of a $720 billion budget."

So I would say, "President DOMENICI, you should not talk about a 10-percent cut across the board. That is not an appealing, persuasive, great communicator speech. Don't make the talk."

That is what I would have to counsel him: "Don't talk about large across-the-board slashes in spending because this thing is too serious. Such statements lack credibility.

"The high interest rates are causing problems for Republicans, Democrats, small business, farmers, everybody. To restore the confidence of the financial markets in your plan, you have to go back, President DOMENICI, to your revenue picture. The tax cut was where you really made your mistake.

"You went farther than you ever expected to go."

I am confident that 3 years ago the distinguished Senator from Delaware never expected Kemp-Roth to pass. They expected the Democrats to have Congress. They expected the Democrats to have the White House and it was going to be the Democrats' deficit. That did not bother them, because that was their plan for cutting back the size of Government. But now they are in and playing the game for keeps. And we have the high interest rates to prove it. I would plead with the President to give his existing cuts time to work. It is not even October 1. That is what they are telling us on taxes.

The President must go to the revenue side of the budget. There are those who think that would be unseemly. I went to one little conference this morning. They said, "Senator, don't you think it is a little unseemly to ask the President to go back on tax cuts now, just a month after they were passed?"

I said "You don't understand the economy and the high interest rates. Last year, President Carter made his budget speech and called it austere. Within 4 weeks, we asked him to go back—the Democratic leadership asking a Democratic President, "Go back, Mr. President, take your entire austere budget talk and resubmit it."

All we are asking the President of the United States to do is not to belabor the Congress and the people of this land for the impossible. I can think up a few more cuts. Senator DOMENICI can think up a few more cuts, President Reagan can think up a few more cuts. But they need $100 billion by 1984 to get us into the black.

That is what is bothering the market. Now is the time for the administration to listen—not to me—to the business community. The corporate leaders, the investors—they are telling him loud and clear. The stock market has dropped 100 points and the bottom has nearly fallen out of the bond market.

Now is not the time to come and get the distinguished Senator from New Mexico, who has done a magnificent job on this budget, to bolster the troops for more spending cuts. That is not the problem—the problem is the tax cut.

Mr. President, you know it, I know it, everybody on Wall Street knows it. But they will not write it.

Arthur Burns says, "No, I am not for the tax cut." Where did you ever see that in the newspaper, Mr. President? Go look in the record of the Budget Committee. Herbert Stein said so. I quoted them in an article I wrote for the Washington Post.

They said it was not going to work. Now it has begun to work and we can see the damage around us. We have not done anything as Democrats, to change the Reagan program. It is the President who will be changing his own program tomorrow night. He said those future cuts were to be in future years. We cannot cut programs in 1983 or 1984 for which there are no appropriations. Right now we can only make future cuts in social security and other entitlements which the President said were a safety net and, therefore, should not be touched.

So, Mr. President, do not keep giving the people a good Hollywood show. Give them the truth now and tell them what is going on in this land: Kemp-Roth is a time bomb.

Mr. President, I am glad to yield the floor.

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## INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1981

The Senate continued with consideration of the bill.

The PRESIDING OFFICER. The Chair recognizes the Senator from Rhode Island.

UP AMENDMENT NO. 415

Mr. PELL. Mr. President, I rise to offer an amendment to the perfecting amendment offered earlier by Senator HELMS to section 707 of the bill. I send it to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Rhode Island (Mr. PELL) proposes an unprinted amendment numbered 415.

Mr. PELL. Mr. President, I ask unanimous consent that further reading of the amendment be suspended.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1 of Helms UP-414, strike subsection (b) and all that follows and insert the following:

"(b) (1) In fiscal years 1982 and 1983 funds may be obligated for assistance for El Salvador under chapters 2 or 5 of part II of the Foreign Assistance Act of 1961, letters of offer may be issued and credits and guarantees may be extended for El Salvador under the Arms Export Control Act, and members of the Armed Forces may be assigned or detailed to El Salvador to carry out functions under the Foreign Assistance Act of 1961 or the Arms Export Control Act, only if every 120 days after enactment of this Act, the President makes a certification in accordance with subsection (c).

"(b) If the President does not make such a certification, then the President shall immediately—

"(1) suspend all expenditures of funds and other deliveries of assistance for El Salvador which were obligated under chapters 2 and 5 of part II of the Foreign Assistance Act of 1961 after the date of enactment of this Act;

"(2) withhold all approvals for use of credits and guarantees for El Salvador which were extended under the Arms Export Control Act after the date of enactment of this Act;

"(3) suspend all deliveries of defense articles, defense services, and design and construction services to El Salvador which were sold under the Arms Export Control Act after the date of enactment of this Act; and

"(4) order the prompt withdrawal from El Salvador of all members of the Armed Forces performing defense services, conducting international military education and training activities, or performing management functions under section 515 of the Foreign Assistance Act of 1961.

Any suspension of assistance pursuant to paragraphs (1) through (4) of this subsection shall remain in effect during fiscal year 1982 until such time as the President makes a certification in accordance with subsection (c).

The certification required by subsections (a) and (b) is a certification by the President to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate of a determination that the Government of El Salvador, to the extent not precluded by forces outside its control—

"(1) is making a concerted and significant effort to control gross violations of internationally recognized human rights;

"(2) is moving to achieve control over all elements of its own armed forces, so as to bring to an end the indiscriminate torture and murder of Salvadoran citizens by these forces;

"(3) is making continued progress in implementing essential economic and political reforms, including the land reform program;

"(4) is committed to the holding of free elections at an early date and to that end has demonstrated its willingness to negotiate an equitable political resolution of the conflict with any group which renounces and refrains from further military or paramilitary opposition activity.

Each such certification shall discuss fully and completely the justification for making each of the determinations required by paragraphs (1) through (4).

(d) On making the first certification under subsection (a) of this section, the President shall also certify to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate that he has determined that the Government of El Salvador has made good faith efforts both to investigate the murders of the six United States citizens in El Salvador in December 1980 and January 1981 and to bring to justice those responsible for those murders.

Mr. PELL. What this amendment does, Mr. President, is exactly the same as the previous amendment I offered. It provides for certification three times a year and softens the language of paragraphs 1 and 4 of the various items that are to be certified. I hope this compromise will be acceptable to my colleagues.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. PERCY addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Illinois.

Mr. PERCY. Mr. President, we now have a very complex situation facing us.

Mr. President, I should like the Parliamentarian to confirm this, as I try to sort out what has happened here, to see whether the sequence is as I have jotted it down as we have gone along.

Senator LUGAR offered a first-degree amendment which was a sense of the Senate resolution involving El Salvador and our assistance to El Salvador.

Senator HELMS offered a substitute amendment which constituted the Lugar amendment but deleted the words "land reform" from the Lugar amendment.

Senator PELL offered a perfecting amendment which, in a sense, required three certifications by the President each year as to whether or not the conditions enumerated in the amendment were being met. If those conditions were not being met, then the aid program would be terminated.

Mr. HELMS. Mr. President, if the Senator will yield, the Senator from Rhode Island offered a perfecting amendment to the Lugar amendment. I believe that is correct.

Mr. PERCY. Yes.

The PRESIDING OFFICER (Mr. WARNER). The Senator is correct.

Mr. PERCY. Senator PELL offered a perfecting amendment to the Lugar amendment. That is right.

Then, Senator HELMS offered a perfecting amendment to the bill.

Mr. HELMS. That is correct.

Mr. PERCY. This was again the Lugar sense-of-the-Senate resolution deleting "land reform."

Mr. HELMS. That is correct.

Mr. PERCY. Senator PELL has now offered a perfecting amendment which again brings us to the point where the first vote of the Senate will be on three certifications per year.

Mr. President, I find myself in an unusual position, being a positive person, to be voting "no" five times in a row, if each of the amendments, or perfecting amendments, or whatever, should fail. I should like to explain why I do.

In a sense, our objectives and goals overall are similar. We want, in every way we can, to strengthen the people of El Salvador and its present government. None of us feels that an alternative government is available. This is not a perfect government, by any means.

José Napoleón Duarte, the president of the governing junta indicated forcefully to us at coffee yesterday afternoon, in the Foreign Relations Committee room, that they are going to hold elections.

We recognize that they must have free elections so that their country can have a government that is installed by the people and that, truly, they would have a chief executive who could be held responsible for his actions and would be responsible to the people. They look upon this as absolutely essential. And we believe it is a fact that José Napoleón Duarte is one of the forces in the country that is working toward this goal. We support that goal, and we support him—on both sides of the aisle.

The question, then, simply, is how best to get there? We have a variety of opinions.

I believe it might be well to start with the opinions rendered by José Napeleón Duarte, because yesterday he made a very moving statement, and his responsiveness to our questions was forthright.

We saw him as a man of eminent goodwill, with a strong desire to serve his country and his people and to bring to an end the crisis that his people and his government and country have been subjected through the months and years.

Perhaps I can begin with a letter that was delivered to me this afternoon, a letter written by José Napoleón Duarte, president of the junta, reflecting on our meeting yesterday. He says in this letter, dated September 23:

EMBAJADA DE EL SALVADOR.
*Washington, D.C., September 23, 1981*

Hon. CHARLES H. PERCY,
*Chairman, Committee on Foreign Relations, U.S. Senate,*
*Washington, D.C.*

DEAR MR. CHAIRMAN: I want to thank you and the members of the Committee on Foreign Relations for the opportunity you afforded me to discuss with you the serious situation confronting El Salvador and my commitment toward a peaceful democratic solution.

My government continues: to struggle in defense of human rights and to put an end to the violence which has beset us from radical sectors of the right and the left; to continue the process of social and economic reforms that will improve the quality of life of our people; and to achieve political stability through free, just and democratic elections which will enable the Salvadorean people to choose their own destiny.

All of our efforts and energy are concentrated in achieving these objectives. The very reason for our presence in the Government is their pursuit and realization.

I pledge to you that I will continue to work to achieve the stated goals. I want my countrymen to live in a free democratic and just society. You can be assured that you can rely on this commitment. I will never abandon my fight in defense of these principles and objectives.

I welcome the support and understanding of friendly governments, and especially that of the United States, in favor of a democratic and peaceful solution in our country. I reiterate the call that we have made to the FDR, as well as all political groups in El Salvador, to lay down their arms and register as a political party and thus incorporate it-

self into the electoral process. Full participation in the political dialogue and the elections will define the fundamental bases of our country's future.

The objectives which I have cited are embodied in the set of conditions included in S. 1196 which the Senate will soon be considering. The rationale reflected in the conditions coincides with my own stated objectives but the Government and the people of El Salvador would consider legislative conditions unwarranted. I hope that the Senate will recognize the conditions as an unacceptable imposition on a government friendly to the United States and fully committed to fulfill its pledge.

I would appreciate your conveying to the members of the Senate the position of the Government of El Salvador on this important issue.

Sincerely,

JOSÉ NAPOLEÓN DUARTE,
*President,*
*Junta Revolucionaria de Gobierno.*

During our meeting with President Duarte, he talked about the alternatives. He asked the guerrillas in his country to lay down arms. We recognize the repression that the extreme right and the extreme left would offer in El Salvador. It would be the kind of "freedom" that Khomeini has offered in Iran—the day before yesterday another 149 people before the firing squad, without the right of trial. The excesses that might be wreaked upon the people of El Salvador would be unbearable. We recognize, also, the efforts toward moderation by the president of the junta, President Duarte. The expressions made to us, and what he is trying to do, represent the best possible hope, at this time, for his people.

When President Duarte discussed the language of our bill with us in our session in the Foreign Relations Committee, we saw the certification criteria as goals that we share together.

Mr. President, I hope that those in my own State of Illinois who in good conscience have protested vigorously against economic and military assistance to the junta in El Salvador will look at the sincerity of the words expressed by José Napoleón Duarte—sincere, because 17 Members of the Senate, sitting with him, could feel that sincerity, could feel his commitments as he spoke about his people, about his desire to serve them, and about his desire to move toward free elections.

We on the committee are not trying to tell another people what to do. We are simply saying: "These are goals. Do you share them with us? Yes." We heard no dissent from anyone in the room. Other members of his government were with him. There was not one word of dissent about those goals.

But President Duarte recognized that the Senate might put conditions on American assistance. And he said, "We cannot accept conditions established by another people. We have to set our own."

It is our responsibility to make our expectations clear. If I walk into a bank and I say to the banker, "I want to borrow your money, your depositors' money," the bank has the right to lay down the conditions. If you accept those conditions, then you accept the money, and you have the money. Otherwise, you are not likely to get the money.

In this case, the money we are offering is the money of the taxpayers of this country. They have certain aspirations and goals and there must be some guidelines by which we judge when aid can be offered. We have a responsibility to our own taxpayers and to our own conscience to state that there are certain goals on which we would like to see progress.

Mr. President, I should like to reiterate what those goals are, because they have been carefully crafted. And I give considerable credit to the distinguished Senator from Connecticut (Mr. DODD), who has served in the Peace Corps in Latin America, who speaks fluent Spanish and who has an empathy with everyone from Latin American countries. The President pro tempore of the Senate, Senator STROM THURMOND, and I were green with envy in Mexico when the Senator from Connecticut conversed with people there in their own language.

These objectives and goals were read, by José Napoleón Duarte, and he agreed with them as goals. They are not absolutes; they ask for a sense of movement toward a goal or an objective. What we are looking for is progress.

The language of the first goal asked for "concerted effort and significant progress." I think I added one word in that sentence "significant." We argued about what kind of progress and I felt "significant progress" could be measured in "controlling indiscriminate and gross violations of internationally recognized human rights."

We all share that goal. There was no disagreement with it in that room yesterday.

The second goal asked for movement in achieving "control over all elements of its own armed forces." Any government, worthy of its name, should have control over its armed forces.

The head of the National Guard of El Salvador was in the room with us yesterday. There was no objection from him.

The third goal or objective asks for continued progress in implementing essential economic and political reforms including the land reform program.

This goal, including the land reform program, was a goal which yesterday we heard the junta in El Salvador supports. This is a part of their program, part of the progress they want to make.

The fourth goal or objective asks for commitment to the holding of free elections at an early date, a commitment which unequivocally Mr. Duarte committed himself to yesterday.

And a fifth goal asked that the government has demonstrated its willingness to negotiate an equitable political resolution of the conflict with any group which renounces and refrains from further military or paramilitary opposition activity. Again this was a goal on which there was no disagreement whatsoever.

These five goals, plus continuing in good faith efforts to investigate the murders of the six U.S. citizens in El Salvador and to bring to justice to those responsible for those murders were goals that the committee, in its wisdom, felt were noble and worthy goals that should be embodied in the legislation and would be guidelines by which we could gage the direction El Salvador is going in.

I think most of the people of El Salvador would concur, these are the very actions that will give them stability and hope for the future. Without such expectation there would be disillusionment, discouragement, and continued chaos.

As friendly observers, we felt, as a committee, it was useful to offer to the Senate, a statement of the goals and objectives by which we would guide ourselves in evaluating to our continuing ability to be supportive of the Government of El Salvador.

We also made our statement as representatives of the American people, because, as is well known, there are very strong protests and have been very strong protests in the country. The adoption of this language has been reassuring to many of the people who protested our financial assistance to El Salvador. It has answered many of the questions that they asked.

A sense-of-the-Senate resolution, which has no binding effect, is a guideline, appeared to be too weak, at least, to some constituents in Illinois who are deeply concerned about this problem. They wanted it stronger than that. The fact that the committee embodied it in the statute that it was recommending to the Senate was very reassuring to clergymen, priests, nuns, and others with whom I talked who feel very deeply and very strongly about this issue.

So it is for that reason that I shall have to vote, beginning at the sequence at the opposite end, the way they were introduced, against the Lugar first-degree amendment, the sense-of-the Senate because, though the goals and objectives are noble and worthy, I think they must be stronger, they must be embodied in the statute.

Second. I shall have to vote against Senator HELMS' amendment, though we have worked closely together on common objectives and goals in providing stability and peace to an area, but I do feel that land reform is extremely important. It was important, yesterday, when enunciated by José Napoleón Duarte for it offers hope. It is one of the best single things that have happened to that country because it has caused the rug to be pulled out from under those on the left who promise everything, a millennium. It gives something in hand, a piece of soil to work on, something they can call their own. That is what the people want. These people perhaps never thought they would see that day or a government that would provide that to them.

On the issue, let me read into the RECORD an extract from a letter from our former colleague, Senator James Buckley, who is now the Under Secretary of State for Military Assistance. He wrote this letter to me dated May 13, 1981, and he said this in part:

In March, 1980, the moderate government of President Duarte initiated a large-scale land reform program which will ultimately provide land to some 300,000 rural families.

The administration—

This is the Reagan administration—

The administration believes that it was in good measure the successful initial implementation of this program which thwarted the efforts of revolutionary groups to seize control of the government earlier this year. It is our view that the continued success of the Duarte program is necessary if that government is to retain popular support in its efforts to resist renewed leftist threats to its political and economic life. I strongly believe it to be in the best interest of the United States to continue our support for this program.

I am afraid the interpretation would be, if we voted to delete those two words, that we, in effect, would imply we are against land reform.

In a sense we had land reform in this country years ago with the Homestead Act. That act gave a chance, an incentive, to move west and start to work the soil. It was the program that was responsible for the westward movement of this country, a movement I might say regretfully is still going on, depleting our State, taking two congressional seats away in 1980.

The program down there is adapted to their economy. A question was asked by Senator HELMS yesterday about whether this means confiscation without compensation, and the answer was definitely no. There is compensation provided, compensation based on the tax valuation assessment put on by the individual who owned the property.

And there is no confiscation of business or commercial property. The reform program is for agriculture, to bring Salvadorans to a condition where they can feed themselves and provide work for their people.

So I have to regretfully vote against the Helms substitute amendment.

I shall vote against the Pell perfecting amendment simply because I do feel that three certifications a year imposes a tremendous degree of uncertainty into the program.

I feel that three times a year is too much. How could we possibly plan? We plan on an annual basis. We do it on somethings at 3 and 5 years, for our own revenue sharing. Mayors, city councilmen, county board members, township officials pleaded for us to give them some continuity so they could plan and they wanted 3 years. This perfecting amendment would only offer 4 months, 4 months to plan ahead, not knowing whether the next 4 months they would have a program in being or not.

So I felt three certifications are just too many. I would have preferred 1-year certification. The administration obviously prefers no certification. They would simply like to report to us frequently and periodically. Their willingness to do so was evidenced always in a cooperative spirit, but they do not feel we should insert any degree of uncertainty, other than the fact that we are on an annual authorization and appropriation basis.

I would, therefore, have to vote against the Helms perfecting amendment to the bill, which then reinstitutes the Lugar amendment, minus land reform, and the final amendment, the Pell amendment, the perfecting amendment, because that simply refers back to the three certifications a year.

It would be my intention, in the event that all five do not receive a majority vote of the Senate, to offer a new amendment that would incorporate two certifications a year and a report every 4 months—let me correct that, every 3 months—so that every quarter we would get either a certification or a report.

I frankly can say the administration would feel that this frequency is too great. They would prefer none. They would accept one, but they would oppose two. However, if all five have gone down maybe by then we can work something out. For these reasons I respect, as I said to begin with, the intention, the goal, the objectives of my colleagues which cause us to share in common a desire to help El Salvador. The question is how do we do it, answering to our own consciences, to our constituents, and to ourselves.

For the reasons I have enumerated, I would have to oppose all five of the next votes and I hope they will not receive a majority vote, and I would then be pleased to be joined, as I understand I would be, by a number of my colleagues, in offering a final amendment that would be based on two certifications a year and a quarterly report to the Senate.

I feel, Mr. President, unless my distinguished colleague would like the floor, that we would be ready for a vote. I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

I notice with interest that my friend from Illinois was lamenting the fact that he was going to have to vote "No" five times in a row. I would remind him that the Ten Commandments are in the main negative, so there is nothing wrong with voting "No."

I am going to make the distinguished Senator from Rhode Island a proposition that he cannot refuse, if I may have his attention.

I have in mind withdrawing my amendment, which would bring down the Senator's amendment to my perfecting amendment to the bill, so that we can proceed on whatever basis the Senate decides.

I will say, frankly, my purpose here this afternoon was in part to give the administration time to explain its position with respect to the Lugar amendment which the administration supports. I have carried out my responsibility to the administration in that regard.

Mr. President, before I vote I wonder if I might ask the distinguished managers of the bill if they would be willing to lay aside all of the pending amendments for about 2 minutes while we clear a noncontroversial amendment?

Mr. PERCY. It would be perfectly acceptable to the managers of the bill that we do that, but before we do, Senator HELMS, I wonder if I could just indicate that I do feel, as chairman of the committee, a responsibility to support the committee bill wherever I possibly can.

Mr. HELMS. I understand that.

Mr. PERCY. I would like to indicate that the Percy amendment, if we ever get to it, and we are close to it now by taking down your amendment, if we get to the Percy amendment, the Percy amndment would then conform at least in the frequency of certifications.

The committee bill provides for two certifications a year, so we are right back to where we would have been if we had had the bill, except for a confusion which we did not, any of us, detect. As the bill was reported, it would have required innumerable certifications—as the distinguished Senator from North Carolina has correctly said—every time you send a bullet or a jeep, then you would have to write a new certification. I believe that was unintended by the committee. It was an oversight. Everyone has agreed to correct that confusion, so we revert back to the two certifications a year of the original bill.

Mr. HELMS. Mr. President, if the Senator will yield, the question is whether there will be no certification, two certifications as suggested by the Senator from Illinois, three certifications as suggested by the Senator from Rhode Island, and four suggested by Senator DODD; is that essentially correct?

Mr. PERCY. Senator DODD, as I understand it, has accepted and supported the Pell amendment which is the Dodd amendment changed from four times to three.

Mr. HELMS. So it is zero, two, three, is that correct?

Mr. DODD. That is correct.

Mr. PELL. That is correct.

Mr. HELMS. Mr. President, I ask unanimous consent that all pending amendments be laid aside temporarily while we consider a noncontroversial amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

UP AMENDMENT NO. 416

(Purpose: To insert provisions relating to food for peace programs)

Mr. HELMS. Mr. President, I send an unprinted amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 416.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 52, between lines 1 and 2, insert the following:

TITLE VII—FOOD FOR PEACE PROGRAMS

REPEAL OF OBSOLETE FOREIGN CURRENCY PROVISIONS

SEC. 701. The Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) in section 101, by striking out "for foreign currencies" and inserting in lieu thereof ", to the extent that sales for dollars under the terms applicable to such sales are not possible, for foreign currencies on credit terms and on terms which permit conversion

to dollars at the exchange rate applicable to the sales agreement";

(2) by amending section 103(b) to read as follows:

"(b) except where the President determines that it would be inconsistent with the objectives of this Act, determine the amount of foreign currencies needed for the uses specified in subsections (a), (b), (e), and (h) of section 104 and in title III, and the agreements for credit sales shall provide for payment of such amounts in dollars or in foreign currencies upon delivery of the agricultural commodities; and such payment may be considered as an advance payment of the earliest installments;";

(3) in section 103(d), by striking out "(1)" and by striking out ", or (2) for the purpose only of sales of agricultural commodities for foreign currencies under title I of this Act, any country or area dominated by a Communist government";

(4) in section 103(1), by striking out "obtain commitments from friendly" and all that follows through "United States of America, and ";

(5) in section 104—

(A) in the text preceding subsection (a), by striking out "this title" and inserting in lieu thereof "agreements for such sales entered into prior to January 1, 1972,"; and

(B) in paragraph (3) of the proviso following subsection (k), by striking out "(except as provided in subsection (c) of this section),";

(6) in section 106(a)—

(A) by inserting "(1)" after "(a)"; and

(B) by adding at the end thereof the following:

"(2) Payment by any friendly country for commodities purchased for foreign currencies on credit terms and on terms which permit conversion to dollars shall be upon terms no less favorable to the United States than those for development loans made under section 122 of the Foreign Assistance Act of 1961.";

(7) by repealing section 108; and

(8) by repealing section 109(b).

EMERGENCY OR EXTRAORDINARY RELIEF REQUIREMENTS

SEC. 702. Section 104(d) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "$5,000,000" and inserting in lieu thereof "$10,000,000".

SELF-HELP MEASURES TO INCREASE AGRICULTURAL PRODUCTION

SEC. 703. Section 109(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) in paragraph (3), by inserting immediately before the semicolon ", and reducing illiteracy among the rural poor";

(2) by striking out the period at the end of paragraph (10) and inserting in lieu thereof "; and"; and

(3) by inserting the following new paragraph immediately after paragraph (10):

"(11) carrying out programs to improve the health of the rural poor.".

ASSESSMENT OF SELF-HELP PROVISIONS

SEC. 704. Section 109 of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new subsection:

"(d)(1) In each agreement entered into under this title and in each amendment to such an agreement, the economic development and self-help measures which the recipient country agrees to undertake shall be described (A) to the maximum feasible extent, in specific and measurable terms, and (B) in a manner which ensures that the needy people in the recipient country will be the major beneficiaries of the self-help measures pursuant to each agreement.

"(2) The President shall, to the maximum extent feasible, take appropriate steps to assure that, in each agreement entered into under this title and in each amendment to such an agreement, the economic development and self-help measures which the recipient country agrees to undertake are additional to the measures which the recipient country otherwise is undertaking irrespective of that agreement or amendment.

"(3) The President shall take all appropriate steps to determine whether the economic development and self-help provisions of each agreement entered into under this title, and of each amendment to such an agreement, are being fully carried out.".

On page 52, line 2, strike out "TITLE VII" and insert in lieu thereof "TITLE VIII".

On page 52, line 4, strike out "Sec. 701." and insert in lieu thereof "Sec. 801.".

On page 52, line 13, strike out "Sec. 702." and insert in lieu thereof "Sec. 802.".

On page 52, line 17, strike out "Sec. 703." and insert in lieu thereof "Sec. 803.".

On page 53, line 2, strike out "Sec. 704." and insert in lieu thereof "Sec. 804.".

On page 53, line 10, strike out "Sec. 705." and insert in lieu thereof "Sec. 805.".

On page 54, line 3, strike out "Sec. 706." and insert in lieu thereof "Sec. 806.".

On page 59, line 17, strike out "Sec. 707." and insert in lieu thereof "Sec. 807.".

On page 62, line 20, strike out "Sec. 708." and insert in lieu thereof "Sec. 808.".

On page 64, line 8, strike out "Sec. 709." and insert in lieu thereof "Sec. 809.".

On page 65, line 22, strike out "Sec. 710." and insert in lieu thereof "Sec. 810.".

On page 71, line 18, strike out "Sec. 711." and insert in lieu thereof "Sec. 811.".

On page 79, line 5, strike out "Sec. 712." and insert in lieu thereof "Sec. 812.".

On page 81, line 13, strike out "Sec. 713." and insert in lieu thereof "Sec. 813.".

On page 82, line 14, strike out "Sec. 714." and insert in lieu thereof "Sec. 814.".

On page 83, line 17, strike out "Sec. 715." and insert in lieu thereof "Sec. 815.".

On page 84, line 4, strike out "Sec. 716." and insert in lieu thereof "Sec. 816.".

On page 84, line 5, strike out "section 712" and insert in lieu thereof "section 812".

Mr. HELMS. Mr. President, this amendment makes certain changes in the Agricultural Trade Development and Assistance Act of 1954, commonly referred to as Public Law 480. In brief, it would delete certain obsolete language referring to purchases for foreign currencies; it would raise from $5 to $10 million the annual limit on the use of foreign currencies generated under title I to meet emergency nonfood relief requirements; and it would strengthen the requirements for self-help measures to be undertaken by countries receiving title I financing.

These same provisions, with only minor, technical changes, were just adopted by the Senate on Friday, September 18, 1981, as a part of the Agriculture and Food Act of 1981. I am offering this amendment on the foreign assistance bill basically as an accommodation to the House Foreign Affairs Committee and to facilitate conference action on these provisions.

In the Senate the Public Law 480 program is wholly within the jurisdiction of the Committee on Agriculture, Nutrition, and Forestry. In the House, on the other hand, the program falls within the jurisdiction of two different committees—the Agriculture Committee and the Foreign Affairs Committee. Traditionally, after the Senate Agriculture Committee finished its work on the farm bill, the Senate agreed to insert the Public Law 480 provisions from that bill that were within the jurisdiction of the House Foreign Affairs Committee in the Senate Foreign Assistance bill. Several other changes to the Public Law 480 program that are also in the farm bill are not included in the amendment I am offering since they are within the jurisdiction of the House Agriculture Committee.

This procedure then sets the stage for conferencing the different Public Law 480 provisions at the time when the respective House committee is considering legislation within its jurisdiction. The Senate Agriculture Committee conferees participate in both conferences.

Mr. President, as I said earlier, this procedure has been followed in the past and is now looked upon as a tradition. Since I have no strong desire to break with tradition, and since this procedure is satisfactory to me as chairman of the Agriculture Committee and to the distinguished chairman of the Senate Foreign Relations Committee, I ask that my amendment be adopted.

I again remind Senators that the provisions contained in the amendment were just adopted by the Senate and are noncontroversial.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina.

Mr. PERCY. I would like to indicate on behalf of the managers of the bill that we appreciate very much Senator HELMS bringing this to our attention. It would be in accordance with past procedures to adopt the amendment, and I fully support it.

Mr. PELL. I concur.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina.

The amendment (UP No. 416) was agreed to.

Mr. HELMS. I move to reconsider the vote by which the amendment was agreed to.

Mr. PERCY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 414

Mr. HELMS. Mr. President, I withdraw my perfecting amendment to the bill.

The PRESIDING OFFICER. I understand the Senator from North Carolina indicates he wishes to withdraw his amendment. Is there objection? The Chair hears none, and it is so ordered, and the amendment is withdrawn.

Mr. HELMS. I thank the Chair.

Mr. LUGAR. Mr. President, as I understand the parliamentary situation at this point, with the Senator from North Carolina having withdrawn his perfecting amendment, taking with it the second Pell amendment, we are now back to a situation of my first-degree amendment, the substitute perfecting amendment of Senator HELMS of North Carolina, and then the perfecting amendment of Senator PELL on top of that, so we have those three now with us at this point.

The PRESIDING OFFICER. The Senator from Indiana is correct.

Mr. LUGAR. Let me offer a short argument, and there may be other Senators who are on the floor to debate the issue, and I would simply indicate, so they will be alerted, that I intend to offer a motion to table the Pell amendment in due course, but I do not want to be premature in that if there are other Senators who wish to debate the issue longer.

I want to suggest, however, before offering that motion, Mr. President, an argument of this general proposition. We are now talking about my original amendment, which was a sense-of-the-Congress amendment that assistance should be furnished to the Government of El Salvador and that the President of the United States should report to the Congress 6 months after enactment of this section concerning the status of his efforts in implementing the U.S. policy.

Now, the gist of our amendment comes down to whether we should have a sense-of-the-Congress resolution with the President offering a report in 6 months or whether we should have these certifications suggested by Senator PELL and Senator DODD every 3 months.

I cite once again, Mr. President, our dilemma here. It is not one over goals or objectives, but it is, in fact, that the language of the bill that we started out with and that we still have offers such goals or conditions as the case may be. And I cite No. (3):

(3) Is making continued progress in implementing essential economic and political reforms, including the land reform program;

(4) Is committed to holding of free elections at an early date; and

(5) Has demonstrated its willingness to negotiate an equitable political resolution of the conflict with any group which renounces and refrains from further military or paramilitary opposition activity.

Secretary Haig, on May 11, pointed out the dilemma that this presents, not to President Duarte, but to President Reagan, the President of the United States. In fact, Secretary Haig pointed out that El Salvador's rightist terrorists or Marxist guerrillas could disrupt these procedures and lead to a finding, if we are getting into a certification, that progress has not been made; as a matter of fact, it could not be made under those conditions.

In essence, Mr. President, if we go the certification route we are turning over our foreign policy to disruptions of the right or the left. That is an unacceptable procedure for a great power attempting to exercise a foreign policy of our own.

As Secretary Haig pointed out, the conditional certification route—the Pell-Dodd route—would encourage Cubans, their wives, and their surrogates in El Salvador to tailor their strategy so as to create precisely the conditions that would make it difficult, it not impossible, for the President to make a certification. Once again, we play into their hands.

Therefore, Mr. President, I think the issues are reasonably clear in this respect.

I ask, as a point of clarification, if there are others who wish to continue the debate. Does the distinguished Senator from Rhode Island wish to make another statement?

Mr. PELL. No. I just wish to have the floor in my own right.

Mr. LUGAR. Mr. President, I yield the floor, with the intention, as I have stated, as soon as I can regain the floor again, to offer a motion to table the Pell amendment so that we might come to a resolution of this situation; the parliamentary situation being that if the Pell amendment should be tabled, then we would proceed to a vote on the Helms perfecting substitute for the Lugar amendment, which changed but two words, and, in essence, adopt the Lugar-Helms position at that point if the Pell amendment would be tabled.

I yield the floor.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I would hasten, as a matter of fairness, to say that the substance of this amendment was worked on and crafted with great originality and thought by the Senator from Connecticut. The rest of us in the committee participated in it, and we voted 13 to 1 for it. But he should receive the full credit.

UP AMENDMENT NO. 413, AS MODIFIED

Mr. PELL. Mr. President, I would like to modify my earlier amendment by substituting 180 for 120. That means the certification would be once every 180 days, or twice a year, rather than 120 days, or three times a year.

The PRESIDING OFFICER. Is there objection to the Senator's request to modify his pending amendment? It is so modified.

The amendment (UP No. 413), as modified, is as follows:

An amendment (UP No. 411) by Mr. LUGAR:

On page 2, line 1, strike out thru the end of the amendment and insert in lieu thereof the following:

"SEC. 707(1) In fiscal year 1982 and 1983 funds may be obligated for assistance for El Salvador under chapter 2 or 5 of part II of the Foreign Assistance Act of 1961, letters of offer may be issued and credits and guaranties may be extended for El Salvador under the Arms Export Control Act, and members of the Armed Forces may be assigned or detailed to El Salvador to carry out functions under the Foreign Assistance Act of 1961 or the Arms Export Control Act, only if every 180 days after enactment of this act, the President makes a certification in accordance with subsection (c).

"(b) If the President does not make such a certification, then the President shall immediately—

"(1) suspend all expenditures of funds and other deliveries of assistance for El Salvador which were obligated under chapters 2 and 5 of part II of the Foreign Assistance Act of 1961 after the date of enactment of this Act;

"(2) withhold all approvals for use of credits and guarantees for El Salvador which were extended under the Arms Export Control Act after the date of enactment of this Act;

"(3) suspend all deliveries of defense articles, defense services, and design and construction services to El Salvador which were sold under the Arms Export Control Act after the date of enactment of this Act; and

"(4) order the prompt withdrawal from El Salvador of all members of the Armed Forces performing defense services, conducting international military education and training activities, or performing management functions under section 515 of the Foreign Assistance Act of 1961.

Any suspension of assistance pursuant to paragraphs (1) through (4) of this subsection shall remain in effect during fiscal year 1982 until such time as the President makes a certification in accordance with subsection (c).

The certification required by subsections (a) and (b) is a certification by the President to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate of a determination that the Government of El Salvador, to the extent not precluded by forces outside its control—

"(1) is making a concerted and significant effort to control gross violations of internationally recognized human rights;

"(2) is moving to achieve control over all elements of its own armed forces, so as to bring to an end the indiscriminate torture and murder of Salvadoran citizens by these forces;

"(3) is making continued progress in implementing essential economic and political reforms, including the land reform program;

"(4) is committed to the holding of free elections at an early date and to that end has demonstrated its willingness to negotiate an equitable political resolution of the conflict with any group which renounces and refrains from further military or paramilitary opposition activity. Each such certification shall discuss fully and completely the justification for making each of the determinations required by paragraphs (1) through (4).

(d) On making the first certification under subsection (a) of this section, the President shall also certify to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate that he has determined that the Government of El Salvador has made good faith efforts both to investigate the murders of the six United States citizens in El Salvador in December 1980 and January 1981 and to bring to justice those responsible for those murders.

Mr. PELL. Mr. President, I ask for the yeas and nays on that.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PELL. I yield the floor.

Mr. PERCY addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. PERCY. Mr. President, wonders will never cease. We are now at a stage where we can vote on something. Instead of five negatives in a row, the chairman will be able to vote yea.

Mr. PELL. Mr. President, I am afraid the Senator is incorrect. The first vote may be nay, because it will be a tabling motion.

Mr. PERCY. Well, then, we will vote nay in order to vote yea.

I thank my distinguished colleagues again. In the spirit of collegiality and bipartisanship, we are at a point of certification every 6 months and the goals and objectives expressed by the committee. We are going to move toward goals and objectives that Jose Napoleon Duarte concurred with and that there was no dissent from members of his government who met with us yesterday.

Now, I think we have a chance to indicate that we do wish to move forward. But we would like a certification from the President every 6 months that says that there is progress toward the goals which we share in common with many in El Salvador—goals we believe will help provide stability in that country, stability for its interim government, that is, move them toward the free elections to which they are now committed.

The certification would be that the Government of El Salvador:

(1) Is making a concerted and significant effort to control gross violations of internationally recognized human rights;

(2) Is moving to achieve control over all elements of its own armed forces, so as to bring to an end the indiscriminate torture and murder of Salvadoran citizens by these forces;

(3) Is making continued progress in implementing essential economic and political reforms, including the land reform program;

(4) Is committed to the holding of free elections at an early date and to that end has demonstrated its willingness to negotiate an equitable political resolution of the conflict with any group which renounces and refrains from further military or paramilitary opposition activity.

Mr. President, I hope we can vote this amendment up or down now. It is as close to the committee amendment provisions as we could get after several hours of discussion.

Again, I express deep appreciation to my colleagues who have worked with us in a common purpose. I do hope that we can vote and the Senate will vote favorably to sustain the committee in this regard, because I think that these are goals that express our desire to help that government to become a viable, strong government that can stand on its own feet. They are also a message to citizens in this country who feel we should not be offering any military or economic assistance to the government, but who feel much better that there are certain goals and objectives laid down in statute that will be certified to by the President that progress is being made each step of the way.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I wish to express my support for this modification. I do so with reluctance.

As the chairman of the committee and the ranking minority member knows, I have a different view as to how often the certification process ought to occur. It is not that I like certification, the process itself. I am reluctant to have any administration saddled with that kind of a process. But I think the determination ought to be made on a case-by-case basis, and while the burden ought to rest on those who would like to impose a certification process, there are circumstances and events which occur which warrant, I think, that kind of a process.

It ought not to be one that we engage in every corner of the world. But I happen to believe that, in the case of El Salvador, the certification, in light of the fact that over the last year and a half we have seen some 15,000 innocent human being butchered and slaughtered in a nation of 5 million people, the fact that we see such turmoil in that country which threatens not only El Salvador but the entire Central American region, the fact that we have seen, without any real evidence to the contrary, excesses by national guard forces in that country, elements who would like to destroy the reform process, incredible violations of human rights, I think, in these circumstances, certification is warranted and that at least for a couple of years we ought to require a certification process before we say we are willing to continue in an unconditional way the military assistance.

I would have preferred that we have that certification process occur a bit more often to guarantee, at least in my mind, and I think in the minds of a majority of the people in this country, that we would insist that those basic goals be achieved or met. But I am willing to accept this modification. I would hope that those on the other side who have felt uneasy about a certification process would agree that the circumstances in this particular nation warrant it and that requiring it twice a year for the next couple of years is not going to place an undue burden or restriction on this administration and that, in fact, it may very well guarantee the success of Jose Napoleon Duarte and the moderate junta that is in power at this moment.

I will reluctantly support the modification as suggested by the Senator from Rhode Island. I yield back the floor.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, unfortunately, the distinguished Senator from Illinois, the chairman of our Foreign Relations Committee, has pointed out the strength of the Pell modified amendment, which has two certifications, indicating that we are back to where we were with the committee bill. If I had been in favor of the committee bill, I would not have offered an amendment to begin with to get away from certification. That is the issue. It is not whether we have four, three, or two a year. Goodness knows, two is better than four. We have made progress during the course of this debate. But two is too many. It frustrates our foreign policy.

Indeed, the point made by the distinguished Senator from Connecticut, that there are unusual circumstances in El Salvador, is all too true. As a matter of fact, they are so unusual that the guerrillas of the left and the people of the right have grown so frustrated in the furtherance of these goals as to make certification impossible by any objective person.

As Secretary Haig pointed out, to offer a blueprint to the opposition of left and right, to make it absolutely certain that Congress would have to advise the President to get out of El Salvador altogether, would be impossible for President Duarte to achieve those goals under certain circumstances and pressures over which he would not have any power and we would not, if we were out.

The point of this debate is to say that there is a difference between certification whether it be two, three, or four times a year, and a sense-of-the-Congress resolution with, as in the final paragraph of my amendment, within 6 months of the date of enactment the President shall report to the Congress concerning the status of its efforts.

We should follow up and should know, and in the event El Salvador does not appear to be a promising situation I trust my colleagues will not vote aid for that country.

That is the issue, Mr. President. Reluctantly but, nevertheless, in an attempt to move this onto a constructive situation, unless there is further debate, I am about to propose a motion to table the Pell amendment. I search to see if any of my colleagues wish to continue the debate prior to my making that motion.

Mr. PERCY. I ask my distinguished colleague to yield for just a comment.

Mr. LUGAR. I am pleased to yield to the Senator from Illinois for a comment.

Mr. PERCY. Fully taking into account what has been said, I would like to point out that at the suggestion of the administration a modification was made in the language just preceding the goals or objectives. I will read it:

The certification required by subsections (a) and (b) is a certification by the President to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate of a determination that the government of El Salvador to the extent not precluded by forces outside its control. . . .

And the the four goals and objectives—which are not absolute. No one has to certify they have been achieved, but that progress is being made toward them to the extent they can, not precluded by forces outside their control.

That seemed to be an excellent modification of this language which made it much more practical to achieve and easier for the administration to certify.

Once again, I would hope that we could vote on this issue up or down, but, of course, it is the prerogative of the Senator to move to table it if he so desires.

Mr. LUGAR. I appreciate the point made by the Senator from Illinois.

Mr. NUNN. Will the Senator yield for a question? I will be glad to pose this question both to the Senator from Indiana and the Senator from Illinois.

Suppose the extremists forces in El Salvador, either on the left or the right, decide that the best way for them to cut off American aid is to so disrupt the process that the Government cannot make progress toward these goals? In other words, suppose they intensify terrorism? Suppose every time they get ready to make any progress toward an election there is a disruptive kind of violent action by either the right or the left? Suppose that occurs. What, then, is the President's duty under the Dodd amendment if it becomes law?

Mr. PERCY. The interpretation of the Senator from Illinois is that that is exactly what the administration had in mind when they suggested that we add the words "to the extent not precluded by forces outside its control."

Obviously, forces that are in opposition either from the right or the left to the government, that use force and violence, are disruptive and are trying to prevent the government carrying out its goals. That would reinforce our desire to continue economic assistance. There would be no preclusion whatsoever because of that.

There is no incentive whatsoever. In fact, there is a disincentive because that would strengthen our resolve to help the government even more.

Mr. LUGAR. May I respond to the Senator from Georgia? The question, in my judgment, is not that easily answered because I suspect the definition of that term "force beyond control." It is a difficult one, given the circumstances in El Salvador.

Indeed, the problem of imposing so many conditions and definitions is a genuine temptation to those who would argue that the U.S. policy in El Salvador ought to be to leave El Salvador altogether. I would presume that, clearly, the Government of El Salvador might argue that the frustrating circumstances were beyond its control, but it does not escape our attention that others might very well argue the opposite, that those circumstances were fully within the control of that government.

Precisely who is to be the jury in that situation is not clear, but it is clear by not following that course of conditions we obviate the entire problem.

Mr. DODD. Will the Senator yield for a further answer?

As the author of the language under consideration, let me tell my colleague from Georgia what the intent of the author was with this language.

If the leftist insurgents or rightwing terrorists try to disrupt the activities in El Salvador, I do not expect that the government of Jose Napoleon Duarte should not be able to respond to it. I choose as the verbs in the condition "is making concerted effort," "is making continued progress," "is committed to holding free elections," "has demonstrated its willingness to negotiate."

That does not require that they absolutely respond in a pristine fashion to every set of circumstances that come up. It is giving them the opportunity to say, "This is the direction we want to be heading."

I realize that there are those who want to disrupt government activities of one kind or another, but I do not intend, nor did I intend, that we hamstring or hobble Jose Napoleon Duarte or his government from dealing with people trying to disrupt the government in his country. At the time the committee was considering this I made that point, and I make it again today. That is not the intent of the goals or conditions in this amendment.

Mr. NUNN. How would the Senator from Connecticut interpret it if the President were to state in his certification that the Government in El Salvador has not moved to achieve control over all elements of the armed forces and gave as the reason therefor that the use of the armed forces was necessary when there were stringent attacks going on from the left so that a move against both the right and the left at the same time would be impossible?

Suppose the President said that in his certification. Would that meet the requirements of this amendment to section 2, where it says:

Is moving to achieve control over all elements of its own armed forces, so as to bring an end to the indiscriminate torture and murder of Salvadoran citizens by these forces.

Everybody looks at that as a goal. But if the government is perceived as against the left and right at the same time, it could move against both those forces at the same time so as to meet the requirements of the certification.

Mr. DODD. I would think they could. It was not my intention to say they have to move in one direction for control. I meant more control over indiscriminate acts of violence that are not being directed by the central government, Jose Napoleon Duarte, or the generals in the army, or other activities. That is the problem that has existed with some of the national guard forces. They have been acting unilaterally, on their own, going around and conducting their own kind of private warfare. That control is control of their activities. If the Government decides they have a major threat from the right and want to respond to that and, at the same time, are being attacked, as they are, by the left—taking on both those fronts at once does not meet what I would describe as a lack of control because of the dual front the government would be facing.

Mr. NUNN. I thank the Senator.

Mr. LUGAR. Mr. President, I thank the Senator from Georgia for his questions.

Mr. President, out of my own very considerable respect for the chairman of our committee, the distinguished ranking member, I shall not move to table but will, in fact, be pleased to vote on an up-or-down basis. I hope that specifically, in the event the Pell amendment should fail, there will be a disposition on the part of the chairman and the ranking member to vote reasonably promptly then on what is the Helms substitute to the Lugar amendment, which I think then would terminate our debate, one way or another, at that point.

Mr. President, I yield the floor.

● Mr. LEVIN. Mr. President, I rise to support the Senator from Rhode Island.

The issue before us here today is not the desire and need to end the violence in El Salvador; the issue is not whether we support the efforts and goals of the Duarte government. Rather, the issue we confront is the best way for the American Government to help achieve these worthwhile and necessary goals.

This modified requirement for a twice-a-year Presidential certification is a modest and moderate requirement. It does not interfere with the President's responsibility, but rather fulfills the Congress obligation. This moderate proposal would require that the American President certify that the Government of El Salvador is fulfilling and meeting five specific conditions relating to human rights in El Salvador, control by the government over the armed forces, political and economic reforms, free elections in El Salvador, and a negotiated settlement to the present conflicts.

This proposal is the result of the strongly bipartisan consensus that emerged from the committee. This bipartisan position reached in the committee should enable President Duarte to achieve the necessary reforms to bring peace to his troubled country.

It is not too much to ask our President to certify that these conditions are being fulfilled as a requisite for the contiuation of aid.

Such an approach is the best way to promote stability and democracy in El Salvador, and for this reason I support the committee's amendment.●

Mr. PERCY. Mr. President, I express my appreciation to my distinguished colleagues. I assure him that, although the chairman has agreed that Senator KENNEDY could come over immediately with three noncontroversial amendments, we shall move with great dispatch, subject to time limitations this evening, to see, if this measure is defeated, whether we could have a vote and resolve the El Salvador issue. I am certain we shall have the full support of the minority in that regard.

I appreciate again the opportunity to vote up or down on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Rhode Island. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Connecticut (Mr. WEICKER) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Hawaii (Mr. INOUYE), and the Senator from Hawaii (Mr. MATSUNAGA) are necessarily absent.

The PRESIDING OFFICER (Mr. EAST). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 54, nays 42, as follows:

[Rollcall Vote No. 277 Leg.]

YEAS—54

| | | |
|---|---|---|
| Andrews | Evon | Mitchell |
| Baker | Ford | Moynihan |
| Baucus | Glenn | Murkowski |
| Bentsen | Gorton | Pell |
| Boschwitz | Grassley | Percy |
| Bradley | Hart | Pressler |
| Bumpers | Hatfield | Proxmire |
| Burdick | Heinz | Pryor |
| Byrd, Robert C. | Huddleston | Riegle |
| Cannon | Jackson | Rudman |
| Chafee | Johnston | Sarbanes |
| Chiles | Kassebaum | Sasser |
| Cranston | Kennedy | Specter |
| D'Amato | Leahy | Stafford |
| DeConcini | Levin | Stennis |
| Dixon | Mathias | Tsongas |
| Dodd | Melcher | Williams |
| Eagleton | Metzenbaum | Zorinsky |

NAYS—42

| | | |
|---|---|---|
| Abdnor | Hatch | Nunn |
| Armstrong | Hawkins | Packwood |
| Boren | Hayakawa | Quayle |
| Byrd, Harry F., Jr. | Heflin | Randolph |
| | Helms | Roth |
| Cochran | Hollings | Schmitt |
| Cohen | Humphrey | Simpson |
| Danforth | Jepsen | Stevens |
| Denton | Kasten | Symms |
| Dole | Laxalt | Thurmond |
| Domenici | Long | Tower |
| Durenberger | Lugar | Wallop |
| East | Mattingly | Warner |
| Garn | McClure | |
| Goldwater | Nickles | |

NOT VOTING—4

Biden Matsunaga Weicker
Inouye

So Mr. PELL's amendment (UP No. 413), as modified, was agreed to.

Mr. PELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PERCY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, if I could have the attention of Senators, let us have order in the Senate.

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Mr. President, I do not think we have order now. I ask the Chair to try to restore order in the Senate so I can make an inquiry and an announcement.

The PRESIDING OFFICER. If the Senate will be in order the majority leader has the floor and wishes to make an announcement.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I had earlier told a number of Senators that there would be no more rollcall votes tonight and indeed there will not. There are other votes that may be eligible on fairly short time, and I urge Members to go ahead and complete the debate on that and if votes are ordered today, I ask unanimous consent that they be put over until tomorrow 30 minutes after the time that the Senate returns to the consideration of this measure.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. Mr. President, I reserve the right to object.

I thing this is an excellent suggestion. Could the distinguished majority leader indicate about what time he thinks any such rollcall votes would begin so that our colleagues might be on notice?

Mr. BAKER. Yes. As I announced earlier today I hope that at 10 a.m. tomorrow we will be on the continuing resolution, but since I am told there are some votes that can be made ready for early in the morning I hope that we can finish debate on a couple of amendments tonight and have a vote on those amendments, say, at 10 a.m. tomorrow and be on the continuing resolution then at 10:30 a.m. or shortly thereafter.

Mr. President, let me for the moment withdraw by unanimous-consent request and give both sides an opportunity to see if that will discommode Senator.

To reiterate what I will do a little later, it is my present intention to ask that any votes that are ordered tonight be put over until tomorrow and that they occur back to back with the first vote 15 minutes and any subsequent votes 10 minutes each beginning 30 minutes after we resume consideration of this bill.

It should also be understood that after those votes are completed I will then move, in accordance with the order previously entered, to consideration of the continuing resolution, assuming that it is on the calendar and available under the provisions of the unanimous-consent order.

Mr. ROBERT C. BYRD. Mr. President, will the majority leader yield?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. So the majority leader anticipates that the first rollcall would occur at about 10 a.m. or 10:30 a.m.?

Mr. BAKER. At about 10 a.m. to 10:30 a.m.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. BAUCUS. Has the unanimous-consent request——

Mr. BAKER. I withdrew the unanimous-consent request and I merely describe it, may I say, so that both cloakrooms can check and see if that arrangement would seriously inconvenience anybody.

Mr. BAUCUS. Mr. President, if the leader will yield, it is this Senator's hope that any rollcall votes that occur tomorrow will occur sometime after 10:30 a.m.

Mr. BAKER. I think the arrangement I have suggested will do that. We would be on this bill at 10 o'clock and the first vote would occur 30 minutes after that, so the first one would occur, if I make that request, at 10:30.

Mr. BAUCUS. I thank the Senator.

Mr. BAKER. Mr. President, I reiterate I am not making that request at this time. I anticipate doing that before the Senate completes its business today.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I am told by the Parliamentarian that there are two amendments which are currently pending. If it is agreeable to the manager of the bill and the ranking minority member I would welcome the opportunity to be able to offer three different amendments which I have discussed with both the chairman of the Committee on Foreign Relations (Mr. PERCY) and the ranking minority member (Mr. PELL). I believe, there is no objection to these amendments, however I will conform to the wishes of the manager of the bill. I can offer these amendments now and move to set aside the existing amendments, if that is agreeable to the manager.

Since it is agreeable to the manager, Mr. President, I ask unanimous consent that the pending amendments be laid aside temporarily and that it be in order to consider the first amendment which I have submitted and sent to the desk.

The PRESIDING OFFICER. Is there objection?

Mr. KENNEDY. While I have the attention of the Senate, I have three amendments about which I have spoken to the manager of the bill and the ranking minority member, and I ask unanimous consent that all three be eligible for consideration and that we temporarily set aside the two pending amendments.

While the Chair is prepared to put the question, I am prepared to start a brief discussion on the first amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Massachusetts that the current pending amendments be temporarily laid aside?

Mr. PERCY. The managers of the bill concur and, inasmuch as there will not be rollcall votes, if they are acceptable to the managers of the bill, and there is no intention to debate further the Helms perfecting amendment, therefore, it is agreeable to lay aside the pending amendments and take up the three Kennedy amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 417

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY), for himself, Mr. PERCY, Mr. PELL, Mr. CRANSTON, Mr. BIDEN, Mr. TSONGAS, Mr. MITCHELL, and Mr. LUGAR proposes an unprinted amendment numbered 417.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 23, after line 22, insert the following:

"(h) Notwithstanding any other provision of the law, of the funds authorized to be appropriated to carry out this chapter for the fiscal year 1982, $5,000,000 shall be available only for Poland for the purchase, transportation and distribution of food and medical supplies through private voluntary agencies where appropriate."

HUMANITARIAN RELIEF FOR POLAND

Mr. KENNEDY. Mr. President, there is no question today that the people of Poland are facing an acute shortage of food and medical supplies. The Polish Government has acknowledged this and has supported the efforts of American voluntary agencies to purchase, transport and distribute these supplies to the Polish people.

America and the world are all watching the dramatic events unfolding in Poland. I am sure that all in this Chamber join in the hope that the Polish people will succeed in resolving their political and economic problems peacefully and without outside interference.

The Independent Trade Union Solidarity has completed the initial phase of its first national convention and will open the second phase this Saturday. It is now time for Poland to move decisively to consolidate the gains of the labor movement and to rally its strength toward leading the country out of political and economic crisis.

The pending amendment is cosponsored by the chairman and ranking members—Senators PERCY and PELL and by Senators CRANSTON, BIDEN, TSONGAS, MITCHELL, and LUGAR. It does not and cannot seek to resolve this crisis, but it can and does earmark a modest $5 million in economic support funds to bolster the private relief effort already underway—of Americans offering a helping hand to the people of Poland at a critical time in the history of their nation.

Currently, both Catholic Relief Services and CARE have purchased or raised voluntary food contributions for Poland. Raising money from privates sources, Catholic Relief Services has already sent

some $8 million in food supplies to Poland, principally dairy products—powdered milk, cheese, and butter—targeted especially for distribution to infants, young children, and the aged in institutions.

But more is obviously needed, and the voluntary agencies need our support in facilitating the transportation of food and medical supplies they purchase or which are donated here from the warehouses in the United States to the docks—where the Polish Government have sent their own ships to cover the ocean freight costs.

Bishop Broderick, director of Catholic Relief Services, estimates that they alone could use $3 million to cover local transportation costs—to move privately donated or purchased food to the docks where it can be shipped to Poland. In Poland, the distribution of this food is also facilitated and monitored by the church.

Other agencies—such as CARE, the Polish American Congress, and the Red Cross—can also use modest public support to facilitate and expedite their private efforts in behalf of the Polish people. The pending amendment will make it possible for them to carry out effectively the essential assistance of the church and other private agencies to the Polish people.

The administration was consulted on this amendment; it is supported by the chairman of the Foreign Relations Committee (Mr. PERCY) and the ranking minority member of that committee (Mr. PELL). And I am pleased to report that this amendment is also strongly supported by both the President of the Polish American Congress and the director of the Catholic Relief Services.

Mr. President, I ask unanimous consent that correspondence with President Reagan and from Secretary Haig on the necessity for emergency relief and longer term assistance to Poland, be inserted at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
*Washington, D.C., July 21, 1981.*

The PRESIDENT,
*The White House,*
*Washington, D.C.*

DEAR MR. PRESIDENT: At this critical time for Poland, we urge you to approve much needed food aid for that nation, and to work with our allies and other nations to provide longer-term economic assistance as the Polish government and Solidarity carry out their historic agreements.

As you know, the Polish people presently face serious food shortages in their country. U.S. food aid at this time is not only justified on humanitarian grounds, but would be a clear signal of continuing support for the process of reform and democratization in Poland.

We believe that food aid would be of direct and immediate benefit to the Polish people, and would enhance the future prospects for peace and stability. We are confident that this aid is in the best traditions of our nation and would be strongly supported by the American people even at this time of budgetary restraint.

With our thanks and best wishes,
Sincerely yours,

ROBERT C. BYRD,
PAUL SARBANES,
DALE BUMPERS,
TED KENNEDY,
ALAN CRANSTON,
CLAIBORNE PELL,
JOSEPH R. BIDEN.

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THE SECRETARY OF STATE,
*Washington, D.C., August 15, 1981.*

Hon. EDWARD M. KENNEDY,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR KENNEDY: I am grateful for your expression of support—along with that of your colleagues Senators Byrd, Cranston, Pell, Biden, Sarbanes, and Bumpers—for our decision to extend additional food assistance to Poland. I agree fully with you and your colleagues' rationale for extending aid to Poland. This is indeed a critical juncture for Poland, and we cannot remain aloof from the needs of her people. As you may know, the Administration decided on July 28 to accede to the most recent Polish request for assistance by selling approximately 350,000 tons of corn to Poland under the PL–480 food aid program on concessional credit terms. The total cost of the transaction will be $55 million.

As important to Poland as this sale will be, a more comprehensive financial aid program covering the medium and longer term will have to be worked out with our Western allies if Poland is to avert disaster. In the interim, we are confident that this sale demonstrates our continuing humanitarian concern for the people of Poland as well as our support for the historic process of reform and democratization ongoing in that country.

Sincerely,

ALEXANDER M. HAIG, Jr.

Mr. PELL. Mr. President, I have studied this amendment and think it an excellent one, and particularly approve of the idea that the voluntary agencies will be used where appropriate. I think it is a good amendment and at least from the viewpoint of this side of the aisle I find it most acceptable.

Mr. KENNEDY. I am prepared to vote on the amendment.

Mr. PERCY. I would simply like to say to my colleague I am very proud indeed to cosponsor this amendment. I cannot imagine any place in the world where it would be more appropriate for Americans to reach out now to assist and help in every way they possibly can than in Poland. It is not just $5 million, it is a tremendous morale backing that it would give. There is no more beleaguered people today who have stood up for principles in which they deeply believe, and to assist at this time I think would be very appropriate. I fully support the amendment and commend my distinguished colleague.

Mr. KENNEDY. I thank the Senator.

Mr. President, I am prepared to vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment (UP No. 417) was agreed to.

U.S. AMENDMENT NO. 418

Mr. KENNEDY. I send a second amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY), for himself, Mr. BOSCHWITZ, Mr. MITCHELL, and Mr. TSONGAS proposes an unprinted amendment numbered 418.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 83 delete lines 16 through 25 and lines 1 and 2 on page 84; In lieu thereof, insert the following:

LEBANON

SEC. 715. (a) It is the sense of the Congress thta the Government of the United States should continue to support diplomatic efforts to resolve the current crisis in Lebanon, and to pursue a comprehensive and coordinated policy in Lebanon guided by the following principles—

(1) Maintenance of an effective cease-fire through Lebanon;

(2) Resolution of the issue of the Syrian missiles deployed in Lebanon;

(3) Freedom, security and opportunity for the Christian and all other Lebanese communities, including the Moslem, Druze, and Jewish communities in Lebanon;

(4) Reaffirmation of the historic United States-Lebanon relationship and strengthening the longstanding commitment of the United States to the independence, sovereignty, and territorial integrity of Lebanon, without partition, free from terrorism and violence, and free to determine its future without Soviet or other outside interference;

(5) Generous international support for relief, rehabilitation, and humanitarian assistance for Lebanon, particularly for those Lebanese citizens who have suffered from the terrorism and violence of recent events; and

(6) Respect for and strengthening of the authority of a Lebanese Government, based on open national elections free from external interference which will be able to preserve security through its national army and its security forces without outside military presence.

(b) Section 532 of the Foreign Assistance Act of 1961, as amended by Section 201(b) of this Act, is further amended by adding at the end thereof the following:

"(h) Of the funds authorized to be appropriated to carry out this chapter for the fiscal year 1982, $5,000,000 shall be available only for Lebanon for relief and rehabilitation programs of international and private voluntary agencies.".

AID AND SUPPORT FOR LEBANON

Mr. KENNEDY. Mr. President, my colleagues, Senator BOSCHWITZ, Senator MITCHELL, and Senator TSONGAS are joining with me today to introduce an amendment to S. 1196—a bill to amend the Foreign Assistance Act of 1961—to reiterate congressional support for a strong United States policy toward Lebanon and to provide $5 million in urgently needed humanitarian assistance.

In May I introduced a resolution later adopted unanimously by the Senate to offer strong support for diplomatic efforts to resolve the current crisis in

Lebanon, including the issue of the Syrian missiles, and to protect the right of all Lebanese communities to live in freedom and security. This resolution was cosponsored by several of my colleagues.

Since Senate passage of the resolution, violence and terrorism has continued to undermine the sovereignty of Lebanon. Foreign agents, terrorists, and non-Lebanese acting as so-called peace forces continue to intervene in the daily life of Lebanon and to undermine the ability of the Lebanese Government to exercise its authority throughout the country.

Since Senate passage of the resolution, we have seen the untiring efforts of Ambassador Philip Habib bear fruit. He successfully negotiated a ceasefire and restored a fragile truce to that war-torn and ravaged land. But daily we hear reports of continued fighting—of acts of terrorism and wanton destruction which bring misery and heartache to innocent people.

Mr. President, though we have taken one small step forward by means of this new ceasefire, there remains much more to be done. In our Senate resolution, we called for a comprehensive and coordinated policy in Lebanon based on six principles:

Establishment of an immediate and effective ceasefire throughout Lebanon.

Resolution of the issue of the Syrian missiles deployed in Lebanon.

Freedom, security, and opportunity for the Christian and all other Lebanese communities, including the Moslem, Druze, and Jewish communities in Lebanon.

Reaffirmation of the historic United States-Lebanese relationship and strengthening the longstanding commitment of the United States to the independence, sovereignty, and territorial integrity of Lebanon, without partition, free from terrorism and violence, and free to determine its future without Soviet or other outside interference.

Generous international support for relief, rehabilitation, and humanitarian assistance for Lebanon, particularly for those Lebanese who have suffered from the terrorism and violence of recent events.

Respect for and strengthening of the authority of a Lebanese Government, based on open national elections free from external interference which will be able to preserve security through its national army and its security forces without outside military presence.

Mr. President, this amendment would substitute the full statement of policy in Senate Resolution 144 in the place of the abbreviated statement in section 715 of the present bill. Our statement is consistent with but expands upon the present language in that section.

Further, I would call the Senate's attention to point five of our resolution on Lebanon—generous support for relief and humanitarian assistance. Today, we in the Senate have an opportunity to implement this point and to this end our amendment would earmark $5 million in urgently needed humanitarian assistance for Lebanon, to respond to relief needs that have developed since the original budget submission. The escalation of violence and conflict in recent months—since the tragic bloodletting in the city of Zahle—have overwhelmed the resources of the voluntary agencies, the International Committee of the Red Cross (ICRC), and others attempting to respond to the medical and food needs of the Lebanese people.

The ICRC alone estimates that its requirements over the coming year will exceed $8 to $10 million. Of particular importance are the needs of Zahle, which has suffered so much from the terrorism and violence of recent events. In addition, the voluntary agencies will require continued support, as will the hospital at the American University in Beirut, which is the only lifeline to the daily casualties of the violence and terrorism in Beirut. A $5 million American contribution to these relief programs is modest, indeed—and could well prove inadequate if the violence continues.

Mr. President, the least we can do is to earmark the minimum amount we can foresee now to respond to the already well-documented needs of the International Red Cross, the voluntary agencies and other relief organizations. This amendment responds to those minimum needs. I ask my colleagues to join me in supporting this amendment.

Mr. MITCHELL. Mr. President, I rise in support of this amendment which I am introducing with Senator KENNEDY, a Member of this body long concerned about events in Lebanon.

The committee bill provides Lebanon with $15 million in foreign military sales (FMS) guarantees, $840,000 in military education and training assistance, and $5 million in economic support fund assistance.

Of the $5 million in economic support funds, the committee bill would devote $2.5 million to private voluntary organization relief work; $1 million to private sector housing efforts; and $1 million to health education. In addition, the program calls for $500,000 to go to a newly established Lebanese Council on Development and Reconstruction.

Mr. President, I have no quarrel with the purposes to which the administration and committee would put the funds slated for Lebanon. I firmly believe, however, that the level of funding for Lebanon contained in the committee bill is insufficient.

The Lebanon aid program for 1981 included $4 million in economic support funds. As I have already pointed out, the 1982 program contains $5 million—in other words an increase of $1 million over the previous year's ESF effort.

Given what has occurred in Lebanon over the past year; given the enormous destruction which has occurred in and around East Beirut and Zahle; given the tremendous number of Lebanese who have lost their lives, have been injured, or have been forced from their homes, how can the United States in good conscience present a fiscal year 1982 assistance program which is only $1.4 million more than last year's program?

The amendment introduced by Senator KENNEDY and myself would earmark $5 million of additional ESF funds for reconstruction, rehabilitation, development, and relief assistance in Lebanon. This does not involve an increase of the amount prescribed in the bill; it merely allocates a small portion of those funds to Lebanon.

It will also set in statute the resolution, passed by this body in June, which expresses the view that Lebanon's territorial integrity and sovereignty should not be diminished in any way, and that the Christian and all other Lebanese communities should have the opportunity to live in peace without the intimidation of foreign forces present.

It is important that we send such a message to Lebanon. At a time when modern weapons of destruction are being used in so many parts of the world, peace there seems a distant dream.

At a time when more governments take and hold power by the bullet rather than the ballot, justice does not exist for most of mankind.

And at a time when societies the world over are torn by racial and religious divisions, unity among peoples has rarely seemed so out of reach.

But the more distant the dream, the more difficult the objective, the more we must strive to reach it.

Lebanon's trials today testify to the harshness of the eternal human struggle to overcome injustice and aggression. Every nation, in its own way, must work to reunite Lebanon, to rebuild its institutions, to restore its economy, and, most importantly, to reestablish the common ground on which the peoples of Lebanon can live together.

It is a slow, difficult process, but is a necessary process. For Lebanon's very existence as a free, democratic, sovereign state is in serious jeopardy. For over 1,500 years, Lebanon, like America throughout its history, has been a haven for the oppressed, where people of all faiths have lived in free and secure communities. A free Lebanon is of great value to itself, to the region, and to the whole world.

I believe that Senate passage of this amendment will send an important message to the beleaguered people of Lebanon. Passage will assure them of our belief:

That repeated acts of violence in Lebanon, resulting in death and injury to innocent residents, have hindered the pursuit of peace in the Middle East:

That a continued cease-fire in Lebanon is in the interest of the United States and the free world generally; and

That the cause of peace in the Middle East can best be achieved through negotiation rather than military confrontation.

Moreover, Lebanon's leaders and the Lebanese people will understand that the United States:

Seeks a lasting cessation of hostilities in Lebanon;

Seeks the withdrawal from Lebanon of all foreign forces prior to the 1982 Lebanese elections and ;

Reaffirms the important, historic relationship between it and Lebanon, and our longstanding commitment to the restoration and maintenance of the nation's freedom, sovereignty, and territorial integrity.

In summary, Mr. President, this amendment will provide Lebanon with urgently needed relief assistance and an expression of U.S. support for Lebanon's peaceful and independent future. Moreover, it is a sound amendment which will make clear our interest in preserving the historic and friendly ties between the Lebanese and American peoples.

I urge my colleagues to support this amendment.

Mr. President, I wish to make one comment before we move on to consideration of other matters.

Most Members of this body are familiar with the excellent programs and good works of the American University of Beirut, an educational institution chartered under the laws of New York State, which has been in operation since 1866. The bill currently under consideration contains $12 million in funding for the American schools and hospitals abroad program from which the American University of Beirut receives support each year.

It is my hope that this support will continue in the years ahead. The return on this investment in an American education unit based in the Arab world is enormous. All over the Middle East—in Bahrain, Saudi Arabia, Qatar, and elsewhere, graduates of the American University of Beirut participated in public and business affairs bringing great distinction to their university and to the American educational tradition of which it is an important part.

Mr. PELL. Mr. President, the initiative of the Senator from Massachusetts (Mr. KENNEDY) will increase by half the economic assistance funds available to Lebanon. I think this is a very good cause, indeed, and I am glad to support it, because I believe we must move beyond the cease-fire to do our utmost to end violence in Lebanon.

Beyond the terrible cost in human life and suffering, there has been the devastation of Lebanon itself. For example, the city of Tyre, which has been a major Middle Eastern post since the time of Alexander the Great, has been greatly damaged and remains threatened. We must not let Tyre and the other historical cities in the countryside of Lebanon remain in jeopardy.

Mr. HATFIELD. Mr. President, the Senator from Massachusetts and the Senator from Maine should be commended for again bringing to the Senate's attention the plight of Lebanon. This nation of diverse and enterprising people is the ground on which east and west truly meet. Historically it serves to prove that the two cultures can profit from open and free interchange. Unfortunately, in recent years Lebanon also has served as the symbol of failed policies in the Middle East. This nation has become a victim of forces totally beyond her control. For this we all must accept our share of responsibility and do what we can to rectify the injustices and relieve the suffering these people have endured.

One of our best assets for promoting understanding and showing that the U.S. cares, not only about Lebanon but about the entire region, is the American University of Beirut. AUB's reputation in the Middle East is legendary, and it provides visible and meaningful evidence to states in the Arab world that the United States is concerned about their future and attaches importance to its relationship with them.

The university is a trusted American presence which day in and day out contribute to the development of the region through the transfer of knowledge and technology. Worthy of special mention is AUB's teaching hospital, which helps educate 75 new physicians a year, and which serves all parties to the conflict in Lebanon without distinction or discrimination.

The humanitarian relief contemplated in the Kennedy-Mitchell amendment would be especially well used in assisting AUB to carry on its mission. Events of the past few months in Lebanon have placed severe new strains on the university, and, in the absence of new financial commitments to its continued existence, AUB may have to close its doors in the very near future. This would indeed be a tragedy after more than 114 years of operation in service to the region. And it would be a tragedy not only for AUB and for Lebanon. Its demise would also be seen throughout the Arab world as a failed U.S. commitment.

Again, Mr. President, I thank my colleagues for raising this matter, and I urge the adoption of their amendment.

Mr. PERCY. Mr. President, I fully support the Kennedy amendment. Recent military actions in Lebanon have brought renewed human suffering and property destruction to that country. Until peace can be restored to that troubled region, the United States should continue to help Lebanon to rebuild destroyed infrastructure and to bolster its war-debilitated economy.

Five million dollars will provide tangible assistance to Lebanon in its efforts at rebuilding and economic recovery, and also provide the central government with some resources with which to exert its authority. And it will provide the Lebanese people with evidence that the American people continue to stand by them during these difficult times.

While discussing Lebanon, I would also like to take note of another important way in which the United States assists that strife-torn country—our support for the American University of Beirut. This support, through the American schools and hospitals program which is also funded through this bill, has been particularly important during the recent hostilities in Lebanon. The university hospital has suffered damage from a gun battle between two warring factions, the crops on the university farm in the Bekaa Valley have been lost because of war damage, and expenses have amounted from treating patients suffering from war-related wounds.

I certainly hope that AUB will continue to receive the support of our Government and those of other interested nations and private groups. It is important that this 114-year-old institution can continue to perform its critical role of producing the qualified professionals so badly needed in the region.

I ask the sponsor of the amendment, Senator KENNEDY, if he would request unanimous consent that I be added as a cosponsor.

Mr. PELL. Will the Senator add my name also?

Mr. KENNEDY. Mr. President, I so request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. The managers of the bill, then, accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts (Mr. KENNEDY).

The amendment (UP No. 418) was agreed to.

UP AMENDMENT NO. 419

(Purpose: To make available up to $5,000,000 for countries seeking to improve infant feeding practices)

Mr. KENNEDY. Mr. President, I send an amendment to the desk on behalf of myself and Senators LEAHY, BAUCUS, INOUYE, METZENBAUM, and RIEGLE, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY), for himself, Mr. LEAHY, Mr. BAUCUS, Mr. INOUYE, Mr. METZENBAUM, and Mr. RIEGLE, proposes an unprinted amendment numbered 419.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 24, between lines 6 and 7, insert the following:

"(b)(1) It is the sense of the Congress that the United States should strongly support the efforts of developing countries to improve infant feeding practices, in particular, through the promotion of breast feeding. As a demonstration of that support, the President is authorized to spend up to $5,000,000 from funds made available for fiscal year 1982 to carry out the purposes of sections 103 and 101(c) of the Foreign Assistance Act of 1961, to assist developing countries establish or improve programs to encourage improved infant feeding practices. As part of such a program, the Agency for International Development should fund necessary research to obtain better information on the precise nature and magnitude of problems relating to infant feeding practices, including the use of infant formula, in developing countries.

"(2) The President shall, as part of the Congressional Presentation Documentation for fiscal years 1983 and 1984, include information relevant to the implementation of this section, including—

"(A) A description of actions taken by the Agency for International Development to promote breast feeding and to improve supplemental infant feeding practices in devel-

oping countries through funds made available in this section and through its regular programs in the fields of health, nutrition, and population activities;

"(B) Summary information on results of studies authorized by this section on the nature and magnitude of problems in the developing countries related to infant feeding practices; and

"(C) Summary of reports by member countries of the World Health Organization on their actions to implement the International Code of Marketing of Breast Milk Substitutes."

On page 24, line 7, change "(b)" to "(c)".

Mr. KENNEDY. Mr. President, on behalf of Senators LEAHY, BAUCUS, INOUYE, METZENBAUM, RIEGLE, and myself, I am introducing today an amendment to the pending foreign assistance bill to establish a modest fund to assist developing countries implement the objectives of the World Health Organization's (WHO) "International Code of Marketing Breast Milk Substitutes," which was adopted last May by the World Health assembly.

Shockingly, the United States was the only nation to vote against the code—an action that has since been repudiated by overwhelming, bipartisan votes in both the Senate and the House of Representatives.

The vote of this administration simply failed to reflect the humanitarian concerns of the American people. It turned our back to the views of the overwhelming majority of the world community, and against a fundamental issue that is literally a matter of life and death to millions of newborn children. Standing isolated and alone on a vote of 118 against our single vote of "no", we in effect voiced our opposition to the cries for help from the developing nations in the Third World who want and need the code, where human suffering of unspeakable proportions—from poverty, disease, and malnutrition—is a daily reality of life.

If nothing else, we should have voted for the code to show that we understand the horror and the sickness, the poverty and the frustration of millions—to say to other nations that we are your friends, we grieve with you for your dying infants, and we want to do all we can to help.

With the pending foreign assistance bill we have an opportunity to express this concern in a tangible way, by providing funds to help implement the code and for improving the health of infants by promoting breast feeding.

The amendment I am offering earmarks up to $5 million to implement the aims of the WHO code. Since the code is voluntary, the amendment stipulates that the funds authorized are to assist only those developing countries "who desire to implement the code."

Every day, countless infants and young children pay with their lives because the formulas they are fed are watered down or prepared with unsanitary water. Daily, mothers who could have provided breast milk to their children are persuaded to be "modern," to do what advertisements say is the best thing for their children—to give them special infant formulas, but the tragedy is that their own milk is far safer.

Again, we know these facts because over the years we have heard repeated expert testimony from physicians and nurses in the field, who have seen with their own eyes infant formula deaths. We know this from missionaries and health experts who have seen malnourished children languishing in remote lands—so remote that there is no medicine, but there are cans of infant formula available and sold by international companies.

Currently, Mr. President, there are no funds authorized in the Agency for International Development's budget to deal specifically with the implementation of the infant formula code. Although the $5 million authorized by this amendment is a modest sum, I know from sources within AID, as well as in the World Health Organization, that this sum is urgently needed if we are to join with others in helping to implement the code.

These funds can be used to help ministries of health in developing countries establish programs and write appropriate legislation to implement the code. They can be used to support research and field projects on infant feeding practices. They can help developing countries integrate the promotion of breast feeding in their health education programs, and to incorporate controls on the use of infant formulas in hospitals, health centers, and primary health programs. And they can help strengthen governmental understanding of the misuse of infant formula.

These are just some of the programs this amendment would support in an effort to help, on a voluntary basis, developing countries implement the code. In doing so, we will help save the lives of millions of children who now fall victim each year to the misuse of infant formula throughout the poorest nations on Earth.

Mr. President, action on this amendment carries forward the spirit of the congressional resolutions on the WHO code adopted overwhelmingly by the House and Senate during consideration of the Department of State authorization bill. Now we can lend more tangible support to these expressions of support for the code by authorizing funds to help implement its objectives.

So while our Government's vote in Geneva may have set our country against the rest of the civilized world, the Senate can act to support the code with the certain knowledge that if America's vote had been cast by the American people, the outcome would have been different.

This amendment helps express the concern of the American people for the plight of infants around the world who, daily, die infant formula deaths.

Mr. LEAHY. Will the Senator yield?

Mr. KENNEDY. I am happy to yield.

Mr. LEAHY. Mr. President, I think this amendment provides a positive way for the Congress to demonstrate its own concern about the children of the world. I applaud Senator KENNEDY for his leadership on this issue.

Mr. President, I am pleased to support the amendment by the Senator from Massachusetts to earmark funds for the promotion of breast feeding.

In light of the past opposition of the Reagan administration on the World Health Association's Infant Formula Code, I feel it is important for us to restate the dedication of this country to the health and well-being of all the world's children.

In study after study, in country after country—including our own—medical evidence reveals that breast feeding is the superior form of nutrition for infants. Breast milk provides special immunities for the newborn, and a perfect balance of nutrients.

But in spite of these natural benefits, and in spite of the fact that breast milk is free, many mothers in poor regions of the Third World have been sold the notion that artificial powdered formula is better for their children. Heavy promotion by infant formula companies have shown beautiful mothers with healthy babies, implying that using the bottle is the "modern and the Western thing to do."

But what these new mothers soon find, if they begin to use the formula, is that the bottle is expensive and the formula may cost more than half of the family's income. Even more tragically, however, these mothers soon see their babies grow ill and weak if the water they used to mix the formula is polluted.

At that point, any mother would naturally want to take her baby off the formula if it was making her baby sick. But by that point it would be too late. If a woman has stopped breast feeding, she cannot start again.

Mr. President, this is a tragedy, a needless tragedy. Every day a mother breast feeds her child is to the benefit of the baby. But for the poor woman, the woman without access to pure water, or the fuel necessary to sterilize the bottles, the choice is more than just better nutrition. The choice to use formula may be a life-and-death decision for the baby.

Yet, when the Reagan administration had a chance to show its sensitivity to this problem, to express its concern about the health of innocent children, it chose not to. We were the only country to vote "no" on the World Health Organzation/UNICEF Code of Marketing Practices for Infant Formula. The insensitivity shown by that vote was not lost on the rest of the world, and frankly, I think that decision did damage to our Nation's standing in the world. That "no" vote certainly did not reflect the support that the Congress has shown for the many health and development programs we have funded over the years.

The amendment we are addressing today will set the record straight. In this amendment, AID will be authorized to fund necessary research to obtain better information on the precise nature and magnitude of infant feeding problems, including the use of infant formula, in developing countries. AID will also be required to report on its efforts to promote breast feeding. Finally, AID will also report to the Congress on progress of the members of the World Health

Organization in their efforts to implement the infant formula code.

Mr. President, I think this amendment provides a positive way for the Congress to demonstrate its own concern about the children of the world. I applaud Senator KENNEDY for his leadership on this issue and I support his amendment.

The leadership by the senior Senator from Massachusetts in forming a bipartisan coalition in this matter demonstrates the true feelings of the Senate.

Mr. President, I yield the floor back to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, this is a familiar issue to both the chairman of the Foreign Relations Committee and the ranking minority member. I hope that they accept the amendment.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, from the viewpoint of this side of the aisle, the amendment seemed an excellent one and in order. I am glad to recommend its passage.

Mr. PERCY addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. PERCY. Mr. President, I support the amendment.

I believe all of my colleagues support the idea that AID programs should promote improved infant feeding practices. This amendment clearly enunciates that position.

While most of us agreed with the basic aim of the WHO International Code of Marketing of Breast Milk Substitutes, as did the administration, a number of us had strong reservations about specific operative sections of the code. I believe that this amendment provides us all a chance to prove to the world that we do wish to make a positive contribution to the promotion of sound infant feeding practices. Senators DOLE and LEAHY, who previously have been intimately involved with this issue on the Senate floor, also support this amendment.

I also think it would be beneficial to increase our knowledge of the actual nature and magnitude of the problem of infant feeding in the Third World. This amendment encourages AID to increase the data available on this issue and to report such information to the Congress.

On balance, I believe this amendment provides a positive way for the United States to show the unanimity of our position when it comes to finding realistic ways to help assure that children all over the world have a better chance of receiving appropriate care during infancy.

Mr. KENNEDY. Mr. President, I wish to thank the chairman of the Foreign Relations Committee and the ranking minority member for their courtesy and responsiveness.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts (Mr. KENNEDY).

The amendment (UP amendment No. 419) was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider all three of those amendments.

Mr. PERCY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 413, AS MODIFIED FURTHER

Mr. PELL. Mr. President, I ask unanimous consent to make a technical correction that my perfecting amendment, unprinted amendment No. 413, as modified, be further modified in the instructions to reflect my stated intention to delete all of subsection (b) of the Lugar amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (UP No. 413), as modified further, is as follows:

On page 1, strike subsection (b) through the end of the amendment and insert in lieu thereof the following:

"In fiscal year 1982 and 1983 funds may be obligated for assistance for El Salvador under chapter 2 or 5 of part II of the Foreign Assistance Act of 1961, letters of offer may be issued and credits and guaranties may be extended for El Salvador under the Arms Export Control Act, and members of the Armed Forces may be assigned or detailed to El Salvador to carry out functions under the Foreign Assistance Act of 1961 or the Arms Export Control Act, only if every 180 days after enactment of this Act, the President makes a certification in accordance with subsection (c).

"(b) If the President does not make such a certification, then the President shall immediately—

"(1) suspend all expenditures of funds and other deliveries of assistance for El Salvador which were obligated under chapters 2 and 5 of part II of the Foreign Assistance Act of 1961 after the date of enactment of this Act;

"(2) withhold all approvals for use of credits and guarantees for El Salvador which were extended under the Arms Export Control Act after the date of enactment of this Act.

"(3) suspend all deliveries of defense articles, defense services, and design and construction services to El Salvador which were sold under the Arms Export Control Act after the date of enactment of this Act; and

"(4) order the prompt withdrawal from El Salvador of all members of the Armed Forces performing defense services, conducting international military education and training activities, or performing management functions under section 515 of the Foreign Assistance Act of 1961.

Any suspension of assistance pursuant to paragraphs (1) through (4) of this subsection shall remain in effect during fiscal year 1982 until such time as the President makes a certification in accordance with subsection (c).

"(c) The certification required by subsections (a) and (b) is a certification by the President to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate of a determination that the Government of El Salvador, to the extent not precluded by forces outside its control—

"(1) is making a concerted and significant effort to control gross violations of internationally recognized human rights;

"(2) is moving to achieve control over all elements of its own armed forces, so as to bring to an end the indiscriminate torture and murder of Salvadoran citizens by these forces;

"(3) is making continued progress in implementing essential economic and political reforms, including the land reform program;

"(4) is committed to the holding of free elections at an early date and to that end has demonstrated its willingness to negotiate an equitable political resolution of the conflict with any group which renounces and refrains from further military or paramilitary opposition activity.

Each such certification shall discuss fully and completely the justification for making each of the determinations required by paragraphs (1) through (4).

"(d) On making the first certification under subsection (a) of this section, the President shall also certify to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate that he has determined that the Government of El Salvador has made good faith efforts both to investigate the murders of the six United States citizens in El Salvador in December 1980 and January 1981 and to bring to justice those responsible for those murders."

Mr. DODD. Mr. President, what is the pending business before the Senate?

The PRESIDING OFFICER. The pending question is on the amendment of the Senator from North Carolina, UP amendment No. 412.

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## TWENTIETH ANNIVERSARY OF THE PEACE CORPS

Mr. PERCY. Mr. President, 20 years ago today, President John F. Kennedy signed legislation founding the Peace Corps. Since that day, more than 80,000 Peace Corps volunteers have served in 88 foreign nations. They have compiled a shining record of service to the people of those nations and to the United States.

Peace Corps volunteers have served in diverse capacities at many levels abroad. They have taught in local schools and trained teachers, helped construct village housing, roads, and schools, provided health care and taught people how to provide better nutrition and health care for themselves with their own resources. Volunteers have assisted with irrigation and sanitation projects and taught improved farming and fishing techniques.

The Peace Corps has helped millions of people around the world improve their lives, and it has done so largely by showing people what they can do for themselves with a minimum of assistance from outside the local society. At the same time, Peace Corps volunteers, through their reports to families and friends have given millions of Americans realistic understanding of foreign cultures and the promise, as well as the difficulty, of realizing development goals in countries locked in poverty for centuries.

Mr. President, the Peace Corps was launched in a period of high optimism about changing the world in a very short time. Americans have since shed some of their romantic illusions about the rest of the world, but America's readiness to help in the long, hard struggle to improve living conditions in poor countries remains steadfast. Peace Corps volunteers continue to be the finest representatives of the American spirit. The Corps continues to welcome to its ranks, now as it did 20 years ago, Americans of all ages with the courage and dedication to serve others.

## PENDING BUSINESS

Mr. BAKER. Mr. President, what is the pending business?

The PRESIDING OFFICER. The amendment of the Senator from North Carolina, numbered 412.

Mr. BAKER. Mr. President, have roll-call votes been ordered on amendments on which votes have not yet occurred?

The PRESIDING OFFICER. They have been.

Mr. BAKER. I thank the Chair.

## ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, in a moment, I expect to propound a request in respect to those votes, but for the time being, I have a few housekeeping matters to take care of; and for that purpose, I ask unanimous consent that there now be a brief period for the transaction of routine morning business, not to extend past 6:30, in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

## THE LIBRARY OF CONGRESS

Mr. BAKER. Mr. President, I take this opportunity to inform my colleagues about a new Senate report that has been prepared at my request.

The title, "The Original Library of Congress: The History (1800–1814) of the Library of Congress in the United States Capitol," captures the essence of this study's rare historical journey through the Capitol's past.

My office is fortunately located amidst the original location for the Library of Congress, and it is my hope that many of my colleagues and interested citizens alike will avail themselves of the opportunity to read this report.

I thank Dr. Anne-Imelda Radice, Curator for the Architect, and Cynthia Miller, Archivist assistant in conjunction with the Library of Congress, for their help.

Of course, none of this would be possible without the expert advice and assistance from the distinguished Architect of the Capitol, George M. White.

## CLYDE DuPONT TO BECOME MEMBER OF HAWAIIAN PUBLIC UTILITIES COMMISSION

Mr. STEVENS. Mr. President, on September 14, Clyde DuPont, former chairman of the Postal Rate Commission, left his position as a commissioner to accept membership on the Hawaiian Public Utilities Commission. Many of us remember Clyde when he was minority staff director for the Senate Post Office and Civil Service Committee, working with the distinguished Senator from Hawaii, Hiram Fong.

Clyde was initially appointed to the Postal Rate Commission by President Ford in September of 1974 and then appointed chairman early the following year. As chairman, he established new procedures for regulatory hearings of the Commission by ordering expedited procedures dispensing with the services of administrative law judges and having the Commission hear all cases en banc with the Chairman acting as presiding officer.

These expedited procedures reduced the time for considering postal rate cases from an excess of 20 months to less than 10 months. These expedited procedures were later adopted into law by Congress in 1976.

Additionally, he ordered refined costing procedures on postal rate cases utilizing incremental costing approach rather than fully distributed costing in conformance with statutory directives. He established periodic reporting procedures for the Postal Service enabling the Postal Rate Commission and all interested parties to follow the financial condition of the Postal Service each accounting period, quarterly and annually.

These accomplishments as chairman assisted in expediting rate cases, reducing the costs, particularly the administrative costs, to the Postal Service and the Postal Rate Commission, as well as the litigating cost to the intervening parties. In addition, Commissioner DuPont established goals and objectives for guiding the Commission's work in all areas, particularly personnel actions to reduce members of supergrades and focus on skills needed for more efficient work output.

As a member of the U.S. Administrative Conference as a member of its Economics and Ratemaking Committee, he participated in formulating policy studies and reports on regulatory delays, Freedom of Information Act problems, and other similar studies of Federal regulatory concern.

All in all, Clyde DuPont has done an outstanding job on this Commission. I know Clyde wanted to return to his home in Hawaii and I know his many friends here join with me in wishing him every success as the newest member of the Hawaiian Public Utilities Commission.

## HITLER'S DEATH CAMPS

Mr. PROXMIRE. Mr. President, an upcoming book by Dr. Konnilyn Feig, entitled "Hitler's Death Camps," explores in grim detail the murder apparatus of the Third Reich.

The book is a historical account written in a personal style. What sets this book off from other holocaust literature is that it focuses upon the concentration camps themselves. Each camp is analyzed and discussed individually, focusing on the characteristics of that camp, for as Dr. Feig says, "each camp exemplifies a major aspect of the system."

For all her technical and systematic analysis of the camps themselves, Dr. Feig is anything but removed from the incredible emotional and psychological forces which we must confront whenever we think about the holocaust. As she states at one point, "the camps are in all of us."

I could not agree with her more, Mr. President. The camps are in all of us, and likewise the spectre of genocide is in all of us. "Hitler's Death Camps" provides a close look at the actual apparatus of genocide. It reminds us how capable we are of mass murder.

This book also reminds us once again that we have not done our part in preventing a future holocaust. The first step in helping to prevent such catastrophes is very easy to take, and can be taken right here in this Chamber. I urge swift ratification of the Genocide Convention.

## CHILDREN'S CAMPAIGN FOR NUCLEAR DISARMAMENT

Mr. LEAHY. Mr. President, my increasing concern about the possibility of a nuclear holocaust is directly related to thought about what the future holds for our children. Children themselves are quick to see the danger posed by this unbridled arms race, and their concern is represented in the "Children's Campaign for Nuclear Disarmament."

On October 17, 1981, letters written to the President by children across the country will be read at a rally in Washington, D.C. I insert in the RECORD excerpts from three of the hundreds of letters already written by these children:

DEAR MR. PRESIDENT: I am only twelve years of age and looking into the future scares me more than anything. To know that there might be a possible World War Three frightens me very much. Every day the nuclear war comes closer and closer. Having the most power is not important. Having the best nation is, but if there is a nuclear war it won't matter who is most powerful or who has the best nation because nobody will be left on earth.

DEAR MR. PRESIDENT: Even at age 14, I know that in a nuclear war no one wins. Even my brother Sam, who is five, knows that bombs mean injury, death, and destruction.

I also have a brother, Pippin, three, and a sister, Aerin, one. I love them all, and I do not want them hurt or killed.

Please, do whatever is in your power to decrease nuclear weapons manufacturing. It is the only wise thing to do.

DEAR MR. PRESIDENT: Radiation is very dangerous to plants, animals, grownups and children.

It makes me very sick.

Please don't make any more nuclear weapons.

## MESSAGES FROM THE HOUSE

At 12:07 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bills, each with amendments, in which it requests the concurrence of the Senate:

S. 917. An act to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their surviving spouses and children; to authorize the Administrator of Veterans Affairs to guarantee home loans with provisions for graduated-payment plans; to increase the maximum amount payable in Veterans' Administration specially adapted housing assistance; to expand eligibility for memorial markers; and for other purposes; and

S. 1191. An act to extend for 1 year the authority of the Secretary of Commerce to reimburse commercial fishermen of the United States for losses incurred as the result of the seizure of their vessels by foreign nations.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1952. An act authorizing appropriations to carry out conservation programs on military reservations and public lands during fiscal years 1982, 1983, and 1984, and for other purposes;

H.R. 3136. An act to amend the Foreign Assistance Act of 1961 with respect to the activities of the Overseas Private Investment Corporation;

H.R. 4084. An act to improve the operation of the Marine Mammal Protection Act of 1972, and for other purposes;

H.R. 4284. An act to name the lock authorized as a replacement for Vermilion Lock, Louisiana, as "Leland Bowman Lock."

The message further announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 111. A concurrent resolution expressing the sense of the Congress that the Government of the Soviet Union should cease its imprisonment of Yuriy Shukhevych and permit him and his family to emigrate from the Soviet Union; and

H. Con. Res. 179. A concurrent resolution making apportionment of funds for the National System of Interstate and Defense Highways for the fiscal year 1983.

## ENROLLED BILLS AND JOINT RESOLUTION SIGNED

At 6:18 p.m., a message from the House of Representatives, delivered by Mr. Gregory, announced that the Speaker has signed the following bills and joint resolution:

H.R. 618. An act to convey certain interests in public lands to the city of Angels, California;

H.R. 2218. An act to direct the Secretary of Agriculture to convey certain National Forest System lands in the State of Nevada, and for other purposes; and

S.J. Res. 65. Joint resolution proclaiming Raoul Wallenberg to be an honorary citizen of the United States and requesting the President to ascertain from the Soviet Union the whereabouts of Raoul Wallenberg and to secure his return to freedom.

## HOUSE BILLS REFERRED

The following bills were read twice by unanimous consent, and referred as indicated:

H.R. 1952. An act authorizing appropriations to carry out conservation programs on military reservations and public lands during fiscal years 1982, 1983, and 1984, and for other purposes; to the Committee on Environment and Public Works.

H.R. 4084. An act to improve the operation of the Marine Mammal Protection Act of 1972, and for other purposes; to the Committee on Commerce, Science, and Transportation.

H.R. 4284. An act to name the lock authorized as a replacement for Vermilion Lock, Louisiana, as "Leland Bowman Lock"; to the Committee on Environment and Public Works.

## HOUSE BILL HELD AT DESK

The following bill was ordered held at the desk by unanimous consent:

H.R. 3136. An act to amend the Foreign Assistance Act of 1961 with respect to the activities of the Overseas Private Investment Corporation.

## HOUSE CONCURRENT RESOLUTIONS REFERRED

The following concurrent resolutions were read and referred as follows:

H. Con. Res. 111. A concurrent resolution expressing the sense of the Congress that the Government of the Soviet Union should cease its imprisonment of Yuriy Shukhevych and permit him and his family to emigrate from the Soviet Union; to the Committee on Foreign Relations.

H. Con. Res. 179. A concurrent resolution making apportionment of funds for the National System of Interstate and Defense Highways for the fiscal year 1983; to the Committee on Environment and Public Works.

## EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1959. A communication from the Assistant Secretary of the Army for Installations, Logistics, and Financial Management transmitting, pursuant to law, a report on a decision to convert to contractor performance the laundry and drycleaning function at Fort Indiantown Gap, Pennsylvania; to the Committee on Armed Services.

EC–1960. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Faster Processing of DOD Personnel Security Clearances Could Avoid Millions in Losses"; to the Committee on Armed Services.

EC–1961. A communication from the Assistant Secretary of State for Congressional Relations, transmitting, pursuant to law, notice of credit extended by the Export-Import Bank to the People's Republic of China; to the Committee on Banking, Housing, and Urban Affairs.

EC–1962. A communication from the Secretary of Transportation transmitting a draft of proposed legislation to provide for the transfer of the Alaska Railroad to the State of Alaska; to the Committee on Commerce, Science, and Transportation.

EC–1963. A communication from the Secretaries of Transportation, Commerce, and Housing and Urban Development transmitting, pursuant to law, a report on use of federal funds to assist public and private redevelopment in the vicinity of urban rail stations in the Northeast Corridor; to the Committee on Commerce, Science, and Transportation.

EC–1964. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Burdensome and Unnecessary Reporting Requirements of the Public Utility Regulatory Policies Act Need To Be Changed"; to the Committee on Energy and Natural Resources.

EC–1965. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a list of the reports submitted to Congress by the General Accounting Office in August 1981; to the Committee on Governmental Affairs.

EC–1966. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, a report with respect to a certain scientific and professional position; to the Committee on Governmental Affairs.

EC–1967. A communication from the Assistant Attorney General for Legislative Affairs, transmitting a draft of proposed legislation to amend the Trading with the Enemy Act in order to authorize the use of assets vested under that Act during World War II for an ex gratia payment of $20,000 to the Government of Switzerland and to provide for the deposit in the Treasury of the remainder of such assets; to the Committee on the Judiciary.

EC–1968. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "SBA's Progress In Implementing The Public Law 95–507 Subcontracting And Surety Bond Waiver Provisions Has Been Limited"; to the Committee on Small Business.

## PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–416. Joint resolution adopted by the Legislature of the State of Alabama; to the Committee on the Judiciary:

"S.J.R. 41

"Whereas, there is a great need for a government of laws and not of men in this country; and

"Whereas, many federal justices and judges have strayed in their rulings from strictly interpreting the Constitution of the United States as it was intended, passed and ratified; and

"Whereas, such straying from the intent of the Constitution is in effect judicial legislation by means of judicial extrapolation; and

"Whereas, members of the federal judiciary have been able to follow this course of action because they are not answerable to the people because they are appointed for lifetime tenure; and

"Whereas, this country was founded in order to escape the awesome power of lifetime appointments from nonelected rulers and royalty; and

"Whereas, the federal judiciary is the last remaining vestige of such awesome, lifetime political patronage in this country; and

"Whereas, the public has always been under the impression that federal judges aided and abetted criminals and criminal activity in America by giving the criminals more rights than the victims; now therefore,

*"Be it resolved by the Legislature of Alabama, both Houses thereof concurring,* That the Legislature of Alabama hereby petitions the Congress of the United States to convene a convention, pursuant to Article V of the Constitution of the United States, for the specific and exclusive purpose of proposing an amendment which would prohibit lifetime appointments of federal supreme court justices and all other federal judges and require that they be elected and re-elected every six years by the people.

*"Be it resolved further,* That the legislature of each of our sister states is urged to give the most serious consideration to the problems arising from lifetime judicial appointments, and to petition the Congress of the United States to call a convention for the specific and exclusive purpose of proposing an amendment which would prohibit lifetime appointments of federal supreme court justices and all other federal judges and require that they be elected and re-elected every six years by the people.

*"Be it resolved further,* That the Secretary of the Senate transmit duly authenticated copies of this resolution to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representative, to each member of Congress, both Senate and House, and to the executive authority of each of our sister states for transmittal to its legislature."

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

Report entitled "Report to the Senate of the Select Committee on Intelligence, United States Senate, Covering the Period January 1, 1979–December 31, 1980" (with additional views) (Rept. No. 97–193).

By Mr. THURMOND, from the Committee on the Judiciary, without amendment:

S.J. Res. 67. Joint resolution to establish National Nurse-Midwifery Week.

By Mr. THURMOND, from the Committee on the Judiciary, without amendment:

S. Res. 199. A resolution to authorize National Productivity Improvement Week.

S. Res. 175. A resolution to congratulate the State of Oklahoma on the celebration of its Diamond Jubilee.

By Mr. THURMOND, from the Committee on the Judiciary, without amendment:

H.J. Res. 263. Joint resolution to designate May 6, 1982, as "National Recognition Day for Nurses".

By Mr. THURMOND, from the Committee on the Judiciary, with an amendment:

S.J. Res. 107. Joint resolution to designate the seventh day of October 1981 as "National Guard Day".

## EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee of the Judiciary:

J. Paul McGrath, of New Jersey, to be an Assistant Attorney General;

Henry R. Wilhoit, Jr., of Kentucky, to be United States District Judge for the Eastern District of Kentucky;

John E. Sprizzo, of New York, to be United States District Judge for the Southern District of New York;

Joseph M. McLaughlin, of New York, to be a United States District Judge for the Eastern District of New York;

Roger J. Miner, of New York, to be United States District Judge for the Northern District of New York;

John C. Coughenour, of Washington, to be United States District Judge for the Western District of Washington; and

Conrad K. Cyr, of Maine, to be United States District Judge for the District of Maine.

By Mr. PERCY, from the Committee on Foreign Relations:

David Eugene Zweifel, of Maryland, a Foreign Service Officer of Class two, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Yemen Arab Republic.

Nominee: David Eugene Zweifel.

Post: Sanaa, Yemen Arab Republic.

Nominated: May 9, 1981.[1]

Contributions, amount, date, donee:

1. Self: None other than standard $1 deduction on Federal Income Tax form.

2. Spouse: None other than standard $1 deduction on Federal Income tax form.

3. Children and spouses, names: Mark Evan (DOB December 31, 1966) Minor child; no contributions; Daphne Lynne (DOB April 3, 1968) Minor child; no contributions.

4. Parents names: Father deceased; mother is Frieda T. Zweifel, no contributions that I know of. Please see statement below.

5. Grandparents names: All long deceased.

6. Brothers and spouses names: None.

Sisters and spouses names: Mr. and Mrs. Ernest J. Stevens, Mr. and Mrs. Robert Carlile, Mr. and Mrs. William Cypher, Mr. and Mrs. Edward Robinson.

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Faith Ryan Whittlesey, of Pennsylvania, to be Ambassador Extraordinary and Plenipotentiary of the United States to Switzerland:

Nominee: Faith Ryan Whittlesey.

Post: Ambassador to Switzerland.

Contributions, amount, date, donee:

1. Self: Faith Ryan Whittlesey, $100, 1980, Rochford for Congress Comm.

2. Spouse: Deceased (Roger Weaver Whittlesey).

3. Children and spouses names: Henry Clark Whittlesey none; Amy Elizabeth Whittlesey—none; William Weaver Whittlesey—none.

4. Parents names: Martin R. Ryan—none. Amy Covell Ryan—none.

5. Grandparents names: Deceased.

6. Brothers and spouses names: Thomas M. Ryan — brother — none; Spouse — Joan Ryan—none.

Sisters and spouses names: Sisters-in-law, Mary Whittlesey Hogg; Spouse, James Hogg—none; Shirley Whittlesey Kuhn; Spouse, Richard Kuhn—none.

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George Southall Vest, of Maryland, a Foreign Service Officer in the Class of Career Minister, to be the Representative of the United States to the European, Communities, with the rank and status of Ambassador Extraordinary and Plenipotentiary:

Nominee: George S. Vest.

Post: U.S. Mission to the European Communities.

Contributions, amount, date, donee:

1. Self: none.

2. Spouse: none.

3. Children and spouses names: Jeannie Bordallo and husband; George S. Vest, Jr.; Henry C. Vest, none.

4. Parents names: Deceased.

5. Grandparents names: Deceased.

6. Brothers and spouses names: Half-brother—John C. Crawford; Betty W. Crawford, none.

7. Sisters and spouses names: Nancy V. Scheper; Henry E. Scheper, none.

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Joseph Verner Reed, Jr., of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Kingdom of Morocco:

Nominee: Joseph V. Reed, Jr.

Post: Ambassador to Kingdom of Morocco.

Contributions, amount, date, donee:

1. Self: $1,000, September 19, 1980, Prelude to Victory; $4,000, October 24, 1980, Florida Victory Committee; $5,000, November 3, 1980, Republican National Committee.

2. Spouse: None.

3. Children and spouses names: Serena Reed; Electra Reed, none.

4. Parents names: Joseph V. Reed, Sr. (deceased); Permelia Reed, $1,000, February 1, 1979, Bush for President; $1,000, July 24, 1980, Republican National Comm. Presidential Fund.

5. Grandparents names: Deceased.

6. Brothers and spouses names: (Information has been requested and will be submitted in near future).

7. Sisters and spouses names: (Information has been requested and will be submitted in near future).

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Robert P. Paganelli, of New York, a Foreign Service Officer of Class one, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Syrian Arab Republic:

Nominee: Robert P. Paganelli.

Post: Ambassador to Syria.

Contributions, amount, date, donee:

1. Self: $100, June 13, 1980, Thomas Trimarco; $25, November 28, 1980, Thomas Trimarco.

2. Spouse: None.

3. Children and spouses names: None.

4. Parents names: None.

5. Grandparents names: None.

6. Brother name: John A. Paganelli, $100, June 28, 1976, John La Falce; $100, July 11, 1978, John La Falce; $100, September 16, 1980, John La Falce.

7. Sisters and spouses names: None.

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Michael H. Newlin, of Maryland, a Foreign Service Officer of Class one, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Democratic and Popular Republic of Algeria:

Nominee: Michael H. Newlin.

Post: Ambassador to Algeria.

Contributions, amount, date, donee:

1. Self: None.

2. Spouse: None.

3. Children and spouses names: None.

4. Parents names: None.

5. Grandparents names: None.

6. Brothers and spouses names: None.

7. Sisters and spouses names: None.

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Richard W. Murphy, of Maryland, a Foreign Service Officer of the Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Kingdom of Saudi Arabia, to which office he was appointed during the last recess of the Senate:

Nominee: Richard W. Murphy.

Post: Jidda.

Contributions, amount, date, donee:

1. Self: None.

2. Spouse: None.

3. Children and spouses names: None.

4. Parents names: None.

5. Grandparents names: None.

6. Brothers and spouses names: None.

7. Sisters and spouses names: None.

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Jack F. Matlock, Jr., of Florida, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Czechoslovak Socialist Republic:

Nominee: Jack F. Matlock, Jr.

Post: Ambassador to Czechoslovakia.

Contributions, amount, date, donee:

1. Self: None.

2. Spouse: None.

3. Children and spouses names: James, Hugh, David and Joseph Matlock; Neil and Hu Benton, None.

4. Parents names: Mrs. Nellie Burrum and Hugh H. Burrum, None.

5. Grandparents names: (Deceased) None.

6. Brothers and spouses names: Frank E. M. and Mary B. Matlock, None.

7. Sisters and spouses names: None.

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Arthur Adair Hartman, of New Jersey, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Union of Soviet Socialist Republics:

Nominee: Arthur Adair Hartman.

Post: Ambassador to Soviet Union.

Contributions, amount, date, donee:

1. Self: None.

2. Spouse: Donna Ford Hartman, None.

3. Children and spouses names: John, Sarah, Johanna, and Benjamin Hartman, Mr. and Mrs. David F. Hartman (wife Debbie) None.

4. Parents names: Deceased.

5. Grandparents names: Deceased.

6. Brothers and spouses names: S. C. and Alma Hartman, None.

7. Sisters and spouses names: None.

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Raymond C. Ewing, of Virginia, a Foreign Service Officer of Class one, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Cyprus:

Nominee: Raymond C. Ewing.

Post: Nicosia, Cyprus.

Contributions, amount, date, donee:

1. Self: None.

2. Spouse: None.

3. Children and spouses names: None.

4. Parents names: None.

5. Grandparents names: None.

6. Brothers and spouses names: None.

7. Sisters and spouses names: none.

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John E. Dolibois, of Ohio, to be Ambassador Extraordinary and Plenipotentiary of the United States to Luxembourg:

[1] Date of President Reagan's call.

Nominee: John E. Dolibois.
Post: Ambassador to Luxembourg.
Nominated: June 2, 1981.
Contributions, amount, date, donee:
1. Self and spouse: $25, June 22, 1977, GOP Campaign Fund; $35, January 3 and February 7, 1978, RNC; $25, April 22, 1978, Rhodes for Governor; $20, June 18, 1979, RNC; $25, December 9, 1979, GOP Victory Fund.
2. Children and spouses names: John Michael, $35, 1978, RNC; Robert Joseph, $10, 1978, Delegate, Republican State Convention, Virginia; $25, February 20, 1980, RNC; $25, August 4, 1980, RNC; $35, August 14, 1980, GOP Victory Fund; $25, May 20, 1980, NRCC; $20, May 21, 1980, Ohio Republican Party; $125, December 23, 1980, RNC; $25, February 27, 1981, Ohio Republican Party; $50, April 13, 1981, GOP Victory Fund.
3. Parents names: Deceased.
4. Grandparents names: Deceased.
5. Brothers and spouses names: None.
6. Sisters and spouses names: None.

Paul J. Manafort, Jr., of Virginia, to be a Member of the Board of Directors of the Overseas Private Investment Corporation for a term expiring December 17, 1983;

John Augustus Bohn, Jr., of California, to be United States Director of the Asian Development Bank;

Nyle C. Brady, of New York, to be an Assistant Administrator of the Agency for International Development;

L. Keith Bulen, of Indiana, to be a Commissioner on the part of the United States on the International Joint Commission, United States and Canada; and

Sundry nominations within the Foreign Service to be summarized and placed on the Secretary's desk.

(The above nominations were reported from the Committee on Foreign Relations with the recommendation that they be confirmed subject to the nominees' commitment to respond to requests to appear and testify before a duly constituted committee of the Senate.)

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HELMS:

S. 1650. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to extend coverage under provisions of that act relating to benefits to survivors of certain public safety officers who died in the performance of duty; to the Committee on the Judiciary.

By Mr. BENTSEN (for himself, Mr. CANNON, and Mr. ROTH):

S. 1651. A bill to combat international terrorism; to the Committee on the Judiciary.

By Mr. GOLDWATER (for himself and Mr. DECONCINI):

S. 1652. To restore certain lands in Arizona to the Colorado River Indian Reservation; to the Select Committee on Indian Affairs.

By Mr. MATSUNAGA:

S. 1653. A bill to restructure the State and local assistance programs designed to improve the quality of criminal justice, and for other purposes; to the Committee on the Judiciary.

By Mr. BOREN (for himself, Mr. STENNIS, Mr. HEFLIN, Mr. FORD, Mr. JOHNSTON, Mr. NICKLES, Mr. HOLLINGS, Mr. SASSER, Mr. BENTSEN, Mr. HELMS, Mr. MATHIAS, Mr. LONG, and Mr. THURMOND):

S. 1654. A bill granting the consent of Congress to the Southern States Energy Compact, and for related purposes; to the Committee on the Judiciary.

By Mr. HART:

S. 1655. A bill to amend the Internal Revenue Code of 1954 to reduce the deduction for business meals and to earmark the savings from such reduction for the school lunch programs; to the Committee on Finance.

By Mr. DURENBERGER (for himself, Mr. ROTH, Mr. CHAFEE, Mr. BRADLEY, and Mr. HEINZ):

S. 1656. A bill to amend the Internal Revenue Code of 1954 to clarify certain requirements which apply to mortgage subsidy bonds, and for other purposes; to the Committee on Finance.

By Mr. SCHMITT (for himself, Mr. CANNON, Mr. GORTON, Mrs. KASSEBAUM, Mr. LUGAR, and Mr. SYMMS):

S. 1657. A bill entitled the "Uniform Science and Technology Research and Development Utilization Act"; to the Committee on Commerce, Science, and Transportation.

By Mr. DODD:

S 1658. A bill to amend title VII of the Housing and Urban Development Act of 1970 to require a National Public Investment Requirements Analysis; to the Committee on Banking, Housing, and Urban Affairs.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENTSEN (for himself, Mr. CANNON, and Mr. ROTH):

S. 1651. A bill to combat international terrorism; to the Committee on the Judiciary.

INTERNATIONAL TERRORISM CRIME ACT OF 1981

● Mr. BENTSEN. Mr. President, the Central Intelligence Agency reports that some 3,668 people have been killed, 7,474 wounded in 6,714 acts of international terrorism since 1968.

The situation seems to be getting worse. There were more casualties of terrorism in 1980 than in any year since the CIA began its analysis of international terrorism in 1968.

As they have from the beginning, Americans in 1980 remained the primary targets of terrorist activity. Ten Americans were killed last year and ninety-four wounded in attacks around the world. Nearly two out of every five incidents involved U.S. citizens or property.

Given the increase in terrorist activity around the world and given our vulnerability to the depradations of terrorists it is incredible to think that the U.S. Government, through a loophole in the law, would condone activities that aid and abet international terrorism.

Yet, Mr. President, that is exactly what is happening.

As things now stand it is legal for a U.S. citizen or group of citizens to manufacture or purchase explosive devices in this country, and sell those devices to, say, the regime of Colonel Khadafy in Libya. They could do this even if they know that the Libyan Government planned to use these devices to promote terrorism; to blow up bridges and buildings and airplanes, killing innocent people in the far corners of the globe.

Let us take this a step further, Mr. President.

These U.S. citizens could also travel this country recruiting people to go work in Libya training terrorists. They could hire people to go to this foreign country and teach terrorists how to most effectively use the explosives they have sold them to blow up people and property.

In addition, Mr. President, these same U.S. citizens—perhaps former intelligence officers for our country—could sell to Libya or to any other foreign power a master plan for terrorism and they would not be violating the laws of our country.

The fact is, Mr. President, it is not now illegal for citizens of this country who are in this country to aid and abet international terrorism. I think it should be illegal, clearly illegal, and I am introducing legislation today to make it so.

Recent news reports—in the New York Times Sunday magazine, in Newsweek and in other publications—have revealed that there are some Americans who have taken advantage of the loophole in our law to aid and abet terrorism.

There is compelling evidence that U.S. citizens have become active agents of international terrorists; that U.S. firms fill suspicious orders with the tacit understanding that they are intended for use by terrorists; and that our laws are just not an effective deterrent to this activity.

If the United States cannot take action against its own citizens who work within its borders to foster terrorism then we cannot lead a successful international effort to combat terrorism.

Mr. President, I am introducing today the International Terrorism Crime Act of 1981. Its purpose is to prevent citizens of this country from taking actions in this country to further the terrorist ambitions of governments like Libya's.

Specifically this bill prohibits the sale of weaponry, explosive devices, munitions, plans and like items to a foreign state, or to an agent of a foreign state, for the purpose of aiding or abetting international terrorism.

Anyone convicted of violating this law, Mr. President, would face a prison term of up to 10 years, a fine of up to $25,000, or both.

Mr. President, we live in an age of terrorism, as anyone who went through the decade of the seventies can testify: The massacre at the Munich Olympics in 1972, the siege at Entebbe, the seizure of Embassies in Tehran and Bogota and London, the skyjackings, the bombings.

American property and American citizens have been and continue as the main targets of terrorists.

If the United States does not lead an international effort to combat terrorism—to wipe the last traces of terrorist activity from the face of the Earth—then, Mr. President, I do not know what country will do so.

We can, we must, rally all civilized nations of the world in an all-out war against terrorism.

But, before we can succeed at that we must insure that our own house is in order.

Mr. President, the legislation I propose today will help do that by making it a crime for Americans within this country to hatch plots to forment terrorism.●

Mr. ROTH. Mr. President, I rise to join my distinguished colleague and

friend, Senator BENTSEN, with whom I serve on the Intelligence Committee, to cosponsor the International Terrorism Crime Act of 1981. I share his abhorrence of the growing menace of terrorism in the world.

I believe this bill will close a loophole in our Criminal Code and allow prosecution of American citizens who aid international terrorism outside the United States.

There is growing interest in the Congress in stemming the activities of Americans who profit from international terrorism by providing arms, training, and technology to irresponsible foreign organizations and governments. The recent press coverage of the activities of Edwin P. Wilson in Libya has raised questions about the effectiveness of our laws that control the export of American military equipment and advanced technology.

This bill would make it a crime knowingly to manufacture, sell, or export military equipment, weapons, or technology, or to provide training or expertise to a foreign power or its agent for the purpose of aiding international terrorism. At present, according to Federal law enforcement officials, there are no criminal laws prohibiting Americans from supporting terrorism outside the United States. This bill, I hope, can correct that flaw.

Therefore, I urge my colleagues in the Senate to move swiftly and pass this bill into law to provide the Justice Department a tool it needs to help prevent the further spread of the source of international terrorism.

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By Mr. GOLDWATER (for himself and Mr. DECONCINI):

S. 1652. A bill to restore certain lands in Arizona to the Colorado River Indian Reservation; to the Select Committee on Indian Affairs.

RESTORATION OF CERTAIN LANDS TO THE COLORADO RIVER INDIAN RESERVATION

● Mr. GOLDWATER. Mr. President, it gives me great pleasure to introduce for myself and my colleague from Arizona (Mr. DECONCINI), the following legislation at the request of the Colorado River Indian Tribes.

In brief, the bill would authorize the return of 16,000 acres of public lands, known as the La Paz area, to the Colorado River Indian Reservation in Yuma County, Ariz.

The Colorado River Indian Reservation was created by the act of March 3, 1865. Ten years after the establishment of the reservation, its southern boundary was extended twice by Executive order to provide a buffer between the Indian lands and the mineral prospectors and cattlemen. The La Paz Arroyo lands were originally a part of the Colorado River Indian Reservation. There is no question about this fact.

In 1875, in an effort to clearly define the extent of the reservation trust lands, the Commissioner of the General Land Office, pursuant to a request of the Commissioner of Indian Affairs, arranged for a survey of the reservation by a Mr. Chandler Robbins. Mr. Robbins' survey located its southern boundary at La Paz Arroyo. This survey was reconfirmed by the 1912 Harrington resurvey and the location was upheld finally by the Commissioner of the General Land Office in 1913 and 1914. In spite of and contrary to the surveys, the lands were removed from the reservation by the Executive order of November 22, 1915, as a result of erroneous reasons and without any compensation.

Today, the Colorado River Indian Tribes would like to have their lands returned because of issues of historical ownership, legal rights, and agricultural need.

The bill Senator DECONCINI and I are introducing will accomplish this purpose under the legislation, the return of the La Paz lands will, of course, be subject to valid existing rights. This means all existing private and public rights, including easements, unpatented mining claims, property claims, and all other valid existing rights. These will be examined closely as the legislation is being considered.

The return of these lands has been approved in general terms by the Arizona State Office of the U.S. Bureau of Land Management in a report dated November 25, 1974, and it is my understanding that that office believes the conclusions of the 1974 report are still valid. There will be thorough hearings on this legislation so that there will be no unexpected consequences of what I believe is a necessary and appropriate resolution of a longstanding boundary problem.●

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By Mr. MATSUNAGA:

S. 1653. A bill to restructure the State and local assistance programs designed to improve the quality of criminal justice, and for other purposes; to the Committee on the Judiciary.

CRIMINAL JUSTICE ASSISTANCE AMENDMENTS OF 1981

Mr. MATSUNAGA. Mr. President, I am today introducing the Criminal Justice Assistance Amendments of 1981, a bill designed to recommit the efforts and the resources of the Federal Government to assisting the States in the fight against crime and in improving State and local systems of criminal justice.

Mr. President, crime in America is once again the topic of considerable discussion among officials at all levels of Government in this country and among the American people in general. There is no denying that crime has reached intolerable levels not only in our urban areas where it has long thrived, but in our suburban and rural areas as well.

I need not recite the results of national polls which clearly indicate that crime across this Nation is one of the greatest concerns of Americans. Indeed, the tremendous fear of crime in America which indicate that 1 out of every 3 is borne out by recent crime statistics households in the United States was directly affected by some kind of serious crime in 1980—I repeat—1 out of every 3 households. Criminal justice experts predict that within 4 or 5 years, each and every household in this Nation will be touched in some manner by serious crime.

In view of these and other crime statistics which show a steady increase in crime throughout the past decade and an explosion of violent crime in America over the past 2 years, the Chief Justice of the Supreme Court, Warren E. Burger, warned recently that America is approaching the status of an impotent society—one whose ability to provide and maintain elementary security for its people in its streets and towns and villages is in serious doubt.

Mr. President, there is every indication that this new wave of violent crime which is sweeping our land—crime so violent in its nature as to shake even the most crime-hardened of Americans—is threatening the very fabric of American society.

One of our basic responsibilities as a civilized society is the maintenance of public safety and the promotion of the public welfare. Certainly, it is the right of all Americans to feel secure in their homes, safe on their streets, and protected in their places of business and leisure. Clearly, we are failing to fulfill this critical responsibility.

In my judgment, there is no question that the leadership and the resources of the Federal Government are sorely needed to support the efforts of State and local governments to deal with crime and delinquency, particularly violent and serious crimes.

Our Federal system assigns a very limited direct public safety role to the National Government. We have a strong tradition of opposition to a national police force, which means that Federal efforts in connection with serious crime, especially most forms of violent crime, must necessarily be indirect and involve forms of support to State and local law enforcement agencies. Intergovernmental financial support is a form of Federal participation that respects and affirms the jurisdictional limits on national power.

As a result of severe cuts in Federal spending programs, State and local units of government are presently under tremendous financial pressure. While some jurisdictions are doing well to maintain their present level of criminal justice services, some jurisdictions simply cannot do it.

Even financial status quo means that State criminal justice systems are falling even further behind the demands being placed upon them. The preceeding years of lack of investment in the criminal justice system and the increased number of serious criminal offenders being processed by that system are now haunting us. Our police forces are undermanned, our courts are overrun and our prisons and correctional facilities are overcrowded.

With the full recognition that the Federal Government cannot and should not provide operational support to State and local criminal justice agencies, what State and local governments need are the techniques to do a better job with scarce resources and the financial and technical assistance to incorporate those advanced proven techniques into general operations during a period of transition.

Mr. President, I fully recognize that there are budget limitations not only at

the State and local levels, but at the Federal level as well. But if the fight against crime is of the highest domestic priority and comparable to maintaining our national defense and upgrading our Armed Forces, then Federal resources must be found to provide financial assistance to hard-pressed State and local governments.

To make the most effective use of the scarce resources at both the Federal and local levels, the Federal Government's initiative against serious crime should concentrate on programs in justice agencies that have the most direct impact on crime.

Thus, my bill, the Criminal Justice Assistance Amendments of 1981, concentrates in the near term on a limited number of replicate programs already proven effective. By emphasizing activities already proven effective, my bill would build on the investments that were the soundest aspects of the LEAA experience, while at the same time provide opportunity for developing and testing other program models.

By using proven models which are well documented, and which merit general professional acceptance, the program will have the advantages of rapid implementation and early reports on program impact to the public and to the Congress. A selected range of program models will permit the use of a simpler administrative apparatus. Tested program models will also attract the investment of State and local appropriated funds.

The proposed Federal financial assistance program is in the form of a block grant to the States. Members on the other side of the aisle should note that my proposal is consistent with the administration's basic federalism principles. The bill will facilitate greater integration of Federal funds with State appropriations, utilize Federal funds in the highest priority areas, and provide greater coordination in the use of Federal and State resources.

Mr. President, in these times of fiscal restraint, the Federal Government must coordinate its policies and activities, both among its constituent agencies and levels of government. The legislation creates a national commission, two-thirds of whose members are State and local government representatives, and one-third of whom are representatives of the Federal Government.

The Commission is intended to serve as a forum for anticipating and recognizing issues related to the impact of Federal policies and decisions on State and local criminal justice systems.

Such issues arise, for example, when there are changes in FBI or DEA priorities, refugee policies, or border control measures. Such impact may also derive from patterns of Federal court actions involving prison and jails, or from legislation, such as the Civil Rights of Institutionalized Persons Act.

In response to negative impacts, the Commission should identify and propose appropriate offsetting measures.

For example, Federal prisons might house persons convicted in State courts of crimes for which there is concurrent jurisdiction, or prisoner exchange treaty processes might be made available to remove appropriate noncitizens from State prisons. Another possibility would be the offering of presently unneeded military, Forest Service, or other Federal properties for use as minimum security correctional facilities. Some measures might involve funding, such as the earmarking of some oil windfall profit tax money to compensate for law enforcement costs traceable to fuel price decontrol or energy "boom town" developments.

The Commission will serve as a vehicle for coordinating the efforts of existing separate programs, such as the National Institute of Corrections, and proposed forums, such as the State Justice Institute (S. 537) proposed by Senator HEFLIN. The legislation provides for an intensive interagency coordinating function involving key Federal officials.

The Commission, through direct participation by representative State and local justice executives, will also insure that local needs will be fairly considered in the development of new or additional criminal justice assistance programs.

The Commission will operate as a resource both to (a) provide advice to Federal officials and (b) require Federal officials to undertake impact studies on the effect of changing Federal policies on crime and local criminal justice systems before such new Federal policies are implemented.

Based on the LEAA experience of the past decade, it is clear that a Commission or some other appropriate mechanism is necessary if intergovernmental conflicts are to be reduced and criminal justice fragmentation is to be minimized.

While some criminal justice fragmentation and conflict is inherent in our constitutional structure, intergovernmental conflict is not.

We must understand where our criminal justice policies are supportive and where they are in opposition. We must be able to measure the impact of our actions. We must operate as one in our fight against violent crime.

Anything less than joint and concentrated action by all levels of Government would mean that we have failed the American people.

The bill also proposes a limited categorical program which either supports the block program's activities funded by the States or provides funding to meet criminal justice emergency situations beyond the capacity of State and local governments to respond adequately.

Mr. President, incredible as it may seem, the Federal Government's only major criminal justice assistance program was terminated last year. There is now a vacuum which needs to be filled by a responsible program which adequately meets the criticisms launched against the past LEAA program. I am convinced, Mr. President, that the legislation I am introducing today will establish such a program, for the following reasons:

First, under my bill, Federal funds will not be indiscriminately spread over a vast problem area with little impact. The bill establishes a modest, highly targeted program which supports the replication of tested, successful former LEAA program models of demonstrated impact and broad adaptability.

Initially the list of eligible programs would consist of: First, integrated criminal apprehension program (ICAP); second sting projects; third, community anticrime programs; fourth, management information systems; fifth, career criminal prosecution programs; sixth, victim, witness, and juror assistance programs; seventh, coordinated arson programs; eighth, prosecution of white-collar, organized, public corruption, and fraud against Government crimes; ninth, alternatives to pretrial detention, jail and prison for persons who pose no danger to the community; tenth, programs for drug-dependent offenders; eleventh, jail and prison overcrowding programs; and twelfth, programs addressing serious offenses committed by juveniles.

Second, State legislatures will not be uninvolved. The legislation requires State legislative review as well as appropriation of a high State match which will mean that Federal grant funds will tend to be dealt with on the same basis as State appropriated money.

Third, the proposed program will not be plagued by redtape. The requirement of a voluminous comprehensive criminal justice plan will be replaced with the submission of a simple application. Extensive evaluation and annual reports will be stripped down. Administrative requirements will be reduced to the minimum level necessary. The use of well documented tested models will reduce the necessity for extensive applications and program descriptions.

Fourth, the use of the block grant delivery mechanism will eliminate the multi-layered, elaborate and cumbersome planning system which was a part of the old LEAA program. Under the "Criminal Justice Assistance Amendments of 1981" the States will be able to choose programs consistent with their chosen directions of criminal justice system change.

At the same time, States will have full control over the processes by which programs are selected and funds allocated. No longer will there be a requirement for bureaucracies at the Federal, State, regional and local levels.

Moreover, decisions will not be made by federally supported regional and local government administrative enclaves that were too often isolated from permanent Government structures.

Fifth, the legislation will no longer specify the structure of State planning agencies. The States will be able to continue or establish State planning agencies which fit into the State government structure and meet State needs and criteria.

Sixth, the legislation will not reinforce the fragmentation of the criminal justice system. The bill establishes vehicles for coordination of Federal, State, and local efforts. At the same time, it eliminates the artificial allocations which required money to be spread without regard to States' needs.

Gone will be the requirements for juvenile justice maintenance of effort dollars, requirements that an adequate share of funds be distributed without regard to

need to every aspect of criminal justice, formulas that required specific dollar allocations to each local jurisdiction, and specific, substantive mandates to be met.

Seventh, no longer will enormous bureaucracies at the Federal, State, and local levels be needed to run a criminal justice assistance program. The modest funding of this streamlined block grant program supporting only successful programs will require only a stripped down administrative structure at each level of government.

Mr. President, in conclusion, let me speak plainly about this country's crime problem. It is evident to me that although a majority of my constituents want to see Federal spending reduced and Federal taxes cut, they will not tolerate the cessation of the Federal role in the war on crime.

In my opinion, crime and the fear of crime is so pervasive in America today that the public believes that Federal spending in this one area is, indeed, justified.

If, over the past decade, crime had disappeared from our streets, we could have declared victory and ended the Federal role in crime control and criminal justice assistance. But the fact of the matter is that crime has not disappeared; it has increased steadily and is now exploding. We cannot now declare victory and leave the scene.

The Federal Government has a responsibility to the American people to provide for public safety. We can properly fulfill that responsibility by assisting the States in controlling crime and restoring order to our communities.

Mr. President, I, therefore, urge my colleagues to support the enactment of the Criminal Justice Assistance Amendments of 1981.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1653

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Criminal Justice Assistance Amendments of 1981".

DECLARATION AND PURPOSE

SEC. 2. The Congress finds and declare that the high incidence of crime, particularly violent crime, and juvenile delinquency is detrimental to the general welfare of the people of this Nation.

Congress further finds that while crime and juvenile delinquency are primarily local problems dealt with first by State and local units of government, these problems continue to require the joint and coordinated efforts of Federal, State, and local governments.

Congress further finds that the Federal Government must provide leadership, coordinate its own anticrime efforts, provide financial and technical resources, simplify the grant structures, and reduce bureaucratic redtape.

It is therefore the declared policy of the Congress to aid State and local governments in strengthening and improving their systems of criminal justice by providing financial and technical assistance through a simplified, State administered block grant program with State flexibility and a limited categorical program. It is the purpose of this bill to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968, to establish a new, modest, highly targeted program of block grant assistance to State and local governments for implementation of a limited number of high-priority criminal justice improvements. It is further the purpose of this title to establish a limited categorical program to support national programs of direct assistance to State and local criminal justice agencies and to provide temporary assistance to meet criminal justice emergency situations beyond the capacity of State and local agencies to respond adequately. It is further the purpose of this bill to establish a Bureau of Justice Assistance to administer the program created by this bill. It is further the purpose of this bill to create a National Justice Commission to coordinate operational activities and policies of Federal, State, and local criminal justice agencies and identify criminal justice problem areas warranting priority attention by the Federal Government.

PART A—BUREAU OF JUSTICE ASSISTANCE

SEC. 3. Part A of title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by striking out section 101, 102, and 103 and inserting in lieu thereof the folowing new sections:

"SEC. 101. There is hereby established within the Department of Justice under the general authority of the Attorney General, a Bureau of Justice Assistance (hereinafter referred to in this title as the "Administration"). The Administration shall be under the direction of an Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, and such other Deputy Administrators as may be designated by the Attorney General. The Administrator shall have final authority over all grants, cooperative agreements, and contracts awarded by the Administration.

"SEC. 102. The Administrator shall—

"(a) provide funds to eligible States pursuant to part D;

"(b) provide funds to eligible recipients pursuant to part F;

"(c) provide benefits pursuant to part L;

"(d) provide such support to the National Justice Commission as the Commission directs;

"(e) publish and disseminate information on the condition and progress of the criminal justice system;

"(f) establish and carry on a specific and continuing program of cooperation with the States and units of local government designed to encourage and promote consultation and coordination concerning decisions made by the National Justice Commission affecting State and local criminal justice priorities;

"(g) cooperate with and render technical assistance to States, units of local government, and other public and private organizations or international agencies involved in criminal justice activities;

"(h) exercise the powers and functions set out in part H; and

"(i) exercise such other powers and functions as may be vested in the Administrator pursuant to this title.".

PART B—NATIONAL INSTITUTE OF JUSTICE

SEC. 4. Part B of title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended as follows:

Section 202(c)(10) is amended to read as follows:

"(10) after consultation with appropriate agencies and officials of States and units of local government, make recommendations for programs or projects which will be effective in improving the functioning of the criminal justice system; and".

PART D—BLOCK FORMULA PROGRAM

SEC. 5. Part D of title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by striking out sections 401, 402, 403, 404, and 405, and inserting in lieu thereof the following new sections:

"SEC. 401. (a) During the fiscal year ending September 30, 1982, the Administration is authorized to make grants under this part to assist States and units of local government in carrying out specific criminal justice system programs of proven effectiveness, record of proven success, or high probability of criminal justice system improvement. Such grants shall be for the purpose of—

"(1) improving approaches to reduce crime, especially street and violent crime, by means of crime prevention, detection, and investigation efforts through systematic data collection and analysis;

"(2) improving approaches to crime prevention, especially those based on police and citizen partnership, and community organization and government cooperation;

"(3) disrupting illicit commerce in stolen goods and property;

"(4) improving workload management systems for criminal justice agencies;

"(5) improving methods to identify, prosecute, and recommend sentencing of repeat and multiple-felony offenders (including juvenile offenders) known as career criminals;

"(6) developing and implementing programs which provide assistance to victims, witnesses, and jurors, including restitution by offenders, encouragement of participation by victims and witnesses in the criminal justice system, and prevention of retribution against or intimidation of witnesses;

"(7) improving arson detection and investigation and arson control coordination;

"(8) effectively investigating and prosecuting white-collar crime, organized crime, public corruption crimes, and fraud against the government;

"(9) providing alternatives to pretrial detention, jail and prison for persons who pose no danger to the community;

"(10) providing programs which identify and meet the needs of drug dependent offenders;

"(11) providing programs which alleviate prison and jail overcrowding; and

"(12) providing programs which address the problem of serious offenses committed by juveniles.

"(b) During the fiscal years ending September 30, 1983, and September 30, 1984, unless superseded by legislation enacted pursuant to section 501 or some other authority, States will be authorized to fund the programs set forth in or established pursuant to subsection (a) and the five program areas given the highest priority by the National Justice Commission.

"SEC. 402. (a) The Administration is authorized to make financial assistance under this part available to an applicant State to enable it to carry out all or any of the programs set forth under section 401.

"(b) For any State allocation under this part, the Federal portion of any grant may be up to 50 per centum of the cost of the programs specified in the State application for such grant.

"(c) The non-Federal portion of the cost of such grant shall be in cash appropriated in the aggregate by the State and units of local government.

"(d) Funds appropriated by a State and local units of government may be included in the non-Federal appropriated portion if they support (1) any program meeting the purposes of section 401, (2) the State accountability function, as set forth in section 403(a)(2), for the Federal dollars awarded by the Administration or its predecessor, (3) the State planning agency responsible for statewide criminal justice coordination,

planning, and analysis, and (4) the regional or local planning agency responsible for regional or local criminal justice coordination, planning, and analysis.

"(e) The Administrator may waive all or a portion of the required match if the Administrator determines that the recipient State, local unit of government, Indian tribe, or other aboriginal group does not have sufficient funds available to meet the non-Federal portion of such cost.

"(f) Each recipient of a subgrant from a State shall assume the cost of a successful program or project funded under this part after a reasonable period of Federal assistance.

"SEC. 403. (a) Each State shall establish or designate and maintain a State planning agency for the purpose of—

"(1) preparing a simple application to obtain a State's allocation under this part;

"(2) administering funds awarded by the Administration and its predecessor agency, such administration to include (A) subgrant application receipt, review, and processing; (B) grant and subgrant administration, including monitoring, progress and financial report review, technical assistance, grant adjustments, accounting, fund disbursements, grant closeouts; (C) audit; and (D) evaluation;

"(3) providing financial assistance to State agencies, local units of government and private nonprofit corporations pursuant to the purposes of section 401 and on the terms and conditions established by such State planning agency;

"(4) preparing annual reports for the chief executive of the State, the State legislature and the Administration containing a description of the use and distribution of the Federal and non-Federal matching funds, and an assessment of the effectiveness and efficiency of the funded programs;

"(5) coordinating the policies, plans, and functions of State and local criminal justice agencies to the extent consistent with State law and in accordance with the policies established by the chief executive officer of the State; and

"(6) analyzing criminal justice data from within the State and periodically publishing the results of such analysis.

"(b) The State planning agency shall be created or designated by State law and shall be subject to the jurisdiction of the chief executive of the State. The State planning agency shall be provided necessary professional, technical, and clerical staff to perform the functions set forth in subsection (a).

"(c) The Administration shall suspend funding for an approved application in whole or in part if such application contains a program or project which has failed to conform to the purpose of section 401 or the requirements of this Act as evidenced by—

"(1) the annual report submitted to the Administration by the applicant pursuant to section 403(a)(4) of this title;

"(2) the failure of the applicant to submit an annual report pursuant to section 403(a)(4) of this title;

"(3) evaluations conducted pursuant to section 802(b); and

"(4) evaluations and other information provided by the National Institute of Justice.

"(d) Grant funds awarded under part D shall not be used for—

"(1) programs which have as their primary purpose general salary payments for employees or classes of employees within an eligible jurisdiction, except for the compensation of personnel for time engaged in conducting or undergoing training programs or the compensation of personnel engaged in research, development, demonstration, or short-term programs; or

"(2) construction projects.

"(e) The Administration shall not finally disapprove any application submitted to the Administrator or suspend funding for an approved application under this part without first affording the applicant reasonable notice and opportunity for a hearing and appeal pursuant to section 803 of this title.

"(f) No award of funds that are allocated to the States under this part shall be made with respect to a program other than a program contained in an approved application.

"(g) If the Administration determines, on the basis of information available to it during any fiscal year, that a portion of the funds allocated to a State for that fiscal year will not be required, or that the State will be unable to qualify or receive funds under the requirements of this part, such funds shall be accumulated and reallocated on a periodic basis among all the States for expenditure in accordance with section 401.

"(h) Funds under this part may be awarded by State and local units of government to private nonprofit organizations.

"SEC. 404. The Administration shall award a grant to a State if a State submits an application which is consistent with the purposes set forth under section 401 of this title and which (a) sets forth the proposed criminal justice programs to be funded, (b) identifies the subgrantees that will receive funding, and (c) allocates funds among subgrantees. The application must project the programs to be funded for a two-year period of time. Funds shall be awarded by the Administration for the two-year period subject to the availability of appropriated funds. Simple amendments shall be submitted to adjust for changes in fund availability. The application shall contain—

"(a) a certification that Federal funds made available under this title will not be used to supplant State or local funds, but will be used to increase the amounts of such funds that would, in the absence of Federal funds, be made available for criminal justice activities;

"(b) an assurance that functions set forth under section 403(a) will be performed;

"(c) a provision for fund accounting, auditing, monitoring, and such evaluation procedures as may be necessary to keep such records as the Administration shall prescribe to assure fiscal control, proper management, and efficient disbursement of funds received under this title;

"(d) a provision for the maintenance of such data and information and for the submission of such reports in such form, at such times, and containing such data and information as the Administration may reasonably require to administer other provisions of this title; and

"(e) a certification that its programs meet all the requirements of this part, that all the information contained in the application is correct, that there has been appropriate coordination with affected agencies, and that the applicant will comply with all provisions of this title and all other applicable Federal laws. Such certification shall be made in a form acceptable to the Administration and shall be executed by the chief executive officer or other officer of the applicant qualified under regulations promulgated by the Administration.

"SEC. 405. The chief executive officer of the State should submit the State's proposed uses of the part D funds to the State legislature while in session or a body designated to act while the legislature is not in session for its advisory review prior to the State's submission of its application to the Administration. If the legislature or the interim body has not commented upon the proposed uses forty-five days after receipt, such proposed uses shall then be deemed reviewed.

"SEC. 406. (a) The Administration shall provide financial assistance to each State applicant under this part to carry out the programs or projects submitted by such applicant upon determining that—

"(1) the application is consistent with the requirements of this title;

"(2) the application was made public prior to submission to the Administration and an opportunity to comment thereon was provided to citizens, neighborhood groups, private nonprofit organizations, and units of local government; and

"(3) the application was submitted to the State legislature in accordance with the requirements of section 405.

"(b) Each application submitted for approval to the Administration pursuant to section 404 of this title shall be deemed approved, in whole or in part, by the Administration within sixty days after first received unless the Administration informs the applicant of specific reasons for disapproval.

"SEC. 407. Of the total amount appropriated for parts D and F in any fiscal year, not less than 95 per centum shall be set aside for part D and allocated annually to the States as follows: The sum of $250,000 to each of the participating States and the balance in proportion to the relative population within a State as compared to the population in all States.".

PART E—NATIONAL JUSTICE COMMISSION

SEC. 6. Part E of title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by striking out sections 501, 502, 503, 504, and 505, and inserting in lieu thereof the following new section:

"SEC. 501. (a)(1) There is hereby established in the executive branch of the United States a National Justice Commission (hereinafter in this section referred to as the 'Commission'). The Commission is established for the purpose of coordinating operational activities and policies of Federal agencies whose actions and regulations impact on crime in the United States, coordinating operational activities and policies of Federal, State, and local criminal justice agencies, identifying criminal justice problem areas warranting priority attention by the Federal Government and recommending to Federal departments and agencies, the Office of Management and Budget, the President, and Congress those criminal justice priority areas and actions and policies that will improve criminal justice and reduce crime, and recommending to the Congress priority program areas that might be included as new purposes set forth in section 401(a).

"(2) The Commission shall be composed of twenty-one members to be appointed by the President. Such members shall be qualified by virtue of their training, experience, or education to represent the views of Federal, State, and local government agencies involved in the administration of justice and of other public and private organizations concerned with the fair and effective administration of justice.

"(3) Fourteen members of the Commission shall be representative of the interests of State and local governments, at least two of whom shall not be elected or appointed State or local government officers or employees. The following Federal officials shall be members of the Commission: The Attorney General, one other official of the Department of Justice designated by the Attorney General who has responsibility for criminal justice matters, the Secretary of the Treasury or the Secretary's designee, the Secretary of Health and Human Services or the Secretary's designee, the Secretary of Labor or the Secretary's designee, the Secretary of Housing and Urban Development or the Secretary's designee, and the Secretary of Education or the Secretary's designee. The Administrator of the Bureau of Justice Assistance shall serve as a nonvoting member of the Commission. The Director of

the Office of Juvenile Justice and Delinquency Prevention, the Director of the National Institute of Justice, and the Director of the Bureau of Justice Statistics shall serve as advisors to the Commission notwithstanding any other provision of law.

"(4) The Attorney General shall serve as the Chairman of the Commission. The Attorney General shall designate the Vice Chairman from among the elected or appointed State or local government officers or employees serving on the Commission.

"(5) The term of office of each non-Federal member of the Commission appointed under subsection (a) shall be three years except the first composition of the Commission which shall have one-third of these members appointed to one-year terms, one-third to two-year terms, and one-third to three-year terms; and any such member appointed to fill a vacancy occurring prior to the expiration of the term for which his or her predecessor was appointed shall be appointed for the remainder of such term. Initial members shall be appointed within ninety days after the date of enactment of this Act. The President shall fill a vacancy not later than ninety days after such vacancy occurs. Members may serve after the expiration of their terms until their successors have taken office. The non-Federal members of the Commission appointed under subsection (a) shall receive compensation for each day engaged in the actual performance of duties vested in the Commission at rates of pay not in excess of the daily equivalent of the highest rate of basic pay then payable in the General Schedule of section 5332(a) of title 5, United States Code, and in addition shall be reimbursed for travel, subsistence, and other necessary expenses.

"(b) (1) By March 15, 1982, and every two years thereafter, the Commission shall publish a list in the Federal Register of criminal justice problems which should receive priority attention by Federal, State, and local governments. In preparing this list the Commission shall consult with the House and Senate Judiciary Committees, Federal, State, and local government officials and others in the public and private sector concerned with the problem of crime. The Commission shall assure that the problems of all of the States are taken into account in preparing the list. The Bureau of Justice Assistance, the National Institute of Justice, the Bureau of Justice Statistics, and the Office of Juvenile Justice and Delinquency Prevention and their advisory committees shall, in a manner to be determined by the Commission, advise the Commission on their views as to what crime problems should be designated as priority crime problems. The Bureau of Justice Assistance shall perform any duties requested by the Commission in support of developing its priority list of criminal justice problems.

"(2) By March 1, 1982, the Commission shall communicate to the chairman of the Senate and House Judiciary Committees for congressional consideration a list of priority criminal justice problems which it recommends should receive priority attention by Federal, State, and local governments. Each problem shall be supported by descriptions of possible federally assisted programs and Federal, State, and local governmental actions. If the committees on review determine that the programs identified in section 401 should be modified for the fiscal years ending September 30, 1983, and September 30, 1984, they should report out of committee appropriate amendments to section 401 by May 15, 1982.

"(c) The Federal officials of the Commission shall meet not less often than quarterly to coordinate overall Federal policy with respect to shaping their respective departmental actions to reduce crime and juvenile delinquency and to develop complimentary objectives and priorities for Federal programs and activities that affect crime and juvenile delinquency. The foregoing Federal officials through the Attorney General shall make recommendations to the President, the Director of the Office of Management and Budget, the Commission, and the Congress at least annually on means to improve Federal crime prevention and control policy.

"(d) The Commission may request and the Bureau of Justice Assistance shall provide the Commission with such personnel, funding, and administrative support as the Commission determines are necessary to carry out the Commission's mandate. The Attorney General shall request adequate funding for the Bureau of Justice Assistance's support of the Commission as part of the Department of Justice's annual request to the Congress for appropriations. Any agency, department or the like in the executive branch of the United States is authorized to make funds for personnel and administrative support available to the Commission notwithstanding any other provision of the law.".

PART F—DISCRETIONARY GRANTS

SEC. 7. Part F of title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended as follows:

"SEC. 601. It is the purpose of this part, through the provision of additional Federal financial assistance to—

"(a) provide technical assistance and training to State agencies, units of local government, combinations of such units, or private nonprofit organizations, which are carrying out programs that meet the purposes of section 401;

"(b) improve State criminal justice coordination, planning and analysis; and

"(c) meet criminal justice emergency situations beyond the capacity of State and local governments to respond adequately.

"SEC. 602. (a) Of the total amount appropriated for parts D and F in any fiscal year, not more than 5 per centum shall be set aside pursuant to this part in a special discretionary fund for use by the Administration in making grants, cooperative agreements and contracts (in addition to any other grants, cooperative agreements, and contracts, which may be made under this title to the same entities or for the same purposes) to States, units of government, combinations of such units, or private nonprofit organizations, for the purposes set forth in section 601 of this title. Notwithstanding the limitations of this section, the Congress may under the authority of this part specifically appropriate additional funds to meet criminal justice emergency situations beyond the capacity of State and local governments to respond adequately.

"(b) The Administration shall give priority to grants, cooperative agreements or contracts with—

"(1) State and local unit of government criminal justice agencies; and

"(2) national nonprofit organizations providing technical assistance to State and local unit of government criminal justice agencies.

"(c) The Administration may, if the purposes can better be served thereby, award grants, enter into cooperative agreements or contracts with—

"(1) other nonprofit organization with expertise in criminal justice;

"(2) institutions of higher education;

"(3) individuals, partnerships, firms, or corporations; and

"(4) Federal agencies.

"SEC. 603. No grant may be made to a private nonprofit organization pursuant to this part unless an application has been submitted to the Administration in which the organization indicates that it has consulted with appropriate agencies and officials of the State and local units of governments to be affected by the program and project.

"SEC. 604. Federal funding under this part may be up to 100 per centum of the cost of the program. In distributing funds under this part among the States, the Administration shall assure that the needs of all the States are taken into account and the funds are distributed equitably.

"SEC. 605. The Administration may provide financial aid and assistance to programs or projects under this part for a reasonable period of time. Funding for the management and the administration of national nonprofit organizations under section 602(b)(2) and 602(c)(1) of this part is not subject to funding limitations of this part.

"Section 606 is deleted."

PART G—TRAINING AND MANPOWER DEVELOPMENT

SEC. 8. Part G of title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by striking out sections 701, 702, and 703.

PART H—ADMINISTRATIVE PROVISIONS

SEC. 9. Part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended as follows:

Section 802(b) is amended by deleting the section and inserting in lieu thereof the following section:

"(b) The Bureau of Justice Assistance shall, after consultation with the National Institute of Justice, the Bureau of Justice Statistics, State and local governments, and the appropriate public and private agencies, establish such rules and regulations as are necessary to assure the continuing evaluation of selected programs or projects conducted pursuant to parts D and F, in order to determine—

"(1) whether such programs or projects have achieved the performance goals stated in the original application, are of proven effectiveness, have a record of proven success, or offer a high probability of improving the criminal justice system;

"(2) whether such programs or projects have contributed or are likely to contribute to the improvement of the criminal justice system and the reduction and prevention of crime;

"(3) their cost in relation to their effectiveness in achieving stated goals;

"(4) their impact on communities and participants; and

"(5) their implication for related programs.

In conducting the evaluations called for by this subsection, the Bureau of Justice Assistance shall, when practicable, compare the effectiveness of programs conducted by similar applicants and different applicants. The Bureau of Justice Assistance shall also require applicants under part D to submit an annual report concerning activities carried out pursuant to part D together with an assessment by the applicant of the effectiveness of those activities in achieving the objectives of section 401 of this title and the relationships of those activities to the needs and objectives specified by the applicant in the application submitted pursuant to section 404 of this title. The Administration shall suspend funding for an approved application under part D if an applicant fails to submit such an annual report.".

Section 809(2) is amended by deleting the words "Administrator of the Law Enforcement Assistance" and substituting in place thereof the words "Administrator of Bureau of Justice Assistance".

Section 816 is amended by deleting the section in its entirety and substituting in place thereof the following section:

"SEC. 816. On or before March 31 of each year the Administrator of the Bureau of Jus-

tice Assistance shall report to the President and to the Committees on the Judiciary of the Senate and House of Representatives on activities pursuant to this title during the preceding fiscal year.".

PART J—FUNDING

SEC. 10. Part J of title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended as follows:

Section 1001 is amended by striking the third sentence and inserting in lieu thereof the following sentence: "There is authorized to be appropriated for parts D, E, F, H, and J, and for the purposes of carrying out the remaining functions of the Bureau of Justice Assistance, other than part L, $75,000,000 for the fiscal year ending September 30, 1982; $125,000,000 for the fiscal year ending September 30, 1983 and $125,000,000 for the fiscal year ending September 30, 1984.".

Section 1002 is deleted.

Section 1003 is deleted.

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 11. Title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended as follows:

(1) The words "Bureau of Justice Assistance" are substituted for the words "Law Enforcement Assistance Administration" everywhere they appear in this Act except for sections 1301 (a) and (g).

(2) Section 1301(a) is amended as follows: The words "Bureau of Justice Assistance" are substituted for the second occurrence of the words "Law Enforcement Assistance Administration".

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By Mr. BOREN (for himself, Mr. STENNIS, Mr. HEFLIN, Mr. FORD, Mr. JOHNSTON, Mr. NICKLES, Mr. HOLLINGS, Mr. SASSER, Mr. BENTSEN, Mr. HELMS, Mr. MATHIAS, Mr. LONG, and Mr. THURMOND):

S. 1654. A bill granting the consent of Congress to the Southern States Energy Compact, and for related pu poses; to the Committee on the Judiciary.

SOUTHERN STATES ENERGY COMPACT

● Mr. BOREN. Mr. President, the purpose of the bill that I am introducing today is not to create a new agency of Government, but to grant the consent of Congress to certain amendments to the charter of an existing interstate compact organization. The Southern Interstate Nuclear Compact was created and entered into by 16 southern States and the Commonwealth of Puerto Rico nearly 2 decades ago. originally, the purpose of the compact was the safe development of nuclear power and the fostering of regional cooperation on nuclear issues. Congress recognized the legitimacy of that purpose and concurred by enacting Public Law 87–563 on July 31, 1962.

During the decade of the 1970's, the purview and scope of activities of the board were enlarged, at the request of the Southern Governors' Association, to include all energy sources and environmental quality. In recognition of this expanded role the southern Governors adopted a resolution in 1978 changing the name of the organization to the Southern States Energy Board and the charter to the Southern States Energy Compact.

The changes contained in the resolution of the Southern Governors' Association are the substance of this bill. These amendments are also supported by the Southern Legislative Conference and have already been enacted by 10 of the party States to the compact. Only congressional concurrence is needed and the amendments become effective.

These amendments make two substantive changes in the compact, in addition to the name change. First, the purview of the board is enlarged from nuclear energy to all energy sources and environmental quality and, second, the number of a member States' representatives is increased to provide for State legislator participation.

For more than 18 years this organization has provided invaluable assistance to the southern region in energy matters. The board and staff provide technical support, research, and information serving to the party States, both the executive and legislative branches and to the general public. It is funded primarily by States revenues and receives no Federal appropriations.

The interest of the Federal Government is protected by a Federal representative to the board, appointed by the President. The Federal representative reports annually to the President and to the Congress on the programs and activities of the board.

The amendments to the compact serve to modernize the role of the organization and enable it to better serve the southern region and the party States. The board is actively assisting the member States in the development of all forms of energy. The importance of that endeavor is apparent to all and I would urge this body to concur in this most worthwhile purpose and consent to this legislation.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1654

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That it is hereby declared to be the national policy to encourage and recognize the performance of functions by the States with respect to the development, production, and use of energy. The Federal Government recognizes that many programs in energy fields can benefit from cooperation among the States, as well as between the Federal Government and the States. The importance of the interstate compact as one means for promoting such cooperation is hereby declared as part of the intention of Congress to facilitate the use of State jurisdiction in and over portions of the development and regulatory energy field.

SEC. 2. The Congress hereby consents to the Southern States Energy Compact, which compact is as follows:

"ARTICLE I—POLICY AND PURPOSE

"The party States recognize that the proper employment and conservation of energy, and employment of energy-related facilities, materials, and products, within the context of a responsible regard for the environment, can assist substantially in the industrialization of the South and the development of a balanced economy for the region. They also recognize that optimum benefit from an acquisition of energy resources and facilities require systematic encouragement, guidance, and assistance from the party States on a cooperative basis. It is the policy of the party States to undertake such cooperation on a continuing basis; it is the purpose of this compact to provide the instruments and framework for such a cooperative effort to improve the econmoy of the South and contribute to the individual and community well-being of the people of this region.

"ARTICLE II—THE BOARD

"(a) There is hereby created an agency of the party States to be known as the 'Southern States Energy Board' (hereinafter referred to as the 'Board'). The Board shall be composed of three members from each party State, one of whom shall be appointed or designated to represent the Governor and one to represent each house of the State legislature. Each member shall be designated or appointed in accordance with the law of the State which he represents and serving and subject to removal in accordance with such law. Any member of the Board may provide for the discharge of his duties and the performance of his functions thereon (either for the duration of his membership or for any less period of time) by a deputy or assistant, if the laws of his State make specific provision therefor. The Federal Government may be represented on the Board without vote, if provision is made by Federal law for such representation.

"(b) Each party State shall be entitled to one vote on the Board, to be determined by majority vote of each member or member's representative from the party State present and voting on any question. No action of the Board shall be binding unless taken at a meeting at which a majority of all members representing the party States are present and unless a majority of the total number of votes by States are cast in favor thereof.

"(c) The Board shall have a seal.

"(d) The Board shall elect annually, from among its members, a chairman, a vice chairman, and a treasurer. The Board shall appoint an Executive Director who shall serve at its pleasure and who shall also act as Secretary, and who, together with the treasurer, shall be bonded in such amounts as the Board may require.

"(e) The Executive Director, with approval of the Board, shall appoint and remove or discharge such personnel as may be necessary for the performance of the Board's functions irrespective of the civil service, personnel, or other merit system laws of any of the party States.

"(f) The Board may establish and maintain, independently or in conjunction with any one or more of the party States, a suitable retirement system for its full-time employees. Employees of the Board shall be eligible for social security coverage in respect of old age and survivors' insurance provided that the Board takes such steps as may be necessary pursuant to Federal law to participate in such program of insurance as a governmental agency or unit. The Board may establish and maintain or participate in such additional programs of employee benefits as may be appropriate.

"(g) The Board may borrow, accept, or contract for the services of personnel from any State or the United States or any subdivision or agency thereof, from any interstate agency or from any institution, person, firm, or corporation.

"(h) The Board may accept for any of its purposes and functions under this compact any and all donations and grants of money, equipment, supplies, materials, and services (conditional or otherwise) from any State or the United States or any subdivision or agency thereof, or interstate agency, or from any institution, person, firm, or corporation, and may receive, utilize, and dispose of the same.

"(i) The Board may establish and maintain such facilities as may be necessary for the

transacting of its business. The Board may acquire, hold, and convey real and personal property and any interest therein.

"(j) The Board shall adopt bylaws, rules, and regulations in convenient form and shall also file a copy of any amendment thereto with the appropriate agency or officer in each of the party States.

"(k) The Board annually shall make to the Governor of each party State a report covering the activities of the Board for the preceding year, and embodying such recommendations as may have been adopted by the Board, which report shall be transmitted to the legislature of said State. The Board may issue such additional reports as it may deem desirable.

"ARTICLE III—FINANCES

"(a) The Board shall submit to the executive head or designated officer or officers of each State a budget of its estimated expenditures for such period as may be required by the laws of that jurisdiction for presentation to the legislature thereof.

"(b) Each of the Board's budgets of estimated expenditures shall contain specific recommendations of the amount or amounts to be appropriated by each of the party States. One-half of the total amount of each budget of estimated expenditures shall be apportioned among the party States in equal shares; one-quarter of each such budget shall be apportioned among the party States in accordance with the ratio of their populations to the total population of the entire group of party States based on the latest official decennial census; and one-quarter of each such budget shall be apportioned among the party States on the basis of the relative average per capita income of the inhabitants in each of the party States based on the latest computations published by the Federal census-taking agency. Subject to appropriation by their respective legislatures, the Board shall be provided with such funds by each of the party States as are necessary to provide the means of establishing and maintaining facilities, a staff or personnel, and such activities as may be necessary to fulfill the powers and duties imposed upon and entrusted to the Board.

"(c) The Board may meet any of its obligations in whole or in part with funds available to it under article II(h) of this compact, provided that the Board takes specific action setting aside such funds prior to the incurring of any obligation to be met in whole or in part in this manner. Except where the Board makes use of funds available to it under article II(h), the Board shall not incur any obligation prior to the allotment of funds by the party jurisdiction adequate to meet the same.

"(d) The Board shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Board shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the Board shall be audited yearly by a qualified public accountant and the report of the audit shall be included in and become part of the annual report of the Board.

"(e) The accounts of the Board shall be open at any reasonable time for inspection.

"ARTICLE IV—ADVISORY COMMITTEE

"The Board may establish such advisory and technical committees as it may deem necessary, membership on which to include but not to be limited to private citizens, expert and lay personnel, representatives of industry, labor, commerce, agriculture, civic associations, medicine, education, voluntary health agencies, and officials of local, State, and Federal government, and may cooperate with and use the services of any such committees and the organizations which they represent in furthering any of its activities under this compact.

"ARTICLE V—POWERS

"The Board shall have the power to—

"(1) Ascertain and analyze on a continuing basis the position of the South with [illegible] energy, energy-related industries, and environmental concerns.

"(2) Encourage the development, conservation, and responsible use of energy and energy-related facilities, installations, and products as part of a balanced economy and a healthy environment.

"(3) Collect, correlate, and disseminate information relating to [illegible] and energy-related materials and products.

"(4) Conduct, or cooperate in conducting, programs of training for State and local personnel engaged in any aspects of:

"(A) Energy, environment, and application of energy, environmental, and related concerns to industry, medicine, education or the promotion or regulation thereof.

"(B) The formulation or administration of measures designed to promote safety in any matter related to the development, use, or disposal of energy and energy-related materials, products, installations or wastes.

"(5) Organize and conduct, or assist and cooperate in organizing and conducting, demonstrations of energy product, material, or equipment use and disposal and of proper techniques or processes for the application of energy resources to the civilian economy or general welfare.

"(6) Undertake such nonregulatory functions with respect to resources of radiation as may promote the economic development and general welfare of the region.

"(7) Study industrial, health, safety, and other standards, laws, codes, rules, regulations, and administrative practices in or related to energy and environmental fields.

"(8) Recommend such changes in, or amendments or additions to the laws, codes, rules, regulations, administrative procedures, and practices or ordinances of the party States in any of the fields of its interest and competence as in its judgment may be appropriate. Any such recommendation shall be made through the appropriate state agency with due consideration of the desirability of uniformity but shall also give appropriate weight to any special circumstances which may justify variations to meet local conditions.

"(9) Prepare, publish, and distribute (with or without charge) such reports, bulletins, newsletters or other material as it deems appropriate.

"(10) Cooperate with the United States Department of Energy or any agency successor thereto, any other officer or agency of the United States, and any other governmental unit or agency or officer thereof, and with any private persons or agencies in any of the fields of its interests.

"(11) Act as licensee of the United States Government or any party State with respect to the conduct of any research activity requiring such license and operate such research facility or undertake any program pursuant thereto.

"(12)(A) Ascertain from time to time such methods, practices, circumstances, and conditions as may bring about the prevention and control of energy and environmental incidents in the area comprising the party States, to coordinate the environmental and other energy-related incident prevention and control plans and the work relating thereto of the appropriate agencies of the party States and to facilitate the rendering of aid by the party States to each other in coping with energy and environmental incidents.

"(B) The Board may formulate and, in accordance with need from time to time, revise a regional plan or regional plans for coping with energy and environmental incidents within the territory of the party States as a whole or within any subregion or subregions of the geographic area covered by this compact.

"ARTICLE VI—SUPPLEMENTARY AGREEMENTS

"(a) To the extent that the Board has not undertaken any activity or project which would be within its power under the provisions of article V of this compact, any two or more of the party States (acting by their duly constituted administrative officials) may enter into supplementary agreements for the undertaking and continuance of such an activity or project. Any such agreement shall specify its purpose or purposes; its duration and the procedure for termination thereof or withdrawal therefrom; the method of financing and allocating the costs of the activity or project; and such other matters as may be necessary or appropriate. No such supplementary agreement entered into pursuant to this article shall become effective prior to its submission to and approval by the Board. The Board shall give such approval unless it finds that the supplementary agreement or the activity or project contemplated thereby is inconsistent with the provisions of this compact or a program of activity conducted by or participated in by the Board.

"(b) Unless all of the party States participate in a supplementary agreement, any cost or costs thereof shall be borne separately by the States party thereto. However, the Board may administer or otherwise assist in the operation of any supplementary agreement.

"(c) No party to a supplementary agreement entered into pursuant to this article shall be relieved thereby of any obligation or duty assumed by said party State under or pursuant to this compact, except that timely and proper performance of such obligation or duty by means of the supplementary agreement may be offered as performance pursuant to the compact.

"ARTICLE VII—OTHER LAWS AND RELATIONSHIPS

"Nothing in this compact shall be construed to—

"(1) Permit or require any person or other entity to avoid or refuse compliance with any law, rule, regulation, order, or ordinance of a party State or subdivision thereof now or hereafter made, enacted, or in force.

"(2) Limit, diminish, or otherwise impair jurisdiction exercised by the United States Department of Energy, any agency successor thereto, or any other Federal department, agency, or officer pursuant to and in conformity with any valid and operative Act of Congress.

"(3) Alter the relations between and respective internal responsibilities of the government of a party State and its subdivisions.

"(4) Permit or authorize the Board to exercise any regulatory authority or to own or operate any nuclear reactor for the generation of electric energy; nor shall the Board own or operate any facility or installation for industrial or commercial purposes.

"ARTICLE VIII—ELIGIBLE PARTIES, ENTRY INTO FORCE AND WITHDRAWAL

"(a) Any or all of the States of Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia, any State contiguous to any of the foregoing States, the Commonwealth of Puerto Rico, and the Virgin Islands of the United States shall be eligible to become party to this compact.

"(b) As to any eligible party State, this compact shall become effective when its legislature shall have enacted the same into law: *Provided*, That it shall not become initially effective until enacted into law by seven states.

"(c) Any party State may withdraw from this compact by enacting a statute repealing the same, but no such withdrawal shall become effective until the Governor of the

withdrawing state shall have sent formal notice in writing to the Governor of each other party State informing said governors of the action of the legislature in repealing the compact and declaring an intention to withdraw.

"ARTICLE IX—SEVERABILITY AND CONSTRUCTION

"The provisions of this compact and of any supplementary agreement entered into hereunder shall be severable and if any phrase, clause, sentence, or provision of this compact or such supplementary agreement is declared to be contrary to the constitution of any participating state or of the United States or the applicability thereof to any governmen, agency, person, or circumstance is held invalid, the validity of the remainder of this compact or such supplementary agreement and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this compact or any supplementary agreement entered into hereunder shall be held contrary to the constitution of any state participating therein, the compact or such supplementary agreement shall remain in full force and effect as to the remaining states and in full force and effect as to the state affected as to all severable matters. The provisions of this compact and of any supplementary agreement entered into pursuant hereto shall be liberally construed to effectuate the purposes thereof.".

SEC. 3. Pursuant to article II(a) of the Southern States Energy Compact, there shall be one representative of the Federal Government on the Southern States Energy Board. The representative shall be appointed by the President and he shall report to the President either directly or through such agency or official as the President may specify. He shall be compensated for each day of service rendered in such capacity in an amount fixed by the President not to exceed the daily equivalent of the maximum rate for grade GS-18 of the General Schedule prescribed in section 5332 of title 5, United States Code: *Provided*, That if the representative be an employee of the United States, he shall serve without additional compensation. Board members, including the Federal representatives, serving as such at the time of enactment of this Act, shall continue to serve until their successors may be appointed, in accordance with the law of their respective jurisdictions.

SEC. 4. The Department of Energy, the Nuclear Regulatory Commission, the National Aeronautics and Space Administration, the Environmental Protection Agency, the Federal Energy Management Administration, the Secretary of Health and Human Services, the Secretary of Commerce, the Secretary of Labor, the Secretary of Agriculture, and the heads of other departments and agencies of the Federal Government are authorized, within available appropriations and pursuant to law, to cooperate with the Southern States Energy Board.

SEC. 5. Copies of the annual reports made by the Southern States Energy Board pursuant to article II(k) of the Southern States Energy Compact shall be transmitted to the President and to the appropriate committees of the Senate and the House of Representatives.

SEC. 6. The consent to the Southern States Energy Compact given by this Act shall extend to any and all supplementary agreements entered into pursuant to article VI of such compact: *Provided*, That any such supplementary agreement is only for the exercise of one or more of the powers conferred upon the Southern States Energy Board by article V of such compact.

SEC. 7. The right to alter, amend, or repeal this Act is expressly reserved.

SEC. 8. The right is hereby reserved to the Congress or any of its standing committees to require the disclosure and furnishing of such information or data by the Southern States Energy Board as is deemed appropriate by the Congress or any such committee.

SEC. 9. The Act entitled "An Act granting the consent of Congress to the Southern Interstate Nuclear Compact, and for related purposes", approved July 31, 1962 (76 Stat. 249), as amended, is hereby repealed, effective on the date the Southern States Energy Compact becomes effective.●

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By Mr. HART:

S. 1655. A bill to amend the Internal Revenue Code of 1954 to reduce the deduction for business meals and to earmark the savings from such reduction for the school lunch programs; to the Committee on Finance.

SCHOOL LUNCH PROGRAMS

● Mr. HART. Mr. President, unfortunately one never has far to look to find inequities in this Nation's commitments to different groups within our society. None is less conscionable, however, than in the allocation of federally subsidized meals. At a time when Congress has just cut $1.5 billion from child nutrition programs, the Federal Government is subsidizing the meals and entertainment costs of America's business men and women to the tune of several billion dollars a year.

Today I am introducing legislation to address this inexcusable inequity by amending the Tax Code to reduce the deduction for business meals and entertainment by 30 percent, and earmark the savings, as estimated by the Secretary of the Treasury, for the school lunch program. This proposal, which will have no impact on the Federal budget, will bring funding for the school lunch program back to the policy base level of last year, $2.8 billion.

Let me emphasize this bill does not eliminate or abolish the business meal deduction. It does not even cut this expensive subsidy in half. It merely reduces from 100 percent to 70 percent the allowable deduction for business meals and entertainment, and thereby allows full funding of the national school lunch program.

Mr. President, this Congress recently cut the school lunch program by about $1 billion. The adverse consequences for 27 million children participating in this program—40 percent of whom are from families whose income is less than $11,000/year—are already being felt throughout the school lunchrooms of this country.

On the average, school lunches are expected to cost parents about a 25 cents more per meal in 1982. One school in Colorado has already raised its prices 60 cents per meal this year. Consequently, children are being priced out of the program at record rates. A preliminary study conducted by the State Child Nutrition Directors Association indicated a 15- to 20-percent drop in participants this year.

Earlier this year, when Congress was shrinking the school lunch program, costcutters argued tighter eligibility requirements and reduced subsidies would reduce benefits for the middle class but not the truly needy. However, a reduced volume raises unit costs for the whole program at each school, forcing some school districts to drop out of the program entirely. In 17 States, 70 schools have already dropped out this year, including two schools in Colorado. At these schools, even the neediest children, who otherwise receive insufficient nutrients in their diets, must now forego a nutritionally balanced school lunch.

A final ominous consequence of Congress cutbacks in the school lunch program is the Department of Agriculture's proposals to permit cutting the size of meals. By the proposed new standards, 1.5 ounces of meat splashed with ketchup—to be counted as a vegetable—10 french fries, a few grapes and a half a cup of milk is decreed an adequate lunch, whether the child is 5 or 11 years old.

Mr. President, these cuts were made in the name of fiscal austerity. Yet, while our children are being asked—or forced—to tighten their belts, America's business men and women continue to have 40, 50 or even 70 percent of the costs of luxury meals subsidized by the U.S. Treasury. Under existing law, business meal and entertainment expenses are fully deductible as ordinary and necessary operating expenses.

The arguments against this subsidy are well known. The Senate has heard them many times. It is expensive, it is inflationary and it is grossly unfair. The Joint Committee on Taxation estimates the Treasury will forgo about $2 billion in fiscal year 1982 and $3.7 billion in fiscal year 1983 from tax deductions taken for business meals and entertainment. If just 30 percent of this business deduction for meals and entertainment were disallowed, the Treasury would collect about $0.5 billion in fiscal year 1982 and about $1.2 billion in extra revenues in fiscal year 1983. That is enough to fully restore the school lunch program to precutback levels.

Mr. President, this bill stands for a simple reassignment of priorities. It says, in effect, that nutritionally balanced meals in our children's lunchrooms should take priority over expense account meals in private clubs and fancy restaurants. I urge the Senate to act on this matter promptly.

I ask unanimous consent that the attached article by Ellen Goodman describing the consequences of cutbacks in the school lunch program, be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 15, 1981]

REAGAN'S NOUVELLE CUISINE FOR KIDS

(By Ellen Goodman)

BOSTON.—The luncheon was arranged rather neatly. A discreet hamburger sat on half a roll. Six longish French fries lay beside it. Nine green grapes lolled nearby. To the side stood half a glass of milk.

It sounded to me like some forlorn menu for overweight executives. But it wasn't. It was, rather, a prototype of a school lunch, or what may remain of it, after the budget cuts.

We are about to see the full-fledged Nouvelle Reagan Cuisine for Kiddies. Higher costs and smaller portions. No stars, please.

As you may have heard, dinner with the Reagans in the White House has definitely improved these days. When the Reagans dine with the Anwar Sadats on the federal tab,

they eat smoked filet of mountain trout, a roast supreme of duckling à l'orange, a touch of wild rice with raisins, a bit of Brie and chèvre, followed by the palate-cleansing melon glace and fresh raspberries.

But under Reagan, lunch in the school cafeteria is quite another affair: an ounce-and-a-half of meat or meat alternatives, a half-cup of fruit and vegetables, one serving of bread, six ounces of milk. Yummy in the empty tummy.

FRAC, the Food Research and Action Center, cooked up the lean-and-hungry lunch described above, by carefully following the new proposals that have come out of the Department of Agriculture.

According to FRAC's Nancy Amidei, the Agriculture people were assigned the task of cutting fat from the budget "without impairing the nutritional value of the meals." But they ended up cutting food.

Under the old requirements, more food was served to older grammar-school kids than younger ones. But under the proposed new rules, the 11-year-olds will get the same amount of meat and vegetables as the 5-year-olds. Even the bread and milk are cut, from eight pieces a week to five, from eight ounces a day to six.

The other changes in rules are even more curious. Ketchup and pickles now qualify as vegetables; tofu (try that on your second grader) now qualifies as a meat; and any school can put its eggs in a cake instead of on a plate.

According to Amidei, the lunches would supply less than one-third of the daily nutritional value and only 17 percent of the calories needed. "We feel this is compromising children's health," she says flatly.

The motto of the Nouvelle Reagan Cuisine—"Eat Light and Like It"—would be fine for the statesmen passing up the Brie. But the Department of Agriculture's own study shows that poor kids get anywhere from one-third to one-half of all their daily nutrients from school lunch.

Of the 27 million children who eat school lunches, 12.6 million get a free or reduced rate. If the meal shrinks just when food stamps are being cut and food prices are on the rise, these kids can't make up the difference at home.

There is also a social effect of the Nouvelle Reagan Cusine. Middle-class parents, who pay the full amount for lunch, are going to balk at paying more for a snack. As a 10-year-old visitor to FRAC said when she spied the prototype meal, "Yuk! Where's the rest of it?"

In our house, after the price went up last week, the brown bags came back. But if these proposals are approved, there could be a national two-track lunchroom, with only the poorest students going through a highly stigmatized free-lunch line. The end result of that is higher costs, fewer schools in the system, and a program goes on the skids.

There is the taste of irony sprinkled over all this food talk. The lunch program started back in 1946 because of the military. During World War II, the draft board had to reject an enormous number of men suffering from poor nutrition. When the School Lunch Act was passed in 1946, they wrote: "It is declared to be the policy of Congress as a measure of national security to safeguard the health and well-being of the nation's children."

Today we have another administration that is worried about the Army, worried that an Army of illiterates will end up operating sophisticated multi-billion dollar military equipment. But as Amidei notes, "At this rate we'll have an Army of anemic illiterates."

If the Reagans will pass me a glass of their Domaine Chandon Blanc de Noir, I'll drink to that.●

By Mr. DURENBERGER (for himself, Mr. ROTH, Mr. CHAFEE, Mr. BRADLEY, and Mr. HEINZ):

S. 1656. A bill to amend the Internal Revenue Code of 1954 to clarify certain requirements which apply to mortgage subsidy bonds, and for other purposes; to the Committee on the Judiciary.

MORTGAGE SUBSIDY BONDS

● Mr. DURENBERGER. Mr. President, we all recognize that this Nation faces a critical shortage of low- and moderate-income housing. The debate surrounding both the all savers certificates and the HUD budget outlined the enormous magnitude of this problem. We need to act promptly and responsibility to resolve it.

Today, I am introducing legislation that would help meet this shortage by making it possible to issue mortgage revenue bonds as intended in the legislation Congress passed last year. Last year's Reconciliation Act legislation was never intended to kill the mortgage revenue bond program which helps provide housing assistance for hundreds of thousands of people nationally. The legislation was meant to better target mortgage revenue bond proceeds and to tighten up the administration of these programs.

This is not a budgetary question. We have always presumed that mortgage revenue bonds would be issued this year in substantial numbers. It is a matter of being able to carry out the intent of last year's legislation, making a good program even better.

The first half of 1981 saw virtually no bonds issued as new regulations were awaited from Treasury. This delay in and of itself was far longer than anticipated. Now, the new regulations are out, and according to housing agencies across the country, they raise virtually insurmountable problems.

My State of Minnesota has always been one of the most sophisticated users of mortgage revenue bonds. Our bonds have always been targed toward low- and moderate-income housing as last year's legislation directed. My State has tried to issue bonds under the new regulations with poor results. The underwriters have had $13 million of bonds due to the manner in which the good faith provision in the new regulation was written. This will mean the loss of 4,000 home improvement loans for low- and moderate-income people trying to maintain the quality of their housing stock.

Without changes in the arbitrage regulations the State of Minnesota will have to forgo issuance of single family mortgage revenue bonds this year. This means 2,500 to 3,000 fewer mortgages in 1981 for those people most serious affected by rising inflation and soaring interest rates.

Mortgage revenue bonds are a workable way of providing housing. Some adjustments were needed to improve the program. The outline of these changes was proposed in last year's legislation, and Treasury was expected to draw up workable regulations. The result has been contrary to the intent of Congress. We now have a virtually unworkable mortgage revenue bond program when a strong program could be filling a large hole in our Nation's housing needs.

In light of the discussion surrounding housing in recent months, I think that we must set free a proven program for helping people obtain shelter.

The five changes I propose are the most basic corrections that are needed to present law and regulations in order to allow the issuance of mortgage revenue bonds. I think other changes could be made, but in order to work as quickly as possible to get this program underway again, I am offering this bare bones legislation.

First, the 95 percent good faith requirement would be made more reasonable. An issue would not lose its tax-exempt status if it fell below 95 percent compliance as long as periodic audits are conducted and any cases of fraud would be prosecuted. This is a much fairer means of insuring the correct use of mortgage revenue bonds without creating a bureaucratic nightmare than in the present regulations.

Second, the issuer would be allowed a 1.25-percent yield to cover the cost of issuing the bonds. This is a realistic figure in light of what is required to be covered within this yield by last year's legislation.

Third, the present regulations have a very restrictive provision concerning the sale of excess reserves which might even force an issuer to sell reserves at a loss. This legislation would not force reserves to be sold at a loss.

Fourth, the registration requirement for mortgage revenue bonds would be removed since no other tax-exempt bonds face this requirement.

Fifth, two technical changes would be made for multifamily bond issues. The income level for the lower income occupancy requirement would be set at 80 percent of area median income and separated from the section 8 definitions. The 20-percent requirement for low- or moderate-income occupancy would be set at the longest of 10 years, one-half the term of the issue, or the term of the subsidy. This prevents the use of short-term bonds and the possibility of a long construction period from reducing the term of the lower income occupancy.●

● Mr. BRADLEY. Mr. President, I am pleased to join my colleague Senator DURENBERGER from Minnesota in introducing legislation to help localities issue mortgage revenue bonds. The marketing of any long-term bonds is currently extremely difficult under the best of circumstances. In addition it is virtually impossible for any middle-income family to privately finance homeownership. Under these conditions Congress has a special responsibility to eliminate those requirements that are now preventing issuance of State mortgage revenue bonds and to facilitate the use of this source of below market mortgages for single- and multi-family housing.

Since enactment of the Mortgage Subsidy Bond Tax Act of 1980 on December 5, 1980 the use of tax-exempt bonds

for providing below market mortgages has halted. The restrictions in the act regarding arbitrage, good faith, and the registration requirement are too severe to be workable in the bond market. By reducing arbitrage from 1½ percent to 1 percent and redefining arbitrage to include costs previously excluded, the 1980 act prevents the structuring of bond sales which can be financially self-supporting.

The requirement that bonds become taxable retroactively from date of issuance if housing finance agencies do not insure that 95 percent of the loans are in compliance is too onerous and creates uncertainty which prevents bond counsel from issuing "clean" opinions. The 1980 act's requirement that mortgage revenue bonds be registered is not only administratively costly but discriminatory since no other tax-exempt bonds are required to be in registered form.

In my State the New Jersey Mortgage Finance Agency has thus far been unable to issue any single family or home improvement bonds. The New Jersey MFA normally raises $200 million annually in the tax-exempt bond market for its programs, which finance home purchases in urban neighborhoods and home improvements for moderate income citizens throughout the State. Funds for the programs have been exhausted for months, and it is still unclear if the MFA will be able to sell a bond issue until the Mortgage Subsidy Bond Tax Act of 1980 is amended.

In June 1981, Senator SASSER introduced S. 1348 which I cosponsored to alleviate the major problems of the Mortgage Subsidy Bond Tax Act. It would have eliminated the registration requirement for such bonds and make several technical changes to section 103A of the Internal Revenue Code, including: First, replace strict 95 percent compliance by applicants with a covenant of good faith by issuers; second, include those persons living in substandard housing with first-time home buyers as the targets for the financing; third, return the arbitrage spread from 1 to 1½ percent for issuers; fourth, allow up to 25 percent of the area of a State to be designated as targetable including energy impacted areas. Congressman DUNCAN introduced H.R. 3614, a companion bill. Unfortunately it appears that this legislation is not likely to be adopted since the Treasury Department will not support extensive changes into the law.

Because of the critical situation of the housing industry we must have effective action immediately. So today I join Senator DURENBERGER in introducing this legislation to eliminate the most severe restrictions on the mortgage revenue bond market. The proposal has no Federal fiscal implications. These technical changes would remove many of the unnecessary regulations and inconsistencies that are stopping the use of these bonds.

I urge my colleagues to join us in progressing rapidly to correct this crisis.●

By Mr. SCHMITT (for himself, Mr. CANNON, Mr. GORTON, Mrs. KASSEBAUM, Mr. LUGAR, and Mr. SYMMS):

S. 1657. A bill entitled the "Uniform Science and Technology Research and Development Utilization Act"; to the Committee on Commerce, Science, and Transportation.

UNIFORM SCIENCE AND TECHNOLOGY RESEARCH AND DEVELOPMENT UTILIZATION ACT

● Mr. SCHMITT. Mr. President, today I am introducing for myself and Senators CANNON, GORTON, KASSEBAUM, LUGAR, and SYMMS, the Uniform Science and Technology Research and Development Utilization Act. The purpose of this legislation is to maximize the return to the public from our national investment in research and technology development by establishing a uniform Federal policy for the management and utilization of inventions developed under Federal contracts.

This bill is a revised version of S. 1215, a bill which I introduced prior to the conclusion of the 96th Congress. The bill has been reviewed by leaders in industry, business, academia, and Government. The responses have been very helpful and supportive. The revised bill which is being introduced today reflects the many thoughtful views and suggestions of those who responded to my request for comments.

Mr. President, recent economic indicators suggest that the United States is experiencing an alarming decline in the rate of technological innovation and economic growth. Symptoms of this decline are reflected in the diminishing growth in productivity, the increasing penetration of domestic markets by our foreign competitors, and the shrinking percentage of world patents being granted to Americans. We are becoming more aware that the scientific and technological advantages which we enjoyed relatively unchallenged for much of this century can no longer be taken for granted.

My Subcommittee on Science, Technology, and Space has had a longstanding interest in technological innovation and Federal policies which adversely impact upon it. For the past 3 years the subcommittee has conducted extensive oversight hearings examining the direction of Federal R. & D. and the Federal Government's role in promoting the development, application, and diffusion of new technologies. The problems are varied and complex, but include overburdensome regulations, counterproductive tax policies, and inadequate funding of basic research. Nevertheless, there are steps which the Federal Government can and should take to reverse the downward trend of the development of new products and processes.

The influence of the Federal Government on the innovation process is extensive. For example, the Federal Government currently supports some $35 billion of research and development through grants and contracts, about half the total national investment in R. & D. This enormous investment has lead directly to such spectacular achievements as the landing of American explorers on the Moon and the new era of utilization of the extraterrestrial environment which was heralded by the successful launch of the Space Shuttle.

Less immediately apparent have been discoveries in electronics which have revolutionized our lives or that of recombinent DNA, the source of new breakthroughs in the treatment of disease and the development of food sources as examples.

The value of much of this research and development is lost unless the discoveries and inventions which result can be commercialized. This result, in turn, can best be achieved if those who perform the R. & D. have the opportunity and the incentive to effect that commercialization.

The present administration is emphasizing incentives for those willing to take the risks of innovation and commercialization, while reducing direct Government participation. As examples, this approach appears in the form of tax credits for investment in R. & D. and reduction in regulatory burdens. A related incentive lies in patent rights to inventions which result from federally funded R. & D.

Unfortunately the policies of Federal agencies vary widely regarding assignment of rights to performers of federally funded R. & D. The Government's policy generally has been to retain title and rights to these inventions. As a result, the Government presently holds title to some 28,000 inventions, of which only about 5 percent have been commercialized.

We think that a better payoff from our national investment in R. & D. is possible and that reform of Federal patent policies is an important ingredient.

On such step was taken in the last Congress with passage of Public Law 96-517, the University of Small Business Patent Procedures Act. That act provides for uniform assignment to universities, small businesses, and nonprofit organizations of title to inventions developed under Federal research and development grants and contracts.

Regulations have been developed by the Office of Federal Procurement Policy and are now out for comment.

However, the majority of Federal funding for research and development goes to larger businesses, which are not covered by Public Law 96-517. We believe that the rights to the title for inventions should be extended to all contractors, regardless of size.

Our draft bill provides for the necessary uniform procedures and assigns responsibility for implementation to the Secretary of Commerce. Specific situations in which the Government would retain title are narrowly drawn to protect the public interest, where necessary. Otherwise the title would be assumed by the contractor. The Government also retains certain "march-in" rights, which can be exercised in the event that the contractor fails to take reasonable and timely steps to develop the invention.

The bill thus provides not only for proprietary rights, but also clear obligations for the recipient.

Mr. President, I ask unanimous consent that the text of my bill, together with a section-by-section analysis, be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 1657

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

TITLE I—POLICY

FINDINGS

SEC. 101. The Congress, recognizing the profound impact of science, engineering, and technology policy on the economic, social, political, and technological well-being, and the health and safety of the Nation as a whole, hereby finds and declares that:

(1) The United States has recently experienced a decline in the process of industrial innovation and productivity which is integrally related to, and adversely impacts upon, domestic productivity, the rate of economic growth, the level of employment, the balance of trade, and the attainment of other national goals.

(2) The national support of scientific and technological research and development is indispensable to sustained growth and economic stability, and it is in the national interest to maximize the benefits to the general public from such investment.

(3) Scientific and technological developments and discoveries resulting from work performed with Government contracts constitute a valuable national resource which should be developed in a manner consistent with the public interest and the equities of the respective parties.

(4) Current Federal policy with respect to the allocation of rights to the results of federally sponsored research and development deters contractor participation in Government contracts, delays technological progress, and stifles the innovative process.

(5) There is a need for the establishment and implementation of a flexible Government-wide policy for the management and utilization of the results of federally funded research and development. This policy should promote the progress of science and the useful arts, encourage the efficient commercial utilization of technological developments and discoveries, guarantee the protection of the public interest, and recognize the equities of the contracting parties.

PURPOSE

SEC. 102. It is the purpose of this Act to—

(1) establish and maintain a uniform Federal policy for the management and use of the results of federally sponsored science and technology research and development; and

(2) insure the effective uniform implementation of the provisions of this Act, and to monitor on a continuing basis the impact of Federal science and technology policies on innovation and technology development.

DEFINITIONS

SEC. 103. As used in this Act the term—

(1) "contract" means any contract, grant, cooperative agreement, commitment, understanding, or other arrangement entered into between any Federal agency and any person where a purpose of the contract is the conduct of experimental, developmental, or research work. Such term includes any assignment, substitution of parties or subcontract of any type entered into or executed for the conduct of experimental, developmental, or research work in connection with the performance of that contract;

(2) "contractor" means any person or other entity that is a party to the contract;

(3) "disclosure" means a written statement sufficiently complete as to technical detail to convey to one skilled in the art to which the invention pertains a clear understanding of the nature, purpose, operation, and, to the extent known, the physical, chemical, or electrical characteristics of the invention;

(4) "Federal agency" means an "executive agency" as defined by section 105 of title 4, United States Code, and the military departments as defined by section 102 of title 4, United States Code;

(5) "Government" means the Government of the United States of America;

(6) "invention" means any invention, discovery, innovation, or improvement which is or may reasonably be patentable subject matter as defined in title 35, United States Code;

(7) "inventor" means any person, other than a contractor, who has made an invention under a contract but who has not agreed to assign his rights in such invention to the contractor;

(8) "made under the contract" or "made under a contract" when used in relation to any invention means the conception or first actual reduction to practice of such invention in the course of any work under the contract or under a contract, respectively;

(9) "nonprofit organization" means universities and other institutions of higher education or an organization of the type described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)) and exempt from taxation under section 501(a) of the Internal Revenue Code of 1954 (26 U.S.C. 501(a)) or any nonprofit scientific or educational organization qualified under a State nonprofit organization statute;

(10) "person" means any individual partnership, corporation, association, institution, or other entity;

(11) "practical application" means to manufacture in the case of a composition or product, to practice in the case of a process or method, or to operate in the case of a machine or system, and, in each case, under such conditions as to establish that the invention is being worked and that its benefits are available to the public either on reasonable terms or through reasonable licensing arrangements;

(12) "Secretary" means the Secretary of Commerce; and

(13) "small business firm" means a small business concern, as defined in section 2 of Public Law 85–536 (15 U.S.C. 632) and implementing regulations of the Administrator of the Small Business Administration. For the purpose of this Act, size standards for small business concerns involved in Government procurement, contained in section 121.3–8 of title 13, Code of Federal Regulations, and in subcontracting, contained in section 121.3–12 of title 13, Code of Federal Regulations, will be used.

TITLE II—IMPLEMENTATION

RESPONSIBILITIES

SEC. 201. (a) The Secretary shall coordinate, direct, and review the implementation and administration of the Federal policy set forth in this Act with respect to the ownership of inventions resulting from federally sponsored research and development, and promote the efficient and effective utilization of the results of federally sponsored research and development.

(b) With a view to obtaining consistent application of the policies of this Act, the Secretary is authorized and directed—

(1) to consult and advise with Federal agencies concerning the effective implementation and operation of the policies, purposes, and objectives of this Act;

(2) in consultation with the Office of Federal Procurement Policy, to formulate and recommend to the President such proposed rules, regulations, and procedures as are necessary and desirable to assure the consistent application of the provisions of this Act;

(3) to accumulate, analyze, and disseminate data necessary to evaluate the administration and effectiveness of the policies set forth in this Act;

(4) to determine with administrative finality, in an expeditious manner without unnecessary delay, any dispute between a Federal agency and an aggrieved party arising under title III of this Act; and

(5) to perform such other duties as may be prescribed by the President or by statute.

(c) For the purpose of assuring the effective management of Government-owned inventions, the Secretary is authorized to—

(1) assist and coordinate agency efforts to promote the licensing and utilization of Government-owned inventions;

(2) coordinate and advise the Federal agencies in seeking protection and maintaining inventions in foreign countries, including the payment of fees and costs connected therewith;

(3) consult and advise Federal agencies as to areas of science and technology research and development with potential for commercial utilization; and

(4) receive funds from fees, royalties, sales, or other management of Government-owned inventions authorized under this Act: *Provided, however*, That such funds will be used only for the purpose of this Act.

(d) The Secretary shall submit to Congress an annual report of activities pursuant to this Act. Such report shall include (1) relevant statistical data regarding the disposition of invention disclosures resulting from federally funded research and development, including those inventions disclosed by small businesses and nonprofit organizations; (2) any legislative or administrative recommendations to better achieve the policy and purposes of this Act; and (3) an analysis of the impact of Federal policies on the purposes of this Act.

EXPIRATION

SEC. 202. The authorities conferred upon the Secretary under this title shall expire 7 years following the effective date of this Act, unless renewed by action of Congress.

TITLE III—ALLOCATIONS OF RIGHTS—GOVERNMENT CONTRACTORS

RIGHTS OF THE GOVERNMENT

SEC. 301. (a) Each Federal agency shall acquire on behalf of the United States, at the time of entering into a contract, title to any invention made under the contract of a Federal agency if the agency determines that—

(1) the services of the contractor are for the operation of Federal research and development centers, including Government-owned research or production facilities;

(2) following a finding by a Government authority which is authorized by statute or Executive order to conduct foreign intelligence or counterintelligence activities, the restriction or elimination of the right of the contractor to retain title to any subject invention is necessary to protect the security of such activities;

(3) in exceptional circumstances, restriction or elimination of the right of the contractor to retain title to any subject invention will better promote the policy and objectives of this Act; and

(4) the principal purpose of the contract is to develop or improve products, processes, or methods which will be required for use by Goverment regulations: *Provided, however*, That the Federal agency may subsequently waive all or any part of the rights of the United States under this section to such invention in conformity with the provisions of section 303.

(b) The rights of the Government under subsection (a) shall not be exercised by the Federal agency unless it first determines that at least one of the conditions, identified in paragraphs (1) through (4) exist and it files with the Secretary a statement stating such determination.

(c) Each contract entered into by a Federal agency shall include appropriate provisions to—

(1) require periodic written reports at reasonable intervals in the commercial use of other forms of utilization or efforts at obtaining commercial utilization made by the inventor or contractor or their licensees or assignees: *Provided,* That any such report shall be treated by the Federal agency as commercial or financial information obtained from a person and privileged or confidential and not subject to disclosure under the Freedom of Information Act (5 U.S.C. 552); and

(2) reserve to the United States at least an irrevocable, nonexclusive, nontransferable, paid-up license to make, use, and sell the invention throughout the world by or on behalf of the United States and States and domestic municipal governments, unless the agency determines that it would not be in the public interest to acquire the license for the States and domestic municipal governments.

RIGHTS OF THE CONTRACTOR

SEC. 302. (a) Whenever a contractor enters into a contract with a Federal agency other than in those circumstances identified in section 301(a), the contractor or inventor shall have the option of retaining title to any invention made under the contract. Such rights shall be subject to the limitations set forth in section 304 and the provisions of section 305. Such option shall be exercised by notifying the Government at the time of disclosure of the invention or within such time thereafter as may be provided in the contract. The Government shall obtain title to any invention for which this option is not exercised.

(b) When the Government obtains title to an invention under section 301, the contractor shall retain a nonexclusive, royalty-free license which shall be revocable only to the extent necessary for the Government to grant an exclusive license.

WAIVER

SEC. 303. A Federal agency may at any time waive all or any part of the rights of the United States under this title to any invention or class of inventions made or which may be made by any person or class of persons under the contract of the agency if the agency determines that the condition justifying acquisition of title by the Government under section 301 no longer exists or the interests of the United States and the general public will be best served thereby. The agency shall maintain a record, which shall be made public and periodically updated, of determinations made under this section. In making such determinations, the agency shall consider the following objectives:

(1) encouraging the wide availability to the public of the benefits of the experimental, developmental, or research programs in the shortest practicable time;

(2) promoting the commercial utilization of such inventions;

(3) encouraging participation by private persons in the Government-sponsored experimental, developmental, or research programs; and

(4) fostering competition and preventing undue market concentration or the creation or maintenance of other situations inconsistent with the antitrust laws.

MARCH-IN-RIGHTS

SEC. 304. (a) Where a contractor has elected to retain title to an invention under section 302 or 303, the Federal agency shall have the right, pursuant to regulations and subject to the provisions of subsection (b), to grant, or require the contractor to grant, a nonexclusive, partially exclusive, or exclusive license to a responsible applicant or applicants, upon terms reasonable under the circumstances, if the agency determines such action is necessary—

(1) because the contractor has not taken, or is not expected to take within a reasonable time, effective steps to achieve practical application of the invention;

(2) to alleviate serious health or safety needs which are not reasonably satisfied by the contractor, or its licensees;

(3) to meet requirements for public use specified by Federal regulation which are not reasonably satisfied by the contractor or its licensees; or

(4) because the actions of the contractor beyond the exercise of the exclusive rights in the invention have tended substantially to lessen competition or to result in undue market concentration in any section of the United States in any line of commerce to which the technology relates, or to create and maintain other situations inconsistent with the antitrust laws.

(b) The rights of the Federal agency under subsection (a) shall be subject to the prior approval of the Secretary, who shall make a determination after a formal hearing with affected parties present and conducted in accordance with rules, regulations, and procedures adopted by the Secretary.

GENERAL PROVISIONS

SEC. 305. (a) Each contract entered into by a Federal agency shall employ a single patent rights clause containing such terms and conditions as the agency deems appropriate for the protection of the interests of the United States and the general public, including appropriate provisions to—

(1) require the timely disclosure by the contractor or inventor to that agency of any invention made under the contract: *Provided,* That Federal agencies are authorized to withhold from disclosure to the public, information disclosing any invention made under the contract of an agency for a reasonable time in order for a United States or foreign patent application to be filed;

(2) require an election by the contractor within a reasonable time after disclosure as to whether the contractor intends to file a patent application on any invention made under the contract;

(3) require a declaration by the contractor within a reasonable time after disclosure of the contractor's intent to commercialize or otherwise achieve the widespread utilization of the invention by the public.

(4) an obligation on the part of the contractor, in the event a United States patent application is filed by or on its behalf or by any assignee of the contractor, to include within the specification of such application and any patent issuing thereon, a statement specifying that the invention was made with Government support and that the Government has certain rights in the invention; and

(5) allow deviation to the minimum rights acquired under section 301 on a class basis in—

(A) contracts involving cosponsored, cost sharing or joint venture research when the contractor is required to make a substantial contribution of funds, facilities, or equipment to the work performed under the contract;

(B) special contracting situations such as Federal price or purchase supports and Federal loan or loan guarantees; and

(C) no deviation under this subsection shall waive in whole or in part, the minimum rights to be secured for the Federal Government set forth in section 304(a)(4).

(b) When it is determined that the right to require licensing or the right of the Federal agency to license should be exercised pursuant to section 304, the Federal agency may specify terms and conditions, including royalties to be charged, if any, and the duration and field of use of the license, if appropriate. Agency determinations as to the rights to inventions under this title shall be made in an expeditious manner without unnecessary delay.

BACKGROUND RIGHTS

SEC. 306. Nothing contained in this Act shall be construed to deprive the owner of any background patent or to such rights as the owner may have thereunder.

GOVERNMENT LICENSING AUTHORITY

SEC. 307. A Federal agency may grant exclusive or partially exclusive licenses in any invention to which the Government has acquired title if the agency determines that—

(1) the desired practical application has not been achieved, or is not likely to be achieved within a reasonable period of time by the granting of a nonexclusive license;

(2) exclusive or partially exclusive licensing is a reasonable and necessary incentive to call forth the investment of risk capital to bring the invention to practical application; and

(3) the proposed terms and scope of exclusivity are not greater than reasonably necessary to provide the incentive for bringing the invention to practical application.

TITLE IV MISCELLANEOUS

REPEAL OF EXISTING STATUTORY RESEARCH AND DEVELOPMENT AUTHORIZATIONS

SEC. 401. The following Acts are hereby amended as follows:

(1) Section 205(a) of the Act of August 14, 1946 (7 U.S.C. 1624(a); 60 Stat. 1090), is amended by striking out the last sentence thereof.

(2) Section 501(c) of the Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 951(c); 83 Stat. 742) is amended by striking out the last sentence thereof.

(3) Section 106(c) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1395(c); 80 Stat. 721) is repealed.

(4) Section 12 of the National Science Foundation Act of 1950 (42 U.S.C. 1871(a); 82 Stat. 360) is repealed.

(5) Section 152 of the Atomic Energy Act of 1954 (42 U.S.C. 2182; 68 Stat. 943) is repealed.

(6) The National Aeronautics and Space Act of 1958 (42 U.S.C. 2451 et seq.; 72 Stat. 426) is amended—

(A) by repealing section 305 thereof (42 U.S.C. 2457): *Provided, however,* That subsections (c), (d), and (e) of such section shall continue to be effective with respect to any application for patents in which the written statement referred to in subsection (c) of such section has been filed or requested to be filed by the Commissioner of Patents and Trademarks prior to the effective date of this Act;

(B) by inserting the following new section 305:

"INVENTIONS AND CONTRIBUTIONS BOARD

"SEC. 305. Each proposal for any waiver of patent rights held by the Administrator shall be referred to an Inventions and Contributions Board which shall be established by the Administrator within the Administration. Such Board shall accord to each interested party an opportunity for a hearing, and shall transmit to the Administrator its findings of fact with respect to such proposal and its recommendations for action to be taken with respect thereto.";

(C) by repealing section 306 thereof (42 U.S.C. 2458);

(D) by inserting at the end of section 203 (c) thereof (42 U.S.C. 2473(c)); the following new paragraph:

"(14) to provide effective contractual provisions for reporting of the results of the

activities of the Administration, including full and complete technical reporting of any innovation made in the course of or under any contract of the Administration.".

(E) by inserting at the end of section 203 thereof (42 U.S.C. 2478) the following new subsection:

"(d) For the purpose of chapter 17 of title 35 of the United States Code, the Administration shall be considered a defense agency of the United States."; and

(F) by striking out the following in section 203(c)(3) thereof (42 U.S.C. 2473(c)(3)) "(including patents and rights thereunder).".

(7) Section 6 of the Act of July 7, 1960 (30 U.S.C. 666; 74 Stat. 337), is repealed.

(8) Section 4 of the Helium Act Amendments of 1960 (50 U.S.C. 167b; 74 Stat. 920) is amended by striking out both proviso clauses at the end thereof.

(9) Section 32 of the Arms Control and Disarmament Act (22 U.S.C. 2572; 75 Stat. 634) is repealed.

(10) Subsection (e) of section 302 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 302(e); 79 Stat. 5) is repealed.

(11) Section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5908; 88 Stat. 1887) is amended by striking all after "hours" the second time it appears therein, and inserting in lieu thereof a period.

(12) Section 5(1) of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831d(1); 48 Stat. 61) is amended by striking both proviso clauses at the end thereof.

(13) Section 5(d) of the Consumer Product Safety Act (15 U.S.C. 2054(d); 88 Stat. 1211) is repealed.

(14) Section 3 of the Act of April 5, 1944 (30 U.S.C. 323; 58 Stat. 191), is repealed.

(15) Section 8001 of the Solid Waste Disposal Act (42 U.S.C. 6981; 90 Stat. 2892) is repealed.

(16) Sections 200 through 209 and section 211 of title 35, United States Code, are repealed.

(17) Section 6e (1) and (2) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3705(e) (1) and (2); 94 Stat. 2313) is repealed.

EFFECTIVE DATE

SEC. 402. This Act shall take effect 6 months after the date of enactment of this Act.

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SECTION-BY-SECTION ANALYSIS—UNIFORM SCIENCE AND TECHNOLOGY RESEARCH AND UTILIZATION ACT

SECTION 101. FINDINGS

In this section Congress finds and declares that the United States has recently experienced a decline in innovation and productivity; that scientific and technological developments resulting from Government contracts constitute a valuable national resource; that current Federal patent policy deters contractor participation, delays technological progress and stifles innovation; and there is a need for a flexible, government-wide policy for the management and utilization of the results of Federally-funded research and development.

SECTION 102. PURPOSE

This section states that the purpose of this Act is to maintain the effective implementation of a Federal policy for the management and use of the results of Federally-sponsored science and technology research and development.

SECTION 103. DEFINITIONS

This section states several definitions, including "contract" and "practical application".

SECTION 201. RESPONSIBILITIES

Subsection (a) directs the Secretary of Commerce to coordinate, direct and review the implementation of the policy set forth in this Act. For the purpose of assuring uniformity in the administration of this Act, the Secretary is directed to develop proposed regulations, accumulate and analyze relevant data, determine with administrative finality any dispute arising under Title 3 of this Act, and monitor the "march-in" rights of the Government under Section 304. For the purpose of assuring the effective management of Government-owned inventions, the Secretary is directed to assist and coordinate agency efforts to promote the licensing and utilization of Government-owned inventions, including the explicit authority to accept custody of any Federal agency invention, protect U.S. inventions in foreign countries, and receive funds from the management of these inventions. Subsection (d) requires the Secreary to submit an annual report of his activities under this section to Congress. There is no authorization provided for the Secreary to carry out these provisions.

SECTION 202. EXPIRATION

The authorities conferred upon the Secretary under this title shall expire in seven years unless renewed by an Act of Congress.

SECTION 301. RIGHTS OF THE GOVERNMENT

Subsection (a) specifies those situations in which it would be presumed the Government should take title to any invention made under Federal contract. The determination as to the Government's rights would be made at the time of contracting. These Government rights would not be assumed by the agency unless it determines that one of the enumerated criteria exists, and files a determination statement with the Secretary.

SECTION 302. RIGHTS OF THE CONTRACTOR

Subsection (a) states that in all other situations not specified in Section 301, the contractor or inventor shall have the option of retaining title to any invention made under the contract. The Government shall retain title when this option is not exercized by the contractor.

Subsection (b) specifies that when the Government takes title to an invention under this section, the contractor will retain a non-exclusive, royalty-free license.

SECTION 303. WAIVER

To assure flexibility in the implementation of the policies, this section would authorize the Government to waive rights to inventions when deemed to be in the public interest.

SECTION 304. MARCH-IN RIGHTS

This section would authorize the Government to require the contractor to license an invention or assign title to the Government if the contractor fails to take reasonable steps to develop the invention or the Government determines such action is necessary in the public interest.

SECTION 305. GENERAL PROVISIONS

This section authorizes Federal agencies to include Federal research and development contract provisions necessary to protect the public interest, including appropriate provisions, to require the timely disclosure by the contractor of any invention made under a Federal contract, to require the contractor to file a patent application within a reasonable time after disclosure, and to require the contractor to declare his intent to commercialize the invention. Additional provisions allow deviation to the minimum government rights when a contractor makes a substantial contribution of funds or facilities. If the agency determines it necessary to license pursuant to Section 304, the agency may specify the terms and conditions thereby.

SECTION 306. BACKGROUND RIGHTS

This Act shall not be construed to deprive the owner of any background patent.

SECTION 307. GOVERNMENT LICENSING AUTHORITY

In this section the Government is expressly authorized to grant exclusive licenses in any invention to which it has acquired title.

This Act shall take effect six months after the date of enactment of this Act.●

SECTION 401. REPEAL OF EXISTING STATUTORY RESEARCH AND DEVELOPMENT AUTHORIZATIONS

SECTION 402. EFFECTIVE DATE

This section repeals various agency research and development statutes which are inconsistent with the provisions of this Act.

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By Mr. DODD:

S. 1658. A bill to amend title VII of the Housing and Urban Development Act of 1970 to require a national public investment requirements analysis; to the Committee on Banking, Housing, and Urban Affairs.

REBUILDING OUR NATION'S CITIES

Mr. DODD. Mr. President, economic development remains one of this Nation's highest priorities. We have worked to attract and keep in our communities the businesses and industries that bring jobs, tax revenues, and other businesses. In our zeal to promote and sustain development we take for granted the utility and transportation systems needed to support this growth.

In fact, the bridges, sewers, roads, and waterways that form the infrastructure of every city and town are decaying rapidly. Businesses are moving from cities which can no longer support them; newer communities are unable to build the service base that would attract them. This atrophy threatens more than development plans; it also threatens the future of this Nation. Yet, it persists and extends across regions and economically diverse areas, as the Urban Institute's George Peterson documents in "The Condition of America's Urban Capital Stock."

The scope of rehabilitation and construction needs is staggering. A report published by the Council of State Planning Agencies, appropriately entitled "America in Ruins," estimates that at least one-half and more likely two-thirds of the Nation's communities cannot undertake modernized development until major investments are made in their basic facilities. That report and others provide grim statistics:

One of every four miles in the still-incomplete Interstate Highway System needs replacement and one of every five American bridges needs either major repairs or rebuilding, estimated to cost $33 billion. In my home State, Connecticut, an estimated $1.47 billion is needed during this decade to repair rapidly deteriorating bridges and roads.

Thirty percent of railroad track mileage needs repair.

New York City loses 100 million gallons of water daily through leaks in its deteriorating water system. Nationally, urban areas with populations of more than 50,000 must spend $75 to $100 billion over the next 20 years to maintain their water systems.

Rehabilitation and new construction to maintain existing service levels on nonurban highways will cost more than $700 billion in this decade, far more than all public works expenditures made by all levels of government in the 1970's.

Despite these and other clear signals of the burgeoning need for infrastructure repair and construction, investment in this area is falling precipitously. In the past 15 years, public works expenditures suffered a real decline of 28 percent,

dropping to less than $25 billion in 1979 from $33.7 billion in 1965. On a per capita basis, investment fell 36 percent during the same period to $111 from $174. As a percentage of gross national product, public works investment dropped by more than 53 percent to only 1.7 percent of 1979 GNP from 3.5 percent of 1965 GNP.

As budgets tightened and tax bases shrunk, public works funds were decimated. In the 1960's, capital spending covered 28 percent of State and local government budgets. By the late 1970's, it had been cut almost in half, to an average of only 15 percent. When Federal and State funding cuts hit municipalities and shrinking tax bases reduced capital resources, by necessity, the longer term capital outlays and maintenance expenditures were sacrificed to preserve essential social services.

Revival of public facilities does not, however, rest solely on increased or sustained Federal funding. Financial limitations demand other alternatives: More effective use of limited resources and a concerted effort at long-term planning and development.

That effort is being made in Connecticut, where the public and private sectors are working together to sustain economic development and rebuild the aging infrastructure of many municipalities. Hartford's new and rehabilitated landmarks: The Civic Center Coliseum and Mall, the Constitution Plaza Commerical Center, and the Old State House are clear examples of the gains that can be made. The Connecticut General Assembly this year enacted legislation authorizing the creation of "enterprise zones," offering tax and other incentives to rejuvenate ailing urban centers. An urban jobs program is providing businesses with needed skilled labor. Innovative and creative ideas, not just money, are being used to address critical problems. Much remains to be done in Connecticut and across the country.

We can and should begin immediately to meet the challenge of urban revitalization and national economic recovery. First, existing regional and State planning processes should be expanded to insure a review of the effects of proposed governmental rehabilitation or construction activities on regional economic development. For example, a new highway system may contribute to the deterioration of a sophisticated subway route; or a new waterway system may revive a troubled port and encourage the repair of sagging bridges.

This approach would help newer communities absorb people and expanded business activity and, help older communities retain and attract business through economic incentives. The cost of doing business in a given area is a decisive factor in location decisions. Troubled by problems created by a deteriorating infrastructure, cities are far more expensive locations. It is 20 to 30 percent more expensive to do business in economically distressed older cities than in their nearby suburbs and rural areas, according to Dr. James M. Howell, senior vice president of the First National Bank of Boston.

A review of existing economic development and infrastructure programs and systems should occur simultaneously with a review of the impact of planned development. This second, concurrent effort would be aimed at eliminating the overlap and duplication of these services. The Council of State Planning Agencies calculates there are at least 100 separate Federal agencies, 50 State governments—each with separate agencies and departments—3,042 counties, 35,000 general purpose local governments, 15,000 school districts, 2,000 areawide units of government, more than 200 interstate compacts, and 9 multi-State regional development organizations currently planning and completing public works activities.

The Department of Housing and Urban Development, as the principal Federal agency serving the cities, should take the lead in pursuing that goal, identifying duplication and suggesting possible methods to consolidate funding mechanisms. To support this effort, I am asking the Congressional Research Service of the Library of Congress to begin an investigation of duplication found in existing development programs. I intend to present the results of this investigation to the Senate Committee on Banking, Housing, and Urban Affairs for the committee's information and for use in possible oversight hearings. In analyzing this information, the enormous contributions made by private entities throughout the Nation must be considered to insure the best use of this essential public-private partnership.

Finally, today I am proposing legislation to establish a national public investment requirements analysis, as a first step toward the establishment of a national capital budget. Expansion of existing planning processes to consider the impact of future development and review of existing services to prevent duplication are steps that can be taken now to address existing problems. This annual analysis goes further, providing assistance in the formulation of national public investment policy.

Specifically, the NPIRA would contain four basic elements:

An inventory of public facilities and an assessment of their condition and the quality of service they provide, an inventory which does not exist now;

An estimate of current and projected capital needs and expenditures for up to 10 years;

An estimate of current and projected operation and maintenance needs and expenditures; and

The identification of financing sources for construction, rehabilitation, maintenance and operation activities, including both public and private sources.

It would also include a summary of significant problems and trends facing national public investment, a review of State, local, and private activities affecting public investments, and an evaluation of Federal efforts to satisfy investment needs.

This report would be submitted by the executive branch to the Congress by February 15 of each year, so that the information it contains is available before consideration of the budget begins. This concept could help discipline existing and haphazard capital budgeting processes. For the first time, Congress could accurately determine the condition of aging capital stock and could target funds to areas and projects most in need.

This analysis and the two steps that would precede it, could provide a desperately needed catalyst for economic growth and urban revitalization. It is not only the highways and roads, bridges and waterways, sewers and transit systems of the Nation that are at stake, it is the Nation itself and all its parts. That this country last year had the lowest growth rate in the Western community, with the exception of Great Britain, clearly speaks to the need for immediate action. The productivity and development of the United States depends directly on our efforts to revive the public facilities at the heart of our cities and our national economy.

Mr. President, I ask that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1658

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That part A of title VII of the Housing and Urban Development Act of 1970 is amended by adding at the end thereof the following:

"NATIONAL PUBLIC INVESTMENT REQUIREMENTS ANALYSIS

"SEC. 704. (a) The President shall transmit to the Congress by February 15, 1982, and by February 15 of each year thereafter, a National Public Investment Requirements Analysis which shall contribute to the formulation of public investment policy and in addition shall include—

"(1) an inventory of public facilities and an assessment of their condition and quality of service provided, classified by types of facilities and regional location;

"(2) an estimate of current and projected capital needs and expenditures for up to 10 years, including a breadkdown of capital expenditures between new construction and rehabilitation, and between economic development projects and community service projects, and also an identification of priorities for future investment;

"(3) an estimate of current and projected operation and maintenance needs and expenditures, identified by Federal program, by type of project, and by area;

"(4) identification of sources of financing for construction, rehabilitation, maintenance, and operation activities, including both public and private sources;

"(5) a summary of significant problems and trends facing the United States as a result of public investment needs;

"(6) a review of State, local, and private policies, plans, and programs affecting public investment; and

"(7) an evaluation of the progress and effectiveness of Federal efforts to meet investment needs and to carry out such a policy.

"(b) In addition to the Analysis required by subsection (a), the President may transmit to the Congress supplementary analyses on reports regarding public investment needs and policies and their relation to an urban policy, including such supplementary and revised recommendations as may be appropriate.

"(c) Prior to the submission of the Analysis required by subsection (a) and any sup-

plementary analysis or report, the President shall consult a broad range of appropriate public and private organizations and individuals familiar with the problems of urban areas and with public investment needs, drawing from Federal officials, Governors of States, mayors, county officials, members of State and local legislative bodies, and others qualified to assist in the preparation of such Analysis or supplementary analysis or supplementary analysis or report.".

## ADDITIONAL COSPONSORS

S. 895

At the request of Mr. MATHIAS, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 895, a bill to amend the Voting Rights Act of 1965 to extend certain provisions for an additional 10 years, to extend certain other provisions for an additional 7 years, and for other purposes.

S. 1326

At the request of Mr. SASSER, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 1326, a bill to amend title 38, United States Code, to authorize a service pension of up to $150 per month for veterans of World War I and for certain surviving spouses and dependent children of such veterans.

S. 1348

At the request of Mr. SASSER, the Senator from Nebraska (Mr. EXON), and the Senator from South Carolina (Mr. HOLLINGS) were added as cosponsors of S. 1348, a bill to amend the Internal Revenue Code of 1954 to clarify certain requirements which apply to mortgage subsidy bonds.

S. 1407

At the request of Mr. PRYOR, the Senator from New Jersey (Mr. WILLIAMS), the Senator from Minnesota (Mr. DURENBERGER), and the Senator from South Carolina (Mr. HOLLINGS) were added as cosponsors of S. 1407, a bill to amend title 39, United States Code, by strengthening the investigatory and enforcement powers of the Postal Service by authorizing inspection authority and by providing for civil penalties for violations of orders under section 3005 of such title (pertaining to schemes for obtaining money by false representations or lotteries), and for other purposes.

S. 1648

At the request of Mr. HATFIELD, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 1648, a bill entitled the "Military Spouse Retirement Equity Act."

SENATE JOINT RESOLUTION 59

At the request of Mr. ROBERT C. BYRD, the Senator from California (Mr. CRANSTON), the Senator from Nebraska (Mr. EXON), the Senator from New Mexico (Mr. DOMENICI), and the Senator from Tennessee (Mr. BAKER) were added as cosponsors of Senate Joint Resolution 59, a joint resolution designating the square dance as the national folk dance of the United States.

SENATE JOINT RESOLUTION 67

At the request of Mr. THURMOND, the Senator from New Jersey (Mr. BRADLEY) was added as a cosponsor of Senate Joint Resolution 67, a joint resolution to establish "National Nurse-Midwifery Week."

SENATE RESOLUTION 175

At the request of Mr. THURMOND, his name was added as a cosponsor of Senate Resolution 175, a resolution to congratulate the State of Oklahoma on the celebration of its Diamond Jubilee.

SENATE RESOLUTION 199

At the request of Mr. THURMOND, his name was added as a cosponsor of Senate Resolution 199, a resolution to authorize National Productivity Improvement Week.

## SENATE CONCURRENT RESOLUTION 36—CONCURRENT RESOLUTION DESIGNATING "NATION'S CAPITAL SALUTE TO SUGAR RAY LEONARD DAY"

Mr. MATHIAS (for himself and Mr. COHEN) submitted the following concurrent resolution; which was referred to the Committee on the Judiciary.

S. CON RES. 36

Whereas Sugar Ray Leonard became the Olympic boxing champ for his weight class in 1976 while representing the United States;

Whereas Sugar Ray Leonard is today the undisputed World Welterweight Boxing Champion;

Whereas Sugar Ray Leonard showed the world uncommon courage and determination and overcame tremendous odds, including an eye injury, while gaining his title; and

Whereas Sugar Ray Leonard's matchless skill, courage, and fortitude are an inspiration to the youth of our Nation: Now, therefore, be it

*Resolved by the House of Representatives (the Senate concurring)*, That it is the sense of the Congress that September 23, 1981, should be designated and considered as the 'Nation's Capital Salute to Sugar Ray Leonard Day".

## SUGAR RAY LEONARD DAY

Mr. MATHIAS. Mr. President, I am pleased to submit this concurrent resolution honoring Ray Leonard for his attainment of the undisputed world welterweight boxing title. While this is a great achievement, it is made even greater because of the character and courage of Ray Leonard. Ever since he captured the gold medal in the 1976 Olympics in Montreal and the hearts of the people of this Nation, the Nation's Capitol and his home State of Maryland, (Sugar) Ray Leonard has shown a strength of character and a level of courage which is an inspiration to people everywhere. All Marylanders can take pride in Sugar Ray Leonard. I am privileged to submit this concurrent resolution today on behalf of myself and Mr. COHEN honoring Ray Leonard for his accomplishments and symbolizing our appreciation of him.

Mr. President, I ask unanimous consent that an editorial from the Washington Post in praise of Sugar Ray's qualities of heart and mind appear in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 18, 1981]

CHAMPION

Here's to keeping going when you are hurt and the chance of success is but a glimmer. Here's to Sugar Ray Leonard of Palmer Park, who gave the kind of comeback performance in defeating Thomas Hearns that is, in short, the stuff of legends. With only two rounds to go, he had lost most of the fight and his left eye was badly swollen. His opponent seemed capable of jabbing and dancing for two more rounds—not much to do, really—to win the fight by a decision.

Then Sugar Ray Leonard showed something seen only in the truest of champions: in boxing lingo, heart. It was not a raging, desperate, flailing attack he mounted, not some lucky punch that found the mark. No, it was a deep-down determination coupled with intelligence, with style. It was heart. He had come to the brink, but, with a certainty that was awesome, he moved totally into control, leaving Thomas Hearns woozy and overmatched. With defeat in sight, he fought it and his adversary and proved himself the better of both.

In looking back over the fight—and in considering its stunning finish—it seems that Sugar Ray Leonard's greatest opponent in that Las Vegas ring was his own cockiness. In the early going he seemed to think he could psych Thomas Hearns. He put his glove in the challenger's face after the bell sounded ending the first round, as if to say, "Is that all you've got?" In response came a short, pushing punch that almost started the second round right there. So it went for the first five rounds, with the eventual hero seeming complacement, lost in some strategy apparent to no one but himself. In the sixth round he rattled his nemesis, nearly knocking him down. But this display of aggressiveness was short-lived, and for only two rounds. Then he seemed oddly pleased to go back to his earlier diffidence. Defeat seemed close at hand.

The stage thus set, the champion suddenly started to pull laver after layer from his challenger's pretension to be the better man. He was inside with sharp uppercuts and rapid-fire combinations. There was a calm to it, no rush, simply a steady beat getting more powerful, growing louder, finally taking over the fight and every inch of the ring. Thomas Hearns was forced against the ropes, then knocked through them, pinned and battered. Sugar Ray Leonard was a winner again.

So here's to Sugar Ray Leonard and his incomparable inner strength. He showed he could take a punch, could be all but out, and still prevail. It was thrilling. The man really has heart.

## SENATE RESOLUTION 215—RESOLUTION DESIGNATING "NATION'S CAPITAL SALUTE TO SUGAR RAY LEONARD DAY"

Mr. COHEN (for himself and Mr. MATHIAS) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 215

Whereas Sugar Ray Leonard became the Olympic boxing champion for his weight class in 1976 while representing the United States;

Whereas Sugar Ray Leonard is today the undisputed World Welterweight Boxing Champion;

Whereas Sugar Ray Leonard showed the world uncommon courage and determination and overcame tremendous odds, including an eye injury, while gaining his title; and

Whereas Sugar Ray Leonard's matchless skill, courage, and fortitude are an inspiration to the youth of our Nation: Now, therefore, be it

*Resolved*, That it is the sense of the Senate that September 23, 1981, should be designated and considered as the "Nation's Capital Salute to Sugar Ray Leonard Day".

Mr. COHEN. Mr. President, I send a Senate resolution to the desk. It is an honor for me to join Senator CHARLES

MATHIAS in sponsoring this resolution honoring Sugar Ray Leonard in the Nation's Capital.

Last week, Sugar Ray Leonard became the undisputed welterweight boxing champion of the world. During that 14-round contest, he demonstrated that the secret of champions is quite simple. They are born and not made. Technique is important, but raw talent is critical. No amount of training, no amount of road work, no amount of sparring, no amount of time on the heavy or light bags will make a champion out of one who is deficient in the physical and psychological assets demanded in boxing. It is a special talent and spirit that a champion possesses. It is indefinable but unmistakable. We all know it when we see it.

When you step into a boxing ring, if I may paraphrase Dr. George Sheehan, you are under oath. In that ring, you give testimony as to who and what you are. And millions of eyes will know immediately whether that testimony is true or false.

Last week, Sugar Ray Leonard knew what the poet Blake meant when he said that he held infinity in the palm of his hand and eternity for an hour. When he stepped into that boxing ring with Thomas Hearns, he gave testimony, as he had on so many occasions before, as to who he is and what he is capable of. He reached back for the indefinable something that only champions have and demonstrated that whatever is necessary becomes possible, whatever is extraordinary becomes nearly routine.

To the ancient Greeks, honor was the prize of areté. It was the tribute paid to men of ability, those who chose to live nobly for a year rather than pass many years living a quiet, ordinary life. The object of the honorable man was to "take possession of the beautiful."

Sugar Ray Leonard, through his incomparable athletic skill in the ring and his exemplary conduct outside it, has demonstrated that he not only has pursued, but has, indeed, "taken possession of the beautiful."

## AMENDMENTS SUBMITTED FOR PRINTING

### INTERNATIONAL SECURITY ASSISTANCE AND DEVELOPMENT ACT OF 1981

AMENDMENT NO. 557

(Ordered to be printed and to lie on the table.)

Mr. HUMPHREY submitted an amendment intended to be proposed by him to the bill (S. 1196) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize appropriations for development and security assistance programs for the fiscal year 1982, to authorize appropriations for the Peace Corps for the fiscal year 1982, to provide authorities for the Overseas Private Investment Corporation, and for other purposes.

AMENDMENTS NOS. 558 THROUGH 560

(Ordered to be printed and to lie on the table.)

Mr. GLENN submitted three amendments intended to be proposed by him to the bill S. 1196, supra.

AMENDMENT NO. 561

(Ordered to be printed and to lie on the table.)

Mr. MITCHELL (for himself, Mr. HATFIELD, Mr. LEVIN, Mr. KENNEDY, Mr. HART, Mr. BAUCUS, Mr. DODD, and Mr. LEAHY) submitted an amendment intended to be proposed by them to the bill S. 1196, supra.

Mr. MITCHELL. Mr. President, I send to the desk an amendment which I ask to be printed in the RECORD. I intend to call this up for consideration at a later point in the deliberation on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 84, between lines 2 and 3, insert the following:

NOMINATION FOR THE POSITION OF ASSISTANT SECRETARY OF STATE FOR HUMAN RIGHTS AND HUMANITARIAN AFFAIRS

SEC. 716. (a) The Congress finds that—

(1) the United States has long been a leading defender of the basic rights of persecuted, oppressed, and endangered people around the world, and should continue in this role; and

(2) effective foreign policy formulation requires that the President and the Secretary of State possess current and accurate information derived from continuous observation and review of all matters pertaining to human rights and humanitarian affairs (including matters relating to refugees, prisoners of war, and members of the United States Armed Forces missing in action).

(b) It is the sense of the Congress that—

(1) a strong commitment to the defense of human rights should continue to be a central feature of American foreign policy; and

(2) the President, not later than 60 days after the date of enactment of this Act, should submit to the Senate the name of a nominee for the position of Assistant Secretary of State for Human Rights and Humanitarian Affairs, as established by section 624 (f) of the Foreign Assistance Act of 1961.

On page 84, line 4, strike out "SEC. 716." and insert in lieu thereof "SEC. 717".

AMENDMENT NO. 562

(Ordered to be printed.)

Mr. LUGAR proposed an amendment to the bill S. 1196, supra.

AMENDMENT NO. 563

(Ordered to be printed.)

Mr. HELMS proposed an amendment to the amendment (No. 562) proposed by Mr. LUGAR to the bill S. 1196, supra.

## NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public that the hearing on the nomination of Harry E. Thomas to be an Assistant Secretary of Energy for International Affairs, previously scheduled for 10 a.m. on Thursday, September 24, has been rescheduled for 9:30 a.m. on that date. The hearing will be held in room 3110 of the Dirksen Senate Office Building.

SUBCOMMITTEE ON GOVERNMENTAL EFFICIENCY AND THE DISTRICT OF COLUMBIA

Mr. MATHIAS. Mr. President, I would like to announce that the Subcommittee on Governmental Efficiency and the District of Columbia of the Governmental Affairs Committee will continue hearings on S. 744, a bill to authorize the District of Columbia to issue and sell general obligation bonds for the purpose of paying certain liabilities of the District. The hearing will be held on Tuesday, September 29 at 10 a.m. in room 357 of the Russell Senate Office Building.

For further informtaion, contact Eileen Mayer of the subcommittee staff at 224-4161.

## AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FINANCE

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate this afternoon to consider legislative proposals dealing with social security.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. BAKER. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be permitted to meet during the session of the Senate at 10 a.m. on Thursday, September 24, to hold nomination hearings on the nomination of Loretta Cornelius to be Deputy Director of the Office of Personnel Management.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ADDITIONAL STATEMENTS

### A PLAN FOR RENTAL HOUSING

● Mr. CRANSTON. Mr. President, the New York Times published an article in last Sunday's edition authored by my good friend, the distinguished Senator from Connecticut, CHRISTOPHER DODD, concerning the future of this Nation's housing policy.

As a member of the Banking Committee, Senator DODD is actively exploring creative ways to increase the production of housing at less cost to the Federal Government. He is working with all of us at the committee to develop new financing techniques that will be of benefit to our society in the coming years.

Mr. President, I highly recommend the article to all of my colleagues and ask that it be printed in the RECORD.

The article follows:

[From the New York Times, Sept. 20, 1981]

A PLAN FOR RENTAL HOUSING

(By CHRISTOPHER J. DODD)

In a 1949 law, the goal was set: Provide "a decent home and suitable living environment" for every American family. Thirty-two years later, a housing shortage persists, threatening to reach crisis proportions. Before we resolved the problems of one era, economic and social changes presented new challenges.

The goal first articulated in 1946—as admirable now as it was then—has become an empty promise. It lacks definition.

What is "a decent home and suitable living environment?" It lacks substance. Where are the initiatives that will place it within reach? It remains important for the same reasons it was enacted into law: to contribute "to the development and redevelopment of communities and to the advancement of the growth, wealth and security of the nation."

Yet, as a statement of national policy, it has lost direction. Not only have we failed to focus adequate resources and effective pro-

grams on achievement of this goal, but we have also failed to recognize changing demographics and economics.

For example, there are fewer people in each household: 2.75 in 1980 from 3.3 in 1964, according to the Census Bureau. In the last decade, the rate of increase in the number of households was more than twice that of the population.

Energy prices, inflation-fueled interest rates and building costs have made single-family homes unaffordable to the vast majority of the American public. And the shift of funds from mortgage-granting thrift institutions to other investments has all but destroyed conventional financing sources. The result: An already tight supply of housing is strained by new demand.

The high price of single-family homes has pushed middle-income family into competition with lower-income families for rental housing. A classic supply-demand picture develops, housing prices increase and incentives to improve housing diminish.

The figures reflect the difficulty both income groups face in finding adequate and affordable shelter. Nationwide, rental vacancy rates have plummeted. For the first quarter of 1981, the national vacancy rate rested barely above 5 percent. In each region, the figures are dangerously low: 1 percent in Los Angeles, 2 percent in Chicago, below 3 percent in New York City and below 3 percent in Hartford.

We have seemed to ignore housing's integral role in the community and the economy. Numerical goals have been set for new housing construction or rehabilitation, with scant attention given to environment or residents. Statistics hide the squalid conditions that can result from "warehousing" the poor or planning in a sociological vacuum. "A decent home and suitable living environment" must be redefined in terms that reach beyond the walls of any given household and it must be supported by policies that recognize its role in economic and community development.

The Reagan Administration has offered a worn rope to those drowning in the current housing dilemma. Seventeen percent of all budget cuts—the largest share—came from assisted housing. Only 154,000 new housing units are included in the proposed budget. In Connecticut alone, 173,000 households either cannot afford adequate housing or are living in substandard housing. Eligibility standards for Federal assistance have been dropped, and the tenant's contribution to housing has been increased from 25 to 30 percent.

Cutting housing out of the Federal pie will not abate the trends that signal "crisis." Section 8, the primary Federal vehicle for new housing construction or substantial rehabilitation, has been reduced substantially. An increasing proportion of remaining funds has been earmarked for income subsidies used with existing housing. Prohibitively expensive, the Section 8 program is dying. Perhaps rightfully so, but before we applaud its demise, alternatives must be considered.

In fashioning a balanced housing policy, the Government has a dual responsibility: to help increase supply where needed, and to ensure that adequate housing is within the means of lower- and moderate-income people. Through a single subsidy mechanism, Section 8 provides assistance for rent payments and for new construction or substantial rehabilitation. The long-term commitments inherent in this approach carry price-tags conservatively estimated at $150,000 over the life of each apartment.

A more cost-effective approach would split the issues of development and income assistance, retaining and increasing less costly income subsidies but shifting development assistance. Second-mortgage loans for rental housing construction or rehabilitation could provide this new mechanism. By reducing financing costs, these up-front loans to private developers through state and local governments could promote construction of moderately priced apartments.

A return to the provision of tax write-offs for construction period interest and tax costs on rental housing, when these costs are incurred, could provide another outlet to relieve supply problems. These write-offs were permitted before 1976 and provided an incentive for investments in housing construction. Since their prohibition, construction of unsubsidized apartments has dropped 75 percent.

Existing housing problems will not be solved overnight. The goal of "a decent home and suitable living environment" remains to be redefined and met. It demands action.

A lethargic response to current problems ensures their continuation. A response that measures existing and future needs against limited resources would produce the policy direction that would prevent that goal from constantly moving beyond reach.●

## PEACE CORPS 20TH ANNIVERSARY

● Mr. HATFIELD. Mr. President, yesterday was the 20th anniversary of the signing of the Peace Corps Act by President John Kennedy. Over the past 20 years over 80,000 volunteers have been involved in creating bonds of peace in over 90 Third World countries. It is estimated that Peace Corps volunteers have had contact with almost one million people in those nations.

The concept of the Peace Corps was born in a late night speech during the 1960 Presidential campaign as John F. Kennedy was addressing a crowd of students at the University of Michigan in Ann Arbor, Mich. In an extemporaneous speech Kennedy challenged his audience by asking them a series of questions.

How many of you are willing to spend 10 years in Africa or Latin America or Asia working for the U.S. and working for freedom?

How many of you who are going to be doctors are willing to spend your days in Ghana; technicians and engineers, how many of you are willing to work in foreign service and spend your lives traveling around the world?

The crowd's response to each question was enthusiastic and one week before the 1960 election he pledged to create a Peace Corps, if elected.

The rest is history as Kennedy went on to win the election and, on January 21, 1961, he appointed Sargent Shriver to head a task force to study the feasibility of creating a Peace Corps. On March 1, 1961, President Kennedy signed an Executive order formally creating the Peace Corps, and on September 12, 1961, Tom Livingston of Woodale, Ill., became the first Peace Corps volunteer when he took up his post as an English teacher in Dodowa, Ghana.

Legislation officially creating the Peace Corps was signed by President Kennedy on September 22, 1961 with the following three goals:

First, to help the people of interested countries and areas in meeting their needs for trained manpower; second, to help promote a better understanding of Americans on the part of the peoples served; and third, to help promote a better understanding of other peoples on the part of Americans.

The Peace Corps has been tremendously successful in fulfilling those goals, as evidenced by the vast numbers of people reached and the overwhelmingly positive response of nations served by Peace Corps volunteers. The U.S. Senate has the proud distinction of having two of its members serving in the Peace Corps: PAUL TSONGAS and CHRISTOPHER DODD. I am sure that their experiences with the Peace Corps have been very influential in their lives and, as a result, our lives have been benefited by their experiences.

I believe that there is still a role for the Peace Corps to play in the effort to reduce poverty, ignorance and underdevelopment worldwide. There is a great need in this day of increasing world tension to have Americans at the grassroots in many nations who are viewed as expatriates, but as friends who have shared food, obeyed their laws, spoken their languages, and worked in their fields.

This component of the Nation's foreign policy is invaluable both in spreading American goodwill throughout the Third World, but also in assisting our Nation to understand and be more sensitive to the needs of those nations being served.

In closing, regardless of our policy differences on the Peace Corps in the Senate, I believe that the Peace Corps can make a valuable contribution to the Nation's foreign assistance goals in the future and should be preserved.●

## TWENTY YEARS OF THE PEACE CORPS

● Mr. MATHIAS. Mr. President, I congratulate the Peace Corps on 20 years of achievement. American volunteers began serving abroad in late 1961. The first volunteer was sent to teach English in Ghana.

Education remains one of the primary contributions of the Peace Corps program, but the education works both ways. American experience and understanding have been enriched by what Peace Corps volunteers have learned abroad.

Men and women who volunteer to serve in the Peace Corps today can do so with the knowledge that their service is welcomed as much by the people of developing countries now as in 1961, and with confidence that, as volunteers, they will gain as much in insight as they give in assistance.

The Peace Corps was an American invention which, like many American inventions, is now emulated by similar programs supported by other developed nations. The tangible contributions of direct person-to-person help through the Peace Corps and similar programs may seem small, if one looks only at the number of bricks mortared or lengths of waterpipe laid, but the returns in goodwill among the people of poor nations and in hope for long term development are enormous.

The Peace Corps is 20 years old, but it is really ageless. The Peace Corps is constantly renewed by the enthusiasm and goodwill of volunteers of all ages who seek to help other people improve their living conditions. The Peace Corps is reborn every time another American vol-

unteer accepts the challenge of service abroad.●

## SENATOR MATHIAS WRITES ON UNITED STATES-SOVIET RELATIONS

● Mr. CRANSTON. Mr. President, earlier this month my distinguished colleague and good friend from Maryland, Senator MATHIAS, and I devoted 2 weeks to discussions in Moscow and Bonn with senior Soviet and West German officials.

As a result of these discussions, Senator MATHIAS has written a thoughtful and illuminating piece on the future course of United States-Soviet relations. This piece was run in the September 21 issue of the New York Times; I submit it for the RECORD today and I highly commend it for my colleagues' attention.

The text follows:

GROMYKO AND HAIG

(By CHARLES MCC. MATHIAS, JR.)

WASHINGTON.—Secretary of State Alexander M. Haig, Jr. and Foreign Minister Andrei A. Gromyko are to meet soon at the United Nations in an encounter that could be of vast significance for the world.

Earlier this month, I went to Moscow with Senator Alan Cranston of California for a "reconnaissance" of the state of American-Soviet relations. We met with some 50 senior and mid-level officials, including Mr. Gromyko and the chief of staff of the armed forces, Marshal Nikolai V. Ogarkov.

The barriers to personal and political communication between American and Soviet citizens are so great that the visitor to Moscow faces enormous difficulty in weighing evidence and drawing conclusions. What the Russians choose to stress may in fact be unimportant to them except as a debating ploy to introduce some subsequent point of substance.

It is interesting, therefore, that our hosts spent relatively little time on the "China threat" and the neutron weapon—subjects that currently are focal points of Soviet propaganda. Instead, they chose to focus their attention on the North Atlantic Treaty Organizations' decision to deploy the Pershing 2 and cruise missiles in Europe and on America's failure to ratify SALT II. These issues were variations on a larger theme: the absolute need to restore dialogue and negotiation.

The Russians refused to accept the connection made in the West—one that we pressed repeatedly—between the possibility of constructive agreement and their conduct in Afghanistan, violation of the Helsinki accords, and their other contributions to global tension. Rather than responding constructively, they preferred to retreat into excuses about the "aggressive" intentions of President Carter and President Reagan.

It is possible that they actually believe that we are largely to blame for the sorry state of our relationship. They certainly are vociferous on the sub'ect of "outside" interference in Afghanistan. If they hold such a belief, is a graphic measure of the gulf in perception of facts between our two countries?

However, there is another element that should not be ignored. The Soviet leadership has an average age well into the 70's and, we were told, makes major decisions only with the greatest difficulty. Perhaps this condition more than any other has kept the Russians out of Poland; perhaps it also has contributed to the Kremlin's unyielding position on Afghanistan. Or, the leaders may actually see relatively few costs in staying in Afghanistan and few benefits in getting out.

One does sense in Moscow a concern with an accumulation of political and economic difficulties that have been exacerbated by a tough, largely mystifying, new Administration in Washington. The "tough" Reagan message has been received. What they don't know are the limits of this toughness. Thus, the Russians are taking the measure of the Administration. They recognize that we are sending mixed signals (higher defense spending, but a lifting of the grain embargo). For the first time, they are uncertain whether they can do even limited business wth Washington, and are slightly off balance. After reflection, it may occur to them that they need to take some positive steps of their own to improve the situation.

The Soviet leaders are in a holding pattern. It is comfortable for them because they can score points against us on such issues as the nonratification of SALT II. But it is also uncomfortable because they recognize that things can get worse—much worse. They are, I believe, genuinely concerned that tensions may escalate.

Should we hold out much immediate hope for success in negotiations on arms control, Afghanistan, and other issues critical to the relationship? I think not. The Soviet regime will find it very difficult to make hard decisions. It demonstrates little interest in compromise.

Should we, therefore, not negotiate? That would be a mistake. We would run two major risks in refusing. First, we would risk locking the Soviet leadership into a position of "permanent" hostility that could encourage rather than discourage the aggressive tendencies we are trying to curtail. It is too easy for them to blame their problems on "foreign enemies." Second, we would feed the propaganda effort in Europe that is painting us, with some success, as the enemy of dialog, at the expense of our allies in NATO.

It is time that we developed realistic, substantive positions on the major issues and put them forward with suitable advocacy and allied support in a variety of public forums. The Russians need to be confronted with decisions. In time, perhaps, they might respond constructively on some issues. But we should be under no illusions that these decisions would come quickly. It is, however, in our mutual interest to reduce the huge gap in perceptions between our two countries. The Haig-Gromyko meeting can be a useful step in this process.●

## CARL ROWAN'S AND WILLIAM BUCKLEY'S ARTICLES ON AWACS

● Mr. TOWER. Mr. President, the Reagan administration's proposal to sell airborne warning and control system (AWACS) aircraft and F–15 enhancement equipment to Saudi Arabia is generating intense interest in the marketplace of ideas which the media provides to the American public. Just yesterday, Evans and Novak wrote a column outlining the grave strategic consequences for the United States of congressional disapproval of the sales.

In today's Washington Post, columnists Carl T. Rowan and William F. Buckley, Jr., usually on opposite poles within this marketplace, argue that the sale is in the vital interests of both the United States and Israel, and hence should receive congressional blessing. I recommend to my colleagues these articles, both of which I found to be tightly reasoned and persuasive.

Mr. President, I ask that the text of both Carl Rowan's and William Buckley's articles be printed in the RECORD.

The articles follow:

THE AWACS SALE IS VITAL TO US . . .

(By Carl T. Rowan)

We are in for a time of nastiness as the debate intensifies over the proposed sale of five AWACS radar surveillance planes and other military equipment to Saudi Arabia. Already we hear charges that the United States is jeopardizing Israel just to get back 8.5 billion petrodollars and that senators opposing the sale are groveling for campaign donations from Jews.

When we sweep some of the emotion aside, a few points seem remarkably clear. The first is that for more than three decades the United States has honored its commitment to Israel, even at great financial and political cost.

In 1973, when Israel was in military peril, the United States launched an airlift that helped Israel to turn her war fortunes around—and the United States warned the Soviet Union that Israel would survive as long as the United States survives.

There is nothing about the proposed AWACS sale that suggests the United States is either abandoning or diminishing its commitment to Israel, so it seems to me that the Begin administration and its U.S. supporters are being shortsighted when they push Americans into strife over the AWACS.

Neither this sale nor 100 like it would make Saudi Arabia a credible threat to Israel's security. Beyond that, the United States has made it clear it intends to keep Israel stronger than all her potential foes combined. Thus, I cannot swallow suggestions that this deal will leave Israel naked to her enemies.

On the other hand, there are myriad threats to Saudi Arabia. The Soviet Union, some other Arabs, Moslem fanatics and several other nations and groups would love to oust the Saudi royal family, or take other actions to gain control of the Saudi oil fields. Perhaps never in history has a nation had so much to defend and so little with which to defend it.

Whatever threatens Saudi Arabia also threatens the lifeblood of the industrial West, a point so obvious that the Israelis ought to be saying, "We understand why you must deal with Saudi Arabia on the basis of the same kind of respect you show us."

Instead, the Begin government is spreading a warning around this town that the United States errs in arming a "corrupt, anachronistic" regime in Riyadh and that the Saudi royal family will go the way of the Shah of Iran before the end of this century.

Even though the alarmists can suggest no feasible alternative to the royal family, some members of the Senate are so gullible as to fasten on the above argument, ignoring the Saudi contribution to the United States' security, and thus indirectly to Israel's.

America's current economic woes are modest compared with what they might be if Saudi Arabia had not worked so diligently to halt the spiral of petroleum prices. Prices have even come down a bit recently because of a worldwide glut created mostly because the Saudis pumped more oil than was good for them.

Some opponents of the sale argue that we dare not entrust sophisticated weapons to the Saudis because the Russians will quickly get our secrets. This is a galling argument, given the fact that Great Britain has produced some celebrated traitors, West Germany has had Communist spies right in the office of the chancellor, and other allies such as Italy and France have huge Communist parties; Communists are in the French Cabinet. When we entrust weapons and secrets to these countries, how do we say to the Saudis (who don't even have diplomatic relations with the Soviets): "We can't trust you the way we do our other friends"?

If Congress blocks the AWACS sale, the long-run cost will be great for the United States and for Israel. It is easy for Israel to

say to the United States: "If you are our friend, you cannot be Saudi Arabia's friend." But what does Israel do if the United States is crippled and must struggle on one economic leg?

The AWACS sale must go forward.

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. . . AND THUS TO ISRAEL AS WELL

(By William F. Buckley Jr.)

I see, in the AWACS for Saudi Arabia, a long and tangled shadow of symbolism, and that is a pity.

Because, upon reflection—and this is written by someone whose criticisms of Saudi Arabia are on the record—Congress should authorize the sale.

Here are the salient considerations:

(1) Do we desire that Saudi Arabia should have the information it would get by use of the AWACS?

(2) Is the security of Israel threatened by the AWACS?

(3) Is the prestige of the United States government jeopardized by a refusal to sell the AWACS?

If the answers to the above are Yes, No and Yes—then we should go through with the proposed deal.

In geopolitical terms, Saudi Arabia is important as the principal source of Western oil reserves. These reserves need to be protected as obviously as we need to protect the economic life of our allies. As things now stand, the Saudis would receive two to four minutes' warning from the land-based Saudi radar installations in the event the Soviet Union decided to cripple Saudi oil facilities, which are congested in a small area of the kingdom. With AWACS on duty, this critical interval rises to 15 minutes, during which Saudi planes—and those of its allies—can be launched to provide cover for the fields.

Now if that were the whole of the problem, presumably the Congress would vote overwhelmingly for the sale. But critics argue the offensive capability of these AWACS in respect to Israel.

More mystery, it would seem, attaches to the AWACS in question than is reasonable. They are in one sense formidable intelligence-gatherers, but there is a definite limit to what they can accomplish. They are, after all, Boeing 707s. Their radars were designed sometime in the early '60s. What is of course special is the software, and some critics claim that if the airplanes fell into enemy hands—if Saudi Arabia were to go, say, the way of Iran—the loss would be irreparable. Wrong. The software is designed around codes that could be reciphered overnight.

You see—and here the sales talk is best said in a whisper—the Saudi AWACS have to do not only with the security of the Saudi oil fields, but with our comprehensive presence in the area.

The AWACS are viewed primarily as an instrument for the preservation of the Saudis' treasures, but also as an adjunct of our own intelligence. If the Soviet Union elected to pounce on Saudi Arabia, it would not be the Saudis alone who could deter it. Our presence would be indispensable. But a technical and military cooperation between the United States and the Saudis must be exactly that, a cooperation that preempts the Saudis' alternative. Which is quite simply, to turn to the Soviet Union.

Mr. Begin cannot seriously believe that the United States is going to risk the security of Israel. He is playing symbolic stakes. And so are a number of congressmen and senators. Begin wants to prove to his people that for any deal in the Middle East involving another power, he is in a position to veto. The congressmen wish to register that no conceivable opponents running for public office can outdo the incumbents in servility to Begin.

It is not right. The haunting part of it is that it isn't right for Israel, either. Because the strength of the American presence in the area is the principal source of Israeli security. Mr. Eugene Rostow, than whom no stauncher friend of Israel was ever bred, is (thankfully) in charge of arms control programs for the Reagan administration. His wholehearted backing of the AWACS deal deserves considerable respect.

Sen. Bob Packwood, who is heading the opposition, wears another hat: he is in charge of the Republican Senate Reelection Committee. Gentlemen, please behave.

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## SAUDI MINISTER OF COMMERCE'S ARTICLE ON AWACS

● Mr. TOWER. Mr. President, in the debate over the Reagan administration's proposal to sell airborne warning and control system (AWACS) aircraft and F–15 enhancement equipment to Saudi Arabia, the Saudi viewpoint has been much discussed, but little understood.

In an article that appeared in the Washington Post of September 21, 1981, Soliman A. Solaim, the Minister of Commerce of Saudi Arabia has described the Saudi perception of these sales and what they mean for future United States-Saudi Arabian relations. I recommend this article to my colleagues and ask that they consider its argument as they assess the merits of this important foreign policy initiative.

Mr. President, I ask that the text of Minister Solaim's article be printed in the RECORD.

The article follows:

A SAUDI VIEWPOINT ON AWACS

(By Soliman A. Solaim)

Commerce and commercial concerns are my areas of expertise; my knowledge of the technological complexities of radar planes and military equipment is no greater than any well-read American's. From a purely commercial point of view, there are those who argue that Saudi Arabia would get more for her investment if she bought British Nimrods. Our political and military leadership, however, decided that the AWACS system would be best suited to providing us with essential advance warning we need to guarantee that our planes can respond quickly and accurately to enemy attacks on our strategic installations, particularly the oil complex in the Eastern Province.

Now, however, what had been a straightforward assessment of Saudi Arabia's military needs by our leaders, with the advice of their American counterparts, has become an unfortunate controversy that focuses not on American national and security interests, nor on Saudi Arabian national or security interests. Instead, the focus is on the speculative vulnerability of Israel as a result of this sale.

As one who had the fortunate experience of working as the first coordinator of the Saudi Arabian-U.S. Joint Economic Commission in 1974, and in my many years in the United States as a student and visitor, I find that this focus does little justice to the wisdom of American leadership.

Having faced a similar controversy in 1978 when we bought the F–15s, we expected controversy over this deal as well. But we did not expect the intensity of debate that has surrounded the AWACS sale. The issue will be decided one way or another by October 30, and most probably the sale will be approved—after the usual consolation prize for Israel. But when all is said and done, everybody will feel just the way the late Vince Lombardi described his feelings after a Redskins tie: like kissing your sister.

It is the focus of this present controversy, as well as its existence, that will be remembered long after the planes are paid for and delivered. One has to keep in mind that there is much more involved in the controversy than the relative technological sophistication of the Boeing 707s with their electronic gadgetry that belongs to the '60s.

The issues at stake here are our bilateral relationship with the United States, America's strategic posture in the Middle East, and the grip of the Israeli lobby on America's ability to act in its own interest.

When we Saudis reflect on the developing debate over the AWACS, we cannot fail to see the contrast between the way the United States treats Israel and the way we are treated. Nor can we help seeing the irony in the eagerness to provide Israel with whatever she demands—often at the expense of American taxpayers—while getting approval of Saudi Arabia's requests, completely paid for by our government, is like pulling teeth.

The AWACS are being opposed on the basis of an imagined threat to Israel. Yet when Mr. Begin actually violates the air space of others, bombing Beirut and Baghdad, and violates his country's agreement with the United States on the use of American weapons, all he gets is a slap on the wrist. So much for the long-promised evenhanded policy in the Middle East.

When we look at this inequity, we cannot fail to compare the complexities involved in dealing with the United States and the ease with which we can deal with European powers on matters political and military. When the French president visits us by the end of this month, and when our crown prince visits Britain, we will not be looking for soft shoulders to cry on. Most probably, impetus will be given to an already existing trend toward diversification of our relations with the big powers.

This process was started in the mid-70s as a result of such restrictive American legislation as the nit-boycott law, the anti-trust laws and the tax laws relating to Americans working abroad—and was helped by Japanese and European salesmanship and receptiveness to our requests. What is needed is a careful watch on this "everyday" aspect of our relationship, not a constant monitoring of our political leaders for a sudden and "radical" reaction in case the AWACS sale doesn't go through.

The present state of affairs in our bilateral relationship is complicated by, first, the failure to gain a tangible movement toward resolving the Palestinian situation and, second, by what increasingly appears to be an invincible Israeli lobby in this country.

We have seen a great number of U.S. senators and congressmen express their opposition to the AWACS sale even before the administration has presented its case. This does not merely reflect the power of the Israeli lobby (a power that is being brought into the open—a healthy development for both the American political system and Arab-American relations). It also shows that we Saudis are being taken for granted by those who have their eyes on their own political gains, with little regard for what we perceive as the larger interests of the United States and its friends in the area.

So the question becomes: will Saudi Arabia, as a result of the AWACS controversy, continue to be blamed whenever she receives a promise from an American administration; does she need to get such a promise cleared first with Mr. Begin, or whoever is Israel's current leader, in order to guarantee a fair hearing?

Saudi Arabia has proven her friendship with the United States in different areas and at the most critical of times: we are producing far more oil than necessary to finance our development; we have conducted our investments in a most responsible manner and continue to support the American dollar; we have helped reorient certain regimes

in the area toward a pro-Western posture; and we counseled caution and moderation to our neighbours, including the Palestinians.

Those of us who have come to value this friendship are watching the current debate with serious concern. Whether or not the AWACS sale is approved, we will have to provide answers to the pointed questions and raised eyebrows about our American connection. After 50 years of constructive partnership with the United States, we Saudis find ourselves today at a loss to answer.●

## UNITED STATES-CANADIAN RELATIONS

● Mr. EAST. Mr. President, the Dallas Morning News has recently examined United States-Canadian relations in an intriguing editorial. This editorial, in my opinion, suggests the best possible response that our Government could make to the discriminatory economic policies that Premier Trudeau has imposed upon American businessmen. I ask that the complete text of this editorial be reprinted in the RECORD.

The editorial follows:

U.S. OIL'S BAD NEIGHBORS TO THE NORTH

Pierre Trudeau's Canada, not to put too fine a point on it, is trying to run American energy companies out of the country, and something should be done about it.

Something will be done.

Trudeau's xenophobic policies violate not only good economics but the spirit and perhaps the letter of our tax treaty with his country.

Foreign-controlled oil companies are being unfairly taxed—so that foreigners will unload these firms on Canadians, as in fact is being done. Further, Trudeau is pushing legislation to restrict foreign access to Canadian lease.

As Interior Secretary Watt told a House subcommittee the other day, "There is no disagreement that we must make a case of Canada. The argument is over which is the best policy tool to use."

Yet for his unwillingness to play a tit-for-tat game—i.e., to restrict the access of Canadian firms to American leases—Watt was belabored by congressmen such as John Dingell of Michigan.

Dingell, who used to spend all his time castigating American oil companies, suddenly has reversed his field. Now he's concerned that American oil companies are being picked on.

So are we.

But picking on Canadian oil companies is hardly the answer.

The truth is that Trudeau's chauvinistic energy policies—evict the foreigners and raise oil company taxes—have resulted in an outflow of Canadian capital and expertise to the U.S. in search of better opportunities.

The Canadians are welcome here.

The job of developing American oil and gas reserves is a titanic one; the more hands, the better.

Why retard the job by closing off leases to those ready and eager to drill them?

Other US options, Watt said in his testimony, include delaying approval of the Alaska natural gas pipeline and imposing tariffs on Canadian goods. Tariffs could provoke a trade war that no one needs, and putting off building the pipeline savors of cutting off our nose to spite our face.

More reasonably the White House could take note of the large Canadian government borrowings in the American bond market, which, by fueling demand, help keep interest rates high.

We could impose a tax of 15 percent, or more, on borrowings by the governmental units of a nation that discriminates in its tax policies against Americans.

This wouldn't hurt innocent bystanders; it would hurt the Canadian government, which depends on American borrowings to prop up its inflation-riddled dollar, currently at a 50-year-low against the U.S. dollar.

Trudeau is a socialist and the poorest neighbor America has ever had to the north. Let him, not his put-upon countrymen, suffer for all the mischief he has caused.●

## RAOUL WALLENBERG

● Mr. SARBANES. Mr. President, in giving overwhelming approval yesterday to Senate Joint Resolution 65, the House of Representatives confirmed action taken on August 3 by the Senate to grant honorary U.S. citizenship to Raoul Wallenberg, the Secretary of the Swedish Legation in Hungary in the last years of World War II who, through his own efforts—efforts that were at once courageous, heroic, and ingenious—personally saved an estimated 100,000 Jews from extermination.

A decision to confer honorary citizenship is a most serious matter. Mr. Wallenberg is the only person other than Winston Churchill, whose mother was American, to be so honored. The overwhelming congressional support for including Mr. Wallenberg among the citizenry of our Nation reflects the great respect and admiration, even the reverence, with which his noble, selfless efforts, and his extraordinary achievement, are remembered.

Mr. President, in recent months much has been written about Raoul Wallenberg, but nothing more evocative of his moving life and his tragic fate than the review by Jonathan Yardley, recipient of the 1981 Pulitzer Prize for criticism, review of John Bierman's "Righteous Gentile: The Story of Raoul Wallenberg, Missing Hero of the Holocaust." Mr. Yardley's review appeared in the Sunday, September 20, edition of Book World, and I ask that it be inserted in the RECORD.

The review follows:

SAVIOR FROM STOCKHOLM: RESCUING THE JEWS OF BUDAPEST

(By Jonathan Yardley)

In December of 1944 and January of 1945, Budapest was a chamber of horrors. From without, American and British bombers attacked the city constantly. From within, Jewish residents of the city were beaten, tortured and murdered by SS troopers, Nazi soldiers and members of the Hungarian "Arrow Cross," an especially virulent band of homegrown Fascists; Gentile residents did not fare much better, for the food supply was rapidly vanishing and living conditions were abominable.

Yet as a survivor of that brutal time now recalls, "In the complete and total hell in which we lived, there was a savior-angel somewhere, moving around." This survivor, who was 13 at the time, recalls hearing that person's name:

"One morning, a group of these Hungarian Fascists came into the house and said all the able-bodied women must go with them. We knew what this meant. My mother kissed me and I cried and she cried. We knew we were parting for ever and she left me there, an orphan to all intents and purposes. Then, two or three hours later, to my amazement, my mother returned with the other women. It seemed like a mirage a miracle. My mother was there—she was alive and she was hugging me and kissing me and she said one word: 'Wallenberg.'"

Raoul Wallenberg was 32 years old a representative of the neutral Swedish government; his specific mission was to use whatever means were at hand to rescue as many Jews as possible from the Final Solution. He performed this task with an ardor and effectiveness that nearly defy description and then, in the hour of his triumph, mysteriously disappeared—seized, it later turned out, by the conquering Russian troops as he approached them on an errand of mercy, then spirited back to Moscow, and finally thrust into the labyrinthine passages of the Gulag Archipelago.

It is possible that he is there yet—that the Russian claim that he died of a heart attack in 1947 is, like virtually everything else the Kremlin has had to say about Wallenberg, a transparent lie. If that indeed is the case, if Wallenberg has been a guiltless prisoner for more than half his life, the Russian state has perpetrated a gross, unconscionable injustice. And as one of Wallenberg's admirers told John Bierman: "It is a bitter irony that because of his fate Wallenberg is becoming a symbol of injustice rather than being celebrated as a symbol of humanity because of his deeds."

"Righteous Gentile" is the first book about Wallenberg to appear in the United States; a second will appear early next year. This small burst of publishing activity may well focus attention on Wallenberg in this country as nothing else has. If that actually happens, the book as well as its subject will merit the attention; Bierman has written a careful, literate and quietly passionate account that does both honor and justice to Wallenberg.

Raoul Wallenberg was born in 1912 into an exceptionally wealthy and influential Gentile family. There was little in either his background or personality to suggest the role he would assume in Budapest; his half-sister describes him as "definitely not the square-jawed hero type, more an anti-hero." As a young man he was dominated by his grandfather, who wanted him to go into business and thwarted his dream of becoming an architect; he seemed, for all his ability and charm, destined to live out his life in comfort, without inspiration or challenge.

World War II changed that. Though Sweden scrupulously maintained its neutrality, its government resolved late in the war "to extend the protection of the Swedish crown to as many as possible of Hungary's Jews." When Wallenberg was offered the assignment, he leaped at it. Instantly, it seems, his life had acquired meaning.

He arrived in Budapest in July 1944. Adolph Eichmann was already there. In two months, he had deported 437,402 Jewish men, women and children from the Hungarian provinces: "Now, apart from several thousand able-bodied Jewish males serving in the labor battalions of the Hungarian army, there remained only 230,000 terrified Jews trapped in the capital." Six months later, when Russian troops took Budapest, 120,000 Jews were still alive—"the only substantial Jewish community left in Europe." Most if not all of them owed their lives to the Gentile from Stockholm.

The source of Wallenberg's passion may be a mystery, but the effect of it is not. He swept through Budapest like a one-man army of peace; he distributed thousands of Swedish passports to endangered Jews, he bluffed Fascist officers into surrendering their Jewish captives, and he so vexed Eichmann that at last he screeched: "I will kill that Jew-dog Wallenberg." The number of lives he directly saved is put at between 30,000 and 100,000; the psychological effect he had on the Jewish populace, appearing as he did as a "savior-angel," is simply incalculable. A friend recalls:

"He never tired and was at work day and night. He saved human lives, traveled, bargained, threatened the interruption of diplomatic relations, was in consultation with the Hungarian government—in short, achieved something that makes him a sort of legendary figure."

The legend is even larger, among those familiar with it, because of his disappearance into the Gulag. It is difficult to imagine a crueler, more mindless irony than that the "savior-angel" of Budapest's Jews should himself become a victim, a prisoner of the monstrous and paranoid Soviet state. Whatever happened to him after 1945 is, as Bierman explains in useful detail, the fault of many—blunders by Sweden and the United States, indifference in Hungary and Israel. But the villain is the Soviet Union; after arresting Wallenberg, evidently on the mistaken impression that he was a spy, the Kremlin not only refused to acknowledge its error and free him, but also compounded that error into bleak farce by consigning him to the bowels of the Gulag.

In all this terrible injustice there is, to be sure, a certain undeniable poetic justice. The disappearance of Wallenberg after performing such heroic deeds not only elevates life into art—the story is much better this way—but also elevates Wallenberg himself into something approximating sainthood. He achieved a heroism beyond the imagination of most humans, and then he was punished. But perhaps the publication of this book will at last begin the process of restoring him to the world's attention, and granting him the honor he so passionately earned.●

## FEDERAL FUNDING

● Mr. EAST. Mr. President, I call my colleagues' attention to a brief but significant essay by Frederick Sontag that recently appeared in the Christian Science Monitor. Dr. Sontag, who is chairman of the department of philosophy at Pomona College in California, reminds us of a fact that too many of our people seem to have forgotten: That America has traditionally been a "voluntarist" society.

Like Dr. Sontag, I am impatient with those who suggest that unless the Federal Government comes up with the money, many fine charitable enterprises will have to be abandoned for lack of funds. That suggestion is an insult to the American spirit.

For most of our history, it was a private, not public philanthropy that carried the burden of alleviating social ills and supporting the arts. The American Red Cross, the Society for Prevention of Cruelty to Animals, the Metropolitan Opera, and countless other worthy organizations were founded by private individuals and funded by private donors—and at a time when such donations were not tax deductible.

I ask that the full text of Dr. Sontag's essay be inserted in the RECORD.

The article referred to is as follows:

HAVE AMERICANS BECOME ADDICTED TO FEDERAL FUNDING?

(By Frederick Sontag)

Those familiar with the history of American culture know the United States is unique in having launched a "voluntarist" society. Those who travel abroad learn that few other cultures depend as largely as Americans do on individual initiative to meet social problems. By comparison, they have little dependence on centralization. More than other societies, they have counted on local groups to band together to meet their problems.

Why, then, does almost all the discussion of the Reagan administration's proposed budget suggest that any service cut from federal funding is lost? Legal aid, food stamps for the poor, support for the arts, and many others are worthy and needed projects. But the outcry seems to assume that it is federal funding from the central budget or nothing.

Have Americans become so addicted to federal funding in recent years that they assume there is no other way to support what they deem valuable? Every other form of funding is more difficult. Money that pours from central budgets does seem free. But do Americans lose something important in their society if they forget its past and its unique attempt to meet social needs by voluntary organizations and local efforts?

Voluntarism takes up time; committees are inherently inefficient. The odds are that the average American spends more time working for voluntary organizations than the average citizen of any other country. But this independence of spirit is something valuable, whatever its inefficiencies. It is costly in time and often questionable in its effectiveness, but Americans may be poorer if they lose that effort. Have they already gone too far toward central dependence to recover their original spirit?

The issue is how shall Americans rally to meet the needs in their society which they agree to be important, not whether a cut in the federal budget spells doom for some pet program. In fact, if Americans can't rally themselves to find alternative sources of support for nonfederally funded projects, it may mean that the value of these projects is questionable to begin with. Or it may mean that Americans' will to rally to meet community needs voluntarily has declined so far that it cannot be revived.

If so, they should ask themselves: is there anything unique left in the American spirit, and is its society really worth funding after all?●

## TREATMENT OF RELIGIOUS MINORITIES IN THE SOVIET UNION

● Mr. BOREN. Mr. President, many times, my colleagues and I have contacted officials of the State Department and the Government of the Soviet Union in behalf of families in Russia who wish to emigrate because of political or personal reasons and have not been allowed to do so. We have joined in efforts to get relief for the Chmykhalov and Vachchenko families and others who have been trying for years to emigrate from Russia.

Only last week, I and others of my colleagues sent a letter to Secretary of State Haig expressing our growing concern about the treatment of religious minorities in the Soviet Union. The letter expressly cited the unreasonable restrictions imposed on emigration by the Soviet Government, the systematic efforts of that government to prohibit the teaching of the Hebrew language and the harassment of religious groups in the Soviet Union.

During my first year in the Senate, I was a part of the congressional delegation that went to Russia in relation to the SALT II treaty. I saw firsthand the difficulties encountered by the families taking refuge in the U.S. Embassy, as well as other families in Russia who have suffered because of their beliefs. During our stay in Russia, the delegation presented a letter written in support of those families directly to Chairman Brezhnev. Upon my return to the United States and my home State of Oklahoma, I organized a letterwriting campaign in support of these families and delivered the letters I received to the Soviet Embassy.

I have also contacted the State Department numerous other times to try to get some help for families who are imprisoned, separated from their families, and face discrimination in the Soviet Union. Unfortunately, the Russian Government is not too responsive to our inquiries about individuals in their country.

Another example of the disheartening extent of this problem has been brought to my attention. Isak Shkolnik has been separated from his wife for more than half of the 15 years they have been married, because of Soviet intervention in their lives. I should like to share with Senators this article from the Omaha Herald, December 17, 1980, about the trials facing Isak and Feiga Shkolnik, and would ask that it be printed in the RECORD following my address.

As this article states so aptly, "So many of us take freedom for granted." The Chmykhalov, Vachchenko, and Shkolnik families are only a few who have faced hardships, separation, and degradation because of their religious or political beliefs. We cannot be allowed to forget these people; we must continue to do everything we can to insist that the Russian Government live up to the agreements of the Helsinki accord and give these people the human rights and considerations they are due.

The article follows:

SOVIET HUSBAND'S VISA BATTLE GOES ON

So many of us take freedom for granted.

Not Feiga Shkolnik. Now 42, she has not seen her husband for more than half of the 15 years they have been married.

Her address: Jerusalem. His: Vinnitsa, a city of 300,000 in the Soviet Union. Isak Shkolnik, now 44, is what Americans call a "refusenik."

He has twice applied, twice been refused a visa to leave his native land. He has spent seven years in a Soviet labor camp; today he lives under the unblinking surveillance of Soviet police. Each time he wants to leave the city where he is employed as a metal worker, he must obtain a permit. Sometimes it is granted by police; sometimes refused.

Shkolnik's problems began in 1972 when he first applied for a visa for himself and his family. He wanted to go to Israel to begin a new life. Five days later he was charged with treason and anti-Soviet agitation and jailed. Ten months after that, he was tried and sentenced to the labor camp.

Mrs. Shkolnik and her daughter, Louiza, now 14, had no trouble leaving Russia.

"They practically threw us out."

Mrs. Shkolnik said in Omaha Tuesday, "I was very active in trying to have my husband released."

She is convinced her husband was sentenced solely to intimidate others in Vinnitsa, whose population is 10 percent Jewish, from applying for visas.

Now she works as an economist for the Israeli government. But here is a family apart. And there is no indication when it will be reunited.

Today Isak Shkolnik lives with seven other men in what is the Soviet equivalent of a boarding house. That is all his wife knows

of his quarters. She knows through what letters she receives that he remains under continuing scrutiny; that he must wait six months from his latest visa refusal before applying again.

She came to the United States earlier this month to publicize her family's plight. She had talked in six other cities before appearing Tuesday night at the Jewish Community Center. She was to leave today for Canada and more appearances.

"I have no peace of mind," she said in an interview. "I will do anything to help my husband and to bring my family together again."

She feels publicly surrounding her appearances will help. The Soviets, she said, still are conscious of their image; still interested in detente. She hopes those touched by her story, similar to others in the Soviet Union, will write their congressmen. They, in turn, can send the correspondence to her husband, she said.

"I think it is important to reaffirm Americans stand on human rights," she said. "These are not just Jewish cases—they are human cases."

She said recent publicity may be having an effect. Two nights ago in Dallas, she was able to speak to her husband by phone for the first time. She had tried daily for three months to no avail. But this time the call went through.

What was said? "I told him he must be strong," Mrs. Shkolnik said. "I told him not to give up hope—that many people in America were working for his release."

And she told him one more thing. She told him of her love.●

## THE SKIES ARE SAFE

● Mr. SYMMS. Mr. President, I regretted that PATCO members voted not to ratify the settlement terms agreed upon and signed by union leaders, the Department of Transportation, and the Federal Aviation Administration on June 22. Instead, PATCO and its members chose to defy existing Federal law and strike. I support the actions of the President in dealing with this illegal strike. It must not be forgotten that, under Federal law, all Federal employees who strike can be discharged and denied Federal benefits, and any union encouraging such activity can lose its right of representation. The President was correct in using the full force of the law.

In taking this position, I am not insensitive to the demands and the pressures inherent in the jobs air traffic controllers perform. Their professional abilities and competence deserve respect. However, other Government employees work under difficult circumstances, even, at times, under severe stress or at great risk. Federal law enforcement officers as well as all the members of the Armed Forces serve the Nation at peril to their lives, as the recent tragic accident on the U.S.S. *Nimitz* reminds us. But they are not permitted to strike nor should they be.

As one who frequently flies long distances to and from Idaho, I was naturally, personally, as well as professionally, concerned with the strike by the air traffic controllers. Despite allegations by PATCO union leaders that the skies would become dangerous, I had no real doubt about the ability of the airlines and the remaining personnel to manage essential traffic, but I confess to some apprehension about the situation. I think many fliers did.

The reality of the strike has been a real revelation. Air traffic has continued at a very high level, and has continued very smoothly. In the process, we have learned some valuable things about the nature of our air traffic control system, some things which will help us in the future operate more efficiently and economically.

It has been especially gratifying to find that safety has not been decreased by the strike. That fact was clearly evidenced in a recent article that appeared in the Wall Street Journal. To quote the story, "The skies seem as safe as, if not safer than, before."

Certainly, there have been some near misses. It is not even inconceivable that there may be an accident. But there were near misses before the strike, and there were accidents, sometimes terrible accidents. There is no evidence whatever that such accidents are more likely now, or that near misses are more common now.

Mr. President, I submit the article referred to for printing at this point in the RECORD, and I counsel my colleagues to fly reassured.

The article referred to is as follows:

[From the Wall Street Journal, Sept. 2, 1981]

SMOOTH FLYING—THE SKIES ARE SAFE, PILOTS AND EXPERTS SAY, DESPITE SOME PROBLEMS

(By William M. Carley and Richard L. Hudson)

(They cite flight cutbacks, other steps by the FAA; striking union disagrees. Thankyous now fill air.)

ABOARD TWA FLIGHT 320.—As the Trans World Airlines jet bored through the air over Cleveland at 37,000 feet, heading east for New York, a pair of ominous contrails appeared in the northeastern sky. Capt. Richard Thomas, a grizzled pilot who eight years ago narrowly escaped a midair collision, shifted in his seat and squinted.

Then the radio crackled, and an air-traffic controller began speaking: "TWA 320, Cleveland (control center). Traffic at your—coming about 10:30 (to TWA's front and left). Still about 19 miles out, southwest bound. A flight of two (Air Force) C-141s just now making 39,000 (feet) . . . ."

Captain Thomas: "Okay—TWA 320—we have 'em in sight."

Moments later, the two big Air Force cargo jets, bright silver in the blue sky, flashed by 2,000 feet overhead. The Air Force planes and TWA 320 had been skillfully guided by the controller to pass each other in safety. Turning to others in the cockpit, Capt. Thomas said, "That's the way it's been working—as smooth and safe as can be."

MAJORITY VIEW

Despite allegations by the air controllers' union that the skies have become dangerous, there's every indication that Capt. Thomas is right. The skies seem as safe as, if not safer than, before.

That's not to say there may not be some close calls, as there were before the Professional Air Traffic Controllers Organization called a strike Aug. 3. And there's still a chance, however infinitesmal, that there could be a jetliner collision. But talks with several pilots for TWA, whose routes span the nation, a visit to a control tower and interviews with safety experts all indicate that despite the dismissal of more than 11,000 striking controllers, the U.S. air system is operating at least as safely as it ever has.

"I don't really think there are any (major) problems," based on information collected so far, says Lloyd LaGrange, an expert in air-traffic control at the National Transportation Safety Board, an independent federal agency. Add Williams Slocum, a TWA captain based in Los Angeles: "Anybody who says it's unsafe up there is crazy. I wouldn't go up if it were unsafe," he adds as he heads for another flight.

SOME WORRIES

One caveat to those assurances involves pilots flying small planes under visual flight rules. VFR pilots are supposed to look out for other craft by themselves rather than depend on controllers. Some observers worry that because the system of controller guidance is limited, VFR flying may have increased—and possibly under conditions not quite so safe as before. And there is concern that light planes flying VFR might conflict with airliners under controller guidance, although controllers say they will guard against that danger.

Another worry centers on the nonstriking controllers currently manning radar screens. Even with supervisors and borrowed military controllers, the Federal Aviation Administration's control-room work force is at 60 percent of its prestrike size; and the FAA expects it will take 20 months or more to finish training new recruits. Short-staffing and long hours may start wearing on the workers, some fear. And many of the new controllers—such as military personnel from less active air bases—aren't as experienced at their new jobs as were their predecessors, Mr. LaGrange of the safety board says.

FAA officials recognize these concerns, but say they are heading off such problems by gradually reducing work hours and assigning new controllers to relatively simple tasks. However, PATCO, still seeking reinstatement of its members on the federal payroll, contends that the government's new controllers are making many mistakes not visible to the public—mistakes that will become serious if the weather turns bad or more planes start flying. The air-control "system is just not what it should be," Robert Poli, the union's president, said recently.

A NUMBERS GAME

The safety dispute has set off a numbers game. PATCO asserts that there have been 35 near misses, plus many additional less serious errors, since the strike began. But the FAA says it has received only 28 unconfirmed reports of near misses, down from 60 in the year-ago period. The National Aeronautics and Space Administration, which collects reports of hazardous air operations independently, says it has received only half the normal number since the strike began.

Even the union agrees that several FAA moves have promoted safety. The main one is a sharp reduction in flights—cutting the workload of controllers and pilots alike. Other factors include the agency's efficient deployment of its limited work force to control centers most needing help, and the manner in which pilots are cooperating with controllers.

The FAA has ordered airlines to reduce operations at 22 congested airports such as La Guardia in New York, O'Hare in Chicago and the fields at Atlanta, Boston, Washington, St. Louis and San Francisco. Total U.S. scheduled flights have been reduced about 25 percent, but the cuts average 50 percent at these airports during the peak hours, when the congestion and the dangers are greatest.

Under its latest plan for LaGuardia, for example, the FAA is proposing to order a 49 percent schedule cut during the busy hour beginning at 8 a.m. when lawyers are jamming the Eastern Airlines shuttle to Washington and businessmen are getting on American Airlines flights to Chicago. But by 10 a.m., when travel normally has fallen off,

the FAA-ordered reduction in operations shrinks to 33 percent. At 5 p.m., the evening rush hour, the reduction is 57 percent, but by 9 p.m., down again to 33 percent.

Because the system is operating with less congestion, controllers have less need to "stack planes near airports—keeping them circling until there's a chance to land. Nor do controllers have as much need to "vector"—direct—pilots on zigzag paths in order to wait for a chance to bring the plane down.

"You just don't get a lot of vectors (from controllers) like you did before," says Charles Hutchinson, who pilots a Boeing 727 for TWA. "If weather conditions are good they'll say, 'You can see the airport, go right in and land.'"

The reduction in flights means that the system is working more smoothly and is safer on high-altitude routes as well as around major airports. For example, pilots on transcontinental flights say the "trailing distances" between one plane and another following have been stretched to 30 or 40 miles from the normal 10.

All this has significantly eased the work load for both pilots and controllers. And that, aviation experts say, generally enhances safety.

GREATER COOPERATION

Another reason the system is working so well is greater cooperation between pilots and controllers, the militants who supported the controllers' union are out of the towers and control centers. In recent years, some controllers have staged slowdowns and used other harassing tactics to dramatize their pay and work-hour demands. The slowdowns have caused delays and other problems in air traffic and forced some planes to fly longer routes and at uneconomic altitudes.

In a dramatic case at O'Hare last year, a controllers' slowdown forced many jets to circle over Lake Michigan while waiting to land. A TWA flight from Kansas City to O'Hare was twice forced to land at Rockford, Ill., to pick up more fuel. And once some planes did manage to land at O'Hare, they were held out on taxiways, unable to get permission to come to the gates to unload. Because of such incidents, some pilots say they don't miss the militant controllers one bit.

"We had to fight for (desired) altitudes, we had to fight for routings, we had to fight for everything," says Raymond Steinbir, a TWA pilot based in New York. "It had almost become an adversary process," says Capt. Thomas, the pilot of Flight 320.

But now, airline pilots say, the harassment has ended. Indeed, they say controllers currently at work are bending over backward to do their jobs well. Organizations representing pilots of small craft agree. "Safety is probably higher right now" because working controllers "are busting their butts," says John Baker, president of the Aircraft Owners and Pilots Association.

POLITE TALK

The result has been a new sense of good will and cooperation in the air-traffic-control system. While the airwaves used to be filled with testy exchanges between pilots and controllers, on a recent day radio messages often ended with, "Thank you, sir," "Good day to you, sir," or Good afternoon." After one controller had deftly guided a United Airlines flight for hundreds of miles and then directed the pilot to radio the next control center, the pilot responded, United 1006—Okav, and you have a nice day."

While it's hard to measure the results, this kind of civility clearly encourages a smooth and safe system. Listen to this discussion in which a controller tells a pilot flying to New York that he will have to slow down at a certain point:

Controller: "I've got to get 30 miles (between planes) going in to LaGuardia—we've got some pretty rough (safety) restrictions in there."

Pilot: "We can slow down (earlier) if you like. . . ."

Controller: "210 knots?"

Pilot: "Okay, we can do it before if you need it."

Controller: "Okay, fine, if you can do it before, then go to 210 knots direct to (a certain navigational point) that will (also) save you some flight (distance)."

SMALL PLANES

There are, nevertheless, some concerns over safety during the strike. The principal one involves the small planes flying under visual flight rules. Such planes must operate under 18,000 feet so as not to conflict with jetliners and others using higher altitude.

Because light aircraft may not be granted permission to use the air-controller system, particularly at peak hours, the amount of flying under VFR is likely to increase aviation experts say. The increased congestion below 18,000 feet could lead to more collisions of light planes, which have long had a much higher accident rate than airliners anyway. The two midair collisions since the strike—one near San Jose, Calif., and the other in West Virginia—have both involved small craft flying VFR. In 1979 and 1980 combined, there were 36 such accidents.

Even more worrisome is the possibility that near an airport, a small plane flying VFR might collide with a descending airliner guided by controllers or flying VFR itself. Even before the strike, the dual control systems posed "a serious problem," an internal 1979 FAA study concluded.

Both airline pilots and controllers, however, are extremely sensitive to the dangers involved, especially since a Pacific Southwest Airlines jet ran into a small plane over San Diego and killed 144 in 1978. Today pilots and controllers are very cautious in dealing even with potential conflicts. As TWA Flight 320 descended over northern Pennsylvania heading for LaGuardia, for example, a blip representing a small plane flying VFR appeared on a controller's screen.

A37 IN THE WAY

Controller: "All right, folks, there's an A37 (a small military jet), so keep a sharp eye out there, he's out there duking (maneuvering) around VFR."

A United pilot: "Can you give more detail?"

Controller: "Okay, there's an airplane out there about 50 miles ahead of you, United 1006, an A37 has been flying around VFR . . . and he's making loops out there between 12,000 and 18,000. . . ."

One pilot: "As long as he doesn't have guns, we'll be all right."

Another pilot: "Maybe it's the Libyan air force."

Controller: "I'll keep you posted on the Dawn Patrol. . . . TWA 320, that A37 now at your 11 o'clock (to TWA's front and left) showing 13½ (thousand feet) southwest bound. . . ."

Capt. Thomas: "Okay, we'd appreciate anything you can say that would help us, we'll keep an eye out—TWA 320. . . . And I think I got him, about 10:30 (to TWA's front and left)."

Controller: "Affirmative, sir. On my scope looks like he's tracking a shallow right turn on your left side."

At that point the small plane appeared clearly, banking sharply away from the TWA jet's left side and about three miles away. A subsequent check with the FAA indicated that it was an Air Force National Guard plane performing maneuvers. It hadn't violated any regulations or endangered the airliner. TWA Flight 320 landed at LaGuardia routinely.

FATIGUE PROBLEM

In addition to the concern over small planes, there is worry that fatigue may take its toll on the curtailed controller work force. At LaGuardia, as in many towers, controllers have been working six days a week, eight to 10 hours a day, for four weeks. There isn't much time anymore for coffee breaks and lunch hours. Soon, the tower plans to reduce schedules to a 40-hour week; but even so, the workload on each controller will remain heavy until new recruits can be brought in. "It can get to anybody," says John Biddle, the deputy tower chief.

Another worry is the reliability of the FAA's equipment. Since Aug. 3, the aging central computers at the agency's cross-country control centers have been breaking down at a rate of 14 times a week, nationwide, instead of the normal 12, says Edmund Kennedy, a FAA official. He doesn't consider that worrisome, saying that "it's too short a period (since Aug. 3) to take a valid sample" and to conclude that the agency has mechanical problems. But he confirms union contentions that the FAA has delayed some routine maintenance on the computers and other equipment since the walkout began, although he says no important tasks are neglected.

In general, however, government and air-industry officials say the system continues to be safe. "I just put my sister and my nephew on a flight to San Diego," says Frank Bombace, the chief of the FAA's control tower at LaGuardia. "In no way is safety being compromised."●

## PROPOSED SALE OF AWACS TO SAUDI ARABIA

● Mr. LEVIN. Mr. President, while the formal debate on the proposed sale of AWACS and F–15 enhancement equipment to the Government of Saudi Arabia has not yet officially begun, there is already an ugly overtone to some of the preliminary discussions. I refer specifically to a line of argument—really a line of innuendo—which somehow suggests that the decision about the sale will not be made by the Congress of the United States but rather by an all-powerful Israeli lobby and that real issue that we will resolve is whether the Government of the United States makes foreign policy or whether it is made by the Knesset.

There are, Mr. President, a number of important and relevant issues which need to be fully aired and debated before a final decision on this package is made. Fortunately, however, this is certainly not one of them.

Despite that fact, the assertion of "foreign control" has already started to surface. I noted, for example, that Evans and Novack, in their September 21 column in the Washington Post, were suggesting that the issue comes down to a question of whether "the leader of Israel shows more political clout than the President himself." On the same date, the Post gave space to the Saudi Minister of Commerce who claimed that the decision of 50 Senators to cosponsor a resolution disapproving the sale demonstrated "the power of the Israeli lobby." And even Members of this body have used language which could be interpreted as implying that some of their colleagues are ignoring the critical question of whether this sale is "in the U.S. national interest, not that of another country."

I do not rise today to defend the reasoning of those of us who have made the decision to oppose this sale nor to impugn the intelligence of those who have decided to support it. Rather I rise to express my faith in the integrity of both groups. And in doing so, I would call the attention of my colleagues to two points.

First, according to the Secretary of State—a man not noted for pulling his punches or escaping difficult questions with diplomatic generalities—there has been no attempt by the Government of Israel to improperly influence this decision. Secretary Haig indicated on September 10 that "it was very clear that Prime Minister Begin recognized that while he has the right and the obligation to express his concerns, that this is a U.S. decision to make. During this visit, it was clear that the Prime Minister did not interpose himself in this process, and I do not believe he intends to do so."

Second, I would call the attention of my colleagues to the very clear fact that Senators are making decisions on this issue not on political pressures or "foreign" influences, but rather on the basis of the facts before them. If any evidence for this claim is needed, I would suggest that one might profit from a careful study of the way Senators voted on the 1978 decision to sell F–15's to Saudi Arabia and the stated intention of some of the same individuals to oppose this sale. My analysis of the 1978 vote and the list of cosponsors of the resolution of disapproval already filed on this 1981 sale indicate that of the 32 Members now serving who voted for the 1978 sale, six have already indicated their intention to oppose the current package. In this context, a recent Wall Street Journal story about the decision of one of our colleagues, Senator EAGLETON, may be instructive, and I ask that the article appear in the RECORD at the conclusion of my remarks.

Mr. President, my purpose today is simply to recognize that the sale proposed by the administration will lead to an important, and, I suspect, emotional debate. As we go into that debate, we ought to do what we can to focus on the issues which really matter. However one adds up the merits and demerits of the proposed sale, there are no merits to any suggestion that Members of this body will approach this issue with anything but a deep and sincere commitment to discover what course of action is in the best interests of the country to which we have all sworn allegiance.

The article follows:

[From the Wall Street Journal, Sept. 21, 1981]

POLITICIANS DON'T PLAY POLITICS ALL THE TIME

(By Albert R. Hunt)

WASHINGTON.—When Congress takes up the administration's controversial plan for new arms sales to Saudi Arabia this summer or fall there'll be a lot of talk about the powerful Israeli lobby.

The Israelis oppose the plan, especially the sale of the sophisticated radar planes called AWACS. It's widely assumed that many members of Congress, with an eye to Jewish votes and financial support at home, will be influenced more by pro-Israel political pressure than by the merits of the issue.

Already, one of the leaders in the fight against the sale is Sen. Thomas Eagleton. At some point, no doubt, someone will accuse the Missouri Democrat of buckling to the Israeli lobby.

The charge won't wash. In 1978, Mr. Eagleton voted for a hotly disputed sale of F15 jet fighters to the Saudis; he believed those planes would serve a legitimate defensive need while he sees the aircraft and equipment now offered as holding dangerous offensive potential. The Senator's 1978 vote preceded his re-election contest last year, and an officeholder is never more vulnerable to political and financial pressures than shortly before an election. This year, having just won re-election, Mr. Eagleton is more a political free agent than at any other time during his term; he could ignore the Israeli lobby.

The point is not whether Mr. Eagleton is right in his opposition to the Saudi arms sale now or in his support for the sale three years ago. Rather, it is that he and many of his congressional colleagues do decide some important issues according to what they think is right rather than on the political passions of the moment.

"The two biggest political lies," says the Missourian, are "one, to say a Senator never takes into account the political ramifications of a vote and secondly, almost an equal lie, is to say the only thing a Senator considers is the politics."

In an era of easy cynicism, Sen. Eagleton's second point isn't readily accepted. Even many knowledgeable observers tend to see purely political motivations behind most lawmakers' behavior. The reality is much less interesting. On scores of issues, a wide variety of politicians—Republicans and Democrats, liberals and conservatives—agonize over conflicting claims and genuinely try to come down on the side where they think the national interest lies.

Take the current battle of the budget. Many Republicans and some Southern Democrats harbor private doubts about some of President Reagan's spending and tax prescriptions. But they also think the administration is moving in the proper direction and many of its specific plans seems sensible. Thus the strong support the President is receiving in Congress is based as much on conviction as on any lock-step loyalty or political fear.

For their part, many mainstream Democrats realize the old politics of "tax and spend" is as bankrupt economically as it is politically. But they also truly believe the Reagan approach is too indiscriminate and that some of the specifics—particularly the tax-cut proposals—don't make any sense. So their resistance reflects sincere differences with the President as much as any caving-in to powerful constituencies.

"Ronald Reagan has performed an important political service," muses one House Democratic leader. "On domestic issues, at least, he has drawn a line and set the stage for a serious debate over the role of government." Politics will, and should, play a part in this debate but the issues to be decided transcend the politics of the moment.

If the administration ever gets its act together on foreign policy, an equally important debate is possible on that whole subject. And there is much more than short-term political calculation involved in the sharply differing views voiced on Capitol Hill and elsewhere about arms control, human rights and relations with the Soviets.

Certainly no self-respecting politicians will deny they are affected by political considerations. "If on 20 major issues you steadfastly oppose the prevailing opinion of your constituents you're probably in your last term," notes Sen. Eagleton. "But you do pick some issues that you think are important and on these issues you owe your constituents your judgment."

That's what Sen. Eagleton did on the 1978 sale of F15s to Saudi Arabia. "Many of my most devoted supporters and good friends in the Jewish community were strongly opposed to that sale," he recalled.

But Sen. Eagleton became convinced that the Saudis were an important ally and that the F15s were defensive weapons posing minimal risks for Israel. So, despite the urgings of his friends, he voted for the sale. In 1980, his support slipped a little in heavily Jewish areas of Missouri but he still carried them handily.

Viewing the sale now proposed, the Senator is convinced that the planned "enhancement" of the F15s with missiles and extra fuel tanks goes beyond defensive purposes. And he thinks the Israelis have legitimate concerns about the AWACS radar planes. "There's no way to make an AWACS just a defensive plane," he says. "It is what it is."

The issue is far from settled; the administration and some other Senators may effectively counter such arguments. But when Mr. Eagleton takes a leading role against the sale, it is not because he is the puppet of a powerful lobby. He and most of the other 99 Senators likely to decide the issue will vote the way they think is right.●

## PAST SHAME, PRESENT PRIDE

● Mr. EAST. Mr. President, today's Wall Street Journal contains an excellent column by Vermon Royster, in which Mr. Royster sets the record straight on a CBS documentary about race relations at the University of North Carolina. Mr. Royster is a UNC graduate, and does his alma mater proud in this column. I ask that the complete text be reprinted in the RECORD.

The article referred to is as follows:

[From the Wall Street Journal, Sept. 23, 1981]

THINKING THINGS OVER

(By Vermont Royster)

In the interest of full disclosure, I should explain straight away that I'm Tar Heel born, a graduate of the University of North Carolina, and I rise to the defense of my native state.

I begin with the miscellaneous collection of facts, chosen at random, about the progress toward integrating blacks and whites in the state's 16 institutions of higher education.

In the medical school at the University at Chapel Hill, 13 percent are black, a higher percentage than the national average or at Harvard medical school. Between the 1972–73 academic year and that of 1980–81 the total enrollment of all students in the system rose by 33.6 percent. The number of black students rose by 50.9 percent.

Of the state's 16 institutions some began in the days of segregation as all white, others all black. North Carolina Central University, for example, began as an all-black college. The University at Chapel Hill was all white.

Today at the UNR–CH, some 8 percent of the students are black. At NCCU more than 10 percent are white; in the NCCU law school, 40 percent of the students are white. Of the colleges which remain predominantly white, the increase in black enrollment is nine times greater than the increase in white enrollment. In the schools still predominantly black, the enrollment of white students increased by 193 percent between 1972 and 1980.

This miscellaneous collection of figures doesn't suggest that every one of the 16 institutions is ideally balanced between white and black students. It does suggest, I think, the enormous progress made in the racial mix in the past decade where the

doors of every institution are open to students of every racial or ethnic background.

You would have received no hint of this, however, if you tuned in Sunday morning, Sept. 13, to the CBS program presided over by Charles Kuralt. Your impression would be that North Carolina was still frozen in the segregation pattern of the early 1960s.

So lopsided was this presentation that a week later Mr. Kuralt tried to correct the impression, not by any admission that it was lopsided but rather by running parts of an interview with UNC President William Friday that previously had been omitted. It was a gesture to be appreciated. Aired without any explanation, it must have added to the confusion left on a viewer in Minnesota or Massachusetts.

For the distortion in the original program came both from what was on it and what was left out. One thing on it was some old shots of George Wallace, former governor of Alabama, blocking the entrance of blacks to that state's university. Its relevance to an examination of the situation in North Carolina today remained a mystery.

The program also contained some scenes from the campus at Chapel Hill followed quickly by some from the campus at NCCU. The pictures didn't show any white students at NCCU nor any black students at Chapel Hill. A viewer's impression would be that there were none such.

Lest you missed the message, the program concluded with voice-over sounds of students chanting "two, four, six, eight, we don't want to integrate." There was no explanation where all this chanting happened or that it was taken from 10-year-old soundtracks. A distant viewer might have supposed it all happened yesterday in North Carolina.

The omissions nailed down that impression. No figures were given of racial ratios today on any of the campuses, much less a comparison with a decade earlier. Dr. Albert Whiting, chancellor at NCCU and himself a black, was interviewed but what he had to say must not have fit the message. He wound up as a face on the cutting room floor.

Dr. Whiting's postmortem comment was that "If you are doing a story on segregation and the situation at predominantly black colleges, you really should include some comments from officials at black colleges." Surely a reasonable comment.

By running an extension of President Friday's remarks a week later, CBS did acknowledge it was a bit embarrassed by the shoddy journalism of its first program, and for that recognition it's to be complimented. But the rest of the program's errors of omission or commission were left uncorrected.

My main purpose in bringing up all this, however, isn't to berate CBS, deserved though that might be. My interest is that people outside the region have a truer appreciation than CBS gave them of what has been done in the South to improve black education, particularly in North Carolina. In the past decade, the state has spent nearly $100 million to upgrade the facilities, faculty and curriculum in its former black colleges. If some remain predominantly black, it's in part because many blacks prefer to do their undergraduate work in familiar surroundings. No law forces white students to attend predominantly black schools. The large proportion of white students at NCCU law school are there to get a legal education and they wouldn't be there if they didn't think that's what they'll get.

One reason North Carolina was singled out for attention by the federal government is that years ago it established more black colleges than other states. It therefore had more to integrate. In a sense it's been penalized for its forehandedness in educating its black citizens.

The centuries of racial discrimination, by no means limited to the South, remain a fact of shame. No one should pretend that for all the progress there isn't much more to be done in North Carolina as elsewhere.

But it's simply wrong to say that after a quarter-century of seeking to remedy the past, nothing has changed. As a Southerner, I'm proud of my region, my state and my alma mater, and I want everyone to know it.●

## INFLATION AND HIGH INTEREST RATES

● Mr. PRYOR. Mr. President, I should like to call to the attention of the Senate a resolution adopted at the 35th annual Meeting of the Southern Legislative Conference expressing the conference's concern about the economic policies of this Nation which affect the level of interest rates and about the effects of high interest rates on agricultural exports.

As most Members of this body know, the Southern Legislative Conference is comprised of State lawmakers and executive agency officials from 15 Southern States and Puerto Rico. It is one of four regional legislative conferences affiliated with the Council of State Governments, a national organization serving all State officials with headquarters in Lexington, Ky.

I am particularly proud that the 1981–82 conference chairman is State Representative John E. Miller and that the chairman of the Agricultural and Rural Development Committee and the drafter of this particular resolution is State Representative Charles R. Moore, both of my home State of Arkansas.

I know that my colleagues share my deep concern over the harmful effects of our present high interest rates, and the need to find new ways to curtail inflation while allowing interest rates to come down.

I ask that the resolution of the Southern Legislative Conference be printed in the RECORD.

The resolution follows:

RESOLUTION

URGING PRESIDENT REAGAN AND THE UNITED STATES CONGRESS TO INVESTIGATE ALTERNATIVES TO THE FEDERAL RESERVE BOARD'S PRESENT METHODS FOR CONTROLLING INFLATION

Whereas, the decision by our governmental leaders to embargo sales of American farm products to Russia had a lasting detrimental price effect on farm products by curtailing export volume; and

Whereas, the policy of the Federal Reserve Board, in an attempt to control inflation, is to create high interest rates; and

Whereas, farmers must borrow money to make their crops, and due to the present Federal Reserve Board policy the cost of such borrowed money is excessive; and

Whereas, the actions of the Federal Reserve Board have substantially strengthened the value of the American dollar against foreign currency, which in turn makes American farm products less attractive to foreign buyers; and

Whereas, all these factors continue to drive farm prices lower with no permanent relief in sight: Now therefore, be it

*Resolved*, by the Committee for Rural and Agricultural Development of the Southern Legislative Conference, That President Ronald Reagan and the United States Congress investigate alternatives to the present method used by the Federal Reserve Board to control inflation, which method is resulting in high interest rates, discouraging productivity, creating unemployment and leading to uncertainty for future planning for American businessmen and farmers.

Adopted August 19, 1981 by the Southern Legislative Conference, Charlotte, North Carolina.●

## TV'S TED TURNER

● Mr. SYMMS. Mr. President, many Americans resent the news monopoly exercised by the three major television networks. There often seems to be little alternative to the look-alike and sound-alike "media personalities" of CBS, NBC, and ABC. Fortunately, an alternative is developing, and if it is not generally available, its coverage is expanding and its influence is being felt, even by the Big Three themselves.

I refer, Mr. President, to Mr. Ted Turner's WTBS and the Cable News Network that originates with that same broadcaster. CNN is a 24-hour network that permits much more extensive and flexible coverage of news and opinion than is possible on ordinary television channels. The range of opinion that appears on CNN is a welcome change. CNN carries everything from Bella Abzug to Phyllis Schlafly, in true opinion programs, not the edited snippets that will appear on prime time TV news programs.

Mr. President, we should pay more attention to the innovative figures now starting to appear, thanks to technical innovation. For that reason, I would like to insert into the RECORD an interview with Cable Network News' Ted Turner, so that my colleagues can have some exposure to this intriguing and important figure. I ask that the interview be printed at this point.

The interview follows:

[From the Review of the News, July 8, 1981]

TV's TED TURNER

(By John Rees)

Over the decade since he purchased an independent UHF television station in Atlanta, Robert Edward "Ted" Turner has repeatedly made television history. In December 1976, Turner's WTBS became the first "Super Station" in the cable television field, beaming its signal via a satellite system to make its programs available to more American families than any other cable programmer. On June first of last year, Ted Turner was again impressing his industry when the Turner Broadcasting System started operation with the Cable News Network. The CNN provides live, all-news coverage 24 hours a day on cable systems across the country. This increases public awareness of breaking news stories and gives in-depth background to current stories which neither the 30-minute evening news programs nor the "magazine" format of the morning news shows can provide.

The Turner family has lived in Georgia since Ted's millionaire father moved them to Savannah when Ted Turner was nine. An enthusiastic student of history and the classics, young Turner attended military prep schools where he distinguished himself in debating, sportsmanship, and hijinks. At Brown University he majored in classics and was vice president of the debating union. After service in the Coast Guard he returned to Georgia as an executive with the family-owned Turner Advertising Company just before his father's death.

Becoming president and chief executive officer of the various Turner companies in 1963, Ted promptly demonstrated a fierce competitive drive and remarkable head for finance. Controversial, flamboyant and highly outspoken, energetic, and deservedly self-confident, Ted Turner has shown an uncanny flair for turning other men's sow's ears into his own silk purses. Last year he was awarded the Freedom Foundation's "Private Enterprise Exemplar Medal."

And Turner is as well known as a sportsman as he is for his communications companies. He bought the Atlanta Braves baseball team in 1976, and followed that by acquiring ownership of the Atlanta Hawks basketball team the next year, and the Atlanta Chiefs soccer team two years ago. A sailing enthusiast from age 11, he four years ago successfully defended the America's Cup.

Ted Turner, his wife Jane, and their five children live in Marietta, Georgia.

Q. Mr. Turner, tell us about your cable television operation. Who sees your programs and what do you offer that the other three networks do not?

A. The first of our two cable television programming services is WTBS, which started out as a local, independent UHF station in Atlanta. It was the first commercial television station to go on to the satellite and make itself available to cable systems across the United States. Now WTBS, the Super Station, is the most widely available cable program service in over 60 percent of all the cable households in the country. More and more people are choosing cable television. According to the Nielsen statistics, 20 percent of the homes in America now have it and this percentage is growing.

As for what we offer, WTBS is primarily an entertainment network. One of our specialties is to make available the quality older movies which express sound values. We have close to 3,000 movies under contract, including most of those made by John Wayne and Bing Crosby. We also carry many sports programs and offer the best of the older syndicated programs like Andy Griffith, Carol Burnett, and "Sanford and Son." We run a fair amount of news as well, and we don't run the offensive soap operas.

Q. How do you feel about the growing demand for less violence and more decency and morality in television programming?

A. We have been widely endorsed for our approach. In fact, one of our programs on the Super Station, WTBS, is by the Moral Majority and the Council for Decency.

Q. Tell us about your Cable News Network.

A. I think our CNN is the world's finest 24-hour all-news television service. We try to present a balanced, in-depth coverage of the news, including aspects like business news and medical news that are glossed over on the major networks. We are more like a newspaper of the air. We have a broad range of editors, some of them highly controversial. They range from Senator Barry Goldwater to Bella Abzug, from Phyllis Schlafly to Coretta King. I want to present a sort of Op-Ed page of opinions from both Conservatives and "Liberals" so that people can make their own decisions. And CNN can be received from Puerto Rico all the way to Alaska and Hawaii.

Q. Do you feel the other networks are not balanced in their news?

A. That's right: NBC, ABC, and CBS are unbalanced. We feel they are basically anti-business. And they spend too much time dealing with merely sensational matters because they are always in a rating race.

Q. How many people are watching and what is the break-even point for CNN?

A. The Cable News Network is already in nine percent of the homes in the U.S. We are approaching seven million homes. In another six months, we should be close to 15 percent of the homes in the country. Nine or ten million homes will be the break-even point.

Q. And the Super Station?

A. In another six months, WTBS will be in 23 percent of American homes.

Q. Is Atlanta a good base for communications operations?

A. It is a perfect place. The other networks come completely out of New York and Los Angeles. They are oriented towards big-city violence, slick sex, and things like that. Our networks come out of Atlanta and are more in line with Middle America. Our whole outlook on life is less cynical and less sensational and more pro-family. We bring diversity, representing more of the country; not just New York and Los Angeles where they are on cocaine half the time.

Q. What sort of resistance are you meeting from the established networks?

A. One of the reasons I am in Washington is to fight regulations against cable television development. The National Association of Broadcasting and several of the groups aligned with it are now trying to legislate us out of business. It's the old story: The monopolists in every field come to Washington and try to get regulations passed to make it impossible for their potential competitors to develop.

Q. Do you think Free Enterprise will prevail in the case of cable television and you will be allowed to meet the demands of the marketplace?

A. Do I think that we will be successful? Absolutely. We have already fought this same gang before the Federal Communications Commission and won. When we won, they went over the head of the F.C.C. to the House and Senate Commerce Committees, but we won there too.

Now the anti-cable group is going at it from a different angle. They have full-time lobbyists in Washington and batteries of lawyers trying to develop some new angle. Currently they are trying to work through the Justice Department and the Justice Commitees. They got the jump on us again by starting their campaign here in Washington while we were down in Atlanta paying attention to our business.

Q. You mentioned that one of the features of your cable television news network is providing information that other television news programs usually do not cover.

A. Business news is typical. The major print media and newspapers like the Wall Street Journal provide in-depth reports on current business news. But the Big Three networks do not because the percentage of the population involved in handling or investing money is too small an audience to interest them. We have news bureaus in New York, on Wall Street, and in Washington where we employ commentators. The business news comes on at 7 P.M. Eastern time, Monday through Friday.

Q. Obviously the Big Three networks means to hold onto their monopoly and have little good to say about CNN, but what has been the response from newspaper journalists? Do they think you will put the printed news out of business?

A. Journalists generally have applauded what we are doing, and were reasonable in pointing out any early rough spots. Our major innovation has been live coverage of important public events. We covered the Haig confirmation Hearings, for instance, from gavel to gavel.

Q. And you provide extensive political coverage?

A. Frankly, I think we had a very healthy impact on the 1980 elections. The better informed the voters are, the better the results in the elections. We are in a great position to inform people about the issues, nationally and internationally.

Q. Seeing someone like you take on the big networks has long been a dream of many of us. But the task seems so enormous. How did Ted Turner become so competitive?

A. I guess I was born with it. When I got my first sailboat I was 11. I couldn't sail, but I just kept trying out on the Savannah River in weather that drove everybody else in. They called me Turnover Turner because I was in the water so much.

Q. Are you still doing ocean racing?

A. I have temporarily retired from ocean racing because my work is requiring my absolute attention. I spend a little time on my company's sports teams, but most of it is devoted to working in the television field.

Q. I saw a report recently that said there is demand for soft-core porn on cable television. Is that going to be added to the Super Station format?

A. There are some cable programming services that offer R-rated movies, but I want no part of that. Though, frankly, there is so much suggestive, sleazy material on the over-the-air networks already that the sex doesn't bother me as much as the violence. What gets to me is that they are using the public airways to destroy morals and family virtues, and to incite violence. As for most of the Hollywood movies being made today—well, that's part of the reason I came up to Washington.

Q. What do you mean?

A. Last night we had a presentation to which we invited all the Members of the House and Senate to see some of the programs we have done reporting on movie and television practices. I have asked Congress to conduct an investigation into the three networks and the motion picture industry because I think these aspects of our media are doing their dead level best to destroy this country.

Current programming by the three major networks is out-and-out pollution. There needs to be a sense of responsibility at the highest network levels.

Q. Do you think the visual presentation of wanton violence and promiscuous sex has a more serious effect than similar presentations in printed material?

A. Those who work with children and young adults have found that what children see happening has a greater impact on their memories than what they read. Network television is the most powerful communications and propaganda medium that the world has ever seen, and I repeat, the programming it presents now is pollution. Our young people are watching programs daily which are molding their values to a far greater degree than what is taught in the home and in our schools. They are being poisoned.

Q. Is this deliberate?

A. That's hard to answer. It's just as harmful either way. You know, if you shoot somebody accidentally, they are just as dead as if you shot them deliberately.

But there is a growing body of evidence, which for the most part is hidden by the network news departments, that the television and movie industries are doing real harm to traditional values. I think this is the basic reason for the growing crime rate and the dissatisfaction with our institutions, the anti-military attitude, and so forth. The three major over-the-air networks are anti-religion, anti-business, and anti-family.

Q. What could Congressional Hearings do to help?

A. They would focus attention on the programming practices of the three networks and on the motion picture industry and review the evidence as to whether real harm is being done. Certainly the print media would cover it. Faced with the evidence, the American people would cry out for massive change in network programming and motion-picture releases. Middle America would like to see changes in which the good guy is glorified, not the bad guy; changes from indecency to decency, from immorality to morality. They

would like to see programming that appeals to the best in human nature instead of the worst.

Q. Are you looking for some sort of federal censorship board to determine what should be shown?

A. Just getting the issue out on the table would have some corrective effect because the networks would make changes to protect themselves. As for what actions should be taken afterwards against the monopolists, I would leave that to our elected officials. After all, ABC, NBC, and CBS hold their monopoly because of government regulation of the marketplace. When they abuse that monopoly it is public business.

Q. You must have some ideas on how the networks might be chastised if the evidence did prove wrongdoing?

A. First, we have to remember that the First Amendment guarantees free speech. But each of the networks owns five television licenses in the largest markets in the country. They were given those licenses free of charge and government defends them from competitors. But they were given those monopolies with the understanding and proviso and mandate that they would use their facilities in the public interest. I think it could be proved that they have not served the public interest but the public disinterest. Those monopolies should be taken away.

Q. What do you think of the sort of "information monopoly" that occurs when the major newspapers and television or radio systems keep acquiring more and more outlets in communications fields?

A. Well, it is no longer permitted for newspapers to own television stations in the same market. But of course they can own them in other areas. There have been suggestions from time to time that divestment be required. Personally, I know enough about what has been going on to think they should be required to divest.

Q. In this same general area, for example, time magazine has moved into the motion-picture industry, into cable television, into books, and of course into Washington with purchase of the Washington Star. Do you feel that is too much of a concentration of power in the sensitive communications industry for one company?

A. That is not a monopoly situation because, in all those areas, Time has strong competition. But certainly the trend is toward concentration. Unfortunately that's more or less the story of what's been going on in communications. Very few television stations in the top 50 market are owned by individuals any more. They mostly are owned by Establishment conglomerates like Westinghouse, General Electric, or Metromedia.

Q. Isn't it the same story in cable television?

A. It's happening now. We are supposed to encourage competition in America, but the Justice Department's antitrust group allows these mergers all the time.

Q. Does the network news monopoly have an adverse effect on CNN's news-gathering capability?

A. That is the reason we filed suit against ABC, CBS, and NBC for damages and relief from their violations of the U.S. antitrust laws resulting from their practice of "pooling" news coverage. In the CNN suit we also named the President, his chief of staff, and his deputy press secretary for violating CNN's right to equal access to cover the Presidential news conferences, trips, and activities.

Q. I believe the networks implied your suit was frivolous.

A. It's not a bit. All we want to do is cover the news completely and accurately. That is part of our First Amendment rights. No one should abridge our constitutional right to cover the news.

Q. Why did you make President Reagan a party to your suit? Are you suggesting that he, a former media professional, is hostile to complete coverage?

A. Our action is not aimed at the President himself, but at a relatively new White House policy, apparently developed by his staff, that seeks to limit access to news events to a select few. I think that flies in the face of everything for which America stands.

The three major networks should not be able to dictate the terms of our coverage, limit its scope, or combine their resources effectively to prevent CNN from competing with them. And the President's staff should not be able to deny CNN equal access to cover Presidential activities and White House events.

Q. Did you try to reach some sort of negotiated agreement with the Big Three regarding the White House pool before filing suit?

A. Our efforts outside the legal process to break this monopoly have been fruitless. For at least 15 years ABC, CBS, and NBC have been the principal participants in the market for the production of television news programming. They have enjoyed a monopoly over this market. No more.

Q. Some of us would like to see open competition in television to let the market decide, I know you are a competitor. Why do you work so hard? Is it the competition, money, happiness?

A. When people look back, the happiest times of their lives are when they got together with other people and did something. When people are excited and motivated, they'll work the hardest and have the most fun. The American system rewards that. You know the one area in which American society has failed is that we've conned people into thinking that if you're rich, you will be happy. I've seen poor people who were happy and wealthy people who were miserable. The happiness is in the work.●

## ORDER OF PROCEDURE

Mr. BAKER. Mr. President, the Chair a moment ago advised me that two rollcall votes had been ordered on tomorrow on the foreign assistance bill.

In order to accommodate those two rollcall votes and other legislative business that must be transacted tomorrow, I now propound the following statement and request:

After consulting with the minority leader, which I have now done, I will ask the Senate to proceed at 10 a.m. tomorrow to lay aside temporarily S. 1196 and proceed to the consideration of the continuing resolution, House Joint Resolution 325, assuming that resolution has reached the Calendar of Legislative Business as contemplated by the order previously entered.

## ORDERS FOR THURSDAY

Mr. BAKER. Mr. President, I ask unanimous consent that at 12:30 p.m. tomorrow the continuing resolution, if it is then pending before the Senate, be temporarily laid aside and that the Senate resume consideration of S. 1196, the Foreign Assistance Act.

I further ask unanimous consent that the two rollcall votes ordered today on S. 1196 be deferred until tomorrow at the hour of 1 p.m. and at that time they occur back to back with the first rollcall vote being 15 minutes in length and the second rollcall vote being 10 minutes in length.

Mr. President, finally, I ask unanimous consent that upon completing of the aforesaid voting the Senate return to the consideration of House Joint Resolution 325, the continuing resolution.

The PRESIDING OFFICER. Is there any objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, the request comports with the order that was entered I believe on yesterday.

The distinguished majority leader has consulted with the minority leader in accordance with the order.

The order provided that the majority leader could under those conditions call the matter up before the Senate on tomorrow at any time after consulting with the minority leader, provided that the subject matter had been placed on the calendar, and it appears that that will be done, the Appropriations Committee having acted today to report the continuing resolution.

The setting of the votes, it would seem to me, comes at a time which should accommodate most Senators. There was some brief discussion of that matter earlier today when the distinguished majority leader indicated he would like to set the votes on tomorrow at circa 10:30 a.m., and Mr. BAUCUS indicated it would please him if the votes could occur a little bit later than that. So I should think that the order which the distinguished majority leader is now presiding should accommodate Senators, and I have no objection.

Mr. BAKER. Mr. President, I thank the minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I have a few other housekeeping details.

## ORDER FOR THE RECOGNITION OF SENATOR WALLOP TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that tomorrow after the recognition of the two leaders under the standing order, the distinguished Senator from Wyoming, the chairman of the Ethics Committee (Mr. WALLOP) be recognized on special order for not to exceed 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ORDER OF BUSINESS

Mr. BAKER. Mr. President, I have a number of unanimous consent requests which bear a notation in my files that they had been submitted to the minority leader.

I shall state them now for the consideration of the minority leader and other Senators.

## ARMED FORCES PAY ACT OF 1981

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1181.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

*Resolved*, That the bill from the Senate (S. 1181) entitled "An Act to amend titles 10 and 37, United States Code, to increase the

pay and allowances and benefits of members of the uniformed services and certain dependents, and for other purposes", do pass with the following amendments:

Strike out all after the enacting clause, and insert:

SHORT TITLE

SECTION 1. This Act may be cited as the "Armed Forces Pay Act of 1981".

PAY INCREASE OF 14.3 PER CENTUM FOR MEMBERS OF THE UNIFORMED SERVICES

SEC. 2. (a) Any adjustment required under the provisions of section 1009 of title 37, United States Code, relating to adjustments in the compensation of members of the uniformed services, that would otherwise first become effective beginning with any pay period in fiscal year 1982 shall not become effective.

(b)(1) Subject to the provisions of paragraph (2), each element of compensation specified in section 1009(a) of title 37, United States Code, shall be increased for members of the uniformed services by 14.3 per centum effective with the first pay period beginning after September 30, 1981.

(2) The President may allocate the percentage increase specified under paragraph (1) in the same manner and to the same extent the President is authorized under subsections (c) and (d) of section 1009 of title 37, United States Code, to allocate any percentage increase described in subsection (b)(3) of section 1009 of such title, except that the provisions of subsection (d)(2)(B) of such section shall not apply to this subsection or any action of the President under this subsection.

REENLISTMENT AND ENLISTMENT BONUSES

SEC. 3. (a) Section 308(e) of title 37, United States Code, is amended to read as follows:

"(e) Any unserved period of an enlistment (including any extension of enlistment) for which no bonus has been paid or for which no bonus is otherwise payable under this section may, under regulations prescribed by the Secretary concerned, be considered as part of an immediately subsequent term of reenlistment (or as part of an immediately subsequent voluntary extension of an enlistment) for the purpose of determining the eligibility of the member for a bonus under this section and for the purpose of computing the amount of such bonus.".

(b) Section 308a of such title is amended—

(1) by striking out "for a period of at least four years";

(2) by striking out "to a total of at least four years"; and

(3) by striking out "$5,000" and inserting in lieu thereof "$10,000".

SPECIAL PAY FOR UNUSUALLY HAZARDOUS DUTY OR DUTY PERFORMED UNDER UNUSUALLY SEVERE WORKING CONDITIONS

SEC. 4. (a) Chapter 5 of title 37, United States Code, is amended by adding at the end thereof the following new section:

"§ 315. Special pay: unusually hazardous duty or duty performed under unusually severe working condition

"(a) Under regulations prescribed by the Secretary concerned, a member of a uniformed service who is entitled to basic pay may be paid special pay, in the amount set forth in subsection (b) of this section, for any month during which the member performs duties that have been determined by the Secretary concerned to be—

"(1) unusually hazardous; or

"(2) performed under unusually severe working conditions.

"(b) Special pay payable under subsection (a) of this section shall be paid at the rate of $110 per month, in the case of an officer, and at the rate of $55 per month, in the case of an enlisted member.

"(c)(1) A member may not be paid more than one payment of special pay under this section for any month.

"(2) A member may not be paid special pay under this section for any period of service for which that member receives special or incentive pay under section 301, 301a, 301c, or 304 of this title.

"(d) In time of war, the President may suspend the payment of special pay under this section.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"315. Special pay: unusually hazardous duty or duty performed under unusually severe working conditions.".

DUTY REQUIRING AN ENGINEERING OR SCIENTIFIC SKILL DESIGNATED AS CRITICAL

SEC. 5. (a) Chapter 5 of title 37, United States Code, is amended by adding after 315 (as added by section 4) the following new section:

"§ 316. Special pay: engineering and scientific career accession bonus and continuation pay

"(a) In this section, the term 'engineering or scientific duty' means service performed by an officer holding a degree in engineering or science from an accredited college or university that requires a skill designated under regulations prescribed by the President as critical and that requires an engineering or science degree.

"(b) Under regulations prescribed by the President, an officer of an armed force who—

"(1) is entitled to basic pay;

"(2) has been certified by the Secretary concerned as having the technical qualifications for detail to engineering or scientific duty; and

"(3) executes a written agreement to serve on active duty for detail to engineering or scientific duties for a period of at least four years;

may be paid, in addition to all other compensation to which the officer is entitled, a bonus in an amount not to exceed $15,000. The bonus may be paid in a lump sum or in equal periodic installments, as determined by the Secretary concerned.

"(c) Under regulations prescribed by the President, an officer of an armed force who—

"(1) is entitled to basic pay;

"(2) is below the pay grade of O–7;

"(3) has been certified by the Secretary concerned as having the technical qualifications for detail to engineering or scientific duty;

"(4) has completed at least three but less than nineteen years of engineering or scientific duty as an officer;

"(5) is not serving a period of obligated service under subsection (b) of this section; and

"(6) executes a written agreement to remain on active duty for detail to engineering or scientific duty for at least one year, but no more than four years, of active service;

may, upon acceptance of the written agreement by the Secretary concerned, be paid, in addition to all other compensation to which the officer is entitled, an amount not to exceed $3,000 multiplied by the number of years, or monthly fraction thereof, of obligated service to which the officer agrees under the agreement. The total amount payable may be paid in a lump sum or in equal periodic installments, as determined by the Secretary concerned.

"(d)(1) An officer who does not serve on active duty for the entire period for which he has been paid under subsection (b) or (c) of this section shall refund that percentage of the payment that the unserved part of the period is of the total period for which the payment was made. Nothing in this subsection shall alter or modify the obligation of a regular officer to perform active service at the pleasure of the President. Completion by a regular officer of the total period of obligated service specified in an agreement under subsection (b) or (c) of this section does not obligate the President to accept a resignation submitted by that officer.

"(2) Subject to paragraph (3) of this subsection, an obligation to reimburse the United States imposed under paragraph (1) of this subsection is for all purposes a debt owed to the United States.

"(3) The Secretary concerned may waive, in whole or in part, a refund required under paragraph (1) of this subsection if the Secretary concerned determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

"(4) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of an agreement under this section does not discharge the member signing such agreement from a debt arising under such agreement or under paragraph (1) of this subsection. This paragraph applies to any case commenced under title 11 after September 30, 1981.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"316. Special pay: engineering and scientific career accession bonus and continuation pay.".

RATE FOR MEALS PORTION OF PER DIEM FOR CERTAIN MEMBERS AWAY FROM DESIGNATED POST OF DUTY

SEC. 6. Section 404(b) of title 37, United States Code, is amended by adding at the end thereof the following new sentence: "In prescribing such conditions and allowances, the Secretaries concerned shall provide that a member who is performing travel under orders away from his designated post of duty (other than a member on field duty or sea duty, as defined in regulations prescribed under section 402(e) of this title, or a member of a unit operating in an overseas area in a case in which the Secretary concerned has determined that unit messing is essential to the accomplishment of that unit's training and readiness) shall, whenever a per diem is authorized under clause (2) of subsection (d) of this section, be paid for the meals portion of that per diem in a cash amount at a rate that is not less than the rate established under section 1011(a) of this title for meals sold to members.".

TEMPORARY LODGING EXPENSES

SEC. 7. (a)(1) Chapter 7 of title 37, United States Code, is amended by inserting after section 404 the following new section:

"§ 404a. Travel and transportation allowances: temporary lodging expenses

"(a) Under regulations prescribed by the Secretary concerned, a member of a uniformed service who is ordered to make a change of permanent station to another station in the United States may be paid or reimbursed for subsistence expenses actually incurred by the member and the member's dependents during a period not exceeding four days while occupying temporary quarters incident to that change of permanent station.

"(b) Regulations prescribed under subsection (a) of this section shall prescribe average daily subsistence rates for purposes of this section for the member and for each dependent. Such rates may not exceed the maximum per diem rates prescribed by or under section 404(d) of this title for the area where the temporary quarters are located.".

(2) The table of sections at the beginning

of such chapter is amended by inserting after the item relating to section 404 the following new item:

"404a. Travel and transportation allowances: temporary lodging expenses.".

(b) Section 411(a) of such title is amended by inserting "404a," after "(d)-(f),".

ADVANCE PAYMENT OF CERTAIN TRAVEL AND TRANSPORTATION ALLOWANCES

SEC. 8. (a) Section 405(a) of title 37, United States Code, is amended by inserting after the second sentence in that section the following new sentence: "Such allowances may be paid in advance.".

(b) Section 406(a) of such title is amended by adding at the end thereof the following new sentence: "Travel and transportation allowances authorized by this section may be paid in advance.".

(c) Section 407(a) of such title is amended by adding at the end thereof the following new sentence: "An allowance payable under this section may be paid in advance.".

TRAVEL AND TRANSPORTATION FOR MEMBERS SERVING CONSECUTIVE ASSIGNMENTS OVERSEAS

SEC. 9. Section 411b(a) of title 37, United States Code, is amended—

(1) by inserting "(1)" after "(a)";

(2) by inserting "who is ordered to a consecutive tour of duty at the same duty station or" after "District of Columbia"; and

(3) by adding at the end thereof the following new paragraph:

"(2) If, because of military necessity, a member authorized travel and transportation allowances under this subsection is denied leave between the two tours of duty overseas, the member shall be authorized to use such travel and transportation allowances from his current duty station at the first time the member is granted leave.".

TRAVEL FROM ISOLATED DUTY STATIONS AND TRAVEL INCIDENT TO EMERGENCY LEAVE

SEC. 10. (a) Chapter 7 of title 37, United States Code, is amended by inserting after section 411b the following new sections:

"§ 411c. Travel and transportation allowances: travel performed in connection with leave from certain stations in foreign countries

"(a) Under uniform regulations prescribed by the Secretaries concerned, a member of a uniformed service, while serving at a duty station abroad in an area specifically designated by the Secretary concerned for purposes of this section, may be paid transportation—

"(1) to another location abroad having different social, climatic, or environmental conditions than those at the duty station at which the member is serving; or

"(2) to a location in the United States.

"(b) The transportation authorized by this section is limited to payment for transportation of the member, and of each dependent of the member authorized to reside at the member's duty station, for one roundtrip during any continuous two-year tour and two roundtrips during any continuous three-year tour.

"§ 411d. Travel and transportation allowances: transportation for members stationed abroad and dependents incident to emergency leave

"(a) Under uniform regulations prescribed by the Secretaries concerned, roundtrip transportation for a member stationesd overseas and for dependents of the member authorized to reside at the member's duty station may be provided from the member's duty station to the United States or its possesions incident to emergency leave granted for reasons of personal emergency (or, in the case of transportation provided only for a dependent, under circumstances involving a personal emergency similar to the circumstances for which emergency leave could be granted a member).

"(b) Transportation under this section may be authorized only upon a determination that, considering the nature of the emergency involved, Government transportation is not reasonably available. Transportation authorized under this section shall be limited to the cost of Government-procured commercial roundtrip air travel from the international airport nearest the location of the member and dependents at the time notification of the emergency is received or the international airport nearest the duty station of the member and dependents in the overseas area—

"(1) to the international airport within the continental United States closest to the overseas airport from which the member or dependents depart; or

"(2) as determined by the Secretary concerned, to an airport within the United States or its possessions convenient to the uniformed service involved.

"§ 411. Travel and transportation allowances: travel performed in certain emergency situations

"Under regulations prescribed by the Secretaries concerned, a member of a uniformed service who is performing temporary duty away from his permanent duty station may be paid the travel and transportation allowances provided by section 404 of this title for travel performed from his place of temporary duty to his permanent duty station or to any other location, and return (if applicable), if such travel has been approved because of the serious illness or injury or the death of a dependent of the member. Travel and transportation to a location other than the permanent duty station of the member may not be paid under this section in excess of the amount for such travel and transportation to the member's permanent duty station, and return (if applicable).".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 411b the following new items:

"411c. Travel and transportation allowances: travel performed in connection with leave from certain stations in foreign countries.

"411d. Travel and transportation allowances: transportation for members stationed abroad and dependents incident to emergency leave.

"411e. Travel and transportation allowances: travel performed in certain emergency situations.".

UNIFORM ALLOWANCES AND ADVANCED PAY FOR MEMBERS OF THE ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP PROGRAM

SEC. 11. (a) Subsection (a) of section 415 of title 37, United States Code, is amended—

(1) by striking out "or" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof the following new paragraph:

"(4) upon reporting for the first period of active duty required by section 2121(c) of title 10, United States Code, as a member of the Armed Forces Health Professions Scholarship Program.".

(b) Section 1006 of such title is amended by adding at the end thereof the following new subsection:

"(i) Under regulations prescribed by the Secretary concerned, not more than one month's pay may be paid in advance to a member of the Armed Forces Health Professions Scholarship Program upon reporting for a period of active duty required by section 2121(c) of title 10.".

SPECIAL PAY FOR AIR WEAPONS CONTROLLERS ON AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) AIRCRAFT

SEC. 12. (a) Subsection (a) of section 301 of title 37, United States Code, is amended—

(1) by striking out "or" at the end of clause (9);

(2) by striking out the period at the end of clause (10) and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof the following new clause:

"(11) involving frequent and regular participation in aerial flight by an officer (other than a warrant officer) who is serving as an air weapons controller crew member, as defined by the Secretary concerned, aboard an airborne warning and control system aircraft, as designated by such Secretary, and who is not entitled to incentive pay under section 201a of this title.".

(b) Subsection (c) of such section is amended—

(1) by inserting "(1)" before "For the performance"; and

(2) by adding at the end thereof the following new paragraph:

"(2) For the performance of hazardous duty described in clause (11) of subsection (a) of this section, an officer is entitled to monthly incentive pay as follows:

| "Pay grade | "Years of service as an officer as computed under section 205 | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2 or less | Over 2 | Over 3 | Over 4 | Over 6 | Over 8 | Over 10 | Over 12 | Over 14 | Over 16 | Over 18 | Over 20 | Over 22 | Over 24 | Over 25 |
| 0-7 and above | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $200 | $110 |
| 0-6 | 225 | 250 | 300 | 350 | 400 | 400 | 400 | 400 | 400 | 400 | 370 | 340 | 310 | 280 | 250 |
| 0-5 | 200 | 250 | 300 | 350 | 400 | 400 | 400 | 400 | 400 | 400 | 370 | 340 | 310 | 280 | 250 |
| 0-4 | 175 | 225 | 275 | 335 | 400 | 400 | 400 | 400 | 400 | 400 | 370 | 340 | 310 | 280 | 250 |
| 0-3 | 125 | 156 | 188 | 206 | 400 | 400 | 400 | 400 | 400 | 400 | 350 | 300 | 300 | 275 | 250 |
| 0-2 | 125 | 156 | 188 | 206 | 250 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 275 | 220 |
| 0-1 | 125 | 156 | 188 | 206 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 200.". |

INCREASE IN NUMBER OF SENIOR RESERVE OFFICERS' TRAINING CORPS SCHOLARSHIPS

SEC. 13. Section 2107(h) of title 10, United States Code, relating to financial assistance for specially selected members, is amended—

(1) by striking out "6,000" and inserting in lieu thereof "8,000"; and

(2) by striking out "6,500 and inserting in lieu thereof "9,500".

EFFECTIVE DATES

SEC. 14. (a) Except as provided in subsection (b), the amendments made by this Act shall take effect on October 1, 1981.

(b) The amendments made by section 7 shall take effect on April 1, 1982.

Amend the title so as to read: "An Act to increase the pay and allowances of members of the Armed Forces.".

Mr. BAKER. Mr. President, I move that the Senate disagree with the amendments of the House, request a conference with the House on the disagreeing votes of the two Houses thereon and

that the Chair be authorized to appoint conferees on behalf of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. LAXALT) appointed Mr. TOWER, Mr. JEPSEN, Mr. COHEN, Mr. QUAYLE, Mr. DENTON, Mr. STENNIS, Mr. EXON, Mr. HARRY F. BYRD, JR., and Mr. NUNN conferees on the part of the Senate.

## ORDER HOLDING H.R. 3136, THE OVERSEAS PRIVATE INVESTMENT CORPORATION AMENDMENT ACT OF 1981, AT THE DESK

Mr. BAKER. Mr. President, I ask unanimous consent that the House message, H.R. 3136, the Overseas Private Investment Corporation Amendment Act of 1981, be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

## THE CULTURAL LAUREATE PROGRAM

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of Senate Resolution 118, a resolution commending the cultural laureate program, and I ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 118) commending the cultural laureate program.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution? There being no objection, the Senate proceeded to consider the resolution.

The question is on agreeing to the resolution.

The resolution (S. Res. 118) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 118

Whereas the Senate should seek means to advance the best interests of all the people of the United States; and

Whereas, in our history of taming a continent and building a great industrial society, our citizens have shown a continuing dedication to both the quality of life and excellence in achievement; and

Whereas, by the public recognition of achievement, our society reaffirms the greatness of our people and encourages continued striving toward that excellence in every walk of life which has made our country the most powerful nation in the world; and

Whereas there now exists a cultural laureate program which enables the people of each State and territory to honor fellow citizens for their outstanding achievements and provides for national recognition by the public of the exceptional accomplishments of the people; and

Whereas the cultural laureate program belongs to the people and operates without any requirements for either State or Federal funding: Now, therefore, be it

*Resolved*, That the Senate commends the cultural laureate program as being in the best interest of all the people and encourages establishment of the laureate in each of the various States and territories and in the Nation so that the people of the United States can fully and appropriately express their commitments to excellence.

SEC. 2. When the cultural laureate becomes truly national in scope, the Senate recommends public recognition of those citizens nominated by the people and selected for honor by groups of their peers to the end that all the people of the world shall know that the greatness of America is firmly based upon the achievements of individual Americans.

## DESIGNATION OF THE SQUARE DANCE AS NATIONAL FOLK DANCE

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of Senate Joint Resolution 59, designating the square dance as the national folk dance of the United States. and I ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. J. Res. 59) designating the square dance as the national folk dance of the United States.

The PRESIDING OFFICER. Without objection, the joint resolution will be considered as having been read the second time at length, and the Senate will proceed to its consideration.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the RECORD show the following cosponsors:

COSPONSORS OF SENATE JOINT RESOLUTION 59

Senators Baker, Heflin, Baucus, Ford, Goldwater, Abdnor, Boren, Burdick, Garn, Huddleston, Inouye, Levin, Schmitt, Bumpers, Dixon, Moynihan, Nunn, Proxmire, Riegle, Sasser, DeConcini, Denton, Thurmond, Lugar, Cranston, Dole, Exon, and Domenici.

The PRESIDING OFFICER. Without objection, it is so ordered.

This a tremendous piece of legislation.

Mr. BAKER. A momentous piece, especially in view of the fact that the square dance is also the State dance of my native State of Tennessee.

Mr. ROBERT C. BYRD. Mr. President, I introduced this resolution some time ago and made an appropriate comment at that time. I wish to thank all cosponsors for the support that they have given to the manager.

I wish to thank the members of the Judiciary Committee for their cooperation and consideration.

I wish to thank the distinguished majority leader for moving to discharge the committee at this time and to proceed to the consideration of the resolution.

There are a goodly number of square dancers in town at this time coming from all parts of the United States, and I think this is a very appropriate moment to consider the resolution and to act on it.

Mr. BAKER. Mr. President, I wish to take this opportunity to commend the minority leader for his initiative in bringing this matter to the attention of the Senate and most especially for arranging to have the matter discharged and brought before the Senate at this time. I am delighted to join with him as cosponsoring this resolution and urging its adoption by the Senate.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader again.

The joint resolution (S.J. Res. 59) was considered, ordered to a third reading, read the third time.

The preamble was agreed to.

The joint resolution (S.J. Res. 59), with its preamble, was passed as follows:

S.J. RES. 59

Whereas square dancing has been a popular tradition in America since early colonial days;

Whereas square dancing has attained a revered status as part of the folklore of this country;

Whereas square dancing is a joyful expression of the vibrant spirit of the people of the United States;

Whereas the American people value the display of etiquette among men and women which is a major element of square dancing;

Whereas square dancing is a traditional form of family recreation which symbolizes a basic strength of this country, namely, the unity of the family;

Whereas square dancing epitomizes democracy because its dissolves arbitrary social distinctions; and

Whereas it is fitting that the square dance be added to the array of symbols of our national character and pride: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled*, That the square dance is designated the national folk dance of the United States of America.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## AUTHORIZATION FOR ENROLLING CLERK TO MAKE CHANGES IN SENATE JOINT RESOLUTION 4

Mr. BAKER. Mr. President, I ask unanimous consent that the enrolling clerk be authorized to make changes in Senate Joint Resolution 4 reflected on the attached copy of the bill, and I send the corrected copy to the desk.

The PRESIDING OFFICER (Mr. LAXALT). Without objection, it is so ordered.

## AUTHORITY FOR THE COMMITTEE ON VETERANS' AFFAIRS TO FILE A REPORT ON S. 266 NOT LATER THAN SEPTEMBER 29, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Veterans' Affairs be granted an extension of time and permitted to file a report on S. 266 not later than September 29.

The PRESIDING OFFICER. Without objection, it is so ordered.

## LEGISLATIVE PROGRAM FOR THE NEXT SEVERAL DAYS

Mr. BAKER. I would point out that the Senate will convene at 9:30 tomorrow.

May I ask the Chair is that correct, is that the order to that effect?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. I point out that the Senate will convene at 9:30 a.m. tomorrow.

After the recognition of the two leaders under the standing order, the Senator from Wyoming (Mr. WALLOP), the distinguished chairman of the Ethics Committee, will be recognized under a special order for not to exceed 5 minutes.

I anticipate tomorrow there will be a request for time for the transaction of routine morning business which will be provided after the discharge of those times.

The Senate at 10 o'clock will be asked to begin consideration of the continuing resolution, assuming that that measure has reached the calendar at that time, which we anticipate. That will be done pursuant to the order previously entered authorizing the majority leader, after consulting with the minority leader, to proceed to the consideration of that measure in that manner.

At 12:30 p.m. tomorrow, assuming the Senate is then considering the continuing resolution, which I expect, under the order previously entered, the Senate will temporarily lay aside the continuing resolution and resume consideration of the foreign assistance bill, S. 1196.

At 1 p.m. tomorrow two rollcall votes will occur, the first to be 15 minutes in length to be followed immediately back to back or by a second of 10 minutes on the two measures on which the yeas and nays were ordered today.

At the expiration of the time for those two votes the Senate will resume consideration under the order just entered of the continuing resolution.

I anticipate that the Senate will be in late tomorrow. I hope we can finish consideration of the continuing resolution on Thursday. If we do not I expect we would resume consideration of that measure on Friday.

I hope we make good progress on the continuing resolution and that it will not be necessary to remain late on Friday or to consider the possibility of a Saturday session. I do not anticipate such a request at this time.

Mr. President, it is my hope we can begin consideration of the debt limit extension bill—I am speaking of the so-called larger of the two bills—on Monday. I will have further statements to make in respect to the schedule of the Senate as the other factors appear.

## ORDER OF BUSINESS

Mr. BAKER. Mr. President, I have no further business to transact before the Senate. I will inquire of the distinguished minority leader if there is any other matter he wishes to take up at this time?

Mr. ROBERT C. BYRD. Mr. President, the distinguished majority leader is very thoughtful in asking the question. I have no other business.

Mr. BAKER. I thank the minority leader.

## RECESS UNTIL 9:30 A.M. TOMORROW

Mr. BAKER. Mr. President, I now move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 9:30 a.m. on tomorrow.

The motion was agreed to; and the Senate at 6:36 p.m., recessed until Thursday, September 24, 1981, at 9:30 a.m.

# HOUSE OF REPRESENTATIVES—*Wednesday, September 23, 1981*

The House met at 10 a.m.

The Reverend Dr. James E. Gunther, Transfiguration Lutheran Church, New York, N.Y., offered the following prayer:

Good Lord, somehow, somewhere, something's gone wrong—in our families; in our Nation; and in our personal lives as representatives of all the people. We pray for divine wisdom, support, and guidance upon the Members of this House as they seek to deal with the growing unrest and lack of trust by the working classes, the disenfranchised, and the rich; the global concern and effects of extremely high interest rates on us all; the attempt to balance a national budget or stabilize a nation's economy on the backs of the neglected and the rejected, because we want to be true to our Creator and the great principles upon which our Nation has been built. Grant good Lord to each Member of the House of Representatives, of this great Nation, a tough mind and a tender heart that cares and is committed to liberty and justice for all—regardless of the cost. Because You have revealed Your will in Abraham, Isaac, Jacob, Mohammed, and Jesus Christ, our Lord. Amen.

## THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 618. An act to convey certain interests in public lands to the City of Angels, Calif.; and

H.R. 2218. An act to direct the Secretary of Agriculture to convey certain National Forest System lands in the State of Nevada, and for other purposes.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2903. An act to extend by 1 year the expiration date of the Defense Production Act of 1950.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 764. An act to provide for protection of the John Sack Cabin, Targhee National Forest in the State of Idaho; and

S. 1475. An act to extend the expiration date of section 252 of the Energy Policy and Conservation Act.

The message also announced that the Presiding Officer, on behalf of the minority leader, pursuant to Public Law 96-114, appointed the Honorable John Y. Brown, Governor of Kentucky, as a member of the Congressional Award Board, vice the Honorable John D. Rockefeller IV, resigned.

## REV. JAMES E. GUNTHER

(Mr. RANGEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RANGEL. I thank the Speaker for affording me this opportunity to welcome to this House Pastor Gunther. During the hard economic times that we are witnessing now, expect to continue in the future of this Nation, my community is blessed to have a spiritual leader whose church is one of those within my congressional district.

The beautiful thing about Pastor Gunther's stewardship is that he recognizes that not only do communities need spiritual leadership, but they need shelter, they need food, they need nutrition, and in all of these areas Pastor Gunther has given of his time, himself, and his church. He has constantly supported policies that would make life a lot better for the poor and disadvantaged of this Nation.

I am proud that he serves so well in my community, not only spiritually but in developing housing, in the Harlem Urban Development Corporation, and with so many worthwhile community organizations.

I thank him for his prayers, his thoughts, and the advice he shares with us today.

I thank the Speaker.

## FISCAL RESPONSIBILITY OF THE HOUSE

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, I take this time to give a brief report of the fidelity of the House to the goal of fiscal responsibility.

As of today, the Appropriations Committee has reported a total of 11 appropriations bills. The House has passed nine of them. One of these has passed in the final form of a conference committee report. One additional bill has been reported by the subcommittee but not reported by the full committee.

This accounts for the entire budget, save and except only for the military appropriations bill for the Department of Defense.

When we count all of these bills that have been reported by the full committee, and even the one reported by the subcommittee of the Appropriations Committee, eight of them already passed by the House, we come to the bottom line that in both mandatory and discretionary expenditures they are $3 billion, $552 million below the amounts requested in spending authority by the President in his March request to Congress.

The total of Presidential budget authority requests for these 12 categories of spending is $241.9 billion. House action on the same 12, which include the Labor-HHS bill still pending before the full committee, comes to a total of $238.4 billion.

So, independent of what happens in connection with the President's expected request of tomorrow night for further reductions below his original defense figures, already the House in every other expenditure, totaling them together, is $3½ billion below the aggregate request for spending authority that the President sent to us in March.

## CONVERSATION WITH THE PRESIDENT

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, if I could talk to the President today, I would like to say the following.

Mr. President, there are times when it takes a great deal of courage to change one's mind. You can demonstrate this courage on your television address to the Nation tomorrow night. There are two issues that you have been advised by your staff to support and fight for. One is to reduce benefits for those presently on social security, and the other is to insist on the sale of the AWACS to the Saudi Arabians.

Mr. President, both of these efforts will go down to defeat in the Congress. There is no joy in defeating the President of the United States on issues like these, particularly when there are other ways of solving the problems.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The American people will support their Government as long as they feel there is hope and they are being treated fairly.

Do not dodge the real solution to contain the budget, Mr. President. That solution is deferring the slanted and unreal tax cuts that you have asked for. Give us all hope, Mr. President, and change your mind.

## FAMILY FARMERS WANT FREE MARKET AND DECENT PRICES

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, the family farmers in North Dakota and across America are looking to Congress for a farm bill this year. They really want a free market and a decent price for their product. But unfortunately the market is not free and their product prices are painfully low.

The Senate passed a farm bill last week, but it is not a good farm bill and it will not provide the price supports that are necessary for family farms. I just cannot vote for that kind of legislation.

The word here is that the administration wants to keep support prices low and rely instead on the free market. Well, that is nonsense. There is not a free market in agriculture.

Our allies impose tariffs on our wheat and our Secretary of State, Mr. Haig, threatens our export markets, for foreign policy purposes. That is not market freedom.

Also, there are others who are meddling in farm policy here in Washington, D.C. Director of the Office of Management and Budget David Stockman would not know a razorback hog from a pickup truck. But from his budget perch, I think Mr. Stockman is playing a much larger role in shaping the farm bill than is the Secretary of Agriculture.

Mr. Speaker, I think the President ought to get Mr. Haig and Mr. Stockman out of agriculture policy and begin relying on his Secretary of Agriculture. And, I hope this Congress begins to draft a farm bill that makes some sense. Farmers are not looking for handouts. They just want a chance, and we should be passing a farm bill that gives them that chance.

## IT ALL COMES OUT OF THE SAME POCKETS

(Mr. RATCHFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RATCHFORD. Mr. Speaker, I was shocked to read in the papers the other day that the Reagan administration is considering a phaseout of the revenue-sharing program—a 10-year program in Federal-local cooperation that has more than proven its worth.

As my colleagues will remember, Mr. Speaker, revenue sharing was designed to correct the traditional imbalance between the taxing authorities of the Federal and local governments. By returning Federal revenues to the localities, the program did help to correct that imbalance—and it gave hard-pressed towns and cities in Connecticut and across the country a critical source of aid.

In my own district, Mr. Speaker, revenue sharing has made a $9.6 million annual difference in local property taxes. It has freed local taxpayers from an additional 1- or 2-mill yearly burden.

If we take away this program, sure as we are standing here, the burden will simply be shifted to the local property taxpayer and the taxpayers in the Waterburys, Meridens, Danburys, Trumbulls, and Seymours of our country will be squeezed just as hard in a different pocket.

The money all comes out of the same pockets, Mr. Speaker, the pockets of taxpayers in our towns and cities. If this Government is truly concerned about efficiency, about keeping programs that work, it should work to keep revenue sharing.

## SOCIAL SECURITY CUT IS WRONG

(Mr. SYNAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SYNAR. Mr. Speaker, let me take a minute to comment on President Reagan's proposal to cut next year's social security cost-of-living adjustment.

First, I want to express my heartfelt belief that this cut is wrong. President Reagan has decided to delay his much-heralded speech announcing his new round of budget cuts until tomorrow—instead of tonight—while he and Dave Stockman decide what to do. We know they are considering cutting next year's social security cost-of-living adjustment, and I want to encourage Mr. Reagan to reject that ill-conceived idea. Thirty-six million senior citizens and handicapped persons have that COLA as their sole protection against inflation; their 1980 benefit averaged $341 per month; and this is a benefit they have earned.

Mr. Speaker, this COLA change is no delay as it has been advertised; it is as mean-hearted a cut as we have seen. This past Monday, I had the opportunity to discuss this cut with Mr. Robert Myers, Social Security Deputy Commissioner for Programs, at a House Select Committee on Aging subcommittee hearing. Let me quote from the official record:

Mr. SYNAR. But did you admit, for all practical purposes, that we are sweeping three months inflation under the rug and that the cost-of-living recipients will lose it once and for all and never retain it, right?

Mr. MYERS. That would be the effect of the proposal, yes.

## DEFENSE CUT WAY TOO SMALL

(Mr. ADDABBO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ADDABBO. Mr. Speaker, there are literally hundreds of worthwhile programs being cut back in the fiscal 1982 budget because of the decision of the administration to cut back in spending. Tomorrow night President Reagan will address the Nation with further proposals for cutting back Federal spending. We are told that in his remarks he will recommend a cut back in defense spending of 2 percent. That is a figure, Mr. Speaker, that I believe is way too small, both to satisfy the requirements of our national needs other than defense and in the defense system itself, which cannot efficiently absorb a $50 billion increase in spending in a 12-month period. A 2-percent decrease of the projected Reagan budget would still mean the single largest annual increase in defense spending in our country's history. I believe we could cut from $7 to $10 billion of that budget without harming vital programs, if we cut that budget by one-half of 1 percent and transferred those savings somewhere else. For instance, transferring that money to the Department of Labor to establish an economic conversion and plant or base closing fund, which would distribute moneys to official State and local economic development and planning agencies, we would create a major impact on civilian-oriented productive activity.

A program such as this would provide a cushion for thousands of American workers employed by companies whose contracts with any Federal agency are canceled, terminated, cut back, or transferred to other areas or where bases are closed. The loss of one-half of 1 percent in the defense budget would not effect greatly the Pentagon's abilities to buy paper clips but that vast amount of money is a literal lifeline for thousands of American workers. A similar case could be made in terms of education, or in benefits to elderly, disabled, or handicapped. The same could be said in hundreds of other programs, which have been cut back so that we may feed the ever-growing appetite of our military. The time has come to make sure that we consider all of our Nation's priorities, not just those which relate to military spending.

## UNITED STATES MUST HAVE STRONG CIVIL DEFENSE

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, I wish to call the Members' attention to the special order I have requested in the House on Thursday, October 1, on the subject of our Nation's civil defense. In the past 3 years this body has gone far to establish a firm foundation for civil defense as part of our overall defense strategy, but we are no where near complete. The U.S. Congress has recognized that our potential enemies do not subscribe to the policy of mutually assured destruction, so they are taking action to insure their survivability. We have not answered their resolve with our own commitment. Congress has said the United States must have a strong civil defense, but we have not completed our work. This body is still providing Americans only token civil defense funds. I am sure that the Members are concerned, as I am, that in the face of climbing budget deficits and promised defense spending reductions, this Nation's civil defense could be swept back into the closet.

I welcome active participation on Thursday, October 1, and in the future to keep civil defense a vital and necessary part of our defense spending.

## LET'S TAKE ANOTHER LOOK AT REAGANOMICS

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, no sector of our economy has been hit harder by higher interest rates than the timber and housing industries. Both are teetering on the edge of financial calamity as we edge closer into the first Reagan recession.

I received a letter today from an insurance agency in Arkansas pleading with me to ask Congress to take another look at Reaganomics. The writer said that while he was once misled by the supply-side idiots which have surrounded the President, he can no longer agree with the premise of this administration "that capitalism without failure is like Christianity without hell."

□ 1015

## REAGAN ECONOMIC PROGRAM FAVORS THE RICH

(Mr. FROST asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FROST. Mr. Speaker, a very interesting thing is starting to happen across the country. The general public, and even some Republicans, have awakened to the fact that President Reagan's economic program favors the rich rather than the poor and the middle class—something many of us in the Democratic Party have been saying for months.

The latest evidence of this awakening is the Washington Post-ABC poll which appears in today's edition of the Post. Those polls were asked a very straightforward question:

> Overall, would you say Reagan cares more about serving poor and lower income people, middle income people, upper income people . . . or would you say he cares equally about serving all people?

The answer is devastating. Fifty-two percent of those polled said President Reagan favors upper income people, and only 8 percent said he favors the middle class. Just 35 percent said he favors all people equally. Clearly the public now understands the effect of the massive tax cut that Congress passed this summer, which was skewed in favor of the wealthy. Even some Republicans in Congress are getting nervous about the administration's approach to taxes and budget cuts.

Congressman JIM LEACH, who chairs the Republican RIPON Society, released his Moderate Manifesto this week challenging many of the principles underlying the President's economic program. Representative LEACH said the tax bill is overly generous to the rich, and questions the thrust of the administration's domestic budget cuts.

Mr. Speaker, the President's economic program is clearly being viewed more critically now than it was in the past, and that reappraisal cannot be dismissed as partisan politics if Mr. Reagan's own party and the general public are questioning his commitments to all groups in our society.

## ADMINISTRATION'S BUDGET DEFICITS AND TIGHT MONEY POLICY ARE DRIVING AMERICAN SMALL BUSINESS INTO BANKRUPTCY

(Mr. FITHIAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FITHIAN. Mr. Speaker, the administration's big budget deficits and tight money policies are driving up interest rates and driving American small business into bankruptcy.

Shocking figures released earlier this month by Dun and Bradstreet demonstrate just how hard small business has been hit by economic policies being pursued by this administration.

> During the first eight months of 1981 11,076 American small businesses closed their doors for the last time, a staggering 317 businesses per week. The figure is half again last year's disastrous level.

> Not only are more businesses going under, they're going down carrying bigger debts. During the first quarter of 1981, liabilities carried by businesses which failed exceeded $1.6 billion, a 33-year high.

In the face of these disastrous economic statistics, we in Congress have no option but to get on with the job of balancing the Federal budget and—in so doing—bringing down high interest rates. Repealing the tax relief package for "Big Oil"—an integral part of the administration's tax program—is a good place to start.

## THE EUROPEAN COMMON MARKET ENGAGES IN PRICE DUMPING OF SUGAR

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, the most blatant example of price dumping occurring in world trade today involves one of the basic staples in the American diet—sugar. This year alone, the European Common Market will dump a total of 4.3 million metric tons of sugar onto the world market.

The Common Market does not operate under free market conditions. If the Common Market did not heavily subsidize sugar, the sugar industry could not compete on the open market. Only through an elaborate system of production subsidies can the Common Market stimulate production to satisfy its own needs and have an excess production of 4.3 million tons for the export market. These subsidies guarantee growers 27 cents per pound in their domestic market; that is approximately 16½ cents above the current world price. The Common Market has changed from a net importer of sugar in 1975 to the largest free market exporter of sugar in the world. This change was the direct result of Common Market policies of heavy price subsidies for their growers—price subsidies which allow the Common Market to dump excess sugar on the world market at prices well below the cost of production.

Sugar-producing nations have argued long and hard against marketing policies of this kind. In the United States, a petition is currently before the U.S. Trade Representative. This petition alleges that Common Market countries have unfairly increased their share of world export trade in sugar through heavily subsidizing their sugar exports. Common Market policies which unnaturally depress the price of sugar in the world and domestic market cannot be tolerated. Only if domestic growers of beet sugar and sugar cane are granted the modest loan program in the House bill will this important domestic industry be protected from the kind of price ma-

nipulation routinely practiced by the Common Market.

I urge my colleagues to support the sugar loan program in the farm bill.

## A SPECIAL ORDER CALL TO DISCUSS CURRENT ECONOMIC POLICIES AND HIGH INTEREST RATES

(Mr. BONKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONKER. Mr. Speaker, I want to bring to the attention of my colleagues that PAT WILLIAMS and I have called a special order this afternoon to focus the House on the grave problems that current economic policies and high interest rates are causing in the country.

For as we know all too well in the Pacific Northwest, the economic program is not working. The housing industry is at a standstill. Unemployment is rising—in some areas of my district it is reaching 30 percent.

This afternoon I will be putting into the RECORD statements from a broad spectrum of labor and business leaders outlining the disastrous effects of current policies. I have statements from small business in my State; from an unemployed woodworker in the Northwest; a letter from the national homebuilders expressing alarm and concern about today's deteriorating economic conditions and the effects of prolonged high interest rates.

It is altogether fitting that the House should focus its attention this afternoon on these problems. I would like to invite my colleagues, especially those who are concerned about high interest rates, housing and unemployment problems, to participate in this session.

## REAGAN'S HIGH INTEREST RATES: THE OBSTRUCTIONISTS STRIKE AGAIN

(Ms. FERRARO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. FERRARO. Mr. Speaker, during consideration of the President's so-called economic recovery program, one of the terms that gained great popularity among the program's supporters was "obstructionist."

The obstructionists were those Members who dared utter any word or make any sign of resistance to the Presidential steamroller. It did not matter what the basis of their concerns or questions was. Any discussion of the program was obstruction aimed at frustrating the so-called mandate of the American people.

Well, questions that could not even be asked then are being answered now. It seems, after all, that when tax cuts plus defense spending hikes exceed budget cuts, the deficit increases, forcing increased Federal borrowing, and keeping interest rates sky high.

So the news is that Wall Street does not have faith in the President's program, that the big banks are keeping the prime rate around 20 percent, and that the housing industry is depressed.

I am really curious Mr. Speaker. Does the administration now consider those people obstructionists?

## HIGH INTEREST RATES ARE KILLING US

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, these high interest rates are killing us, and I would like to take just a few moments today to talk about a measure I have introduced aimed at bringing credit back to Earth.

As some of you may know, in the other body, Senator BENTSEN has introduced a resolution aimed at getting interest rates in this country back where they belong—down. Senator BENTSEN feels that a major reason for the dangerously high interest rates afflicting us today is the great amount of available credit which is sopped up by huge corporate mergers and market speculation.

I applaud Senator BENTSEN's efforts in this matter. He is a successful businessman, and for a smalltown boy from Mission, Tex., he's not a bad "shade tree economist," either.

And, Mr. Speaker, I happen to agree with him on this. Now, when giant companies absorb every drop of credit in sight, it only serves to worsen the hardship on people who really need loans. When Du Pont bought Conoco recently, the merger did not create any new jobs, it did not invest the economy with new vigor, it did not even create a more efficient business operation. But it did dry up a lot of capital, perhaps $4 billion worth, that could have gone to more productive purposes—to farmers, or homebuilders, to home buyers, or small business. These people, who would put the money back into the economy and meanwhile expand the job market and create usable services, cannot get loans because the money is not there, or is too expensive to borrow—driven up by the unwise lending practices of a few mammoth banks.

My resolution seeks to complement Senator BENTSEN's efforts to have the Federal Reserve pull a tighter rein on leading banks, to undertake a "jawboning exercise" aimed at convincing its members not to contribute to the inflationary spiral.

It is not our business to tell this or that company they should not own this or that other business. But now, at a time when thousands of small businesses are going under for lack of simple loans—now is not the time for us to be financing huge, unproductive corporate takeovers. You don't use your eggs for baking cakes when the family's got nothing for breakfast.

I hope many of my colleagues will lend their help in this by publicly or privately expressing their support.

## ECONOMIC SANCTIONS FOR DRUG TRAFFICKING

(Mr. CARMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARMAN. Mr. Speaker, I will today introduce a sense of the House resolution urging the President and Secretary of State to impose economic sanctions, including foreign aid limitations, on countries that allow the production and exportation of drugs to the United States.

Some months ago in my district I held hearings concerning crime on Long Island and in the New York metropolitan area. The testimony presented underlined the seriousness of a problem we all know is a national tragedy. Drug trafficking has reached epidemic and unacceptable level. This resolution is not a solution, but it does represent a major step. No law in this country will protect our children and families unless we can cut the supply at the source.

| Leading illegal drug producers | Amount of U.S. aid (in millions) | |
|---|---|---|
| | 1981 | 1982 |
| 1. Pakistan (proposed for 1982–86) | 0 | $3,260 |
| 2. Thailand | $24 | 50 |
| 3. Peru | 36.7 | 32 |
| 4. Burma | 4 | 7.5 |
| 5. Bolivia | 1 | 4.5 |
| 6. Colombia | 0 | 0 |

Passing this resolution will make a crucial step toward effective action, and if successfully implemented will provide an important stimulus necessary for the United States to spur drug exporting nations toward real efforts at control I urge your cosponsorship.

## FOR WHOM THE POST POLLS

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, the Washington Post and ABC News recently conducted a public opinion poll concerning President Reagan's popularity. The Post reports today that what it called a strong plurality—47 percent—thinks the President has gone too far in his budget cuts.

But the poll itself shows that a strong plurality—49 percent—believes

the President is either doing the right thing or that even more cuts are needed.

Why the Post did not tell us on the front page of the plurality that favors the President is one of those journalistic mysteries laymen are not give to understand.

But even if a plurality was against the President—which it is not—it would be no surprise considering the well-financed propaganda war the Democratic leadership is waging.

They play partisan politics the way Van Cliburn plays the piano. They are virtuosos of criticism.

But the Democratic leadership has no program, no policy, no answers.

I hope the Post takes a poll on this question: "Would you like to see Jimmy Carter back in the White House?"

I rest my case.

## AIR TRAFFIC CONTROLLERS SHOULD BE GIVEN BACK THEIR JOBS

(Mr. GARCIA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GARCIA. Mr. Speaker, the air traffic controllers situation grows more intolerable with each passing day.

Contrary to administration and airline industry claims, the patchwork system is not performing. I know because I sat in a plane on the runway at La Guardia Airport yesterday for over 1½ hours. Consequently, I missed three important votes on the floor.

The administration has proven that it will not hesitate to exercise its authority to dismiss striking Federal employees. But it has also shown a demonstrable lack of foresight at the same time. How else can they explain the confusion and disorder that has been inflicted upon the traveling public or the disruption of the Nation's businesses.

The administration has confronted the union and apparently won. But the victory is a shallow one because the air traffic control system is nowhere near its prestrike efficiency or safety. That is why I urge the President to recall the striking controllers and resume negotiations immediately.

□ 1030

## DELAY IN SOCIAL SECURITY COST-OF-LIVING INCREASES FIRST PROPOSED BY HOUSE DEMOCRATS

(Mr. WALKER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, when President Reagan proposes the new round of budget cuts, I for one would hope that such cutting program does not include a delay in the social security cost-of-living increases next year, and that would be my recommendation to him.

But I think it is also important to realize where that proposal first came from, because it was language in the budget bill brought to this floor by TIP O'NEILL, JIM WRIGHT, and JIM JONES earlier this year that first proposed to the Nation that we delay the cost-of-living increase for 3 months for social security recipients next year. Hearing that same leadership now vilifying the President for considering such a proposal is to see a perfect example of talking out of both sides of one's mouth.

Mr. Speaker, I would hope the American people would recognize that the Democrats' protests on the subject of social security are too often classic cases of political double-speak.

## ECONOMIC WOES LAID ON PAST ADMINISTRATION

(Mr. LUNGREN asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, as one listens to the 1-minute speeches, I think one has to be reminded of a criticism that is rendered against our educational system, and that is that we lack the real understanding and appreciation of history. Without such a historical vacuum, I do not see how it could be that Members could come to the floor and condemn this President's economic policies, forgetting for the moment that those policies are yet to go into effect.

By my calendar it is still September 23. The effective date for virtually the entire economic proposal is October 1. The speakers seem to be having some difficulty remembering a period of time when double-digit inflation was unheard of. I remember a spokesman for the previous administration saying to those of us who suggested that if we followed their proposals, we would have double-digit inflation that that was absurd, that we were trying to scare the American people.

So what have they wrought? They have given us 2 years of back-to-back, double-digit inflation, with a Democratic leadership in the House and Senate and a Democratic administration. Two years of back-to-back, double-digit inflation. We have never had that before in the history of the United States. And we have had the highest interest rates in the history of the Nation since the Civil War.

Now, did that come about during this administration? No, it was the previous administration.

Mr. Speaker, it took a long time to get us into that mess. It is going to take us more than the August recess to get us out of it.

## NEW IDEAS FOR INCREASING FOREIGN LANGUAGE SKILLS

(Mr. COLEMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLEMAN. Mr Speaker, I think it goes without saying that America's foreign language capability is poor and getting worse. Stories and reports abound at our Nation's perilous position in defense, commerce, and intelligence gathering by not having adequately trained military personnel, businessmen, and attachés. Our business leaders are losing out to the Japanese and others because they lack the language skills to deal with them face to face. Ditto our military and intelligence people. And how many times have you read that the Iranian takeover of our Embassy in Tehran might have been avoided if our Embassy personnel were more in touch—that is, speaking with—the Iranians in the street. Does not it bother you that when you meet heads of state from other countries here in Washington or elsewhere that you cannot even say, "Hello, how are you?" much less converse in their native language, but that they speak perfect English, and maybe French, Spanish, Italian, German, and Japanese, too?

It is time for us to come out of our shell and catch up with the rest of the multilingual world. And we, as Members of Congress who are very visible and have many opportunities to meet foreign dignitaries, must increase our capability for language.

Through an agreement with the Foreign Service Institute of the Department of State, classes in foreign language study will be offered to Members of Congress. These classes will be held on Capitol Hill and a schedule arranged so that a maximum number of Members can be accommodated. I hope you will seriously consider learning or updating your knowledge of a second language. If you are interested, please call my office by Friday.

Perhaps we as a group can begin setting an example for others in our country to make an effort at crossing cultural lines and enriching our personal knowledge as well as that of our Nation.

## NO ALTRUISM SEEN IN SAUDI OIL POLICY

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, in defending its proposal to sell AWACS to Saudi Arabia, the administration has asserted that Saudi oil pricing "could be interpreted as subsidizing Western purchases of oil."

However, few other observers of Saudi oil pricing policy adhere to the belief that the Saudi's recent refusal to boost oil prices was an act of sheer altruism toward the West. Saudi oil price policy—according to Saudi Oil Minister Yamani himself—is motivated by Saudi economic interests only. A close look at the Saudi economy reveals that Saudi Arabia's long-term interests are based on a consistent but slow marketing of its vast oil reserves. As Yamani himself stated earlier this year, Saudi Arabia cannot allow the price of oil to rise so high that it will force increasingly conservation-minded energy consumers to develop alternate sources of fuel. The Saudis' determination to make the most money they can as fast as possible while protecting their enormous share of the oil market is also a rational policy for a regime whose own future is uncertain. One Saudi professor claims, "People feel they must race to make money before the oil is gone. They put it outside, in Brazil, in London, New York, so it will grow and if necessary they can join it."

In any case, Saudi oil policy can hardly be viewed as altruistic and deserving of military favors. If you believe that, in the words of the Wall Street Journal, "you're still waiting for the tooth fairy."

## E. MICHAEL ROLL POST OFFICE

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the bill (H.R. 4431) to provide for the designation of the E. Michael Roll Post Office, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. PEYSER). Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

H.R. 4431

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, as soon as practicable after the date of the enactment of this Act, the Postmaster General shall—

(1) designate the post office located at 6400 Marlboro Pike, Forestville, Maryland, as the "E. Michael Roll Post Office"; and

(2) install in such post office, in a place in open view of the public, an appropriate plaque indicating the designation of the post office pursuant to this Act.

The SPEAKER pro tempore. The gentleman from Michigan (Mr. FORD) is recognized for 1 hour.

Mr. FORD of Michigan. Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, at this time I would like to thank the chairman of my committee, the Committee on Post Office and Civil Service, the gentleman from Michigan (Mr. FORD), and the ranking minority member of that committee, the gentleman from Illinois (Mr. DERWINSKI), for the courtesies they have extended to bring this bill to the floor as rapidly as they have.

Mr. Speaker, I introduced this legislation calling upon the Postal Service to name its new facility in District Heights—Forestville after the late E. Michael Roll, the long-time mayor of District Heights, Md. I do this because of his tremendous work in the development of his community.

For 24 years Mike Roll led his city with a vitality not often seen in municipal government. It was he who provided the impetus for the postal facility, as he did for so many projects in his city. His achievements are many and it is a fitting tribute that we name the post office for him.

I know of no one in his community who was more loved or respected. He was always a source of inspiration for young people looking forward to a career in Government and politics, and he was an example of the kind of dedicated public leader we strive for in Government.

The realization of this honor unfortunatley will occur after his death.

I am very pleased, Mr. Speaker, that as a result of this bill a post office will be named in honor of E. Michael Roll—this is a fitting tribute to a great and good man.

Mr. Speaker, I yield back the balance of my time.

GENERAL LEAVE

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the bill H.R. 4431, now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FORD of Michigan. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## RE-REFERRAL OF EXECUTIVE COMMUNICATION NO. 2099 TO COMMITTEE ON GOVERNMENT OPERATIONS

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from the further consideration of executive communication numbered 2099, and that it be re-referred to the Committee on Government Operations.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. WALKER. Mr. Speaker, reserving the right to object, I take this time simply to ask the gentleman what the nature of the executive communication is.

Mr. FORD of Michigan. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I am pleased to yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Speaker, the communication, which transmitted draft legislation extending the period for payment of subsistence expenses to certain Government employees, amended provisions of the United States Code within the jurisdiction of the Committee on Government Operations. This request corrects the error in the referral.

Mr. Speaker, it would actually call upon us to take action within the jurisdiction of the Committee on Government Operations. We are trying to hand it back to the desk so it would go to the appropriate committee.

Mr. WALKER. Mr. Speaker, further reserving the right to object, this is acceptable to the minority, as I understand it?

Mr. FORD of Michigan. Yes, it is.

Mr. WALKER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

## INTELLIGENCE IDENTITIES PROTECTION ACT

Mr. MOAKLEY. Mr Speaker, by direction of the Committee on Rules, I call up House Resolution 223 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 223

*Resolved,* That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4) to amend the National Security Act of 1947 to prohibit the unauthorized disclosure of information identifying certain United States intelligence officers, agents, informants, and sources, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Permanent Select Committee on Intelligence, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Permanent Select Committee on Intelligence now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. No amendment to the

bill or to said substitute shall be in order except germane amendments printed in the Congressional Record on or before September 22, 1981. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the usual 30 minutes to the gentleman from Tennessee (Mr. QUILLEN) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 223 is the rule providing for the consideration of the bill H.R. 4, the Intelligence Identities Protection Act. It is a relatively simple rule, Mr. Speaker. It is an open rule providing for 1 hour of general debate. It makes in order the committee amendment in the nature of a substitute as an original bill for the purpose of amendment. And, Mr. Speaker, because the language in this bill must be written carefully in order to avoid any constitutional problems, the Intelligence Committee thought, and the Rules Committee agreed, that it would be a good idea to have amendments printed in advance in the RECORD. As a result, the rule requires that any proposed amendment must have been printed in the CONGRESSIONAL RECORD on or before September 22, 1981.

Mr. Speaker, the primary purpose of this bill, the Intelligence Identities Protection Act, is to impose criminal penalties on those who publish the names of our covert agents. Such exposure, Mr. Speaker, is a serious offense, which poses life-threatening risks to the agents themselves, in addition to the damage it does to the security interests of the United States.

One would hope, Mr. Speaker, that there would be no need for this kind of legislation. Unfortunately, that is not the case. Unfortunately, there are those who do seek to impede our intelligence activities and to endanger our agents. As a result of their publications, there have been attacks on those alleged to be our agents overseas and, in at least one tragic case, the attack caused someone's death.

In an effort to prevent the repetition of those kinds of circumstances, this bill imposes penalties on those who reveal the names of our covert agents. The penalties range from $15,000 and 3 years in prison to $50,000 and 10 years in prison, depending on the circumstances. They apply both to those who reveal agents' names after having had access to classified information, and to those who did not have direct access to classified information, if the exposure of the agents' names was done with the "intent to impair or impede the foreign intelligence activities of the United States."

The Intelligence Committee recognized, however, that in imposing these sanctions on the publication of information, they were legislating in a difficult area because of the potential for imposing on people's first amendment rights. The committee wanted to try to prevent future danger to our agents and their missions, but at the same time they wanted to be very sure not to abridge any constitutional rights. And, Mr. Speaker, they worked long and hard to do just that. The committee has struck a very careful balance; they have brought us a good bill that deserves our support.

Mr. Speaker, I urge the adoption of House Resolution 223 so that the House may proceed to the consideration of this bill.

□ 1045

Mr. QUILLEN. Mr. Speaker, I yield myself as much time as I may use.

Mr. Speaker, the able gentleman from Massachusetts (Mr. MOAKLEY) has not only described the provisions of the rule but many of the major provisions of the bill itself. The Permanent Select Committee on Intelligence is highly respected. Each Member of the House appreciates the fine job done by the chairman and the ranking member, and in fact by each member of that committee. We have confidence in what they report out.

So today I urge the adoption of the rule and when the matter is discussed on the floor of the House, in the Committee on the Whole, I urge the Committee to go with the full Permanent Select Committee on Intelligence and pass the bill as recommended.

Mr. Speaker, I have no requests for time and yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. BOLAND. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4) to amend the National Security Act of 1947 to prohibit the unauthorized disclosure of information identifying certain U.S. intelligence officers, agents, informants, and sources.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts (Mr. BOLAND).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4, with Mr. MOAKLEY, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Massachusetts (Mr. BOLAND) will be recognized for 30 minutes, and the gentleman from Illinois (Mr. MCCLORY) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. BOLAND).

Mr. BOLAND. Mr. Chairman, I yield myself such time as I might require.

Mr. Chairman, first may I congratulate the occupant of the chair (Mr. MOAKLEY) for his explanation of the rule which brings this bill to the floor.

Mr. Chairman, H.R. 4, the Intelligence Identities Protection Act, the so-called names of agents bill, would criminalize the disclosure of the identities of undercover intelligence officers or agents. Different penalties and elements of proof are established depending on whether the defendant was a present or former Government employee who acquires information from authorized access to classified information or whether the defendant derived the information disclosed from nonclassified sources.

H.R. 4 has received a great deal of public attention since it first was considered by the Permanent Select Committee on Intelligence in the last Congress. There appears to be public approval of those provisions of the bill criminalizing the disclosure of undercover identities flowing from access to classified information.

The controversy and criticism center around the section criminalizing disclosure where the defendant has not has access to classified information. This section, section 601(c), is intended to reach activities of the Covert Action Information Bulletin and similar groups. They claim they can discover the identities of our undercover officers and agents by diligently studying previously published diplomatic lists and biographical registers and comparing and collating the information contained therein with other publicly available information, having had no access to classified information. They claim it is unconstitutional to prohibit their disclosures.

Many newspapers, while denouncing such articles, have also stated that the proposed legislation violates the first amendment. Unanimously this committee disagrees.

H.R. 4 is a carefully crafted limited solution to a grave problem. It re-

sponds to an evil the Government clearly has a right to prevent. It is narrow and precise in its scope so as to give notice of the proscriptions, and it does not sweep within its purview any activities protected by the first amendment.

The Permanent Select Committee on Intelligence has been very sensitive to constitutional claims. We recognize the first amendment implications. This committee has spent many hours reaching our consensus, crafting a bill that responds to the disclosure problem without sacrificing constitutional rights. We, as well as the Senate Intelligence Committee, have spent over 2½ years dealing with this issue.

The initial version of H.R. 4, which also authorized prosecution of those with no access to classified information, was introduced on the first day of this Congress.

What we have done since then is to limit the sweep of the provision in order to meet first amendment objections: It does not inadvertently cover normal reporting; it does not cover those investigating and disclosing intelligence agency wrongdoing; nor does it cover a group's efforts to determine if any of its members are informants.

The amendments which we adopted have reinforced the committee's intent, from the very beginning of our deliberations to reach those few miscreants who have taken it upon themselves to systematically destroy our intelligence community.

Thus, to successfully prosecute an individual who discloses the identities of undercover intelligence agents but who has had no access to classified information, H.R. 4 requires the Government to prove each of the following beyond a reasonable doubt:

That the disclosure was intentional;

That the covert relationship of the agent to the United States was properly classified information and that the defendant knew it was classified;

That the defendant knew that the Government was taking affirmative measures to conceal the agent's relationship to the United States; and

That the disclosure was made as part of an overall effort to identify and expose covert agents for the purpose of impairing or impeding the foreign intelligence activities of the United States through the mere fact of such identification and exposure.

A bill so narrowly focused threatens no one's first amendment rights; at the same time, it is the minimum necessary response to the obnoxious activities of those who make it a practice to ferret out and then expose our undercover officers and agents for the purpose of destroying our intelligence collection capabilities.

Mr. Chairman, I am aware that there exists concern among some Members about the constitutionality of section 601(c).

These concerns were well expressed and fully debated in the committee.

These concerns are honest ones and should be heard.

While I am not unmindful of them. I have been swayed in favor of H.R. 4 by the precautions which have been taken in its drafting and by the conviction, which I believe is shared by the overwhelming majority of the American people, that the activity which section 601(c) proscribes is a pernicious act that serves no useful informing purpose whatsoever.

Such activity does not alert us to abuses; it does not further civil liberties; it does not bring clarity to issues of national policy; it does not enlighten public debate; and it does not contribute one iota to the goal of an educated and informed electorate.

Whatever the motives of those engaged in such activity, the only result is the complete disruption of our legitimate intelligence collection programs, programs that bear the imprimatur of the Congress, the President, and the American people.

Such a result benefits no one but our adversaries.

Mr. Chairman, I am certain that the Members are fully aware of the many bills, most of them urgent, which must reach the House floor in the next weeks.

I believe that H.R. 4 is as critical a measure as any because of the much needed protections it will provide to the dedicated men and women who serve in our Nation's intelligence services.

Further, I believe that H.R. 4 is so drafted that amendments—be they termed strengthening or weakening—will unbalance its approach.

Accordingly, I will oppose all those amendments which I am aware will be offered.

I urge the Members of the House to consider carefully the matters before them today, but I urge that that consideration be in full recognition of the consensus which this bill represents and that all amendments be defeated.

I take this time, Mr. Chairman, to commend the chairman of the Subcommittee on Legislation, the distinguished gentleman from Kentucky (Mr. MAZZOLI), and his colleagues on that committee, the gentleman from Georgia (Mr. FOWLER), and the gentleman from Indiana (Mr. HAMILTON), as well as the ranking minority member, the gentleman from Illinois (Mr. MCCLORY), and the gentleman from Ohio (Mr. ASHBROOK), for the diligence and the work and the hours that all of them have put into this very sensitive piece of legislation.

Mr. Chairman, there will be some half dozen amendments that will be offered to this bill. It is the hope of the majority of the members on the Permanent Select Committee on Intelligence that those amendments would be voted down. But we bring to the floor a bill that has the consensus, the near unanimous approval of all of the members of our committee. It is a bill where consensus has been met with our colleagues in the Committee on the Judiciary. Last year this bill was referred to the Committee on the Judiciary. This year, because of the consensus between the members of the Permanent Select Committee on Intelligence and the members of the Judiciary Committee, this bill is brought to the floor without sequential referral.

So, Mr. Chairman, I ask the members of this committee to support the bill as reported by the committee and to reject the amendments that will be offered by members, one member on our committee, and other members who are concerned about some of the provisions, and particularly section 601(c) of this bill.

Mr. MCCLORY. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I am delighted to yield to the ranking minority member of the Subcommittee on Legislation of the Permanent Select Committee on Intelligence, the gentleman from Illinois (Mr. MCCLORY).

Mr. MCCLORY. I thank the gentleman for yielding.

I just want to make a brief comment. First of all I want to commend the gentleman from Massachusetts (Mr. BOLAND), the chairman of our committee, for his very effective leadership, particularly on this issue, and for the manner in which the gentleman has delineated and described this legislation.

Particularly I want to commend the gentleman on his support of the House version of this legislation which, as the gentleman states, has been very carefully crafted following conversations which took place between members of our committee and members of the House Judiciary Committee as a result of which we were able to avoid sequential referral and thereby expedite the bringing of this measure to the floor of the House.

I certainly want to express support for that position and commend the gentleman for his support of it. I thank the gentleman for yielding.

Mr. BOLAND. I appreciate very much the comments of the distinguished gentleman from Illinois (Mr. MCCLORY).

Mr. Chairman, at this time I yield the remainder of my time to the distinguished gentleman from Kentucky, (Mr. MAZZOLI) chairman of the Legislative Subcommittee of the Permanent Select Committee on Intelligence, who has given so much of his time and effort to crafting this bill and bringing it to the floor today.

Mr. MAZZOLI. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, let me thank the distinguished gentleman from Massachusetts (Mr. BOLAND) for his very kind words. We in our committee have all worked hard, and that is why we have a bill today which has the near-unanimous support of the committee, of the intelligence community, and of the academic community. I think on that basis it reflects clearly the leadership of the gentleman from Massachusetts who was with us when we began this effort 3 years ago, two Congresses ago, and he is here today. I want to thank him for his leadership and his willingness to pay the price for the bill.

Mr. Chairman, I rise in support of H.R. 4, the Intelligence Identities Protection Act. It is a carefully crafted piece of legislation which responds in an effective and precise fashion to a problem of tremendous importance to our national security.

The problem, of course, is the public disclosure, by those who have had access to classified information, and by those who have not, of the identities of undercover U.S. intelligence personnel.

Such disclosures have a direct and harmful effect on vital intelligence collection activities and on the well-being of the men and women in such activities.

The Permanent Select Committee on Intelligence has spent a good part of the last 3 years studying the issues involved with intentional disclosure of agent identities. The issues have been complicated by the dual nature of the problem.

On the one hand, there are former CIA employees, like Phillip Agee, who have had official access to sensitive information and who disclose the names of their former comrades and other intelligence personnel. There is very little, if any, argument against the proposition that such disclosures, by those who are violating a position of trust, should be criminal offenses. These cases are clear.

Further, there is general agreement that the Government be required to prove only the fact of such an intentional disclosure. This contrasts with current U.S. espionage laws which require that the disclosure be made with intent to harm the United States or that the information disclosed relate to the national defense.

What is not so clear and where the complications arise are instances where publications, such as the "Covert Action Information Bulletin," disclose the names of undercover intelligence agents where the information disclosed came from examination of public-source documents and observation of personnel movements rather than from official access to classified information.

This vexing problem commanded a great deal of attention of the Intelligence Committee. And, the constitutional issues involved were subjected to searching scrutiny.

Because this was such a controversial area, some felt we should avoid the matter entirely and report a bill dealing simply with disclosures made by those who have had official access to classified data such as disaffected former employees.

The committee concluded, however, that half a solution was really no solution at all and that the deleterious effect of public disclosure of agent identities was just as serious when the perpetrator was one who obtained the information from other than classified sources.

Furthermore, the committee could find no beneficial effect or socially or philosophically desirable results whatsoever to flow from such disclosures.

Therefore, it was determined to proceed with legislation that would respond to both aspects of this difficult problem by means of a narrowly, precisely, and carefully crafted approach so to avoid constitutional pitfalls and so to fully protect first amendment rights.

The bill before the House today is such a carefully crafted measure and it received broad bipartisan support in the Intelligence Committee.

It would establish criminal penalties for intentional disclosure, to unauthorized persons, of any information identifying a covert agent.

The term "covert agent" is defined to include:

Employees of an "intelligence agency" (defined as the Central Intelligence Agency, the intelligence components of the Department of Defense, or the foreign counterintelligence or counterterrorism components of the Federal Bureau of Investigation (FBI), whose identities are classified and who serve outside the United States or have so served within the previous 5 years.

U.S. citizens whose intelligence relationships to the United States are classified and who reside and act outside the United States as agents of, or informants or sources of operational assistance to an intelligence agency or who are acting agents of or informants to the foreign counterintelligence or foreign counterterrorism elements of the FBI.

Non-U.S. citizens whose intelligence relationships to the United States are classified and who are present or former agents of, or present or former sources of operational assistance to, an intelligence agency.

Under section 601(a), if the defendant had authorized access to the intelligence identity which was then disclosed the penalty is a fine of $50,000 or 10 years in jail, or both.

Under section 601(b), if the defendant learned, as a result of authorized access to classified information, the identity which was then disclosed, the penalty is a fine of $25,000 or 5 years in jail, or both.

In each case, the Government must prove that the information was disclosed intentionally, that the defendant knew that the information identified a covert agent, that the identity of the agent was classified, and that the United States was taking affirmative measures to conceal the covert agent's intelligence relationship to the United States.

Under section 601(c), If the defendant has had no access to classified information prior to a disclosure of covert intelligence personnel, the penalty is a fine of $15,000 or 3 years in jail, or both.

The Government, in addition to the elements previously mentioned in 601(c) cases, has to prove that the disclosure was part of an effort to identify and expose covert agents and that this effort was intended to impair or impede the foreign intelligence activities of the United States by the act of such identification and exposure.

Section 602(b) prohibits conspiracy charges or aiding or abetting prosecutions against those who have not actually disclosed information unless an intent to impair or impede the foreign intelligence activities of the United States can be proved, or unless the defendant has had authorized access to classified information.

Section 603 directs the President to establish procedures to insure the concealment of the identities of covert agents. Any department or agency so designated by the President must provide whatever assistance the President determines is necessary in order to maintain concealment of the identities of covert agents.

Mr. Chairman, I urge passage of this important legislation. It represents, I believe, a vote of confidence by the Congress for those dedicated employees of the clandestine service whom our Government sends overseas to collect vital information.

It also demonstrates to those foreign nationals who wish to aid our Nation's cause that the Congress of the United States is determined to protect their confidentiality and secret relationship with the United States.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. MAZZOLI. I am happy to yield to the gentleman from Illinois (Mr. McCLORY).

Mr. McCLORY. I would like to ask a question regarding the effect of the amendment to section 601(c) adopted by the Intelligence Committee.

H.R. 4, as introduced, as I understand it, focused attention on the intent of the defendant in making a

disclosure. Not at the result caused by it. In committee, the language "by the fact of such identification and exposure" was added to section 601(c).

My question is: Does this new language change the focus away from the defendant's intent and rather create a "results test"?

Mr. MAZZOLI. The answer to the gentleman's question is no.

The gentleman is quite correct in his analysis of H.R. 4 as introduced—that it focused on the defendant's intent. The change made to H.R. 4 by the Intelligence Committee did not alter this at all. To have created a results test would have required changing section 601(c) to read:

Whoever intentionally impairs or impedes the foreign intelligence activities of the United States by disclosing the identities of covert agents. . . .

This we clearly did not do.

In sum, section 601(c) is only concerned with what a person intends in making a disclosure, not in what may or may not have been the result of his having done so.

□ 1100

Mr. McCLORY. If the gentleman will yield, I just want to thank the gentleman for his clarifying statement.

Mr. MAZZOLI. I have exhausted my time. I want to thank the gentleman from Illinois (Mr. McCLORY), who is the ranking minority member of our Legislation Subcommittee and a very active member of the full committee. Again I would just like to urge the sympathetic attention and unanimous support of the House for this very necessary piece of legislation.

Mr. Chairman, I reserve the balance of my time.

Mr. McCLORY. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Virginia (Mr. ROBINSON), the ranking minority member of the full Intelligence Committee.

Mr. ROBINSON. Mr. Chairman, I rise in full support of H.R. 4. It was my pleasure to push for the passage of similar legislation in the last Congress, when time stalled it, and I am most pleased that we now have the opportunity to take final action on it here on the House floor.

I would like to first join the ranking minority member, the gentleman from Illinois, BOB MCCLORY, in terms of expressing my appreciation at the complete cooperation, understanding, and willingness to help that has been exhibited by the gentleman from Massachusetts (Mr. BOLAND), who is chairman of this committee.

The time is long passed for the Congress to pass a law to punish those who, with malicious intent, jeopardize our Nation's security by disclosing the identities of our undercover intelligence agents. No other action that we could take at this time could be more helpful to our dedicated intelligence personnel, our own personnel, than its timely passage. And, similarly, it would be equally helpful to send a message to those of other countries, who cooperate with our intelligence services, that the United States has finally moved to protect their identities as well. You can imagine the impact that unauthorized disclosures have had on these very special relationships.

It makes little sense to call for better intelligence on one hand and then not take the steps needed to provide the fundamental protection required by those who are collecting that intelligence or working sensitive covert actions.

I was comfortable with the language of H.R. 5616, as reported last year, as I am with the language of H.R. 4 as introduced this year, which I was pleased to cosponsor with our distinguished chairman. The earlier version has now been strengthened by the addition of a clarifying amendment, which has just been discussed for the benefit of my colleagues through the colloquy of the gentleman from Illinois and the gentleman from Kentucky, this strengthening, clarifying amendment that focuses more directly on those who are callously and systematically engaged in an effort to do great harm to our intelligence operations by "naming names" and "names with places."

Mr. Chairman, this bill meets the critical test of constitutionality. A recent Supreme Court decision in Haig against Agee held that—

Agee's disclosures, among other things, have the declared purpose of obstructing intelligence operations and the recruiting of intelligence personnel. They are clearly not protected by the Constitution. The mere fact that Agee is also engaged in criticism of the government does not render his conduct beyond the reach of law.

The goal of the committee has been to produce not just a bill that is constitutional, but one that works to deter those who want to destroy our intelligence-gathering abilities.

Mr. Chairman, I join with our distinguished chairman, the gentleman from Massachusetts, and the other committee members who have worked so hard to develop a consensus on this bill—a consensus which very definitely is the product of the Legislative Subcommittee steered by Chairman MAZZOLI of Kentucky and ranking member MCCLORY from Illinois, and the other members of that subcommittee as already mentioned by our chairman.

H.R. 4 as reported by the full Intelligence Committee is a good and a fair approach to a difficult problem, and it deserves your support.

I urge its quick and favorable and long-overdue consideration.

Mr. McCLORY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 4, the Intelligence Identities Protection Act. This legislation—which is a direct outgrowth of a bill first proposed over 5 years ago by the distinguished Republican House leader (Mr. MICHEL)—is sorely needed to put an end to the activities of those who seek to subvert the security of our Nation by exposing the identities of our covert foreign intelligence agents.

Mr. Chairman, we would truly be derelict in our duty as the people's elected Representatives if we allow the existing abominable situation to go unrectified. The 1975 assassination of Richard Welch in Athens after being named as a CIA officer in Counter Spy magazine must not go unanswered. Last year's July 4 machinegun attack on the house of one U.S. Embassy employee in Jamaica, and the subsequent thwarted terrorist attack on another employee's home a few days later, after each was named as a CIA officer by Covert Action Information Bulletin editor Louis Wolf, must not go unanswered. And, the terrible harm to our national security caused by the wanton disclosures by misdirected and irresponsible individuals must not go unanswered. We must act now.

Mr. Chairman, this bill would punish those who engage in an effort intended to impair or impede U.S. intelligence activities and who further that effort by making a disclosure of the identity of one or more covert agents. However, this bill would not punish those who make any other statements, deliver any other speeches, or write any other articles aimed at impairing such activities—no matter how inaccurate or ill-advised.

In other words, Mr. Chairman, this bill would in no way affect the activities of those who seek to inform, not destroy.

Mr. Chairman, I cannot actually find any significant objection to achieving the goals embodied in the "Intelligence Identities Protection Act". The controversy surrounds the means employed.

The approach proposed by the Intelligence Committee—after extensive hearings, staff work, and committee debate—is three tiered. The first two tiers apply to individuals who gain access to information identifying covert intelligence agents through authorized or quasi-authorized fashion.

The third tier, section 601(c), would punish anyone who discloses an agent's identity. But only if the disclosures are made "in the course of an effort to identity and expose covert agents with the intent to impair or impede the foreign intelligence activities of the United States by the fact of such identification and exposure."

In the view of the Intelligence Committee, and with this I firmly agree, the intent requirement of section

601(c) provides the Government with a strong and effective new law—while well protecting legitimate journalistic endeavors and avoiding constitutional objections.

In studying section 601(c), it is interesting to compare it with existing law. As to the crucial issue of criminalizing the disclosure of information obtained other than from classified sources, section 798 of title 18 prohibits anyone from disclosing cryptographic information or any information obtained though communications intelligence. And, section 224 of the Atomic Energy Act (42 U.S.C. 2274) prohibits disclosure of atomic energy information. Both of these statutes apply to information no matter how obtained.

Mr. Chairman, there has been much discussion in the weeks leading up to this body's consideration of this legislation as to the relative merits of this bill's intent standard and the reason to believe standard presently embodied in the bill being considered in the other body. After a great deal of consideration of both bills. I have found H.R. 4 to provide the most effective tool for putting an end to the damaging disclosures of the identities of covert agents.

H.R. 4 and the bill being considered in the other body (S. 391) are actually very similar. However, while—as has been noted—H.R. 4 requires that an individual be shown to have acted with intent to impair or impede the foreign intelligence activities of the United States, S. 391's version would require a showing that the individual had "reason to believe" that such would occur.

On balance, "reason to believe," as in S. 391, is easier to prove than specific intent, as in H.R. 4, for the former is an objective test—that is, what would a reasonable person believe—whereas the latter requires proof of the actual state of mind of the person on trial—that is, what did the defendant, Joe Smith, really intend to accomplish by disclosing the agent's name. This, on the surface, seems to favor the Senate standard, but there are serious drawbacks to it—drawbacks which ultimately weigh against it decisively.

Under S. 391 a defendant would try to show that a reasonable person—and, therefore, he—would not have had "reason to believe" that U.S. intelligence activities would be impaired by his disclosure. Because reality is relevant to what a reasonable person—and, therefore, what the defendant—would or would not have "reason to believe," a valid defense, under the "reason to believe" standard could include a showing that the activities of U.S. intelligence agencies were substantially the same after the disclosure of the agent's identity as they were prior to it. This could force the Government to disclose a great deal of sensitive, classified information at trial notwithstanding the passage of last year's graymail bill—as the defendant would be able to force from the Government information in support of his position. For example: What was CIA doing in country X before the disclosure? What is CIA doing there now?

H.R. 4's intent standard, on the other hand, totally ignores the actual effect a disclosure might have had and therefore would not allow for such a defense because even if the disclosure had no effect on U.S. intelligence activities, this would not serve to disprove the defendant's intent. This would be analogous to a defendant charged with attempted murder pleading that the fact that the alleged victim is still alive proves that the defendant did not intend to kill him.

I believe that H.R. 4, on its own and read in the light of existing law, more than passes constitutional muster. In the end, of course, laws, to be fair, must be applied fairly. Only a law that is fair on its face and in its application can have desired social effects within constitutional bounds.

H.R. 4, as reported by the Intelligence Committee, is a good and fair approach to a difficult problem. Both the CIA and the Department of Justice believe that it can effectively meet the needs of our intelligence community. It deserves your support.

Mr. Chairman, I urge the House to pass H.R. 4—without amendment.

Mr. MAZZOLI. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Georgia (Mr. FOWLER), a very helpful member of our committee.

Mr. FOWLER. Mr. Chairman, I rise in support of H.R. 4, the Intelligence Identities Protection Act, as reported by the House Intelligence Committee. While the clear intent of this measure is to maintain vital U.S. intelligence-gathering capabilities and to penalize those who wantonly seek to weaken such capabilities by placing our intelligence operatives in jeopardy, most of the concern about H.R. 4 centers on the bill's potential impact on first amendment rights. Therefore, I will focus my remarks on that area.

It is my firm belief that H.R. 4 addresses a real and compelling problem, that it successfully passes the stringent tests which are properly applied to any attempt to legislate restrictions on freedom of expression, that it devises an appropriate and effective response to an identified problem, that it is not overbroad in its coverage, nor will it have a chilling effect on public discussion or criticism of intelligence operations and policy.

NEED FOR THE LEGISLATION

There is general recognition that U.S. human intelligence-gathering programs have suffered in recent years. This is partly attributable to administrative and budgetary decisions that have attempted to respond to changing circumstances and priorities for U.S. intelligence. Human intelligence-gathering capabilities have been also affected by the reaction against the abuses of authority within the executive branch which were uncovered by congressional and journalistic investigations in the early seventies. It is not clear what we in the Congress can or should do about these problems.

But, in the case of a third obstacle to our human intelligence programs there should be far less uncertainty. I am referring, of course, to those instances where the U.S. intelligence community has been subjected to a systematic effort, by certain individuals and publications, to expose the identities of its agents for the express purpose of hampering its ability to operate clandestinely overseas in the interest of our country.

To illustrate, former CIA agent Phillip Agee has written two books—"Dirty Work: The CIA in Western Europe" and "Dirty Work 2: The CIA In Africa"—which revealed the names of over 1,000 alleged CIA agents. Agee's magazine Counter Spy had similarly sought to expose American intelligence operatives and one of the individuals it identified, Richard S. Welch, who was a CIA station chief in Athens, Greece, was subsequently murdered in front of his home.

Covert Action Information Bulletin, which succeeded Counter Spy and which contains a separate section specifically devoted to naming names of covert agents, claims to have disclosed the names of over 2,000 CIA officers. In July of last year, the coeditor of the publication, Louis Wolf, publicly charged that Richard Kinsman and 14 other U.S. Embassy officials in Jamaica were CIA agents. Less than 48 hours later Mr. Kinsman's home was attacked by submachineguns and explosives.

Such disclosures would be reprehensible enough if the harm were limited to individual intelligence operatives. However, the continuing exposure of the identities of American intelligence agents has significantly damaged the ability of our intelligence community to fulfill its primary responsibility of supplying policymakers with detailed and accurate information about important developments abroad. This damage results from both the loss of experienced agents, through forced retirement or relocation, and the loss of confidence among potential sources of sensitive foreign intelligence information about our ability to protect their identities.

Current law is demonstrably insufficient in combating deliberate disclosures of U.S. intelligence identities. Former Attorney General Civiletti stated that:

Existing law provides inadequate protections to the men and women who serve our nation as intelligence officers. They need—and deserve better protection against those who would intentionally disclose their secret mission and jeopardize their personal safety by disclosing their identities.

The most telling proof of the need for the legislation before this House today lies in the fact that none of the willful disclosures I just mentioned have led to indictments under our espionage and other laws designed to protect classified information.

FIRST AMENDMENT QUESTIONS

As I stated at the outset, the major controversy surrounding H.R. 4 involves the issue of freedom of speech. This is as it should be, because there is no area requiring greater care in our duties as legislators than that of free speech, and I would hold with Jefferson that when we are faced with competing claims between governmental authority and a free press we should display a bias toward the latter.

But no right, not even first amendment ones, can exist as an absolute or in a vacuum. In the words of that great parliamentarian Edmund Burke:

Abstract liberty, like other mere abstractions is not to be found. . . . Liberty, too, must be limited in order to be possessed.

This viewpoint finds ample support in a multitude of judicial interpretations of the first amendment, spanning the entire history of our country.

The document "The Constitution of the United States of America, Analysis and Interpretation," prepared for the 92d Congress, states of the original intent of the drafters of the first amendment that—

Insofar as there is likely to have been consensus, it was no doubt the common law view as expressed by Blackstone.

On the question now at issue Blackstone wrote:

The liberty of the press is indeed essential to the nature of a free state; but this consists in laying no previous restraints upon publications, and not in freedom from censure for criminal matter when published . . . To punish . . . any dangerous or offensive writings, which, when published, shall on a fair and impartial trial be adjudged of a pernicious tendency, is necessary for the perservation of peace and good order, of government and religion, the only solid foundations of liberty.

Concurring in the case of Whitney against California (1927) Justice Brandeis concluded that free speech rights could be restricted "if the particular restriction proposed is required in order to protect the State from destruction or from serious injury, political, economic, or moral."

In the 1950 case of American Communications Association, CIO against Douds, the Supreme Court found:

Although the First Amendment provides that Congress shall make no law abridging the freedom of speech, press or assembly, it has long been established that those freedoms themselves are dependent upon the power of constitutional government to survive. If it is to survive it must have power to protect itself against unlawful conduct, and under some circumstances, against incitements to commit unlawful acts. Freedom of speech thus does not comprehend the right to speak on any subject at any time.

The Court provided more specific guidance in the 1966 case of Elfbrandt against Russell:

A statute touching (First Amendment protected) rights must be "narrowly drawn to define and punish specific conduct as constituting a clear and present danger to a substantial interest of the state." . . . Legitimate legislative goals "cannot be pursued by means that broadly stifle fundamental personal liberties when the end can be more narrowly achieved."

Finally, in Broadrick against Oklahoma (1972), the Court declared:

It has long been recognized that the First Amendment needs breathing space and that statutes attempting to restrict or burden the exercise of First Amendment rights must be narrowly drawn and represent a considered legislative judgment that a particular mode of expression has given way to other compelling needs of society.

I challenge anyone to claim that the systematic disclosure of overseas intelligence operatives does not present "a clear and present danger to a substantial interest of the state."

I challenge anyone in this Chamber to disagree with the House Intelligence Committee's finding with respect to the disclosures made by these publications:

The unauthorized disclosure of the names of undercover intelligence agents is a pernicious act that serves no useful information function whatsoever. It does not alert us to abuses; it does not further civil liberties; it does not enlighten public debate; and it does not contribute one iota to the goal of an educated and informed electorate. Whatever the motives of those engaged in such activity, the only result is the disruption of our legitimate intelligence collection programs—programs that bear the imprimatur of the Congress, the President and the American people. Such a result benefits no one but our adversaries.

TERMS OF THE BILL

The Intelligence Identities Protection Act addresses the vulnerability of our overseas intelligence operatives in two ways. First, it criminalizes the disclosure of their identities, and second it requires the President to develop more effective methods for preserving their cover. While the former provisions have drawn most of the attention, I believe that in the long run the portions of the legislation concerning improved cover, and the heightened attention to this area they will produce, will prove to be more significant in protecting our intelligence agents.

With regard to the criminal provisions, H.R. 4 establishes three categories of offenses for the intentional disclosure of information identifying covert operatives to unauthorized persons.

The first category includes those who have had authorized access to classified information specifically identifying a covert agent while the second group involves individuals who learn of a covert identity "as a result of having authorized access to classified information" though not necessarily to specific information identifying the covert agent. A person in either of these two categories is criminally liable under H.R. 4 if they intentionally disclose any information correctly identifying a covert operative to an individual not authorized to receive classified information. Furthermore, they must know that the information will in fact identify the agent and that the United States is making an effort to conceal that identity.

Penalties for the first category, those who have had access to specific classified information identifying the intelligence operative, would be a fine of up to $50,000, imprisonment for up to 10 years, or both. For the second category, the penalties would be somewhat lighter, up to a $25,000 fine and/or 5 years imprisonment, because it is assumed that they have violated a lower level of public trust than those who had direct, authorized access to intelligence identities.

The main controversy surrounding this legislation centers on the third category of offense, which covers those cases where the offender did not have authorized access to classified information. Since this group could encompass anyone who revealed the name of an American intelligence official—including journalists—special care had to be given to protect first amendment rights of free speech.

The committee did this by limiting criminal liability in the third category to those who disclose agents' identities in the course of an effort to identify and expose covert agents, which effort is intended to impair or impede U.S. foreign intelligence activities by the fact of such identification and exposure. In addition, to fall into this category an individual would also have to meet the standards of proof established for the first two categories: That the disclosure correctly identifies a classified covert identity, that the disclosure is intentional, that the discloser knows that the revealed information will in fact identify the intelligence agent, and that the discloser knows that the U.S. Government is taking affirmative action to conceal the agent's identify.

Penalties for this category of offender are less severe than for the other two: Up to $15,000 in fines or up to 3 years imprisonment, or both.

Let me be very clear that the committee's intent in this area was not to criminalize exposes by legitimate journalists, nor revelations by whistle-

blowers, nor efforts by newspapers, churches, or universities to determine whether, in violation of their own policy, an employee is also an intelligence agent. What was intended was to provide some narrowly constructed statutory protection for overseas U.S. intelligence officials against systematic disclosures by certain publications who have undertaken to uncover and publicize wholesale lists of individuals whose only crime seems to be their association with U.S. foreign intelligence operations.

The two major remaining sections of the Intelligence Identities Protection Act define the intelligence operative whose identities are to be protected and establish the defenses that are available for an individual charged under the terms of the bill.

Briefly, the following intelligence identities are covered by H.R. 4 protection: Officers or employees of a U.S. intelligence agency whose identity is properly classified and who are serving, or have served within the past 5 years, outside the United States; U.S. citizens inside the United States whose identity is properly classified and who are agents of, informants, or sources of operational assistance to the foreign counterintelligence or counterterrorism operations of the FBI; U.S. citizens outside the United States whose identity is properly classified and who are agents of, informants, or sources of operational assistance to a U.S. intelligence agency; and non-U.S. citizens whose identity is classified and who are present or former agents of a U.S. intelligence agency or who are informants or sources of operational assistance to a U.S. intelligence agency.

Finally, defenses to prosecution are established to include: Cases where the United States has publicly acknowledged or revealed the intelligence relationship in question; nonparticipation in the actual disclosure of the information identifying a covert agent, except where the individual acted in the course of an effort to identify and expose covert agents with the intent to impair and impede U.S. foreign intelligence or has authorized access to classified information; and cases where the information in question is transmitted to the House and Senate Intelligence Committees.

CONCLUSION

An effective intelligence-gathering capability is as important as, and in some cases more important than, Armed Forces in protecting our national security.

Accurate information on events overseas, whether it involves weapons developments by potential adversaries or decisions affecting the price and availability of a critical resource like petroleum, is an invaluable aid in formulating our foreign and defense policies. Incorrect information, on the other hand, can lead us to make costly and sometimes dangerous mistakes.

As is true of two pieces of legislation reported recently by the Intelligence Committee and enacted by the Congress last year, namely the Classified Information Procedures Act and the Intelligence Oversight Act, the Intelligence Identities Protection Act is an attempt to enhance the ability of our intelligence community to perform its assigned role in a manner consistent with our national interests and values.

I urge a favorable vote on H.R. 4.

□ 1130

Mr. McCLORY. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. ASHBROOK), a distinguished and valuable member of the Select Committee on Intelligence.

Mr. ASHBROOK. At least before I say what I am about to say.

Mr. Chairman, a few minutes ago my friend and colleague, the gentleman from California (Mr. ROUSSELOT) said, "Give me a very brief description of why you are offering your amendments and the difference with the committee version."

My response to him was the difference is that my amendment would knock out of the American Civil Liberties Union compromise in the language of this bill. It is just that simple.

I would give the gentleman five good reasons why we should not support H.R. 4 as it stands now. Five good reasons why we should support either the Senate version or my amendments to bring H.R. 4 up to speed.

First, I will lay it out flat. The language that I object to is American Civil Liberties Union language. Our committee accepted this as a compromise. I understand that. The compromise was necessary, they think, because we are so anxious to get a bill that protects the agents that we would even make that kind of compromise with the ACLU to get H.R. 4 passed.

I will not make this compromise and I hope the Members of this body do not. If anybody wants to take this charge to task, I can give them chapter and verse, where the language came from and how it got there. We have the ACLU internal documents. There is no doubt in my mind, I will say it factually, it is not our language, it is theirs.

The President of the United States supports and prefers the language that I have offered and supports the Senate version which is identical.

I hope most of the Members got the letter that I sent out last night which contained the President's own letter. That letter states that—

Any change to the Senate version would have the effect of altering this carefully crafted balance. I cannot overemphasize the importance of this legislation. I hope I can have your support in reporting S. 391 without amendments.

The third point I would make is that the people who know the most about it, the Central Intelligence Agency, support and prefers the Senate language. A letter is used by the opposition that indicates the CIA would accept the compromise language. True, but read the letter carefully. It says they prefer Senate 391. The operative word is "prefer."

For the Association of Former Intelligence Officers, the group that knows the most, those that are out in the field and—I for one am sick and tired listening to people at the top. Listen to those in the field, listen to those who live with the law out in the trenches. They want S. 391. They want my amendments. That is the fourth reason.

Fifth, talk to the wives, the families of those who have been out in the field, who have had their families, their homes, their husbands, attacked by agents of enemy powers, as a result of a disclosure of names of their loved ones.

I put a letter in the RECORD last night—unfortunately it did not get printed because I made a mistake, I put too much extraneous matter in, which I often want to do.

I included a letter by Mrs. Sheila Kinsman in my remarks, a three-page letter, pleading and imploring the Members of Congress to pass the most stringent language possible to protect people like her husband who was the target of attack in Jamaica after the disclosure of his name by the enemies of our country, not just the CIA, who we are talking about today and trying to provide good language which will insure their prosecutors.

Five good reasons why either Senate 391 or my amendments to H.R. 4 are necessary. I support H.R. 4 with amendments. But, to repeat, I see no reason whatsoever that the Members of this body should accommodate what we think is right to the requests, the demands or whatever we want to call it of the American Civil Liberties Union. We simply should not let Jerry Berman, and not let Morton Halperin, have that kind of influence on this body.

I understand how it was done. I recognize why it was done. And in my remarks, if my colleagues will read my dissenting opinion in the committee report, it is very clearly shown exactly how it happened.

On July 13, 1981, Halperin and Berman visited the CIA Headquarters building in Langley to discuss a compromise on the names of agents bill in exchange for modifying the language in section 501(c) which is now 601(c). They promised that their supporters would not try to delay this bill.

Three days later, our committee met and adopted the compromise as laid out by the American Civil Liberties

Union. It was done in good faith—I understand why—because there is a desire to protect the agents, there is a desire to make sure this bill is not again delayed. Very possibly it would have been delayed had not that concession been made. We don't have to ratify that concession and we should not.

I did not agree to that compromise. I did not agree to it then, I do not agree to it now, and I hope the majority of this body will support my amendment.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Illinois.

Mr. McCLORY. I thank the gentleman for yielding.

I want to say very forthrightly to the gentleman, as far as the language in this legislation is concerned, I am not aware of the gentleman's statement of its origin with the ACLU. I do know that in my conversations with representatives of the CIA that they have indicated that they would support this language, and I likewise have a letter from the Association of Former Intelligence Officers, just dated yesterday, which states that they support the early enactment of H.R. 4.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. ASHBROOK) has expired.

Mr. McCLORY. Mr. Chairman, I yield 1 additional minute to the gentleman from Ohio (Mr. ASHBROOK).

The letter states they support the early enactment of H.R. 4 either with the version in H.R. 4 or S. 391.

So that I am very anxious to cooperate with them, too, and I feel that they are satisfied with the language in the House bill.

Mr. ASHBROOK. My colleague very carefully and properly made a distinction which I do not make. He said they support it. He also knows what they prefer. Will he state to the Members of this body what they are on record as saying, what they prefer? They prefer the Senate language, do they not, in the same letter the gentleman received? It indicates they prefer Senate 391? The gentleman has the letter in front of him, I would say to my colleague.

Mr. McCLORY. In the letter that I have they just state that they are concerned about the importance of this legislation and they urge the early enactment of either S. 391 language or H.R. 4 language.

Mr. FOWLER. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Georgia.

Mr. FOWLER. I thank the gentleman for yielding.

Would my distinguished colleague from Ohio not agree—as I think we can agree—that the CIA recognizes the acute nature of this problem, which all of us are attempting to address, and the CIA, and all of our defense establishments, prefer that version which will stand constitutional muster?

The CHAIRMAN. The time of the gentleman from Ohio (Mr. ASHBROOK) has again expired.

Mr. McCLORY. I yield 1 additional minute to the gentleman from Ohio (Mr. ASHBROOK).

Mr. FOWLER. If the gentleman will yield further, I would like to refresh the memory of my colleague in the well with the testimony, before our committee of the former CIA counsel, Daniel Silver, and I quote:

It is from my point of view as a lawyer clear to me that without a specific intent element a statute that applied to someone who dealt only with unclassified information and phenomena would have serious constitutional problems, but this bill which your committee has very carefully drawn avoids those problems.

The specific intent was put in there not because of who suggested it or who proposed it after 2 years of debate, but to try to meet constitutional strictures, and that is why a specific intent standard is preferred by this committee, the majority of our committee, rather than "reason to believe"——

Mr. ASHBROOK. If I may reclaim my time, laying his opinion against that of the Attorney General of the United States, the President of the United States, the person most responsible for discharging the law, indicates the Attorney General advises him the Senate version of this legislation is legally sound from a constitutional standpoint.

The CIA counsel says it is legally sound from a constitutional standpoint. They indicate both versions.

I would acknowledge the gentleman's version is and I hope the gentleman will not try to say S. 391 is not constitutionally sound because all of the sound authorities, the Attorney General, the CIA, our staff, virtually everyone that has dealt with both of them say both versions are sound. I hope the gentleman would not try to indicate that is not the case.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. ASHBROOK) has expired.

Mr. MAZZOLI. Will the chairman advise the gentleman from Kentucky of the time remaining.

The CHAIRMAN. The gentleman from Kentucky (Mr. MAZZOLI) has 11 minutes remaining.

Mr. MAZZOLI. Mr. Chairman, I yield 1 minute to the gentleman from Ohio (Mr. ASHBROOK).

Mr. FOWLER. If the gentleman will yield further, in response to my friend from Ohio, I believe that the overwhelming weight of the testimony from experts in the field, both constitutional scholars and those within our Nation's intelligence agencies, whom we are trying to protect, evidenced serious concerns that the standard that the gentleman from Ohio proposes would not meet constitutional tests because it would criminalize disclosures of information derived from unclassified sources by people who have not had access to classified information on the basis of a negligence standard, a standard most often used for torts.

□ 1130

In my statement, I attempted to trace the constitutional history, the case history of precedents requiring specific intent when we criminalize first amendment activity.

I would simply urge that it is as a result of the committee's 2 years of deliberations on this matter under the leadership of Chairman BOLAND and subcommittee Chairman MAZZOLI.

Mr. ASHBROOK. Mr. Chairman, if my colleague will let me take the last 15 seconds, we clearly cannot discuss it in 1 minute. We will under my amendment.

Mr. MAZZOLI. Mr. Chairman, I yield such time as he may consume to a distinguished member of our subcommittee, the gentleman from Indiana (Mr. HAMILTON).

Mr. HAMILTON. Mr. Chairman, I rise in support of H.R. 4, the Intelligence Identities Protection Act.

Mr. Chairman, most Americans are shocked and dismayed when they see:

A former CIA employee previously entrusted with classified material publicly revealing the names of covert CIA agents; or

When they learn of the various groups of our citizens who systematically try to ferret out and publish the names of agents in order to harm U.S. intelligence activities.

One such group, publishing the Covert Action Information Bulletin, operates within a few steps of the Capitol, and regularly runs a feature titled "Naming Names," revealing 10 to 20 agents per issue.

However, Americans are even more shocked and dismayed when they learn that there is basically no criminal statute to specifically prohibit the unauthorized release of such classified information. Prosecuting under the general and vague espionage laws would require the Government to reveal additional sensitive information, and thus may itself cause additional harm to our intelligence capabilities.

The result has been a hesitancy by the Justice Department to prosecute, and that unfortunately has led to a significant increase in the publication of books, newspapers, and magazines purporting to disclose the names of U.S. covert intelligence agents. It has been estimated that over the past few years, more than 2,000 such names have been publicly revealed, and yet

not even one individual has been imprisoned for releasing any of them.

Disclosure of the names of agents may take many forms:

From the disgruntled former CIA officer who decides to turn on his fellow workers, to the respected reporter who may identify an agent incidentally in the course of a legitimate exposé on newspaper reporters working covertly for the CIA.

In this bill, H.R. 4, we are not proposing that every individual revealing an agent's identity under any circumstances be subject to criminal penalties. Such an across-the-board prohibition would have a chilling effect on free speech and would no doubt be unconstitutional.

Rather, we are restricting the legislation only to three types of unauthorized disclosure:

First, disclosure by Government officials and others entrusted with access to classified information that identifies covert agents;

Second, disclosure by those with access to classified information that allows them to discern such identities; and

Third, disclosure by those without access to classified information who are in the business of ferreting out and naming names in order to disrupt U.S. intelligence activities.

The bill does not apply to casual discussion, political debates, legitimate journalism, and the like.

Although the committee was unified in pursuing this goal, it proved extremely difficult to find precise language to do exactly what we wanted. The section addressing those in the business of naming names without access to classified information, section 601(c), presented the major difficulties.

On the one hand, we wanted to make the language narrow enough so that we did not also make criminal, for example, the actions of legitimate journalists. On the other hand, we did not want to make the language too narrow so that groups like the publishers of the CAI Bulletin could easily sidestep the law by simply redescribing or restructuring what they are doing.

The task provided especially troublesome: Since the time the committee first took up trying to draft such language some 3 years ago, we probably have seriously considered more than 15 different versions of this section. The versions all involved subtle changes in emphasis. We changed the language from:

Talking of patterns of activities to talking of efforts;

From talking of harming the effectiveness of covert agents to talking of harming the effectiveness of U.S. intelligence activities; and

From talking of purposes to talking of intentions.

The language that we finally agreed on in H.R. 4 as reported strikes a reasonable balance, and I believe that Chairman BOLAND and subcommittee Chairman MAZZOLI should be congratulated. In essence, our final language in section 601(c) properly focuses only on those in the business of naming names by requiring:

That they must be engaged in a general effort to identify and expose covert agents;

That the disclosure must be intentional, consciously and deliberately willed; and

That they must have a specific intent to harm U.S. foreign intelligence activities by the disclosure.

I believe that this language and the expanded legislative intent in our committee report is a good and reasonable attempt to include under the law those we wanted to include, and exclude those we wanted to exclude. No one would maintain that our language is infallible or that it is precisely what everyone wanted. However, it presents a reasonable compromise.

Our full committee accepted it by a clear majority vote, and the Judiciary Committee found it acceptable enough not to request sequential referral;

The CIA has found it acceptable and the Justice Department says that it could satisfactorily prosecute under it;

Legal scholars before the committee testified that it appears constitutional; and

Even outside groups on divergent ends of the political spectrum who publicly murmur about the bill have said privately that they could live with it.

Today we will hear criticism on both sides: Some may argue that we have drawn the language too tight; others that we have not drawn the language tight enough. I believe that we have carefully weighed the alternatives and that we have finally arrived at a proposal that strikes a reasonable balance:

We have drafted language that makes illegal, disclosure by those entrusted with access to classified material or by those in the business of naming names in order to harm U.S. intelligence; and

We have carefully avoided being overzealous and possibly ensnaring unintentionally those we do not wish to catch, that is, legitimate journalists or whistleblowers.

Mr. Chairman, I urge the adoption of H.R. 4.

Mr. MAZZOLI. Mr. Chairman, if the gentleman from Illinois will indulge the gentleman from Kentucky, I would like to yield 2 minutes to the distinguished gentleman from California (Mr. EDWARDS), and then get back into the regular order.

Mr. EDWARDS of California. Mr. Chairman, I rise in opposition to H.R. 4. The bill creates three new criminal offenses. The first two prohibit persons who have had authorized access to classified information from revealing the identity of certain covert intelligence agents. I support the effort to punish those who would abuse their positions of trust to the detriment of the lives and safety of our intelligence agents overseas as well as U.S. national security interests.

On the other hand, the third category, section 601(c) of the bill, however well intentioned in its effort to prevent exposure of our covert agents, tramples on protected first amendment freedoms. For the first time in American history, the publication of information obtained lawfully from publicly available sources would be made criminal.

I recognize and applaud the efforts made by the Intelligence Committee to narrow the scope of section 601(c) to keep it within constitutional bounds. Nevertheless, it is my firm belief, which is supported by many noted constitutional experts, that no amount of tinkering can rehabilitate a law which criminalizes constitutionally protected freedoms of speech, press, and political expression.

Moreover, the bill allows no exception where disclosures are aimed at revealing illegal activity. Oversight of our intelligence activities, traditionally exercised by all the American people, the press, and the Congress will instead be relegated solely to the two already overburdened Intelligence Committees. Recent events concerning the disturbing activities of the top echelons of the CIA demonstrate that greater accountability is necessary rather than less.

The best solution is to concentrate our efforts to improve the cover provided the CIA, and any other covert agents operating on our behalf overseas, not to create criminal penalties which stem the flow of information only to our own public and do little to protect our agents from hostile powers overseas.

I urge you to vote against this bill.

And, Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

I firmly believe officers, employees, and sources that operate covertly on behalf of American foreign intelligence must be protected from harm and exposure. I share the alarm of my colleagues arising from callous and irresponsible disclosure of names of covert agents. However, I believe that the goal of maintaining secrecy and minimizing risk of harm can be achieved by less onerous means.

The portion of H.R. 4 which I question is section 601(c). This section is aimed primarily at private citizens and the press who gain knowledge of agent identities from either public or classified sources. In both instances, first

amendment interests are compromised.

The Intelligence Committee attempted to alleviate the adverse impact on the first amendment by adopting language that narrows the intent requirement. Criminality hinges on a finding that the identification was made "knowingly," with "an intent to impair or impede the foreign intelligence activities of the United States" and "in the course of an effort to identify and expose covert agents," and by adding a requirement that the disclosure intend "to impair or impede the foreign intelligence activities of the U.S. by the fact of such identification and exposure." While I applaud the committee's efforts, I remain convinced that no amount of tinkering can render this section constitutional, as long as it seeks to criminalize publication of information already in the public domain. These judgments all are highly subjective, thereby leaving the door open for less cautious officials to level this provision at a broad class of individuals, many acting within the Constitution.

The requisite intent can be inferred whenever the publication exposes and thereby diminishes the effectiveness of an intelligence agent or activity. Further, the intent requirement itself may have "the effect of chilling legitimate critique and debate."

In addition, it is clear that the name need not actually be revealed to constitute "identifying information." In some circumstances, simply noting the agent's title and location may be sufficient to reveal his identity. Thus, the number of details that must be omitted, and the consequent loss of credibility, is also a vague, expandable concept.

Finally, the concept of "in the course of an effort" offers no real protection. As a Society of Professional Journalists witness noted during the debate on this bill last year, "a journalist who is assigned to cover the intelligence community on a regular basis may indeed establish a pattern of reporting the names of agents or sources in the course of legitimate coverage of the CIA."

Furthermore, even if the revelation was a single story or a single incident, it is not clear that the act of investigating the story and preparing to publish it are insufficient to meet the Government's concept of "effort." The Department of Justice repeatedly has emphasized that the effort need not consist of a pattern of disclosure, but rather may be simply a pattern of acts with a purpose of disclosing.

I am not alone in this view. Distinguished constitutional scholars from around the country have also criticized section 601(c) and its predecessors as being both unwise and unconstitutional.

Consider this from Stephen Saltzberg of the University of Virginia Law School:

When it comes to punishing people who have figured out the identity of an agent on the basis of information available to the public, I think there are enormous problems to overcome. In fact, they cannot be overcome when all is said and done.

I recognize that the intent element of Section [601(c)] is the thread of hope for saving the statute, but in my view the thread is not strong enough. To punish people who want to impair or impede the foreign intelligence activities of the United States is to threaten anyone who favors a cutback in foreign intelligence gathering, or controls on the manner in which information is gathered; and it is a threat that cannot withstand scrutiny under the First Amendment. If a person does research in the library or archives and learns that *X* has been involved in intelligence work in Iran or Afghanistan, and the person believes that the nature of the work is not suitable for our government, can this person's mouth be closed by a statute like Section [601(c)]? Is it really permissible to prevent people from trying to get the government to change its ways by publicly disclosing what has been going on in order to criticize it? I doubt it. The line between an intention to impair the intelligence activities of the United States and an intention to seek a modification of the intelligence activities of the United States is one that is too fine for me to perceive.

Of course, the First Amendment involves balancing of interests. The need for the United States to protect its officers and agents is surely real and great, but the First Amendment is at its strongest when people are speaking out against the government, criticizing what it and its agents are doing. And I think the balance here will be in favor of speech.

Section 601(c) prohibits publication of identifying information even if the reporter or private individual derived the identity or identities wholly from public sources. This includes disclosures based upon inferences drawn from the Government's own nonclassified documents; it includes the publication of "common knowledge" as to who is a CIA agent or source in a particular area; it includes the revelation by an organization, such as a missionary church, newspaper, or university, based on its own internal investigation, that some of its members—contrary to the organization's policy—have acted as sources for the CIA; it includes republication of disclosures made by others. The limit on how public this information must be before prosecution will is left to the discretion of political appointees.

Moreover, section 601(c) criminalizes disclosures under a wide variety of circumstances. Try as the House Intelligence Committee did to limit the bill, I still believe it will forbid both wanton and callous disclosures as well as those that serve a socially useful purpose. It will create an unprecedented dilution of the notion of what constitutes freedom of speech and the press by criminalizing the utterance of publicly available information without a showing that the national security is at stake; indeed, there is no requirement that any adverse impact be felt by reason of the disclosure in order to constitute a crime.

I am also concerned about the wide range of individuals covered by this legislation. I believe this overinclusiveness adds to the constitutional problems of this bill.

A covert agent is defined to include not only intelligence officers or employees serving covertly outside the United States, but also anyone who is a "present or former agent of, or a present or former informant or source of operational assistance to an intelligence agency."

"Informant" is defined broadly as "any individual who furnishes information to an intelligence agency in the course of a confidential relationship protecting the identity of such individual from public disclosure." It is clear, therefore, that thousands of individuals fit this description, and that the bill is primarily a source protection bill for the CIA and the FBI. Regardless of the merits of their need for protection, the breadth of the definition broadens the restraint of free speech.

Furthermore, it is not clear that protecting the identity of sources, who may be in no greater peril than any other law enforcement informants, weighs as heavily against the need for open discussion of American foreign affairs as does the protection of employee identities.

Indeed, the original position of the Attorney General, when this bill's predecessor was under discussion last Congress, was solely to protect from harm the "men and women who serve our Nation as intelligence officers." Likewise, the FBI Director, in seeking FBI coverage, originally spoke only of "employees."

This expanded purpose should alert us to the danger of future additions to the definition of disclosures that impair American intelligence activities. Congress could criminalize the disclosure of many other matters derived from public information, such as the content of the covert activities themselves, the methods used, and so forth. The fact that those activities may have been in clear violation of American law or policy would be no defense. How will the line be drawn when so much information relevant to public debate arguably could impair or impede intelligence activities or foreign relations or national defense?

For these reasons, I believe this coverage is vastly overbroad, and fundamentally at odds with a free society. It is also unnecessary. Section 601(c) simply misses the mark—it aims the arsenal of the criminal law at the entire populace. But all the available

evidence indicates that the true culprit is the combination of sloppy secrecy procedures and unauthorized disclosure of classified information.

In other words, section 601(c) of the Intelligence Committee bill attacks a phantom problem—private citizens culling through public documents and sources. It thereby diverts attention from the real heart of the problem, which, as the CIA itself admitted, is "the disclosure of sensitive information based on privileged access * * * by faithless government employees * * *." This problem can be dealt with by punishing those employees and former employees who breach their trust by revealing identities or by providing assistance to others in identifying covert agents.

Moreover, if indeed it is possible to glean identities from public information or documents, then it is the responsibility of the CIA and the President to remove those indicators from the public domain and to improve the procedures for insuring effective cover. Criminalizing disclosures stemming from sloppy secrecy procedures, on the other hand, will only tend to lull the Agency into inaction. Surely if private citizens have been able to infer identities from public sources, so, too, has the KGB.

As the House Permanent Select Committee on Intelligence act "compelled to note that provisions for the concealment of intelligence operative are not fully adequate. The burden must be on the executive branch generally, and the intelligence community in particular, to remedy this situation."

Accordingly, the committee adopted a provision requiring the President to promulgate procedures that will help to rectify this situation. I believe this course of action will be more productive and certainly less destructive of free speech.

Never before has a criminal sanction been attached to this kind of speech. The CIA insists that it is necessary, but it is the responsibility of Congress, as well as the courts, to determine whether such a measure is constitutional or whether a less onerous alternative will deal adequately with the problem.

In conclusion, I believe this bill is dangerous not only for what it forbids directly, but also, for the precedent it creates.

Today we ban the disclosure of identities. Tomorrow, there will be talk of banning disclosure of covert actions themselves. Why not? The logic is the same—the preservation of effective foreign intelligence efforts.

If the American people are denied information, they are denied the power that the Constitution says resides with them. Preventing that is what the first amendment is all about.

Ultimately, it is the respect and protection we afford free speech that distinguishes this country from the nations within which the CIA secretly operates. If a free society is sacrificed for a better intelligence system, we have compromised our very goal.

Mr. MAZZOLI. Mr. Chairman, I thank the gentleman for his statement. I understand the gentleman's position.

Mr. Chairman, I reserve the balance of my time.

Mr. McCLORY. Mr. Chairman, I yield 3 minutes to the gentleman from Florida (Mr. YOUNG), a member of the committee.

Mr. YOUNG of Florida. Mr. Chairman, I rise in support of H.R. 4.

I will even support it stronger if it includes the amendment to be offered by my distinguished colleague, the gentleman from Ohio (Mr. ASHBROOK).

I would like to just make a few points in support of this legislation. You know, when the Committee on Intelligence meets in open session which it does occasionally, more often than not, representatives of the Soviet Union are there in the room observing what it is we are doing and talking about. On the Appropriation Committees dealing with defense, the same thing happens. In the Armed Services Committee, the same thing happens.

The point is that the Soviet Union is able in open sessions to send its operatives into this Congress to get for nothing information that we make available to the general public. They not only cover the meetings, they come in to pick up copies of our publications usually without cost. They visit offices on Capitol Hill and they learn for nothing things about us that we have to spend millions of dollars to learn about them. We have to put people's lives at risk to learn about them and what their plans are for us and our future.

Our security is important and the information that we obtain through these intelligence operations are important to that security.

The point is, Mr. Chairman, that we have to have an effective intelligence operation and the protection of the identities of those people who perform that vital service is extremely important if we are going to succeed.

One of our allied nations sent representatives here about a year ago to meet with members of our committee to determine what we believe the future of our intelligence community to be. Are we going to protect our agents, are we going to protect secrets? Their concern was not so much about how does that affect the United States, but how does that affect them. If we let out too much information, if we allow agents to be exposed and to be exposed to this risk, what kind of a risk are we creating for them back in their own countries?

I say, Mr. Chairman, that it is important that we have the cooperation of our friendly nations and our allied nations, because they also have effective intelligence operations. This legislation is extremely important not only to the security or our Nation, but to guarantee the continued cooperation of our allied nations and the preservation of an effective intelligence community.

Mr. Chairman, I would like to close with this comment.

There are those of us who serve on the Select Committee on Intelligence who have different philosophical viewpoints from one end of the spectrum to the other; but I can say, Mr. Chairman, that every member of that committee approaches the responsibility and the security of our Nation in a very mature fashion, in a very responsible fashion.

Yes, we do have some disagreements at times, but the disagreements are not political. They are never personal. Those disagreements are what members honestly and truly believe to be in the best interests of the United States of America and the security of our Nation and the security of our people.

I am very proud to have the opportunity to work with people like the gentleman from Massachusetts (Mr. BOLAND), the gentleman from Kentucky (Mr. MAZZOLI), the gentleman from Virginia (Mr. ROBINSON), the ranking member on our side, and the gentleman from Illinois (Mr. McCLORY), as well as every other member of our committee.

We bring to you a piece of legislation that I think deserves the unanimous support of this House of Representatives.

Mr. McCLORY. Mr. Chairman, I yield 1 minute to the gentleman from Michigan (Mr. BROOMFIELD).

Mr. BROOMFIELD. Mr. Chairman, I want to compliment the gentleman from Illinois (Mr. McCLORY), the gentleman from Kentucky (Mr. MAZZOLI), for this excellent piece of legislation, along with the gentleman from Massachusetts (Mr. BOLAND) and the gentleman from Virginia (Mr. ROBINSON).

This legislation is long overdue. I think they have done a great job.

I certainly hope the Members will give it the strongest support, because we need this kind of legislation on the statute books.

Mr. Chairman, the primary purpose of this measure is to enhance the protection of U.S. intelligence operatives working under cover. Such legislation is of compelling urgency as there are individuals, including former U.S. intelligence officials, who are busily and systematically engaged in efforts to destroy our intelligence capability by disclosing the identities of those clan-

destinely employed by the various U.S. intelligence agencies.

An episode in Jamaica illustrates what I am talking about. In July of last year, the homes of our Embassy's First Secretary in Jamaica and an AID employee were fired upon shortly after the American editor of Covert Action Information Bulletin claimed in a press conference that these U.S. officials and 13 other Americans, as well as Jamaicans, were connected with the CIA. Not only were the names of these individuals disclosed, but also their home addresses, telephone numbers and auto license tag numbers. Fortunately, unlike the CIA station Chief in Athens who was killed in December 1975 after his cover was blown in a similar fashion by the magazine Counter Spy, the American officials and families involved in the Kingston attack survived unscathed. It was a close call, however, as two of the bullets penetrated the bedroom window of one of the children who was providentially away at the time.

With that as backdrop, it is little wonder that our human intelligence collection efforts are in serious jeopardy around the world. Self-preservation is a very basic instinct and why should anyone want to be associated with an intelligence community that cannot provide adequate protection for those it asks to undertake dangerous assignments of significant national security import?

In evaluating the merits of this legislation, I find former CIA Director William Colby especially persuasive when he, while participating in an American Enterprise Institute panel discussion of intelligence matters, observed that:

The journalists believe they should protect their sources. I think our Nation should protect its sources. We need a discipline over our employees to make sure that, when they undertake to keep the secrets they are going to learn when they go to work for intelligence, they darn well keep them. If they violate that trust, they should be subject to criminal action. There are thirty-odd statutes in our criminal code that punish government officers for revealing information they learned during the course of their work—the Agricultural Department employee who reveals the crop statistics, for example, and a variety of others.

Our national secrets and the officers who serve their country are entitled to that same protection from someone who reveals them. The soldier does not mind the enemy shooting at him, but he certainly does not want a fellow American shooting at him. The intelligence officer does not mind the threat and the danger from the enemy or the foreign country, but he cannot accept the possibility that some American can freely reveal his name and endanger him.

Finally, I would like to address briefly the first amendment questions of this bill that have been raised by some of my colleagues, especially with respect to criminalizing disclosures of undercover intelligence identities by individuals who have never been affiliated with the U.S. Government. Of special concern in this regard are journalists. This bill was drafted with great care and sensitivity to this issue and I believe has resolved it in a responsible and constitutionally acceptable manner. Such individuals can only be prosecuted under this legislation when it can be clearly demonstrated that the disclosure occured in the context of a practice of identification and disclosures intended to impair U.S. intelligence capabilities.

This means that to be criminally culpable, one would have to be engaged in the business of naming names like the publishers of the aforementioned Covert Action Information Bulletin or Counter Spy. This approach makes eminently good sense and is consistent with the point made by Justice Oliver Wendell Holmes (in the famous Espionage Act decision of 1919) that—

The first amendment * * * obviously was not intended to give immunity for every possible use of language * * * the most stringent protection of free speech would not protect a man in falsely shouting fire in a theater and causing a panic.

Also very relevant in this connection are the remarks of Zechariah Chafee, a leading defender of free speech during his 37 years at the Harvard Law School and the uncle of the distinguished Senator from Rhode Island who introduced the Senate version, S. 391, of this bill. In a book entitled "Free Speech in the United States," the elder Chafee wrote that:

The true boundary line of the First Amendment can be fixed only when Congress and the courts realize that the principle on which speech is classified as lawful or unlawful involves the balancing against each other of two very important social interests, in public safety and in the search for truth. Every reasonable attempt should be made to maintain both interests unimpaired, and the great interests in free speech should be sacrificed only when the interest in public safety is really imperiled, and not, as most men believe, when it is barely conceivable that it may be slightly affected. In war time, therefore, speech should be unrestricted by the censorship or by punishment, unless it is clearly liable to cause direct and dangerous interference with the conduct of the war. Thus, our problem of locating the boundary line of free speech is solved. It is fixed close to the point where words will give rise to unlawful acts.

In sum, Mr. Chairman, what we have before us is practical, commonsense legislation that addresses a problem of paramount national security importance while carefully insuring no genuine civil liberties are infringed upon. I, therefore, urge its immediate passage. It is the least we can do for those who literally put their lives on the line for us.

Mr. McCLORY. Mr. Chairman, I yield 3 minutes to the gentleman from Arizona (Mr. RUDD).

Mr. RUDD. Mr. Chairman, I would like to express my deepest appreciation to Chairman MAZZOLI, to the ranking minority member, the gentleman from Illinois (Mr. McCLORY), and to the chairman of the full committee, the gentleman from Massachusetts (Mr. BOLAND), and to the ranking minority member (Mr. ROBINSON) and to all the members of the committee for the efforts they have made in order to do this.

Mr. Chairman, I rise in support of this bill for which the clear purpose as stated by the committee is to prevent the disruption of legitimate, important intelligence operations, and to criminalize those disclosures which clearly represent the conscious and pernicious effort to eliminate the effectiveness of U.S. intelligence operations.

Despite great technological advancements in information gathering by our intelligence community, a very significant portion of information collection relies upon live informants.

This human intelligence effort is increasingly threatened by the deliberate disclosure of the identities of our undercover agents. Publication of the names of these agents not only extinguishes the effectiveness of these agents, but endangers their lives as well.

Recently we have witnessed the gruesome illustration of the urgent need for criminal penalty for this type of disclosure. The most infamous example was the identification in "Counter Spy"—published by former CIA employee, Phillip Agee—of Richard S. Welch as the station chief for the CIA in Athens, Greece. Shortly after this divulgence, Welch was assassinated. The most recent example, was the identification in 1980 by covert action information bulletin—another anti-intelligence publication initiated with Agee's assistance—of 15 CIA agents serving Marxist Jamaica. Again, the disclosure precipitated a machinegun attack on the home of the CIA station chief.

It is clear that without some legislative action to restrict these disclosures, agents will continue to be exposed to murder as a result of the actions of those bent on total elimination of the intelligence-gathering capacity of the U.S. Government.

Let there be no doubt that this is the aim of the propagators of such publications and supporting organizations. In 1978, a national conference was held by the campaign to stop government spying, where objectives were announced to continue worldwide publication of intelligence information, suits directed against Government agencies and private companies whose security departments cooperate with law enforcement agencies and intelligence agencies and to make use of the Freedom of Information Act for forced disclosure of intelligence information.

Our Nation's intelligence operations enable us to provide countermeasures to protect our people, and are thus an integral part of our defense strategy. We must act decisively to protect our intelligence community from assault, and in this vein I am pleased with the swift action of the House Committee in reporting this legislation, H.R. 4 contains provisions which would not limit prosecution to those individuals having or having had direct or indirect access to classified information, but is carefully drawn to include anyone who deliberately exposes covert agents with the intent of destroying U.S. intelligence goals. This is a necessary component of effective legislation because it would clearly stipulate that the outright objective of exposing intelligence personnel is contrary to important national interests.

I have sponsored legislation which would also provide criminal penalties for anyone who falsely identifies an individual as an intelligence agent, and I support the inclusion of this provision. Enactment of such a measure would put a halt to the insidious efforts of anti-intelligence sources to dismantle U.S. information gathering with the threat of exposure. Further, I believe that injunctive relief should be included in the bill to give the Attorney General power to take action to stop imminent publication of such identification.

I applaud the committee on their efforts to deal sternly with those who would endanger the lives of those who serve in sensitive intelligence positions, and urge the House to adopt the measure.

Mr. McCLORY. Mr. Chairman, will the gentleman yield to me?

Mr. RUDD. I will be glad to yield.

Mr. McCLORY. Mr. Chairman, I thank the gentleman for yielding.

The gentleman as a former FBI agent, I am sure, will be interested in the fact that this legislation also covers FBI agents who operate under cover when they are engaged in counterintelligence activities. It will secure their protection, as well as our CIA agents or other intelligence agents who operate under cover overseas.

Mr. RUDD. I am sure that information is of great concern and gives a great deal of delight to all the people engaged in intelligence activities. I have sponsored legislation like this every year that I have been in Congress. It has been a little more direct with regard to penalties and punishment for violations of the law.

Again I want to applaud the committee in their efforts to deal strictly with those who would endanger the lives of those who serve in sensitive intelligence positions on behalf of the security of our Nation.

Mr. Chairman, I urge the House to adopt the measure.

Mr. MAZZOLI. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Chairman, I want to thank the gentleman for yielding.

I understand the very difficult job that the committee had to assume. They have seen something that is very reprehensible and attempted to find an answer. Unfortunately because the problem they are trying to correct is so reprehensible, they have overstepped constitutional bounds.

The gentleman from Ohio says that section 601(c) is the work product of the ACLU. I want to say as one who usually supports ACLU positions, whether it is their work product, or not, I oppose it.

The committee language allows an incursion on first amendment rights in section 601(c) which for the first time in our history would have private citizens prosecuted for disclosing information already in the public domain. That is such a horrendous step toward violating the first amendment, that no matter who thought of it, whether it is the ACLU or the committee or anyone else, we ought not to have any part of it. I think if that section were to be adopted, what happened at Watergate where the information of prior CIA identification of some of the burglars was disclosed could probably be prosecuted. If section 601(c) is adopted, you would have members of the clergy who discovered that people within their denomination were CIA agents prosecuted if they disclosed it, even if they discovered it quite on their own because it was a matter of public information.

I think the thing to do is not to make this section even worse. The thing to do is to strike it.

I think that the gentleman from Ohio gives the ACLU much more credit than it deserves. Given what Mr. Meese has had to say about the ACLU, to suggest that the ACLU can walk into the CIA headquarters and get them to agree to language which should be adopted by the House of Representatives goes beyond the realm of reasonable imagination.

I thank the gentleman for yielding to me.

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Mr. MAZZOLI. I thank the gentleman for that statement.

Mr. McCLORY. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. WORTLEY).

Mr. WORTLEY. Mr. Chairman, I rise in support of H.R. 4 the Intelligence Identities Protection Act. I strongly support enactment of legislation to provide criminal penalties for the unauthorized disclosure of the identities of those who engage or assist in the foreign intelligence activities of this country. This Nation's intelligence apparatus is our firstline defense. The national security of the United States depends upon the strength and vitality of that apparatus. This strength and vitality is being sapped. The very lives of the individuals involved in these activities on behalf of the United States may be in jeopardy as a result of the unauthorized disclosure of the identities of our intelligence officers, agents, and sources. Legislation of this type is critically important to deter and punish those who make it their business to make such unauthorized disclosures.

This legislation is long overdue. Extensive hearings before the House and Senate Intelligence and Judiciary Committees have documented the damage these unauthorized disclosures have had on our human source intelligence collection capabilities. Director William J. Casey, of Central Intelligence, in testimony before the Senate Judiciary Subcommittee on Security and Terrorism in May testified that—

> These unauthorized disclosures have resulted in untold damage, and, if not stopped, will result in further damage to the effectiveness of our intelligence apparatus, and hence the nation itself.

This body's own Permanent Select Committee on Intelligence in its report on H.R. 4 attests to the utter uselessness of these disclosures:

> The unauthorized disclosure of the names of undercover intelligence agents is a pernicious act that serves no useful informing function whatsoever. It does not alert us to abuses; it does not further civil liberties; it does not enlighten public debate; and it does not contribute one iota to the goal of an educated and informed electorate.

The only purpose it serves is to disrupt our legitimate intelligence collection programs. Effectively, such a result benefits no one but our adversaries.

Mr. Chairman, as a newspaper publisher and editor, I bring a special perspective to this debate. Opponents of this legislation have been heard to say that its enactment will have a chilling effect on first amendment rights. In my opinion, neither the House nor the Senate version of this legislation constitutes an assault upon the first amendment. Indeed, the U.S. Supreme Court in Haig against Agee found the conduct proscribed by this legislation to be "clearly not protected by the Constitution." The Intelligence Identities Protection Act would not inhibit public discussion and debate about U.S. foreign policy or intelligence activities, and would not operate to prevent the exposure of illegal activities or abuses of authority. Disclosures of intelligence identities by persons who have not had authorized access to such information would be punishable only under specified conditions, which have been carefully crafted and narrowly drawn. The act does not apply

to anyone not engaged in an effort or a pattern of activities designed to ferret out and expose intelligence personnel. It is instructive to look at all of the elements of proof required in a prosecution under subsection 601(c). The Government would have to prove each of these elements beyond a reasonable doubt.

Mr. Chairman, consideration of the carefully and narrowly drawn prohibition in the Intelligence Identities Protection Act, in light of the clear and present danger to our Nation's intelligence capabilities resulting from unauthorized disclosures of intelligence identities, leads inescapably to one conclusion. The legislation we are considering fulfills the urgent need to increase our efforts to guard against damage to our crucial intelligence sources and methods of collection, without impairing civil and constitutional rights.

Mr. Chairman, I urge passage of this much needed legislation.

Mr. McCLORY. Mr. Chairman, I yield 2½ minutes to the gentleman from Virginia (Mr. WHITEHURST), a member of the committee.

Mr. WHITEHURST. Mr. Chairman, I rise in support of the Intelligence Identities Protection Act, H.R. 4.

Mr. Chairman, each and every day of the year some of the true patriots of our country are at work, clandestinely, throughout the world uncovering information necessary to keep our leaders informed of important world events—before they happen. They must toil under extremely difficult conditions to produce in an extremely difficult job. And, they do so often at risk to their safety—indeed, their lives.

Unfortunately, there are a group of miscreants who have taken it upon themselves to greatly increase these risks by exposing the identities of our covert intelligence agents.

Mr. Chairman, what is needed is legislation designed to act with the precision of a highly skilled surgeon—to cut out the malignant cells of Phillip Agee and others of his ilk while leaving untouched the healthy activities of the fourth estate. The bill reported by the Intelligence Committee is up to the task and that is why I have chosen to support it.

H.R. 4 is a good piece of legislation born of extensive committee hearings, deliberations, and consultations with the CIA and Department of Justice. Both of these agencies believe H.R. 4 to be an effective measure.

H.R. 4 would make it a crime to engage in an ongoing effort intended to impair U.S. intelligence activities and to further that effort by disclosing the identities of covert agents—nothing more; nothing less.

This bill would in no way inhibit free debate over the policies underlying our foreign intelligence activities, or over the activities themselves. H.R. 4 would not impose sanctions against those who criticize the CIA, no matter how unwisely. H.R. 4 simply is designed to protect our covert intelligence agents from having their identities publicly brandished by those who seek to destroy the security of our country.

A delicate balance has been struck in this legislation, through long and painstaking effort.

Mr. Chairman, the reservation of constitutional guarantees has been honored as we strove to reduce the vulnerability of the lives of our intelligence officers, agents, and informers whose work is essential to the national security.

Mr. Chairman, for these reasons I urge support for H.R. 4.

Mr. McCLORY. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I think the debate on this measure has been very illuminating. I am confident that there is overwhelming support for the legislation. I hope that the discussion of the provisions of 601(c) will not distract us from the intent of the committee or from the intent of all who are supporting this measure.

I disagree with the amendment that will be offered by my colleague, the gentleman from Ohio (Mr. ASHBROOK). I think employing the word "intent" is better, though the expression "reason to believe" is a valid one. I think "reason to believe" relates more to the subject of negligence than it does to a criminal offense. I think that in a criminal statute such as we have here that we should use the expression "intent."

As far as the persons covered by this, I think that all persons should be covered. However, we are putting forth this legislation primarily to get at those who make a business of disclosing the names and the identities of covert agents and who capitalize on that and profit from it. And we certainly want to end that promptly.

Now, I do not think we should exempt any particular category. Reference has been made to the clergy. I have a great respect for the clergy and other professions and activities. But to exempt any particular individual merely because of the activity in which he or she happens to be engaged I think would be a distortion of our whole concept of criminal law.

I hope that we can keep our eye on the objective of this legislation and pass it promptly and send it to the President.

Mr. MAZZOLI. Mr. Chairman, I yield myself the remainder of my time.

I would just sum up by saying I endorse everything that was just said by the gentleman from Illinois. I believe that the House would do a good service for the country and for the intelligence community were it to vote out the bill exactly as it is before us today without any changing amendments.

I have a lot of sympathy for the amendments that will be offered. We debated them carefully in the committee, as the gentleman from Florida (Mr. YOUNG) said. These are offered by serious individuals who have the best interests of their Nation at heart, as they view it. On a given day, under a given set of circumstances, many of these could be supportable. But we have before us a bill which has the input of all sides of the philosophical spectrum and political spectrum. It does indisputably help the CIA and the other intelligence communities solve a very vexing problem, and that is, how do you deal with publications who name names and, therefore, blow identities and destroy effectiveness of our agents.

While the gentleman from Ohio (Mr. ASHBROOK) might argue at some point that the CIA prefers other language, it is indisputable that they say this language, which is before the House today, will do the job that they know has to be done. They have, and their colleagues in the intelligence community have, fought the good fight and have been more patient than they needed to be these years, waiting for some solace, and waiting for some relief, and this is the relief before us.

They do want this bill, they do want this kind of relief. I think we can speed it to them and speed it to the Nation if the House votes up this bill as we see it before us today.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. MAZZOLI. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, I want to commend the gentleman from Kentucky and the gentleman from Illinois for their summation.

I have just a couple of points before we get into the amendment stage.

As has been said here, this bill is a consensus reached not alone by members of this committee, not alone by members of the Judiciary Committee, but by the intelligence community, by the CIA, and also by some distinguished constitutional scholars whose opinion is that this particular bill, H.R. 4, would pass constitutional muster. There is a serious question among constitutional scholars as to whether or not S. 391, the Senate bill, with the standard of reason to believe, would pass that muster.

Therefore, I would hope that the entire membership of the House, those whose staffs are following this debate on television, would carry the message to their Members that this particular bill, H.R. 4, is the bill that has reached a consensus.

I am not sure that it is agreed to by the ACLU. I think probably TED WEISS knows more about that than I

would, and his indication is that he does not believe the ACLU backs this bill. I am not sure it does itself.

Mr. WEISS. If the gentleman will yield, I did not say that. I said the ACLU probably feels that if this does not happen, something worse will. I am speaking for myself, saying it is too bad they have accepted it.

Mr. BOLAND. I accept the correction. I think the ACLU would prefer this to S. 391. I am sure Morton Halperin would prefer H.R. 4 to S. 391, the Senate bill.

But the fact of the matter is that some of the distinguished constitutional scholars, such as Philip Kurland of the University of Chicago Law School, who specifically states that without this kind of specific intent standard, which is built into H.R. 4, the bill would be unconstitutional.

Therefore, my plea to the membership of this House is that they back this bill as we have reported it. It is backed by the intelligence community. The CIA backs H.R. 4. Sure, it prefers S. 391, and I guess the Attorney General of the United States prefers S. 391, because it would be easier to prosecute under S. 391, and that is the constitutional objection.

Mr. Chairman, I would hope that the membership would follow the leadership of the gentleman from Kentucky (Mr. MAZZOLI) and the gentleman from Illinois (Mr. MCCLORY), who spent so much time on this bill, and defeat all the amendments that were offered to H.R. 4, and we can get along with a bill which, when challenged in the courts, will be held constitutional.

Mr. HYDE. Mr. Chairman, I am pleased to rise in vigorous support of H.R. 4, the Intelligence Identities Protection Act.

The Committee on the Judiciary, of which I am a member, considered the predecessor of H.R. 4 last year, following a sequential referral from the Intelligence Committee, and favorably reported that bill by a stunning majority. I would like to commend the members of the Intelligence Committee for their hard work and thoughtful effort in connection with this bill in the last Congress and in this one. After careful consideration, I am convinced that a compelling need has been shown for legislation of this nature and I believe that it is constitutional.

What is the compelling need—the clear and present danger—which this bill is intended to meet, Mr. Chairman? As my colleagues from the Intelligence Committee have described so eloquently, the dangers arising out of these disclosures include demoralization within our intelligence agencies, discouragement of potential sources of information, and impairment of our national defense and foreign policy efforts. We must be willing to protect our agents and their families with the most effective methods available to us under the Constitution and I am firmly committed to that endeavor.

Mr. Chairman, the first amendment is not absolute—for any of us. No special exception is made for children who want to pray in public schools or for Members of Congress who want to give golden fleece awards. However, the danger that the bill addresses must be distinctly identified and compelling, and the means to combat it must be narrowly drawn and necessary. These tests are best illustrated by Justice Holmes' famous observation that no one has the right to yell "fire" in a crowded theater. By the same token, Mr. Chairman, no one has the right to risk the lives of our agents and our national security by disclosing the names of covert agents.

Mr. Chairman, after 2 years of work by Members on both sides of the aisle, this bill is so finely tuned and narrowly drawn that the Governmen't burden of proof is substantial, as it should be. If the defendant has not had authorized access to classified information, it must prove, beyond a reasonable doubt, not only that the defendant had a special state of mind, but that the disclosure was made in the course of an effort to identify and expose covert agents. No prosecutions for conspiracy, aiding and abetting, or misprison of a felony are authorized unless the disclosure was part of an effort. The Government's public disclosure of the covert relationship is a defense. Finally, the bill provides an avenue for whistle blowers by exempting from prosecution communications to congressional intelligence committees.

Is this the least restrictive means that we can use, Mr. Chairman, to get at the evil we have identified? I believe that it is. Our concern is with protecting the identities of our agents—the discloser's employment circumstances are irrelevant. The damage done is the same, whether the defendant had authorized access to classified information, or not. There is, and, or course, there ought to be, ample room for free and robust public debate on our intelligence policies without injecting the names of our covert agents into that debate. This minimal limitation on free speech and press is indeed proper when compared to the overriding and fundamental national interest to be served—providing for the common defense.

Mr. Chairman, if any of my colleagues have lingering doubts about the constitutionality of this bill, I commend to their attention the recent Supreme Court case of Haig against Agee. The respondent in that case was a notorious discloser of agent's names, a fact which the court repeatedly emphasized in its opinion. In rejecting the argument that the first amendment prevented the Secretary of State from revoking his passport for these activities, which created a serious danger to our national security, the Court observed:

> These disclosures, among other things, have the declared purpose of obstructing intelligence operations and the recruiting of intelligence personnel. They are clearly not protected by the Constitution. The mere fact that the respondent is also engaged in criticism of the Government does not render his conduct beyond the reach of the law.

Mr. Chairman, an enlightened editorial, which appeared last year in the Washington Star, one of the few newspapers able to see beyond its own narrow self-interest on this issue, suggested that:

> Congress should do whatever is necessary, taking due but not paralyzing heed of constitutional scruples to protect our covert * * * agents. Otherwise it would be well to admit that we are too paralyzed by constitutional scruples to conduct an effective foreign intelligence system in this dangerous world, and stop asking our people to risk their lives in its service. We cannot have it both ways.

Mr. Chairman, we cannot have it both ways. I reject the absolutist approach to the first amendment which has been advanced during the debate on this type of legislation as a threat to our national security, and ultimately, to all of our precious liberties. Last year, we heard suggestions that an effort to pass this legislation was merely a hysterical reaction to attacks upon our agents in Jamaica. Mr. Chairman, let me emphasize to these critics, 1 year later, that this is not an emotional reaction. It is a firm commitment which some of us have made to protecting the brave men and women who serve us so well.

I urge my colleagues to lend their support to prompt passage of H.R. 4.

● Mr. FIELDS. Mr. Chairman, as a cosponsor of the Intelligence Agents Identity Act of 1981, I support the passage of H.R. 4 as a means to strengthen our national intelligence capability.

A crucial element of an effective national security policy is the ability to collect and analyze high-quality intelligence information. The need for a sophisticated covert intelligence infrastructure becomes more critical as U.S. interests abroad expand. Notwithstanding the variety of technical components used by the intelligence community, there remains a need to employ traditional human resources. Without the human element contributing to the intelligence system, the United States would not have the proper insight into the plans of foreign governments it confronts or international problems it must face. As the United States seeks to improve its national security strategy, a network of clandestine operators to carry out covert activities in important situations is a fundamental prerequisite.

Further, the identities of these individuals must be protected for their personal safety and to insure the credibility of the entire operation.

Intelligence agents are faced with the constant consequences of exposure. Because espionage is a criminal activity in many countries, our agents must face the threat of expulsion or imprisonment. Their safety is further threatened by terrorist actions directed against them.

Last year, on the Fourth of July, terrorists opened fire on the home of Richard Kinsman, a U.S. Embassy employee living in Kingston, Jamaica. Bullets ripped through the bedroom window of Kinsman's daughter. Fortunately, no one was injured.

This attack came within 24 hours of an announcement by Louis Wolfe of the Covert Action Information Bulletin. Wolfe had just disclosed the names of 15 people he claimed to be CIA agents. In addition, he revealed their addresses, phone numbers, license plate numbers and the type of car they owned.

Yet not all who are victims of ignoble crusaders such as Louis Wolfe are as fortunate to survive. Richard Welch, an attaché at the American Embassy in Athens, was gunned down in 1975 while returning from a Christmas party. This murder followed an article in the Athens News tagging Welch as a CIA station chief. The information in the News story had earlier been printed in Counterspy magazine, published by ex-CIA employee Phillip Agee.

Like Wolfe, Agee has no qualms about revealing the identities of covert U.S. agents. For Agee, these disclosures play a necessary role in his ongoing struggle for socialism in the United States.

U.S. intelligence officers are leading the fight against terrorism on the international front. To arbitrarily disclose the identities of these individuals serves to render American credibility abroad worthless. These unauthorized exposures result in a variety of consequences including a loss of expertise in the intelligence field, erosion of morale for the families of these officers, and a general deterioration in the quality of U.S. foreign policy.

We as a nation can no longer tolerate this breach in national security. Our responsibility is to the men and women whose lives are jeopardized daily in their struggle to protect freedom and democracy in the United States. Regardless of the motivating forces behind men like Phillip Agee, the end result is a disruption in the legitimate intelligence-gathering program. No longer should these agents be subjected to additional threats of violence stemming from arbitrary disclosures. The very nature of their profession mandates a life of adversity and perilous hazards. Individuals who have served their country in this dangerous and frequently fatal capacity should be sheltered from the misguided efforts of these ignoble crusaders.

Toward this end, I urge the adoption of H.R. 4, which will criminalize the disclosures of intelligence identities. We must now take firm action to protect not only the integrity of these agents but also to protect our national security from further treasonous disclosures.●

● Mr. DERWINSKI. Mr. Chairman, I support this legislation. We have delayed far too long in providing a law, first drafted almost 6 years ago, to protect American citizens abroad from attack and possible murder. I am referring, of course, to American intelligence employees and agents—and their families—who, it has been amply demonstrated, quickly become the targets of terrorists when they are openly identified by their fellow citizens. No one in my opinion has the right to mark a fellow citizen for murder.

It is claimed that part of this bill may be unconstitutional. I do not think so. In the first place, it is not the compilation of previously published information which would be outlawed by this legislation, it is the publicized conclusion that such data demonstrates an intelligence connection. As a matter of fact, the bill would not make it a crime to reveal information previously published by the U.S. Government and, in any case, the law would require that research by itself would not be sufficient to convict.

This publicized conclusion, it should be remembered, could subject the person so identified, accurately or falsely, to physical attack and could, at least, negate the work he was sent abroad by his Government to do. This is the activity that this bill would criminalize and only if there were intent to "impede or impair" the intelligence effort of the United States. No right is absolute if lives are endangered. This principle has been recognized by the courts.

Even before the attack on the home of the CIA chief of station in Kingston, Jamaica, on July 4, 1980, Cord Meyer, a former intelligence officer himself, wrote of some of the dangers inherent in the unchecked open identification of our intelligence employees. In a newspaper column dated June 7, 1980, Meyer described one of the unfortunate results of the public exposure of American intelligence personnel by the Covert Action Information Bulletin:

(T)his ongoing exposure of CIA officials involves a massive hemorrhage that is far more damaging than the potential leakage of operational details from an excessive number of congressional committees. The assassination of the CIA station chief in Greece, Richard Welch, in 1975, shows how tragic can be the consequences of the fingering of CIA officials abroad . . .

But even if more assassinations do not result from the continuing exposures that the Bulletin plans to make in subsequent issues, the damage done to the careers and usefulness of those identified is irreparable.

Meyer pointed out:

For their own protection they can no longer serve in many corners of the world where terrorists flourish and many governments will no longer accept them as members of American diplomatic missions once they have been so openly identified.

The author stated, correctly, I believe—

The real loser is the American public whose security will steadily be eroded by the loss of so much carefully trained talent from the front lines of the long struggle with the KGB and its allies.

Meyer concluded:

No other democratic country attempts to conduct intelligence abroad with so little protection for its career officers.

This legislation is something many of us here have favored since the mid-1970's after Richard Welch, CIA chief of station, was murdered in Athens, Greece. Meyer, in his column cited above, had this to say:

Let us hope that we don't have to wait for a replay of the Welch assassination to shock the Congress and the administration into making the legal and procedural reforms that seem so obviously necessary.

This was written before the Kingston attack where, fortunately, no one was killed. That assault, nonetheless, serves as a reminder of something which has seemed "so obviously necessary" for so long to so many of us. The Congress should do the right thing now and pass this bill.●

● Mr. MICHEL. Mr. Chairman, the tragic murder of CIA agent Richard Welch in Athens in 1976 focused our attention on the jeopardy that such individuals are placed in through public identification.

Thus, in 1976 and again in 1977, I introduced legislation to provide for the personal safety of those persons engaged in furthering the foreign intelligence operations of the United States.

In introducing such legislation during the 95th Congress, I said that the problem was most urgent and that we had to take positive actions to protect the lives of our agents.

I feel as strongly about this matter now as I did then.

Our intelligence agents have become the actual or potential victims of what might be called literary hit men who use a book or a magazine article to do their dirty work. It could just as easily be an assassin's bullet, because the results are tragic.

These literary hit men have put the lives of American intelligence officials in jeopardy. Agent Welch died because of such an exercise in irresponsibility.

I just want to say that I am glad we have this chance to protect those whose work means so much to our national security.●

The CHAIRMAN. All time for general debate has expired. Pursuant to the rule, the Clerk will now read the substitute committee amendment recommended by the Permanent Select Committee on Intelligence now printed in the reported bill as an original bill for the purposes of amendment. No amendments are in order except germane amendments printed in the CONGRESSIONAL RECORD on or before September 22, 1981.

The Clerk read as follows:

H.R. 4

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Intelligence Identities Protection Act".

SEC. 2. (a) The National Security Act of 1947 is amended by adding at the end thereof the following new title:

"TITLE VI—PROTECTION OF CERTAIN NATIONAL SECURITY INFORMATION

"DISCLOSURE OF IDENTITIES OF CERTAIN UNITED STATES UNDERCOVER INTELLIGENCE OFFICERS, AGENTS, INFORMANTS, AND SOURCES

"SEC. 601. (a) Whoever, having or having had authorized access to classified information that identifies a covert agent, intentionally discloses any information identifying such covert agent to any individual not authorized to receive classified information, knowing that the information disclosed so identifies such covert agent and that the United States is taking affirmative measures to conceal such covert agent's intelligence relationship to the United States, shall be fined not more than $50,000 or imprisoned not more than ten years, or both.

"(b) Whoever, as a result of having authorized access to classified information, learns the identity of a covert agent and intentionally discloses any information identifying such covert agent to any individual not authorized to receive classified information, knowing that the information disclosed so identifies such covert agent and that the United States is taking affirmative measures to conceal such covert agent's intelligence relationship to the United States, shall be fined not more than $25,000 or imprisoned not more than five years, or both.

"(c) Whoever, in the course of an effort to identify and expose covert agents with the intent to impair or impede the foreign intelligence activities of the United States by the fact of such identification or exposure, discloses, to any individual not authorized to receive classified information, any information that identifies a covert agent, knowing that the information disclosed so identifies such covert agent and that the United States is taking affirmative measures to conceal such covert agent's intelligence relationship to the United States, shall be fined not more than $15,000 or imprisoned not more than three years, or both.

"DEFENSES AND EXCEPTIONS

"SEC. 602. (a) It is a defense to a prosecution under section 601 that before the commission of the offense with which the defendant is charged, the United States had publicly acknowledged or revealed the intelligence relationship to the United States of the individual the disclosure of whose intelligence relationship to the United States is the basis for the prosecution.

"(b)(1) Subject to paragraph (2), no person other than a person committing an offense under section 601 shall be subject to prosecution under such section by virtue of section 2 or 4 of title 18, United States Code, or shall be subject to prosecution for conspiracy to commit an offense under such section.

"(2) Paragraph (1) shall not apply (A) in the case of a person who acted in the course of an effort to identify and expose covert agents with the intent to impair or impede the foreign intelligence activities of the United States by the fact of such identification and exposure, or (B) in the case of a person who has authorized access to classified information.

"(c) It shall not be an offense under section 601 to transmit information described in such section directly to the Select Committee on Intelligence of the Senate or to the Permanent Select Committee on Intelligence of the House of Representatives.

"PROCEDURES FOR ESTABLISHING COVER FOR INTELLIGENCE OFFICERS AND EMPLOYEES

"SEC. 603. (a) The President shall establish procedures to ensure that any individual who is an officer or employee of an intelligence agency, or a member of the Armed Forces assigned to duty with an intelligence agency, whose identity as such an officer, employee, or member is classified information and which the United States takes affirmative measures to conceal is afforded all appropriate assistance to ensure that the identity of such individual as such an officer, employee, or member is effectively concealed. Such procedures shall provide that any department or agency designated by the President for the purposes of this section shall provide such assistance as may be determined by the President to be necessary in order to establish and effectively maintain the secrecy of the identity of such individual as such an officer, employee, or member.

"(b) Procedures established by the President pursuant to subsection (a) shall be exempt from any requirement for publication or disclosure.

"EXTRATERRITORIAL JURISDICTION

"SEC. 604. There is jurisdiction over an offense under section 601 committed outside the United States if the individual committing the offense is a citizen of the United States or an alien lawfully admitted to the United States for permanent residence (as defined in section 101(a)(20) of the Immigration and Nationality Act).

"PROVIDING INFORMATION TO CONGRESS

"SEC. 605. Nothing in this title shall be construed as authority to withhold information from Congress or from a committee of either House of Congress.

"DEFINITIONS

"SEC. 606. For the purposes of this title:

"(1) The term 'classified information' means information or material designated and clearly marked or clearly represented, pursuant to the provisions of a statute or Executive order (or a regulation or order issued pursuant to a statute or Executive order), as requiring a specific degree of protection against unauthorized disclosure for reasons of national security.

"(2) The term 'authorized', when used with respect to access to classified information, means having authority, right, or permission pursuant to the provisions of a statute, Executive order, directive of the head of any department or agency engaged in foreign intelligence or counterintelligence activities, order of a United States court, or provisions of any Rule of the House of Representatives or resolution of the Senate which assigns responsibility within the respective House of Congress for the oversight of intelligence activities.

"(3) The term 'disclose' means to communicate, provide, impart, transmit, transfer, convey, publish, or otherwise make available.

"(4) The term 'covert agent' means—

"(A) an officer or employee of an intelligence agency, or a member of the Armed Forces assigned to duty with an intelligence agency—

"(i) whose identity as such an officer, employee, or member is classified information, and

"(ii) who is serving outside the United States or has within the last five years served outside the United States;

"(B) a United States citizen whose intelligence relationship to the United States is classified information and—

"(i) who resides and acts outside the United States as an agent of, or informant or source of operational assistance to, an intelligence agency, or

"(ii) who is at the time of the disclosure acting as an agent of, or informant to, the foreign counterintelligence or foreign counterterrorism components of the Federal Bureau of Investigation; or

"(C) an individual, other than a United States citizen, whose past or present intelligence relationship to the United States is classified and who is a present or former agent of, or a present or former informant or source of operational assistance to, an intelligence agency.

"(5) The term 'intelligence agency' means the Central Intelligence Agency, the foreign intelligence components of the Department of Defense, or the foreign counterintelligence or foreign counterterrorist components of the Federal Bureau of Investigation.

"(6) The term 'informant' means any individual who furnishes information to an intelligence agency in the course of a confidential relationship protecting the identity of such individual from public disclosure.

"(7) The terms 'officer' and 'employee' have the meanings given such terms by sections 2104 and 2105, respectively, of title 5, United States Code.

"(8) The term 'Armed Forces' means the Army, Navy, Air Force, Marine Corps, and Coast Guard.

"(9) The term "United States', when used in a geographic sense, means all areas under the territorial sovereignty of the United States and the Trust Territory of the Pacific Islands.".

(b) The table of contents at the beginning of such Act is amended by adding at the end thereof the following:

"TITLE VI—PROTECTION OF CERTAIN NATIONAL SECURITY INFORMATION

"Sec. 601. Disclosure of identities of certain United States undercover intelligence officers, agents, informants, and sources.

"Sec. 602. Defenses and exceptions.

"Sec. 603. Procedures for establishing cover for intelligence officers and employees.

"Sec. 604. Extraterritorial jurisdiction.

"Sec. 605. Providing information to Congress.

"Sec. 606. Definitions.".

Mr. MAZZOLI (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be consid-

ered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment which has been printed in the RECORD in accordance with the rule.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK: Page 3, strike out lines 11 through 21 and insert in lieu thereof the following:

"(c) Whoever, in the course of a pattern of activities intended to identify and expose covert agents and with reason to believe that such activities would impair or impede the foreign intelligence activities of the United States, discloses any information that identifies an individual as a covert agent to any individual not authorized to receive classified information, knowing that the information disclosed so identifies such individual and that the United States is taking affirmative measures to conceal such individual's classified intelligence relationship to the United States, shall be fined not more than $15,000 or imprisoned not more than three years, or both."

Mr. ASHBROOK. Mr. Chairman, I rise in strong support of this amendment.

But before I present the arguments for this amendment, let me comment on the statement of our very fine chairman, the very distinguished gentleman from Massachusetts (Mr. BOLAND). If there were any doubt where the ACLU stands, I would be glad to share with him their draft memo on our bill and Senate 391. As a matter of fact, I am inclined to think Mr. Berman and Mr. Halperin could almost serve on the Rules Committee. They have it all figured out. They go through the whole scenarios.

There game plan scenario states "When the Senate Judiciary Committee considers the legislation on September 15, a motion will be made to substitute the House language." Think of that. Their impertinence in trying to coordinate the legislative process. They know exactly what they are doing. They have it all on course—A, B, C, D, and E. I guess this is part E of A, B, C, D, and E of their legislative scenario. They have known what they have been doing all along.

The only addition I would make under revisions as to his remarks—maybe our chairman would like to add that language—he said this bill reflects the input of many people. But what the gentleman forgot to mention is that it also has the input of the people who are against not only this bill but would scuttle our intelligence activities. It reflects their input, too. And that is precisely what we are trying to throw out by the passage of my amendment.

My amendment is favored by President Reagan. My amendment is favored by the CIA. My amendment is favored by the Justice Department. I make those categorical statements that cannot be rebutted.

Sure, they will accept, can live with, and will work for the language in H.R. 4 as amended. But they prefer and favor the language of the Senate bill and my amendment. That is the crucial point.

□ 1200

The amendment that was just read substitutes the exact Senate language of S. 391 for the compromise language of the House Intelligence Committee report. During the hearings of the House Permanent Select Committee on Intelligence on April 7 of this year, Richard Willard, counsel for the Attorney General—counsel for Intelligence policy, I might add—speaking on behalf of the Justice Department said that both House and Senate versions of the bill—"would pass muster in terms of both due process and first amendment constitutionality."

Now the hearing of whether or not the Senate language and the language I have in this amendment would pass constitutional muster has been drawn across this body time and time again, but the Attorney General believes it is constitutional. Let me point out something most interesting. For those of you on the other side, the Carter Justice Department thought it was constitutional. The former administration on the record before our committee of saying that the language of my amendment and S. 391 is constitutional and, however, they preferred it. So, I am not springing something on you out of the well of this House.

Last year, in the House Intelligence Committee bill, the language that I am now offering as a substitute was supported by your President, your administration, your Attorney General. Ask yourselves, what has changed in the meantime? Certainly we do not have a more liberal President in the White House. That is not what has happened. What has happened is exactly what I said; as a part of passing this bill we allowed outside groups to have too much input. I am very unhappy at my own CIA Director, Mr. Casey. Why in the world he let those two men even come to Langley to talk over compromise language with the attorneys at the CIA—I look upon that as darn near a security breach. Why in the world they made those concessions I will never know.

Let us be honest about it; the Carter administration, the Reagan administration, the CIA, the President, everyone, the former agents, everyone who knows anything about this prefers the Senate language and the language of this amendment. I say that without contradiction.

Mr. Willard went on to support the Senate language rather than H.R. 4.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I will be glad to yield.

Mr. McCLORY. I thank the gentleman for yielding. I would not want to concur in the gentleman's statement——

Mr. ASHBROOK. I understand that.

Mr. McCLORY. As I understand it, the only communication I have seen from the White House is a letter——

Mr. ASHBROOK. Signed by the President.

Mr. McCLORY. Directed to a Member of the Senate in which they expressed support for the Senate language.

Mr. ASHBROOK. Right.

Mr. McCLORY. And without amendment. But, there was no comparison. I will say quite forthrightly to the gentleman that I have conferred by telephone both with the White House and with the Deputy Attorney General, and I find no expression there with regard to preference for the Senate language over our language. As a matter of fact, they are in support of our legislation and our language, and whatever is resolved in the conference I think they are going to be satisfied with. They are anxious for prompt enactment of the legislation.

I thank the gentleman for yielding.

Mr. ASHBROOK. My colleague is absolutely right, and his last statement that they do want prompt enactment of this language, but he has got the letter signed by the President of the United States in front of him. How can he stand before this body and say that he does not? It is right over there, and I assume the gentleman has it.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent, Mr. ASHBROOK was allowed to proceed for 3 additional minutes.)

Mr. ASHBROOK. The language is very clear. The President says he prefers Senate 391. Is there any doubt? He signed the letter. It is from the White House. The Attorney General is on record as favoring the same thing.

Mr. McCLORY. If the gentleman will yield further, I do not think the letter that I have seen says that he prefers S. 391 over H.R. 4. What he says is, he prefers S. 391 without amendment over some other variation, but it is not a variation which might be in the House bill.

Mr. ASHBROOK. My friend has been around here. He knows exactly what they are talking about is the language of this amendment. The testimony which I will go on to read, the testimony all talks about this language. We know that. Let us not engage in games. The Senate version is preferred again by President Reagan on the basis of the letter he signed, the CIA on the basis of their statement, the Justice Department on the

basis of their statement. My colleague is not going to try and dilute that. They will accept what he is talking about, but they prefer this language.

Mr. McCLORY. If the gentleman will yield further, I do question that, and I do question the Senate language. Frankly, from my study of it—and I made an extensive study of it—I think the House language is preferable, and I tried to find some deficiency in it, or some loophole. I have not found one, for there is not one there.

Mr. ASHBROOK. Let me recapture my time, and I will show the gentleman the first deficiency. Mr. Willard, in supporting the Senate language, said:

> The specific intent requirement can serve to confuse the issues in an actual prosecution to the point where the Government could be unable to establish the requisite intent beyond a reasonable doubt.

I would say that is about as specific objection to the language that the gentleman is now wrapping himself around as anyone could make. The specific intent requirement can serve to confuse the issues in an actual prosecution.

That by the chief officer who is going to make the prosecution under either H.R. 4 or S. 391, or a compromise version of both. What could be more specific than the chief law enforcement officer of the United States saying the gentleman's language could confuse the issues in an actual prosecution to the point where the Government could be unable to prove the requisite intent? I agree with him 100 percent, and that is why I support this language.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I think it would be helpful to all of us to have this letter from the President, at least one paragraph, read so that we all know what it is. In this letter dated September 14, 1981——

Mr. ASHBROOK. Fairly recent.

Mr. YOUNG of Florida. President Reagan signed, it says in the third paragraph:

> Attorney General Smith advises that the Senate version of this legislation, S. 391, is legally sound, both from a prosecution perspective and in the protection it provides for constitutional rights of innocent Americans. Any change to the Senate version would have the effect of altering this carefully crafted balance.

Mr. ASHBROOK. And we are also talking about a change in H.R. 4. We are talking about a change, let me repeat, from what the Carter administration wanted, what the Carter Attorney General wanted, what the CIA wants, what the Attorney General of the United States now wants, and what the President of the United States wants.

On that I rest my case, and I yield back the balance of my time.

Mr. MAZZOLI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, first let me emphasize to the Members of the Congress who are here in the House today, and those who are monitoring activities, that the amendment we will vote on at some point, that has been offered by the gentleman from Ohio, is a very important amendment. It may well determine the general tenor of the rest of the day toward this bill, so I would hope that they would monitor this particular part with some care.

Let me suggest a few things. One is that I do oppose the gentleman's amendment. I am sure it is offered, as all of his amendments are, in good faith, and backed up by significant study, but it was considered by our committee. We were aware of the existence of the Senate bill with its different standard, a negligence standard—"reason to believe" that something might result in injury to United States intelligence activities. But, having full knowledge of that, the committee, I believe with just one nay, voted in favor of the bill before the House today.

The gentleman from Ohio suggests that various administrations, including the last one, supported the Senate version. I would like to quote the former General Counsel of the Central Intelligence Agency, who, in connection with the hearings we had, said:

> It is from my point of view as a lawyer clear to me that without a specific intent element—

I might parenthetically say that specific intent element is in the bill before us today. He goes on—

> That without a specific intent element, statute that applied to someone who dealt only with unclassified information and phenomena would have serious constitutional problems. But this bill which your committee has very carefully drawn avoids those problems.

Mr. Silver was referring to the H.R. 4 of the last Congress, which had a double intent standard, so I would think this statement of his referring to today's version would certainly apply.

Mr. ASHBROOK. Mr. Chairman, will my colleague yield?

Mr. MAZZOLI. I will be happy to yield.

Mr. ASHBROOK. Is it not historically correct to say that we had a unanimous report of the entire House Select Committee on Intelligence on H.R. 5615 last year?

Mr. MAZZOLI. Yes.

Mr. ASHBROOK. And the language that was in H.R. 5615 in 1980, which we unanimously supported, is the language which we had before these amendments were offered, and changed H.R. 4. Is that not correct?

Mr. MAZZOLI. It is, and I would also suggest to the gentleman it has a specific intent standard which the gentleman himself supported last year, and I think the evidence was very clear that it, and H.R. 4 today, would solve the problem that was confronting the Intelligence Agencies; that is, their inability through the Department of Justice, to sanction those who in their own misguided way want to "name names." The specific intent standard does solve that problem. The gentleman supported it last year. He, I am sure in good faith, cannot support it this year.

Mr. ASHBROOK. Is it not the adding of the phrase, "by the fact of such identification," that changed the language of H.R. 4?

Mr. MAZZOLI. Well, I would answer the gentleman, it does not change the question of specific intent. We still have to prove in the bill before the House today, H.R. 4, an effort to identify and expose covert agents with the intent to impair or impede the foreign intelligence activities of the United States. We have simply added "by the fact of such identification and exposure."

Mr. ASHBROOK. Will the gentleman yield further?

Mr. MAZZOLI. Certainly.

Mr. ASHBROOK. In listening to what my colleague said, maybe we are in agreement. Maybe he agrees that the words, "by the fact of such identification," do not necessarily belong in H.R. 4, and we can get along without it.

Mr. MAZZOLI. I did not say that. I suggested it does not alter the specific intent. I thank the gentleman for his comments.

Before yielding to our chairman, I would also further quote from a former General Counsel of the Central Intelligence Agency from this year, where he referred to an earlier version of the bill. The same gentleman, who was at that time still General Counsel, said on September 20 of this year:

> I have personally a great deal of optimism that a prosecution could be carried forward successfully under either version of the bill.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

(By unanimous consent, Mr. MAZZOLI was allowed to proceed for 5 additional minutes.)

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. MAZZOLI. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, let me emphasize again that I would hope the Members of the House, those who are present here and those who are monitoring this on television, would keep their eyes on the ball. The bottom line is with respect to H.R. 4, that this is a bill which was reached after a consensus with a number of Members and

committees on the House side, and also with the Intelligence community and with the people downtown.

As the gentleman from Ohio states, the Senate bill, S. 391, may be preferred by some to H.R. 4. We understand that. But, the problem I think that we have before us is whether or not we are going to get a bill which is going to pass constitutional muster. As the gentleman from Ohio has said—and he says it correctly—indeed last year H.R. 5615, that bill was not going to be taken up by the Senate. So, we had no opportunity at all to get any bill by last year.

I am sure that if we were in the same position this year, we would have the same difficulty, but we are not in the same position because we have reached a consensus here, a consensus which clearly indicates to all of us who support this bill—and we have spent, as the gentleman from Ohio knows, 2½ years on it, as has the Senate—I would think the constitutional lawyers on our committee have a right to their own opinion on whether or not our bill can stand constitutional muster better than the Senate version. That was the opinion of the members of our committee.

Again let me state that we had no opportunity to pass a bill last year because the Senate was not going to take up their bill, S. 191, even though H.R. 5615, our bill, was ready to go to the House floor. We had no opportunity to pass a bill last year, and here we are, arrived at that point in time where we can get a bill by; and not only do the members of this subcommittee believe, the members of the full committee, but it is the belief of the CIA, the Intelligence Committee, that this bill is a bill of the highest priority.

□ 1215

Well, if it is, we ought to get on with the business of passing this bill to which they have no objection. The administration prefers the Senate bill, as the gentleman from Ohio said, and probably the past administration preferred the Senate bill. But we are faced with the problem of whether or not we are going to get a bill by in this session of the Congress that is going to be tested in the courts and where the constitutionality of the bill will be sustained.

Mr. Chairman, I think we ought not to lose sight of that. We ought to keep our eye on the ball, and I plead with the Members of the House to remember that when we vote on this amendment.

Mr. MAZZOLI. Mr. Chairman, let me reclaim my time.

I believe I heard the gentleman from Illinois (Mr. McCLORY), the ranking minority member of our subcommittee, indicate in the colloquy with the gentleman from Ohio that as early or as recently as today that the gentleman spoke with the Deputy Attorney General who indicated, I believe, if I understood the gentleman correctly, that there is at this point today no preference expressed by the Department of Justice between the gentleman's approach, which is a "reason to believe," and our approach, which is specific intent. I would yield to the gentleman for a clarification of that.

Mr. McCLORY. Mr. Chairman, I thank the gentleman for yielding, and I will state that it is my understanding, that the Attorney General supports the bill that we have before us now, the language that we have before us. Insofar as resolving differences between our language and that in the Senate bill, the Attorney General seems satisfied to have it worked out by us in conference.

I might say that I do not agree with the gentleman from Massachusetts (Mr. BOLAND) as to the language which we had in the bill in the last Congress. I think we had the intent language in the bill in the last Congress. I am personally strongly in support of requiring that the element of intent should be contained in the bill, and that such an intent must be proved.

I think that intent is an appropriate part of a criminal statute. The language, "reason to believe," I understand to imply negligence, and this is not a negligence-type statute.

Mr. MAZZOLI. Mr. Chairman, I would like to yield to the gentleman from Massachusetts (Mr. BOLAND), who, I am sure, has something to add.

Mr. BOLAND. Mr. Chairman, I thank the gentleman for yielding.

The gentleman from Illinois (Mr. McCLORY) states it correctly, and he is right. The point I want to make, the important point I want to make is that the Senate was not about to take up any legislation last year in this area, and that is what we were faced with. So I would hope the Members would keep that in mind when we vote on this amendment.

The CHAIRMAN. The time of the gentleman from Kentucky (Mr. MAZZOLI) has expired.

(On request of Mr. ASHBROOK, and by unanimous consent, Mr. MAZZOLI was allowed to proceed for 3 additional minutes.)

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. MAZZOLI. Mr. Chairman, I will yield to the gentleman shortly, but if I could have just a few seconds, I suggest—and really I think the gentleman from Massachusetts (Mr. BOLAND) has said it earlier—that we have got to keep our eye on the ball. The gentleman from Kentucky really believes the "ball" to be the Central Intelligence Agency and all components of the intelligence community, and we had it clearly set forth in testimony this year when the bill was before us that with the language, "specific intent," it would serve their purpose of protecting their people abroad.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. MAZZOLI. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I thank the gentleman for yielding.

Again I want to set the record straight, particularly as far as the statement of the gentleman from Illinois (Mr. McCLORY) is concerned. I laid in the RECORD specific statements made in the past week or 2 weeks, statements in black and white by the President and the Attorney General.

My friend, the gentleman from Illinois, is now talking about a telephone call to an undisclosed person who said something to him that now gives him an understanding of their position. Note that, just an understanding. What understanding?

Let me ask the Members of this body which statements they want to put the most confidence in. What some undisclosed spokesman said in a telephone call that my friend from Illinois, a very honorable gentleman, interprets for us but is not in black and white or what I put in the RECORD in black and white very openly and candidly.

Second, let me address something my good friend, the committee chairman, said, but let me first lay on the record my admiration for the gentleman from Massachusetts (Mr. BOLAND). I think one of the finest things the Speaker of this House did when this Select Committee on Intelligence was established was selecting a gentleman, a legislator, and a patriot like the gentleman from Massachusetts, Mr. EDDIE BOLAND, as the chairman, and I will back down to no one in my admiration for him. But one thing I think my good friend has overlooked—and I say this with a wistful feeling—is that one of the problems in this country when we talk to the people is the literal takeover of lawmaking by the Supreme Court. Time and time again we hear people complain about the Supreme Court and the Federal judiciary.

Every court decision has indicated that the Congress of the United States is a valid part of the lawmaking purposes, indeed constitutional determinations. The determination of this body of a constitutional issue carries weight with the Supreme Court, and we should not back down simply because some lawyer or some scholar from Chicago says this might not be constitutional. We have the right on the record to say that we believe our actions are constitutional.

Past courts of all administrations have given high priority to what we in this Chamber determine to be constitutional, and we should not allow ourselves to be scared on this issue. As a

matter of fact, we ought to reassert ourselves.

I happen to think this is an area where we should tell the court that we happen to believe this is constitutional, we put it in front of you, we believe you should agree with us, and we believe you will. So let us not allow that fear of a constitutional test to prevent us as legislators from doing what we think is right. Let us perform our duties as a coequal branch of Government.

The CHAIRMAN. The time of the gentleman from Kentucky (Mr. MAZZOLI) has again expired.

(By unanimous consent, Mr. MAZZOLI was allowed to proceed for 3 additional minutes.)

Mr. MAZZOLI. Mr. Chairman, I have asked for permission to proceed for 3 additional minutes since I did yield to several Members in order to help them make continuous statements, and I will not ask for any further time.

Let me just briefly speak to a couple of points. One is that I agree with the gentleman from Ohio (Mr. ASHBROOK). I am never one to be stampeded or disposed to act simply because someone tells me something is unconstitutional. If I had proceeded without interruption, I would never have mentioned the word "constitutionality." My opposition to the amendment is not based alone on the question of constitutionality. That is something that we have to take a stand on and let the chips fall where they may.

My observation is based on statements that we had last year. I mentioned the Central Intelligence Agency's General Counsel, and I would quote the statement from the Deputy Director of the CIA in last year's emergency measure:

> Finally, a statute which requires proof that unauthorized disclosures by those who have not had an employment or other relationship of trust with the United States—

And this is the area we are talking about, section 601(c)—

> were made with specific intent to impair or impede the Nation's foreign intelligence activities, this requirement would be for the protection of those who might claim they had made a public disclosure for this legitimate purpose, although I believe Congress did determine if there are any specific purposes and made a provision for them.

So last year the Deputy Director was in favor of a specific intent standard.

I would simply say again, to use our chairman's very apt description, let us keep our eye on what we are really trying to do here. We are trying to pass a bill, first and foremost. We are trying to pass a bill which solves a problem, and the problem has been delineated. That is the reprehensible and heinous crime of divulging information on people who were posted under cover. We want to do it in an effective, efficient, and, hopefully, trim and legal way.

I think that what we have before the House has done specifically that. It has recognized the problem, and we have moved to answer the problem with tools which had the broad support and so-called consensus that any bill has to have in order to pass. We need not require only constitutional muster, but we also must pass this through the Congress for it to become a bill which the President signs.

Mr. Chairman, I strongly urge my friends in the Chamber and those who are monitoring the proceedings with respect to the amendment offered by my friend, the gentleman from Ohio (Mr. ASHBROOK), who is a very valuable member of this committee, to oppose his amendment.

Mr. McCLORY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I think it is extremely awkward, may I say, to oppose an amendment offered by a distinguished and respected colleague, and I do not intend to get into any spirited debate with him or tc make any charge or to respond aggressively to any countercharges.

I do want to say that insofar as I can tell from a letter which he has from the President of the United States addressed to a single Member of the Senate, it makes no reference to H.R. 4 and it makes no comparison between the Senate bill and the bill that we have before us now.

May I state publicly that when a recommendation comes from the ACLU, I regard it with high suspicion. I am just automatically opposed to something that that organization might recommend for us to act upon. So, the fact that the statement has been made that some language here originated with the ACLU causes me to question the language which is there.

I have tested this language; I have challenged it; and I have looked for some hidden meaning that might be there that is not disclosed on the surface. I have not been able to detect it. I have subjected it to scrutiny by counsel, and we have not been able to detect any hidden, uncertain meaning there that might protect any person who would deliberately or intentionally disclose the name of a covert agent, thus jeopardizing his mission or impeding or impairing his intelligence activities.

So the language which I have seen and discussed as a representative of the committee with members of the Committee on the Judiciary and which has been worked out and which has enabled us to avoid sequential reference to the Judiciary Committee is language which I believe is constitutional and which will carry out the objectives of this legislation and which will enable us to move forward to punish those who disclose the names of covert agents who operate in behalf of our intelligence agencies, and I believe that we will provide for the quick and prompt punishment of persons who violate the provisions of this measure.

I do not think anybody should be exempted or that anybody should be excused. While it is directed primarily at scrubby publications which undertake to make it their business to deliberately disclose the names of covert agents, it would affect anybody who would make any such disclosures intentionally and who would intend to impair or impede our intelligence activities in that manner.

I think the language we have here is preferable, from the way I have studied it, and I believe that sincerely. I believe that in the last analysis the conference will decide that this is the best and the Attorney General's office will decide it is the best and the intelligence agencies will decide it is the best. But at this moment that is the decision we have to make.

Mr. Chairman, we have heard extensive debate on this amendment. I have tried to debate it directly and meet the challenges forthrightly, and I think that we have the good will of all concerned the way it is. So I hope the amendment is defeated.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I agree with my friend 100 percent. In the areas of difference that the gentleman and I have had over the years, our differences have been very, very narrow, and this is one of the very few.

My colleague raised a question for the record, and I think the record ought to have the other side of it. He raised the question that the reason to believe standard is equivalent to a negligence standard. It is the opposite. I think the record ought to show that, and I am not continuing with the idea of engaging in heated debate.

I think it is not equivalent. If you examine all the elements of proof required under subsection 601(c), it is clear that reason to believe does not mean that a negligent disclosure of an identity would be a criminal offense.

Second, the individual making the disclosure must know that the information he discloses does in fact identify a covert agent.

The person making the disclosure must also know that the United States is taking affirmative measures to conceal a covert agent's classified intelligence affiliation. Moreover, the disclosure must be in the course of a pattern of activities intended to identify and expose covert agents. Those are the important words, in my opinion.

Finally, the person making the disclosure must have "reason to believe" that his activities would impair or impede foreign intelligence activities in the United States.

All of these elements must be proved. An individual making an unauthorized disclosure under these circumstances can hardly claim negligence.

I would say that, Mr. Chairman, in all honesty, without engaging in heated debate, in response to what my friend, the gentleman from Illinois (Mr. McCLORY), has said as a very valuable presentation.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. McCLORY) has expired.

(By unanimous consent, Mr. McCLORY was allowed to proceed for 3 additional minutes.)

Mr. McCLORY. Mr. Chairman, first of all, I want to say that, with regard to the pattern of activities language, I was actively involved in opposing that language because it could require proof of repeated disclosures. I feel that a person should be subject to the penalties of this statute if they disclosed one name—even if they do it just once. It should not have to be a pattern. The bill should require just one disclosure, as far as I am concerned, and then it should be punished.

If we leave the language "pattern of activities" in there, we are going to have to prove a series of or a pattern of this type of activity, and I think that should not be in the bill.

Let me just state this further. The amendment offered by the gentleman from Ohio (Mr. ASHBROOK) would force the Government to make public at the trial more classified information than is currently required by the language which we have. The amendment would create this problem because it changes the focus of the bill from what the defendant intended to what he had reason to believe.

As to the "reason to believe" standard, it becomes relevant as to what effect the disclosure had or would have on our intelligence activities. This "results test" necessarily forces the Government to reveal what the agent whose cover was blown was doing in the country where he had been assigned, and what his replacement is doing there now. However, this information would not have to be released, because it would be irrelevant, under this bill as reported.

□ 1230

And, last year's "graymail bill" would not solve this problem because that law only protects irrelevant information from disclosure at the trial.

I think we have a good, sound bill here, and I hope it can be enacted in the form as presented by the committee.

Mr. FOWLER. Mr. Chairman, I move to strike the requisite number of words and rise to speak against the amendment.

I take the floor not to prolong this debate; but I want to rise to support the opposition of the gentleman from Illinois (Mr. McCLORY), to this amendment and to try to point out some specifics that I think have been overlooked in this debate.

I frankly do not see the relevance of what the other body did or the Senate committee did or what they might not have done: what is significant is what the House in our deliberations over the last 2 years has done, working closely together, not as partisans but working closely to try to do one thing and that is the terribly difficult task of balancing the need to protect our intelligence agents abroad and the need to so draft the legislation that we will protect first amendment rights, protect people who have no access to classified information, who might, for whatever reason, somehow reveal the name of an intelligence agent of this country and, therefore, be criminalized under this legislation.

The amendment before my colleagues that we have been arguing, submitted by the gentleman from Ohio (Mr. ASHBROOK) does not deal with the first category, those people who have had authorized access to classified information. None of those are covered by the Ashbrook amendment.

The Ashbrook amendment does not cover the second group of individuals in our bill who learn of a covert identity as a result of having authorized access to classified information. That is not covered.

The only thing that the Ashbrook amendment attempts to do is to change the standard on people who have had no access to classified information, who may be revealing unclassified information, but who, if inadvertently or in jest name the name of someone who happens to be in the employ of our country in a covert capacity, could be prosecuted under this section.

I could be at a cocktail party under the Ashbrook amendment and just say in jest, "John Ashbrook is a covert operative of the CIA." If there was a John Ashbrook operating in the covert intelligence service of this country and I got it right accidentally, under the Ashbrook amendment, if we adopt it, I could be prosecuted, assuming the other elements of the bill were proved, because under a negligence standard as the gentleman from Illinois (Mr. McCLORY) has eloquently pointed out, I could be prosecuted if I ought to know, if I ought to have a reason to believe that a John Ashbrook was in the employ of our country. That could not happen under a specific intent standard. There would be no specific intent shown if I had made that statement.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. FOWLER. I will be glad to yield to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. The agent from Ohio would like to point out that my good friend, when he speaks, I listen, but I think he has missed the first five words of the amendment. The point that he has not made is it says, "Whoever in the course of a pattern of activities."

Now, you could not just be at a cocktail party and make one statement if there were not a pattern of activities. A pattern would include seeking out the information, endeavoring to get it. You just cannot make one quick statement and that would not suffice for a pattern of activities. The cases, the language is very clear. It has to be a part of a course of action or a pattern of activities. So a casual statement of that type standing alone, without the pattern that showed there was Agent Ashbrook getting the information, he sought it out, he got it illegally, he got it illicitly, an entire pattern that would have been developed before that language would cover that example.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

(By unanimous consent Mr. FOWLER was allowed to proceed for 3 additional minutes.)

Mr. ASHBROOK. If my colleague will continue to yield, I hope my colleague will acknowledge that point. That is the way it was written.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. FOWLER. I yield to the chairman of the committee, the gentleman from Massachusetts (Mr. BOLAND).

Mr. BOLAND. On the very point of negligence, which has been raised by the gentleman from Ohio and by the gentleman from Illinois and the gentleman from Georgia, let me read from the hearings a statement of Richard K. Willard, who is counsel to the Attorney General for Intelligence Policy. My distinguished friend and colleague from Ohio (Mr. ASHBROOK) likes to quote Mr. Willard. Let me quote him with respect to this area.

The gentleman from Georgia (Mr. FOWLER), of course, has agreed to this, as has the gentleman from Illinois (Mr. McCLORY).

On page 36 of the hearings he says:

> The "reason to believe" standard would permit prosecution of an individual who can be shown either to have known of and disregarded the risk of harm or who can be shown either to have known of and disregarded the risk of harm or to have been negligent in overlooking the evident consequences of his actions for U.S. foreign intelligence activities.

That is a quote from a letter from Richard Willard to Mr. MAZZOLI.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. FOWLER. I am delighted to yield to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. I thank the gentleman for yielding. I think the gentleman has underscored a deficiency in this legislation when he describes his cocktail party scenario of identifying John Ashbrook as a CIA operative. My colleague will remember Mr. Hammer and Mr. Pearlman were murdered in their hotel in El Salvador just about a year ago and there are many who suspected they were murdered because they had been falsely identified as CIA agents.

Mr. FOWLER. If I may reclaim my time, that is an important area about false and misleading information. I think we are going to get to that. But if I may reclaim my time from the gentleman at this time, let me say to my friend from Ohio that I do not have it before me or I would read to him the testimony in answer to his question about my example.

It was plain from our hearings that one revelation to expose a covert agent, if it were done in the right manner and if there were specific intent to disclose that agent and dispose that agent, it would constitute an effort, a pattern.

That is why the specific intent language is needed, because we do not want to wait for all of this heinous activity to continue forever. If it is apparent that there is a specific intent of a person to point out and compromise every agent that we have in the employ of this country, we do not want to wait on some negligence standard as to who should have known or why. That is why the two sections have to come together.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

(By unanimous consent Mr. FOWLER was allowed to proceed for 3 additional minutes.)

Mr. FOWLER. Since the gentleman from Ohio and the gentleman from Georgia and all of us share the same goal, I only ask that the gentleman in his consideration, and our colleagues in this body will remember that it is this section and this section alone to which the gentleman's amendment applies. We are dealing with unclassified information or information that is published by someone who never had access to classified information. That is the only thing covered by this section, as I am sure the gentleman will agree. That is why in this section and this section alone one has to have specific intent if one is to balance those equities that we are both trying to balance and get at the source of the problem, those who are doing in our intelligence services by this deliberate attempt at exposure, but also to protect someone, whether it be myself, an American journalist, a member of a church, or John Q. American who happens to repeat the name of an American agent, with no pattern or practice or deliberate intent to compromise our intelligence services by so doing.

Mr. ASHBROOK. Will my colleague yield further?

Mr. FOWLER. I yield to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. What my friend has said, if you take it in the context of where he started and where he ends, it is quite interesting because he started by saying my language would make prosecution very easy for a person who casually at a cocktail party might mention the name of John Ashbrook as an agent. Where he is ending is saying we want to make it as tough as possible. The gentleman thinks intent is tough. I think reason to believe is tough. But it is a rather unique argument he is making.

First he said you could have overprosecution. Now we are saying, to listen to the gentleman, that intent makes it easier to prosecute, and my language makes it harder to prosecute.

I would say to my good friend from Georgia (Mr. FOWLER): Which way is it; does my language make it harder to prosecute or easier to prosecute?

Mr. FOWLER. I would say to the gentleman from Ohio that what we are after is not easy prosecution or hard prosecution but accurate prosecution.

Mr. ASHBROOK. We would agree on that.

Mr. FOWLER. Constitutional prosecution.

The Supreme Court over and over again, and I cited the majority of the cases in my remarks during the general debate, has said that when you are in this area, first of all the statute has to be very narrowly drawn because you are running up against our privilege of free speech under the first amendment. They have, second, said that you need to show a specific intent. That is the constitutional standard to criminalize any activity.

Again, the gentleman from Illinois (Mr. MCCLORY), I submit, is absolutely right in describing the gentleman from Ohio's amendment as a negligence standard.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

(By unanimous consent Mr. FOWLER was allowed to proceed for 3 additional minutes.)

Mr. FOWLER. Again we are not talking about people who have had any access to classified information. We are going to get them and get them good under this bill, which I support and the gentleman supports. But if the Ashbrook amendment carried, we are talking about either unclassified information in the public domain or from the mouth of somebody who has never had any access to any classified information. Therefore, the offender would not have to intend a bad result. He would not even have to know that a bad result might occur.

But the gentleman's standard is that he should have known that a bad result would occur.

Mr. ASHBROOK. If it were a part of a pattern of activities.

Mr. FOWLER. I do not think we ought to look at prosecutorial standards. Of course, the easiest way to get into court is not what we are looking for here. What we are looking for here and what the gentleman is looking for is a constitutional standard that punishes the wrongdoer and yet protects an individual who has never been in the CIA, who has never had any access to any classified information, who may be repeating a name he has heard by picking up one of those journals that we are trying to do something with.

To apply a "reason to believe," negligence standard, I submit to the gentleman from Ohio, whose record in support to constitutional measures I not only recognize but admire, would simply seriously jeopardize the plight of those that have no part in being covered by this bill.

(At the request of Mr. ASHBROOK and by unanimous consent Mr. FOWLER was allowed to proceed for 2 additional minutes.)

Mr. ASHBROOK. If my colleague will yield, in talking about both the constitutional tests that must be mustered and talking about the standing of intent and the reason to believe, the most recent decision of the Supreme Court, June 29, 1981, Secretary of State Haig against Agee, accepted the very standard I am talking about.

On page 29 let me read nine lines of what the Court says in a direct quote:

□ 1245

Long ago, however, this court recognized that "No one would question but that a government might prevent actual obstruction to its recruiting service or the publication of the sailing dates of transports or the number and location of troops."

Citing Near against Minnesota, 1931.

Mr. FOWLER. That is classified information.

Mr. ASHBROOK. I quote:

Agee's disclosures, among other things, have the declared purpose of obstructing intelligence operations and the recruiting of intelligence personnel. They are clearly not protected by the Constitution. The mere fact that Agee is also engaged in criticism of the government does not render his conduct beyond the reach of the law.

They apply the "reason to believe" standard, not the "direct intent" standard.

I am inclined to think either one is constitutional, either one passes muster. I go back to the Department of Justice and what they have said, prosecutions and probably convictions would be much easier to obtain if we have the standards that I have.

I believe the standards of my colleague, the gentleman from Georgia, are fine. I think they are too prescriptive. And all I am saying is that both would meet the constitutional standard.

The Supreme Court has recently accepted the standard I am talking about, has done it time and time again. Let us not make it more difficult. That was the last point that the gentleman made. The gentleman did not want to make it more difficult. And I would suggest to my friend, the gentleman from Georgia, he is making it more difficult, and I say that most honestly.

Mr. FOWLER. If I may attempt to wind up, I say to my friend, the gentleman from Ohio, that I would be almost persuaded—it is a great hymn; I will not sing it for you—almost persuaded, if you were applying your standard to 601 (a) and (b), where we would be applying a standard of a test of such reason to believe to people who have access to classified information.

But I submit there is a whole history of the cases, distinguished from the Haig case because they were talking about classified information:

Elfbrandt against Russell, 1966:

A statute touching (first amendment protected) rights must be "narrowly drawn to define and punish specific conduct . . ."

The CHAIRMAN. The time of the gentleman from Georgia (Mr. FOWLER) has expired.

(By unanimous consent, Mr. FOWLER was allowed to proceed for 2 additional minutes.)

Mr. FOWLER. Broadrick against Oklahoma, 1972:

It has long been recognized that the first amendment needs breathing space and that statutes attempting to restrict or burden the exercise of first amendment rights must be narrowly drawn and represent a considered legislative judgment that a particular mode of expression has given way to other compelling needs of society.

Why? Because we are talking about John Q. Citizen, who has not been in the employ of our country in a clandestine or covert operation, who has not had any access to any confidential or classified information. And that is why, in the amendment that the gentleman from Ohio (Mr. ASHBROOK) has offered, you have got to have specific intent in this section.

You could make an argument in the first two sections of the bill that are almost persuasive. But there is no room under the Constitution, and there is no quarrel with the CIA, there is no issue of liberalism versus conservatism or ACU's versus ACLU's. We are trying simply to balance the equity of John Q. Citizen in being able to speak out without the danger of being hauled into court when he has had no access to any classified information whatsoever.

Mr. EDWARDS of California. Mr. Chairman, will the gentleman yield?

Mr. FOWLER. I yield to the distinguished gentleman from California.

Mr. EDWARDS of California. I thank the gentleman for yielding, and I compliment the gentleman from Georgia on his lawyerlike and scholarly presentation. I agree with him and I urge that the Ashbrook amendment be defeated.

I have indicated in my earlier remarks my opposition to H.R. 4. That opposition is premised upon my firm belief that any legislation which seeks to criminalize the publication of information which is already in the public domain is unconstitutional.

The efforts of the Intelligence Committee to narrow the criminal intent required for criminal prosecution are a vast improvement over the standard of proof now under consideration in the Ashbrook amendment. Such a broad intent standard would have a chilling effect on the free and open political expression guaranteed by the first amendment.

If we are to pursue such legislation at all, we should proceed very carefully and in the least intrusive manner possible. This should be the case whenever the prospect of censorship or any restriction of free speech is involved, particularly when the content of the speech is political in nature. At the very least, a narrow specific criminal intent standard is necessary and I applaud once again the efforts of Chairman BOLAND and the entire Intelligence Committee for their efforts to narrow the broad reach of this bill.

Mr. FOWLER. I thank the gentleman.

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. FOWLER. I yield to the gentleman from Kentucky.

Mr. MAZZOLI. I would just make one 10-second addition, and that is, of course, the Agee case was not a criminal case. So I think there is a difference in the standards that the Supreme Court might be looking at.

Mr. FOWLER. I thank the gentleman.

Mr. YOUNG of Florida. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Ashbrook amendment.

Mr. Chairman, the question about the cocktail party scenario intrigues me, to a great extent. Really, the person who inadvertently or jokingly or in a lighthearted fashion says something about a CIA agent or mentions a name, we are concerned about that person or that breach of security, whether it is intentional or not. But, really, what we are after today are the Phillip Agees of the world, the ones who have a pattern of attempting to divulge and disclose in an attempt to damage the United States.

The gentleman from Ohio (Mr. ASHBROOK), I think, when he quoted from the opinion of the U.S. Supreme Court in the case of Haig against Agee, made the point that either of these languages are going to be constitutional. There does not seem to be any problem there. But whether Agee falls under 601(a) or 601(c), I do not think that really becomes a big problem. Agee has already expended all of his information under 601(a). The information that he obtained as a former CIA agent, he has already told the world all about that. That is not the problem. The problem today with Mr. Agee and the people of his like are described in that same opinion handed down by the Supreme Court on June 29. Let me read a couple more sentences from that, from page 2:

"In 1974, Agee called a press conference in London to announce his "campaign to fight the United States CIA wherever it is operating." He declared his intent "to expose CIA officers and agents and to take the measures necessary to drive them out of the countries where they are operating." Since 1974, Agee has, by his own assertion, devoted consistent effort to that program, and he has traveled extensively in other countries in order to carry it out. To identify CIA personnel in a particular country, Agee goes to the target country and consults sources in local diplomatic circles whom he knows from his prior service in the United States Government. He recruits collaborators and trains them in clandestine techniques designed to expose the "cover" of CIA employees and sources.

Well, Agee does this because of what he announced in a press conference in London in 1974, when he announced his campaign to fight the U.S. CIA wherever it is operating.

I submit, Mr. Chairman, that Mr. Agee's activities, as described by the U.S. Supreme Court, fall under section 601(c), not 601(a), because he is doing things now that he did not learn when he was an agent of the Central Intelligence Agency.

But I believe it is important, as our chairman has said, to keep our eye on the ball, what it is that we are doing here today. And what it is that we are doing today, Mr. Chairman, is announcing, for all of the world to see, a declaration of this Congress, and that is that we are going to protect the security of our Nation, that we are going to do it by protecting the security of those who serve our Nation. And that is what we are doing in H.R. 4, and that is what we would do with H.R. 4, as amended by the gentleman from Ohio (Mr. ASHBROOK).

Now, there are different opinions as to which one is the stronger approach. I tend to believe that the Ashbrook

language is stronger. The Director of the Central Intelligence Agency believes the Ashbrook language is stronger. The President of the United States believes the Ashbrook language is stronger. A spokesman, a Mr. Renfrow, from the Carter administration, believed that basically the Ashbrook language was stronger. Dr. Roy Godson, an associate professor of government at Georgetown University and the director of the Consortium for the Study of Intelligence in a paper prepared for publication believes the Ashbrook language is stronger and constitutional and should be supported. His and other expert opinions support the stronger language.

I think it is important that we make that declaration as strongly as possible today, that we intend to protect those who are protecting us. We make that declaration not only to our adversaries in the world but also to our allies who are working with us as we attempt to protect ourselves. But I think it is extremely important, Mr. Chairman, that we make that declaration today for the agents, the men and women who serve in the intelligence community, for their families, for their spouses, for their children, for those people who do not care what the intent was, they do not care about all of the international politics; what they want most is the protection of the husband or wife who is involved in protecting our country. That is what we have got to do today, to make that strong declaration.

If there is anything we could do for the morale of the people who serve us in these operations believe me, this declaration on our part today is it. It will do an awful lot to improve and to boost that morale, to make them willing to go out and do the things they need to do to risk their lives, to take chances, in the protection of our great country. I believe we are going to make that declaration today whether we go with H.R. 4 as written today, or with H.R. 4 as amended by Mr. ASHBROOK. But I believe we make that declaration much stronger if we adopt the Ashbrook amendment, put in the strong language. It is constitutional and it is supported by those who would be affected by this law. And, remember, we are not talking about the person at the cocktail party who innocently and even mistakenly might mention someone's name in jest or in joking. We are talking about the Phillip Agees of the world who for the purpose of removing the influence of the United States of America from the international scene is doing his utmost to identify agents, to reduce their ability to do their jobs.

Mr. DORNAN of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Ashbrook amendment.

Mr. Chairman, I rise to vigorously support the amendment offered by the gentleman from Ohio (Mr. ASHBROOK). I would like to give a little historical background as to why I believe this stronger Ashbrook amendment is needed.

I appreciate the scholarly and the legalistic approach in this body to any issue that involves the greatest of our rights, the first amendment to the Bill of Rights, freedom of speech.

But what we are talking about now is also a life-and-death issue. We are speaking about bringing before the bar of justice American citizens who actually work to get fellow Americans murdered.

Isn't it obvious that the Phillip Agees of this world are so clever that in the future they will read weak statutes and then not speak themselves but get some young man or young woman, a U.S. citizen, corrupted in their early years by any of the false ideologies that we see touted across our country, and use that person as a cat's paw to do their dirty work—someone who has no background dealing with classified information or who has never even been in a government job where they would have had the opportunity to come across classified information. Then, that young traitor "plays dumb" about releasing information to get American intelligence officers murdered.

When I came to this Congress 5 years ago, on the first occasion I had to go over to the CIA headquarters building in Langley I noticed several impressive things. (And, frankly, I am surprised that the overwhelming majority of my fellow colleagues have never been over there to the CIA for information.) When you approach the CIA building through the main entrance, you can't help but see a statue out in front of a young American who, 205 years ago yesterday, gave his life, the full measure of devotion, serving his country as an intelligence officer. He was a Yale graduate only 21 years of age. Capt. Nathan Hale was captured by his foes in one of the very first intelligence missions of our country during our Revolutionary War.

This statue on the CIA grounds is one of three exact copies of the one standing in "the yard" at Yale. Another is in front of the New York City Hall, the fourth right here in front of our Justice building out on Constitution Avenue. Many of us drive by that memorial to Nathan Hale every morning. It reminds me whenever I gaze upon it of the most striking memorial over at CIA headquarters, The Roll Call of Honored Dead.

When you walk into the CIA building, moved by the image of young Hale, his hands tied behind his back, denied a Bible by his captors, at the moment he uttered his final proud statement that rings out still, at least in our high school and grade school American history classes, "I regret that I have but one life to give for my country," you see in the main hall entrance on the wall to your right the gold stars of 38 modern Nathan Hales that have given their lives for their country, for us. Startling is the fact that less than half of the stars have names next to them. The majority of these American heroes go unknown as heroes even to their families, to most of their own colleagues, to their college pals, their high school friends. They die unheralded by a grateful Nation. Imagine this. Their own mothers and fathers, do not know why or how they died out there, in some hostile corner of this world, trying to glean the intelligence data to keep the free world free. What an amazing sacrifice these heroes make for us in total anonymity. And we know that some of them are fingered for death by fellow Americans who bear the loathsome title of traitor.

□ 1300

Between my first visit to Langley in 1977 and my last one a few weeks back three golden stars of heroic sacrifice went up on the wall. And those three new stars like the majority do not have names next to them. Who were they? Did we in Congress somehow fail to protect them? So three Americans unknown to this House die and we cannot praise them on this floor or strike medals for them, we cannot honor their mothers and fathers, their widows and children will receive no letters from us. These courageous intelligence agents simply fade into oblivion.

Of course Richard Welch's name is up on the wall, his gold star of honor among those of his colleagues, and we know beyond a doubt he was fingered for murder in Greece by the cowards we intend to stop with this strongly worded Ashbrook amendment.

This debate today, as scholarly as it may be, reminds me of many debates we have had in this House, by the good men and women who serve here, who in trying to protect freedom of speech, soften the law so badly as to give the criminals virtual immunity thereby destroying the intent of what we were debating about in the first place.

Let me give several instances. We passed unanimously in this House, in my first year, a bill to do something about the particular offensive crime of child pornography. But we so crippled what we were trying to stop by putting on so called first amendment protections——

The CHAIRMAN. The time of the gentleman from California (Mr. DORNAN) has expired.

(By unanimous consent, Mr. DORNAN of California was allowed to proceed for 4 additional minutes.)

Mr. DORNAN of California. That no pervert has ever been prosecuted under the law we created. Ever.

To be more specific with a crime much more like what we are discussing now in the intelligence field, I recall submitting several Dornan amendments and supporting several Ashbrook amendments years ago to stop the incredible flow of high technology to the Soviet Union. Some of our amendment language of knowing what was being done, "a pattern of intent to get around the law," and so forth, was exactly parallel to the intent of what Mr. ASHBROOK is trying to put into law today. We heard the same misguided arguments then. The result was eunuch law. So the Soviet Union steals or buys technology from our country such as super computer technology with all the software involved, and secret electronic technology that by overwhelming vote in this Congress we tried to deny them. The net result of always watering down proper restrictions on criminal activity that we here put into law, is to render those laws utterly useless. I heard on the evening news a few weeks ago for instance that the illegal leakage of high technology to the Soviets is a multibillion-dollar scandal. And it involves major spy cases in my own district rich in aerospace defense knowledge. Again as a result of long tortured debate in the House, we ended up with nothing and a situation far worse by emboldening traitors with our crippled law.

I submit to all of the distinguished Members who have worked so hard on this, particularly on section 601 (a) and (b), where we are all in agreement that what we may have here is a case of "not invented by the committee." This is what I find is most annoying in the Pentagon. When new defense ideas come before the Pentagon planners, if it is not an idea originated by someone on the Pentagon payroll, they react "sorry, not invented here."

We should not have that attitude here in Congress. Those of us not on a given committee can sometimes immeasurably strengthen committee bill language.

I think the language of the gentleman from Ohio (Mr. ASHBROOK) does just that. This ugly new type of American traitor who betrays our agents in the field whether that traitor serves in the Government or not, or had access to information or not, must be stopped. I believe Phillip Agee is a hard core traitor, every bit as deserving of disgrace as Benedict Arnold.

When he uses some young man or woman to do his dirty work for him, we should be able to bring that person to justice.

I asked the former CIA Director, and the current Deputy Director of the CIA to please try and declassify the files of some of the 38 Gold Star cases of men who died in our intelligence services. Maybe if we get some of these cases declassified and find that some died because of Agee-type informers more of you will see the wisdom of the Ashbrook amendment. My case is weakened here today because I cannot point to specific men in the current decade other than Dick Welch who died because someone targeted them for death to accomplish a political goal.

So, I ask my colleagues please give us the strongest language possible here. Again with all due respect to the other side of this debate I hope you do not prevail. We want the toughest language we can possibly get to stop this new phenomenon in our country of fellow Americans arrogantly, flagrantly traveling around the world disrupting intelligence gathering activities. It is hard enough to recruit people in this field as it is after all of the demagogy in both Houses attacking a noble profession going all the way back to Biblical times. Every country in history that was a serious nation had intelligence forces. It is a necessary and respected profession.

I am a member of the Association of Former Intelligence Officers and I know their strong feelings on this amendment. As our country suffers under a crime wave now, because of the same attempts at legal niceties and inadvertent protections for criminals, let us for once give the benefit of the doubt to the men and women who are targeted for assassination. Rather than talk about hypothetical cocktail parties let us look at what is really out there * * * people moving around the world relishing in getting their Americans murdered. I urge you to vote yes on this excellent Ashbrook amendment.

Mr. KRAMER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Ashbrook amendment. Listening to the debate I have heard the arguments that have been made about the chilling effect on free speech, especially in the case of an individual inadvertently discussing an agent, and then subjecting himself to possible harsh penalty. As a former prosecutor, I really do not believe the arguments hold water when we again look at the specific language with which we are dealing.

In fact, if anything, an argument can be made, I think very convincingly, that the Ashbrook language falls very strongly on the side of the civil libertarians and does in fact present a very difficult standard and burden of proof which has to be met, because if we go through it and look at the four separate elements, one must show in order to prove guilt under the language: First, a pattern of activities intended to identify and expose agents. One instance is not going to be sufficient. You have to be actively engaged in a pattern of activities.

Second, you have to act with a belief that those activities would indeed impair or impede our intelligence activities. In other words, if you do it as an innocent bystander, who has really no awareness of what he is involved in, you cannot be held accountable under the Ashbrook language. Third, you have to disclose the information. And fourth, when you disclose the information, you have to know that the Government of the United States has a real interest in concealing the declared agent's intelligence-gathering activities.

So you have not only, one, engaged in a pattern of activities, you not only, two, have to have a reason to believe that the activities would impair or impede, but you also have to know when you disclose the information that the United States is actively trying to conceal that individual's identity.

I would submit that that language certainly obviates any possibility that you are going to hold accountable any innocent third party or bystander that just happens to get himself caught up in a scenario unaware of what he is doing.

If anything, I think this language perhaps could be argued to be overly broad because it does not go so far as to make accountable anybody who discloses an agent's identity with an intent to impede intelligence gathering activities. It could have gone that far, but it does not.

So I think that for all civil libertarians, there is plenty of protection in the Ashbrook language and I hope that the committee will see fit to adopt the amendment.

Mr. MAZZOLI. Mr. Chairman, we have had a very interesting and thorough debate, but I think it is very nearly time for a vote. I see the gentleman from California wishes some time, but I think that we have aired the issue from every angle. It has been healthy and I hope and expect that we will very soon come to a vote.

Mr. LUNGREN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as one of those individuals who cosponsored the original version of this legislation, and then as a member of the Committee on the Judiciary who was, frankly, as many others, not consulted on this, I had to cancel three different meetings and take about the last 2 hours to review the material on this subject. Strangely enough, I think I come out for the very first time in not supporting an Ashbrook amendment here on the floor.

I have some concerns about this amendment and the section at which it is directed. I think it is somewhat of a mixed bag. We are talking about 601(c). The language entertained in the Ashbrook amendment itself, does, as mentioned by the previous speaker, talk about a "pattern" of activities as opposed to what we have in the law before us "in the course of an effort."

Why is that important? I think that is important because in an effort to make it tougher and more stringent it may actually weaken it because the amended language takes more than one action. It takes a pattern. And in that sense I think it creates another loophole.

Although that might be the language in the Senate bill, I think we adopted preferable language in the House version that we have here.

Second, I think the objectionable language in section 601(c), the one that creates a loophole, is the language that says "by the fact of such identification or exposure." It is my understanding that the gentleman from Ohio (Mr. ASHBROOK) has another amendment that he would offer that will knock that point out and retain the rest of the language section 601(c).

To me that is the most objectionable part of 601(c) as it is written at the present time.

I think we must remember that in this section of the bill we are not talking about those people who have an access to classified information. These are people who are common everyday citizens; even though some of them may be members of the press, they are not required to be by this section.

In that context I do not believe it is too much for us to at least require that specific intent be proven.

I think there are other elements in the amendment that protect us from creating loopholes, but at the same time, I think the amendment offered at this time goes a little bit too far. In fact, the amendment does present a problem itself when it refers to a pattern. Because there it does, in fact, require more than one action, more than one activity, but at least two, and I think that in and of itself creates some difficulties.

So for those reasons, I would ask that we not support this particular Ashbrook amendment, although I am in hopes that he will offer the second one as indicated earlier.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. LUNGREN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

I make my colleague one very definite promise, I will offer plenty of amendments the rest of this session the gentleman may not want to support.

Mr. LUNGREN. I do not think that is true.

Mr. ASHBROOK. But I do hope that the gentleman will support this one.

I think the gentleman missed one key point. It only requires one disclosure. It does not require a pattern of disclosures. It only requires one disclosure, and the reason to believe standard, as far as proving the intention of the person who makes the dislosure, is much easier for prosecution than the requirement of intent.

The Attorney General has said, and I will quote again the specific intent requirement—we are not talking about intent, we are talking about specific intent—

The specific intent requirement can serve to confuse the issues in an actual prosecution to the point where the Government could be unable to establish the requisite intent beyond a reasonable doubt.

I say to my colleague and friend, he is a very perceptive legislator. I hope he will take another look at it. I do believe this is one of the Ashbrook amendments that he should support and I will give him a chance later in the session for a number of Ashbrook amendments that he would not even think of supporting.

Mr. LUNGREN. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 226, noes 181, not voting 26, as follows:

[Roll No. 217]

AYES—226

| | | |
|---|---|---|
| Albosta | Burgener | Duncan |
| Alexander | Butler | Dyson |
| Andrews | Byron | Edwards (OK) |
| Anthony | Campbell | Emerson |
| Applegate | Carman | Emery |
| Archer | Carney | Erdahl |
| Ashbrook | Chappell | Evans (DE) |
| Atkinson | Chappie | Evans (IA) |
| Badham | Cheney | Fenwick |
| Bafalis | Clausen | Fiedler |
| Bailey (MO) | Coats | Fields |
| Bailey (PA) | Coleman | Flippo |
| Barnard | Collins (TX) | Florio |
| Beard | Conable | Fountain |
| Benedict | Corcoran | Frenzel |
| Bennett | Coyne, James | Frost |
| Bereuter | Craig | Gaydos |
| Bethune | Crane, Daniel | Gephardt |
| Bevill | Crane, Philip | Gibbons |
| Biaggi | Daniel, Dan | Gilman |
| Bliley | Daniel, R. W. | Gingrich |
| Boner | Dannemeyer | Ginn |
| Bouquard | Davis | Goldwater |
| Bowen | de la Garza | Goodling |
| Breaux | Deckard | Gramm |
| Brinkley | Dickinson | Gregg |
| Broomfield | Dornan | Grisham |
| Brown (CO) | Dougherty | Gunderson |
| Brown (OH) | Dowdy | Hagedorn |
| Broyhill | Dreier | Hall (OH) |
| Hall, Ralph | Martin (NY) | Sensenbrenner |
| Hall, Sam | McCollum | Shaw |
| Hammerschmidt | McCurdy | Shelby |
| Hance | McDade | Shumway |
| Hansen (ID) | McDonald | Shuster |
| Hansen (UT) | McEwen | Siljander |
| Hartnett | McGrath | Skeen |
| Hefner | Mica | Skelton |
| Heftel | Miller (OH) | Smith (AL) |
| Hendon | Minish | Smith (IA) |
| Hiler | Mitchell (NY) | Smith (NE) |
| Hillis | Molinari | Smith (NJ) |
| Holt | Mollohan | Smith (OR) |
| Hopkins | Montgomery | Snowe |
| Hubbard | Moore | Solomon |
| Huckaby | Moorhead | Spence |
| Hunter | Morrison | Stangeland |
| Hutto | Motti | Staton |
| Hyde | Myers | Stenholm |
| Ireland | Napier | Stratton |
| Jeffries | Nelligan | Stump |
| Jenkins | Nichols | Tauke |
| Johnston | O'Brien | Taylor |
| Jones (TN) | Oxley | Trible |
| Kazen | Parris | Vander Jagt |
| Kemp | Patman | Walker |
| Kramer | Petri | Wampler |
| LaFalce | Porter | Watkins |
| Lagomarsino | Pritchard | Weber (MN) |
| Latta | Regula | White |
| Leach | Rhodes | Whitley |
| Leath | Ritter | Whittaker |
| LeBoutillier | Roberts (KS) | Whitten |
| Lee | Roberts (SD) | Williams (OH) |
| Lent | Roe | Wilson |
| Levitas | Roemer | Winn |
| Lewis | Rogers | Wolf |
| Loeffler | Rostenkowski | Wortley |
| Lott | Roth | Wright |
| Lowery (CA) | Roukema | Wylie |
| Lujan | Rousselot | Yatron |
| Madigan | Rudd | Young (AK) |
| Marlenee | Russo | Young (FL) |
| Marriott | Santini | Zeferetti |
| Martin (IL) | Schneider | |
| Martin (NC) | Schulze | |

NOES—181

| | | |
|---|---|---|
| Addabbo | Edwards (AL) | Lantos |
| Akaka | Edwards (CA) | Lehman |
| Anderson | English | Leland |
| Annunzio | Erlenborn | Livingston |
| Aspin | Ertel | Long (LA) |
| AuCoin | Evans (IN) | Long (MD) |
| Barnes | Fascell | Lowry (WA) |
| Bedell | Fazio | Luken |
| Beilenson | Ferraro | Lundine |
| Benjamin | Findley | Lungren |
| Bingham | Fish | Markey |
| Blanchard | Fithian | Marks |
| Boggs | Foglietta | Matsui |
| Boland | Foley | Mattox |
| Bonior | Ford (MI) | Mavroules |
| Bonker | Ford (TN) | Mazzoli |
| Brodhead | Forsythe | McClory |
| Brooks | Fowler | McHugh |
| Brown (CA) | Frank | McKinney |
| Burton, John | Fuqua | Mikulski |
| Burton, Phillip | Garcia | Miller (CA) |
| Chisholm | Gejdenson | Mineta |
| Clay | Glickman | Mitchell (MD) |
| Clinger | Gonzalez | Moakley |
| Coelho | Gore | Murphy |
| Conte | Gradison | Murtha |
| Conyers | Gray | Natcher |
| Coughlin | Green | Neal |
| Coyne, William | Hamilton | Nowak |
| D'Amours | Harkin | Oakar |
| Daschle | Hatcher | Oberstar |
| Dellums | Hawkins | Obey |
| DeNardis | Heckler | Ottinger |
| Derrick | Hertel | Panetta |
| Dicks | Hightower | Patterson |
| Dingell | Holland | Paul |
| Dixon | Hollenbeck | Pease |
| Donnelly | Hughes | Perkins |
| Dorgan | Jacobs | Peyser |
| Downey | Jeffords | Pickle |
| Dunn | Jones (NC) | Price |
| Dwyer | Jones (OK) | Pursell |
| Dymally | Kastenmeier | Quillen |
| Early | Kildee | Rahall |
| Eckart | Kindness | Rangel |
| Edgar | Kogovsek | Ratchford |

| | | |
|---|---|---|
| Reuss | Simon | Walgren |
| Richmond | Smith (PA) | Washington |
| Robinson | Snyder | Waxman |
| Rodino | Solarz | Weaver |
| Rose | St Germain | Weiss |
| Rosenthal | Stanton | Whitehurst |
| Roybal | Stark | Williams (MT) |
| Sawyer | Stokes | Wirth |
| Scheuer | Studds | Wolpe |
| Schroeder | Swift | Wyden |
| Schumer | Synar | Yates |
| Seiberling | Traxler | Young (MO) |
| Shamansky | Udall | Zablocki |
| Shannon | Vento | |
| Sharp | Volkmer | |

NOT VOTING—26

| | | |
|---|---|---|
| Bolling | Guarini | Pepper |
| Collins (IL) | Horton | Railsback |
| Courter | Howard | Rinaldo |
| Crockett | Hoyer | Sabo |
| Danielson | McCloskey | Savage |
| Daub | Michel | Tauzin |
| Derwinski | Moffett | Thomas |
| Evans (GA) | Nelson | Weber (OH) |
| Fary | Pashayan | |

□ 1315

The Clerk announced the following pairs:

On this vote:

Mr. Guarini for, with Mr. Hoyer against.

Mr. Nelson for, with Mrs. Collins of Illinois against.

Messrs. DE LA GARZA, ANTHONY, and PORTER changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

□ 1330

The CHAIRMAN. Are there other amendments to the bill?

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment on page 3 which was printed in the RECORD in accordance with the rule.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK: Page 3, after line 21 insert the following new subsection:

"(d) Whoever intentionally discloses to any individual not authorized to receive classified information any information that purports to identify a U.S. official overseas as a covert agent, under circumstances that place a person in imminent danger of death or serious bodily injury, shall be fined not more than $25,000 or imprisoned not more than 5 years or both."

Mr. ASHBROOK. Mr. Chairman, many of the names listed by CovertAction Information Bulletin and CounterSpy are not CIA officers but other Americans serving their country overseas. CounterSpy listed some in Iran and these false identifications were used against our diplomats.

Jesse Jones an AID employee in Jamaica was falsely identified as a CIA officer by Louis Wolf of CovertAction Information Bulletin.

His home was attacked by armed gunmen. We have the responsibility to protect our CIA officers, but we must also protect other American Government officials who are the targets of the animals let loose by the Agee apparat.

I encourage the Members to support this amendment.

Mr. MAZZOLI. Mr. Chairman, I rise in opposition to the gentleman's amendment.

This was, as the gentleman accurately said, one of the many amendments which the subcommittee had before it and considered carefully during the writeup and markup of the bill, and which the full committee also considered. But we made the judgment and made the agreement that this addition, as proposed by the gentleman, would make the bill too broad in its coverage and potential. Even though none of us could agree that identifying wrongly or mistakenly some individual was correct conduct, certainly it renders that individual just as impotent to act in the capacity of intelligence as correctly identifying them, and we still said or felt as a committee that this was going beyond the regular bounds of this kind of a bill. It, in effect, makes it a crime to basically call somebody a bad name.

Now, the gentleman's amendment which earlier was approved does seem to set up what the gentleman from Kentucky feels is a negligence standard. And if we further broadened the coverage of that section, then I do believe we have gone beyond the bounds of a correct bill.

I would simply say that this is not sponsored by or supported by the intelligence agencies, nor is it urged upon us by the Department of Justice. As a matter of fact, both of them have misgivings about this kind of approach.

We had testimony before us by the legal academic community and they, in answer to the gentleman from Illinois who propounded a question, suggested that the language as proposed by the gentleman would constitute a problem. The bill which is before us is to protect national security interests and the lives of people who are pursuing national security interests. I certainly have nothing but the height of disregard for those who would name names which are either accurately named or inaccurately named, because the end product is about the same. But I worry about the addition of the gentleman's amendment for fear of making this bill too broad in its coverage and more or less a bill which would be transgressing the kind of legal standards which have been built up in the past for this kind of conduct.

Therefore, I would urge the House to reject the gentleman's amendment and to support the committee position.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. MAZZOLI. I would be happy to yield to the gentleman from Illinois.

Mr. McCLORY. I thank the gentleman for yielding.

Mr. Chairman, it is true, as the gentleman says, that this is another subject. What we are trying to do through this legislation is to protect persons who operate undercover, covert agents, and this would expand the legislation into another area where there are false accusations made with respect to Americans serving overseas. I am not saying it is something that should not be covered by law. Perhaps it should be. But in an identities bill such as we have before us, it seems to me this is an inappropriate subject.

Mr. MAZZOLI. As the gentleman has correctly said, all of the effort of the committee through its many hours and weeks and years, really, of work has been to develop a focused, coherent, fairly targeted, limited application bill, limited to the kind of conduct which I have earlier called heinous and outrageous, which is to name names of U.S. citizens or non-U.S. citizens who are in an intelligence capacity. The gentleman's amendment would expand the coverage of the bill. It would be, I think, beyond the purpose of the bill we have before us.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. MAZZOLI. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank my colleague for yielding.

Mr. Chairman, once in a while on the floor we ask the question of whether or not at some future time this subject could be taken up. I know the answer in advance is "yes," because I know most members of our committee would want to protect those Americans who are not covered by this bill. I tend to agree with my colleague.

On the grounds that it probably would add one more area to weigh it down, I would not press for a vote, with the understanding that at some future time we would look at this matter.

Mr. MAZZOLI. I would certainly agree with that. I think the gentleman could state to the House that the gentleman from Kentucky was one of many who, during the markup, suggested that this was an area which ought to be looked into, but because we are trying to limit the scope of our bill, we thought we would put it off to a later date. I think the gentleman makes a very constructive suggestion that the amendment not be pressed to a vote, and the gentleman from Kentucky gives assurance to the gentleman from Ohio that we will in due course have hearings on this subject and see if it fits into the realm of legislation.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. MAZZOLI. I yield to the chairman, the gentleman from Massachusetts.

Mr. BOLAND. I appreciate the gentleman yielding to me.

Is the gentleman from Ohio going to withdraw the amendment?

Mr. ASHBROOK. Yes.

Mr. Chairman, I ask unanimous consent that the amendment may be withdrawn, with the assurance from both the chairman and the chairman of the subcommittee that it will receive action in the future.

Mr. MAZZOLI. I thank the gentleman.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

AMENDMENT OFFERED BY MR. WEISS

Mr. WEISS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. Before the gentleman proceeds, the Chair would like to inquire of the gentleman from New York if this is a germane amendment in accordance with the rule.

Mr. WEISS. It is, Mr. Chairman.

The Clerk read as follows:

Amendment offered by Mr. WEISS: On page 4, after line 21, insert the following new section:

SEC. 602 "(d) It shall not be an offense under section 601 to transmit or disclose information previously available from public sources or unclassified materials."

Mr. WEISS. Mr. Chairman, the legislation contains certain defenses and exceptions because in the good judgment of the committee there are situations where there ought to be defenses to prosecution. If the disclosure is made, for example, to the Select Committee on Intelligence of the Senate or to the Permanent Select Committee on Intelligence of the House of Representatives, it should not be considered an offense, obviously, and the legislation so states in section 602(c).

Section 602(a) says that it is a defense to prosecution if before the commission of the offense with which the defendant is charged, the United States had publicly acknowledged or revealed the intelligence relationship.

The amendment which I have offered very simply says that where the disclosed material was previously available from public sources or unclassified materials its disclosure would not subject one to prosecution.

I think the amendment makes good sense from the point of view of those who are enthusiastic about this legislation as well as those who are concerned about its constitutionality.

Mr. Chairman, it seems to me that if we are primarily interested in providing protection to covert agents from those who would disclose names gained from classified materials which they gained access to either as employees, as former employees, or even outside of Federal employees, would want to safeguard the legislation from constitutional attack.

The clearest way of doing that is to make sure that violations or offenses which clearly overstep the bounds of rationality are excepted from the compass of the legislation.

Now, look at how the legislation as amended reads.

If one is a private citizen and if one picks up information which has been in the public domain which is not classified, which may never have been classified, even where one has never had anything to do with anyone who ever had access to classified information, and one repeats it, one has committed a crime.

□ 1345

I think that that is such a violent assault on the first amendment rights of American citizens that there is not a chance in the world that it will sustain constitutional challenge.

Mr. SKELTON. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I will be happy to yield to the gentleman from Missouri.

Mr. SKELTON. Is this gentleman not speaking about two separate instances, the first instance being where it is in the public domain and the second instance being where it is unclassified?

Let us give the gentleman a first instance. For example, a situation where person A, a friend of person B, person A makes this secret material part of the public domain one way or the other, and then person B makes it his disclosure. Is the gentleman giving person B a defense when really he should not have it?

Mr. WEISS. I do not think so. What we are aiming at is a situation where the material is open to the world at large. It is unclassified material that is in the public domain and along comes someone now and says, "that was done with reason to believe it would damage the intelligence capacity of the United States."

I think that is awfully dangerous.

Mr. SKELTON. I thank the gentleman for the clarification.

Mr. WEISS. I think those who support this legislation most strongly ought to be the first to want to remove the danger to its constitutionality. I do not think I have anything further to add, Mr. Chairman. The amendment should speak for itself and I hope that those who are most concerned about the breadth of this legislation, as well as those who are least concerned, will vote for this amendment.

Mr. McCLORY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, clearly this legislation is intended to protect the lives and the safety of intelligence agents who operate undercover, and whether the information is secured from public sources or private sources or is classified or unclassified material, if the intent is to impair and impede our intelligence activities and places in danger the life or safety of an intelligence agent operating undercover, then we intend that this legislation should cover that.

It seems to me that if we would provide an out because of information having been published, even published overseas, for instance, which was one of the excuses offered by some who wanted to thwart this legislation, then it seems to me that we would frustrate the very efforts which we are undertaking here today with this legislation.

So that, I think that any effort to circumvent the intent of the legislation through this amendment or otherwise would be very destructive to what we are endeavoring to do here today, and I hope the amendment will be soundly defeated.

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Kentucky.

Mr. MAZZOLI. Mr. Chairman, I just rise for a few seconds to join the gentleman. Certainly, had the original amendment of the gentleman from Ohio not carried, I could argue much more strongly against the amendment of the gentleman from New York. Now, because of the change of standards of proof the thing is muddled up, but I still feel and I join the gentleman in urging that we keep the bill clean, we penalize people that name names. I still feel that criticism of a national policy, of misguided intelligence policy, could have been undertaken by a serious journalist or by a national critic, and without violating the bill as reported. We now must take even more care.

So in the end, I believe that the gentleman's amendment should be defeated and the bill left as it is before the House today.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. WEISS).

The question was taken; and on a division (demanded by Mr. WEISS) there were—ayes 3; noes 38.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. BENNETT

Mr. BENNETT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Chair would inquire of the gentleman from Florida, Is this a germane amendment?

Mr. BENNETT. It is published on page 21471 of the CONGRESSIONAL RECORD of September 21.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BENNETT: Page 3, after line 21, insert the following:

(e) Whenever, in the judgment of the head of any department or agency engaged in foreign intelligence or counterintelligence activities, any person is about to engage in conduct that would constitute a violation of this Act, the Attorney General, on behalf of the United States, may make application to

an appropriate United States district court for an order enjoining such conduct. Upon a showing that the safety or well-being of any officer, employee, or citizen of the United States would likely be jeopardized or that irreparable damage to United States foreign intelligence or counterintelligence activities or foreign affairs functions would be likely to result if such conduct is carried out, a permanent or temporary injunction, restraining order, or other order may be granted. Any proceeding conducted by a court under this subsection for the purpose of determining whether any information constitutes the type of information described in this Act shall be held in camera.

Mr. BENNETT. Mr. Chairman, I rise to offer an important amendment to the Intelligence Identities Protection Act. I believe I was the original sponsor of this type of legislation during the 96th Congress. I have twice testified before the Select Committee on Intelligence, stressing the urgency of congressional action to close dangerous loopholes in our laws. These loopholes endanger not only the lives of intelligence agents and officers all over the globe, but the very security of this Nation as well. Stemming from those hearings, the select committee has performed a very commendable act in framing legislation that addresses the realities of a very dangerous and unpredictable world. It is those very realities, however, which compel us to take this legislation a step further than was taken by the committee.

Specifically, the legislation which I have offered is found on page 21471 of the September 21, 1981, CONGRESSIONAL RECORD.

The amendment I offer to the Intelligence Identities Protection Act will prevent the dangerous situations which the other provisions of this act seek to address, and will do this before they actually occur. Specifically, this narrow and carefully worded amendment would empower the U.S. district court to issue an injunction following an in-camera hearing to prohibit any person from compromising the identity of an intelligence officer should such action imperil that officer's safety or the conduct of U.S. foreign policy.

The significance of this extremely important provision is that it empowers the Federal Government, under carefully designed parameters, to stop those who seek to compromise our national security before the damage is actually inflicted. To pass the Intelligence Identities Protection Act without this amendment I offer today would be reminiscent of the old American parable about closing the barn door after the horse has run away. We are today addressing a basic problem confronted by our intelligence community. I say we should solve it once and for all. Certainly, the provisions of the bill which I originally introduced came informally from the CIA itself and this amendment was included.

Under the narrow parameters of this amendment, a restraining order could only be issued when the safety of an intelligence officer is jeopardized or when the foreign policy of the United States faces "irreparable damage." The courts have repeatedly and consistently affirmed the Government's right to protect itself from such dangers. As recently as 11 months ago, the U.S. Supreme Court reiterated in a case upholding the CIA secrecy agreement that the Government, "has a compelling interest in protecting both the secrecy of information important to our national security and the appearance of confidentiality so essential to the effective operation of our Foreign Intelligence Service." That is *Snepp* v. *U.S.*, 444 U.S. 507 at 509 (1980).

Less than 2 years ago, the U.S. district court issued the same kind of injunction authorized in my amendment to prevent publication of an article on homemade hydrogen bombs which both endangered national security and would have provided potential terrorists with a blueprint for disaster. That is *United States* v. *Progressive, Inc.*, 467 F. Supp. 990 (1979).

My amendment clearly falls within that narrow area so critical to national security which the courts have consistently defined as necessarily exempt to the rule against prior restraint.

Mr. Chairman, we cannot watch idly while those who wish us ill seek to unravel the Intelligence community, on whose shoulders so much of national security rests. I urge passage of this important amendment. I think it puts the legislation in a stronger position than it is now. I think it would be helpful to our national defense and helpful to individuals who might otherwise be in danger.

Mr. MAZZOLI. Mr. Chairman, I rise to oppose the amendment offered by the gentleman from Florida.

Mr. Chairman, I rise with the greatest of respect to my friend from Florida, who is one of the leading Members of this House and a man who has done much to forward his Nation in times of distress. I understand fully what the gentleman has said, and I share with him the kind of frustration and even a sense of antipathy toward those who would do anything, however high their motive, which had the end product of impairing and impeding the national intelligence activity of this free Nation.

However, having said that, the gentleman from Kentucky must with respect oppose the amendment because it would subject the bill to what then I would have to say would be certainly extra constitutional scrutiny, and that would be the possibility of being an unlawful prior restraint on the issuance of information. I understand as a member of the committee that this was not supported nor requested by any of the intelligence agencies, nor by the Justice Department. We of course, in connection with the kind of evil persons with whom we are dealing, who make these revelations, wanted to be sure we approach that problem, and made sure they were acts of commission, but at the same time do it in a way that would not cause people to believe that we have taken illegal action. We therefore consulted the Pentagon Papers case, Mear against Minnesota, all of the cases of consequences that have been decided in the United States on prior restraint, and crafted our bill within those bounds.

With respect to the gentleman, it would appear that having studied the amendment, it would push the bill beyond those bounds into what could be possibly an unconstitutional prior restraint, and I think it would jeopardize the bill's opportunity to do the things which we want to do, that is, to penalize those people who insist on divulging the names of our undercover agents.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. MAZZOLI. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Chairman, I thank the gentleman for yielding, and I want to concur with the gentleman's statement. Although the amendment of the gentleman from Florida is well intended, I think it would not pass the same constitutional scrutiny which other provisions of the bill will. I think that it is not a good amendment, and I with reluctance oppose it.

Mr. BENNETT. Mr. Chairman, will the gentleman yield?

Mr. MAZZOLI. I yield to the gentleman from Florida.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

(At the request of Mr. BENNETT and by unanimous consent, Mr. MAZZOLI was allowed to proceed for 2 additional minutes.)

Mr. BENNETT. As far as the desire of the CIA is concerned, they were the ones that sent me this. I did not write this language myself. It came from the CIA—not officially, but came years ago from the CIA as something they wanted. As far as the legality of it is concerned, I have cited a Supreme Court case and a Federal supplement case. The gentleman has cited no case. This amendment provides no unusual procedure. It is done many times.

Furthermore, if this particular provision of the law would fail, just this provision of the law would fail, it is in no way connected with the rest of the bill, so if it is unconstitutional it would fail alone.

Second, I have cited Supreme Court decisions and the gentleman has cited nothing.

Third, it does come from the CIA.

□ 1400

Mr. MAZZOLI. Mr. Chairman, I thank the gentleman from Florida (Mr. BENNETT) for his statement, and I would certainly yield to his legal scholarship. I would never want to engage him in a battle of knowledge in-depth on constitutional subjects.

I would only suggest to the gentleman that we have studied this issue over months and months, and we had no statement—and I will yield to other Members to address this subject if they wish—and at no point did we have any significant testimony or statement of urgency by any member of the intelligence community nor by the Justice Department representatives that this was the way to go. Each of them in every way felt that the bill we have before us would basically solve the problem, and I think it does.

Mr. Chairman, I would again, with respect, urge the committee to defeat the gentleman's amendment.

The question is on the amendment offered by the gentleman from Florida (Mr. BENNETT).

The question was taken; and the chairman announced that the noes appeared to have it.

Mr. BENNETT. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The pending business is the demand of the gentleman from Florida (Mr. BENNETT) for a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer an amendment which has been duly printed in the RECORD pursuant to the rule.

The CHAIRMAN. The Clerk will report the amendment.

Mr. SOLOMON. Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The amendment reads as follows:

Amendment offered by Mr. SOLOMON: Page 7, strike out lines 4 through 25 and insert in lieu thereof the following:

"(4) The term 'covert agent' means—

"(A) a present or former officer or employee of an intelligence agency, or a present or former member of the Armed Forces who is or was assigned to duty with an intelligence agency—

"(i) whose past or present identity as such an officer, employee, or member is classified information, and

"(ii) who is serving outside the United States or has within the last five years served outside the United States;

"(B) a United States citizen whose past or present intelligence relationship to the United States is classified information and—

"(i) who resides and acts outside the United States (or who resided and acted outside the United States) as an agent of, or informant or source of operational assistance to, an intelligence agency, or

"(ii) who at the time of the disclosure is or was at any time acting as an agent of, or informant to, the foreign counterintelligence or foreign counterterrorism components of the Federal Bureau of Investigation; or

Mr. SOLOMON. Mr. Chairman, first of all, let me just say to the committee chairman, the subcommittee chairman, and our ranking minority members on this side of the aisle, as well as all the members of our committee, that I just want to commend them for an excellent job. I think this is long overdue, and we should have passed this legislation long ago.

However, I do feel that there is one inequity that we really must deal with. If we are going to put some teeth back in our CIA, if we are going to have a counterintelligence operation which is going to be as strong as our potential enemies, I think we have to do everything in our power to give them that opportunity.

□ 1415

Mr. Chairman, this amendment in no way expands the scope of this legislation. It does not add or subtract from the constitutionality of the bill. What it does is put our CIA on an equal or superior basis with any other foreign intelligence operations in this world. I think we owe it to the American people to give them this kind of protection. I would certainly hope all of our colleagues would support this legislation.

The committee has not acted firmly enough to protect the identities of former intelligence agents and operatives from unauthorized disclosures. My amendment would extend the protective coverage of this legislation to include former agents and operatives of the intelligence community.

The majority of these former agents have already served the United States at considerable personal risk, and to my mind, there is absolutely no possible justification for exposing them to danger at this point by excluding them from the protection provided by this legislation.

There are also presuasive counterintelligence reasons for maintaining the cover of former agents. In many instances the individual's contacts and sources may still be in place and active. Such a network may have been passed on to the individual's successor and should the former agent's relationship be revealed, the entire network may be compromised. Accordingly, in those cases where such a relationship remains otherwise concealed and where the United States continues to take affirmative measures to keep it concealed, unauthorized disclosures of such relationships should warrant attachment of criminal liability.

By protecting former agents, my amendment will strengthen this legislation in three vital ways:

First, it will protect former agents from possible harm as a result of the disclosure of their true identities and even save their lives.

Second, it will protect active operatives who may have assumed the former agent's position; and

Third, it will protect the entire intelligence network which may have been established by a former agent and passed on to the former agent's successor.

The Central Intelligence Agency would like to see my amendment enacted and in response to my request for their comment on my bill H.R. 7400, which contained an identical provision as the amendment at hand, the agency counsel said:

Through efforts such as yours we hope to strengthen and improve the intelligence apparatus that is so vital for the protection of our Nation's security. As you know, the CIA has been engaged in a consistent effort to have each of the various proposals of your bill enacted into law.

Mr. McCLORY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in reluctant opposition to the amendment. I know the amendment is well intended but I might say that in the 3 years of hearings that we had on this legislation this amendment was never even proposed. It seems to me that this goes far beyond the scope of the legislation as we have intended it here and would create a new type of crime which the Federal Government would be involved in.

What we are trying to do here is to protect the identities of covert agents who are operating on behalf of our country and to protect them against assassination or against their identity being disclosed because our national security is involved. It seems to me that with that intent and with that purpose of this legislation we should limit the scope of the legislation to covert agents who are operating in behalf of our CIA or other intelligence agencies or, FBI agents who operate

under cover with regard to their counterintelligence activities.

I have full sympathy for former intelligence officials and I think we should protect them. I am sure that they are protected under many laws—local, State, and Federal laws—that we have now. But to include them in this legislation, it seems to me, diverts our attention from what we are undertaking to do here and would establish a new criminal statute that would impose obligations on the Federal Government with regard to an activity which is beyond the scope of the legislation.

Mr. SOLOMON. Mr. Chairman, will the gentleman from Illinois yield?

Mr. McCLORY. I yield to the gentleman from New York (Mr. SOLOMON).

Mr. SOLOMON. I understand the reasoning behind my good colleague and I know he does not want to upset the applecart. I know that the reason that many of our good, patriotic Americans such as the gentleman from Massachusetts, the gentleman from Kentucky and all of them are opposing some of these good amendments is because we do not want to upset the applecart.

But let me just ask. I thought the reason behind this legislation was to provide protection for our network of counterintelligence agents. Let me just point out a hypothetical example which may not be so hypothetical. Suppose we had an agent who was performing in a counterintelligence purpose in a foreign university as a professor. Suppose he left that professorship and came back to the United States and retired. Suppose we replaced him with another agent in the same capacity as the professor in that university and all of a sudden we reveal the former CIA agent's identity; then he is connected with the other and it blows the whole cover for the whole network of operations.

That is what my amendment is intended to correct. I see no difference between an agent and a former agent and I think the merit therefore should be to enact this legislation with the amendment in the legislation.

Mr. McCLORY. I will say to the gentleman I imagine there are a great many covert agents, intelligence officers who operated under cover who themselves disclosed their identity after their service was terminated and their identity became well known. As has been pointed out, we are endeavoring to protect the covert agents even when their identity is publicly disclosed. Former officials who are in retirement and who are no longer rendering any active service in behalf of our Nation, no longer involved in espionage on intelligence gathering or other activities related to our national security are just plain not covered in this legislation. I think this amendment is out of place here.

Mr. MAZZOLI. Mr. Chairman, I move to strike the requisite number of words and very briefly rise to speak in opposition to the gentleman's amendment.

I certainly understand what the gentleman from New York (Mr. SOLOMON) is trying to do. Certainly it speaks well for him that he worries about the ultimate situation of our intelligence people who reach retirement age.

But as the gentleman from Illinois has said, the point and purpose of the committee bill, and the committee's bill before the House today, is to protect those agents, employees, assets, sources, who are in some jeopardy in the event that their name or identity is disclosed. We could have named everybody in the CIA or the DIA and said, "Look, any of those names are classified and anytime somebody puts one in print then they are going to be sanctioned." We decided, and I think correctly so, to narrow the focus to those agents who might suffer some injury in the event that their names were disclosed.

The gentleman's amendment, the point that the gentleman pushes with his amendment came before the committee and I think, as the gentleman from Illinois (Mr. McCLORY) has said, we had in the 3 years I have worked on this bill no real strong evidence that former officers, retirees, people who, as the gentleman said, served abroad and have come back home are in a position of jeopardy or danger that we certainly understand is the case of those who are currently working actively and are involved in foreign assignments under cover.

So we, by matter of choice, and with an effort to limit the coverage of our bill to make sure we go against the people we really want to go against, we limited the coverage of the bill to active officers and U.S. citizen agents. In the case of intelligence employees as the gentleman knows, "covert agent" includes those who serve overseas and have come back home within the last 5 years. So if the individual is a U.S. citizen and he is an actual employee of an intelligence agency and has had a post abroad and comes back home, his identity is protected for 5 years.

In the event of a person who is with the Central Intelligence Agency who is in the normal run of things retired, the committee felt that that would not normally reach the situation of danger in the event of his name being disclosed.

Mr. SOLOMON, Mr. Chairman, will the gentleman yield?

Mr. MAZZOLI. I yield to the gentleman from New York.

Mr. SOLOMON. I understand what the gentleman is talking about, but I wish the gentleman would just look at page 2 of the bill on line 18 where we talk about "the United States is taking affirmative measures to conceal." if the gentleman looks over on page 3, line 7, it continues that language, that "the United States is taking affirmative action to conceal." Line 18 it continues. I do not change that language.

What I am saying is that if the United States is still taking action to conceal that former CIA agent's identity, then it ought to be a crime the same as it is if he is an agent or if he falls within that 5 years, because sometimes the cover can continue much longer than the 5 years. All my amendment does is include them through such time as the United States is taking affirmative action to conceal, and that is what they want.

Mr. MAZZOLI. Without saying my statement would be inclusive, I would suggest that in most cases where an individual's identity is still being protected and where the Government is taking affirmative measures to conceal such agent's identity, that person probably has an active role and involvement with the agency at this time, in which case that person should be included, and is included, as a covert agent.

In the true case of retirement they probably have outlived the purpose for which they were originally posted abroad or at home.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. MAZZOLI. I yield to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. I would say to my colleague I understand how we want to move this bill along. I agreed earlier not to present an amendment because the subject matter can be taken care of later, and also because it would have expanded what we are trying to accomplish here. On that agreement I withdrew. We have an immediate need for legislation for an urgent need in a narrow legislative action.

I think we are not really expanding the basic coverage in this amendment by the gentleman from New York (Mr. SOLOMON). As a matter of fact, let me pose a question. I happen to believe we might have an ambiguity in the bill which we did not intend to be there. In the bill we talk about current intelligence officers. We should also talk about protecting former CIA officers. Quite often we are also talking about protecting their assets. One might expose a former agent who was a CIA operative in Paris and the simple fact of exposing him, even though he is a former agent, would automatically trigger problems for his assets, the people he met with, the people he had lunch with every day.

We should cover that situation. But the way the language is written it is almost a two-stage operation. If you expose a former CIA officer, you also have to show that in doing that you

are exposing his assets or an agent or someone he worked with overseas.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

(At the request of Mr. ASHBROOK and by unanimous consent Mr. MAZZOLI was allowed to proceed for 2 additional minutes.)

Mr. MAZZOLI. I yield to the gentleman.

Mr. ASHBROOK. I understand the position of the majority that we do not want any amendments to the bill. I am just wondering if our colleague from New York has not pointed out something that is very important and if we do not, in fact, have an ambiguity in the bill.

Mr. MAZZOLI. I would certainly accept the gentleman's general description. I mean that in the sense that it makes us discuss a problem.

But in the 3 years we have worked with this, and I have been on the subcommittee each time, I really cannot recall that the intelligence agencies said that this was really something that was a problem. What was a problem was Welsh in Athens and what has been a problem was what happened in Kingston, Jamaica, and what has been a problem has been what occured in Mozambique, but not agents who have come back home and who have retired and who were in a sense doing other things.

Obviously there are at least two former CIA agents now who are in the headlines for having gone on to other things. I would certainly suggest that those people, if they were acting under cover at some point, should not have any kind of further protection from the government for what they do now.

What I would like to comment upon is the gentleman's remarks about networks. The contention is that when you reveal, you may endanger the network. You know that within the coverage of covert agents we have included a non-U.S. citizen who is in the United States now and did occupy a covert position for us abroad, who has, for example, family that is still in the old country, or vulnerabilities in returning home if exposed. That person can be protected; that person does come under the coverage of the bill. So we are not unmindful of that kind of network problem.

But we felt, and I think correctly so, that we needed to limit the scope to that kind of network and to eliminate as being too extensive the coverage of retired CIA or other intelligence personnel. Those people are, or were, professionals. They use clandestine tradecraft to conceal their recruitment and running of agents. Revealing the identity is unlikely, therefore, to expose any network of agents.

Mr. ASHBROOK. If my colleage will continue to yield for one point, he might convince me to relax my concern. Is it my colleague's understanding that it is the intention of this legislation, where the U.S. Government endeavors to protect the identity of a former agent who has retired, to protect this agent? It is important not only to protect the agent but the assets and the work that he might have accomplished or have been engaged in throughout the world. Wherever the Government has endeavored to protect that agent, even though he is retired, is that that situation covered by the bill the gentleman from Kentucky has written?

Mr. MAZZOLI. Yes, but I am not sure that answers the problem.

Mr. ASHBROOK. Because if it is, it would easily answer most of the questions my colleague has raised.

The CHAIRMAN. Time of the gentleman from Kentucky has again expired.

(By unanimous consent Mr. MAZZOLI was allowed to proceed for 2 additional minutes.)

Mr. MAZZOLI. Certainly where the United States is taking affirmative measures to conceal an agent's identity, that certainly works in behalf of saying that that agent still had an active role to play, some active connection with the U.S. Government. But it was not the committee's intent, in candor to the gentleman, that we continue this relationship indefinitely if, for example, the method of maintaining the cover here or maintaining the security of this information is just simply something out at Langley, some sort of a book. I think there has to be an active relationship that still exists between a U.S. citizen and the U.S. Government before that individual would still qualify as a covert agent who would then come under the coverage of the bill in the event that that information is disclosed.

But, again, if the Government is taking active steps to maintain the sanctity of that information, then that could well establish the fact that this individual has a continuing relationship with the Government. But, again, I do not think that would extend to a retiree, to a person who once had a clandestine role in intelligence, who had just come back home to retire.

Mr. ASHBROOK. I thank my colleague for that very honest answer. That would have been my appraisal, too. It is one of the reasons that, on balance, I would favor the amendment of the gentleman from New York, because I think it is very important to protect the former agents, to protect the assets and contacts that he had, the ongoing work that he had that was not necessarily terminated simply because of his retirement. We should vote yes on the Solomon amendment to help complete the job we started by the adoption of my stronger language just a few minutes ago.

□ 1430

I think my colleague from New York has a very good amendment and a very good point.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. SOLOMON).

The question was taken; and on a division (demanded by Mr. MAZZOLI) there were—ayes 25, noes 14.

RECORDED VOTE

Mr. MAZZOLI. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 313, noes 94, not voting 26, as follows:

[Roll No. 218]

AYES—313

| | | |
|---|---|---|
| Akaka | de la Garza | Hightower |
| Albosta | Deckard | Hiler |
| Alexander | Derrick | Hillis |
| Anderson | Dickinson | Holland |
| Andrews | Dingell | Holt |
| Annunzio | Dorgan | Hopkins |
| Anthony | Dornan | Horton |
| Applegate | Dougherty | Howard |
| Archer | Dowdy | Hubbard |
| Ashbrook | Dreier | Huckaby |
| Atkinson | Duncan | Hughes |
| AuCoin | Dunn | Hunter |
| Badham | Dwyer | Hutto |
| Bafalis | Dyson | Hyde |
| Bailey (MO) | Eckart | Ireland |
| Bailey (PA) | Edwards (OK) | Jeffords |
| Barnard | Emerson | Jeffries |
| Barnes | Emery | Jenkins |
| Beard | English | Johnston |
| Bedell | Erdahl | Jones (NC) |
| Benedict | Ertel | Jones (OK) |
| Benjamin | Evans (DE) | Jones (TN) |
| Bennett | Evans (GA) | Kazen |
| Bereuter | Evans (IA) | Kemp |
| Bethune | Evans (IN) | Kildee |
| Bevill | Fazio | Kindness |
| Biaggi | Fenwick | Kogovsek |
| Blanchard | Ferraro | Kramer |
| Bliley | Fiedler | LaFalce |
| Boggs | Fields | Lagomarsino |
| Boner | Fish | Lantos |
| Bonker | Fithian | Latta |
| Bouquard | Flippo | Leach |
| Bowen | Florio | Leath |
| Breaux | Foglietta | LeBoutillier |
| Brinkley | Foley | Lee |
| Brodhead | Fountain | Lent |
| Broomfield | Frost | Levitas |
| Brown (CO) | Fuqua | Lewis |
| Brown (OH) | Gaydos | Livingston |
| Broyhill | Gephardt | Loeffler |
| Burgener | Gibbons | Long (LA) |
| Butler | Gilman | Lott |
| Byron | Gingrich | Lujan |
| Campbell | Ginn | Luken |
| Carman | Glickman | Lungren |
| Chappell | Goldwater | Madigan |
| Chappie | Gonzalez | Marks |
| Cheney | Goodling | Marlenee |
| Chisholm | Gradison | Marriott |
| Clausen | Gramm | Martin (IL) |
| Clinger | Gregg | Martin (NC) |
| Coats | Grisham | Martin (NY) |
| Coelho | Guarini | Matsui |
| Coleman | Gunderson | Mattox |
| Collins (TX) | Hagedorn | McCollum |
| Conable | Hall (OH) | McCurdy |
| Conte | Hall, Ralph | McDonald |
| Corcoran | Hall, Sam | McEwen |
| Coughlin | Hammerschmidt | McGrath |
| Coyne, James | Hance | McHugh |
| Craig | Hansen (ID) | McKinney |
| Crane, Daniel | Hansen (UT) | Mica |
| Crane, Philip | Hartnett | Michel |
| D'Amours | Hatcher | Mikulski |
| Daniel, Dan | Heckler | Miller (CA) |
| Daniel, R. W. | Hefner | Miller (OH) |
| Dannemeyer | Heftel | Minish |
| Daschle | Hendon | Mitchell (NY) |
| Davis | Hertel | Molinari |

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|---|---|---|
| Mollohan | Roe | Stump |
| Montgomery | Roemer | Tauke |
| Moore | Rogers | Tauzin |
| Moorhead | Roth | Taylor |
| Morrison | Rudd | Thomas |
| Mottl | Russo | Traxler |
| Murphy | Santini | Trible |
| Murtha | Sawyer | Udall |
| Myers | Schneider | Vander Jagt |
| Napier | Schroeder | Volkmer |
| Natcher | Schulze | Walgren |
| Neal | Sensenbrenner | Walker |
| Nelligan | Shamansky | Wampler |
| Nichols | Sharp | Watkins |
| Nowak | Shaw | Weber (MN) |
| O'Brien | Shelby | White |
| Oakar | Shumway | Whitley |
| Ottinger | Shuster | Whittaker |
| Oxley | Skeen | Whitten |
| Panetta | Skelton | Williams (OH) |
| Parris | Smith (AL) | Wilson |
| Patman | Smith (IA) | Winn |
| Patterson | Smith (NE) | Wirth |
| Pepper | Smith (NJ) | Wolf |
| Perkins | Smith (OR) | Wortley |
| Petri | Smith (PA) | Wright |
| Peyser | Snowe | Wyden |
| Pickle | Snyder | Wylie |
| Porter | Solomon | Yatron |
| Ratchford | Spence | Young (AK) |
| Regula | Stangeland | Young (FL) |
| Rhodes | Stanton | Young (MO) |
| Ritter | Staton | Zeferetti |
| Roberts (KS) | Stenholm | |
| Roberts (SD) | Stratton | |

NOES—94

| | | |
|---|---|---|
| Addabbo | Gejdenson | Reuss |
| Aspin | Gore | Richmond |
| Beilenson | Gray | Robinson |
| Bingham | Green | Rodino |
| Boland | Hamilton | Rose |
| Bonior | Harkin | Rosenthal |
| Brooks | Hawkins | Rostenkowski |
| Brown (CA) | Jacobs | Roukema |
| Burton, John | Kastenmeier | Roybal |
| Burton, Phillip | Lehman | Sabo |
| Clay | Leland | Schumer |
| Conyers | Long (MD) | Seiberling |
| Coyne, William | Lowry (WA) | Shannon |
| Dellums | Lundine | Simon |
| Dicks | Markey | Solarz |
| Dixon | Mavroules | St Germain |
| Donnelly | Mazzoli | Stark |
| Downey | McClory | Stokes |
| Dymally | McDade | Studds |
| Early | Mineta | Swift |
| Edgar | Mitchell (MD) | Synar |
| Edwards (CA) | Moakley | Vento |
| Erlenborn | Moffett | Washington |
| Fascell | Oberstar | Waxman |
| Findley | Obey | Weaver |
| Ford (MI) | Paul | Weiss |
| Ford (TN) | Pease | Whitehurst |
| Forsythe | Price | Wolpe |
| Fowler | Pursell | Yates |
| Frank | Quillen | Zablocki |
| Frenzel | Railsback | |
| Garcia | Rangel | |

NOT VOTING—26

| | | |
|---|---|---|
| Bolling | Edwards (AL) | Rahall |
| Carney | Fary | Rinaldo |
| Collins (IL) | Hollenbeck | Rousselot |
| Courter | Hoyer | Savage |
| Crockett | Lowery (CA) | Scheuer |
| Danielson | McCloskey | Siljander |
| Daub | Nelson | Weber (OH) |
| DeNardis | Pashayan | Williams (MT) |
| Derwinski | Pritchard | |

□ 1500

The Clerk announced the following pairs:

On this vote:

Mr. Nelson for, with Mrs. Collins of Illinois against.

Mr. MOAKLEY and Mr. ROSE changed their votes from "aye" to "no."

Messrs. AuCOIN, OTTINGER, VOLKMER, and PATTERSON changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. ZABLOCKI. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time for the purpose of a colloquy. Several of our colleagues expressed a concern regarding the relationship between the Peace Corps and the intelligence community.

Mr. Chairman, because of the importance of a complete separation between the Peace Corps and intelligence activities to the integrity of the Peace Corps and to the safety of volunteers, I would like to clarify with the subcommittee chairman of the Committee on Intelligence the portion of the committee report concerning the Peace Corps.

My understanding is that the committee strongly reaffirms its support of the executive branch policies which have governed the relationship between the Peace Corps and the intelligence community agencies for more than 20 years; that is, the Peace Corps should not be used or appear to be used as cover for any intelligence activities.

I interpret the language of the committee report with reference to any executive branch contemplation of any changes in the foregoing policies in no way as inviting the executive branch to contemplate such changes. My understanding is that the committee determined not to add a provision exempting the Peace Corps from the legal obligation to provide intelligence cover only because: First, the executive branch assured us that a statutory exemption was unnecessary; and second, we did not want other agencies to seek such exemption based on such Peace Corps precedent. Thus, we view the language in the committee report as an admonition to the executive branch of the committee's disposition that the foregoing policies should not be disturbed, as a warning to the executive branch that no changes in the foregoing policies may be implemented without prior notification to the committee and as telling the executive branch of the committee's strong predisposition to disapprove any proposed changes in such policies.

Are these the subcommittee chairman's understandings?

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Kentucky.

Mr. MAZZOLI. I thank the gentleman for yielding, and very definitely they are the understandings of the chairman and of our committee and I would like, with the gentleman's indulgence, to read directly from our report to which the gentleman referred, on page 19. In reference to a letter which William J. Casey, the Director of the Central Intelligence Agency, sent to Mrs. Ruppe, who is the Director of the Peace Corps, stating his opposition to the use of the Peace Corps for cover and the letter is quoted in our report, then follows this committee language:

It is the committee's belief that based on assurances of the Director of the Central Intelligence Agency, the President will not suggest any changes in the traditional distance which has separated the Peace Corps and the intelligence operation.

Nevertheless—

This is I think important. I will just read one more paragraph and make mention that this is in line with what the chairman of the Committee on Foreign Affairs has said.

Quoting from our report:

Nevertheless, should the intelligence community contemplate a change in this policy—

The policy of distance between the Peace Corps and the intelligence community—

at any time in the future, the committee would consider such a contemplated change to be a "significant anticipated intelligence activity" which must under law be reported to the committee before it is implemented. The committee would question seriously any such change in policy.

Mr. ZABLOCKI. I thank the gentleman.

Mr. Chairman, I hope the President, when signing this legislation, would take the opportunity to reaffirm these policies.

Mr. WEISS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, after witnessing the happenings of this day, one might think with some justification that if an amendment were offered to strike the first amendment to the Constitution of the United States, that it would probably carry.

Section 601(c) of this bill, especially with the adoption of the Ashbrook amendment, presents an incursion into the first amendment perhaps unparalleled by any piece of legislation in our Nation's history during peacetime.

Never before has the publication, by a private citizen, of information that is already in the public domain been made a punishable offense.

Perhaps the only saving grace is that there has been such constitutional overreaching that is unlikely that this piece of legislation can withstand a constitutional challenge; but for the dignity of this House, for its own self-respect, I would hope that we would defeat this bill and allow the committee to report out at least the bill which it originally had in mind. Mr. Chairman, the Intelligence Identities Pro-

tection Act, H.R. 4, presents serious constitutional problems and should be rejected by the House.

Section 601(c) strikes directly at the heart of the first amendment. Its broadly sweeping prohibitions have been denounced as unconstitutional by more than 60 law professors, who had urged that a similar provision in last year's bill be deleted. This section makes it a crime for a private citizen to publish any information that identifies covert agents—even if the information was obtained from nonclassified materials readily available to the public. Unlike other sections of the bill, it is not limited to persons who have or have had authorized access to classified information. It applies to journalists, academics, and all other persons who disclose identifying information, even where the disclosure is made in the context of news reports, scholarly publications, or enforcement of regulations of private organizations.

The scope of the bill extends well beyond the protection of the identities of undercover CIA agents. The definition of covert agent now includes present and former CIA agents, FBI agents, informants, and sources of operational assistance to intelligence agencies, whether abroad or in the United States. Clearly, such a broad definition exceeds the bill's original purpose of protecting the lives of covert CIA operatives working abroad.

The first amendment guarantees that, "Congress shall make no law * * * abridging freedom of speech or of the press." However, section 601(c) will have such a chilling effect on newsreporting, academic research, and other individuals' activities in this area that these fundamental rights will be seriously impaired. Would, for example, journalists investigating the Watergate scandal have felt free to report the CIA connection of some of the burglars if this provision had been in effect at the time? Or would a church official who discovered that a CIA agent was posing as a missionary feel free to divulge that person's identity to purge the church's own ranks? Under section 601(c), both of these actions would subject the individuals to prosecution and possible jail sentences and/or fines.

Recognizing that section 601(c) posed severe threats to the first amendment, the Intelligence Committee incorporated language that attempts to make this provision constitutionally acceptable. The section purported to criminalize only disclosures made with "intent to impair or impede the foreign intelligence activities of the United States." It also requires that the disclosure be made "in the course of an effort to identify and expose" covert agents.

Although well intentioned, even these limitations in my judgment were entirely inadequate. The standards are unconstitutionally vague and require subjective judgments which might vary according to the political climate at home or abroad. For instance, the "intent" requirement could have been met whenever a publication disclosed and consequently diminished the effectiveness of an intelligence activity. The Justice Department has conceded that such a requirement "may itself have the effect of additionally chilling legitimate critique and debate on CIA policy because general criticism of the intelligence community could seem to corroborate an 'intent to impair or impede'."

The additional requirement that the disclosure be "in the course of an effort to identify and expose" offers no further protection. As the witness from the Society of Professional Journalists observed before the committee: "* * * a journalist who is assigned to cover the intelligence community on a regular basis may indeed establish a pattern of reporting the names of agents or sources in the course of legitimate coverage of the CIA." Nor is it hard to imagine a strong argument being made that the research and investigations made for even a single story is a sufficient "effort" to fall within the strictures of the statute.

Of course the Ashbrook amendment has now wiped out the "intent" requirement and substituted a standard calling only for "reason to believe" that intelligence activities would be impaired or impeded.

Section 601(c), especially with the adoption of the Ashbrook amendment, presents an incursion into the first amendment perhaps unparalleled by any piece of legislation in our Nation's history during peacetime. Never before has the publication of information that is already in the public domain been made a punishable offense. Never before has the disclosure of information unrelated to national security matters, that would neither injure the United States nor give any advantage to a foreign power, been made a punishable offense.

According to its sponsors, the Intelligence Identities Protection Act was originally intended to protect the lives of American undercover agents serving abroad from those few individuals and publications who used classified information to expose the identities of agents, regardless of the possible jeopardy and risks that could have resulted. That, I believe, is an important goal, but not one that should be accomplished at the sacrifice of our most basic constitutional rights. I reject the theory that we cannot have "both an ongoing intelligence capability and a totality of civil rights protection." We must instead heed the warnings of Justice Douglas, who wisely proclaimed that protection of free speech is "essential to the very existence of a democracy."

I urge my colleagues to join me now in helping to defeat this bill. It is our first duty as elected Representatives to uphold the Constitution and protect all our citizens from this kind of dangerous encroachment on their fundamental rights.

Mr. SEIBERLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take 5 minutes. It had been my intention to vote for the committee's bill with one change, and that would have been an amendment that was going to be offered by the gentleman from Ohio (Mr. PEASE) which would have required the word "lawful" or "legal" to be inserted in front of the words "foreign intelligence activities of the United States."

As was pointed out by the Senate Intelligence Committee in their original report, there were many unlawful activities by our intelligence agencies and, of course, those of us who were on the Committee on the Judiciary during the impeachment investigation can affirm that that was indeed the case.

Certainly we should not impair the ability of the news media or any citizen to reveal the names of agents engaged in unlawful activities, whether they are intelligence agents or any other employees of the United States. And yet, this bill, as amended by the Ashbrook amendment, would make it a crime to do so.

In my opinion, the bill as amended is clearly unconstitutional. If the House does not see fit to reject this bill, there is no way under the rules, of correcting the error, because the Senate bill contains the same language as the Ashbrook amendment. If the House should pass this bill and it should be reported to the President for signature, those of us who believe in the Constitution should urge the President to veto the bill, so that we might start over and report out a bill that is sound.

Let me just point out one other thing. I think that the activities of someone like Phillip Agee, in deliberately setting out to undermine our intelligence agencies, are absolutely reprehensible, and it seems to me that they ought to be curbed. But let me also point out that he has declined to come back to the United States, and anybody who is really intent on sabotaging our intelligence agencies would not be deterred by this kind of legislation because he can stay outside of the country, and this law could not reach him.

So, what we are doing is making it impossible, without the risk of prosecution, for the news media or individual citizens, or even Members of Congress, to reveal abuses and corruption and violations of the law in any intelli-

gence agency by any agent if such revelation would identify or expose any agent. It seems to me that would be a tragedy. If it does become law, we must hope that the courts of the United States would rule it to be, as I believe it would be, clearly unconstitutional.

□ 1500

Mr. McCLORY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as the gentleman from Kentucky has stated, we are coming to the end of the debate on this bill. There are several things that I want to say.

First of all, I want to express the hope that there will be strong support for the legislation in its amended form.

Furthermore, I want to say quite candidly, that I did work hard to bring this measure to the floor at this time and did enter into agreements with the chairman of the subcommittee and the chairman of the full committee with respect to language that was embodied in this bill which has now been amended by the Ashbrook amendment. I agreed to support that amendment as contained in the committee bill and to oppose the Ashbrook amendment primarily so that we could avoid sequential referral to the Judiciary Committee. We undertook to make the language acceptable to members of the Judiciary Committee who otherwise would have scheduled hearings on this measure, delayed its enactment, and would have certainly revised the text of the bill in some way which would be different from the bill as we have it here.

I want to state to the majority side particularly that I did everything I could to support the committee bill in the form in which it was brought to the floor. I talked to the White House. I talked to the Attorney General's Office and I have discussed it with the leadership on our side to get the maximum vote in support of the committee bill.

We failed in that. We failed in that on this amendment. I do not want to dispute the fact that the Ashbrook amendment may be an improvement. It may be a stronger amendment. I did not prefer it. I preferred the committee bill the way it was; but the House has spoken and it seems to me that what we have to do here is to provide legislation that the Congress is enacting and not legislation which may be recommended by the White House or the Attorney General or the CIA or anybody else. It is our business and our action.

We have now taken this action and it seems to me we are providing a good piece of legislation which is needed and which we want to see enacted as promptly as possible.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I am happy to yield to the gentleman from Ohio.

Mr. ASHBROOK. I merely would add to what my colleague has said my particular support and respect for the work the gentleman accomplished. He did precisely what he said. We made sure it came out on the floor.

I have been on the committee for many years. We often know that committees make decisions, make agreements to get bills to the floor. That was made.

The gentleman was an honorable person. He stuck to his agreement 100 percent. I congratulate the gentleman from Illinois for his work in getting the bill to the floor.

I think we may have improved it. I hope we have improved it. At any rate, we have no differences now. Let us support the bill.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(At the request of Mr. MAZZOLI, and by unanimous consent, Mr. McCLORY was allowed to proceed for 2 additional minutes.)

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I am happy to yield to the gentleman from Kentucky.

Mr. MAZZOLI. Mr. Chairman, I just simply would like to make a few comments. One is to thank the gentleman in the well for his work. Certainly the gentleman has been indefatigable in pursuing this bill for the 3 years that we have been colleagues on the committee.

Once again I want to express my appreciation to the gentleman from Massachusetts whose leadership and willingness to get into the subject and move it along is the reason we are here today. I want to thank the gentleman.

Also I think I would like to suggest that the gentleman join me in expressing our thanks to our staff on the minority and the majority side, because this is very intricate and very difficult and tough legislation. It is tough to understand. These men and women have helped us a great deal.

Lastly, and even though I oppose the gentleman from Ohio and oppose the gentleman from New York in their two successive amendments, and feel that the bill that the committee reported out was the very best edition, I certainly am enthusiastically in support of H.R. 4.

I recognize that some Members will have differences of opinion, but I hope that we will have a very long and positive vote for the bill to among other things indicate to our intelligence people that their work is appreciated and their security is very important to us.

Mr. McCLORY. Perhaps now with section 601(c) being in the precise form of the Senate bill, we can send the House bill over there and they can enact our bill and get this to the President's desk for signature at an extremely early date.

Mr. BOLAND. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to tell the House that this committee has worked its will this afternoon. It is not my will. I have difficulty with the bill as it now stands. When one brings this kind of a bill to the floor, when we have had some consensus on the bill with respect to committees of the House and also with respect to Members in this House, I think there is an obligation on my part to support that position. I have done that and the committee has done it, I think, and our side has done it to the best of our ability.

Again, this bill gives me great trouble in its present form. I can understand the position of those who supported the amendment that was offered by the distinguished and able and persuasive gentleman from Ohio. We spent many long hours on the committee and in hearings on this bill together over the past few years. I can appreciate his position.

I also appreciate the fact that the administration had a preference for the Senate bill 391 which includes the language that was offered by the gentleman from Ohio.

My own position is that I cannot support this bill on final passage. I do not intend to do it.

We will leave it that, in the final analysis, it is going to pass anyhow. We will get to conference, and as a conferee I am not going to try to disrupt the rather significant opinion of the membership of this committee or this House; but we will leave to the conferees their best judgment what will be done in conference.

I suppose that one can say from what has transpired here today and what the feeling will be in the Senate, perhaps we are looking at H.R. 4 in its final form as it was passed today.

But in any event, Mr. Chairman, I intend to vote against final passage of this bill.

Mr. ASHBROOK. Mr. Chairman, I rise to support H.R. 4 with amendments. This bill is long overdue. For the past 8 years, a small group of anti-American extremists have been engaged in spying on Americans to identify those who are engaged in gathering intelligence for our country. Some, like Phillip Agee, are former employees of the CIA. Others, like Louis Wolf, come out of the New Left anti-establishment movement. They have united with the aim of disrupting our intelligence capabilities. As we know, without adequate intelligence, our policymakers will be blinded in a hostile environment.

In 1968, the KGB began the program of exposing American intelligence officers. The assignment to do this was given to the East German and Czech intelligence services. The product of their labors was a book called, "Who's Who In The CIA," by Julius Mader, printed in English in East Germany in 1968.

Ladislav Bittman, a former official of the Czech Intelligence Service who worked on the book, testified before the House Intelligence Committee on February 19, 1980, that only about half the names in the book were real CIA officers. The rest were put in to disrupt other U.S. Government activities.

When the Tupamaro terrorists murdered an AID employee, Dan Mitrione, the Cuban Communist newspaper "Granma" justified the murder on the grounds that he had been listed in the Mader book. The listing was one of the false identifications.

In 1973, the focus of the exposure activity shifted to the United States with the publication of the magazine "Counter Spy." Since then, much of the campaign to identify and expose U.S. covert agents has centered around Phillip Agee, a renegade former CIA officer who openly admits his close ties to the Cuban Government and Communist Party.

Agee is affiliated with a publication called "Covert Action Information Bulletin." He was formerly associated with the publication "Counter Spy." Both of these magazines are actively engaged in attempting to identify and expose U.S. covert agents. They also are extremely active in promoting Soviet and Cuban propaganda lines. "Covert Action Information Bulletin," for example, reprinted a Soviet forgery of a purported U.S. Army document that pretended that the United States supports terrorism. Despite worldwide exposure by the United States of that document as a forgery, it was disseminated in our own country by Phillip Agee and his cohorts. "Counter Spy," in addition to naming alleged U.S. covert agents, has published a whole series of propaganda articles closely following the Soviet and Cuban line attacking not only the United States, but each of our allies such as Turkey, Israel, and so forth.

Although it has been 6 years since the CIA chief of station in Athens, Richard Welch, was murdered after his name was exposed in CounterSpy, we have done nothing to stop this kind of irresponsible naming of names. The House Intelligence Committee has been working on the bill for 2 years, but last summer's violence against American diplomats in Jamaica has called public attention to the urgent needs for this legislation. On July 2, 1980, Louis Wolf, Phillip Agee's associate in the CovertAction Information Bulletin, held a press conference in Jamaica in which he identified 15 Americans as CIA officers. He not only listed names, but home addresses, license plate numbers, and the descriptions of their cars. A number of his identifications were incorrect; however, gunmen attacked the homes of two of those named. Richard Kinsman, the victim of the first attack, is the first secretary of our Embassy in Kingston. Mr. Kinsman's home was attacked by persons using a submachine gun and grenades. Shortly thereafter, gunmen attacked the home of a young AID employee, Jesse Jones. The gunmen exchanged fire with police officers who have been assigned to protect the Jones' home after the attack on the Kinsman home. Mr. Jones, who is in no way connected with the CIA, has left the Government service, rather than risk his own life and the lives of his family in the light of the violence. Mr. Jones is now suing Louis Wolf and Convert Action Information Bulletin.

These are posters put up in Jamaica right after Louis Wolf named the American diplomats as alleged covert agents. You will notice on one poster we have the pictures of some of these people, including Kinsman and Jones. On the other poster, we have the home addresses, license plate numbers, and descriptions of cars. While Wolf disclaims responsibility for the posters, they are identical to the press release that he distributed in Kingston, Jamaica.

Last year, the House Intelligence Committee unanimously reported out H.R. 5615 after careful consideration. However, now the bill has been considerably weakened by an amendment suggested by the ACLU and the Center for National Security Studies. As a result, I would prefer the Senate language in place of 601(c), which says it is sufficient for the defendant to have reason to know that it would impede or impair the intelligence activities of the United States.

It is my intention to offer an amendment to bring the House language closer to that of the Senate which I believe is a more appropriate solution to the problem and which protects constitutional rights while penalizing those who knowingly jeopardize the lives and effectiveness of our covert agents. I also intend to introduce an amendment that would make it a crime to knowingly jeopardize someone's life by identifying a person as a covert agent. This would protect real covert agents as well as those falsely identified.

Phillip Agee wrote in the introduction to the book, "Dirty Work," coauthored with Louis Wolf.

> Once the list is fully checked, publish it. Then organize public demonstrations against those named—both at the American Embassy and at their homes—and, where possible, bring pressure on the Government to throw them out. Peaceful protest will do the job. And when it doesn't, those whom the CIA has most oppressed will find other ways of fighting back.

This open invitation to violence against Americans both intelligence officers and other diplomats makes it imperative that we protect our overseas personnel from this kind of attack.

I urge my colleagues to support this bill's passage to assure both our intelligence personnel and our enemies that we intend to protect those whose job it is to provide us with the vital information needed for American security.

The CHAIRMAN. Are there any other amendments to be offered? If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. PANETTA) having assumed the chair, Mr. PICKLE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4) to amend the National Security Act of 1947 to prohibit the unauthorized disclosure of information identifying certain United States intelligence officers, agents, informants, and sources, pursuant to House Resolution 223, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BOLAND. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 354, nays 56, not voting 23, as follows:

[Roll No. 219]

YEAS—354

| | | |
|---|---|---|
| Addabbo | Anderson | Applegate |
| Akaka | Andrews | Archer |
| Albosta | Annunzio | Ashbrook |
| Alexander | Anthony | Atkinson |

| | | | | | |
|---|---|---|---|---|---|
| Badham | Fish | Martin (IL) | Smith (NE) | Tauzin | Whitten |
| Bafalis | Fithian | Martin (NC) | Smith (NJ) | Taylor | Williams (MT) |
| Bailey (MO) | Flippo | Martin (NY) | Smith (OR) | Thomas | Williams (OH) |
| Bailey (PA) | Florio | Matsui | Smith (PA) | Traxler | Wilson |
| Barnard | Foglietta | Mattox | Snowe | Trible | Winn |
| Beard | Foley | Mavroules | Snyder | Udall | Wirth |
| Benedict | Ford (MI) | Mazzoli | Solarz | Vander Jagt | Wolf |
| Benjamin | Forsythe | McClory | Solomon | Vento | Wortley |
| Bennett | Fountain | McCollum | Spence | Volkmer | Wright |
| Bereuter | Fowler | McCurdy | St Germain | Walgren | Wylie |
| Bethune | Frost | McDade | Stangeland | Walker | Yatron |
| Bevill | Fuqua | McDonald | Stanton | Wampler | Young (AK) |
| Biaggi | Gaydos | McEwen | Staton | Watkins | Young (FL) |
| Blanchard | Gephardt | McGrath | Stenholm | Waxman | Young (MO) |
| Bliley | Gibbons | McHugh | Stratton | Weber (MN) | Zablocki |
| Boggs | Gilman | McKinney | Stump | White | Zeferetti |
| Boner | Gingrich | Mica | Swift | Whitehurst | |
| Bonker | Ginn | Michel | Synar | Whitley | |
| Bouquard | Glickman | Mikulski | Tauke | Whittaker | |
| Bowen | Goldwater | Miller (OH) | | | |
| Breaux | Goodling | Mineta | | | |
| Brinkley | Gore | Minish | | | |
| Brooks | Gradison | Mitchell (NY) | | | |
| Broomfield | Gramm | Moakley | | | |
| Brown (CA) | Green | Molinari | | | |
| Brown (CO) | Gregg | Mollohan | | | |
| Brown (OH) | Grisham | Montgomery | | | |
| Broyhill | Guarini | Moore | | | |
| Burgener | Gunderson | Moorhead | | | |
| Butler | Hagedorn | Morrison | | | |
| Byron | Hall (OH) | Motti | | | |
| Campbell | Hall, Ralph | Murphy | | | |
| Carman | Hall, Sam | Murtha | | | |
| Chappell | Hamilton | Myers | | | |
| Chappie | Hammerschmidt | Napier | | | |
| Cheney | Hance | Natcher | | | |
| Chisholm | Hansen (ID) | Neal | | | |
| Clausen | Hansen (UT) | Nelligan | | | |
| Clinger | Hartnett | Nowak | | | |
| Coats | Hatcher | O'Brien | | | |
| Coelho | Heckler | Oakar | | | |
| Coleman | Hefner | Oberstar | | | |
| Collins (TX) | Heftel | Obey | | | |
| Conable | Hendon | Oxley | | | |
| Conte | Hertel | Panetta | | | |
| Corcoran | Hightower | Parris | | | |
| Coughlin | Hiler | Patman | | | |
| Coyne, James | Hillis | Patterson | | | |
| Coyne, William | Holland | Paul | | | |
| Craig | Holt | Pepper | | | |
| Crane, Daniel | Hopkins | Perkins | | | |
| Crane, Philip | Horton | Petri | | | |
| D'Amours | Howard | Peyser | | | |
| Daniel, Dan | Hubbard | Pickle | | | |
| Daniel, R. W. | Huckaby | Porter | | | |
| Dannemeyer | Hughes | Price | | | |
| Daschle | Hunter | Pritchard | | | |
| Davis | Hutto | Pursell | | | |
| de la Garza | Hyde | Quillen | | | |
| Deckard | Ireland | Rahall | | | |
| DeNardis | Jacobs | Ratchford | | | |
| Derrick | Jeffords | Regula | | | |
| Dickinson | Jeffries | Reuss | | | |
| Dicks | Jenkins | Rhodes | | | |
| Dingell | Johnston | Ritter | | | |
| Donnelly | Jones (NC) | Roberts (KS) | | | |
| Dorgan | Jones (OK) | Roberts (SD) | | | |
| Dornan | Jones (TN) | Robinson | | | |
| Dougherty | Kazen | Rodino | | | |
| Dowdy | Kemp | Roe | | | |
| Dreier | Kindness | Roemer | | | |
| Duncan | Kogovsek | Rogers | | | |
| Dunn | Kramer | Rose | | | |
| Dwyer | LaFalce | Rostenkowski | | | |
| Dyson | Lagomarsino | Roth | | | |
| Early | Lantos | Roukema | | | |
| Eckart | Latta | Rousselot | | | |
| Edwards (AL) | Leach | Rudd | | | |
| Edwards (OK) | Leath | Russo | | | |
| Emerson | LeBoutillier | Santini | | | |
| Emery | Lee | Sawyer | | | |
| English | Lent | Schneider | | | |
| Erdahl | Levitas | Schroeder | | | |
| Erlenborn | Lewis | Schulze | | | |
| Ertel | Livingston | Sensenbrenner | | | |
| Evans (DE) | Loeffler | Shamansky | | | |
| Evans (GA) | Long (LA) | Sharp | | | |
| Evans (IA) | Long (MD) | Shaw | | | |
| Evans (IN) | Lott | Shelby | | | |
| Fascell | Lujan | Shumway | | | |
| Fazio | Luken | Shuster | | | |
| Fenwick | Lungren | Simon | | | |
| Ferraro | Madigan | Skeen | | | |
| Fiedler | Marks | Skelton | | | |
| Fields | Marlenee | Smith (AL) | | | |
| Findley | Marriott | Smith (IA) | | | |

NAYS—56

| | | |
|---|---|---|
| Aspin | Edwards (CA) | Pease |
| AuCoin | Ford (TN) | Rangel |
| Barnes | Frank | Richmond |
| Bedell | Garcia | Rosenthal |
| Beilenson | Gejdenson | Roybal |
| Bingham | Gonzalez | Sabo |
| Boland | Gray | Schumer |
| Bonior | Harkin | Seiberling |
| Brodhead | Hawkins | Shannon |
| Burton, John | Kastenmeier | Stark |
| Burton, Phillip | Kildee | Stokes |
| Clay | Lehman | Studds |
| Conyers | Leland | Washington |
| Crockett | Lowry (WA) | Weaver |
| Dellums | Lundine | Weiss |
| Dixon | Markey | Wolpe |
| Downey | Miller (CA) | Wyden |
| Dymally | Mitchell (MD) | Yates |
| Edgar | Ottinger | |

NOT VOTING—23

| | | |
|---|---|---|
| Bolling | Frenzel | Pashayan |
| Carney | Hollenbeck | Railsback |
| Collins (IL) | Hoyer | Rinaldo |
| Courter | Lowery (CA) | Savage |
| Danielson | McCloskey | Scheuer |
| Daub | Moffett | Siljander |
| Derwinski | Nelson | Weber (OH) |
| Fary | Nichols | |

□ 1515

The Clerk announced the following pairs:

On this vote:

Mr. Nelson for, with Mrs. Collins of Illinois against.

Until further notice:

Mr. Nichols with Mr. Weber of Ohio.

Mr. Scheuer with Mr. Hollenbeck.

Mr. Danielson with Mr. Railsback.

Mr. Fary with Mr. McCloskey.

Mr. Moffett with Mr. Pashayan.

Mr. Hoyer with Mr. Siljander.

Mr. Savage with Mr. Derwinski.

Mr. Carney with Mr. Daub.

Mr. Courter with Mr. Frenzel.

Mr. Rinaldo with Mr. Lowery of California.

Mr. SCHUMER changed his vote from "yea" to "nay."

Mr. PRICE changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 4, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

## PERSONAL EXPLANATION

Mr. PEPPER. Mr. Speaker, I unavoidably missed the vote on rollcall 217. If I had been present, I would have voted "aye."

## PERSONAL EXPLANATION

Mr. SAM B. HALL, JR. Mr. Speaker, I would like the RECORD to reflect that I was absent yesterday, and had I been present, I would have voted "yea" on rollcall vote number 215, and I would have voted "nay" on rollcall vote 216.

## PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS BILL, FISCAL YEAR 1982

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on the bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies and for other purposes for fiscal year ending September 30, 1982.

Mr. CONTE reserved all points of order on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

## REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1805

Mr. BONIOR of Michigan. Mr. Speaker, I ask unanimous consent that my name be removed as cosponsor of H.R. 1805.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

## AUTHORIZING APPROPRIATIONS TO THE NATIONAL SCIENCE FOUNDATION

Mr. BONIOR of Michigan. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolu-

tion 183 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 183

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1520) to authorize appropriations for activities for the National Science Foundation for the fiscal year 1982, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Science and Technology now printed in the bill as an original bill for the purpose of amendment, and all points of order against said substitute for failure to comply with the provisions of clause 7, rule XVI, are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Michigan (Mr. BONIOR) is recognized for 1 hour.

Mr. BONIOR of Michigan. I thank the Speaker.

Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 183 provides for the consideration of H.R. 1520, a bill to authorize appropriations for the activities of the National Science Foundation for the fiscal year, 1982.

The rule provides for one hour of general debate to be equally divided between the chairman and the ranking minority member of the Committee on Science and Technology.

The resolution further makes in order consideration of a committee amendment in the nature of a substitute now printed in the bill as an original bill for purposes of amendment under the 5-minute rule. It waives all points of order against that substitute for failure to comply with the provisions of clause 7, rule XVI (governing germaneness).

It is an open rule allowing any germane amendment to be offered to either the bill or substitute and allows members to demand a separate vote on such amendments adopted in the Committee of the Whole after the Committee has risen and reported the bill to the House.

The rule provides for one motion to recommit, with or without instructions.

H.R. 1520 authorizes $1.16 billion for the activities of the National Science Foundation. Established by the National Science Foundation Act of 1950, its purpose is to promote scientific research that can lead to economic growth and productivity, and improvement of the American quality of life.

This is done through a system of grants, contracts, and other agreements with universities and other research organizations. All awards are made on a competitive basis.

Given the national requisite for improving productivity and economic growth, the mandate of the National Science Foundation is directly complementary to the pursuit of those goals.

To meet this mandate, the committee has recommended restoration of funding for science and engineering education, research equipment and facilities, and social/behavioral studies.

It has also recommended termination of the ocean margin drilling project.

Mr. Speaker, while I understand that there are differences regarding priorities and total funding figures, I know of no opposition to this rule and I urge its adoption.

I yield to the gentleman from Mississippi.

□ 1545

Mr. LEVITAS. Mr. Speaker, will the gentleman yield?

Mr. BONIOR of Michigan. I yield to the gentleman from Georgia.

Mr. LEVITAS. I would like to inquire of the gentleman from Michigan concerning the waiver of the point of order. In listening to the Clerk read the rule, I heard that there was a waiver of any point of order based, I think, on rule XVI. I wonder if the gentleman can explain to me what the purpose of that waiver is and what its consequences are.

Mr. BONIOR of Michigan. Well, the waiver is of clause 7, rule XVI, or the germaneness rule. It relates to section 9 of the National Science Foundation Authorization Act, 1982, which relates to the establishment of special commissions under the National Science Foundation Act of 1950.

It is a nongermane change of permanent law, and it is to an authorization for 1982.

Mr. LEVITAS. I thank the gentleman for his response.

Mr. BONIOR of Michigan. Mr. Speaker, I reserve the balance of my time.

Mr. LOTT. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, I rise today in support of this rule, which will allow the House to work its will on the National Science Foundation authorization bill. And I might add that this bill needs a lot of work before it leaves this body.

While I favor this resolution and urge its adoption, I cannot support the bill in its present form.

H.R. 1520, which this resolution would make in order, authorizes appropriations totaling $1.16 billion for this agency during fiscal year 1982. This figure represents an increase of over $64 million over the authorization level for fiscal year 1981 and, more significantly, is $127 million more than the amount recommended in the President's budget proposal.

The Committee on Science and Technology, which reported this legislation by a vote of 23 to 17, added $65 million for science and engineering education, $26 million for behavioral and social sciences, and $30 million for research instrumentation and other narrowly focused cross-directorate programs. It will be our responsibility under this rule to decide whether these budget-busting figures should be a priority during this time of necessary fiscal restraint.

This open rule will allow members of the Committee on Science and Technology to offer amendments which will reduce the authorization level to the approximate figure suggested by the administration. After careful consideration of this amendment and attention to the debate, I believe the Members of this House will see the wisdom, at this point in our economic history, of cutting back on some of this bill's well intentioned but low priority expenditures.

Mr. Speaker, I have no request for time and I yield back the balance of my time.

Mr. BONIOR of Michigan. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. DYMALLY).

Mr. DYMALLY. Mr. Speaker, I rise in support of this measure. I agree with the gentleman from Mississippi, it does not meet all the requirements, for different reasons, of course. There is not sufficient funds for minorities and women in the bill, but given the circumstances under which we operate, it seems to me the bill addresses some of the critical needs of this country.

Science and technology, in my judgment, are the wave of the future in America and indeed across the world, and given the kind of competition that we face, we ought to be increasing the funds for science and technology. So, I am pleased to join in supporting passage of this measure.

Mr. BONIOR of Michigan. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. FUQUA. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1520) to authorize appropriations for activities for the National Science Foundation for the fiscal year 1982.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. FUQUA).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1520, with Mr. ECKART in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Florida (Mr. FUQUA) will be recognized for 30 minutes, and the gentleman from Kansas (Mr. WINN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. FUQUA).

Mr. FUQUA. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, the bill before us, H.R. 1520, provides authorization of appropriations for fiscal year 1982 for the National Science Foundation. The House has already approved the overall appropriations for the Foundation. We are here today to authorize that funding and to determine the distribution of funding among the various programs and activities of the Foundation.

The committee voted earlier this year to recommend a budget level for the Foundation at $192.8 million below the administration's original request and $127.1 million above the revised request. The bill reported and now before us reflects that recommendation, and authorizes funding at $1,160.7 million. This figure was arrived at after much thought and considerable debate. It represents, I believe, a balanced and fair distribution. I would also note that this figure is well within the budget guidelines and the reconciliation levels agreed to by the House.

Mr. Chairman, our committee has been especially concerned this year with the overall health of our basic science and engineering research programs. As you are aware, Federal responsibility for basic R. & D. resides with the National Science Foundation. In looking at the Federal budget overall, we note that the administration is suggesting a $5.6 billion increase in defense R. & D. spending while nondefense R. & D. spending will decrease by $0.4 billion. The Foundation in particular is being asked to sustain an overall decrease of 6 percent in current dollars from its original fiscal year 1981 appropriated level.

The targeted reductions in the economic sciences, the social and behavioral sciences, the innovation and intergovernmental programs, as well as the international cooperation activities, are of major concern to our committee. Understanding the origin and indicators of our current economic dilemma is certainly a subject that warrants as much analysis and research as we can bring to bear. Similarly, the human factors in innovation, productivity, and safety are areas in which we need much more understanding. Blindly destroying our scientific ability in these areas, risks wasting our technological achievements in the physical sciences.

Among the many economies the committee achieved, it also voted to reduce the ocean drilling and antarctic research programs by $12.5 million, reflecting a view that the ocean margin drilling program could be deferred.

Mr. Chairman, I am well aware of the renewed call for maintaining a stringent and austere budget throughout the Federal Government. The bill we have before us, again, is $193 million below that originally requested and represents an increase of less than 6 percent over the amount originally appropriated last year. If we consider an estimated 10-percent inflation, we will actually see a reduction in the Foundation's overall programs. I am not pleased to impose such a limitation; but, I believe, that the current need for budgetary restraint dictates this limitation.

Mr. Chairman, I urge my colleagues to support the committee's recommendation and vote favorably for the bill as reported.

Mr. Chairman, at this time, I would like to yield to the distinguished chairman of the Subcommittee on Science, Research, and Technology, the gentleman from Pennsylvania, (Mr. WALGREN), who has worked very diligently and hard in trying to bring this bill to the floor.

I also want to commend the ranking minority member, Mrs. HECKLER, and the other members of the subcommittee for the fine work that they and the staff have done in order to bring this bill to the floor.

For further elaboration and explanation of the bill, I yield such time as he may consume to the distinguished chairman of the subcommittee, Mr. WALGREN.

Mr. WALGREN. Mr. Chairman, I appreciate the chairman of the full Science and Technology Committee yielding to me.

Both Houses of the Congress, with their appropriation and authorization committees working in close coordination, have worked hard to bring in a reasonable budget for the National Science Foundation. In all cases, we have accepted the administration's view that exceptional budget restraint was needed. On the other hand, all of us have witnessed the critical role that the National Science Foundation plays in the long-run level of investment and economic growth in our society. Scientific progress is the ultimate base of our ability to compete in world markets, to maintain a technical edge in national security and solve threatening global and environmental problems.

The budget we support today strikes a balance among the various priorities that we have all wrestled with. But it differs from the administration proposal in some important respects. Most importantly, it maintains a modest but significant effort by the National Science Foundation in science and engineering education. Both minority and majority have sensed that it was a serious mistake by OMB and the administration to propose economies that eat away at our technological "seed corn" through the elimination of our effort with science and engineering education.

I understand an amendment will be proposed to revise the committee proposal by holding to the OMB total, but still restoring some effort in science and engineering education. I welcome the realization that the administration made a serious mistake in eliminating the educational activity in the first place. But the problem is we can only hold to that original OMB course by robbing other programs meeting extremely serious needs, needs which were realized by OMB and the administration in the first place.

So, it comes down to a situation where you cannot have it both ways. I trust that our colleagues will realize that we have struck a reasonable balance in trying to foster some effort in essential efforts of the National Science Foundation which can make a great investment and contribution to our future.

I appreciate the privilege of chairing the subcommittee on Science, Research, and Technology and the opportunity to work with the chairman of the full committee in bringing this authorization to the floor. I yield back the balance of my time.

□ 1545

Mr. WINN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is really gratifying to speak to this legislation, the fiscal year 1982 authorization for the National Science Foundation. It has not been that long ago that I was accused of destroying the Foundation because

the authorization was not included in the reconciliation bill. At that time, I stated that that was not true, but it was to no avail. I am happy to report that the Foundation is alive and well today and that this legislation will authorize in excess of $1 billion for fiscal year 1982.

As a member of the Science and Technology Committee for the past 14 years, I have grown to appreciate the great promise that these programs hold for the future of our country. The basic research and educational programs which NSF supports are primary contributors to maintaining the health and vitality of the scientific and technological enterprise. As a consequence, I have been and continue to be a strong supporter of the National Science Foundation.

Unfortunately, though, there seems to be an erroneous principle which implies that the only way you can support the Foundation is if you add more money into the budget. I cannot accept this principle. The minority members of the Science and Technology Committee have been very dedicated to supporting the President's economics package and will oppose any bill which is in excess of the President's request. This legislation falls into that category. H.R. 1520 authorizes $1.161 billion, which is $127 million above the Reagan budget. This increase was opposed by the minority in the committee and at the appropriate time my colleague, Mr. WEBER, will offer an amendment which will bring it back down to the Reagan budget level of $1.034 billion.

Since the President's budget request was submitted, I have received innumerable letters stating that the administration was being unfair to NSF and obviously had something against their programs. Then, the logic followed that anyone that supported his budget was in the same category.

I feel compelled to remind people that we are facing a national crisis. If Federal spending is not brought under control, we won't have to worry about NSF support of the universities because there won't be any universities.

In spite of the serious economic problems we face, the administration has looked favorably upon NSF when compared with other agencies. For example, when compared to 1981, the Department of Commerce was reduced by 12 percent; Education by 9 percent; HUD by 12 percent; Interior and Labor by 13 percent; and EPA by a whopping 53 percent. But the National Science Foundation budget, as requested by the President, is approximately 1 percent above the fiscal year 1981 appropriation. Some people will say that a 1 percent increase is rather meager. Under most circumstances, I would agree; but when we are fighting for the very survival of the Nation, it seems pretty generous.

This bill, as currently presented, is 14 percent above the fiscal year 1981 appropriation. This growth is unrealistic, especially in light of the further cuts that will be required to keep the deficit under control.

In closing, let me congratulate and thank the chairman, Mr. FUQUA, and Mr. WALGREN for their cooperation in bringing this legislation to the floor. Obviously, we are in disagreement, but it has always been handled in a fair and equitable fashion.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. WINN. I am glad to yield to the gentleman from Pennsylvania (Mr. WALKER), a member of the committee.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding.

I just want to congratulate the gentleman on what I think is a very moderate and very significant statement, because he makes the point quite clearly that many of us who favor a reduction in the spending level of this bill back to the President's budget request do feel strongly that the work of the NSF is extremely important, and I feel strongly that it is an agency that deserves to be continued.

The gentleman also makes the point, and, I think, rather meaningfully, that we are really talking about spending over $1 billion for NSF even if the Weber amendment is adopted to cut $127 million out.

Mr. WINN. Mr. Chairman, the gentleman from Pennsylvania (Mr. WALKER) is exactly correct. If we adopt the Weber amendment, we are still spending $1.033 billion; which is still a healthy budget.

Mr. WALKER. Mr. Chairman, I think that is an important point.

I would say finally that I think the gentleman, at the beginning of his statement, keyed on an important point as well. There were an awful lot of baseless charges when we considered the budget legislation here on the floor. One of those baseless charges was that somehow we were doing in the NSF with that action. The gentleman made the point on the floor—and a number of others did also at that time—that we were going to bring the NSF bill to the floor under the regular procedures of this House. That is precisely what is being done today, and it does assure the survivability of NSF under the appropriate process.

Mr. Chairman, I think the gentleman's statement was an excellent one, and again I thank him for yielding.

Mr. WINN. Mr. Chairman, I thank the gentleman from Pennsylvania (Mr. WALKER) for those comments.

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. WINN. I am glad to yield to the chairman of the committee.

Mr. FUQUA. Mr. Chairman, I appreciate the gentleman's yielding.

I do want to say for the record, make no mistake about it, that the gentleman from Kansas (Mr. WINN) has always been a very loyal and vigorous supporter of the National Science Foundation, and at no time have I ever been aware that he has made any effort to do anything but support in every way possible the National Science Foundation. I want to thank the gentleman for the fine work he has done in helping bring this bill to the floor.

Mr. WINN. Mr. Chairman, I thank the gentleman from Florida (Mr. FUQUA) for his kind remarks, and I want to add that this would be an easy time for me to say to some of those Members on the other side of the aisle, "See, I told you so," that we would be having an NSF authorization bill coming up. But I am sure they did not want to hear those remarks at the time we were discussing the issue. We have the bill here before us.

I think those Members who want to do everything they can to bring the budget back to a realistic figure without cutting the NSF can support the Weber amendment that will be offered shortly. My contention is that we can live very well within this amendment.

For some reason or another, NSF and some of the scientific community have gotten the word around that the President has something against them and against their actions. There is nothing in these figures that will show that. If anybody will closely study the figures, he will see that it is just a matter of priority and a matter of opinion on where moneys should be spent and how much money should be spent.

The CHAIRMAN. The gentleman from Kansas (Mr. WINN) has consumed 9 minutes.

Mr. WINN. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota (Mr. WEBER).

Mr. WEBER of Minnesota. Mr. Chairman, during the appropriate time of the amending process I will offer an amendment to this bill to reduce it by $127 million down to the administration's request. While I cannot support the amount authorized by the Science and Technology Committee, I did want to take this time as the ranking member during general debate to express my support for the National Science Foundation and for the fine work of the Foundation.

I also wish to express my thanks and support for the work of our committee chairman, the gentleman from Florida (Mr. FUQUA), and our subcommittee chairman, the gentleman from Pennsylvania (Mr. WALGREN). Working with these gentlemen on the subcommittee and the committee has been a real pleasure for me, and their dedication to the National Science Foundation is

without question, even though we disagree on the impact of this particular cut.

Mr. Chairman, throughout the appropriation and authorization process, both the gentleman from Kansas (Mr. WINN) and myself have been attempting to lower the funding for the National Science Foundation to the level proposed by the Reagan administration. We feel that this is not an unfair level and that the Foundation will be able to function quite adequately with well over $1 billion and an increase of $11 million over the appropriated amount from fiscal year 1981.

I want to make it clear that these efforts reflect my strong belief that a reduction in Government spending is a fundamental part of our efforts to restore some vitality to the Nation's economy. These attempts to hold the budget to a lower level than the Science Committee originally authorized should not be interpreted as an anti-science attitude. The National Science Foundation does important work in supporting our national science and technology base. This is reflected in the administration's budget request for the Foundation. NSF was one of the few agencies in the Federal Government that was actually proposed to receive a small increase rather than the rather large cuts that many other agencies suffered.

Based on the extensive hearings that our subcommittee and full committee held on the Foundation's authorization request, I do not believe that NSF will suffer greatly at the authorization level recommended by the administration. I reject the idea that this level of spending is a false economy. I reject the idea that any vital programs of the Foundation will be irreparably harmed. I am confident that this Congress will continue to support the work of the National Science Foundation, as I do. At the same time we cannot ignore the fact that the Foundation's budget is only part of the much larger Federal budget and that to reduce Federal expenditures to a responsible level we must of necessity impose some limitations on the growth of all agencies' budgets.

● Mr. MOFFETT. Mr. Chairman, the Reagan administration's proposals for severe cuts in the 1982 budget of the National Science Foundation (NSF) will greatly accelerate the decline of basic research in both the hard sciences and the social sciences of the Nation. The Reagan budget slashes funding that is critical across a wide range of programs—from desperately needed upgrading of scientific measuring instruments to maintenance of university administered computer information systems that are used constantly by Government agencies. Some programs have been eliminated entirely, while others are cut by 30–75 percent. These are short-term savings which will cost hundreds of times as much in the long run, as our scientific base of research and knowledge declines.

1. IMPACT OF BUDGET CUTS ON BASIC RESEARCH IN HARD SCIENCES

Before examining the Reagan cuts in detail, I want to note how the U.S. has fallen behind other nations with regard to research and development, training of scientists and engineers, and basic research, over the past fifteen years. Between 1968 and 1978, the U.S. commitment to R. & D., as a percent of the Federal budget, declined by 34 percent. Basic research funds, during the same period, fell by 20 percent. As a percent of GNP, R. & D. funds declined by 20 percent; basic research by 24 percent.

By contrast, consider what our competitors accomplished. For the 1968–78 period, R. & D. as a percent of GNP increased as follows:

[In percent]

| | |
|---|---|
| (1) Soviet Union | +15 |
| (2) West Germany | +16 |
| (3) Japan | +20 |

Similar declines have occurred with regard to U.S. training of scientists and engineers. During 1968–78, the ratio of scientists and engineers in research and development to the labor force fell by 13 percent in the United States. By contrast, it rose dramatically in the cases of our competitors:

[In percent]

| | |
|---|---|
| (1) Soviet Union | +55 |
| (2) West Germany | +59 |
| (3) Japan | +62 |

Our performance has been particularly dismal when compared to Japan. Between 1963 and 1977, Japan trained as many engineers as did the United States, although Japan has only roughly one-half the U.S. population. During 1963–77, in Japan, 20 percent of the college degrees awarded were in engineering, and 40 percent of the master degrees. In the United States, the figure for both types of degrees for the same period was 5 percent.

In Japan, moreover, engineers are considerably more integrated into the decisionmaking sectors of the society than in the United States. For example, only one-half of the engineers in Japan actually enter engineering professions. The other half become civil servants or industrial managers. Indeed, one-half of the Japanese civil servants have engineering degrees.

Given these statistics, it is hardly surprising that between 1963–77, Japan doubled its share of world trade, while the U.S. share declined by 25 percent. Moreover, the Japanese Government and industry leaders have made the decision to beat the United States in the computer and computer-related fields by the end of this century. They are investing far more heavily in quality control, and research and development than are comparable U.S. industries. One comparison of U.S.-made computer chips with Japanese chips found that the U.S. chips failed at a rate 900 percent higher than the Japanese ones. Although the United States still has the lead in the computer chip industry, one need only look at stereos, radios, cameras, and televisions to appreciate how quickly a lead can evaporate resulting in nonexistent or ailing industries.

The response of the Reagan administration to this crisis in our knowledge and technological base has been to either obliterate or substantially dismantle key research and education efforts. For example, one of the most important areas in which the United States must make a major effort is to improve scientific instrumentation—the quality of measuring instruments in university research laboratories across the Nation. Without high quality instruments, advances in scientific research become impossible. The Reagan NSF budget cuts entirely the $75 million which was to start rebuilding the instrumentation facilities at major universities. Yet a recent major study of the research facility needs of universities, undertaken by the Association of American Universities (AAU), found that over the next 3 years, $765 million would be required just "to sustain the current level of activity" in research. This means maintenance and replacement of excessively aged research equipment. Without this $765 million, research at major university labs will deteriorate in quality and innovativeness even further.

Federal support for upgrading of research and development facilities has been declining for more than a decade. Indeed, Federal support has only gone to certain major national facilities for the past decade, and even then in inadequate amounts. In 1965, Federal grants for research and development plant peaked at about $120 million a year. In 1979, this had fallen to roughly $35 million. The result has been that an increasing amount of the instrumentation and other equipment at major research universities has become antiquated: In the 15 major research universities, the average age of instrumentation is more than double that found in industry labs.

There is a general consensus in the scientific community that the decline in the quality of instrumentation is a major obstacle to further research advances. A botanist at the University of Maryland stated:

> More and more of our faculty have had to turn away from the cutting edge of science in the last 10 years due to the unavailability of chromatographic equipment, spectrometers and computerized equipment of various kinds. This lack of equipment, labor and even routine supplies of all kinds has forced a number of our faculty into descriptive biology of the 1920s caliber. Our ability to do

research at even the 1960 level diminishes each year due to the lack of funds for modernization.

If we were to meet the minimum projected needs of our major universities over the next 3 years, the $765 million figure, that would still only be equal to what we currently spend on the Pentagon every 36 hours. Yet for that 36 hours' worth of defense spending we could at least keep these universities at their present levels. Without it, we seriously jeopardize our scientific knowledge base.

2. IMPACT OF BUDGET CUTS ON BEHAVIORAL AND SOCIAL SCIENCE RESEARCH

In addition to the cuts in instrumentation and other facilities, the Reagan NSF proposals will severely impact the social sciences, humanities and behavioral sciences. Some budgets will be eliminated, while others are cut as much as 75 percent. This despite the fact that the NSF is the only major source of funds for basic research today, in the Government, in many of these fields.

The Reagan plan cuts the budget for the Biological, Behavioral, and Social Sciences Directorate of NSF by over $26 million, to $172 million. Even at the $198 million envisioned in the Carter 1982 budget, this was a 10-percent cut in the funds for BBS. If the Reagan proposals are confirmed, the BBS directorate will suffer a 27-percent decrease in funds, when inflation is taken into account, in just 1 year.

These moneys fund a vast variety of projects, many of which have had a direct impact on American life. For example, BBS moneys helped Nobelprize winner Dr. Lawrence Klein to develop statistical models which are now used at all levels of government, in banking, and in international agencies. We are not talking about millions of dollars going to study the lives of monks in selected Italian monasteries during the Middle Ages.

A comparison of the Carter and Reagan Social Sciences Division budgets will show how deep the Reagan cuts are:

SOCIAL SCIENCES DIVISION BUDGET

[In thousands of dollars]

| | Carter | Reagan |
|---|---|---|
| Economics | 14,000 | 3,700 |
| Geography | 1,800 | 450 |
| Sociology | 4,800 | 1,200 |
| Measurements, methods, and data resources | 7,000 | 1,800 |
| History and philosophy of science | 1,900 | 500 |
| Political science | 4,300 | 1,000 |
| Law | 1,500 | 400 |
| Regulation and policy analysis | 4,000 | 1,000 |
| Decision and management science | 800 | 0 |

These kinds of cuts seriously threaten some of the most important computer information banks in the country which are used constantly by such Government agencies as OMB. Large portions of the budgets of the National Bureau of Economic Research (NBER), the National Opinion Research Center (NORC), and the Institute for Social Research (ISR) come from NSF.

According to Harvard Statistician Frederick Mosteller, one of the leading scholars in his field, the Reagan cuts will destroy one-quarter to one-half of the basic research being done in social science in the United States. For example, the ISR maintains and updates the most complete set of data on the voting patterns and attitudes of Americans in existence. Half of its annual $15 million budget comes from NSF.

President Reagan's personal pollster, Richard Wirthlin, often utilizes the computer files at ISR. Similarly, the NBER receives about one-third of its budget from NSF. NBER is the official monitor of the economy, and decides when we are entering a recession. Its analyses are accepted throughout the economic and financial community.

Ironically, the architects of the Reagan cuts at OMB had to go to ISR for information on income trajectories, in order to evalute its own budget projections. OMB also uses ISR data for presentations on social trends for White House officials. ISR has been tracking more than 5,000 American families for the past 14 years, keeping a record of their economic behavior. It is the most extensive longitudinal study of its kind in the world. Yet it may come to an end, as a result of the 75 percent cut in the Social Sciences Division. Experts estimate that it would cost at least $10 million just to start it again, once cut off.

These are just a few of the thousands of vital research projects which will either be totally eliminated, or seriously impaired, by the President's NSF budget.

SUMMARY

The United States cannot expect to adequately compete in today's world, unless it is willing to match the commitment to research and development, basic research and education that our rivals make. We cannot understand the changes affecting our society unless we collect data on them. For every dollar that we save now in the NSF budget, there will be a cost of hundreds, perhaps thousands, in the future. Three hundred million dollars—the amount cut by the Reagan administration—is only one two-thousandth of the Federal budget, and barely one six-thousandth of the GNP. Yet we are far more concerned about protecting the subsidies for peanuts and sugar than about the scientific, economic and educational future of the Nation. This is not merely an unwise method by which to save money, it is a dangerous one which surely will affect adversely many future generations of Americans.●

● Mr. MARKEY. Mr. Chairman, one of our Nation's most important and valuable resources is its extraordinary ability to advance its capabilities and knowledge in science and technology for the benefit of the American people and those of the whole world. This growth is only made possible by the dedicated research and study of many different groups of specialists. In order to conduct essential research, many of these scientific and technological specialists need the support of funding from the National Science Foundation. Some have criticized the distribution of these funds. The decisions as to who should receive Government backing, and for what purpose, are constantly under attack. Although I believe that it is necessary to keep such funding under close scrutiny, I also believe that many of the judgments passed on these programs' merits are unfounded.

Unfortunately, misconceptions are created when the projects being funded by the National Science Foundation reveal their findings. The misconception is created because the research's true purpose and value is not seen, and sometimes not appreciated, for long periods of time. For example, the scientific research by Dr. Enders of Harvard University in the 1930's, involving the study of virus growth in monkey kidneys, was initially not considered significant to the welfare or benefit of the American people. Twenty years later, however, it was Dr. Enders' research that played a major role in the development of the polio vaccine.

The history of science is filled with unseen and unrecognized payoffs. The study of bread mold behavior led to the development of the practical uses of penicillin and the study of bats' ability to fly in dark caves led to the development of radar. There are countless examples that would further illustrate this.

Too often scientific jargon hides the project's true purpose and confuses the public's understanding of the research's merits. The fact remains, however, that the National Science Foundation needs the funds necessary to support the further advancement of scientific and technological studies. The value of the research should not be underestimated. Had such an attitude been taken in the past, our Nation would be vastly lacking in the knowledge we now utilize to maintain our relatively high standard of living. As a Representative from a State which contains several major scientific and technological institutions, such as Tufts, Harvard, and MIT, I have a particular appreciation for the potential detrimental effects on these institutions that would result from a lack of funds.

I advocate full funding for the National Science Foundation. Our support is greatly needed in order for the Foundation to operate proficiently. Its ability to sponsor special research

projects has substantial effects on our economy, our society, and our national security. Support for basic scientific research must continue to be a national priority.●

● Mr. GOLDWATER. Mr. Chairman, as a firm supporter of American scientific and technological strength, I have long supported adequate funding for science and engineering research. After carefully reviewing expert testimony, I worked with other science and technology committee members to propose NSF funding levels that would strengthen our science and engineering research departments and yet remain consistent with the administration's requests. That $1.0336 billion proposal reflects a funding emphasis in those NSF programs deemed high priority; namely, cross directorate programs and the science and engineering education programs. The science and technology, committee is particularly concerned over the lack of proper research equipment and the need to encourage students in science and technology related careers.

The current bill, however, is more than $127 million over what many of us on the science and technology committee felt was reasonable. We are faced with a faltering economy, largely due to excessive Federal spending, which the current administration is trying to correct. President Reagan has been direct with the public in his aims and firm with the Congress in his purpose. I am a dedicated supporter of many of the administration's policies, and I therefore cannot support the present funding levels which are contained in this legislation.

Mr. Chairman, none of our choices are easy, and my vote should not be unjustly construed as an anti-science vote, but if we are to support the mandate of the American people in support of a strong economy, we must make those hard choices.●

● Mr. BIAGGI. Mr. Chairman, I rise in support of this legislation before us, H.R. 1520, legislation to extend for 1 year the authorization for the National Science Foundation. This bill, which provides for $1 billion for activities of the NSF, is critical to our scientific and technological research conducted across this Nation. These funds will provide for ongoing research in the areas of physical sciences, engineering, as well as biological and behavioral sciences, which depend on these funds to carry out work in the national interest.

My strong support for the work of the National Science Foundation is underscored by the importance of its funds to my own city of New York. Albert Einstein College of Medicine, one of the premier health care and health research facilities in this Nation, depends heavily upon NSF funds to augment its own research efforts. Currently, the NSF funds 17 critical research projects at Einstein totaling $1 million dollars. Continued funding of these efforts, in the areas of anatomy, genetics, biochemistry, cell biology, pediatrics, pharmacology, and physiology, is essential in order to continue this work.

Scientific and technological research in this Nation have given us stunning examples of what the human mind can produce given the proper tools: our space program, our vast telecommunications system, our success in treating cancer patients and those with other diseases that were at one time always fatal, as well as our national defense, which is second to none in the world in its capability and technology.

I urge my colleagues to join me in support of this legislation so that our dreams of today can be made into reality tomorrow through strong support of scientific research and the work of the National Science Foundation.●

● Mr. DYMALLY. Mr. Chairman, I rise in strong support of the well-reasoned committee request for National Science Foundation funding which we have before us today. My colleagues on the committee have carefully balanced the needs for budget restraint this year with the very real need to maintain the technological vitality of this country and its people. An investment in that vitality is largely an investment in the future of our Nation, not a current expenditure of the kind we are all trying hard to limit.

Why should we support the long-range health of science and the scientific and technical skills of our people? It is for the same reason that we all work hard to send our children to school and college: We hope that the fruits of knowledge and the inventiveness of trained minds will help us solve some of the age-old problems of hunger, disease, poverty, and environmental stress that have so long plagued human life. Our support for science, and training in its skills, is another expression of that faith in the capacity of the human mind.

In every aspect of my work I try to reaffirm that faith. Human resources are our greatest and most important resource and we must strengthen them. I especially value the efforts the Science Foundation is making to insure that all of our people have access to science and technical training. The fruits and power of science should be available to minorities, blacks, Hispanics, and the American Indian, just as they are to any other element of society. Women belong in the science and engineering talent pool just as do men. Our society needs all the science and technology skill we can possibly muster; we cannot afford to allow an exclusion of so many talented individuals from our roster of scientists and engineers.

The committee bill maintains the strength of important initiatives to strengthen the role of minorities and women in science and engineering. I wish it did more, but I cannot support any attempts to cut back on these efforts. I commend our chairmen, DON FUQUA, and DOUG WALGREN, and ranking minority member, MARGARET HECKLER, who have worked hard with me on these initiatives. They have my full support on the committee bill.●

● Mr. SHAMANSKY. Mr. Chairman, I would like to voice my strong support for the National Science Foundation authorization under consideration. American developments in science and technology have been central to the strength of our Nation. Our scientific advances have increased productivity, created new products and markets, and improved the health and knowledge of our citizens and countless people around the world.

Today we are in danger of losing our advantage in the areas of science and technology. In Japan there are 400 engineers and scientists per 10,000 people, compared to 70 per 10,000 in this country. Our education programs in science and engineering are more important than perhaps ever before. Therefore, I am particularly happy to see that the NSF authorization under consideration includes a reasonable authorization for science and engineering education.

We in Congress must have vision; we must not forget the future when we wrestle with the problems of the present. Our economic future and national strength require a firm commitment to science and the benefits it has and will continue to provide.●

Mr. WINN. Mr. Chairman, I have no further requests for time.

Mr. FUQUA. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. Pursuant the rule, the Clerk will now read the substitute committee amendment recommended by the Committee on Science and Technology now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

H.R. 1520

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "National Science Foundation Authorization Act for Fiscal Year 1982".

SEC. 2. There are authorized to be appropriated to the National Science Foundation, for the fiscal year 1982, the sums indicated for the following categories:

(1) Mathematical and Physical Sciences, $295,400,000.

(2) Engineering, $102,600,000.

(3) Biological, Behavioral, and Social Sciences, $198,100,000.

(4) Astronomical, Atmospheric, Earth and Ocean Sciences, $253,200,000.

(5) Ocean Drilling Programs, $14,000,000.

(6) Antarctic Research programs, $69,600,000.

(7) Scientific, Technological, and International Affairs, $56,400,000.

(8) Cross-Directorate Programs, $13,200,000.

(9) Program Development and Management, $63,200,000.

(10) Science and Engineering Education, $75,000,000.

SEC. 3. Appropriations made under authority provided in sections 2, 4, and 7 shall remain available for obligation, for expenditure, or for obligation and expenditure for periods specified in the Acts making the appropriations.

SEC. 4. Besides the sums authorized in sections 2 and 7, there are authorized to be appropriated to the National Science Foundation, $16,500,000 for the fiscal year 1982 for a special program for modernization of research equipment and facilities.

SEC. 5. If the total amount of appropriations made by any Act for program activities included in section 2 and section 4 for the fiscal year 1982 is less than the total amount authorized to be appropriated for those activities by section 2 and section 4, the amount available from such appropriations for any particular program activity shall bear the same ratio to the amount authorized to be appropriated for that activity by section 2 and section 4 as the total amount of the appropriations made by such appropriation Act for all included program activities bears to the total amount authorized to be appropriated for those activities by section 2 and section 4, except to the extent specifically otherwise provided in the text of the Act making the appropriations for the program activities involved.

SEC. 6. From appropriations made under this Act, not more than $5,000 for fiscal year 1982 may be used for official consultation, representation, or other extraordinary expenses at the discretion of the Director of the National Science Foundation. His determination will be final and conclusive upon the accounting officers of the Government.

SEC. 7. Besides the sums authorized by sections 2 and 4, not more than $3,500,000 for fiscal year 1982 are authorized to be appropriated for expenses of the National Science Foundation incurred outside the United States, to be drawn from foreign currencies that the Treasury Department determines to be excess to the normal requirements of the United States.

SEC. 8. Funds may be transferred among the categories listed in section 2, so long as the net funds transferred to or from any category do not exceed 10 per centum of the amount authorized for that category in section 2. The Director of the Foundation may propose transfers to or from any category exceeding 10 per centum of the amounts authorized for that category in section 2. An explanation of any such proposed transfer must be transmitted in writing to the Speaker of the House, the President of the Senate, the Senate Committee on Labor and Human Resources, and the House Committee on Science and Technology. The proposed transfer may be made only when—

(1) thirty calendar days have passed after submission of the written proposal, or

(2) the chairman of the House Committee on Science and Technology and the chairman of the Senate Committee on Labor and Human Resources have each written the Director to the effect that the respective commitee has no objection to the proposed transfer.

SEC. 9. (a) The text of section 9 of the National Science Foundation Act of 1950 is amended to read as follows:

"(a) Each special commission established under section 4(h) shall be appointed by the Board and shall consist of such members as the Board considers appropriate.

"(b) Special commissions may be established to study and make recommendations to the Foundation on issues relating to research and education in science and engineering.".

(b) Section 6 of Public Law 95-99, the National Science Foundation Authorization Act, fiscal year 1978, is deleted.

Mr. FUQUA (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

AMENDMENT OFFERED BY MR. WEBER OF MINNESOTA

Mr. WEBER of Minnesota. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WEBER of Minnesota: On page 4, line 24, strike "$295,400,000", and insert in lieu thereof "$257,100,000".

On page 5, line 2, strike "$198,100,000", and insert in lieu thereof "$152,300,000".

On page 5, line 8, strike "$56,400,000", and insert in lieu thereof "$37,700,000".

On page 5, line 9, strike "$13,200,000", and insert in lieu thereof "$000,000,000".

On page 5, line 13, strike "$75,000,000", and insert in lieu thereof "$59,900,000".

On page 5, line 20, strike "$16,500,000", and insert in lieu thereof "$20,000,000".

Mr. WEBER of Minnesota (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. WEBER of Minnesota. Mr. Chairman, this amendment I am offering will establish a fiscal year 1982 authorization level for the National Science Foundation in line with the President's March request. That total is $1,033,600,000. The bill that the Science and Technology Committee reported out is $127 million over the President's request. Clearly, this type of excessive spending is inappropriate when we are all trying to reduce Federal expenditures and produce a fiscally responsible budget.

This amendment is not just a rubberstamp of the administration's request. Substantial reallocations have been made among the various directorates while maintaining the integrity of the Foundation's programs. One of the areas of budget concern where money is added substantially above the administration's request is science and engineering education. I am certain that many Members have heard from constituent groups on cuts in this area. Testimony before our committee has indicated the importance of both undergraduate and graduate programs to our Nation. The original request was for only $9.9 million. My amendment would increase that figure to $59.9 million.

My amendment also adds $20 million into cross directorate programs to be used for instrumentation. The funds designated for instrumentation address a problem that has existed since the midseventies. Equipment in universities has not kept pace with state of the art or new technological changes, the result being that the median age of university equipment is about double that of industry. From our extensive subcommittee hearings it became apparent that $20 million was a minimum funding level for what some experts estimate to be a $2 to $4 billion problem.

Obviously, to keep the budget within the request, funds had to be taken from some other areas. The major reductions are in the mathematical and physical sciences directorate, which remains at its fiscal year 1981 level, and the biological, behavioral, and social sciences directorate. Within the biological, behavioral and social sciences directorate it is my intent by this amendment to protect the biological programs to the extent possible—as reflected in the administration's request.

Mr. Chairman, I want to take a minute to discuss the appropriations aspect of the National Science Foundation. I am certain that in the debate over this amendment we will hear the opponents toss about appropriations figures for this or that program, claiming that our authorization figures are irrelevant or out of phase with what the House has agreed on in the appropriations bill for the National Science Foundation. This is simply not the case. The other body has yet to agree to the appropriations conference report and, as we all know, there is a strong possibility of a veto of that appropriations bill in any case. However, our Science Committee has conducted thorough hearings on the National Science Foundation request during the authorization process. With the adjustments proposed by this amendment I am confident we will have a responsible authorization bill to set policy for the Foundation.

I am certain, Mr. Chairman, that the Science Foundation would like the larger budget figure as reported in this bill. That should surprise no one. But, I am equally as certain that our hearing produced no evidence to show that the President's request for the National Science Foundation was not a workable level. As much as I support the Foundation's scientific endeavors, I feel we must support the President's economic package. This still provides

the National Science Foundation with an increase over last year's appropriation. The only path to national economic recovery is support of a comprehensive plan to restrain Federal spending. Adopting this amendment will provide some of that needed restraint without harming vital programs.

□ 1600

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. WEBER of Minnesota. I am happy to yield to my colleague, the gentleman from Pennsylvania (Mr. WALKER).

Mr. WALKER. I thank the gentleman for yielding. I just wanted to thank the gentleman for his statement and indicate I certainly am going to support the gentleman's amendment. I think the points the gentleman made at the end are clear reason for this House to support the gentleman's amendment.

We know that the President is going to go on television tomorrow night asking for additional budget cuts.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. WEBER) has expired.

(At the request of Mr. WALKER and by unanimous consent Mr. WEBER of Minnesota was allowed to proceed for 2 additional minutes.)

Mr. WALKER. If the gentleman will continue to yield, as I understand it, all the gentleman is trying to do is keep the level of spending as authorized by this House in concert with what the President put forth in a budget in March. So really what the gentleman is asking this House to do is to live up to our obligation to try to move forward a balanced budget by keeping our budgets in line with the President's March request.

I think this is a very worthwhile amendment. I think it goes precisely in the direction we need for the economic recovery of this country, and I congratulate the gentleman for offering it.

Mr. WEBER of Minnesota. I thank the gentleman for his comments and for his work on the committee. Of course the gentleman is exactly correct. This has been the level of funding that the President called for many, many months ago.

Again, as the gentleman pointed out, this still represents an increase over last year's funding, but it is, indeed, a good test of this Congress' ability to cut the budget and impose budgetary restraint without hurting people who are truly in need.

Mr. WINN. Mr. Chairman, will the gentleman yield?

Mr. WEBER of Minnesota. I am happy to yield to the distinguished ranking member from Kansas (Mr. WINN).

Mr. WINN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the gentleman's amendment. In my opinion, this amendment, which brings the NSF budget back to the Reagan level, is a very constructive and realistic approach. The total budget is the same as the administration's, but the distribution of those funds has been substantially changed to comply with the Congress priority. For example, science and engineering education has been an area that has been in need of support for some time. The Weber amendment will provide nearly $60 million for that area as compared to $10 million in the President's request.

Mr. Chairman, let me say that there is nothing that I would enjoy more than providing a sizable, real growth for our science programs. But quite frankly, there just is not enough money to go around. We are going to be forced to make some hard decisions which will, in the short term, be painful. But if we do not make those decisions, we will die a slow and lingering death. There are far more meritorious programs available than we have money. I do not believe that it is wise for this body, in light of the additional budget reductions, to pass an authorization bill which is over the original request.

Therefore, I support the amendment and encourage my colleagues to do likewise.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

(At the request of Mr. WINN and by unanimous consent Mr. WEBER of Minnesota was allowed to proceed for 2 additional minutes.)

Mr. WINN. If the gentleman will continue to yield, I would commend the gentleman from Minnesota (Mr. WEBER) for his outstanding work.

Mr. WEBER of Minnesota. I thank the distinguished ranking member of the committee for his support of the amendment.

Mr. DUNN. Mr Chairman, will the gentleman yield for a question?

Mr. WEBER of Minnesota. I yield to the gentleman from Michigan (Mr. DUNN).

Mr. DUNN. The gentleman and I have served together on the committees and I would ask the gentleman a question. Would the gentleman agree with the statement that the main direction the committee as a whole is trying to take Government spending as it pertains to the science and technology area into the areas of far-out, advanced research? Would the gentleman agree that was the main bend of the committee rather than doing near-term research? Would the gentleman agree with me?

Mr. WEBER of Minnesota. I think the gentleman is correct. The thrust of the Reagan administration policy with regard to scientific funding generally, and this goes to the DOE budget as well, is to subsidize longer term research.

Mr. DUNN. Would the gentleman also not agree that one of the things we talked about and were in agreement in the committee is that there is a bigger role for universities to play in that kind of research and that we should perhaps take some of this research out of the hands of bureaucrats? Would the gentleman agree with that?

Mr. WEBER of Minnesota. I would certainly agree with the gentleman, primarily because of constraints because of tremendous inflation.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

(By unanimous consent Mr. WEBER of Minnesota was allowed to proceed for 2 additional minutes.)

Mr. WEBER of Minnesota. The gentleman points out a very serious problem which is simply the lack of available research funding.

I would point out, though, since my friend has asked me about it, that the major reason why we have seen a dropoff in both private and public support for research has been the inflationary economy we have lived in for the last many years. Of course, the general thrust of the Reagan economic program, which my friend has been a supporter of, is to try and control that inflation. Once we have done that, we will help solve a variety of problems, including the inability of both private industry and the public sector to find research funds.

Mr. DUNN. The gentleman is correct, I have been a supporter of the Reagan program. But, still, in terms of this bill in front of us, I wonder, with the limited dollars we have available, if this is not a real good use of the funds, particularly in the university community, to stimulate that turnaround in the economy. There are so many things there in the committee that I feel very strongly we voted for that should not have been in, and there is enough play. The numbers we are asking for do not seem to be that far over the total Reagan package that it is not a good idea and, therefore, respectfully I rise in opposition to the gentleman's amendment.

Mr. WEBER of Minnesota. I thank my friend for his comments and, as always, the gentleman is a strong proponent of NSF funding and makes a good argument. Frankly, I guess we would have to respectfully differ. A lot of people come to me, as I am sure to all of us, and say, "This is a good program, do you not agree," and absolutely I have to agree. Many of the programs in the NSF are good programs. But we reach a point, as you as a private businessman I am sure know, where you cannot fund all of the good

programs, and that may be the case with the Federal Government today.

Mr. DUNN. I appreciate the gentleman saying that and I thank him.

Mr. WALGREN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to say at the outset that we all have tried to strike the right balances in this legislation. I think that the contribution of the gentleman from Minnesota (Mr. WEBER) has been one of the most constructive, conscientious efforts that I have seen in any of the several committees I have served on. I do think this is a question of hard choices, as the gentleman from Kansas (Mr. WINN) points out.

I think it is important to realize that we are not funding everything that we might possibly desire. The Carter administration came in with a funding request for fiscal year 1982 that was 23 percent above the funding level for fiscal year 1981. We reduced that funding increase to something in the range of 5 percent.

□ 1610

So we are trying to make those hard choices and strike the balances that any reasonable person, I think, would make.

Where I cannot join my friend, the gentleman from Minnesota, is in the assumption that we should accept the overall figure originally submitted by the administration for the NSF budget. Our hearings revealed that the figure allotted to NSF was arbitrary and unreasonable to say the least.

It turns out that the overall figure developed by OMB—and I would bet my bottom dollar that President Reagan never saw this figure in its entirety or any of its constituent parts before it was delivered by OMB. Sadly, the overall figure was determined without consultation beyond OMB. It was arrived at without consultation, even, with the head of the President's transition team for the National Science Foundation, Dr. Fletcher from the University of Pittsburgh. It was arrived at without consultation with any of the National Science Foundation's board. And it was arrived at without consultation with the Director of the National Science Foundation. Rather this figure we are asked to accept without question was delivered to the National Science Foundation with literally 24 hours for the Director to respond.

OMB was terribly arbitrary in its elimination of educational programs, international efforts and programs for women and minorities. How limited a view went into the development of that number.

The problem we now face is that you cannot take an unreasonable ceiling and make reasonable allocations to all the programs included within it. You have to take critical support away from areas that even the administration truly supports. That is the problem with the reductions in the math and in the behavioral sciences that the gentleman from Minnesota is forced to recommend if we are to reasonably treat the other objectives of National Science Foundation programs.

So I feel that we do have balance on our side. Although I recognize the reasonableness with which the gentleman has approached this, it seems to me that it is a better balance that we have struck in the committee's program.

Mr. WEBER of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. WALGREN. I yield to the gentleman from Minnesota.

Mr. WEBER of Minnesota. I appreciate the gentleman's interest in the National Science Foundation.

I would just like to verify one point on which we do, obviously, have some disagreement on the level of funding. But the reduction that I have proposed in the physical and mathematical sciences to accommodate some of the other programs which we have increased over the Reagan level was indeed based on some testimony before the gentleman's subcommittee. Granted, there may be disagreement with that. But it was not a figure just picked out of the air. There was testimony that indicated that the Director could sustain those cuts. Would the gentleman agree with that?

Mr. WALGREN. The gentleman is correct.

Mr. WEBER of Minnesota. I thank the gentleman.

AMENDMENT OFFERED BY MR. FUQUA TO THE AMENDMENT OFFERED BY MR. WEBER OF MINNESOTA

Mr. FUQUA. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. FUQUA to the amendment offered by Mr. WEBER of Minnesota: Strike the dollar amount proposed to be inserted on page 4, line 24 and insert "$285,400,000".

Strike the dollar amount proposed to be inserted on page 5, line 2 and insert "$184,600,000".

Strike the dollar amount proposed to be inserted on page 5, line 8 and insert "$46,400,000".

Strike all of the words proposed to amend the dollar amount on page 5, line 9.

Strike the dollar amount proposed to be inserted on page 5, line 13 and insert "$35,000,000".

Strike all the words proposed to amend the dollar amount on page 5, line 20.

Insert at the end the following: "On page 4, line 25, strike the amount "$102,600,000" and insert "$100,400,000"."

Mr. FUQUA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FUQUA. Mr. Chairman, I offer this amendment in an attempt to more realistically bring the level of authorization down to a level more in line with what has been agreed to by the Appropriations Committee and by this House in the conference report.

As has been pointed out, when the committee in its deliberations reported the bill out, the HUD-Independent Agencies Appropriations Subcommittee that handles those appropriations and chaired by Mr. BOLAND had not come to the floor. When it was on the floor at a level of $1,103,000,000, there was an effort made at that time to reduce those funds below that figure to this scarce level as the Weber amendment does.

This House by a recorded vote of 264 to 152 rejected that amendment and maintained the level that the Appropriations Committee had recommended at that time.

What my amendment does is bring it down approximately $75 million below what was reported by the House Committee on Science and Technology from $1,160,000,000, and down to $1,085,000,000.

Now, we still have to go to conference with the Senate. I do not know what is going to happen to the conference report on appropriations that has been agreed to by the House. But I do know that to take the authorization down to the level that has been proposed by the gentleman from Minnesota will certainly do damage to the National Science Foundation, for several reasons:

First, it does damage to many of the programs by bringing them below the level that they were funded, even in the last year. And, second, it is way below what this House has agreed to on two occasions.

I would also like to point out an article that appeared in the Washington Post this morning, quoting William M. Agee, chairman of the board of Bendix Corp.—and I do not think you could classify Mr. Agee as a wild-eyed spender—where he pointed out, and I quote: "Government-supported research should be increased, not cut," and "we should send a strong message to the country that science, technology, and innovation have the highest priority."

And he further said: "Any cuts of any consequence in this area are damaging."

Likewise, as has been referred to by the distinguished chairman of the subcommittee, the gentleman from Pennsylvania (Mr. WALGREN), Dr. James Fletcher, the former and distinguished Administrator of the National Aeronautics and Space Administration, and who headed the Reagan transition team for NSF, talked in testimony before the committee about the unreasonable curtailment of social and be-

havioral sciences. He was talking about the lack of criteria used by OMB in some of the reductions they made on instrumentation, and he said that the overall budget should be at approximately $1.2 billion. This amendment is way below that level.

So I think we have people, who are not members of the same political party that I choose to be, recommending that basic research is a very essential area and that we should try to maintain a strong level of funding. And I think we do that in the amendment that I have offered. Certainly we should not go to the level that has been proposed by the gentleman from Minnesota (Mr. WEBER), who is a very fine and conscientious member of our committee. I do think the prudent thing to do at this time would be to adopt the amendment that I have offered that brings it down to a level approximately $75 million below what was reported out of the House Science and Technology Committee, and below what was originally approved on a rollcall vote for the Appropriations Committee.

Mr. ERTEL. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman from Pennsylvania, a member of our committee.

□ 1620

Mr. ERTEL. I thank the gentleman for yielding.

I know he is very interested in the science and technology field and especially NSF. I would have a question in relation to reconciliation which, of course, was a major fight in this House and as adopted was the administration position.

In the amendment that the distinguished chairman proposes, does the amount fall within the limits established?

The CHAIRMAN. The time of the gentleman from Florida (Mr. FUQUA) has expired.

(At the request of Mr. ERTEL and by unanimous consent, Mr. FUQUA was allowed to proceed for 2 additional minutes.)

Mr. ERTEL. If the gentleman will yield further, I would ask the distinguished chairman does the amount that he is proposing in his amendment fall within the reconciliation limits?

Mr. FUQUA. It certainly does. It is well within the reconciliation budget that was adopted by the House and also agreed to by the Senate. So it is well within those figures.

Mr. ERTEL. The reconciliation position was accepted by the President, as I understand it; is that correct?

Mr. FUQUA. That is correct.

Mr. ERTEL. So we are well within what the President has recommended for the National Science Foundation at this point?

Mr. FUQUA. That is correct; and particularly as was maintained in the reconciliation process.

Mr. ERTEL. So from that I would take it it would be the administration's position that they do not want to destroy the science and technology and research of the United States, but they want to at least come up to reconciliation and we have not even come up quite that high yet?

Mr. FUQUA. We are still below that figure, I might point out to the gentleman.

Mr. ERTEL. I thank the gentleman. I would support his amendment.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman from Massachusetts, who is the chairman of the Appropriations Subcommittee that has this budget.

Mr. BOLAND. I thank the gentleman for yielding.

I can understand the position of the gentleman from Minnesota (Mr. WEBER) in offering his particular amendment. As the gentleman indicated, the National Science Foundation ought to be willing to take its cuts as other agencies and departments of the Government have to take them. And it is taking them. It is taking something like a 25-percent reduction from the original request submitted in January.

So, the figures that were referred to by the distinguished chairman of the committee are correct. The gentleman from Minnesota would reduce the NSF authorization to $1,033,000,000.

The CHAIRMAN. The time of the gentleman from Florida (Mr. FUQUA) has again expired.

(By unanimous consent, Mr. FUQUA was allowed to proceed for 2 additional minutes.)

Mr. BOLAND. If the gentleman will yield further, as I understand it, the amendment of the gentleman from Minnesota would reduce the authorization to the same figure that would have resulted, if the amendment offered by the gentleman from Kansas (Mr. WINN) on the NSF appropriation bill had been adopted? Is that correct?

Mr. FUQUA. That is correct.

Mr. BOLAND. That amendment was defeated rather substantially on the floor of the House.

I think all of us recognize the fact—I certainly do—that the 1982 budget request is still a floating number—and could change in the next few days, perhaps as a result of the President's speech to be delivered tomorrow night.

But I want to remind the Members of the House and this committee that whatever agreement reflecting the new budget amendments is worked out on the HUD bill—does not mean that we on the Appropriations Committee will not choose to give higher priority to the Foundation. I think we ought to recognize that. Perhaps the gentlemen on the other side of the aisle do.

We may want to cut other portions of the HUD bill. This is a real possibility. We may make a real effort to hold partly harmless the Foundation and reduce other agencies instead. I think that is a position I would try to sustain, if it is possible to do so.

This has not been an easy year for either the authorizing or appropriations committees. But the members of the Science and Technology Committee have done their best with some of the same problems shared by our committee. This is a responsible amendment; it is one the House can support. It is consistent with the appropriations conference, and it is one that I urge each of you to vote for.

Investment in basic research is essential to our Nation's technological leadership and economic health. All one needs to do is look at what the Japanese are doing to support basic research—and it should leave little doubt about the need to fund science and science education adequately.

If we fail to support science—we will lose any ability to compete in world markets. We will lose our technological lead. And we will lose our military lead. It is just that simple.

So, I would urge this body to provide the fexibility that the gentleman from Florida seeks in his amendment to the amendment which would authorize $1,085,000,000. As I understand it, this is still $75,000,000 below the amount in the bill as reported? Is that correct?

Mr. FUQUA. That is correct.

Mr. BOLAND. And well below the amount assumed in the first concurrent resolution on the 1982 budget?

Mr. FUQUA. The gentleman is correct.

The CHAIRMAN. The time of the gentleman from Florida (Mr. FUQUA) has again expired.

(By unanimous consent, Mr. FUQUA was allowed to proceed for 2 additional minutes.)

Mr. BOLAND. If the gentleman will continue to yield, on that basis it would seem to me that the amendment to the amendment offered by the gentleman from Florida ought to be adopted. It is a very reasonable amendment and I thank the gentleman for yielding.

Mr. LOTT. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

I would like it to be noted I am rising in support of the amendment of the gentleman from Minnesota.

If I understand it correctly, the National Science Foundation was not part of the reconciliation in the House. There was, as I understand it, some cap placed on it in the Senate; but when we went to conference that whole issue was taken out. So NSF was in fact not in reconciliation and the Members need to know that.

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Florida.

Mr. FUQUA. I thank the gentleman for yielding.

The gentleman is absolutely correct, but it is still within the reconciliation criteria that had been brought on the floor of the House and does not exceed those numbers.

Mr. LOTT. I thank the gentleman for his comments.

I would like to say, of course, that the distinguished chairman does an outstanding job working with our distinguished ranking member, the gentleman from Kansas, on this very difficult legislation, and I do not mean in any way to reflect on their effort, but I would like to get my colleagues to look at what we are talking about here.

What are the programs within the National Science Foundation authorization? We are talking about mathematical and physical sciences, biological and behavioral and social sciences, U.S. Antarctica program, scientific technological and international affairs, cross directorate programs, program directorate and management, science and engineering education, special foreign currency. That is all fine and well and good, but the gentleman from Minnesota is trying to bring this authorization down to the level of the President's budget request.

We are talking about having to make reductions in various programs which we have already passed and we hope we are going to be able to find some other places where we can make savings, and I know the gentleman from Florida would support that effort to try to move toward a balanced budget.

I just have to ask in my own mind if we cannot do it within the National Science Foundation, where are we going to do it? We are asking so many programs, so many agencies, so many departments, so many people, to take some reductions in the level of expenditure and yet, the National Science Foundation cannot bear its share and the amendment, I might add, by the gentleman from Minnesota, actually still would leave this bill about $11 million above last year's authorization level.

The gentleman is trying to put this thing in the proper perspective to bring down authorizations because we always use these arguments, well, look, this is supposed to be the ceiling, but they come to the floor and then we get around to exceeding these floors in the appropriations process.

We had this on the State Department authorization last week. The argument was made it was only $800 million over what the President asked for in the authorization, $800 million. Maybe a few million here, and it just goes on and on.

I would urge my colleagues to let us get these bills at least down to the President's budget request. If not here, then where. I would urge the defeat of the amendment that would cut the amendment of the gentleman from Minnesota in half. Let us get these bills under control and I think we need to begin with the National Science Foundation.

Mr. GREGG. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment of the gentleman from Florida and in support of the amendment of the gentleman from Minnesota.

I sit on the subcommittee which has the National Science Foundation as one of its areas of responsibility and I would, like other members of the committee, like to congratulate our leadership on this committee.

The gentleman from Pennsylvania (Mr. WALGREN) and the gentlewoman from Massachusetts (Mrs. HECKLER) have done a great job and it has been an enjoyable committee to be on.

I happen to agree with the amendment presented by the gentleman from Minnesota (Mr. WEBER). I think it is time that we face the reality that we are going to have to make the hard decisions on all these various budgets that come through here, even of agencies like NSF which have a long strong history of delivering services to the country, if we are going to bring inflation under control and going to deliver the type of budget which is necessary in order to bring inflation under control.

We are looking at, at least a $42 billion deficit in 1982, where there is talk that there will be a higher deficit. For us to go over the original budgetary figures which arrived at a $42 billion deficit is to admit we cannot maintain our own fiscal house and we cannot bring under control the spending of the Federal Government.

Therefore, I support this amendment; $1,003,000,000 is a considerable amount of money to put into the National Science Foundation. We heard testimony from Dr. Slaughter that he felt his Foundation would be able to operate in a very effective manner with this sort of funding.

□ 1630

In fact, he felt that the funding levels were acceptable.

We have reapportioned this money within the terms of the directorate so that we are not at the original Reagan figures as they were originally introduced into the committee.

The amendment presented by the gentleman from Minnesota (Mr. WEBER) has suggested that we put an additional approximately $20 million into the science and education directorate and has also reallocated within other directorates of the National Science Foundation.

So considerable thought has gone into this. It has not just been an across the board mish-mash of cuts. It has been an attempt to try to identify where we need the money and where we can best spend the money.

I do have to oppose the amendment of the chairman of the committee, the gentleman from Florida (Mr. FUQUA), because I feel that once again it is over the President's proposal. Let us face it, we are going to have to make these hard decisions again and again over the next few months in order to bring spending in line with income in this Congress and we might as well start here.

Mr. McGRATH. Mr. Chairman, I move to strike the requisite number of words.

I rise in support of the amendment of the gentleman from Florida because I am deeply concerned about adequate funding for programs which are vital to the scientific and technological advancement of our Nation.

It is not an easy task to make cuts in the National Science Foundation; these programs are extremely important in continuing educational opportunities and research in science and technology related fields.

The amendment provides for a certain amount of flexibility within the NSF budget, while still making necessary reductions indicated by our present fiscal situation. The funding level is below that which was passed by the Appropriations Committee. It provides $184.6 million for the biological behavioral and social sciences, which is identical with the ceiling approved in the appropriation's conference report. The funding for science, technological and international affairs provides some additional moneys for innovation, international and intergovernmental programs.

This is a responsible amendment which does not tear the heart out of the National Science Foundation, and I urge my colleagues to support it.

Mr. DUNN. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the Fuqua amendment.

Mr. Chairman, I wonder if I might have the attention of the honorable chairman of the committee.

Mr. Chairman, in committee discussions, one of the big problems facing this country was the lack of engineers that we were graduating and the equipment that they have to use. I believe, and correct me if I am wrong, that most experts would agree that we should be graduating approximately six times the number of engineers that we are currently graduating. Is that approximately what the gentleman remembers?

Mr. FUQUA. Mr. Chairman, if the gentleman will yield, the gentleman is correct. There is a great concern in this country about the number of engineers that will be required for American industry, and for our colleges and universities in the future. This is one of the most serious problems that we are trying to address in this bill.

Mr. DUNN. If we are going to begin on the road to Reagan economics, particularly in Michigan, if we are going to be able to revitalize our economy, our country needs first-rate engineers and first-rate equipment.

Could the gentleman explain to me the difference in the level in the gentleman's amendment, as opposed to the Weber amendment as it pertains to that particular area?

Mr. FUQUA. Well, in the amendment that I have offered, we provide $35 million for this activity.

Now, we have got to negotiate with the Senate to try to arrive at a final figure.

I might say that the Appropriations Committee was allowed only $27 million, so we are slightly above the appropriation level; but some of this money we are using in other areas, particularly in the cross directorate and that we can fund some of the other programs.

The Weber amendment also provides money for this, I might add, but it takes it out of the physical science areas that severely cripple some of the other areas that we think are very central.

Mr. ERTEL. Mr. Chairman, will the gentleman yield?

Mr. DUNN. I will be glad to yield to the gentleman.

Mr. ERTEL. I thank the gentleman from Michigan for yielding.

I think the gentleman has hit a very important point. When we understand that the appropriation level for science and engineering is $27 million and then look at the Weber amendment—and I know it is well-intended—it allows or authorizes $59.9 million. It does not matter how much we authorize, if the appropriation level does not go above that $27 million; so what have we done, we have cut back the appropriations by $32 million.

What the Weber amendment does then, since we do not have the appropriation for the money, it takes from the mathematical and physical sciences, which under the Fuqua amendment would be $285 million and under the Weber amendment would reduce that to $259 million. Now, when you cut that authorization level down, basically what you have done is cut it out of that engineering and science factor, if you will, even though it is not in science and engineering education. You have cut it out of mathematical and physical sciences where people are getting grants to go on for advanced research and other kinds of activities.

So what you are really doing is cutting very severely into our engineering efforts in this country. If we can remember, the Japanese are putting out more engineers from their colleges than we are and they have about one-half of our population. If we are ever going to get back into the arena of international science and international engineering, we have got to go with the Fuqua amendment, because I am afraid that the Weber amendment has really cut us back very dramatically in these areas.

Mr. WEBER of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. DUNN. I yield to my colleague, the gentleman from Minnesota.

Mr. WEBER of Minnesota. Mr. Chairman, I thank the gentleman.

I have to disagree fairly vigorously with the opposition that has been put forward on this particular point. Throughout the entire testimony before our subcommittee and our committee, if there was one area that was identified as a clear and crying need, it was the science and engineering area. It is for that reason that at the subcommittee level and at the committee level and through the appropriations process and now in this authorization amendment, we have structured our amendment to try to protect the science and education directorate.

The fact is that we do not have an appropriation bill today. It is entirely possible that we will not have one because of a Presidential veto.

For that reason, I reject the notion that this authorization process we are going through here is an irrelevancy. That is why it is an important point to make.

Furthermore, the amount of money that we have targeted for this important program is actually in excess of the amount that would be permitted under the Fuqua amendment by nearly $20 million.

Furthermore, in testimony before our subcommittee, the mathematical and physical sciences where we have made some reductions, I found no testimony which related that money directly to any of the engineering needs that our high technology industries are so desperately facing today. Those needs are served by particularly the graduate fellowships that the chairman has been so instrumental in devising and the other programs that are in the science and engineering directorate.

Our amendment protects that actually better than the amendment of the chairman.

So I have to reject the notion that this does permanent damage to that directorate.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(By unanimous consent, Mr. DUNN was allowed to proceed for 2 additional minutes.)

Mr. DUNN. Mr. Chairman, I would ask the gentleman, how can he say it does not have any effect when in terms of the equipment used, the gentleman is saying that this number is reduced. How can the gentleman make a statement that this does not have any effect on the quality of the engineers that we are graduating?

Mr. WEBER of Minnesota. Mr. Chairman, if the gentleman would yield, the equipment that the gentleman is talking about is dealt with in the cross directorate program. That is the second area where we have provided substantial protection for the NSF budget.

If I can take just a couple minutes to lay this out, I think it is important again that we talk about exactly what has happened programmatically with the Reagan budget. The Reagan budget called for reductions in funding within different directorates in the NSF, actually in only three major areas, the biological, the behavioral and social sciences, instrumentation in the cross directorate, and the science and education engineering programs.

We have structured this amendment to take care of two of those areas critically. The cross directorate instrumentation, which the gentleman just referred to is one area where we restored nearly $20 million; the science and engineering education area is the second major area where we have addressed it actually better than the Fuqua amendment did.

The only area where we have actually maintained the Reagan cut and, indeed, gone somewhat further, is in the area of the biological, behavioral and social sciences.

I do not dispute there is some value to those programs, but that is what we should be talking about here today. If we are being asked to break the back of the Reagan budget in this area, it is not because of science and engineering needs, it is not because of instrumentation in our universities, it is to protect programs in the biological, behavioral and social sciences.

Now, some Members may wish to do that, and we should talk about those programs and tell Members exactly what it is that they are being asked to fund.

Mr. DUNN. I thank the gentleman.

Mrs. HECKLER. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the Fuqua amendment.

Mr. Chairman, I think it is quite obvious to all of us that since we are debating this issue before the next Presidential statement on budget priorities, that we are operating in somewhat of a vacuum. We have to operate on the basis of the testimony before the Sci-

ence and Technology Committee and the information before us today; we cannot prejudge what the President may say in the future. What the President says tomorrow evening may make us reexamine many of our priorities and reassess all of our appropriation bills and, indeed, the budget itself; but, to do so during today's consideration of the National Science Foundation authorization would put the House in the hands of conjecture and speculation.

Today we have to deal with the facts as we know them.

□ 1640

The fact is, the chairman of the Science and Technology Committee has offered a reasonable, responsible, realistic compromise.

Certainly we have heard a great deal of testimony to the effect that we need more funding for the Foundation's programs. In fact Dr. Fletcher, who was the head of the Reagan transition team for the National Science Foundation, suggested that the minimum funding level for NSF should be $1.2 billion, a figure well above anything we are suggesting today.

In terms of the question of engineering, there was a great deal of testimony on the lack of engineers to meet the needs of high technology and related industries. High tech firms represent one of the highest growth industries in America today.

The fact is that the Weber amendment will totally eliminate one of the most promising programs for the development of engineering expertise, this is the women and minorities program, which is targeted to developing the talents of the under-utilized human resources represented in the low numbers of women and minorities in scientific and technological careers.

Mr. FUQUA. Mr. Chairman, will the gentlewoman yield?

Mrs. HECKLER. I yield to the gentleman.

Mr. FUQUA. I want to thank the gentlewoman for the statement she is making and for the hard work she has rendered on the committee, and elaborate on the point she just made about women and minorities. The amendment that I have offered provides for funds for the programs that we have had for women and minorities. It is certainly a very vital program and one that we should continue to pursue so that we can attract women and minorities into the science field more than we have in the past.

I thank the gentlewoman for her leadership in these areas.

Mrs. BOGGS. Mr. Chairman, would the gentlewoman yield?

Mrs. HECKLER. I would be very happy to yield to one of my favorite colleagues.

Mrs. BOGGS. I, too, would like to add my accolades to the gentlewoman and join with the chairman, Mr. FUQUA, in this regard. It is one of the most important programs that we have in the scientific field. I think that all of us have to recognize, as the gentlewoman has so long done, that unless this whole Nation, particularly this generation, is literate in science, that they are not going to be able to make any kind of value judgments in the social or economic, political or moral fields.

So I congratulate the gentlewoman for her insistence upon this program.

Mrs. HECKLER. I thank the Congresswoman from the great State of Louisiana for her remarks and her extremely ardent advocacy of equal rights. In the case of the Foundation's programs directed to women and minorities the argument is not an "equality" issue. Programs for women and minorities are important not simply to redress problems of past discrimination. These programs are important because they represent a lost resource for the Nation; a resource so high in demand that American industry is crying for help.

That resource is properly educated and trained personnel for scientific and technological professions. Let me give you one example. High tech and other industries are suffering tremendous productivity loss due to a lack of engineers. Since women represent less than 2 percent of the number of Ph. D.'s in engineering, they represent a potential doubling of available engineers. When blacks and other minorities are included, the increase is even greater. According to the Congressional Research Service, women comprise 51.3 percent of the U.S. population but only 9.7 percent of the total scientists and engineers in the Nation. If America is going to continue to excel in scientific and technological fields, we simply must continue programs that encourage the entry of women and minorities.

In terms of educating and training qualified engineers fast enough to meet this country's demand, the women and minorities programs at NSF promise quick results. This talent pool simply cannot be ignored.

Now, the gentleman from Minnesota, whom I very much respect, has spoken of the need for science and engineering education. He seeks to increase funding in this division at the Foundation. But in fact the education division is one of the programs which has produced poor results. Testimony brought before the committee indicates that the education division needs reorganization and new priorities. Until this is done it is doubtful that more money will produce more results. And while there is a need to increase the number of scientists and engineers, I think it is foolhardy to take money from ongoing research programs in the math and physical sciences as well as the biological, behavioral, and social sciences at a time when the Appropriations Committee has put a ceiling on the amount of money that can be spent in that category. There is no possibility that the money he seeks to add to this category can be used with the cap that the Appropriations Committee has already placed on education funding.

In regard to the proposed cuts in the biological, behavioral, and social sciences, it was made quite clear to the committee, after days and weeks of hearings, that we must insure America's knowledge base in these fields.

This division of the Foundation contains some of the most vital research going on in America today. My subcommittee (Science, Research, and Technology) has just completed 6 days of hearings on innovation and productivity, and we heard expert testimony from the General Accounting Office, Harvard University, MIT, the American Productivity Center, Westinghouse, Bell Labs, Sony, United Steelworkers, Working Women, and others. Their testimony was in agreeement with Dr. Rahn, vice president and chief economist of the U.S. Chamber of Commerce when he testified that,

> Increasing numbers of top executives acknowledge greater management responsibility for the Nation's poor productivity showing in recent years. They also detected a widespread belief that workers will respond to greater involvement in decisionmaking on the job.

Other research endeavors confirm the chamber's findings. Issues like motivation, communication, and organization, so crucial to solving management/union/labor problems, are all a part of the behavioral and social research now taking place at the Foundation. We simply cannot afford to eliminate this research.

The CHAIRMAN. The time of the gentlewoman has expired.

(By unanimous consent, Mrs. HECKLER was allowed to proceed for 2 additional minutes.)

Mrs. HECKLER. The need for continuing the behavioral and social assessment of human productivity and the human questions related to high technology, has to be one of the major priorities. The American Association for the Advancement of Science, the National Academy of Sciences, and the National Science Board have all made statements strongly supporting continued funding for this field. This is the area of study where concepts like gross national product, econometrics, geography, and demographics were developed.

Research in the behavioral and social sciences cannot be fully supported by the private sector and the market economy. The direct monetary returns from such research are often not immediate and predictable, and its benefits are not usually viewed as pro-

prietary returns on corporate investment. For rigorous, methodological, serious basic research, the National Science Foundation is one of the only sources for funds in this area.

I hope my collegues will give the Science and Technology Committee flexibility in dealing with the Senate on the basis of the figure that is suggested by the chairman of the committee and those of us on this side of the aisle who support him on a bipartisan basis.

Mr. WEBER of Minnesota. Mr. Chairman, will the gentlewoman yield?

Mrs. HECKLER. I would be happy to yield to the gentleman.

Mr. WEBER of Minnesota. I thank the gentlewoman for yielding.

I would like to first of all thank the gentlewoman for the leadership she has shown on our subcommittee and her continuing promotion of the very worthwhile programs she is referring to.

I would just point out that there is no prohibition on the National Science Foundation from utilizing funds in my amendment that are put in for the cross-directorate to fund the program she has talked about. I recognize full well there is a trade-off that needs to be made.

The point we perhaps disagree on is, I think, that every nickel of that will probably have to be used for instrumentation.

Mrs. HECKLER. I would simply like to respond that due to the way the gentleman's amendment is offered, I do not think the instrumentation funds can be used for anything else since they are locked in section 4 of the bill, not in section 3 with the cross-directorate program. In regard to the need for increased funding for instrumentation, I fully agree with the gentleman. However, the problem is much bigger than $20 million. In fact, Dr. Keyworth, the President's current advisor on science, has said the need is over $1 billion. So what we are talking about here is a token gesture of $20 million in the direction of an important, but much larger problem. But it is this gesture of providing equipment that would deny the opportunity for the development of the human potential embodied in women and minorities that is clearly available at the universities across America today. So that rather than doing the token thing in instrumentation, I think it is time to do the human thing and develop the talents and resources of well over one half of our society, women and minorities, who have not been brought into the mainstream of the scientific and technological arena.

I yield back the balance of my time.

Mr. HILER. Mr. Chairman, I move to strike the requisite number of words.

I rise in opposition to the amendment and support the amendment of the gentleman from Minnesota.

I am not a member of the Science and Technology Committee. Therefore I am not going to talk about the merits of any of the particular aspects within the budget of the Science and Technology Committee on the NSF. But I would operate on the basis of the overall funding level.

I was sitting in my office listening to much of the discussion going on. I heard things like we are operating in a vacuum, we should wait until tomorrow night, we are going to destroy opportunity for people, and it is only going to have a 1-percent increase.

I would say that the financial community has already said what they think of the spending cuts we have enacted. They said we need to enact more, not less. We do not have to wait for the President to get on TV tomorrow night to know that we have to cut more spending. I think by waiting we are just putting off the day of reckoning.

We talk about the failure, if we do not proceed with the full level of funding recommended by the committee or the level recommended by the chairman, the gentleman from Florida (Mr. FUQUA) that somehow we are going to take away opportunity. I would ask: What kind of opportunity do many of our citizens have today with the economic situation we find?

In 1979 there were 500 new homes constructed in my district. This year there will be less than 100. Those people who were building those homes would love to have a 1-percent increase in their income.

I think the time has come when we have to start cutting. We are going to have to cut deep. It is going to hurt. To put off the day of reckoning for a speech tomorrow night or next week or the budget in 1983 or the budget in 1984 is total irresponsibility.

I rise in fullhearted support of the gentleman from Minnesota, because I think he is right on line.

Mr. WEBER of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. HILER. I yield to the gentleman from Minnesota.

Mr. WEBER of Minnesota. I thank my colleague for yielding.

I think the gentleman has served to refocus the debate. Actually, the dollar figures that separate the Fuqua amendment from the Weber amendment are not quite as significant as the broader question of what is the message we are sending to the financial markets? What is the statement we are making about the future of economic policy in this country?

The financial markets are watching this administration. We have had a lot of discussion in this debate about the passage at one time of this appropriation at a higher level. Well, since that time we have all gone home, listened to our constituents, come back here and observed happening the very things my friend, the gentleman from Indiana, is talking about. We are sending a message to the financial community by this vote. The message is going to be either this Congress is going to take the strong, positive steps to restrain spending, bring the budget under control and help retract the Government from the credit markets, or that we are not going to make that kind of statement. I commend my colleague.

Mr. WALGREN. Mr. Chairman, will the gentleman yield?

Mr. HILER. I would be happy to yield to the gentleman.

Mr. WALGREN. Mr. Chairman, it would seem to me about the message we are sending to the financial community, there are two interpretations. One message we would be sending the financial community, if we are to reduce the spending in this area, is that we will not have investment in this country; we will not have a sufficiently trained work force in this country to compete with the Japanese; that we will not be on the leading edge of technology.

□ 1650

I do believe there is a basic question here before us, and that is, is all Government spending negative? Is it all detrimental, or are there certain kinds of Government spending that are extremely essential for our economy? The fact of it is that we are focusing on perhaps the type of Government spending that almost all would agree is investment-related and helpful from an economic standpoint.

So, I think we ought to send a message to the financial community. It ought to be the message Mr. Agee of the Bendix Corp., says; that is, that we are not going to cut the effort to keep ahead in science and technology in this country.

I thank the gentleman.

Mr. HILER. In all due respect, the chairman of the board of Bendix will not be voting on budgets this year, and in all likelihood will not be going back to his district to hear about the high interest rates and unemployment. I would suggest that that is what the Members of Congress must do, and it is their responsibility to do that.

I think what we have to send to the financial community today is, send a message that we are going to get a handle on spending, we are going to make these tough decisions. As the gentleman from Minnesota said earlier in this discussion, all of us have had hundreds of people come to our offices to talk about why it is that their programs cannot be cut. Yes, we can cut in others, but we cannot cut here.

The time has come when we have to make the tough decisions, and to avoid making those decisions to the tune of $127 million I think is going to send exactly the wrong message to the people who play a tremendous role in setting interest rates in this country.

Mr. DUNN. Mr. Chairman, will the gentleman yield?

Mr. HILER. I will be happy to yield.

Mr. DUNN. Mr. Chairman, I would just like to ask the gentleman, and I think we have turned the focus of the debate; the debate is not whether you and I are against the Reagan program. You and I are both strong supporters of that. As a member of the construction industry, the gentleman asked the question before about whether we would like to have a 1-percent increase. Most of us would settle for 50 percent of what we had last year, so the gentleman is correct.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

(At the request of Mr. DUNN and by unanimous consent, Mr. HILER was allowed to proceed for 2 additional minutes.)

Mr. DUNN. The issue is not whether or not you or I support budget cuts in total, but whether or not this is a good place to do it. I would challenge the gentleman that if we are not going to continue in this country the programs of basic research at the university level, we are not going to be able in the end to stimulate this kind of economy.

Mr. HILER. If we do not begin to get the budget deficit down by lowering spending, we will not have to worry about having the economic stability where the future engineers will have the jobs.

● Mr. HOLLENBECK. Mr. Chairman, I rise in support of the Fuqua amendment to the Weber amendment.

As I noted in the additional views I placed with the report accompanying the National Science Foundation authorization bill, H.R. 1520, I am greatly concerned about adequate funding for a number of important NSF programs. These include the science and engineering education, economics and behavioral sciences, and the international programs. These areas are extremely important to provide the necessary trained manpower for our engineering and scientific needs. In addition, they give us a better understanding of the means to utilize and bring technology into the mainstream of commerce both nationally and internationally.

While I am generally supportive of the President's overall budget levels in other areas of science, there is not sufficient flexibility in the requested NSF budget to allow enough resources to be devoted to these important areas. Maintaining the administration's overall level will seriously undermine the Foundation's natural science programs.

The particular distribution of cuts made in the Weber amendment will prove very dangerous for our Nation's continued scientific and technological vitality.

Mr. WEBER proposes to take $38 million from the Division for Mathematical and Physical Sciences below what the President recommended. This alone is a serious threat to basic research.

The Weber amendment also cuts $20 million below the administration request for the Division of Biological, Behavioral, and Social Sciences. This reduction threatens ongoing research programs in medical sciences, economics, biophysics, neurobiology, and social research.

Furthermore, the budget reduction in the Scientific, Technological, and International Affairs Division seriously jeopardizes current and future multilateral scientific exchanges so important in the international scientific arena.

Over the past few years there has been only a 2-percent increase in the overall budget and I believe that this is not the time to cut further into the physical sciences.

The Fuqua amendment restores some funds to those critical areas I noted while being restrained in its total figure. With a level below last year's authorization, I feel that our distinguished chairman has provided us with a fiscally conservative yet viable budget for the National Science Foundation.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. FUQUA) to the amendment offered by the gentleman from Minnesota (Mr. WEBER).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. WEBER of Minnesota. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 220]

| | | |
|---|---|---|
| Akaka | Applegate | Bafalis |
| Albosta | Ashbrook | Bailey (MO) |
| Alexander | Aspin | Bailey (PA) |
| Anderson | Atkinson | Barnard |
| Annunzio | AuCoin | Barnes |
| Anthony | Badham | Beard |
| Bedell | Fiedler | Long (MD) |
| Beilenson | Fields | Lott |
| Benjamin | Findley | Lowry (WA) |
| Bennett | Fish | Lujan |
| Bereuter | Fithian | Luken |
| Bevill | Flippo | Lundine |
| Biaggi | Foglietta | Lungren |
| Bingham | Foley | Madigan |
| Blanchard | Ford (MI) | Markey |
| Bliley | Ford (TN) | Marlenee |
| Boggs | Forsythe | Marriott |
| Boland | Fountain | Martin (IL) |
| Boner | Fowler | Martin (NY) |
| Bonior | Frank | Matsui |
| Bonker | Frenzel | Mattox |
| Bouquard | Fuqua | Mavroules |
| Bowen | Garcia | Mazzoli |
| Brinkley | Gaydos | McClory |
| Brodhead | Gejdenson | McCollum |
| Brooks | Gephardt | McCurdy |
| Broomfield | Gilman | McDade |
| Brown (CA) | Gingrich | McEwen |
| Brown (CO) | Ginn | McGrath |
| Brown (OH) | Glickman | McHugh |
| Burgener | Gonzalez | McKinney |
| Burton, John | Goodling | Mica |
| Burton, Phillip | Gore | Mikulski |
| Butler | Gradison | Miller (CA) |
| Byron | Gramm | Miller (OH) |
| Campbell | Gray | Mineta |
| Carman | Green | Minish |
| Chappell | Gregg | Mitchell (MD) |
| Chappie | Grisham | Mitchell (NY) |
| Cheney | Guarini | Moakley |
| Chisholm | Gunderson | Molinari |
| Clausen | Hagedorn | Mollohan |
| Clay | Hall (OH) | Montgomery |
| Clinger | Hall, Ralph | Moore |
| Coats | Hall, Sam | Moorhead |
| Coelho | Hamilton | Morrison |
| Coleman | Hammerschmidt | Mottl |
| Collins (TX) | Hance | Murtha |
| Conable | Hansen (ID) | Myers |
| Conte | Hansen (UT) | Napier |
| Conyers | Harkin | Natcher |
| Corcoran | Hartnett | Neal |
| Coughlin | Hatcher | Nichols |
| Coyne, James | Hawkins | Nowak |
| Coyne, William | Heckler | O'Brien |
| Craig | Hefner | Oakar |
| Crane, Daniel | Heftel | Oberstar |
| Crane, Philip | Hendon | Obey |
| D'Amours | Hertel | Ottinger |
| Daniel, Dan | Hightower | Panetta |
| Daniel, R. W. | Hiler | Parris |
| Dannemeyer | Hillis | Patman |
| Daschle | Holland | Patterson |
| Davis | Hollenbeck | Paul |
| de la Garza | Holt | Pease |
| Deckard | Hopkins | Perkins |
| Dellums | Horton | Petri |
| DeNardis | Howard | Peyser |
| Derrick | Hubbard | Pickle |
| Dickinson | Hughes | Porter |
| Dicks | Hunter | Price |
| Dixon | Hutto | Pritchard |
| Donnelly | Ireland | Pursell |
| Dorgan | Jacobs | Quillen |
| Dornan | Jeffords | Rahall |
| Dougherty | Jeffries | Railsback |
| Dowdy | Jenkins | Rangel |
| Downey | Jones (NC) | Ratchford |
| Dreier | Jones (OK) | Regula |
| Duncan | Jones (TN) | Reuss |
| Dunn | Kazen | Rhodes |
| Dwyer | Kemp | Richmond |
| Dymally | Kildee | Rinaldo |
| Dyson | Kindness | Ritter |
| Early | Kogovsek | Roberts (KS) |
| Eckart | Kramer | Roberts (SD) |
| Edgar | LaFalce | Robinson |
| Edwards (CA) | Lagomarsino | Rodino |
| Edwards (OK) | Lantos | Roe |
| Emerson | Latta | Roemer |
| Emery | Leach | Rogers |
| English | Leath | Rose |
| Erdahl | LeBoutillier | Rosenthal |
| Erlenborn | Lee | Rostenkowski |
| Ertel | Lehman | Roth |
| Evans (DE) | Leland | Roukema |
| Evans (GA) | Lent | Rousselot |
| Evans (IA) | Levitas | Roybal |
| Evans (IN) | Lewis | Rudd |
| Fascell | Livingston | Russo |
| Fazio | Loeffler | Sabo |
| Ferraro | Long (LA) | Sawyer |

Schneider
Schroeder
Schulze
Schumer
Seiberling
Sensenbrenner
Shamansky
Shannon
Sharp
Shaw
Shelby
Shumway
Shuster
Siljander
Simon
Skeen
Skelton
Smith (AL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (OR)
Smith (PA)
Snowe
Snyder
Solomon
Spence
St Germain
Stangeland
Stanton
Staton
Stenholm
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Tauzin
Taylor
Thomas
Traxler
Trible
Udall
Vander Jagt
Vento
Volkmer
Walgren
Walker
Wampler
Washington
Watkins
Waxman
Weber (MN)
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams (MT)
Williams (OH)
Wilson
Winn
Wirth
Wolf
Wolpe
Wortley
Wright
Wyden
Yates
Yatron
Young (FL)
Young (MO)
Zablocki
Zeferetti

□ 1710

The CHAIRMAN. Three hundred and eighty-three Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Minnesota (Mr. WEBER) for a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. Five minutes will be allowed for the vote.

The vote was taken by electronic device and there were—ayes 245, noes 161, not voting 27, as follows:

[Roll No. 221]

AYES—245

Addabbo
Akaka
Albosta
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkinson
AuCoin
Bailey (PA)
Barnard
Barnes
Beard
Bedell
Beilenson
Benedict
Benjamin
Bennett
Bereuter
Bevill
Biaggi
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brinkley
Brodhead
Brooks
Brown (CA)
Burton, John
Burton, Phillip
Byron
Carney
Chappell
Chisholm
Clay
Clinger
Coelho
Conte
Conyers
Coyne, James
Coyne, William
D'Amours
Daschle
Davis
de la Garza
Deckard
Dellums
DeNardis
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dougherty
Downey
Dunn
Dwyer
Dymally
Early
Eckart
Edgar
Edwards (CA)
English
Erdahl
Ertel
Evans (GA)
Evans (IA)
Fascell
Fazio
Fenwick
Ferraro
Fithian
Flippo
Foglietta
Foley
Ford (MI)
Ford (TN)
Fountain
Fowler
Frank
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Gore
Gray
Green
Grisham
Guarini
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hance
Harkin
Hatcher
Hawkins
Heckler
Hefner
Heftel
Hertel
Hightower
Hollenbeck
Horton
Howard
Hoyer
Hubbard
Hutto
Ireland
Jacobs
Jeffords
Jenkins
Jones (NC)
Jones (OK)
Jones (TN)
Kastenmeier
Kazen
Kildee
Kogovsek
LaFalce
Lantos
Leach
Lehman
Leland
Lent
Levitas
Long (LA)
Long (MD)
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Madigan
Markey
Martin (NC)
Matsui
Mattox
Mavroules
Mazzoli
McCurdy
McGrath
McHugh
Mica
Mikulski
Miller (CA)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Mollohan
Murtha
Natcher
Neal
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patman
Patterson
Pease
Perkins
Peyser
Pickle
Porter
Price
Pritchard
Pursell
Rahall
Rangel
Ratchford
Reuss
Richmond
Ritter
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Schneider
Schroeder
Schumer
Seiberling
Shamansky
Shannon
Sharp
Shelby
Simon
Smith (IA)
Smith (PA)
Solarz
St Germain
Stark
Stokes
Stratton
Studds
Swift
Synar
Tauke
Traxler
Udall
Vento
Volkmer
Walgren
Washington
Watkins
Waxman
Weiss
White
Whitley
Williams (MT)
Wilson
Wirth
Wolpe
Wortley
Wyden
Yates
Yatron
Young (AK)
Young (MO)
Zablocki
Zeferetti

NOES—161

Archer
Ashbrook
Badham
Bafalis
Bailey (MO)
Bingham
Bliley
Breaux
Broomfield
Brown (CO)
Brown (OH)
Burgener
Butler
Campbell
Carman
Chappie
Cheney
Clausen
Coats
Coleman
Collins (TX)
Conable
Corcoran
Coughlin
Craig
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Derrick
Dickinson
Dornan
Dowdy
Dreier
Duncan
Dyson
Edwards (AL)
Edwards (OK)
Emerson
Emery
Erlenborn
Evans (DE)
Evans (IN)
Fiedler
Fields
Findley
Fish
Forsythe
Frenzel
Gingrich
Goldwater
Goodling
Gradison
Gramm
Gregg
Gunderson
Hammerschmidt
Hansen (ID)
Hansen (UT)
Hartnett
Hendon
Hiler
Hillis
Holland
Holt
Hopkins
Huckaby
Hughes
Hunter
Jeffries
Johnston
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leath
LeBoutillier
Lee
Lewis
Livingston
Loeffler
Lott
Lungren
Marlenee
Marriott
Martin (IL)
Martin (NY)
McClory
McCollum
McDade
McDonald
McEwen
McKinney
Miller (OH)
Molinari
Montgomery
Moore
Moorhead
Morrison
Mottl
Myers
Napier
O'Brien
Oxley
Parris
Paul
Petri
Quillen
Railsback
Regula
Rhodes
Rinaldo
Roberts (KS)
Roberts (SD)
Robinson
Roemer
Rogers
Roth
Roukema
Rousselot
Rudd
Russo
Sawyer
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Siljander
Skeen
Skelton
Smith (AL)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Staton
Stenholm
Stump
Tauzin
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Weber (MN)
Whitehurst
Whittaker
Whitten
Williams (OH)
Winn
Wolf
Young (FL)

NOT VOTING—27

Bethune
Bolling
Broyhill
Collins (IL)
Courter
Crockett
Danielson
Daub
Derwinski
Fary
Florio
Hagedorn
Hyde
Marks
McCloskey
Michel
Moffett
Murphy
Nelligan
Nelson
Pashayan
Pepper
Santini
Savage
Weaver
Weber (OH)
Wylie

The Clerk announced the following pairs:

On this vote:

Mr. Nelson for, with Mr. Daub against.

Mr. FINDLEY and Mr. SILJANDER changed their votes from "aye" to "no."

Mr. WORTLEY changed his vote from "no" to "aye."

□ 1720

So the amendment to the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. WEBER), as amended.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WALKER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 401, noes 5, not voting 27, as follows:

[Roll No. 222]

AYES—401

Addabbo
Akaka
Albosta
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Ashbrook
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey (MO)
Bailey (PA)
Barnard
Barnes
Beard
Bedell
Beilenson
Benedict
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Bliley
Boggs
Boland
Boner
Bonker
Bouquard
Bowen
Brinkley
Brodhead
Brooks
Brown (CA)
Brown (CO)
Brown (OH)
Burgener
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carman
Carney
Chappell
Chappie
Cheney
Chisholm
Clausen
Clay
Clinger
Coats
Coelho
Coleman
Collins (IL)
Collins (TX)
Conable
Conte
Conyers
Corcoran
Coughlin
Coyne, James
Coyne, William
Craig
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis
de la Garza
Deckard
DeNardis
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dornan
Dougherty
Dowdy
Downey
Dreier
Duncan
Dunn
Dwyer
Dymally
Dyson
Early
Eckart
Edgar
Edwards (AL)
Edwards (OK)

| | | |
|---|---|---|
| Emerson | Kramer | Richmond |
| Emery | LaFalce | Rinaldo |
| English | Lagomarsino | Ritter |
| Erdahl | Lantos | Roberts (KS) |
| Erlenborn | Latta | Roberts (SD) |
| Ertel | Leach | Robinson |
| Evans (DE) | Leath | Rodino |
| Evans (GA) | LeBoutillier | Roe |
| Evans (IA) | Lee | Roemer |
| Evans (IN) | Lehman | Rogers |
| Fascell | Leland | Rose |
| Fazio | Lent | Rosenthal |
| Fenwick | Levitas | Rostenkowski |
| Ferraro | Lewis | Roth |
| Fiedler | Livingston | Roukema |
| Fields | Loeffler | Rousselot |
| Findley | Long (LA) | Roybal |
| Fish | Long (MD) | Rudd |
| Fithian | Lott | Russo |
| Flippo | Lowery (CA) | Sabo |
| Foglietta | Lowry (WA) | Sawyer |
| Foley | Lujan | Scheuer |
| Ford (MI) | Luken | Schroeder |
| Ford (TN) | Lundine | Schumer |
| Fountain | Lungren | Seiberling |
| Fowler | Madigan | Sensenbrenner |
| Frank | Markey | Shamansky |
| Frenzel | Marks | Shannon |
| Frost | Marlenee | Sharp |
| Fuqua | Marriott | Shaw |
| Garcia | Martin (IL) | Shelby |
| Gaydos | Martin (NC) | Shumway |
| Gejdenson | Martin (NY) | Shuster |
| Gephardt | Matsui | Siljander |
| Gibbons | Mattox | Simon |
| Gilman | Mavroules | Skeen |
| Gingrich | Mazzoli | Smith (AL) |
| Ginn | McClory | Smith (IA) |
| Glickman | McCollum | Smith (NE) |
| Goldwater | McCurdy | Smith (NJ) |
| Gonzalez | McDade | Smith (OR) |
| Goodling | McDonald | Smith (PA) |
| Gore | McEwen | Snowe |
| Gradison | McGrath | Snyder |
| Gramm | McHugh | Solarz |
| Gray | McKinney | Solomon |
| Green | Mica | Spence |
| Gregg | Mikulski | St Germain |
| Grisham | Miller (CA) | Stangeland |
| Guarini | Miller (OH) | Stanton |
| Gunderson | Mineta | Stark |
| Hagedorn | Minish | Staton |
| Hall, Ralph | Mitchell (MD) | Stenholm |
| Hall, Sam | Mitchell (NY) | Stokes |
| Hamilton | Moakley | Stratton |
| Hammerschmidt | Molinari | Studds |
| Hance | Mollohan | Stump |
| Hansen (ID) | Moore | Swift |
| Hansen (UT) | Moorhead | Synar |
| Harkin | Morrison | Tauke |
| Hartnett | Mottl | Tauzin |
| Hatcher | Murphy | Taylor |
| Hawkins | Murtha | Thomas |
| Heckler | Myers | Traxler |
| Hefner | Napier | Trible |
| Heftel | Natcher | Udall |
| Hendon | Neal | Vento |
| Hertel | Nichols | Volkmer |
| Hightower | Nowak | Walgren |
| Hiler | O'Brien | Walker |
| Hillis | Oakar | Wampler |
| Holland | Oberstar | Washington |
| Hollenbeck | Obey | Watkins |
| Holt | Ottinger | Weber (MN) |
| Hopkins | Oxley | Weiss |
| Horton | Panetta | White |
| Howard | Parris | Whitehurst |
| Hoyer | Patman | Whitley |
| Hubbard | Patterson | Whittaker |
| Huckaby | Paul | Whitten |
| Hughes | Pease | Williams (MT) |
| Hunter | Pepper | Williams (OH) |
| Hutto | Perkins | Wilson |
| Ireland | Petri | Winn |
| Jacobs | Peyser | Wirth |
| Jeffords | Pickle | Wolf |
| Jeffries | Porter | Wolpe |
| Jenkins | Price | Wortley |
| Johnston | Pritchard | Wright |
| Jones (NC) | Pursell | Wyden |
| Jones (OK) | Quillen | Yates |
| Jones (TN) | Rahall | Yatron |
| Kastenmeier | Railsback | Young (AK) |
| Kazen | Rangel | Young (FL) |
| Kemp | Ratchford | Young (MO) |
| Kildee | Regula | Zablocki |
| Kindness | Reuss | Zeferetti |
| Kogovsek | Rhodes | |

NOES—5

| | | |
|---|---|---|
| Broomfield | Schulze | Vander Jagt |
| Forsythe | Skelton | |

NOT VOTING—27

| | | |
|---|---|---|
| Bolling | Florio | Santini |
| Bonior | Hall (OH) | Savage |
| Broyhill | Hyde | Schneider |
| Courter | McCloskey | Waxman |
| Crockett | Michel | Weaver |
| Danielson | Moffett | Weber (OH) |
| Daub | Montgomery | Wylie |
| Derwinski | Nelligan | |
| Edwards (CA) | Nelson | |
| Fary | Pashayan | |

□ 1730

Mr. PORTER changed his vote from "no" to "aye."

So the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Chairman, I move to strike the last word.

(By unanimous consent, Mr. WRIGHT was allowed to speak out of order.)

□ 1740

LEGISLATIVE PROGRAM

Mr. WRIGHT. Mr. Chairman, I take this time for two purposes: First, to give Members a little preview of what is planned for the coming week.

There will be a pro forma session on Friday, made necessary by the need to bring forth on Monday the continuing resolution which we hope will be ready by that time.

There will be no votes on Tuesday of next week, it being a Jewish holiday.

We would hope not to schedule votes on Wednesday, pending completion of the continuing resolution.

On Thursday it is anticipated that we shall begin immediately at 10 o'clock and spend the day or such part of it as is necessary to bring to final passage the Labor, Health and Human Services appropriation.

Once having done that, that will complete 10 of the annual appropriations bills having been passed by the House.

TRIBUTE TO SUGAR RAY LEONARD

Mr. WRIGHT. Now, I say, there was a second purpose for which I seek recognition.

We in this Chamber and in this arena have participated in verbal combat of one kind and another and there are skilled masters of that art before me. There is another form of athletic enterprise which has been recognized since early in the human race.

I lay claim now that Nat Fletcher is gone to being the world's foremost authority on boxing and while there have been many good champions and a number of very great champions, I hold that there have been only a very few truly great, greats of all time. By that I would define that rare combination of an individual who is capable of the boxing skills of a dancing master, who knows, as is scripturally told us, that it is better to give than to receive, and who does not do a lot of receiving, but who on the other hand has the power of a great puncher in either fist.

I think there have been four all time great champions. One of them was before my time, but I rely on my father's recollection of him, Jack Johnson, a heavyweight.

The second, I would name a man named Sugar Ray Robinson, whom I saw and delighted in seeing.

The third, I think, probably is Mohammed Ali, and the fourth—now, Joe Louis—I meant to say that there are five truly outstanding. I have never been good at counting, as was evident earlier this year when you guys ran over us this year; but there are five. Joe Louis was undoubtedly one of them; but that leaves one, and I think that fifth niche has been filled by a contemporary, a man named Sugar Ray Leonard.

The CHAIRMAN. Are there any additional amendments? If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ECKART, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the bill (H.R. 1520) to authorize appropriations for activities for the National Science Foundation for the fiscal year 1982, pursuant to House Resolution 183, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WINN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 262, nays 149, not voting 22, as follows:

[Roll No. 223]

YEAS—262

| | | |
|---|---|---|
| Addabbo | Evans (IA) | McDade |
| Akaka | Evans (IN) | McGrath |
| Albosta | Fascell | McHugh |
| Anderson | Fazio | McKinney |
| Andrews | Fenwick | Mica |
| Annunzio | Ferraro | Mikulski |
| Anthony | Findley | Miller (CA) |
| Aspin | Fish | Mineta |
| Atkinson | Fithian | Minish |
| AuCoin | Flippo | Mitchell (MD) |
| Bailey (PA) | Florio | Mitchell (NY) |
| Barnard | Foglietta | Moakley |
| Barnes | Foley | Mollohan |
| Bedell | Ford (MI) | Morrison |
| Beilenson | Ford (TN) | Murphy |
| Benedict | Fowler | Murtha |
| Benjamin | Frank | Myers |
| Bennett | Frost | Natcher |
| Bereuter | Fuqua | Neal |
| Bevill | Garcia | Nichols |
| Biaggi | Gaydos | Nowak |
| Bingham | Gejdenson | Oakar |
| Blanchard | Gibbons | Oberstar |
| Boggs | Gilman | Obey |
| Boland | Ginn | Ottinger |
| Boner | Glickman | Panetta |
| Bonior | Gonzalez | Patman |
| Bonker | Gore | Patterson |
| Bouquard | Gray | Pease |
| Bowen | Green | Pepper |
| Brinkley | Grisham | Perkins |
| Brodhead | Guarini | Peyser |
| Brooks | Hall (OH) | Pickle |
| Brown (CA) | Hamilton | Porter |
| Brown (CO) | Hance | Price |
| Burgener | Harkin | Pritchard |
| Burton, John | Hatcher | Pursell |
| Burton, Phillip | Heckler | Rahall |
| Byron | Heftel | Railsback |
| Carney | Hertel | Rangel |
| Chappell | Hightower | Ratchford |
| Chisholm | Hillis | Reuss |
| Clausen | Holland | Rhodes |
| Clay | Hollenbeck | Richmond |
| Clinger | Horton | Ritter |
| Collins (IL) | Howard | Rodino |
| Conte | Hoyer | Roe |
| Conyers | Huckaby | Rose |
| Coughlin | Hughes | Rosenthal |
| Coyne, James | Hutto | Rostenkowski |
| Coyne, William | Ireland | Roybal |
| Crockett | Jacobs | Russo |
| D'Amours | Jeffords | Sabo |
| Daschle | Jones (NC) | Sawyer |
| Davis | Jones (TN) | Scheuer |
| de la Garza | Kastenmeier | Schneider |
| Deckard | Kazen | Schroeder |
| Dellums | Kildee | Schumer |
| DeNardis | Kogovsek | Seiberling |
| Derrick | LaFalce | Shamansky |
| Dicks | Lantos | Shannon |
| Dingell | Leach | Sharp |
| Dixon | Lehman | Simon |
| Donnelly | Leland | Smith (IA) |
| Dorgan | Lent | Smith (NJ) |
| Dornan | Levitas | Smith (PA) |
| Dougherty | Lewis | Snowe |
| Downey | Long (LA) | Solarz |
| Duncan | Long (MD) | St Germain |
| Dunn | Lowery (CA) | Stark |
| Dwyer | Lowry (WA) | Stokes |
| Dymally | Luken | Stratton |
| Dyson | Lundine | Studds |
| Early | Madigan | Swift |
| Eckart | Markey | Synar |
| Edgar | Marks | Tauke |
| Edwards (AL) | Matsui | Traxler |
| Emery | Mattox | Udall |
| Erdahl | Mavroules | Vander Jagt |
| Ertel | Mazzoli | Vento |
| Evans (DE) | McCurdy | Volkmer |
| Walgren | Williams (MT) | Yates |
| Wampler | Wilson | Young (AK) |
| Washington | Wirth | Young (MO) |
| Waxman | Wolf | Zablocki |
| Weiss | Wolpe | Zeferetti |
| White | Wright | |
| Whitten | Wyden | |

NAYS—149

| | | |
|---|---|---|
| Applegate | Hagedorn | Paul |
| Archer | Hall, Ralph | Petri |
| Badham | Hall, Sam | Quillen |
| Bafalis | Hammerschmidt | Regula |
| Bailey (MO) | Hansen (ID) | Rinaldo |
| Beard | Hansen (UT) | Roberts (KS) |
| Bethune | Hartnett | Roberts (SD) |
| Bliley | Hefner | Robinson |
| Breaux | Hendon | Roemer |
| Broomfield | Hiler | Rogers |
| Brown (OH) | Holt | Roth |
| Broyhill | Hopkins | Roukema |
| Butler | Hubbard | Rousselot |
| Campbell | Hunter | Rudd |
| Carman | Jeffries | Schulze |
| Chappie | Jenkins | Sensenbrenner |
| Cheney | Johnston | Shaw |
| Coats | Jones (OK) | Shelby |
| Coleman | Kemp | Shumway |
| Collins (TX) | Kindness | Shuster |
| Conable | Kramer | Siljander |
| Corcoran | Lagomarsino | Skeen |
| Courter | Latta | Skelton |
| Craig | Leath | Smith (AL) |
| Crane, Daniel | LeBoutillier | Smith (NE) |
| Crane, Philip | Lee | Smith (OR) |
| Daniel, Dan | Livingston | Snyder |
| Daniel, R. W. | Loeffler | Solomon |
| Dannemeyer | Lott | Spence |
| Dickinson | Lujan | Stangeland |
| Dowdy | Lungren | Stanton |
| Dreier | Marlenee | Staton |
| Edwards (OK) | Marriott | Stenholm |
| Emerson | Martin (IL) | Stump |
| English | Martin (NC) | Tauzin |
| Erlenborn | Martin (NY) | Taylor |
| Evans (GA) | McClory | Thomas |
| Fiedler | McCollum | Trible |
| Fields | McDonald | Walker |
| Forsythe | McEwen | Watkins |
| Fountain | Michel | Weber (MN) |
| Frenzel | Miller (OH) | Whitehurst |
| Gephardt | Molinari | Whitley |
| Gingrich | Moore | Whittaker |
| Goldwater | Moorhead | Williams (OH) |
| Goodling | Motti | Winn |
| Gradison | Napier | Wortley |
| Gramm | O'Brien | Yatron |
| Gregg | Oxley | Young (FL) |
| Gunderson | Parris | |

NOT VOTING—22

| | | |
|---|---|---|
| Alexander | Fary | Pashayan |
| Ashbrook | Hawkins | Santini |
| Bolling | Hyde | Savage |
| Coelho | McCloskey | Weaver |
| Danielson | Moffett | Weber (OH) |
| Daub | Montgomery | Wylie |
| Derwinski | Nelligan | |
| Edwards (CA) | Nelson | |

□ 1800

The Clerk announced the following pairs:

On this vote:

Mr. Edwards of California for, with Mr. Daub against.

Until further notice:

Mr. Weaver with Mr. Ashbrook.
Mr. Fary with Mr. Wylie.
Mr. Alexander with Mr. Pashayan.
Mr. Coelho with Mr. McCloskey.
Mr. Nelson with Mr. Hyde.
Mr. Santini with Mr. Derwinski.
Mr. Moffett with Mr. Weber of Ohio.
Mr. Hawkins with Mr. Nelligan.
Mr. Danielson with Mr. Savage.

□ 1800

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days during which to extend their remarks, and to include extraneous material, on the bill, H.R. 1520, just passed.

The SPEAKER pro tempore (Mr. HOWARD). Is there objection to the request of the gentleman from Florida?

There was no objection.

## PERSONAL EXPLANATION

Mr. GARCIA. Mr. Speaker, yesterday I was delayed from voting on House Joint Resolution 220, House Concurrent Resolution 183, and H.R. 1953. I was delayed because the plane was on the runway for 2 hours waiting for clearance for takeoff.

Had I been present, I would have voted "yea" on House Joint Resolution 220.

On House Concurrent Resolution 183, the National Rugby Team of South Africa should not play in the United States, I would have voted "yea."

On H.R. 1953, Council on Environmental Quality authorizations, I would have voted "yea."

## PERSONAL EXPLANATION

Mr. PEPPER. Mr. Speaker, I unavoidably missed the vote on rollcall No. 221. If I had been present, I would have voted "aye."

## REQUEST FOR PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORATION TO SIT ON THURSDAY, SEPTEMBER 24, 1981, DURING 5-MINUTE RULE

Mr. BONKER. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be permitted to sit on September 24, 1981, during the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. KRAMER. Mr. Speaker, reserving the right to object, I would like to ask the gentleman what items are going to be considered and whether or not the minority members of the subcommittee and full committee have been consulted.

Mr. BONKER. If the gentleman would yield, the subject matter is H.R. 4503, Water Pollution Act Amendments of 1981, and it has been cleared

by the ranking minority member, the gentleman from California (Mr. CLAUSEN).

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. KRAMER. I yield.

Mr. ROUSSELOT. Is this absolutely essential? Is this hearings only? If somebody can answer, is it hearings only?

Mr. OBERSTAR. Mr. Speaker, if the gentleman will yield, as a member of the Public Works Committee I would be happy to respond to the question.

Mr. KRAMER. Certainly, I yield.

Mr. OBERSTAR. This is markup on the Water Pollution Control Act amendments, requested by the administration; legislation which is important to continue the Federal Water Pollution Control Act. It has been reported out of subcommittee and is being taken up in full committee. We anticipate a relatively short markup period, and the ranking minority member of the committee is on the floor and could respond further.

Mr. CLAUSEN. Mr. Speaker, I did not hear the gentleman's request. Was it to get unanimous consent to mark up the bill tomorrow?

Mr. KRAMER. Yes.

Mr. CLAUSEN. It is my understanding, because we have in the chair as the Speaker pro tempore the distinguished chairman, it is my understanding that if we were to start work on the markup and then our own bill on the surface transportation, the highway bill, comes up on the floor, that we would not proceed with a markup but would come over and take care of that bill on the floor, and then reconvene for purposes of finishing the markup on the water resources bill. Is that correct?

Mr. ROUSSELOT. If the gentleman will yield further, there is other important legislation besides the surface transportation bill, and I can appreciate the concern of my colleague from California, the ranking minority member of the Public Works Committee, as to surface transportation, but what about all the other important legislation we have up tomorrow? Does the gentleman want to just avoid or prevent the fine members of this committee from being involved in that legislation?

Mr. OBERSTAR. If the gentleman would yield further, never had the House Public Works Committee detained or prevented any of its members from participating fully in the actions on the House floor.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield further?

Mr. KRAMER. For purposes of debate only.

Mr. ROUSSELOT. As my colleague knows very well, when we are marking up a bill in committee, that requires the full attention of the people on that committee, and that denies them in many cases, especially when they are conscientious like the gentleman from Minnesota, that they are not then able to be present on the floor for any potential amendments or that type of thing. The gentleman has already agreed that you will adjourn as a committee if we get to the surface transportation bill, but what about the other legislation that is up tomorrow—and we do go in at 10 o'clock? Is it absolutely essential that this committee meet tomorrow to mark up and interfere potentially with the other legislation on the floor?

The SPEAKER pro tempore. The Chair would like to state for the information of the gentleman and the other gentlemen that the Chair is also chairman of the Committee on Public Works and Transportation. Tomorrow, he intends to recess the committee from 10 o'clock until 30 minutes after for the highway bill tomorrow.

The Chair would like to state that at this moment there is no other legislation contemplated on the floor.

□ 1810

Mr. ROUSSELOT. Mr. Speaker, I appreciate the statement of the chairman of the committee, and if the gentleman will yield further, may I ask, what, then do we need the unanimous consent for?

Mr. OBERSTAR. Mr. Speaker, if the gentleman will yield, perhaps it is because the legislative program has been changed since the decision was made to ask for unanimous consent for the committee to sit during the 5-minute rule. I do not think that the legislative program was fully known to the chairman of the committee at the time that our schedule for tomorrow was completed.

Mr. ROUSSELOT. Mr. Speaker, if the gentleman will yield further, the gentleman appreciates the fact that our distinguished chairman of the Committee on Public Works and Transportation has just stated that if the surface transportation bill does come to the floor—and he expects it to come to the floor—he is going to ask that the committee adjourn. So I do not know why the unanimous-consent request is needed.

The SPEAKER pro tempore. The Chair will state that there had been a further bill scheduled for the consideration of the House tomorrow which, subsequent to the request of the gentleman asking unanimous consent for the committee to sit, has been taken off the calendar for tomorrow.

Mr. ROUSSELOT. It has been "scrubbed"? I refer to the other bill.

The SPEAKER pro tempore. The gentleman may use his word.

The Chair will inquire if the gentleman would care to withdraw his unanimous-consent request.

Mr. BONKER. Mr. Speaker, I withdraw my unanimous consent request.

The SPEAKER pro tempore. The request is withdrawn.

## GENERAL LEAVE

Mr. BONKER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include therein extraneous material, on the subject of the special order today by the gentleman from Florida (Mr. IRELAND).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

## SPEAKER O'NEILL SAYS HE HAS NOTHING TO DO WITH NATIONAL DEBT OR INFLATION

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, Speaker TIP O'NEILL has just announced that, "The monkey is off the Democrats' back. These are Reagan's deficits and Reagan's interest rates." I thought he must be kidding because, like our beloved Speaker, I served here during the sixties and seventies when the Democrats blew our Federal budget through the dome. From 1955 to 1981, the Democrats held control of both Houses of Congress, with Speaker O'NEILL a powerful part of it. In 1955, banks were glad to lend money at 5-percent prime rate interest. By 1981, we were trying to avoid the prime rate reaching 20 percent. That transformation took place under the Democrats who now say, "the monkey is off the Democrats' back," and that these are "Reagan's interest rates."

### O'NEILL'S DEBT PAYMENTS

In 1955, due almost entirely to World War II and Korea, we had a $280 billion national debt. In 1981, before Ronald Reagan presented his first budget, it stood at $930 billion. The interest on the national debt, which Ronald Reagan had nothing to do with causing, was $92 billion. A little arithmetic and historical honesty tells us that, at the very least, the Democrats have put most of the $700 billion in Mr. Reagan's budget, fought efforts to cut it, and now say they have nothing to do with the deficit. No major spending program now on the books is President Reagan's program. Democratic Congresses passed them all. Most came under the White House incumbents who envisioned a Great Society or New Frontier.

### O'NEILL'S DEFENSE DEFICIT

There is another debt the Democrats left President Reagan by 1981. For a decade, they had been letting America's weapons get older, using the money to pay for their waste and their

new, vote-buying social programs, while the Soviet Union mounted the largest arms buildup in history. When President Reagan took office, even the Democrats admitted that a huge expenditure was necessary for the United States to survive.

Add Speaker O'NEILL's debt payments to his military deficit, and you will find that any deficit up to $100 billion, which President Reagan will certainly not allow to happen, would be the result of burdens already put into the new administration's budget before it took office. But our beloved Speaker has the gall to call it "Reagan's deficit."

Those are just some of the extra Government costs a quarter of a century of liberal Democratic rule has left us. During the same period, they have wrecked the economy that must pay those costs.

TWENTY-SIX YEARS OF BLEEDING THE CAPITAL MARKET

If $650 billion of new national debt had not been pulled out of our capital market over the last 26 years of Democratic control of Congress, that money would have built new houses, bought new machinery for our factories, allowed a whole generation of young people to buy homes they cannot now afford, and made our factories able to keep up with the new machinery Europe and Japan are using to drive so many of our own industries out of business. Millions of jobs and a whole generation of homes have been wiped out by the leadership which now claims our national problems are the new President's fault.

O'NEILL'S INFLATION

Keep in mind that every dollar of that $650 billon was worth more than a dollar today. They were pulled out of the capital market in the fifties, the sixties, and the seventies, when a dollar was worth from 20 percent to 300 percent more, under the leadership of the party which today insists that it is terrified that the Reagan budget may be inflationary. Turnabout may be fair play, but this is ridiculous.

LIBERALS HAVE DESTROYED THE HOUSING MARKET

In today's dollars, the Democrats have drained our economy of at least a trillion, and probably closer to $2 trillion for homes and factories. The price of homes is out of sight because the supply is too low for the demand. Why? Because the money which should have built them has been swallowed up by Government borrowing. To buy a new home, a person must go to the capital market and borrow twice or more what a home would have cost had those millions of homes been built—and lived in—by Americans all those years, and then sold, to the huge benefit of both buyer and seller. When every new home takes twice as much money out of the capital market to buy as it would have, the demand for credit is higher, and interest rates are driven yet higher. But those, says the Speaker, are "Reagan's interest rates."

DRAIN ON AMERICAN CAPITAL TO COMMUNIST COUNTRIES

Under the Speaker who says he represents "the average working man," tens of billions more dollars from our starved capital market have been loaned, at low rates, to Communist countries, making money for Rockefeller's Chase-Manhattan and other huge banks, with plenty of help from the U.S. Government. This money was vital to help the slave masters behind the Iron Curtain keep their economies from collapsing while they devoted their resources to a huge arms buildup while Democrats cut our defense steadily. That capital, which should have produced jobs here, made possible the military build-up we must now catch up with, either by more taxes or more debt. Bad as they are, these economic disasters are not the greatest danger liberal Democrats have faced us with. America is faced with a serious threat to its very survival.

SUMMARY

To anybody but a liberal, the important effect of all this has been to destroy American jobs by the millions, rob a generation of the ability to buy homes, to cripple our economy in years it should have been healthy and growing, and to make this the first time in over 300 years that the American people have not had by far the highest standard of living on Earth. But another point is that the healthy economy we could have had would have produced a lot more taxes at a lower tax rate.

Look at the powerful, thriving, growing economy the Democrats took over in 1955, and compare it to the one President Reagan has been trying to save from ruin since January 20, 1981. Picture that comparison in your mind, and then listen to the Speaker's words: "The monkey is off the Democrats' back. This is Reagan's deficit and Reagan's interest rates." These are the words of the legislator who calls himself a leader of the party of conscience, the party of compassion.

After all this, what exactly is it that Speaker O'NEILL is infuriated about? Deficits cannot bother him. He has never supported anything but a national debt bigger than the previous one he voted for. As one who has fought him every inch of the way, I can testify to that. He has supported giveaways to foreign countries, hundreds of billions of dollars, he supported giving away the Panama Canal, along with lots of money for Panama's Marxist dictator. He supported giveaways to bureaucrats, radical activists, welfare cheaters, and everybody else. But he is outraged by what he sees as a giveaway to taxpayers: President Reagan's tax cut. He is indignant about what his fellow liberal, HOWARD METZENBAUM, calls a "tax expenditure." A deduction or a tax cut is, to a liberal, an "expenditure" of money that they think rightfully belongs to the Federal Government. These dedicated liberals are honestly infuriated at "giving away" Washington's money to taxpayers. What scares me most is that this is not just political rhetoric from these elected leaders. This is genuinely the kind of thinking that has controlled both Houses of Congress since 1955. They really believe it, believe it or not.

## AGRICULTURAL TRADE: THE UNITED STATES MUST NOT BEGIN DUMPING SUBSIDIZED FARM EXPORTS ABROAD

(Mr. GIBBONS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, I want to talk to the House for just a moment about the agriculture bill that we are going to take up next week.

The Subcommittee on Trade of the Committee on Ways and Means has completed some studies. The views I express are only my own, but as I see this agriculture bill that is coming up next week, we are about to make some of the fatal errors we have made in the past on policy.

We are constantly as a nation going around complaining about other nations subsidizing and fostering their inefficient production on the world, and we rightly do that. But we undermine ourselves and we undermine our economy when we adopt an unwise agricultural policy.

We should stop subsidizing those inefficient industries in the United States that cost us money and cost us world markets and cost us an opportunity to spread our efficient products around the world. The milk provisions and the sugar provisions are some of the things that we should examine closely.

Mr. Speaker, agriculture is the brightest star in our Nation's export picture. In fiscal year 1981, we will export about $44 billion worth of farm goods and import only $17 billion, for a positive trade surplus in agriculture of $27 billion.

It is particularly important, therefore, that the United States lead the world in developing fairer and more open trade in agricultural products. Because agriculture is so important to each nation's security and is rooted in the history and culture of each nation, it is particularly hard to encourage liberalization of agricultural trade. There are probably more barriers to farm trade than to any other type of product.

Thus, it is a continuous battle to nudge the world toward more open, more rational, more fair trade in farm products. But because agricultural products are one of the strongest areas of America's export potential, this is a battle that we must continue to make.

For these reasons, it is particularly important that the United States take the lead in setting an example of fair, open, and nonsubsidized trade in farm products.

I am therefore very concerned about recent statements and proposals within the administration and the Congress that the United States unload certain Commodity Credit Corporation's stockpiles into the world market at 50 percent or less than the U.S. market value.

For example, the CCC has already contracted to sell to the New Zealand Dairy Board 220 million pounds of butter over the next 10 months. This sale alone equals about 8 percent of the entire year's world butter trade. There is a real danger that this precedent may be followed by the disposal, in a less orderly manner, of other dairy products. Indeed, this could become a precedent for other commodities as farm groups seek to keep support prices high and disguise some of the costs through overseas dumping.

Not only would this be unfair to the American consumer and taxpayer, but it would cripple the ability of the United States to complain and to act against such activities when they are practiced by foreigners and when they hurt America's nonsubsidized exports. If the United States proceeds to dump large quantities of products abroad, how can we complain about the Japanese using subsidized rice to destroy our rice sales to Korea and Indonesia? How can we complain about the European communities' subsidized sales of chickens, wheat flour, and sugar?

Clearly, the problem of what to do with the present mountains of dairy products is difficult. I do not have an answer on how to deal with this disposal problem.

But to prevent the accumulation of new excess stocks is possible. Clearly, to avoid the destruction of America's negotiating position on behalf of fair and free trade in world agriculture, we must adjust our agricultural support policies to avoid future excess stock accumulations.

The Congress of the United States can minimize future international problems by amending the farm bill, as requested by the administration, to provide the Secretary of Agriculture with the latitude he needs to operate the dairy support program in a manner that will once again lead to a reasonable balance between domestic supply and demand.

Present law would require the Secretary of Agriculture to set support prices between 75 and 90 percent of parity. After the first year a semiannual adjustment is also required. The administration favors giving the Secretary the discretion to set prices between 70 and 90 percent of parity, without a mandatory semiannual adjustment. The administration also seeks the authority to go below 70 percent of parity if CCC acquisition costs remain high.

During fiscal year 1982—October 1, 1981 to September 30, 1982—the dairy support program's cost is expected to reach $2 billion, with purchases up to 12.6 billion pounds of milk equivalent. In product terms, when the year is up the CCC is expected to have purchased 500 million pounds of cheese, 360 million pounds of butter, and over 750 million pounds of nonfat dry milk.

Unfortunately, disposal problems will persist for some time. This creates further pressures to sell surplus U.S. dairy products at subsidized prices in the world market. International and domestic economic realities clearly demonstrate the necessity to amend present law to hold milk support prices at reasonable levels and curtail the burgeoning U.S. surpluses.

Failure to do so will make the export of other, more efficient low-cost sectors of American agriculture more difficult. Continued excessive subsidy of the dairy sector will be paid for by all the other sectors of American agriculture. All Americans will suffer through the reduced earnings of American agriculture in the world's export markets.

## CONGRESSIONAL VIGIL FOR SOVIET JEWRY

(Mr. FOGLIETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOGLIETTA. Mr. Speaker, as a participant in the Congressional Vigil for Soviet Jewry, I rise to speak out in protest against Soviet persecution of Jews who seek permission to emigrate to Israel.

My adopted "Prisoner of Conscience" is Grigory Geishis, who, at age 20, is now serving a 2-year sentence in a labor camp for draft evasion. Grigory's situation is not unique. Many other young men who were refuseniks from childhood, have recently been called up for military service as the Soviets increasingly use this tactic to thwart Jewish emigration.

I am committed to work for the release of Grigory Geishis and other young men like him from Soviet prison camps. I am committed to work for the release of the Geishis family, and other families who are being denied permission to emigrate from the Soviet Union. I will continue the struggle until all are free.

Mr. Speaker, I rise to speak out in protest against Soviet persecution of Jews who seek permission to emigrate to Israel. I consider it both an honor and a moral obligation to join in this Congressional Vigil for Soviet Jewry by adding my voice to the chorus of others, both in this House of Representatives, and throughout the Nation, who have expressed outrage at the Soviet repression of these "Prisoners of Conscience."

I am addressing my remarks today to the plight of my own adopted refusenik, Grigory Geishis, a young man who, at age 20, is now serving a 2-year sentence in a labor camp for draft evasion.

Grigory, his parents and grandfather, applied for permission to emigrate to Israel on December 4, 1978. At that time he was a second year student at the Electrotechnical Institute for Communications in Leningrad. As a result of this request, he was denounced as a traitor and expelled from school. On May 25, 1979, his family was denied permission to emigrate because of the secrecy of his mother's former place of work. When his grandfather was granted permission to leave in July 5, 1979, he declined to do so without his son and grandson. Grigory was denied permission to leave with his grandfather on "humanitarian grounds," even though he had no secrecy classification.

When Grigory received a notice to appear before the military draft board in May 1980, he refused to enlist on the following grounds: He was not eligible, since he had been branded a traitor; in the military he would acquire, against his wishes, a secrecy classification which would prevent him from emigrating; and he could not be expected to fulfill his military obligations since he had been denied his civil rights to study and to leave the U.S.S.R. On August 8, 1980, he was sentenced to 2 years in a labor camp for draft evasion.

Grigory's situation is not unique. Boris Kalendariov, Aleksandre Vilig and Simon Shnirman have all been convicted and sentenced under similar circumstances. Aleksandr Yakir, the 23-year-old son of long term refusenik Rimma and Evgeny Yakir, and many other young men who have been refuseniks since childhood have recently been called for predraft examinations. Activists believe that the Soviet authorities are increasingly using this method as another tactic to thwart Jewish emigration from the Soviet Union.

I am committed to work for the release of Grigory Geishis, and other young men like him, from the Soviet prison camps. I am committed to work for the release of Grigory and the entire Geishis family from the Soviet Union, along with all of the other re-

fusenik families who are being detained there against their wishes. It is a difficult task, but not without hope.

I have had the satisfaction of seeing my first adopted Prisoner of Conscience, Yosif Mendelevich, leave the Soviet Union. From his new home in Israel he sent me the following telegram:

My sincere thanks to you for all efforts to secure my release. Please continue the struggle so that prisoners of Zion Anatoly Scharansky, Vladimir Slepak, Ida Nudel, Dan Ehrenburg, Viktor Brailovshy and Prisoners of Conscience Yuri Fodorov and Alexei Murzhenko and all others will be free soon.

I will continue that struggle, until all are free.

## FLOOR STATEMENT BY CONGRESSMAN ANDY IRELAND ON THE PASSING OF JAMES A. HALEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. IRELAND) is recognized for 60 minutes.

● Mr. IRELAND. Mr. Speaker, I have taken this time to pay tribute to our former colleague, James A. Haley, who passed away on August 6, at his home in Sarasota, Fla.

Jim served in the House for 24 distinguished years. In a town and an occupation that adds a certain amount of insecurity in one's life—Jim stood apart like a rock. He knew what was right and acted accordingly. He conscientiously worked hard for reduced Federal spending and a balanced budget long before it was fashionable in Washington. He was one of those politicians who first saw the implications of the past Federal spending policies and worked to turn them around. It is gratifying to know that before his death, he had the opportunity to see Congress moving in the direction he had pointed out many years ago.

Another area of concern to Jim was the conservation of our natural resources. As chairman of the Interior and Insular Affairs Committee, he worked to insure the establishment of the Big Cypress National Watershed Preserve in Florida to protect the water supply of the Everglades National Park. After this summer, we in Florida are well aware of the importance of insuring the preservation and the efficient use of our water supply.

Another deep concern of Jim's was our veterans. As a soldier in Europe during World War I, Jim knew personally of the sacrifices so many have made for our country and as chairman of the House Veterans' Affairs Subcommittee on Hospitals he worked to insure that they were compensated for these sacrifices. As a tribute to his efforts, the VA hospital in Tampa, Fla., was named after Jim.

During his tenure in the Congress, Jim was also chairman of the House Subcommittee on Indian Affairs. His conscientious concern for the problems of the American Indians earned him the title "Big Chief." And, he was particularly proud of his efforts to deal with the native claims issues.

As the Representative of the Seventh and later the Eighth Congressional District of Florida, Jim worked hard as an ombudsman for those he represented in the Congress. His constituents knew they had a friend in Congress who would help them in the bureaucracy. That is why they overwhelmingly elected him 11 times to serve them in Congress.

I, too, counted Jim as my friend and I consider it a privilege that I had the opportunity to follow in his footsteps by representing the Eighth District. He was a man that one could count on and one knew that he would give you all the assistance that he could. It was a privilege knowing him and knowing he was my friend. He was a man respected and admired by those who knew him.

I would like to take a moment to express my heartfelt sympathy for Jim's family and friends. We will all miss him. Because he was so important to so many, he will not be forgotten.

And now, Mr. Speaker, I would like to have inserted into the RECORD an editorial from the Winter Haven News-Chief:

JAMES A. HALEY CONTRIBUTED MUCH TO OUR DEMOCRACY

Thousands of Floridians today are mourning the death of former congressman James A. Haley, who served 12 terms in Washington.

We are saddened by the loss of Mr. Haley, a man whose dedication to his nation was exemplary.

As a member of Congress, Mr. Haley was noted as a conservationist, a man whose vision of the future always included a respect for protecting nature.

Veterans across the nation remember him as a champion of veterans' causes. He never forgot those who served their nation.

And American Indians had few friends as much interested in their causes than James Haley.

Haley never lost an election in nearly 30 years of public service.

That, alone, is a tribute to the greatness of the man.

Although saddened by his death, our loss is not quite so hard to bear knowing what a contribution he made to our democracy.

He was a giant of a man.●

● Mr. QUILLEN. Mr. Speaker, it is with sorrow that I join my colleagues to pay tribute to former Congressman James A. Haley of Florida who passed away last month.

Congressman Haley was first elected to the House in 1952 and served with distinction until his retirement in 1974. I was privileged to serve with Jim Haley for 12 of those 22 years.

Congressman Haley was a distinguished member of the Committee on Interior and Insular Affairs for many years and served as the chairman of the committee in the 93d Congress.

Jim Haley was known for his efforts on behalf of American Indians, and his genuine concern for their problems earned him the title of "Big Chief." He played a key role in the enactment of the Alaskan Native Claims Settlement and other important measures affecting American Indians.

Congressman Haley was also justifiably proud of his efforts directly benefiting his State. He was especially active in creating the saline water conversion program and the establishment of the Big Cypress National Watershed Preserve in Florida.

Congressman Jim Haley was a fine man and an outstanding Member of the House of Representatives. I mourn his passing and extend my sincere condolences to his family and friends.

● Mr. YOUNG of Florida. Mr. Speaker, we come today, to honor a man who contributed over 30 years to public service. Former Congressman James A. Haley served both the State of Florida and the United States with dedication and distinction. Although he showed concern and compassion for his district and his constituents, he may well be remembered as a champion of the Armed Forces veterans. In fact, while Jim was a member of the Committee on Veterans' Affairs, he became the driving force behind the Tampa VA hospital, which now bears his name.

Yet, Jim was also a man of many diverse talents. Prior to his election to the House of Representatives, he worked as a newspaper publisher, an accountant, president of Halocoe Printing Co., and even became general manager of the John Ringling estate and president and director of the Ringling Bros., Barnum & Bailey Combined Shows.

Although our years together in the House of Representatives were few, I appreciated his thoughtful direction. His hard work and dedication was an inspiration to us all. As a fellow Congressman, Floridian and friend, I can honestly say Jim will be missed.●

● Mr. PHILLIP BURTON. Mr. Speaker, it was with deep regret that I learned about the death of our former colleague James A. Haley on August 6. Having served with Jim on the Interior Committee, which he chaired during the 93d and 94th Congresses, I can testify to the dedication and conscientiousness he brought to the work of the committee. Jim was a conservative and a conservationist long before the two labels were mistakenly portrayed as incompatible. An example of his ecological foresight was Jim's leadership in protecting the Big Cypress Swamp in Florida—thereby also protecting the water supply of the area. His concern for people was demon-

strated in his efforts on behalf of the Alaska Native Claims Settlement Act and the Indian Self-Determination Act. But Jim's record of public service is only part of the legacy he left. His dignity and his goodness have left a lasting mark as well.●

● Mr. HORTON. Mr. Speaker, this House is again saddened by the news of the death of former colleague Hon. James A. Haley. I had the distinct pleasure of knowing Jim well and of serving with him.

Throughout his 24 years of service in the House of Representatives, Jim Haley registered a distinguished record of accomplishment in a number of areas. As a member of the House Interior and Insular Affairs Committee and the Veterans' Affairs Committee, Jim developed a recognized expertise in the programs under the jurisdiction of these committees, an expertise on which his colleagues were able to rely. His departure from the House in 1971 was widely regarded as a loss to this great institution.

I join my colleague from Florida, Congressman IRELAND, in paying tribute to the memory of Jim Haley and in extending our condolences to his family.●

● Mr. BENNETT. Mr. Speaker, it is an honor to pay tribute to the late James Andrew Haley, former U.S. Congressman. His was a spectacular life of achievement and service to his fellowman. He was born in Jacksonville, Calhoun County, Ala., January 4, 1899, attended the public schools and the University of Alabama, enlisted in Troop A, 2d Cavalry, in April 1917 and served overseas in the campaigns of Chateau-Thierry, St. Mihiel, and the Argonne Forest.

From 1920 to 1933 he was an accountant in Sarasota, Fla., then general manager of the John Ringling estate and then president of Ringling Bros., Barnum & Bailey Circus until 1948. He was also engaged in newspaper publishing and in the general printing business, as chairman of Halco Printing Co. He married Aubrey Ringling and, although he had no children, her children by her deceased former husband became his children in fact.

In the field of government he served with distinction in the Florida House of Representatives in 1948 and 1950 and was elected to Congress in 1952 and served with distinction until his retirement from the 94th Congress. Here in Congress he served in leadership and with great ability and great legislative attainment both on the House Interior and Insular Affairs Committee and on the Veterans' Affairs Committee.

He was a magnificent man and we all mourn his recent passing. Certainly he left behind him a monument of good works and a wealth of inspiration for all who knew him or knew of him.●

● Mr. FASCELL. Mr. Speaker, I share our deep sense of loss over the recent passing of one of Florida's most dedicated Members of Congress, James A. Haley. I had the privilege of serving with Jim both in the Florida Legislature and in the Congress, and I will always be grateful to him for his friendship, words of advice, and good judgment.

Jim was a man who loved the environment, and his work as chairman of the Interior and Insular Affairs Committee serves as a reminder of his commitment to preserve and protect our natural areas for future generations. The people of south Florida will remain indebted to him for his work toward the establishment of the Biscayne National Monument and the Big Cypress National Preserve. But we must also credit Jim for his foresight in helping to enact sound, responsible legislation which addressed our energy needs without ignoring our environmental concerns.

Jim was also a man who loved this country, and he did what he could on behalf of those Americans who, like himself, put their lives on the line to defend the Nation. He was always concerned over the special needs of veterans and, largely as a result of his efforts, programs were established and hospitals were constructed which benefited veterans throughout the country.

Jim retired from Congress 5 years ago because, as he stated, there comes a time when public servants should step aside to allow future generations to leave their mark on Congress. Many of us joined in paying tribute to Jim then, and recall his last appearance on the floor of the House. As he reflected over his many years in Congress, Jim said:

> I hope that my service here of 24 years has added a little something to make this Nation a better place for my grandchildren and great-grandchildren, and your children, to live in this great Nation of ours.

I am sure that Jim would be proud to know that we have remembered him today, and that his dedication and efforts on behalf of the people of Florida, and of the entire country, will not be forgotten.●

Mr. SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANNEMEYER) is recognized for 30 minutes.

Mr. DANNEMEYER. Mr. Speaker, another in a long string of articles purporting to show Wall Street's newround disaffection for the administration's economic program appeared yesterday in the Washington Post. Mary McGrory, no erstwhile proponent of Reaganomics herself, writes that big business and recalcitrant liberals are ironically linked in their opposition to the interest-fueling budget/tax cut package.

We have heard a lot of this line recently, so it was quite a surprise to receive the results of a business poll in the mail yesterday which indicates exactly the opposite. The nationwide opinion survey, conducted by Touche Ross, tallied responses from 1,606 corporate leaders—over 63 percent of whom were chief executive, financial, or operating officiers of their respective corporations—representing a wide spectrum of the business community in terms of size, type, and geographic location.

When asked if they thought the next tax bill goes far enough in removing obstacles to investment and productivity, more than 53 percent replied "no." When asked if the new tax bill will benefit their companies, over 85 percent said "yes;" conversely, on whether it would hurt business, 97 percent said "no." Nearly 51 percent chose capital recovery allowances as the strongest feature of the new bill. When asked what the effect of the new tax law on the economy would be, 87 percent replied that it would increase investment incentive, fight inflation, or have some other positive psychological effect.

That does not sound like wailing and gnashing to me. In fact, it sounds pretty positive and true to form. Also true to form was the day before yesterday's surge in the stock market following the decline in the prime rate to 19½ percent. I believe it ought to be apparent to everyone here that economic events will run their course if we simply allow them to. That does not mean tampering with short-term stopgap measures or raising taxes or revising the next tax law or artificially propping up sagging industries. It means balancing the budget by trimming deficits so that interest rates can fall, thereby promoting further and more long-lasting economic surges.

This Member has on previous days over the course of the past 2 weeks taken some time at the close of our session and read from a study prepared for the Republican Research Committee's Economic Task Force Budget Study Subcommittee. This subcommittee produced a work product in the latter part of July wherein we identified 272 items where savings could be made in fiscal year 1982. These totaled some $52 billion.

We are not necessarily suggesting that these items should all be implemented. We are saying that if the Congress would assert the courage in this institution to make the cuts necessary to balance the budget, these items, among others, certainly should be considered.

On previous days I have read very briefly through items relating to Legislative, 21 cuts; Judiciary, 8 cuts; Executive Office, 4 cuts; Funds for the President, 15 cuts; Agriculture, 27 cuts;

Commerce, 8 cuts; Defense (military), 15 cuts; Defense (civil), 4 cuts; Education, 9 cuts; Energy, 13 cuts; and Health and Human Services, 16 cuts.

Today I would propose to read through a list of cuts for Housing and Urban Development totaling 15, for some $3,304,249,600; and in the Department of the Interior, 6 cuts totaling $297,557,300.

The first item from HUD is housing programs, subsidized housing. In this category we would allow 20 percent above fiscal year 1980. The proposal as it is in the present law would provide for a 51.4-percent increase over the preceding year. Moreover, the GAO finds considerable overcommitment of funds due to inaccuracies in contracts.

We believe this is excessive and should not be tolerated. If adopted, this would save $1,421,941,800.

In housing programs, payments for operation of low-income housing projects, we would cut 10 percent from 1981. These projects have been ill-advised, ill-conceived, and ill-managed. We propose eliminating operation of the most wasteful portions of those projects and achieve savings of $215,080,000.

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Housing programs, congregate services would be eliminated. Funding authority for this program has already been deleted and remaining outlays should follow suit. This would save, if adopted, $5,300,000.

Housing programs, troubled project operation subsidy; we would allow 20 percent above 1980. The additional funding of housing projects is redundant. If the worst offenders would be deleted we could remove that redundancy. This would save, if adopted, $57,399,200.

Housing programs, low-rent housing loans and expenditures; we would allow 20 percent above 1980. The current proposal is for a 173.5-percent increase from 1980, which is altogether, in our judgment, unnecessary and unreasonable. If implemented, this would save $51,473,400.

Government National Mortgage Association, special assistance functions; we would improve this by following the recommendations of the General Accounting Office for improving accounting procedures which, if adopted for this program, would save $22,700,000.

GNMA, emergency mortgage purchase assistance; we would improve the servicing of multifamily mortgages and provide incentives for prompt payments. This, again, is a recommendation of the General Accounting Office. If adopted, it is estimated to save $500 million.

Community Planning and Development, community development support assistance, we would cut 10 percent from proposed funding for block grants, not including UDAG. These grants have helped corporations and developers, not the needy. This would save $411,300,000.

Community Planning and Development, community development support assistance, we would eliminate UDAG funding to decaying inner cities, which should be redeveloped under the concept of enterprise zones, not out of subsidies from the public Treasury. If implemented and adopted, this would save $500 million.

New Community Development Corporation; we would eliminate funding for this program because we feel it can be better financed in creation of enterprise zones. If adopted, this would save $37,117,000.

Neighborhoods, Voluntary Associations, and Consumer Protection, interstate land sales; we would eliminate this on the grounds that the Federal Government should never have gotten into this area to begin with and, in addition, this regulatory body has expanded into the intrastate field as well, which certainly is not justified. If implemented, this would save $300,000.

Fair Housing and Equal Opportunity; we would eliminate this on the grounds that it is unnecessary; it should not be functioning as a separate program but rather as policy. If adopted, this would save $6,100,000.

Management and administration, public assistance and income supplement; we would allow a growth of 20 percent above 1980. Currently, proposed spending represents a 51.8-percent increase from 1980, which we believe to be excessive. If implemented, this would save $19,572,800.

Management and administration, law enforcement activities; we would allow a 20-percent growth above 1980. The proposed increase is unnecessary because of cutbacks in enforcement activities. If implemented this would reduce spending by $1,570,400.

Finally for this category we would follow the recommendation of the General Accounting Office by correcting auditing procedures which, if implemented, would save $54,395,000.

In the Department of the Interior, the first item here of the six that are proposed departmentwide, we would correct auditing procedures recommended by the General Accounting Office which, if implemented, would reduce spending for this category by $59,510,000.

Land and Water Resources, BLM range improvement; we would cut 10 percent from 1981 by limiting further land acquisition. If implemented, this would save $1,350,000.

Land and water resources, BLM resource management; we would cut 10 percent from 1981 by restricting regulation and management. If implemented, this would reduce spending by $24,482,500.

Land and water resources, BLM miscellaneous permanent appropriation, general purpose fiscal assistance; we would allow 20-percent growth above what was spent in 1980. The current proposal allows a 74.4-percent increase from 1980, which we perceive as unwarranted. This, if adopted, would save $201,515,600.

Land and water resources, water and power resource service, general administration; we would allow 20 percent above 1980. The proposed 50.1-percent increase from 1980 is, in our judgment, excessive and should not be tolerated. This, if implemented, would reduce spending in fiscal year 1982 by $8,899,200.

Land and water resources, Office of Water Policy, salaries and expenses; we would eliminate this new agency on the grounds that it is not needed. There is little justification for its existence, in our opinion. This, if implemented, would reduce spending by $1,800,000.

To sum up this category of the Department of Interior, these six items would result in spending $297,557,300 less in fiscal year 1982.

For the Department of Housing and Urban Development, the 15 items total $3,304,249,600.

Some Members in this Chamber may from time to time ask the question:

If it is so simple, why do we not do it? That is, why do we not balance the budget? Why do we not assert the necessary independence to bring the discipline to bear to match the outgo with the income and remove one of the great obstacles to economic recovery of this country?

The answer to that question is puzzling, but it is probably more political than anything else. There is a drum beat that runs through these Chambers which says that if the Members exhibit the courage to cut the spending, this will aggravate those people and organizations adversely affected, and these same special interests who are cut down or cut off will retaliate against the offending Members in the voting booth. That philosophy has been driving this institution for almost a generation. It still is the controlling philosophy in this Chamber.

Then you may ask what hope is there for the people of this country if we, who have the stewardship of raising taxes and voting spending, do not have the courage to match the outgo with the income? I think one constructive way is to demonstrate that we can balance the budget of this Nation in fiscal year 1982 while at the same time providing for the recognized needs of the downtrodden, the poor, the handicapped, and the deprived in our society. Because when you analyze these items that I have been reading, I challenge Members to stand up and honestly say that we cannot do that because if we adopted this or that item we would be working against the genu-

ine interests of the poor, the downtrodden, the handicapped, and the deprived, those who do not have the ability to fend for themselves.

I say to the Members here, look at these items carefully. We have prepared them in all sincerity. We as an institution cannot go on year after year spending more money then we take in.

In this fiscal year, which will close in less than a week, we will have probably gone into debt roughly $90 billion. In the last 5 years we have added to our national debt over $300 billion. Notwithstanding the election of November 1980, the spending of the Congress of the United States is today out of control. The Members of this institution do not have the discipline, at least as they have exhibited it up to now, to match the outgo with the income.

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I think the constructive thing for us to do is to demonstrate with a work product of this type that we can cut spending, we can cut our bureaucracy, we can cut out waste, fraud, and abuse. I think it is reasonable to undertake this effort in a bipartisan way and try to bring some fiscal sanity into the affairs of this Nation.

## THE PRESIDENT'S ECONOMIC PROGRAM IS NOT WORKING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. BONKER) is recognized for 60 minutes.

GENERAL LEAVE

Mr. BONKER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. BONKER. Mr. Speaker, PAT WILLIAMS and I want to thank you for giving us this opportunity to focus the attention of the House on a situation of grave importance to the Western States.

For as we know all too well in the Pacific Northwest, the President's economic program is not working. There are those who say—"it is too soon to tell." Presidential Adviser Ed Meese's earlier statement that the program is "80-percent psychological" is absolutely correct. It is psychological and it can be summed up in one word: "depression."

The real problem is that this economic program does not directly address the twin problems we face in the Northwest—and that many areas of the country are experiencing—high interest rates and high unemployment.

Unfortunately, the White House and the Federal Reserve Board continue to use high interest rates as the chief weapon against inflation. On June 13, Treasury Secretary Regan said: "You cannot get inflation under control without having high interest rates."

Not only is this policy wrong, it is counterproductive.

I see where interest rates have dropped by 1 percentage point, but the Federal Reserve called the drop only a "technical response," and there is no hope for long-term relief.

There are currently eight counties in my district suffering from double-digit unemployment. In some areas, real unemployment is as high as 30 percent. In the first quarter of 1981, some 11,400 lumber and wood-products workers in Washington State were out of a job because of mill closures and slowdowns. This is 20.4 percent of the total wood-products workforce. Entire communities are being devastated.

The current economic recovery program is coming at the expense of the Pacific Northwest.

Part of the problem is that this administration has essentially left the housing industry out in the cold—there is no coherent policy to help America build housing, at a time when demand is greater than ever. Not only is housing suffering, but the automobile industry, and many, many small businesses—all those enterprises that are at the mercy of high interest rates—are taking an undue share of the sacrifice required by current policies.

The disastrous decline of our housing industry has been extremely inflationary. Later on in today's special order, I will be submitting statements for the RECORD from homebuilders nationally and in my district as to the crippling effect interest rates have had upon their industry.

The current housing slump has cost 1.1 million men and women their jobs nationwide, and an additional $18 billion in wages. This is not merely a slump, it is a crisis.

It has resulted in the direct loss of more than $5.5 billion in taxes for local, State, and Federal Governments. In addition, the soaring jobless rate in the housing and wood products industries has added as much as $4.6 billion to Federal outlays for unemployment benefits, food stamps, and other programs designed to aid the jobless.

The President and his economic advisers promise that favorable expectations will shortly bring down interest rates. They have been making that promise since January. It is not going to happen. There is not any reason for it to happen precisely because it is their policies that are creating those high interest rates.

The President says he can step on the monetary brakes to decelerate inflation while stepping on the fiscal accelerator with large tax cuts and sharp increases in defense spending to speed up economic growth. As MIT economist Lester Thurow has noted recently: "Nowhere else in the world has this been possible."

Tight money always stops growth—whatever its effect on inflation. The simple theory of supply and demand also tells us that if you reduce the rate of growth of the money supply and increase the demand for funds to finance an economic expansion, interest rates go up.

The President expects $514 billion in social welfare spending cuts to offset more than $700 billion in tax cuts and $1.5 trillion in defense spending over the next 5 years.

The numbers simply do not add up. The only way to achieve a balanced budget under those conditions is to totally destroy the social safety net the President is on record as supporting. Short of this, there is only the social security system.

The time has come for Congress to act. I am happy to see my colleagues offering rational alternatives to this present course. It makes no sense to give $11 billion in tax relief to the oil companies when the community college system in my State may be shut down entirely due, in large measure, to a drastic reduction in Federal funds for education.

During the debate on the tax bill, I supported the Udall-Obey substitute. This bill would reduce Government borrowing by $40 billion next year by phasing in tax cuts for individuals and providing small tax reductions for the richest 25 percent of all taxpayers. It also strips the new tax code of those provisions that amount to little more than corporate welfare.

It has not yet been determined whether this sane tax approach will be offered as an amendment to the second concurrent budget resolution, or as a separate bill. In either case, I believe it deserves the serious consideration of the House.

A $40 billion reduction in Federal borrowing is the only plausible means of bringing about a significant drop in interest rates at the current time.

The rapidly growing deficit demonstrates we cannot afford new welfare programs for commodity traders, oil companies, and the super-rich. The administration's tax program has put us so far out of kilter that even the drastic cuts already mandated are not sufficient to restore economic stability to the money markets and the stock exchange.

Tomorrow evening, when President Reagan addresses the Nation, he will

present us with only one alternative: slash the social safety net, dismantle the social security program. It is not likely our Republican colleagues will support something that is so irresponsible.

It is Kemp-Roth that is the Achilles' heel of the President's economic program and the sooner we realize and accept it the better off we will be.

Meanwhile, the President ought to appoint a high-level task force to report on the housing crisis in the country and come up with some answers before the housing industry vanishes from the American scene.

● Mr. COELHO. Mr. Speaker, I share the concerns of my fellow colleagues about the impact which high interest rates have on the housing industry. In recent weeks, I have been contacted by mail, telephone, and in personal visits by people who work in the housing and real estate industry to say that their jobs are literally evaporating because of the persistence of ridiculously high interest rates.

In my district, builders and contractors have laid off seasoned and skilled employees and workers, real estate firms have cut back on their sales forces, lenders have been forced to dismiss experienced loan processors and appraisers, all because the housing market is approaching a state of collapse. While it is indeed tragic that these cutbacks are occurring, the real tragedy is that most of these people are probably lost to the housing industry for good—they simply cannot wait around for things to get better so they try to get employment elsewhere, thus further compounding housing's recovery at some point in the future.

While we all agree that inflation must be stopped to benefit the American consumer and American businesses, the President must recognize that relying so heavily on tight money may destroy the businesses we are trying to "protect."●

● Mr. UDALL. Mr. Speaker, I rise with my colleagues today to address the serious economic problems facing our society, particularly those of high interest rates and massive deficits.

In slightly more than 7 weeks, the impact of the adoption of the administration's tax plan has become only too clear. Today Americans are confronted with unacceptably high interest rates on top of accelerating inflation, a virtual decimation of the bond market, and a nosedive in stock values. If a dramatic change in our present course does not lower interest rates, thousands of businesses and farms may turn "belly-up" in the near future.

High interest rates severely damage our economy in two ways. First, they add to the debt burden carried by the U.S. Government, and this in turn substantially widens the budget deficits projected by the Reagan administration. Second, high interest rates symbolize a growing skepticism about the President's economic program among those people who are supposed to know the most about money and our economy's future, namely the business and financial community. It is little wonder then that Harry Ellis, senior economics correspondent for the Christian Science Monitor, wrote on September 21 that:

> Money men anticipate that the U.S. Treasury's revenue loss from tax cuts, combined with higher defense outlays, would push the budget deeper into red ink, not toward balance. If this indeed works out to be true, interest rates are bound to stay high.

We need more than a Presidential policy of lashing out at those who disagree with a high deficit budget and radical tax program because of their doubts and calling them "Chicken Littles." In short, a constructive alternative focus is needed for emergency action now. I propose that such an alternative exists and it is the Udall-Obey emergency tax cut, H.R. 4504. That alternative is the tax package put before the House in July, and reintroduced this September. Our tax proposal would reduce Government borrowing by $40 billion next year by phasing in tax cuts for individuals and providing small tax reductions for the richest 25 percent of all taxpayers. It also strips the new Tax Code of numerous provisions resembling corporate welfare. Our plan offers significant new incentives to American industry, gives the majority of Americans a larger tax cut next year than can be expected under the administration's tax program, and balances the budget in 1983 and 1984 (after a near-miss next year).

The declining state of the economy is amply demonstrated by recent trends. The CPI in August increased at an annual rate of over 15 percent, and the prime is stuck at over 20 percent for the seventh consecutive week. While over 1 million construction employees are idle, fewer than 10 percent of Americans can carry a median-price home mortgage. Utility bonds are paying 15 to 17 percent, and tax-free State and municipal bonds are paying 13 to 15 percent. The Dow Jones Industrial Average is down 100 points since early August, a 14-month low. Housing starts and new mortgage volume are both way down over 1979 and 1980, and total construction failures are up 41 percent over this time last year. Further, 2,300 automobile dealers have gone under in the last 2 years.

The budgetary and economic implication of the administration's tax plan are particularly significant because 60 percent of the Federal budget is indexed to economic indicators, and therefore beyond the immediate control of the Congress or the President. The administration sees the real GNP expanding 2.6 percent this year, 3.4 percent next year, and 5 percent in 1983. Failure to meet these goals would be costly. A 1 percentage point lag in real GNP widens the deficit by about $8 billion. Already, real GNP decreased 2.4 percent annually in the second quarter of this year. Moreover, every percentage point by which interest rates exceed budget assumptions increases Federal debt-carrying costs about $2.4 billion per year. The administration assumes the rate on 91-day Treasury bills will average 12.55 percent during the second half of this year. The rates averaged 14.9 percent in July and 15.5 percent in August 1981.

We are not alone in our concern, and in fact have been joined by some of the most respected conservative observers in the country. They acknowledge the serious flaws in the administration's program. George Will observed (September 10, the Washington Post):

> The most entertaining irony of the autumn is that although Reagan preaches respect for the markets, the financial markets are not expressing respect for his program. Even the Wall Street Journal says the balanced budget of 1984 is "a dream, not a forecast."

Professional economists are as skeptical, reports the Wall Street Journal, August 31:

> Few private economists believe President Reagan will succeed in his pledge to deliver a balanced budget in 1984 . . . given the mandated tax cuts, the uncertain economic outlook, and the administration's commitment to a hefty increase in defense spending. For instance, Lawrence Chimerine, chairman of Chase Econometrics, the forecasting firm, believes there is a "strong possibility" that the deficit "could reach $100 billion in each of the next several years." This prospect, he notes, is keeping interest rates high by "preventing an improvement in inflationary expectations."

Business Week offered this observation on September 7:

> The stock market and the money markets are sending a message to the administration that its program is not expected to work. The money markets are clearly saying the inflation will be worse than the Government believes, while the stock market is also worrying about recession and its impact on earnings.

Former Defense Secretary, CIA Director, and acting budget director James Schlesinger wrote on September 9, in the Washington Post:

> The recent tax legislation . . . seems likely to go down in history as the single most irresponsible fiscal action of modern times. Unless the tax reductions are reversed . . . on the basis of present legislation and projected defense spending, the Nation faces growing budget deficits of $65 billion in 1982, $90 billion in 1983, and $120 billion in 1984.

When the Congress passed the administration's tax package, we were not told that there would be cuts in defense, or that deficits would be

higher than expected, or that the budget would not be balanced in 1984, or that deeper cuts would be necessary in nondefense areas. Circumstances have changed, and we should act accordingly.

There are four major reasons why you should support our bill. First, no other proposal offered can realistically be expected to cut the Federal deficit and Federal borrowing for fiscal 1982 by more than $40 billion. Yet, that kind of abrupt reduction in Federal borrowing is the only plausible means of bringing about a significant drop in interest rates at the current time.

Second, the rapidly growing deficit demonstrates we cannot afford new welfare programs for banks, commodity traders, oil companies, wealthy American businessmen living overseas, and the superrich here at home. The administration needs to tell them that America just cannot afford every windfall they desire.

Third, the administration should not retreat from its agreement with Congress on the level of cuts for programs like the education of the handicapped and home heating assistance for the elderly. Originally, the administration rammed the budget down the throat of Congress. They should not back out now because of a sudden timidity of saying "no" to special interests.

Finally, the failure to make the tax revisions we recommend may easily lead to forcing Congress to make further cuts in social security over which Congress has already expressed opposition. In plain terms, the administration's tax program has put us so far out of kilter that even the drastic cuts already mandated may not be sufficient to restore economic stability to the money markets and the stock exchange.

In short, we can do more than just talk about high interest rates and massive deficits. We can adopt a prudent tax policy that will promote a balanced budget and reduce the Government's involvement in the credit markets. I urge you to join us in support of H.R. 4504, the Udall-Obey emergency tax cut.●

Mr. DICKS. Mr. Speaker, will the gentleman yield?

Mr. BONKER. I yield to the gentleman from Washington.

Mr. DICKS. I thank the gentleman for yielding.

Mr. Speaker, let me thank my colleague from Washington (Mr. BONKER) for inviting me to participate in this special order.

I share the concern of my colleagues who have spoken here today, and who have yet to speak, on the effect of high interest rates on the well-being of the Northwest. And, really, when I say the Northwest, any of you could substitute your region of the country, because sky-high interest rates are wreaking havoc across the Nation.

First, the good news—interest rates fell this week. Now the bad news—they are still at crippling levels. Leading banks have reduced their prime lending rates to 19½ percent, down from 20 or 20½ percent. The rate on a 13-week T-bill has fallen to 14.198 percent, from a level of 14.412 a week ago. This is the lowest rate we have experienced since mid-July. Also 26-week bills are down to 14.129 from 14.657 a week ago. Hey, fellows, things are looking up.

Look back a few years to the time you purchased your first home. For a young person, purchasing a first home is a big step, and it probably seemed like the price was high and the mortgage endless.

But most of us bought our first home at rates less than half of what is being charged today. Just for the heck of it, I called the mortgage loan division of the Riggs National Bank here in Washington today, to ask what the rate would be for a conventional, 30-year mortgage. For depositors of the bank, that rate is 18 percent annually, plus 1 point. For nondepositors, it rises to 19 percent annually, plus 1 point. Think about this for a minute. On a $60,000 home, which you cannot find around here, payments per month at an interest rate of 8 percent would be $440 over 30 years. Double that rate to 16 percent, and the monthly payment rises to $807. Increase the rate to 19 percent, and the payment is $953. How many of you could have afforded even a modest home as young people with payments of $953 every month?

In the Northwest, the high interest rate policy has hit particularly hard. We have disproportionate dependence on the forest products industry for the health of our economy in Washington State, so when building drops off, we get burned. Without a market for lumber, one of our biggest industries is crippled.

Overall, Washington State had an unemployment rate for 1980 of 7.6 percent. Projections using 1981 figures indicate an increase in that rate for the current year, making the rate approximately 9.3 percent for 1981. For the record, I would like to break those numbers down by county for the areas most hard-hit in Washington:

UNEMPLOYMENT

[In percent]

| County | June 1980 | June 1981 |
|---|---|---|
| Clallam | 11.3 | 14.3 |
| Cowlitz | 11.7 | 13.7 |
| Grays Harbor | 8.5 | 13.1 |
| Jefferson | 8.3 | 11.7 |
| King | 6.0 | 7.9 |
| Kitsap | 5.9 | 7.1 |
| Lewis | 10.9 | 14.1 |
| Pacific | 10.0 | 14.5 |
| Pierce (Tacoma SMSA) | 8.0 | 9.4 |

The areas most affected are those which are dependent primarily on the forest products industry.

The Washington Department of Commerce and Economic Development has provided me with some figures on the falloff in employment in the lumber and construction trades which I think tell the story dramatically.

Housing production has fallen in Washington from 61,168 units in 1978, to 32,423 in 1980. That is a reduction of 28,745 units—and Washington is a growing State. Vacancy rates are at a minimum, but builders cannot afford to produce the necessary stock. People are moving West, but the homes they will need are not available. Real estate brokers are turning in their licenses at record rates, reflecting the slow pace of home sales.

Construction employment in 1979 was at a level of 104,200 in Washington, but fell to 91,500 in 1980. When an industry loses nearly 13,000 jobs in a single year, that industry is faltering.

The story is similar in the lumber and forest products areas; 7,400 jobs have been lost since 1979 in wood products fields in Washington State.

The lumber, plywood, and logging industries in the Northwest now have a record high 20-percent unemployment rate.

This morning, I received word that the St. Regis Co. would be shutting down both its sawmill and its studmill in Tacoma, laying off 250 people. Tacoma already had an unemployment rate of 9.4 percent.

According to the secretary of the State commerce and economic development department, Richard Schrock, unemployment in the State of Washington is at a level comparable to the slump which occurred in 1970–71, when the Boeing Co. was suffering under a slowdown in the aerospace industry, and the State was in an economic tailspin.

We cannot afford to wait for the Federal Reserve Board's restrictive monetary policy to be effective. We need relief now.

On Monday, our colleague from Massachusetts, Mr. FRANK, made a speech which impressed me in its clear presentation of the situation. His topic was the Federal Reserve Board and monetary policy, and he drew on material presented by Beryl Sprinkel, the Under Secretary of the Treasury for Monetary Policy. As the official spokesman for the Reagan administration, Dr. Sprinkel assured the Congress that the Federal Reserve was doing a terrific job, and that the administration supported their interest rate policy. This is after the passage of the budget bill, and taking into account the impact of the tax reductions. Even given these factors, Sprin-

kel is backing the Fed 100 percent, saying:

With a steady deceleration of money growth, any effect of the impending deficits on interest rates would be more than offset by the reduction of inflationary expectations.

That, to me, is an endorsement of the actions of the Federal Reserve Board. Sprinkel is telling the Congress not to worry about the effect of interest rates on the deficit. He is telling the Congress that high interest rates are OK with the administration.

I get mad at these economists and budget wizards who sit in their nice offices and tell the rest of us not to worry. Given the situation in my State and my district, I would be crazy not to worry. I cannot have faith in the administration's plans when people in my district are out of work, when plants are closing down, when unemployment is at a 10-year high.

And now, just 2 months after Dr. Sprinkel's address, the administration is backpedaling on its unqualified support for the policies of the Fed. Well, I say, nice try, fellas, but it will not work. It is too late to disassociate yourselves with this tight money policy; it is too late to try to tell the American people that you did not mean it. People losing their jobs and their businesses do not want to hear it.

Of the Northwestern States, Washington has the highest unemployment rate—9.3 percent for the current year. High interest rates nationally have resulted in the worst recession in the home sales market in the post World War II era. Our dependence on the forest products industry has made us particularly vulnerable to the falloff in the housing market. Interest rates must come down. The economic viabilty of the Northwest depends on it.

At this point, Mr. Speaker, I would like to insert in the RECORD a letter which I received from the Independent Business Association, and I would like to read a quote from that letter:

Small businesses are usually in very competitive markets which make it difficult for small businesses to pass on cost increases. Small businesses that were paying 10 percent for their money 2 years ago are forced to pay 23 percent now. These small businesses find it difficult to pass on this large cost increase and their profits are quickly eroding.

I would also like to put in a statement from the National Association of Realtors.

I guess the bottom line here is I had an opportunity in August, before the recess, to meet with the President of the United States and to talk to him directly about his economic recovery program. At that time I told the President that I wanted to talk to him about one important thing, and that was the question of high interest rates and the impact of a high interest rate policy on his economic recovery program.

I told him that I had been home every weekend during the summer, and that in my view there was not going to be an economic recovery unless the administration convinced the Fed that its tight money policy, which produces high interest rates, was going to lead to disaster, not only in the homebuilding and forest products industries, but in automobile manufacturing and sales, and small businesses across the board.

I told the President that if he did not take some steps quickly, we were going to be faced, in our particular part of the world, in the Northwest, with tremendous bankruptcies and insolvencies over the next 2 years.

The President insisted at that point that a high interest rate policy was not part of his economic recovery program. And I said to him at that point, "Yes, Mr. President, but why are your people up before the Congress on a daily basis testifying that they support this kind of a high interest rate policy and endorsing what the Federal Reserve Board is doing?"

He said, "Well, we talk about it, and we talk about it in the Cabinet meetings."

I told him, "Mr. President, it is going to take a lot more than talk."

And as my colleague from Washington (Mr. BONKER), whose district is tragically affected by this high interest rate policy has already pointed out, we do not even have a plan for homebuilding in this country.

So I think it is time for this administration to come clean with the American people, to face up to the realities of the high interest rate policy and its impact on business, and its consequence on jobs in human terms.

I applaud my two colleagues from Washington and my colleague from Montana for their leadership in taking this special order, and I am going to work with them to see if we can find policies to provide concrete answers to this very difficult problem.

The letters follow:

INDEPENDENT BUSINESS ASSOCIATION,
*Bellevue, Wash., September 21, 1981.*

We appreciate the opportunity to provide you input on high interest rates and its effect on small business.

Independent Business Association represents small business exclusively and has over 3,500 members in Washington State. IBA would like to briefly comment on what the adverse impact of the administration's high interest policy has on small business.

Small businesses are the least able to afford these high interest rates and have been drastically affected. Small businesses need short-term credit simply to stay in business. Small businesses find it extremely difficult to get a loan during recessionary times, since small businesses are considered "riskier" than a large business. If small businesses can get a loan, they usually pay 2 to 3 percent above what a large business pays.

Also, small businesses are usually in very competitive markets which makes it difficult for small businesses to pass on cost increases. Small businesses that were paying 10 percent for their money 2 years ago are forced to pay 23 percent now. These small businesses find it difficult to pass on this large cost increase and their profits are quickly eroding.

We believe the following data reflects the adverse impact high interest rates have had on small businesses. The data compares 1980 to 1979 when the economy, like now, was experiencing a recession and high interest rates. This data was taken from the Washington State Department of Revenue.

Out of a total of 52 standard industrial classifications, businesses with sales of less than $100,000 per month had a decline in sales of 15 percent as compared with a year ago. Businesses with over $100,000 in sales per month had an increase in sales of 13 percent over the same period. This 28 percent gap in sales for small businesses is what's forcing them out of business. Below are some comparisons for the first and second quarters of 1980 relative to 1979 of some representative Washington industries. This more clearly spotlights the plight and trend of small businesses in Washington's economy.

| | Percent change | | | |
|---|---|---|---|---|
| | 1st quarter | | 2d quarter | |
| | Smaller | Larger | Smaller | Larger |
| General construction | −17 | 7 | −31 | −14 |
| Wholesale durable | −7 | −4 | −9 | −12 |
| Wholesale nondurable | −11 | 37 | −8 | 16 |
| Auto dealers and service stations | −26 | 0 | −23 | −9 |
| General merchandise stores | −8 | −4 | −10 | −5 |
| Miscellaneous retail | −6 | 20 | −15 | 11 |
| Machinery | −8 | −2 | −13 | 4 |
| All businesses | −9 | 5 | −15 | 13 |

It is difficult to argue if the administration's high interest rate policy is working to control inflation; but it is certainly having an adverse impact on small businesses. What are other inflation fighting tools the administration can use? That is difficult to answer. Perhaps a more moderate approach to interest rates and continuing the fight to balance the budget is a solution to control inflation.

Again, we appreciate providing you input on the problems small businesses are facing with high interest rates. Whatever can be done to change the administration's policy of high interest rates would help small businesses survive these economic times.

Sincerely,

MIKE FAGIN, *Finance Director.*

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NATIONAL ASSOCIATION OF REALTORS—
INTEREST RATES, HOUSING RECESSION

A combination of high interest rates, escalating home prices and related expenses have made home ownership more difficult over the last three years.

The increase in the overall cost of housing in the nation in the last three years has been devastating. The nation has suffered a 34 month old housing recession which is not only the steepest, but also the longest housing downturn since statistics have been gathered on the resale market.

Nationwide, in 1978, the monthly payment for principal and interest for the average priced existing single-family home financed with an 80 percent, 30-year mortgage was $382. By 1981, the amount climbed 112 percent to $810. For the average household the payment burden was 22 percent in 1978 and has risen to 37 percent in 1981.

There are national variations as well. In the far west, with the highest housing costs in the country, the average family must use 66 percent of their monthly income on shelter. While many factors combine to determine total housing costs in any area, such as location, lot sizes, employment opportunities, climate, and age of the houses, there is no doubt that the rise in interest rates has been the largest component of the total monthly rise in housing costs. That is, specifically, of the $428 per month rise in housing costs today from those of 1978, 66 percent was due to higher interest rates.

Clearly, the future health of the housing market throughout the country depends upon reversing this upward trend in home ownership costs. Declines in mortgage interest rates will help ease the current crisis in housing affordability and reopen the opportunity of home ownership.

□ 1850

Mr. BONKER. I thank the gentleman.

I yield to the gentleman from Oregon (Mr. WYDEN).

Mr. WYDEN. Mr. Speaker, I, too, want to compliment my colleagues from Washington and Montana for just outstanding leadership on this issue. There is just no debating the fact that high interest rates are pure poison for the Pacific Northwest.

Again I compliment the gentleman for his leadership.

THE PRESIDENT'S ECONOMIC THEOLOGY

At the depth of the Great Depression, President Herbert Hoover OK'd spending $45 million to save the livestock of drought-stricken Arkansas farmers.

But President Hoover pointedly refused to send an additional $25 million to help the farmers themselves.

His reason? President Hoover didn't want to "demoralize" the farmers by putting them on the dole.

History has shown President Hoover failed to provide the leadership to pull the United States out of the pit of economic oblivion because he was the prisoner of fixed ideas. He clung stubbornly to those ideas even in the face of Hoovervilles and soup lines. To the very end, he insisted on being the prophet of prosperity, even though he left only a legacy of despair.

Today we are witnessing a scene that is too close for comfort to 1929.

President Reagan has rallied America to blindly follow an economic theology that promises to cut taxes, protect needy Americans, increase defense spending, and produce prosperity for all. It is a theology the Vice President once called voodoo economics. It is a theology that a leading GOP spokesman called a huge riverboat gamble. It is a theology that the ministers of Wall Street said just didn't add up.

Today—with interest rates soaring, inflation rekindling, and unemployment skyrocketing—it is a theology that is unraveling at the seams.

Yet, President Reagan resists the steps needed to turn the situation around. He refuses to admit that he promised a miracle that he couldn't deliver.

The reason we have interest rates near 20 percent today is because we cannot cut taxes twice as much as spending, balloon our defense spending to record peacetime heights and still achieve a balanced budget.

The truth is that the Reagan administration has put balancing the budget third in its priorities—standing in line behind defense spending increases and huge tax cuts. The result? The possibility, if not likelihood, of budget deficits by 1984 that reach $100 billion.

Balancing the budget is the key to reducing interest rates and reviving our economy.

There is nothing magical about a balanced budget. It is not even something that is always desirable. But now we need the budget balanced.

We need a balanced budget because we have a credit crunch in America. When the Federal Government borrows big sums to pay its bills—it borrowed $9 billion alone in August—a lot of money that would go to expand a sawmill or buy a house is sucked out of the private market.

And that private market is not very large right now because inflation makes it very difficult for the average saver to keep his or her money in a bank. That is why savings in America is at an alltime low.

So with heavy pressure from the Federal Government and with competition centering on an ever-smaller pot of credit capital, it is little wonder interest rates are so high.

A balanced budget will help bring down interest rates for several reasons.

First, a balanced budget means less Federal Government borrowing—thus less competition for credit capital, and the removal of a competitor who does not wait in line patiently, but barges to the front of the line for its money and pays whatever price it has to, regardless of the impact on the small businessmen and individual consumers left waiting in line.

Movement toward a balanced budget also is the signal the Federal Reserve Board needs to ease its tight money policies.

I oppose those tight money policies because I believe they are counterproductive. But, we have to recognize that the Fed is trapped at this point and has little choice but to do what it is doing.

The President, in presenting his proposals for cutting the budget Thursday night, appears unwilling or too stubborn to admit to his mistaken calculations on the economy. He also appears unwilling or too stubborn to tackle the sacred cows where budget savings could be realized—such as synthetic fuel loans, tobacco subsidies, and defense spending.

Let us face it, military cost overruns in the last 3 months of 1980 exceeded all the money we cut from the budget this year. We cannot keep allowing cost overruns like that to occur and make up the difference by forcing children to eat school lunches that consist of vegetables such as ketchup and pickle relish.

Instead, President Reagan still clings to the idea that we can ravage the social safety net he promised to preserve and induce economic recovery through massive tax cuts. He prescribes a cure for the economic engine, and ignores the human being running the engine.

But the medicine just is not working. When the earlier budget cuts take effect next week, there will be a tremendous outcry from Americans who are hurting already and will be asked to hurt some more. And the tax cuts? All I can say is what an Oregon developer told me during the summer break, "The Federal Government can give back all the money I pay in taxes, but if interest rates remain high, I am out of business."

He is not alone. Oregon's Employment Division predicted that unless there is a drastic turnaround in the economy, which is unlikely if interest rates remain high, our State's jobless rate will reach 12½ percent by January. Three of our State's most thriving and innovative businesses—Tektronix, Intel, and Wacker—are all planning layoffs. More than a third of the West's sawmills are closed or on curtailed schedules this month. About 32,000 of the 102,000 sawmill employes in the West are not working full time—or at all.

A Weyerhaeuser executive described the economic conditions in the housing and lumber industry—staples of Oregon's economy—as the worst since the Great Depression.

Around the nation the statistics are nearly as bad. 2,300 auto dealers have gone bankrupt in the last year. Construction failures are up 41 percent. 70,000 realtors have quit in the last 3 years.

The reason is simply high interest rates.

High interest rates choke off economic activity three ways.

High interest rates restrict the number of consumers for a particular good. Take housing, for example. For every 1 percent of increased mortgage interest rates, 1 million potential homebuyers are rendered unable to buy because they can't afford the cost of a house and the interest necessary to service the debt on the house.

High interest rates shrink the number of producers—and the capacity of existing producers. Who in their right mind is going to start up a business if you have to borrow money? And who is going to add that addition-

al production line, or expand into another side of an operation, at today's cost of money? They will sit tight and wait. Meanwhile, opportunities will be forgone and over time those lost opportunties will translate into smaller commercial and industrial capacity. When times are good again, the ability to meet more demand will not be there, nor will the attitude to try to hurry and develop that capacity. The inflationary cycle wins another battle.

Finally, high interest rates, by superinflating the worth of the U.S. dollar relative to foreign currencies, forfeit export markets. This is especially painful because the businesses affected are generally the businesses that are in the upswing and have products that are competitive in world markets. At higher prices, caused by high interest rates, they just can't compete with their foreign competition and they lose sales. That means lost jobs back home.

Economic recovery should be more than a wished-for goal. It must be our daily quest. To achieve economic recovery, we need to stimulate economic expansion and the creation of jobs. That can't happen as long as interest rates are high.

President Reagan says the Nation only has to fear the Chicken Littles of Wall Street. I say the Nation only has to fear the ghost of Herbert Hoover, preaching prosperity but paving the way for disaster.

Instead of following the Reagan theology with blind faith, we need to open our eyes and follow the facts.

Mr. BONKER. Mr. Speaker, I thank the gentleman.

I yield to the gentleman from Montana, who has joined me in this effort in calling for a special order. We are drawn together by our mutual interest and concern about the acute economic problems in our respective districts. Indeed, all of us who are here this afternoon share these common concerns, but it was through the gentleman's efforts that we were able to obtain this special order so that we could focus exclusively on problems that affect housing and the wood products industry.

I yield to the gentleman from Montana.

Mr. WILLIAMS of Montana. Mr. Speaker, I thank my colleague for his kind and generous remarks.

Folks out our way in the upper Midwest and the Pacific Northwest are concerned and that concern leads them to ask us to move toward a balanced Federal budget. Most of us in the Congress, including myself, support that move toward a balanced budget; however, I do want to say this about that effort. This Nation has had several financial crashes and between the Civil War and World War II we had two long, difficult depressions. During those early years of American history up to World War II there was violent dissension between labor and management. We had a caste class system in America that was something like a European economic caste system; but through it all the President of the United States in concert with the Congress insisted and demanded that this Nation have a balanced budget. That was up until World War II.

Then since and after World War II, this Nation has learned how to handle an unbalanced budget during those years when the budget has been unbalanced. We have learned how to be flexible with the Federal deficit and we have now gone 40 years without financial panic and without a depression. Unemployment during those years has never reached 10 percent as it consistently did during most of the years in which we did have a balanced budget.

So while I join my colleagues in wanting to move toward a balanced budget, I think it would be wrongheaded with this Congress, this President, or the people of this Nation to worship continually at that altar. Nevertheless, our people in the Pacific Northwest do want a balanced budget because they correctly want the Federal Government to begin to move out of the borrowing market. That is necessary if we are going to bring interest rates down. President Reagan ostensibly wants to do that; however, under President Reagan the total defense budget will be $1.6 trillion—trillion—by the end of 1986.

Under President Reagan, we are cutting other spending by $560 billion, but we are also cutting taxes by $718 billion.

Economists quickly grasp that tax cuts will exceed spending cuts by as much as $103 billion a year.

So we continue to make policy from the White House and from a majority of those here in the Congress, which creates a tight money policy. Such policy in turn, and there should be no mistake about this, works as it restricts spending and investments from borrowed funds. It creates idle plant capacity and unemployment and acts thus to restrain prices and wages.

In other words, a tight money policy works best when it induces a recession and high interest rates are the antidote to supply-side economics.

Today our wrong-headed policies are being accepted on neither Main Street nor Wall Street. The administration says, "Give us time, trust us," and they point to the technically correct fact that the President's program has not yet taken effect, and I accept that; however, the linchpin of the President's economic policy is the establishment of good expectations across the land, an end to the inflationary psychology which has permeated America.

Yes, the President's economic programs are affecting our expectations all right. The most recent national poll available indicates that only one American in eight believes that the economy is getting better. This administration is now into its second winter and the administration finds that it is a winter of the people's discontent.

Out our way in the Pacific Northwest, the economy is in distress. We rely on several industries out there and those are industries important to us and important as well to the Nation—agriculture, mining, wood products, and tourism. Those businesses, all of them, and most particularly the first three, are in deep trouble.

Let us look first at wood products, timber. Our western lumber industry is operating between 25 and 40 percent below capacity. How is that for increased productivity?

The greatest crippler of investment, in fact, is recession. We are being crippled in the Pacific Northwest by that recession, particularly the timber industry.

New construction of single family houses has hit its lowest level since the Government began keeping track. Builder-began construction of new single family homes was running at an annual rate of 591,000 in August, which is a decrease of 16 percent from July and the lowest rate since 1959.

In addition, building permits for future construction fell 5½ percent in August, the fourth straight monthly decline, and an indication that no upswing is in sight.

In western Montana, more than one-half of the 23 wood products mills have either closed, curtailed operations, or are scheduled to do so.

By the way, September of a normal year means these mills would be operating on a normal basis.

Montana has lost 60 percent of its construction volume in the past 2 years. Montanans are beginning to send me house keys with little tags on them. I want to read one of the messages on one of those house keys.

□ 1900

It says:

My buying days are over,
My money has no clout.
With all of these high interest rates,
My future's left in doubt.
It used to be so easy
To buy the things I need.
With credit, cash and barter,
Life was affordable indeed.
But now those days are over,
I'm poorer than a mouse.
So here's a gift from me to you,
The key to my future house.

I intend to send those keys to the Federal Reserve Board, because I have the key, and so do my colleagues that are addressing the House tonight. We have those keys. It is the key called lower interest rates. That is what will

help the timber and the housing market.

I mentioned that mining is in trouble in the Pacific Northwest.

Mr. AuCOIN. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS of Montana. I yield to the gentleman from Oregon.

Mr. AuCOIN. I appreciate the gentleman's remarks and I want to join in complimenting him and the gentleman from Washington (Mr. BONKER) for organizing this special order.

I would suggest that the gentleman save some of those keys to send them not just to the Federal Reserve Board. I think it would be even more apt and more appropriate if he were to send them, along with the poetry, to the White House, because this high interest rate policy that is being followed which is destroying the housing industry, which has resulted in the keys to people's homes that they will not buy, is being formulated, is being supported and enhanced by economic wizards in the White House.

Our colleague, the gentleman from Massachusetts (Mr. FRANK) took time in a special order on September 21, and entered into the RECORD statements by Treasury Under Secretary Beryl Sprinkel, in which he repeatedly stated the administration's support for and "satisfaction" with this tight-money, high-interest-rate policy. So I know the gentleman meant the White House when he indicated he intended to send those keys to the Federal Reserve Board.

Mr. WILLIAMS of Montana. I thank the gentleman for that succinct and frank recommendation that I share these keys not only with Federal Reserve Board Chairman Paul Volcker but also with President Reagan. Montanans have sent me enough keys that I will be able to divide them equally. I accept the gentleman's suggestion of sharing them with President Reagan.

Mining in Montana cannot be ignored, as it is a major industry out our way, and throughout our region. The Anaconda Co. has closed all of its smelting and refining operations in Montana. The Bunker Hill Co. has announced the closure of its very important mine in our neighboring State of Idaho.

The slowdown in the economy, the uncertainty created by this administration's riverboat gamble with the economy, will soon create near chaos in the mining industry, most particularly among mineworkers and their families.

Agriculture is a third leg of our economic stool. Parity levels for farmers are about as low now as they have been in 20 years. You know, farmers, through hard work and improved technology, and mandated price protection from the Congress, have been able to not only feed America, as we ask them to, but really to feed the world. And now high interest rates are punishing them very, very unfairly.

My friends in Montana and folks throughout our region are worried for themselves and for this Nation. A reading of American history requires that worry.

All people across this country, not just those who live in our area, remember the Great Depression, and we have heard the myths about the action that was taken during the Great Depression to save the banks, and that that action, therefore, saved this country. But a close look at history will demonstrate that that is not so.

What Franklin Roosevelt, the Democratic Party, Democratic Congress did, in fact, was save small farmers, small miners, got the small lumber mills going again. That, in turn, saved the banks, and that brought the country off of its knees.

When the natural resource industries—mining, timber, agriculture—are in trouble, those people who remember the Great Depression worry because they understand that economic trouble in those natural resource industries can very easily create a black hole which sucks in the rest of the economy and a depression ensues.

What do we do?

I think we continue to move toward a balanced budget, but we do that not through a ravaging of people expenditures such as social security or additional cuts to the working poor. We continue to move toward a balanced budget, but not through more trickle-down economics. We do not need a repeat of Margaret Thatcher's England here in the United States. Rather, we must re-do the budget which passed this summer. We must rewrite it, this time with correct assumptions and correct economic projections. We must rewrite it, this time trimming back the President's unprecedented expenditures for the military.

Remember, the defense buildup, as proposed, is three times as large as the one that took place during the Vietnam war. And by the way, that is after correcting for inflation. And then, when we have finished correcting the budget mistakes of last summer, we must turn attention to the tax bill.

Time today does not permit a full discussion of the various changes needed, but let us use this as our guide.

History has shown the trickle-down economics simply do not work. So let us start over and write a tax bill that quits pretending that trickle-down economics will work.

I want to thank my colleague and friend, the gentleman from Washington, DON BONKER, for his leadership in helping to establish this time in which our colleagues can deliver to the Nation the concern of constituents throughout the Pacific Northwest. I want to thank my colleagues who have joined us in this effort.

Mr. BONKER. I thank the gentleman from Montana for his eloquent statement. It is a sober reminder that economic policies may be working in the corporate board rooms of America, but with respect to basic industries in the Northwest they are having a devastating impact.

The policies impact not only the Northwest, but the entire West. So at this time I would like to yield to my colleague, the gentleman from California (Mr. PATTERSON).

Mr. PATTERSON. I thank the gentleman for yielding. I want to commend the gentleman from Washington and the gentleman from Montana for calling for this special order and arranging it so that we could speak out on, I think, the most important issue facing all of Americans today.

The gentleman from Montana noted the chain of hurt that is going on in the mining and lumber and timber industries. And I would add that in California and other parts of the country, those who make other building materials, those who are builders, those who are in real estate, those who finance housing, are all hurting. We on the Banking Committee are facing many, many difficult questions in how the Federal Government might come to the aid of financial institutions that have been overstressed in terms of their ability to meet the housing needs and to try to remain a viable institution at a time when, really, housing is just not being sold.

Most of all, I think it is the consumer who is being hurt. There just are not any young people today who do not own a home already who can afford to buy a home, and that simply reflects, I think, upon the policies that certainly the President has proposed.

We all remember when the President took office he had a four-part program: budget cuts; tax cuts second; third, fewer regulations from the Federal Government; and fourth, and not mentioned much in the last few weeks by the administration, was a restrictive monetary policy.

The President got his budget cuts. The President got his tax cuts. The President certainly is in position via each and every Cabinet member to have fewer regulations coming from the Federal Government.

□ 1910

Whether we were for these items or against them, they are in place.

The fourth condition of the economic recovery program; that is, of a restrictive monetary policy, means high interest rates. Translated to the American people, that means 85 percent of the homebuyers in America, those people who do not own a home today, cannot afford to buy a home. High in-

terest rates have caused problems from Wall Street to Main Street, in response to the President's economic recovery program in the business community, where he should be quite popular.

Housing starts have crashed to a 5-year low, at a time when demand is high but supply is not going to be there. The stock market has been unimpressed with Treasury Secretary Regan's one-man band. In spite of everything he has done, it has sunk to its lowest level in 16 months.

Continuing high interest rates, even with the slight bit of relief this week, continue to propel the economy further toward recession, not recovery. The inescapable truth is that despite a heavy dose of supply side elixir, major segments of the economy are simply going under. Indeed, the Reagan-Regan-Stockman prescription nearly has the patient on the critical list.

The business community and the financial markets, having been hypnotized by the allure of seductive tax cuts and a supply side evangelism, are suddenly waking up to the harsh economic reality of gaping budget deficits. Financial experts and business leaders have already begun lining up at our doors to disown the supply side spectacle and demand a return to commonsense balanced budgets and an approach to good fiscal policy.

Well, now we are being asked to throw more than just fuel on the fire. We are being asked not only to throw away student aid, school lunches, food stamps, and housing assistance, and casting these people on the altar of sacrifice, but now we are turning to social security and that safety net the President was not going to allow anyone to fall through. Social security beneficiaries are next on the Stockman hit list to take a dive in the name of Reaganomics. How many more sacrificial lambs must be spared in order to bankroll an obese defense budget and the massive tax cut, the most massive one of our time? It is time for the White House to recognize the flaw in this program, and that is: It simply does not work. It ought to be glaringly obvious to a growing public audience. Extensive across-the-board tax cuts, increasing military spending are just simply fiscally incompatible and economically disastrous.

I thank the gentleman for yielding.

Mr. BONKER. I thank the gentleman for an excellent statement.

I yield to the gentleman from Oregon (Mr. AuCoin).

Mr. AuCOIN. Mr. Speaker, I appreciate the gentleman yielding. I want to compliment the gentleman again for taking this special order and giving colleagues an opportunity to call attention to what I consider to be the Achilles heel of the administration's economic plan, and I hope that my colleague would agree that as long as the administration and its economic followers pursue a high interest rate policy and do not back off from a course in which these high interest rates occur, that it would be our policy here in the House to continue special orders of this kind pointing out the agony, the grief, the shattered hopes, the broken lives that that policy is causing. I am sure the gentleman would agree for the record that for those who read the Record, that we will embark on such a course.

Mr. BONKER. I would certainly agree, and for the record, the gentleman from Oregon and I represent districts that are separated only by Columbia River, districts that are heavily dependent on housing and the wood products industry, that are being devastated by the current economic policies.

I think it is only through a forum like this that we express the sentiments and the concerns of the people that we represent as those concerns relate to the overall economy. But, I rather imagine that the economic crisis is not limited to the Northwest, but indeed is felt throughout the entire country.

Mr. AuCOIN. The gentleman is entirely right, and I think the Record should show that those of us from the Northwest are particularly aware of the problems that are caused by a high interest rate policy. That is because of our timber base, which is such a vital part of our economy.

But no one should confuse the facts on this question. This is not just a housing issue. It is not just an issue that those of us in the Northwest care about. High interest rates are not only going to kill the housing industry in this country, they are going to decimate the small businesses across the length and breadth of this land. They are going to foreclose a decent economic future for families that are struggling to keep even with high inflation.

High interest rates never worked under the Nixon administration, they did not work under the Ford administration. They did not work under the Carter administration. They are not fighting inflation, they accelerate inflation, and so for the small families of middle income and below trying to survive and meet basic costs, there will be no relief from the inflation and economic hardships that they have from such a policy as this.

History shows that no amount of tooth fairy economics is going to change that basic historic fact today. So, it is not a Northwest issue. It is an issue that, if not checked and if not controlled, could bring this country's economy to its knees.

Once again, I appreciate the gentleman's contribution and his lengthy work over the years in trying to bring this message to the country and to the Members of the Congress. In my hand I have an article from the Sunday, September 20, Washington Post. It makes a very interesting statement which I think is apt at this point in our colloquy. It states:

> Like a fever, high interest rates are a symptom that something is seriously wrong in the nation's economy. If they climb too high, they can kill. Home builders, buyers, farmers, small businessmen, and thrift institutions, among others, are bearing the brunt of the tight money seige. * * *

The article goes on to vindicate in terms of those who may be killed by such a policy, these that are listed are among the first on the list. If those sections of the economy collapse, I do not think any of us need to draw any pictures about the ultimate impact. This would cause a tidal wave of business failures, bankruptcies, personal disasters, that could cause, I think, the most serious financial crisis this country has seen since the depths of the Depression of the 1930's. I am sure my friend from Washington State would agree with that analysis.

Mr. BONKER. I would totally agree with the gentleman, and would also point out with respect to that same article which appeared in the Washington Post, and in response to the comment that perhaps we have not allowed enough time for the Reagan program to go into effect, it points out that the most important elements in that four-part program, the President proposed last February, that is, a highly restrictive monetary policy, was in place even before he assumed office, and that the tax cuts for business as requested were made retroactive to January 1. Beyond that, businesses are already getting considerable relief from Federal regulatory burdens, administration officials themselves have maintained, and that the significant cuts began last spring in some major Federal spending programs, such as the Public Service CETA program with which the gentleman is familiar.

□ 1920

But it seems ironic that the category of people who were to benefit primarily from the economic recovery program, the corporate interests, the stock markets, and others, are those who are in effect betraying the President simply because they are not investing in America's future as he intended. Instead, the money is going into mutual funds and other sources which may go to finance corporate mergers and other nonproductive investments.

So the entire program as it was laid out by the President and which was supposed to have such a psychological boost to bring about economic recovery has not taken place, and while we do not want to place a judgment this soon, I think all the economic indicators are that it is indeed the wrong

prescription for what ails our economy.

Mr. AuCOIN. Mr. Speaker, if the gentleman will yield, let me say that I appreciate the gentleman's statement.

Our colleague, the gentleman from Montana (Mr. WILLIAMS), spoke to this fact clearly only a few moments ago when he indicated that the administration has from the beginning placed a great deal of stock on expectations in this country, economic expectations. In fact, those of us who bothered to look at the arithmetic of the administration's program and saw that budget cuts fell far short of the dollars of tax cuts that were involved in this package were told, when we criticized that element of the package, that "economic expectations" are going to create such a tremendous growth in economic activity that revenues coming back to the Treasury will take care of the problem.

Well, what is the barometer for expectations?

My best barometer and, I think, the country's best barometer, is the market itself. I have listened to the administration for months, and prior to that I listened with great interest over a period of several years as many of those familiar faces preached their economic gospel prior to seeking and obtaining their high offices, and what I was told through those years and what the country was told was that all we need to do is to trust the market. We were told to trust free market forces.

Look at the market today. Look at the stock market, look at Wall Street, and examine what the market is doing in terms of its expectations, its economic expectations, based on the arithmetic that those of us in this body saw earlier this year when we said we had no alternative but to say "no" to the particular budget requests the administration brought forward and the particular tax bill the President had presented to the Congress.

Wall Street is not the national Democratic Party. This is the collection of private investors across the length and breadth of America who are saying they are not going to place their bets based on an improved economy until a policy change is made.

I am frankly amazed that one of the great free market advocates since Calvin Coolidge, the incumbent President of the United States, a person who is claimed to have been a noninterventionist in the free market, now says to Wall Street that it had better behave, that it had better place its bets in a different way. He does not seem satisfied with free market forces; he does not seem satisfied with free market decisions, decisions by which private investors are investing in money market certificates because they do not believe that common stocks and bonds are going to be worth much if these interest rates continue at the rate they are today.

I have never before in my time in the Congress heard such an interventionist view coming from the Oval Office. Here is a President who seems to be trying to command the personal, private decisions of Americans because they are not making the decisions he wants with their personal assets. According to his lieutenant—the majority leader of the Senate—there was a threat of credit allocations and credit controls if the market and the investors in that market did not behave and did not buy the political plan the White House has laid down for America.

I think that is one of the most breathtaking market interventionist views I have ever heard suggested. I am shocked. I am absolutely shocked to hear this kind of suggestion.

Mr. BONKER. Mr. Speaker, if the gentleman is in shock over that, I would like to ask him a question, given his distinguished career on the Banking Committee.

Mr. AuCOIN. I might also add that I am also appalled.

Mr. BONKER. Mr. Speaker, I would also ask the gentleman whether in these circumstances he would accuse those on Wall Street of being chicken littles.

Mr. AuCOIN. Mr. Speaker, I think that is an interesting point the gentleman raises.

The President, in being perplexed over the free market's response to the arithmetic of his economic plan, stated, as the gentleman just indicated, in a speech in Denver, that those of us who have had economic concerns from the beginning about this plan are "chicken littles," afraid that the sky is falling.

The message the President ought to understand is that what we are worried about is not that the sky is falling but that the debt ceiling is rising.

It is the deficit that is caused by a $1.6 trillion military arms buildup, coupled with a $750 billion outlay in tax cuts that are indexed against inflation for all time.

As long as that deficit is there, as long as there is this gap between budget cuts and tax cuts, the deficit is going to be there, the market is going to respond in precisely the way it is, and, frankly, it is fraudulent economic advice for any political figure to suggest to any investor in this country that he should invest in any other way than the market is investing today, based on the economic plan that has been laid down on this country.

Mr. Speaker, I just want to add another thought on this question. It is clear to me that all the sermons we have heard for years that we need to get the budget in balance have been forgotten and rejected by the highest economic priests of this administration. The American people have come to realize that we cannot have extremely expensive outlays for military spending or domestic spending if we do not have the money in the till to pay for it.

I think that the people understand, if the town meetings I have conducted across my district are any indicator—and I think they are—that before we cut taxes in massive ways, we ought to get the budget in balance first. The people are not naive.

The people, when they get a tax cut, want real dollars, not deficit dollars.

It seems to me that the administration ought to understand this, and I hope the President, when he makes his address to the country tomorrow night, will come clean with the American people and admit that there is this flaw in his economic plan and will admit that just as in the case of LBJ, when we tried to have "guns and butter" in the 1960's, which really caused the massive dose of inflation that we are still trying to cope with today, that this economic plan is inflationary. Just as guns and butter in those days was economically unsound, guns and butter today will be equally inflationary.

The Members might ask, "Well, what do you mean, guns and butter today?" Well, there is butter there. It may not be there for the poor man. That is the difference between the Great Society and what we have today. The butter is not for the poor; the butter is there for the people who are far better off than the poor ever thought of being or ever will hope to be under current social policies.

The administration's guns and butter, approach calls for a $1.6 trillion arms buildup, no SALT treaty, no real commitment to negotiating an end to strategic arms production but, rather, an unrestrained arms race, and at the same time passing out the butter in massive tax cuts in the thought that somehow that is going to provide a sound prescription for the United States of America.

Well, it is not sound. It simply is not sound. And this exposes the basic flaw in the administration's plan.

We cannot have supply side tax cut stimuli along with history's most draconian tight money in a coherent economic policy.

Abraham Lincoln said that a house divided cannot stand. It is equally true that an economic policy divided against itself cannot stand.

Tight money and supply side tax stimuli are mutually canceling economic facts. They are mutually canceling facts.

So I say to my colleagues, Mr. Speaker, that I would hope that the President, when he speaks to the Nation tomorrow night, will say to the American people what needs to be

said, that a $2 billion reduction in the Pentagon's massive arms buildup is not sufficient—that we need substantially more than a $2 billion nick in the Defense Department's budget, substantially more.

□ 1930

The administration also needs to say that all of the sweeteners that were added to the tax bill in the course of the bidding war that took place on Capitol Hill as that bill passed need to be reevaluated in the clear light of day and in the clear light of the economic damage and grief that is being caused today because of high interest rates, resulting from the deficit caused by unnecessary revenue losses.

We can say to big oil that it can do it without its $15 billion tax sweetener. We can reduce the deficit by that measure. We can say to tobacco and sugar and some of these other people who are coming out quite nicely, thank you, from the fiscal plan of this administration, that we may have thought at one time we had the luxury to make these political accommodations, but if we are down to such basic steps as threatening a reduction of benefits for social security pensioners, then we no longer have the luxury of going along with these political accommodations resulting in continued drains to the Treasury, higher deficits, and the perpetuation of interest rates for as far as the eye can see.

I appreciate the gentleman's leadership on this issue tonight and I will stand with him as we push this fight in the weeks to come.

Mr. BONKER. I thank the gentleman. As usual, he has made salient points which add to the wealth of testimony that has been laid out in this afternoon's session.

## THE PRESIDENT'S ECONOMIC PROGRAM IS NOT WORKING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Montana (Mr. WILLIAMS) is recognized for 60 minutes.

Mr. WILLIAMS of Montana. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. SWIFT).

Mr. SWIFT. I thank my friend and colleague, the gentleman from Montana (Mr. WILLIAMS) and my friend from the State of Washington (Mr. BONKER) for asking for this special order so that we can discuss this important topic.

□ 1940

I think that maybe we should say a good word for high interest rates, after all that has been going on here. After all, you do understand the theory, do you not? I mean the theory of all of this is that if you raise the interest rates, people will not borrow so much money. If they do not borrow money, it is going to reduce demand. And when it reduces demand, the prices will go down. Now, why do we not seem to understand that? I mean we have been talking here for over an hour, and there has been no recognition that we understand that wonderful theory, possibly because we have lived through 3 years of watching it not work.

The theory makes wonderful sense in a high school economics textbook. In the economy of the United States in the 1980's, it is not working. And the great tragedy is, of course, that when it does not work, then it itself becomes one of the major inflationary engines in the economy of the country.

That is the situation in which we find ourselves. And yet there are those that insist on beating this dead horse and, in the process, they are beating the small businessman, the farmers, anybody who wants to buy a home, anybody who wants to sell a home, buy a car, sell a car. Virtually every American is harmed by this policy, this incessant insistence that "this policy may not have worked yet but, by George, it is going to start working tomorrow, fellows."

Well, it is not going to work tomorrow any more than it has worked today or yesterday.

Then we have those who say, "Well, you should not be complaining about high interest rates because it was your spending policies that created the high interest rates, in the first place."

Well, first of all, that does not follow logically. But that aside, that could only possibly be true, that particular criticism, if in fact deficits in the spending of this country were the only cause of inflation.

Now, every industrialized democracy in the world suffers from inflation. And one of the reasons that is consistent in every one of them is the inflated cost of energy, something that is totally ignored in the entire economic policy of this administration.

We are told by this administration that if we balance the budget a number of things are going to happen, magically and automatically. One is that the interest rates are going to come down, and the second thing is that inflation is going to disappear and all of the prices are going to go back to the 1960 levels.

That is absolute hogwash.

Now, how is it that energy can do that to our economy?

I think out in the Northwest some of our folks find it particularly hard, because our energy over the years has been very, very inexpensive. Hydroelectric energy is many times cheaper than it is in almost any other part of the country. But the lights that are lighting this room right now are fueled not by inexpensive hydroelectricity, but by very expensive imported oil. And in the great manufacturing areas of the East, that price of oil comes in and comes in again and again and again at every stage of the manufacturing process.

You pay the cost of high energy when you dig it; you pay the cost of high energy when you smelt it; you pay the price of high energy when you fabricate it; and it is added at every stage of the process, including the point at which you finally take it out and deliver it to a retailer that sells it.

Inflated energy costs work themselves into every aspect of our economy and are a fundamental part of the causes of inflation in this country, and certainly will not be affected in any degree by a policy of high interest rates.

Mr. WILLIAMS of Montana. Just for the purpose of posing a question to the gentleman from Washington, we hear a great deal now about how it is going to take many years for this economy to recover because today's inflation, it is said by some, is the result of 50 years of the New Deal. What I hear the gentleman saying this afternoon makes more sense to me, and that is each year's inflation is caused by activities that have taken place in the years immediately preceding and, in this instance, the sudden and dramatic increase in the price of energy would be more responsible for the present-day inflation than would the New Deal policies of the 1930's.

Is that accurate? Is that a portrayal of the point that the gentleman is making?

Mr. SWIFT. No, I do not think it is a portrayal at all. Furthermore, I would assume that anyone who would suggest that the problems we face today are caused by the problems of the 1930's would have to also say that the tremendous prosperity we had in the 1960's was caused by the policies of the 1930's. And I suppose whatever wonderful or bad thing happens to us 5 years from now will be caused by the 1930's. It is a perfectly irrational argument made by people who we did not hear crediting New Deal policies with the prosperity of the 1960's, incidentally.

I have heard people say, "Look, your argument that energy is the major cause of inflation"—and I do not consider it the only cause, but I consider it the major cause of inflation—"Your argument is ridiculous. Why are not inflation rates, then, as high in, say, West Germany as they are here?"

Well, first of all, energy costs in West Germany were higher, to begin with. And so when they raised the price of a barrel of oil, say, $10, it was proportionately a much greater increase in cost for us in the United States than it was for West Germany and, therefore, the inflation rate was

not as great. And, second, in countries in which energy has always been more expensive, they not only residentially but industrially have been more conservation oriented all along, so that they make much more efficient use of the much more expensive energy. Those two points put together explain why other industrialized societies have not necessarily been affected quite as much as we have by the increase in energy rates.

Now, energy is probably not going to continue to escalate at the same rate that it has over the past 5 years. Therefore, we probably are going to see a leveling off of inflation in the near future, a leveling off, not going back to what it used to be, prices going back to what they used to be, but the rate of inflation will doubtlessly level off. And somebody is going to be attributing it to the budget bill or the tax cut bill or the high interest rate policy, or something else, when, in fact, it will have occurred naturally, not because of any of those things, and very possibly in spite of many of those things; but it will have occurred because we will have gotten stability in our energy pricing in this country.

I think it is terribly important to understand that, because when you understand that, you really begin to see what a useless weapon high interest rates are in dealing with our inflationary system.

And who is paying for this mistake? It is the homebuilders and the real estate people and the auto dealers and the small business and farmers.

I would like to make one last point, if the gentleman from Montana would permit, and that is the role the Fed has played in this. You know, we have a wonderful saying in this country, and that is that there is a magical, wonderful quality of taking something out of politics. "Oh, you want to take it out of politics." Heaven forbid that politics should sully the decisions of some group or other.

I remember in my hometown of Bellingham, Wash., we wanted to take the park board out of politics. So we passed a little amendment in the city council. And, by George, we did such a good job taking the park board out of politics that they had the authority, if they had wanted to, to plow under every square foot of parkland in the city of Bellingham. And the mayor or the city council or no other elected official could have put a stop to it. Some citizen might have been able to go down and get a court injunction.

But so often what we mean by taking something out of politics is that we are purifying the process; but in fact what we are doing is, we are removing important public policymaking from any influence by the people of the United States through their elected officials.

And the Fed sits down there marvelously resplendent in its independence. It has defied every President since Roosevelt, Republican and Democrat, at one time or another. It has canceled out whole economic policies of administrations over the last 50 years. And still it wallows in the wonderfulness of its independence.

Now, I happen to believe that a measure, a very substantial measure of independence from the whims of politics is appropriate for the Federal Reserve and for some other independent agencies of the Government of the United States. But when that independence is abused and it is abused incessantly and it is abused in a way that hurts virtually all Americans, then the ability for those Americans to have some means by which, through their elected officials, they can register their dissatisfaction with that policy, is important.

And the Congress stands, as it is today, virtually impotent to do much but what we are doing, sitting here and saying that we are mad and something must be done. But I think we must also begin to consider a prudent means of providing some measure of dependence on the will of the people and the Federal Reserve Board.

□ 1950

We must be careful in doing that. We must certainly be responsible because that is an issue that could be demagoged, an issue that could be handled in an outrageously irresponsible way. But we must begin to consider whys and rational and prudent and conservative ways of inserting some influence on the part of the Presidency, the administration and of Congress, in the decisions that are made by the Federal Reserve Board.

Lastly, I would point out that while it is also true that the President of the United States has no really statutory ability to influence the Federal Reserve's policy, and it is also true this is not the first President to support high interest rates as weapon against inflation, this is certainly a President who is the most enthusiastic supporter of that tool.

There is such a thing as jawboning. It can be effective. This President has demonstrated he is very good at jawboning and this President should be sitting down with the Federal Reserve Board and instead of insisting on maintaining this failed policy, he should be asking them to please begin to understand the need to stop using a tool that has not worked, give some relief to the people of America, and let us focus our anti-inflationary devices and plans on something that is going to work so that the pain—and believe me, it is pain—is not inflicted for naught.

Mr. Speaker, as I have already stated, the problems of high interest rates have been especially tough on the Pacific Northwest. I include in the record several statements from people who know firsthand the magnitude of these problems.

I have met many times with people in home construction and real estate. Perhaps the problems they face can best be summarized in a recent letter I received from Mr. Anthony DiPangrazio, whose firm is located in Edmonds, Wash.:

In a previous letter you stated that the votes are not in Congress to strip the Federal Reserve of some of its awesome power.

But there is not anyone, to my knowledge, who agrees that the financial destruction of so many businesses and jobs is the only way to control inflation.

It seems to me that either the Unions should get together and stop production of everything, nothing should move. The Nation should be brought down to its knees if necessary, at least long enough to stop the people in Congress who are owned by the International Financiers.

Why this does not happen, I do not understand? Who do the Unions represent? Why does General Motors, Ford and American Motors continue to lose money due to the high interest policy?

It seems to me that if they would all shut down as of a given day and put all of their people out of work, then would we not have the votes in Congress to do something?

At this point, I must sound like a radical ready to embrace Communism. I am by nature a Republican. I voted for you because I believe that you are against giving everything to the free loaders and drones. That you believe in free enterprise. I ask for no gifts. I ask only that our Government, through the Federal Reserve, please stop destroying us financially. Please do not give us further sympathy and understanding, but instead, do something to remove the burden of the Federal Reserve before it is too late.

Regarding the economists who advocate high interest rates. Do any of those jerks own any factories or firms that provide jobs, goods and taxes? Just what is it that they contribute to our society other than heartache and despair?

Please help now.

Very truly yours,

ANTHONY C. DIPANGRAZIO,
*President, Sunset Construction, Inc.*

Because of the unprecedented downturn in new home starts nationwide, the demand for lumber in the domestic market is the lowest since World War II. Mr. Chuck Skillman, executive secretary of the Washington Contract Loggers Association, recently wrote a letter which lays out the crisis facing the contract logging industry in the Northwest:

The Washington Contract Loggers Association (WCLA) is made up of over three hundred independent logging companies. They are primarily logging contractors for larger timber companies and sawmills. However, many of them also buy state, federal, or private tracts of timber and sell to the highest markets. The membership covers all areas of the state of Washington. They range in size from employers of two or three people to one hundred employees.

Our members have been experiencing poor market conditions since early 1980. The market has gradually worsened to the extent that at this time, over fifty percent of the companies are not working. Of those who are working, many expect to shut down with the completion of their present contract, and have no idea when they will start back to work.

At the present time, many of those who are working are on Mt. St. Helens disaster clean-up and will be done in 1982.

The Weyerhaeuser Company has been a purchaser of almost every type of log from independent loggers and landowners in Western Washington. They have had to suspend all such purchases as of September 21, 1981. They don't know when they can resume purchases.

Crown Zellerbach Company has been the major employer of independent logging contractors in North Central Washington. They have had to close their mills at Omak and Twisp, Washington for lack of lumber markets.

Logging on the Olympic Peninsula from Grays Harbor to Forks is at a near standstill. Some contractors have moved away, some are staying but have not worked in months, up to sixteen months for one company. The Columbia River Area is also hard hit. Some of these companies are certain to fail.

The Yakima area has been logging intermittently this year and expect much more down time this fall and winter. The northeastern corner of the state is almost completely shut down. Louisiana Pacific and Diamond International are the major markets in that area and both are shut down.

It is the opinion of the Executive Board of the Washington Contract Loggers Association that uncontrolled government spending over a long period of time has created a national debt, so large (one trillion dollars this fall) and consequently causing government borrowing to be so great that it has dried up private sources of money for home building.

The forest industry in Washington is dependent on domestic lumber market, pulp market and the export of round logs to foreign markets in that order. Because of the unprecedented downturn in new home starts nationwide the demand for lumber in the domestic market is the lowest since World War II. Foreign markets for round logs are poor. The logging industry needs markets in domestic home building, pulp, and foreign log export to achieve the employment our forest industry is capable of.

Sincerely,

CHARLES (CHUCK) P. SKILLMAN,
*Executive Secretary, Washington Contract Loggers Association.*

The local sawmills are a backbone of the economy in my district and many areas of Washington State. But mills throughout the Northwest are closing at an unprecedented rate. In the following statement, Mr. Glenn Wiggins of Port Angeles details the effect that current economic policies have had on mills and he offers some solutions:

The life expectancy of the installed sawmill capacity in the Pacific Northwest is drawing short, particularly for mills dependent on public timber. Already many are failing in the current squeeze brought on by high interest rates. Those who survive have been seriously hurt, limiting opportunities for capital investment and greater efficiency in the future.

Historically public timber has been competitive and remains so. However, the competitor could never forsee the government's posture on control of interest rates and availability of mortgage money.

At the same time that the government has encouraged competitive bidding and higher stumpage rates, it has concluded that market restrictions for building products through tight money best serves the war on inflation. Thus we see no end in sight for the current debacle. The federal government who owns the timber is the major party responsible for the current chaos which interrupts the normal flow of logs from stump to the mill.

This chaos is not localized. It is worldwide. Because of tight money policies by both the Carter and Reagan administrations, lumber normally sold into U.S. markets by Canadians has been rerouted to Japan, creating extreme problems in selling logs and finished products into this market. This mill was the first on the U.S. Coast to convert to metric sizes for sale of lumber into Japan. Products were readily accepted. For the last year and one half the market in Japan has been dominated by cheap Canadian lumber, subsidized by policies which encourage noncompetitive values on standing timber. This same cheaper wood fills the U.S. market, restricted by federal fiscal policy, thereby making operations here unprofitable, disjointed, and lacking potential.

We have been to many recent mill auctions in this region and anticipate many more should the current money restraints continue. It is hard to understand how the government plans to fund its own operations and those of local governments when stumpage receipts fall and taxable income is reduced. Our suggestions are these:

1. Reduce interest rates by whatever means possible to permit industry operations and expansions.
2. Increase the supply of timber, particularly short-termed sale, at this time.
3. Consider tariffs on the import of Canadian lumber, similar to current tariffs on plywood.
4. Provide incentives for manufacture of finished products exported to world markets.

GLENN WIGGINS,
*Merrill & Rang, Inc.*

No sector of our economy has been so devastated by current economic policies as the homebuilding industry.

As noted in the following statement by Mr. Herman Smith, president of the National Association of Home Builders, we are currently in the middle of the longest housing slump in history—now in its 34th month.

There is one message coming out of this meeting: interest rates must come down and come down soon. The situation is desperate. Under today's miserable economic conditions, builders cannot sell the homes they have already built * * * they certainly cannot start new homes * * * they cannot meet their payrolls * * * and they cannot meet their loan obligations. From Maine to California, the homebuilding industry has been shut down.

Demand for housing is backing up. More than 41 million Americans will reach age 30 during this decade. Many of them are coming to the realization that the dream of owning a home can no longer be taken for granted. The problem, again, is record high interest rates.

Consider what it costs to carry a modest, $60,000 mortgage loan. At 9 percent interest—the going rate 2 years ago—the monthly payment was $483. At 17 percent, the payment is $855 per month, or almost double the payment of 2 years ago.

First, the Congress and the administration must further reduce the budget for fiscal year 1982 to keep the deficit below $42 billion and to move to a balanced budget by fiscal year 1984. Otherwise, credit demands and interest rates will remain at peak levels, and the entire Reagan economic recovery program will come apart at the seams.

Second, we believe there must be some adjustments in monetary policy. We believe the Federal Reserve Board should institute a policy that will allow the money supply to grow at a rate that will accommodate economic stability.

Generally, builders are an optimistic lot. But frankly, the mood of our membership at this board meeting was clearly one of desperation.

I thank the gentleman from Montana.

Mr. WILLIAMS of Montana. I commend my colleague from Washington State for his cogent statement and want to place particular focus on one of the later statements that he made concerning the necessity of politics in our actions in this country, particularly as those actions affect our economy.

The Federal Government is really nothing more than Americans acting in concert, and politics is nothing more than the mechanism by which they can provide that action.

I now yield to my colleague, the distinguished Congressman from Washington State (Mr. LOWRY).

Mr. LOWRY of Washington. I thank the gentleman from Montana for yielding and join my previous colleagues in complimenting the gentleman from Montana (Mr. WILLIAMS) and our colleague from Washington (Mr. BONKER) for taking this time on what I think is the most vital economic problem facing this Nation, and because of the effect of this Nation facing this world, I want to say that this is not the first time the two gentlemen have been saying that.

I have heard the gentlemen talking about this in discussions for a long period of time now, just as I have heard our colleague, the gentleman from Washington (Mr. SWIFT), the gentleman from Washington (Mr. AUCOIN), and others, who have spoken before.

This is a serious problem that we have been addressing for quite a period of time. I am not going to ask to revise my remarks and I am not

going to talk for the 5 or 6 hours that I have talked on this in the past. I am going to agree with the statements that the gentlemen have made and the others that have spoken today have made, and I am going to take just a minute to say that we know that it is also incumbent upon us, this Congress, to immediately be moving to meet this challenge because we just do not have very long; that if we do not, the effect will be deep, deep, deep recession.

Now, I concur with the comments that have been made about the need for a more enlightened Federal Reserve Board policy, and I believe that the Federal Reserve Board would be targeting monetary growth at a correct supply level rather than going under their own target, and if they would look strongly at reducing another percentage point from the charge, surcharge that they charge banks, their most frequent customers from the 3 percent on down to the 2 percent to follow the recent reduction of 4 percent to the 3 percent, they would still be following prudent monetary policy and that would give us an improvement.

I believe that an improvement in the money supply would be able to lower interest rates perhaps as much as 2 percent.

But I do not think we want to kid ourselves that only the Federal Reserve Board improved monetary policies, that could lower the interest rates perhaps 2 percent below where they are now, is going to do the job because we are going to still have that deep recession at 17-percent interest rates. We are still not going to have housing starts. We are not going to be making automobile loans and things are going to continue to get worse.

So, it is going to take more than that. We have to look at what is the economic package that the President has proposed and that we have approved and we have got to change it. We have got to change it as soon as possible.

The numbers are simple and the gentleman referred to them, the gentleman referred to them earlier in his talks tonight.

The most misused word I believe by journalists relating to the Federal budget this year is that we cut the Federal budget. That is inaccurate. We increased the defense budget as much as those overly extensive domestic cuts reduced the domestic budget.

To use the 3-year figure, the President's announced 3-year cumulative $130 billion cut in domestic and social programs, during the next 3 years we increased the defense budget $160 billion. Now if we increase the defense budget $160 billion and we cut the social and domestic budgets $130 billion, we have not cut the Federal budget.

Then, during exactly that same 3-year period of time, we cut Federal revenues $286 billion. So, while we did not reduce the Federal budget because we increased the defense budget, at least as much as we cut the social budget, we cut Federal revenues $285 billion. That is a massive deficit and massive conflicts into the credit market where we are now taking and will be taking up to a third of the available capital out of the credit market because the tax cut was too big, and the defense budget is too big, and we have got to change that or we are going to go into deep, deep recession and we in this House are calling on the administration to look at that and acknowledge that and say, let us reverse this before it gets absolutely irreversible.

Mr. BONKER. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS of Montana. I yield to the gentleman from Washington.

Mr. BONKER. The gentleman referred several times to the plural "we." That "we" cut the domestic programs and "we" increased defense spending.

I do not think the gentleman means that he voted to support those programs, that they represent the other side's approach to our economic policy.

Mr. LOWRY of Washington. Yes; being a person like everyone else on this floor, very proud to be in this Congress, I always accept what we have passed, "we" as an institution, passed. I did oppose that economic recovery program as have the other people sitting on the floor here with us.

Continuing on the defense budget for just a moment and the gentleman in the well accurately, in my opinion, described the defense increase proposed over the next 5 years as three times the acceleration at the height of the Vietnam war, after inflation, I believe that is an accurate description.

Very knowledgeable economists like Lester Thurow and Vassily Leontiff pointed that out.

I would like to add another one. I have done a little studying and the $1.6 trillion proposed defense increase in the next 6 years after factoring inflation, after factoring in increased technological cost now of military goods is more than we spent during World War II. It is more than we spent during World War II.

Now, that is an excessive defense budget that we cannot afford in this economy. Every one of us is for a strong national security. A strong national security needs a strong national economy. Military expenditures and related deficits due to the overexpenditure of the military more than necessary and the tax cut being too large is bad for our national security and we in the next few weeks and the next few months have got to be willing to look at making meaningful cuts in the defense budget that will be coming before us in the defense appropriations that will be coming before us and we have go to be prepared to change that tax cut.

□ 2000

If we are not, then I am afraid that this trend is going to go on.

I thank the two gentlemen that have brought this issue to the floor. I appreciate them doing that very much. Nothing could be more important to the economy of this Nation than that we have accomplished the objective of this special order tonight.

I thank the gentleman.

Mr. WILLIAMS of Montana. Mr. Speaker, I thank the gentleman from Washington for that statement and make particular focus on the point that the gentleman made, which I think has not been made often enough and therefore is unclear to the vast majority of the American people. That point is this: The President's budget spends more than the Democratic alternative budget.

Let me put that another way.

President Reagan's budget cuts less than the Democrat's budget would have cut. The overall Democratic program carried with it less deficit, less red ink than does the President's plan which this Congress accepted. That is a point that unfortunately has been lost upon some of the American people, although I note that it has not been lost upon those American people who work on Wall Street.

Mr. Speaker, I yield to my colleague in this endeavor, the gentleman from Washington (Mr. BONKER).

Mr. BONKER. Mr. Speaker, I thank the gentleman.

In closing this worthwhile session, I would like to have included in the RECORD various letters and statements that have been submitted to my office from people that are experiencing firsthand economic hardships in the Northwest.

I know that all of us who have spoken today have heard from people we represent expressing similar concerns.

One letter that is worth noting comes from Jim Hodges, who is a realtor and developer in Olympia, Wash. Mr. Hodges was in my office last week. He is probably the most successful developer in my district, very prominent, a proud man, but a man who carries his burdens heavily these days because of what is occurring in his industry. I just would like to read one statement from the letter that I will have included in the RECORD:

I am the chairman of a group of realtors which represents 16 different large market areas of the State of Washington and Portland, Oreg. The members of this group, in most cases, are the leading operators in

their market areas. What is happening to them is representative of the problems faced by the whole industry in this area.

At least 25 percent of them at this very moment are in receivership, near bankruptcy or negotiating to allow subdivisions and other property to be repossessed. Fifty percent of them will be in the same position within 6 months if interest rates stay at or near where they are today. The other 50 percent of us are losing so many dollars that we will not be paying income taxes on our 1981 returns. I paid approximately $200,000 in income taxes for myself and two corporations last year. If this year finishes at the same level that it has been running for the last 6 months, I will pay little or no taxes to the IRS for 1981.

He speaks as a representative of a number of prominent businessmen who I think add a new dimension to the issue, and that is, without income there will be no income tax. With that lost revenue, it means a much higher deficit.

Mr. Speaker, I include the letter at this point in the RECORD:

SEPTEMBER 21, 1981.

Congressman DON BONKER,
*Longworth House Office Building,*
*Washington, D.C.*

DEAR DON: When I was in your office last week you mentioned that specific suggestions for action to improve the economy would be helpful.

We had some discussion about the extraneous factors in the CPI which were causing unnecessarily harsh measures in attempts to reduce the Index. Actually, inflation is in great part an imaginary menace. Most of our problems are caused trying to cure it. We need to reduce it to size by readjusting the weight of those factors included in it which only impact any given family once in several years. The two principal factors in this category are housing and transportation. The average family buys a house once every six or seven years and an automobile every three or four years. Properly weighted they would reduce the CPI by at least three points.

Another category of costs included in the Index are items such as food and fuel. We know that the price of these items is increasing. However, there is a finite supply of these, as well as many other necessary resources, which means that increased demand does not automatically increase the supply. As long as we are producing more people and fighting the law of diminishing returns in trying to increase the supply of these depleting resources, we have to regard the increased cost of these items as a real and not an inflationary increase. We have to accept what we can't change.

Periodically, statements appear in the media lamenting that the income of the American worker is losing ground to inflation. The fact is that this isn't true is proof that the CPI is a false number. All we have to do is look around us to see that the average American worker has more in the way of material goods and leisure time than at any time in history. There are more vehicles per household (including recreation types), more TV sets, more stereos, better furniture, better facilitized homes and more people eating out than at any other time in the past. All you've got to do is have someone on your staff dig up the statistics to convince your colleagues that this is true. Time for composing this letter is short or I would do it for you.

The statement was made that the factors included in the CPI were only adjusted about once every ten years. If you had a nail through your foot you wouldn't wait ten years to pull it out. The high interest rates established to combat this radically overstated inflation rate is a nail through the hearts of three of America's most basic industries: the automobile industry, home building and real estate. These industries along with companion industries represent over fifty percent of the country's economy. It is hoped that the leaders of this country have courage enough to pull the nail before they kill the whole economy.

With regard to the impact of the high interest rates in our area and the current status which we discussed in your office last week, here are some of the facts.

I am the Chairman of a group of Realtors which represents sixteen different large market areas of the State of Washington and Portland, Oregon. The members of this group, in most cases, are the leading operators in their market areas. What is happening to them is representative of the problems faced by the whole industry in this area. Meetings are held every three months, beginning on Thursday and lasting through Saturday. I have been an active participant at every meeting since I was invited to join the group ten years ago. My company has been built around ideas obtained from the group during the last ten years. Be assured that they are the leaders in the Real Estate field in the Pacific Northwest. Also, most of them are builders and developers.

They are all proud hard working men and are not the type that complain and blame others if they fail. However, at least 25 percent of them at this very moment are in receivership, near bankruptcy or negotiating to allow subdivisions and other property be repossessed by lenders. Fifty percent of them will be in the same position within six months if interest rates stay at or near where they are today. The other 50 percent of us are losing so many dollars that we will not be paying income taxes on our 1981 returns. I paid approximately $200,000 in income taxes for myself and my two corporations last year. If this year finishes at the same level that it has been running for the last six months, I will pay little or no taxes to the IRS for 1981. My companies are getting by on a break-even basis in the top 50 percent of this group of major operators. This group is as close as one could come to getting a sampling of how the real estate and building industries are faring in the State of Washington.

The Administration keeps telling the news media that we are not in a recession. However, I assure you that real estate, home building, lumbering and related industries are in a deep depression.

There are approximately 1,660,000 people employed in the State at this time. The jobs of 1,300,000 are jeopardized by the rapid drop in building, lumbering and related industries. Construction, lumbering, finance, insurance and real estate employs 236,000 people. A 50% layoff in these businesses would double the State's unemployment rate.

Governor Spellman said last Thursday that the State of Washington was going to be 655 million dollars short in meeting budget this biennium. The enclosed article from the Daily Olympian of September 21, 1981 states that one of the main causes of the shortfall is "Portions of our economy, those related to home building, are in a Depression, even while other sectors are reasonably affluent, but because so much of our prosperity depends upon good times in lumbering and construction, we now have fallen on hard times in the State revenue take".

In closing, let me say that our Federal Government is going to experience a shortfall in tax revenues many times larger, due to putting the real estate and building industries of the U.S. out of business, if it continues with high interest rates.

Very truly yours,

JAMES W. HODGES.

Mr. Speaker, I also have a statement from the Washington State Labor Council, AFL-CIO, representing the working people of the State of Washington. They are equally concerned. The letter is from Mr. Marvin Williams, who is its president, and he outlines in painful detail the effect that high interest rates are having on the Washington State economy. I will not detail those at this time, but I would like to have Mr. Marvin Williams' letter included in the RECORD at this time:

WASHINGTON STATE
LABOR COUNCIL, AFL-CIO,
*Seattle, Wash., September 23, 1981.*

High interest rates are having a crushing impact on the economy of Washington State. High interest rates are shattering lives through unemployment, devastating communities through plant closures and rendering the state government nearly bankrupt.

Washington's economy is heavily dependent on logging and forest products manufacturing. These employment sectors are immediately hurt when high interest rates force reductions in construction. As of July 1981, Washington's unemployment rate stood at 9.1 percent, up from 7.7 percent a year earlier. Twenty-one of Washington's 39 counties had double digit unemploynemt rates in July. Four counties had unemployment rates exceeding 15 percent. These figures are not surprising considering that of the 170 forest product mills in the state, 31 are shut down and 37 have curtailed production.

The state's economy will suffer permanent damage if the 31 mills that are completely shut down do not re-open. These closures devastate families, communities and governments precisely at the time when their resources are stretched to the limit.

The spillover effect of the depression in the housing industry is clearly illustrated by the fiscal crisis being experienced by Washington's state government. Revenue generated by the three major sources of state tax revenue, the sales tax, the business and occupation tax and the real estate excise tax, have fallen far below forecast. Two weeks ago the state had to borrow $300 million from a private bank to meet its payroll and other obligations. Last week the Governor declared a "financial emergency", announced a projected $655 million deficit in state general fund revenues and ordered a 10.1 percent across-the-board budget reduction. These reductions will come on top of a $400 million reduction in federal aid to the state.

The citizens of Washington State need relief from an economic recovery plan which puts workers out of work, housing out of reach and the needs of corporations and the wealthy ahead of the needs of workers and the poor. We need immediate

relief from intolerably high interest rates. The longer the delay, the greater the harm to our economy.

Mr. Speaker, probably the most prominent individual in the savings and loan business in the State of Washington is Mr. Hal Wolfe. He has a number of outlets in my district and throughout the State. He is very prominent nationally in the savings and loan league. He has discussed the plight of the economy on a number of occasions with me. He feels, as many of us do, that the economic situation is not going to improve for his industry and, of course, all of us who are concerned about this problem know that S. & L.'s are very near extinction and that they depend heavily upon long-term mortgages in an environment where short-term investments prevail. So I would like to have the statement that has been submitted to us by Mr. Hal Wolfe, president of Capital Savings & Loan Association included at this point in the RECORD:

CAPITAL SAVINGS & LOAN ASSOCIATION,
*Olympia, Wash., September 22, 1981.*

Memo to: Congressman DON BONKER.
From: Hal T. Wolfe, Sr., President, Capital Savings and Loan Association.

The following figures represent the effect recent high interest rates have on the housing industry. The trend from 1978 to 1981 demonstrates the increasing intensity of the housing problem. Clearly, action must be taken now to evade a housing catastrophe.

Housing demand has been artificially suppressed by high interest rates. Housing construction has fallen dramatically. Demographics indicate that there simply are not enough homes being produced to meet present and future needs.

The American public cannot afford home ownership. The average American home in 1969 was $25,600 and in 1979 was $63,200. There will be a housing shortage in the 1980's. The price of a home will rise to meet demand.

The attached figures indicate that the production of new housing is well below the needed levels for minimum requirements. They also show that if sufficient housing units were available, they would not be at a price that would be affordable by the majority of Americans.

The cause of this dire housing situation is high interest rates. These rates must come down and they must come down immediately!

State Department of Planning and Community Affairs Publication C-40, Commerce Department.

State of Washington New Housing Permits—Privately Owned Units.

1978, 57,421. 1979, 51,758. 1980, 32,822. 1981, 2,157 (through April 1).

Thurston County New Housing Permits—Privately Owned Units.

1978, 2,679. 1979, 1,856. 1980, no figure available. 1981, 482 (through April 1).

U.S. New Housing Starts Privately Owned Units (Source—Bureau of Census).

1978, 2,020,300. 1979, 1,745,100. 1980, 1,292,200. 1981, no figure available.

Western United States—Privately Owned Units—Housing Starts. (Source—Bureau of Census).

1978, 545,000. 1979, 470,000. 1980, 306,000. 1981, no figures available.

Average Loan Amounts for U.S. (Source—Seattle FHLB).

1978, 41,400. 1979, 48,200. 1980, 51,700. 1981, no figures available.

Average Contract Interest Rate for U.S. (Source—Seattle FHLB).

1978, 9.37 percent. 1979, 10.59 percent. 1980, 12.46 percent. 1981, no figures available.

Income necessary to qualify for average loan at average interest rate using 80 percent Loan to Value and Federal Home Loan Mortgage Corporation Payment to Income requirements 28 percent and an estimated figure for taxes and insurance of $75.00.

1978, 17,965.45/yr. 1979, 22,249.32/yr. 1980, 26,792.92/yr. 1981, 37,777.67/yr.[1]

Mr. Speaker, Mr. Joe Martineau is executive vice president of the Home Builders Association of Washington State. He writes that those small businessmen involved in the housing industry are closing their doors, facing closure, or entering into bankruptcy in the largest numbers in the industry's history. It is obvious that such a situation cannot be tolerated any longer.

Mr. Speaker, I include Mr. Martineau's letter at this point in the RECORD:

HOUSE BUILDERS ASSOCIATION
OF WASHINGTON STATE,
*Olympia, Wash., September 23, 1981.*

Hon. DON BONKER,
*Washington, D.C.*

DEAR REPRESENTATIVE BONKER: The National Association of Home Builders, representing 123,500 building industry firms, and of which we are an affiliate, is about to embark upon a nationwide campaign from across the country designated as "Unlock the Economy Week". A year ago such an effort would have been most appropriate. Today its success is critical.

Statistics nationally reflecting housing starts and permits issued do not reflect in any instance the true occurrences in the market place today. In the real world of housing, builder, subcontractor, supplier, financing and marketing firms are closing their doors, facing closure or entering into bankruptcy in the largest numbers in the industry's history. It can only be apparent to those of us in the field that there are those others in high places who do not have to face the reality of a business depression and who cannot understand the despair of the individual who is about to suffer the loss of a lifetime of work and dedication.

For months we have seen the spread between the prime rates, Fed's discount rates and inflation grow larger and larger, when in fact, the prime rate and Fed's discount rate should be closing on the inflation rate. 95 percent of the potential American housing market need not even look to the purchase of a home today because of unconscionably high interest rates. The employment picture in the state of Washington has reached the startling proportions that existed during the employment recession of a few years ago which was fueled by the massive layoffs in the aerospace industry.

I am sure that every state has its own unique problems in an economic climate such as we face today. Because two of our major industries are so significantly affected, that is, the home building industry and the timber industry, we perhaps have felt the impact of hard money policies and high interest rates more significantly than other areas. It is extremely difficult to convince the members of an industry or to convince businessmen and their employees generally that to save the nation's economy, we must, in fact, "throw the baby out with the bath water". I would hope and pray that the elective administrators and policy makers of this nation in concert with the appointive managers of our government could apply a combination of their talents and compassion to devise an economic interim program capable of "keeping the nation afloat" while the greater overall program of revitalizing the whole economy and balancing the budget takes place.

I see no reason to dazzle you with statistics because only a blind man and a fool could fail to see and understand that the nation's greatest asset, it's small business community, is about to be decimated.

Sincerely,

JOSEPH A. MARTINEAU,
*Executive Vice President.*

Mr. Speaker, here is another example of a realtor experiencing similar problems. This is from Vince Himlie of Himlie Realty, Inc.:

HIMLIE REALTY, INC.
*Shelton, Wash., September 17, 1981.*

DEAR CONGRESSMAN BONKER: In a recent conversation with Jim Hodges, wherein we were discussing economic conditions in relationship to the real estate field in particular, he suggested that I contact you and relate what has transpired in my personal situation.

Jim and I are both members of a group of Realtors in the State of Washington, namely the Northwest Brainstormers, a group of fellows who meet regularly to discuss and compare business trends in our separate communities throughout the state.

Let me give you some background information pertaining to my involvement in the real estate field. I have been in real estate sales for the past 19 years, and opened my own office 17 years ago.

I have grown from a one-man operation to the largest firm in our town of Shelton, and during that time have employed as many as 8 office staff, in addition to my sales staff, which membered 18 salesmen at one time.

I have developed 4 areas of new homes, seeing new homes built and sold within a very short time. I have part ownership in several commercial buildings in Shelton, besides my own new office, which covers one-half of a city block, and we moved into it 2½ years ago.

At the time the economy started worsening, I had just finished developing an 85 lot tract, anticipating that it would have new homes built on the lots and sold, as had happened in the previous developments. But, this has never happened. To date there are five homes in the entire development, and some of the houses were sold on contract, so the builder recognized very little income at the time of the sales.

As money became more scarce. I was forced to turn to individuals to borrow money to operate my company. Interest rates were becoming very expensive, and I soon found I was in deep trouble.

As of May 11, 1981, I was forced to file a Chapter 11 with the United States Bankruptcy Court. Even though I am still able to operate my business, with the current

[1] Since no figures are available for 1981, a loan amount of $55,000 was used and the current FHA rate of 17.50 percent.

market as it is, my future is very unpredictable.

The economy of Shelton as a whole is greatly affected by the slump in the sale of homes. Our town is mainly a lumber oriented economy, so when the sale of new homes is curtailed, it causes a wide rippling effect, which touches nearly every business in town, from the lumber yards to the house furnishing department stores. We have seen many people lose their jobs.

In our own office, we have had to cut back on our staff until we have two secretaries, a bookkeeper, and my wife has even come in to work on a non-paying position, just to help keep the door open for business. We now have 8 salesmen left—the others have been forced to take other jobs in order to make a living.

Everyone involved in the real estate field is greatly concerned, not only for our own area, but can see the nation as a whole being in great trouble if something is not done soon to ease the strict regulations regarding obtaining mortgages to purchase new homes. When you see large lumber mills, such as the Diamond Match Co. in Newport, Washington being closed, after being in operation for many, many years, as well as seeing Simpson Timber company having to give some of their key personnel early retirement in order to keep the operation going, we cannot help but be very alarmed.

It is my greatest hope that you can be of assistance in helping to get our country back on its feet, and once again be the booming economy that we can all remember of a few years ago.

Very truly yours,

VINCE HIMLIE,
*Realtor.*

Mr. Speaker, these are just a few examples of individuals and organizations, all of whom are experiencing economic hardship, not only in the State of Washington, but the State of Oregon, the State of Montana, the State of Idaho, and the State of California.

This is an economic crisis. All of us hope that tomorrow night when the President addresses the Nation that he will acknowledge certain aspects of his program are not working and will attempt to set things straight so that we can have an economic policy that will truly bring about economic recovery in America.

Mr. WILLIAMS of Montana. Mr. Speaker, again I thank my colleague, the gentleman from Washington, for his leadership and assistance in providing the time for this effort this afternoon.

## GREEK COIN PROGRAM SHOULD BE A WARNING TO U.S. OLYMPIC COINS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 10 minutes.

● Mr. ANNUNZIO Mr. Speaker, last week I reported on the accusations in Greece about a cloud over its 1982 Pan-European Games coin program. Those accusations are of interest in the United States because the firm involved in marketing the Greek coins, Numarco, is a subsidiary of the international banking company Lazard-Freres. Lazard-Freres is a partner of Occidental Petroleum and has a contract with the Los Angeles Olympic Organizing Committee (LAOOC) for the exclusive worldwide rights to market U.S. Olympic coins proposed under S. 1230 and H.R. 3958.

Another report on the Greek problem has appeared in the September 26, 1981, issue of Numismatic News. It shows how the issues being raised in Greece are very similar to those I have raised about S. 1230 and H.R. 3958. It also shows how my Olympic coin bill, H.R. 3879, resolves these issues.

There have been accusations in Greece that the Lazard subsidiary, Numarco, was improperly awarded a sweetheart contract granting it the exclusive rights to market 1982 Pan-European Games coins. I have questioned whether the LAOOC acted properly in awa 'ding Lazard-Occidental exclusive marketing rights to U.S. coins that are not in existence and cannot come into existence unless Congress acts.

The terms of the contract between the Greek Government and Numarco have never been made public. Similarly, the terms of the contract between the LAOOC and Lazard-Occidental have never been made public, even though I requested a copy of the contract over 3 months ago.

Also questioned was the decision of the Greek Government to permit Numarco to market the coins in Greece rather than market the coins itself. In the United States I believe that the U.S. Mint, with its 45 years experience in selling coins can do an excellent job at a lower cost than private marketers. It is also wrong for a private concern to be given the exclusive rights to U.S. coinage minted pursuant to the Constitution. My bill provides for direct marketing by the mint, while S. 1230 and H.R. 3958 require private marketing.

The Greek coins will be issued in three series of five coins each. The entire set will cost over $2,000 at current prices and rates of exchange. S. 1230 and H.R. 3958 repeat the error of flooding the market with too many designs by proposing 29 coins. I estimate that a complete set could easily cost $8,000 or more. My bill calls for only a single 90-percent silver coin, which will be easier to sell and will be affordable to many more people than a set of 29 coins. My coin would cost between $20 and $25.

Finally, there has never been as estimate of how much, if any, revenues will be raised for the Greek Government. S. 1230 and H.R. 3958 would raise little or no revenue for the Federal Government. My bill requires that 50 percent of the profits go to reducing the national debt. It should raise between $50 to $135 million for that purpose.

Let us learn from others so that we can have a successful and profitable coin program not clouded by suggestions of scandal.

The entire Numismatic News article is reprinted below:

GREEK PLAN DRAWING FIRE

Angry exchanges characterized a news conference Sept. 9 in Athens, Greece, held to announce the issuance by *Greece* of the first five coins in a series planned to commemorate the 1982 European Games, according to Anastasios Tzamalis, Krause Publications' Athens correspondent.

Delving into what appears to be a growing scandal concerning the awarding of the contract to market the commemorative coins, reporters pressed Greek officials and representatives of Lazard-Numarco, the firm that received marketing rights from the Greek government, for answers.

Of those present, including a deputy minister, president of the organizing committee of the European Games and several managers of the Bank of Greece, only the Lazard-Numarco team responded to a "barrage of questions from reporters," Tzamalis said.

These Lazard-Numarco representatives used the "tactic of a lot of words to say nothing" and "they succeeded in adding substantially to the frustration," Tzamalis continued. "In the end, the Greek deputy minister interrupted the angry exchanges, asking the press point blank to help the program rather than criticize it."

Left unanswered were such questions as:

What are the expected profits for Greece?

Why did the Greek government prefer to deal with a distributing company instead of holding an international bidding competition for the contract?

Why had prior marketing offers from organizations, such as Great Britain's Royal Mint and the Franklin Mint, been overlooked?

Why hadn't the Greek government undertaken the program, placing only the international distribution with Lazard-Numarco?

Prompting the inquiry of the press were the systematic silence of Greek officials to questions raised about the deal in the Greek parliament earlier this year and the Greek government's refusal to publish the terms of the contract between the government and Lazard-Numarco, Tzamalis said.

In February, 1981, Member of Parliament Virginia Tsouderou termed the deal between the Greek government and Lazard-Numarco a "first class scandal." She accused the government of awarding a sweetheart contract to the firm, which is a subsidiary of Lazard Freres & Co., a Paris-based international investment banking firm.

Lazard Freres & Co. is also a partner with Occidental Petroleum Corp. of Los Angeles, Calif., in the "coin group," an entity that is currently trying to push a bill through Congress that will create a 29-coin program to commemorate the 1984 Olympics and give itself exclusive marketing privileges.

A total of 15 designs will be issued by Greece to commemorate the 1982 European Games. They will be issued five to a group and the second and third groups will be released in February, 1982, and later in the spring of 1982, respectively.

Each group will consist of three silver coins of the 100, 250 and 500-drachma denominations and two gold coins of the 2,500 and 5,000-drachma denominations.

Mintages of 300,000 silver coins and 75,000 gold coins are planned. Tzamalis considers these figures highly optimistic in light of the fact that of the 18,000 silver 500-drachma coins and 10,000 10,000-drachma coins minted by Greece in 1979 to mark its entry into the European Common Market, half remain unsold in Bank of Greece vaults.●

## REAGAN PROSPERITY HURTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 5 minutes.

● Mr. FORD of Michigan. Mr. Speaker, the first results of the administration's grand economic experiment are starting to come in, and they are far from encouraging.

Historically high interest rates are suffocating the housing industry, thwarting a recovery in the automobile industry, and plunging thousands of small businesses into bankruptcy. Wall Street is suffering from a bad case of Reaganomic jitters.

The future looks anything but bright.

What we are seeing now does not at all resemble the rosy picture painted last winter as President Reagan was exhorting Congress to give supply-side economics a chance. The supply-side apostles then promised to deliver strong economic growth, a lower unemployment rate, and a defense buildup all at the same time. All this would be possible, they said, by cutting taxes; the savings would be used by industry to invest in new plants and equipment; and this would lead to reduced inflation through higher productivity.

Frankly, I think we have enjoyed about all the Reagan prosperity that we can stand.

Mr. Reagan says it is unfair to criticize his economic policy now since it does not go in effect until October 1, when the new fiscal year begins.

I do not think this argument is very convincing to workers who have lost their jobs since last winter, to college students who have had to drop out because they cannot get loans, to children on school lunch programs, to small businessmen who have lost their businesses, to investors in the stock market, and countless other victims of Mr. Reagan's economic policy.

I have to agree with economist Walter Heller who was quoted in a recent *Times* magazine article as saying: "Only an ostrich could have missed the contradictions of Reaganomics."

We had ample warnings that the Reagan economic program was nothing but a will-o'-the-wisp concocted by rightwing economic youngsters who never thought through the consequences.

The twin goals of supply-side economics—a huge tax cut and increased revenues—simply are not compatible. It does not take a Ph. D. in economics to figure this out.

From the very beginning we were warned by respected economists of both liberal and conservative persuasions—people like Henry Kaufman of Solomon Bros. among them—that the arithmetic of supply-side economics just did not add up. They warned that there was no way you could cut taxes more than $700 billion over 4 years and still balance the budget without catastrophic results.

The untutored Reagan economic brain trusters exhorted us not to worry about figures and facts—to buy it all on faith. They convinced the President that in the short run he did not have to concern himself with deficits.

Well, the Republicans and some of my misguided brothers in Congress passed the President's tax bill. Now Mr. Reagan is finding out that deficits do matter. And he is asking us to bail him out. The financial community has made it clear it does not believe Mr. Reagan when he says he can cut taxes and balance the budget at the same time. So the President wants us to cut another $16 billion from social programs—on top of the $35 billion already slashed—to prove to Wall Street that he is serious.

It is not difficult to understand what is happening. When the Government has to borrow large sums of money to finance a deficit, it competes with the private sector for available funds. When these funds become scarce—or when lenders think they will be in the near future—interest rates go up. This is the case now because the lenders have no faith that Mr. Reagan can have it both ways: A balanced budget where the Government does not have to borrow and a huge tax cut.

The administration has promised to hold the deficit to $42.5 billion in 1982 and balance the budget by 1984. The Congressional Budget Office, however, predicts a 1982 deficit of $65 billion, declining to about $50 billion in 1984. This is about in line with what private forecasters are saying.

So it is apparent now that by listening to the pie-in-the-sky supply siders Mr. Reagan has gotten himself between a rock and a hard place. In desperation the administration wants more blood from the poor and the needy, those least able to make any more sacrifices. Alice Rivlin, the highly respected economist with the Congressional Budget Office, told Congress recently that the only way the budget could be balanced without rollbacks in social security or military spending would be to "close down the rest of the Government."

So much for the administration's claim that it could cut taxes and balance the budget at the same time. I guess we could if we wanted to turn our backs on everything else that we have done to make this an enviable society since the days of the New Deal.

Complicating the economic outlook is the other side of the administration's economic game plan. This is its determination to hold down the money supply. Repeatedly it has applauded, indeed embraced as its own, the Federal Reserve's tight money policy. According to the monetarists who expouse this course, you restrain the growth of the economy by restricting the money supply.

The goal is simple: By making the cost of borrowing very expensive you reduce total demand in the economy. Unemployment increases, workers moderate wage demands and, with a little luck, price increases moderate.

The trouble is that with the tax cut putting added pressure on lendable funds because of expected deficits, we are getting a double whammy on the money supply side.

Federal Reserve Chairman Paul Volcker has pledged that his independent agency will stick with its tight money policy to battle inflation.

He says the solution is simple: Either cut more out of the budget or increase taxes. Since it would be terribly embarrassing for the President to propose a tax increase after fighting so hard for a cut, he has decided to try to wring more from those in our society who have the least ability to fight back.

Mr. Volcker recently reminded those who voted for the tax cut that in doing so they accepted the responsibility of "cutting the spending suit to fit the revenue cloth."

When we left for the August recess many of my colleagues assumed that they had bitten the budget bullet and that it was all over. Well, clearly it is not. The question now is how much farther we can go and still look at ourselves in the mirror.

There is indeed a bit of irony in the fact that the same administration that has promised a balanced budget was forced to come to Congress in a move to allow the national debt to pass the trillion-dollar mark. And it is the second time since he took office that the President has had to ask for a debt-limit increase.

How much longer can we endure this adventure into the never-never land of economics? I do not think very long.

High interest rates are having a disastrous effect. The housing recession is now nearly 3 years old, longer than any of its recent predecessors. Bankruptcies have increased 42 percent over the same period last year; 85 percent of all savings and loan institutions, the life's blood of the housing industry, are losing money because of high interest rates.

The dire predictions of those who warned against Reaganomics with its promises of tax cuts and a balanced

budget at the same time are turning out to be quite accurate.

The administration's economic experiment is turning into an economic nightmare.

It is time for the President to spurn the band of zealous economic neophytes and turn to the old pros for advice on how to get out of this dilemma.●

## MILITARY SERVICE MEMBERS INEQUITABLY EXCLUDED FROM FEDERALLY FUNDED UNEMPLOYMENT BENEFITS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. WHITE) is recognized for 5 minutes.

● Mr. WHITE. Mr. Speaker, I rise in behalf of all military service members who, under recent changes in the law, are now inequitably excluded from federally funded unemployment benefits.

A brief historical sketch of this situation is in order here. Under former law, Federal unemployment benefits were provided to former military personnel if they met certain eligibility requirements of the State in which they applied and if they had served 365 or more continuous days of active duty and were separated from the military under other than dishonorable conditions. Unlike other workers whom many States disqualify for voluntarily leaving a job, service members were eligible for unemployment benefits for leaving the military at the end of a term of enlistment.

Recent changes in the law, however, have eliminated unemployment compensation for those who voluntarily quit military service at the end of a term of enlistment and are eligible to reenlist. Proponents of this provision of the budget reconciliation bill argued that these individuals had voluntarily enlisted in an All-Volunteer Force and should therefore be treated like civilians who voluntarily accept and quit a job. In the process of saving dollars, equity was not considered. This change in the law has the net effect of rewarding those persons who are not qualified to reenlist in our military services and punishing those who have honorably and capably served our country.

There are other problems with the present approach as well. First, it drastically impacts the number of households which might be eligible for food stamps. Second, it places the service member who may be quite a distance from his home at a considerable disadvantage in assessing the labor market compared to the local civilian. Generally speaking, it serves to impede rather than assist the readjustment process from the military to the civilian sector.

Today, I am introducing a bill which remedies this situation and which appears to be a reasonable response to critics of unemployment benefits for ex-service members, yet which represents a reduction in spending compared to the former law. In short, it first provides that a person must have 730 days of continuous military service in order to qualify as employment for unemployment compensation purposes. Second, it requires a 4-week waiting period between the week in which an individual is separated from the military and the week in which he or she first becomes entitled to compensation. And finally, it limits an eligible ex-service member's total entitlement to no more than 13 times the weekly benefit amount payable.

I sincerely believe that this legislation will serve the best interests of our veterans, and I therefore urge my colleagues to join me in assisting those who have served our country by supporting this bill.●

## PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CROCKETT) is recognized for 5 minutes.

● Mr. CROCKETT. Mr. Speaker, yesterday, the House, on rollcall 213, voted on House Concurrent Resolution 183, expressing the sense of the House that the national rugby team of South Africa should not play in the United States.

Mr. Speaker, although I voted "yes" on this measure, apparently the electronic voting system did not register my vote, as I am listed as "not voting" in the RECORD of yesterday.

I wish the RECORD to show that I did support this measure, and that I did cast my vote for it in the House on September 22.●

## TRIBUTE TO EDNA M. VOORHEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. OBERSTAR) is recognized for 5 minutes.

Mr. OBERSTAR. Mr. Speaker, yesterday family and friends paid their last tribute to Edna M. Voorhees, a dedicated and much loved member of my staff, who passed away this weekend, a victim of cancer.

During her 16 years' service here Edna Voorhees personified the unsung hero nature of Hill staffers, serving four Members of Congress, Bob Duncan, Jerry Pettis, John Blatnik, and myself in that period of time. The labors of dedicated and hard-working staff turn the gears of this institution, but they receive little public recognition for their efforts. I think Edna deserves that special public recognition. She was an exceptional secretary. In fact, I would say the very model of a true professional in her vocation.

But Edna was more than the model of a professional. She was wife, homemaker, mother, friend, counselor, comforter to many, a profound and beautiful person to all who knew her.

At birth we rejoice and we wonder at the mystery of new life ahead. But the irony of human existence is that in death the mystery of life is revealed to us. The joys, the sorrows, the disappointments, and the triumphs are special ways in which we were touched by the life of a loved one. In life we may have been too embarrassed to say all we felt or appreciated in that person. But death releases us from that bondage. In life we held back, but now we are no longer restrained. Our hearts and memories will overflow and recall and retell our favorite secret memory of that loved one.

In life Edna was such a person. In life she belonged to a few. In death she belongs to us all.

We are the most human in those special milestones in our brief passage on Earth, marriage, birth, and death. At those times we let our guard down, we let others invade our privacy. We let our feelings and emotions out to touch the lives of others.

It strikes me that Edna never had her guard up, she never wore a mask. She was one person, she was not inscrutable. She allowed herself to be vulnerable. She allowed herself to be totally open to others' needs and hurts. She loved and she was hurt. She showed and she shared the love and the hurt.

If love is the glue that binds the family together, then Edna was that glue. She was love itself.

Inevitably the question forces itself on us. She was such a good person, always putting others ahead of herself, why did she have to suffer so.

So life, a good life, does not mean that we have earned an easy death. A compassionate life is one in which the joys and the sufferings of others are deeply felt and that kind of life makes death an act of dying for and with others, and in a very real sense as well as in a symbolic way Edna suffered for those with whom she had lived.

There is a Yiddish saying, "God gave us burdens, but he also gave us shoulders." Edna was shoulders for all of her family and for all of us whose lives she touched. The Lord has taken her to His house, but he has not left us alone. He has left us the example of Edna's strength, her courage, and of her love.

Her time of testing is over. Ours has just begun. I pray that we shall not be found wanting and that her example will live on in each of us.

## TRIBUTE TO MR. FRANK J. ZAMBONI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DYMALLY) is recognized for 60 minutes.

Mr. DYMALLY. Mr. Speaker, on September 30, 1981, the Paramount Chamber of Commerce will pay tribute to one of our local pioneers who had contributed a great deal to the success and development of Paramount. This honor will go to Mr. Frank J. Zamboni at a chamber of commerce membership luncheon to be held at Iceland, 8041 E. Jackson, Paramount, at 12 noon.

The origin of Frank J. Zamboni can be traced to January 16, 1901, when he was born in Eureka, Utah.

Mr. Zamboni, in the ice manufacturing business in the 1930's when that type of endeavor went to pieces, was concerned that his ice plant was lying idle. This concern coupled with the fact that Hynes—Paramount—was primarily a Dutch community, gave birth to the idea of an ice rink for Hynes.

When he first proposed the idea of building a first-class ice skating rink at the small town of Hynes, the idea was denied. But he went ahead, convinced the idea was sound. The first years were tough and trying, but the rink has attained national prominence and serves multitudes of ice enthusiasts weekly. When the rink originally opened in January 1939, it did so with all of the splendor and ceremony of a true "Hollywood" opening.

The biggest problem was the resurfacing of the ice, which required up to 1½ hours and three to five men. In March 1942, Zamboni began to experiment with a tractor and a sled. After 7 years of tinkering, he patented mankind's first ice resurfacer.

In 1952 Sonja Henie was practicing in the Paramount rink. At her request, Zamboni built a machine she took on a tour of the United States, Canada, and Europe. Other rink owners spotted Zamboni's machine and placed orders.

In 1954, Zamboni began limited production of a standardized model and started his rise from "little old ice maker" to king of the ice resurfacer. The name "Zamboni" is now synonymous with the machine.

Besides being a prominent businessman, he was also a civic leader and led the undertaking to unite Hynes and Clearwater under the single name of "Paramount." taking office as president of the Hynes Clearwater Kiwanis Club January 3, 1946, he announced the Paramount unification project as the club's major objective for the year. Soon nearly all other civic, patriotic, and cultural organizations of the community had lined up in support of the plan. Consolidation of the two towns under the single name of Paramount marked the final step in the community unification project.

Another highlight of Mr. Zamboni's career is in June of 1965, he had the high honor of being named to Ice Skatings Hall of Fame.

Frank married Norda Chamberlain in February of 1923. They have three children, Arlene Lenarth, Jean Zamboni, and Richard Zamboni, 14 grandchildren and 7 great-grandchildren.

Mr. Speaker, as the Representative of the city of Paramount I am pleased to join with the residents of Paramount in paying tribute to Mr. Frank J. Zamboni and his family.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. NELSON (at the request of Mr. WRIGHT), for today, on account of illness.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. KRAMER) to revise and extend their remarks and include extraneous material:)

Mr. ROGERS, for 10 minutes, today.

(The following Members (at the request of Mr. BONKER) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.

Mr. FORD of Michigan, for 5 minutes, today.

Mr. WHITE, for 5 minutes, today.

Mr. FORD of Tennessee, for 10 minutes, today.

Mr. CROCKETT, for 5 minutes, today.

Mr. BONER of Tennessee, for 15 minutes, today.

Mr. OBERSTAR, for 5 minutes, today.

Mr. ANNUNZIO, for 15 minutes, on September 24.

Mr. ROEMER, for 20 minutes, on September 24.

## EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. HYDE, at the conclusion of general debate on H.R. 4 in the Committee of the Whole today.

(The following Members (at the request of Mr. KRAMER) and to include extraneous matter:)

Mr. NELLIGAN.
Mr. CONTE.
Mr. MCGRATH.
Mr. SNYDER.
Mr. BUTLER.
Mr. MILLER of Ohio in three instances.
Mr. HAMMERSCHMIDT.
Mr. WHITTAKER.
Mr. MOLINARI.
Mr. HYDE.
Mr. FINDLEY.
Mr. LEWIS.
Mr. WINN.
Mr. HOLLENBECK.
Mr. LUJAN.
Mr. WAMPLER.
Mr. TRIBLE.
Mr. WOLF.
Mr. DOUGHERTY.
Ms. FIEDLER in two instances.

(The following Members (at the request of Mr. BONKER) and to include extraneous matter:)

Mr. DORGAN of North Dakota.
Mr. MAZZOLI.
Mr. HAMILTON.
Mr. WHITTEN.
Mr. ERTEL.
Mr. SIMON in 10 instances.
Mr. VENTO.
Mr. BIAGGI in 10 instances.
Mr. OTTINGER.
Mr. RICHMOND.
Mrs. SCHROEDER.
Mr. LAFALCE.
Mr. BARNARD.
Mr. BONKER.
Mr. RODINO.
Mr. LONG of Louisiana.
Mr. HAWKINS in three instances.
Mr. FARY.
Mr. WILSON.
Mr. HUBBARD.
Mr. LUKEN.
Ms. MIKULSKI.
Mr. BEDELL.
Mr. WYDEN.
Mr. WOLPE.
Mr. GUARINI.
Mr. RAHALL.
Mr. HALL of Ohio.
Mr. EDGAR.
Mr. JOHN L. BURTON.
Mr. GARCIA.

## SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 764. An act to provide for protection of the John Sack cabin, Targhee National Forest in the State of Idaho; to the Committee on Interior and Insular Affairs; and

S. 1475. An act to extend the expiration date of section 252 of the Energy Policy and Conservation Act; to the Committee on Energy and Commerce.

## ENROLLED BILLS SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that the committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 618. An act to convey certain interests in public lands to the city of Angels, Calif.; and

H.R. 2218. An act to direct the Secretary of Agriculture to convey certain National Forest System lands in the State of Nevada, and for other purposes.

## SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled Joint Resolution of the Senate of the following title:

S.J. Res. 65. Joint resolution proclaiming Raoul Wallenberg to be an honorary citizen of the United States, and requesting the President to ascertain from the Soviet Union the whereabouts of Raoul Wallenberg and to secure his return to freedom.

## ADJOURNMENT

Mr. SWIFT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 10 minutes p.m.) the House adjourned until tomorrow, Thursday, September 24, 1981, at 10 a.m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2231. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend the act of September 30, 1950, with respect to assuring a free public education for military dependents residing on Federal property; to the Committee on Education and Labor.

2232. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting the financial report of the Corporation for the month of June 1981, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Energy and Commerce.

2233. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Greece (Transmittal No. 81-101), pursuant to section 36(b) of the Arms Export Control Act, together with certification that the sale is consistent with the principles contained in section 620C(b) of the Foreign Assistance Act of 1961, pursuant to section 620C(d) of the act; to the Committee on Foreign Affairs.

2234. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Colombia (Transmittal No. 81-105), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2235. A letter from the Acting Secretary of the Interior, transmitting a report covering fiscal year 1980 on donations received and allocations made from the fund "14X8563 Funds Contributed for the Advancement of the Indian Race, Bureau of Indian Affairs," pursuant to the act of February 14, 1931, as amended (82 Stat. 171); to the Committee on Interior and Insular Affairs.

2236. A letter from the Architect of the Capitol, transmitting the proposed master plan for future development of the Capitol grounds, pursuant to title V of the Legislative Appropriations Act, 1976; to the Committee on Appropriations.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. EDWARDS of California: Committee on the Judiciary. Supplemental report on H.R. 3112 (Rept. No. 97-227, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. NATCHER: Committee on Appropriations. H.R. 4560. A bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1982, and for other purposes (Rept. No. 97-251). Referred to the Committee of the Whole House on the State of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SAM B. HALL, JR.: Committee on the Judiciary H.R. 1352. A bill for the relief of Laszlo Revesz (Rept. No. 97-246). Referred to the Committee of the Whole House.

Mrs. SCHROEDER: Committee on the Judiciary H.R. 1796. A bill for the relief of Jacobo Cosio-Franco; with an amendment (Rept. No. 97-247). Referred to the Committee of the Whole House.

Mr. McCOLLUM: Committee on the Judiciary H.R. 1624. A bill for the relief of Theresa Macam Alcalen; with amendments (Rept. No. 97-248). Referred to the Committee of the Whole House.

Mr. MAZZOLI: Committee on the Judiciary H.R. 1977. A bill for the relief of Maria Gloria (Joy) C. Villa (Rept. No. 97-249). Referred to the Committee of the Whole House.

Mr. LUNGREN: Committee on the Judiciary H.R. 3478. A bill for the relief of Mrs. Maruko Kubota Smith; with amendments (Rept. No. 97-250). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. NATCHER:

H.R. 4560. A bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1982, and for other purposes.

By Mr. BONER of Tennessee:

H.R. 4561. A bill to amend title II of the Social Security Act to limit benefits in the case of individuals who are not citizens or nationals of the United States or who are residing abroad; to the Committee on Ways and Means.

By Mr. DORGAN of North Dakota:

H.R. 4562. A bill to amend the Internal Revenue Code of 1954 to deny all deductions for interest paid or incurred on loans in connection with an unfriendly takeover, or attempted takeover, of a corporation; to the Committee on Ways and Means.

By Mr. DORNAN of California:

H.R. 4563. A bill to amend title 18 of the United States Code to make rape a Federal crime if committed after travel in interstate commerce with the intent to commit rape, and to provide for the establishment within the Federal Bureau of Investigation a Rape Prevention Information Center; to the Committee on the Judiciary.

By Mr. ERTEL (for himself, Mr. FUQUA, Mr. WALGREN, Mr. BROWN of California, Mr. HOLLENBECK, Mr. LAFALCE, Mr. AUCOIN, Mr. MURPHY, Mrs. HECKLER, Mr. HUGHES, and Mr. WINN):

H.R. 4564. A bill to establish a uniform Federal system for management, protection, and utilization of the results of federally sponsored scientific and technological research and development; and to further the public interest of the United States domestically and abroad; and for other related purposes; jointly, to the Committees on the Judiciary and Science and Technology.

By Mr. FINDLEY:

H.R. 4565. A bill to temporarily delay the October 1, 1981, increase in the price support level for milk; to the Committee on Agriculture.

By Mr. GIBBONS (for himself, Mr. ROSTENKOWSKI, Mr. BRODHEAD, Mr. JENKINS, Mr. ALBOSTA, Mr. FRANK, Mr. WILSON, Mr. CONABLE, Mr. ARCHER, Mr. VANDER JAGT, Mr. PHILIP M. CRANE, Mr. FRENZEL, Mr. SHULZE, Mr. DERWINSKI, Mr. GREEN, Mr. PETRI, and Mr. WYLIE):

H.R. 4566. A bill to reduce certain duties, to suspend temporarily certain duties, to extend certain existing suspensions of duties, and for other purposes; to the Committee on Ways and Means.

By Mr. GUARINI (for himself, Mr. NOWAK, Mr. MCDADE, and Mr. MOAKLEY):

H.R. 4567. A bill to delay the application of Revenue Ruling 81-216, relating to the treatment of separate lots of industrial development bonds under the small issue exemption; to the Committee on Ways and Means.

By Mr. LUJAN:

H.R. 4568. A bill to direct the Secretary of the Interior to release on behalf of the United States certain restrictions contained in a previous conveyance of land to the city of Albuquerque, N. Mex., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MCKINNEY (for himself, Mr. MOFFETT, Mr. RATCHFORD, Mr. GEJDENSON, and Mr. DENARDIS):

H.R. 4569. A bill to designate the U.S. Post Office Building in Hartford, Conn., as the "William R. Cotter Federal Building"; to the Committee on Public Works and Transportation.

By Mr. PRICE (for himself and Mr. DICKINSON) (by request):

H.R. 4570. A bill to amend title 10, United States Code, to eliminate the requirement that an individual be a member of the National Rifle Association in order to be eligible to purchase arms, ammunition, targets, and other supplies and appliances necessary for target practice which are sold by the Department of the Army; to the Committee on Armed Services.

By Mrs. SCHROEDER:

H.R. 4571. A bill to amend the Second Liberty Bond Act to increase the investment yield on U.S. savings bonds to a level com-

petitive with comparable investments, and for other purposes; to the Committee on Ways and Means.

By Mr. SNYDER (for himself, Mr. PERKINS, Mr. TAYLOR, Mr. HUBBARD, Mr. STOKES, Mr. EVANS of Georgia, Mr. ROE, Mr. LATTA, Mr. GONZALEZ, Mr. STANGELAND, Mr. MOTTL, Mr. SOLOMON, and Mr. WATKINS):

H.R. 4572. A bill to provide that no person may charge interest at a rate which is greater than 10 percent per annum on loans exceeding $300, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WHITE:

H.R. 4573. A bill to amend title 5, United States Code, to allow ex-service members who voluntarily leave military service to receive unemployment compensation; to the Committee on Ways and Means.

By Mr. FOLEY:

H.R. 4574. A bill to amend section 164 of the Water Resources Development Act of 1976; to the Committee on Public Works and Transportation.

By Mr. ROGERS:

H.R. 4575. A bill to direct the Secretary of the Treasury to develop a plan for lowering interest rates; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WATKINS (for himself, Mr. ALBOSTA, Mr. ALEXANDER, Mr. ANTHONY, Mr. BEVILL, Mr. BOWEN, Mr. DE LA GARZA, Mr. EMERY, Mr. HOLLAND, Mr. HAMMERSCHMIDT, Mr. HENDON, Mr. JONES of North Carolina, Mr. JONES of Tennessee, Mr. LONG of Louisiana, Mr. KOGOVSEK, Mr. MCCOLLUM, Mr. MCCURDY, Mr. MCEWEN, Mr. MITCHELL of New York, Mr. NAPIER, Mr. ROE, Mr. SKELTON, Mr. SUNIA, Mr. WEBER of Minnesota, Mr. GILMAN, and Mr. CLAUSEN):

H.R. 4576. A bill to amend the Agricultural Act of 1961 to allow the Secretary of Agriculture to provide financial assistance for the economic development of rural enterprise zones, and to amend the Internal Revenue Code of 1954 to provide tax incentives for small businesses located in rural enterprise zones; jointly, to the Committees on Agriculture and Ways and Means.

By Mr. COELHO:

H.R. 4577. A bill to amend Public Law 97-34; to the Committee on Ways and Means.

By Mr. CARMAN:

H. Res. 230. Resolution expressing the sense of the House of Representatives with respect to the uncontrolled production, and exportation to the United States, of illicit narcotics; to the Committee on Foreign Affairs.

## MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

187. By the SPEAKER: Memorial of the Senate of the State of South Carolina, relative to textile imports; to the Committee on Ways and Means.

188. Also, memorial of the House of Representatives of the State of South Carolina, relative to textile imports; to the Committee on Ways and Means.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENJAMIN:

H.R. 4578. A bill for the relief of Bert Van Prooyen; to the Committee on the Judiciary.

By Mr. BROWN of California:

H.R. 4579. A bill for the relief of Ofelma Pinghian Mangabat; to the Committee on the Judiciary.

By Mr. HORTON:

H.R. 4580. A bill for the relief of Maria Angela Chinn; to the Committee on the Judiciary.

H.R. 4581. A bill for the relief of Ronald H. Clifford; to the Committee on the Judiciary.

By Mr. MCKINNEY:

H.R. 4582. A bill for the relief of Bernard E. Teichgraeber; estate of Barbara G. Teichgraeber, deceased, Bernard E. Teichgraeber, and Richard F. Teichgraeber, executors; Bernard E. Teichgraeber and estate of Barbara G. Teichgraeber, Bernard E. Teichgraeber, and Richard F. Teichgraeber, executors; and Richard F. Teichgraeber and Winifred Teichgraeber; to the Committee on the Judiciary.

By Mr. MITCHELL of New York:

H.R. 4583. A bill to extend patent numbered 26,901 (originally issued as number 3,226,696) for a period of 10 years; to the Committee on the Judiciary.

By Mr. WILLIAMS of Ohio:

H.R. 4584. A bill for the relief of Eun Ook Hahn; to the Committee on the Judiciary.

H.R. 4585. A bill for the relief of Dr. Irfan Khan; to the Committee on the Judiciary.

## ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 27: Mr. RICHMOND and Mr. YOUNG of Missouri.

H.R. 878: Mr. TRAXLER.

H.R. 1509: Mr. SEIBERLING and Mr. EVANS of Indiana.

H.R. 1778: Mr. MCCOLLUM.

H.R. 1779: Mr. MCCOLLUM.

H.R. 1989: Mr. RATCHFORD.

H.R. 2322: Mr. ROBINSON.

H.R. 2439: Mr. GEJDENSON.

H.R. 2488: Mr. SMITH of New Jersey.

H.R. 2642: Mr. BARNES.

H.R. 2793: Mr. LOWRY of Washington.

H.R. 3006: Mr. ROTH.

H.R. 3200: Mr. DONNELLY, Ms. FERRARO, Mr. LELAND, Mr. MCKINNEY, and Mr. PATTERSON.

H.R. 3704: Mr. CONTE, Mr. DORNAN of California, Mr. DOUGHERTY, Mr. HAGEDORN, and Mr. ROBINSON.

H.R. 3934: Mr. RUDD.

H.R. 4075: Mr. EVANS of Delaware.

H.R. 4091: Mr. CONTE and Mr. DICKS.

H.R. 4108: Mr. LUNGREN, Mr. EMERSON, and Mr. PASHAYAN.

H.R. 4147: Mr. SMITH of New Jersey and Mr. EVANS of Delaware.

H.R. 4162: Mr. GUNDERSON and Mr. PETRI.

H.R. 4230: Mr. CLINGER, Mr. GINGRICH, Mr. BADHAM, Mr. STOKES, Mr. SOLOMON, Mr. MARTIN of North Carolina, Mr. ROUSSELOT, and Mr. LOEFFLER.

H.R. 4373: Mr. NELLIGAN, Mr. SILJANDER, Mr. BEVILL, Mrs. SCHNEIDER, Ms. MIKULSKI, Mr. PORTER, Mr. MITCHELL of New York, Mr. FORD of Tennessee, Mrs. MARTIN of Illinois, Mr. BARNARD, Mr. MCHUGH, Mr. WON PAT, Mr. GINGRICH, Mr. SAVAGE, Mr. GEJDENSON, Mr. CORRADA, Mr. NEAL, Mr. ECKART, Mr. MAZZOLI, Mr. HUGHES, Mr. MOLINARI, and Mr. MARTIN of New York.

H.R. 4400: Mr. BLANCHARD, Mr. WON PAT, Mr. KAZEN, Mr. DAVIS, Mr. FORD of Michigan, Mr. SAM B. HALL, JR., Mr. STOKES, Mr. BROOMFIELD, Mr. SILJANDER, Mr. SAWYER, Mr. LATTA, Mr. MURPHY, Mr. DANIEL B. CRANE, Mr. ALBOSTA, Mr. HANSEN of Utah, Mr. LUKEN, Mr. OXLEY, Mr. ATKINSON, Mr. HOLLAND, Mr. VANDER JAGT, and Mr. MONTGOMERY.

H.R. 4460: Mr. NELLIGAN, Mr. JEFFORDS, Mrs. HECKLER, Mr. OBERSTAR, Mr. MURPHY, Mr. D'AMOURS, Mr. EDWARDS of California, Mr. LAFALCE, Mr. MITCHELL of New York, Mr. LEACH of Iowa, Mr. RAHALL, Mr. BONKER, Mr. BONIOR of Michigan, Mr. GILMAN, Mr. BARNES, Mr. HOLLENBECK, Mr. EDGAR, Mrs. ROUKEMA, Mr. MAZZOLI, Mr. MITCHELL of Maryland, Mr. RATCHFORD, Mr. ST GERMAIN, and Mr. SEIBERLING.

H.R. 4467: Mr. MATSUI, Mr. PEPPER, Mr. SMITH of New Jersey, Mr. ROE, Mr. DICKS, Mr. D'AMOURS, Ms. MIKULSKI, Mr. GINGRICH, and Mr. JOHN L. BURTON.

H.R. 4501: Mr. EVANS of Delaware.

H.R. 4528: Mr. FORSYTHE, Mr. WATKINS, Mr. ROBINSON, and Mr. EVANS of Iowa.

H.R. 4534: Mr. LOWRY of Washington and Mr. FOGLIETTA.

H.R. 4554: Mr. LIVINGSTON.

H.J. Res. 157: Mr. LEBOUTILLIER.

H.J. Res. 318: Mr. ANDREWS, Mr. ARCHER, Mr. CRAIG, Mr. DE LA GARZA, Mr. DENARDIS, Mr. DORGAN of North Dakota, Mr. DOWNEY, Mr. EVANS of Iowa, Mr. FASCELL, Mr. FAZIO, Mr. FISH, Mr. GEJDENSON, Mr. GILMAN, Mr. GINN, Mr. GOLDWATER, Mr. GREGG, Mr. HATCHER, Mr. HAWKINS, Mr. HUCKABY, Mr. HUGHES, Mr. HUTTO, Mr. JEFFRIES, Mr. JENKINS, Mr. JONES of North Carolina, Mr. LEHMAN, Mr. LENT, Mr. LONG of Louisiana, Mr. MILLER of California, Mr. MINETA, Mr. MOFFETT, Mr. NAPIER, Mr. OTTINGER, Mr. PASHAYAN, Mr. PATTERSON, Mr. PEYSER, Mr. ROE, Mr. SANTINI, Mr. SMITH of Iowa, Mr. STANTON of Ohio, Mr. STENHOLM, Mr. SWIFT, Mr. TAUKE, Mr. THOMAS, Mr. WATKINS, Mr. WHITEHURST, Mr. WIRTH, Mr. WOLF, and Mr. YOUNG of Florida.

H.J. Res. 323: Mr. FAZIO, Mr. SMITH of Pennsylvania, Mr. MAZZOLI, Mr. HANSEN of Utah, Mr. TAUKE, Mr. MARRIOTT, Mr. EVANS of Delaware, Mr. STANGELAND, Mr. DICKINSON, Mr. BONER of Tennessee, Mr. SABO, Mr. EDWARDS of Alabama, Mr. BEARD, and Mr. QUILLEN.

H. Con. Res. 27: Mr. DICKS.

H. Con. Res. 87: Ms. FERRARO.

H. Con. Res. 166: Mr. D'AMOURS, Mr. AUCOIN, Mr. HUGHES, Mrs. HOLT, Mr. PANETTA, Mr. MATSUI, Mr. MOAKLEY, Mr. FISH, Mr. EMERY, Mr. AKAKA, Mr. DYSON, Mr. MINISH, Mr. EDWARDS of California, Mr. CORRADA, Mr. LOWRY of Washington, Mr. MARKEY, Mr. FAZIO, Mr. WEAVER, Mr. LANTOS, Mr. HERTEL, Mr. JEFFORDS, Mr. SHAW, Mr. BEILENSON, Mr. VENTO, Mr. HOWARD, Mr. JOHN L. BURTON, Mr. DWYER, Ms. MIKULSKI, Mr. PATTERSON, Mr. BONKER, Mr. DICKS, Mr. BONIOR of Michigan, and Mr. FRANK.

H. Res. 175: Mr. GINGRICH, Mr. HILER, and Mr. DORNAN of California.

H. Res. 211: Mrs. BOUQUARD and Mr. HUTTO.

H. Res. 219: Mr. EDGAR and Mr. DORGAN of North Dakota.

## DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1805: Mr. BONIOR OF MICHIGAN.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

205. By the SPEAKER: Petition of the legislature of the Republic of Palau, Koror, relative to assistance for the eradication of the Republic's deficit; to the Committee on Appropriations.

206. Also, petition of the 35th annual meeting, Southern Legislative Conference of the Council of State Governments, Charlotte, N.C., relative to inflation; to the Committee on Banking, Finance and Urban Affairs.

207. Also, petition of the 35th annual meeting, Southern Legislative Conference of the Council of State Governments, Charlotte, N.C., relative to the Longshoremen's and Harbor Workers' Compensation Act; To the Committee on Education and Labor.

208. Also, petition of the 35th annual meeting, Southern Legislative Conference of the Council of State Governments, Charlotte, N.C., relative to the Clean Air Act; to the Committee on Energy and Commerce.

209. Also, petition of the board of directors, Meriden Community Action Agency, Meriden, Conn., relative to decontrol of natural gas; To the Committee on Energy and Commerce.

210. Also, petition of the 35th annual meeting, Southern Legislative Conference of the Council of State Governments, Charlotte, N.C., relative to Federal regulation of State and local pension systems; to the Committee on Government Operations.

211. Also, petition of the 35th annual meeting, Southern Legislative Conference of the Council of State Governments, Charlotte, N.C., relative to revision of the Federal Bankruptcy Act; to the Committee on the Judiciary.

212. Also, petition of the 35th annual meeting, Southern Legislative Conference of the Council of State Governments, Charlotte, N.C., relative to air traffic controllers; to the Committee on Post Office and Civil Service.

213. Also, petition of the 35th annual meeting, Southern Legislative Conference of the Council of State Governments, Charlotte, N.C., relative to improving forest management in the South; jointly, to the Committees on Agriculture and Ways and Means.

## AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3210

By Mr. BROWN of Colorado:

—Page 6, line 8, insert after "October 1, 1981," the following: "and any project on the Interstate System with respect to which the environmental impact statement or statements required under section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) were prepared and approved by the Secretary of Transportation before the date of enactment of the Federal-Aid Highway Act of 1981,".

# EXTENSIONS OF REMARKS

## FIRST THINGS FIRST CREDIT ACT OF 1981

**HON. BYRON L. DORGAN**
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. DORGAN of North Dakota. Mr. Speaker, today I am introducing a bill to discourage the waste of our Nation's limited supply of credit by some of our largest corporations, so that a greater amount of credit can be available to the farmers and small business people of America.

This bill would get the Federal Government out of the business of subsidizing such credit waste through our tax system.

Our Nation is in a credit famine. Our farmers and small business people who need credit to buy equipment or to carry their inventory often cannot get that credit. Or if they can get it, they cannot afford it.

The Federal Reserve Board, with the administration's blessing, has adopted a deliberate policy of keeping interest rates so high that they amount to an almost confiscatory tax on the productive enterprises of this country.

The administration tells us to be patient. We are told the dubious theory that this credit famine—and high interest rates—will cure inflation in the long run.

But not everyone has to wait for that "long run." Not everyone has to be patient. While our farmers and small business people come home from the bank loan office emptyhanded, some of our very largest corporations, like Mobil Oil and Dupont, are heaping their plates high with more credit than they need.

In most cases, they are paying, moreover, interest rates that are considerably lower than those the smaller producer has to pay.

It is like 19th-century India: The maharajahs eat and grow fat while everyone else goes hungry.

Mobil alone lined up over $5.5 billion in credit in its recent unsuccessful effort to buy control of Conoco, the Nation's 11th largest oil company. That $5.5 billion is over three times the total outstanding commercial and farm production debt in my State of North Dakota.

In other words, this one oil company, Mobil Oil, was guzzling enough credit to finance the business needs of my State several times over. That credit guzzling meant that $5.5 billion less credit was available for the small producers of this country. It also meant that these small producers have to pay interest rates that are yet higher, because when the available supply of credit goes down, the price goes up.

The Mobil-Conoco episode is just one example of a merger storm that continues to gain strength. Mergers are up 34 percent this year over last, and the truly gigantic combinations, those involving one-half of a billion dollars or more, have grown 15 times over in the last 5 years. Our free enterprise economy may go the way of the dime cup of coffee and the nickel Hershey bar if this trend continues.

It would be one thing if this corporate credit guzzling were doing something useful and constructive. If Mobil, for example, were going to use that $5.5 billion to find new oil, or to develop new techniques for recovering oil presently beyond our reach, or to help develop engines that require less gasoline, or to do any one of the thousands of things it could do with that enormous sum of money to make America better and stronger, our farmers and business people might be patient. They might say, "Well, I do not like those big companies cornering all that credit, but at least the rest of us will get something for it."

But that is not what is happening. The merger schemes of Mobil and others do not provide any new jobs, except for the blue-chip lawyers who grew richer by over $15 million creating the 5-week blizzard of paperwork involved in the Conoco battle. The primary beneficiaries are the top corporate managers who build their empires at the expense of the rest of us.

There is a direct connection between the credit famine on Main Street and the credit orgy that is taking place in the board rooms of giant corporations like Mobil.

There is also a direct connection between this credit-financed corporate takeover spree and other economic problems which our Nation faces.

Is it any wonder, for example, that our productivity is lagging, when the managers of many of our largest corporations prefer to buy up each other's assets instead of minding their own business—instead of spending that money and management energy building new factories, devising better methods of production, improving their products, and doing the other things we need for jobs and economic health?

Mr. John J. Nevin, the president of Firestone Tire and Rubber, said recently that poor management is the primary cause of America's lagging productivity. When our top managers spend their time devising schemes to buy each other's companies, instead of making better products and protecting their markets against foreign competition, productivity is bound to lag.

The Japanese corporations that are challenging ours in the marketplace, rarely engage in merger and takeover games. They grow from within. They grow better instead of just bigger. Their executives spend their time developing top quality products and beating American companies in their own marketplace.

The current credit-financed merger spree in the United States is reducing competition in our economy, and that means higher prices and lower quality products for all of us.

It also threatens to smother our economy in bureaucracy and redtape. When giant corporations like Mobil and Exxon buy up other companies—especially smaller ones—the result frequently is just additional layers of management bureaucracy. Business people who were independent—who were accustomed to making their own decisions, taking their own risks—suddenly find themselves forced to push paper through endless channels and higher-ups just to make simple business decisions.

For example, the cofounder of one small company that Exxon gobbled up not long ago complained to Business Week magazine that, "It can take a year to get approval for a strategy change. The speed at which Exxon moves is incredibly slow." This executive quit, he said, "strictly on the question of independence."

"It is a full time job just filling out all the forms Exxon wants," grumbled the founder of another small company which lost its independence to Exxon's empire-building appetite.

If we wanted to crush the spirit of initiative and individual risk taking in American enterprise, we could find no better way than to let the current merger spree continue unchecked.

To meet the challenges of the 1980's, we need entrepreneurs who are lean and hungry risk takers. We do not need new legions of corporate paper pushers and yes-men. What good will it do us to cut back government bureaucracy, if big new corporate bureaucracies rise up in its place?

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Let us not forget the consumer. The borrowing costs that are financing the takeover binge are passed on directly to the consumer. Du Pont, which prevailed in the battle for Conoco, is going to be paying $750 million per year, more than its total 1980 earnings, just to finance the loan it used in buying control of that oil company. Unless DuPont has discovered the Tooth Fairy, that $750 million will be passed along to all the Americans who buy Teflon cookware; Lucite paints; clothing made from dacron, orlon, and nylon; Rain Dance car wax; agricultural chemicals like Lannate, Marlate 50, and Mansate 500; and all the other products marketed by DuPont.

In other words, the consumer's and producer's dollar will buy less. We have a word for this: "Inflation."

If Congress does not act, this destructive merger trend will grow. The Reagan administration has proclaimed its policy of permissiveness regarding enforcement of the antitrust laws. Our largest companies know the Justice Department intends to look the other way, and are acting accordingly. On top of this, the tax cuts recently passed by Congress included over $50 billion for the oil companies alone during this decade. That is close to the total capital investments made by all U.S. manufacturing companies in 1979. It is more than the dollar volume of all corporate mergers last year. Unless Congress does something soon, the oil companies and others will use their new tax cut bonus to buy up other companies, grab more U.S. farmland, and generally increase their hold over our economy.

The worst part is that the Federal Government is actually subsidizing this merger trend and the credit guzzling associated with it. By allowing the corporations involved to deduct their interest payments on this unnecessary borrowing, the Federal Government—that is the American taxpayer—in effect picks up a big part of the cost.

Today I am introducing a bill to help quell the merger fever, which is worsening the credit famine on Main Street, and to get this credit waste off the back of the American taxpayer. My bill, the First Things First Credit Act of 1981, would simply deny income tax deductions for interest payments on borrowings used to buy up companies that do not want to be bought up. The bill would not prohibit such borrowing; nor would it prohibit takeovers. It would simply say to these giant corporations that if they want to corner the Nation's credit supply to pursue their takeover games, then they will have to pay for this credit themselves. There will be no more subsidies from the U.S. Treasury through deductions for interest expenses for these purposes.

This bill would not affect in any way the deduction of interest payments for other, legitimate business expenses.

Mr. Speaker, America's credit famine is worsening. Business failures are growing at an alarming rate. Members of Congress have been expressing outrage and dismay. We have written letters. We have sponsored resolutions. We have requested the President and the Federal Reserve Board to act. These are helpful steps, but they are not enough. We have to act. We have to do something that will make a real difference.

The bill I am introducing would not solve the whole problem, by any means. But it is a concrete step we can take now. It will discourage credit-guzzling by our largest corporations so that more credit is available to the farmers and business people on Main Street America.●

## TRIBUTE TO CATHERINE DORRIS NORRELL

### HON. JAMIE L. WHITTEN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. WHITTEN. Mr. Speaker, I would like to join my colleagues in paying tribute to a former colleague, Catherine Dorris Norrell, who passed away recently.

Mrs. Norrell ably served the people of Arkansas for 22 years as staff assistant to her husband, the late William Norrell. Upon his untimely death, Mrs. Norrell was elected by a 2-to-1 margin in a special election to complete his term. This margin of victory serves as a testimony to the admiration and respect the people of Arkansas felt for Mrs. Norrell. After her all too brief stint as a Member of this body, Mrs. Norrell continued her valuable service to this country in her employment with the State Department.

I consider myself fortunate to have known and served with Mrs. Norrell. I wish to extend my sincerest sympathies to her daughter, Judy.●

## NATIONAL CYSTIC FIBROSIS WEEK

### HON. DOUG BARNARD, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. BARNARD. Mr. Speaker, the President and the Congress have joined in declaring September 20 to 26 as National Cystic Fibrosis Week to increase public awareness of this disease, the No. 1 killer of children and young adults in our country.

The only hope for a cure of cystic fibrosis, a degenerative disease that attacks the lungs and digestive system, is through more research. Considerable progress has been made in adding years to the lives of thousands of youngters suffering from cystic fibrosis, yet too few survive past their teens or twenties.

Scientists believe the defective genes for the disease are passed on to the child by both parents. Although two carriers of this trait can pass it on to some of their children, the parents themselves show no symptoms.

That is why it is imperative to make the public aware of the disease, its symptoms and the need for research.

Approximately 1 out of every 20 Americans are carriers of this gene. A child born to parents who each carry the gene has a 25-percent chance of inheriting the disease and a 50-percent chance of carrying the gene.

The disease afflicts nearly 30,000 Americans.

A new case of cystic fibrosis occurs in roughly 1 out of every 1,800 births; every 5 hours a child is born with it. And every 8 hours, someone dies from it. Unfortunately, there is not yet any test to identify cystic fibrosis carriers.

However, a simple, painless test which measures the amount of salt in the sweat is a reliable test for the disease in a child. Parents and grandparents are often the first to notice one of the telltale signs of the condition: When they kiss the baby, they taste salt on the infant's skin.

It is sad to consider that a loving parental kiss may be the first indication of the presence of an incurable disease. But even this—and other—early signals might be accidentally ignored without public education about the disease.

Early diagnosis can prolong lives. Only 25 years ago, victims of cystic fibrosis were not expected to reach school age. Today, half will live into their twenties, thanks to advances in diagnostic techniques and day-to-day treatment.

This is testimony, in large measure, to the effectiveness of the Cystic Fibrosis Foundation, a nonprofit, voluntary health agency. The foundation is a network of 75 State and local chapters. It grew out of the concerns and frustrations of a small group of parents of cystic fibrosis patients who, in 1955, decided to fuse their scattered efforts into an alliance against the disease.

These volunteers had organized to publicize the plight of those with the disease, to raise money for the support of medical treatment and to share with others their personal experience.

Today, the foundation prepares a variety of publications and audiovisual materials and conducts public information campaigns.

To support research, care and education, the foundation's chapters conduct numerous fundraising activities

throughout the year. Professional education programs for health care providers are another major responsibility.

The foundation enjoys support from leading corporations and businesses; industry leaders help in the fight through their contributions of money, time, talent, and leadership.

The support of a growing number of individuals, corporations, and foundations—and, with the designation of National Cystic Fibrosis Week, the symbolic support of the Nation—helps insure that efforts to find answers to cystic fibrosis will continue to show positive results.●

## COMMEMORATION OF NICOLA PETKOV ANNIVERSARY

### HON. JAMES L. NELLIGAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. NELLIGAN. Mr. Speaker, today we pay tribute to the great Bulgarian hero, Nicola Petkov, who, 34 years ago, on this day, heroically resisted Soviet oppression. The great statesman and leader of the Bulgarian peasants union chose a martyr's death rather than bow to Soviet aggression.

In the summer of 1947, Nicola Petkov stood in the Bulgarian Parliament Building, refusing to give up the cause of Bulgarian independence. For insisting on exercising his right to freedom of speech within the sanctuary of the Parliament Building, he was arrested and imprisoned by the Soviets. On September 23, 1947, Nicola Petkov met his death for resisting the forces of tyranny. His heroic example served as an inspiration to the Bulgarian people, and he became a symbol of their resistance to foreign rule.

I join with Americans of Bulgarian descent in the 11th Congressional District of Pennsylvania, which I am privileged to represent, in commemorating the anniversary of the death of Nicola Petkov. We recognize his inspiration as a reflection of our own great ideals, and acknowledge his example as a challenge to free men everywhere.●

## A NATIONAL USURY LAW

### HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. SNYDER. Mr. Speaker, last week I introduced a bill, H.R. 4471, to establish a national usury law to limit the interest charged on most loans to a maximum of 10 percent.

The primary objection I have heard to the bill is that an immediate reduction of interest rates to a level of 10 percent would cause considerable hardship to financial institutions issuing certificates of deposit and other long-term saving instruments on which they are paying in excess of 10 percent.

In response, I am today reintroducing the bill with a provision which provides for an orderly phase-in period, gradually reducing the interest rate ceiling to 10 percent over a 3-year period.

The National Usury Act would establish a single, uniform nationwide usury rate; a maximum legal rate of interest that could be charged on most loans. Following a 36-month phase-in this legal interest rate would be 10 percent.

The legal rate of interest would apply to all loans in excess of $300 (except for loans up to $2,500 made by credit unions and petty loan companies and except for installment loans for periods up to 5 years and 32 days.)

The interest rate limitations would be phased in as follows: 15 percent per annum effective 30 days after enactment, 14 percent per annum effective 12 months after enactment, 13 percent per annum effective 18 months after enactment, 12 percent per annum effective 24 months after enactment, 11 percent per annum effective 30 months after enactment, 10 percent per annum effective 36 months after enactment.

Slightly higher interest rates are allowed for installment loans to insure the availability of money for consumer loans—appliances, autos, and so forth. The maximum rate for installment loans would range between 12 and 14 percent, depending on the amount of the loan.

This schedule for reducing the maximum rate of interest allowable would maintain a steady downward pressure on interest rates but would in no way preclude a faster decrease in rates through normal market forces—a decrease foreseen by many economists. In effect, it would take the forecasts of declining interest rates and make them a "guarantee" instead of a "guess."

The gradually decreasing interest ceiling would insure steadily declining interest rates. And this guarantee in turn would facilitate long-range planning in both financial institutions and industry.

It is time we did something about the exorbitant interest rates which are jeopardizing the economic recovery we have worked so hard to initiate. I urge my colleagues to join me in cosponsoring the National Usury Act.●

## OBSERVES 75TH ANNIVERSARY

### HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. CONTE. Mr. Speaker, on September 27, 1981, the parish of Notre Dame du Bon Conseil, of Easthampton, Mass., will celebrate its 75th anniversary.

For the past three-quarters of a century, Notre Dame has served the sizable Franco-American populace in this small town in the First District of Massachusetts as a Roman Catholic place of worship and as the nucleus of the French community in Easthampton.

The clergy and parishioners of Notre Dame are to be commended for their dedication to God, to their faith and to their fellow man. It is this type of commitment that enhances not only their personal lives and that of their neighbors in Easthampton, but, indeed, has a strong and lasting impact on the very life of our Nation. It is faith such as theirs that is a mainstay in our communities and it is their children, growing in the love of God, who will determine the future of our world.

I am pleased to bring this joyous occasion to the attention of my colleagues and I wish the clergy and parishioners of Notre Dame many more years of God's blessing.●

## WHITE HOUSE CONFERENCE ON AGING

### HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. HAMMERSCHMIDT. Mr. Speaker, from November 30 to December 3, our country will be conducting its third White House Conference on Aging. Approximately 2,000 delegates and 1,500 observers are expected to participate at the national Conference which will be held here in Washington. I know that there is a great deal of interest in Congress because 99 percent of all the Members of the House and Senate have responded positively to the opportunity to select delegates for the Conference.

When the National Retired Teachers Association/American Association of Retired Persons brought their "1981 Federal and State Legislative Policy" paper to my attention, it seemed to me, in light of the upcoming Conference, it would be helpful to share some of their proposals with my colleagues.

The article follows:

EMPHASIZING EMPLOYMENT AS A SOURCE OF INCOME

Given current economic, demographic, and elderly labor force participation trends, government policy ought to permit and encourage greater elderly labor force participation. Increased elderly employment activity would generate additional tax revenue for use at all levels of government. The economy in general would benefit from the added value of goods and services produced. The elderly would benefit by being able to supplement their incomes from other sources with income from employment, thus increasing their ability to maintain their standard of living and do it with a form of income (wages) that has better prospects for keeping up with inflation than most other forms of income. Given the national commitment to the maintenance of reasonable levels of income among the elderly, any share of that income that can be generated through the work effort of willing and able elderly individuals represents a share that need not be borne by other workers through taxes.

To reverse the elderly's labor force participation trend, a national, coordinated older worker employment strategy is needed. One component of such a strategy entails the elimination of existing elderly employment barriers, the greatest of which is mandatory forced retirement.

In 1978, Congress enacted amendments to the Age Discrimination in Employment Act (ADEA) that prohibit mandatory retirement before age 70, with a few exceptions, and protect most federal employees completely against age-based retirement. These amendments, however, do not go far enough. First, we recommend that forced retirement based solely on age should be completely prohibited under ADEA. Statutory sanctions which exist in current law, such as the bona fide occupational qualification provision, should be eliminated. Finally, the Equal Employment Opportunity Commission should enforce the ADEA as vigorously as possible to assure that the Act's full potential is realized in the case of middle-aged and older workers who continue to be victims of various discriminatory practices.

The second major component of an older worker employment strategy involves the elimination of existing work disincentives. Although the social security earnings limitation and other factors within the structure of the social security programs have already been discussed, other factors exist which serve to discourage work effort by older groups. One such disincentive that must be addressed is a law which mandates that states reduce a person's unemployment compensation by the amount of any pension income received. Although the law was amended in 1980 to limit the applicability of the offset, a person's unemployment compensation will still almost always be reduced by one-half of the amount of any social security benefits received. The Associations recommend that the unemployment compensation offset be repealed in its entirety.

The third component of an older worker employment strategy involves the creation of strong work incentives—some focused on the older workers themselves, other on potential employers. One such incentive focused on the individual worker, an increased delayed retirement credit, was discussed in the context of social security. However, other incentives could be created that would fall outside of social security. For example, credits against federal income tax liability could be established for older workers who avail themselves of job training or retraining programs that are designed to prevent skill obsolescence.

To provide employers with incentives to employ and/or retain older workers, the federal tax structure appears to be the most appropriate vehicle. For example, the employer portion of the social security payroll tax that would otherwise have to be paid with respect to older workers could be reduced or eliminated. A tax credit for a certain portion of the older worker's wages could also be used to encourage employers to hire them. Such changes would effectively reduce the cost of hiring older workers, compensating to some extent for any real or imagined productivity decline associated with age that an employer might otherwise entertain. These changes would also tend to counter any disincentive effect that the minimum wage might have on an employer's willingness to hire or retain an older worker. In addition, the tax laws could be used to encourage employers to introduce a host of job training, retraining, part-time and flex-time programs aimed at older workers.

To complement the other components of an older worker employment strategy, job opportunities must be made available to older workers through federal government employment programs.

The SCSEP is the only categorical program focused exclusively on older workers. It provides a small number (50,250) of part-time jobs for workers age 55 and over who have been chronically unemployed and are below the poverty level at program entry. This program emphasizes on-the-job training and placement of trained workers in permanent unsubsidized jobs.

The Associations support increased funding for SCSEP so that the number of jobs provided by the program can be expanded. SCSEP has been an effective program, free from fraud and abuse. But it has only begun to fill the large need which the low-income elderly population has for jobs.

Over the longer-term, a nationwide, categorical, centrally directed older worker program like the SCSEP should be created that would include full as well as part-time jobs.

TRANSPORTATION

For the most part, the elderly's transportation needs are intertwined with those of the general public and can best be met through a coordinated and improved transportation system which adequately serves the entire community. Certainly much more funding ought to be committed to mass transit in both urban and rural settings. To help meet the elderly's needs, special subsystems should be used as part of the total transportation system, particularly in areas where transportation services are limited or non-existent.

The Associations believe that local communities should be allowed some flexibility in complying with the statutory requirement that all transit facilities and vehicles must be "barrier free" (i.e., accessible to wheelchairs). By giving local communities some options in accommodating the disabled, the needs of the handicapped and the elderly and the financial concerns of the communities can be reconciled.

Because transportation is the link to all other human services needed by the elderly, it must be affordable and reasonably accessible in terms of vehicle design and routing to the places they need to go. Therefore, efforts should be made on the federal level to improve accessibility for older persons through reduced fare programs, universally accepted identification cards for mass transit discounts (for example, Medicare cards) and the coordination of transportation services across human service programs.

Restrictions placed on persons who can be insured raise transportation costs for human service programs. For example, social service agencies are often unable to use older volunteer drivers because insurance often cannot be obtained for drivers above an arbitrary age. Utilization of school, church and privately owned buses or vans is limited because, again, insurance often does not cover the social service clients who could be transported in such vehicles. Certainly remedying these problems could promote more efficient use of transportation resources and at the same time, enhance the elderly's and the poor's access to many social services available in the community.●

## TRIBUTE TO NATHAN HALE

### HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. BIAGGI. Mr. Speaker, today we honor and pay tribute to the memory of Capt. Nathan Hale who gave his life for his country 205 years ago today as a Revolutionary War hero.

Nathan Hale grew up on a farm in Cambridge, Mass. Hale was an avid reader and while in college he was known for his wit and urbanity. His patriotic speech of liberty and independence given after the Battle of Lexington brought him to public notice as a man of literary and oratorical powers. Hale's leadership, resourcefulness, and devotion as a soldier in the Continental Army led to his promotion to captain.

On September 21, 1776, Hale volunteered for a dangerous mission to gather intelligence about the movement of British troops. On that fateful night he was captured by the enemy. One day later, on orders by King George 3d, Nathan Hale was hung by the British. Before his execution Nathan Hale uttered the lines for which he is most often remembered, "I regret that I have but one life to lose for my country".

These famous words reflect Hale's honor and devotion to his country. More than a hero-martyr of the American Revolution, Hale symbolizes the spirit of patriotism and leadership, so important to the growth and well-being of our country. The conduct and courage of Nathan Hale has made him one of America's best-remembered and most respected heroes. It is my pleasure to pay tribute to Nathan Hale on the 205th anniversary of his death.●

## WATER: ANOTHER NATIONAL PROBLEM?

### HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. HAMILTON. Mr. Speaker, I insert my Washington Report for Wednesday, September 23, 1981, into the CONGRESSIONAL RECORD:

WATER: ANOTHER NATIONAL PROBLEM?

Recent headlines have proclaimed that the United States could face a water problem in the 1980's as severe as the energy problem of the 1970's. Such a problem would be due less to a physical shortage of water than to waste, pollution, and mismanagement of the water supply. Today, nearly every congressional district has some kind of water problem—flooding, leaking water mains, fouling of ground water, lakes destroyed by acid rain, and so on. The situation could get worse.

Our present experience with water brings to mind our experience with energy in the early 1970's, the time just prior to the shortages and price increases. The demand for water is growing, and, although estimates vary, annual consumption at the end of the 1990's could be half again as much as consumption in 1975. The water supply is periodically decreased because of pollution of surface and ground sources, overdrafting of underground aquifers, and droughts which may have effects into the mid-1980's. Federal policy encourages enormous waste by providing western farmers with water for irrigation at prices that cover as little as 2 percent of costs. Even more waste occurs because of substandard techniques of irrigation and aging of municipal water mains, some of which lose up to 50 percent of their contents. Costly government programs—$30 billion to treat waste water and $330 million to remove salt from water—have not met expectations, and only one new federal water project has been authorized since 1976. Also, the jurisdiction over issues related to water is confused, with 25 federal commissions and agencies, 50 subcommittees of Congress, and literally hundreds of state and local bureaus trying to carry out overlapping responsibilities. The parallels between water and energy are striking.

Given increasing demand, decreased supply, waste, pollution, and mismanagement, there is an obvious and pressing question to be answered: Are we headed for a water problem as severe as the energy problem of the last decade? The question admits of two answers: yes, if current trends continue unchanged; no, if we take corrective action soon.

To understand our dilemma better, it is helpful for us to review the facts of the situation. Water is constantly available in the fifty states in the form of rain, the amount of which is plentiful, reaching 4.2 trillion gallons per day. However, we are able to use only a small portion of this amount since about 92 percent of it evaporates immediately or else runs off, unused, into the oceans. We actually withdraw some 400 billion gallons per day to irrigate, power, and bathe America—65 percent of it from freshwater sources (such as rivers, lakes, marshes, and reservoirs), 20 percent from undergound aquifers, and 15 percent from saltwater sources (such as inland seas). Most of this water is returned to surface sources, but we do consume, through evaporation and incorporation into our products, some 100 billion gallons per day. About 83 percent of the water consumed goes into agriculture, while 8 percent is consumed in manufacturing, 7 percent in homes, and just over 1 percent each in the generation of power and on public lands. In Indiana, water is withdrawn primarily for industry and the production of energy. It is consumed primarily by use in rural areas and in industry.

Water quality and supply vary greatly from place to place. In the West, we find inadequate supplies of surface water, significant overdrafting of ground water, and pollution of ground water. In the East, we see flooding and pollution of surface water. In southern Indiana, we have surface water polluted by effluents from factories and runoff from fields, excessive growth of algae, and a lack of ground water. Extensive flooding, sedimentation, and erosion must also be addressed. Nonetheless, Indiana is in much better shape than are most states. It ranks somewhere in the top one-quarter in quality and supply of water. Indiana is expected to become an even more attractive "water-belt" state in the future as the "sunbelt" states experience more serious shortages of water.

Even though there are shortages of usable water in some regions, the national situation is good on the whole. We will have enough water to meet our needs well beyond 1985. Nonetheless, our favorable outlook in the near term should be tempered by the realization that the supply of water is not nearly as ample as it was 20 years ago. Also, we should be concerned that increasing demand, decreased supply, waste, pollution, and mismanagement do not bode well for the future. If these matters are not attacked soon, we may have on our hands within the next two decades a water problem every bit as severe as the energy problem of the 1970's.●

## THE REAGAN REVOLUTION?

### HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. LAFALCE. Mr. Speaker, I am certain many of my colleagues experienced similar reactions from constituents during the August recess as I did. So many questioned the Reagan administration's interpretation of the vote last November. So many expressed the view that they did not vote for the magnitude of changes in government that the administration is talking about and stating that they have a mandate to implement.

George Will, a most respected leading conservative commentator captures these constituents' views and comments upon the real meaning of the Reagan election. In addition he states that if President Reagan believes that Americans want a revolution, a 180 turn in the course of government, he is dead wrong.

Such an analysis by a strong Reagan supporter is worth noting and reading. Mr. Will's article from the September 17, 1981, issue of the Washington Post follows:

[From the Washington Post, Sept. 17, 1981]

ABOUT THAT REAGAN REVOLUTION

(By George F. Will)

Perhaps President Reagan should not be expected to offer a balanced assessment of his achievements so far. He certainly didn't when, in an interview with Fortune magazine, he was asked whether his administration might be "just a four-year blip off the long-term national direction." He responded:

"No, I feel that we did just about a 180-degree turn in the course of government, and I'd like to feel that it reflects what the people out there are thinking."

Leave aside the question of in what sense it can ever be said that the people "out there" are thinking about the course of government. But it should be said that Reagan's statement, like other person's hyperbole about a "Reagan revolution," is notably unhistorical.

Nothing Reagan has done or aspires to do is comparable to what Franklin Roosevelt did in the mid-1930s. FDR altered, fundamentally and irrevocably, the relationship between the citizen and the central government. That government assumed responsibility for the nation's economic health—the aggregate economic output—and for a minimum material well-being of the individual.

If Reagan wants to repeal those federal responsibilities (a repeal that would constitute a real revolution), he has not said so. And he had better not. If Carter had succeeded in portraying Reagan as bent on repealing the New Deal and dismantling the welfare state, Carter might have carried 44 states.

Reagan's most "revolutionary" measure is said to be the cut in personal income taxes. But that cut is primarily a measure to enable people to run in place, a measure to counter the silent, unlegislated tax increases imposed by inflation. The National Journal calculates that "no category of taxpayer will have a significantly lower tax burden in 1984 than in 1977." This is a "revolution"? A "180-degree turn"?

Analysis of the 1980 election results does not reveal a call for a 180-degree turn. Reagan's 10 percentage-point margin of victory over his Democratic opponent was impressive, but it was only the ninth biggest margin in the 21 elections in this century. It was smaller than three Democratic victories (1932, 1936, 1964) and five Republican victories (1920, 1924, 1928, 1956, 1972). And Reagan's electoral margin should be seen primarily as Carter's electoral deficit.

Reagan has so improved the nation's mood that it is hard to recall how sour was the mood about Carter. In January 1960, Eisenhower's job-approval rating was 57 percent. Ford's was 45 percent in the summer of 1976. Truman's was 32 percent in June 1952. But Carter's record-smashing collapse put him at 21 percent in June 1980.

Not surprisingly, on Nov. 4, 1980, Carter lost 4 of 10 of his 1976 supporters. There was one dominating fact of 1980 and it was not a national conversion to conservative ideology. It was a desire to see Carter gone.

In a Yankelovich poll in January 1981, 63 percent said that the primary reason for Reagan's victory was dismay about Carter. Only 24 percent called it a mandate for conservatism. Even Republicans and self-described conservatives agreed (54-34 and 57-30 respectively).

William Schneider of the Hoover Institution at Stanford, writing in a volume published by the American Enterprise Institute,

says the electorate was not "convinced" about conservatism, but was tolerant about it, willing to give it a chance. Schneider says every election offers a "plebiscitary choice" (a chance to say how the government is being run) and an "ideological choice" (a chance to say which candidate or party comes closest to one's ideological beliefs). Carter's campaign strategy was to emphasize the ideological choice. Reagan struggled successfully to make the election turn on the plebiscitary choice.

That is, Reagan won because he kept the election from being a referendum on conservative ideology. Bear that in mind as Congress is asked to make more cuts in domestic spending—and as Congress instead turns against defense spending.

It is not true that Republicans won because they have "ideas," or that Democrats desperately need to originate some ideas. Certainly, they need Jacksonism—part Andrew, part Scoop: balanced-budget liberalism, laced with nationalism. But what they most need are Republican mistakes.

Mistakes by those in power make an opposition party seem intellectual. Democratic mistakes made the GOP seem intellectual, so it can happen to absolutely any party. Thus, the Democratic Party can sit back and wait to see how sturdy is the basket of economic theories into which Republicans have put all their eggs.●

## SEXUAL REFORM ACT: MORE THAN AN ISSUE OF HOME RULE

### HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. MAZZOLI. Mr. Speaker, on July 14, 1981, the District of Columbia City Council enacted the Sexual Reform Act of 1981, District of Columbia Act 4-69. The legislation was directed toward the modernization of the District's sexual assault laws.

I commend the District of Columbia City Council and the Mayor for their careful deliberation on this legislation and also for their good intentions.

I am aware that an initial legislative proposal to lower the age of sexual consent for girls from age 15 to age 12 was defeated in the City Council. The only amendment made to this section of the law is that this statutory rape section now applies to boys as well as girls.

Nonetheless, D.C. Act 4-69 repeals current fornication, adultery, sodomy, and incest laws for consenting adults in the District of Columbia. I am in total disagreement with this aspect of the proposed legislation.

I am well aware of the District's right to self-government. I joined the House District Committee in 1973 and helped pass the home rule bill.

On the other hand, I cannot, in good conscience, support legislation which condones certain extramarital sexual relations, certain homosexual and—most grievously—condone incestuous activity.

I remain a supporter of home rule for the District of Columbia. However, for the reasons stated above, I will support the resolution disapproving D.C. Act 4-69, Sexual Reform Act of 1981.●

## HIGH INTEREST RATES

### HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. RICHMOND. Mr. Speaker, we have been so pounded for so long by bad economic news that any development that is not an out-and-out disaster brings an almost automatic sigh of relief. We have come to view a 10-percent inflation rate as good news. We fervently pray for a budget deficit of only $42.5 billion. We cheer when the prime rate falls to 19½ percent.

But let us not kid ourselves. Only a few years ago, the floor of the House would have been filled with Members expressing their outrage at an economic situation that produced these kinds of figures.

The bad news about Monday's decline in the prime rate to 19½ percent is that everyone considers it good news.

Interest rates today are not good news, and neither is the effect that they are having on our economy.

We are now almost three-quarters of the way through 1981 and not once during the year has the prime rate fallen below 17½ percent. For small businesses who pay 2 to 3 points above prime—and the economy of my district in Brooklyn is based almost entirely on small businesses—this means that they have been paying no less than 20 percent all year for the bank loans they need to finance their inventories and meet their payrolls. They simply can not do it.

During 1981, bankruptcies reached their highest level in more than a decade and now stand at twice the level of 1978, when interest rates were only half what they are now.

Other sectors of the economy have been equally devastated. During the past few weeks, the interest rate on 30-year traditional home mortgages has surged to an all-time record of more than 18 percent, and the homebuilding industry is now in a total depression. The annualized housing starts figure for August of 937,000 is the lowest we have seen since the housing depression in 1975.

Unemployment among construction workers is 26.7 percent, more than double the national average. In Brooklyn where we concentrate on rehabilitation, the industry is at a standstill.

The municipal bond market is virtually in chaos. According to Salomon Brothers, the average interest rate on tax-exempt municipal bonds is now over 13 percent. This is twice what local governments had to pay only 2 years ago. These high interest rates, combined with President Reagan's cut in programs that assist State and local governments, are wreaking havoc on the ability of local governments to fund the capital expenditures needed to keep their economies viable and healthy. We will pay for this in the future as the infrastructure of this country deteriorates beyond repair.

We have all known for some time that high interest rates are no cure for anything, and they are not curing anything now. Instead, it is time that the President and the Federal Reserve rechart their economic policies, and cure our most pressing economic problem—high interest rates.●

## CANADIAN DUMPING OF LUMBER HURTS U.S. ECONOMY

### HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. BONKER. Mr. Speaker, I want to bring to the attention of my colleagues a recent editorial in the Seattle Times which points out certain actions of the Canadian Government that are devastating our domestic lumber industry, which is already reeling under sky-high interest rates.

The Canadian Government is unfairly subsidizing its lumber industry. The result is that the United States is importing more and more lumber from Canada at a time when our domestic saw mills are closing down and throwing thousands of people out of work.

The Canadian share of the U.S. lumber market was 18.7 percent in 1975; that has increased every year but one since then—to a new high of 32.2 percent this year. The reason is cheaper stumpage prices for Canadian wood. The Canadian mills can buy trees to cut for about one-eighth of what U.S. mills must pay. Both buy trees from their Governments, but U.S. mills are required to bid against one another, while Canadian companies are not.

A study by Associate Prof. David Haley of the University of British Columbia's School of Forestry points out that in 1978, Canadian mills paid $4.58 per cubic meter of stumpage, while mills in the U.S. Pacific Northwest paid $39.11 per cubic meter for comparable trees. This amounts to a $60 per thousand board feet subsidy for British Columbia mills, or a cost advantage of 25 percent of the price of the manufactured product.

In effect, the Canadian Province is accepting less money for the right to cut trees on its land than U.S. Federal and State governments are accepting for cutting on their lands. This amounts to a subsidy. British Colum-

bia sets its fee for cutting rights at an appraisal far below market value, and without bids.

The cheaper stumpage prices for Canadian lumber give the Canadian producers an unbeatable advantage in selling finished products to Japan. This is the main reason why Japan buys most of its finished lumber from Canadian producers, while purchasing unfinished logs from Americans.

I have contacted the Department of Commerce and have had personal discussions with Mr. Lionel Olmer, the Department's Undersecretary of Trade on this matter. There is discussion in the Northwest about applying to the Department of Commerce and the U.S. International Trade Commission for a countervailing duty, which would bring Canadian lumber imports more in line with domestic industry.

We cannot allow foreign competitors to enjoy an unfair advantage, where that advantage is based upon Government subsidies and other trade-distorting practices.

This is a matter I plan to continue pursuing. I bring this editorial to the attention of my colleagues.

FOREST-INDUSTRY PLAINTS MERIT PRIORITY ATTENTION

The slump in housing is not the only reason for the record 20 percent unemployment in Washington State's lumber, plywood and logging industry during the first quarter of this year.

So says M. J. Kuehne, head of the Tacoma-based Northwest Independent Forest Manufacturers. And he has some startling statistics to prove his point.

During the first five months of 1981, Kuehne says, Canadian imports amounted to nearly a third of the lumber consumed in the United States.

"This is the highest level in the history of trade between the two countries," Kuehne points out, and amounts to a 17 percent increase in Canadian lumber imports over a similar period last year.

The manufacturers' association chief says there is a reason why U.S. lumber manufacturers are continuing to lose domestic lumber markets to Canadian imports. That reason is a combination of unfair labor practices.

Kuehne says a University of British Columbia analysis published last year showed timber in Oregon and Washington from public lands being sold for 8½ times the price of public timber in B.C.

"Even given the differences in species and quality, logging costs and tax treatment, this timber subsidy works out to a 25 percent price advantage in the sale of finished lumber," he says.

Canada not only subsidizes publicly sold timber, but rail and energy costs, Kuehne asserts. He has called upon the Reagan administration and Congress to investigate his charges.

In a well publicized outlining of Reagan-administration trade policies, U.S. Trade Representative Bill Brock has declared that "where . . . foreign advantage is based upon government subsidies and other trade-distorting practices, U.S. policy will be to enforce U.S. trade laws and to work to eliminate such policies." The Pacific Northwest forest industry now is challenging Brock to demonstrate that he means what he says.●

## U.S. SAVINGS BOND PROGRAM

### HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mrs. SCHROEDER. Mr. Speaker, today I am introducing legislation to correct the most serious deficiency in the U.S. savings bond program. The problem is that savings bonds are a miserable investment. Their yields are so far below market rates that you have to be a superpatriot, a philanthropist, or a spendthrift to buy and hold bonds.

As a result of the disparity between market interest rates and bond interest rates, we have been forced to employ a battalion of door-to-door promoters who try to push bonds on the gullible. Since these folks are, obviously, unable to sell many bonds, they count their productivity by tallying up the number of contacts made. In other words, the Savings Bond Division justifies its own existence by counting the paperwork it produces.

When the Treasury, Postal appropriations bill was on the floor last July, I attempted to eliminate the Bond Division as a waste of money. After winning two record votes on the issue, I was finally outgunned by high level Treasury Department lobbying. Obviously, turf protection has become the No. 1 priority for top Treasury officials, while reducing the Federal budget is a distant second.

One obvious deficiency with my amendment to the Treasury, Postal appropriations bill was that it only dealt with the wasted money spent promoting bonds and not with the basic problem which is that bonds are a lousy investment. This bill addresses both sides of the issue. First, it requires the Secretary of the Treasury to set yield on bonds at levels competitive with comparable investments. Second, it eliminates the Savings Bond Division, except for $1 million which is used to trigger a massive amount of donated public service advertising.

I urge the Ways and Means Committee to promptly consider this issue.●

## IN HONOR OF CYSTIC FIBROSIS WEEK: CF RESEARCH IN CLEVELAND

### HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. STOKES. Mr. Speaker, a unique concentration of scientists in Cleveland, Ohio, is providing new hope for thousands of children, teenagers, and young adults suffering from cystic fibrosis (CF), the most common genetic killer of young people in America.

The largest center for CF research in the United States, Cleveland's Cystic Fibrosis and Children's Disease Research Center is a cooperative venture between Case Western Reserve University and Rainbow Babies and Childrens Hospital. Its efforts are focused on answering many of the baffling fundamental questions about the cause, prevention, and treatment of this fatal, incurable disease.

The center's research program was begun in 1957 by Dr. LeRoy Matthews in an effort to improve the care of patients with cystic fibrosis through increasing awareness of clinical problems and the development of new knowledge. This center was designated as a "Cystic Fibrosis Center and Institute" by the Cystic Fibrosis Foundation in 1970, one of only three in the country with this designation.

The National Institutes of Health has provided institutional support for the Cleveland CF Center continuously since 1964. During these years, the pediatric nucleus of the center has grown, and currently consists of six full-time cystic fibrosis and pulmonary specialists, seven basic researchers, and more than a dozen trainees and other staff.

In addition, clinical specialists in gastroenterology, cardiology, biomedical engineering, anatomy, immunology, microbiology, the behavioral sciences, and the surgical subspecialties participate substantially in the program.

This overall research effort, currently led by Dr. Carl Doershuk, now exceeds $2 million per year in total funding. The more than 35 investigators who constitute the Cleveland cystic fibrosis group are currently conducting more than 25 separate research projects covering a wide range of topics related to CF. In order to assure the rapid dissemination of findings, the center conducts a weekly cystic fibrosis-oriented research seminar, and many of the current projects began as ideas developed in those seminars.

Cleveland's cystic fibrosis reputation is not based entirely on research, however. At present, more than 450 cystic fibrosis patients are seen at Rainbow Babies and Childrens Hospital, as are an additional 400 patients with other chronic lung diseases.

Most of the leading researchers also treat patients assuring the closest relationship between the work performed in the laboratory and the care delivered at bedside.

In light of this aggressive program to provide and integrate both basic and clinical research and research training, and to share and nurture new ideas, the Cleveland program has been designated the first national CF resource center by the Cystic Fibrosis Foundation. Under the foundation's new research resources development

program, this designation allows the center to be eligible to receive funds for construction, specialized equipment, and endowed (distinguished) chairs. The Cystic Fibrosis Foundation is currently assisting the center in expanding its space for laboratories and shared facilities.

With the Cystic Fibrosis and Children's Disease Center as a model, the Cystic Fibrosis Foundation hopes to establish other high-quality research centers across the Nation, enabling the resources of entire institutions to be tapped in the fight against CF and its devastating consequences.●

## THE AWARD OF AMERICAN CITIZENSHIP TO RAOUL WALLENBERG

### HON. BOBBI FIEDLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Ms. FIEDLER. Mr. Speaker, no vote I have cast in the 97th Congress has given me more pleasure than the one I had privilege of joining in to award U.S. citizenship to Raoul Wallenberg. I know of no man alive I am prouder to call my fellow citizen than the saviour of the Hungarian Jews, today still imprisoned in the Soviet Union.

In 1980, I was present at the lighting of an eternal flame in honor to Raoul Wallenberg at the Simon Wiesenthal Center for Holocaust Studies. There, in the peace and sunshine of California, I met with Raoul Wallenberg's sister, his friends and family; and, most moving of all, some of the people whose lives Raoul Wallenberg saved in the long-ago nightmare of wartime Hungary. Nothing could have done more to bring home what this man meant to the Hungarian Jews he saved and, indeed, to all those who value human freedom.

While the Jewish community holds Raoul Wallenberg in especially high regard, he is owed a debt by all his fellow citizens, a debt that only now we are starting to pay. Raoul Wallenberg left the safety of neutral Sweden for his mission to Nazi-occupied Hungary on behalf of the U.S. Government. He is America's longest held diplomatic hostage, and it was on his 13,065th day of capitivity that we passed the resolution awarding him U.S. citizenship. This is no empty gesture or gilded honor. As a U.S. citizen, Raoul Wallenberg's case can now be pressed by our country with the greatest vigor and urgency. That this remarkable man has survivied so long—for its appears that survived he has—is a testimony to human endurance. We owe it to him to make every effort to see that he can spend the rest or his life in the sort of freedom that he risked all to secure for others.

All Americans should therefore let this be a moment of pride, a moment of gratitude, and a moment of rededication to the cause of freedom. Let us remember that all those of any nationality who fight for human freedom and dignity are our friends, and, come what may, we shall not, at the end of the day, forget them. Raoul Wallenberg did what he saw as his duty. In doing so, he saved the lives of thousands of Jews. Let us now do our duty to this man who has done much, and suffered much.●

## THE SPIRIT OF SOLIDARITY

### HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. VENTO. Mr. Speaker, this article, by St. Paul Dispatch reporter Jackie Roedler, paints an accurate picture of the spirit that surrounded Solidarity Day September 19. The unselfishness, dedication, and commitment of the hundreds of thousands of people who participated say a great deal for the human spirit. It was a truly moving and uplifting experience to walk in the Solidarity Day march with my wife and son; with my father, a machinist who came to Washington by bus with his fellow workers; with my staff; and with my many friends from Minnesota and other parts of the Nation.

I would like to share this article with my colleagues:

ELEVEN-BUS STATE CARAVAN HEADS FOR D.C. PROTEST

When a caravan of 11 buses heads east from Minnesota to Washington, D.C., early Friday morning, Bea Kersten and Helen Kruth will be riding along to let President Reagan know what they think of his social and labor legislation.

Mrs. Kersten has had two heart attacks and her "heart medicine" will be tucked in her jacket pocket.

But she feels she can't "ask others to do what you can't do," and she wants the president to know she's not going to stand by silently "while he wipes out in a few weeks or months what labor people have worked for for 50 years."

Mrs. Kersten, 70, has been a union member for 45 years, starting as a Teamster when she worked as the first female welder on electric pipes at Cal Ship near Long Beach, Calif.

Now she and Mrs. Kruth and more than 400 other Minnesotans from such cities as Worthington, Albert Lea, Virginia, Duluth and Winona will board the buses at 6:30 a.m. Friday for a 24-hour trip to march in the Washington Solidarity Day parade. Other Minnesotans traveling by truck, car, camper and trailer will join them shortly after 9 a.m. Saturday on the west side of the Washington Monument.

After a picnic, entertainment and some "short" speeches, the Minnesotans will don their blue and gold caps, grab their blue and gold Solidarity Day signs and fall in line behind the state's mammoth blue and gold Solidarity Day banner.

(Delegates to the state AFL-CIO convention, which opened today in the St. Paul Radisson Hotel, are expected to pass a resolution urging Solidarity Day participation. Former Vice President Walter Mondale was expected to give his support in his speech to delegates today.)

The delegation will march under the banner of the Minnesota AFL-CIO Economic Coalition, whose members include the Minnesota Farmers Union, the Minnesota Council of Churches, the Minnesota chapter of the National Association for the Advancement of Colored People and the St. Paul Urban League.

The one-day demonstration for "economic, social and labor relations justice" has been called by the AFL-CIO to demonstrate the depth of opposition to Reagan's cuts in social programs and "attacks" on labor and civil rights gains. Estimates of the number of demonstrators expected range from 100,000 to close to 500,000.

Minnesota marchers will include students, teachers, rank and file union members, civil rights leaders, air traffic controllers, farmers and retired folks like 72-year-old Helen Kruth of Minneapolis who feels "a half million people can show the President he doesn't have a mandate, that he isn't speaking for us."

Mrs. Kruth, who was a member of an eastern furrier union and later worked in a steel plant before the steel industry was organized by labor, feels it's a monumental mistake to make military spending a priority over social programs.

And, she said, she's "terribly upset" about the way the Professional Air Traffic Controllers Organization strike has been handled by the administration.

"If we allow PATCO to be destroyed, a lot of other unions will be destroyed, too," Mrs. Kruth said. "People who have complained for years about the problems and pressures of their jobs should have the right to strike."

When the march and protest speeches at the Capitol are over, the Minnesota delegation will head back to the buses for the 6 p.m. start of the long ride back to Minnesota. Buses are expected to arrive here at 6 p.m. Sunday.

Many had not planned to travel by bus. State AFL-CIO Solidarity Day coordinator Art Jelinski had arranged to charter two airplanes, but they were canceled in the wake of the PATCO strike.

"We had other seniors who would have made the trip by plane," Mrs. Kersten said. "They felt the bus ride would be just too tough, but we'll make it. You can bet we will."●

## TRIBUTE TO THE LATE FRANK J. BECKER

### HON. JAMIE L. WHITTEN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 17, 1981*

● Mr. WHITTEN. Mr. Speaker, I would like to join my colleagues in paying tribute to Frank J. Becker, a former Member of this body who died recently.

Frank Becker's distinguished career of public service spanned some 20

years. I had the pleasure of serving with Frank during his 12 years in Congress from 1953 to 1965. During this period I found Frank to be a man of great ability and integrity.

I would like to extend my sincerest sympathies to Frank's wife Claire and to his entire family.●

## PROSPECTS FOR PEACE IMPRESSIONS FROM ISRAEL

### HON. GUY V. MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. MOLINARI. Mr. Speaker, The impact 1 week in Israel made on me was profound. Even though we receive a steady diet of news from the networks and the newspapers about Israel and the Middle East, one can never really understand the pressures, tensions, the hatreds, the mindsets, and the yearnings for a true and stable peace that is so much a part of the daily lives of the people there.

I met with many of the nation's leaders including Prime Minister Begin, Simon Peres, the leader of the Labour Party who challenged Begin in the recent elections, the Speaker of the Knesset, Managem Savidor, Yatdhak Shamir, the Minister of Foreign Affairs, the popular mayor of Jerusalem Teddy Kollek and many other government leaders, all of whom were extremely intelligent and possessed a broad range of knowledge on international affairs. Despite the different political parties and different factions, they all had one common goal—the genuine pursuit of peace.

I also visited the country's landmarks and holy shrines, including: Massada, the legendary city which was under siege by the Romans the first century after Christ, the Good Fence in the northernmost region of Israel, the Golan Heights, where landmarks of war still dot the landscape from the Six-Day War as well as the Yom Kippur War and I swam, or I should say, I floated in the Dead Sea. We also spent a great deal of time in the Holy City of Jerusalem visiting its many cultural and spiritual attractions, including the Church of the Holy Sepulcher, the Wailing Wall, the Shrine of the Book, the Shrine of the Nativity and the Yad Vashem, the shrine to the holocaust victims.

One of my most vivid memories of the trip was driving into Jerusalem from the Golan Heights late one afternoon as dusk was settling. The monuments and landmarks of our religious heritage silhouetted against the sky were truly breathtaking. I became aware of how important this spiritual foundation was to the people of Israel and how it gave them the incentive to help them "keep on keeping on" even against seemingly insurmountable odds.

I was left with the impression that we in the West have lost sight of a strength that the people of Israel have retained through their struggle. "Out of adversity comes strength," says the old adage, and it certainly is true for the people of Israel. They are strong; physically, mentally, and spiritually. They are prepared, ready for action, out of necessity ready for war and out of a profound, longing, ready for peace.

Throughout my very busy week in Israel, I continually asked myself as well as many I spoke with in the Israeli Government, whether peace is possible in the Mideast. Despite all the signs of war and devastation and despite the difficulties in achieving a lasting peace, Egypt and Israel are at peace and the recent treaty with Lebanon, although tenuous, is being observed for the present. Jordan, meanwhile, doesn't appear to desire future war with Israel. However, everyone recognizes the realities of the situation here. The hatred between the many factions are so pronounced that beneath the delicate shroud of a temporary peace lies a potential spark that could cause the fires of war to once again burn.

Nonetheless, I believe, as does every Israeli official I spoke with, that a lasting and true peace can be achieved. It was encouraging to see that these officials sincerely believe that there is always a solution, somehow, somewhere, a solution. This optimism gives one hope that a true and lasting peace can someday soon be achieved. In the meantime, Israel must continue to be in a state of military preparedness if it wishes to survive the antagonisms of other peoples and countries in the region.●

## THE VOTE PREVENTION ACT

### HON. M. CALDWELL BUTLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. BUTLER. Mr. Speaker, the Voting Rights Act has been fundamental to assuring that no citizen is denied the right to vote for reason of their race, color, or native language. During the weeks ahead, the House will consider legislation to amend the Voting Rights Act and by so doing, to further define the Federal role, beyond 1982, for protecting the right to vote of minority group citizens.

In considering the Voting Rights Act in 1981, the House is faced with a vastly different social and political environment than existed in 1965 and which justified the establishment of the act. The original intent of the act, the enfranchisement of black citizens in the South, was largely accomplished after the first 5 years of the act's passage. Throughout the South, both increased participation at the polls and success in pursuing public office has created pressure from minority group citizens to force politics of the "old South" to change. While pockets of discrimination may still exist, voting discrimination is no longer the widespread problem that it was in 1965 when conditions justified an extraordinary exercise of Federal authority to protect the right to vote.

Despite the great progress which has been made to open the political process to minority group citizens, the Voting Rights Act has remained substantively the same since its enactment. The act is not, therefore, a precise response to the need in 1981 for protections of the voting rights of minority group citizens. In many circumstances, the act can be enforced only by subjective interpretations of how provisions written in 1965 apply to the current situation. As such its usefulness as a means to protect individuals' right to vote is diminished by the unwarranted burdens it imposes on localities and the disruption of the normal conduct of elections which it can create.

On September 11, the Wall Street Journal published an op-ed article entitled, "The Vote Prevention Act." This article sheds valuable light on the problems created for enforcing the right to vote by using legislation which has not evolved in sequence with the political progress of minority group citizens. I commend it to my colleagues and its timely contribution to the discussion of the appropriate Federal role for protecting the right to vote.

[From the Wall Street Journal, Sept. 11, 1981]

THE VOTE PREVENTION ACT

Thanks to a unanimous election-eve decision by the Supreme Court, New York City citizens weren't allowed to vote in primary elections yesterday. The ruling is but another example of how the Voting Rights Act of 1966, which has done much to boost political participation of blacks and Hispanics, has also unnecessary interfered with local self-government.

With its nationwide ban on intimidation at the polls, on literacy tests and on poll taxes, the Voting Rights Act has served its principal purpose of allowing blacks and Hispanics to vote. As late as the early Sixties, blacks were virtually excluded from the voting booth in many Southern states; now, they participate in politics much more than in the North. Last year, 59.5 percent of all voting-age blacks in Mississippi voted, as did 51.3 percent of all voting-age blacks in South Carolina. The comparable figures were 40.4 percent for New York, and 38.4 percent for Massachusetts.

The problem comes with the bill's "preclearance" provisions, which require that state and local governments in Alabama, Alaska, Arizona, Georgia, Louisiana, Mississippi, South Carolina, Texas and Virginia,

as well as portions of 13 other states (including the New York boroughs of Manhattan, Brooklyn and the Bronx), get prior Justice Department approval for any annexations, redistricting plans or other electoral changes. The rationale is to prevent white-run jurisdictions from, say, annexing white territories or switching from a district-based to an at-large City County, expressly for the purpose of diluting black or Hispanic voting strength.

In enforcing this provisions, however, the Justice Department and federal courts have run amok, imposing their own electoral ideas and intervening in local decisions and have little if anything to do with race. In 1979, for example, the Justice Department called off all elections in Houston, refusing to approve annexation plans designed to swell the city's tax base unless the city switched somewhat from its at-large voting method.

In the case of New York, elections were called off even without a finding of discrimination. The Justice Department simply didn't think it had received enough information to approve the city's redrawing of City Council district lines in light of the 1980 Census. For this sin, a three-judge federal panel, with Supreme Court approval, postponed the primaries.

The redistricting plan at the heart of the dispute seems to have been drawn, as is so often the case, in such a way as to preserve the seats of 45 incumbents, including eight blacks and Puerto Ricans. The plan adds two districts in primarily white Queens and Staten Island to reflect the population shifts within the city, so groups like the New York State Black and Puerto Rican Legislative Caucus are afraid that black and Hispanic representation on the council will decline from 19 percent to 18 percent.

It is arguable that a declining proportion of minority officeholders in a city like New York may be a sign that blacks and Hispanics are making real economic and social progress. As economic and social barriers come down, more and more blacks and Puerto Ricans are leaving areas like Harlem and Bedford Stuyvesant where they had previously been concentrated. As integration proceeds, it will probably be harder for black and Puerto Rican politicians to get elected unless they learn to appeal to broader constituencies, as mayors such as Tom Bradley in Los Angeles have done. But to hold up elections in order to support an affirmative action program for minority officeholders is a perversion of the once-noble principles of the Voting Rights Act.●

## NATIONAL ADVISORY COMMITTEE REPORT IS DISTURBING

### HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. SIMON. Mr. Speaker, yesterday, the National Advisory Council on Economic Opportunity released its final report, a devastating yet realistic analysis of the real impact of the administration's budget and tax policies. The irony of the Council releasing the report a few short weeks before it falls victim to the very budget axes it fears is not lost on any of us.

For those of us who have fought what the President calls his economic recovery package and voted against both the budget and the tax package, the recent doubts that are surfacing among the American people about the wisdom of these policies represent a hollow victory. The damage that will be done to millions of Americans, many defenseless and many trying hard to move themselves to self-sufficiency, represents one of the greatest injustices in my political career.

The National Advisory Council was established under the 1964 Economic Opportunity Act and appointed by the President in 1967. With the passage of this act in 1964, the United States committed itself to reduce, if not eliminate, poverty in this country. At that time, there were an estimated 36 million people living at or below the poverty level in this country. According to the Council's report:

The painful reality is that over 25 million Americans live in poverty (today). And recent studies have estimated that there are another 30 million Americans who might be called "the near poor": Those who live marginally above the poverty line but who are one family accident, one family sickness, or a job layoff away from slipping below the poverty line.

And after 15 years of steady progress in our Nation's effort to relieve poverty, we are deeply concerned that the process will be reversed by recent policy decisions that will serve not only to increase the number of poor, but to make their burden more severe.

In their letter of transmittal to President Reagan, the Advisory Council states:

The Council believes that the substantial budget cutbacks in human and social services programs proposed in your economic package to Congress represent a severe cutback to the poor as a whole, and in particular to the elderly, to women, to minorities and to the young. In addition we feel that your tax plan is regressive and punitive in that it offers the least relief to those who are in greatest need. We raise this issue in the belief that tax (or economic) policy cannot be separated from social policy.

Mr. Speaker, the Advisory Council states its position so well and addresses the concerns many of us have about the President's economic recovery program directly and with compassion. I am inserting a copy of the press statement released with the report by the Council and I urge my colleagues to read carefully this release, as well as the Council's full report. After my own reading, and taking to heart much of what is contained in the report, I am even more concerned about what this administration is doing to American Government. It will come back to haunt us for years to come. The message we are sending to millions of Americans through the budget and the tax program is one in which I take no pride and one that demonstrates a total lack of understanding of what makes this country strong and just.

Text of the press release follows:

ADMINISTRATION'S ECONOMIC POLICY COULD LEAD TO SOCIAL CHAOS

U.S. ADVISORY COUNCIL WARNS THAT REAGAN'S POLICIES WILL RESULT IN MORE WELFARE DEPENDENCY AND LESS ECONOMIC OPPORTUNITY: IMPACT ON 29 MILLION POOR AMERICANS WILL BE DEVASTATING

The National Advisory Council on Economic Opportunity today sharply criticized the Reagan Administration's proposed cutbacks in federal income-transfer and anti-poverty programs, saying that the effect of these cuts will be to cause massive suffering as well as to undermine the work ethnic and family life among the poor. The Administration's proposed cutbacks of these crucial federal programs, warned the Council in releasing its Final Report, will severely deepen the crisis of poverty in the future and could drive whole segments of our society toward hopelessness and despair. Instead, the Report calls for passage of the Economic Opportunity Act and continuation of the Legal Services Corporation, two programs that are essential to the well-being of the more than 29 million Americans still living in poverty.

In a separate statement, Arthur I. Blaustein, Chairman of the Council, said:

"By separating economic theory from social policy and pursuing the former at the expense of the latter, the Administration has adopted a strategy of brinksmanship that could lead to social chaos.

"There is a price to be paid for the reduction of human and social services. The price is that these cutbacks will not reduce crime; they will increase it. They will not reduce the use of drugs; they will increase it. They will not reduce alcoholism; they will increase it. They will not reduce physical and mental illness; they will increase it. They will not promote better family life; they will destabilize it. They will not increase respect for the law; they will weaken it.

"At present, there exists an air of suspended disbelief over the radical changes that have occurred in the past two months. That is because the lay-offs, the shut-downs, the cut-backs, and the reduced pay-checks have not yet reached ground level. But the day of reckoning will come shortly. October 1, 1981, will be remembered as a day of infamy, for it will mark the worst massacre of social and human service programs in American history."

The Report, "The American Promise: Equal Justice and Economic Opportunity," addresses itself specifically to the issues of unemployment, inflation, women in poverty, the implementation of human and social service programs, citizen participation and volunteerism, and the "myths" of poverty. The 15-member Council, established by Congress in 1967 and appointed by the President, is responsible for making an annual report to the President and Congress on programs and policies aimed at helping the poor. It is slated for abolition by this Administration.

Attacking what it termed persistent myths about poverty in the United States, the Council presented evidence that disputed what it termed the "mistaken" view of some economists that the reduction in the poverty population had been a result of "growth in the private economy." The Council maintained that for some time such growth "has ceased to 'trickle down' to the poor in the form of more jobs, better income, and a more rewarding and productive role in society." And, the Council reaffirmed its belief that only those comprehen-

sive and national economic revitalization efforts targeted specifically toward disadvantaged communities and the jobless would effectively combat poverty in the 1980s: a strategy that the Administration is abandoning.

In addition to releasing the Report, the Council issued the following statement:

"Seventeen years ago, this nation made an historic commitment to reduce, if not eliminate, poverty in America. The Economic Opportunity Act was conceived with moral conviction and dedicated to the proposition that all Americans, even the 36 million poor, were entitled to both economic opportunity and equal access to the law.

"The Act itself called for a national effort to attack the causes of poverty, and related social problems, which were national in character and scope.

"All the testimony given to the Council over the past several years has shown that these federal programs do work; that they do help people get out of poverty; and that the delivery systems are providing the necessary basic human and social services. Thus, after fifteen years of progress in our nation's effort to relieve poverty, when in fact the number of poor had, by 1980, been reduced by 11 million and millions more have been kept above the poverty line, this Council is deeply concerned that the process will be reversed by recent policy decisions by the Administration that will serve not only to increase the number of poor, but to make their burden more severe.

"The three aspects of the Administration's Economic Recovery Program that gravely concern the Council are: (1) the massive across-the-board cuts in social and human service programs; (2) the abolition of delivery systems provided for in the Economic Opportunity Act and the Legal Services Corporation Act; (3) the transfer of federal authority and program responsibility to the states through block grant programs.

"In evaluating the impact of these changes on the poor, we believe that each of these decisions taken alone would be painful; but taken together they will be absolutely devastating. This Council, under four Presidents (two Republicans and two Democrats), has consistently taken the position that the federal government must maintain active responsibility for pursuing the goals of the Economic Opportunity Act. This has never been a partisan issue, and it should not be one now. The Council vigorously reaffirms its earlier recommendations that the Economic Opportunity Act and the Legal Services Corporation Act should be reauthorized.

"The Council is well aware that the economic difficulties facing our nation are complex and often seem overwhelming. But these difficulties cannot be used as an excuse for reneging on our social and moral commitments as a nation. We are deeply troubled by the notion that national issues, ones that require national policy and programs and that are a part of our national purpose, should suddenly devolve to the states. The issue is not federal versus state responsibility; rather, it is the dimunition or avoidance of any national standards of responsibility and accountability. To deflect, suspend, or fragment responsibility and accountability suggests that we are either renouncing or failing to assert our moral purpose as a nation. Worse than that, the administration seems to be denying that this moral purpose exists.

"The effect of the block grant proposal, as opposed to the Economic Opportunity Act and the Legal Services Corporation Act, is to destroy existing support systems that are effective, that have a proven capacity to deliver services, and that utilize local planning and implementation capabilities. They are being replaced by a new system that has a poor track record, and is restrictively financed, more bureaucratic, less accountable, and more subject to intense political pressures. The last point is extremely important in that effective and efficient use of limited federal funds is in danger of being thwarted by conflicting political interests in each state.

"After reviewing the recent budget process, it appears that there has been a massive transfer from basic human and social services to our military budget. The Council seriously questions whether it is in the national interest to relegate a substantial number of human and social service programs to the junkpile, while we increase the stockpiling of weapons of mass destruction in an arms race where overkill has long been achieved.

"Moreover, these changes are occurring without any serious national debate, when advocates of balanced national priorities are dismissed by the President as representatives of 'special interests,' and critics of the Administration's policy are referred to as 'demagogues.' "

In criticizing the Administration's sharp cutbacks in social programs, the Council's statement emphasized the negative impact of these cutbacks on work and family life. "From an administration that places high priority on the importance of family life and the work ethic" it said, "this budget will be self-defeating." The Council cited the following analyses, drawn from its own research and other recent studies, in support of its statement that "these policies will actually encourage dependency instead of work, family breakdown instead of family stability:"

The Council cited an estimate by the Congressional Budget Office that proposed cuts in Public Service Employment under the Comprehensive Employment and Training Act (CETA) would result in a net loss of between 210,000 and 330,000 jobs in fiscal years 1981 and 1982, causing a sharp rise in expenditures for welfare and unemployment insurance.

The loss of these jobs, the Council pointed out, would be compounded by cuts in support services (which range from child care to mass transit), creating a "spiral effect" that will "deal a devastating blow to the realistic job prospects of hundreds of thousands of disadvantaged workers." The Council cited an estimate by the Wharton Economic Forecasting Associates that about three-quarters of a million jobs would be lost through cuts in CETA alone, and an additional million as a result of the Administration's program reductions as a whole.

The Council singled out proposed cuts in the Aid to Families with Dependent Children (AFDC) program as an example of how the reality of the Administration's budget departs from its rhetoric. Citing independent studies by the Congressional Budget Office and the University of Chicago's Center for the Study of Welfare Policy, the Council noted that the bulk of cuts in AFDC are concentrated on families who are presently working but do not now earn enough to maintain an adequate living. The Council pointed out that welfare recipients who work will have their incomes cut by an average of more than 20%, versus a 4% reduction for those who do not work, and in some states the Administration's proposed changes will eliminate the difference between what an AFDC family can receive if no one works and the income it can receive with a full-time worker. Noting that this sharply penalizes the working poor, the Council commented that "The Administration apparently feels that only the rich need incentives to work."

The Council said that families with young children—especially minority families and families headed by women—would be among the worst victims of the hardships imposed by the Administration's cuts. Citing an analysis by the Congressional Budget Office, the Council pointed out that of those families that are expected to lose a substantial portion of their spendable income from reductions in Public Service jobs, AFDC, Food Stamps, and the School Lunch program, over two-thirds are headed by women, and almost two out of five are nonwhite. Referring to the University of Chicago study, the Council noted that a single-parent family with two children could lose up to 30 percent of its disposable income from reductions in AFDC, Food Stamps, and child nutrition programs alone.

In rejecting the Administration's contention that renewed economic growth will eventually "trickle down" to the poor to offset these losses, the Council declared that it "flies in the face of everything we know about poverty today." The Council cited new evidence in this year's Report affirming that growth in the private economy has had a declining role in reducing poverty, and that "virtually all of the reduction in poverty since the mid-1960's has come about through the expansion of social insurance and income-transfer programs" of the kind now under attack by the administration.

Though poverty increased most dramatically in the "hard-hit, declining cities of the Northeast and Midwest," the Report says, "poverty rates also remained disturbingly stable even in those cities characterized by strong—occasionally phenomenal—growth in jobs and income. In short, economic growth has had little impact in decreasing poverty rates in recent years, even in the boom cities of the Southwest."

The stubborn persistence of poverty in the face of economic growth, the Council pointed out in its statement, results in part from the changing nature of the poverty population. What the report terms the "new" poor are increasingly a population of those whom the private economy has passed by. Even in good times, the Council noted, these people—the aged, the disabled, disadvantaged youth, women heading families with small children—are rarely hired by the private sector. In 1978, a year of economic recovery, the unemployment rate among disadvantaged minority youth was 41 percent. Among AFDC recipients, one of the groups most harshly affected by the Administration's cuts, nearly 70 percent are children, more than two-thirds of them 11 years old or younger. Among the adults, the overwhelming majority are women heading families—about 80 percent of whom are either required as full-time homemakers, disabled, or already in training, at work, or seeking work.

Because few of these people can be absorbed into the private economy without special assistance and support, said the Council, the "massive suffering" these program cuts will bring "cannot be balanced by any credible long-range benefits from the Administration's program—even under the most optimistic economic assumptions." Instead, the Council declared, any economic

"renewal" resulting from the Administration's policies would "take place at the expense of stable, rewarding family lives and genuine work opportunities for the poor and their children."

Mr. Blaustein, Chairman of the Council, added that: "We are watching a great tragedy unfurl before us. The steady drumbeat of rhetoric emanating from Administration officials and shrewdly orchestrated by the White House is intended to create, and has heretofore succeeded in creating, a counterreality and new myths with respect to social policy. For example, by continuously referring to economic opportunity and equal justice programs as welfare programs, the Administration has misled the American public. These programs are, in fact, designed to achieve the opposite, to create jobs and economic opportunities and to encourage people who are dependent upon welfare to become productive citizens and taxpayers. By seeking to eliminate these programs and substituting its own policies, the Administration will deny upward mobility to millions on welfare and will force many of the working poor into welfare dependency. By shifting program authority from the federal government to the states through block grants, the Administration has created a bureaucratic nightmare that will result in government by provisional catastrophe. By transferring huge amounts of funds from human and social services to defense, the Administration is not dampening inflation, it is fueling it.

"In order to gain support for its economic package, the Administration has conjured up the specter of an 'economic Dunkirk.' What it is perpetrating instead is a 'social Pearl Harbor' which will have a devasting impact on the poor who are defenseless, as well as wiping out the modest gains made in the past fifteen years by women, the elderly, minorities, and the young—the most vulnerable segments of our society."●

## A TRIBUTE TO BEREK DON

### HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. HOLLENBECK. Mr. Speaker, it is a pleasure for me to take this opportunity to commend the efforts of Berek Don who is completing his term as president of the Fort Lee, N.J., Kiwanis Club. Rarely do we have the chance to honor an individual who has so clearly distinguished himself through his selfless commitment to numerous civic organizations. I am confident that all of those who know Berek will agree with me when I say that he has made a genuine contribution to the many groups with which he has worked.

Fort Lee and the Kiwanis Club are fortunate to have been the recipients of Berek Don's talent. As a worldwide service organization appealing to men who have the desire to become personally involved in making their communities better places in which to live, Kiwanis was well suited for Berek's qualifications and enthusiasm. In 1977, he joined the Fort Lee Kiwanis Club and served as its secretary. After working his way through the ranks as treasurer and vice president, he became president last year. Yet, Berek's service to the community does not stop there. He is serving this year as president of the Fort Lee City Council.

As Berek steps down from his position as president of the Kiwanis Club, I am confident that his friends will join me in extending to him our sincerest best wishes for success and continued happiness in the future.●

## A TRIBUTE TO CAPT. PAUL McLAUGHLIN

### HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. FARY. Mr. Speaker, one of my constituents, Capt. Paul V. McLaughlin, recently retired from the Chicago Police Department after more than 35 years of selfless dedication to the city of Chicago and all its residents. Although we Chicagoans are happy to see that his retirement will bring well-deserved leisure, I must say that the city will be left wanting because of it.

As a lifelong resident of Chicago, I can say unequivocally that his personal contribution as a public servant has had a real and positive effect on all our lives. His skill and integrity made us feel safer, his unwavering spirit made us more secure, and his professionalism made us proud. Indeed, his 10 years as commander of the Central District including our downtown area, probably did as much to insure the vitality and success of our business district as any combination of private efforts.

Paul McLaughlin can retire with the full satisfaction that he has made this a better world and he has made us, his friends, happier people.

Mr. Speaker, I offer a summary of Captain McLaughlin's career for the edification of all my colleagues in the House:

CHICAGO POLICE CAPTAIN PAUL V. MCLAUGHLIN

Chicago Police Captain Paul V. McLaughlin, a 35 year veteran, retired from the Chicago Police Department effective May 4, 1981. Capt. McLaughlin is best known as Commander of the Central (1st) District, a post he held from 1969 to 1980, for more than 10 years.

During those 10½ years as Commander, McLaughlin became a prominent and visible figure in the streets of Chicago's Downtown Area exhibiting leadership, expertise and personal courage in the many encounters with violent demonstrators during the "Days of Rage", "Rock Concert Riot at the Old Band Shell" in Grant Park, "The Chicago '7' Trial", 5 Rock Concerts at Soldier's Field, and hundreds of other Loop demonstrations.

On August 17, 1978, he was the first police official on the scene at the "Hostage Situation" at the office of the German Consulate directing police operations throughout the day. During 12 hours of continual supervision, McLaughlin was successful in getting the two Croatioan terrorists to release two of the German Hostages very early in the situation, as well as shutting down access to the building located at 104 South Michigan.

As the Commanding Officer of the First District, he supervised complete police operations of all parades, rallies, various official visits of the President of the United States from Truman through Carter; hundreds of other U.S. dignitaries and Foreign Heads of State (31 Official Visits from Foreign Heads of State during the 1976 Bicentennial Year). "Among the most memorable assignments as First District Commander," McLaughlin said, "was the visit of Pope John Paul II in 1979" which he supervised the city's largest gathering in history for the Papal Mass celebrated in Grant Park on October 5, 1979.

In his long and illustrious police career, he earned the Superintendent's Award of Valor, 3 Superintendent's Awards of Merit, 5 Unit Citations, 3 Creditable Mentions, 11 Department Commendations, 131 Honorable Mentions, and 1,233 Complimentary letters.

In 1977, Capt. McLaughlin was awarded the Superintendent's "Special Commendation" for "His Excellence in Leadership and his Tactical Courage in directing the overall on-the-scene police operations immediately after the 'El' Train Accident at Wabash and Lake Streets."

Capt. McLaughlin, 58, is a life-long resident of Bridgeport attending Nativity of Our Lord Grade School, St. Pat's High School, Wilson Jr. College, with special Police Training at DePaul University, Northwestern University and University of Chicago.

After serving the U.S. Army Military Police, he joined the Chicago Police Force on March 18, 1946. He was promoted to Sgt. in August 1957; Lieutenant in May 1961; Captain in August 1966, and District Commander in October, 1967 serving as the Commanding Officer in the Roseland Community and Chicago Loop areas.

McLaughlin is married to a former neighbor, Mary Jones. They have four children, Michael (27), Elaine (24), Patrick (23) and Timothy (18).●

## KING HYPOCRISY

### HON. CHARLES WILSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. WILSON. Mr. Speaker, I would like to call to the attention of the House the following column by James J. Kilpatrick which appeared in the Washington Post on Tuesday, September 22. I would only add that in most cases, including the current conflict between South Africa and Namibia, there are two sides to every question.

The article follows:

KING HYPOCRISY

(By James J. Kilpatrick)

NEW YORK.—The General Assembly of the United Nations, that monument to imbecility, acted in character again the other day. By a vote of 117-0, the assembly adopted

another of its resolutions against South Africa, and once again the assembly violated the most elementary principles of fair play and parliamentary privilege.

Such expressions of hypocritical unanimity have become commonplace in these gaudy realms of make-believe. In theory, member nations subscribe to the original purpose of the United Nations. That was to provide a forum in which all nations—repeat, all nations—could be heard. In theory, member nations also subscribe to the principle that all nations should respect the borders of all other nations.

In practice, and notably in the matter of South-West Africa, also known as Namibia, these theories disappear into the gaseous clouds. Here the rule is that all nations may be heard in the forum—all nations, that is, except the one nation most intimately and directly concerned in the matter: South Africa.

The purpose of the assembly's most recent resolution was to condemn South Africa for an incursion into Angola. Very well. But if King Hypocrisy were not presiding over this mummery, the assembly would equally have condemned Angola for harboring forces of SWAPO (the South-West African People's Organization), whose purpose is to seize power in Namibia by force of arms.

Hypocrisy is defined as "a feigning to believe what one does not." It is "the false assumption of an appearance of virtue." In the matter of Namibia, the assembly feigns to believe that the United Nations has some valid authority to dictate the future of South-West Africa. But this is not so, and any person capable of tracing the last days of the old League of Nations knows it is not so. The notion that the league formally transferred its mandates to the U.N. is a notion spun from moonbeams. The chain of title is not there. No such testamentary proof exists.

The assembly also feigns to believe that all acts of international meddling are bad, but this appearance of virtue is false. The SWAPO terrorists are armed by the Soviet Union. No one denies it. The terrorists are supported and trained by thousands of Cuban troops. No one denies it. In the assembly, the matter is simply not discussed.

Here at the U.N., the notion is carefully fostered that only one outfit embodies the longing of all the people of Namibia for independence, and that outfit is SWAPO. The notion is fatuous. The guerrillas of SWAPO seek power for the Ovambo, who make up something less than half the population. But the Ovambo are themselves divided into seven Bantu tribes; and beyond the Ovambo are such tribes as the Damara, the Herero, the Kavango and the Nama. There is no "Namibian people." There is no sense of national loyalty, no universal hunger on the part of "Namibians" for a flag to call their own. There is only a hunger on the part of a relatively few ambitious men for wealth and power.

It is all dumbshow. The assembly's resolutions, devoid of the slightest power even to influence or persuade, are no more than tales told by idiots, full of sound and fury, signifying nothing. No self-respecting nation—not South Africa, not Israel in other contexts, not any of the great powers—will surrender its national interest to the vaporings of an impotent body. It is lunacy to suppose that South Africa will accept any imposed "solution" that creates a Marxist state upon its northern border and jeopardizes access to Walvis Bay. If the old mandated territory of South-West Africa is to be cut loose, it will have to be cut loose with strings still attached. In the 20 years that the Namibian question has been debated, no one yet has mastered such a feat of legerdemain.

Reading an inch-thick stack of windy resolutions, I wonder anew: why the United Nations? Seriously, why? Its purpose as a forum has been reduced to a nullity. Its portentous demands have less weight than a resolution of the Maryland Audubon Society demanding the resignation of Secretary Watt. Perhaps we should carry news of the U.N. back on the comic pages to dwell with Doonesbury and his friends.●

## THE THREAT TO AFFIRMATIVE ACTION

### HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. HAWKINS. Mr. Speaker, one frequently voiced complaint about federally enforced affirmative action programs is that they are overly costly for the companies involved. This is a specious argument says Karen Nussbaum in her August 24 Los Angeles Times column. The cost of affirmative action programs, especially for the largest and most powerful firms, is miniscule when compared to revenues. Comparatively, the costs of discrimination are enormous. Millions of underpaid women and minorities are forced onto public assistance programs simply to make ends meet. Cutting affirmative action efforts in the name of cost consciousness, ignores the greater costs of employment discrimination.

THE THREAT TO AFFIRMATIVE ACTION

(By Karen Nussbaum)

Attacks on affirmative action are nothing new. This time they are coming from the Reagan Administration and various conservative forces disguised as concern for thrift in government and streamlined regulation.

Sen. Orrin G. Hatch (R-Utah) wants to outlaw affirmative action by constitutional amendment. Professing a more moderate approach, Reagan Administration appointees at the Labor Department, some conservatives in Congress and a strong business lobby favor weakening the regulation by limiting the scope of affirmative action or tampering with the enforcement process.

These attacks are all the more serious for the very real discrimination that women and minorities continue to experience. On the average, Latinas earned 54 cents, black women 59 cents and white women 63 cents for every dollar earned by white males in 1980.

As one indication of the severity of the threat to affirmative-action efforts, the Labor Department no longer plans to review First Interstate Bank's employment practices. The California-based bank has been targeted by Working Women, the national organization for women office workers, because of its poor record. Although the Labor Department gave no reason for dropping the investigation, which was scheduled to begin this summer, we have to assume that pressure from the banking lobby and current Reagan Administration attitudes have had their effect.

Opponents of affirmative action argue that the costs of implementation outweigh the benefits, but the costs are minimal when compared with the costs of discrimination.

A 1979 study, commissioned by the Business Roundtable, tabulated the actual costs of federal regulation to member companies. Three banks participating in the study—Citicorp (N.Y.), Chase Manhattan and Continental Illinois—spent a total of $1.7 million on affirmative-action programs in 1977. The average cost per bank: $356,000, or 0.01% of gross revenues.

The chairmen of these banks earned 1980 salaries at least $200,000 in excess of what each bank spent on affirmative action in 1977. In 1978, Citicorp spent more money on one promotional campaign to persuade race car drivers to wear Citicorp patches than it spent on the previous year's affirmative-action programs.

Furthermore, since both the Office of Federal Contract Compliance Programs (the agency responsible for enforcement of affirmative action) and the Equal Employment Opportunity Commission underwent reorganization and streamlining for efficiency in 1978, the actual total cost of affirmative action today should be less than in 1977.

The cost of discrimination, on the other hand, is astronomical when measured in taxpayer-supported federal aid programs alone. More than 12 million full-time workers are paid so little that they are eligible for food stamps and other forms of public assistance. Of these, 67 percent are women, 25 percent minorities.

Examination of the employment policies and profiles of banks before and after investigations by the federal compliance office shows that banks subjected to the most government scrutiny made the most progress in certain employment areas. First National Bank of Boston, for example, began to post in-house job openings, and gave employees their first cost-of-living raises in four years. In Cleveland, National City Bank—currently in the midst of a large discrimination study by the Labor Department—began a management-training program for employees lacking college degrees. Even banks not directly under investigation have begun new programs in response to government actions elsewhere.

The banking industry's own reports to the government show that the percentage of managers who are women rose slowly before strong government enforcement began in that industry during the 1970's. Compare these figures: 11.6 percent in 1950 to 12.2 percent in 1960, and 17.6 percent in 1970 to 31.6 percent in 1979.

Currently, women and minority employees at two banks—National City Bank of Cleveland and Harris Trust & Savings Bank of Chicago—are claiming about $26 million in back pay. The American Bankers Assn., however, is asking the Labor Department to delay final decision on the discrimination proceeding against Harris until the Administration has completed its review of equal-employment and affirmative-action regulations. The banking association observes, "* * * it is fair to conclude that the policies of prior Administrations are inconsistent with the policies of the new Administration in respect to 'affirmative-action' programs and * * * in the near term, there will be a fully developed new policy."

But are the delay and review fair? Or just? A $26 million penalty for discrimination is a powerful incentive for the banking industry to develop policies of fair treatment for all employees. But so far, perhaps unwittingly, the Administration seems to be providing the industry with an incentive to do the opposite: to fight against affirmative action.

We have to recognize the sophistry in the concern for cost-consciousness. Those of us who have experienced racism and/or sexism in employment do not call genuine national concern for an end of wasteful government spending a national mandate to end affirmative action. The cost of discrimination is too great.●

## TRIBUTE TO DONALD MARRS

### HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. LUKEN. Mr. Speaker, it is a pleasure and a privilege to recognize and commend Donald Marrs for his outstanding service to Cincinnati and cancer research. Mr. Marrs, who's terminal cancer is in remission, will be honored in a special event that recognizes his cross-country run to raise money for cancer research.

Cincinnati will give special tribute to him on September 23 by sponsoring Don Marrs Day on Fountain Square. This appreciation day will acknowledge Don Marrs' caring for all humanity and depict the kind of person he is in the community.

At a time in our Nation's history when many would rather take than give, we find a man who is devoting his time and effort to something meaningful. Fourteen months ago, Donald Marrs, a 44-year-old Western Hills resident and postal employee, discovered that he had an incurable form of lymphoma, cancer of the lymph nodes. On July 25, he began a 2,200-mile run across America in the name of cancer and as a tribute to the late Canadian Terry Fox, who attempted to run across Canada for cancer research. Mr. Marrs started running at Carlyle, Ill., and plans to reach San Francisco in mid-November. His goal is "to touch a few lives and offer hope and strength to other cancer patients."

We in Cincinnati are privileged to have a man who seeks to help his fellow citizens. Don Marrs has waved the banner of sensitivity, compassion, and bravery and deserves a day of honor for immeasurable public service. Speaking for the people of the Second District, Cincinnati, and the United States as a whole, I would like to thank Don Marrs for his dedicated and distinguished run for cancer research.●

## CUT BACK ON SOCIAL SECURITY

### HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. HUBBARD. Mr. Speaker, one of the most sensitive issues awaiting congressional action is the financial status of the social security system. A constituent of mine, Lynda L. Combs of 414 Linda Drive in Hopkinsville, Ky., contends that the working class cannot tolerate higher social security rates. She has made several points on the social security issue in a letter to me and I would like to take this opportunity to share her letter with my colleagues. Her letter follows:

DEAR SIR: There are several points in regard to the Social Security issue that I feel very strongly about:

(1) Social Security was set up as an insurance supplement for parents left with minor children. Minor children are children under eighteen, not twelve years of age. No twelve-year-old can earn his way in the world today. Parents, who die before their children reach eighteen, never receive benefits from Social Security; they pay their money in vain if their dependents never receive benefits. Young people have no option as to whether they want to participate in the Social Security program—the government says they will. If benefits are cut to dependent minors, then, young parents should have the option of deciding whether to participate in the Social Security program or buy life insurance protection.

(2) The persons working and paying Social Security today, started paying into the program earlier than those already drawing Social Security. Why tax the working class today who are paying into the program all their working lives for the benefit of the older citizens, some of which have been drawing this retirement for over twenty years?

(3) Social Security was set up as an income supplement for retirement years. This was not meant to be full retirement pay just as the person was receiving on the job. Persons not working do not incur the same expenses as those working: transportation to and from work, as much clothing expense, and they certainly enjoy a lower tax bracket.

(4) The working class cannot tolerate higher Social Security rates. I also fear higher Social Security payments from employers may mean less jobs in unskilled areas.

Please cut back on Social Security; do not raise taxes again for the working class. We voted in the last presidential election for new leadership and newer programs which promised a tax cut. As a representative, please help us obtain this.

Sincerely,

LYNDA L. COMBS.●

## MOSCOW'S UN-FAIR

### HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. OTTINGER. Mr. Speaker, I am including in today's RECORD an important article by Mr. Robert L. Bernstein which recently appeared in the New York Times. As chairman and president of Random House, and as chairman of the U.S. Helsinki Watch Committee, Mr. Bernstein is uniquely qualified to discuss the Third Moscow International Book Fair, which was held earlier this month.

As it is routine for the Soviet system to seek to shackle the minds of their citizens, it is hardly surprising that the Soviets have virtually destroyed the book fair by increasing levels of censorship and abuse of writers. Indeed, Moscow has gone so far as to deny visas to American publishers of Soviet dissident writers and Americans who have views on publishing that annoy the Soviet Government. As a result, many American publishers have lost interest in the Moscow Book Fair.

The Soviets have been imprisoning and exiling prominent authors at an alarming rate. Meanwhile, the rate of Soviet Jews who are given permission to leave the U.S.S.R. has reached its lowest point since the start of the Soviet Jewry movement a decade ago; only 430 Soviet Jews were permitted to emigrate in the month of August. This trend represents a 92-percent decline from 1979 levels of Soviet Jewish emigration.

It is imperative that the Reagan administration protest this disturbing trend more forcefully than it has to date. I profoundly hope that Secretary of State Haig addresses the issue of Soviet Jewry in his meeting today with Soviet Foreign Minister Gromyko.

As Mr. Bernstein points out in his article:

It is a monstrous irony that the Soviet Government has signed the Universal Declaration of Human Rights and that Leonid Brezhnev has signed the Helsinki Final Act, both of which guarantee the basic natural rights of all peoples, including the fundamental right of free expression.

I commend this excellent article to the attention of my colleagues:

[From the New York Times]

MOSCOW'S UN-FAIR

(By Robert L. Bernstein)

This week the Soviet Union is playing host to the Third Moscow International Book Fair, but as far as American book publishers are concerned, the Moscow Book Fair is dead.

American publishers have lost interest, and the Soviet Government has only itself to blame. The reason is simple. If you want to hold an international event, you must

make it attractive to the guests. The Moscow Book Fair is no longer attractive to business people and certainly not to people who care about ideas—the two conditions essential for success.

Before the first Moscow Fair in 1977, there was a considerable dispute among American publishers about whether to attend. Some opposed participation because of extensive censorship and abuse of writers. Others argued that support for the fair would increase the possibilities for the free exchange of ideas between the United States and the Soviet Union. Our position at Random House was to attend the fair only if we understood its censorship rules. When the Soviet Union refused to explain the cryptic summary in the fair's rule book, Random House decided not to attend.

In 1979 we changed our position, joining other American publishers in a concerted effort to try to make the fair a success. The Soviet Union had always compared the Moscow Fair to the leading international fair at Frankfurt. Accordingly, instead of pressing for advance commitments about the censorship rules, we decided to approach the Moscow Book Fair in the same way we would approach the Frankfurt Fair; we shipped to Moscow the same broad selection of books that we send to Frankfurt or to any other serious cultural fair. In addition, the Association of American Publishers sponsored "America Through American Eyes," a unique exhibit of books depicting life in America, with all its strengths and weaknesses.

The result, however, was disappointing: increased censorship, coupled with a new element—the denial of visas to American publishers whose authors included dissident Soviet writers or who had had views on publishing that annoyed the Soviet Government. My visa was issued, then withdrawn the day before my scheduled departure. Carl and Ellendea Proffer of Ardis, the leading publisher of Soviet authors in both Russian and English, were also denied visas. And shortly after the fair, the Soviet Union denied the visa of Winthrop Knowlton, chairman of Harper & Row, publishers of Alexandr I. Solzhenitsyn.

Since the 1979 Book Fair, the Soviet Government has been alarmingly active in exiling and imprisoning prominent authors, much more active than at any time in the last century. Anatoly Marchenko, who has served 15 years in labor camps, has been arrested again and his trial began Wednesday, the day this year's fair opened.

Among those sentenced last year were Vyacheslav Chernovil, 5 years labor camp, 4 months internal exile; Viktor Nekipelov, 7 years labor camp, 5 years internal exile, and Vasyl Stus, 10 years labor camp, 5 years internal exile. And perhaps most notoriously, 1980 was the year that Andrei D. Sakharov was banished to Gorky. In addition, the many writers who have been forced into exile abroad this year include Vasily Aksyonov, Philip Berman, Lev Kopelev and Vladimir Voinovich.

It is a monstrous irony that the Soviet Government has signed the Universal Declaration of Human Rights and that Leonid I. Brezhnev has signed the Helsinki Final Act, both of which guarantee the basic natural and inalienable rights of all peoples, including the fundamental right of free expression.

The Soviet Government has made its book fair a Potemkin Village, a ludicrous event. In so doing, it has placed itself in a position clearly apart from the company of civilized nations.

NOTE.—Robert L. Bernstein is chairman and president of Random House and chairman of the United States Helsinki Watch Committee.●

## THE TROUBLE WITH THE WORLD BANK

**HON. HENRY J. HYDE**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. HYDE. Mr. Speaker, in the 7 years of my congressional service I have yet to encounter as insightful and useful article on the World Bank as appeared in the Wall Street Journal of September 18, 1981. It is all the more useful in that it was written by our California colleague JERRY LEWIS.

To understand the gigantic problems we face in the important area of multilateral financing for the lesser developed countries, and to consider some effective solutions, I highly commend Congressman LEWIS' article to my colleagues.

The article follows:

THE TROUBLE WITH THE WORLD BANK

(By JERRY LEWIS)

This summer, Congress authorized U.S. participation in a general capital increase for the World Bank which doubles its size to over $80 billion. Also authorized are additional U.S. payments of $3.24 billion to the International Development Association, the World Bank affiliate providing 50-year loans at no interest to impoverished nations, such as India and Red China. These actions, particularly the latter, have so divided the House of Representatives that for the third year in a row a foreign-aid appropriations bill may not pass Congress.

On one side of the battle over World Bank funding is the Reagan administration, congressional liberals and large commercial banks. The opposition consists of many of the President's staunchest supporters in Congress.

The administration supports the bank to honor non-binding foreign aid initiatives begun in the Carter years. Liberals want to maintain wealth redistribution programs from the West to the Third World. Commercial banks want their foreign loans protected by the World Bank's presence.

These are insufficient reasons for taxing U.S. citizens to send financial aid abroad. Before voting to spend more, we should be asking, What is the purpose of our foreign aid programs? Are there more efficient aid vehicles? What leads to economic development in poor nations? Can the World Bank stimulate these forces? Congress has spent little time examining these questions.

The World Bank and its affiliates have evolved into the major multilateral vehicle for expression of American interest in the developing world. Though denounced by Communists as a prime promoter of capitalistic ideas, the bank on closer examination is a decidedly noncapitalistic organization. It is owned and controlled by governments doing business with other governments. If it were a privately held development bank, financing marketplace rather than statist solutions, maybe there would be substance to the Communist criticism.

As the administration struggles to form a foreign aid policy, it would be refreshing to see the sense of innovation shown in reorienting domestic programs transferred to the international arena. Domestically we have just agreed to privatize the National Consumer Cooperative Bank. The concept of privatization is sound. Perhaps it could be applied to the World Bank to invigorate our maligned foreign-aid efforts.

NOT AN EFFECTIVE INSTRUMENT

Recent U.S. foreign aid has a record of failure. The program is not an effective instrument capable of meeting U.S. objectives and helping friendly nations develop. This is due in part to lack of focus.

There has been no consistent set of humanitarian, political, eonomic or military goals to which U.S. aid was directed. Perhaps consistency wasn't wanted or felt necessary, since foreign aid was regarded as "walking around money" for the Secretary of State. From this perspective, the purpose of these funds was simply to influence foreign governments. What use was made of the money by the recipients was of secondary interest.

I reject this notion. If we are going to provide funds abroad, they should be given in a way that helps rather than hinders friendly economies. We should be supporting private enterprise over bureaucratic planning. And we should evaluate the effectiveness of our aid programs, not by the amount of money transferred but by results.

The World Bank is symptomatic of past shortcomings in the U.S. foreign aid program. Created by U.S. initiative after World War II to help finance reconstruction, the bank has transformed itself into a conduit for multilateral development assistance from economically mature countries to less developed countries (LDCs). From funding roads, dams, irrigation systems and electrical networks, the bank has shifted over 40 percent of its lending into what it calls new-style social projects to achieve "growth with equity." As a result the bank has become more involved with income redistribution, land reform, population control and other social issues.

The bank's critics contend that it has not promoted economic progress in the LDCs but has retarded it. In its zeal to move money from the West the bank has induced LDCs to accept uneconomic capital intensive and social engineering projects at the cost of increasing national debt, taxes and bureaucracy, while decreasing private sector activity.

The bank has been unable to foster the prime conditions for development—sound economic policies and stable political environments. Economic success stories such as the U.S., post-World War II Japan and West Germany, modern Taiwan, South Korea, Hong Kong and Singapore all have a common factor—reliance on private enterprise to organize most economic activity.

The World Bank could play an important role in LDC development if it would condition its loans on the elimination in Third World economies of price controls, nationalized industries, high tax rates, government subsidies, state monopolies, trade restrictions and impediments to private capital flows.

The Reagan administration recognizes this and is trying to turn the multilateral banks into positive forces for LDC development. For example, there is the recent U.S. veto of a concessional Inter-American Development bank loan to Guyana, which wanted

a subsidized loan to aid its ailing rice farmers. The U.S. Treasury pointed out that rice farmers would be better served by eliminating Guyanese government pricing regulations, a main cause of the poor rice production.

But the administration faces serious pitfalls in improving the performance of the World Bank. It is unlikely that less market-oriented major members such as France and Canada would allow the bank to enforce stringent free-market principles as conditions for receiving loans. Moreover, many of the bank's staff are hostile to marketplace solutions and the over-emphasis on external capital flows as the key factor in development.

One suggestion, which could permanently resolve some of the bank's major weaknesses, is to allow it to become a freestanding private financial institution. It would remain the flagship of development banks, but it no longer would have a direct pipeline into the treasuries of Western nations for subsidized capital replenishments. More importantly a private World Bank would have an entirely changed incentive structure to mandate lending policies more conducive to economic development.

Proponents of the bank point to the soundness of its lending, its efficient operations, its earnings and now, to its new private enterprise-oriented president. These are the essential elements of a successful private financial institution.

DISCIPLINE OF MARKET FORCES

Privatizing the bank would subject it to the discipline of market forces; it could attract capital to lend to LDCs only for projects deemed worthwhile by the market. As a private bank it would no longer receive capital infusions from governments, and its viability and growth would depend on its ability to earn a profit on the spread between its borrowing and lending rates.

As long as the bank paid sufficient dividends to stockholders, it could channel any amount of capital to LDCs of its choice without criticism by outsiders and without burdening taxpayers in developed nations. A private World Bank could also increase its one-to-one gearing ratio of loans to capital, to expand its lending without going through the difficult process of requesting replenishments of capital from owner nations.

No longer would the bank have an incentive to move ever-increasing amounts of money. It would have to ensure that its loan projects were productive and that conditions in borrowing nations were conducive to economic growth, and thus repayment. Just as private banks scrutinize the financial standing of loan applicants and may recommend changes in balance sheets to obtain loan approvals, a private World Bank could condition its loans on changes in LDC economic policies which retard growth.

Of course the reorganization of the World Bank would be complex, but research indicates it is feasible. For example current "soft" or zero interest loans and social lending projects of the bank which are not attractive to private capital, to the extent they are worthwhile, could be carried out through expanded bilateral aid programs or new, more effective multilateral grant efforts. After some restructuring of its portfolio, the stock of the bank could be traded on public stock exchanges and be an attractive investment.

Privatizing the World Bank is one idea which may help put focus in our ineffective and seemingly aimless foreign-aid programs. The goal is to increase international stability by promoting sound economic development. While U.S. concern for the world's less fortunate is a legitimate foreign policy objective, this concern has yet to be translated into programs that work. New ideas are needed. The basic premises of existing aid efforts require prompt re-examination. Programs that prove ineffective must be halted if American taxpayers are to get a fair return for their foreign aid sacrifices.

(Mr. LEWIS, Republican Congressman from California, is a member of the House Foreign Operations Subcommittee of the Appropriations Committee, which approves U.S. funding for the World Bank.)●

## ARMS SALE TO SAUDI ARABIA

### HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. WYDEN. Mr. Speaker, while each Member of Congress supports the President's efforts to reach a just and lasting peace in the Middle East, many of us believe that the proposed sale of AWACS radar planes and the F-15 enhancement package is a step in the wrong direction.

I was joined by my colleagues from Oregon, Congressmen LES AUCOIN and JIM WEAVER in expressing our objections to the sale in a letter to President Reagan. Below is the text of the letter:

HOUSE OF REPRESENTATIVES,
*Washington D.C., September 23, 1981.*
President RONALD REAGAN,
*The White House,*
*Washington, D.C.*

DEAR MR. PRESIDENT: We respectfully inform you that three of the four Members of the Oregon House delegation are opposed to the sale of AWACS and the F-15 enhancement package to Saudi Arabia.

We support your efforts to strengthen relations both with Israel and with friendly Arab nations, but believe this sale is not in the best interests of our nation.

We believe that the proposed Saudi arms package will increase tensions and instability in the Middle East and we wanted you to know our strong feelings on this issue as Congressional debate on the proposed sale begins.

*Sincerely,*

RON WYDEN,
LES AUCOIN,
JIM WEAVER,
*Members of Congress.*●

## AWARD WINNING ESSAY

### HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. McGRATH. Mr. Speaker, it was with great pride that I learned earlier this week that a constituent of mine, James Bingham, of Rockville Centre, N.Y. was a winner of a nationwide essay contest sponsored by the Presidential Inaugural Committee. James and his parents were among the honorees at a White House reception hosted by the First Lady today.

I was truly impressed by the patriotic spirit demonstrated in the words of this fine young man who is a credit to his family, his community, and this great Nation. I would like to take this opportunity to share his essay with the Members of this House:

AWARD WINNING ESSAY OF JAMES BINGHAM

"I do solemnly swear that I will faithfully execute the office of President of the United States and will to the best of my ability, preserve, protect, and defend the Constitution of the United States."

Nowhere in the world but in our great country do thirty-five words bring to a dramatic conclusion both the electoral and political processes whereby a new beginning is declared throughout a nation, and I was there!

As President-elect Ronald Reagan spoke those thirty-five words mandated by the Constitution of the United States, I sensed feelings in the audience not only of excitment, but of pride, support and respect for our system of government, the democracy we have chosen. The taking of this oath truly marks an "American Beginning."

This "American Beginning" occurs every four years at the inauguration of the President and Vice President. American voters, exercising their Constitutional privilege, either return the incumbents to office or select a new team. In the elections of 1980 the people once again opted for a completely new "American Beginning" for Inauguration Day, 1981. So important is the meaning of the Inaugural that President Reagan himself chose to focus on it in his Address: "To a few of us here today this is a solemn and most momentous occasion. And, yet, in the history of our nation it is a commonplace occurrence. The orderly transfer of authority as called for in the Constitution takes place as it has for almost two centuries, and few of us stop to think how unique we really are. In the eyes of many in the world, this every-four-year ceremony we accept as normal is nothing less than a miracle." Our "miracle," our way to new beginnings, is the envy of oppressed peoples all over the world!

President Ronald Reagan is the catalyst for this new beginning. In him rests a mandate from the American people to balance the budget, help the truly needy, end double-digit inflation, decrease the size of government bureaucracy and cut taxes, and as leader of the free world—to build a lasting peace. It is an awesome task for one man, and further, as we the people look to this man we have called to be our President, we are not alone in looking to him for leadership.

Political and world events have brought our nation to the center of world affairs as leader of the free world. It is no exaggeration therefore to say that the Presidential years of Ronald Reagan will affect the entire world. His is the responsibility to make our country strong, to strengthen the free world, to bring about lasting peace. The Inauguration of the President and Vice President of the United States is indeed a landmark event of world importance, per-

haps indicating even a "world beginning" as well as a significant "American Beginning." In our President rests the hope of mankind for peace.

I was there as he spoke on his Inauguration Day, and the air was filled with that hope!●

## UNION NOW

### HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. FINDLEY. Mr. Speaker, some ideas endure no matter the power of the forces which oppose them. These are ideas which enhance the dignity of man and which appeal to his sense of fairness and justice.

Atlantic union is one of those ideas. Despite the skeptics who emphasize the forces which separate like-minded peoples over those which bring them together for their common benefit, this idea persists in the visions of many people. Occasionally, it reemerges with clarity and bouyancy. Often, for example, I have noted the strength of this idea as expressed by Clarence Streit. Streit, through his writings and lifework, urged the elevation of the individual through the combination of the resources of the democratic nations. His work and those of men like Jean Monnet, Robert Schumann, and George C. Marshall, led to the emergence of the great Atlantic cooperative endeavors from the destruction of World War II.

Now the idea of union has been given new and forceful expression by the West German Foreign Minister, Hans-Dietrich Genscher, in an August 1981 article. The Foreign Minister directs his attention to the need for European union—now. He bases his argument for greater European unity on a central premise which is common to all unifying efforts and particularly important, at this juncture, for the European community:

> In view of the magnitude of both the issues incumbent upon the Community and the challenges in foreign policy confronting the Ten, there is a need for political vision so as to make the indispensable European unification more attractive again. The citizens expect this of us.

Hans-Dietrich Genscher has supplied the necessary vision to promote the process of unification of Europe which will enhance its ability to meet the many and great challenges of these times. I feel confident that others will join the West German Foreign Minister in expounding this vision and in advancing it even further to include Atlantic union—now.

EUROPEAN UNION—NOW

(By Hans-Dietrich Genscher)

It is recognized everywhere that the Europe of the democracies, the European Community, needs a fresh political impetus if stagnation and the ensuing distintegraton are not to become a real danger.

Energetic political decisions are now necessary in order to strengthen the European identity and Europe and to organize the safeguarding of its interests in a more viable manner. International tensions and crises such as we are now again experiencing have always furnished a stimulus for invigorating the European concept in the past. Europe must now draw practical conclusions from this.

If we do not succeed in taking such an initiative, Europe will run the risk of becoming deadlocked in an outmoded approach constrained by national egotism when it sets out to resolve the undeniably existing problems in the European Community such as the Agricultural Market, the Steel Market and the enlargement of the Community to the south. Even in our own country, we can hear voices which seem to suggest that Europe signifies the Europe of the other countries for whom we are reluctant to pay our contributions—and not the place for our own German future. Viewed in the long term, a narrow-minded, book-keeper's outlook and national self-righteousness constitute the opposite of a forward-looking approach—the determination of political priorities and the sparing use of financial resources.

A NEW INITIATIVE

The following factors, in particular, indicate the need for a political European initiative at the present point of time: The objectives of the European Community such as were already set out in the Schuman Plan and in the European Defense Community (Franco-German reconciliation and the creation of a European federation as a matter of economic necessity) have played an increasingly smaller role in recent years due to the mounting economic and financial difficulties (and increasing national egotism). Political unification has not followed economic unification on an adequate scale. Even during the period of rapid progress in economic integration, it had become clear that this was not in itself going to develop automatically toward a greater political unification of Europe. This confirms one of the lessons of history: The German Customs Union in the 19th century did not automatically lead to political unification of the Reich, even though everyone had the same nationality.

Today, there is a leeway to be made up in Europe for political unification. The Community of the Ten does not have at its disposal, in its present nexus of supranational and intrastate components, a coherent and comprehensive set of instruments which enables it to meet in adequate manner the great challenges of our age—the maintenance of the equilibrium and of detente between East and West, the overcoming of the energy crisis and the strengthening of the world economy including free world trade, and the narrowing of the gap between North and South. In particular, the Ten lack the essential state and institutional prerequisites such as the "decision-making center," called for in the Tindemans Report, for the overall policy of the European Community and of European political cooperation and, in practical terms, the competence for a European foreign and security policy—without which the Europe of the Ten cannot have any capacity of its own to take political action.

THE UNIFICATION PROCESS

Such thought about the overriding political finality of the European unification process has become necessary, not least to secure, at national level, the future financial expenditure which will be required of some segments at least of the European population in order to settle the pending Community problems in the common, self-enlightened interest. In view of the magnitude of both the issues incumbent upon the Community and the challenges in foreign policy confronting the Ten, there is a need for political vision so as to make the indispensable European unification more attractive again. The citizens expect this of us.

The proposals for the gradual realization of a European Union, whose creation was called for by the heads of state and government of the EEC states in Paris in 1972, take into account the political developments and demands in European policy. These proposals proceed from the existing realities in the Community. The European Federation such as the founding fathers of the European Community aspired to is not yet feasible. The existing state of integration contains federal and confederal features. The position of member states vis-a-vis the Community has become stronger as the shift in political importance from the EEC Commission to the Council of Ministers emphasizes. In these circumstances, it would seem expedient to link federal and confederal elements together in a system such as that envisaged in the modified Fouchet Plan. The European Community, European political cooperation and the European Council will be cast in a new contractual form or joined together pursuant to a politically binding act with the Community continuing as the core of European integration and still developing while, at the same time, political collaboration is placed on a firm and binding fundament.

The initiative ought to rest primarily on the fundamental idea of achieving treaty form. The argument for the latter is its legally binding quality, which would provide the requisite foundations under international law for political cooperation and for the institution of the European Council. A political declaration—however much it may be emphasized—can only be binding to a limited degree, as the implementation of the CSCE Final Act indicates. Another argument in favor of assigning priority to contractual form is the most recent constitutional initiative undertaken by the European Parliament. Recourse should only be had to a formal political declaration on the part of the governments of member states when a treaty cannot gain acceptance in certain member countries due, perhaps, to parliamentary resistance. In view of the anticipated misgivings of some partner countries, the proposed treaty will not in itself establish the European Union, but it will establish the framework for a European Union to materialize through a continuous process. This basic treaty permits an evolutionary process moving toward the European Union and it upholds the prospects of future developments.

Serious consideration should be given to the creation of a Council for Security Questions and a Council for Cultural Cooperation. Thought might also be given to the Council of Foreign Ministers having jurisdiction for political cooperation in all its sectors. The Council of Foreign Ministers could also appoint sub-committees (at State-Secretary level) in order to deal with specific questions.

FURTHER GOALS

With this in mind, there should be a call for the explicit inclusion of these new sectors in the treaty or in the formal act. Further goals of the European Union which may be taken into account are: harmonization and standardization of the legislation in member states, and the coordinating of matters of internal security. In both fields, there has been cooperation between the Ministers of the Interior and of Justice since 1974/76 and this cooperation is of increasing importance.

The powers of the European Parliament must be given greater consideration and further developed. In advancement of the responsibilities granted to it by the Treaties of Rome, Parliament should be given supplementary powers including, in particular: the right to receive semi-annual reports from the President of the European Council; a report by the Council on the resolutions adopted by the European Parliament; the consulting of its President and officers prior to the appointment of a new President of the Commission; an investigative debate on the new Commission's program; an extension of the procedure for concerted action to cover all normative resolutions adopted by the Council and possessing special significance; ascertainment of the views of the European Parliament on treaties of accession, trade and association agreements.

The enhancing of the European Parliament's status envisaged by these measures accords with the active European policy pursued by the Federal Government. It is also intended to accommodate the pressure from the European Parliament clearly manifested by the adoption of a number of resolutions at its July session as well as the wishes of a number of member states. At any rate, the prospects for a European constitutional reform such as is being increasingly demanded by Parliament must be strengthened. The demand for a political union represents a proposition to our partners in the European Community. The Federal Republic of Germany in particular must play an active role in European unification. In the near future, the Federal Government will hold a special meeting to deal with questions of the European Union. The hour has come for Europe to take stock of the present situation. Its guiding motto can only be:

Create the European Union—now.●

## STATUE OF MARTIN LUTHER KING, JR.

### HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. GARCIA. Mr. Speaker, on September 15, the House passed House Concurrent Resolution 153 which authorizes a bust or statue of Dr. Martin Luther King, Jr., to be placed in a suitable location in the Capitol. The recognition is long overdue, and I cannot think of a more fitting person to honor in such a way. Dr. King was an outstanding American and will be the first black to be commemorated with a sculpture in the Capitol.

However, my satisfaction is tempered by my concern that a statue of Dr. King in the Capitol will be used as an excuse not to establish a national holiday honoring his memory. As you know, the Subcommittee on Census and Population, which I chair, twice brought to the floor legislation which would have established a national Federal holiday honoring Dr. King. Both times the bill was defeated.

Honoring Dr. King by placing a statue of him in the Capitol is necessary but not significant enough. Only a limited number of Americans, including black Americans, will ever know we have taken this step. Most citizens neither read the CONGRESSIONAL RECORD nor prowl the Halls of Congress examining statues. A more visible, more vibrant, more vital means of commemorating the life and death of Dr. King is still needed. A national holiday will meet this need because it will serve as a reminder every year that there lived, sacrificed, and suffered a noble black man of extraordinary vision who dreamed of the day when all children, regardless of the color of their skin, could grow up in peace and harmony together and share in the American dream.

I suggest that a day devoted to Dr. King's memory is a more substantial symbol, particularly during the difficult days ahead when the burden of massive budget reductions falls on the least advantaged in our society.

To insure that Congress does not evade its obligation in this regard, I intend to continue to press for passage of the holiday bill.

I urge all of my worthy colleagues who supported placement of a statue of Dr. King in the Capitol to take the next step with me, and with other colleagues who have steadfastly sought the same end, to establish a national holiday as a living memorial to the ideals for which Dr. King gave his life.●

## POSTPONEMENT OF EFFECTIVE DATE OF REVENUE RULING 81-216

### HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. GUARINI. Mr. Speaker, today I join my colleagues, Mr. NOWAK, Mr. MCDADE, and Mr. MOAKLEY, in introducing legislation to postpone the effective date of revenue ruling 81-216 until January 1, 1983. Similar legislation was introduced by Senators WEICKER, DURENBERGER, and STEVENS on September 17.

Revenue Ruling 81-216, effective August 24, 1981, holds that industrial revenue bonds issued in multiples of $1,000,000 may not qualify as exempt small issues under section 103 of the Internal Revenue Code.

A number of States in recent years have established agencies which issue these industrial development bonds on which the interest is tax exempt in order to provide below market rate loans to small business owners and small farmers who have been hard pressed by inflation.

The following States currently issue bonds for business purposes: Alaska, Connecticut, Delaware, Illinois, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Hampshire, New Jersey, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, and Vermont.

In addition, Alabama, Arkansas, Colorado, Georgia, Illinois, Indiana, Missouri, Nebraska, North Dakota, Oklahoma, and West Virginia presently issue bonds for agricultural purposes. Legislation to permit bonds to be issued for agricultural purposes is pending in Kentucky and Michigan.

Revenue Ruling 81-216 reverses an Internal Revenue Service position of many years standing and does so without notice or opportunity for public comment. This sudden action on the part of Treasury comes at a most inopportune time. Interest rates are at an all time high for small business and farmers and Federal programs for these groups are being severely curtailed. To cite a specific example, the fiscal year 1982 budget slashes Small Business Administration credit assistance program by 25 percent.

The revenue ruling is particularly troublesome in that it forecloses the ability of States to meet the needs of small business and farmers for affordable capital at a time when it is crucial to their survival and to the economic stability of the communities in which they are located. For example, the New Jersey Economic Development Authority has on its drawing board plans to provide low-interest loans to businesses with less than $500,000 in annual sales and which are located in distressed areas. Under ordinary circumstances, these small businesses would find it difficult to obtain the capital needed to continue operation. Prolonged inflation and economic uncertainty have left many small businesses literally on the brink and this revenue ruling has precluded the New Jersey EDA from acting on their behalf.

The effective date of Revenue Ruling 81-216 should be postponed until Congress has had the opportunity to fully investigate the consequences of its implementation.●

## CIVIL RIGHTS GIANT DIES—ROY WILKINS

### HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 15, 1981*

● Mr. HORTON. Mr. Speaker, a man whose work and name have been synonymous with the organization he headed for so many years died earlier this month. For the many thousands of Americans who knew him personally, had the opportunity to work with him as I did on a number of occasions, or to the millions who recognized his outstanding achievements, his death constitutes an irreplaceable loss to us all.

The accomplishments which were wrought principally as a result of Roy Wilkins labor are legendary: The Brown against Board of Education decision in the U.S. Supreme Court in 1954, the 1964 Civil Rights Act, the March on Washington, 1963 and others. To each he brought his considerable talent, compassion, hard work and dedication all for one common goal: civil and human rights.

For more than 22 years, Roy Wilkins served as executive director of the National Association for the Advancement of Colored People. In that capacity, he not only registered the successes already mentioned, but he stood as an example to all Americans of what is right, honorable, and good in this country. His quest for equality and justice for all constitutes a lasting contribution to this country and to those of us who supported his cause.●

## A TRIBUTE TO MARILYN GLICK

### HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. LEWIS. Mr. Speaker, I want to take this opportunity to commend to the House of Representatives one of my dearest friends and associates, a truly outstanding individual, Marilyn Glick. Marilyn is a shining reflection of an ever-changing society afforded by the fantastic American dream.

A long-time resident of San Bernardino, Calif., Marilyn has tirelessly devoted many volunteer hours to the betterment of her community. The mother of two beautiful daughters, she has been a PTA officer and a Girl Scout leader. Her deep concern for the well-being and education of children has led her to role of developer and coordinator of a successful elementary school program for the gifted. An active member of the Inland Area American Red Cross and Inland Adolescent Clinic Board, Marilyn has further demonstrated her concern for the people of her community.

In addition to superbly balancing a busy life as wife, mother, and civic leader, Marilyn followed her dreams and pursued a college education. While attending classes, she remained employed full time. She graduated this year from Cal State San Bernardino with honors in social studies and public administration. For her excellent academic achievement she was elected to Phi Kappa Phi Honor Society. She also holds honorary membership in the prestigious American Society for Public Administrators.

During her illustrious undergraduate years, Marilyn served as an intern in the California State Assembly. It was in this capacity that I learned of her genuine caring attitude. Fully realizing that her special qualities would well serve the 37th Congressional District, I asked Marilyn to join my staff. She brought to her job the same enthusiasm, generosity, and kindness that she has given to family, friends, and community.

Marilyn Glick is the embodiment and reaffirmation of a democratic society, a society that allows change and opportunity for those individuals willing to take advantage of its bounties. Mr. Speaker, it is truly an honor and a pleasure to recognize Marilyn Glick today and to commend her to the House of Representatives.●

## WOMEN'S EQUALITY DAY IN LOS ANGELES

### HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. HAWKINS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following: As the deadline for equal rights amendment ratification approaches, it is increasingly important to galvanize the public in support for this vitally necessary and long overdue amendment. Simple equality is what the ERA is all about and was the focus of the August 22 celebration of Women's Equality Day. I have included a description of the activities sponsored by the Los Angeles Chapter of the National Organization for Women in observance of this important day.

In Los Angeles, on August 22, 1981, in observance of Women's Equality Day and as a demonstration of support for ratification of the equal rights amendment, some 10,000 people participated in a parade on the Avenue of the Stars in Century City, a fund-raising walk that brought in pledges totaling $325,000, an Equality Fair and a rally that attracted a galaxy of prominent public figures from government and the entertainment industry. Delegations from more than 100 organizations in Los Angeles participated in the parade.

The events of the day were organized and sponsored by the Los Angeles Chapter of the National Organization for Women (NOW) as part of a nationwide observance of the 61st anniversary of the ratification of the 19th amendment giving women the right to vote and as a mobilization for the campaign for ratification of the equal rights amendment. Similar events in some 150 cities across the country organized by the National Organization for Women raised nearly a million dollars for the ERA campaign and involved thousands upon thousands of people.

Toni Carabillo, president of the Los Angeles Chapter of NOW, who has been working for ratification of the ERA for 15 years, described the significance of the day as follows:

THE LAST ERA WALK

(By Toni Carabillo, president, Los Angeles Chapter of NOW)

Sixty-one years ago on August 26, 1920, 26 million people won the right to vote with the certification of the Nineteenth Amendment to the U.S. Constitution. It was a right previously denied them even though they were legally citizens of the United States because they were women.

The victory marked the end of a 72-year long struggle by three generations of American women. Two who led that effort in the final decades—Carrie Chapman, Catt and Nettie Rogers Schuler—summed up its cost:

"Hundreds of women gave the accumulated possibilities of an entire lifetime, thousands gave years of their lives, hundreds of thousands gave constant interest and such aid as they could. It was a continuous seemingly endless, chain of activity. Young suffragists who helped forge the last links of that chain were not born when it began. Old suffragists who forged the first links were dead when it ended . . .

"It is doubtful if any man, even among suffrage men, ever realized what the suffrage struggle came to mean to women before the end was allowed in America. How much of time and patience, how much work, energy and aspiration, how much faith, how much hope, how much despair went into it. It leaves its mark on one, such a struggle. It fills the days and it rides the nights. Working, eating, drinking, sleeping, it is there. Not all women in all the States of the Union were in the struggle. There were some women in every State who knew nothing about it. But most women in all the States were at least on the periphery of its effort and interest when they were not in the heart of it. To them all its success became a monumental thing."

Only three years later, in 1923, a new struggle began with the introduction into the 68th Congress of the Equal Rights Amendment by Senator Charles Curtis and Representative Daniel Anthony (nephew of suffragist leader Susan B. Anthony), both Republicans from Kansas.

Alice Paul, the militant suffragist leader of the National Woman's Party, which had played a crucial role in winning ratification of the 19th Amendment, had recognized even before that victory, that the right to vote alone would not guarantee to women the equal protection of the law. The Equal Rights Amendment was her concept and she

fought for its passage until her death on July 9, 1977 at the age of 92.

She died knowing a new generation of women and men were committed to the cause and the struggle for ratification would go on.

Like the struggle to win the right to vote, the struggle to win ratification of the Equal Rights Amendment now "fills the days" and rides the nights. Working, eating, drinking, sleeping, it is there. Like the struggle for the right to vote, it consumes time and patience, work that seems endless, energy and aspiration, faith, hope and, yes, sometimes, despair. No one has yet catalogued the miracles performed in its behalf by individuals who never dreamed they had the capacity to bring them about until they tried because they cared so much.

And again, as in the struggle for the right to vote, it is doubtful if any man, even among the dedicated men working daily for its ratification, realize what the struggle for the Equal Rights Amendment has come to mean to the women fighting for it. It is again "a monumental thing."

On this Women's Equality Day, 35 states have ratified. Three more are needed to make the Equal Rights Amendment part of the U.S. Constitution, and only 310 days remain before the deadline for ratification on June 30, 1982. Carrier Chapman Catt, who led the suffragist struggle once said, "When a just cause reaches its floodtide—whatever stands in its way must fall before its overwhelming power."

The campaign for ratification of the Equal Rights Amendment is now at floodtide.●

## STEEL CAUCUS FINANCIAL REPORT

### HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Ms. MIKULSKI. Mr. Speaker, in accordance with Executive Committee Order No. 1, I am respectfully submitting herewith the quarterly financial report of the Congressional Steel Caucus for insertion in the RECORD. The report is as follows:

*Quarterly report, fund balance statement, U.S. House of Representatives, Congressional Steel Caucus*

| | |
|---|---|
| Balance forward (as of Apr. 1, 1981) | $16,127.25 |
| Total revenues (clerk hire, dues and donations) | 12,454.63 |
| Total | 28,581.88 |
| Less expenses: | |
| April 1981 | 3,713.68 |
| May 1981 | 3,881.44 |
| June 1981 | 10,519.54 |
| Remainder | 10,467.22 |
| Plus interest deposit | 43.73 |
| Balance as of June 30, 1981 | 10,510.95 |

*Quarterly report, cumulative statement of expenses, U.S. House of Representatives, Congressional Steel Caucus*

| | |
|---|---|
| Salaries | $21,070.21 |
| Postage | 141.92 |
| Stationery (Donations, Mr. Bevill) | 228.53 |
| Telephone | 271.23 |
| Publications | 149.75 |
| Equipment | 888.60 |
| Printing | 471.10 |
| Miscellaneous | 6,787.40 |
| Total through June 30, 1981 | 30,008.74 |

CONGRESSIONAL STEEL CAUCUS DUES PAID AS OF SEPTEMBER 21, 1981

Jospeh Addabbo, Douglas Applegate, Eugene Atkinson, Don Bailey, Adam Benjamin, Tom Bevill, William Brodhead, Clarence Brown, George Brown, Don Clausen, William Clinger.

Cardiss Collins, John Conyers, Lawrence Coughlin, William J. Coyne, Dan Daniel, Robert Davis, Edward Derwinski, John Dingell, Dennis E. Eckhart, Allen Ertel, David Evans.

John G. Fary, Vic Fazio, William Ford, Joseph Gaydos, Sam Gejdenson, Benjamin Gilman, Sam B. Hall, Jr., James V. Hansen, John Hiler, Elwood Hillis, Ron Wyden.

Ken Holland, Thomas Kindness, Ray Kogovsek, Tom Lantos, John LeBoutillier, James K. Coyne, Gary Lee, Jerry Lewis, Clarence Long, Thomas Luken, Stanley Lundine.

Robert McClory, Joseph McDade, Bob McEwen, Marc Marks, Dan Marriott, James Martin, Robert Michel, Clarence Miller, George Miller, Barbara Mikulski, Donald Mitchell.

Robert Mollohan, Ronald Mottl, Austin Murphy, John Murtha, John Napier, James Nelligan, Bill Nichols, Henry Nowak, Mary Rose Oakar, James Oberstar, Joe Smith.

George O'Brien, Thomas P. O'Neill, Donald Pease, Carl Perkins, Melvin Price, Carl Pursell, Nick Joe Rahall, Ralph Regula, Don Ritter, Robert Roe, Marty Russo.

Gus Savage, James Scheuer, Richard Schulze, John Seiberling, Richard Shelby, Bud Shuster, Paul Simon, Albert Lee Smith, J. William Stanton, David M. Staton, Louis Stokes.

Gene Taylor, Bruce Vento, Doug Walgren, Robert Walker, Richard White, Lyle Williams, Charles Wilson, Gus Yatron, Clement Zablocki, Leo Zeferetti.●

## DISTINGUISHED JURIST-JUDGE SHIGERU ODA DELIVERS MAJOR LECTURE ON LAW OF THE SEA

### HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. BIAGGI. Mr. Speaker, on September 1, it was my distinct pleasure and privilege to attend the seventh annual Walter M. Jeffords, Jr., lecture series at my alma mater—New York Law School. The seventh distinguished Walter M. Jeffords lecturer was the world renowned Judge Shigeru Oda of the International Court of Justice.

The title of the judge's lecture was "Sharing of Ocean Resources—Unsolved Issues in the Law of the Sea." Judge Oda is widely recognized as one of the most influential scholars in the law of the sea. As a public servant, a lawyer, an author, and since 1976 as a judge in the International Court of Justice, Shigeru Oda has long advocated the importance of sharing ocean resources. I agree with him on the need to establish this as a fundamental goal of the law of the sea and I commend Judge Oda's address to my colleagues.

Mr. Dean and distinguished members of the Faculty of the New York Law School: Your School has just done me great honour by conferring upon me an honorary degree, for which I am very grateful. That I have sufficient merit to be awarded this distinction is due in no small measure to the legal education which I received in this country. If I may be allowed to mention only one name, it must be that of Professor Myers S. McDougal of your Faculty. If I had not met Professor McDougal, and pursued my studies under his guidance in New Haven between 1950 and 1953, my life would have moved in a different direction and I would not now be where I am today.

Mr. Dean and distinguished faculty members, ladies and gentlemen: It is already thirty years since I studied international law in this country. In these thirty years a great deal of my work on international law has been devoted to the Law of the Sea, and my interest has centered on the problem of the sharing of marine resources. Professor McDougal will probably agree that he and I were among the few who predicted, as far back as the early 1950's, the future conflicts and confusions among national interests involved in the sharing of ocean resources, and I would like to take this opportunity to discuss how the question of ocean resources has been dealt with under international law. My remarks will thus constitute for me, in part, a reminiscence of my work of the past thirty years, yet I think I shall also be able to pinpoint some of the problems which face us today as regards the question of the ocean, and will also face us tomorrow.

As a preliminary observation, I must recall how the ocean became the object of the interest of the people of the world and has been made subject to regulations of international law.

First, for centuries past the ocean has been used universally as a common concourse for maritime traffic. Such use of the ocean, being in the interest of all nations, with no one nation assailing the interests of others by claiming its exclusive use, has led to the creation of advanced regulations for the promotion and safe control of traffic. Subject only to such regulations of a technical nature, the freedom of maritime traffic has continued to remain the most well-established rule of international law to be followed by nations. Since this freedom is in the common interest of all nations and innocent passage is guaranteed in the narrowly-limited territorial seas around the coasts, the traditional dualism of the high seas and the territorial seas in international law does not have a great impact on such use of the ocean.

The second aspect of the ocean relates to national security. The ocean has been a common battleground for naval vessels of the sovereign nations, and freedom for the manoeuvre of naval fleets has undoubtedly been secure. In fact, only a handful of the great powers remain consistently alert to this aspect, and the United States in particular was strongly concerned with it in the first and second Conferences on the Law of the Sea in 1958 and 1960, when it tried by every means to keep the territorial seas as narrow as possible in order to ensure that the free manoeuvre of its naval fleet would not be hindered by the closure of any straits of strategic importance, hit upon a uniform limit for the narrower territorial seas. Real-

izing that the main interest of the developing countries lay in the resource aspect of the ocean, and that, if the pressure of a group of developing countries was kept up, the acceptance of a 12-mile territorial sea could not be avoided, the United States tried to lure the group into admitting its narrowly-limited territorial seas policy, even offering some substantial interest in the use of ocean resources in the offshore areas for the benefit of the developing countries. Thus, early in 1970, the Nixon administration announced the belief of the United States Government that the time was ripe for the conclusion of a new international treaty fixing the territorial sea at 12 miles, provided that freedom of transit through international straits, and carefully-defined preferential fishing rights for coastal States, were also recognized. The aim of securing the free maneuver of naval fleets seems to have been achieved after somewhat lengthy negotiations in UNCLOS III, as the concept of transit passage of warships through international straits has now been recognized in Part III of the Draft Convention prepared last year, some articles of which are specifically devoted to "Straits used for international navigation".

The third aspect of the ocean, which relates to the exploitation of marine resources, seems to be one of the greatest problems still remaining insufficiently discussed in UNCLOS III. Thus I would like today to take up this question of the Law of the Sea as seen from the resource aspect.

First of all, we must bear in mind the fact that interests in the development of resources in general are bound to bring about frequent conflicts, so long as the world community consists of co-existing sovereign nations. On the one hand, the resources of the land covering nearly one-third of the globe are divided among nations by land frontiers which were drawn for various historical and political reasons. The global land resources have never been evenly allocated among the sovereign nations; some States are in advantageous positions, while others are not. Yet these unevenly distributed land resources of the sovereign nations, which have often been the cause of war in the past, are not made the object of re-distribution today. While in past colonial ages land resources in Asia and Africa were often grabbed by colonial powers, the new concept of permanent sovereignty over natural resources, as proclaimed in the United Nations General Assembly resolution of 1962, can now save these resources from exploitation by foreign powers and preserve them for the benefit of each sovereign nation. In the field of international law today, the exclusive control of land resources by each nation is no longer challenged, and no one doubts that access to the land and to its resources is exclusively reserved to each sovereign nation and retained in its hands.

In contrast, the resources of the ocean which cover two-thirds of the globe were long considered as common to all. Few ever doubted that the traditional concept of freedom of the high seas would also apply to the exploitation of ocean resources. Yet the fact was that, with respect to ocean resources, the mutually conflicting and excluding interests of nations had not yet come to light before the Second World War. The ocean was not then considered from the aspect of its resources, except perhaps in some narrowly-confined offshore areas, as the science and technology of such utilization, as well as the demand for ocean resources, had not yet reached the stage where any international regulations for this purpose were necessary. If there were any legal implications relating to the exploitation of ocean resources, the extent of the territorial sea was regarded as the sole issue, since this was deemed to coincide with the outer limit of the exclusive use of the coastal nation's sea resources, while the resources of the vast ocean, being infinite and renewable, could be utilized by any nation without detriment to the interests of others. There was, at least in the period prior to the Second World War, no incentive to prevent free access to ocean resources. Thus the freedom of the seas in this respect, as simply an abstract concept, remained unchallenged, and the concept of free access remained a principle in this field, with no one opposing the idea that those who wanted, and were able, to exploit the marine resources were free to do so.

In the post-war period, the development of international law relating to ocean resources has marked something of a revolution in the whole history of international law. Some parts of the ocean which had been considered, if theoretically and in abstracto, as free for all, now stand under the regime of the exclusive control of each coastal State. The concepts of the continental shelf and the exclusive economic zone, which were not known at all under traditional international law, are now being introduced.

Now let me begin with the concept of the continental shelf. It was only after the second World War that the possibility of profitably working the petroleum resources of the offshore continental shelf became the subject of the attention of some nations. In 1945 the United States claimed the submarine areas off its coasts, thus excluding access by other nations to offshore deposits of petroleum. Many other coastal States then followed suit, undoubtedly because, in so doing, they had much to gain and nothing to lose. There was almost no resistance from any corner of the world to countries monopolizing offshore seabed petroleum in the name of the continental shelf. In those days, foreign interests saw no loss to themselves whatever involved in a country's working the petroleum resources of its own offshore areas, since the exploitation of seabed petroleum in the offshore areas of other countries was hardly considered possible without the co-operation of those other coastal nations. In other words, the exclusive use of the seabed's mineral resources based on the geographically-privileged position of a nation was not considered to be detrimental to the interests of other nations.

Thus, in 1958, the Continental Shelf Convention, concerned with the distribution of seabed petroleum resources only among the respective beneficial coastal nations, was adopted without difficulty. At that time there was no possibility of exploiting the mineral resources of the seabed beyond the continental shelf, which was widely understood as not extending beyond the 200-metre isobath. The problem was not one of law, but rather one of geography or geology, which would not necessarily cause any conflict of national interests. If there were any conflicts, these would result mainly from the determination of the boundary of the continental shelf which each nation could claim.

However, this calm situation was broken in the mid-1960s after only two decades, when the United States oil industry began to find it technically possible even to extract resources from under one or two thousand metres' depth of water, on the continental slope. The exclusive claims of coastal nations to the continental slope far beyond the general concept of the 200-metre depthline as the limit of the continental shelf would still have been permissible in terms of the exploitability criterion in the Continental Shelf Convention. Yet there was another interest in the United States, represented by the hard minerals industry, which had begun to set its sights on the exploitation of manganese nodules at the bottom of the vast ocean. It would be contrary to their interest to see an extension of the exclusive areas reserved for the coastal nations, thus diminishing the areas which would otherwise have been open to them.

In 1967, noting these conflicting interests between the oil industry and the hard minerals industry, the Maltese delegate to the United Nations took a step towards halting the gradual extension of coastal jurisdiction for mineral resources, thus reserving the vast deep-ocean floor for the benefit of the world in terms of the common heritage of mankind. As was only natural, the concept of the common heritage of mankind received wide support from a group of developing countries which could dream of some benefits deriving from such a concept through the avoidance of competition with the powerful developed nations in the exploitation of the seabed, which was still far beyond their own technical capability.

The conflict between the claim to a wider area for the exclusive use of mineral resources for each coastal nation, and the demand to retain as much of the vast ocean areas as possible for the benefit of the whole world, seems to have only just been resolved by a compromise agreement reached after the past ten years of debate in the United Nations Seabed Committee and UNCLOS III. The Draft Convention on the Law of the Sea which was prepared just one year ago provides for the redefinition of the continental shelf. Quite differently from that of the 1958 Convention, and also from the geographical concept, the definition now suggested, containing more than 500 words, is not easy to grasp at first glance. At any rate, however, it is safe to say that practically all exploitation of offshore petroleum extending to the outer edge of the continental margin will fall under the exclusive control of each coastal nation.

Now let me turn to the exclusive economic zone. The history of ocean fishing is more complicated than the case of the exploitation of seabed mineral resources. The difference lies in the fact that the principle of free access was believed to have exited more strongly in ocean fishing. A claim to the extension of the coastal nations' fishery jurisdiction, which would be a blow to the then-established laissez-faire policy in ocean fishing, would invite the opposition of those nations which would otherwise have enjoyed the freedom of fishing in such claimed offshore areas, since the limit of the territorial seas had been regarded as coincident with the exclusive fishing interest of the coastal States.

In this field also the role played by the United States in the post-war period was not insignificant, and in the United States itself there were two opposing fishery interests, one represented by the coastal fishing industry, particularly on the North Pacific coast, and the other by the highly migratory tuna industry. In the post-war period the United States fishing industry on the North Pacific coast began to realize that the three-

mile territorial sea guaranteeing its exclusive interest would probably not be sufficient to secure its profits in offshore fishing, owing to the increasing competitive potential of the Japanese fishing industry. Such a specific interest off the Pacific coast could have been satisfied through bilateral negotiations with Japan, which could have agreed to abstain from such fishing. Yet the 1945 Proclamation of the United States President concerning offshore fisheries took a step towards expansion of fishery jurisdiction. Then it was not difficult for any developing country, particularly in Latin America, to understand that it would benefit simply by extending its area of coastal jurisdiction, thus monopolizing the fishery income deriving therefrom or profiting by the revenues of taxation imposed on foreign fishing there. Such an expansion policy could not however constitute an overall national policy for the United States which, as an advanced fishing nation, did not want to see the ocean diminished to the detriment of its interest in free fishing.

At the First and Second Conferences on the Law of the Sea in 1958 and 1960, respectively, the problem of the limit of the territorial sea was discussed in connection with the problem of the fishery zone. Against the movement towards expansion of fishery jurisdiction, the United States expressed its readiness to recognize the wider claim to fishery jurisdiction only on condition that the limit of the territorial sea be maintained as narrow as possible. The reason for this was quite clear and, as I said at the outset, it was categorically imperative for the United States to maintain the unhindered passage of warships through narrow international straits, even at the sacrifice of any other interests, particularly in fishing. In fact, the nations which wanted to keep the jurisdiction of each coastal State as narrow as possible from the fishery resource aspect, so as to keep open as wide an area as possible for free fishing, were only a handful of the nearly-100 participating countries in the conferences of 1958 and 1960. The views of the nations favouring wider fishery jurisdiction were powerful, because the principle of laissez-faire, or free access, which would apply to fishing beyond coastal jurisdiction, could benefit only those who were strong enough to rely upon this principle. Even though in the conferences of 1958 and 1960 extension of coastal fishery jurisdiction as such was not accepted, no one could doubt that the trend the world was turning towards at that time could be deviated no longer.

Being aware of this trend, the United States knew in the late 1960s and early 1970s that it could not but give support to the claims to wider fishery jurisdiction in order to secure the unhindered passage of warships through international straits. At the United Nations Seabed Committee, the concept of the exclusive fishery zone and that of the patrimonial sea were introduced respectively by Kenya in 1972 and by Mexico and a few other Caribbean countries in 1973. No one could divert this trend towards expansion of the exclusive interest of the coastal States aimed at enjoyment of the fishing resources in offshore areas. The only possibility was to attempt to mitigate the exclusiveness claimed by the coastal States by imposing some restrictions on their competence.

Thus Part V of the Draft Convention on the Law of the Sea of 1980, comprising 21 articles, provides for a new regime of the exclusive economic zone. Certainly the exclusive economic zone as defined in the Draft Convention is different from a simple expansion of the territorial sea, in that some restrictions are imposed on the competence of the coastal States, and there are still many ambiguities left in this concept. Yet nobody today may doubt that fishing in the exclusive ecomonic zone falls within the exclusive interest of the coastal States. Whatever the outcome of UNCLOS III in the years to come, there does not remain any doubt that the concept of the exclusive economic zone has its firm position in customary international law.

What I have been talking about concerning the continental shelf and the exclusive economic zone may be summarized as follows. In the offshore areas now, which, just like the land areas, cover approximately one-third of the globe, exclusive control of resources has been established through UNCLOS III in favour of the geographically-privileged nations, in terms of the redefined continental shelf for mineral resources and the exclusive economic zone for fishery resources. Such development in the past three-and-a-half decades has completely changed the meaning of the ocean as interpreted under traditional international law. And I have no doubt that the concept of permanent sovereignty over natural resources, which has already been established for land resources, will eventually apply to those marine resources which fall under the exclusive control of each coastal State.

There still remains another half of the ocean, covering one-third of the globe, which is not placed within the exclusive control of each coastal nation. The problem which faces us now and in the future relates to how the marine resources in this remaining half of the ocean should be treated under international law. These resources are mineral resources beyond the outer limit of the continental shelf, and fishery resources beyond the exclusive economic zone.

With regard to the mineral resources in the seabed of the vast ocean beyond the limit of the continental shelf, the concept of the common heritage of mankind is now being suggested. Taking an initiative in this direction, for the first time at the United Nations General Assembly, the delegate of Malta, in 1967, considered that the time had come to declare this area to be the common heritage of mankind and proposed that immediate steps should be taken to draft a treaty for such a purpose. After three years of deliberations at the United Nations Seabed Committee, in 1970 the United Nations General Assembly declared that this area and the resources of the area were the common heritage of mankind, and that all activities regarding the exploitation of these resources should be governed by an international regime to be established.

The deliberations and negotiations continued for ten years, and UNCLOS III has now produced a set of very detailed provisions on this question in the Draft Convention on the Law of the Sea prepared last year. 59 articles in Part XI concerning this area, 20 articles in Annex 3 on Basic Conditions of Prospecting, Exploration and Exploitation and 13 articles in Annex 4 on Statute of the Enterprise are devoted to the exploitation of this area and its mineral resources, which are defined as the common heritage of mankind.

Yet for the past few years UNCLOS III has run onto the rocks, the main problems still remaining to be solved at future sessions being the composition of the Council of the Seabed Authority, which is to have decisive competence in the exploitation of this area, and the participation of private exterprise in paralled with direct exploitation by international enterprises. It is reported that the United States blocked UNCLOS III early this year, mainly because the Reagan administration was not yet in a position to determine its own policy towards this particular problem, reflecting the dissatisfaction felt by the hard-mineral industries of the United States, with the ways and means of exploitation suggested in the Draft Convention.

Now I will turn to ocean fishing. Here the concept of the common heritage of mankind has not been suggested in any formal forum of the United Nations, as it has traditionally been considered that the freedom of fishing has existed here. But I submit that the fact is that the real and difficult problems of fishing have not been touched upon in past discussions at UNCLOS III and are now left for future discussions.

Suggestions were often made at the early stages of UNCLOS III to drop fishing from the list of the freedoms of the high seas. The Draft Convention on the Law of the Sea last year did mention as one of the six freedoms of the high seas that of fishing, but subject to certain conditions concerning management and conservation of the living resources of the high seas. It suggests the co-operation of States in the management and conservation of living resources, but without mentioning any concrete substance of management. I submit that the drafting of the provisions concerning high seas fisheries is very imprecise: the duty for co-operation seems rather abstract and there is no provision referring to how international co-operation in the management and conservation of high seas fishery resources can be carried out in a concrete way. Considering this problem of the management and conservation of high seas fisheries, it will perhaps be as well to reflect for a moment on the history of high seas fishing during the past decades.

In the post-war period, the necessity of joint conservation measures had come to be widely recognized for certain species of living resources, and this has never been contested by any nation. However, the principle of free competition among States obtains only where demands upon resources do not overwhelmingly exceed the amount of allowable catch, and conservation measures take the form of restrictions on permissible fishing gear, fishing seasons, or fishing areas. If a fundamental change in circumstances should occur, each State will undoubtedly be inclined to minimize its own sacrfice and to maximize its own share of resources quite independently of any reasoning in favour of preferential distribution of resources.

This problem may best be illustrated by a simple example. If the total possible catch of a certain species is 150, and prudent conservation practice demands that the total allowable catch be only 100, the burden of abstaining from harvesting the additional 50 will have to be imposed in some way upon the States concerned in exploiting the available 100. Each State may, of course, freely compete in fishing within the total allowable catch of 100. Free competition, however, does not satisfy States which so substantially pre-empt the fisheries concerned that fishing by any newcomer will necessarily decrease their own catch, nor will it be acceptable to nations with less advanced technologies and economies.

In such cases, conflict will inevitably occur between two parties who might otherwise agree upon the desirability of conservation of marine living resources. One will adhere to traditional arguments of free competition in fishing on the high seas, especially since its own technology and economy can bring to it a larger share of resources, while the other, seeking to assure itself of a constant, preferably large, share of the resources, might invoke all kinds of reasoning in an attempt to keep its competitors from exploiting the areas it considers most important. The problems inherent in the allocation of limitations have in fact made it difficult to reconcile conflicting national interests even among those States which are most vitally concerned with the conservation of resources.

The case of Antarctic whaling may offer an interesting example of the allocation of marine living resources among the various States. Antarctic whaling had been open to those countries which, under the 1946 Whaling Convention, were able to compete freely for their maximum share within the total limit set by the International Whaling Commission. Several countries, all of which were advanced nations, were engaged in Antarctic whaling in expeditions known as the "whaling olympic". These activities had been generally regarded as typical of exploitation respecting conservation requirements on an international level. However, towards the end of the 1960s it had become increasingly difficult to maintain a system of free competition. The allocation of quotas among the States concerned, based simply on the result of negotiations each year, has become the practice in Antarctic whaling, replacing the "whaling olympic".

The decline of the laissez-faire policy which had been maintained in ocean fishing, even potentially, during past centuries, coincides with the growing concept of the common heritage of mankind suggested for the mineral resources of the deep ocean floor. Certainly in the case of ocean fishing, the problems are different from those encountered in seabed development, as some nations may claim that they already possess certain fishing rights in the vast ocean, acquired on the basis of longstanding fishing operations. Yet these advanced nations are very limited in number. I think that discussions will eventually be held on the new concept of the common heritage of mankind applicable to ocean fishing similar to those discussions centred on seabed mineral resources in UNCLOS III.

I cannot conclude my talk without referring very briefly to a further difficult problem of the future Law of the Sea which represents another aspect of the development of ocean resources. That is the issue of protection of the marine environment. With regard to marine pollution, the Law of the Sea, like environmental issues in general, is facing the basic problem of "development versus protection of the environment". One of my friends said at UNCLOS III: "Poor pollution, no one is in your favour". There are always pros and cons to the various topics at UNCLOS III, but certainly no one has ever been in favour of marine pollution. If disposal of waste or discharge of pollutants into the sea were to be completely prohibited, the problem would then be much simpler—at least, for those unconcerned with land pollution. However, the disposal of some waste and discharge of some pollutants as a result of economic development are unavoidable. In fact, the sea becomes ever more attractive to any nation or to any industry for this purpose. If we were to completely prohibit this activity, we would have to run down a great deal of industrial and social progress, and the cost would be extremely high. The shipping industry, too, would labour under an immense and costly handicap.

Thus, although no one ever doubts the necessity of environmental protection of the ocean, stringent environmental control could raise opposition from industry. A balance must be struck between the two opposite policies, namely the encouragement of economic development and the protection of the marine environment. In addition, a further consideration is how to spread the burden between the different nations: the burden of sacrificing economic development for the protection of the marine environment. We find ourselves confronted by maximum levels of pollution, and the concomitant necessity that we consider how to parcel out restrictions on industry to prevent further pollution. Aside from the question of whether the parcelling should be done by industry or by nation, it is noteworthy that among the developing nations there are those for whom "development" takes precedence over "environment". While saddling the developed countries with the burden of preventing marine pollution, they expect to continue developing as they see fit, free from all restrictions. Some years ago I predicted that the concept of the common heritage of mankind would also be introduced in this respect, and said that this might become one of the topics to be discussed at any future conference on the Law of the Sea. Here again the Law of the Sea may eventually face problems related to how to allocate sacrifices imposed in environmental protection as each nation, in its relationship with other countries, tries to minimize the burden on its industry necessitated by pollution control, even while recognizing the existence of overall limits.

I now come to the conclusion. Or, rather, I now come to the point where I must pose questions. On the one hand, the question of exclusive use being reserved to each coastal nation has now become defined in terms of either the concept of the redefined continental shelf or that of the exclusive economic zone. On the other hand, in the areas beyond, the concept of the common heritage of mankind has been introduced for the exploitation of their mineral resources, and, in future, almost without doubt, this concept will apply also to fishery resources or even to protection of the marine environment. What really faces us today is, first, how to distribute and allocate the limited amount of ocean resources, mineral or living, among the sovereign nations, each of which will naturally try to maximize its own share; and, secondly, how to distribute and allocate among the sovereign nations the sacrifices—and again each nation will naturally try to minimize its own sacrifice—involved in protection of the marine environment necessitated by economic development.

Does simply suggesting the concept of the common heritage of mankind provide us with any solution? What does the phrase "common heritage of mankind" really mean? What is the substance behind this expression? I am not in a position to comment on the legal implications the 1970 United Nations General Assembly resolution might have. The declaration does not necessarily specify by whom and how the deep ocean floor could be developed, nor by whom and how the benefits would be shared. The substance of the "the common heritage of mankind" involves various interpretations. The idea of liberty as distinct from license has always implied certain checks and balances. However, if this idea of freedom is to be denied and replaced by some new idea of justice, then new principles must be worked out. The mere words "common heritage of mankind" are pious but empty. Simply to formulate some machinery is also useless. As the issues discussed at UNCLOS III are related to the areas which are considered those of the common heritage of mankind, the interests of land-resource-possessing and non-possessing countries are so conflicting as to raise the spectre of bloody confrontations.

What kind of idea in principle can we obtain if we are to put substance into the conceptual expression "common heritage of mankind"? If we consider the complexities of national interests that are still strongly projected onto the common heritage, then it can be said that international society has not yet developed to such a high level of responsibility or harmony that we can talk with common understanding of the "common heritage of mankind". People today appear to be satisfied with the mere somewhat beautiful-sounding words. As I stated at the outset, land resources are unevenly divided among the sovereign nations, developed or developing, and offshore resources are reserved only for the benefit of the geographically-privileged coastal nations. Considering this, the problem of how to implement the concept of the common heritage of mankind with regard to sharing the benefits of the vast ocean resources, and sharing the sacrifices or burdens of economic development for the protection of the vast ocean, must be seen as a dominant problem which it is urgent to face and solve.

I thus have not given any solution, or even a hint of any solution, to these difficult problems of resource-sharing and burden-sharing. I intend only to suggest that we should go beyond a simply playing with the beautiful catch-phrase, "common heritage of mankind". To do so will require the close examination of not only international lawyers, but also economists, political scientists, and even philosophers, who are concerned with the future fate of the world community. That examination will be necessary, moreover, not for the sole sake of the Law of the Sea, but in order to put real backbone into the New International Economic Order, that concept which is now gaining ground in every corner of the world, and which likewise must not be allowed to remain a mere shibboleth.

Mr. Dean, distinguished members of the Faculty, ladies and gentleman, allow me once more to thank you sincerely for the honour you have done me and for lending me your kind attention.●

## CLEAN AIR—CONTINUED COMMITMENT CRITICAL

### HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. BROWN of California. Mr. Speaker, the administration's loosely articulated stance on reauthorization of the Clean Air Act is revealing of its unwillingness to go on record against a

program which enjoys strong public support. This support was again made very clear to me this past weekend in a Town Hall Meeting on the Environment I held in my district.

As we await the President's message requesting even more budget cuts, I would like to remind my colleague's of the public's support for clean air and a program to insure the Federal Government's commitment to that goal. It is not time to weaken legal controls; rather it is time to express our commitment, once again, to a healthy nation.

As in past years, I will work for continued progress towards clean air. Unrelenting commitment is critical in this area which can experience devastating setbacks with any loosening of controls. Progress takes years; our commitment must reflect this fact.

I invite my colleagues to read the thoughtful Los Angeles Times editorial appearing over the August recess on reauthorization of the Clean Air Act. The issues raised are even more pertinent now as action is delayed on renewal of this important law.

The article follows:

[From the Los Angeles Times, Aug. 9, 1981]

WHITTLERS, MUDDLERS

The Reagan Administration apparently is not prepared to work as hard to whittle down the federal Clean Air Act as it was to whittle down the federal budget.

The vaguely worded statement of clean-air principles that was issued last week by Anne Gorsuch, administrator of the Environmental Protection Agency, leaves no doubt that the White House would prefer looser controls on air pollution.

But it can also be read as an acknowledgement that the White House does not want to pick a fight with millions of Americans who want cleaner air. The Administration also has its hands full with other matters, like holding onto the budget cuts that it already has and softening up Congress for even deeper cuts.

Congress should take the Administration statement as a sign that it is free to approach the job of extending the Clean Air Act by asking how tough controls must be to keep squeezing pollution out of the air rather than how much they could be relaxed without doing real harm.

In the few places where the statement of principles was explicit, it represented a retreat from the sort of relentless effort that will be required to reduce air pollution—particularly in Southern California.

The statement suggested, for example, that new factories or power plants be allowed to pollute clean air in rural areas faster than the law now allows.

That might make faster economic growth possible in rural areas, but it might also make impossible the task of cleaning up the air in cities downwind from such rural areas. Those are changes in the law that can be made only case by case.

The Administration proposed lifting the limits on the amount of nitrogen oxide that is allowed to escape from automobile exhausts. Any such change would be a serious blow to Southern California and a major step back from standards that the auto industry already is meeting.

Nitrogen oxides are basic elements in smog. They combine with hydrocarbons to create ozone, which irritates the lungs. They are the pollutant that turns the air on smoggy days to the color of cheap bourbon.

In discussing the Administration statement, Gorsuch said last week that she thought a limit of 2 grams of nitrogen oxides for every mile a car travels would be a reasonable emission limit. But 1981 model cars already meet the present standard of 1 gram per mile, and one-third of those cars meet the even tighter standard that will go into effect next year.

There are amendments to the act that can be made without slowing down progress toward cleaner air, some of which have been submitted to Congress by a so-called Working Group of businesses, labor unions and environmental groups in Southern California.

The section of the act that imposes the same deadline for meeting federal clean-air standards on all regions of the country should be changed. Southern California is one of several areas that cannot possibly meet the deadlines. They should be given a longer time, with some interim check points to show that they are at least making progress.

Congress also should address the concern of some Southern Californians about how many more years the so-called "offset" program will allow the region's economic base to grow.

The program requires new or expanded plants that add pollution to the air to offset the new pollution by shutting down or putting tighter controls on existing operations.

Obviously, there will come a time when the controls on all refineries and oil-drilling rigs and other polluting facilities will be as tight as engineers can make them and there can be no more offsets. Some businessmen think Southern California is about to run out of offsets. Most air-quality technicians think there are enough to allow the region to grow indefinitely.

The Working Group suggested an amendment that would allow a new plant to pay a fee if it could not find an offset, the fee to be used on indirect offsets, such as adding fleets of vans that would take more cars off the road.

The use of fees as an alternative to offsets is reasonable as long as Congress could phrase an amendment to the act to make it clear that the fee approach would be a last resort and would be used only after tight controls were indeed in place everywhere.

Whatever Congress does, it should keep in mind that the Clean Air Act is not the federal budget. It does not need to be whittled down. It needs only to be made more effective.●

## RULING OUT REVENUE BONDS

### HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. BEDELL. Mr. Speaker, interest rates today remain so high that many small businesses and family farmers have been forced out of the commercial credit market. At the same time, the conventional Federal programs to assist startup businesses and new farms are being sharply curtailed. Thus, the States have had to assume increasing responsibility for helping to finance local economic development involving small businesses and family farms.

A number of States have turned to the use of industrial revenue bonds to help stimulate local development. IRB's, as they are called, essentially involve the use of tax-exempt bonds to help raise development money at rates less than the prime lending rates.

Quite recently, several States have adapted this concept to help finance the development of family farms. Bond offerings for this purpose often are called "aggie bonds." In my home State of Iowa, an aggie bond program was established last year by the legislature and had been due to go into operation later this year.

The key to making these bond issues work for the truly small business or the starting family farmer has been the issuance of aggregated small issue bonds. In other words, by bundling together a number of small projects, then the costs of legal advice, underwriting services, and so forth, can be spread out over a number of projects and thus become affordable to the individual entrepreneur.

On August 24, though, the Treasury Department issued Revenue Ruling 81-216. The effect of this rule is to make it virtually impossible to bring out aggregate issues of small IRB's or aggie bonds. Thus, many smaller businesses and family farms are being shut out of the program.

This past week I received a letter from Mr. George Schneiderman, a banker in my district who is the vice chairman of the Iowa Family Farm Development Authority. He describes how revenue ruling 81-216 will impede Iowa's efforts to help beginning farmers. At the conclusion of my remarks, I will insert his letter in the RECORD.

Several weeks ago, I wrote to Treasury Secretary Donald Regan, urging him to overturn the Internal Revenue Service's ruling. This week, I joined JOHN DUNCAN and WES WATKINS in preparing a joint letter to Secretary Regan, again urging him to set aside revenue ruling 81-216 because it is overly broad in scope and too disruptive of ongoing State and local development programs.

A copy of our proposed letter to Secretary Regan will appear in the RECORD at the conclusion of my remarks. We have invited interested Members to join us in signing the letter before it is sent next Wednesday. Already, we have had six more Members ask to join us.

At this point in the RECORD, Mr. Speaker, I wish to insert the text of the letter we will send to Secretary Regan and the letter I have received from Mr. Schneiderman.

TEXT OF A LETTER TO BE SENT SEPTEMBER 21, 1981, BY MEMBERS OF CONGRESS

Hon. DONALD T. REGAN,
*Secretary of the Treasury,*
*Washington, D.C.*

DEAR MR. SECRETARY: This is to request that you rescind Revenue Ruling 81-216. That ruling has the effect of prohibiting the issuance of multiple lots of small issue tax-exempt industrial and agricultural development bonds.

A number of states have established agencies which issue "umbrella" bonds to assist small businesses and family farmers. Interest on the bonds is tax-exempt, and the proceeds are used to make low interest loans to individual farmers and small business owners. With commercial interest rates at record high levels and with conventional development assistance to small business and agriculture being sharply curtailed, state and local governments must bear an increasing responsibility for economic development. Consequently we are distressed by Revenue Ruling 81-216 which makes this task much more difficult for the state and local authorities.

We are, of course, troubled by reports that industrial revenue bonds may have been used to benefit certain large corporations that were not intended to be in the program. However, it appears that Revenue Ruling 81-216 is overly broad in its scope, precluding the use of aggregated small issue revenue bonds to help the smaller enterprises the program was established to assist.

Therefore, we respectfully request that the rule be withdrawn. If changes in the industrial revenue bond program are in fact required, they should be much more limited in scope and not cause major disruptions of on-going efforts by the states to aid small businesses and family farmers.

Sincerely,

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ROCK RAPIDS STATE BANK,
*Rock Rapids, Iowa, September 14, 1981.*

Congressman BERKLEY BEDELL,
*Rayburn Office Building,*
*Washington, D.C.*

DEAR MR. BEDELL: Recently you have received letters from several people indicating strong opposition to revenue ruling 81-216, which was issued by the IRS on August 24. As you know, this ruling places more strict limitation on small issue industrial development revenue bonds. This directly affects the Iowa Family Farm Development Authority.

I serve as Vice-Chairman of the IFFDA and would like to add my comments to the ones you have already received.

Perhaps the most distasteful aspect of IRS 81-216, is the fact that it was issued without notice, without public hearing and with immediate effectiveness. I understand that many agencies, including the IFFDA have done considerable work in preparing bond issues for market relying on previously published IRS rulings. For this reason, I would like to see this ruling rescinded. If in fact there are abuses in the issuance of aggregated industrial revenue bonds of one million dollars or less or if the treasury feels that the lost tax revenue because of these types of issues is too severe, it would seem appropriate for treasury to conduct public hearings and announce an effective date which would allow a more orderly change in operating procedures for numerous State Development Authorities.

Here in Iowa, the IFFDA has pursued an individual agricultural development bond program under which industrial revenue bonds as small as $20,000 will be issued to finance the acquisition of agricultural assets for qualifying beginning farmers. This program has some merit but will probably be limited in scope because the funding for these bonds will come from the rural banks making the loans to beginning farmers. However, it is almost certain that the benefits of our program will accrue to the "small" farmer.

Thank you for taking time to consider these comments.

Sincerely,

GEORGE SCHNEIDERMANN,
*President.*

## A TRIBUTE TO BORIS GOLOKOW

### HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. HAWKINS. Mr. Speaker, living in South Gate, Calif., is an 81-year-old gentleman who has made numerous contributions worthy of recognition. I speak of Boris Golokow, born outside Odessa, Russia on March 6, 1900.

In 1905 he immigrated to the United States, settling with his family in Buffalo, N.Y. In 1912 Boris joined the second Boy Scout troop ever formed in Buffalo and began his assent toward the rank of Eagle Scout. He was an active Scout until his enlistment in the U.S. Marine Corps.

On August 21, 1921, he married Esther Golokow, a union that has endured for 60 years. The Golokows are parents of two children, Bruce and Evelyn.

In 1928 this gentleman organized the 3d troop in Lackawanna, N.Y., history at the orphanage of Father Baker. Additionally, he was appointed the district commissioner for Lackawanna District, Buffalo Council, Boy Scouts of America.

He remained active in the youth movement until the Government made a plea for radio instructors in 1943. This man, epitomizing a love for God and country, answered the call serving with the Army/Air Force communication system is the South Pacific during 1944-45.

Upon his return to the United States in 1945, he joined his wife Esther in California and gained employment with B'nai B'rith as the Boy Scout director, District Grand Lodge No. 4. In this capacity he was responsible for 11 Western States. He was also appointed by the Boy Scouts of America as a national Scout commissioner.

In 1949 this energetic citizen organized the first handicapped Cub Scout Pack and Boy Scout Troop on the west coast. In 1962, the Green Meadows District, Los Angeles County Council bestowed upon Mr. Golokow the Silver Beaver Award in recognition of his tireless efforts in behalf of young people.

In 1965 this remarkable man retired at the age of 65 but the thought of slowing down was not among his planned activities and he turned his energies to writing and lecturing. Three years later he focused his writing on our U.S. space program. He also began a lecture circuit of the public school system. Mr. Golokow was named the official "Poet of the Apollo's" by NASA in 1972.

His poetry, focusing on the U.S. space program, has been recognized by five Presidents—Johnson, Nixon, Ford, Carter, and Reagan—the Queen of England, NASA officials, Members of Congress, members of the California State Legislature, 17 astronauts, and many local organizations.

Mr. Golokow was the driving force in the formation of a five-city senior citizen organization boasting a membership of several thousand.

I would suggest that all who have come in contact with Mr. Golokow are inspired by his drive and dedication. Mr. Speaker, the people of South Gate, the State of California and this Nation, are proud of Mr. Golokow.●

## THE PEACE CORPS

### HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. WOLPE. Mr. Speaker, a most significant event in our history occurred 20 years ago today: on September 22, 1961, President John Fitzgerald Kennedy signed the bill establishing the Peace Corps. In the ensuing 20 years, over 100,000 Peace Corps volunteers have served in some 88 countries, helping the people of the developing world learn to build better lives for themselves and their families. These efforts have forged bonds of friendship between our countries.

Our volunteers have made tremendous inroads in the areas of health, nutrition, agriculture. and education, and I have seen it firsthand. For example, when I was in Kenya during my recent tour of Africa, the delegation visited Peace Corps projects, and talked with volunteers. I was tremendously impressed by a volunteer named Cecelia Carlson, from Minneapolis, Minn., who ran a fisheries project in Sagana, about 2 hours from Nairobi. Cecelia is a highly competent, articulate, and enthusiastic person who had been trained in fisheries management and pond construction by the Peace Corps prior to her arrival in Kenya. She had been living in Sagana about 6 months, and had just been through a particularly muddy rainy season, which often made the roads impassable. Nevertheless, with great zeal, Cecelia worked with the villagers introducing fish to the commu-

nity as a good and healthy source of food and protein, as well as a source of income for the community. She showed us fishponds that had just been constructed, and others that were underway.

Cecelia is an example of a well-trained, highly capable volunteer who is little by little helping a community realize its own potential. Other volunteers we visited were Tim Bullard and Joe Permetti, agriculture volunteers in Machakos, a farming district outside of Kenya.

When I met with President Daniel Moi of Kenya, he specifically urged the delegation to convey this message: "Don't reduce the number of volunteers—we need more." U.S. Ambassador William Harrop reiterated this message. The high regard for the Peace Corps and its 200 volunteers in Kenya was continually evident throughout my meeting with officials there.

When my wife and I lived in Nigeria, our house was always open to Peace Corps volunteers. The memories of our visits are warm ones. That is why, on this 20th anniversary, I would like to extend my congratulations to the Peace Corps for its two decades of work in the developing countries.

On this very important day, I call your attention to some historical milestones from the newly published "Twenty Years of Peace Corps," by Dr. Gerard T. Rice. I would also like to add the preface of the book, written by the new Peace Corps Director, Loret M. Ruppe, in which she looks ahead to the challenges of the new decade.

1961—President Kennedy launches the Peace Corps; the first 50 volunteers arrive in Ghana to teach physics, chemistry, math, history, geography and English to secondary school students.

1963—Over 7,000 Peace Corps volunteers at work in 44 countries of Africa, Asia and Latin America.

1965—42,125 Americans apply for Peace Corps service; the number of returned volunteers in America reaches 5,000.

1967—Over 15,000 volunteers and trainees and a Peace Corps presence in 59 countries.

1969—Peace Corps volunteers the world over assist 400,000 farmers, help educate 700,000 school children and help train 55,000 teachers.

1971—Peace Corps volunteers involved in over 540 development projects in 64 countries, speaking 187 different languages and practicing 312 skills.

1973—Peace Corps programs include treating and preventing tuberculosis in Korea, assisting earthquake victims in Nicaragua and contributing to various relief projects in the drought-stricken Sahel.

1975—The Peace Corps initiates its landmark Information Collection and Exchange program to share appropriate technology strategies with volunteers throughout the world; ICE reviews, catalogues and distributes the techniques learned by Peace Corps volunteers during their years of grassroots development experience.

1977—Around 6,000 Peace Corps volunteers renew their emphasis on the basic human needs—food, water, education, shelter—of the poorest peoples in 63 nations.

1979—A Peace Corps survey estimates that volunteers directly help one million people in a single month.

1981—Over 80,000 returned volunteers celebrate the Peace Corps' 20th Anniversary. President Reagan congratulates all volunteers on their contribution to "world peace through international goodwill."

PREFACE

During the past twenty years, over 80,000 Peace Corps volunteers have been busily weaving threads of peace, caring and friendship in the barrios, fields and villages of nearly ninety Third World countries. These threads now encircle the globe.

Volunteers have worked—and continue to work—on the frontiers of poverty, ignorance and underdevelopment. This experience has changed their lives and has left an indelible and positive impression on millions more overseas.

During my recent travels as Peace Corps Director, American ambassadors consistently told me they believe Peace Corps volunteers are the most positive American presence overseas. Third World peoples also acknowledge that volunteers have epitomized America's best qualities. At the 20th Anniversary Conference of Returned Peace Corps Volunteers, in June, 1981, Prime Minister Edward Seaga of Jamaica said: "The Peace Corps . . . is wanted, needed and loved by so many countries of the world."

This book illustrates the magnitude of what the Peace Corps has accomplished in the past two decades. It has often been called "the People Corps", a group working hand in hand with host countries in the human process of development. The work has not been easy; but it has not gone unnoticed or unappreciated. Only a few months ago, the Mayor of Sarbana Larga, in Honduras, stood in his village's dirt-floored school and said to me, "Thank you, America, for sending us these helpers. We know we are poor. But you are helping us and our children."

In 1981, with development and mutual understanding more necessary than ever, we are again looking ahead and preparing to meet the challenges of the new decade. One thing, at least, is certain. Global interdependence is a reality. In a world where 800 million people live in abject poverty and where the next serious conflict between nations could spell the doom of mankind, the need for the Peace Corps is greater than ever.

"Under the banner of the Peace Corps," said President Ronald Reagan in June, 1981, "American men and women have left their families, their jobs, and the security and familiarity of their homes to help the people of other lands." In the process, these volunteers have offered the world a very personal view of Americans putting their ideals and commitments on the line. However, it is important to recognize that this has not been just a one-way street. The Peace Corps has given Americans a path back to themselves as well as to other peoples.

In the next twenty years of the Peace Corps, volunteers will continue to bring back the deep understanding that comes from living with foreign peoples, not as expatriates, but as friends who have shared their food, obeyed their laws, spoken their languages and worked in their fields. In this way, these volunteers will enrich our community, just as they enriched their host countries overseas.

We need the Peace Corps in the 1980's more than we did the first twenty years. The world needs those threads of peace and friendship which Peace Corps volunteers weave. For the developing countries and for America, they are living and working expressions of the best that is in all of us. The Peace Corps' history embodies that spirit. The future holds the promise of further growth and expansion. Now is the time to invest in this precious commodity; now is the time for a Peace Corps renaissance.●

## INTERNATIONAL YEAR OF DISABLED PERSONS

### HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. WINN. Mr. Speaker, as an honorary sponsor of the U.S. Council for the International Year of Disabled Persons, I am pleased to submit the recent comments of David Kearns, Chairman of the U.S. Council and president of the Xerox Corp. His speech, which was given at the Gallaudet College convocation recently, focused on opportunities—especially for disabled persons in this country. He also comments on the International Year of Disabled Persons which, in 1981, is designed to generate more public awareness of the special problems facing the disabled and of ways to help them fully participate in society.

As the sponsor of the legislation which passed the House in April, I am particularly satisfied with the grassroots initiative underway throughout the United States in furtherance of the IYDP. As a nation committed to human rights, to the dignity of all citizens, to equality of opportunity, especially in areas over which our citizens have had no control, we will continue to take the lead as we always have—symbolized in this case by our full participation in the International Year of Disabled Persons.

SPEECH BY DAVID T. KEARNS, XEROX CORP., PRESIDENT AND CHIEF OPERATING OFFICER, AT GALLAUDET COLLEGE, WASHINGTON, D.C., SEPTEMBER 15, 1981

Back in the 16th century, Queen Elizabeth noticed that one of her favorite courtiers, Sir Walter Mildmay, was back after a long absence—an absence she thought was too long. "Sir Walter," she demanded, "Where have you been and what have you been doing?" Mildmay had been away setting up Emanuel College at Cambridge. "Madam," he said, "I have been planting an acorn. And when it becomes an oak, God only knows what it will amount to."

Well, I guess you could say that those of us involved in the International Year of Disabled Persons have been planting an acorn of our own. We've tried to plant the seed of awareness about the disabled—and I think we did. That's what I want to talk to you about today.

I know there are many here today who were at the IYDP organizational meeting

last year. The work done by many of you here at Gallaudet made possible much of what has been accomplished. Indeed, the U.S. Council for IYDP was born right here on this campus.

As you know, a lot of planning went into this effort long before 1981 rolled around. A year and a half of careful work enabled us to—if I may borrow a phrase from one of your more prominent Washingtonians—hit the ground running. Now, 1,750 communities have appointed liaisons to the U.S. Council. Every State has made a visible effort and set up a working group. President Reagan, in one of his first messages, pledged his cooperation to the work of the Council.

When the United Nations proclaimed 1981 the International Year of Disabled Persons, it set a theme for the year. That theme is "full participation of disabled persons in the life of their societies."

Our objective in this country was to promote full participation through the concept of working partnerships—partnerships between the disabled and the nondisabled at the national, State and community levels. We called for—and we got—the commitment of individuals and community groups . . . in cities and towns . . . in corporate boardrooms and school classrooms . . . in union halls and church councils . . . to focus attention on people with disabilities. From New York to Omaha to Los Angeles, there are film programs, speakers bureaus and special seminars.

Across the country, there are programs for businessmen to encourage hiring of disabled persons . . . to train employees in serving disabled customers . . . and to help businesses make their workspaces and buildings more accessible. At Xerox, we made a commitment of our own.

You may know that we've been closed-captioning our television commercials since the beginning of the year. We've also got a special coming up next year on public television, and that will be closed-captioned.

Now, I'm pleased to announce that Xerox is going to sponsor closed-captioning of live Presidential speeches for one year, beginning this fall. Ronald Reagan is the first President to use this technology for the hearing impaired. Every major televised speech he has made, beginning with his inaugural address, has been closed-captioned. The National Captioning Institute picked up the tab for the first four speeches, and Sears, Roebuck paid for the last one. We're very proud to continue this service. It's the only way people with hearing problems can know what their President is saying as he's saying it.

Some time early in the year, a friend sent me a newspaper article written by a columnist in Galesburg, Illinois. I'd like to share it with you.

"I read somewhere," the article began, "that 1981 has been designated as the Year of the Disabled. I don't know who proclaimed it so. I don't even know what it means. Whatever it means, I'm not very excited about it," the article said, "because someone is always dedicating a day, a week or a year to a cause or a group. But after the grand pronouncement, nothing much happens. It will be business as usual for the disabled next year."

Bill Campbell wrote that in his weekly syndicated column from a wheelchair.

He may be right—but I hope not—because much of what happens next year—and the year after—will depend on us . . . on my commitment, on your commitment and on the commitment of the person sitting next to you today.

When we formed the U.S. Council, we planted an acorn that we watched grow all year long. But it's up to us as individuals to water it, to weed it, to nourish it. It's up to us as individuals to help it grow into an oak.

As we all know, the political climate in Washington has changed. Who could have predicted that a candidate running on a platform to cut taxes and Government spending would actually win? Who could have predicted that—having won—he would actually keep his promises? Who could have predicted that he would give new meaning to the phrase, "reorder our priorities?"

Mr. Reagan's success in getting his budget program approved clearly shows that there is a national will to control Federal spending.

The public is beginning to perceive that Washington isn't just a place where we can go to get money from somebody else. The money just isn't there—and we're all going to have to live with a certain amount of belt-tightening. It isn't that Government has failed, or that the system has failed. After all, the institutions we've been so critical of were created by us, through our elected officials.

It's about time we go back to the idea that government isn't somebody else—government is us. For too long, many Americans have been content with the belief that government would take care of them. For too long, many Americans have turned away from one of the pillars of citizenship—service.

No, I don't mean we stopped giving to charities. For a generation, now—in good times and bad—we've added to the pool of charitable funds. In fact, private contributions to nonprofit organizations are now about two percent of our gross national product.

While we have good reason to be proud of this record, it's been accompanied by another disturbing trend—a growing preoccupation with self. During the 1970's, Tom Wolfe called it the "me" decade.

It's an attitude that makes people pull back from their obligations as citizens. They begin to see everything in terms that serve the self—rather than see themselves through service to others. A person who sees his self-worth in terms of a larger car, a better house and a bigger paycheck does well in good times.

But when that economic safety net starts to sag, as ours has, people regroup . . . they become cautious . . . and they start to take a hard look at what's really important. They fall back on traditional values, like stronger commitments to their families . . . to their work . . . and to their communities.

In his latest book, the founder of the polling firm Yankelovich, Skelly and White calls this new emerging philosophy in America a new "ethic of commitment." Daniel Yankelovich says that our economic and political prospects may leave us a little pessimistic. But he believes our cultural prospects—our shared values—are the best foundation for a brighter future.

If you ask any disabled person what value he'd like to share with the rest of us, he'll probably tell you he wants to be independent . . . he wants to have a job . . . he wants to contribute. I believe that through employment and training, the disabled can make their biggest contribution. And so can private industry.

During this International Year, that has to be the most important shared value we have. Providing jobs for the disabled makes sense. It's good for them. It's good for business. And it's good for the economy as a whole.

Right now, one out of four unemployed people is disabled. Over half of the country's disabled of working age are unemployed. That's really incredible. In my own industry, alone, thousands of jobs are going begging in the electronics centers of California and Texas, for lack of trained people.

One of the things we've tried to do in IYDP is to get across the idea that an investment in the disabled is money well spent—it will yield a return.

In a recent column, economist Peter Drucker wrote that the biggest challenge this country faces isn't the need to build more railroads, or the billions of dollars we'll have to spend on energy. The biggest challenge, he says, is to make our education system teach the skills the workplace needs. In fact, the Business Roundtable has called for a national policy to deal with the problem that many American workers don't have the skills to do the jobs that need to be done.

Well, I don't know if we need a national policy. But as a nation trying to make full use of our human resources, I'll tell you what we need. We need to stop skimping on investments in training and education. There's an old Chinese proverb that says if you give a man a fish, he will have a single meal. But if you teach him how to fish, he will eat for the rest of his life.

We're spending $10 to keep disabled persons dependent for every $1 we spend on helping them become self-sufficient. That's a terrible waste. Training is a lot cheaper—and a lot more productive. It costs about $7,000 to train an entry level computer programmer.

Compare that with $22,000 a year it takes to maintain a disabled person in an institution. Business, industry and the American people need to know about the economics involved here.

There was a time when providing training programs for the disabled would have been considered part of business' sense of social responsibility. Today, you'll be much more successful if you appeal to business' knowledge of economics.

Through IYDP, more and more businessmen and women now know about the proven work skills of individuals with disabilities. Our message through the year has been that it is in their economic interest to hire and train disabled workers. It's in the economic interest of the disabled to join the ranks of taxpaying citizens. And it's in the interest of all taxpayers who want to get this economy moving again.

It has been said that America handicaps disabled people, and in so doing, handicaps America, itself. We can no longer afford to deprive ourselves of the manpower and the intellectual talents of our disabled citizens.

In my travels around the country this year, I've been shocked by the amount of ignorance about the disabled. It takes so many forms that a list would fill this whole speech. I've found:

Corporate officers who don't know about the skills disabled people have;

Personnel people who say modifications to work areas are too costly;

Executives who say disabled workers have a higher rate of injury;

Individuals who think that somehow, if you're in a wheelchair, you haven't worked hard enough to overcome the obstacles.

No matter what form it takes, it's still ignorance. And the best weapon against ignorance is information. Misunderstanding—

both of the kinds of handicaps and the individual needs of the disabled—often leads to prejudice.

Abraham Lincoln issued the proclamation that made Gallaudet a reality. I wonder if he sensed that his legacy would include working to reduce another kind of discrimination—one that is as real as the discrimination against people whose skin happens to be a different color. In many areas, Government will provide the impetus—but it's going to be up to us, as individuals, to build on those foundations.

Government grants didn't fund the original production of "Children of a Lesser God"—and they sure weren't responsible for the way that show swept the Tony Awards. A Government grant isn't paying for one of Broadway's upcoming plays about the life of Helen Keller, either. The Rainbow Company of Las Vegas, Nevada, recently won an award as the best new children's theater group in America. There are 450 children in that group—and 80 of them are disabled.

One of the kids in that company says, "We are all equal, even if it's harder for some of us." We can't all join a Broadway cast but we can—through service in our communities—work to reduce ignorance.

Two months ago, a group of disabled people did something that few able-bodied people have managed to do. They climbed to the top of Mount Rainier in Washington State. They did it to celebrate the International Year of Disabled Persons. But they also had another, more profound reason.

One of them put it this way: "If you have a neighbor who is in a wheelchair or is blind, the next time you go fishing . . . ask him to go along. That's why we climbed the mountain . . . to show you that we can do it, too."

At the end of this year, the U.S. Council will cease to exist as an organization. Our role—and our goal—during this year has been to enlighten and to inform. Tangible things like training programs . . . like rehabilitation programs . . . like employment programs for the disabled are important. But they will work only if we change the attitude of the able-bodied towards the disabled.

Our message has been clear: Disabled doesn't mean unable. If that message was understood, then we will have succeeded.

The U.S. Council will close its doors, but if it has opened minds that had been closed, then, in some measure, we have succeeded. I think that is the finest legacy we can hope to leave. The acorn has been planted.

Now, it's up to each of us, as individuals, to help it take root and grow.●

## LOS ANGELES' 200TH ANNIVERSARY

### HON. BOBBI FIEDLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 16, 1981*

● Ms. FIEDLER. Mr. Speaker, on September 4, 1981, the city of Los Angeles celebrated its 200th anniversary. At this time of commemoration, I believe it is important to recognize the rich history of the San Fernando Valley, whose long saga began just 16 years after the founding of the city itself.

As local historians Marie Harrington and Msgr. Francis Weber point out, the San Fernando Valley can trace its beginnings back to 1797, with the founding of the San Farnando Mission. Under the guidance of the mission padres, the area's Shoshone Indians, who became known as the "Fernandinos," were taught, and agriculture, cattle raising and trade began to develop. In 1804, the first adobe huts were constructed around the mission, and in 1806, construction of the first permanent church was completed.

For the next 100 years, the area remained sparsely populated by grain and citrus growers as well as cattle ranchers. It was not until 1913, when Owens Valley water came into the area that towns grew and developed.

The San Fernando Mission today is one of the most authentically restored California missions. On September 13, in conjunction with the Los Angeles Bicentennial celebration, a new Archival Center at the mission created by the Los Angeles Arch Diocese was dedicated. The center features historic documents, rare books, and relics of valley history. A special exhibit on the Bicentennial of Los Angeles was also featured.

I am proud to represent the valley today, an area of vigorous industry and rich cultural and ethnic heritage. In fact, 78 percent of the population gain of the Los Angeles area over the last 12 years is accounted for in the valley's 235 square mile bowl of 22 towns. As we commemorate the history of Los Angeles, let us not forget the importance of the San Fernando Mission and the valley's unique history.●

## IN SUPPORT OF HUMAN RIGHTS

### HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, September 23, 1981*

● Mr. RODINO. Mr. Speaker, while over 260,000 Americans marched on Washington last Saturday to show their united opposition to cuts in social services, thousands of others in towns and cities all across our country were showing their support for Solidarity Day.

In my home city of Newark and its sister city of East Orange hundreds of my constituents gathered in support of basic human rights. The William Manns Civic Association sponsored a rally last Thursday evening in Newark attended by 500 Newark and East Orange residents who signed petitions protesting the Reagan administration's budget reductions and strongly supporting the extension of the Voting Rights Act of 1965.

The organizers of the rally, Mr. William Manns, Ms. Annette Basto, both of whom founded the civic association, and Ms. Mamie Branch, a vice president of the civic association, presented the petitions to me in Newark this Monday. They echoed the concerns of the people—that we in Government should not cut back on programs that have provided jobs, brought millions of Americans out of poverty, expanded the middle class, provided education for the disadvantaged and care for the elderly, and brought a great measure of social justice to our minorities. They were equally concerned that the Voting Rights Act of 1965, a law that has been responsible for over a million of our minority citizens participating in our democratic process, be continued. I hope to be taking my voting rights extension bill to the House floor next week, and I am encouraged by the tremendous grassroots support for the bill.

The message of Bill Manns, Annette Basto, and Mamie Branch and the hundreds of others in my district should be heard by our Government, and I urge my colleagues and the Reagan administration to act on their concerns.●

## COMMENTS ON THE REAGAN ADMINISTRATION'S ACTIONS REGARDING THE WATER RESOURCES COUNCIL AND THE PRINCIPLES AND STANDARDS FOR WATER PLANNING

### HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. EDGAR. Mr. Speaker, two recent actions taken by the Reagan administration have enormous possible implications for the future of national water development. Yet, these actions have been little noted in Congress or the press, and the Reagan administration's decisions on water policy have been largely kept from the public's view.

First, on Friday, September 18, the Water Resource Council published in the Federal Register a one-page notice proposing to repeal the WRC's principles and standards on water resources projects. Speaking for the Cabinet Council on Natural Resources and Environment, Interior Secretary James Watt has stated that the current principles and standards will be replaced with new, simpler, more flexible guidelines; however, these guidelines have not yet been published.

On Monday, September 21, President Reagan issued an Executive order which will result in a fundamental restructuring of national water policy. The Executive order directs the Office of Management and Budget to review all proposed water projects. In effect, the independent review process of the current Water Resources Council would be circumvented.

The first "policies, standards, and procedures" on water development date back to 1961. The Water Resources Planning Act of 1965 established the Water Resources Council. Though water policy rules have been amended often and the planning process has not always worked well, Congress has for the past 16 years maintained a clear commitment to the existence of firm principles and standards for water development and to a formal, independent body to review projects.

Three committees of the House this year have approved H.R. 3432, the Water Resources Policy Act of 1981, which would replace the WRC with some form of a National Board on Water Resources, preserving the current formal structure of water development. The House Interior Committee also suggests a joint Congressional-Executive Commission to study water policy structure for a year. The Senate is also developing similar legislation. Though the Reagan administration opposes this legislation and the water board concept, the House passed energy and water appropriation approves $2.5 million for fiscal year 1982 for continuing the current WRC until new legislation is put into place.

At hearings on water policy legislation it has been completely evident that members from both parties feel it is necessary to perserve a water policy structure formulated by the cooperative efforts of the President and the Congress. However, the administration has repeatedly and uncompromisingly expressed its preference for a so-called Cabinet council approach to water development planning. Now, through Executive order, the President has acted unilaterally to place water planning decisions in OMB. And, if the September 18 proposal is allowed to stand, current environmental and economic rules regarding water development will be abolished even before the reported new guidelines on water development are revealed.

What will be the result of these actions? Aside from the administration denying the clear intent and authority of Congress, it is difficult to say. The practical effect of transferring water planning power in this way will, of course, depend on the priorities of the Reagan administration. The administration claims that the voices of interested Members of Congress will be heard with regard to water policy and that a transfer of planning authority will help to depoliticize the water development planning process. I am not at all sure that this is the case. The administration will face its own political pressures and necessities in the future, and the inherent utility of water projects as political bargaining chips will not be affected by changing the planning process.

I understand the problems that have been faced by the Water Resources Council. As a vocal critic of congressional water policy decisions, I realize fully how legislative attempts at water policy reform have been frustrated in the past. Yet, I do not believe that the failures of the past should give the Reagan adminstration license to attempt a unilateral takeover of water planning authority. In light of continuing legislative activity in the water policy area, the timing of the WRC proposal to repeal the principles and standards and the Executive order giving water planning authority to OMB is somewhat outrageous.●

## PERSONAL EXPLANATION

### HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. JOHN L. BURTON. Mr. Speaker, most unfortunately, I was unable to be present during yesterday's vote concerning an honorary American citizenship for Raoul Wallenberg due to illness. Had I been able to be present, I would have voted "aye."

We now look forward, to our Government diligently pursuing Mr. Wallenberg's release if he is still alive, and if not, we must demand that the Soviet Union tell the world what has happened to his life for the past 36 years in their prisons.●

## SUPPORT FOR ASHBROOK AMENDMENT

### HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. WOLF. Mr. Speaker, I was pleased to support the amendment offered by Congressman ASHBROOK to H.R. 4, the Intelligence Identities Protection Act, and to support H.R. 4 as it was amended.

We have needed to enact legislation to strengthen the intelligence capabilities of the United States by providing stiff criminal penalties for those who expose the identities of our intelligence officers. Too often this exposure has led to an agent's harassment, and sometimes even to his death.

H.R. 4 as it was written was a good beginning toward the goal of protecting the identities of our agents, but it was reported out of committee with an amendment which, in my opinion, weakened it.

The amendment we passed, which Congressman ASHBROOK introduced, strengthened the bill by making the person disclosing the identity of a secret agent liable for fines and imprisonment if he has reason to believe that such disclosure will harm U.S. intelligence operations.

This relieves a burden on the prosecution in identity disclosure cases which was imposed by H.R. 4 as it came out of committee.

Because of the need for a strong law protecting the lives of those men and women who are working under cover to protect our freedom, I wholeheartedly supported H.R. 4 as it was amended, and was very pleased to see its passage in the House of Representatives by an overwhelming majority.●

## PETROLEUM DISRUPTION ACT OF 1981

### HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. WAMPLER. Mr. Speaker, today I join several of my colleagues in sponsoring H.R. 4313, the Petroleum Disruption Act of 1981. The purpose of this legislation is to prevent or lessen the impact of interruptions in our petroleum supplies by establishing a standby program which provides the necessary flexibility and management tools to deal with supply disruptions in a timely and effective manner.

Mr. Speaker, there is a need for this legislation. On September 30 of this year, the Emergency Petroleum Allocation Act of 1973 will expire. While many characterize this statute as too complex, inequitable, and unworkable, the fact is that we will be extremely vulnerable in our ability to respond to petroleum shortages unless we develop a new and improved program to replace EPAA.

I believe that H.R. 4313 can provide the means for a workable emergency preparedness program. This bill gives the President the necessary standby authority to deal with disruptions in a flexible and effective manner, and allows the marketplace to work to the maximum extent possible so that we do not have to depend on massive regulatory action by the Federal Government to find solutions to energy disruption problems.

To begin with, H.R. 4313 requires the President to submit a report on the practicality of using tax incentives to encourage refiners to stockpile crude oil and crude oil products during periods of surplus and draw down these stocks during supply disruptions. More importantly, H.R. 4313 requires the President to develop four standby management programs which could be implemented only upon approval by Congress. Each of these programs would be designed to address varying degrees of disruption, ranging from substantial regional shortages to severe national emergencies.

The first disruption technique is based on the Strategic Petroleum Reserve and would authorize the Department of Energy to sell oil from the Reserve during substantial petroleum disruptions or at times when the international energy program is activated. Such authorized sales would be made to small and independent U.S. refiners and would provide them with some recourse other than the spot market, where prices rapidly escalate during a shortage. A minimum level of Strategic Reserve oil would be withheld from sale for purposes of national security.

The second management tool is a limited allocation program for sales between refiners with adequate supplies in a shortfall and those who cannot operate at the national utilization rate because of a disruption. This program, which implements use of private dedicated reserves, will provide a transition program to deal with regional shortages until the Strategic Petroleum Reserve is filled to a desirable level.

The third management technique is a national crude oil sharing program to be used only in the most severe petroleum supply interruptions. This management technique would require equal distribution of all available crude oil supplies among all refiners, and allow the President to order specific product yields and refinery utilization rates on a refinery-by-refinery basis.

Finally, the bill authorizes a petroleum product allocation program which also is intended for use only during severe national interruptions. This technique would be used only as a last resort, in the event that all other management tools failed to produce an acceptable result. Under this program, the President would have the flexibility to deal with an extreme emergency as he saw fit—either by using price and allocation controls, a national rebate program, or any other plan he found acceptable at the time. To the maximum extent possible, the plan would be designed to protect the following: public health, safety, and welfare; national defense; the maintenance of public services; and the maintenance of agricultural operations, related to the production, processing, and distribution of food.

As you can see, Mr. Speaker, the bill provides for a sequential management system which begins with reliance on the marketplace and then moves toward Government intervention only as necessary and on a limited step-by-step basis. The "trigger problem" is avoided by providing an implementation process which relies on a political rather than a statistical determination of the appropriate point to activate any one of the management techniques. This also provides the flexibility needed to deal with supply interruptions. Adequate oversight of the powers granted by this legislation is provided by requiring Congress to agree on any given set of actions within strict time limits.

Mr. Speaker, I would like to point out that the rural areas of our country are particularly vulnerable to supply disruptions. Refiners serving rural agricultural markets tend to be hardest hit during times of tight petroleum supplies. Farming is an extremely petroleum-intensive industry, and farmers annually spend more than $13 billion for fuel, lubricants, and maintenance of machinery. Yet, even though his petroleum needs are crucial, the American farmer and rancher consumes only 3 percent of the total energy used in the United States.

The farmer's contribution is vital to the survival of us all; and in recognition of this fact, it has been national policy to make sure agriculture does not run out of gas in time of shortages. That policy of high priority must be maintained for the future. I believe H.R. 4313 will maintain that priority and insure that our rural agricultural areas have the fuel they need for vital food production during serious supply interruptions.

Mr. Speaker, I am not without reservations in supporting this legislation. Many feel that private market forces are capable of dealing with regional and national shortages of petroleum supplies, and that the President has adequate authority to deal with such problems should Government intervention be necessary. The proposals contained in the bill deserve the close scrutiny and careful consideration of every Member of Congress.

Nevertheless, I believe it is vital for the country to have the ability to respond to petroleum supply interruptions in a national, effective, and timely manner. H.R. 4313 can provide the first step in meeting these goals, and I am looking forward to working with the administration, my colleagues in the House, and the other body in developing a suitable replacement for the expiring Emergency Petroleum Allocation Act authorities.●

## DO NOT OVERLOOK OVERSIGHT

### HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. LONG of Louisiana. Mr. Speaker, a lesson to be learned from our recent experience with reconciliation concerns the congressional oversight process.

The lesson is: one way to avoid being overrun as a policymaking body is to elevate oversight to the high place it deserves among our obligations and mandated duties.

I say this in a truly bipartisan spirit, for we are all concerned with maintaining the integrity of congressional legislative functions.

One of the most effective ways to evaluate programs, to weigh their comparative values and to determine their true worth to the taxpayer, is through oversight hearings tied, ideally, to the authorization process.

Constructing agendas for such hearings and setting aside adequate time for them are among topics the Subcommittee on the Legislative Process is exploring in a series of weekly hearings on oversight.

There are several new approaches before the subcommittee. The most recent is H. Res. 218, introduced by the Honorable TOBY MOFFETT. This bill provides for an experimental oversight season in January 1982. For a 3-week period, all legislative activity would cease, and Congress would conduct investigative hearings exclusively.

The Honorable TRENT LOTT, ranking minority member of the subcommittee, has introduced H. Res. 100, the Committee Improvement Amendments Act. Section 1, under the subcommittee's purview, would require authorizing committees to present their oversight plans to the Committee on Government Operations. The committee would hold hearings and fashion committee plans into a resolution which would be brought to the floor for House approval.

We are also considering H.R. 2, the Sunset Act, introduced by the Honorable JAMES J. BLANCHARD. H.R. 2 hews closely to the traditional sunset approach in that it calls for barring the expenditure of funds for programs unless these are reviewed and reauthorized at least once in a 10-year period. It also requires that GAO, CBO, and CRS cooperate in preparing an inventory of Federal programs.

H.R. 58, the Sunset Review Act, introduced by the Honorable BUTLER DERRICK and me, as subcommittee chairman, owes a great deal of its evolution to the House committees' experiences with oversight. It was developed on the basis of committee responses to questionnaires we submitted to them. It is a composite of the best features of a number of proposals, including Congressman DERRICK's Sunrise Act in the 96th Congress, which calls for a statement of goals in the report accompanying the bill.

Both H.R. 58 and H.R. 2 feature an oversight agenda and timetable. H.R. 58 incorporates the inventory features of H.R. 2.

Basically, these are the measures before the subcommittee that we will emphasize in our hearings. But we are open to ideas from every quarter.

Last week we were honored to have as panel members and witnesses the

Honorable LEON PANETTA, BERKLEY BEDELL, and JIM BLANCHARD.

The subcommittee's next hearing on oversight proposals will begin at 10 a.m., Friday, September 25, room H-313. Additional hearings are planned throughout the fall.

On behalf of TRENT LOTT and myself, I urge all interested Members to join us in exchanging ideas and opinions on oversight and ways to improve the legislative process.●

## COACH JOHN HOBAN

### HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. DOUGHERTY. Mr. Speaker, these are busy days for the U.S. Congress. We have many pressing problems to consider, ranging from balancing the Federal budget to providing for the adequate defense of the United States. However, from time to time, we should pause, and pay tribute to one of those Americans who embodies many of the principles for which this country stands. On Friday night, September 25, 1981, Mr. John Hoban of Philadelphia will be honored by many friends.

That John Hoban has many, many friends is no secret to all who know him. In fact, John has a gift of making friends wherever he goes. Distinguished by his unfailing consideration of others, he is the kind of friend anyone would be proud to have.

John graduated from Philadelphia's Roman Catholic High School for Boys in 1935 where he served as class president. He achieved all-Catholic recognition for his outstanding performance there on the gridiron. In subsequent years, John became a coach at Roman Catholic High, helping to mold an entire generation of graduates of that fine school to become upstanding citizens.

His outstanding ability is clear to all who have been privileged to work with him. A deeply concerned and caring man, he has never neglected the needs of those around him. He has shared of himself with whomever he has worked. John Hoban is a shining example of what a civic-minded, concerned individual should be.

Above all, in all he did and is doing, John works with the utmost dedication. His commitment to his family, to his friends, and to his community serves as a beacon to every good American.

As the class of 1946 of Roman Catholic High School honors Coach John Hoban at their 35th class reunion, let me add my congratulations to this gentleman and admirable American.●

## NEED FOR CHANGE IN PRESENT PATENT POLICIES

### HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. ERTEL. Mr. Speaker, we are all too painfully aware of the serious problems afflicting our economy today. During the last few months we have looked at several proposals designed to come to grips with our economic problems. One obvious example has been the spirited debate on Federal tax policy. In part, tax legislation has been advanced on the grounds that it is needed to spur new productivity and innovation in the economy. While tax policy is important in any effort to change this Nation's downward trend in productivity, other changes are also necessary if we are to truly advance innovation and productivity.

Today, Senator HARRISON SCHMITT and I are jointly introducing legislation in our respective bodies to improve our Federal patent policies as a part of our overall effort to boost productivity and innovation. We are joined in this effort by a number of our distinguished colleagues in both the House and the Senate. Joint hearings of the House Science and Technology Committee and the Senate Commerce, Science, and Transportation Committee have already been scheduled on these bills for September 30. During the previous Congress, both committees developed an extensive hearing record on this type of legislation. We are hopeful that we will be able to build upon that record to permit timely action on our bills by the committees and the full House and Senate.

These bills provide a greater incentive for contractors engaged in Federal research and development work to bring to the marketplace new inventions which arise in the course of federally sponsored R. & D. by granting title to those inventions, under certain conditions, to the contractors who developed the invention, and who know best how to commercialize it. We must remember that under the present Government patent policy, only about 4 percent of the 27,000 to 30,000 patents held by the Government have been licensed for development. Even fewer of these have been commercialized. The rest of these patents, developed with taxpayer money, do little more than collect dust on some shelf.

Currently, Federal patents are controlled by approximately 26 statutes applying to different agencies and programs, and by Presidential patent policies in all situations not covered by statute. Under this system a contractor's rights may differ not only from agency to agency, but from department to department within an agency. This confused situation is in itself a disincentive to firms which may be interested in commercializing a federally held patent. The legislation Senator SCHMITT and I are introducing today would change this condition by establishing a uniform Federal patent policy.

In addition to this important objective, these bills achieve several other necessary goals including: Making the benefits of Federal R. & D. programs widely available in the shortest practicable time; promoting commercial utilization of inventions in order to maximize our productivity and innovation; encouraging the participation of the most qualified firms or institutions in Federal R. & D. programs; and fostering competition and preventing undue market concentration.

It is commonly recognized that in the process of bringing a product to the market, research accounts for roughly 10 percent of the cost while development makes up 90 percent of the cost. The Federal effort stops with the research part of the process. Without providing exclusive rights, a private firm is often reluctant to invest the resources needed to commercialize the invention where the economic return is unclear. Why spend the development money only to have your competitor capitalize on your investment just before you hit the market? Your competitor will be able to underprice you since he does not have to recover the development costs.

Studies have indicated that commercial utilization of federally held patented inventions is achieved at a much higher rate when, under certain circumstances, the contractor is permitted to obtain exclusive rights to the invention. For example, a NASA study has shown that contractors with exclusivity have achieved commercial utilization of patented inventions at a rate of approximately 20 times greater than that achieved by the agency itself. NASA, which generally has broader authority to grant patent rights to the contractor, has one of the best records of all agencies in obtaining commercialization.

If we are to bring many of these patents, paid for by the taxpayers, to the market, where the taxpayers can enjoy the benefits of their R. & D. investments, exclusivity must be granted to the contractor who originally develops the patent. This exclusivity is provided by granting title to the contractors as contained in the bills Senator SCHMITT and I are introducing.

Concerns have been raised in the past that by granting exclusive rights to contractors, we are allowing a private firm to profit on a patent which belongs to the American people. However, the taxpayers of this Nation

derive little benefit from patents which are not commercialized.

The bill I am introducing in the House today resolves this dilemma by requiring that contractors who are granted title to inventions they develop under Federal research and development contracts, provide payments to the Government through the sharing of royalties and/or revenues in return for the original Federal investment. I believe that this provision will compensate the Government and prevent the contractor from achieving windfall profits at the expense of the taxpayers while still encouraging commercialization of the invention.

Mr. Speaker, I am pleased to have had the opportunity to work with our colleagues in both Houses of Congress to develop legislation which I am convinced that it represents an important part of those changes which are necessary to encourage greater innovation and productivity in this country. I am looking forward to working with my colleagues in the Congress and the administration in this important endeavor.●

## THE PEACE CORPS AT 20

### HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. HALL of Ohio. Mr. Speaker, 20 years ago today, President John F. Kennedy signed into law the Peace Corps Act. At that time, Congress defined the purpose of the Peace Corps to help the people of interested countries and areas in meeting their needs for trained manpower; to help promote a better understanding of Americans on the part of the peoples served; and to help promote a better understanding of other peoples on the part of Americans.

The three goals of the Peace Corps, as they became known, hold a special importance to me. I served as a Peace Corps volunteer.

In 1966 and 1967, I taught English to high school students and adults in Nakonsawan, Thailand, a town of 40,000 in the north-central region. Without the Peace Corps, these townspeople would not have had the opportunity to learn English. This knowledge helped my students understand the Western world and opened up a storehouse of American technical and instructional literature.

I was more than a teacher; I was an ambassador of America. By living, eating, and working with the people of Thailand, I was able to instill an understanding of America. When the townspeople accepted me as one of them, they accepted the Nation I stood for.

Likewise, I gained a respect for the peoples of Southeast Asia when I learned the Thai language and culture. This has since helped me understand the motivation of other peoples in the world.

My service in the Peace Corps provided me broad experience in many aspects of life I could have gotten in no other way. As much as I was able to give to the people of Thailand or to the cause of improving American relations abroad, I feel I gained more through personal growth than I gave.

Since the founding of the Peace Corps 20 years ago, some 80,000 volunteers have shared similar experiences.

The Peace Corps is unique among American foreign assistance programs which offer food, money, or arms, because the Peace Corps offers our most precious resource—our own people. This person-to-person style diplomacy makes little dent in the Federal budget, but it can foster the most valuable kind of friendship among nations.

I hope that in the years to come the Peace Corps is given an opportunity to vigorously pursue the three goals. They are every bit as important in the future decades as they have been in the last 20 years.●

## RURAL FREE DELIVERY BEGAN IN WEST VIRGINIA

### HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. RAHALL. Mr. Speaker, the birthpace of rural free mail delivery is Jefferson County, W. Va., and on October 1, 1896, rural free delivery began out of Charles Town, Uvilla, and Halltown, W. Va.

This year commemorates the 85th anniversary of rural free delivery—one of the oldest Federal Government services, and for this reason, Mr. Speaker, I would like to take this opportunity to honor those pioneers who made this service possible and to commend today's rural letter carriers who continue to render friendly, reliable, and efficient service to millions of Americans.

William L. Wilson, a native of my home State, West Virginia, was appointed Postmaster General by President Grover Cleveland in 1896. Mr. Wilson promised to begin the long deferred rural delivery experiment, which for years had become a tug-of-war between Congress and the Postal Service.

Once Congress set aside $40,000 for the operation, Postmaster Wilson chose his hometown of Charles Town, W. Va. and two other villages, Halltown and Uvilla, as the first sites where free rural delivery would be officially tried.

The five original rural letter carriers traveled their 20-mile routes on horseback, bicycle, or horse and buggy. Today's rural carriers daily travel over 2.3 million miles in 4-wheel-drive jeeps or right-hand-drive cars along one of the 36,102 rural routes throughout the country.

Today, just as in 1896, rural free mail delivery is an essential service to families living in rural regions of the country. As our Nation's population has shifted in the past decade, rural free delivery has grown from serving 10 million Americans in 1970, to over 15 million in 1980.

Rural free delivery, for 85 years, has met the needs of those who rely on this service, especially the elderly and the handicapped. It is an important function, that must continue, because as a resident of Kabletown, W. Va., has said, "We would be pretty lost without rural free delivery."●

## LAND EXCHANGE

### HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 23, 1981*

● Mr. LUJAN. Mr. Speaker, I am today introducing legislation that will enable the city of Albuquerque, N. Mex., to exchange two parcels of land it received under the Recreation and Public Purposes Act (R. & P.P.) for property of equal value which is owned by private citizens.

Such a land swap is prohibited under present law, which states that land acquired under this act must be used for recreation and public purposes or title reverts to the agency that issued the patent.

In this case, the city of Albuquerque acquired in 1963 four parcels of land, each being 1.25 acres, from the Bureau of Land Management under the R. & P.P. Act. Two of the properties were contiguous, but the other parcels were at different locations in a 160-acre tract in the northeast heights area of Albuquerque.

The city wishes to develop a 5-acre park, which would carry out the intent of the law, but is unable to do so because the present properties are not joined by common boundaries.

My bill would simply direct the Secretary of the Interior to release on behalf of the United States certain restrictions contained in the previous conveyance of the land to the city of Albuquerque.

This legislation is supported by the Bureau of Land Management, the city of Albuquerque, and all parties involved. The two individual landowners, who are willing to swap their land to the city, are Mr. Tom Hughes and Mr. Leyburn B. Kimble.

All of the acreage involved in this proposed land exchange is part of a 160-acre tract previously owned by the

Bureau of Land Management. Most of this acreage was sold in the late 1950's and early 1960's, under the Small Tract Act, to private individuals in 1.25-acre parcels.

These properties, located on Montgomery Boulevard between the streets of Eubank and Juan Tabo, are in a section of the city which has experienced rapid development in recent years.

Unfortunately, this land has not been developed because each patent on the 115 tracts of land sold by Bureau of Land Management contained a reservation for a 33-foot-wide easement to the Bureau of Land Management along the boundaries of each parcel for street, road, and public utility purposes.

Because of these so-called floating easements, Albuquerque title insurance companies would not sell title insurance on these tracts of land. The city and Bureau of Land Management have corresponded on this matter for the past 10 years in an effort to find a solution.

In response to my request, the Bureau of Land Management recently filed a disclaimer with the city of Albuquerque, vacating the reservation on each parcel of land. Only the city and public utilities now have the right of eminent domain on these properties, and for the first time title insurance companies are starting to write title policies on the land.

In short, Mr. Speaker, the 160 acres is starting to be developed, and development of the 5-acre city park would contribute to this effort.

Under this legislation, the intent of the Recreation and Public Purposes Act would still be carried out. Therefore, I urge the Congress to take speedy action on this bill.●

## SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, September 24, 1981, may be found in the Daily Digest of today's RECORD.

### MEETINGS SCHEDULED

#### SEPTEMBER 25

9:00 a.m.
*Joint Economic
To hold hearings to review the effects of high interest rates on the economy.
2154 Rayburn Building

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Harold E. Shear, of Connecticut, to be Administrator of the Maritime Administration, Department of Transportation.
235 Russell Building

Finance
Taxation and Debt Management Subcommittee
To hold hearings on miscellaneous tax proposals, S. 578, S. 768, S. 1276, and S. 1472.
2221 Dirksen Building

10:00 a.m.
Armed Services
To hold closed hearings on the military and technical implications of the Airborne Warning and Control System (AWACS) and the F-15 enhancements arms sales package to Saudi Arabia.
S-407, Capitol

Energy and Natural Resources
Energy Research and Development Subcommittee
To hold oversight hearings on the viability of the domestic uranium mining and milling industry.
3110 Dirksen Building

Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

Foreign Relations
To hold hearings on the nominations of Ronald I. Spiers, of Vermont, to be Ambassador to the Islamic Republic of Pakistan, and Harry G. Barnes, Jr., of Maryland, to be Ambassador to India.
4221 Dirksen Building

#### SEPTEMBER 28

9:00 a.m.
*Labor and Human Resources
Aging, Family, and Human Services Subcommittee
To resume oversight hearings on the role of the Federal Government in family planning programs of Title X of the Public Health Services Act.
4232 Dirksen Building

9:30 a.m.
Foreign Relations
International Economic Policy Subcommittee
To hold hearings on international investment policy.
4221 Dirksen Building

*Judiciary
To hold hearings on S. 1630, to reform the Federal criminal laws and streamline the administration of criminal justice.
2228 Dirksen Building

*Select on Indian Affairs
To hold hearings on S. 874, providing for additional protection of steelhead trout as a game fish.
6226 Dirksen Building

10:00 a.m.
Armed Services
To resume hearings on the military and technical implications of the Airborne Warning and Control System (AWACS) and the F-15 enhancements arms sales package to Saudi Arabia.
318 Russell Building

Budget
To hold hearings on the effect of the President's economic program on financial markets.
6202 Dirksen Building

Joint Economic
To hold hearings on the current situation in the municipal bond markets.
2154 Rayburn Building

2:00 p.m.
Finance
Health Subcommittee
To hold hearings on the effectiveness of the End Stage Renal Disease (ESRD) program, focusing on its operation and management.
2221 Dirksen Building

#### SEPTEMBER 29

9:00 a.m.
Armed Services
Military Construction Subcommittee
To hold hearings on S. 1408, authorizing funds for fiscal year 1982 for military construction programs of the Department of Defense (pending on Senate calendar).
212 Russell Building

9:30 a.m.
Energy and Natural Resources
To hold hearings on S. 1544, authorizing funds for fiscal years 1982, 1983, and 1984 for state and local energy block grant programs.
3110 Dirksen Building

Veterans' Affairs
Business meeting, to mark up S. 349, providing for limited judicial review of the administrative action of the Veterans' Administration, and for reasonable fees to attorneys representing legal counsel for veterans, and H. Con. Res. 76, expressing the sense of Congress that the Secretary of the Army provide for a plaque in Arlington National Cemetery honoring members of the U.S. Armed Forces who died during the rescue attempt in Iran.
412 Russell Building

10:00 a.m.
Governmental Affairs
To hold hearings on proposed legislation to extend certain provisions of the Inspector General Act of 1981 to the Departments of Justice, Defense, and Treasury.
3302 Dirksen Building

Governmental Affairs
Governmental Efficiency and the District of Columbia Subcommittee
To resume hearings on S. 744, authorizing the District of Columbia to issue general obligation bonds to pay specified eligible liabilities.
357 Russell Building

Judiciary
Business meeting, to consider pending calendar business.
2228 Dirksen Building

Foreign Relations
Business meeting, to consider the nominations of John G. Dean, of New York, to be Ambassador to Thailand, and M. Virginia Schafer, of Washington, to be Ambassador to Papua, New Guinea, and to serve concurrently as

Ambassador to Solomon Islands, and other pending business.
4221 Dirksen Building

2:00 p.m.
Judiciary
To continue hearings on S. 1630, to reform the Federal criminal laws and streamline the administration of criminal justice.
2228 Dirksen Building

SEPTEMBER 30

9:00 a.m.
Armed Services
Military Construction Subcommittee
To hold hearings to review the plan by the Department of Navy to move certain facilities to the Navy Yard, Washington, D.C.
212 Russell Building

9:30 a.m.
*Banking, Housing, and Urban Affairs
Business meeting, to mark up S. 1230, authorizing the minting of special coins commemorating the 1984 summer Olympic games in Los Angeles, California.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold joint oversight hearings with the House Committee on Science and Technology on Federal patent policy.
235 Russell Building

Environment and Public Works
Business meeting, to mark up S. 1024, authorizing funds through fiscal year 1986 for the construction and safety of Federal highways.
4200 Dirksen Building

Governmental Affairs
Governmental Efficiency and the District of Columbia Subcommittee
To hold hearings on S. Res. 207, disapproving certain action of the District of Columbia government relating to the reform of the sexual assault laws of the District of Columbia.
1318 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Judiciary
Business meeting, to consider pending calendar business.
2228 Dirksen Building

Judiciary
Immigration and Refugee Policy Subcommittee
To hold hearings on matters relating to the hiring of illegal aliens.
412 Russell Building

*Judiciary
Separation of Powers Subcommittee
To hold hearings on proposals to restrict the power of Federal courts in matters of school busing, focusing on the social impact of forced busing.
2228 Dirksen Building

Joint Economic
Monetary and Fiscal Policy Subcommittee
To hold hearings on restoring America's defense industrial base.
357 Russell Building

2.00 p.m.
Environment and Public Works
Business meeting, to continue market of S. 1024, authorizing funds through fiscal year 1986 for the construction and safety of Federal highways.
4200 Dirksen Building

OCTOBER 1

9:30 a.m.
Foreign Relations
To hold hearings on the Airborne Warning and Control System (AWACS) and the F-15 enhancements arms sales package to Saudi Arabia.
1202 Dirksen Building

Labor and Human Resources
To hold hearings on the nomination of C. Everett Koop, of Pennsylvania, to be Medical Director in the Regular Corps of the Public Health Services and the Surgeon General of the Public Health Services, Department of Health and Human Services.
4232 Dirksen Building

10:00
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To resume hearings on S. 1542, prohibiting a company operating a common carrier railroad from holding Federal coal leases unless the coal is used for railroad purposes
3110 Dirksen Building

Judiciary
To resume hearings on S. 1630, to reform the Federal criminal laws and streamline the administration of criminal justice.
2228 Dirksen Building

*Judiciary
Separation of Powers Subcommittee
To continue hearings on proposals to restrict the power of Federal courts in matters of school busing, focusing on the legal and constitutional issues of busing.
5110 Dirksen Building

2:00 p.m.
Foreign Relations
To continue hearings on the Airborne Warning and Control System (AWACS) and the F-15 enhancements arms sales package to Saudi Arabia.
318 Russell Building

Judiciary
Courts Subcommittee
To hold hearings on S. 1107, to require cases of a local or regional nature be filed in the States or regions in which the subject of the suit is found.
2228 Dirksen Building

OCTOBER 5

9:30 a.m.
Judiciary
*Constitution Subcommittee
To resume hearings on proposed constitutional amendments relating to abortion.
2228 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To resume hearings on S. 1182, improving the administration of the Longshoremen's and Harbor Workers' Compensation Act by removing certain inequities, reducing incentives for fraud and abuse, and assuring immediate compensation benefits and competent medical treatment for injured employees.
4232 Dirksen Building

10:00 a.m.
*Judiciary
*Criminal Law Subcommittee
To hold hearings on S. 101 and S. 751, bills to eliminate and establish an alternative to the exclusionary rule in Federal criminal proceedings.
5110 Dirksen Building

Judiciary
Security and Terrorism Subcommittee
To resume hearings on the origin, direction, and support tactics of terrorism.
6226 Dirksen Building

OCTOBER 6

8:30 a.m.
Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To hold oversight hearings on the Department of the Interior's proposed five-year plan of oil and gas development in the Outer Continental Shelf.
3110 Dirksen Building

9:30 a.m.
Governmental Affairs
Intergovernmental Relations Subcommittee
To hold oversight hearings to review standard language to be included in all future block-grant legislation.
Room to be announced

Judiciary
Business meeting, to consider pending calendar business.
2228 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 709, prohibiting the sale of beverage containers without a minimum refund value, and prohibiting the sale of metal beverage containers with detachable openings.
235 Russell Building

Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

Labor and Human Resources
Investigations and General Oversight Subcommittee
To hold hearings to explore the cause and effect of missing children, focusing on home environment, local law enforcement action, and citizen action groups.
4232 Dirksen Building

OCTOBER 7

10:00 a.m.
Judiciary
To resume hearings on S. 1630 to reform the Federal criminal laws and streamline the administration of criminal justice.
2228 Dirksen Building

OCTOBER 14

9:30 a.m.
Judiciary
Agency Administration Subcommittee
To hold oversight hearings on the implementation of the Military Personnel and Civilian Employees Claims Act of 1964, title XXI of the Criminal Code.
357 Russell Building

Judiciary
*Constitution Subcommittee
To resume hearings on proposed constitutional amendments relating to abortion.
2228 Dirksen Building

2:00 p.m.
Judiciary
To hold hearings on S. 1639, to modernize the extradition laws of the United States.
2228 Dirksen Building

OCTOBER 15

9:30 a.m.
Judiciary
*Constitution Subcommittee
To resume oversight hearings on the implementation of the Freedom of Information Act, and on S. 1247, S. 1235, and S. 587, bills providing for the protection of certain confidential information from the disclosure requirements of the Freedom of Information Act.
2228 Dirksen Building

Judiciary
Criminal Law Subcommittee
To resume hearings on S. 101 and S. 751, bills to eliminate and establish an alternative to the exclusionary rule in Federal criminal proceedings.
5110 Dirksen Building

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

1:30 p.m.
Judiciary
Security and Terrorism Subcommittee
To resume hearings on the origin, direction, and support tactics of terrorism.
2228 Dirksen Building

OCTOBER 16

9:30 a.m.
Judiciary
*Separation of Powers Subcommittee
To resume hearings on proposals to restrict the power of Federal courts in matters of school busing, focusing on certain community problems.
2228 Dirksen Building

10:00 a.m.
Judiciary
Security and Terrorism Subcommittee
To continue hearings on the origin, direction, and support tactics of terrorism.
6226 Dirksen Building

OCTOBER 19

9:30 a.m.
Judiciary
Constitution Subcommittee
To resume hearings on proposed constitutional amendments relating to abortion.
2228 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee and Water and Power Subcommittee
To hold joint oversight hearings on hydroelectric development and related licensing procedures.
3110 Dirksen Building

2:00 p.m.
Judiciary
To hold oversight hearings on merger policy in the private sector.
2228 Dirksen Building

OCTOBER 20

9:00 a.m.
Labor and Human Resources
To hold oversight hearings on the implementation of the Comprehensive Employment Training Act (CETA).
4232 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Business, Trade, and Tourism Subcommittee
To hold hearings on S. 1233, establishing a service industries development program in the Department of Commerce.
235 Russell Building

Energy and Natural Resources
To hold joint hearings with the Subcommittee on Nuclear Regulation of the Committee on Environment and Public Works on S. 1606, to provide for a nuclear property damage insurance fund, and to provide funds for the cleanup of the contaminated nuclear facility at Three Mile Island.
3110 Dirksen Building

Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

Environment and Public Works
Nuclear Regulation Subcommittee
To hold joint hearings with the Committee on Energy and Natural Resources on S. 1606, to provide for a nuclear property damage insurance fund, and to provide funds for the cleanup of the contaminated nuclear facility at Three Mile Island.
3110 Dirksen Building

Judiciary
Business meeting, to consider pending calendar business.
2228 Dirksen Building

2:00 p.m.
Judiciary
To hold oversight hearings on the activities of the Public Integrity Section of the Department of Justice.
2228 Dirksen Building

OCTOBER 21

10:00 a.m.
Commerce, Science, and Transportation
Business, Trade, and Tourism Subcommittee
To continue hearings on S. 1233, establishing a service industries development program in the Department of Commerce.
235 Russell Building

Judiciary
To resume hearings on S. 326, prohibiting a refiner, other than an independent or small refiner, from operating a gas station in the United States, and making it unlawful for a supplier to practice price discrimination in the sale of motor fuel.
2228 Dirksen Building

Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings to examine the impact of marihuana on youth, focusing on the areas of health and education.
4232 Dirksen Building

Labor and Human Resources
Education Subcommittee and Employment and Productivity Subcommittee
To hold joint oversight hearings on the implementation of vocational education and youth employment programs.
1224 Dirksen Building

2:00 p.m.
Environment and Public Works
Environmental Pollution Subcommittee
To hold hearings on S. 1018, authorizing funds through fiscal year 1986 for the protection and conservation of fish and wildlife resources along the coastal barriers of the Atlantic and gulf coasts.
4200 Dirksen Building

OCTOBER 22

9:30 a.m.
Labor and Human Resources
To hold oversight hearings on activities relating to affirmative action of the Office of Federal Contract Compliance Programs, Department of Labor.
4232 Dirksen Building

10:00 a.m.
Judiciary
*Juvenile Justice Subcommittee
To hold hearings on the early detection of juvenile crime.
5110 Dirksen Building

OCTOBER 23

10:00 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee and Water and Power Subcommittee
To resume joint oversight hearings on hydroelectric development and related licensing procedures.
3110 Dirksen Building

Judiciary
Separation of Powers Subcommittee
Business meeting, to mark up proposed legislation restricting the power of Federal courts in matters of school busing.
5110 Dirksen Building

OCTOBER 26

9:30 a.m.
Judiciary
Courts Subcommittee
To hold hearings on S. 653, proposed Habeas Corpus Procedures Amendments Act.
2228 Dirksen Building

OCTOBER 27

9:30 a.m.
Labor and Human Resources
To hold hearings on S. 1483, proposed Radiation Exposure Compensation Act.
4232 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To hold oversight hearings on America's role in the world coal export market.
3110 Dirksen Building

Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

Judiciary
Business meeting, to consider pending calendar business.
2228 Dirksen Building

OCTOBER 28

9:30 a.m.
Judiciary
Immigration and Refugee Policy Subcommittee
To hold oversight hearings on the activities of the Immigration and Naturalization Service of the Department of Justice.
2228 Dirksen Building

*Labor and Human Resources
Labor Subcommittee
Business meeting, to consider S. 1182, improving the administration of the Longshoremen's and Harbor Workers' Compensation Act by removing certain inequities, reducing incentives for fraud and abuse, and assuring immediate compensation benefits and competent medical treatment for injured employees.
4232 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To continue oversight hearings on America's role in the world coal export market.
3110 Dirksen Building

OCTOBER 29

9:30 a.m.
Commerce, Science, and Transportation
Business, Trade and Tourism Subcommittee
To hold hearings on S. 1256, to regulate interstate commerce by protecting the rights of consumers, dealers, and end users.
235 Russell Building

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

NOVEMBER 4

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 1541, proposed Retirement Income Incentives and Administrative Simplification Act.
4232 Dirksen Building

NOVEMBER 5

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To continue hearings on S. 1541, proposed Retirement Income Incentives and Administrative Simplification Act.
4232 Dirksen Building

NOVEMBER 11

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To resume hearings on S. 1541, proposed Retirement Income Incentives and Administrative Simplification Act.
4232 Dirksen Building

NOVEMBER 12

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To continue hearings on S. 1541, proposed Retirement Income Incentives and Administrative Simplification Act.
4232 Dirksen Building

NOVEMBER 17

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To resume hearings on S. 1541, proposed Retirement Income Incentives and Administrative Simplification Act.
4232 Dirksen Building

## CANCELLATIONS

SEPTEMBER 24

10:00 a.m.
Judiciary
Separation of Powers Subcommittee
To continue hearings on S. 481, restoring the right of voluntary prayer in public schools and to promote the separation of powers.
2228 Dirksen Building

Labor and Human Resources
Investigations and General Oversight Subcommittee
To continue oversight hearings on the activities of the Occupational Safety and Health Administration.
4232 Dirksen Building

SEPTEMBER 28

1:00 p.m.
Judiciary
*Juvenile Justice Subcommittee
To hold hearings to examine media response regarding its impact on juveniles.
2228 Dirksen Building

OCTOBER 1

9:30 a.m.
Labor and Human Resources
To resume hearings on S. 234, to encourage the establishment of home health care programs and to provide expanded coverage of home health services under the medicare and medicaid programs.
4232 Dirksen Building

OCTOBER 22

9:30 a.m.
Judiciary
Constitution Subcommittee
To resume hearings on S. 1554, S. 1253, S. 482, and S. 440, bills to amend the Federal Criminal Code with respect to the circumstances under which a person charged with or convicted of a crime may be released on bail or personal recognizance.
Room to be announced

NOVEMBER 2

10:00 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To hold oversight hearings on the implementation of Title I, establishing wellhead prices for natural gas, of the Natural Gas Policy Act (P.L. 95-621).
3110 Dirksen Building

NOVEMBER 3

10:00 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To continue oversight hearings on the implementation of Title I, establishing wellhead prices for natural gas, of the Natural Gas Policy Act (P.L. 95-621).
3110 Dirksen Building